Berks County Libraries
Task Force Report

February 1, 2011
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Executive Summary

In 2010, Berks County Community Foundation established the Berks County Libraries Task Force to determine what a 21st Century system of public libraries would look like and how it could be sustained. The task force reviewed the current financial state of Berks County’s public libraries, talked to community members, and visited other Pennsylvania library systems. The following executive summary provides key findings.

Where we are
A variety of entities provide library services for Berks County residents. These include the Reading Public Library (with its three community branches and bookmobile); the Berks County Library System, which is a unit of county government; 19 independent public libraries that, like Reading, are members of the system, and the Wyomissing Public Library, which is not a member of the system. In addition to the public libraries, there are private religious, university, and grassroots libraries throughout the community. This report focuses on the sustainability of the Berks County Library System and its member libraries.

Berks County Library System members are free public libraries that Berks County residents rely on to access information, including research databases, the internet, traditional printed materials, audio-visual materials, and community programs. The libraries are connected to each other through a complex technological and logistical platform administered jointly by the System and the Reading Public Library, which serves the System members as the state-designated District Library Center for the area.

Unlike the other member libraries, which are independent 501 (c)3 nonprofit organizations, the Reading Public Library is held in trust by the City of Reading, which is legally obligated to support it. Reading’s status as a “financially distressed city” under Pennsylvania’s Act 47 does not negate the city’s responsibility to administer the library trust; however, it does point to a continuing decline in the amount of funding available for such an endeavor. Further, the city’s responsibility as trustee holds only that it provides a library for
the residents of the City of Reading, and does not include any obligation to the larger county that relies on Reading Public Library’s services as a state-designated District Library Center.

In response to drops in state and city funding for 2010, Reading Public Library reduced its staff by nine full-time employees, nine part-time employees, and reduced hours for 13 employees. In addition, the library reduced its hours of operation from 65 to 45 at the Main Branch and from 35 to 20 at each of the neighborhood branches. For 2011, it dipped into its reserves to balance the budget and to pay for critical building repairs. Barring intervention, it is unlikely that Reading Public Library could sustain itself as the District Library Center, even at the current reduced operating levels, beyond 2014.

Other System members also cut hours, cut staffing, and cut materials budgets in response to reductions in state funding. A survey of local librarians indicated that nearly across the board community libraries in Berks County have cut back over the past few years – on materials, on hours, and on personnel – in response to tighter budgets, even as demand for library services increased.

It is important to note that these cuts came on top of an already low baseline for funding. Overall, spending for public library services in Berks County was just over $19 per capita in 2010. This compares to an average of $26 per capita in the best practice communities the task force studied and an average of $28 per capita statewide. In other words, the case could be made that Berks County’s libraries on the whole were inadequately funded, particularly at the municipal level, even before they made budget cuts in response to the financial downturn.

Interestingly, the strongest library systems in the best practices comparison group were consolidated systems, where community libraries are branches of a single organization rather than independent entities. Overall, these communities have fewer libraries per capita and are funded by a dedicated library tax.

Finally, a survey completed by more than 3,000 Berks County residents in June-July 2010 indicated extraordinarily high levels of support for local libraries and a willingness to do more to ensure continued service. In return, residents asked for more from their libraries – more materials, more meeting space, and more electronic resources, to name just some of the requests. A statistically valid telephone poll of Berks County residents who are likely to vote in the next election showed that 84% believe their local library is important to their community and 73% see funding public libraries as a good use of their tax dollars.
Where we’re going
The task force considered a variety of scenarios for library funding and operations. One of those scenarios involved moving the current federated system of independent libraries into a consolidated system with one management team to lead all of the libraries. In this scenario, the independent libraries would dissolve and become branches of the larger system. Although the task force believed this was the most fiscally efficient solution to the management of local libraries, it determined that it was not a realistic recommendation for the near term.

Similarly, the task force considered recommending the enactment of a dedicated library tax. Such a tax would provide adequate funding and ensure a consistent level of support for local libraries year after year. The task force determined, however, that the current political environment was not conducive to the introduction of a dedicated tax. Should the issue be raised in the future, the task force believes a tax at the municipal, rather than county, level would be appropriate and ensure that libraries exist in the communities that support them.

Recognizing the limitations noted above, the task force has developed a set of specific recommendations that will move Berks County toward a hybrid federated-consolidated library system. The hybrid system is designed to stabilize funding, improve library service for patrons, and increase the level of professionalism in key functional areas. The full set of recommendations begins on page 39 of this report.

How we’ll get there
Specifically, the task force recommends that the City of Reading and the County of Berks work together to merge the Berks County Library System and the Reading Public Library into an independent 501(c)3 nonprofit organization called Berks County Public Libraries, Inc.

The new entity will combine the current System and District Library Center functions into one organization. The Reading Public Library (including the Main Library, the three branches and the bookmobile) will become branches of Berks County Public Libraries, Inc. and mark the beginning of a hybrid consolidated-federated system.

Berks County Public Libraries, Inc., will offer the services member libraries have grown accustomed to, and add new shared services designed to ease the management burden for these independent entities.
Specifically, Berks County Public Libraries, Inc. will provide professional bookkeeping, accounting and auditing functions for all of the member libraries, as well as centralized human resources services. Berks County Public Libraries, Inc. will also create a professional fundraising and marketing department that, like all of the shared services, member libraries can opt to use free of charge.

Finally, the task force recommends that, with help from the new fundraising and marketing department, member libraries solicit additional funding from municipal governments in the townships and boroughs the libraries serve. The task force found that funding at the municipal level varied greatly across the county, with several municipalities providing little or no financial support to their local library.

**What it will cost**
After careful review, the task force has concluded that merging the two entities – Reading Public Library and the Berks County Library System - into one nonprofit organization will not result in an increased need for funding over their combined 2010 budgets of approximately $4,170,000.

Additional incremental funding is necessary, however, to develop the recommended shared services for use by all member libraries and to restore some hours and services.

Specifically, the task force recommends that the County of Berks contribute an additional $500,000 annually for library service. This funding would be used to:

- create shared accounting and human resources functions at Berks County Public Libraries, Inc.
- restore the hours at the three Reading Public Library neighborhood branches
- add two full-time staff members who serve the system through the Reading Public Library Main Branch.

In addition, the task force recommends that the County set aside $300,000 annually in a challenge grant pool that will be used to match incremental new contributions to member libraries from townships and boroughs.

Finally, the task force recommends that the philanthropic community step forward to fund the establishment of the shared fundraising and marketing department at Berks County Public Libraries, Inc. for a period of five years.
What’s next
The task force is confident that its recommendations will ultimately result in a stronger system of libraries for Berks County that is flexible enough to respond to changing community needs for information. The creation of Berks County Public Libraries, Inc. and the merger of the system and district library functions lay the foundation for future growth and efficiency.

Over the next five years, the board of directors of Berks County Public Libraries, Inc. will need to carefully consider the number, location, and quality of public libraries across the county. In doing so, they should ensure that all residents have access to a high quality public library within a reasonable distance and avoid unnecessary overlap and duplication of services. The board must also consider the growing trend toward public libraries serving as community centers, and consider ways technological advancements can aid in the delivery of library services, particularly in smaller communities. Finally, the board should take steps that would ease the transition to a consolidated library system funded by a dedicated library tax.
The Need for a Task Force on Berks County Libraries

In fall 2009, as the state budget lagged and the economy waned, Berks County’s libraries faced unprecedented drops in funding. Cuts in state and municipal funding, coupled with a decrease in philanthropic giving, caused the already penny-pinching enterprises to look for new, creative ways to keep their doors open and serve the community.

Not all of Berks County’s libraries fared the same in this precarious financial balancing act. Some dipped into reserves to make their budgets work. Some cut back hours or programming or new materials purchasing. Some cut staff and relied more heavily on volunteers. Some did all of the above. All the while, library usage – particularly internet and computer usage – soared to unprecedented levels as more companies required job applicants to apply online, and more Berks Countians found themselves unemployed.

The Reading Public Library, which serves as the hub of the Berks County Library System’s complicated wheel, was hard hit. As the City of Reading officially became a “distressed city” under the state’s Act 47 provision, it cut its annual allocation to the Reading Public Library by more than $300,000. That drop in funding, coupled with a 20% drop in state funding, led to the elimination of 18 jobs and a cut back in hours of operation to a bare minimum that is below the levels required by the state for a District Library Center.

The Reading Public Library, which includes the Main Library at 5th and Franklin streets, three community branches and a bookmobile in the city, averted closures through the quick thinking of a variety of community leaders and creative funding from the United Way of Berks County through the Berks Community

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1 The Berks County Public Library System includes the Bernville, Bethel, Boone, Boyertown, Brandywine, Exeter, Fleetwood, Hamburg, Louisa Gonser (Kutztown), Mifflin, Muhlenberg, Reading, Robesonia, Schuylkill Valley, Sinking Spring, Spring Township, Village, Wernersville, West Lawn, and Womelsdorf public libraries. In addition, The Wyomissing Public Library serves that community but is not a member of the Berks County Public Library System.
Action Program, which provided a critical $240,000 in operating support from federal stimulus dollars that had to be spent before the end of 2010. In addition, the board of the Reading Public Library approved the use of reserves if necessary to balance the budget. Although those reserves were not needed in 2010 due to the contributions the library ultimately received, the board found it necessary to use a portion of those reserves to balance the 2011 budget and to pay for critical maintenance on the library’s facilities.

With closure of the central research library temporarily averted, community leaders turned to Berks County Community Foundation to develop a task force to study the current state of Berks County’s libraries and make recommendations not just to keep the libraries open for another year, but to create a plan to build and sustain a 21st century library system. The task force was recruited in January 2010, with the first meeting held in February 2010. This report is the result of the task force’s work.

**Libraries in the Digital Age**

Throughout the period during which the task force conducted its work, community members, government officials, and even task force members themselves often asked: “Aren’t libraries obsolete as we move deeper into the digital age?”

The research the task force conducted demonstrated that public libraries are still important – and perhaps more important - community assets as technological advances continuously change our society. Here are a few of the reasons why:

**Access: The technological (aka “digital”) divide is real.**
Access to the internet is a prerequisite to connecting to key resources in Berks County and beyond. The public library is the place where many people gain that access. Children and adults who don’t have computers at home can use one at the library. People with laptop computers but no internet service at home can log onto the library’s wireless system. The elderly are increasingly pushed online to acquire information they need, and they find the library to be a place to not only attain that access, but to also receive training on how to use a computer.

**Economic Development: Apply online.**
Many jobs – including an entry level position at McDonalds – require applicants to apply online. Libraries provide Berks County residents who find themselves unemployed not only the access they need to search for and apply for jobs, but
also the technological equipment they need (computers, word processing software, and printers) to create a resume if necessary. The same holds true for Berks County residents who want to advance their education – many colleges and universities, as well as federal financial aid programs, are primarily accessible online.

**Basic Needs: Libraries are the ultimate community safety net.**
When it comes to technological advances, libraries provide the last safety net for local residents. The Reading Public Library, for instance, has a bank of phone booths outside, and patrons without cell phones often use them. For those without a credit card or the means to download books, audio files, or movies onto a television or computer, the library provides a variety of DVDs, CDs, and even VHS cassettes.

While these technologies will phase out over time, the library is the last place they will leave, ensuring that the public has access to information in a format it can use until a new format completely overtakes the old one. In the 1980s, for instance, it wasn’t uncommon for people to rent VHS players in addition to VHS tapes, or to borrow the players and tapes from the library. Eventually that technology gave way to DVDs, just as DVDs will likely give way to other forms of digital download. The library will provide the public with access to information in whatever format is available and used by the community.

**Research: Google is a starting place, not an ending place.**
Whether you want to start a business, learn the implications of a recent medical diagnosis or take a deep dive on a historical era, most people start with a basic internet search. That search will lead to volumes of material of varying credibility. The library still serves as the primary facility for serious, credible research by providing public access to scholarly databases that are now available online through annual subscriptions. These subscriptions, which are significant expenses for the library system, eliminated the need to purchase and stock updated encyclopedias or other reference materials.

**The American Dream: For many, it all still starts at the library.**
By providing access to information in a variety of formats, libraries are the primary place where Berks County residents can go to educate themselves about any issue – from how to get a job, to how to start a business, to how to plant a garden, to how to file their taxes or buy a home. Libraries level the playing field, providing any one of our residents who have the willingness or desire to learn the opportunity to do so regardless of their income or status.
Task Force Charge

The task force was charged with using all available resources to determine what a 21st Century system of public libraries in Berks County would look like, how it would work, and the steps necessary to move from the current state to the proposed vision.

Specific Tasks:

- Analyze the current system of libraries in the county to determine the extent to which they meet the emerging needs of the community.

- Develop an understanding of the current governance, operations and financing of the libraries.

- Explore best practices in the design and operation of libraries

- Specifically analyze the finances, governance and operations of the Reading Public Library as it is uniquely stressed and plays a critical role as the central repository library for the county. Examine and understand the Reading Public Library’s role as it relates to the interdependence of other local libraries on the main branch.

- Develop recommendations for what a comprehensive system would look like, including recommended changes in the governance, structure, financing and operations of the system. Include recommendations regarding the role of private philanthropy and how the development of private philanthropy should be structured as well as recommendations for the appropriate management of public relations, marketing, human resources and financial services.

“I'd be happy if I could think that the role of the library was sustained and even enhanced in the age of the computer.” – Bill Gates
Task Force Members

Latisha B. Schuenemann, Esq.
Associate
Leisawitz Heller

Jane Cole, CPA
Senior Manager
Herbein and Company

Sue Davis
Librarian, Muhlenberg Library
Trustee, Boone Area Library (Birdsboro)

Mike Ehlerman
Former CEO
Yuasa

Doug Elliott
President, Pennsylvania Operations
First Energy

Dr. Thomas F. Flynn
Task Force Co-Chair
President
Alvernia University

Charles Gallagher
Former Editor
Reading Eagle Company

Dr. John George
Executive Director
Berks County Intermediate Unit

Sandy Green
Mayor
Kutztown

Charles Haddad, Esq.
Former Chair
Building a Better Boyertown

Jim Hollinger
Office of Commonwealth Libraries

Paul Maglionico
Penske

Deena Morganti
Librarian
Penn State Berks

Kevin Murphy
President
Berks County Community Foundation

The Reverend Fred Opalinski
Pastor
Trinity Lutheran Church

Karen Rightmire
Task Force Co-Chair
Executive Director
The Wyomissing Foundation

Julie Rinehart
Administrator
Berks County Public Libraries

Jennie Rodriguez
Director of Education
Pace Institute

Paul Roedel
Retired CEO
Carpenter

Jeff Rush
Regional President
Fulton Bank

Heidi Williamson
Vice President for Communication
Berks County Community Foundation
Trustee, Reading Public Library

Tom Work, Esq.
Stevens and Lee
Task Force Structure

The Berks County Libraries Task Force organized its work by dividing members into three teams that had approximately six months to complete their charges and provide recommendations to the larger group. The teams were organized as follows:

Reading Public Library Team – Team report begins on page 25
The Reading Public Library Team studied the specific financial and legal issues impacting the Reading Public Library in its role as the District Library Center in order to make recommendations for sustainability and growth. The team also studied the financial status of the library system as a whole and the budgets of each of the 19 independent libraries within the system. That background information made it possible to measure the financial impact of proposed recommendations on the Reading Public Library, the Berks County Library System and the 19 independent community libraries. The following task force members served on the Reading Public Library Team:

- Paul Roedel, chair
- Latisha B. Schuenemann
- Mike Ehlerman
- Jane Cole
- Tom Work
- Jim Hollinger
- Tom Flynn
- Karen Rightmire
- Kevin Murphy
- Heidi Williamson

Best Practices Team – Team report begins on page 29
The Best Practices Team visited four library systems in other Pennsylvania communities to study how they operate and to determine if a similar structure might be beneficial in Berks County. The four systems they visited were in Lackawanna County (Scranton), Cumberland County (Carlisle), Dauphin County (Harrisburg) and York County (York). Overall, the team found that Berks County’s libraries are highly respected throughout the state for the programs they run. The following task force members served on the Best Practices Team:

- Chuck Gallagher, chair
- Paul Maglionico
- Jennie Rodriguez
- Julie Rinehart
- Sue Davis
- Charles Haddad
- John George
- Doug Elliott
- Kevin Murphy
- Heidi Williamson
Community Outreach Team – Team report begins on page 35
The Community Outreach team identified key stakeholders throughout Berks County whose input and support would benefit the re-imagined library system.

These stakeholders included individuals, civic groups, friends groups and others. The team developed a community survey, distributed the survey electronically and in person and conducted interviews with Berks County librarians. They team also initiated a statistically valid telephone poll, which was conducted by Susquehanna Polling and funded by the Wyomissing Foundation. The following task force members served on the Community Outreach Team:

Sandy Green, chair
David Benusa, intern
Deena Morganti
The Reverend Fred Opalinski
Jeff Rush
Kevin Murphy
Heidi Williamson
2010: Current State of Berks County Libraries

Structure

All libraries in Pennsylvania are governed by The Library Code, Act of June 14, 1961, P.L. 324, as amended through July 7, 2006. These laws establish a system of local libraries, library systems, district centers, and regional resource centers. The Library Code defines what a library is and how it is governed, including the responsibilities of a library board.

The Berks County Public Library System is a unit of county government that provides services to a federated system of 19 individual, autonomous libraries and the Reading Public Library System. The system is governed by a volunteer board of directors appointed by the Berks County Commissioners. Board members serve three-year terms. There are currently no term limits in the bylaws. New appointments are made as terms expire.

The System board develops the mission and role of the System and adopts policies to govern its services and programs. The board determines the library development efforts as they relate to the needs of local residents, seeks funding for System programs, determines the distribution of state and county funds to member libraries, and reports regularly to governing bodies and the general public.

