



Joint Library Issues for Wisconsin Libraries

Administrative Report
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January 2002

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Chapter 1 Introduction

There are periodic requests for information on the legality and desirability of forming joint public libraries. There are significant obstacles to establishing joint libraries, so there are only a few such libraries in Wisconsin or even in the nation. This document will help provide for effective implementation of joint library agreements that are in compliance with legal requirements.

Of the 380 libraries in Wisconsin, about 25 are joint municipal libraries and the remainder are single jurisdiction libraries, either municipal or consolidated county. There are six combined school-public libraries in the state. This report is modeled on a DPI report on Combined School and Public Libraries published in 1998.

The purpose of this publication is to help communities determine whether such a combination will be the best way to provide effective public library service. The information and checklists found here should guide interested parties in making good decisions.

Library planners should seek technical assistance from their public library system and contact the Division for Libraries, Technology and Community Learning in order to clarify the legal, governance, and funding consequences of a combined program.

Joint libraries tend to be less well supported than their municipal counterparts. Despite a relatively higher tax base per capita, most joint libraries have considerably lower rates of spending.

Factor	Joint Library	Municipal Library
Number of libraries	23	333
Mill Rate	\$0.35	\$0.93
Per capita support	\$18.75	\$32.12
Materials expend per capit:	\$4.58	\$5.89
Tax base per capita	\$66,949	\$40,628

Some communities that participate in joint public libraries in Wisconsin are listed in the appendix.

Chapter 2. Legal Basis

Wisconsin law (ss 43.53, Wisc. Stat.) permits two or more municipalities to form a joint public library. Any such library agreement must “contain provisions necessary to establish a library board under s. 43.54, perform the duties under s. 43.58 and own and operate the physical facilities.”

A joint library must include at least one municipality with a public library established before May 8, 1990. A joint public library may be created by any two or more municipalities or by a county and one or more municipalities located in whole or in part in the county by appropriate agreement of their governing bodies. A town desiring to participate in a joint library must obtain the approval of the county library board, if one exists, and the county board of supervisors before final action is taken. If the proposed joint library would be in more than one county, then a County Board refusal may be appealed to the Division for Libraries, Technology and Community Learning.

A joint public library is administered by a library board consisting of seven to eleven members representative of the populations of the participating municipalities and has the same powers as set forth in Chapter 43 of Wisconsin Statutes for a municipal library board. The head of the municipal governing body of each participating municipality appoints board members.

Municipalities may own and operate physical facilities jointly or individually. The respective share of operating costs is determined at the time the joint library agreement is written.

Costs may be apportioned based on populations served or some other factor such as level of use. Each municipality participating in a joint library agreement levies a tax to support its share of costs. Most municipal services are based on the proportionate share of equalized property values rather than on use rates or population formulas. This is probably the most advisable basis for distribution of costs.

Moreover, planners should consider the mill rate required for exemption from the county levy in ss 43.64 Wisc. Stat. Without an agreement that taxes all parties to a joint library agreement at the same equalized valuation rate, there is a danger that one or more parties to a joint library will be out of compliance with state law while the other(s) may not be.

It is important to consider the impact on the library of the state requirements for minimum levies for exemption from the county tax under ss 43.64 Wisc. Stat. This statute sets a mill rate that all library municipalities must meet in order to continue to claim exemption from the county library levy. In some situations a funding formula based on use rather than tax base has resulted in one of the parties in a joint library agreement failing to meet this requirement. The problem can be avoided by basing the funding on equalized value.

Wisconsin law allows for a community supporting a library to exempt from a county special library levy under certain circumstances. The community must:

- support a library,
- maintain a mill rate equivalent to the county special levy rate in the prior year,

- and meet any county standards enacted pursuant to 43.64.

A community that does not meet these conditions would find itself taxing itself locally and providing funds to the library. In addition, its citizens would be subject to the tax imposed by the county for library services in addition to the local taxation.

One municipal party to the joint library agreement should agree to provide municipal administrative services such as serving as the depository of tax funds, personnel administration, and bill paying. It is the opinion of the Division that public funds may only be handled by municipal agencies, not a library board or a separate private agency.

General legal requirements

See appendix for wording of legislation that was current as of publication date of this document.

1. A joint public library may be created by any 2 or more municipalities or by a county and one or more municipalities located in whole or in part in the county, by appropriate agreement of their municipal bodies. *[Section 43.53 (1) Wis. Stats.]*
2. A joint public library may not be established unless it includes at least one municipality with a public library established before May 8, 1990. *[s.43.53 (3) Wis. Stats.]*
3. Any town desiring to establish a new public library or participate in a joint public library must obtain the approval of the county library board, if one exists, and the county board of supervisors before final action is taken. The county library board and the county board of supervisors must render decisions with 90 days of the request being received. A town may appeal to the state superintendent a county's disapproval of the town's participation in a joint library with a municipality located in another county. *[s.43.52 (1m) Wis. Stats.]*
4. Any municipality desiring to establish a new public library (which includes any new joint library) shall obtain a written opinion by the Division regarding the feasibility and desirability of establishing the public library before final action is taken. The Division shall render its opinion within 30 days of the time the request is received. *[s.43.52 Wis. Stats.]*
5. Joint library agreements shall contain provisions necessary to establish a library board under s.43.54, perform the duties under s.43.58 and own and operate the physical facilities. *[s.43.53 (2) Wis. Stats.]*
6. Joint Library Boards Composition *[Section 43.54 (1m) Wis.Stats.]* Boards appointed for joint libraries under s.43.53 shall:
 - consist of 7 to 11 members and be representative of the populations of the participating municipalities.
 - be appointed by the head of the municipal governing body of each participating municipality and county chairperson of any participating county.
 - the appointing authority shall appoint as one of the members a school district administrator, or the administrator's representative, to represent the public school district or districts in which the library is located.
 - not more than one member of each municipal governing body shall at any one time be a member of the library board.
 - upon their first appointment, the members shall be divided as nearly as practicable into 3 equal groups to serve for 2-, 3-, 4-year terms, respectively. Thereafter, each regular appointment shall be for a term of 3 years.

