

## FISCAL REVIEW SECTION – LEGISLATIVE REFERENCE BUREAU

### **Executive Summary: 2005 Proposed Budget - Milwaukee Public Library (MPL)**

1. Staffing of libraries has been an important issue since 2003. In 2003, library hours were adjusted due to the number of vacancies. Temporary personnel (retired library employees) were hired to assist in sustaining library services throughout MPL. Hours were gradually restored by April 2004. *(Page 4)*
2. The 2005 Proposed Budget decreases MPL's direct labor hours (DLH's) by 11,340, 1.8%, from 642,312 in 2004 to 630,972 in the 2005 Budget. The net authorized positions decreases by 6, 1.5%, from 409 in 2004 to 403 in 2005. Full-time equivalent (FTE) O&M support positions will decrease by 7.78, or-2.4%, and non-O&M funded positions will increase by 1.48, 5.2%. *(Page 5)*

#### Other personnel data and related activities:

- A total of 25 vacant positions within MPL as of October 11, 2004. *(Page 5)*
- Personnel changes, eliminations and reclassifications. *(Pages 5 and 6)*
- Revised library hours. *(Page 6)*
- Revised staffing levels. *(Page 7)*
- Library services and usage. *(Pages 7, 8 and 9)*

5. In the 2005 Proposed Budget, total Operating Expenditures are \$2,158,542, an increase of \$78,108, 3.8%, from the 2004 Budget of \$2,080,434. *(Page 10)*
6. Funding for Equipment Purchases in the 2005 Proposed Budget is \$1,649,686, a decrease of \$565,311, -25.5%, from the 2004 Budget of \$2,214,997. *(Pages 10 and 11)*
7. In the 2005 Proposed Budget, \$500,000 is the estimated Reciprocal Borrowing costs. This is a decrease of \$400,000, -44.4%, from the 2004 Budget of \$900,000. *(Pages 11 and 12)*
8. The 2005 Proposed Budget indicates that MPL has requested \$1,851,499 in grant funding, an increase of \$288,768, 18.5%, from the 2004 Budget of \$1,496,731. *(Pages 13 and 14)*
9. In the 2005 Proposed Budget, the Comptroller's Office projects MPL will generate \$1,772,100 in revenues, a decrease of \$552,300, -23.8%, from the 2004 Budget of \$2,324,400. *(Pages 14 and 15)*
10. The 2005 Proposed Budget provides the Library with \$1,700,000 for capital improvement projects, a decrease of \$300,000, -15.0%, from the \$2 million provided in the 2004 Budget. *(Pages 15, 16 and 17)*

## FISCAL REVIEW SECTION – LEGISLATIVE REFERENCE BUREAU

### 2005 Proposed Budget Summary: Milwaukee Public Library

Expense Category	2003 Actual	2004 Budget	% CHNG	2005 Proposed	(%) CHNG
Operating Budget	\$21,722,615	\$21,191,333	-2.4%	\$20,421,230	-3.6%
Capital	\$2,791,082	\$2,000,000	-28.3%	\$1,700,000	-15.0%
DLH – O&M*	536,616	591,480	10.2%	577,476	-2.4%
DLH – Other Funds*	48,798	50,832	4.2%	53,496	5.2%
Positions	445	409	-8.1%	403	-1.5%

The Library consists of the Central Library, twelve neighborhood libraries, and Mobile and Outreach Services. The Central Library serves as the resource library for the Milwaukee County Federated Library System (MCFLS). The Milwaukee Public Library provides a full array of library services to Milwaukee residents. The Central Library also houses the state funded Wisconsin Regional Library for the Blind and Physically Handicapped.

#### **Departmental Mission Statement:**

*"The Milwaukee Public Library provides materials, services and facilities for all citizens of Milwaukee and others in order to meet present and future informational needs and raise the level of civilization in Milwaukee."*

#### **HISTORICAL INFORMATION**

1. Between 1999-2003, the total number of direct labor hours decreased by 27,727, -4.5%, from 613,141 in 1999 to 585,414 in 2003. The number of authorized positions increased from 419 in 1999 to 445 (30 of the 445 positions were TEACH granted funded) in 2003.
2. The 1999 Adopted Budget provided the Library with \$1,966,000 for capital improvement projects. The funding included \$821,000 by the Library Foundation for the remodeling of Central Library, \$250,000 for Central Library maintenance projects, \$550,000 for Neighborhood Library interior renovation and \$345,000 for Neighborhood Library maintenance projects.
3. In the 2000 Budget, the capital improvement budget was \$880,000 to fund Central Library maintenance and repairs, and \$650,000 and \$230,000, respectively, in maintenance and repairs for neighborhood libraries.
4. The 2001 Budget approved funding for a new Finney (Washington Park) Library. This included \$1,635,000 from capital improvement funding for site acquisition and construction.
5. In 2001, Milwaukee Public Library agreed to adjust its 2001 Budget to cover the 2000 City budget shortfall. The \$399,000 in adjustments resulted in a reduction of: 7.5% in operating expenditures; 60% in the computer replacement budget; 32% in miscellaneous equipment; and 4.6% in purchasing library material (books, videos, etc), which was replaced with funds received through settlement of a federal lawsuit.
6. In the 2002 Budget, through the cooperative efforts between the Mayor and the Library Foundation, the city agreed to attempt to provide the Library with stable funding for 2003, 2004 and 2005. In return, the Library Foundation would provide an annual contribution for library materials.

