

The Consultants were charged with these primary tasks related to funding the Round Rock Public Library:

- Identify funding sources and their level of sustainability, to address future requirements for capital projects and projected budgeting; and
- Define short- and long-term funding strategies.

In order to address these tasks, the Consultant team gathered data and prepared analysis for these distinct areas:

- **Funding Sources & Strategies.** An analysis of viable sources of revenue for RRPL, both tapped and untapped; and
- **Funding Schedule.** Scheduling priorities for funding short- and long-term operations and improvements.

Subsections for each of these headings are included in this Section of the Report.

### FUNDING SOURCES & STRATEGIES

The Consultants have surveyed current RRPL funding sources, as well as revenue streams tapped by other public libraries. Here are ones of promise.

#### Taxpayers & the General Fund

Between FY2009 and FY2013, the operating budget for the City of Round Rock (CORR) has risen 5.7 percent. Over that same span of time, the operating budget of the RRPL has increased 4.8 percent. In FY2009 the Library's share of the total City budget was 2.82 percent. The share in FY2013 is 2.80 percent.<sup>1</sup>

As a department of the City, the Library is funded from the CORR General Fund. General Fund revenue comes primarily from sales tax and property tax. There is some "earned revenue" that goes into the General Fund, such as fines for

<sup>1</sup> The FY2013 figures for the City and the Library are for the "approved" budget. The final figures and percentages will not be known until August or September of 2013.

overdue materials collected by the Library. This is but one source of earned income from City departments.

For FY2023, The Consultants have projected an operating budget for the Library to be \$4,352,229. This number takes into account a new Main Library and a new Branch Library. A modest rate of escalation has been included in our projections, based on the performance of the City's operating budget between FY2009 and approved FY2013. Using the same 5.7 percent rate of increase from the past five-years, the projected FY2023 City budget would be \$97,130,320.<sup>2</sup> The Library's share of that budget would need to be 4.5 percent.

For FY2013, the per capita support for the RRPL will be \$22.16. For FY2023, the figure will be \$31.75. In 2011, the average per capita support for public libraries serving 161,612 persons (on average) nationally was \$40.61. The budget projected for the Library is not excessive.

Appendix 7.1 provides detail for the FY2013 through FY2023 budgets, and projected population growth through 2023.

**Value of Service.** The Consultants have also developed a basic "Value of Service" cost analysis that demonstrates what a Round Rock resident would pay in a retail store if he or she were to purchase each of eight services one time over the course of a year. We are able to calculate what the persons' savings would be for using the public library instead of purchasing retail. The "savings" would be \$201.39 – the difference between the cash outlay of \$223.55 and the \$22.16 per capita budget of RRPL. The Round Rock Public Library is the best bargain in town!

Appendix 7.2 provides additional information on the value of RRPL services to the community.

<sup>2</sup> The United States has been slowly recovering from the recession of 2007/2008. As the economy continues to improve, potential exists for costs to the City and Public Library to increase at a higher percentage than in the recent past. The Consultants have accounted for this possibility in our budget projections.

## Williamson County

The Consultants are unaware of any financial support Williamson County provides to the eight public libraries in the County.<sup>3</sup> Responding to a question posed to her by Principal Consultant Richard Waters regarding the potential for County support, Commissioner Lisa Birkman indicated that a request for funds to support local libraries had never come to her attention.

During the course of this study, all of the public libraries in the County were asked via email if they had non-resident fees. Seven of the libraries responded affirmatively, with the annual fee typically around \$25.00.

The Consultants believe that it would be reasonable for Williamson County to reimburse each of the eight libraries for the usage made by non-residents. This would relieve individual libraries from charging those fees. It would likely be a welcomed change for persons who now pay the fee, and the library staffs who have to collect them – sometimes dealing with angry customers because of the policy. The Consultants believe County reimbursement would not be difficult to establish and administer.

If this development were to take place, there would most likely be an increase in usage of almost all of the local libraries. This could lead to more library materials from Library A being left with Library B, etc. Therefore, another helpful way the County could aid library service would be to provide delivery service to each library.

If a County-wide library courier service were to materialize, a third leg of County support could be the purchase of an annual subscription for the collection development tool *Collection Hq*. This online tool would enable RRPL, for example, to know what Georgetown or Cedar Park was ordering. Then, if RRPL was

<sup>3</sup> The eight libraries are Cedar Park, Florence, Georgetown, Hutto, Leander, Liberty Hill, Round Rock, and Taylor (Texas State Library & Archives Commission Public Library Statistics 2011).

considering the same title(s) for its own collection – it could decide whether to forgo the order and borrow it when needed via interlibrary loan. RRPL could save those dollars to invest in something else. The concept would apply County-wide, making a broader range of materials available for everyone.

