

July 8, 2008

RESOLUTION NO. 2008-38

**RESOLUTION BY THE FINANCE AND HUMAN RESOURCES COMMITTEE,
REAFFIRMING RACINE COUNTY'S COMMITMENT TO THE 1989 LIBRARY
SERVICES AGREEMENT WITH LAKESHORES LIBRARY SYSTEM AND
CLARIFYING CERTAIN PROVISIONS OF SUCH AGREEMENT**

To the Honorable Members of the Racine County Board of Supervisors:

WHEREAS, in 1989, Racine County executed a Library Services Agreement (hereinafter referred to as "Agreement" and attached hereto as Exhibit A), with Lakeshores Library System, which entered into the Agreement on behalf of Racine County's five municipal libraries; and

WHEREAS, the Agreement deals primarily with the determination of the appropriate magnitude of the county's annual library levy; and

WHEREAS, the Agreement seeks to strike a fair balance of property tax burden for library services, between residents of Racine County municipalities with libraries and residents of Racine County municipalities without libraries—the latter of whom are subject to the library levy; and

WHEREAS, the Agreement declares that the library levy calculation is to be based on each municipal library's total operating costs "from tax sources only" and on the percentage of each library's total circulation attributable to library loans to residents of Racine County municipalities without libraries; and

WHEREAS, clarification of some provisions of the Agreement would contribute to a better understanding on the part of all affected entities; and

WHEREAS, better understanding would also be enhanced by the articulation of a method for allocating the total library levy among the county's five municipal libraries; and

WHEREAS, with these minor clarifications, and with the articulation of a method for allocating the library levy, the County Board of Supervisors believes that the 1989 Library Services Agreement reflects, in both spirit and letter, a fair apportionment of the property tax burden for library services, between residents of Racine County municipalities with libraries and residents of Racine County municipalities without libraries.

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6 **NOW, THEREFORE, BE IT RESOLVED** that the Racine County Board of
7 Supervisors hereby reaffirms its adherence to, and its intention to continue to
8 comply with, the letter and spirit of the 1989 Library Services Agreement,
9 particularly with respect to the setting of the annual library levy.

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11 **BE IT FURTHER RESOLVED** by the Racine County Board of
12 Supervisors that, when setting the library levy, it intends to apply the terms of the
13 said Agreement as clarified by the "Proposed Formula for Determining Libraries'
14 Compensable Costs, To Be Considered when Setting Annual Library Levy"
15 (attached hereto as Exhibit B) and by the "Proposed Formula for Determining
16 Total Costs To Be Considered when Setting Annual Library Levy" (attached
17 hereto as Exhibit C).

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19 **AND BE IT FURTHER RESOLVED** by the Racine County Board of
20 Supervisors that, when allocating the Racine County library levy among the
21 county's five municipal libraries, the Lakeshores Library System shall apply the
22 terms of the "Proposed Formula for Allocating the Annual Library Levy among
23 Racine County Municipal Libraries" (attached hereto as Exhibit D).

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25 Respectfully submitted,

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27 **FINANCE & HUMAN RESOURCES**
28 **COMMITTEE**

27 1st Reading _____

29 2nd Reading _____

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31 **BOARD ACTION**

32 Adopted _____

33 For _____

34 Against _____

35 Absent _____

Karen A. Nelson, Chairman

Robert N. Miller, Vice-Chairman

37 VOTE REQUIRED: Majority

Thomas Pringle, Secretary

39 Prepared by:
40 Corporation Counsel

Russell A. Clark

Q.A. Shakoor, II

Van H. Wanggaard

Pamela Zenner-Richards

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**LAKESHORES LIBRARY SYSTEM & RACINE COUNTY
LIBRARY SERVICES AGREEMENT**

I. PARTIES

This agreement is by and between Racine County, a state of Wisconsin Municipal Corporation, hereafter called county and Lakeshores Library System, a public library system organized and operated as a federated public library system within the meaning of ss. 43.19, hereafter called system.

