

## BUDGETS & FUNDING PLAN

In this final chapter of our report for the Laramie Library and the Albany County Public Library (ACPL) we address:

- Operational Budgets;
- Capital Budgets; and
- A Funding Plan for the Capital Project.

For the Operational Budgets we have prepared detailed cost projections for 11 years starting with Fiscal Year (FY) 2010, and extending through FY2020. For the succeeding 19 years we have extended the broad based costs – Personnel, Materials, and Other – to FY2040.

The budget projections are based upon the assumption that the current building will be either expanded as explained in Chapter 14 (option EX1) or a totally new facility on the existing site (option NW1).

### OPERATIONAL COST ELEMENTS

**As** with any service organization the lions share of the annual budget for operations is absorbed by personnel – salaries, wages, and benefits such as FICA, Medicare, Retirement, Insurance, etc.

The second largest single cost item is usually Materials, e.g. books, media, journal subscriptions, and the like.

All of the rest is often grouped together under the “Other” category. In Albany County “Other” includes Technology, Operating Supplies, Contractual Arrangements, and Building Maintenance and Repair as four line items.

For these budget estimates the consultants have also included in the “Other” category Debt Service payments for FY10 through FY12.

### Allocating Costs

For FY2010 the ACPL budget includes (number have been rounded) the following for the three major cost elements – Personnel, Materials, and Other:

Personnel	\$628,000
Materials	90,000
Other	232,000
Total	\$950,000

Debt Service accounts for \$37,250 of the Other estimated costs.

As a general rule-of-thumb for public libraries nationwide the following percentages distribute the total budget among the three broad categories like this:

Personnel	60 to 75 percent
Materials	8 to 15 percent
Other	10 to 32 percent

For the ACPL the distribution for FY10 is as follows (again using rounded numbers)

Personnel	66.1 percent
Materials	9.5 percent
Other	24.4 percent

Based upon the above it would seem that the ACPL is very much in line with the generally accepted guidelines. However, it behooves us to compare the ACPL with other libraries serving a population range of 25,000 – 49,999.

Using information taken from the *Public Library Data Service Statistical Report 2009<sup>1</sup>* (PLDS) we find the following based upon 99 reporting libraries:

**Table 15.1**  
ACPL Compared to Libraries Nationally

<i>cost element</i>	<i>average</i>	<i>median</i>	<i>lower quartile</i>	<i>ACPL</i>
Personnel	66.0%	61.3%	64.0%	66.1%
Materials	12.4%	12.5%	12.0%	9.5%
Other	20.8%	16.6%	17.5%	24.4%

If the ACPL did not have the debt service, yet had the same projected total expenditures, the “Other” percentage would fall to 20.5 percent.

<sup>1</sup> Public Library Association. *Public Library Data Service Statistical Report 2009*, Chicago, 2009.

### Per Capita Data

Again using data from PLDS we find some interesting comparisons on a per capita basis.

The total expenditures for the Average group of libraries around the country serving between 25,000 and 49,999 are \$56.86. The Median figure is \$40.53 and the Lower Quartile is \$25.06. For Albany County the FY10 figure is projected to be \$29.49 based upon a service area population of 32,200.

Materials expenditures per capita for the ACPL will be \$2.80 in FY10. Among the national libraries the Average will be \$7.01, the Median \$5.26, and the Lower Quartile \$3.03.

The population served for the Average group of libraries is 36,548. For the Median it is 35,293, and for the Lower Quartile it is 30,197.

### Operating Budget Estimates for FY10 to FY20

**Table 15.2** provides the total budget for each of the 11 fiscal years as well as the population served projections that allows for the per capita budget to be developed. Further details follow in Table 15.3.

### Library Staff

Presently, the ACPL has a FTE staff of 25.50 plus 1.00 FTE Building & Grounds position and the equivalent of 1.00 FTE volunteer.

