



# Joint Library Meeting

December 8, 2021

THIS PRESENTATION WAS CREATED AS TALKING POINTS FOR THE ROCKFORD CITY MANAGER TO PRESENT TO THE ROCKFORD CITY COUNCIL AND THE ALGOMA, CANNON AND COURTLAND TOWNSHIP BOARDS.

**CONSTITUENT COMMUNITY AGENDA**  
**ALGOMA, CANNON, COURTLAND TOWNSHIPS**  
**& CITY OF ROCKFORD DISCUSSION**  
**REGARDING KRAUSE MEMORIAL LIBRARY**

**WEDNESDAY, DECEMBER 8, 2021 @ 7 P.M.**  
**EAST ROCKFORD MIDDLE SCHOOL**

- I. Meeting called to order
- II. Introductions
- III. Each community call to order and roll call
- IV. Summary of process by Chair Steve Grimm, Supervisor Cannon Township
- V. PowerPoint presented by Thad Beard, City Manager City of Rockford
- VII. Public Comment
- VIII. Adjournment

**Our shared goal:  
build a 19,000 square foot  
addition to the  
Krause Memorial Library.**

# Brief history of the Krause Memorial Library and relationship with KDL

- Krause Memorial Library was built in 1937.
- Operated by the Krause Memorial Library Board until 1994.
- Current branch is 9,500 square feet, after 2 additions (1963 and 1989).

# Brief history of the Krause Memorial Library and relationship with KDL

- In 1994, the voters in the City + 3 Townships approved moving to a district library system (KDL).
- Population of the City + 3 Townships currently served = 42,911.

# Overview of use of the library by jurisdiction from 2015 census (most recent data)

- City of Rockford 21.4%
- Cannon Township 19.9%
- Courtland Township 19.2%
- Algoma Township 16.4%
- Other 23.1%



# Overview of library use compared to other KDL branches

## Peer Benchmark Data: FY 2015

The following information is provided as benchmarking data with all 17 other Kent District Library branches. The data are for FY 2015, the most recent year in which data is digitally published for the libraries.

It is important to note that Krause Memorial's 47.77 loans per square foot is significantly higher (double) than the System-wide average of 22.92 loans per square foot. Equally impressive is Krause Memorial's visits per capita rate of 31.77 (triple) compared to the system wide average of 10.93.

Branch	Jurisdiction Population	Hours Open per Week	Staff as FTE's	Square Feet	Sq. Ft. per Capita	Total Loans	Loans per Sq. Ft.	Loans per Capita	Library Visits	Visits per Capita
Alpine	13,336	40	3.00	4,862	0.36	70,560	14.51	5.29	45,360	3.40
Alto	2,793	37.5	2.75	5,795	2.07	39,615	6.84	14.18	2,793	1.00
Byron	20,317	54.5	7.95	13,600	0.67	394,867	29.03	19.44	147,530	7.26
Caledonia	12,294	49	6.50	15,464	1.26	229,203	14.82	18.64	87,545	7.12
Cascade	17,134	62	15.83	21,913	1.28	648,849	29.61	37.87	243,305	14.20
Comstock Park	30,952	45.5	4.68	4,095	0.13	147,357	35.98	4.76	88,014	2.84
E. Grand Rapids	10,694	62	13.65	26,950	2.52	429,132	15.92	40.13	353,923	33.10
Englehardt	3,783	46.5	5.33	8,771	2.32	194,895	22.22	51.52	101,845	26.92
Gaines	25,146	54	7.35	10,400	0.41	290,219	27.91	11.54	126,494	5.03
Grandville	15,378	60	14.83	18,672	1.21	573,882	30.73	37.32	264,425	17.20
Kentwood	48,707	62	15.10	45,489	0.93	567,173	12.47	11.64	238,132	4.89
<b>Krause</b>	<b>5,719</b>	<b>54.5</b>	<b>8.55</b>	<b>9,500</b>	<b>1.66</b>	<b>453,777</b>	<b>47.77</b>	<b>79.35</b>	<b>181,671</b>	<b>31.77</b>
Plainfield	30,952	62	15.90	26,420	0.85	624,772	23.65	20.19	252,486	8.16
Nelson Twp. / Sand Lake	4,764	42	4.08	8,736	1.83	100,600	11.52	21.12	48,280	10.13
Spencer	3,960	40	2.93	2,000	0.51	59,463	29.73	15.02	28,798	7.27
Tyrone	4,731	35.5	2.88	4,239	0.90	53,939	12.72	11.40	30,722	6.49
Walker	23,537	57	8.33	8,000	0.34	281,976	35.25	11.98	136,449	5.80
Wyoming	72,125	62	18.45	48,950	0.68	595,678	12.17	8.26	300,834	4.17
<b>Average</b>	<b>19,240</b>	<b>51.44</b>	<b>8.78</b>	<b>15,770</b>	<b>1.11</b>	<b>319,775</b>	<b>22.94</b>	<b>23.31</b>	<b>148,811</b>	<b>10.93</b>

# How did we get here?

- August 2018: Began meeting with area Townships to explore potential expansion. As advised by KDL. Letters of intent agreed by each unit and representatives appointed.
- Hired an architect to assist a subcommittee to determine future building needs. Involved architect, library staff and residents.
- Renderings and cost estimates (\$8Mil) completed by the architect.











