



**CITY OF
MILWAUKEE PUBLIC LIBRARY
BOARD OF TRUSTEES
SPECIAL MEETING
NOTICE / AGENDA**

**David Riemer, President
John Gurda, Vice-President
Martin Schreiber, Financial Secretary
Paula Kiely, Secretary**
**Ald. Milele Coggs, Sharon Cook, Ald. Ashanti Hamilton, Arthur Harrington,
Ald. Nik Kovac, Sup. Theo Lipscomb, Joan Prince, Gretchen Schuldt, Dir. Bruce Thompson**
Secretary's Assistant: Crystal Sura (414) 286-302

**Tuesday February 23, 2010
8:00-10:00 A.M.
Central Library Meeting Room 1
814 W. Wisconsin Ave.**

PUBLIC COMMENT

NEW BUSINESS

1. **Library Facilities.** Discussion and action upon a motion to be made relative to a sustainable long-term library facilities plan.

Attachment A, page 2

REMINDER: *Next scheduled meetings are:*

March 25 – Central Library Meeting Room 1 – 8:15 a.m.

April 22 – Central Library Meeting Room 1 – 8:15 a.m.

ADJOURNMENT

Persons engaged in lobbying as defined in s. 305-43-4 of the Milwaukee Code of Ordinances are required to register with the City Clerk's Office License Division. More information is available at www.milwaukee.gov/lobby or by calling (414) 286-2238.

PLEASE NOTE: Upon reasonable notice, efforts will be made to accommodate the needs of individuals with disabilities. Make requests to the Library Director's Office at (414)286-3021, 286-2794 (FAX), 286-3062 (TDD), or Central Library, 814 W. Wisconsin Ave., Milwaukee, WI 53233 Attn: Accommodation Request.

MOTION:

The Milwaukee Public Library Board of Trustees believes that the:

A. The current situation and trajectory of the Milwaukee Public Library system, driven by budget pressures, have resulted in and will continue to produce a steady deterioration in library services and the quality of library facilities, including:

- (1) A steady decline in the average number of hours per week for City-funded neighborhood libraries, amounting to three fewer hours each year for the last five years or a 15-hour reduction altogether;
- (2) A steady decline in the materials budget; and
- (3) The spending of substantial tax dollars to maintain increasingly outdated, technologically inefficient, and unattractive neighborhood libraries that will eventually need to be replaced anyway.

B. An alternative approach, calculated with the assistance of both Library Administration and the City Budget Office to cost no more than what the *status quo* would cost as projected into the future and illustrated in the attached spreadsheet, should be adopted and implemented beginning in 2011, under which:

- (1) The average number of hours per week for City-funded neighborhood libraries is stabilized at 35 hours per week, and increased over time;
- (2) The materials budget is stabilized and increased over time;
- (3) A new configuration of facilities is planned, built, and opened to the public over the next ten years, including the replacement of outdated, inefficient, and unattractive neighborhood libraries with a combination of environmentally efficient, technically up-to-date, and appealing area libraries, mixed use libraries (in addition to the new Villard Library) and express libraries, all of which should enable the use of new information technologies and improve operational efficiency and productivity;
- (4) Priority is given to those buildings in the poorest condition and with the greatest need of capital investment, such that replacement or consolidation with another library results in an enhancement of services with long-term savings;
- (5) In proceeding with the transition from the current situation to the proposed alternative, the Board and Library Director will, as they make facilities-related decisions, seek to minimize the distance and time that Library patrons must travel to reach libraries, and promote ease of access to libraries, taking into account the differing transportation resources available to the residents of Milwaukee and the potential for collaborative relationships with members of the Milwaukee County Federated Library System.

The Board accordingly recommends to the Library Director, the Mayor, and the Common Council that:

A. The alternative approach, outlined above, be adopted and implemented, starting with the 2011 City Budget; and

B. The Library Director, after consultation with the Mayor, Common Council, and the City Budget and Management Director, should proceed with what she determines to be the most appropriate first steps to implementing the alternative approach via the 2011 Capital Budget and 2011 Operating Budget.

Proposed Alternative: Stable Hours and Materials, Functional and Attractive Facilities

	2010	2015-2020
Hours Open *	35 and falling	At least 35
Materials Budget	Declining	Stable
<u>Number of Libraries</u>		
Neighborhood **	11	2
Center Street***	1	1
Central	1	1
Mixed Use Area	0	3
Express		2 or 3
Total	13	11 or 13

* Average number of hours per week for City-funded neighborhood libraries

** Not including federally-funded Center Street Library

*** Funded with federal resources

COST-BENEFIT ANALYSIS OF OPTION 3.