The System is managed by a paid administrator whose role is to act as a technical advisor to the System board and to the member libraries, to carry out the policies set forth by the System board, to manage employees of the System itself, to plan for the development of library services throughout the county, to submit an annual budget to the county commissioners, and to serve as the spokesperson for the System and on behalf of member libraries as necessary.

The Berks County Public Library System provides the following services to its member libraries:

- Distribution of state and county funding according to a formula established by the System Board

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2 Information about the Berks County Library System was derived from System documents, including the Berks County Library System Manual.
• Central purchasing of library materials
• General technical support in all library functions
• Integrated Library System (ILS) – a shared catalogue of member library holdings and a wide area network (WAN) that links all libraries to each other and the internet (coordinated through a contract with Reading Public Library as the District Center)
• Youth services, including preschool program specialists known as “story riders” and the children’s bookmobile, known as Bookasaurus
• Bibliographic services (i.e. processing and cataloguing 60,000 new items annually)
• Delivery of materials
• Public relations, marketing and graphic design
• Continuing education
• Coordination of statewide library card (Access)
• Health care benefits subsidy for full time staff at member libraries
• System administrator serves as District Consultant for the District Library Center

In addition to the Berks County Public Library System, the Reading Public Library’s Main Branch at 5th and Franklin Streets in Reading has historically served libraries in Berks County through its designation as a District Library Center. The Commonwealth of Pennsylvania created this designation in 1961 to ensure that library services, such as inter-library loan, were available to residents throughout a geographic area.

The District Library Center is the central resource library for the district it serves. District Centers provide reference services to the communities in their districts. In the case of the Reading Public Library, the district mirrors the county system. The District Library Center provides the following services to the libraries within the district:

• Integrated Library System (ILS) – a shared catalogue of member library holdings and a wide area network (WAN) that links all libraries to each other and the internet
• Interlibrary Loan Services, including statewide and national transactions

In addition to the Main Branch’s designation as the District Library Center, the Reading Public Library has within its own “system” three community branches (Northeast, Northwest and Southeast) and a bookmobile.
System Members

The following libraries are members of the Berks County Public Library System and sit within the district currently served by the Reading Public Library as the District Library Center:

Bernville Area Community Library
6721 Bernville Rd., 2nd Floor
Bernville, PA 19506
610-488-1302

Bethel – Tulpehocken Public Library
8601 Lancaster Ave. Box 316
Bethel, PA 19507
717-933-4060

Boone Area Library
129 N. Mill Street
Birdsboro, PA 19508
610-582-5666

J.K. Boyer Boyertown Community Library
29 E. Philadelphia Ave.
Boyertown, PA 19512
610-369-0496

Brandywine Community Library
Lutheran Home at Topton
60 Tower Drive
Topton, PA 19562
610-682-7115

Exeter Community Library
4569 Prestwick Drive
Reading, PA 19606
610-406-9431

Fleetwood Area Public Library
110 W. Arch St.
Fleetwood, PA 19522
610-944-0146

Hamburg Public Library
35 N. 3rd St.
Hamburg, PA 19526
610-562-2843

Louisa Gonser Community Library
70 Bieber Alley
Kutztown, PA 19530
610-683-5820

Mifflin Community Library
6 Philadelphia Ave.
Shillington, PA 19607
610-777-3911

Muhlenberg Community Library
3612 Kutztown Rd.
Laureldale, PA 19605
610-929-0589

Reading Public Library – Main Branch
100 S. 5th St.
Reading, PA 19602
610-655-6350
Reading Public Library – Northeast Branch
1348 N. 11th St.
Reading, PA 19604
610-655-6361

Reading Public Library – Northwest Branch
901 Schuylkill Ave.
Reading, PA 19601
610-655-6360

Reading Public Library – Southeast Branch
1426 Perkiomen Ave.
Reading, PA 19602
610-655-6362

Robesonia Community Library
75-A South Brook St.
Robesonia, PA 19551
610-693-3264

Schuylkill Valley Community Library
1310 Washington Rd.
Leesport, PA 19533
610-926-1555

Sinking Spring Public Library
3940 Penn Ave.
Sinking Spring, PA 19608
610-678-4311

Spring Township Library
78C Commerce Dr.
Wyomissing, PA 19610
610-373-9888

Village Library
207 N. Walnut St.
Morgantown, PA 19543
610-286-1022

Wernersville Public Library
100 N. Reber St.
Wernersville, PA 19565
610-678-8771

West Lawn/Wyomissing Hills Library
101 Woodside Ave.
West Lawn, PA 19609
610-678-4888

Womelsdorf Community Library
203 W. High St.
Womelsdorf, PA 19567
610-589-1424

2010: Current State of Berks County Libraries
Core Functions – System

The Berks County Public Library System provides the following services to its member libraries:

- Distribution of state and county funding according to a formula established by the System Board
- Central purchasing of library materials
- General technical support in all library functions
- Integrated Library System (ILS) – a shared catalogue of member library holdings and a wide area network (WAN) that links all libraries to each other and the internet (coordinated through a contract with Reading Public Library as the District Center)
- Youth services, including preschool program specialists known as “story riders” and the children’s bookmobile, known as Bookasaurus
- Bibliographic services (i.e. processing and cataloguing 60,000 new items annually)
- Delivery of materials
- Public relations, marketing and graphic design
- Continuing education
- Coordination of statewide library card (Access)
- Health care benefits subsidy for full time staff at member libraries
- System administrator serves as District Consultant for the District Library Center

“It was from my own early experience that I decided there was no use to which money could be applied so productive of good to boys and girls who have good within them and ability and ambition to develop it as the founding of a public library” – Andrew Carnegie.
Core Functions –Member Libraries

The member libraries within the Berks County Public Library System manage the following functions and provide the following services to their municipalities:

- Serve individual communities within Berks County with materials, programs and services that appeal to and are needed by local residents
- Share materials within the library system
- Hire, train and provide human resources services for staff members
- Recruit and train volunteers
- Perpetuate a board of directors as required by the state code and individual library policies
- Keep accurate accounting and financial records, including audits where necessary
- Promote individual library programs and services to the community
- Conduct all fundraising efforts to raise money for the library
- Manage all facility maintenance and repair

“The best of my education has come from the public library... my tuition fee is a bus fare and once in a while, five cents for an overdue book. You don't need to know very much to start with, if you know the way to the public library.” – Lesley Conger
Funding Overview: Sources of Income

In 2010, the total estimated expenditure for Berks County’s libraries, including all system and district functions, was $7,870,000. This compares to $8,451,450 in 2009 and $8,546,142 in 2008.4

Funding for Berks County’s Public Libraries comes from the following sources:

Fundraising, Fees and Other Income
Individual libraries seek grants and donations from the public to support programs and initiatives. They also collect late fees, charge for rental space, and receive income from endowments, all at varying levels across the system. Fundraising, fees and other income accounted for approximately 14% of the total funding for all Berks County Public Libraries in 2009.

Municipal Government
Townships and Boroughs support their local libraries at varying rates. In 2009, municipal support for Berks County Public Libraries accounted for approximately 12% of total library funding.

City Government
The City of Reading provides financial and in-kind support for the Reading Public Library, which serves libraries throughout the county. In 2009, city support accounted for approximately 5% of total library funding.

County Government
Berks County provides significant support for local library service through the Berks County Public Library System. In 2009, county support accounted for approximately 39% of total library funding.

State Government
Pennsylvania provides financial support to libraries within the Commonwealth at its discretion based on the state budget in any given year. In 2009, state funding accounted for approximately 29% of total library funding.

3 The 2010 figures are estimated on the library budgets and spending patterns as of November 2010 and are subject to updated when 2010 audits are complete in fall 2011.
4 The 2008 and 2009 figures are extrapolated from the audited statements from the Berks County Library System, the Reading Public Library System, and the 19 independent libraries that are members of the system.
Federal Government
The federal government provides limited, fluctuating funding for local libraries. Federal funding is generally distributed through competitive grant programs administered through state library agencies. In 2009, federal aid accounted for less than 1% of total library funding.

Spreadsheets detailing the financial contributions of each funding source are located in the appendix of this report.

Changes in past three years due to funding cuts

While the contribution from Berks County has increased by approximately 6% per year over the past three years, local libraries have seen their state, and in some cases, their municipal allocations significantly decline. Over all, state aid to all libraries has declined by 27% over the past three years.

While the reduction in state aid has caused each library in Berks County to adjust its budget and seek alternative sources of support, the dual collapse of state funding and municipal funding for the Reading Public Library has had an impact on each of the other libraries in the system/district.

Specifically, the Reading Public Library saw the contribution it receives from its local municipality (the City of Reading) drop by more than $300,000. As a direct result, the Reading Public Library cut staff and hours at the Main Branch (District Library Center).

These cuts have affected the ability of Berks County residents to access the Main Library and its significant research collection. They have also limited the ability of the residents of Berks County’s largest and poorest municipality to access library resources, including computers and the internet.
Reading Public Library Team Findings

The following report summarizes the findings of the Reading Public Library Team. This team looked at financial and legal issues across the system with a particular emphasis on the status of the Reading Public Library. Their work involved gathering a deeper understanding of how each of the available funding streams piece together to support not only Reading Public Library, but the system and the independent libraries as well. The following information reflects that work.

Background

The Reading Public Library serves as the District Library Center for Berks County and in that role provides services to the 19 independent libraries within the Berks County Library System. These services include functioning as the central research library and providing technological services (such as email) to the individual libraries. It is the hub of the countywide interlibrary loan program and the conduit for requesting library materials from across the United States if they are unavailable locally.

The Reading Public Library also serves as the community library for the residents of the City of Reading. The Reading Public Library includes the Main Library at 5th and Franklin streets in Reading, a bookmobile, and three branch libraries:

- Northeast Branch – North 11th Street
- Northwest Branch – Schuylkill Avenue
- Southeast Branch – Perkiomen Avenue

In addition to the facilities mentioned above, the Reading Public Library is served by two independent nonprofit organizations, the Reading Library Company, which does not own any facilities, and the Reading Public Library Foundation, which owns a building and parking lot on 4th Street behind the Main Branch.
The Reading Public Library itself is held in trust by the City of Reading as stipulated by a donation of the library and its contents from the Reading Library Company to the City of Reading in the late 1800s. A legal opinion prepared for the task force regarding the status of the library as a trust is located in appendix A.

The Reading Public Library is managed by a professionally educated staff that includes specially trained research librarians. A 15-member board of trustees provides program and financial oversight and is appointed as follows:

- 5 members are appointed by the Reading Library Company (which continues to exist primarily for this purpose)
- 5 members are appointed by the City of Reading, and
- 5 members are appointed by the County of Berks.

Court rulings filed in cases over the years indicate that the members of the board of trustees are ultimately agents of the City of Reading in its role as trustee of the library.

**Funding**

The Reading Public Library receives funding from the Commonwealth of Pennsylvania, the County of Berks, the City of Reading, and through a variety of philanthropic sources.

To be eligible for state funding, Reading Public Library must adhere to established laws and regulations governing public libraries in the Commonwealth. The state provides funding both directly to individual libraries and also distributes it through county library systems where available.

State library funding levels for the past six years for *all libraries* in the Commonwealth is as follows:

<table>
<thead>
<tr>
<th>Years</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-2006</td>
<td>$61.4 million</td>
</tr>
<tr>
<td>2006-2007</td>
<td>$75.5 million</td>
</tr>
<tr>
<td>2007-2008</td>
<td>$75.7 million</td>
</tr>
<tr>
<td>2008-2009</td>
<td>$75.1 million</td>
</tr>
<tr>
<td>2009-2010</td>
<td>$60.0 million</td>
</tr>
<tr>
<td>2010-2011</td>
<td>$54.5 million</td>
</tr>
</tbody>
</table>
As indicated above, the state cut funding 20% in the 2009-2010 fiscal year and an additional 9.2% in the 2010-2011 fiscal year. After careful review, the task force believes that, given the current budget environment at the state level, additional reductions in state funding during the next year or two are not only likely, but probable.

In addition to the state funding decline over the past few years, Reading Public Library saw its funding from the City of Reading decrease by more than $300,000 in calendar year 2010.

Funding for the Reading Public Library from the County of Berks remained steady over the same time period.

On the philanthropic front, the Reading Public Library board of trustees controls and manages approximately $3.5 million of investment funds that were contributed to the Reading Public Library over the past many years. Many of the funds are perpetual funds with stipulations regarding the use of those funds. The funds are managed by an outside investment adviser for the board.

Additionally, the library is the recipient of regular distributions from a managed trust not under the control of the library board. That distribution amounts to approximately $130,000 per year.

The financial appendix (sections D1 – D3) contains information related to each of the individual investment funds managed by the library board and also provides a projection of annual funds available for support and operations of the library.

Revenue and expenditures at Reading Public Library for years 2007 through 2010 are listed in the chart on the next page. In reaction to state and city funding drops, in 2010, the Reading Public Library reduced operating hours for the main library at 5th and Franklin from 65 hours per week to 45 hours per week. The operating hours for the three branches of the Reading Public Library were reduced from 35 hours per week to 20 hours per week. The approximate cost reduction realized by the reduced operating hours was $650,000 per year.

Note: The full financial report generated by this team, including spreadsheets detailing revenue and expenditures for the Reading Public Library, the Berks County Public Library System, and the 19 independent libraries that are members of the system, can be found in appendix A1 – F5.
Reading Public Library Revenue and Expenditures (2007 – 2010)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calendar 2007(audit)</td>
<td>$3.6 million</td>
<td>$3.4 million</td>
</tr>
<tr>
<td>Calendar 2008(audit)</td>
<td>$3.0 million</td>
<td>$3.0 million</td>
</tr>
<tr>
<td>Calendar 2009(audit)</td>
<td>$3.1 million</td>
<td>$3.0 million</td>
</tr>
<tr>
<td>Calendar 2010(Projected)</td>
<td>$2.8 million</td>
<td>$2.6 million</td>
</tr>
</tbody>
</table>

Total System Expenditures (2009)

During 2009 expenditures for the total library system, split between the Berks County Library System, the Reading Public Library and the 19 Municipal Libraries was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2010</td>
</tr>
<tr>
<td>Berks Library System</td>
<td>$1,772,000</td>
<td>$1,670,000</td>
</tr>
<tr>
<td>Reading Public Library</td>
<td>$2,999,000</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>19 Municipal Libraries</td>
<td>$8,451,000</td>
<td>$3,700,000</td>
</tr>
<tr>
<td>Total County Libraries</td>
<td>$8,500,000</td>
<td>$7,870,000</td>
</tr>
</tbody>
</table>

The per capita spending rate based on a population of 407,000 was:

- $20.77 per capita
- $19.34 per capita

Note: The average per capita rate for all library systems in the State of Pennsylvania is $28.00, and the average per capita rate for the best practices systems the task force studied is $26.00.

Lessons Learned

Barring intervention, it is unlikely that Reading Public Library could sustain itself as the District Library Center, even at the current reduced operating levels, beyond 2014. At the same time, its unique legal position as a trust requires that it continue to provide library service for the residents of Reading.

The task force determined that the best way to ensure continued district service throughout the county and continued library service in the city was to combine Reading Public Library with the Berks County Library System into a single nonprofit entity. Complete details about this recommendation begin on page 39.
**Best Practices Team Findings**

The Best Practices Team traveled to several Pennsylvania library systems to learn how they function. The team findings are as follows:

**Cumberland County Library System Site Visit - May 10, 2010**

**Structure**
The Cumberland County Library System is headquartered in Carlisle and serves a population of 221,000. The libraries within in the system are part of the larger Capital Area Library District. Like Berks County, the Cumberland County Library System is a federated system made up of individual libraries. There are eight public libraries (seven individual plus one branch) in the system: Amelia Givin, Bosler Memorial, Fredicksen/East Pennsboro, John Graham, New Cumberland, Shippensburg, and Simpson Public.

**Funding**
The annual budget for the Cumberland County Library System and its member libraries is $4,955,466. More than half of the system’s funding is derived from a countywide library tax that was enacted by voter referendum in 1986. The funding sources for the system and all of its libraries are as follows:

- Federal funds – 1%
- State funds – 36%
- County library tax – 60%
- Interest – 3%
- Donations – less than 1%

**Governance**
The Cumberland County Library System board is made up of representatives from each of its member libraries. The organization is a department of county government.

**Services**
The Cumberland County Library System provides the following services for its member libraries:

- Shared computer services and Wide Area Network (WAN)
- Purchasing, Cataloging and Processing library materials

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5 Data compiled from the Cumberland County Library System 2007 Financial Review, as corrected May 22, 2008
- Staff training
- STAR Outreach Services for Older Adults (selection and delivery to homebound individuals and senior facilities)
- Health Insurance Subsidy for staff at member libraries
- One Book, One Community program
- Advocacy, marketing and public relations
- Blackbaud fundraising database system for member libraries

Lackawanna County Library System Site Visit - June 1, 2010

Structure
The Lackawanna County Library System is headquartered in Scranton and serves a population of 213,000 people. The Scranton Public Library, which serves five counties, is the District Library Center for the System. Like Berks County, the Lackawanna County Library System is a federated system made up of individual libraries. The following public libraries are in the system: Abington, Albright, Carbondale, Dalton, Green Ridge, Lackawanna County Children’s Library, North Pocono, Taylor and Valley.

Funding
The annual budget for the Lackawanna County Library System and its member libraries in 2009 was $5,200,000. Approximately 95% of the system’s funding is derived from state funding and from a countywide library tax that was enacted by voter referendum in 1983. The remaining support comes from fundraising.

Governance
The Lackawanna County Library System board is an at large board appointed by the County Commissioners and generally selected to be geographically diverse. The board members serve three-year terms and can be reappointed twice. The system is a department of county government.

