

**DATE:** August 9, 2005

**STAFF:** Marty Heffernan  
Brenda Carns

**WORK SESSION ITEM  
FORT COLLINS CITY COUNCIL**

**SUBJECT FOR DISCUSSION**

---

Alternative Funding Options for Library Services.

**GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED**

---

1. Is Council interested in alternative funding for library services through the possible formation of a Library District or a Library Authority?
2. Does Council have a preference between a Library District and a Library Authority?

**BACKGROUND**

---

In 2000 Larimer County discontinued funding library services for County residents. Since 1968, the County had provided the City with a small amount of annual funding to provide library services to residents in unincorporated areas of the County. At a study session in September of 2002, City staff, the Library Board and the Council discussed the funding needs of the library and options for securing library funding from residents in the unincorporated areas. The Council directed staff to work with representatives from the County, and other libraries in the County, to discuss the possible creation of a library funding district or authority.

In 2003 City and County staff met to explore the idea of creating a library funding authority and library staff met with their counterparts at other area libraries. There was general agreement that all interested parties should meet to explore all alternative funding sources for library services. In 2004 the City convened the Alternative Library Funding Task Force, comprised of staff and other representatives from the County and from cities with municipal libraries in the County (Fort Collins, Loveland, Wellington, Berthod and Estes Park). The Task Force met on three occasions and explored a variety of alternative funding sources. These included: a regional library authority; a library district; a local dedicated tax for library services; a fee for library services; and increased general fund support for libraries. The Task Force concluded that the most effective method of securing stable, long-term funding for library services was through a library district or a library authority.

The need for additional funding for library services and an explanation of how this need can be addressed through the creation of a Library District or a Library Authority is set forth in the attached PowerPoint slides.

**ATTACHMENTS**

1. Alternative Library Funding Options Chart
2. Presentation Slides

Staff presentations for Work Session items have been video taped in advance of this meeting. The presentations will be broadcast on City Cable Channel 14 at the following times:

Thursday, August 4	7:00 p.m.	Monday, August 8	7:00 a.m. & 12:00 noon
Saturday, August 6	9:00 a.m. & 8:30 p.m.	Tuesday, August 9	4:00 p.m.
Sunday, August 7	9:00 a.m. & 8:30 p.m.		

Videos of the presentations will also be available via a high-speed internet connection at [www.fcgov.com](http://www.fcgov.com) by 5:00 p.m., Friday, August 5.

## ALTERNATIVE LIBRARY FUNDING OPTIONS

<b>LIBRARY DISTRICT</b>	<b>REGIONAL LIBRARY AUTHORITY</b>
Authorized by State Law (CRS 24-90-107)	Authorized by State Law (CRS 24-90-110.7)
Over 40 Library Districts in Colorado	No Library Authorities have been created in Colorado
Funded through voter approved property tax	Funded through voter approved property tax, sales tax (or combination of both taxes)
Can be formed by legislative action of the City or the County (or by the City and County together) or by a petition (signed by 100 or more voters) submitted to County Commissioners	May be formed by any combination of two or more governmental units (i.e., City and County)
Requires approval of majority of voters residing in the District boundaries (at the earlier of the State general election or at the election held on the first Tuesday in November of odd-numbered years)	New tax revenue requires approval of majority of voters residing in the Authority boundaries (at a State general election or the election held on the first Tuesday of November in odd-numbered years)
Boundaries can be County-wide or smaller.	Boundaries may be County-wide or a portion of the County but must include the entire area of any municipality forming the Authority
Existing Districts (Estes Valley, Red Feather Mountain) and government units with libraries (Loveland, Berthoud, Wellington) can be excluded or can "opt-out" of the new District	Existing Library Districts (Estes Valley, Red Feather Mountain) and governmental units can be excluded or can "opt-out" of the Library Authority
District boundaries could be defined by Poudre School District boundaries	Authority boundaries could be defined by the Poudre School District boundaries
Board of trustees governs the District (not the Commissioners or the Council)	Board of directors governs the Library Authority
Board (of 5 or 7 trustees) is appointed by a committee comprised of 2 people selected by each governmental unit forming the District	Make up of the board is determined by the participating governmental units through the intergovernmental agreement creating the Authority
The board adopts and appropriates its own budget	Purpose and scope of authority is determined by agreement between the governmental units forming the Authority