Year	Increased debt service above renovations**	Total extra costs due to new library	Salary/benefit savings***	Fringe benefit savings.****	Operational and equipment savings *****	Savings from 2 branches not needing HVAC replacement.&	Total benefits	Net benefit (cost)	NPV benefit (cost)	Overall NPV benefit/cost
2010*	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2011*	\$93,333.33	\$93,333.33	\$714,562.50	\$292,970.63	\$179,000.00	\$0.00	\$1,186,533.13	\$1,093,199.80	\$1,051,153.65	\$1,051,153.65
2012	\$676,666.66	\$676,666.66	\$820,395.00	\$336,361.95	\$190,160.00	\$0.00	\$1,346,916.95	\$670,250.29	\$619,684.07	\$1,670,837.72
2013	\$1,166,666.67	\$1,166,666.67	\$1,027,023.30	\$421,079.55	\$387,000.00	\$0.00	\$1,835,102.85	\$668,436.18	\$594,237.33	\$2,265,075.05
2014	\$1,166,666.67	\$1,166,666.67	\$758,010.00	\$310,784.10	\$322,000.00	\$0.00	\$1,390,794.10	\$224,127.43	\$191,585.07	\$2,456,660.12
2015	\$1,166,666.67	\$1,166,666.67	\$788,330.40	\$323,215.46	\$334,880.00	\$0.00	\$1,446,425.86	\$279,759.19	\$229,941.66	\$2,686,601.78
2016	\$1,166,666.67	\$1,166,666.67	\$819,863.62	\$336,144.08	\$348,275.20	\$0.00	\$1,504,282.90	\$337,616.23	\$266,823.01	\$2,953,424.79
2017	\$1,166,666.67	\$1,166,666.67	\$852,658.16	\$349,589.85	\$362,206.21	\$0.00	\$1,564,454.21	\$397,787.54	\$302,285.84	\$3,255,710.63
2018	\$1,166,666.67	\$1,166,666.67	\$886,764.49	\$363,573.44	\$376,694.46	\$0.00	\$1,627,032.38	\$460,365.71	\$336,384.72	\$3,592,095.35
2019	\$1,166,666.67	\$1,166,666.67	\$922,235.07	\$378,116.38	\$391,762.23	\$0.00	\$1,692,113.68	\$525,447.01	\$369,172.10	\$3,961,267.45
2020	\$1,166,666.67	\$1,166,666.67	\$959,124.47	\$393,241.03	\$407,432.72	\$0.00	\$1,759,798.23	\$593,131.56	\$400,698.43	\$4,361,965.88
2021	\$1,166,666.67	\$1,166,666.67	\$997,489.45	\$408,970.67	\$423,730.03	\$0.00	\$1,830,190.15	\$663,523.48	\$431,012.20	\$4,792,978.08
2022	\$1,166,666.67	\$1,166,666.67	\$1,037,389.03	\$425,329.50	\$440,679.23	\$0.00	\$1,903,397.76	\$736,731.09	\$460,160.07	\$5,253,138.14
2023	\$1,166,666.67	\$1,166,666.67	\$1,078,884.59	\$442,342.68	\$458,306.40	\$0.00	\$1,979,533.67	\$812,867.00	\$488,186.86	\$5,741,325.00
2024	\$1,166,666.67	\$1,166,666.67	\$1,122,039.97	\$460,036.39	\$476,638.66	\$0.00	\$2,058,715.02	\$892,048.35	\$515,135.69	\$6,256,460.69
2025	\$1,166,666.67	\$1,166,666.67	\$1,166,921.57	\$478,437.84	\$495,704.21	\$0.00	\$2,141,063.62	\$974,396.95	\$541,048.04	\$6,797,508.73
2026	\$1,073,333.33	\$1,073,333.33	\$1,213,598.43	\$497,575.36	\$515,532.37	\$0.00	\$2,226,706.16	\$1,153,372.83	\$615,795.19	\$7,413,303.92
2027	\$490,000.00	\$490,000.00	\$1,262,142.37	\$517,478.37	\$536,153.67	\$0.00	\$2,315,774.41	\$1,825,774.41	\$937,303.74	\$8,350,607.65