Chapter 3. Planning & Standards

Planning for public library services should take place within the context of planning for total community services. Planning is an essential ingredient in the development and improvement of all of libraries. Library planners should examine the communities they serve, identify the needs of those individual communities, and develop a plan for providing services that will meet those needs.

The Public Library Association's **Planning for Results: A Library Transformation Process** (Chicago: ALA, 1998) can assist libraries and governing agencies with assessing local needs and creating a plan for service.

State Standards

Wisconsin Public Library Standards (Madison: DPI, 2000) makes broad recommendations regarding service goals for public libraries across the state but also strongly encourages individual libraries to examine their particular local needs and to develop a plan to meet those needs.

County Standards

Pursuant to ss. 43.11 & 43.64 Wisc. Stat., some counties, including Dane and Waukesha, have made provision for minimum standards regarding hours, collection size, staffing levels, and so forth.

These minimum levels must be met in order for the community to exempt itself from the County Library Levy. Planners must take county standards into careful consideration.

Chapter 4. Issues and Problems

Personnel compensation packages of the respective municipalities are likely to differ. Wisconsin law gives sole authority for personnel policies to library boards, but libraries frequently adopt all or some of the elements of a personnel policy of their parent municipality. This can be problematic in a joint library operation. There should be clear agreement that the pay, classification and personnel policy will either follow that of one of the participating municipalities or be entirely a separate library board policy. If it is separate, care must be taken to assure that the policies stay current with changing state and federal law.

Certification requirements for the director vary depending on population. The change to a joint library may put the library into a new population category. That could require the library to employ a library director with a higher level of education than is currently the case. Directors on the job at the time of the establishment of a joint library can be granted a provisional certification to continue in the position but any future director would need to meet the new requirements.

Population categories and education requirements are as follows:

Population Category	Grade
Over 6,000	1
3,000 to 5,999	2
Under 2,999	3

Municipal public libraries often receive substantial private donations for a new building or an addition, for starting a new service, or for upgrading an existing collection. Donors may or may not be as likely to give to a public library that is seen as a joint agency.

In the event of the dissolution of the combination and the establishment of separate libraries, decisions will have to be made as to how to divide the various components (collection, furniture, equipment, software, etc.).

Equalized Valuation is probably the most reasonable basis for assessing library costs, but often the planners consider other options such as cardholders, visitors, circulation or population. Note the discussion on the mill rate requirements for exemption from the county library levy in chapter 2.

One of the more vexing problems is determining who is in charge of making the operating and capital decisions on the budget. The library board has exclusive control over line items in the budget, and initiates budget requests, but who determines the funding level? Will the refusal of one or the other of the municipalities hold up the entire budget? How can budget impasses be resolved? The same questions need to be asked for both the ongoing operating budget and any capital expenditures contemplated.

Library board appointments should be proportionate to funding level, but that can shift over time. The contract and bylaws should make provision for any future changes in the distribution of appointments that can be made to the library board.

Who provides the annual audit? Are bookkeeping and financial services left to one or the other parties, or must the library hire them separately? Unstated assumptions can lead to later contention and difficulties.

Planners should take care to make adequate provision for allocating maintenance and capital costs to the respective municipalities. Changes in Generally Accepted Accounting Principles included in GASB Statement 34 require municipalities to capitalize and depreciate all assets, including those in a joint library arrangement. Depreciation of the building is awkward if it is not “on the books” of either municipality, but rather owned by the library board. It may be that a separate annual audit will be required by GASB Statement 34.

There are a number of employee issues. An important issue is agreeing upon whose employees the library staff are and for what accounting and personnel purposes. Unfunded pension liability and health care costs can be troublesome. The state policy¹ regarding retirement costs states that in the absence of a specific cost sharing formula in a joint library contract, the retirement costs will be split in equal parts by the number of participating municipalities – 50/50 for a two party joint library, regardless of other cost sharing considerations that are not contractual.

Where does the library get legal advice? If this is one or the other of the participating municipalities, how will the parties resolve any intermunicipal disagreement relating to the library? If the library board must secure any legal assistance necessary, is there adequate provision for legal counsel in extraordinary situations that may arise?

How does the joint library get human resource assistance when necessary? If one of the municipal parties to the joint agreement provides this, is there a clear understanding about the basis for accounting and compensating for it?