**Table 15.2**

Operating Budget Estimates Next 11 Years,  
The Albany County Public Library

<i>fiscal year</i>	<i>population served</i>	<i>total budget</i>	<i>per capita</i>
2010	32,200	\$949,588	\$29.49
2011	32,200	\$949,653	\$29.49
2012	32,100	\$995,751	\$31.02
2013	32,075	\$1,202,142	\$37.48
2014	32,060	\$1,236,687	\$38.57
2015	32,400	\$1,272,762	\$39.28
2016	32,600	\$1,310,461	\$40.20
2017	32,700	\$1,349,879	\$41.28
2018	32,850	\$1,391,122	\$42.35
2019	33,000	\$1,434,300	\$43.46
2020	32,800	\$1,479,533	\$45.11

Over the next 30 years, to 2040, we anticipate an increase in staff from the present 25.50 to 31.50, plus one more FTE for Building & Grounds and 1.50 FTE volunteers.

We are recommending an increase of one professional in the Administration area commencing with the FY12 budget. This position would be to assist the County Librarian as it is anticipated that by that time a great deal of that position's time will be devoted to a building project.

We further anticipate the larger facility will open sometime in FY13 or FY14, and therefore there will be a staff increase in Operations. That increase would be greater except for the recommendation of additional self-check usage, RFID, and possibly an automated materials handling system (AMHS).

The budget for library Materials would remain relatively flat until the added space came online and then it would rise from \$90,000 to just under \$100,000 and reach \$133,675 by FY20.

The technology budget would increase by almost \$30,000 over the 10-year period (now \$10,000 to \$38,168). However, Building Maintenance & Repair would shrink from the FY10 figure of \$7,311 to a FY20 figure of \$2,144.

Indirect Costs (FICA, Medicare, Retirement, etc.) will rise from \$137,426 in FY10 to nearly \$270,000 in FY20 (\$269,945). This includes Unemployment Taxes.

The Debt Service would be retired by the end of FY12.

Table 15.3 (spreadsheet, presented 11 x 17 overleaf) provides additional detailed information.

**From FY20 to FY40**

**Our** crystal ball becomes very murky when we look out over such an extended period of time. Thus, our projections are based upon anticipated changes in population, the Consumer Price Index (CPI), increased use of technology, and inflation. In summary, we are forecasting a three percent (3%) compounded increase in the budget and a 0.05 percent (0.05%) rise in population served as well as continuing changes in information technologies and computer hardware, as well as increased public use of technology.

Table 15.4 is a summary look ahead through 2040 in five-year increments.

**Table 15.3**

Operational Budget Estimates for Fiscal Years 2010 through 2020, Albany County Public Library Laramie, Wyoming