7. In the 2002 Budget, the Bookmobile received CDBG 2001 reprogramming funds to upgrade and provide computer technology.
8. MPL has traditionally maintained a staff of 4 professional librarians (or more if needed), in a Neighborhood Library, 1 manager and 3 other librarians. In the 2002 Budget, MPL began restructuring and eliminating Librarian II positions from the neighborhood libraries and replacing them with para-professionals, LSA – Reference positions.
9. In the 2003 Budget, restructuring included exchanging some Librarian IIs and Librarian IIIs between Central Library and Neighborhood Libraries to more accurately reflect the library operational needs and service demands in those units. Restructuring also continued by eliminating 8 vacant Librarian II positions and replacing them with LSA-Reference positions in the Neighborhood Libraries. The intent of this staff change was to decrease cost in salaries and wages and continue to provide library patrons with the reference, collection material, programs and reader advisory services requested.
10. In the 2003 Budget, the Center Street Library became the new Community Outreach and Technology Center, funded by CDBG. The library was enhanced with additional computer equipment, resources and computer training. The staffing was changed to focus on computer services, literacy, employment assistance and general computer resources.
11. The new Washington Park Library opened in 2003, replacing the Finney Library. The new two story structure offers traditional library programs, services and collection for adults, young adults and children, state-of-the-art computer technology and utilizes geothermal heating ventilation and air conditioning, requiring little maintenance and is cost effective and energy efficient. *(MPL is the first to install this type of equipment in southeastern Wisconsin.)*
12. The reciprocal borrowing costs issued by the MCFLS office, incurred from October 1, 2002 through September 30, 2003, was \$1,030,109, \$99,891 less than the budgeted amount of \$1,130,000 in 2003. The payment was made to MCFLS in December 2003.
13. In the 2004 Budget the Teach Grant was not renewed. This was state program that funded Computer Services Aides, high school students, to assist library patrons with computer their needs.
14. The 2004 Budget provided \$1million in capital improvements for either remodeling of the neighborhood libraries or for a library consolidation of two branches on the northside. The common council must approve the expenditure of the funds.

# 2004 ISSUES – BACKGROUND TO THE 2005 PROPOSED BUDGET

## Library Hours

In 2003 MPL had a number of vacancies, 88 positions, representing 19.8% of its 445 authorized positions. The vacancies and emergency service (where personnel were loaned to other libraries within the system) did not allow the libraries to provide adequate service during open hours. As a result, the library hours were revised at many neighborhood libraries. Effective October 8, 2003, the following changes took place:

### WEEKLY HOURS

Library	Before 10/8/04	After 10/8/04
Atkinson	53	45, <i>closed on Fridays</i>
Capital	56	49, <i>closed on Fridays</i>
Central	67	64, <i>closed Thursdays evenings</i>
Forest Home	48	40, <i>closed on Fridays</i>
Martin Luther King Jr.	53	45, <i>closed on Fridays</i>
Tippecanoe	53	45, <i>closed on Fridays</i>
Villard Ave.	48	24, <i>closed on Fridays</i>

The hours did not change at the following libraries: Bay View, Center Street, East, Mill Road, Washington Park and Zablocki. And, Sunday hours for October through April were included for Central, Capitol and Zablocki.

In order to assist with service needs, temporary personnel (retired library employees) were hired to assist in sustaining library services throughout MPL.

The 2004 Budget funded all libraries, which included funding to keep Villard Ave open. MPL needed to hire and train the staff to provide service when library hours were restored. It took approximately 4 months to gradually restore library hours.

- Atkinson returned to 53 hours weekly by April 2004
- Capital returned to 60 hours weekly by March 2004 \*
- Central returned to 67 hours weekly by April 2004 \*
- Forest Home returned to 53 hours weekly by April 2004
- Martin Luther King returned to 53 hours weekly by April 2004
- Tippecanoe returned to 53 hours weekly by March 2004
- Villard Ave. increased to 36 hours weekly by January 2004
- increased to 44 hours weekly by February 2004
- returned to 53 hours weekly by March 2004

\* *Sunday hours, for October through April, were included for Central, Capitol and Zablocki.*

# 2005 LIBRARY PROPOSED BUDGET

## PERSONNEL

The 2005 Proposed Budget decreases MPL's direct labor hours (DLH's) by 11,340, 1.8%, from 642,312 in 2004 to 630,972 in the 2005 Budget. The net authorized positions decreases by 6, 1.5%, from 409 in 2004 to 403 in 2005. Full-time equivalent (FTE) O&M positions will decrease by 7.78, or -2.4%, and non-O&M funded positions will increase by 1.48, 5.2%.