Failure of just one party to the joint library to meet the average of the three prior year’s test in ss 43.12 could result in the library being expelled from system membership. In other words, one party to the agreement could damage the interests of others with no possible redress.

¹ Appendix 2: Wisconsin Retirement Rules – Joint Instrumentalities, Vol. 14, Local F. July 5, 2000. Available on the World Wide Web at: <http://www.state.wi.us/agencies/etf/empl/eb1750.htm>

Chapter 5. Joint Library Planning Checklist

Yes	No	Planning
		1. Has there been an assessment of the impact the proposed merger will have on other communities and the joint library itself in regards to the mill rate requirements and funding levels in ss 43.64 Wisc. Stat.?
		2. Has there been an assessment of the impact the proposed merger will have on the funding for distribution to other libraries in the county as provided for in ss 43.64?
		3. All parties have reviewed any existing planning documents and there is agreement on how these documents can be integrated and priorities established.
		4. A preliminary study of the feasibility and suitability of the joint library program for the community has been conducted, including the review of alternatives to establishing a combined library.
		5. Concerned community groups have examined carefully the proposed joint library and are aware of the range of services and resources and costs involved.
		6. The municipal governing boards that are to fund the program have defined their responsibilities in a formal agreement drawn up during the planning phase.
		7. Counsels for the participating municipalities, the public library system, and the Division for Libraries, Technology and Community Learning have reviewed the agreement noted above.
		8. If a town is merging with an existing library, has the county board been consulted? The county board can deny the application.
		9. Is one of the agencies that is discussing the joint library a library that existed prior to May 8, 1990 as required by state law?
Yes	No	Legal Issues
		1. The library will be established in accordance with Chapter 43, Wis. Stats.
		2. A legally appointed and constituted public library board will govern the operation of the public library program.
		3. The method and number of appointments to the board by each municipality has been determined and there is an agreed upon method in the contract for changing the number of appointments if the relative funding levels of the parties changes enough to warrant such a change.
		4. The public library board will have exclusive control of the expenditure of all moneys collected, donated, or appropriated for the public library fund. One of the constituent municipalities will have custody.
		5. The public library board will employ a library director who is qualified and maintains the appropriate level of certification under the provisions stated in the Wisconsin Administrative Code.
		6. Is there a clear definition of how legal counsel will be provided? There should be provision for allocating indirect costs if legal advice is received through one of the participating municipalities.

Yes	No	Contractual
		1. General procedures for operating the combined library have been discussed, and all parties agree on principal elements, such as hours of operation, responsibility for expenses, access to resources and activities, user rights and responsibilities, and authority for daily decision making.
		2. The public library will be a member of a public library system and actively participate in its programs of service, including reciprocal borrower's privileges and interlibrary loans.
		3. The public library board will follow statutory requirements as to fiscal year, audits, budgeting process, and annual reports to the municipal governing authority and the Division for Libraries and Community Learning.
		4. The proposed contract clearly spells out a defined process, timetable and notice requirements for any dissolution.
Yes	No	Building
		1. The building that will house the proposed combined public library is in compliance with the provisions of Title II of the Americans with Disabilities Act (ADA).
		2. The building provides adequate space to implement the full range of library services consistent with the library's comprehensive long-range plan, and appropriate Wisconsin Public Library Standards.
		3. The contract clearly identifies who owns the building, land, equipment and other tangible assets. Clear provision is made in the contract for dispersal of all tangible assets in the case of dissolution of the agreement.
Yes	No	Financial
		1. Improving service, rather than saving money, is the overriding concern in planning a combined library.
		2. Does the agreement recognize the requirements for exemption from the county library levy as defined in ss 43.64 of Wisconsin Statutes?
		3. Does the agreement recognize the requirement in ss 43.12 for continued participation in the public library system that includes the need to continue funding at no less than the average of the three prior year's effort?
		4. The contract clearly specifies the respective liabilities for legal claims and judgments made against the library, especially as regards the amounts beyond any insurance coverage obtained by the library.
		5. Is there a clearly established contractual method for determining the total amount of annual operating and capital budgets? This should include provision for what happens if one municipality agrees to a library board proposal and the other party or parties do not. The contract clearly identifies needed deadlines, timetables and procedures.

Yes	No	Personnel
		1. Does the contract define for which employment purposes the staff are to be considered employees of the library or one or the other of the constituent municipalities? Human resource professionals and legal counsel should be consulted so that employee as well as employer rights and privileges are properly considered.
		2. Does the contract define the share of state and federal retirement costs attributable to each participating municipality?
		3. Does the contract define the shares of unfunded pension liability (if any) attributable to each participating municipality?
		4. Is there a clear delineation regarding the personnel policy for the library staff? This should include grievance policies, severance conditions, and necessary requirements regarding state and federal laws for equal employment, ADA requirements and so forth.

Chapter 6. Contract Considerations

Parties involved in a combined library have long-term interests that must be protected by a carefully written contract. The agreement should be supported by written policies that cover operational matters. The Library Board adopts and maintains policies, but all parties should review the initial policies. A committee made up of members of the public library board, and the municipal governing bodies should outline the content of the basic contract. Then an attorney should put it into legal form. This agreement is essential to the long-term success of a joint library. It is important to take the necessary time to do it right. Drafts should be sent to the library system administrator and the Division for Libraries Technology and Community Learning for comment.