# How did we get here?

- Engaged with fundraising consultant in 2019, to determine public support for a new library. Consistent theme was the need for each unit of government to contribute towards the campaign costs.
- Continued roadblock: No ability for Townships to share in the costs for the library, which led us to explore the potential of a new District Library. A building authority is another method, which requires a tax increase.

# Current Structure:

## KDL levies 1.2484 Mills

(Headlee reduced in 2021. Previous was 1.2661)

2021 levy results in \$2.47 Million for KDL annually:

• City of Rockford	\$333,221
• Cannon Township	\$994,197
• Courtland Township	\$484,792
• Algoma Township	<u>\$659,907</u>
Total	<b>\$2,472,117</b>

# Current Structure: KDL levies 1.2484 Mills

(Headlee reduced in 2021. Previous was 1.2661)

From those proceeds KDL returns about \$13,000 for maintenance and provides administration and employees to provide library services at the Krause Memorial Branch.

The City of Rockford also provides about \$45,000 annually for building maintenance.



Upon reviewing data, we found the average annual library budget in Michigan is about \$850,000 (for libraries servicing populations up to 50,000).

Key determinants:

- Size of building
- FTE Staff
- Population served
- Co-op service

Examined itemized budgets from 6-area libraries with similar building needs:

- Building size
- Number of staff
- Population served

Example: Georgetown Township similar size and recently completed \$8.6 million building project.

- Building size: 31,000 sqft.
- 15 staff members
- Population served: 52,000

# Proposed budget based on area libraries is about \$1,075,000

- Add \$611,000 a year for a 15 year bond for \$8 million debt to pay for 19,000 square foot addition.
- Estimate \$120,000 a year in State Aid (\$36,000) and penal fines (\$84,000).
- Includes about \$20,000 a year towards endowment costs.
- Total tax requirement is estimated to be **\$1,586,000** which requires 0.8 Mills (**36% reduction**). Current 1.24 Mills compared to new 0.8 Mills.

# Estimated Cost to Construct and Operate a District Library

Annual Budget – 15 Year Bonds		
Annual Operations		\$ 955,000
Bond Payment 15yr.		<u>\$ 611,000</u>
		\$ 1,566,000
Combined		
Taxable	Millage Rate Needed	Taxes to Collect
1,980,228,261	0.8	\$1,584,183
	After Bonds 0.49	\$ 970,311

## Current

Entity	2021 Ad Valorem-Taxable Values	Millage Rate	Taxes Collected Presently/year
Algoma	\$ 528,601,943	1.2484	\$ 659,907
Cannon	\$ 796,376,815	1.2484	\$ 994,197
Courtland	\$ 388,330,881	1.2484	\$ 484,792
Rockford	\$ 266,918,622	1.2484	\$ 333,221
	\$ 1,980,228,261		\$ 2,472,117

## Proposed

Entity	Millage Rate	Taxes Collected/yr.	Tax Savings/yr.
Algoma	0.8	\$ 422,882	\$ 237,025
Cannon	0.8	\$ 637,101	\$ 357,095
Courtland	0.8	\$ 310,665	\$ 174,128
Rockford	0.8	\$ 213,535	\$ 119,686
		\$ 1,584,183	\$ 887,934



## Savings after bonds are paid off

Entity	Millage Rate	Taxes Collected/yr.	Tax Savings/yr.
Algoma	0.49	\$ 259,014	\$ 400,892
Cannon	0.49	\$ 390,224	\$ 603,972
Courtland	0.49	\$ 190,282	\$ 294,510
Rockford	0.49	\$ 130,790	\$ 202,431
			\$1,501,805

Ultimately we believe we can partner to create a district library to better serve our current and future needs.

1. Increase building size - 19,000 square foot addition (\$8 Mil)\*\*
2. Increase employees by minimum of 30% (9 to 12)
3. Reduce tax burden by 36% initially and by 60% in 15-years (after debt paid)

\*\* based on bonding for full debt. Fund raising analysis indicated we should receive about \$2 Million in public donations.

\*\* recent history shows 5% annual increase in revenue due to property values.

# Why Now?

1. Current KDL millage sunsets Dec. 2023, any change in structure needs to occur prior to that date.
2. Next KDL Millage is expected to be 10 year term. If any change is to occur, this is the time to consider it.
3. This will require a vote of the people. The municipal boards cannot decide this.

