

### Information for new library operations budget

December 22, 2012

New Glarus Library Board of Trustees

Below is an outline of what the current library operating budget is, and what we think the future operations could be - but please note that this is an estimate based on a building proposal (dated Oct. 23), not a guarantee. Refinement of building configuration, equipment to be installed, and programming will dictate final operational costs.

2012 library budget (from budget discussed on 14-Aug-2012 at LB):

Revenue:	
Village support	\$150,703
Green, Dane, Iowa, Lafayette Co.	\$84,017
Other revenues (fines, grants, sales, etc.)	\$9,600
<b>TOTAL</b>	<b>\$244,320</b>

Expenses:	
Salary (4.42 FTE)	\$130,000
Benefits	\$32,928
All other library expenses	\$81,392
<b>TOTAL</b>	<b>\$244,320</b>

On October 24, 2012 the Library Board approved a building concept and budget report as a working document for the library expansion project. That building concept represents "Concept G" and is outlined in the Concept & Budget Report dated October 23, 2012, and includes a building that is ~14,800 gross square feet with a total project cost of \$2,500,000 (Attachment 1).

Anticipated additional expenses in new facility:

1. **Utilities:** electricity, water, and natural gas (the library currently pays its own phone and internet).

The architects have made preliminary estimates of annual utility costs as a required component of the building concept report (Attachment 2). It should be noted that there are important decisions that have yet to be made that could have a large impact on actual utility costs. Perhaps the most important of these decisions are:

- Radiant floor or forced air heating/AC
- Thickness of walls and amount of insulation
- Exact placement of windows
- Efficiency level of windows
- Sustainability technologies like geothermal, PV, etc.

Preliminary annual utility cost estimate:

Electricity	\$14,800
Natural Gas	\$7,400
Sewer and water	\$2,400
Phone/Data	TBD
TV	TBD
Total	\$24,600

2. Mowing & Snow removal

**Mowing:** At the 21-Feb-2012 Village Board meeting, minutes regarding award of 2012 mowing contract read as follows, "Trustee Thoenke reported the Village received 5 bids for mowing services with the low bid coming from Disch Lawncare of Monticello for \$530 for one time mowing of each site. The Village has worked with Disch before and has had no real issues. Trustee Budberg asked about a cost comparison using a Village mower and summer employee. Administrator Owen reported that the Village paid approximately \$15,000 in 2011. He further noted that the Village would need to purchase a mower and the estimated cost for the first year would be \$25,000 with subsequent years averaging \$17,000. Motion by Greg Thoenke, second by Peg Kruse to approve awarding the bid for 2012 mowing contract to Disch Lawncare contingent on receipt of necessary insurance documents. Motion carried."

Therefore, it may be reasonable to expect ~\$100 per mowing, and with a weekly mowing between 1-Mar and 31-Sept, there would be 31 mowings, totaling approximately \$3,100. In 2011, a non-drought year, the village had the parks mowed approximately 28 times.

**Snow removal.** We simply have no idea what this cost would be without calling for bids, and that isn't possible until the amount of uncovered paved surfaces is finalized. We will include a value of \$2,000 for the sake of conservative budgeting.

*We queried Green County Libraries about who pays for grass cutting and snow removal since this is not something that our Village has had to deal with before. One could easily say that since the library is a village property and asset, it should therefore be cared for under village contracts for mowing and snow removal like a Glarner Park or the Village Hall parking lot - and that is what most library-owning municipalities seem to have done.*

Library (community)	Mowing	Snow Removal
Monroe*	Municipality	Municipality
Albany	Volunteers	Volunteers
Brodhead	Municipality	Library
Monticello	Municipality	Municipality

\* The Monroe Public Library is a part of the Monroe School Dist.

The Library Board will request that mowing and snow removal be carried out as an expense of the Village, similar to park maintenance.

3. **Cleaning contract.** This is another detail that is extremely difficult to precisely define until the size and interior layout is finalized. However, in a wide-ranging discussion with Town Chair Seward over potential rent for the proposed Town Hall space inside the library, he mentioned that the Town currently pays approximately \$0.50/sq. ft. annually for cleaning of their current space. If that were extrapolated to include all programming areas in the current concept (Concept G), excluding the proposed Town Hall space, an annual cost might be \$6,530. **HOWEVER, IT IS CAUTIONED THAT THIS IS AN EXTREMELY CRUDE ESTIMATION AND MAY NOT REFLECT REALITY IN ANY WAY.**
  - a. **Elevator maintenance contract.** The architect provided an estimate of what the annual maintenance contract would be for an elevator similar to the one proposed in Concept E, and he replied, "I seem to recall a cost of between \$2K and \$3K a year for a 2-stop hydraulic," which is what we intend to install.
  - b. **Staffing.** We are fortunate that per capita DPI standards exist for staffing, (attachment 2). Using the most recent data, from 2011, the service population is 5,865, or 5.865 capita. On 30-Aug-2012 the Director reported that the LTE staffing level is 4.42, which translates to a FTE per capita of 0.75, which falls between "Enhanced" and "Excellent" service levels, the second highest and highest levels of service, respectively.