Services
The Lackawanna County Library System provides the following services for its member libraries:
- Coordinated marketing and public relations
- Countywide programming for children and adults, including a lecture series
- Staff training and tuition reimbursement
- Professional services, such as audits, building consultations and architectural services
- Grant writing
- County law library
- Standardized payroll and benefits
- Centralizing purchasing, cataloging and processing

**Dauphin County Library System Site Visit - July 16, 2010**

**Structure**
The Dauphin County Library System is headquartered in Harrisburg and serves a population of 221,000 people. The libraries within in the system are part of the larger Capital Area Library District. Unlike Berks County, the Dauphin County Library System is a consolidated library system, with a centralized administration under which all of the libraries in the system are managed. It is a separate 501(c)3 nonprofit organization. There are eight public libraries in the system, including Harrisburg Public Library.

**Funding**
The annual budget for the Dauphin County Library System and its member libraries in 2010 is $7,368,000. More than half of the library system funding comes from a countywide library tax that was enacted by voter referendum in 1984. The funding breaks down as follows:

- Federal funds – 0%
- State funds – 20%
- County library tax – 62%
- Interest – 1%
- Donations – 4%
- Library Operation Income – 3%
- Additional County Sustainability Allocation – 9%

**Governance**
The Dauphin County Library System board is an at large board with 17 members. Five of the members are appointed by the County Commissioners and 12 are appointed by the library system with an eye toward geographic diversity.

Interestingly, one of the branches in the Dauphin County Library System is connected to a school. This connection has proved troublesome for both the school and the public library, raising issues of age-appropriate collection materials and security. By contrast, partnerships with community colleges appear to work well.
Services
The Dauphin County Library System provides the following services:

• Coordinated marketing and public relations
• Countywide programming for children and adults
• Professional services, such as audits, building consultations and architectural services
• Grant writing
• County law library
• Standardized human resources services, payroll, benefits, and staff and volunteer training
• Centralizing purchasing, cataloging and processing
• Coordinated youth services
• A floating collection, where books stay where they are returned
• Centralized IT
• Centralized financial management

York County Library System Site Visit – October 13, 2010

Structure
The York County Library System is headquartered in York and serves a population of 424,583 people. The York County Library System is a hybrid consolidated/federated library system, with a centralized administration under which some of the libraries in the system are managed as branches, and some are managed as independent 501(c)3 organizations. The York County System is a separate 501(c)3 nonprofit organization. There are 13 public libraries in the system.

Funding
The annual budget for the York County Library System and its member libraries in 2010 is $6,700,000. It is funded in part by a dedicated library tax. The funding breaks down as follows:

• Federal funds – 0%
• State funds – 26%
• County – 35%
• Endowment - 8%
• Donations – 12%
• Grants/Contracts/Fees – 16%
• Other – 3%
Governance

The York County Library System board is appointed by the County Commissioners. The York County Library System board works in conjunction with the directors for its sister organization, the Martin Library Association.

The two organizations work together following an 11-year melding of services. The system succeeds due to the willingness for the two presidents to collaborate. York uses a hybrid consolidated-federated approach. It has a very successful fund raising and development function through the Martin Library Association.

Services

The York County Library System provides the following services:

- System-wide fundraising and development
- Countywide programming for children and adults
- Coordinated human resources and personnel
- Centralizing purchasing, cataloging and processing
- Coordinated youth services
- Centralized IT
- Centralized financial management
- Community meeting space
- Outreach to charter schools for computer training

Lessons Learned on Site Visits

The task force was welcomed at each of the library systems it visited. System representatives mentioned several times that they usually look to Berks County’s libraries for award-winning programming ideas. They were pleased to share their financial and operating data with the task force.

In addition to lessons about operating and funding, the Best Practices Team discovered similarities among the libraries they visited. For example, each library had a waiting line for the computer terminals, which is often the case at Berks County libraries, as well. This method of information gathering (online rather than through a printed piece) is growing as libraries increase access to formerly print-only information sources such as encyclopedias, newspapers, and other key research databases.
When asked to look ahead at the future of libraries, each system leader had similar ideas about where libraries are headed. First, the physical branch libraries will remain repositories for printed items and provide access to research electronically. Libraries will increasingly serve as community gathering spaces, with book and discussion groups for adults, story times for children, and a myriad of educational opportunities for the community. They will continue to be a critical link in the “digital divide,” providing those without access to the internet a place to log on. While the tools may be different, libraries will continue to ensure that there is a place where anyone with the desire and ambition can become better informed and better educated.

Libraries will also continue to be places where community members can broaden their minds through access to a variety of means of entertainment – novels, audio books, DVDs, and other materials – all free-of-charge and available to anyone who signs up for a library card.

Based on the site visits, the best practices team determined that the best way to ensure a sustainable library system for Berks County for the 21st Century would be to gradually increase the total funding level for library service to the state average of $28 per capita, which would be generated through a dedicated library tax. That funding would be used to run a state-of-the-art consolidated library system that folded in all of the individual community libraries as branches under one management structure and provided funding to the branches based on the number of people within the service area.

Although that finding did not become a final recommendation in the report (see recommendations, beginning on page 39), it does set the stage for a future goal.
Community Outreach Team Findings

The Community Outreach Team launched a community survey about Berks County’s libraries that ran from mid-June until late-July 2010. The survey was distributed “virally,” through social media sites such as Facebook and Twitter, and published in Berks County Community Foundation’s electronic newsletter, Giving Matters. It was also publicized in established media channels such as the Reading Eagle, WFMZ and bctv.org. Representatives from the local colleges and large businesses were asked to share the survey link, as were key nonprofit organizations. Finally, the Berks County Library System put a link to the survey on the computers at each of its member libraries.

The team deployed an intern to go to libraries with paper surveys for at least one two-hour visit. The survey was translated into Spanish and made available at the libraries in the City of Reading. When the survey ended, nearly 3,400 local residents had taken it.

The Community Outreach Team also interviewed Berks County librarians to ensure that their voices were heard as part of the process. Finally, the team hired Susquehanna Polling Company to conduct a statistically valid telephone poll of likely Berks County voters.

The interview, survey and poll results are located in appendix B, C and D.

The following provides a summary of the results of the community survey, the librarian survey, and the telephone poll.

Community Survey Findings

About 218,000 Berks County residents - or more than 50% of the population - have a Berks County Library System library card. These library users were well-represented in the community survey results: Three-quarters of respondents indicated that they visited a Berks County library at least once a month.

Other highlights from the survey include:

- 97 percent of respondents said “yes” to the question: If your local library went away would you miss it?
- 99 percent of respondents agreed with the statement: My local library is important to my community.
- 96 percent of respondents answered “True” to the following question: Funding public libraries would be a good use of my tax dollars.
Many of the survey questions were open-ended in an attempt to elicit unprompted responses. The verbatim responses (which are available at the Berks County Library System or Berks County Community Foundation) fill two two-inch three-ring binders.

One open-ended question asked respondents what they value most about having a library in their community. Many respondents cited that just knowing the library is there if they need it is of great value. Other answers included access to books and audio-visual materials, the ability to borrow materials, access to computers and the internet, and the sense of community the library engenders.

Another question asked respondents what they wished they could change about their local library. Many respondents said they wish the library had more hours, more space, more funding and more materials.

Demographically, the majority of respondents were between the ages of 25 and 68, with the highest concentration (756 respondents) in the 36-46 category, followed by the 47-57 category (707 respondents).

Seventy-one percent of respondents have lived in Berks County for more than ten years, including 36% who have lived in the county for 30 years or more. Respondents were also asked to list the library that is closest to their home and the library they use most often. Every public library in Berks County was represented in the responses to these questions.

**Librarian Survey Findings**

The responses of the library employees that were surveyed in many ways mirrored the public opinion generated in the community survey. The librarians noted an increase in overall library use and were concerned that shorter hours, fewer employees and pared back materials budgets were negatively impacting patrons’ ability to access library services. When asked to look to the future, the librarians also noted the need for more materials and more space for community meetings.

**Telephone Poll Findings**

The task force contracted with Susquehanna Polling and Research to conduct a statistically valid telephone poll of Berks County residents who are likely to vote in the next election. The poll was conducted on December 27 – 28, 2010 and resulted in 1,277 completed calls. The margin of error was +/- 2.74%.
Poll respondents were less likely than survey respondents to be frequent library users. Of the respondents, 25% indicated that they never visit the library, while an equal percentage said they visit the library more than once a month.

Of the group, 84% answered “yes” when asked if their local library is important to their community. 73% of respondents in the poll said that funding public libraries was a good use of their tax dollars.

When respondents were asked if they would vote for a special library tax to ensure quality library service in Berks County, 32% responded “yes,” 39% responded “no,” and 29% were “undecided.”
System Level

The Berks County Libraries Task Force reviewed the current structure of the Berks County Libraries at length and compared that structure with those found in other Pennsylvania communities. The Task Force recommendation for the structure of the system attempts to marry best practices with new ideas and financial reality. There are seven system-level recommendations and three individual-library level recommendation.

System Level Recommendation #1:

Change the Berks County Library System from a unit of Berks County government to a private nonprofit organization.

Analysis: The libraries in Berks County would be better served by a system that is structured as a private nonprofit (IRS code 501(c)3) organization. This structure would allow the system to expand the services it can provide for its members and give it greater flexibility and agility in responding to member needs.

Specifically, a 501(c)3 would allow the organization to expand its fundraising efforts in ways that county government cannot. A nonprofit can hold an endowment and process certain types of donations, such as donations of real estate, which a county cannot, for example. A nonprofit organization also allows for a lower employment cost base than a county department can offer, and reduces the unknown future liability associated with a government defined-benefit pension plan.

Desired Outcome: Berks County Public Libraries, Inc. will be a professional, dynamic, flexible nonprofit organization that ensures high quality library service for Berks County residents.

Implementation: The County of Berks should create a 501(c)3 nonprofit called Berks County Public Libraries, Inc. and pass a resolution naming Berks County Public Libraries, Inc. as the agency responsible for library services in Berks County.
System Level Recommendation #2:

Recruit a Board of Directors for Berks County Public Libraries, Inc.

Analysis: The Board of Directors for Berks County Public Libraries, Inc. should provide guidance and oversight to the system.

Desired Outcome: Berks County Public Libraries, Inc. will be a model for excellence in governance of library systems.

Implementation: The new board of directors of the 501(c)3 must be appointed in accordance with the Pennsylvania Library Code, which limits the number of board members to five to seven who are to be appointed by the governmental unit that provides the bulk of the library system’s funding. In Berks County, that governmental unit is the County of Berks.

Therefore, the County of Berks should take the following step after the nonprofit is created:

1. Appoint seven members to the Berks County Public Libraries, Inc. board. As a body, the board should include the following skill sets and expertise:
   a. Finance
   b. Operations and Logistics
   c. Nonprofit Governance
   d. Marketing and Public Relations
   e. Fundraising
   f. Previous Board Experience
   g. Library expertise, including knowledge of local libraries

2. Include term limits and other standards of excellence in the Bylaws in accordance with the Pennsylvania Association of Nonprofit Organizations (PANO) certification and Pennsylvania library standards.
System Level Recommendation #3:

Structure Berks County Public Libraries, Inc. as a primarily federated system that will gradually become a hybrid federated-consolidated system.

Analysis: With the exception of the Reading Public Library System (see recommendation #5), the individual member libraries of Berks County Public Libraries, Inc. should continue to function as autonomous entities that are supported by services Berks County Public Libraries, Inc. provides. By expanding the shared capabilities that are available system-wide, the individual libraries – and librarians - will likely be better able to focus on their core missions. Sharing expertise in areas such as bookkeeping, auditing, and human resources will ultimately reduce expenses at the community library level.

Desired Outcome: Berks County Public Libraries, Inc. will develop over time into a hybrid federated-consolidated system.

Implementation: The new board of directors of Berks County Public Libraries, Inc. should take the following implementation steps:

1. Add shared services (see recommendation #4) and encourage member libraries to opt in to use those services.
2. Consider developing a long-term (10 year) strategy that would allow the federated system to evolve into a consolidated system supported by a dedicated library tax.
System Level Recommendation #4:

Create within the newly formed Berks County Public Libraries, Inc. additional expertise that benefits each of the System’s members.

Analysis: The addition of shared services should ultimately be determined by the Board of Directors, but could include the following activities in immediate and mid-term plans. The activities listed below are divided into immediate term and mid-term priorities. The immediate-term activities are those that the task force believes will have the most impact on the quality of service and professionalism system-wide. Combining bookkeeping and accounting for all of the libraries in one central department would provide cost savings to individual libraries while helping to ensure fiscal oversight.

Desired Outcome: Berks County Public Libraries, Inc. will provide professional management of core business processes for system members, thereby reducing the time spent on these activities at the local level and providing for consistency across the county in key functions.

Immediate term (1 – 2 years):

- Fundraising and Marketing
  - Berks County Public Libraries, Inc. could provide coordinated fundraising services for its members for key projects. These services could include fundraising for capital improvements at individual libraries, grant writing services for system-wide improvements and programs, and access to a donor-management system for all librarians. This service would not preclude individual libraries from fundraising, but rather would coordinate efforts around large donations, including planned giving and state and federal grants. In addition, this function would provide educational opportunities and assist individual libraries with activities designed to raise a local share of revenue.
  
  - Berks County Public Libraries, Inc. could provide coordinated marketing services that help individual libraries get the word out to their patrons and communities about library programs through coordinated newsletters, websites, social media and public relations efforts.
Task Force Functional Recommendations

- **Accounting**
  - Berks County Public Libraries, Inc. could provide professional accounting services, including audit management, for individual libraries. This function would eliminate the need for 21 separate general ledgers, and combine 21 different accounting operations into a single system.

- **Human resources**
  - Berks County Public Libraries, Inc. could provide centralized human resources services for member libraries, including a standardized compensation system for library employees, access to health insurance, new hire training and orientation, payroll services, etc.

- **Technology**
  - Berks County Public Libraries, Inc. could continue its long tradition of incorporating technology into its services by maintaining a technology department that manages the current system and seeks out new advances, such as downloadable e-books or audio books for patrons.

**Mid-Term (3 – 5 years, or earlier if possible):**

- **Volunteer Training**
  - Berks County Public Libraries, Inc. could create a standard program to train volunteers to work at any member library, and through this program build a cadre of trained volunteers upon which the libraries could call. In addition to volunteers that offer all-around help, a special corps could be created to assist patrons with computers.

- **Facilities Assessments and Construction Management**
  - Berks County Public Libraries, Inc. could create a facilities and construction department that provides consultation services for individual libraries about potential capital improvements and manages the construction process when necessary.

- **Bookmobile**
  - The Bookmobile is a mobile branch that serves the populations that fall outside of another branch library’s area, who are homebound or who live in retirement communities.
• A Virtual Branch
  o Some Berks County residents would be more likely to use library services if the services available online were expanded. While today patrons can search the library holdings, and reserve and renew materials online, a virtual branch would permit library card holders to borrow/download available materials, including e-books and audio books, from home. The Virtual Branch would also continue to provide access to research and educational databases to which the System subscribes.

**Implementation:** The new board of directors of Berks County Public Libraries, Inc. should take the following implementation steps:

1. Hire an executive director with the skills capable of running a large federated library system that provides multiple shared services to its members.
2. Develop a compensation package for the executive director and other key positions that is competitive to other nonprofit organizations with similar budgets.
3. Develop a budget that includes adding the shared services listed above over the next three years.
System Level Recommendation #5:

Integrate the Reading Public Library System into Berks County Public Libraries, Inc.

Analysis: The Reading Public Library System includes the Main Library at 5th and Franklin streets, three community branch libraries, and a bookmobile. The Reading Public Library System should merge into Berks County Public Libraries, Inc. where the Main Branch should continue to be supported as a Central Depository Library.

The Main Branch at 5th and Franklin streets has special legal provisions bestowed upon it because it is held in trust by the City of Reading. A legal opinion from April 1948 upheld the trust, quoting in part:

1. The Select and Common Councils of the City of Reading under the authority given under the Act of 1887, P.L. 179, enacted an ordinance, February 23, 1899, accepting the donation of the real estate and buildings thereon erected, situate on the southwest corner of Fifth and Franklin streets in the City of Reading, and the books, manuscripts, etc. therein contained, and in part providing as follows:

Section 2: That the said donation is received by the City of Reading upon the following trusts and conditions, to wit:
   To establish a free public library for the use and benefit of the citizens of the City of Reading to be reasonably maintained at the public expense...

It is the opinion of the task force that the City of Reading is no longer financially capable of maintaining the Reading Public Library’s Main Branch or the three community branches, which are also owned by the City. If the Reading Public Library were to close, it would directly impact the ability of the other libraries within the system to meet the reference, material, and information needs of their patrons. To ensure continuation of these services across the county, the task force recommends that the assets and management of the Reading Public Library System be transferred to the County of Berks.

A legal opinion on this matter is located in appendix A.
**Desired Outcome:** This recommendation lays the groundwork for the development of a hybrid federated-consolidated library system and guarantees that there will be a professionally staffed, centrally located public research library for Berks County residents.

**Implementation:** The Reading Public Library System, the City of Reading, and the County of Berks should take the following steps:

1. The City of Reading and the County of Berks should file a joint petition with the Commonwealth of Pennsylvania’s Orphan’s Court to name the County of Berks as the Trustee of the Reading Public Library System, including the Main library and its three branches.

   *Note that state law recognizes only one public library within a municipality and therefore considers the Reading Public Library’s three community branches as part of one entity. In other words, the community branches cannot exist if legally separated from the Main branch.*

2. The County of Berks should appoint Berks County Public Libraries, Inc. as its agent to administer the Trust. Note that the County of Berks is already legally obligated to provide $900,000 annually to support the Reading Public Library.