<b>Administration:</b>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>	<i>FY17</i>	<i>FY18</i>	<i>FY19</i>	<i>FY20</i>
Personnel	\$116,757	\$118,000	\$149,180	\$150,672	\$152,179	\$153,700	\$155,237	\$156,790	\$158,358	\$159,941	\$161,541
Board Expenses	\$0	\$250	\$300	\$500	\$600	\$700	\$800	\$900	\$1,000	\$1,100	\$1,200
Contractual Services	\$16,435	\$16,846	\$17,183	\$17,526	\$17,877	\$18,235	\$18,599	\$18,971	\$19,351	\$19,738	\$20,132
Other											
Building Maintenance & Repair	\$13,468	\$13,535	\$13,603	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078	\$6,381	\$6,700	\$7,036
Utilities	\$21,557	\$21,988	\$22,428	\$15,000	\$15,150	\$15,302	\$15,455	\$15,609	\$15,765	\$15,923	\$16,082
<b>TOTAL ADMINISTRATION</b>	<b>\$168,217</b>	<b>\$170,619</b>	<b>\$202,694</b>	<b>\$188,698</b>	<b>\$191,055</b>	<b>\$193,449</b>	<b>\$195,879</b>	<b>\$198,347</b>	<b>\$200,855</b>	<b>\$203,402</b>	<b>\$205,990</b>
<b>Operations:</b>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>	<i>FY17</i>	<i>FY18</i>	<i>FY19</i>	<i>FY20</i>
Personnel	\$373,841	\$377,579	\$381,355	\$590,000	\$601,800	\$613,836	\$626,113	\$638,635	\$651,408	\$664,436	\$677,725
Library Materials	\$90,576	\$90,000	\$90,000	\$95,000	\$99,750	\$104,738	\$109,974	\$115,473	\$121,247	\$127,309	\$133,675
Technology	\$10,000	\$11,000	\$12,000	\$30,000	\$31,050	\$32,137	\$33,262	\$34,426	\$35,631	\$36,878	\$38,168
Communications	\$29,911	\$30,360	\$30,815	\$31,277	\$31,746	\$32,223	\$32,706	\$33,197	\$33,695	\$34,200	\$34,713
Travel	\$951	\$980	\$1,009	\$1,700	\$1,734	\$1,769	\$1,804	\$1,840	\$1,877	\$1,914	\$1,953
Operating Supplies	\$9,446	\$9,500	\$9,600	\$12,000	\$12,120	\$12,241	\$12,364	\$12,487	\$12,612	\$12,738	\$12,866
Building Maintenance & Repair	\$7,311	\$7,400	\$7,500	\$2,000	\$2,020	\$2,040	\$2,061	\$2,081	\$2,102	\$2,123	\$2,144
Contractual Arrangements	\$8,712	\$8,973	\$9,243	\$9,520	\$9,805	\$10,100	\$10,403	\$10,715	\$11,036	\$11,367	\$11,708
Programming	\$32,369	\$32,000	\$32,000	\$35,000	\$35,350	\$35,704	\$36,061	\$36,421	\$36,785	\$37,153	\$37,525
Other	\$43,578	\$44,450	\$45,339	\$46,245	\$47,170	\$48,114	\$49,076	\$50,057	\$51,059	\$52,080	\$53,121
<b>TOTAL OPERATIONS</b>	<b>\$606,695</b>	<b>\$612,242</b>	<b>\$618,860</b>	<b>\$852,742</b>	<b>\$872,546</b>	<b>\$892,900</b>	<b>\$913,822</b>	<b>\$935,332</b>	<b>\$957,451</b>	<b>\$980,198</b>	<b>\$1,003,597</b>
<b>Indirect Costs:</b>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>	<i>FY17</i>	<i>FY18</i>	<i>FY19</i>	<i>FY20</i>
FICA	\$29,970	\$30,270									
Medicare	\$7,009	\$7,149									
Workers Compensation	\$2,440	\$2,464									
Unemployment Taxes	\$0	\$100	\$300	\$315	\$331	\$347	\$365	\$383	\$402	\$422	\$443
Retirement	\$27,456	\$27,731									
Insurance	\$70,551	\$74,079									
<b>TOTAL INDIRECT COSTS</b>	<b>\$137,426</b>	<b>\$141,792</b>	<b>\$149,197</b>	<b>\$160,702</b>	<b>\$173,085</b>	<b>\$186,414</b>	<b>\$200,760</b>	<b>\$216,199</b>	<b>\$232,816</b>	<b>\$250,700</b>	<b>\$269,945</b>
<b>Debt Service:</b>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>	<i>FY14</i>	<i>FY15</i>	<i>FY16</i>	<i>FY17</i>	<i>FY18</i>	<i>FY19</i>	<i>FY20</i>
Principal	\$37,250	\$25,000	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL DEBT SERVICE</b>	<b>\$37,250</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>GRAND TOTAL COSTS</b>	<b>\$949,588</b>	<b>\$949,653</b>	<b>\$995,751</b>	<b>\$1,202,142</b>	<b>\$1,236,687</b>	<b>\$1,272,762</b>	<b>\$1,310,461</b>	<b>\$1,349,879</b>	<b>\$1,391,122</b>	<b>\$1,434,300</b>	<b>\$1,479,533</b>
Population Served	32,200	32,200	32,100	32,075	32,060	32,400	32,600	32,700	32,850	33,000	32,800
Per Capita Budget	\$29.49	\$29.49	\$31.02	\$37.48	\$38.57	\$39.28	\$40.20	\$41.28	\$42.35	\$43.46	\$45.11

**Table 15.4**

Operating Budget Projections through FY40,  
The Albany County Public Library

<i>year</i>	<i>population served</i>	<i>total budget</i>	<i>per capita</i>
2020	32,800	\$1,479,533	\$45.11
2025	33,628	\$1,715,184	\$51.00
2030	34,477	\$1,988,369	\$57.67
2035	35,348	\$2,305,064	\$65.21
2040	36,241	\$2,672,201	\$73.74

A per capita budget of \$73.74 may seem like a lot. However, that is for 12 months worth of library service. If one believes, as the consultants do, that one service that the Albany County and the Laramie Library will continue to provide is books in paper format and a resident of the County or the City would choose to read but three books he/she checks-out on the Library's Self-Check computer station, then the probable cost of those three books if purchased would be at least \$75.00.