**Alternatives to County Support.** Possibilities for fulfilling some of these services outlined above, in lieu of County-sponsored support and/or library system – or in addition to – might include:

- RRPL’s membership in the regional Central Texas Library System (CTLS);
- RRPL access to library consortia such as the NetLibrary eAudiobooks Consortium through CTLS; and
- CTLS assistance with applying for federal E-rate participation; and
- RRPL seeking to join other library consortia for joint purchasing power, sharing materials, etc.

The Consultants are awaiting the full evolution of the former state-wide TexShare program into Discovery Texas to determine its applications and utility for resource sharing and purchasing to RRPL.

## Sponsorship of Magazine & Journal Subscriptions

Magazines and journals continue to be an important source of information. An increasing number are converting from hardcopy to electronic format. Nonetheless, a library still has to pay for the subscription if it wants to make the title available to its customers.

A potential revenue source would be to approach the private sector to “sponsor” a magazine/journal subscription for a year. For that cost, the sponsor’s name would be prominently displayed, whether hard copy or electronic copy. And, the sponsor could claim a tax deduction. We are not talking big dollars here, but we are talking about the private sector aiding RRPL in a strategic manner.

## Increased State Aid

State aid for public libraries in Texas has never amounted to very much. For Round Rock, when there was state aid, the annual disbursement from Austin was in the low five figures. There has been no state aid for the past two years.

This bleak picture does not mean that circumstances will never change. What will be needed is for local politicians and the community to wage a coordinated, state-wide lobbying effort to convince the Texas Legislature and Governor that state aid for each and every public library in Texas will benefit everyone. This has worked in other states.<sup>4</sup> It can work in Texas.

## Earned Income

We believe there are three opportunities for the Library to increase the amount of earned income.

**1. Meeting Room Fees:** The RRPL now has a well-crafted set of policies for use of the existing meeting rooms, including a graduated fee schedule for both two-hour blocks of time and a full day. The existing policies and fee schedule should remain in place until the new facilities are opened. At that time, we recommend the following modifications:

- Resident individuals or non-profit - \$25 for two-hours;
- Resident individuals or non-profit - \$150 for eight hours;
- Non-resident individuals or non-profit - \$40 for two hours;
- Non-resident individuals or non-profit - \$240 for eight hours;
- Resident business or for-profit - \$100 for two-hours;
- Resident business or for-profit - \$600 for eight hours;
- Non-resident individual or non-profit - \$160 for two hours; and
- Non-resident business or for-profit - \$960 for eight hours.

<sup>4</sup> A sampling of states providing aid to public libraries include the Carolinas, Massachusetts, Michigan, Nebraska, New Mexico, Pennsylvania, and Rhode Island.

For hours of use at times when the libraries are not open for business, an hourly surcharge should be added:

- Resident individuals or non-profit - \$5 per hour;
- Non-resident individuals or non-profit - \$8 per hour;
- Resident business or for-profit - \$20 per hour; and
- Non-resident business or for-profit - \$32 per hour.

RRPL should anticipate a significant increase in requests for use of its meeting rooms when new facilities – especially a well designed new Main Library – are opened. A robust scheduling software system will be needed, as well as one staff position with the primary responsibility of handling all requests, set-up requirements, etc., etc.

Consideration should also be given to renting the entire building, or an entire floor. There will be requests for wedding, receptions, company parties, etc. The policy needs to address if, and how, food and drink – including alcohol – are to be dealt with, as well as clean up and non-payment of fees, deposits, advance payments, etc. Making the spaces available will be a business, and must be managed like a business.

If managed properly and charged for fairly, the new Main Library can be a meaningful revenue stream for the City of Round Rock. One reason to open up the use of libraries to as wide an audience as possible is that unused space in the building is not good stewardship of a public facility.

**2. Credit & Smart Cards:** By supplementing its acceptance of credit cards with a product like Square, the Library can reduce the amount of its cash transactions while increasing its revenue. The Library should make certain it is charging and collecting for all printing at Library computers and/or photocopy machines, fax services provided, and overdue fines and payments for lost or damaged.

**3. Non-Resident Users:** There is a graduated non-resident fee in place. The non-resident policy addresses:

- Short-term cardholders - \$7.00 for 3 months;
- Single cardholders - \$25.00 for 12 months; and
- Family cardholders - \$40.00 for 12 months.

The Consultants believe a more equitable approach is for a system based upon frequency of use. It would work as follows:

- \$5.00 card = 10 transactions, or \$0.50 per;
- \$10.00 card = 25 transactions, or \$0.40 per;
- \$25.00 card = 70 transactions, or \$35.7 per; and
- \$50.00 card = 150 transactions, or \$33.3 per.

The card would be scannable, and when the last transaction is made, the card would be automatically voided until additional value is added to it. The Library would not care who uses the card because RRPL would have already been paid and banked the money for the sale.