There can be a temptation to place more in the basic contract than is necessary. The contract should deal with the fundamentals of governance, staffing, funding, ownership, and termination of the agreement.

Other matters can be handled through policies. Asking two questions will help to determine whether a point should be a part of the contract or of a policy manual: Is this of overriding importance? Is this likely to be changed during the time frame of the agreement? Yes to the first and No to the second suggests the matter is a good candidate to be placed in the contract.

The successful operation of a joint library depends on doing a number of things right. Below are a number of items to deal with in order to set up and manage the combined library properly.

Contract Categories

1. **Governance.** The contract should list the parties entering into the agreement and cite the statutory authority for entering into an agreement of this sort. Ordinarily the parties to the agreement should be the library board, and the municipal governing bodies involved. It is essential to understand that the village board or city council may not act on behalf of the library board unless authorized by the library board to do so. The agreement should also cite the statutes under which the parties will operate the library.
2. **Staffing.** Appropriately certified public library personnel must be employed. The agreement should state the intent of all participant municipalities to fund the agreement. It should specify retirement and disability compensation issues. The intention to meet statutory staffing requirements should be stated in the agreement.
3. **Funding.** It is important to determine and put into the contract the financial responsibilities of each party. This includes both capital and operational costs as well as ongoing maintenance and grounds upkeep for the present and future facilities. Distribution of costs based on respective shares of equalized value will ordinarily be preferable to shares based on population, use or other considerations. This is so because equalized valuation is the basis on which nearly all other municipal services are based and because of the mill rate requirements for exemption from the county library levy in ss 43.64 Wisc. Stat.

4. **Budget Setting.** When two or more municipalities must determine the annual budget for a joint library, there is always the danger of a deadlock. Even if the proportions paid by each municipality are set by contract, there still remains the question of total budget in a given year. The contract should clearly specify a method for resolving differences between municipalities on an annual budget. Some joint library contracts call for a budget summit as a joint meeting of the participating municipalities. Others specify that if agreement cannot be reached, the budget reverts to the prior year's level. Other agreements specify that a joint subcommittee be appointed to resolve the budget. Since it is important to meet the requirements of all communities that a budget be set in a timely manner, the contracts should specify deadline dates that assure completion of the budget within the calendars of all parties to the joint agreement.
5. **Ownership of assets.** The agreement should clarify the ownership of assets brought into the shared library (such as equipment, collection, etc.) and how ownership will be determined in the event of termination of the combined library agreement.
6. **Physical plant.** The agreement should state the requirements that must be met by the party providing the physical facility for the combined library. This can include the library's location in the building, public access to the library, maintenance, and more. There should be a clear statement regarding the cost sharing arrangements for the building maintenance. In some instances, one municipality owns the building and leases it back to the joint library, often for a nominal fee.
7. **Termination of the agreement.** The agreement should state the conditions related to termination of the agreement. Some agreements state that dissolution requires just a few months notice by either party. Given the magnitude of the impact this could have on library users and/or remaining parties to a library agreement, a longer time frame should usually be included. Some contracts in the state call for 18 months notice prior to the dissolution. Others specify an annual month in which notice must be given. A rolling two or three year contract that can be continuously renewed should also be considered.

Chapter 7. Listing of Joint Libraries in Wisconsin

There are 380 libraries in the state, 23 are joint libraries, serving 65 communities and 216,609 of Wisconsin's 5.1 million residents.

Library Name	Location	Communities involved	Total Population
Alice Baker Memorial Public Library	Eagle	Eagle(v), Eagle(t)	4,046
Arpin Public Library	Arpin	Arpin(v), Arpin(t)	1,239
Bruce Area Public Library	Bruce	Bruce(v), Atlanta(t), Stubbs(t), Thornapple(t)	2,782
Caestecker Public Library	Green Lake	Green Lake (c), Brooklyn(t)	3,159
Cedarburg Public Library	Cedarburg	Cedarburg (c), Cedarburg (t)	16,298
Community Library	Salem	Paddock Lake(v), Silver Lake(v), Twin Lakes(v), Randall(t), Salem(t)	21,199
Fairchild Public Library	Fairchild	Fairchild(v), Fairchild(t)	860
Frank L. Weyenberg Library	Mequon	Mequon(c), Thiensville(v)	24,916
Hawkins Area Library	Hawkins	Hawkins(v), Hawkins(t), South Fork(t)	659
Hustisford Public Library	Hustisford	Hustisford(v), Hustisford(t)	2,337
James J. Siebers Memorial Library	Kimberly	Kimberly (v), Little Chute(v)	16,349
Lakeview Community Library	Random Lake	Random Lake(v), Adell(v), Sherman(t), Scott(t)	5,457
Leon-Saxeville Township Library	Pine River	Leon(t), Saxeville(t)	2,047
Marshfield Public Library	Marshfield	Marshfield (c), McMillian(t) in Marathon County	19,969
North Shore Library	Glendale	Glendale(c), Bayside(v), Fox Point(v), River Hills(v)	27,589
Pauline Haass Public Library	Sussex	Sussex(v), Lisbon(t)	16,949
Rhineland District Library	Rhineland	Rhineland(c), Crescent(t), Newbold(t), Pelican(t), Pine Lake(t)	18,197
Rochester Public Library	Rochester	Rochester(v), Rochester(t)	3,212
Suring Area Public Library	Suring	Suring(v), Bagley (t), Breed(t), How(t), Maple Valley (t)	2,799
Theresa Public Library	Theresa	Theresa(v), Theresa(t)	2,332
Tice Public Library	Winter	Winter(t), Winter(v)	1,274
U.S.S. Liberty Memorial Public Library	Grafton	Grafton(v), Grafton(t)	14,359
Walter E. Olson Memorial Library	Eagle River	Eagle River(c), Cloverland(t), Conover(t) Lincoln(t), St. Germain(t), Washington(t)	8,581
Grand Total	23	65	216,609