Good public library service is the best bargain in any community!

### **CAPITAL BUDGET ESTIMATE**

**Based** on a meeting between the Library Board, Library staff, and the consultants, an initial recommendation was formulated to pursue construction of a new Laramie Library on the existing site - Concept NW1. In addition to the project cost presented in Table 14.4, it was decided to

include a \$1 million Building Maintenance Fund in the total budget for this recommended approach. By virtue a consensus of the Library Board members present at that meeting, the cost of Concept NW1 was capped at \$17.00 million. This \$17 million budget was forwarded to the Albany County Commissioners, who chose not to fund the project at the current time.

### **Concept NW1 Refinements**

Upon further review by the Library Board and staff, a consensus was reached deeming Concept NW1 as problematic for moving the project forward – due to a number of factors, including the inadequate provisions for off-street parking. Due to the numerous shortcomings of the existing building, a new building was still the preferred alternative, so a number of refinements to Concept NW1 were suggested and revisions were incorporated by the consultant team. This new design alternative was named Concept NS1 – a new building on a new site, as yet undetermined.

**Probable Project Costs.** Construction and project costs for option NS1 are summarized in Table 15.5. These costs total just over \$16.40 million, or more than one-half million dollars less than Concept NW1. The \$16.40 million includes healthy allowances for both building maintenance and property acquisition, so the potential exists for the budget to be reduced, should a good location for a new Laramie Library be found for less money than has been budgeted.

**Table 15.5**

Probable Project Costs, Concept NS1, The Laramie Library

<i>item</i>	<i>total cost</i>	<i>cost per square foot</i>
Site Costs	\$2,484,636	\$68.68
Construction Costs	7,587,403	209.73
Moving Costs	2,150,216	59.44
Project Costs	3,177,786	87.84
Building Maintenance Fund	1,000,000	27.64
<b>Total</b>	<b>\$16,400,041</b>	<b>\$453.33</b>

## FUNDING PLAN

**This** Funding Plan primarily addresses the capital costs associated with a new Laramie Library as described in the previous chapter, or an expanded facility, also described in Chapter 14. However, there are some thoughts re a Funding Plan for operational costs.

### Funding Capital Improvements

The estimated costs for a new Laramie Library total \$15.2 million. Of that amount, about \$12.4 million is for construction, furniture and equipment, technology, and permitting, contingency, etc.

Within the new Laramie Library there are several “naming” opportunities, including the entire building. The “naming” candidates include:

- Multi-Purpose Meeting Room;
- Two Conference Rooms;
- Children’s Program Room;
- Training Room (or Computer Lab);

- Entrance Lobby;
- Library Store; and
- Library Coffee Cart.

### Multi-Purpose Meeting Room

Of the spaces listed above this is the largest space, an estimated 2,887 total square feet (SF). The Room this accounts for approximately six percent (6.2%) of the total space (46,660 SF).

Applied to the aforementioned capital cost estimate of \$12.4M, the cost of the Multi-Purpose Meeting Room is arguably \$768,800.

Is there a donor who would give the Library almost three-quarters of a million dollars to have the space named after a loved one, a company, etc., etc.?

Perhaps, but probably not.

Thus, the Funding Plan should first establish the total cost for each “naming” opportunity and then determine what percent of the total cost must be given in order to have the right to name the space.<sup>2</sup>

What would be a reasonable percentage of total cost? The consultants suggest not more than 50 percent and not less than 25 percent. Thus, a plan could establish the following goals within this percentage breakdown shown in Table 15.6 below.

