

WVLS is obligated to correct misinformation shared by any member library administration with their boards of trustees, particularly those regarding library law, policies, system services, and DPI reports.

### **Just How Does MCPL Anticipate Making this a Wash if Marathon County Decides to Go to SCLS?**

(Question Raised by MCPL Trustee and Task Force Member Gary Beaström at November 2020 MCPL Task Force Meeting)

Information from the MCPL Business Manager's response, shared below *in bold blue italics*, is offered with additional events, facts and WVLS commentary inserted. Areas **highlighted (in yellow)** and/or **in bold** draw attention to portions of the response contradicted by information in other documents presented to the Task Force. WVLS comments are provided to correct misinformation or to illustrate a point.

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**Paragraph 1:** *This is my reply to the request by County Board Supervisor and Marathon County Public Library Trustee Gary Beaström that I better define anticipated costs associated with a potential move to the South Central Library System. I understand, appreciate, and respect any concern for getting the best possible value for each of Marathon County's tax dollars we spend. It is with that in mind I would like to now demonstrate that both in terms of dollar cost, and more importantly value for each dollar spent, a move makes good financial sense.*

**Paragraph 2:** *I say this knowing that there has been a barrage of letters and public comments pointing out that in the writer's estimation a move would be financially foolish; with them I respectfully disagree. I would point out that while my submission to you is tainted by my passion for best using our limited resources, theirs is without exception in their interest in best using the resources of Marathon County to supplement those of our neighboring counties.*

#### **WVLS Comments:**

- Public library system legislation was deliberately crafted using the "co-op" or "consortium" model so that no single library – including the largest resource library – is unilaterally subsidizing all the other member libraries. **The entire cooperative subsidizes all members.** Everyone wins.
- The cost benefit realized by all consortium members is not totally reflected by the cost shares on the annual spreadsheets dividing fees among the 25 libraries. For example, while MCPL might contribute the largest share of the V-Cat consortium budget under a formula based on collection size and circulation, MCPL would need to invest considerably more in a stand-alone ILS system. Based on use, MCPL pays less into Wisconsin's digital collection than many other libraries and yet reaps the same benefit as everyone else.
- MCPL benefits from "subsidization" by the other counties in approximate balance to its cooperative membership share. This would be true in any system in which Marathon County is a member.

**Paragraph 3:** *The dollar amounts I used are primarily based on the system cost spreadsheets provided earlier in the year to the Task Force by each of the two systems. To this I have added other known historical costs in order to better make an "apples to apples" comparison. My example of this supplemental information would be to add the costs previously paid to WVLS to augment their delivery service to the level that would be provided by SCLS.*

#### **WVLS Comments:**

- What "costs previously paid to WVLS to augment their delivery service" are being referenced here? What does this mean?
- MCPL Administration dropped several courier stops in 2018 citing budget challenges and dropped even more in September 2019. They are now receiving only the stops that are completely paid for by WVLS, unlike any other large library in the state.
- If the financial constraints that reduced MCPL delivery service levels from WVLS to its branches are still present, why does the MCPL Business Manager's response appear to indicate (absent the math and details for actual dollar-to-dollar comparison) that an expanded service level from SCLS is both desired and affordable?

• **Notes from WVLS SWOT Analysis Response:**

- SCLS shared an **\$18,870** cost estimate for delivery services with the MCPL Task Force which considered: 5-day per week delivery for Wausau, Mosinee, and Rothschild and 3-day per week delivery to the other six branches, and an assumption of rent to MCPL based on the successful establishment of a satellite delivery location.
- SCLS will charge Portage County \$26,763 for 19 stops per week in 2021 averaging \$1,409 per stop per week. Utilizing that calculated rate, the more realistic estimate for MCPL to use in cost planning for 33 stops per week will be approximately **\$46,500** per year.
- It is unlikely SCLS will be able to establish a viable, cost-economical satellite delivery location in Wausau in direct competition with the established Central Wisconsin delivery-hub partnership between WVLS and WALTCO. However, MCPL could use the implied rental promise of approximately \$27,600 per year as a target for potential revenue in future years.