3. The City of Reading should transfer all library related assets to the County of Berks, including, but not limited to, the Main Branch and community branch buildings, the bookmobile and other vehicles, land and/or lots, and the materials collection.

4. The City of Reading should transfer all assets that are endowments established for the benefit of the Reading Public Library to the Berks County Public Libraries, Inc. All transferred assets should retain the original donor restrictions placed on the funds. If no such restrictions exist, the assets should be restricted for the benefit of the four branches that made up the Reading Public Library at the time of the transfer to Berks County Public Libraries, Inc.

5. Berks County Public Libraries, Inc. should be structured in such a way so that the executive director of the Reading Public Library System directly reports to the executive director of Berks County Public Libraries, Inc.
6. The Reading Public Library System should retain an advisory board to make recommendations to the Reading Public Library executive director with regard to programming, fundraising and other activities that the libraries within Reading should provide for the community. The advisory board should be appointed by the Berks County Public Libraries, Inc. board of directors and recruited with a strong preference for diverse candidates that are representative of the population that the Reading Public Library serves within the city.

7. The Berks County Public Libraries, Inc. board of directors should strongly consider hiring the employees currently working at the Berks County Library System and Reading Public Library to staff the new organization.
System Level Recommendation #6:

Consolidate the System and District Functions within Berks County Public Libraries, Inc.

Analysis: Signs point to a continued emphasis on regional cooperation of District Centers by the Commonwealth of Pennsylvania. To prepare for that reality, Berks County Public Libraries, Inc. should incorporate all of the District functions into its workflow.

The Office of Commonwealth Libraries has been evaluating the roles and performance of district library centers in relation to their historic mission to be an area resource and to support public library development. Despite tremendous technological, economic, and demographic change in recent years, the district library center structure supporting public library service in Pennsylvania has changed only gradually.

The state is aware of this issue, and potential changes to the structure and the Library Code were suggested in a report released by the Joint State Government Commission in January 2011. That report is available online through the following link: [http://jsg.legis.state.pa.us/publications.cfm?JSPU_PUBLN_ID=188](http://jsg.legis.state.pa.us/publications.cfm?JSPU_PUBLN_ID=188).

The current system was established by the Library Code in 1961, which set up a system of local libraries, district library centers and statewide library resource centers coordinated by the Office of Commonwealth Libraries. In the 1970s, county-based federated library systems developed to coordinate services. Many systems now provide their members services similar to those provided by district library centers. Particularly in single-county districts where there is also a county library system, there are both real and potential issues with overlap in services and duplication of effort.

The Office of Commonwealth Libraries recommends that the administration of district and system services in single-county districts be consolidated into one administrative unit. In most cases, the library system headquarters is best positioned to carry out these services.

Desired Outcome: Berks County Public Libraries, Inc. will be ahead of the curve on district center consolidations and changes.

Implementation: The executive director of Berks County Public Libraries, Inc. and the executive director of the Reading Public Library should work together to develop a tactical plan for merging the district and system functions.
System Level Recommendation #7:

Continue to provide valued services to all members of the system.

Analysis: Over the past two decades, the county-run Berks County Library System has provided important and necessary services to its members. Berks County Public Libraries, Inc. should continue to provide those services and expand them as determined by the Board of Directors. Current services that should be considered for continuation include:

- Distribution of state and county funding
- Central purchasing of library materials
- General technical support in all library functions
- Integrated Library System (ILS) – a shared catalogue of member library holdings and a wide area network (WAN) that links all libraries to each other and the internet
- Youth services, including preschool program specialists known as “story riders” and the children’s bookmobile, known as Bookasaurus
- Bibliographic services
- Delivery of materials
- Continuing education
- Coordination of statewide library card (Access)

Desired Outcome: Berks County Public Libraries, Inc. will continue the tradition of excellence started by the Berks County Library System.

Implementation: The executive director of Berks County Public Libraries, Inc. should continue to monitor the needs of member libraries and work to create and maintain processes that address those needs.
Individual Library Level

**Individual Library Level Recommendation #1:**
Continue to focus on individual community/neighborhood/patron needs

**Analysis:** The great benefit of community libraries is their ability to connect with their neighborhoods and patrons. The “flavor” of each library’s program offerings, materials and physical space should reflect the community it serves.

**Implementation:** Librarians and their local boards should continue to keep in tune with the local community and develop and implement programs that are reflective of the nature of the community.

**Individual Library Level Recommendation #2:**
Increase capacity by using the existing and new services of Berks County Public Libraries, Inc.

**Analysis:** Individual libraries have small staffs and limited resources. By using the services provided by Berks County Public Libraries, Inc., individual librarians will have more time to focus on patron services and community outreach.

**Implementation:** Boards of directors at the individual libraries should prepare to adopt policies that allow participation in shared services provided by Berks County Public Libraries, Inc.

**Individual Library Level Recommendation #3:**
Encourage the use of the library as the “town square.”

**Analysis:** Seek out and take advantage of opportunities to promote library services to the community/neighborhood. As individual libraries look at facility improvements, the addition of community meeting space should be considered a top priority.

**Implementation:** Boards of directors at individual libraries should give thoughtful consideration to the library’s role in the community now and in the future.
Berks County Libraries Task Force Funding Recommendations

The task force accumulated and studied current financial information for the Berks County Library System, the Reading Public Library and the 19 individual community libraries.

That research showed a clear pattern of reduced hours, lower staffing, and shrinking expenditures on materials in response to tighter budgets across the System, even as demand for library services increased. The budgets were tightened in response to several factors, including cuts in state funding and inadequate financial support at the municipal level. Although the County of Berks increased its funding for library service over the same time period, it was not enough to make up for the losses that had been sustained.

These cuts came on top of an already low baseline for funding. Overall, spending for public library services in Berks County was just over $19 per capita in 2010. This compares to an average of $26 per capita in the best practice communities the task force studied and an average of $28 per capita statewide. In other words, the case could be made that Berks County’s libraries on the whole were inadequately funded even before they made budget cuts in response to the financial downturn.

The task force considered all of this information as it formulated a funding recommendation that made sense for the community and would be sustainable over time. In the end, the task force determined that the best recommendation, from a strictly financial perspective, is one that would cause an unacceptable level of rapid upheaval and change to the current system of libraries in Berks County.

Specifically, the task force found that the best way to ensure a sustainable library system for Berks County for the 21st Century would be to increase the total funding level for library service to the $26 - $28 per capita range, which would be generated through a dedicated library tax. That funding would be used to run a state-of-the-art consolidated library system that folded in all of the individual community libraries as branches under one management structure and provided funding to the branches based on the number of people within the service area.
While the description represents a financially rational way to approach library sustainability for Berks County, the task force is not recommending it as an immediate solution for the following reasons:

1. Community libraries supporting smaller populations would close or become reading rooms rather than full-fledged libraries in a consolidated structure. This is because the per capita expenditure for the libraries’ population levels would not support professional staffing. See appendix J, which details this issue.

2. The current political climate is not conducive to introducing a new tax at the county level.

3. Overall spending for library service in Berks County for 2010 was just over $19 per capita. An immediate jump to the recommended level of a $26 to $28 per capita range would provide more funding than could be effectively deployed in the short term.

After careful consideration of each of the issues listed above, the Berks County Libraries Task Force makes the following recommendations to ensure the financial sustainability of public libraries in Berks County:

**Funding Recommendation #1:**

Annually budget $4,670,000 for Berks County Public Libraries, Inc., which will provide the services currently offered by the Berks County Library System and the Reading Public Library.

That funding level, which would raise the per capita expenditure from $19.34 to $20.77, will secure the central district research and resource library function for the county as a whole and allow the new nonprofit to implement the shared services listed in functional recommendation #4 on page 42 of this report. It will also restore hours at the three Reading Public Library neighborhood branches, increase staffing at the Reading Public Library Main Branch by two full-time professional positions.

Also, the task force recommends that the County of Berks budget an additional $300,000 to provide a pool of funds available to member libraries to be distributed based on incremental matching funds received from municipalities in excess of current commitment levels. This pool would be paid out only if eligible incremental matching funds are obtained.
The total budget should be made up of a combination of state, county, city, and endowment distributions. A proposed first year budget for Berks County Public Libraries, Inc. appears on page 55.

**Funding Recommendation #2:**

Following the merger, the board of directors of Berks County Public Libraries, Inc. should work with the county to create a program that encourages municipal-level support of local libraries. The task force recommends that any future funding request to the county for library service be structured as a dollar-for-dollar match to municipal contributions. This recommendation ensures that the communities that benefit from a local library are the first in line to support it.

**Funding Recommendation #3:**

Following the merger, the philanthropic community in Berks County (namely the local foundations and other funders) should provide a five-year grant to Berks County Public Libraries, Inc. that covers the cost to create and pay for a professional fundraising department that assists community libraries with grant writing and making the case for support to their municipalities. This department would also develop and manage a development function to solicit and accept donations from private philanthropists.

**Funding Recommendation #4:**

Based on the work of the Best Practices Team and data from other systems, the task force has determined that Berks County has too many libraries to adequately fund them at a level of consistent quality and service.

Following the merger, the board of directors of Berks County Public Libraries, Inc. should carefully consider the number, location, and quality of public libraries across the county. They should work to ensure that all residents have access to a high quality public library within a reasonable distance and to avoid unnecessary overlap and duplication of services. The board should also consider the growing trend toward public libraries serving as community centers, and consider how technological advances might aid in the delivery of library services in smaller communities.
These recommendations lay the groundwork for future changes and guarantee that there will be a professionally staffed, centrally located public library for Berks County residents. The task force estimates that its recommendations will take five years to become fully functional, beginning with the timeline outlined below. During this period, the task force recommends that the County of Berks continue its tradition of generous support for local libraries by providing Berks County Public Libraries, Inc. with the same level of in-kind services (facilities, purchasing, accounting, etc.) as it provided in 2010, thereby ensuring a smooth transition to the new nonprofit organization.

**Proposed Timeline for Implementation**
*(all are calendar years)*

2011: Planning year
- Create Berks County Public Libraries, Inc. nonprofit
- Form board
- Hire executive director
- Request trustee change for Reading Public Library from the City to the County
- Merge RPL and the Berks County Library System into the Berks County Public Libraries, Inc. nonprofit

2012: Return to full time hours
- All libraries in county return to 2008 hours of operation and spending levels
- Berks County Public Libraries, Inc. board ramps up for expanded role in human resources, development/marketing, and finance/accounting

2013: Begin new era of library service, with appropriate funding levels and expanded offerings that meet the needs of the population
- Local library directors and board members work with system fundraising staff to request additional funding from the municipalities they serve (to begin in the 2013 municipal budgets)
Sample Budget for Berks County Public Libraries, Inc. Year One
INITIAL YEAR OPERATION OF PROPOSED 501 (C) 3 CORPORATION

### Expenditures

<table>
<thead>
<tr>
<th>Current Spending Levels:</th>
<th>501 (c) 3</th>
<th>Match</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>County Libraries System, Including Coordination Aid</td>
<td>$1,670,000</td>
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<td>$1,670,000</td>
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<tr>
<td>Reading Public Library – Main Library</td>
<td>$2,215,000</td>
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<td>$2,215,000</td>
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<tr>
<td>Reading Public Library – 3 Branches</td>
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<tr>
<td>Total Current Expenditure Level</td>
<td>$4,170,000</td>
<td></td>
<td>$4,170,000</td>
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</tbody>
</table>

**Estimated Incremental Costs**: $500,000

| Estimated Initial Year Expenditures – 501 (c) 3               | $4,670,000 | $300,000 | $4,970,000 |
| Total Projected Funding for 19 Municipal Libraries            | $3,700,000 | $300,000 | $4,000,000 |
| Total Projected Expenditures                                  | $8,370,000 | $600,000 | $8,970,000 |

| Per Capita (407,000 Pop)                                      | $20.57     |       | $22.04     |

### Revenue:

<table>
<thead>
<tr>
<th>Current Revenue Levels:</th>
<th>501 (c) 3</th>
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<th>Total</th>
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<td>State Funding Aid</td>
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<tr>
<td>County Funding</td>
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<td>$2,705,000</td>
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<tr>
<td>City of Reading Funding</td>
<td>$ 200,000</td>
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<td>$ 200,000</td>
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<tr>
<td>Contributions, Investments, Fees etc</td>
<td>$ 430,000</td>
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<td>$ 430,000</td>
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<tr>
<td>Total Current Revenue Funding Level</td>
<td>$4,195,000</td>
<td></td>
<td>$4,195,000</td>
</tr>
</tbody>
</table>

**Incremental Funding:**

| County Funding – 2 FTE’s and Branch Hours                     | $ 300,000  |       | $ 300,000  |
| County Funding – Create Pool for Municipal Match              |           |       | $300,000    |
| County Funding – New HR Support Services                      | $ 100,000  |       | $ 100,000  |
| County Funding – New Accounting Support Services              | $ 100,000  |       | $ 100,000  |
| Total Incremental Funding                                     | $ 500,000  |       | $ 500,000  |

**Total Projected Funding for new 501 (c) 3 Corporation** $4,695,000 $300,000 $4,995,000

**Total Projected Funding for 19 Municipal Libraries** $3,700,000 $300,000 $4,000,000

**Total Library Funding – projected initial year** $8,395,000 $600,000 $8,995,000

---

6 In addition to the incremental funding listed here, the philanthropic community should be asked to contribute $150,000 per year for five years to establish a fundraising department for system-wide use.
### Berks County Support Perspective

<table>
<thead>
<tr>
<th>Description</th>
<th>2009 Base Year</th>
<th>Initial 501(c)3 Funding Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPL Annual Agreement – Airport</td>
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<td>$ 900,000</td>
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<tr>
<td>Berks County Libraries – Operating Budget</td>
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<tr>
<td>RPL Wide Area Network Fees</td>
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<tr>
<td>Funding Distribution Formula – RPL Portion</td>
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<td>$ 235,000</td>
</tr>
<tr>
<td>Funding Distribution Formula – Incremental</td>
<td>$</td>
<td>$ 500,000</td>
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<tr>
<td>Funding Distribution Formula – Municipal</td>
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<td><strong>Total County Funding - Before Match</strong></td>
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<td>$3,958,000</td>
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<tr>
<td>Municipal Match Pool</td>
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</tr>
<tr>
<td><strong>Total County Funding – After Match</strong></td>
<td></td>
<td>$4,258,000</td>
</tr>
</tbody>
</table>
CONCLUSION

The members of the Berks County Libraries Task Force wish to thank the following people for their invaluable input during this process:

- The librarians and staff members at each of Berks County’s public libraries
- Julie Rinehart and the staff and board at the Berks County Library System
- Frank Kasprowicz and the staff and board at the Reading Public Library System
- Jim Hollinger and the Office of Commonwealth Libraries
- The 3,000-plus community members who took the time to complete the library survey
- The 1,277 Berks County residents who responded to the task force’s statistically valid telephone poll
- Representatives from the Lackawanna, Dauphin, York, Lancaster, and Cumberland county library systems
- The organizations that provided time away from the office for the task force members who volunteered their service

Berks County Community Foundation would like to extend its gratitude to Dr. Thomas F. Flynn and Karen A. Rightmire, who served as the volunteer co-chairs of this effort, and to Paul Roedel, Charles Gallagher, and Sandy Green who each volunteered to chair one of the work teams. The Community Foundation would also like to thank each of the task force members for the time and dedication they put into this project.

It is worth noting that the late Senator Michael A. O’Pake was at our side when the Community Foundation created the task force. His encouragement and support in the early stages of this effort helped the foundation recruit the incredibly talented group of people who made this report possible.

Mike believed that healthy libraries were necessary for vibrant communities. He understood that for many people, libraries represented a gateway to the internet
where jobs and access to vital services now reside. He understood that children, particularly children living in poverty, needed libraries to fully discover their potential.

The creation of this report was an interesting journey into the deeply complex world of public library operations and funding. It was a pleasure to serve the community as task force members, and we hope that our recommendations set the stage for many more years of library services in Berks County.

Financial detail prepared by Paul Roedel
Report drafted by Heidi Williamson

Respectfully submitted to the community, February 1, 2011.
Legal Opinion Regarding Reading Public Library and the City of Reading

The following is the text of the legal opinion the task force received from C. Thomas Work, Esq. and Latisha B. Schuenemann, Esq. regarding the Reading Public Library’s status as a trust held by the City of Reading.

M E M O

TO: Reading Public Library Task Force
FROM: Latisha B. Schuenemann
C. Thomas Work
RE: Incidents of Title to Main Library Building on the Southwest Corner of Fifth and Franklin Streets in the City of Reading
DATE: August 27, 2010

By an ordinance enacted on February 23, 1899, the City of Reading accepted a donation by Reading Library, a Pennsylvania not-for-profit corporation (the “Library Corporation”), of improved real estate on the southwest corner of Fifth and Franklin Streets in the City of Reading that we now call the main Reading Public Library building (the “Main Library Building”), together with its collections, in order “to establish a free public library for the use and benefit of the citizens and residents of the City of Reading, to be reasonably maintained at the public expense under the authority” of Pennsylvania Act of 1887, P.L. 179, “empowering any city in this Commonwealth to take and hold donations of money, books, real and personal property, for the purposes of a free library in said city, and to make appropriations to maintain the same . . .”

The anticipated conveyance of the main Library Building was accomplished by a Deed dated April 1, 1899, recorded in Deed Book Volume 273, pages 466 et seq. of the Berks County Records, that recites the terms of the same ordinance. Among those terms was a requirement that the “library ... be managed and controlled by a Board of sixteen Trustees, to be constituted as follows: The Mayor of the city shall be one thereof, ex-officio, and the fifteen others shall be appointed as follows: Ten thereof shall be elected by the [Council] of the City of Reading . . . and five thereof shall be elected by the Board of Directors of the [Library Corporation].” The Deed purported to transfer to the City of Reading “all the books, manuscripts, fixtures, furniture and other property belonging to the [Library Corporation]” that were located in the Main Library Building on the date of the Deed. We will refer to all such items and the Main Library Building together as the “Gifted Assets.”