# Next Steps

Three options under consideration:

1. Agreement with KDL, Townships and City to building the addition. While district libraries can own and build buildings, KDL does not assist any unit with their buildings.
2. Establish a building authority. Similar to a district library, a board is established between all units. The board is authorized to bond and build a building, but it would result in an increased tax, on top of the current KDL milage.
3. Establish a new District Library, with shared ownership and administration of the library, independent of KDL.

# Next Steps

1. Hire national consultant to confirm budget figures.
2. Continued Board meetings to discuss alternatives and complete due diligence.



# Concerns or Incorrect Assumptions to date

1. The level of service will decrease if we leave KDL

*A: It's a concern we are trying to evaluate.*

2. There will be higher taxes, not lower if we leave KDL

*A: If we pursue a new district library, taxes will go down.*

3. KDL spends \$600,000 annually to operate the Krause Memorial Library

*A: We believe they spend more annually to operate Krause Memorial Library.*

4. We will lose all access to books outside of the Krause Memorial Library

*A: We would pursue joining the Lakeland Library Cooperative and would still have access to books outside of the physical library.*

5. KDL will take all of the books with them, and the library will have to start from scratch taking years to replace everything

*A: Yes, KDL has the right to take all materials post 1994 with them. As part of a library set up, we would have to purchase replacement materials.*

# Concerns or Incorrect Assumptions to date

6. Only City of Rockford residents will be allowed to use the library

*A: Anyone in the City, Algoma, Cannon or Courtland Townships would have access to the library.*

7. This is retaliation for the City of Rockford parks millage not passing

*A: This is false.*

8. The City of Rockford wants to close the library

*A: We absolutely DO NOT want to close the library.*

9. KDL wants to buy the library building and the City of Rockford doesn't want to sell it

*A: KDL has no interest in purchasing the building.*

10. If the library leaves KDL, patrons won't have access to e-books and other technology

*A: Patrons would have access through the Lakeland Library Cooperative. However, we are still researching what that will look like and if there would be less services and if so, how much.*

# Concerns or Incorrect Assumptions to date

11. Cannon and Algoma townships aren't in support of leaving KDL

*A: No one wants to leave KDL, but we have a responsibility to tax payers to look at multiple options to be able to pay for the library expansion.*

12. Tax payers will be double taxed because they will have to pay both KDL and new library taxes

*A: If we pursue the new district route, tax payers will have to vote to leave KDL, if we leave, tax payers would no longer pay taxes to KDL, they would pay taxes to the new district library. If we pursue the building authority route, there would be an additional millage on top of the KDL millage to pay for the expansion. This would also need to be voted on by tax payers.*

13. Saving tax dollars and keeping the same services is too good to be true, where's the catch?

*A: We are still evaluating to make sure we can offer comparable services if we pursue this route.*

14. All libraries are part of KDL, it can't be done without them

*A: Not all libraries in the area belong to KDL.*

15. KDL is the gold standard of library systems, it can't be replicated

*A: We don't disagree.*

# Concerns or Incorrect Assumptions to date

16. This is all being done in secret without any public input

*A: This is the first opportunity to present these options to the City Council and Township Boards. If we pursue this route, there will be more public meetings. No one is trying to hide anything.*

17. The potential collaboration is actually private ownership that doesn't represent a community library or its patrons.

*A: This is false, there will not be private ownership. It would be run by a board comprised of members from the City, Algoma, Cannon and Courtland Townships.*

18. This is only being done in order to ban books the City and Townships don't agree with.

*A: This is false, we have no interest in banning any books or dictating what information people have access to.*



# Process to Form a District Library

1. Voters from each of the Townships and City approve withdrawal from KDL.
2. Township Boards and City Council adopt a resolution creating a new district library, approving an agreement among them, and appointing initial new district library board members.
3. Approval of new district library by State of Michigan Librarian.
4. New district library board meets and adopts resolution to place 0.8 millage proposal before Townships and City.



# Process to Form a District Library

5. Voters approve 0.8 library millage proposal.
6. New district library board adopts resolution requesting to become a participating member of the Lakeland Library Cooperative.
7. Lakeland Library Cooperative Board approves the new district library as a member.
8. First approve library millage levy - 2024

## 2021 Winter Property Tax

*If you have a mortgage code indicated below, a copy of this statement has been forwarded to them. If the Mortgage Code is empty, no one has requested a copy of your tax statement.*

### Mortgage Code:

TAXING AUTHORITY	RATE	AMOUNT
RPS Operating	8.59620	EXEMPT
RPS Debt	3.50000	686.94
RPS Parks & Rec	0.46415	91.09
RPS Bldg & Site	0.24385	47.86
Kent Dist Lib	1.24840	245.02
KC Jail	0.76450	150.04
KC Seniors	0.48420	95.03
KC Veterans	0.04820	9.46
KC Zoo/Museum	0.42610	83.63
KC Childhood Dev	0.24410	47.90
Cannon Twp Oper	0.76060	149.28
Cannon Twp Fire	0.93070	182.66
Cannon Twp Rec	0.53550	105.10