2028	\$0.00	\$0.00	\$1,312,628.06	\$538,177.51	\$557,599.82	\$0.00	\$2,408,405.39	\$2,408,405.39	\$1,188,856.63	\$9,539,464.28
2029	\$0.00	\$0.00	\$1,365,133.19	\$559,704.61	\$579,903.81	\$0.00	\$2,504,741.60	\$2,504,741.60	\$1,188,856.63	\$10,728,320.90
2030	\$0.00	\$0.00	\$1,419,738.51	\$582,092.79	\$603,099.96	\$0.00	\$2,604,931.27	\$2,604,931.27	\$1,188,856.63	\$11,917,177.53
2031	\$0.00	\$0.00	\$1,476,528.05	\$605,376.50	\$627,223.96	\$0.00	\$2,709,128.52	\$2,709,128.52	\$1,188,856.63	\$13,106,034.15
2032	\$0.00	\$0.00	\$1,535,589.18	\$629,591.56	\$652,312.92	\$0.00	\$2,817,493.66	\$2,817,493.66	\$1,188,856.63	\$14,294,890.78
2033	\$0.00	\$0.00	\$1,597,012.74	\$654,775.22	\$678,405.43	\$0.00	\$2,930,193.40	\$2,930,193.40	\$1,188,856.63	\$15,483,747.41
2034	\$0.00	\$0.00	\$1,660,893.25	\$680,966.23	\$705,541.65	\$0.00	\$3,047,401.14	\$3,047,401.14	\$1,188,856.63	\$16,672,604.03
2035	\$0.00	\$0.00	\$1,727,328.98	\$708,204.88	\$733,763.32	\$0.00	\$3,169,297.19	\$3,169,297.19	\$1,188,856.63	\$17,861,460.66
2036	\$0.00	\$0.00	\$1,796,422.14	\$736,533.08	\$763,113.85	\$373,333.33	\$3,669,402.40	\$3,669,402.40	\$1,323,513.94	\$19,184,974.59
2037	\$0.00	\$0.00	\$1,868,279.03	\$765,994.40	\$793,638.40	\$373,333.33	\$3,801,245.17	\$3,801,245.17	\$1,318,334.81	\$20,503,309.40
2038	\$0.00	\$0.00	\$1,943,010.19	\$796,634.18	\$825,383.94	\$373,333.33	\$3,938,361.64	\$3,938,361.64	\$1,313,354.88	\$21,816,664.29
2039	\$0.00	\$0.00	\$2,020,730.60	\$828,499.55	\$858,399.30	\$373,333.33	\$4,080,962.77	\$4,080,962.77	\$1,308,566.49	\$23,125,230.77
2040	\$0.00	\$0.00	\$2,101,559.82	\$861,639.53	\$892,735.27	\$373,333.33	\$4,229,267.95	\$4,229,267.95	\$1,303,962.26	\$24,429,193.03
2041	\$0.00	\$0.00	\$2,185,622.21	\$896,105.11	\$928,444.68	\$373,333.33	\$4,383,505.33	\$4,383,505.33	\$1,299,535.12	\$25,728,728.15
2042	\$0.00	\$0.00	\$2,273,047.10	\$931,949.31	\$965,582.47	\$373,333.33	\$4,543,912.21	\$4,543,912.21	\$1,295,278.26	\$27,024,006.41
2043	\$0.00	\$0.00	\$2,363,968.99	\$969,227.28	\$1,004,205.77	\$373,333.33	\$4,710,735.37	\$4,710,735.37	\$1,291,185.12	\$28,315,191.52
2044	\$0.00	\$0.00	\$2,458,527.75	\$1,007,996.38	\$1,044,374.00	\$373,333.33	\$4,884,231.45	\$4,884,231.45	\$1,287,249.40	\$29,602,440.93
2045	\$0.00	\$0.00	\$2,556,868.86	\$1,048,316.23	\$1,086,148.96	\$373,333.33	\$5,064,667.38	\$5,064,667.38	\$1,283,465.07	\$30,885,906.00
2046	\$0.00	\$0.00	\$2,659,143.61	\$1,090,248.88	\$1,129,594.92	\$373,333.33	\$5,252,320.74	\$5,252,320.74	\$1,279,826.28	\$32,165,732.28
TOTALS	\$17,500,000.03	\$17,500,000.03	\$52,749,464.68	\$21,627,280.52	\$22,075,627.83	\$4,106,666.63	\$100,559,039.65	\$83,059,039.62	\$32,165,732.28	\$32,165,732.28

