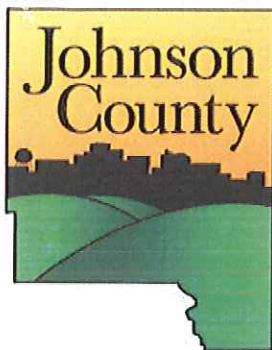


Library Service Contract



BOARD OF SUPERVISORS

Pat Harney, Chairperson
Terrence Neuzil
Janelle Rettig

Sally Stutsman
Rod Sullivan

October 19, 2011

Mayor Thomas Salm
North Liberty City Hall
3 Quail Creek Circle
North Liberty, Iowa 52317

Dear Mayor Salm:

Since at least 2004, the County has had contracts with several area cities, including North Liberty for the provision of library services for residents of unincorporated Johnson County. The system has worked well and Johnson County residents have benefited from the excellent library services provided by North Liberty and other municipalities.

After seven years, however, the Board of Supervisors felt that it was prudent to review the contract and determine if any revisions were necessary. Therefore, in March, the County provided notice, as required in the contract, of its intention to terminate the contract. It was explained at the time that the Board of Supervisors did not intend to terminate funding of the libraries but was sending notice only to allow a review of the contract.

The Board has reviewed the contract and determined that only minimal changes are desired. Those changes were recently discussed at a Board meeting attended by several representatives of affected libraries. The proposed contract stemming from the Board's review and the discussion with the library representatives is attached. An electronic version with the proposed amendments highlighted has been sent to the City Clerk.

The proposed amendments to the contract include:

1. Clarification of the reporting that the library agrees to provide to the County. This is reflected in Paragraph III(D) and Exhibit B.
2. Removal of the requirement that a copy of the library's proposed budget be submitted to the County at the same time it is submitted to the City (Paragraph IV(A) in the terminated contract). This provision was removed at the request of the libraries.
3. Changing the deadline for submission of the library's funding request from January 15th to January 8th (Paragraph IV(A)). The Board would like to see an earlier date but understands that some cities may not have determined the library's budget prior to that date.

Mayor Thomas Salm
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4. Changing the cap on the amount of annual levy increase that can be attributed to the libraries (Paragraph IV(F)). The former contract provided that if the total amount proposed by all the libraries in the County caused the rural levy to increase more than five cents, the payments to the libraries would be reduced on a pro-rata basis with all the libraries so as not to exceed the five cent limitation. The County proposes to reduce the maximum levy increase to three cents. Attached is a review of the County's payments to libraries since Fiscal Year 2007. The levy has not increased over three cents during those years while the County funded the libraries at the contractual amount.

The Board of Supervisors has reviewed this contract and is prepared to approve it as soon as it is reviewed and approved by the North Liberty Council and the North Liberty Library Board of Trustees. Since the new contract makes minimal changes to the system that has been in place for a number of years, the Supervisors are hopeful that all of the participating communities will approve the contract as presented. If additional changes are requested or negotiations are required, we will work to set up a meeting of the interested parties as soon as possible.

Feel free to contact me if you have any questions regarding this matter.

Yours truly,



Andy Johnson
Executive Assistant

cc: Ryan Heiar, City Administrator
Dee Crowner, Library Director

Johnson County Library Block Grants

Library Name	FY07	FY08	% Increase	FY09	% increase	FY10	% increase	FY11	% Increase	FY12	% Increase	avg increase
Iowa City	\$326,817	\$336,718	3.03%	\$362,194	7.57%	\$381,180	5.24%	\$383,010	0.48%	\$384,021	0.26%	3.32%
Coralville	\$55,371	\$55,371	0.00%	\$67,609	22.10%	\$93,332	38.05%	\$77,863	-16.57%	\$80,701	3.64%	9.44%
Oxford	\$7,000	\$7,000	0.00%	\$7,000	0.00%	\$7,000	0.00%	\$7,000	0.00%	\$7,000	0.00%	0.00%
Solon	\$82,208	\$95,343	15.98%	\$106,883	12.10%	\$113,032	5.75%	\$126,489	11.91%	\$136,639	8.02%	10.75%
North Liberty	\$29,617	\$29,617	0.00%	\$29,617	0.00%	\$33,627	13.54%	\$29,617	-11.92%	\$32,982	11.36%	2.60%
Tiffin	\$1,820	\$1,820	0.00%	\$1,820	0.00%	\$1,820	0.00%	\$2,000	9.89%	\$2,000	0.00%	1.98%
	<u>\$502,833</u>	<u>\$525,869</u>		<u>\$575,123</u>		<u>\$629,991</u>		<u>\$625,979</u>		<u>\$643,343</u>		