Chapter 8. Steps In Establishing A Joint Public Library

1. A library planning committee representative of all municipalities involved formulates a plan or joint library agreement which addresses the following:
 - a) The names of the municipalities which will be members of the joint public library.
 - b) The statutory authority under which the joint library will be established.
 - c) The size of the joint library board and proportionate distribution of the members among the participating municipalities.
 - d) The method by which a school district administrator, or representative shall be appointed.
 - e) The initial terms of office which will be assigned to each board member.
 - f) The designated municipality to be responsible for paying bills and custody of library funds.
 - g) The disposition of existing and future assets of the joint library in case of dissolution of the joint library.
 - h) The method by which annual budgets will be formulated and costs apportioned among the participating municipalities.
 - i) If the proposed joint library territory lies in 2 or more counties that are not in the same system, the agreement must designate the system in which the joint library will participate.
2. Submit proposed plan to the governing bodies of each participating municipality for approval.
3. Submit proposed plan to county board of supervisors for approval.
4. Submit proposed plan to the Division for Libraries, Technology, and Community Learning for an opinion regarding the desirability and feasibility of the plan. The Division's opinion will be contingent upon the following conditions:
 - a) The joint library will be established under the appropriate provisions of Chapter 43 of the Wisconsin Statutes.
 - b) A librarian who is eligible for the appropriate grade level of Wisconsin public librarian certification from the Department of Public Instruction will be appointed to administer the library.
 - c) The establishment of the joint library agrees with the long-range plan for library service in the county.
 - d) The municipalities party to the joint library agreement will make a long term commitment to provide adequate financial support for the library.
 - e) The joint library will be a member of a public library system.
5. Draw up legal joint library agreement incorporating provisions of plan.
6. Submit final plan and joint library agreement to municipalities for action and appointment of library board members.

Outline of a Sample Plan

Name of Proposed District
 Current budget of library
 Proposed first year budget of library
 [List participant amounts individually]
 Names of proposed participant municipalities
 Statutory authority for district
 Municipality designated as legal custodian of funds.
 System of which joint library will be a member
 Grade level certification of director
 Required grade level certification for newly formed district.
 Number of proposed trustees for joint library
 [List participant amounts individually]

1. **Executive Summary**
2. **Mission Statement.**
3. **Committee Membership** [list members of the planning committee that developed this document]
4. **Brief History Of Library Development** [Provide a history of the library that is the basis of the proposed joint library]
5. **Current Library Services** [list current circulation, attendance, collection and other input and output data for the current library operation]
6. **Current Funding Of Library Services** [provide a 3 to 5 year summary of past funding for the library]
7. **Proposed Revenue Collection Formula** [indicate the specific formula that will be used for allocating all elements of the joint library budget. Include data on how operating budget will be apportioned, of course, but also indicate how present and future capital budgets, building maintenance budgets and employee fringe benefit costs will be apportioned]
8. **Proposed Resolution for Budget Impasse** [Provide a specific methodology that is proposed for resolving disagreements between the municipalities on operating and capital budgets]
9. **Provide Impact statement** [Indicate the impact that the proposed merger is projected to have on funding and usage patterns in the county and the system. Include letters or reports from the system and the county on feasibility.]
 - a. Relations With Other Libraries.
 - b. Funding formulas
 - c. Library System Opinion on Feasibility
 - d. County Opinion on Feasibility
10. **Tax Base All Municipalities** [Provide ad current summary of the tax base (State Equalized Valuations) for the participants in the proposed joint library over the last several years]
11. **Standards For Libraries** [Provide a listing of how the current and projected joint library compare to the numerical requirements for state and county library standards]
 - e. State
 - f. County (if any)
12. **Buildings.** [Describe the building in which the joint library will be housed. Include relevant data regarding square feet, collection capacity, parking, and so forth. Also indicate who will own the building and how physical assets will be distributed in the event of dissolution]
13. **Contracts, Bylaws, etc.** [Attach copies of proposed bylaws and contracts. Indicate whether they have been reviewed by the relevant municipalities, county board and the library division]