### Current Vacancies (As of October 11, 2004)

There are 25 vacant positions within the Library, 6.1% of their 409 authorized positions.

Title	Central	Neighborhood	Total
Circ. Aide	1	5	6
Copy Cataloger II	1		1
Office Asst. II		1	1
Lib. Svcs. Asst.		2	2
Lib. Ref. Asst.	1	2	3
Lib. Cir. Asst. I	3	2	5
Librarian II		1	1
Librarian III	3		3
Librarian IV	2		2
Lib. Branch Mgr.		1	1

There are 8 other possible vacancies projected in 2004 which include:

Title	Central	Neighborhood	Total
Circ. Aide		1	1
Librarian III	3	1	4
Lib. Cir. Asst. I		2	2
Library Tech IV	1		1

The 2005 Proposed Budget restructures Library personnel through the addition, transfer and elimination of positions. This includes:

Title	FTE	Rationale
<b>Neighborhood</b>		
Asst City Librarian	-1.0	Retitled to Manager Neighborhood & Extension Services
Mgr Neighborhood & Ext Svcs	1.0	Retitled from Assistant City Librarian
Librarian III	-4.0	<b>Eliminated</b> due to reduced library hours, <i>vacant</i>
Library Circ Asst I	-1.0	<b>Eliminated</b> due to reduced library hours, <i>vacant</i>
Library Services Asst	-3.0	<b>Reclassified</b> to Library Reference Assistants
Library Reference Asst	3.0	<b>Reclassified</b> from Library Services Assistants
<b>Central Administration</b>		
Copy Catalog Tech II	1.0	<b>Transfer</b> from Serials to Copy Catalog & Database

<b>Central Library Division</b>		
Deputy City Librarian	-1.0	Retitled to Manager Central Library Services
Manager Central Lib Svc	1.0	Retitled from Deputy City Librarian
Management Librarian	1.0	New manager of Humanities
Librarian IV	-1.0	Change in staffing with new manager of Humanities
Library Circ Asst I	-1.0	<b>Elimination</b> due to reduction in library hours, <i>vacant</i>
Library Circ Aide (0.56FTE)	-2.0	<b>Elimination</b> due to reduction in library hours, <i>vacant</i>
Library Circ Asst (0.5FTE)	1.0	New position funded through Interlibrary Loan grant
Library Reference Asst	1.0	New position funded through Interlibrary Loan grant

As a result of the above changes, eliminations and restructuring, 7 FTE's will be eliminated, 6 salary, and 2 (Circ Aides - 0.56 FTE) positions. The restructuring is due to a reduction in library hours.

### Changes to Library Hours

#### PROPOSED 2005 WEEKLY HOURS

Library	Current Hrs.	2005 Hrs.	Detail
Atkinson	53	35	M-Th, 28 hrs @ 7 hrs a day, & 7 hrs F or Sat
Bay View	53	54	M-Th, 40 hrs @ 10 hrs a day, & 14 hrs for F&Sat
Capital	60	54	M-Th, 40 @ 10 hrs a day, & 14 hrs for F & Sat
Center St.	53	52	M&W 16 hrs, T&Th 20 hrs & F&Sat 16 hrs
Central	67	61	M-T, 23 hrs @ 11.5 hrs a day, 34 hrs for W – Sat
East	56	54	M-Th, 40 @ 10 hrs a day, & 14 hrs for F & Sat
Forest Home	53	42	M-Th, 28 hrs @ 7 hrs a day, & 14 hrs for F & Sat
Martin Luther King	53	35	M-Th, 28 hrs @ 7 hrs a day, & 7 hrs for F or Sat
Mill Road	56	54	M-Th, 40 @ 10 hrs a day, & 14 hrs for F & Sat
Tippecanoe	53	42	M-Th, 28 hrs @ 7 hrs a day, & 14 hrs for F & Sat
Villard Ave.	53	42	M-Th, 28 hrs @ 7 hrs a day, & 14 hrs for F & Sat
Washington Park	53	54	M-Th, 40 @ 10 hrs a day, & 14 hrs for F & Sat
Zablocki	60	54	M-Th, 40 @ 10 hrs a day, & 14 hrs for F & Sat

All libraries will have their hours adjusted. Please note the following:

- All branches are open at least 7 hours daily and will close at 8 p.m. Monday through Thursday.
- Atkinson and Martin Luther King will be open on alternate Fridays and Saturdays. On a Friday that Atkinson is open, King will be closed. On a Saturday that King is open, Atkinson will be closed. Staff will partner to cover Friday and Saturday hours.
- Sunday hours, October through April, will not change. They will continue for Central, Capital and Zablocki libraries.
- Although the individual library may be open less hours to the public, the workload will remain the same or increase because the behind-the-scenes work cannot be reduced.

Staffing levels will be changed to accommodate the new revised hours.

