

AGENDA ITEM #: _____

DATE: January 30, 2017

COAC #: 16-5943ws

**CITY OF GOODYEAR
CITY COUNCIL ACTION FORM**

SUBJECT: Library Operations	STAFF PRESENTER: Nathan Torres, Parks and Recreation Director
	CASE NUMBER: None
	OTHER PRESENTER: None

PROPOSED ACTION:

Council will review options for future library operations.

BACKGROUND AND PREVIOUS ACTIONS:

On December 18, 2006, City Council approved an Intergovernmental Agreement (IGA) between the city of Goodyear and the Maricopa County Library District (MCLD) for the operation of a public library within the city of Goodyear. The IGA required the City to provide and maintain a facility and MCLD to fund and provide operational services. This arrangement was in line with MCLD's policy to support 100% of library operations for cities and towns with populations of 50,000 or less.

In March 2009, the 1,800 square foot interim library was opened on the City Hall campus.

On February 27, 2012, City Council approved a revised IGA for library operations through June 30, 2017. The revised IGA addressed the renewal term of the agreement and maintained the existing arrangement regarding operation and facility responsibilities. The Citizen Satisfaction Survey conducted in 2012 revealed expanding library services was a top priority for our residents.

On May 13, 2013, Council amended the IGA for library operations to allow for the expansion and operation of a new permanent library facility. This amendment required the city to spend an amount not to exceed \$1M (Library Impact Fees) for design, construction, and furnishing of a new library facility. MCLD maintained the responsibility to fund and operate the library through June 30, 2017.

In February 2014, the nearly 10,000 square foot Goodyear Library opened to the public and has been overwhelmingly successful. In FY16, 139,219 patrons visited the Goodyear Library. Of these patrons, 75% reside in Goodyear. According to the most recent Library Customer Service Survey, 93% were satisfied with programs and activities and 88% rate the library's services as above average or excellent. In addition, 74% of patrons visited the library with the intent of checking out materials and 28% of patrons visited the library to participate in programs. Of the 17 Maricopa County Libraries, the Goodyear Library is the second highest for programs offered to the community and second highest for circulation turn-over. In FY16, the Goodyear Library offered 674 youth and adult programs and circulated nearly 389,000 physical materials.

STAFF ANALYSIS:

The current IGA requires the City to provide and maintain a facility and MCLD to fund and provide operational services. MCLD often establishes these IGAs for municipalities with populations of less than 50,000, with the intent of transferring operations to the municipality once the population exceeds this amount. With the current Goodyear population of 78,189, MCLD has informed staff that at the end of the current IGA (June 30, 2017), Goodyear will be responsible for funding 100% of library operations. Upon receipt of this information, staff conducted a complete analysis of library operations and the following options have emerged.

Option 1: Remain with MCLD under a revised IGA

This option will allow for continuity of services and ensure resident access to MCLD's inventory of materials, programs, and expertise. Under the revised IGA, MCLD will continue to operate the library maintaining existing service levels. Goodyear will be responsible for reimbursing MCLD for the actual cost of operations plus 10% overhead. The total cost is projected to be \$774,200 for FY18 and will adjust annually based on the actual cost of operations. In addition, Goodyear will be responsible for future asset replacement costs of all existing library equipment (computers, printers, scanners, sorters, etc.) currently owned by Goodyear. These items will be accounted for in an annual lifecycle replacement plan to be created in conjunction with MCLD and adopted with the City's other asset management plans. MCLD has advised the current equipment is in good working order and no replacements are anticipated in FY18. Over the course of the next fiscal year (FY18), Goodyear staff will create an asset replacement plan for existing equipment to be presented for budget consideration with the City's other asset replacement plans for FY19.

Below is a breakdown of projected costs for option 1.

Option 1	FY18 Budget
Salary/Wages/Benefits	\$504,000
Supplies & Minor Equipment	\$8,200
Books & Other Library Materials	\$161,300
Other Services	\$5,200
Equipment Rent	\$1,900
Equipment Repair & Maintenance	\$12,600
Mileage Allowance	\$700
Education & Training	\$1,000
Postage	\$600
Data Lines	\$8,300
Sub-total	\$703,800
Overhead	\$70,400
Total to MCLD	\$774,200

Option 2: Transition to a Goodyear operated library

This option will transition library operations from MCLD to a city of Goodyear independent library in FY19. This option requires a two-phased approach.