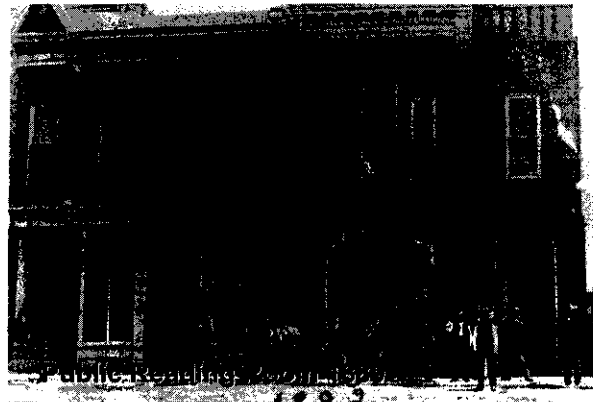
	May exist solely to collect and distribute tax revenues to existing libraries in the Authority boundaries
Owens (or leases) and operates and maintains the District libraries	Does not require a change in the ownership or governance of existing libraries
Must secure support services (maintenance, legal, HR, financial)	Existing libraries can utilize municipal support services (maintenance, legal, HR, financial)
Library staff are typically employees of the District	Library staff can remain employees of the City

8/1/05

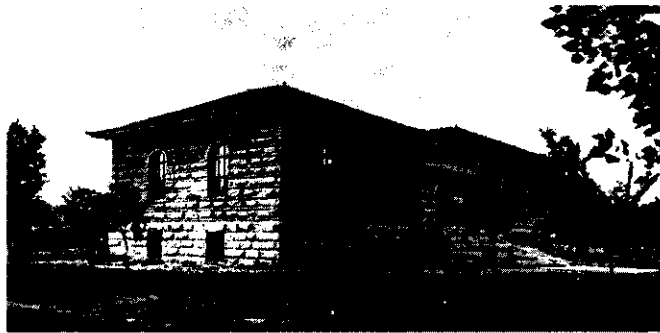
# **ALTERNATIVE FUNDING OPTIONS FOR LIBRARY SERVICES**

**August 9, 2005 City Council  
Work Session**

**Fort Collins Public Library –  
Born out of a love of reading and the  
belief that free access to information  
is the foundation of democracy**



