



City Council Report

Date: May 18, 2015
To: City Council
Through: Alex Deshuk, Manager of Technology and Innovation
From: Heather Wolf, Library Director
Subject: Library Assistance Program Intergovernmental Agreement
"Citywide"

**Strategic
Initiatives**



Purpose and Recommendation

Maricopa County Library District (MCLD) is proposing the First Amendment to the Intergovernmental Agreement (IGA) for the Library Assistance Program. (Attachment 1) The Library Assistance Program (LAP) replaced the Reciprocal Borrowing Program in 2013. By participating in LAP, municipal libraries are able to purchase library materials through MCLD in exchange for allowing non-residents access to library services. The amount of materials purchased was calculated using a formula of 40% of Secondary Property Tax Assessed Valuation and 60% of library cards issued to non-residents.

The proposed amendments to be made are amendments to: (i) the term for services to make the term of the IGA from July 1, 2015 to June 30, 2018 (three years); and (ii) since the Library District tax is now calculated on the Primary Property Tax Assessment (due to Proposition 117), the assessed valuations will be modified to also be based on the primary net assessed value. All other terms and conditions of the IGA remain the same. For Mesa, this amounts to \$257,063 to purchase print, audio, music, and movie items in FY 15/16. Library staff appreciates the efforts of MCLD to find a program that benefits municipal libraries of all sizes and recommends approval of the First Amendment.

Background

In 1982, the Reciprocal Borrowing Program (RBP) was established as a way for the

Maricopa County Library to reimburse municipal libraries for net use of their services by non-residents. In 1986, the Maricopa County Library became MCLD. While MCLD continued RBP, the reimbursement rate remained at \$20 per net card.

In 2005, the Maricopa Association of Governments County Library District Stakeholders Group was formed and MCLD agreed to adjust the RBP reimbursement rate. Beginning with FY 2006-07, MCLD allocated \$1,600,000 annually to the municipal libraries using a per net card reimbursement rate. The reimbursement rate was calculated by dividing the county population into the total expenditure of all the public libraries in Maricopa County.

Municipal library directors pointed out this formula had nothing to do with what taxpayers paid into MCLD. The directors asked MCLD to find other ways to allocate MCLD tax dollars to benefit users of all libraries in the county. As a result, the Materials Assistance Program (MAP) was added to RBP in FY 2011-12.

For two years, MCLD reserved an additional \$1,000,000 to be allocated to RBP participants for the purchase of library materials. Each city's/town's proportional share of the Secondary Property Tax Assessed Valuation was used to determine the library's share of MAP money. Mesa's allocation was \$100,000 for each of those two years.

In March 2013, MCLD met with municipal library directors to discuss ways to improve RBP. After several meetings and email discussions, it became clear that while MAP was popular with the larger libraries, RBP provided a greater benefit to smaller libraries. In May, all the municipal library directors, except Cave Creek, Gilbert, and Wickenburg, voted to recommend that MCLD combine the two programs in both funds and allocation formulas as the best option for libraries of all sizes.

In March 2015, MCLD again called a meeting with the municipal library directors to discuss LAP. All felt the program was working well and the directors asked the term be extended from two to three years. Also, since the Library District tax is now calculated on the Primary Assessment, it was agreed that the assessed valuations would also be based on the primary net assessed value. All other terms and conditions remain the same.

Discussion

MCLD will set aside \$2,600,000 per year for LAP. Each municipal library's share of LAP will be calculated using 40% of the Primary Assessed Value Allocation and 60% of the gross Cards Issued Allocation. All Maricopa County residents may register for free library cards at any library that participates in LAP. With the current allocation formula, taxpayers will see a direct benefit to their municipal library based on what they pay into MCLD.

Alternatives/Fiscal Impact

Participate in LAP

If the LAP IGA is approved by Council, Mesa would receive \$100,505 based on the Assessed Valuation and another \$156,558 based on the number of library cards issued to non-Mesa residents (see Attachment 2). For FY 15/16, this amounts to \$257,063 to purchase print, audio, music, and movie items. This is equivalent to increasing Mesa's library materials budget by 37%.

Opt out of LAP

If Mesa opted out of LAP, the Library could charge a non-resident fee for a Mesa library card. Currently, we charge \$40 annually for a library card if the cardholder resides outside Maricopa County. When that fee was instituted, only about 10% of our non-Maricopa County borrowers paid \$40 to keep their Mesa library card. If a similar 10% of current non-Mesa cardholders chose to pay the \$40 fee, then Mesa would receive \$65,000 in non-resident fees annually.

Staff Recommendation

It is recommended that Mesa participate in LAP as Mesa will gain \$257,063 in library materials by allowing non-residents to use Mesa libraries. The financial gain is significantly greater than if we charge non-residents and possibly receive \$65,000 in fees.