Phase 1: Contract with MCLD to continue to operate the library for FY18 allowing for a successful and seamless transition to a Goodyear operated library in FY19. MCLD terms for FY18 will remain the same as option 1 above (\$774,200). In addition, there will be one-time costs in order to facilitate the transition including migrating the library material data (\$20,000) and hiring a library consultant (\$125,000). As part of this transition, a library consultant is required to assist with establishing the start-up operation for items such as:

- Develop an operating plan
- Project management
- Staffing
- Establishing policies and procedures
- Establishing and marketing programming
- Transitioning and securing library material
- Establish asset replacement plan
- Establishing contracts
 - Purchasing
 - Maintenance
 - Interlibrary Loan
- Website design, hosting, and maintenance

Phase 2: Goodyear assumes 100% of library operations in FY19 (\$882,900). Under this option, residents will lose convenient access to over 650,000 physical items offered through MCLD (which are currently delivered in 3-5 days). Through interlibrary loan programs, most of these items will still be accessible, but may take 2-3 weeks longer to receive. However, residents will still have access to 11 million E-resources/materials through consortium programs.

Below is a breakdown of projected costs for option 2 (FY18).

Option 2 - Phase 1	FY18 Budget
Salary/Wages/Benefits	\$504,000
Supplies & Minor Equipment	\$8,200
Books & Other Library Materials	\$161,300
Other Services	\$5,200
Equipment Rent	\$1,900
Equipment Repair & Maintenance	\$12,600
Mileage Allowance	\$700
Education & Training	\$1,000
Postage	\$600
Data Lines	\$8,300
Sub-total	\$703,800
Overhead	\$70,400
Total to MCLD	\$774,200
Consultant (one-time)	\$125,000
Polaris Library Operating Software Migration (one-time)	\$20,000
Grand Total	\$919,200

Below is a breakdown of projected costs for option 2 (FY19).

Option 2 - Phase 2	FY19 Budget
Salary/Wages/Benefits	\$639,700
Supplies & Minor Equipment	\$8,000
Books & Other Library Materials	\$161,300
Other Services	\$10,000
Equipment Rent	\$1,000
Equipment Repair/Maintenance/Service Contracts	\$50,500
Mileage Allowance	\$100
Education & Training	\$1,000
Postage	\$3,000
Data Lines (plus 1 cell)	\$8,300
Total	\$882,900

Regardless of which option is selected, MCLD will provide additional material funding through MCLD's Library Assistance Program (LAP). LAP assists municipal libraries by providing funds toward new materials annually. This program is used by MCLD to compensate local municipal libraries for providing library services to non-residents. The funded amount changes annually and is calculated based on the municipality's property assessments and the number of non-resident library cards that are issued. In FY18, Goodyear's LAP disbursement is estimated to be \$45k.

RECOMMENDATION:

Staff strongly supports option 1 (Remain with MCLD under a revised IGA) which allows our patrons to continue receiving the highest level of library services to include broad and convenient access to materials, E-resources, and programming for all ages and abilities. This level of service will be difficult to match without MCLD's resources and support network for a stand-alone library. MCLD currently operates 17 libraries which allow for material and cost sharing resulting in economy of scale savings. Allowing MCLD to continue operations will provide a consistency in operations for our patrons and is the most cost effective manner to continue library operations.

Option 2 (Transition to a Goodyear operated library) is achievable but is more expensive and will result in reduced services to residents. In addition, this option will be an inconvenience to patrons as all user accounts will need to be recreated and new Goodyear Library cards will need to be issued. Lastly, this option will have an impact on internal resources to include IT, Communications, Procurement, Finance, Human Resources, and Parks and Recreation.

It should be noted that in 2012, the Town of Gilbert contracted Library Consultant Toni Garvey to review their library operations and make a recommendation regarding the quality and appropriateness of public library services. The purpose of the research was to determine if the Town of Gilbert was receiving the best service possible for the funds it was expending to MCLD for operational costs. After weighing all of the data and the other information gathered for the study, the consultant strongly recommended the Town of Gilbert remain with MCLD under an IGA for library operations.

ATTACHMENTS:

None.