**The Carnegie Library was built in 1904, thanks to the efforts of a handful of concerned citizens.**



**That laid the foundation for today's heavily used library system...**

**In 2004:**

**Nearly 2,500 patrons went to one of the two city libraries on average each day**

**Outside programs promoting reading and learning attracted up to 1,200 every Monday during the summer**

**37,998 patrons attended a Library program**



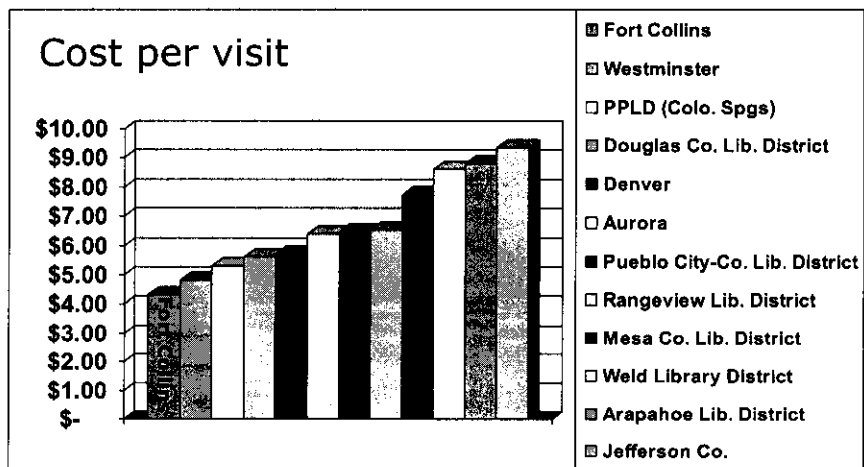


**Demand has again outpaced the City's library resources...**

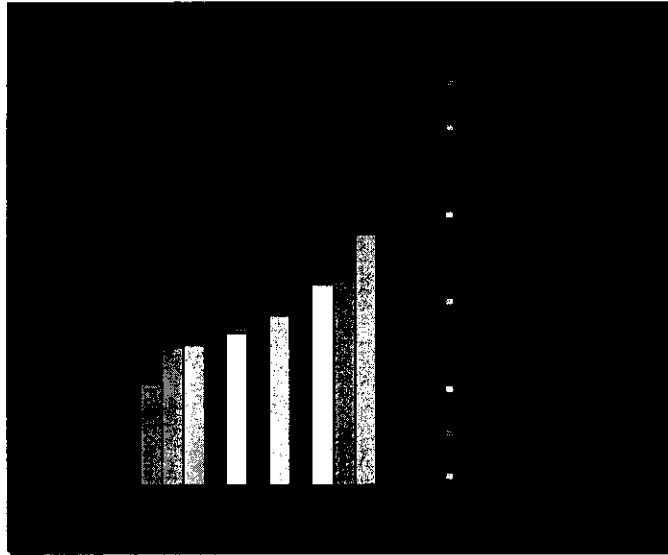
**In 2004 there were :**

- 2,021,353 checkouts
- 924,002 "in-house" facility visits
- 1.6 million online "external" visits

**Fort Collins Library staff are the most efficient in the state, and deliver services more cost effectively than any other Colorado public library serving 100,000+...**



**... and the cost per item circulated the lowest of any Colorado public library serving 100,000+**



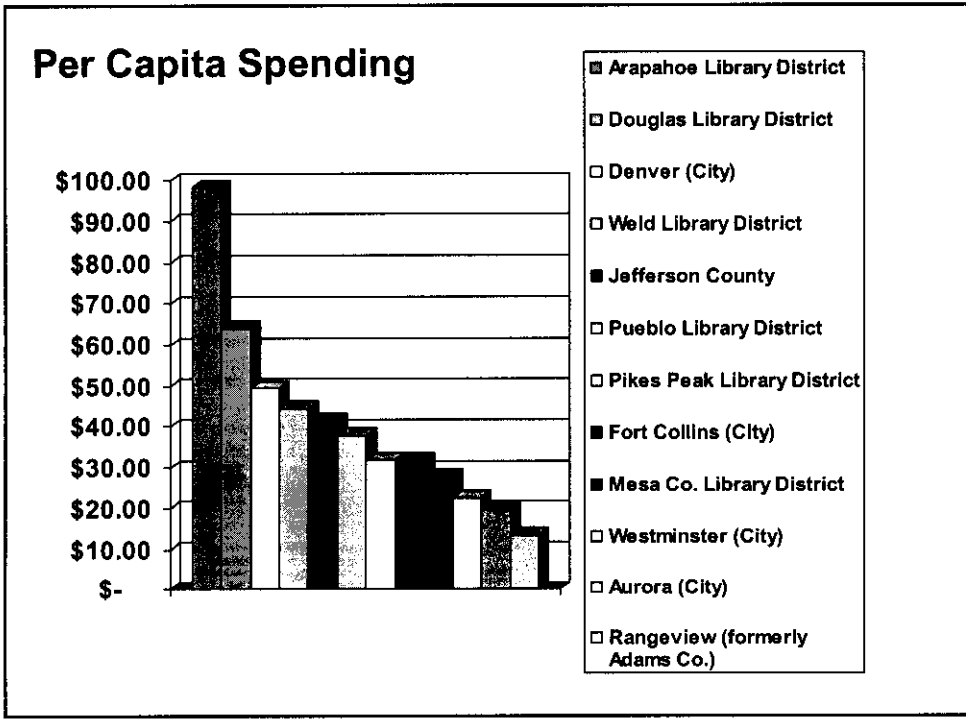
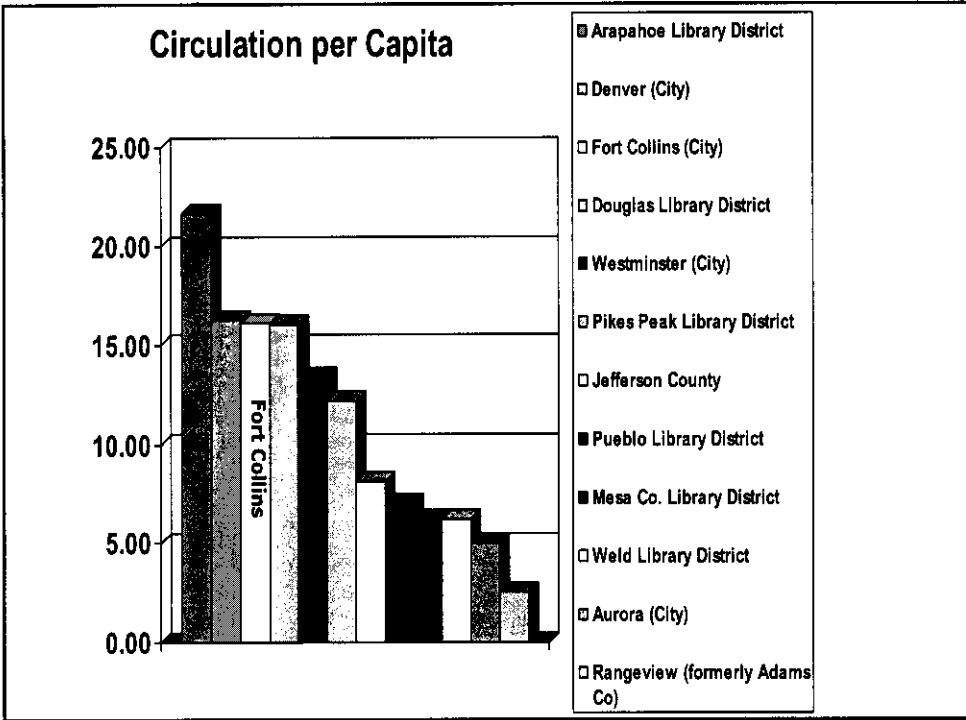
## **More staff, facilities and services are needed to serve 158,000 Fort Collins area residents**