Additionally, the Director has commented that she is confident library staff can operate more efficiently in a larger space because staff and pages can work where the need to, when they need to; rather than working around each other and patrons.

4. **Building Insurance.** The library *currently* pays \$4,250-\$4,500 in insurance premiums. While expect this to continue to be a real expense for the library, and are pursuing a more accurate estimate, it is difficult to determine a cost with any precision due to the inherent uncertainties in the building and contents value at this time. Therefore a new insurance value is not included as the increase would be the only NEW expense.
5. **General maintenance fund.** The library should anticipate to the best of its ability ongoing annual maintenance and periodic maintenance that could be required through the years. Discussions of these items include annual expenses like HVAC maintenance, and more episodic events like light bulb changes, A/C compressor failure, roof & exterior maintenance, insurance deductibles for things like and events, etc; and the value suggested by the architects is approximately \$3,000 per year

**SUMMARY TABLE: ESTIMATED new expenses**

Item	Estimated Amount*
Utilities	\$24,600
Mowing & Snow Removal	\$3,100-\$5,100
Cleaning contract	\$6,350
Insurance	?
General maintenance fund	\$3,000
Elevator maintenance contract	\$2,000-3,000
<b>Total</b>	<b>\$39,050-42,050</b>

**AGAIN, PLEASE NOTE THAT WE BELIEVE THIS DECISIONS MADE ON THESE ESTIMATES ARE PREMATURE AND THERE IS A HIGH LIKLIHOOD THAT THESE VALUES WILL CHANGE. THIS IS ONLY AN ESTIMATE BASED ON THE MOST CURRENT INFORMATION AVAILABLE TODAY. IT IS NOT A GUARANTEE.**

**Viable prospects for new library operation revenue that are being pursued currently:**

1. **Revenue based on the cost sharing provision of the Cooperative Boundary Agreement.** This is intended to “make the library whole” due to the fact that Green County reimburses the Library 70% of Town tax collected for the library. Therefore, Using 2011 circulation statistics and associated costs, CBA dictates that \$17,474 would be paid to the library from the Town.
2. **Town Hall rent.** Assuming an agreement is sought, there are many items that could be negotiated in the rental agreement monthly payment, and many potential services that could be “bartered” in exchange for rent, like snow removal. It is too early to know if a mutually agreeable contract will be found. Current discussions suggest that if a rental agreement would proceed, it could generate between \$7,500-\$9,000 in revenue.
3. **Allowable levy increases.** During discussions regarding the village capital commitment to the building project, Administrator Owen was clear that unless the levy limits are eased by the state, no increase in the operating budget should be expected, The Village Board echoed that sentiment, and the Library Board acknowledged unanimous understanding of that in the letter to the Village Board dated June 12, 2012 (attachment 3). However, Administrator Owen did suggest that if in the future levy increases of, for example, 1% were allowed by the state, it may be reasonable to pass along a 1% increase in operating budget to the library.
4. **TID #2 expiration.** The Library Board made a formal request that a portion of the tax revenue to be returned to the Village that must be used for operational costs of the Village with the expiration of TID #2 (currently estimated to be approximately \$16,000) be awarded to the library for operational expenses. This request was made in a letter to the Village Board dated June 14, 2011 (attachment 4).
5. **Operational Reserve/Endowment.** Both funds have been established with the Community Foundation of Southern Wisconsin along with capital building fund, with the explicit purpose of providing a perpetual revenue source. Once building funds have been raised, the library will transition its efforts into building the operational endowment. Already, there have been confidential negotiations regarding contributions into this fund.
6. **Grants.** While public funding sources for buildings are scarce, there are many more opportunities related to programming which have the clear possibility of supplementing the operational side of the ledger. While the focus is primarily on identifying and applying for building grants at this time, several programming grants have been identified and have been targeted for application. These programming grant opportunities are in addition to the grants already applied for by library staff, and are really only possible with the lifting of the severe space constraints the library currently operates under.
7. **Other sources of revenue** are continually being sought by the Library Board.

**Tools the library has to cut operational costs:**

The current concept is reflective of input received during the capital campaign study and design workshop to construct a new library that meets the needs of the community well into the future, utilize high quality and low maintenance materials, and include as many energy efficient features as possible. It is no secret that all of that may not be possible, and there may be a need for compromise on those variables. It is worth noting here that *no one wants a generic building - there is great motivation to produce a facility that is welcoming to those entering the village from the west, and reflective of the Swiss heritage and character of New Glarus.*

Ways the Library Board could reduce operational or building costs, if needed:

- Reducing the overall size of the building
- Eliminating building features
- Using less expensive building materials
- Slowing the rate of growth of collections
- Reducing the total number of hours open per week.
- The Library Board only wants to reduce staffing levels as a measure of last resort

Attachment 1: Project Cost Estimate (10/23/2012)