**Paragraph 4:** *When compared, the cost for both Overdrive and deliveries are so comparable they do not reasonably dictate an advantage of either system given that the costs when comparable service levels are considered.*

**WVLS Comment:**

This statement groups two things together that are not at all alike. Overdrive, otherwise known as the Wisconsin Digital Library, is a Wisconsin Public Library Consortium (WPLC) project and has no bearing on cost comparison analysis of SCLS and WVLS services. Delivery services are system sponsored and are extraordinarily cost different. Whether intentional or unintentional, the attempt to correlate Overdrive with delivery services without underlying financial details is incomplete and potentially misleading. (See notes from WVLS SWOT Analysis Response above.)

**Paragraph 4 (continued):** *This brings us to the costs for the Integrated Library System and the Network fees, and the addition back in of anticipated grants. An additional cost, that of a one-time fee, will be addressed later in the report.*

*To that end we have:*

	<i>SCLS</i>	<i>WVLS</i>
<i>ILS</i>	<i>105,037</i>	<i>74,738</i>
<i>Network</i>	<i>25,768</i>	<i>6,900</i>
<i>Grants</i>	<i>-6,749</i>	<i>-10,000</i>
<i>Total</i>	<i>\$124,056</i>	<i>\$71,638</i>
	<i>Difference \$52,418</i>	

**WVLS Comments:**

A few more “apples to apples” need to be added to the MCPL Business Manager’s comparison. The comparison below expands the base fees orchard to include delivery, additional CE and SLP grant expenses, and WVLS databases. See also notes under Paragraph 6 regarding the expected offset of additional SCLS membership costs through swapping SCLS cataloging and technology support for costs associated with MCPL performing these functions in-house.

	<b>SCLS</b>	<b>WVLS</b>	
<b>ILS</b>	105,037	74,738	
<b>Network</b>	25,768	6,900	
<b>*Delivery</b>	18,870	0	(WVLS subsidizes all courier stops for MCPL)
<b>Grants</b>	(6,749)	(10,000)	(Collection Development)
		(2,160)	(Annual SLP grant at \$240 to 9 locations)
		(4,700)	(scholarships available to MCPL for staff expenses to attend WLA/WAPL/ARSL conferences and Library Legislative Day)
<b>Databases</b>	0	(39,521)	(Gale Courses, Small Engine Repair Reference Center, Ancestry Library Edition, Novelist Select, Foundations in Wisconsin)
	(not offered)		
<b>Total</b>	\$142,926	\$25,257	

**Minimum Annual Loss \$117,669**

\*SCLS shared an **\$18,870** cost estimate for delivery services with the MCPL Task Force which considered: 5-day per week delivery for Wausau, Mosinee, and Rothschild and 3-day per week delivery to the other six branches, and an assumption of rent to MCPL based on the successful establishment of a satellite delivery location. As SCLS's rental needs remain unknown, this cost is likely the low end based on available information.

**Paragraph 5:** *Rent currently paid by WVLS to MCPL is another significant dollar amount to bring into consideration. That amount is \$42,153.00 annually. While significant, I would point to several factors making it a minor point in the decision at hand. It is important to note that the dollars received are at a reasonable market rate for the rented facilities. We have had several exploratory conversations with the new County Administrator considering augmenting both the Library's and the County's budgets through rental income for the 3rd floor and it would be reasonable to think finished office space would be marketable to another City, County, or State agency. My point is that simply because a lessee leaves, the value of the rental property is not diminished. Further, it may well be that the highest value for the area currently rented by WVLS would be to use the square footage for library programs. The area has both elevator and grand staircase access along with not having the load restrictions of the third floor. This may well be the perfect spot for a maker space we have long desired but not had an acceptable location for.*