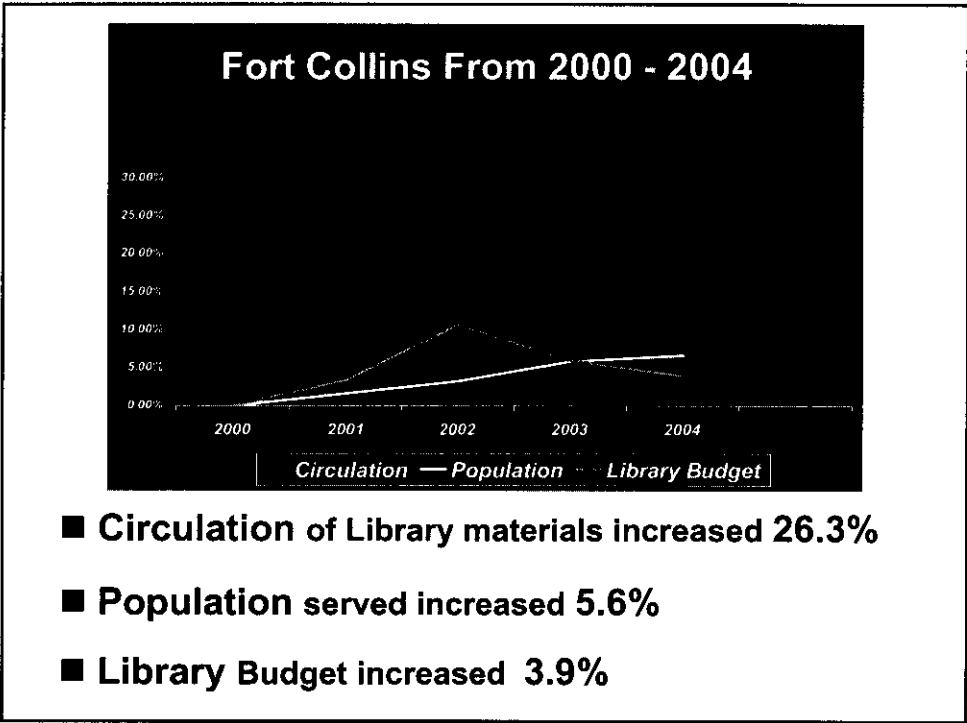
**Despite 12 Spring break puppet shows with nearly 1,600 participants, or 106 at each show, 320 were turned away because of fire code restrictions.**



