



June 7, 2013

Mr. Peter Boyce
City Administrator
City of Gladstone
525 Portland Avenue
Gladstone, OR 97027

Dear Mr. Boyce,

I want to thank you for sending detailed information about the current operations of Gladstone Library and for the opportunity to conduct a preliminary analysis to assess the benefits of a public-private partnership with the City of Gladstone for operation of the Library.

Our preliminary analysis found that the City is receiving a reasonable return on the money being invested in the Gladstone Library. The Library is open six days for 53 hours per week, which is an adequate number of hours, although adding Sunday hours would be a desirable improvement in services for the community.

The \$86,000 budgeted for books and materials is approximately \$4.30 per capita, which is slightly below the average for libraries in Oregon (\$5.13 per capita), and 11.3 percent of the operational budget. Ideally, the percentage should be increased to 15-20 percent of the budget.

As we've discussed in the past, LSSI does not take on any new assignments unless we feel a public-private partnership can make a significant improvement in the level of library services for the local community. LSSI believes that a public-private partnership should do more than simply reduce operational costs. While there is no question that LSSI could provide the improvements in services indicated above and realize some savings for the City, we do not feel the improvements and the savings achieved would be significant enough to justify pursuing a public-private partnership solution at this time. Therefore, we respectfully decline the opportunity to provide a detailed proposal.

Should there be any changes in the future, such as the reconsideration of the previously planned new library, LSSI would very much appreciate the opportunity to revisit a public-private partnership solution with the City of Gladstone.

If you have any questions, please feel free to reach me by email: bob.windrow@lssi.com or cell: (301) 526-6822.

Best Regards,

A handwritten signature in black ink, appearing to read 'Bob Windrow', with a long, sweeping underline.

Robert E. Windrow
Vice President