The Berks County, Pennsylvania Court of Common Pleas interpreted the terms of this donation in Bachtlin, et al. v. Mayor and Council of City of Reading, et al., 40 Berks Co. L.J. 169 (1948). Bachtlin was a suit in mandamus commenced by Library employees against the City to determine whether they were entitled to participate in the retirement plan the City made available to its employees generally. The City did not dispute that the City compensated Library employees. But it contended that there was no ordinance prescribing the “number, duties and compensation” of Library staff and, consequently, they were not employees of the City of Reading. The Court, sitting en banc, disagreed.
After reciting some of the terms of the ordinance and the Deed by which the Library Corporation had conveyed the Main Library Building to the City of Reading, the Court concluded:

“The City of Reading, when it accepted the papers, buildings, etc. of the Reading Library Company, assumed the responsibility to maintain the library, and surely so to do the City of Reading must have proper persons to do the service contemplated by the [Deed].”
40 Berks Co. L. J. at 172

Among the duties of City Council when the enabling ordinance was passed “was to maintain the Reading free library.” 40 Berks Co. L. J. at 172

Of greatest importance are the Court’s clear characterizations of the conveyance to the City of Reading as one in trust, and the duties of the City of Reading as the duties of a trustee:

“It is well settled that as to all property or funds held by a municipal corporation in trust, equity, by virtue of its jurisdiction in respect of trusts and trust property, may assert its power to compel the observance of the trust and the discharge by the municipal corporation of its public duties in respect to the subject of the trust . . . .”

The Mayor and the City Council through the years, by their conduct, have observed the trust when they permitted their Trustees to appoint sufficient personnel in the public interest and by an appropriate method placed upon the payroll of the City [the Library and its employees].” 40 Berks Co. L. J. at 173

Having determined that Library personnel were entitled to participate in the City’s retirement plan as City employees, the Court further clarified the relationship:

“The Trustees [of the Library] cannot be [the employer of the Library staff] for the Trustees are themselves but the agents of the City of Reading, which by the ordinance of acceptance of the donation declared itself the trustee and provided that its duties as such trustee should be performed by the group of managers known as the trustees. The so-called trustees are in fact a board of managing directors and are the agents for the real trustee, the City of Reading . . . . The system of managing this great city trust as set up in the original ordinance, dated Feb. 23, 1899, has worked well . . . .” 40 Berks Co. L. J. at 174

An essential term of the trust is set forth in Section 2, Paragraph 1 of the City’s ordinance enacted on February 23, 1899:

“1. - To establish a free public library for the use and benefit of the citizens and residents of the City of Reading, to be reasonably maintained at the public expense under the authority of [Act of 1887, P.L. 179].”
One aspect of the current situation that was not before the Court in *Bachtlin* is the scope of the trust the 1899 donation anticipated. It is unlikely that a court would impose upon the City of Reading any obligation to administer a county-wide information distribution system or other services beyond maintaining “a free public library for the use and benefit of the citizens and residents of the City of Reading.”

Assuming, for the moment, that the Library is no longer “reasonably maintained [by the City of Reading] at the public expense,” there are at least two approaches to a remedy. We might characterize the trust as no longer “practicable,” or we might find that the City of Reading as trustee has breached the trust and search for a suitable remedy to address that breach.

In the first case, that of a trust that has become “impracticable,” we would start with § 7740.3(a) of the Pennsylvania Uniform Trust Act, 20 Pa. Cons. Stat. § 7740.3(a), which reads in full as follows:

“(a) General rule. - Except as otherwise provided in subsection (b), if a particular charitable purpose becomes unlawful, impracticable or wasteful:

(1) the trust does not fail, in whole or in part;

(2) the trust property does not revert to the settlor or the settlor’s successors in interest; and

(3) the court shall apply cy pres to fulfill as nearly as possible the settlor’s charitable intention, whether it be general or specific.”

The exception to which § 7740.3(a) refers is not relevant here.

We should specifically address subsection (2), which declares that “the trust property does not revert to the settlor or the settlor’s successors in interest,” because there might be a strong inclination by the Library Corporation to redeploy the Gifted Assets in light of frustration with the trust’s administration. Subsection (2) restates existing Pennsylvania law. See, e.g., *Barr v. Weld*, 24 Pa. 84 (1854) (remedies upon breach of a charitable trust are limited to the appointment of new trustees and compelling the current trustees to administer the trust as conceived); *McKissick v. Pickle*, 4 Harris 148 (to the same effect); and *Jones v. Renshaw*, 18 A.651 (Pa. 1889), in which the Supreme Court of Pennsylvania declared that “by no failure of a trustee or of the object of the trust ceasing can the property revert to the heirs of the grantor of property for a charitable use.” That concept should apply with even greater force to a situation like ours, where the trust’s “object” has not failed but instead, the trust administration has faltered for other reasons.

As applied to our case, what is clear from § 7740.3(a) is that (1) the Library trust persists and (2) there is no reversion of the trust property to the Library Corporation as donor of the Gifted Assets. But the reality is that we have a trust which “banked” upon the taxing authority of the City of Reading for its sustenance. If the trust does not fail, then we are left with (1) remedies to compel the City to adhere to the terms of the trust and (2) a search for another trustee, in place of the City of Reading, that will uphold the terms of the trust if the City will not or cannot do so.

Sovereign immunity bars the classic surcharge action for money damages for a breach of trust. An action in *mandamus*, like *Bachtlin*, is available to compel the City to find and apply revenues to “establish [and maintain] a free public library for the use and benefit of the citizens and residents of the City of Reading.” If that remedy is unavailable, or if an order by the Court compelling the City’s specific performance proves unenforceable and fruitless, we are down to finding a trustee that will administer the trust on terms the Court might direct in *cy pres*.
There are at least two problems with that approach. First, the terms of the trust impose liability upon the trustee to fund the Library’s operations for the purpose scripted in the Deed. Second, the particular trustee here - the City of Reading - enjoys the power to tax, within constitutional and state law limitations, and that is a power enjoyed by relatively few eligible trustees. The most elegant, if not the only, solution to this dilemma in a cy pres proceeding is to locate a trustee that enjoys statutory authority to tax for the purpose of maintaining a library. For a library, or more aptly, a library system that provides a countywide distribution network and also serves residents of the City of Reading, the ideal trustee is the County of Berks. Availability to the County of Berks of the power to tax for this purpose must be verified by reference to the Pennsylvania Library Code and other provisions of Pennsylvania statutory and constitutional law defining counties’ powers to tax generally.

Source: Memo in full received by the task force via email on August 27, 2010 c/o Berks County Community Foundation
APPENDIX B
Community Survey Results – June – July 2010

Question One

How often do you visit a library in Berks County?

The majority of survey respondents report that they are frequent library patrons. A full 89% of respondents reported that they borrow items from their local library, with many referring to the value of the inter-library loan program. Of survey respondents, 94% reported that they had a Berks County Library Card. Many of the respondents “wrote in” that every member of their household had a library card.

7 The Berks County Libraries Community Survey was conducted using Zoomerang, an online surveying program that anonymously tallies and reports the results.
Questions Two and Three

Do you borrow materials from a Berks County library (i.e., you check them out with a library card and take them home)?

- Yes: 89%
- No: 11%

Do you have a library card for a Berks County library?

- Yes: 94%
- No: 6%
Question Four

In addition to the items listed above, the most frequent “write-in” responses to this question were:

- Interlibrary loan, or the ability to request that a library item from one location in the county or state be shipped to a local library for pick-up, and the ability to drop off an item at any library in the system regardless of where it was originally borrowed
- Access to newspapers, newspaper archives, and magazines, and in particular the ability to check-out magazines
- The ability to access the Berks County Library System from home to request items and check due dates, renew items, etc. Several people also cited the ability to download audio files.
- Community programs were frequently cited, including educational programs, family movie nights and book sales
- The genealogy resources were cited.
- Access to lavatories and air conditioning were noted as temperatures spiked in July
Question Five

This question drew 767 additional comments, most of which were statements of emphatic support for local libraries. Additionally, several respondents stated that their local library went away when bookmobile service ended.
Question Six

![Question Six Graph]

Question Seven

Question 7 asked respondents, “Where do you think funding from local libraries comes from?” The open-ended question was structured to encourage honest, unaided responses. The vast majority of respondents listed donations, taxes, and/or municipal, local, and/or state government as the primary sources of funding for local libraries.
Question Eight

The “other” responses to this question include many who said they use the library often (apparently misreading the response categories above). Additional “other” responses included references to doing internet research from home and using local university libraries, including Kutztown and Penn State Berks. Respondents also cited lack of time as a reason for not using the library often.

Question Nine

Question 9 asked respondents, “What do you like most about having a library in your community?” The question was open-ended, inviting un-aided responses. The most frequent responses to the questions were:

- knowing that the library is there if the respondent needed it
- access to books, audio-visual and other materials
- the ability to borrow materials at no cost
- the sense of community and neighborhood engendered by the library and its programs
• programs and materials for children and families
• access to computers, the internet and free wi-fi

**Question Ten**

Question 10 asked respondents, “If you could change something about your local library, what would it be?” The question was open-ended, inviting un-aided responses. While many of the respondents did not see a need to change anything at their local library, those who made suggestions most frequently cited the following areas for improvement:

- More hours
- More materials, particularly new and bestselling
- More funding
- Downloadable audio materials and books
- Larger size with more computers, more programs, and more self-service options

*If I have to spend time in purgatory before going to one place or the other, I guess I'll be all right as long as there's a lending library* – Stephen King
Question Eleven

For question 11, respondents selected a dollar amount that they would hypothetically be willing to contribute annually to local libraries. Thirty-four percent of respondents indicated that they would be willing to pay $25, while 28 percent of respondents indicated that they would be willing to pay $15. The smallest percentage, at 9 percent, indicated that they would be willing to pay $35 annually.

Of the 28% of respondents who selected other, some recommended a different amount than those presented here, ranging from $0 to $100 per year. Others were very concerned about the idea of asking all families to contribute, and recommended a sliding scale or a contribution based on income. Finally, some respondents indicated that any contribution to the libraries should come from the taxes that they already pay.

In the next question, 96 percent of respondents indicated that funding libraries would be a good use of their tax dollars.
Question Twelve

Funding public libraries would be a good use of my tax dollars.

- True: 96%
- False: 4%
A total of 644 respondents included an additional comment with this question. Many of the comments indicated that library services should remain free and available to all residents, but that in order to make that a continued reality the libraries would need to be supported by taxes and donations.

Some respondents indicated that it might make sense to charge for certain services in order to increase revenue. The next two questions drill down specifically on this issue, and find a split response.

"Perhaps no place in any community is so totally democratic as the town library. The only entrance requirement is interest." - Claudia ‘Lady Bird’ Johnson
Question Fourteen

Do you think it makes sense to charge library users for "premium" services such as CD or DVD rentals?

Yes: 60%
No: 40%

Question Fifteen

Would YOU be willing to pay a fee to borrow CDs or DVDs from the library?

Yes: 47%
No: 53%
Questions Sixteen and Seventeen

Questions sixteen and seventeen asked respondents to identify the libraries that are closest to their homes and the libraries that they most often use.

<table>
<thead>
<tr>
<th>Library</th>
<th>Closest to Home</th>
<th>Most Often Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bernville</td>
<td>40</td>
<td>25</td>
</tr>
<tr>
<td>Bethel Tulpehocken</td>
<td>68</td>
<td>70</td>
</tr>
<tr>
<td>Boone</td>
<td>127</td>
<td>107</td>
</tr>
<tr>
<td>Boyertown</td>
<td>179</td>
<td>180</td>
</tr>
<tr>
<td>Brandywine</td>
<td>109</td>
<td>113</td>
</tr>
<tr>
<td>Exeter</td>
<td>420</td>
<td>444</td>
</tr>
<tr>
<td>Fleetwood</td>
<td>202</td>
<td>131</td>
</tr>
<tr>
<td>Hamburg</td>
<td>83</td>
<td>62</td>
</tr>
<tr>
<td>Louisa Gonser (Kutztown)</td>
<td>182</td>
<td>211</td>
</tr>
<tr>
<td>Mifflin</td>
<td>198</td>
<td>141</td>
</tr>
<tr>
<td>Muhlenberg</td>
<td>143</td>
<td>150</td>
</tr>
<tr>
<td>Northeast Branch</td>
<td>118</td>
<td>79</td>
</tr>
<tr>
<td>Northwest Branch</td>
<td>82</td>
<td>48</td>
</tr>
<tr>
<td>Other (college, out of county, school)</td>
<td>32</td>
<td>103</td>
</tr>
<tr>
<td>Reading Main Library at 5th and Franklin</td>
<td>258</td>
<td>510</td>
</tr>
<tr>
<td>Robesonia</td>
<td>70</td>
<td>84</td>
</tr>
<tr>
<td>Schuylkill Valley</td>
<td>96</td>
<td>95</td>
</tr>
<tr>
<td>Sinking Spring</td>
<td>178</td>
<td>144</td>
</tr>
<tr>
<td>Southeast Branch</td>
<td>105</td>
<td>56</td>
</tr>
<tr>
<td>Spring Township</td>
<td>110</td>
<td>161</td>
</tr>
<tr>
<td>Village</td>
<td>32</td>
<td>51</td>
</tr>
<tr>
<td>Wernersville</td>
<td>122</td>
<td>119</td>
</tr>
<tr>
<td>West Lawn/Wyomissing Hills</td>
<td>132</td>
<td>123</td>
</tr>
<tr>
<td>Womelsdorf</td>
<td>69</td>
<td>62</td>
</tr>
<tr>
<td>Wyomissing</td>
<td>118</td>
<td>100</td>
</tr>
</tbody>
</table>

Total Responses* 3273 3369

* the columns do not equal because some respondents mentioned using more than one library most often
Question Eighteen

Are you a resident of Berks County? If no, please list your county in the comments box.

94% Yes
6% No
Additional Comment
Questions Nineteen and Twenty

Question nineteen asked respondents to identify the three things they would be sure to include if they were in charge of developing a 21st Century Library System for Berks County. Question twenty asked respondents to pretend that it was the year 2015 and describe what they would expect to see there.

In most cases the verbatim responses to these two questions were similar. The most frequently cited responses were as follows:

- Books
- Computers and internet access
- Online access to library resources both in the library and from home, including downloadable materials and the availability of digital readers (such as Kindle, etc.)
- Additional programs for children and community members
- Quality of life amenities such as a café
Question Twenty One

The additional comments primarily showed exuberant support for local libraries. For example, respondents said:

“Please try to keep the local libraries open. I love books and reading and as a child growing up our weekly trip to the library was the highlight of the week.”

“Do whatever is needed to keep the libraries funded so they can operate properly. It is a valuable community service.”

“The free public library open to all people is essential to continuing our informed, educated democracy.”

“The library has helped me. I have learned so much through the library. It helped me with personal issues and helped me get up to date on employment in the area.”
Question Twenty-Two

The verbatim responses to this question focused primarily on questions that dig deeper on the funding alternatives for libraries, on questions about library service at specific locations, and on questions that asked for more demographic information such as income level.
Question Twenty-Three

The following questions are for demographic purposes only and are not mandatory. What is your age range?

Question Twenty Four

How long have you lived in Berks County?
APPENDIX C

Librarian Interviews

Over the summer of 2010, librarians and library workers across Berks County were asked the following questions as part of the community outreach team’s work. Their responses are listed below.

Question One

![Bar chart showing distribution of positions]

Question Two

What makes your library unique?

The majority of responses focused on the people who work at the library and the customer service they provide for patrons.
Question Three

![Bar chart showing concerns about funding for libraries.]

**Pennsylvania had a 27% reduction in state library aid in 2009 and the state is shifting more responsibility to fund libraries to the local level. How concerned are you about funding for your library?**

- Not concerned: 0
- Concerned: 6
- Very concerned: 22

Question Four

Why are you very concerned/concerned/ or not concerned?

The most common answers to this question were that the municipal level support is not in place, that the libraries cannot cut more without cutting into basic services, and that patrons will not get the library service they require because of reduced materials budgets, staff reductions and/or reductions in hours of operation.
Question Five

If you have had to make budget cuts, what strategies has your library used?

- Added volunteers: 19
- Applied for grants: 18
- Cut eliminate conferences/educational budget: 3
- Cut materials budget: 19
- Force salaries/wages: 3
- Furloughs: 2
- Reduced hours: 18
- Reduced services (bookmobile, programming, etc.): 7
- Other: 4

Question Six

Of the following, which do you think should be pursued to secure additional funding for your library?

- Charge a fee for non-book materials (e.g., $1 per DVD or video game), if permitted by law: 7
- Charge a fee to use meeting space: 10
- Conduct an annual fund drive: 17
- Increase the number and amount of donations to the Friends of the Library County Libraries Fund at the County Community Foundation: 6
- None of the above: 13
- Other: 13
**Question Seven**

In the past two years have you personally noticed an increase in the following in your library:

- Patron visits: 22
- Computer usage: 26
- Circulation of materials: 21

**Question Eight**

In the past two years have you personally provided more assistance for job seeking activities (ex. applying for jobs online, writing resumes, etc.) to patrons?

- Yes: 22
- No: 4
Question Nine

In your opinion, the primary reason the public uses the library is for:

- Audiobooks: 5
- Books: 22
- DVDs/Videos: 15
- Internet: 14
- Programming: 4
- Other: 6

Question Ten

Let’s pretend that it’s the year 2015, and all of the financial worries of your library are gone. Describe what your library looks like. What services does it offer?