II. STATUTORY AUTHORITY

Wisconsin Statutes Section 43.15(4)(b) specifies that, a County may participate in a federated public library system if it does the following: adopts and maintains a plan of library service submitted and approved under ss. 43.11(3) and 43.13(1); provides the financial support for library services required under 43.15(2) sub.(2); enters into a written agreement with the public library system board to participate in the system and its activities and to furnish library services to residents of those municipalities in the county not maintaining a public library. The plan of service specified in 43.11(3)(c) shall specify the method and level of funding to be provided by the county to implement the services described in the plan and shall describe the services to be provided by the public library system and the allocation of funds for those services. The system, in order to qualify for state aid, shall provide for services required in ss. 43.24(2) (a) through (m) and ss. 43.24(4).

III. GENERAL PRINCIPLES

The residents of the County should have convenient access to all library services provided by all libraries in the County and system. It is the County's responsibility, pursuant to ss. 43.15(4)(b), to compensate municipal libraries for use made of them by County-taxed residents who would otherwise have no access to library services. Local municipalities with libraries are responsible for funding of services to their own residents. Use by residents of one library municipality of another municipal library is considered reciprocal use in system contracts with member libraries. No compensation is paid to these libraries for such reciprocal use. Such use will not be added to the circulation attributed to County-taxed residents or for formula calculations for County appropriations. Local autonomy of the individual libraries is not to be sacrificed by the existence of this agreement. The authority for the determination of local library services rests with the boards of trustees of each municipal library in the County. (ss. 43.58 to 43.62)

IV. MUTUAL AGREEMENT

1. The County agrees to participate in the Lakeshores Library System and its activities. The System is authorized to execute such agreements as are necessary to implement the annual plans of service required by the state.
2. The system will arrange for the collection of library registration and circulation records from libraries used by County-taxed residents and report such data annually to the County. The System agrees to provide such reasonable financial and operational records of the System and its member libraries as the County deems appropriate and desirable.
3. The System will present requests for appropriations in accordance with the County's budgeting procedures. It will distribute county funds to the participating libraries on the basis of Member Library Agreements. These provide that libraries shall keep their doors open for use by County-taxed residents in return for the sums appropriated by the County and other sources.
4. The following is the method for determining proposed annual funding by the County for library services to County-taxed residents: a) The actual circulation of materials by county-taxed residents at each library will be calculated for the most recent available reporting year. b) This circulation will be stated as a percentage of each library's total circulation. c) Each library's total operating costs (from tax sources only) for the most recent available year will be calculated. d) The County portion of tax support should, as nearly as possible, match the percent of circulation in (b) above.

EXHIBIT A

5. The County shall appoint a total of nine trustees to the system board for three year terms. The County may also appoint added trustees to the library boards of the participating libraries as provided in ss. 43.60(3).
6. This agreement is effective from the date of signing by both parties. Subject to funding consistent with ss. 43.15(2), it shall be presumed to be renewed on January 1st of every calendar year unless one of the parties gives written notice six months prior to the close of the system's fiscal year as required in ss. 43.18.

V. SIGNATURES

FOR RACINE COUNTY

FOR LAKESHORES LIBRARY SYSTEM

Hubert Braun
County Board Chair

Date 7/21/89

Mark Jensen
System President

Date 7/27/89

Jean Bennett
County Clerk

Date 7/20/89

Thomas Henneman
System Secretary

Date 8/1/89

Date 7-19-89

Certified to be correct as to form.

By Mark Jensen

Racine County Corporation Counsel

REVIEWED BY FINANCE DIRECTOR

Wayne Johnson

Signature

7/18/89

Date

LAKESHORES LIBRARY SYSTEM & RACINE COUNTY
LIBRARY SERVICES AGREEMENT
ANNUAL FUNDING MEMORANDUM FOR 1989

Subject to the terms and conditions of the agreement between the County and Lakeshores, and such other stipulations as noted herein, the County agrees to pay the following sums for library services in 1989. Funds shall be distributed to libraries as proposed to the County Board in Lakeshores' annual budget proposal to the County.