**Bay View, Capitol, East, Forest Home, Mill Road, Tippecanoe, Villard Ave., Washington Park and Zablocki libraries will have the following staff:**

- 1 Manager*
- 3 Reference - 1-Librarian III, 1-Librarian II, 1-Library Reference Assistant*
- 1 Library Services Assistant, a clerical supervisor*
- 1 Library Circulation Assistant II or Library Circulation Assistant I*
- 3-4 Library Circulation Assistant I*
- 2-4 Circulation Aides*

**Atkinson Library will have the following staff:**

- 1 Manager*
- 3 Reference - 1-Librarian III, 1-Librarian II, 1-Library Reference Assistant*
- 1 Library Services Assistant, a clerical supervisor*
- 2 Library Circulation Assistant I*
- 3 Circulation Aides*

**Martin Luther King Library will have the following staff:**

- 1 Manager*
- 2 Reference - 1-Librarian III, 1-Librarian II*
- 1 Library Services Assistant, clerical supervisor*
- 2 Library Circulation Assistant I*
- 3 Circulation Aides*

Center Street Library staffing level of 10 positions will remain the same.

**Library Usage**

MPL is the largest public library in the state. As such, the library as a whole provides programs and services for use by its library patrons. These services include class visits from schools, daycare visits, rooms for meetings, computer usage, and programs for the communities and well as those targeted for adults and children. The following are statistics related to the services and programs offered to patrons when the library is open.

**Patron Count**

<b>Library</b>	<b>2002</b>	<b>2003</b>	<b>2004 thru 8/04</b>
Atkinson	137,703	131,725	90,718
Bay View	158,957	158,725	115,363
Capital	194,836	181,672	135,998
Center St.	104,713	127,742	105,909
Central	662,145	592,565	431,279
East	236,445	221,038	155,050
Forest Home	172,234	170,070	115,538
Martin Luther King	138,513	133,715	90,699
Mill Road	194,485	194,485	136,399
Tippecanoe	163,228	160,825	106,827
Villard Ave.	123,691	98,032	68,139
Washington Park	120,167	200,259	156,318
Zablocki	233,547	233,547	159,658

**Circulation Count**

<b>Library</b>	<b>2002</b>	<b>2003</b>	<b>2004 thru 8/04</b>
Atkinson	82,074	70,408	52,331
Bay View	238,642	231,286	164,999
Capital	316,481	291,997	190,258
Center St.	75,563	75,780	45,007
Central	812,670	749,302	516,118
East	282,541	268,649	188,599
Forest Home	159,494	152,888	112,536
Martin Luther King	75,563	67,839	47,013
Mill Road	209,021	193,228	134,505
Tippecanoe	255,378	232,613	153,690
Villard Ave.	133,985	98,440	62,400
Washington Park	84,628	121,826	96,203
Zablocki	418,972	378,527	248,160

**Class Visits – Number of Classes and Attendance**

<b>Library</b>	<b>2002</b>	<b>2003</b>	<b>2004 thru 8/04</b>
Atkinson	22 - 528	8 - 255	11 - 242
Bay View	18 - 451	27 - 784	21 - 627
Capital	34 - 1,652	14 - 476	26 - 727
Center St.	15 - 320	17 - 464	18 - 531
Central	56-1,609	69 - 2,530	42 - 1,469
East	10 - 179	13 - 340	8 - 329
Forest Home	68 - 1,749	75 - 1,824	24 - 640
Martin Luther King	25 - 501	19 - 504	6 - 98
Mill Road	22 - 688	10 - 234	4 - 190
Tippecanoe	135 - 3,256	126 - 2,757	61 - 1,539
Villard Ave.	18 - 404	6 - 93	4 - 78
Washington Park	58 - 1,515	68 - 1,796	51 - 1,043
Zablocki	19 - 462	15 - 506	3 - 79

**Computer Use – Number of Patrons who use computers.**

<b>Library</b>	<b>2003*</b>	<b>2004 thru 7/04</b>
Atkinson	6,356	7,252
Bay View	5,914	6,577
Capital	8,202	8,633
Center St.	5,927	8,233
Central	25,402	27,723
East	8,273	6,673
Forest Home	8,002	8,237
Martin Luther King	5,424	6,018
Mill Road	9,533	9,971
Tippecanoe	4,904	5,687
Villard Ave.	4,607	5,716
Washington Park	10,221	13,815
Zablocki	8,759	9,957

\* From May through December 2003.



### Homework Help - Attendance

Library	2002	2003	2004 thru 8/04
Center St.	33	16	166
Central - CLCR	237	161	55
Forest Home	89	-	-
Martin Luther King	124	119	182
Mill Road	2	-	-

### Community Meetings

Library	2002	2003	2004 thru 7/04
Atkinson	395	256	169
Bay View	99	88	65
Capital	404	416	238
Center St.	217	201	123
Central	179	144	66
East	153	132	125
Forest Home	31	21	13
Martin Luther King	138	116	82
Mill Road	220	184	112
Tippecanoe	136	141	72
Villard Ave.	106	140	56
Washington Park	95	232	277
Zablocki	296	258	127