1 branch converts to mixed-use and 2 branches convert into Express Centers in 2011.
 Half of FTE reductions in 2010 spread to other branches. Operational savings from mixed-use and Express Centers happen in 2011.
 1 branch converts to mixed-use in both 2012 and 2013. 3 branches will be replaced by 1 area library in 2013 and one in 2014.

Assumption is 4% inflation cost unless otherwise noted.
 Assumption is that renovations last 25 years vs. 35 years for new building.

*Assume extra funding for conversions to Express Centers and mixed-use in 2010 offsets savings from closing 2 branches vs. renovating.
 **Assume \$2.0 million in extra expenses due to conversions to mixed use vs. renovating these branches
 ***Assumption is 2 area Libraries at cost of \$13.5 million vs. 2 renovations at \$3.0 million (\$10.5 million difference)
 **** Assumption is reduction of 18.5 FTE in 2011, 2.0 FTE in 2012, and 4.5 FTE in 2013. Increase of 5.5 FTE in 2014.
 *****Based on 41% fringe benefit rate.
 ***** Operational savings at Express Centers start in 2011.
 & Based on HVAC repair of \$750,000 adjusted for 4% yearly inflation in next 25 years (\$2.0 million in 2036).

COST-BENEFIT ANALYSIS OF OPTION 3 PLUS ONE ADDITIONAL EXPRES LIBRARY PLUS ONE ADDITIONAL AREA LIBRARY

Year	Increased debt service above renovations**	Total extra costs due to new library	Salary/benefit savings***	Fringe benefit savings****	Operational and equipment savings*****	Savings from 2 branches not needing HVAC replacement.&	Total benefits	Net benefit (cost)	NPV benefit (cost)	Overall NPV benefit/cost
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2010*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2011*	\$93,333	\$93,333	\$714,563	\$292,971	\$179,000	\$0	\$1,186,533	\$1,093,200	\$1,051,154	\$1,051,154
2012	\$676,667	\$676,667	\$820,395	\$336,362	\$190,160	\$0	\$1,346,917	\$670,250	\$619,684	\$1,670,838
2013	\$1,166,667	\$1,166,667	\$853,211	\$421,080	\$197,766	\$0	\$1,472,057	\$305,390	\$271,491	\$1,942,328
2014	\$1,304,667	\$1,304,667	\$758,010	\$310,784	\$21,931	\$0	\$1,090,725	(\$213,942)	(\$182,878)	\$1,759,450
2015	\$1,893,467	\$1,893,467	\$788,331	\$323,215	\$22,809	\$0	\$1,134,355	(\$759,112)	(\$623,935)	\$1,135,515
2016	\$1,875,067	\$1,875,067	\$819,864	\$336,144	\$22,721	\$0	\$1,178,730	(\$696,337)	(\$550,325)	\$585,190
2017	\$1,856,667	\$1,856,667	\$852,659	\$349,590	\$24,669	\$0	\$1,226,918	(\$629,749)	(\$478,557)	\$106,633
2018	\$1,838,267	\$1,838,267	\$886,765	\$363,574	\$25,656	\$0	\$1,275,995	(\$562,271)	(\$410,846)	(\$304,213)
2019	\$1,819,867	\$1,819,867	\$922,236	\$378,117	\$26,683	\$0	\$1,327,035	(\$492,831)	(\$346,257)	(\$650,470)
2020	\$1,801,467	\$1,801,467	\$959,124	\$393,242	\$27,750	\$0	\$1,380,116	(\$421,351)	(\$284,650)	(\$935,119)
2021	\$1,783,067	\$1,783,067	\$997,489	\$408,971	\$28,860	\$0	\$1,435,320	(\$347,746)	(\$225,889)	(\$1,161,009)
2022	\$1,764,667	\$1,764,667	\$1,037,390	\$425,330	\$30,014	\$0	\$1,492,734	(\$271,933)	(\$169,849)	(\$1,330,857)
2023	\$1,746,267	\$1,746,267	\$1,078,885	\$442,342	\$31,215	\$0	\$1,552,442	(\$193,824)	(\$116,406)	(\$1,447,263)
2024	\$1,727,867	\$1,727,867	\$1,122,040	\$460,037	\$32,464	\$0	\$1,614,541	(\$113,326)	(\$65,443)	(\$1,512,706)
2025	\$1,709,467	\$1,709,467	\$1,166,922	\$478,438	\$33,762	\$0	\$1,679,122	(\$30,344)	(\$16,849)	(\$1,529,555)
2026	\$1,895,333	\$1,895,333	\$1,213,599	\$497,576	\$35,112	\$0	\$1,746,287	(\$149,046)	(\$79,577)	(\$1,609,132)
2027	\$996,000	\$996,000	\$1,262,143	\$517,478	\$36,518	\$0	\$1,816,139	\$820,139	\$421,037	(\$1,188,095)
2028	\$487,600	\$487,600	\$1,312,628	\$538,178	\$37,978	\$0	\$1,888,784	\$1,401,184	\$691,664	(\$496,431)
2029	\$469,200	\$469,200	\$1,365,133	\$559,705	\$39,497	\$0	\$1,964,335	\$1,495,135	\$709,654	\$213,223
2030	\$0	\$0	\$1,419,739	\$582,093	\$41,077	\$0	\$2,042,908	\$2,042,908	\$932,357	\$1,145,580
2031	\$0	\$0	\$1,476,529	\$605,376	\$42,720	\$0	\$2,124,625	\$2,124,625	\$932,357	\$2,077,937
2032	\$0	\$0	\$1,535,590	\$629,592	\$44,429	\$0	\$2,209,610	\$2,209,610	\$932,357	\$3,010,294
2033	\$0	\$0	\$1,597,014	\$654,776	\$46,205	\$0	\$2,297,995	\$2,297,995	\$932,357	\$3,942,651
2034	\$0	\$0	\$1,660,894	\$680,966	\$48,054	\$0	\$2,389,913	\$2,389,913	\$932,357	\$4,875,007
2035	\$0	\$0	\$1,727,330	\$708,205	\$49,976	\$0	\$2,485,511	\$2,485,511	\$932,357	\$5,807,364
2036	\$0	\$0	\$1,796,423	\$736,534	\$51,976	\$373,333	\$2,958,265	\$2,958,265	\$1,067,014	\$6,874,379
2037	\$0	\$0	\$1,868,280	\$765,995	\$54,054	\$373,333	\$3,061,662	\$3,061,662	\$1,061,835	\$7,936,214
2038	\$0	\$0	\$1,943,011	\$796,635	\$56,217	\$373,333	\$3,169,196	\$3,169,196	\$1,056,855	\$8,993,069
2039	\$0	\$0	\$2,020,731	\$828,500	\$58,465	\$373,333	\$3,281,030	\$3,281,030	\$1,052,067	\$10,045,136
2040	\$0	\$0	\$2,101,561	\$861,639	\$60,804	\$373,333	\$3,397,338	\$3,397,338	\$1,047,463	\$11,092,599
2041	\$0	\$0	\$2,185,623	\$896,105	\$63,236	\$373,333	\$3,518,297	\$3,518,297	\$1,043,035	\$12,135,634
2042	\$0	\$0	\$2,273,048	\$931,950	\$65,765	\$373,333	\$3,644,097	\$3,644,097	\$1,038,779	\$13,174,413
2043	\$0	\$0	\$2,363,969	\$969,228	\$68,396	\$373,333	\$3,774,926	\$3,774,926	\$1,034,685	\$14,209,098
2044	\$0	\$0	\$2,458,528	\$1,007,997	\$71,132	\$373,333	\$3,910,990	\$3,910,990	\$1,030,750	\$15,239,848
2045	\$0	\$0	\$2,556,869	\$1,048,316	\$73,977	\$373,333	\$4,052,496	\$4,052,496	\$1,026,965	\$16,266,813
2046	\$0	\$0	\$2,659,144	\$1,090,249	\$76,936	\$373,333	\$4,199,662	\$4,199,662	\$1,023,326	\$17,290,139
TOTALS	\$26,905,600	\$26,905,600	\$52,575,667	\$21,627,288	\$2,017,986	\$4,106,667	\$80,327,607	\$53,422,007	\$17,290,139	\$17,290,139