1. Total County Funding for 1989 shall be: \$310,000

2. Additional stipulations for 1989 (if any): None.

FOR RACINE COUNTY

FOR LAKESHORES LIBRARY SYSTEM

Hubert Braun
County Board Chair

Date 7/21/89

[Signature]
System President

Date 7/27/89

Thomas Henney
System Secretary

Date 8/1/89

[Signature]
County Clerk

Date 7/19/89

VIEWED BY FINANCE DIRECTOR

[Signature]
Signature
7/18/89
Date

Date 7-19-89
Certified to be correct as to form.
By [Signature]
Racine County Corporation Counsel

PROPOSED FORMULA FOR DETERMINING LIBRARIES' COMPENSABLE COSTS, TO BE CONSIDERED WHEN SETTING ANNUAL LIBRARY LEVY

The measure of compensable costs to be considered during the setting of the annual library levy shall be the total of amounts calculated for all five Racine County municipal libraries plus access payments made to other libraries. For each such library, the calculation of compensable costs shall be made as follows, using the same data that the library reports to the Wisconsin Department of Public Instruction (DPI):

1. Determine the costs to be included in gross operating expenditures, i.e., all operating expenditures reportable to DPI in the following categories:
 - Salaries and wages
 - Fringe benefits
 - Expenditures for collection materials
 - Contract arrangement payments
 - Other operating expenditures (e.g., building operation and maintenance, utilities, postage, telecommunications costs, etc.)
2. Determine the costs to be excluded from gross operating expenditures, i.e., the costs that are offset by the following operating revenue items reportable to DPI:
 - Income reportable to DPI under the category of "All other operating income" (e.g., fines, fees, gifts, and donations)
 - Income reportable to DPI as funds carried forward from the previous year
 - Income reportable to DPI under the category of "Contract income," *but only* if, and to the extent, received from other Racine County library municipalities
3. Determine the compensable costs by totaling all includible operating expenditures and subtracting from them the total exclusions.
4. Determine, from data reportable to DPI:
 - The total circulation at each library;
 - The circulation to residents of Racine County municipalities without libraries; and
 - The percentage of total circulation attributable to library loans made to residents of Racine County municipalities without libraries.
5. Determine the library's compensable costs by multiplying the compensable costs calculated under item 3, above, by the percentage calculated under item 4, above.
6. To ensure compliance with sec. 43.12, Wis. Stats., for each municipal library, perform an alternative calculation as follows:
 - Reduce the gross operating expenditures calculated under item 1, above, by the amount of federal revenues, if any;
 - Multiply the reduced gross operating expenditures by the percentage calculated under item 4, above, and then multiply that result by 70%.

If the result determined under item 5 is greater than or equal to the amount determined under item 6, the individual library's compensable costs shall be the amount determined under item 5. If not, its compensable costs shall be the amount determined under item 6.

**PROPOSED FORMULA FOR DETERMINING TOTAL COSTS
TO BE CONSIDERED WHEN SETTING ANNUAL LIBRARY LEVY**

The annual library levy shall be set at an amount consistent with the letter and spirit of the Library Services Agreement.

The costs to be considered during the setting of the annual library levy shall be the sum of:

- The total of the compensable costs calculated for all five Racine County municipal libraries; plus
- The total of all access payments to be made by the Lakeshores Library System, on behalf of Racine County, to Walworth County libraries and to libraries in other counties.

Notwithstanding the foregoing, the total annual library levy shall be, at a minimum:

- No less than the average of the library levies set for the immediately preceding three years; and
- Such that, after subtraction of the amount of the access payments to be made to Walworth County libraries and libraries in other counties, the remainder will compensate each of the five Racine County municipal libraries at no less than the minimum amount specified in Sec. 43.12, Wis. Stats.

**PROPOSED FORMULA FOR ALLOCATING THE ANNUAL
LIBRARY LEVY AMONG RACINE COUNTY MUNICIPAL LIBRARIES**

The annual library levy set and collected by Racine County shall be allocated among the five municipal libraries of Racine County in the following manner:

1. There shall first be deducted from the library levy the total of all payments required to be made to Walworth County libraries and libraries in other counties.
2. If, after such deduction, the remainder equals or exceeds the total compensable costs for all Racine County libraries, each such library shall receive a payment at least equal to its individual compensable costs and proportional to its individual share of the total compensable costs for all five municipal libraries.
3. If, after such deduction, the remainder is less than the total compensable costs for all Racine County libraries, then each such library shall receive a payment in the same proportion to its individual compensable costs as the funds remaining available from the library levy bear to the total compensable costs for all five municipal libraries.