

NOTICE OF 2023 LIBRARY WARRANT ARTICLE

Article P-23-13: Shall the Town vote to raise and appropriate the sum of \$45,000 to be deposited into the previously established Library Capital Reserve Fund? (Majority vote required)

The balance in the Library Capital Reserve Fund was \$70,783 as of December 31, 2022.

(Recommended by the Board of Selectmen (4-0-0) and the Budget Committee (6-0-0)).

Article P-23-13 Explanation: Timely deposits into the Library Capital Reserve Fund will ensure that funds are available to address repairs, renovations, and improvements to the library building as needed using only capital reserve funds which helps to level the yearly tax impact. These funds will be invested in an interest-bearing account and can only be withdrawn by a majority vote of the Board of Selectmen. Anticipated expenses in the next five years include a roof replacement (\$100,000) and replacement of boiler room compressors and pumps (\$15,000).

Frequently Asked Questions about the Library Warrant Article

1. *"Why does the library need capital improvements? Isn't the building relatively new?"*

The town's beautiful library opened to the public in May 2000, almost 25 years ago. Anyone familiar with construction knows that this is about when you can expect to begin incurring significant maintenance and upgrade costs. Our building systems unfortunately are not an exception to this rule.

In December 2014 we initiated a comprehensive building review, the result of which was a 31-page report by the Castagna Consulting Group (CCG) of North Hampton. The results outlined in their Infrastructure Evaluation Study included:

- An extensive assessment of all building systems, with supporting photographic evidence;
- Recommendations and preliminary cost estimates;
- Quotes from several contractors to validate cost estimates; and,
- Capital cost projections through 2040.

CCG updated the study in 2019. The library updates its six-year Capital Improvement Plan each year, based on the revised report, newer quotes, and any recent changes in building operations and conditions. The library then presents this plan to the town's Capital Improvement Committee. The Committee reviews this plan and makes recommendations for changes before approving the plan and passing it onto the town's Planning Board and Board of Selectmen for similar review and approval.

Have more questions? Contact the Library Director or Trustees at 382-6011, director@plaistowlibrary.com, or trustees@plaistowlibrary.com!

2. *"Doesn't the library already have a Capital Reserve Fund to pay for these things?"*

Yes, the voters approved the creation of a new Capital Reserve Fund for the library in 2016 and we've been actively using it to pay for vital repairs and upgrades. Note that only the Board of Selectmen can authorize disbursement of funds since they are the fiscal agent for the Fund.

Capital Reserve Fund Project History

- 1./ \$20,500 for LED lighting upgrades (currently saving the Library about \$18,000/ yr.)
- 2./ \$99,920 for fire suppression upgrades to address corroded pipes and leaks
- 3./ \$8,625 for parking lot resealing and crack repairs

3. *"Why should the taxpayers add more money to the Fund now?"*

After four initial deposits, the Fund has not received any additional funds since 2019 and the current balance of \$71,000 is insufficient to meet projected needs, even in the short-term. Major capital projects planned for the next 3-10 years include replacing the fire pumps, boiler, and roof shingles.

Municipal planning experts advise setting aside 1.5 to 4% of capital replacement value per year to cover long-term maintenance and repairs expenses. With a replacement cost of at least \$3.5 million, \$45,000 is 1.3% of the library's capital replacement value. For many years there was no capital reserve fund and nothing was set aside for the library, so we're now playing catch-up.

4. *"What will happen if the warrant article doesn't pass?"*

The Library would have to delay replacements and repairs and hope that no major system fails. (Of course, it's impossible to predict with any precision exactly when a system will need to be replaced because of mechanical failure or a natural disaster.) The Library has a lean budget which cannot absorb these larger expenses.

If a system does fail, the Library would have to approach the Town for assistance. Finding funds for a major unbudgeted expense would present a significant challenge, perhaps at the expense of other budgeted projects or services. In addition, costs may also be higher than they would have been otherwise as sudden failures often require an emergency response and/or can cause damage (water damage from a roof leak, for example).

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