

AGENDA ITEM #: _____

DATE: May 22, 2017

COAC #: 17-6038

**CITY OF GOODYEAR
COUNCIL ACTION REQUEST**

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| SUBJECT: IGA for Library Operations | STAFF PRESENTER: Nathan Torres, Parks and Recreation Director CASE NUMBER: None. OTHER PRESENTER: None. |
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PROPOSED ACTION:

Approve an Intergovernmental Agreement (IGA) with the Maricopa County Library District (MCLD) for the operation of the Goodyear Branch Library. The IGA will cover the period of July 1, 2017 through June 30, 2022, with an option to renew for one additional five year term.

BACKGROUND AND PREVIOUS ACTIONS:

On December 18, 2006, City Council approved an IGA between the city of Goodyear and MCLD for the operation of a public library. 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.

At the Work Session held on January 30, 2017, staff advised Council that the current IGA with MCLD for library operations would expire on June 30, 2017 and that the city would be responsible for funding operations moving forward.

STAFF ANALYSIS:

During the January 30, 2017 Work Session, staff presented a complete analysis (attached) of library operations and provided two options for the continuation of library services in Goodyear:

Option 1

Remain with MCLD under a new IGA in which MCLD will continue to operate the library and the city will be responsible for providing the facility and funding the operation (\$774,200).

Option 2

Transition to a Goodyear operated Library in which the city will assume and be solely responsible for library operations (initial year: \$919,200, subsequent years: \$882,900).

During the Work Session, staff recommended Option 1 as the most cost effective, customer friendly approach for continuing library operations in Goodyear. Remaining with MCLD under a new IGA allows for continuity of services and ensures resident access to MCLD's inventory of materials, programs, and expertise. Under the new IGA, MCLD will continue to operate the library maintaining existing service levels, with the option to add additional operating hours.

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.

FISCAL ANALYSIS:

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 (see breakdown below) and will adjust annually based on the actual cost of operations.

| IGA Budget Estimate | 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 |

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.

The FY18 Tentative Budget includes supplemental requests in the General Fund for Library Operations \$775,000 and Expanded Hours (4 hours/week) \$15,000.

RECOMMENDATION:

Staff recommends entering into this IGA with MCLD 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 consistency for our patrons and is the most cost effective manner to deliver library services.

ATTACHMENTS:

January 30, 2017 Work Session Council Action Report
Intergovernmental Agreement