1 branch converts to mixed-use and 2 branches convert into Express Centers in 2011.
 Half of FTE reductions in 2010 spread to other branches. Operational savings from mixed-use and Express Centers happen in 2011.
 1 branch converts to mixed-use in both 2012 and 2013. 3 branches will be replaced by 1 area library in 2013 and one in 2014.

Net Cumulative Savings from Option 3
 Reduction in Savings with new proposal
 Percentage reduction in savings

\$32,165,732
 (\$14,875,593)
 -46%

Assumption is 4% inflation cost unless otherwise noted.
 Assumption is that renovations last 25 years vs. 35 years for new building.

*Assume extra funding for conversions to Express Centers and mixed-use in 2010 offsets savings from closing 2 branches vs. renovating.
 **Assume \$2.0 million in extra expenses due to conversions to mixed use vs. renovating these branches
 **Assumption is 2 area Libraries at cost of \$13.5 million vs. 2 renovations at \$3.0 million (\$10.5 million difference)
 *** Assumption is reduction of 18.5 FTE in 2011, 2.0 FTE in 2012, and 4.5 FTE in 2013. Increase of 5.5 FTE in 2014.
 ****Based on 41% fringe benefit rate.
 ***** Operational savings at Express Centers start in 2011.
 & Based on HVAC repair of \$750,000 adjusted for 4% yearly inflation in next 25 years (\$2.0 million in 2036).

One additional Area Library and one additional Express Library added in 2014