<sup>2</sup> The name CANNOT be a blank check. That is, any name chosen will be acceptable and/or the donor has the right to specify room finishes, colors, etc.

**Table 15.6**  
Recommended “Naming” Opportunity Percentages

<i>space</i>	<i>total cost</i>	<i>% of building</i>	<i>% to name</i>	<i>donation amount</i>
Multi-Purpose Meeting Room	\$768,800	6.2	50	\$384,400
			45	345,960
			40	307,520
			35	269,080
			30	230,640
			25	192,200

Should all spaces have the same percentage? Ideally, yes. However, someone may wish to name the entire Children’s Services area after his/her/their deceased<sup>3</sup> mother/mother-in-law, or a daughter or son. If that were to be the case, the total SF of the Children’s Services, Program Room excluded, is approximately 7,700 SF, or about 16.5 percent of the total building. That produces a cost in the range of \$2,046,000. A 25 percent “naming” would be \$511,500, say \$500,000. That seems reasonable while \$190,000 for the Multi-Purpose Meeting Room does not seem adequate.

### Naming the Total Building

**How** much should be given in order to have the new Laramie Library named? \$5 million, \$3 million, \$1 million? The consultants do not have an answer. We do, however, have some suggestions to consider.

<sup>3</sup> The consultants do advise that “naming” opportunities preclude living persons. A revered person now may not be so revered later. See Tiger Woods.

First, what has been the recent (last five to six years) donation/naming history in the community, for instance at the University? Second, what about neighboring communities? Is there any history of giving at the new Laramie County Library? Third, look further away to Colorado and Fort Collins, Greeley, even Denver. What has transpired there?

In other words, do the homework. We do know that among those who are potential candidates for sizeable donations – and any amount of \$25,000 or more is a sizeable amount – often know each other, know their giving habits, can anticipate being asked, and so forth.

### Last Thoughts About Capital Donations

A few last thoughts:

1. Focus on the local community and within the state.
2. Do not expect to attract much, if any interest, from national foundations unless you can establish a very strong tie to Albany County and/or Laramie.
3. Do not go public with a capital fund raising campaign until you have at pledges (cash or bankable securities would be better) equal to 40 percent of your goal “in the bank.”
4. Be prepared, or even require (or at a minimum, suggest) that each gift include 10 percent of the total to be placed in a fund for long-term maintenance of the space.

## Funding Plan for Operations

**The** ACPL, through the Library Foundation and the good work of its Executive Director, has a commendable record in obtaining funding for programs and programming and other operational elements of the annual budget. This work should continue.

The Library should also enhance its efforts to generate income itself by means of charges for overdue fines, lost book fees, photocopy and printing services, meeting room rentals, and a beverage service. Until a new building is realized the opportunities may not be overly significant at the outset, but with a new building it would not be unreasonable to expect that the ACPL could generate income equal to at least three or four percent of its total operational need.

Another possibility would be to develop a plan to endow certain services. Two examples:

**Teen Services.** Teens constitute the highest percentage of “at risk” persons. A strong service program for teens on an on-going basis would be well received throughout the community. It could be so well-received that an organization, a family, individuals, or some combination would be receptive to establishing a fund that would, in effect, endow the Teen Services program for a number of years – either in full or in part.

**Wyoming Room Collection.** This collection could also be endowed. The endowment might only cover the acquisition of new materials, or it could be expanded to cover equipment procurement and repair, copying services, preservation of materials, and the like.

The last piece of a Funding Plan for Operations would be grant-seeking. The Foundation’s Executive Director now (we believe) is the primary person responsible for seeking grants. If his other responsibilities allow ample time for the all important research needed to identify potential grants, write the proposals, and do the necessary follow-up reporting on those grants that have been awarded – good. However, if he does not have time to pursue all of the opportunities that may be available then there needs to be serious consideration given to either:

- a) Expanding the Foundation staff;
- b) Hiring a grant researcher/writer (part-time basis);
- c) Seeking a partnership with another organization, perhaps within the County and/or the City of Laramie; or
- d) Some combination of all.

There is, year in and year out, a host of grants available to public libraries. It takes time and skill to pursue these and be successful.