The primary response was that the library would be bigger – with dedicated areas for children’s collections, more space for community meetings and programs, and more materials – both paper and electronic.
Question Eleven

What are the two or three things you would LOVE to be able to see your library doing in 2015?

The responses focused on more programming and more materials (paper and electronic).

Question Twelve

What didn’t I ask that the task force should know?

The responses primarily focused on how busy the libraries across the county are when they are open.
Statistically Valid Telephone Poll – Dec. 27-28, 2010

**Question One:** My local library is important to my community.

[Bar graph showing 84% Yes, 6% No, 10% Undecided.]

**Question Two:** Funding public libraries is a good use of my tax dollars.

[Bar graph showing 73% Yes, 12% No, 16% Undecided.]
Question Three: I would vote in favor of a special library tax to ensure quality library service in Berks County.

![Bar Chart]

Question Four: How often do you or a member of your family go to the library?

![Bar Chart]
Demographic Profile of Respondents to Statistically Valid Poll

Gender
49% of respondents to the poll were female
51% of respondents to the poll were male

Political Affiliation
48% were registered democrats
48% were registered republicans
4% were registered as independent/other

Age
3% were age 18-29
14% were age 30-44
36% were age 45-59
47% were age 60+
Financial Information

The following pages contain the complete financial report generated by the Berks County Libraries Task Force.

- Appendix E contains information about State Governance and State Aid
- Appendix F identifies all of the Libraries and Library Support Organizations in Berks County
- Appendix G provides a four-year history of revenue and expenditures for the Reading Public Library and its branches
- Appendix H details investments held by the Reading Public Library
- Appendix I provides a financial summary of total revenue and expenditures for all county, city and municipal libraries in Berks County and provides a projection for the initial year operating revenue and expenditures for the proposed new consolidated 510(c)3 entity
- Appendix J provides a comparison of the per capita operating expenses and municipal tax support levels for the 19 community libraries in Berks County.
BERKS COUNTY LIBRARIES TASK FORCE

State Governance

The State of Pennsylvania has established laws and regulations governing public libraries in the Commonwealth.

STATE ADMINISTRATION

Governor
Department of Education
Office of Commonwealth Libraries
Bureau of Library Development

Governor’s Advisory Council on
Library Development

STATE REGULATION CATEGORIES

A. Federated Systems
B. Independent Libraries
C. District Library Centers

STATE FUNDING

The State has established funding for Library Systems.
State Aid is both direct and through County System.

A schedule of state funding for period 2006 thru 2011 is included in this section.

STATE STANDARDS

The State has established standards for Library Systems.

1. Standards for Members of a Library System
2. Basic Standards for the Overall Library System
3. Minimum Standards for District Library Centers

Copies of the State Standards for Libraries are available on request.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>303.2 Quality Libraries Aid</td>
<td>18,085,171</td>
<td>21,787,529</td>
<td>21,787,529</td>
<td>21,574,336</td>
<td>17,257,449</td>
<td>15,689,610</td>
</tr>
<tr>
<td>303.5 Incentive for Excellence Aid</td>
<td>21,556,377</td>
<td>25,982,501</td>
<td>25,982,501</td>
<td>25,728,260</td>
<td>20,580,199</td>
<td>18,710,488</td>
</tr>
<tr>
<td>303.10 Equalization Aid</td>
<td>692,989</td>
<td>832,999</td>
<td>832,999</td>
<td>824,849</td>
<td>659,802</td>
<td>599,859</td>
</tr>
<tr>
<td>303.11 Equal Distribution Grants</td>
<td>1,193,805</td>
<td>1,441,801</td>
<td>1,691,800</td>
<td>1,675,246</td>
<td>1,340,040</td>
<td>1,218,297</td>
</tr>
<tr>
<td>Total Library Aid</td>
<td>41,528,342</td>
<td>50,044,830</td>
<td>50,294,829</td>
<td>49,802,690</td>
<td>39,837,490</td>
<td>36,218,254</td>
</tr>
<tr>
<td>303.7 County Coordination Aid</td>
<td>7,386,365</td>
<td>8,878,700</td>
<td>8,878,700</td>
<td>8,791,821</td>
<td>7,032,634</td>
<td>6,393,719</td>
</tr>
<tr>
<td>303.8 District Library Center Aid</td>
<td>9,558,201</td>
<td>13,103,668</td>
<td>13,103,668</td>
<td>13,103,668</td>
<td>10,379,144</td>
<td>9,436,198</td>
</tr>
<tr>
<td>Statewide Res.Center Aid</td>
<td>2,889,091</td>
<td>3,472,800</td>
<td>3,472,800</td>
<td>3,438,818</td>
<td>2,750,733</td>
<td>2,500,829</td>
</tr>
<tr>
<td>Total State Library Aid</td>
<td>61,361,999</td>
<td>75,499,998</td>
<td>75,749,997</td>
<td>75,136,997</td>
<td>60,000,000</td>
<td>54,549,000</td>
</tr>
</tbody>
</table>

1 - State Aid Distributed to Counties for allocation to Libraries
2 - State Aid Distributed to Counties to cover Coordination support expenditures for Libraries
3 - State Aid Distributed directly to designated District Libraries (The Reading Public Library is a District Library)
4 - State Aid Distributed to State Research Library Facilities (None in Berks County)
BERKS COUNTY LIBRARIES TASK FORCE

OPERATING FACILITIES

This Section identifies all of the Libraries and Library Support Organizations in Berks County

CITY OF READING

**Reading Public Library**

Facilities:

- Main Library - 5th and Franklin Street – Reading PA

  Branch Libraries
  - NE Branch – North 11th Street
  - NW Branch – Schuylkill Avenue
  - SE Branch – Perkiomen Avenue

**Reading Library Company**

Facilities:

- None

**Reading Public Library Foundation**

Facilities:

- A Building and Parking Lot on 4th Street
- The Parking lot behind the 5th and Franklin Library
BERKS COUNTY LIBRARIES TASK FORCE

OPERATING FACILITIES

COUNTY OF BERKS

**Berks County Public Libraries** (A Department of County Government)

Facilities:

System Headquarters and Outreach services located at Old Berks Heim Annex – Approx 16,000 sq ft

**Borough and Twp Public Libraries**

19 Individual Libraries located in various Municipalities throughout Berks County
READING PUBLIC LIBRARY:

The Reading Public Library is a quasi government organization. The City of Reading owns the library. That ownership includes the building, the collection and the branches.

The Board of the Reading Public Library is made up of 15 members. The City of Reading appoints 5 members; the County of Berks appoints 5 members; and the Reading Public Library Company appoints 5 members. A list of Board members and a copy of the Organization By-Laws is included in the appendix to this report.

The Reading Public Library serves as a District Library Center for the State of Pennsylvania.

Summary of Receipts and Disbursements for past two completed fiscal years:

<table>
<thead>
<tr>
<th></th>
<th>12/31/2008</th>
<th>12/31/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Receipts</td>
<td>$2,553,575</td>
<td>$2,610,510</td>
</tr>
<tr>
<td>Total Disbursements</td>
<td>$2,584,381</td>
<td>$2,514,549</td>
</tr>
<tr>
<td>Increase (Decrease)</td>
<td>$(30,806)</td>
<td>$95,961</td>
</tr>
</tbody>
</table>

Assets controlled by the RPL board at the end of Dec 31, 2008 and 2009 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>12/31/2008</th>
<th>12/31/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$186,213</td>
<td>$224,997</td>
</tr>
<tr>
<td>Restricted Funds</td>
<td>$2,355,255</td>
<td>$2,388,008</td>
</tr>
<tr>
<td>Board Designated Funds</td>
<td>$457,073</td>
<td>$930,254</td>
</tr>
<tr>
<td>Grants and Gifts Fund</td>
<td>0</td>
<td>$15,275</td>
</tr>
<tr>
<td>Total</td>
<td>$2,998,541</td>
<td>$3,558,535</td>
</tr>
</tbody>
</table>

Herbein+Company conduct an annual financial audit of the Reading Public Library.
READING LIBRARY COMPANY:

The Reading Library Company is a separate company. It holds no assets. It is a membership company and has approximately 70 members. It has a board of directors of 18 people and is self perpetuating. The stated purpose of the organization is to elect trustees for the Reading Public Library and to engage in activities which promote public library service in Reading and its environs.

The following attachments are available upon request:

- Reading Library Company By Laws
- Reading Library Company Membership List as of Feb 19, 2010

READING PUBLIC LIBRARY FOUNDATION

The Reading Public Library Foundation is a separate not for profit corporation established in 1996.

It receives contributions and supports the Reading Public Library. The Foundation has a board of directors of not less than 5 and not more than 11 members.

The assets controlled by the Foundation at the end of Dec, 31, 2008 were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Marketable Securities at Market</td>
<td>$300,358</td>
</tr>
<tr>
<td>Property and Equipment – net of $89,735 depreciation</td>
<td>$307,144</td>
</tr>
<tr>
<td>Total</td>
<td>$607,502</td>
</tr>
</tbody>
</table>

The property and equipment includes a building on 4th street and parking for the 4th street building plus the parking lot behind the main library building. In past years, funds have been transferred from the endowment fund to the RPL for operations or specific purposes. During the past two years, that funding has been minimal.

Herbein+Company conduct an annual audit of the Foundation.

The following attachments are available upon request:

- A list of the Board of Directors of the Foundation
- The By-Laws for the Foundation
BERKS COUNTY PUBLIC LIBRARIES – A Federated Library System

Mission Statement: The mission of the federated system – Berks County Public Libraries – is a countywide development, coordination, and promotion of public library services. The “System” is an advocate for the library and information needs of all the people of Berks County. **Operating as a department of county government** and in cooperation with the Reading District Library Center, the “System” provides leadership and technical assistance for improvement of library services through strengthening of the “System’s” libraries and library resources throughout the County.

The cost of operating the Berks County Public Libraries System is approximately $1,400,000 per year and is included in the County budget.

There are seven members of the Berks County Public Libraries board of Directors, all appointed by the County Commissioners.

The Berks County Public Library system headquarters and outreach services facilities are located at the Old Berks Heim Annex and consists of approximately 16,000 sq ft.

The following attachments are available upon request:

- Board of Directors
- System Manual

19 COUNTY LIBRARIES – (Does not include the Reading System and the County facility)

There are 19 libraries located in various Municipalities throughout Berks County. All of the Municipal libraries are members of the Berks County Federated system except the Wyomissing Library.

During 2009 the 19 municipal libraries had an aggregate of revenue and expenditure as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Revenue</td>
<td>$3,983,094</td>
</tr>
<tr>
<td>Total Operating Expenditures</td>
<td>$3,680,128</td>
</tr>
</tbody>
</table>

Included in this section is a summary of both Revenue and Expenditures for 2009 by individual Municipal Library.
# BERKS COUNTY LIBRARIES TASK FORCE

## Total Revenue - By Library - 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>Federal Revenue</th>
<th>State Revenue</th>
<th>Local Govt Revenue</th>
<th>Other Revenue</th>
<th>Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA0521 BERNVILLE AREA COMMUNITY LIB</td>
<td>$0</td>
<td>$34,334</td>
<td>$53,840</td>
<td>$17,202</td>
<td>$105,376</td>
</tr>
<tr>
<td>PA0201 BETHEL TULPEHOCKEN PUB LIB</td>
<td>$0</td>
<td>$68,989</td>
<td>$56,840</td>
<td>$29,250</td>
<td>$155,079</td>
</tr>
<tr>
<td>PA0202 BOONE AREA LIBRARY</td>
<td>$1,834</td>
<td>$76,310</td>
<td>$85,693</td>
<td>$50,965</td>
<td>$214,802</td>
</tr>
<tr>
<td>PA0474 BOYERTOWN COMMUNITY LIBRARY</td>
<td>$0</td>
<td>$102,423</td>
<td>$55,340</td>
<td>$116,879</td>
<td>$274,642</td>
</tr>
<tr>
<td>PA0476 BRANDYWINE COMMUNITY LIBRARY</td>
<td>$387</td>
<td>$52,223</td>
<td>$60,263</td>
<td>$28,766</td>
<td>$141,639</td>
</tr>
<tr>
<td>PA0617 EXETER COMMUNITY LIBRARY</td>
<td>$0</td>
<td>$154,996</td>
<td>$270,958</td>
<td>$95,189</td>
<td>$521,143</td>
</tr>
<tr>
<td>PA0475 FLEETWOOD AREA PUBLIC LIBRARY</td>
<td>$0</td>
<td>$45,350</td>
<td>$56,558</td>
<td>$21,698</td>
<td>$123,606</td>
</tr>
<tr>
<td>PA0204 HAMBURG PUBLIC LIBRARY</td>
<td>$0</td>
<td>$44,102</td>
<td>$82,843</td>
<td>$39,818</td>
<td>$166,763</td>
</tr>
<tr>
<td>PA0440 LOUISA GONSER COMM LIB INC</td>
<td>$2,452</td>
<td>$102,872</td>
<td>$105,982</td>
<td>$68,576</td>
<td>$279,882</td>
</tr>
<tr>
<td>PA0618 MIFFLIN COMMUNITY LIBRARY</td>
<td>$2,418</td>
<td>$82,327</td>
<td>$115,890</td>
<td>$39,255</td>
<td>$240,560</td>
</tr>
<tr>
<td>PA0209 MUHLENBERG COMMUNITY LIBRARY</td>
<td>$0</td>
<td>$84,414</td>
<td>$104,640</td>
<td>$66,269</td>
<td>$255,323</td>
</tr>
<tr>
<td>PA0207 ROBESONIA COMMUNITY LIBRARY</td>
<td>$0</td>
<td>$30,304</td>
<td>$64,965</td>
<td>$20,487</td>
<td>$115,756</td>
</tr>
<tr>
<td>PA0464 SCH VALLEY COMMUNITY LIBRARY</td>
<td>$0</td>
<td>$35,708</td>
<td>$56,967</td>
<td>$27,957</td>
<td>$120,632</td>
</tr>
<tr>
<td>PA0208 SINKING SPRING PUBLIC LIBRARY</td>
<td>$0</td>
<td>$44,945</td>
<td>$83,206</td>
<td>$40,157</td>
<td>$186,308</td>
</tr>
<tr>
<td>PA0211 SPRING TOWNSHIP LIBRARY</td>
<td>$4,166</td>
<td>$105,210</td>
<td>$211,626</td>
<td>$44,045</td>
<td>$365,047</td>
</tr>
<tr>
<td>PA0203 VILLAGE LIBRARY OF MORGANTOWN</td>
<td>$953</td>
<td>$51,920</td>
<td>$80,298</td>
<td>$37,305</td>
<td>$170,476</td>
</tr>
<tr>
<td>PA0210 WERNERSVILLE PUBLIC LIBRARY</td>
<td>$0</td>
<td>$39,408</td>
<td>$59,640</td>
<td>$16,233</td>
<td>$115,281</td>
</tr>
<tr>
<td>PA0527 WOMELSDORF COMMUNITY LIBRARY</td>
<td>$0</td>
<td>$38,046</td>
<td>$65,507</td>
<td>$14,757</td>
<td>$118,310</td>
</tr>
<tr>
<td>PA0213 WYOMISSING PUBLIC LIBRARY</td>
<td>$0</td>
<td>$58,767</td>
<td>$185,000</td>
<td>$86,702</td>
<td>$330,469</td>
</tr>
</tbody>
</table>

