

## LRB – FISCAL REVIEW SECTION ANALYSIS

FINANCE AND PERSONNEL COMMITTEE

ITEM 10, FILE 011457

FEBRUARY 27, 2002

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File #011457 is a resolution authorizing appropriating funding from the 2002 Common Council Contingent Fund to cover a shortage in the Library Board's Reciprocal Borrowing Special Account by Milwaukee Public Library.

### Background and Discussion

1. Adoption of this resolution authorizes the appropriation of \$285,555 from the 2002 Contingent Fund to cover costs associated with MPL's Special Fund reciprocal borrowing account.
2. The Milwaukee County Federated System (MCFLS), is a state-funded, county-wide library cooperative that provides shared services. All 15 municipalities within Milwaukee County participate in MCFLS through a member agreement. (*West Milwaukee participates through a separate agreement.*) A reciprocal borrowing transaction occurs when a resident of a community borrows library material from another community within Milwaukee County. Reciprocal borrowing costs are incurred when materials borrowed between the communities are not in balance.
3. The members representing the communities were requested to sign the a new four-year Member Agreement by March 31, 2001. As of December 1, 2001, after the 2002 City Budget was adopted, all but 3 communities had signed the Agreement.
4. The MPL is funded to cover the reciprocal borrowing costs. For 2002, the total costs for transactions from October, 2000 through September 2001 was \$1,196,147. In the 2002 Adopted Budget, the Special Fund for reciprocal borrowing costs was funded at \$758,542.
5. The funding for the balance of the costs, **\$420,458, was added to the 2002 Common Council Contingent Fund**, to ensure that funding is available for the payment of City of Milwaukee costs when the remaining 3 communities signed the Member Agreement for transactions incurred from April 2001 through September 2001.
6. The last two communities, Greenfield and Wauwatosa, recently signed the Member Agreement. This resolution authorizes the payment of \$285,555 to Greenfield and Wauwatosa for reciprocal borrowing costs. The payment of \$152,050 to West Allis was approved in File #011136, January 16, 2002.

### Fiscal Impact

1. The total cost of this appropriation is \$285,555 to be expended from the 2002 Common Council Contingent Fund, \$93,012.64 to Greenfield and \$192,542 to Wauwatosa.
2. Of the \$285,555 from the 2002 Common Council Contingent Fund to cover reciprocal borrowing costs, \$268,408 represents the balance of the \$420,458 added to the 2002 Contingent Fund for this cost. **An additional amount of \$17,147 from the Contingent Fund is necessary to cover total expenses.**
3. This action will increase MPL's Special Fund account by \$285,555, from \$910,592 to a new balance of \$1,196,147.

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