#### **WVLS Comments:**

- There has been available space in the Wausau location for several years. As it is a speculative venture, it would be prudent to not include this as a benefit in this report. Many employers and companies have made the work from home option available to staff during the pandemic which has affected demand for current office space. It remains unknown whether MCPL will be able to rent space to a third party and at what cost.
- The estimated cost to turn 3<sup>rd</sup> floor into "finished office space," as well as whose costs those are, must also be considered.
- WVLS has learned from the experiences of other directors who manage a library with multiple levels that adding another service on another floor is neither efficient nor cost effective because more levels require increased supervision and maintenance costs. This aspect requires further analysis.
- While WVLS is paying MCPL \$16.25/square foot/year, a search of office space for rent indicates costs as low as \$5.00/sf/yr. Examples of rent in buildings that are close in proximity to the MCPL Wausau location include: the 3<sup>rd</sup> Street Lifestyle Center (office space from \$10-\$16/sf/yr.), the 119 Scott Street building (office space at \$10.95/sf/yr.), and at 500 3<sup>rd</sup> Street (office space available from \$8.00-\$30.00/sf/yr.). See [www.loopnet.com/search/office-space/marathon-co-wi](http://www.loopnet.com/search/office-space/marathon-co-wi)

**Paragraph 6:** *In addition, and this is the hardest for me to write because it could so easily be construed as a plan rather than my reporting of facts. As has been discussed previously, one of the great advantages of SCLS is their taking on the completion of services we now must now complete in-house. The two areas of most significance are the cataloging of books and technology support services. As I try to assert at every juncture, no one is, or has, suggested that the saving of monies on either of these two job categories suggests in any way the laying off of staff. In fact, it is just the opposite, we would very much like to have our skilled employees out front helping the citizens of Marathon County rather than in a back office doing work that could be done for us by skilled professionals who are also doing the same job for some of the premiere libraries in the state. It is through routine attrition that money would be saved. **The cost for the four positions in these two categories is \$269,433 annually, five times the amount of the difference between the two systems costs mentioned earlier.***

#### **WVLS Comments:**

- The more inclusive budget presented by WVLS above contradicts the statement highlighted in yellow.
- **MCPL has had the largest negative change in employee benefits of all other Wisconsin counties.** (See fourth bullet below for more details.)
- The potential loss of salaried positions for Marathon Co. residents not only means the permanent loss of local control over those revenues, but also subtracts jobs from regional economic growth.

- A Wisconsin Policy Report "[By the Book: How Wisconsin's libraries are adapting in 2020 and beyond](#)" in the February 2020 issue of *The Wisconsin Taxpayer* reports service and financial trends in Wisconsin's public libraries. "On the financial front, state data show that public library systems are holding their own in terms of overall funding. Yet, deeper analysis also reveals some financial and staffing challenges may become more onerous in the future." ... There are "indications that libraries may be hiring more part-time staffers. From 2011 to 2018, Wisconsin's libraries paid \$2.1 million less in benefits to their employees." The changes in benefits from 2011-2018 per FTE, provided in a Wisconsin map of counties indicates **that Marathon County had the largest negative change in benefits of any other county in Wisconsin. "Whether this is an optimal strategy for staffing libraries – as opposed to a financially necessary one – is unknown."** While "... figures suggest that municipalities and counties have viewed libraries as a priority and have kept up their commitments of local taxes and discretionary state aid, ...whether that prioritization can be sustained in the face of growing budget challenges is uncertain." ... "Statewide, there has been a recent push by library officials to begin to eliminate fines for overdue materials, as they have increasingly been seen as an economic barrier to access for some patrons as well as an administrative burden. Though fines do not account for large portions of total library funding, a continued push to eliminate them removes one stream of funding."
- While MCPL ranks 5<sup>th</sup> in service population when compared with the largest library in each of the 16 public library systems, it ranks 13 in FTEs per capita. (2019 Public Library Annual Report data; <https://dpi.wi.gov/pld/data-reports/service-data>)
- **A note about Technology Support.** The MCPL Business Manager's response does not mention the potential for additional required SCLS technology support costs. Also not mentioned is the fact that MCPL chooses not to utilize its access to the same full complement of technology support that WVLS provides to its members at *no additional cost*. MCPL administration has argued that they might eventually be able to save enough money to offset the higher cost of SCLS services by eliminating staff positions, and presents it as an option only available by moving to SCLS. Centralized system-based cataloging has not been discussed and taking full advantage of WVLS technology support has been rejected. In November 2018, the MCPL Director casually suggested that MCPL staff might assume ordering and cataloging chores for all V-Cat libraries. He neither followed up on that thought nor suggested WVLS staff take over MCPL ordering and cataloging similar to what SCLS could do. A sound plan would incorporate the potential options for staff position offsets available via both systems and would present the dollar cost/savings estimates clearly and comparatively.