Other County Libraries: 12,210 1,252,648 1,856,056 862,180 $3,983,094
## BERKS COUNTY LIBRARIES TASK FORCE
### Total Expenses - By Library - 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>Sal &amp; Wages Lib Personell</th>
<th>Sal &amp; Wages Prog Staff</th>
<th>Total Salaries and Wages</th>
<th>Total Benefits</th>
<th>Total Sal, Wages and Benefits</th>
<th>Collection Expense</th>
<th>Other Expense</th>
<th>Total Operating Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA0521 BERNVILLE AREA COMMUNITY LIB</td>
<td>$57,381</td>
<td>$0</td>
<td>$57,381</td>
<td>$6,457</td>
<td>$63,838</td>
<td>$9,128</td>
<td>$22,986</td>
<td>$95,952</td>
</tr>
<tr>
<td>PA0201 BETHTEL TULPEHOCKEN PUB LIB</td>
<td>$74,677</td>
<td>$0</td>
<td>$74,677</td>
<td>$6,796</td>
<td>$81,473</td>
<td>$27,544</td>
<td>$20,446</td>
<td>$129,463</td>
</tr>
<tr>
<td>PA0202 BOONE AREA LIBRARY</td>
<td>$102,464</td>
<td>$1,834</td>
<td>$104,298</td>
<td>$8,937</td>
<td>$113,235</td>
<td>$31,990</td>
<td>$64,548</td>
<td>$209,773</td>
</tr>
<tr>
<td>PA0474 BOYERTOWN COMMUNITY LIBRARY</td>
<td>$154,179</td>
<td>$0</td>
<td>$154,179</td>
<td>$39,029</td>
<td>$193,208</td>
<td>$33,789</td>
<td>$44,900</td>
<td>$271,897</td>
</tr>
<tr>
<td>PA0476 BRANDYWINE COMMUNITY LIBRARY</td>
<td>$85,919</td>
<td>$387</td>
<td>$86,306</td>
<td>$7,822</td>
<td>$94,128</td>
<td>$22,798</td>
<td>$23,933</td>
<td>$140,859</td>
</tr>
<tr>
<td>PA0617 EXETER COMMUNITY LIBRARY</td>
<td>$195,936</td>
<td>$0</td>
<td>$195,936</td>
<td>$40,791</td>
<td>$236,727</td>
<td>$77,385</td>
<td>$108,420</td>
<td>$422,532</td>
</tr>
<tr>
<td>PA0475 FLEETWOOD AREA PUBLIC LIBRARY</td>
<td>$49,295</td>
<td>$0</td>
<td>$49,295</td>
<td>$5,264</td>
<td>$54,559</td>
<td>$34,911</td>
<td>$24,981</td>
<td>$114,451</td>
</tr>
<tr>
<td>PA0204 HAMBURG PUBLIC LIBRARY</td>
<td>$68,501</td>
<td>$0</td>
<td>$68,501</td>
<td>$22,754</td>
<td>$91,255</td>
<td>$35,775</td>
<td>$26,098</td>
<td>$153,128</td>
</tr>
<tr>
<td>PA0440 LOUISA GONSER COMM LIB INC</td>
<td>$105,653</td>
<td>$2,452</td>
<td>$108,105</td>
<td>$30,009</td>
<td>$138,114</td>
<td>$28,300</td>
<td>$44,831</td>
<td>$211,245</td>
</tr>
<tr>
<td>PA0618 MIFFLIN COMMUNITY LIBRARY</td>
<td>$124,131</td>
<td>$2,418</td>
<td>$126,549</td>
<td>$12,941</td>
<td>$139,490</td>
<td>$35,065</td>
<td>$56,028</td>
<td>$230,583</td>
</tr>
<tr>
<td>PA0209 MUHLENBERG COMMUNITY LIBRARY</td>
<td>$153,078</td>
<td>$0</td>
<td>$153,078</td>
<td>$26,800</td>
<td>$179,878</td>
<td>$41,442</td>
<td>$50,793</td>
<td>$227,213</td>
</tr>
<tr>
<td>PA0207 ROBESONIA COMMUNITY LIBRARY</td>
<td>$68,545</td>
<td>$0</td>
<td>$68,545</td>
<td>$6,627</td>
<td>$75,172</td>
<td>$27,928</td>
<td>$10,429</td>
<td>$113,529</td>
</tr>
<tr>
<td>PA0464 SCH VALLEY COMMUNITY LIBRARY</td>
<td>$57,883</td>
<td>$0</td>
<td>$57,883</td>
<td>$6,562</td>
<td>$64,445</td>
<td>$15,094</td>
<td>$20,086</td>
<td>$99,625</td>
</tr>
<tr>
<td>PA0208 SINKING SPRING PUBLIC LIBRARY</td>
<td>$97,092</td>
<td>$0</td>
<td>$97,092</td>
<td>$15,216</td>
<td>$112,308</td>
<td>$24,911</td>
<td>$15,367</td>
<td>$152,586</td>
</tr>
<tr>
<td>PA0211 SPRING TOWNSHIP LIBRARY</td>
<td>$178,214</td>
<td>$4,166</td>
<td>$182,380</td>
<td>$33,123</td>
<td>$215,503</td>
<td>$50,889</td>
<td>$79,708</td>
<td>$346,100</td>
</tr>
<tr>
<td>PA0203 VILLAGE LIBRARY OF MORGANTOWN</td>
<td>$94,625</td>
<td>$953</td>
<td>$95,578</td>
<td>$7,971</td>
<td>$103,549</td>
<td>$22,837</td>
<td>$53,710</td>
<td>$180,096</td>
</tr>
<tr>
<td>PA0210 WERNERSVILLE PUBLIC LIBRARY</td>
<td>$68,703</td>
<td>$0</td>
<td>$68,703</td>
<td>$12,547</td>
<td>$81,250</td>
<td>$30,721</td>
<td>$8,223</td>
<td>$120,194</td>
</tr>
<tr>
<td>PA0527 WOMELSDORF COMMUNITY LIBRARY</td>
<td>$53,299</td>
<td>$0</td>
<td>$53,299</td>
<td>$4,365</td>
<td>$57,664</td>
<td>$22,187</td>
<td>$24,956</td>
<td>$104,807</td>
</tr>
<tr>
<td>PA0213 WYOMISSING PUBLIC LIBRARY</td>
<td>$173,459</td>
<td>$0</td>
<td>$173,459</td>
<td>$25,803</td>
<td>$199,262</td>
<td>$48,079</td>
<td>$63,854</td>
<td>$311,195</td>
</tr>
<tr>
<td>Other County Libraries</td>
<td>1,963,034</td>
<td>12,210</td>
<td>1,975,244</td>
<td>319,814</td>
<td>2,295,058</td>
<td>620,773</td>
<td>764,297</td>
<td>3,680,128</td>
</tr>
</tbody>
</table>
The purpose of this section is to provide a four year history of Revenue and Expenditures for the Reading Public Library, including the three RPL Branches. Year four, 2010, is a projection based on 6 months actual and is subject to change.

A Revenue and Expenditures schedule is enclosed in this section.

(Note) Starting in FY 2010 it is projected that the aggregate cost of the remaining City Paid employees will be less than the $900,000 annual payment from the County.
<table>
<thead>
<tr>
<th></th>
<th>Audit 2007</th>
<th>Audit 2008</th>
<th>Audit 2009</th>
<th>Audit 2010</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County of Berks:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local - Salary Approp</td>
<td>1,125,000</td>
<td>900,000</td>
<td>900,000</td>
<td>900,000</td>
<td>Agreement 2000 - County to Library; Library to City; City Pay Salaries of employees working for RPL</td>
</tr>
<tr>
<td>Wide Area Network Fees</td>
<td>219,957</td>
<td>178,965</td>
<td>182,018</td>
<td>170,650</td>
<td>RPL wide area network used by others</td>
</tr>
<tr>
<td>County Aid (qtrly)</td>
<td>170,716</td>
<td>44,000</td>
<td>69,321</td>
<td>44,000</td>
<td>County portion of Quarterly distribution from County</td>
</tr>
<tr>
<td>County Coordination Aid(ILL)</td>
<td>66,000</td>
<td></td>
<td></td>
<td></td>
<td>State Funded Coordination Aid</td>
</tr>
<tr>
<td><strong>Total County</strong></td>
<td>1,515,673</td>
<td>1,122,965</td>
<td>1,151,339</td>
<td>1,180,650</td>
<td></td>
</tr>
<tr>
<td>Comm. Of Pennsylvania:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>District Library Center</td>
<td>388,584</td>
<td>388,584</td>
<td>307,789</td>
<td>307,789</td>
<td>State Funded - Direct payment from Harrisburg</td>
</tr>
<tr>
<td>Local Aid Quarterly</td>
<td>420,028</td>
<td>535,680</td>
<td>556,158</td>
<td>473,000</td>
<td>State portion of Quarterly Distribution from County</td>
</tr>
<tr>
<td>County Coordination Aid</td>
<td></td>
<td></td>
<td></td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>State Access</td>
<td>44,909</td>
<td>39,133</td>
<td>16,604</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total State</strong></td>
<td>853,521</td>
<td>963,397</td>
<td>880,551</td>
<td>782,789</td>
<td></td>
</tr>
</tbody>
</table>
## Other Revenue:

<table>
<thead>
<tr>
<th>Description</th>
<th>Audit 2007</th>
<th>Audit 2008</th>
<th>Audit 2009</th>
<th>Audit 2010</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Reading - Cash Contrib</td>
<td>30,000</td>
<td>100,000</td>
<td></td>
<td></td>
<td>Cash Contribution from City of Reading Budget</td>
</tr>
<tr>
<td>City of Reading - Sal Excess</td>
<td>274,093</td>
<td>370,855</td>
<td>384,953</td>
<td></td>
<td>Salaries in Excess of $900,000 County annual payment</td>
</tr>
<tr>
<td>City of Reading - Services</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>Estimate of City Service costs for Trash, Snow, Repairs, Maint etc</td>
</tr>
<tr>
<td>Berks Comm Action Plan (BCAP)</td>
<td></td>
<td></td>
<td></td>
<td>240,000</td>
<td>One time grant from BCAP - Federal Stimulus funding</td>
</tr>
<tr>
<td>Contributions and Grants</td>
<td>448,402</td>
<td>294,093</td>
<td>304,659</td>
<td>200,000</td>
<td>Includes trust distributions and gains/(Losses) on investments</td>
</tr>
<tr>
<td>Investment Income</td>
<td>268,741</td>
<td>94,109</td>
<td>93,414</td>
<td>95,000</td>
<td>Interest and Dividends (Yield) on investments</td>
</tr>
<tr>
<td>User Fees</td>
<td>54,749</td>
<td>20,849</td>
<td>22,460</td>
<td>22,000</td>
<td></td>
</tr>
<tr>
<td>Patron Fees (fines, copies, other)</td>
<td>59,407</td>
<td>53,827</td>
<td>69,889</td>
<td>54,500</td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>2,477</td>
<td>4,335</td>
<td>3,368</td>
<td>3,000</td>
<td></td>
</tr>
<tr>
<td>Wide Area Network Refund</td>
<td></td>
<td></td>
<td></td>
<td>54,830</td>
<td>52,000</td>
</tr>
<tr>
<td><strong>Total Other</strong></td>
<td><strong>1,207,869</strong></td>
<td><strong>938,068</strong></td>
<td><strong>1,063,573</strong></td>
<td><strong>866,500</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>3,577,063</strong></td>
<td><strong>3,024,430</strong></td>
<td><strong>3,095,463</strong></td>
<td><strong>2,829,939</strong></td>
<td></td>
</tr>
<tr>
<td>Expenditures:</td>
<td>Audit 2007</td>
<td>Audit 2008</td>
<td>Audit 2009</td>
<td>Audit 2010</td>
<td>Projected</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td>-----------</td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Ben Paid by County</td>
<td>1,125,000</td>
<td>900,000</td>
<td>900,000</td>
<td>690,000</td>
<td></td>
</tr>
<tr>
<td>Excess Salaries Paid by City</td>
<td>274,093</td>
<td>370,855</td>
<td>384,953</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Ben Paid by RPL</td>
<td>689,929</td>
<td>722,773</td>
<td>777,089</td>
<td>660,000</td>
<td></td>
</tr>
<tr>
<td>Total Salaries and Benefits</td>
<td>2,089,022</td>
<td>1,993,628</td>
<td>2,062,042</td>
<td>1,350,000</td>
<td></td>
</tr>
<tr>
<td>Library Materials and Services</td>
<td>369,843</td>
<td>382,481</td>
<td>441,781</td>
<td>407,000</td>
<td></td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>760,145</td>
<td>579,127</td>
<td>395,679</td>
<td>696,395</td>
<td></td>
</tr>
<tr>
<td>City Services</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>Transfers</td>
<td>62,147</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>3,381,157</strong></td>
<td><strong>3,055,236</strong></td>
<td><strong>2,999,502</strong></td>
<td><strong>2,553,395</strong></td>
<td></td>
</tr>
<tr>
<td>Gain (Loss)</td>
<td>258,053</td>
<td>(30,806)</td>
<td>95,961</td>
<td>276,544</td>
<td></td>
</tr>
</tbody>
</table>
BERKS COUNTY LIBRARIES TASK FORCE

READING PUBLIC LIBRARY - INVESTMENTS

The Reading Public Library Board controls and manages two Investment Accounts: (The funds are held by Janney Montgomery Scott)

<table>
<thead>
<tr>
<th>Account</th>
<th>Dec 31, 2009</th>
<th>Mar 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Janney Montgomery Scott Investment Account</td>
<td>$2,388,008</td>
<td>$2,519,132</td>
</tr>
<tr>
<td>Janney Montgomery Scott “Tigh” Account</td>
<td>$930,254</td>
<td>$1,023,208</td>
</tr>
<tr>
<td>Total</td>
<td>$3,318,262</td>
<td>$3,542,747</td>
</tr>
</tbody>
</table>

The Janney Montgomery Scott investment account ($2.5 Million) is comprised of a number of specific purpose funds. Janney provides a monthly statement of activity for the account and the RPL financial staff keeps track of the specific purpose funds and allocates income, expenses, yield income and gains and losses to each account. The RPL financial staff reports the investment portfolio detail by specific account to the board each month.

The Janney “Tigh” account is not a special purpose fund. There are also “Tigh” funds in the Janney Investment account. The balance in both of the funds is the result of distributions received over a number of years from separately managed trusts. The trust distributions can be used to fund operations or special purpose needs of the Reading Public Library. Statements received from the separate trust by the RPL indicate the separately managed Tigh Trust Fund principal to be in the $5.5 to $6 million range. The Tigh Trust Funds held in a separate trust distributes approximately $120,000 to $130,000 per year to the Reading Public Library in addition to a number of other organizations covered by the trust.

Attached to this memo is a list of all of the funds included in the above two Reading Public Library Investment accounts showing the balance in each fund.

Also attached is a schedule that provides an estimate of the annual income from Trusts and Investment Funds that could be available for Reading Public Library support and operations.
# Reading Public Library
## Investment Accounts
### Balances as of March 31, 2010

<table>
<thead>
<tr>
<th>Account</th>
<th>Principal 3/31/10</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenneth Smith</td>
<td>1,201,453.78</td>
<td>Perpetual Fund - to be used for anything except Library Maintenance</td>
</tr>
<tr>
<td>Deelman</td>
<td>170,357.51</td>
<td>Perpetual Fund - for the purchase of historical materials for the collection</td>
</tr>
<tr>
<td>John Snyder -</td>
<td>63,109.11</td>
<td>Perpetual Fund - for the purchase of reference, science and language materials</td>
</tr>
<tr>
<td>Ruttenberg</td>
<td>59,016.64</td>
<td>Perpetual Fund - for the purchase of &quot;special orders&quot; for the collection</td>
</tr>
<tr>
<td>Hughes</td>
<td>34,543.55</td>
<td>Perpetual Fund - for the purchase of collection materials</td>
</tr>
<tr>
<td>Staab</td>
<td>8,574.17</td>
<td>Perpetual Fund - for the purchase of math, computer, and engineering materials</td>
</tr>
<tr>
<td>Frame</td>
<td>1,826.85</td>
<td>Perpetual Fund - for the purchase of financial materials for the collection</td>
</tr>
<tr>
<td>Alin</td>
<td>74,791.61</td>
<td>Funds designated for operation and/or enhancement of ALIN automation</td>
</tr>
<tr>
<td>Weand</td>
<td>3,213.46</td>
<td>Fund designated for the repair of donated Weand materials</td>
</tr>
<tr>
<td>Haage</td>
<td>3,205.43</td>
<td>Fund designated for the storage and display of the Haage Photograph collection</td>
</tr>
<tr>
<td><strong>Total - Principal Restricted</strong></td>
<td><strong>1,620,092.11</strong></td>
<td></td>
</tr>
<tr>
<td>Board Designated - Capital Improvements</td>
<td>499,138.39</td>
<td>Board designated Funds</td>
</tr>
<tr>
<td>Donor - Major Library Projects</td>
<td>106,651.03</td>
<td>Board designated funds</td>
</tr>
<tr>
<td>Tigh</td>
<td>293,251.06</td>
<td>Non Restricted Funds set aside for the purpose of L. T. projects and collection dev</td>
</tr>
<tr>
<td>Tigh - Special JMN Money Mkt Account</td>
<td>1,023,208.17</td>
<td>Non Restricted Funds set aside for the purpose of L. T. projects and collection dev</td>
</tr>
<tr>
<td><strong>Total - Not Principal Not Restricted</strong></td>
<td><strong>1,922,248.65</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total All Funds</strong></td>
<td><strong>3,542,340.76</strong></td>
<td></td>
</tr>
</tbody>
</table>
### INVESTMENT ACCOUNTS - PROJECTED ANNUAL FUNDS FOR OPERATIONS AND SUPPORT

<table>
<thead>
<tr>
<th>Investment Account</th>
<th>Principal 3/31/10</th>
<th>Assumed Spending Policy Rate</th>
<th>Funds Available for support and Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenneth Smith</td>
<td>1,201,453.78</td>
<td>4%</td>
<td>64,803.68</td>
</tr>
<tr>
<td>Deelman</td>
<td>170,357.51</td>
<td>4%</td>
<td>6,814.31</td>
</tr>
<tr>
<td>John Snyder -</td>
<td>63,109.11</td>
<td>4%</td>
<td>2,524.37</td>
</tr>
<tr>
<td>Alin</td>
<td>74,791.61</td>
<td>4%</td>
<td>2,991.66</td>
</tr>
<tr>
<td>Ruttenberg</td>
<td>59,016.64</td>
<td>4%</td>
<td>2,360.66</td>
</tr>
<tr>
<td>Hughes</td>
<td>34,543.55</td>
<td>4%</td>
<td>1,381.74</td>
</tr>
<tr>
<td>Staab</td>
<td>8,574.17</td>
<td>4%</td>
<td>342.97</td>
</tr>
<tr>
<td>Frame</td>
<td>1,826.85</td>
<td>4%</td>
<td>73.06</td>
</tr>
<tr>
<td>Weand</td>
<td>3,213.46</td>
<td>4%</td>
<td>128.54</td>
</tr>
<tr>
<td>Haage</td>
<td>3,205.43</td>
<td>4%</td>
<td>128.22</td>
</tr>
<tr>
<td><strong>Total - Principal Restricted</strong></td>
<td><strong>1,620,092.11</strong></td>
<td>4%</td>
<td><strong>64,803.68</strong></td>
</tr>
</tbody>
</table>

| Board Designated - Capital Improvements    | 499,138.39        | 4%                          | 19,965.53                                |
| Donor - Major Library Projects            | 106,651.03        | 4%                          | 4,266.05                                 |
| Tigh                                       | 293,251.06        | 4%                          | 11,730.04                                |
| Tigh - Special JMN Money Mkt Account       | 1,023,208.17      | 4%                          | 40,928.35                                |
| **Total - Not Principal Not Restricted**   | **1,922,248.65**  | **4%**                      | **76,889.95**                            |

| Total All Funds                            | 3,542,340.76      | 4%                          | 141,693.63                               |

The Separately Managed Tigh Funds are projected to distribute per year: 130,000.00

Projected Annual Funds available for Support and Operations from Trusts and Investments: 271,693.63
BERKS COUNTY LIBRARIES TASK FORCE

TOTAL SYSTEM REVENUE AND EXPENDITURES

The purpose of this section is to provide a financial summary of Total Revenue and Expenditures for all County, City and Municipal Libraries in Berks County and to project the initial year operating Revenue and Expenditures for the proposed new consolidated 501 (c) 3 entity.