**7,265 teens and children participated in summer reading, an increase of 14% over 2003**

**There was also a 25% increase in teen participation between 2002 and 2004**







**In 2005:**

- 116,807 Library cardholders regularly use the Library
- About 15,000 cardholders live outside of Fort Collins

## **Alternative Library Funding Options**

- **Library District**
- **Regional Library Authority**

## **Library District**

- **Authorized by State Law  
(CRS 24-90-107)**
- **Over 40 Library Districts in Colorado**
- **Funded through voter approved  
property tax**

## **Library District**

- **Can be formed by legislative action of the City or the County (or by the City and County together) or by a petition (signed by 100 or more voters) submitted to County Commissioners**
- **Requires approval of majority of voters residing in the District boundaries (at the earlier of the State general election or at the election held on the first Tuesday in November of odd-numbered years)**

## **Library District**

- **Boundaries can be County-wide or smaller**
- **Existing Districts (Estes Valley, Red Feather Mountain) and government units with libraries (Loveland, Berthoud, Wellington) can be excluded or can "opt-out" of the new District**
- **District boundaries could be defined by Poudre School District boundaries**

## **Library District**

- **Board of trustees governs the District (not the Commissioners or the Council)**
- **Board (of 5 or 7 trustees) is appointed by a committee comprised of 2 people selected by each governmental unit forming the District**
- **The board adopts and appropriates its own budget**

## **Library District**

- **Political subdivision of the State**
- **Owns or leases the library facilities within the District**
- **Operates and maintains the District libraries**
- **Library staff are typically employees of the District**

## Library Authority

- **Authorized by State Law (CRS 24-90-110.7)**
- **No Library Authorities have been created in Colorado**
- **Funded through voter approved property tax, sales tax (or combination of both taxes)**

## Library Authority

- **May be formed by any combination of two or more governmental units (i.e. city and county)**
- **New tax revenue requires approval of majority of voters residing in the Authority boundaries (at a State general election or the election held on the first Tuesday of November in odd-numbered years)**

## Library Authority

- **Boundaries may be County-wide or a portion of the County but must include the entire area of any municipality forming the Authority**
- **Existing Library Districts (Estes Valley, Red Feather Mountain) and governmental units can be excluded or can "opt-out" of the Library Authority**
- **Authority boundaries could be defined by the Poudre School District boundaries**

## Library Authority

- **Board of directors governs the Library Authority**
- **Make up of the board is determined by the participating governmental units through the intergovernmental agreement creating the Authority**

## Library Authority

- **Purpose and scope of authority is determined by agreement between the governmental units forming the Authority**
- **May exist solely to collect and distribute tax revenues to existing libraries in the Authority boundaries**
- **Authority may own and operate libraries within the Authority boundaries**

## Library Authority

- **Does not require a change in the ownership or governance of existing libraries**
- **Existing libraries can utilize municipal support services (maintenance, legal, HR, financial)**
- **City can continue to own and operate its libraries**
- **Library staff can remain employees of the City**



## Funding

- **District and Authority both provide a dedicated, independent source of funding for library services**
- **Funding could be used to improve library services and for new libraries and associated O&M**

## Funding

- **Funding could be used to replace some or all of the 3.7 million dollar Library General Fund Budget**
- **Using funding to pay for services now covered by the General Fund may make it harder to get voter approval for a Library District or Authority**

## Funding

- **Quarter cent sales and use tax generates approximately 5.6 million dollars annually at a cost per resident of \$34.11\***
- **One mill of property tax generates approximately 1.5 million dollars annually at a cost per median home of \$17.60\***

**\*Based on a District or Authority with the same boundaries as Poudre School District excluding the City of Wellington and Red Feather Mountain Library District**