

*Presented w/CM 98-34 on
7/13/98 + 7/27/98. CM 98-34
IM No. 98-65 amended.
AK 7/27/98*

WASILLA CITY COUNCIL INFORMATION MEMORANDUM

IM No. 98-65

SUBJECT: Library FY'99 Budget Shortfall – Additional Information

REQUESTED BY: Council

PREPARED BY: Sarah Palin, Mayor

DATE: July 7, 1998

FOR AGENDA OF: July 13, 1998

SUMMARY:

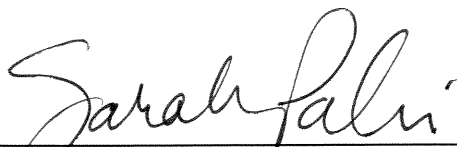
Attached is information in response to your discussion of CM No. 98-34 during the June 22 Council meeting.

In light of this information, I recommend that we work with the Matanuska-Susitna Borough to pursue a mutually satisfactory library services agreement. I propose to work with the Borough administration on this project, and to return to Council with a proposal for funding prior to the next budget cycle.

FISCAL IMPACT: No Yes, amount requested: \$ Fund:

RECOMMENDED ACTION: Information purposed only.

MAYOR REVIEW/COMMENT:



Reviewed by: SARAH PALIN, Mayor

Attachments: Memorandum from Library Director

Wasilla Public Library
391 N. Main Street
Wasilla, AK 99654

July 2, 1998

TO: Mayor Sarah Palin

FR: Mary Ellen Baker, Library Director *MEB*

RE: User Fees / FY'99 Budget Shortfall – Library Department

SUMMARY

FY'99 Library Department operating budget = \$30,397 shortfall (revenue vs. projected expenses) Matanuska-Susitna Borough budgeted \$322,000, which is the same amount budgeted for Fy'98. The Fy'98 library budget included a shortfall, resulting from the final phase of the Coopers & Lybrand classification / compensation study. The City of Wasilla made up the difference.

Palmer Public Library faces a \$24,000 shortfall for FY'99, since the Matanuska-Susitna Borough funded at the FY'98 level for that operation as well. The City of Palmer plans to cut expenses in order to make up the difference in FY'99.

The Wasilla City Council, during the June22 meeting, directed Administration to investigate the option of user fees to non-city residents to make up the shortfall.

USER FEES

When the City of Palmer / Palmer Public Library instituted user fees in FY'94 it was intended to deter usage by non-city residents, rather than to generate any significant revenue. The Matanuska-Susitna Borough reduced the funding level for non-city residents' usage of the city libraries. It was in FY'94 that the City of Wasilla made up the shortfall, recognizing the sales tax revenue. In FY'95, both city libraries were funded at a 60/40 ratio (60% from the Borough), and the Borough stipulated to Palmer that the funds were contingent on the elimination of user fees.

In light of the Public Library Law passed by the Legislature during the last session, an inquiry was made to the Alaska State Library regarding the "legality" of charging user fees to non-city residents at Wasilla Public Library. The informal opinion of the State Library is that the City of Wasilla cannot charge additional fees to the non-city residents. Basically, the Matanuska-Susitna Borough and the City of Wasilla have an agreement for the City to provide library service. With the payment of taxes by those non-city residents, which are then paid to the City, the non-city residents become patrons of Wasilla Public Library. User fees really only become an option if the City of Wasilla ceases to accept any funding from the Matanuska-Susitna Borough. The State Library would seek a formal opinion from the Attorney General's office, if necessary.

It is important to understand the distinction between Wasilla Public Library's funding / service situation and that of the Anchorage Municipal libraries. The municipality of Anchorage funds the Anchorage Municipal Library system. There is no agreement or obligation for Anchorage Municipal Libraries to serve residents outside Anchorage.

While it is important to note the difference between the Anchorage and Wasilla scenarios, it is also important to realize that we still benefit from the Anchorage system with Interlibrary Loan services, telephone reference service and in-library use benefits. Anchorage charges individuals who wish to borrow items from their collections.

Historically, Wasilla Public Library has served the greater Wasilla area. The scope of service and operation is based upon the city and non-city populations. It is virtually impossible to discriminate between city and non-city residents in terms of service and operation because then it becomes an entirely different operation – which has never existed.

Additional considerations

- Library cards are issued to individuals.
- Library cards are not issued to families.
- A Matanuska-Susitna Borough resident uses the same library card at any of the six public libraries in the Matanuska-Susitna Library Network (MSLN).
- Wasilla Public Library is a member library of the MSLN, which is governed by a signed agreement among the Matanuska-Susitna Borough, the City of Wasilla and the City of Palmer.
- Wasilla Public Library's portion of the automation network costs for FY'99 are projected at 43%. This represents real dollars – tax revenue, budgeted by the City and the Borough for the shared costs of the automation network, based upon a funding formula.
- It becomes increasingly difficult for Wasilla Public Library to suddenly operate outside the spirit of the Matanuska-Susitna Library Network, and user fees to non-city residents contradict the efforts, energies and dollars expended upon the MSLN.
- A public library represents access to information for the community served. This service includes in-library use of print and electronic resources, staff-assisted reference service, telephone reference service, storytime programs, as well as borrowing material to use outside the library. A library card is only needed if a person wishes to borrow a circulating item from the collection. A library card is only one measure of library usage and does not represent total library usage by area residents.
- Statistics reflected on the following pages are intended to clarify usage and funding patterns of the MSLN agencies. These statistics are not intended to compare the libraries in a competitive manner. These statistics basically mirror the demographics of the Matanuska-Susitna Borough. Sutton Public Library's value is equal to Wasilla Public Library's – both provide library service to respective regions of the Matanuska-Susitna Borough. As part of the MSLN, we share resources.

MATANUSKA-SUSITNA LIBRARY NETWORK (MSLN)**FY'97 CIRCULATION TRANSACTIONS (items borrowed)**

| Library | FY'97 Circulation | % of total |
|-----------|-------------------|------------|
| Big Lake | 16,078 | 5.6% |
| Sutton | 11,115 | 4 % |
| Talkeetna | 12,155 | 4 % |
| Willow | 16,079 | 5.6% |
| Wasilla | 144,056 | 50 % |
| Palmer | 88,613 | 30.8% |

FY'97 FUNDS BUDGETED BY THE MATANUSKA-SUSITNA BOROUGH FOR LIBRARIES

| Library | Funds budgeted | % of total |
|-----------|----------------|------------|
| Big Lake | 102,565 | 11.67% |
| Sutton | 79,903 | 9.09% |
| Talkeetna | 88,042 | 10.02% |
| Willow | 104,064 | 11.84% |
| Wasilla | 317,061 | 36.08% |
| Palmer | 186,051 | 21.17% |
| MSBLB | 850 | .09% |

LIBRARY CARD REGISTRATIONS AS OF JUNE 30, 1998

| | | |
|---|------------------|-----------------------|
| TOTAL REGISTERED AMONG ALL 6 MSLN LIBRARIES | 24,835 | |
| TOTAL REGISTERED WITH WASILLA AS AGENCY | 12,996 | (52% of total) |
| Wasilla registered patrons | City =2265 (17%) | Non-City=10,731 (83%) |

FY'99 Automation Services agreement among the Mat-Su Borough, the City of Wasilla and the City of Palmer:

| | |
|-----------------|--------|
| City of Wasilla | 43.75% |
| City of Palmer | 26.50% |
| Mat-Su Borough | 29.75% |