• Historical summary of Revenue and Expenditures for the three years 2007, 2008 and 2009.
• Projected Expenditures and Revenue for the initial year of a proposed new 501 (c) 3 entity combining the Reading Public Library and the County Libraries System.
• Comparison of the projected Revenue and Expenditures for the initial year 501 (c) 3 organization compared to the three year history of funding and expenditures.
• Perspective on the level of county funding required to support the proposed new entity.
### TOTAL ALL LIBRARIES - REVENUE AND EXPENDITURES - THREE YEARS 2007 2008 2009

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Federal</th>
<th>State</th>
<th>County</th>
<th>City</th>
<th>Municip</th>
<th>Total Govt</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td></td>
<td>123,553</td>
<td>2,905,731</td>
<td>3,012,959</td>
<td>374,693</td>
<td>926,259</td>
<td>7,343,195</td>
<td>1,519,646</td>
<td>8,862,841</td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td>46,677</td>
<td>2,500,667</td>
<td>3,356,550</td>
<td>360,477</td>
<td>1,064,953</td>
<td>7,329,324</td>
<td>1,218,418</td>
<td>8,547,742</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditures</th>
<th>Berks Lib</th>
<th>Reading PL</th>
<th>Municip</th>
<th>Total</th>
<th>Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td></td>
<td>1,746,439</td>
<td>3,381,157</td>
<td>3,515,087</td>
<td>8,642,683</td>
<td>$21.23</td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td>1,771,912</td>
<td>3,055,237</td>
<td>3,719,003</td>
<td>8,546,152</td>
<td>$21.00</td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td>1,772,139</td>
<td>2,999,183</td>
<td>3,680,128</td>
<td>8,451,450</td>
<td>$20.77</td>
</tr>
<tr>
<td>2010 Projected</td>
<td></td>
<td>1,670,000</td>
<td>2,500,000</td>
<td>3,700,000</td>
<td>7,870,000</td>
<td>$19.34</td>
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</table>

Per Capita Based on Count total population of 407,000 census
## PROPOSED 501 (c) 3 REVENUE AND EXPENDITURES - INITIAL YEAR

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>Current</th>
<th>Restore</th>
<th>Est Cost of</th>
<th>Initial</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Short</td>
<td>Operating</td>
<td>New Support</td>
<td>Full Year</td>
</tr>
<tr>
<td></td>
<td>Hours</td>
<td>Costs</td>
<td>Services</td>
<td>Operation</td>
</tr>
<tr>
<td>County Libraries System:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Budget</td>
<td>1,400,000</td>
<td></td>
<td>1,400,000</td>
<td></td>
</tr>
<tr>
<td>Coordination Aid</td>
<td>270,000</td>
<td></td>
<td>270,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,670,000</td>
<td></td>
<td>1,670,000</td>
<td></td>
</tr>
<tr>
<td>Reading Public Library:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Budget - Main Branch</td>
<td>2,215,000</td>
<td>150,000</td>
<td>2,365,000</td>
<td></td>
</tr>
<tr>
<td>Operating Budget - 3 RPL Branches</td>
<td>285,000</td>
<td>150,000</td>
<td>435,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,500,000</td>
<td>300,000</td>
<td>2,800,000</td>
<td></td>
</tr>
<tr>
<td>New HR Service Support</td>
<td></td>
<td></td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>New Accounting Service Support</td>
<td></td>
<td></td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>Berks County Public Libraries, Inc.</td>
<td>4,170,000</td>
<td>300,000</td>
<td>200,000</td>
<td>4,670,000</td>
</tr>
<tr>
<td>Potential Cost of Incremental Municipal Match</td>
<td></td>
<td></td>
<td>300,000</td>
<td></td>
</tr>
<tr>
<td>Berks County Public Libraries - with Match</td>
<td></td>
<td></td>
<td></td>
<td>4,970,000</td>
</tr>
</tbody>
</table>

The Reading Public Library is currently open 35 hours per week at the Main Library and 2 1/2 days per week at the three District Branches. State Regulation requires 65 Hours per week at the Main Library.

The Estimated annual Cost to restore 2 FTE's at the Main Library - $150,000
The Estimated annual cost to restore the Branch Libraries to 35 house per week - $150,000

The Estimated annual cost to provide new support for HR and Accounting - $300,000

Projections are based on calendar year 2010 estimated costs
# Proposed 501 (c) 3 Revenue and Expenditures - Initial Year

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Est Cost to</th>
<th>Est Cost of</th>
<th>Initial</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Short</td>
<td>Restore</td>
<td>New Support</td>
<td>Full Year</td>
</tr>
<tr>
<td></td>
<td>Hours</td>
<td>Services</td>
<td>Services</td>
<td>Operation</td>
</tr>
</tbody>
</table>

## Revenue

### State:
- Coordination Aid: $270,000
- State Aid for District Library Center: $300,000
- State Aid - ($525,000 x 55%): $290,000

### County:
- County Operating Budget: $1,400,000
- Agreement: $900,000
- County Aid - ($525,000 x 45%): $300,000
- Wide Area Network fees: $170,000

### City of Reading:
- Cash Contribution: $100,000
- In Kind Services - Trash Snow etc: $100,000

### Support:
- Investments and Contributions: $300,000
- Fees etc: $130,000

### Berks County Public Libraries
- $4,195,000.0
- 300,000.0
- 200,000.0
- 4,695,000

### Potential Cost of Incremental Municipal Match
- $300,000

### Berks County Public Libraries - with Match
- $4,995,000
<table>
<thead>
<tr>
<th>Revenue</th>
<th>Federal</th>
<th>State</th>
<th>County</th>
<th>City</th>
<th>Municip</th>
<th>Total Govt</th>
<th>Other</th>
<th>Total</th>
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<tbody>
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<td>123,553</td>
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<td>1,064,953</td>
<td>7,329,324</td>
<td>1,218,418</td>
<td>8,547,742</td>
</tr>
<tr>
<td>Projected Initial Year 501 (c) 3</td>
<td>12,000</td>
<td>2,112,000</td>
<td>3,958,000</td>
<td>200,000</td>
<td>1,065,000</td>
<td>7,347,000</td>
<td>1,040,000</td>
<td>8,387,000</td>
</tr>
<tr>
<td>Projected with Municip Match</td>
<td>12,000</td>
<td>2,112,000</td>
<td>4,258,000</td>
<td>200,000</td>
<td>1,065,000</td>
<td>7,647,000</td>
<td>1,340,000</td>
<td>8,987,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New</th>
<th>Exhaustes</th>
<th>Berks Lib</th>
<th>Reading PL</th>
<th>501 © 3</th>
<th>Municip</th>
<th>Total</th>
<th>Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1,746,439</td>
<td>3,381,157</td>
<td>5,127,596</td>
<td>3,515,087</td>
<td>8,642,683</td>
<td>$21.23</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>1,771,912</td>
<td>3,055,237</td>
<td>4,827,149</td>
<td>3,719,003</td>
<td>8,546,152</td>
<td>$20.00</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>1,772,139</td>
<td>2,999,183</td>
<td>4,771,322</td>
<td>3,680,128</td>
<td>8,451,450</td>
<td>$20.77</td>
<td></td>
</tr>
<tr>
<td>Projected Initial Year 501 (c) 3</td>
<td>1,670,000</td>
<td>3,000,000</td>
<td>4,670,000</td>
<td>3,700,000</td>
<td>8,370,000</td>
<td>$20.57</td>
<td></td>
</tr>
<tr>
<td>Projected with Municip Match</td>
<td>1,670,000</td>
<td>3,300,000</td>
<td>4,970,000</td>
<td>4,000,000</td>
<td>8,970,000</td>
<td>$22.04</td>
<td></td>
</tr>
</tbody>
</table>

Per Capita Based on Count total population of 407,000 census
## BERKS COUNTY LIBRARIES TASK FORCE
### THE COUNTY SUPPORT PERSPECTIVE

<table>
<thead>
<tr>
<th></th>
<th>Initial Funding Base Year</th>
<th>Initial Funding 501 (c) 3 Year</th>
<th>Initial Funding Municipalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPL Annual Agreement - Airport</td>
<td>900,000</td>
<td>900,000</td>
<td>900,000</td>
</tr>
<tr>
<td>Berks County Libraries Op Budget</td>
<td>1,400,000</td>
<td>1,400,000</td>
<td>1,400,000</td>
</tr>
<tr>
<td>RPL Wide Area Network Fees</td>
<td>170,000</td>
<td>170,000</td>
<td>170,000</td>
</tr>
<tr>
<td><strong>Funding Distribution formula:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reading Public Library</td>
<td>235,000</td>
<td>235,000</td>
<td>235,000</td>
</tr>
<tr>
<td>Incremental County Funding</td>
<td></td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>County Support for Consol Entity</td>
<td>2,705,000</td>
<td>3,205,000</td>
<td>3,205,000</td>
</tr>
<tr>
<td><strong>Other Support for New Entity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Funding</td>
<td>860,000</td>
<td>860,000</td>
<td></td>
</tr>
<tr>
<td>City of Reading</td>
<td>200,000</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td>Investment, Contrib, Fees Etc</td>
<td>430,000</td>
<td>430,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Support for New Consolidated Entity</strong></td>
<td>4,695,000</td>
<td>4,695,000</td>
<td></td>
</tr>
<tr>
<td>County Support for Municipal Libraries</td>
<td>753,000</td>
<td>753,000</td>
<td>1,053,000</td>
</tr>
<tr>
<td><strong>Total County Support - Including Municipal Libraries</strong></td>
<td>3,458,000</td>
<td>3,958,000</td>
<td>4,258,000</td>
</tr>
</tbody>
</table>

(Report - 2011 County Budget for Library System - $3,444,543)
The purpose of this section is to provide a comparison of the per capita operating expenses and Municipal Tax support levels for all 19 of the Municipal Libraries located in Berks County. The schedule excludes the Berks Libraries System and the Reading Public Library.

The Per Capita data is based on the 2006 census data for the individual townships and municipalities. Note that most of the 19 Libraries are supported by more than one Township or Municipality. Also note that Townships and Municipalities representing 40,520 residents provide no support for the 19 Libraries, or their support is not related to any existing county library and those funds support the County System.

This data came from a number of different sources and could be subject to change. However, the aggregate numbers for all of the 19 Libraries ties in reasonably well with the total expenditures reported to the state by each Library.

Total Per Capita Perspective – Based on recommended funding strategy:

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Expenditures</th>
<th>Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenditures for New 501 (c) 3 Consolidation</td>
<td>$4,995,000</td>
<td>$12.27</td>
</tr>
<tr>
<td>Total Expenditures for 19 Municipal Libraries</td>
<td>$3,700,000</td>
<td>$ 9.09</td>
</tr>
<tr>
<td>Total System Expenditures</td>
<td>$8,695,000</td>
<td>$21.36</td>
</tr>
</tbody>
</table>

The per capita data for the 19 municipal libraries shown on the attached report ranges from a low of $6.77 to a high of 43.55.
### 19 Municipal Libraries

#### 2006 Census - 2009 Operating and Support levels

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Population</th>
<th>Total Operating Expenses</th>
<th>Operating Per Capita</th>
<th>Municipality Population</th>
<th>Operating Expenses</th>
<th>Per Capita</th>
<th>Support</th>
<th>Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBE Bethel</td>
<td>4,496</td>
<td></td>
<td></td>
<td></td>
<td>5,000</td>
<td>$ 1.11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBE Tulpehocken</td>
<td>3,556</td>
<td></td>
<td></td>
<td></td>
<td>5,000</td>
<td>$ 1.41</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bethel/Tulpehocken</td>
<td>8,052</td>
<td>129,463</td>
<td>$ 16.08</td>
<td></td>
<td>10,000</td>
<td>$ 1.24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBI Amity</td>
<td>11,431</td>
<td></td>
<td></td>
<td></td>
<td>15,000</td>
<td>$ 1.31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBI Birdsboro</td>
<td>5,206</td>
<td></td>
<td></td>
<td></td>
<td>15,600</td>
<td>$ 3.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBI Union</td>
<td>3,654</td>
<td></td>
<td></td>
<td></td>
<td>8,453</td>
<td>$ 2.31</td>
<td></td>
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</tr>
<tr>
<td>Boone Area</td>
<td>20,291</td>
<td>209,773</td>
<td>$ 10.34</td>
<td></td>
<td>39,053</td>
<td>$ 1.92</td>
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<td></td>
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<tr>
<td>SBO Boyertown</td>
<td>3,958</td>
<td></td>
<td></td>
<td></td>
<td>4,000</td>
<td>$ 1.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBO Colebrookdale</td>
<td>5,453</td>
<td></td>
<td></td>
<td></td>
<td>1,200</td>
<td>$ 0.22</td>
<td></td>
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<tr>
<td>SBO Douglass</td>
<td>3,517</td>
<td></td>
<td></td>
<td></td>
<td>2,000</td>
<td>$ 0.57</td>
<td></td>
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<tr>
<td>SBO Earl</td>
<td>3,313</td>
<td></td>
<td></td>
<td></td>
<td>1,500</td>
<td>$ 0.45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boyertown</td>
<td>16,241</td>
<td>271,897</td>
<td>$ 16.74</td>
<td></td>
<td>8,700</td>
<td>$ 0.54</td>
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<tr>
<td>SBR District</td>
<td>1,560</td>
<td></td>
<td></td>
<td></td>
<td>1,750</td>
<td>$ 1.12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBR Longswamp</td>
<td>5,810</td>
<td></td>
<td></td>
<td></td>
<td>5,608</td>
<td>$ 0.97</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBR Rockland</td>
<td>3,956</td>
<td></td>
<td></td>
<td></td>
<td>3,765</td>
<td>$ 0.95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBR Topton</td>
<td>1,984</td>
<td></td>
<td></td>
<td></td>
<td>2,500</td>
<td>$ 1.26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brandywine</td>
<td>13,310</td>
<td>140,859</td>
<td>$ 10.58</td>
<td></td>
<td>13,623</td>
<td>$ 1.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBV Bernville</td>
<td>884</td>
<td></td>
<td></td>
<td></td>
<td>1,500</td>
<td>$ 1.70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBV Jefferson</td>
<td>2,165</td>
<td></td>
<td></td>
<td></td>
<td>3,000</td>
<td>$ 1.39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBV Penn</td>
<td>2,176</td>
<td></td>
<td></td>
<td></td>
<td>2,000</td>
<td>$ 0.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bernville</td>
<td>5,225</td>
<td>95,952</td>
<td>$ 18.36</td>
<td></td>
<td>6,500</td>
<td>$ 1.24</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## BERKS COUNTY LIBRARIES TASK FORCE

### 19 MUNICIPAL LIBRARIES

**2006 Census - 2009 Operating and Support levels**

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Population</th>
<th>2006 Census Operating Expenses</th>
<th>Operating Per Capita</th>
<th>Municipality Monetary Support</th>
<th>Municipality Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCO Albany</td>
<td>1,721</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>SCO Bally</td>
<td>1,105</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>SCO Bechtelsville</td>
<td>977</td>
<td>100</td>
<td>0.10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SCO Brecknock</td>
<td>4,874</td>
<td>3,500</td>
<td>0.72</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SCO Hereford</td>
<td>3,294</td>
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<td>-</td>
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<tr>
<td>SCO Pike</td>
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<tr>
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<td>SHA Perry</td>
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<tr>
<td>SHA Tilden</td>
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# 19 Municipal Libraries

## 2006 Census - 2009 Operating and Support Levels

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Population</th>
<th>Total Operating Expenses</th>
<th>Operating Expenses</th>
<th>Monetary Support</th>
<th>Per Capita</th>
</tr>
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<tbody>
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<td>SKU Greenwich</td>
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<td>SKU Kutztown</td>
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<td>SKU Maxatawny</td>
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<td>Louisa Gonser</td>
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<td>SMI Mohnton</td>
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<td>SMI Cumru</td>
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<td>SMI Kenhorst</td>
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<td>SMI Shillington</td>
<td>5,049</td>
<td>20,900</td>
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<td>Mifflin</td>
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<td>SMO New Morgan</td>
<td>119</td>
<td>-</td>
<td>$</td>
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<tr>
<td>SMO Robeson</td>
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<td>SMO Caernarvon</td>
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<td>180,096</td>
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<td>SRO North Heidelberg</td>
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<td>SRO Robesonia</td>
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<td>Robesonia</td>
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<td>SSS Sinking Spring</td>
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<td>152,586</td>
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<td>10.44</td>
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<td>SST Spring</td>
<td>26,349</td>
<td>346,100</td>
<td>13.14</td>
<td>116,021</td>
<td>4.40</td>
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</table>
## 19 MUNICIPAL LIBRARIES

### 2006 Census - 2009 Operating and Support levels

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Population</th>
<th>Operating Expenses</th>
<th>Per Capita</th>
<th>Monetary Support</th>
<th>Per Capita</th>
</tr>
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<tbody>
<tr>
<td>SSV Bern</td>
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<td>SSV Centre</td>
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<td>- $</td>
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<tr>
<td>SSV Leesport</td>
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<td>SSV Ontelaune</td>
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<td>Schuylkill Valley</td>
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<td>104,807</td>
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<td>(5,450)</td>
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<td>Total 19 Municip.</td>
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</tbody>
</table>

### Berks Syst HQ

| Berks Syst HQ | 40,520 |

| Reading      | 81,183 |

| 390,707      | 974,771 |

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Source: X10000069.xls  
J2, J3, J4, J5

1/20/2011