**Paragraph 7:** *As is my way, I would point out that we could keep two of the four positions as they are, substantially augmenting our current public facing staff, not rent out the space currently rented by WVLS, and still have another \$12,000.00 to put into collections or prepare for a budgeting downturn.*

#### **WVLS Comments:**

- Didn't MCPL reduce the library materials budget to recoup loss in revenues from not collecting fines? How much is that loss? What is the plan to recoup those dollars going forward?
- While MCPL ranks 5<sup>th</sup> in service population when compared with the largest library in each of the 16 public library systems, it ranks 13 in per capita expenditures for library materials (2019 Public Library Annual Report data; <https://dpi.wi.gov/pld/data-reports/service-data>)
- MCPL has been unavailable to support the system OverDrive Advantage Collection even as use by Marathon County residents has increased significantly over the years.

**Paragraph 8:** *While my previous words were written as the financial accountant, I would be remiss if I did not present my view as the Business Manager as well. Nothing in the numbers above speak to value in the sense of **the quality of the collections which would be quickly and easily available to our patrons.** Nor does this speak to the value of having the benefit of **working with peers at similar size libraries, or to other advantages** which have difficult to quantify values. I would ask that non-financial values be added to the more easily stated dollar amounts presented.*

#### **WVLS Comments:**

- As has been stated previously by DPI and WVLS, the collections available from SCLS are currently available to MCPL.
- Considering the populations served and the number of registered borrowers in each system, the collection available to patrons is relatively smaller in SCLS than in WVLS. SCLS serves 54 member libraries in seven counties, 48 of which

are members of their shared consortium catalog called LINKcat. These metrics, reinforced by circulation and high-demand holds data, indicate with near certainty that borrowers in other SCLS counties will draw more materials away from MCPL and Marathon County residents.

- What does “benefit of working with peers at similar size libraries” mean? This statement continues to be undefined. As WVLS stated in its December 2018 report to the MCPL Board and several times since, there are no barriers to MCPL doing outreach to peers across the state, whether as a member of WVLS or any system across the state.
- What does “similar size libraries” mean?

	Resident Population	Extended County Population
Madison	255,650	275,445
MCPL	132,311	132,311
Portage Co.	70,613	70,613
Sun Prairie	34,926	46,765
McMillan WI Rapids	18, 708	36,716

- MCPL is configured more like the Brown County Public Library – a consolidated county library with 8 branches and the central library in Green Bay serving as resource library for the Nicolet Federated Library System (NFLS) – than the three largest libraries in SCLS. NFLS also shares a border with Marathon County but was not suggested to the MCPL Board or Task Force as an alternate system option by MCPL administration. BCPL serves a population of 260,828 with a circulation of 1,660,228.
- In addition to MCPL, other resource libraries across the state that do not have similar size libraries within their systems include those in Appleton, Eau Claire, Green Bay (Brown County PL), Kenosha, La Crosse, Madison, Manitowoc, Milwaukee, Oshkosh, Racine, Sheboygan, Superior, and Waukesha.
- MCPL Branches are essentially community libraries rather than “urban.”
- Other resource libraries are very supportive of the medium and smaller size libraries in their regions. MCPL walking away from resource library status in pursuit of SCLS membership and “peer libraries,” especially when it’s already possible to freely connect with similar size libraries across system borders, belies any pretense by MCPL administration of choosing to maintain 58 years of leadership building a strong regional library network in North Central Wisconsin.
- System resource libraries currently meet once/month to discuss matters. Should MCPL relinquish its role as a resource library and join SCLS, this opportunity will be lost to them.
- Should MCPL withdraw as WVLS resource library, it will no longer be a member of the System and Resource Library Administrators’ Association of Wisconsin (SRLAAW), a group that meets four times a year to address statewide legislative and policy issues that impact public library services in Wisconsin.
- Has MCPL joined the Wisconsin Library Association’s “Urban Libraries Special Interest Group” to collaborate and network with colleagues from urban libraries across the state?
- What does this “other advantages which have difficult to quantify values” refer to? Regarding this statement, “I would ask that non-financial values be added to the more easily stated dollar amounts presented,” how can non-financial values be added if they are not listed?