Chapter 9. Statutory Citations

43.52 Municipal libraries.

- 43.52(1) Any municipality may establish, equip and maintain a public library, and may annually levy a tax or appropriate money to provide a library fund, to be used exclusively to maintain the public library. The municipality may enact and enforce police regulations to govern the use, management and preservation of the public library. Any municipality desiring to establish a new public library shall obtain a written opinion by the division regarding the feasibility and desirability of establishing the public library before final action is taken. The division shall render its opinion within 30 days of the time the request is received.
- 43.52(1m) On and after April 10, 1986, any town desiring to establish a new public library or participate in a joint library under s. 43.53 shall in addition to the requirement under sub. (1) obtain the approval of the county library board, if one exists, and the county board of supervisors before final action is taken. The county library board and the county board of supervisors shall render decisions within 90 days of the request being received. A town may appeal to the state superintendent a decision of the county library board or the county board of supervisors that disapproves the participation by the town in a joint library with a municipality located in another county. The state superintendent shall hold a public hearing on the appeal within 60 days after receiving notice of the appeal. The state superintendent shall publish a class 1 notice under ch. 985 of the hearing and shall also provide notice of the hearing to the town board, the county board of supervisors and the county library board. The state superintendent shall decide the appeal within 30 days after the adjournment of the public hearing.
- 43.52(2) Every public library shall be free for the use of the inhabitants of the municipality by which it is established and maintained, subject to such reasonable regulations as the library board prescribes in order to render its use most beneficial to the greatest number. The library board may exclude from the use of the public library all persons who wilfully violate such regulations.
- 43.52(3) Any municipality may purchase or acquire one or more sites, erect one or more buildings and equip the same for a public library or any library already established; or may adopt, take over and acquire any library already established, by consent of the authorities controlling the same.
- 43.52(4) A municipal library may contract with library organizations within this state or in adjacent states to provide or receive library services.
- 43.52 - ANNOT. History: 1971 c. 152 s. 16; 1977 c. 418; 1985 a. 177 ss. 26 to 28, 47; 1989 a. 286; 1997 a. 150.
- 43.52 – ANNOT A library can charge user fees for any services that fall outside of a library's inherent information-providing functions; core "library services" must be provided free of charge to the inhabitants of the municipality. 73 Atty. Gen. 86.
- 43.52 - ANNOT. Municipal libraries may not charge a fee for lending video cassettes that are part of a reasonable permanent collection, but may charge for lending additional copies. Municipal libraries may not charge a fee for online searching of bibliographic or informational databases. 78 Atty. Gen. 163.
- 43.53 Joint libraries. Joint libraries may be created by any 2 or more municipalities or by a county and one or more municipalities located in whole or in part in the county, by appropriate agreement of their governing bodies. Section 43.52 applies to joint libraries.
- 43.53(2) Joint library agreements under sub. (1) shall contain provisions necessary to establish a library board under s. 43.54, perform the duties under s. 43.58 and own and operate the physical facilities.
- 43.53(3) A joint library may not be established unless it includes at least one municipality with a public library established before May 8, 1990.
- 43.53 - ANNOT. History: 1971 c. 152 s. 19; Stats. 1971 s. 43.56; 1985 a. 177 ss. 33, 34; Stats. 1985 s. 43.53; 1989 a. 286; 1995 a. 270.

43.64 County tax.

43.64(1) The county board of a county expending money for public library service to its inhabitants may levy a tax to provide funds for such service and shall include any amount of tax under this subsection in the amount of taxes determined to be levied under s. 70.62 (1).

43.64(2)(a) In this subsection, "library fund" means the funds raised by the city, village, town or school district by tax levy or appropriation under s. 43.52 (1).

43.64(2)(b) Except as provided in sub. (2m), any city, town, village or school district in a county levying a tax for public library service under sub. (1) shall, upon written application to the county board of the county, be exempted from the tax levy, if the city, town, village or school district making the application levies a tax for public library service and appropriates and expends for a library fund during the year for which the county tax levy is made a sum at least equal to an amount calculated as follows:

43.64(2)(b)1. Divide the amount of tax levied by the county for public library service under sub. (1) in the prior year by the equalized valuation of property in that area of the county that was subject to the county property tax levy for public library services in the prior year.

43.64(2)(b)2. Multiply the amount determined under subd. 1. by the equalized valuation of property in the city, village, town or school district for the current year.

43.64(2m) No city, village, town or school district is exempt from the tax levy under sub. (2) for any year if, by September 1 of the year preceding the year for which the tax is levied, the county board determines that the public library of the city, village, town or school district that is a member of the public library system has not complied with standards approved under s. 43.11 (3) (d).

43.64(3) Each city, town, village or school district participating in a joint library under s. 43.53 shall be treated individually in determining its eligibility for tax exemption under sub. (2).

43.64 - ANNOT. History: 1971 c. 152 s. 16; 1977 c. 418; 1981 c. 20; 1983 a. 27; 1985 a. 177; 1997 a. 150.

43.64 - ANNOT. Facilities necessary to exempt a municipality from the county tax are discussed. 60 Atty. Gen. 389.

43.64 - ANNOT. A town, city, or village that does not maintain a public library, but makes contributions to a nearby public library, cannot be exempted from the county library tax levy under sub. (2). 65 Atty. Gen. 182.

43.64 - ANNOT. To qualify for exemption under sub. (2), a municipality or school district must have expended for its own "library fund" during the year in which the county tax levy is made a sum at least equal to the sum it would have to pay for the county tax levy made during that year to fund the county budget for the ensuing year. 72 Atty. Gen. 49.

