



City Council Report

Date: June 18, 2018
To: City Council
Through: Natalie Lewis, Deputy City Manager
From: Heather Wolf, Library Director
Subject: Library Assistance Program Intergovernmental Agreement
"Citywide"

Purpose and Recommendation

Council is requested to approve an Intergovernmental Agreement (IGA) with the Maricopa County Library District (MCLD) for the Library Assistance Program to be effective on July 1, 2018 (Attachment 1).

The Library Assistance Program (LAP) allows municipal libraries to purchase library materials through MCLD in exchange for allowing non-residents access to library services. The amount of materials purchased will be calculated using a formula of 40% of Secondary Property Tax Assessed Valuation and 60% of library cards issued to non-residents. For Mesa, this amounts to \$294,323 to purchase print, audio, music, and movie items in FY 18/19 (Attachment 2). Library staff recommends approval of the IGA.

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 2006-2007, 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.

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Municipal library directors pointed out that this formula had nothing to do with the amount 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 2011-2012.

For two years, MCLD reserved an additional \$1,000,000 to be allocated to RBP participants for the purchase of library materials. Each municipality'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 2013, the majority of the municipal library directors 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 July 2017, MCLD increased the LAP allocation from \$2,600,000 to \$3,000,000.

Discussion

MCLD will set aside \$3,000,000 per year for LAP. Each municipal library's share of LAP will be calculated using 40% of the Assessed Value Allocation and 60% of the gross cards issued allocation. As with RBP, all Maricopa County residents may register for free library cards at any library that participates in LAP. However, with the LAP allocation formula, taxpayers will see a direct benefit to their municipal library based on what they pay into MCLD. Libraries will also receive reimbursement for allowing non-residents to use their services, regardless of net use.

Alternatives/Fiscal Impact

Participate in LAP

If the IGA for LAP is approved by Council, Mesa would receive \$114,189 based on the Assessed Valuation and another \$180,134 based on the number of library cards issued to non-Mesa residents. For FY 2018-2019, this amounts to \$294,323 to purchase print, audio, music, and movie items. This is equivalent to increasing Mesa's library materials budget by 35%.

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. In calendar year 2017, Mesa issued cards to 8,484 non-Mesa residents. If a similar 10% of current non-Mesa cardholders chose to pay the \$40 fee, then Mesa would receive \$34,000 in non-resident fees annually.

Staff Recommendation

It is recommended that Mesa participate in LAP as Mesa will gain \$294,323 in library materials by allowing non-residents to use Mesa libraries. The financial gain is much greater than if we charge non-residents and possibly receive \$34,000 in fees.