



CITY OF WASILLA

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INFORMATION MEMORANDUM NO. 97-22

DATE: May 7, 1997

THROUGH: Mayor Sarah Palin
John Cramer, Deputy Administrator

FROM: Mary Ellen Emmons, Library Director

RE: LIBRARY FUNDING OPTIONS
SUMMARIZED BY COUNCILMAN CARNEY

As a result of recent discussions by Wasilla City Council members and Administration, Councilman Carney prepared the following summary of options for funding the Wasilla Public Library. This information is presented for discussion among the Council and with the Friends of the Library Advisory Board representatives during the May 12 Council meeting. The recent meetings and this memorandum are a result of the proposed Matanuska-Susitna Borough budget for FY'98, which includes a reduction in the borough share of the library funding ratio.

SUMMARY OF OPTIONS DISCUSSED TO DATE

1. Close the Library on July 1, 1997. Rationale: If the Borough is not willing to fund their share, and if the City is not going to pick up the additional cost to keep it open for the full fiscal year, we might as well close sooner rather than later. The cost to the City for FY'98 would be \$0.
2. Fund the City's share of the entire budget as presented to the Borough. Rationale: The library would stay open until approximately March 1, and would be closed when that money, plus the \$196,000 Borough appropriation runs out. The cost to the City for FY'98 would be \$222,720 (as currently proposed).
3. Fund the City's share to the same proportion as the Borough. Rationale: The City would appropriate 40% of the budget. Since the Borough proposes funding \$196,000, the City would hold to the 60/40 ratio, and the library would close approximately December 1. The cost to the City for FY'98 would be \$78,400.
4. Fund the City's share, plus make up the shortfall from the Borough. Rationale: The library would be open all year at the present level of service. The cost to the City for FY'98 would be \$362,720.
5. Institute user fees to make up the shortfall. Rationale: The projected fee would be \$27 per person, assuming half the present card holders (outside of the city boundaries)

would pay the fee, and half would use the Palmer library or no library. The cost to the City for FY'98 would be \$222,720 (as currently proposed).

6. Reduce library hours, staff and programs to stretch the budget (including the shortfall) to cover the entire fiscal year. The cost to the City would be \$222,720 (as currently proposed).

7. Propose an increase in the sales tax to cover the entire cost of running the library and to retire a bond for construction of a new library. Rationale: One-half (1/2) of one-percent would yield approximately \$1 million, which would cover the entire cost of operating the library, and would leave approximately \$500,000 available for the new library. This would be presented to the voters in October 1997. The cost to the City would include election expenses and would be determined by the outcome and schedule of the ballot issue.

8. Form a service area encompassing the service area of Wasilla Public Library. Rationale: This plan would have the oversight of the library from an elected Board of Supervisors, with revenue support coming from a mill levy on the service area real estate. The City would see a reduction in the FY'98 budget of \$222,720. This plan requires the cooperation and leadership of the Borough, and would require a vote of the residents of the service area in October 1997. The cost to the City would depend on the election results and established timeline.

The City of Wasilla is facing both a short-term problem and a long-term problem. The first six options listed above address the short-term problem for FY'98. Options 7 and 8 address the long-term question.

ANALYSIS

It is difficult to determine a short-term solution unless, and until, the larger question of the library's future is answered. The present annual political and administrative battle to fairly divide the financial burden is non-productive. The community has the task of determining which governmental entity and what tax revenues will support the library. If we elect to continue to try, through political pressure, to keep the City and the Borough doing their fair shares, we are not going to be able to handle the increasing demands of the area for library services, and much public and private time will be wasted in continuing that battle -- time and effort that is much more productively spent elsewhere. The Friends of the Library Advisory Board will have to carry much of this burden, and the time of these volunteers would be better spent advising the administrative staff on program direction rather than a constant political fund-raising battle. The same is true for the time of the City Council, the Mayor and the Administration.

The choice between the two long-term alternatives boils down to:

Under option #7 the City would have total control under the existing Advisory Board and administrative structure. The funding would be gained from a sales tax paid by all the

residents (and visitors) of the area. The area politics would be eliminated. The decisions of whether to build a new library, where to build a new library and the size of a new library would rest with the City.

Under option #8, the Borough, under a Board of Supervisors (somewhat akin to the present arrangement of the fire service and road service areas) would have total control, with funds gained from a mill rate of the entire affected area. To fund the operation at present levels (\$575,000 proposed for FY'98), plus the associated, but minor, costs of the Board of Supervisors would require a mill levy of approximately (to be determined). The City would gain through not having to appropriate operational funds (\$222,720 proposed for FY'98) and program direction would probably come from the Borough library board, although the Board of Supervisors could take on both functions. It is suspected the Borough would like to see library services on an area wide basis.

Either approach will work. Both entail additional taxes. Both require a vote of the affected taxed area. Both incorporate some input from concerned citizens in operation.

The short-term solutions, once the long-term approach is determined, are made more simple. As a practical matter, it is doubtful there would be any support for options #1 (close July 1) or for option #4 (City to pay the entire costs). Options #5 and #6 would work marginally if at all. There would be costs associated with the collection of fees; there would be a shift of users from Wasilla to Palmer; and, the collection of a fee of that magnitude goes against the basic reason for having a library at all -- that it is an inexpensive educational resource. Under the reduced program scenario, it is likely that use would simply be condensed into fewer hours, that overall use would not be reduced, and the stress on an already overcrowded facility would be worse with more people trying to use the facility, its space and its parking in fewer hours.

That leaves options # 2 and #3 as the most likely viable short-term options for FY'98.