



OFFICE OF THE MAYOR
LA CROSSE

MEMORANDUM

DATE: August 5, 2016

TO: La Crosse Common Council

FROM: Mayor Tim Kabat *Tim Kabat*

SUBJECT: Library services changes

Dear La Crosse Common Council members:

This memorandum provides goals and an explanation for requesting an agreement with the La Crosse County Library (LCL) system for library services in La Crosse. The benefits of this change will reduce the duplication with having two (2) library systems serving La Crosse County residents. There also remains on-going concern about the future health of the north and south community libraries, without a change to the status quo. One of the biggest challenges to long-term viability of library services in La Crosse is the disconnection between users and taxpayers. The City has identified the funding inequities that exist, with non-City residents using about 20% of La Crosse Public Library (LPL) services but not contributing to the costs of these services due to peculiarities within the State of Wisconsin statutes.

Per the John Kovari study from November of 2015, *"Assessing City-County Cooperation and Overlap: An Analysis of Municipal-Type Service Provision in La Crosse,"* the City has requested – without success – funding from the La Crosse County Board of Supervisors these past two years to reimburse the City for a portion of the costs for those County residents who utilize LPL's services. Merging the two library systems into one is recommended in the study (Page 17) as a solution for eliminating the duplication of services and for better linking those who use library services with those who pay for them.

Asking LCL to provide library services in the City will insure high quality library programming for La Crosse residents and an effective approach for insuring the long-term viability of the branch libraries. Similar to the five other communities who are part of the LCL system – Bangor, Campbell, Holmen, Onalaska and West Salem – the LCL would provide the staffing, programming, technology and materials and La Crosse would provide the facilities. And since the City of La Crosse desires a higher level of service – namely assuring that the branch libraries and archives

department remain in operation – the City can provide local funds to do that, as is done in West Salem and Onalaska to address their specific needs. This local levy designated for the branch libraries and archives will do more to guarantee their long-term prosperity than any arrangement being contemplated at this time.

Such a change will take time to implement, so my suggestion is to move immediately to begin the merger process including developing any transition plan with a goal of completing said merger by July 1, 2017. An assessment would need to be conducted by La Crosse County to determine the impacts to the La Crosse County tax levy. The City could also consider a transition plan that would phase-in the changes over a couple of years to provide the time for implementation and to lessen budget impacts. The City of La Crosse intends to keep our two branch libraries open and archives department in-tact, so a local La Crosse levy to do that must also be determined. Additionally, the dissolution of the La Crosse Public Library and governing board would require the configuration of a new La Crosse County Library board with City of La Crosse representation.

The budget impact of merging the LPL and LCL into one system will reduce City operating costs and thereby reduce the City's mill rate and tax levy. There will be a corresponding increase to La Crosse County's expenses and mill rate, which can only be projected at this time. It is thought that La Crosse County's mill rate would increase by approximately \$0.41, from \$3.89/\$1,000 in assessed value to about \$4.30 based on a \$3.5 million transfer in library costs (see below). The corresponding decrease to the City's mill rate is estimated at \$1.13, from \$12.24/\$1,000 to about \$11.11. The net difference to the City's mill rate will be about \$0.72/\$1,000 less, since City taxpayers are also County taxpayers (new City mill rate of \$11.52/\$1,000).

These calculations are based on current La Crosse Public Library staffing, automation and materials costs in 2016 of \$4,529,686 less revenues of \$438,729 equaling \$4,090,957 in net expenses. Per LPL information, the operating costs for the branch libraries are about \$331,744 and the archives department of \$256,164, for a total of about \$587,908 to be levied by the City. This net change of \$3,503,049 would be the increase to La Crosse County's operating budget.

Based on the 2015 La Crosse Public Library's *"Library Services Process Management Study,"* we know that the LPL has far greater staffing and higher costs than other libraries across the state. In a comparison with Fond du Lac, Oshkosh, Janesville, Eau Claire and Sheboygan – La Crosse's total staffing was 63.15 FTE's versus the five-city peer average of 41.74 FTE's. The City has been thoughtful these past several years in reducing LPL's costs to bring these measures more in-line with other libraries. Since 2013, LPL staffing has decreased by 7.5% (from 65.5 FTE's to 60.6) and City funding has been reduced by 3.8% (from \$4,454,784 to \$4,286,316).

In closing, I strongly believe this approach represents the best solution for insuring high quality library services and programming for all residents; it provides the soundest answer to date for the long-term well-being of the branch libraries by dedicating local funds for their operation and most accurately links those who pay for library services with those who use them.