### Children's Programs – Number of programs and attendance

Library	2003	2004 thru 6/04
Atkinson	59 – 1,036	27 – 618
Bay View	84 – 2,203	41 – 1,041
Capital	59 – 2,361	49 – 3,754
Center St.	114 – 4,877	112 – 2,830
Central	301 – 10,667	134 – 1,609
East	59 – 2,303	16 – 845
Forest Home	158 – 5,805	56 – 2,445
Martin Luther King	112 – 2,813	162 – 1,430
Mill Road	186 – 3,071	36 – 122
Tippecanoe	24 – 406	102 – 5,629
Villard Ave.	191 – 7,177	37 – 1,686
Washington Park	74 – 2,063	103 – 2,494
Zablocki	107 – 5,487	34 – 1,855

**LINE ITEMS**

In the 2005 Proposed Budget, total Operating Expenditures are \$2,158,542, an increase of \$78,108, 3.8%, from the 2004 Budget of \$2,080,434. Major items include:

1. Energy, \$632,850, an increase of \$72,352, 12.9%, from the 2004 Budget of \$560,498, for natural gas, electricity, steam and fuel. The increase is due to energy price increases.
2. Information Technology Services, \$322,066, an increase of \$14,593, 4.7%, from the 2004 Budget of \$307,473 for system support and IT infrastructure. Part of the increase is due to increased cost for data communication services.
3. Reimburse Other Departments, \$107,500, an increase of \$9,429, -9.6%, from the 2004 Budget of \$98,071 for security, communications, water usage, sewer charges, building equipment repair and maintenance. The decrease is due to adjustments for telephone services and vehicle rental.

Funding for Equipment Purchases in the 2005 Proposed Budget is \$1,649,686, a decrease of \$565,311, -25.5%, from the 2004 Budget of \$2,214,997. The major items include:

1. Library Materials, \$1,300,000, a decrease of \$704,219, -35.1%, from the 2004 Budget of \$2,004,213.  
The materials include books, subscriptions, serials, audio visuals and electronic databases for adults, young adults and children, reference and popular, fiction and non-fiction. A popular item may be in hardcover, paperback, audio-cassette, cd, large print, or Spanish. In 2003, MPL spend \$2,025,019.

In the 2005 Proposed Budget, the estimated breakdown for the materials budget of \$1,300,000 includes:

45.0%	\$585,000	Books
40.0%	\$520,000	Subscriptions and standing order serials
15.0%	\$195,000	Electronic reference databases.
Total	\$1,300,000	

In the past, the library materials account included approximately 15% – 19% of funding for Audio, CD, Video and DVD. In 2004, the allocation for Audio, CD, Video and DVD's was estimated at \$209,000. Due to the large decrease in the library materials budget, MPL anticipates that the Library Foundation will provide contributions for this material. A funding amount for 2005 has not been established yet.

In the past, the Library Foundation has made contributions to the Library. For 2002 through 2004, this has included:

<b>Grants to MPL</b>	<b>2002</b>	<b>2003</b>	<b>2004 thru 9/04</b>
Books and materials	\$461,684	\$328,991	\$202,485
Programs	\$127,823	\$266,905	\$117,500
Total Grants	\$589,507	\$595,896	\$319,985

Library material for the Community Outreach and Technology Center and the Bookmobile is funded through CDBG.

2. Computers, \$265,000, an increase of \$110,000, 71.0%, from the 2004 Budget of \$155,000. In order to stay close to the goal of a 4-year replacement cycle, the increased budget is to replace 177 computers purchased in early 2001. The department needs to replace 20 printers currently over 5 years old.

### **RECIPROCAL BORROWING**

In the 2005 Proposed Budget, \$500,000 is the proposed reciprocal borrowing costs. This is a decrease of \$400,000, -44.4%, from the 2004 Budget of \$900,000.

1. **Background** – MPL is a member library of the Milwaukee County Federated Library System (MCFLS). MCFLS by statute, is an agency of Milwaukee County, established in 1973. It is state-funded, a county-wide library cooperative that provides shared services. Shared services include an automated circulation system, reference service and reciprocal borrowing.
2. **Members** - All municipalities within Milwaukee County participate in the System through a member agreement. They include:

*Brown Deer    Greendale    Milwaukee    St. Francis    Wauwautosa*  
*Cudahy    Greenfield    North Shore \*    Shorewood    West Allis*  
*Franklin    Hales Corners    Oak Creek    South Milwaukee    Whitefish Bay*

*\* North Shore is the public library for the communities of Bayside, Fox Point and Glendale.*

One municipality has no local library and participates through a separate contractual agreement. That community is *West Milwaukee*.

3. **Reciprocal Borrowing Cost** – In MCFLS, a reciprocal borrowing transaction occurs when a resident from one municipality checks out or requests materials from another Milwaukee County library. Reciprocal borrowing costs are incurred when materials borrowed between municipalities are not in balance.
4. **Current Member Agreement** – The current member agreement is due to expire December 31, 2004. It was a four-year Member Agreement between MCFLS and the 15 members to cover reciprocal borrowing transactions, computer services, supplies, and postage, and was designed to revise the payment of reciprocal borrowing charges among member communities. It became effective January 1, 2001.