**Paragraph 9:** *Lastly two more important items. The southwest corner of the county has many hundred residents who now pay substantial dollar amounts to buy access to the Marshfield Public Library for the benefit of having a larger library without a substantial road trip to Wausau. As part of the South Central Library System all services and programs at the Marshfield Public Library would be available for free to residents of Marathon County. This alone would save MCPL just under \$10,000 in annual payments for the half of the user fees we pay for those patrons and it would put another \$10,000 dollars back in the hands of our county residents who now buy library service in a neighboring county.*

**WVLS Comments:**

- How are the Marathon County residents using the public library in Marshfield different from the Marathon County residents who now use the Colby, Abbotsford and Dorchester libraries in Clark County as their neighborhood libraries?

- If Marathon County leaves WVLS, would MCPL be willing to pay Clark County libraries for their residents' use similar to the current Marshfield agreement?

**Paragraph 9 (continued):** *The second and final discussion is that of the one-time ILS migration fee, \$63,675. Current intention is to ask the Marathon County Public Library Foundation for help in paying this one-time expense. It may be that it would need to be paid out of end of year funds, but either way it is a cost of admission rather than an impediment to forward movement.*

#### **WVLS Comments:**

- Asking the MCPL Foundation to pay for a one-time operational expense might not be welcomed by those who have contributed to the foundation.
- Since moving to another system has been a goal of MCPL Administration for almost two years, shouldn't there have been a plan in place to build up in reserve contingency funds rather than being forced to make a desperate plea to the foundation for support?
- MCPL leaves behind its investment share in the V-Cat Resource Development, Special Projects, and Contingency funds (approximately \$460,000 in 2020) if it migrates to SCLS.

#### **Conclusion**

If there are no MCPL service targets, how does the MCPL Task Force and Board define the library's success? How would they know the decision to leave WVLS was worth it? Providing a budget is not the same as doing a cost benefit analysis.

The MCPL financial report provides an incomplete narrative that aggregates selected financial elements accompanied by previously challenged talking points. It scans as an argument for a move to SCLS while choosing to take a reactive rather than a proactive approach to MCPL's future wants and needs. It omits significant elements in the so called "apples to apples" comparison of basic system services. It offers neither a detailed cost/benefit analysis that addresses anticipated growth of the library within the context of a strategic plan and discernable service metrics, nor establishes a clear financial forecast. It does a disservice to decisionmakers at the Task Force, Library Board and County Board level by not seeking to provide a solid fiscal foundation upon which to make an important choice.

It also does not address how MCPL plans to maintain service continuity when considering potential budget challenges in 2022 and beyond. The global pandemic has motivated libraries to find new and innovative ways of connecting and serving their communities. What new services is MCPL providing? Will they continue to be offered? What additional services are planned for the future? What partnerships will the library forge? What changes and additions can the library budget support? Beyond the stated intent to reevaluate the current Marshfield agreement as a possible fiscal benefit to system migration, what unanticipated or unresearched political and public relations "non-financial values" might subtract from the more easily stated dollar amounts in the partial analysis presented?

A complex, monumental decision on system membership requires an objective, thorough and detailed review of all potential options and outcomes. This has not occurred. Given that MCPL has not identified service issues with WVLS, the lack of a library strategic plan, and pending funding and economic uncertainties, how is it possible for library leaders to make a sound decision on system membership at this juncture?

WVLS recommends that the MCPL Task Force and Board base any decision about system membership upon facts and data rather than subjective personal opinions and speculation. Prior to deciding to withdraw membership from WVLS, we further suggest that MCPL develop a strategic plan that clearly articulates its performance metrics and service standards. Such a plan could serve as a compass for decision-making and advocacy efforts while also providing a vehicle for accountability and evidence-based success. WVLS is available to assist MCPL in a strategic planning process upon request.