43.64 - ANNOT. The scope of the exemption under sub. (2) is discussed. 72 Atty. Gen. 190.

Appendix 1 – Attorney General Opinions

72 Op. Att'y Gen. 190 (1983)

Counties; Libraries; Taxation; A municipality, otherwise qualified, is entitled to an exemption under section 43.64(2), Stats., where the county has not acted to levy a tax specifically designated as a county library tax but does finance "money expended for public library services to its inhabitants" by a general tax levy. OAG 51-83

Counties; Libraries; Taxation; A municipality, otherwise qualified, is entitled to an exemption under section 43.64(2), Stats., where the county has not acted to levy a tax specifically designated as a county library tax but does finance "money expended for public library services to its inhabitants" by a general tax levy. OAG 51-83

72 Op. Att'y Gen. 190, 190 (1983)
November 28, 1983

72 Op. Att'y Gen. 190, 190 (1983)
EUGENE R. DUMAS, Corporation Counsel
Sauk County

72 Op. Att'y Gen. 190, 190 (1983)

You request my opinion with respect to a number of questions which relate to section 43.64(1) and (2), Stats., which as amended by section 932 of 1983 Wisconsin Act 27, provides:

72 Op. Att'y Gen. 190, 190 (1983)

(1) The county board of a county expending money for public library service to its inhabitants may levy a tax to provide funds for such service and shall include any amount of tax under this subsection in the amount of taxes determined to be levied under s. 70.62(1).

72 Op. Att'y Gen. 190, 190 (1983)

(2) Any city, town, village or school district in a county levying a tax for a county library under sub. (1) shall, upon written application to the county board of the county, be exempted from the tax levy, if the city, town, village or school district making the application expends for a library fund during the year for which the tax levy is made a sum at least equal to the sum which it would have to pay toward the county tax levy. For the purposes of this subsection, "library fund" means the funds raised by the city, town, village or school district by tax levy or appropriation under s. 43.52(1)....

72 Op. Att'y Gen. 190, 190-191 (1983)

Although these sections were extensively treated in 65 Op. Att'y Gen. 182 (1976) and 72 Op. Att'y Gen. 49 (1983), you are concerned with the scope of the exemption and what county taxes and supported expenditures are to be included in measuring as against municipal expenditures for a library fund. Your ultimate question is whether the interpretation of these sections made by the Department of Public Instruction is correct. I am of the opinion that it is in substantial part.

72 Op. Att'y Gen. 190, 191 (1983)

A memorandum you include from the Department of Public Instruction dated July 19, 1982, indicates that counties treat taxation for county library services in a number of ways:

72 Op. Att'y Gen. 190, 191 (1983)

1. The county includes all costs for library services within its general budget and the general county levy under sec. 70.62, Stats., et seq. No separate tax for library purposes is levied by the county.

72 Op. Att'y Gen. 190, 191 (1983)

2. The county includes all monies to be raised by taxation for library purposes within a separate county levy denominated "county library tax" or similar phrase.

72 Op. Att'y Gen. 190, 191 (1983)

3. The county combines both methods above. Certain types of library services are funded from a separate county library levy and other library services are funded from appropriations from the general levy.

72 Op. Att'y Gen. 190, 191 (1983)

The department has concluded that "[t]he scope of the exemption hinges upon the scope of the county tax authorized by sec. 43.64(1), Stats...." and that

72 Op. Att'y Gen. 190, 191 (1983)

[b]y its express terms, this statute requires all money to be raised by taxation for county financed library services to be fixed at the time of setting the general levy under sec. 70.62(1), Stats. Since this provision relates to all library services funded by county level taxation and this is the tax

from which exemption can be claimed under sec. 43.64(2), Stats., it necessarily follows that the exemption for eligible municipalities applies to any and all taxes levied by the county for library services. Thus, full exemption remains available regardless of which of the three methods outlined above is utilized by the county to raise funds for library services.

72 Op. Att'y Gen. 190, 191-192 (1983)

You state Sauk County raises funds by taxation to finance expenditures for library services but has included such tax in the general levy without a separate tax for library service. The budget includes items for the Sauk County Library Board, the South Central Library System, services purchased through the Baraboo Municipal Library and contributions to other municipal libraries for serving non-municipal residents.

72 Op. Att'y Gen. 190, 192 (1983)

You inquire: Is a municipality entitled to an exemption under section 43.64(2) where the county has not acted to levy a tax specifically designated as a county library tax but does finance "money expended for public library services to its inhabitants" by a general tax levy?