The agreement established the following guidelines and formula for MCFLS and its members:

<b>Agreement Period</b>	<b>Net Lending (a)</b>	<b>Net Borrowing (b)</b>	<b>MCFLS (c)</b>
Year 1, 10/1/00-9/30/01	\$1.75	\$1.75	
Year 2, 10/1/01-9/30/02	\$1.625	\$1.50	\$0.125
Year 3, 10/1/02-9/30/03	\$1.50	\$1.25	\$0.25
Year 4, 10/1/03-9/30/04	\$1.50	\$1.00	\$0.50

- (a) Each library with a positive imbalance in non-resident borrowing with another library shall be reimbursed for each net positive transaction or the actual per circulation rate, whichever is lower
- (b) Each library with a negative imbalance in non-resident borrowing with another library shall provide compensation for each net negative transaction or the actual per circulation rate of the lending library, whichever is lower
- (c) To reconcile the difference, MCFLS shall pay for each net negative or the difference between the net lending library's actual rate and this rate

In effect, the revised formula within the Member Agreement makes it is possible for MPL to gradually pay less if reciprocal borrowing transactions remain the same or decline. If MPL's reciprocal borrowing transactions remain the same or increase, the cost will decrease and other agencies will receive less.

- 5. **New Member Agreement** – In the new Member Agreement commencing January 1, 2005, MCFLS will no longer subsidize the members for reciprocal borrowing costs. The members are required to negotiate agreements among themselves. The state statutes, which governs MCFLS, do not required any payments for reciprocal borrowing. Once a member signs the agreement, for January 1, 2005 through 2007, the member communities may negotiate a fee among themselves.

The communities that have signed the member agreement include Milwaukee, Oak Creek, Hales Corners, South Milwaukee and Whitefish Bay.

6. **Net Borrowed Circulation and Cost**

	10/1/03-9/30/04	10/1/04-9/30/05
Net Borrowed	880,304	
Avg. Unit Cost	\$0.99	
Total Cost	\$872,313	\$500,000

For any MCFLS library, the average unit cost is contingent on the library's operating costs and the number of circulated items. Larger libraries have higher operating costs and smaller larger libraries have lower operating costs. The average unit cost shown above represents the average cost MPL paid to other municipalities.

Reciprocal borrowing costs for Milwaukee has decreased even though Milwaukee residents continue to borrow more materials from suburban libraries than suburban residents borrow from MPL. Data provided by MCFLS indicates that Brown Deer, Greenfield, Wauwatosa and West Allis are suburban libraries to which MPL owes major reciprocal borrowing funds.

The 2004 Budget included \$900,000 for reciprocal borrowing costs incurred from October 1, 2003 through September 30, 2004. ***The final total for reciprocal borrowing costs has been issued by the MCFLS office, and the cost is \$872,313, \$27,687 less than the budgeted amount of \$900,000.*** At this time, there is no projected additional costs for reciprocal borrowing costs. The payment will be made to MCFLS in December 2004.

The 2005 Proposed Budget includes \$500,000 for reciprocal borrowing costs for the next year.

## **GRANTS**

The 2005 Proposed Budget indicates that MPL has requested \$1,851,499 in grant funding, an increase of \$288,768, 18.5%, from the 2004 Budget of \$1,562,731. The grants are:

<b>Grants</b>	<b>2004</b>	<b>2005</b>	<b>\$ Change</b>	<b>% Change</b>
Wisconsin Regional	\$ 747,300	894,466	\$ 147,166	19.7%
Interlibrary Loan	\$66,000	107,033	\$ 41,033	62.2%
Bookmobile-CDBG	\$ 257,000	244,000 *	\$ -13,000	-5.1%
Comm.Tech-CDBG	\$492,431	606,000**	\$ 113,569	23.1%
<b>TOTAL</b>	<b>\$1,562,731</b>	<b>\$1,851,499</b>	<b>\$288,768</b>	<b>18.5%</b>

*\*Proposed 2005 funding of \$244,000 is through 2004 CDBG reprogramming dollars.*

*\*\*Proposed 2005 funding of \$110,000 is through 2004 CDBG reprogramming dollars.*

1. **Wisconsin Regional Library For The Blind and Physically Handicapped Grant, \$894,466** – This grant provides library materials appropriate for use by visually and physically handicapped in the city and state. In 2005, \$894,466 is an increase of \$147,166, 19.7% from the 2004 funding of \$747,300. The grant, from the State of Wisconsin, from July 1, 2005 through June 30, 2006, funds approximately 12 positions. The increased funding is for additional personnel and supplies and the estimated breakdown includes:

Salaries & Wages	\$484,261
Fringe Benefits	174,261
Services & Supplies	88,705
Other	147,166 <i>(estimated additional funding beginning July 2005)</i>
<b>Total</b>	<b>\$894,466</b>

2. **The Interlibrary Loan Services Grant, \$107,033.** This grant is a joint project in cooperation with the State Division for Library Services – Reference and Loan Library and MCFLS which provides library materials not available at most libraries.