**New Glarus Public Library**

New Glarus, Wisconsin

**Project Cost Estimate**

Date: October 23, 2012  
Project: New Glarus Public Library

Concept: Final  
Phase: Prelims

Site Acquisition .....	\$0
Abatement .....	\$0
Site Development & Existing Building Demolition .....	\$included below
Building Construction (~14,800 GSF at ~\$131/SF) .....	\$1,940,000
General .....	\$1,340,000
Plumbing & Fire Protection .....	\$200,000
HVAC .....	\$200,000
Electrical.....	\$200,000
Parking, Sidewalks .....	\$included above
Utility Connections (sewer and water) .....	\$included above
Miscellaneous Sitework (Removal, etc.) .....	\$included above
Fixed Equipment (Casework, miscellaneous) .....	\$included above
Electrical Utilities (3 Phase Service - estimate).....	\$5,000
Furnishings & Movable Equipment (reuse existing; Town offices not included) .....	\$160,000
Computers and Related (Phone, data, security, sound, PCs, miscellaneous).....	\$75,000
SUBTOTAL .....	\$2,180,000
Contingency (~4% on Bldg Constr, ~8% on Furnishings & Computers-Related) .....	\$100,000
TOTAL: .....	\$2,280,000
UNIT COST (Per Square Foot at 14,800 GSF, rounded).....	\$154
Professional Design Fees (~9% on ~\$2.3M).....	\$205,000
Physical Relocation .....	\$10,000
Miscellaneous Costs .....	\$5,000
Topographical Survey .....	\$0
Soil Testing .....	\$0
Plan Reproduction .....	\$3,000
Agency Review .....	\$2,000
TOTAL PROJECT COST .....	\$2,500,000

Attachment 2: Utility cost estimate (10/24/2012)

**New Glarus Public Library**

New Glarus, Wisconsin

**Operating Utilities Cost Estimate**

Date:	October 23, 2012	Concept:	Final
Project:	New Glarus Public Library	Phase:	Prelims

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Sewer and Water..... \$200/ month

Sewer and water has not been able to compared with the cost of domestic water within the Village of New Glarus to our other projects. Meter size has yet to be determined.

The Above cost is an estimate of combined sewer and water

Natural gas ..... \$7,400/ year

Therm prices have stabilized, but until we have a definitive HVAC design it is difficult to predict. Natural gas bill based on \$0.50/SF/Year

Electricity ..... \$14,800/ year

KWH prices have continued to modestly increase, until we have a definitive electrical and air condition design it is difficult to predict. Electric bill based on \$1.00/SF/year

Phone/ data .....TBD

TV.....TBD

Attachment 3: Letter of understanding from Library Board to Village Board



NEW GLARUS PUBLIC LIBRARY  
319 SECOND STREET, P.O. BOX 35  
NEW GLARUS, WI 53574

(608) 527-2003  
FAX (608) 527-5126

June 12, 2012  
New Glarus, WI 53574


Dear President Salter and Village of New Glarus Trustees,

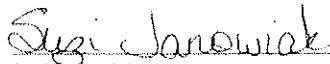
We have reviewed the draft resolution R12-12, "Village Board Financial Support for Library Building Project," which reflects our goal of constructing a new library facility that will be approximately 17,000 square feet in size, with a target total project cost of \$2,500,000. The resolution specifies that the new building will be constructed with financial support from the Village consisting of \$1,000,000 in general obligation debt, and an additional \$50,000 from the Library Sinking Fund and undesignated capital project funds. We expect the remainder of the project will be financed with proceeds from a fundraising and grant writing campaign.

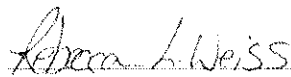
We would like to unanimously affirm that Resolution R12-12 is consistent with our building project goals and we believe that this level of support will allow us to launch a successful fundraising campaign and construct a facility that will serve the New Glarus area for years to come. While we are excited about the prospect of building the best possible library, we understand there are challenges. Perhaps most important is designing a facility that can be operated with minimal increases in operating support from the Village due to the restrictive levy limits implemented by the State.


We look forward to continuing to work constructively with the Village Board on the building project, and we sincerely thank you for your support.

Respectfully,  
The New Glarus Library Board

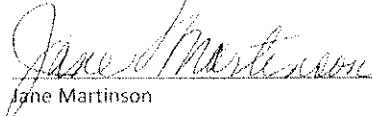
  
Linda Hiland  
President

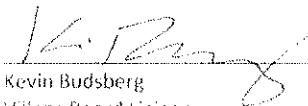
  
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Vice-President

  
Rebecca Weiss  
Secretary

  
Wayne Duerst  
Treasurer

  
Jody Hoesly

  
Jane Martinson

  
Kevin Budsberg  
Village Board Liaison



Attachment 4: Letter from Library Board to Village Board requesting use of TID #2 revenue for library operations.

Date: June 14, 2011

To: New Glarus Village Board  
Nicholas Owen, Village Administrator

From: New Glarus Public Library Board

Re: Request for funding consideration when TIF District #2 is retired

Current estimates are that in 2014 or 2015 TIF #2 will be retired. The resulting increase in tax revenue will be returned to the various taxing entities, one of which is the Village of New Glarus. The Library Board is requesting that funding, for The New Glarus Public Library, be added to the list of projects the Village Board will be considering for funding support.

As we move closer to the retirement of TIF #2, the Library Board will continue communication with the Village Board, Village Administrator, etc. and provide information in support of our request.