Library Levy	\$0.48102	\$0.49185		\$0.51166		\$0.53752		\$0.51583		\$0.50602		
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AGREEMENT FOR LIBRARY SERVICE TO RURAL JOHNSON COUNTY

This Agreement is made and entered into by and between the City of North Liberty, Iowa, a municipal corporation, the North Liberty Community Library Board of Trustees and Johnson County, Iowa, a governmental subdivision.

WHEREAS, the City of North Liberty (“North Liberty”) has established and provided funds for a community library operated by the North Liberty Community Library Board of Trustees and the City of North Liberty; and

WHEREAS, Section 336.18 of the Code of Iowa (2011) allows the Johnson County Board of Supervisors (“Johnson County”) to contract with a city library for residents of unincorporated areas; and

WHEREAS, Johnson County wishes to provide the residents of unincorporated Johnson County the opportunity to participate in the facilities and programs offered by the North Liberty Community Library.

NOW, THEREFORE, it is hereby agreed by and between the City of North Liberty, the North Liberty Community Library Board of Trustees and Johnson County as follows:

I. SCOPE OF SERVICES

- A. The extent and nature of Library services will be determined by the North Liberty Community Library Board of Trustees and the City of North Liberty, as provided by law.
- B. All services of the North Liberty Community Library (“Library”) will be provided to all residents of Johnson County, Iowa, who reside outside the corporate limits

of any city within Johnson County, said Library services to be on the same terms and conditions as those provided the residents of the City.

II. DURATION AND TERMINATION

The term of this Agreement shall commence July 1, 2012 (Fiscal Year 2013) for a period of one (1) year, and shall be renewed automatically for succeeding terms of one year each (“Contract Year”), unless written notice to the contrary is given no later than April 1 by Johnson County or the City of North Liberty. Such notice may be given by personal delivery to the North Liberty Mayor or Johnson County Chair, or by regular mail to said officials. Unless terminated as provided herein, “Contract Year” shall run concurrently with the appropriate budgetary fiscal year for North Liberty and Johnson County, as provided by law.

III. COMPENSATION

- A. Johnson County shall pay to North Liberty each year a portion of the real estate tax askings (commonly referred to as “property taxes”), which taxes are necessary for library operations, as requested by the Library Board of Trustees and approved by the City Council. See Exhibit A for an illustration of this method.
- B. The portion of the Library’s real estate tax askings that the County shall pay to the City in a specific contract year shall be a percentage of the real estate tax askings equal to the preceding three-fiscal-year average of the percent of total library circulation attributed to residents of the unincorporated area of Johnson County. The three fiscal years used for this average shall be the most recent three fiscal years and excluding the fiscal year just completed.

- C. All payments made by Johnson County to North Liberty shall occur quarterly, commencing on the first day of July of each Contract Year.
- D. North Liberty agrees to maintain records of said operational expenses according to generally accepted accounting practices. North Liberty and Board of Trustees further agree to provide periodic reports as set forth in Exhibit B and to make financial records available to Johnson County for auditing and inspection during ordinary business hours, upon reasonable notice by the County.

IV. BUDGET PROCEDURE

The City Council for North Liberty shall determine and approve an annual operating budget for the Library, after preparation and recommendation by the Library Board of Trustees. More specifically, North Liberty and Johnson County agree as follows:

- A. On or before January 8th of each year, North Liberty shall transmit to Johnson County a Funding Request in a form provided by the County along with a proposed Library budget for the fiscal year which commences on July 1 of that year, in anticipation of budget preparation for the Contract Year to run concurrently with the up-coming fiscal year.
- B. On or before February 15 of each year, Johnson County shall transmit to North Liberty a resolution of commitment to fund Johnson County's portion of the operating costs of the Library for the Contract Year which commences on July 1 of that year, which portion shall be determined in accordance with this Agreement.