The State funding for this service has varied. In 2003, the \$28,750 grant began on July 1, 2003 and ended September 30, 2003, due to the Wisconsin Department of Public Instruction's reduced budget, and less funding to MCFLS. There were 7,628 items circulated.

In 2004, through CCF #031280 and #031280, this grant received a total of \$66,000 in funding from the State and MCFLS, funding 1.5 positions from January 1, 2004 through December 30, 2004. There were 2,978 items circulated through July 31, 2004. (Suburban service did not start until March 1, 2004.)

In the 2005 Proposed Budget, the department has requested \$107,033 in funding from the State and MCFLS, an increase of \$41,000, 62.2% from the 2004 funding. The grant period is from July 1, 2005 through June 30, 2006. Discussions are taking place to secure funding to provide services for the period between January 1, 2005 and June 30, 2005.

The proposed grant funds 2 positions and the estimated breakdown includes:

Salaries & wages	\$69,646
Fringe Benefits	31,197
Services & supplies	4,850
Equipment & Material	600
Total	\$107,033

3. **Bookmobile Links Communities, \$244,000** is part of Mobile Library and Outreach Services. The Bookmobile, recently retrofitted with computers for educational technology. The enhancements included laptops, printers, cabling and Internet. It has been funded by CDBG since 2002, providing library service in the CDBG strategic areas. In 2002, the program received CDBG 2001 entitlement reprogramming funding \$253,471. In 2003, the program received \$248,717 in 2003 CDBG entitlement funding. In 2004, the program received \$257,000 in CDBG entitlement funding.

**In the 2005 Proposed Budget, the bookmobile anticipates receiving \$244,000 through 2004 CDBG reprogramming funding.** The grant will fund 5 positions and the breakdown includes:

Salaries and wages	\$146,400
Fringe benefits	51,972
Other Costs	48,068

4. **Community Outreach & Technology Center, \$606,000** - In 2003, the Center Street Library, funded through CDBG entitlement funding, became the Community Outreach & Technology Center by increasing its support for computers and technology information resources for the public. The enhancements focused on resume services, computer tutoring, employment searches and general computer resource assistance. This service will continue in 2005.

**In the 2005 Proposed Budget, it is anticipated that the Community Outreach & Technology Center will be funded by CDBG through \$496,000 in entitlement and \$110,000 in reprogramming.** The grant will fund 8 positions and the breakdown includes:

Salaries and wages	\$342,390
Fringe benefits	123,018
Other Costs	140,592
Total	\$606,000

The 2005 funding of \$606,000 is \$113,569, an increase of 23.1%, from the \$492,431 in the 2004 Budget. The increase is due to wages and supplies.

## **REVENUES**

In the 2005 Proposed Budget, the Comptroller's Office projects MPL will generate \$1,772,100 in revenues, a decrease of \$552,300, -23.8%, from the 2004 Budget of \$2,324,400. The following chart shows the 2005 expected revenues sources:

Category	2003 Actual	2004 Est.	2005 Proposed	'04-'05 % Chg.
Charges For Services	\$ 498,023	\$ 451,400	\$ 472,100	4.6%
MCFLS	\$1,868,364	\$1,873,000	\$1,300,000	-30.6%
Total	\$2,366,387	\$2,324,400	\$1,772,100	-23.8%

1. **Charges For Services, \$472,100**, an increase of \$20,700, 4.6% from the 2004 estimate of \$451,400; this includes overdue charges, photocopy services, postage, and photocopy coin machines. Major sources of revenue are from over-due book charges and charges for Library services to MCFLS. The library projected estimate of \$519,300 is \$47,200 higher than the Comptroller's estimate \$472,100.
2. **MCFLS, \$1,300,000**, a decrease of \$515,000, -28.3%, from the 2004 estimate of \$1,815,000. The revenue is from 4 separate contracts for 2005. This \$1,300,000 is made up of the following:

Contracts	Est. Amount	Time Period
Resource-Reference	\$ 725,000	1/1/05 - 12/31/07
Cataloging	\$ 418,972	1/1/05 - 12/31/07
Lease Agreement	\$ 105,000	Extended to 12/31/05
Delivery Service	\$ 55,654	1/1/05 - 12/31/05
<b>TOTAL</b>	<b>\$1,304,626</b>	

Due to a new MCFLS member agreement 1/5/05 through 12/31/07, MCFLS will no longer subsidize the costs of reciprocal borrowing payments between its members. This is primarily due to less funding from the State of Wisconsin. Each member of the new agreement, as of October 7, 2004, MPL, South Milwaukee, Whitefish Bay, Hales Corners, Oak Creek and North Shore libraries, will negotiate a reciprocal payments between each other. As an example, MPL must negotiate reciprocal borrowing costs with South Milwaukee, Whitefish Bay, Hales Corners, Oak Creek and North Shore libraries. The communities have until December 31, 2004 to become a member of the new agreement and MCFLS has until the end of January to validate its membership to the state.