All other existing RRPL policies for use of the Library would remain in place.

### Friends of the Library

There is an active, strong Friends of the Library (FOL) organization contributing financial support to RRPL. They operate a store on the Second Floor of the Library, and raise funds by means of book sales, membership dues, and special events like Mystery Night. In 2012, the FOL contributed \$15,000 to support the Library. The Friends also have a special fund that is managed by the Community Foundation of Round Rock. As the population of Round Rock increases, the need for added support from the Friends will be welcomed.

In the opinion of the Consultants, the current FOL dues structure presented on the Library's website appears to be on the low end of the spectrum, and has too few categories of membership. A study of other FOLs in Texas and other states should be

undertaken to determine if higher dues would either raise additional revenue and/or increase membership.

Another possible revenue generator in line with the smart card concept would be for the Friends to employ gift cards – or to accept the Library's smart cards – for purchases in their store.

### Library Foundation

The Consultants recommend the re-establishment of a Round Rock Public Library Foundation. Why? A foundation, if properly constituted and managed, provides a viable vessel for substantial sums of money to be raised for the benefit of the Library. For Round Rock, we believe a Library Foundation should have two primary objectives for raising and distributing funds:

- With attendance in 2012 exceeding 30,000, RRPL has an impressive record of providing enjoyable educational programs for children. This service will take on increasing importance in the years ahead and a new Main Library will spur attendance growth significantly. These programs do not just happen. They must be carefully planned and executed. Guest performers must be secured and compensated. Promotion is necessary. Staff time is involved. All of this requires funding. Therefore, goal number one for a Round Rock Library Foundation would be the endowment of children's programming so that staff time can focus on programming and not seeking funds for presenters and prizes for children during the annual summer reading. A goal of \$500,000 would be reasonable. Properly invested, this fund should serve the Library for a number of years, needing to be refreshed periodically.
- The second primary project would be to support library staff education and training. The Library's success will be based on the quality of its staff. Quantity is important, but quality is the deciding factor. The Foundation should provide the means for:

- Scholarships to attend state, regional, and national library conferences;
- Bringing experts to the Library to work with staff on specific matters; and
- Tuition reimbursements for staff seeking more formal education in library and information sciences or business.

A new Round Rock Public Library Foundation would be separate from and in addition to the Friends of the Library fund administered by the Community Foundation of Round Rock.

### Grants

Grants should not be seen as a substitute for general fund dollars. Regular, on-going operations should not be dependent on grant money. Grants should be used for either one-time capital purchases that cannot be (at the time) funded from local tax revenues, or for start-up or short-term events or projects such as a special program series dealing with a specific issue when there is a need for a speaker fee or exhibit materials, etc.

The City has an experienced Grants Coordinator. That position is, as the Consultant team understands, available to all City departments, including the Library. The Grants Coordinator has assisted the Library. That relationship should be continued and nurtured. The Library should be on the lookout for worthwhile grants and work with the writer to prepare an application.

Care must be taken to not get into a situation where a grant-funded project has to be continued with local dollars unless there is assurance that local dollars will be available when the grant money has been expended.

### A Sustainable Funding Plan

The Consultants have every confidence that, as the City of Round Rock continues to grow in terms of population and economic development, that the tax base will also expand. The City's general fund should be able to adequately fund the RRPL at the level recommended by the Consultants.

Additional funds could assist, and could result in the Library being able to further expand services. The Consultants recommend RRPL pursue additional funds from these sources:

- Earned income by means of:
  - Increased meeting room charges;
  - eCommerce, fueled by use of smart card and wireless technology;
  - More equitable non-resident support;
- A Library Café in the new Main Library, whereby the café operator and the City negotiate a lease for the space, plus a small percentage of gross receipts;
- Increased support from the Friends of the Round Rock Public Library;<sup>5</sup>
- A more aggressive pursuit of grants; and
- The establishment of a Round Rock Public Library Foundation.

Individually, these five potential sources could help expand services incrementally. Together, they could result in the Round Rock Public Library being one of the truly outstanding public libraries in the country.

<sup>5</sup> As Round Rock adds more resident and businesses, the potential for increased membership and activities by the Friends is substantial.

## FUNDING SCHEDULE

Allocation of financial resources should be based on well-reasoned priorities for funding short- and long-term operational and capital improvements. The Consultants recommend an increase in the operating budget of just over \$1.6 million between the approved FY2013 budget and our projected FY2023 budget – from \$2,323,000 to \$3,954,558.

**Realistic Funding Goals.** The per capita cost between FY2013 and FY2023 would increase from \$22.16 to \$28.85. The annual increase would average slightly more than \$163,000 over the ten-year planning period, and the average annual increase per capita would be \$0.67. We believe this is not only realistic but saleable to the citizenry of Round Rock.

