

COUNCIL ACTION FORM

SUBJECT: FUNDING OF LIBRARY FUNDRAISING FEASIBILITY STUDY

BACKGROUND:

The Library Board of Trustees has determined that it is necessary for the library facility to be expanded in order to meet the current and projected needs of the Ames community. After engaging outside professionals to assist with a space needs study and an on-going building expansion location/design project, the Board anticipates that construction and moving may cost approximately \$35 million. The project will most likely be funded by a combination of General Obligation bonds, private fundraising, and government and private grants. The Library Board of Trustees believes it is important to obtain an accurate assessment of fundraising potential for this project before it moves forward with more detailed building design and preparation for a bond referendum. To this end, the Board intends to engage The Hodge Group, a consulting firm based in Dublin, Ohio, to undertake a fundraising feasibility study in a contract amount not to exceed \$68,000 (see separate Council Action Form).

The scope of work will include compilation of data on the probability of a successful outcome of a bond referendum for the stated goal amount (or the potential successful amount if the stated goal amount proves to be unreachable), the potential for private fund raising, and the potential for grants from either other governmental units or private foundations.

The Library Board of Trustees is now requesting an amendment that permits up to \$68,000 from unspent Library capital improvement project (CIP) funds (both 2009/10 funds and carry-over from 2008/09) to be assigned to the Fundraising Feasibility Study with The Hodge Group.

The Library began the 2009/10 fiscal year with \$82,900 in the CIP, allocated to roof repair, masonry work, and window glazing/painting. On July 14, 2009, the City Council approved an amendment to the 2009/10 CIP which moved \$51,000 to the contract with Meyer, Scherer and Rockcastle, LTD (MS&R). This brought the total CIP funds reallocated to the Library expansion consultant work to \$102,000, as follows:

February, 2009 (reallocated from HVAC work)	\$51,000
July, 2009 (reallocated from building maintenance)	\$51,000

	\$102,000

The Library Board originally committed \$255,000 from its donations to fund the consultant work with MS&R. With the additional Local Option Sales tax funding, that contract total now stands at a cost not to exceed \$357,000. The Board of Trustees requests that through a combination of 2009/10 CIP funds, and the use of carry-over CIP funds from 2008/09, the City Council make available \$68,000 for the contract with the Hodge Group.

If the City Council chooses to provide an additional \$68,000 in Local Option Sales Tax funding to the Library Board for consulting services associated with the expansion project, the Council will be committing a total of \$170,000 in Local Option Sales Tax funds, toward the total consultant costs on the expansion project. As of the end of January, the Library had a balance of \$1,408,014 in its bequest account.

ALTERNATIVES:

1. The Council authorize use of \$49,277 in carryover CIP funds from 2008/09, and \$18,723 of the remaining \$31,700 in the 2009/10 Library CIP, to allow for the use of an amount not to exceed \$68,000 to cover a contract with The Hodge Group for a Fundraising Feasibility Study for the Ames Public Library. This will leave an unencumbered balance of \$12,977 for the balance of the 2009/10 CIP to cover any maintenance work needed to be done on the Library building and grounds.
2. The Council can deny the request and direct the Library to consider other funding accounts under its control, such as the Library's bequest accounts, to pay for the fundraising feasibility study. As stated above, there are sufficient funds available from these other sources to finance this new study.
3. The Council can allow for the reallocation of the \$49,277 in 2008/09 CIP carryover toward the contract with the Hodge Group, and direct the Library Board of Trustees to consider other sources under its control to fund the additional \$18,723 needed to cover the cost of this additional consulting contract.

MANAGER'S RECOMMENDED ACTION:

It will be very important to gather information regarding the level of support in the community for financing a major expansion or relocation of the Library. To this point, discussion has revolved around the needed facilities, and little has been determined with respect to financing capacity. The staff agrees with the Library Board of Trustees that it would be beneficial to obtain an objective and data-driven estimate of the community's support for a project that will likely require the expenditure of \$35 million in bond proceeds and private dollars/grants, and the extent to which location may play a role in that support. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the reallocation of \$68,000 remaining in the 2009/10 CIP (including carryover from 2008/09) toward the contract with the Hodge Group.

While the staff is supportive of this request for additional City funding of the fundraising feasibility study, we are concerned that \$170,000 of funding earmarked for improvements at the Library have been diverted to consulting studies. Unfortunately, should problems arise at the facility or the citizens ultimately decide not to expand the Library, we will no longer have funds available to correct these problems. Therefore, the Council will, no doubt, be requested to appropriate this same amount in the future to help preserve the existing building.