- C. On or before March 15 of each year, North Liberty shall adopt a final Library budget for the upcoming Contract Year. In its adoption of a final Library budget, the City Council will give consideration to any recommendations received from the Board of Supervisors with respect to real state tax askings. Following adoption of the budget, North Liberty will notify Johnson County of the adopted budget amount. Johnson County shall thereupon be obligated to pay its share, as determined herein, of the adopted net budget for the Library's operating costs.
- D. Subsequent amendments to the Library budget during any Contract Year shall not increase the obligation of the County for financial support, unless mutually agreed to in writing.
- E. If, subsequent to adoption and certification of the North Liberty and Johnson County budgets, federal or state action reduces revenues budgeted by those local governments, either party shall have the right to terminate this Agreement during a window of 30 days following such federal or state action.
- F. The parties acknowledge that Johnson County may fund multiple city libraries. It is mutually agreed that total county library funds in any one contract year shall not exceed those produced by a levy rate greater than three cents (.03) above the prior contract year. The amount to be contributed by Johnson County under this contract shall be reduced, if necessary, on a pro-rata basis with all other city libraries, so as not to exceed the .03 levy rate increase limitation.

V. MISCELLANEOUS

One member of the Library Board of Trustees shall be a resident of the unincorporated area of Johnson County and shall be appointed by the Mayor, upon the approval of the Board of Supervisors. Applicants shall submit applications for this position to the Board of Supervisors, who shall give copies to the City Council along with the Board's approved appointment.

This Agreement shall be filed with the City Clerk of North Liberty and the County Auditor of Johnson County, Iowa.

Dated this ____ day of _____, 2011.

CITY OF NORTH LIBERTY, IOWA

JOHNSON COUNTY, IOWA

By _____
Thomas A. Salm
Mayor

By _____
Pat Harney
Chairman, Board of Supervisors

Attest: _____
City Clerk

Attest: _____
County Auditor

Approved by:

City Attorney's Office

LIBRARY BOARD OF TRUSTEES

By _____

By _____

EXHIBIT A

**FUNDING FORMULA
(Example for FY 2013)**

Total proposed revenue for FY2013: \$ _____

Minus Anticipated Fines, Fees and Sales: \$ _____

Minus Anticipated Cable Chargeback (If applicable): \$ _____

Equals Real Estate Property Tax Askings: \$ _____

Percentage circulation attributable to County residents:

FY2010: % _____

FY2011: % _____

FY2012: % _____

Times three year average percentage circulation of
County residents: % _____

Equals County portion of tax askings for FY 2013: \$ _____

EXHIBIT B

INFORMATION TO BE PROVIDED TO JOHNSON COUNTY

The library will provide mid-year and annual reports to Johnson County for each contract year. The mid-year report will be delivered to the County by February 1 of the contract year and the annual report will be delivered by the following August 1. The reports will provide the following information for the respective period:

1. Total library circulation.
2. Total circulation by residents of unincorporated Johnson County.
3. Financial information including revenue and expenses.
4. A summary of major activities and events during the reporting period and major plans for the upcoming period.

RESOLUTION NO. 11-129

RESOLUTION APPROVING SERVICES AGREEMENT BETWEEN THE CITY OF NORTH LIBERTY AND JOHNSON COUNTY FOR LIBRARY SERVICE TO RURAL JOHNSON COUNTY, IOWA.

WHEREAS, the Johnson County Supervisors provided notice of termination of the previously approved agreement relating to Library Service to rural Johnson County, and

WHEREAS, Johnson County has provided a revised contract with changes including reporting requirements, requirements of budget submittal, deadline for submittal of library funding requests, changing the levy amount increase that can be attributed in the county's budget to libraries, and

WHEREAS, North Liberty City Council has reviewed said document and agrees with said changes.

NOW, THEREFORE, BE IT RESOLVED by the City Council of North Liberty, Iowa, that the agreement presented by Johnson County for Library Service to Rural Johnson County is hereby approved as set forth therein. The Mayor and City Clerk are hereby authorized and ordered to execute the agreement with said firm for the project. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this _____ day of _____, 2011.

CITY OF NORTH LIBERTY

By: _____
Thomas A. Salm, Mayor

ATTEST:

Tracey Mulcahey, City Clerk