Could it be more? Yes. What would cause an increase? Two factors, primarily:

1. A sharper increase in the projected cost of living than is expected; and/or
2. A more rapid increase in population than projected.

The Consultants offer these recommendations:

### Short-Term Priorities

Near-term recommendations are based upon the following parameters:

- Short-term is defined as the period from FY2014 through FY2018;
- Capital project cost estimates are escalated to 2015 dollars;
- Capital projects are to be included in the next City of Round Rock bond referendum, to be held in November of 2013;
- Property acquisition allowance has been included for each of the two new library projects, CIP1 and CIP2;
- The implementation schedule for new staff positions is outlined in Appendix 7.1;
- Operational cost estimates are escalated to the fiscal year of implementation;

- Operational improvements are to be included in the Library's budget, funded from City of Round Rock General Fund in the fiscal year noted.

**Capital Improvement Projects.** The Consultants recommend the following funding priorities for the Round Rock Public Library in the short-term:

- CIP1. FY2014 to FY2017:** Plan, design, and construct a new \$20.46 million 60,000 square foot Main Library, to open in FY2017; and
- CIP2. FY2014 to FY2017:** Plan, design, and construct a new \$5.44 million, 16,000 square foot Westside Branch Library, to open in FY2017, bringing the square feet per capita to of 0.62, just above the minimum standard.

**Operational Improvements.** The Consultants recommend the following funding priorities for RRPL:

- OI1. FY2014:** Hire a new part-time Library Marketing Director, budgeted at \$34,375 in the first fiscal year;
- OI2. FY2015:** Elevate the Library Marketing Director position to full-time, budgeted at an additional \$35,200 in the second fiscal year;
- OI3. FY2015:** Locate a new \$30,000 library kiosk at the new Indoor Sport Complex;
- OI4. FY2015:** Establish bookmobile service which will require hiring one full-time Library Assistant and one full-time Library Clerk/Driver, budgeted at \$70,000 combined in the first fiscal year;
- OI5. FY2015:** Budget \$35,000 for additional technology;
- OI6. FY2016:** Budget \$35,000 for collection enhancements for the two new library buildings;
- OI7. FY2016:** Hire the staff to operate the new Branch Library at 48 hours per week, as detailed in Appendix 7.1, budgeted at \$264,682 in the first fiscal year;
- OI8. FY2016:** Budget \$344,682 for a full complement of staff for the new Branch Library;

- OI9. FY2016:** Hire two new part-time Library Assistants and one full-time Librarian, budgeted at \$89,600 combined in the first fiscal year;
- OI10. FY2016:** Budget \$100,000 to initiate procurement of a new integrated library system (ILS) and additional library technology;
- OI11. FY2017:** Budget \$36,138 for collection enhancements for the two new library buildings;
- OI12. FY2017:** Hire one additional new full-time Librarian for the new Main Library, budgeted at \$51,895 in the first fiscal year;
- OI13. FY2017:** Locate a new \$32,000 library kiosk at the Dell Diamond;
- OI14. FY2017:** Budget \$100,000 for completion of the new ILS;
- OI15. FY2018:** Hire one new full-time Library Assistant and one full-time Librarian for the new Main Library, budgeted at \$91,980 combined, in the first fiscal year;
- OI16. FY2018:** Budget \$37,583 for collection enhancements for the two new library buildings.

Other operational improvements recommended by the Consultants do not appear above, as the intent is that these projects will be on-going tasks, completed within the annual budget by the current contingent of Library and/or City staff.

### Long-Term Priorities

Long-term is defined as FY2019 and later. Cost projections have not been calculated for these projects/improvements, with future costs to be determined within the three years prior to implementation. The capital projects recommended by the Consultants are planned to bring RRPL to – and maintain – the minimum standard of 0.60 square feet per capita, give or take a 10 percent fluctuation from year to year.

**Capital Improvement Projects.** The Consultants recommend these long-term funding priorities for RRPL:

- CIP3.** Expand the Westside Branch Library to 25,000 square feet, to reopen by FY2023, bringing the square feet per capita to of 0.60;
- CIP4.** Construct a new 25,000 square foot Branch Library located in northeast Round Rock, to open in FY2033, bringing the square feet per capita to of 0.63;
- CIP5.** Locate additional RRPL kiosks in potential growth areas, as the need develops; and
- CIP6.** Contingent upon growth patterns, construct a new 25,000 square foot Branch Library located in southwest Round Rock, to open after FY2033, as service area population dictates to maintain the square feet per capita standard of 0.60.

**Operational Improvements.** Operational improvements have not been suggested for the long-term, as the planning horizon is too far into the future for meaningful recommendations to be made concerning issues, services, and technologies that have probably not yet emerged.