## CAPITAL IMPROVEMENT PROJECTS

### 2005 Capital Improvement Projects

The 2005 Proposed Budget provides the Library with \$1,700,000 for capital improvement projects, a decrease of \$300,000, -15.0%, from the \$2 million provided in the 2004 Budget. The projects include:

Item	2002 Actual	2003 Actual	2004 Budget	2005 Proposed
Central Improvements	\$ 722,147	\$ 434,349	\$825,000	\$ 540,000
Central Remodeling	\$ 13,532	\$ 828,815	\$ 0	\$ 0
Central Upgrades	\$ 16,711	\$ 5,787	\$ 0	\$ 0
New Library Project	\$ 547,000	\$ 172,533	\$	\$ 0
Neighborhood Renovations	\$ 1,896	\$ 5,314	\$	\$ 0
Neighborhood Improvements	\$ 2,629	\$ 0	\$ 1,175,000	\$ 1,160,000
Neighborhood Maintenance	\$ 515	\$ 0	\$ 0	\$ 0
New Northside Library	\$ 2,376,313	\$ 1,344,284	\$ 0	\$
<b>Total</b>	<b>\$ 3,133,743</b>	<b>\$ 2,791,082</b>	<b>\$ 2,000,000</b>	<b>\$ 1,700,000</b>

### Central Library - \$540,000

Mechanical Improvements, \$270,000 – In 2004, the paging system was installed. The funds budgeted were only sufficient for the three lowest tiers and the 1<sup>st</sup> and 2<sup>nd</sup> floors. Electrical transformers will be replaced along with related equipment in the electrical substations. Some of the electrical equipment was installed in 1955.

Mosaic & Scagliola Program, \$100,000 – This program involves a systematic and periodic approach to making repairs to the mosaic tile floor and the scagliola in the rotunda of Central library. The repairs will provide restoration and prevent safety hazards.

Interior Repair Program, \$75,000 – This is an on-going scheduled program intended to maintain the interior of the building. The work, carpeting, painting, etc., is on a ten to fifteen year cycle based on the date of the previous work and the current condition.

Exterior Improvements, \$85,000 – This is an ongoing scheduled program of repairs/replacements to the exterior of the library which includes painting, windows, roof and the façade. The stone block and brick façade must be repaired and/or replaced to extend the life of the building. The building is on the National Historic Register and must be maintained to protect the architectural heritage. The cost avoidance for the repair to Chicago bricks is about \$10,000 per year through this regular maintenance and upkeep.

### Neighborhood Library - \$1,160,000

Exterior Repair Program, \$455,000 – This is an on-going program of repairs and replacements of the exterior of library buildings, include parking lots and lights. In 2005, the Zablocki Library is scheduled to have the windows and the tiles on the building façade replaced. The tiles have been falling off for a number of years and there are no replacements for the tile. They will all be removed, the underlying surface repaired and the new tiles installed. The window seals are broken, allowing moisture between the panes, fogging the glass and eliminating the insulating value. MPL will also pursue the expansion of the Atkinson Library parking lot.



Mechanical Upgrade Program, \$455,000 – The mechanical upgrade program provides for the maintenance of electrical, plumbing, HVAC, building controls, and security systems of the neighborhood libraries. Properly working electrical systems impacts on the library patrons and staff. In 2004, an engineering consultant developed a cost/benefit analysis and upgrade plan of the HVAC system for three branch libraries. Based on this initial assessment, the 2005 funding will be used to complete the HVAC upgrade at Capital, Atkinson and Zablocki libraries and will begin at other branches. The same process of engineering review, design and upgrade will be followed for other branch library buildings.

Interior Repair Program, \$250,000 – The interior repair program is an on-going scheduled program to maintain the interiors of the neighborhood libraries. Work is scheduled on a 10 – 15 year cycle based on the date of the previous work and the current condition. The estimates received in the 2004 for carpeting and painting of Center Street Library were significantly higher than budgeted. As a result, Bay View and Zablocki libraries will be carpeted and painted in 2005.

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Fiscal Review Section - LRB  
October 14, 2004

**2005 Milwaukee Public Library  
MCFLS Reciprocal Borrowing Payments  
Proposed Structure**

<b>Lending Library</b>	<b>Items Lent from 7/1/03 - 6/30/04</b>	<b>% of Total Items Lent</b>
Franklin	22,961	2.6
South Milwaukee	6,470	0.7
Greenfield	134,219	15.2
Greendale	16,678	1.9
Oak Creek	1,409	0.2
Wauwatosa	235,241	26.6
West Allis	183,803	20.8
St. Francis	26,812	3.0
Brown Deer	145,108	16.4
North Shore	5,742	0.6
Cudahy	57,349	6.5
Shorewood	38,077	4.3
Hales Corners	9,820	1.1
<b>Net Borrowing by Milwaukee Residents</b>	<b>883,689</b>	<b>100.0</b>

<b>Borrowing Library</b>	<b>Items Borrowed 7/1/03 - 6/30/04</b>	<b>Per Circulation Reimbursement</b>
Whitefish Bay	615 \$	-
West Milwaukee	4364 \$	2.0
<b>Net Lending by Milwaukee Public Library</b>	<b>4979 \$</b>	<b>2.0</b>