72 Op. Att'y Gen. 190, 192-193 (1983)

In my opinion the answer is yes. Subsection (1) of 43.64 uses the words may and shall in the same section. The statute recognizes that not all money a county expends for public library services need be raised by tax levy. Many expenditures may be financed by receipts from gifts, donations, income from endowments, fines and service charges. However, subsection (1) expressly provides that where a county exercises its discretion to "levy a tax to provide funds for such service..." the county board "shall include any amount of tax under this subsection in the amount of taxes determined to be levied under s. 70.62(1)." Neither section 43.64(1) nor 70.62(1) specifically require that the amount of the tax for library purposes, or items financed thereby, be listed separately. However, separate listing is beneficial as an aid to consideration of any claimed municipal exemption and is almost a matter of necessity. The exemption in section 43.64(2) is measured by the amount a municipality "expends for a library fund during the year for which the tax levy is made..." as against the amount of "the sum [its proportional share of the tax to be raised] which it would have to pay toward the county tax levy" if it were not exempt. Where there is no separate listing of the expenditures financed by taxes, such figures must be ascertained and totaled to compute the municipality's proportional share of the taxes to be raised so that the exemption can be determined. Where exemption is claimed and there is entitlement, the "rate" of the tax for county library services may have to be adjusted. The statute does not permit, nor could the Legislature have intended, that a municipality which expends substantial amounts for its own library fund could lose its right to any exemption where the county board did raise substantial amounts for county library service purposes by tax levy through inclusion in its general budget and general tax levy rather than by means of designating the amount to be levied as a county library tax. If a county does not levy any tax to provide funds for public library service, municipalities would not be able to qualify for an exemption from a county tax levy under subsection (1) since there would be no tax levy for public library services.

72 Op. Att'y Gen. 190, 193 (1983)

You also inquire whether the scope of the section 43.64(2) exemption encompasses taxes financing only expenditures "for a county library" which is the term used in subsection (2), or whether it extends to all taxes which finance expenditures for "public library service," which is the term used in subsection (1).

72 Op. Att'y Gen. 190, 193 (1983)

It is my opinion that the exemption is measured on taxes which finance expenditures for providing "public library service to its inhabitants," which would include expenditures for a county library should the county choose to operate one pursuant to section 43.52(1). The words "any municipality" as used in that section include a county. Sec. 43.001(4), Stats. My conclusion is based on the legislative history of section 43.64(1) and (2).

72 Op. Att'y Gen. 190, 193 (1983)

Sections 43.52(1) and (2) and 43.64(1) and (2) were renumbered from section 43.25(1), (2), (3) and (4) and amended by chapter 152, Laws of 1971. Former section 43.25(1) authorized cities, villages, towns and counties to establish, maintain and equip a "public library or reading room" and to "annually levy a tax or appropriate money to provide a library fund, to be used exclusively to maintain such library...." Note that the words "public library or reading room" were used and there was no specific use of the term "county library." Former subsection (2) was concerned with free use of such library or reading rooms to the inhabitants of the municipality. Former subsection (3) provided that the county board of the county expending money for "public library service" could provide for recovering from each town, village or city for monies expended by the county for such library service in each town, village and city. Former subsection (4) provided that any city, town or village in any county "levying a tax for a county library under sub. (1) shall upon written application... be exempted from [such] tax levy, [provided] the city, town or village making such application expends for a library fund during the year for which such tax levy is made a sum at least equal to the sum it would have to pay toward such county levy." The Legislative Counsel note to the change included:

72 Op. Att'y Gen. 190, 193-194 (1983)

(2) S. 43.64 is altered to eliminate a special statement on taxing procedure for library service, and to provide that the amounts to be levied for such services will be treated as part of the regular county levy. As revised, it is the section which will be used, in most cases, for tax-levying purposes by counties participating in public library systems.

72 Op. Att'y Gen. 190, 194 (1983)

The note is not enlightening as to whether the exemption in section 43.64(2) extends to all taxes to pay for providing "public library service" or is limited only to that portion of taxes raised to finance a county library. Neither "county library" nor "public library service" are defined in chapter 43 and few counties have established and operate a county library governed by its own board pursuant to sections 43.52-43.56. However, the reference in former 43.25(4) was to a "county levying a tax for a county library under sub. (1)," which at that time referred to power of

a county to establish a public library and levy a tax therefor. When subsection (4) was renumbered to 43.64(2), it continued to refer to a "county levying a tax for a county library under sub. (1)." However subsection (1) of section 43.64 was renumbered from 43.25(3) which authorized a "county expending money for public library service" to its inhabitants to levy and collect a tax for such advances. Present 43.64(1) also refers to "expending money for public library service." I therefore conclude that the Legislature intended to exempt a municipality, otherwise qualified, from a county tax levy to provide public library service to its inhabitants and not only to that portion of tax which finances a "public [county] library" organized pursuant to section 43.52(1).

72 Op. Att'y Gen. 190, 194 (1983)

The conclusion reached herein is consistent with that reached in 72 Op. Att'y Gen. 49 (1983). I conclude with the same last sentence: "It is evident from this dissertation that section 43.64(2) needs legislative attention."

Legal References and Planning Guides

Planning for Results: A Library Transformation Process. Chicago, IL: American Library Association, 1998.

Wisconsin Public Library Standards. Madison, WI: Wisconsin Department of Public Instruction, 2000.

Wisconsin Statutes, Chapter 43.

Appendix 2: Wisconsin Retirement Rules – Joint Instrumentalities.

<http://www.state.wi.us/agencies/etf/empl/ebl750.htm>

Vol. 17, Local F

July 5, 2000

Joint Instrumentality Rule Effective July 1, 2000

Effective July 1, 2000, the Department of Employee Trust Funds (ETF) promulgated a rule to help employers determine:

- If an employe of a joint instrumentality qualifies as a participating employe under the Wisconsin Retirement System (WRS), and
- How to apportion responsibility among the WRS participating employers for reporting hours and earnings to the WRS.

Under state law, some local units of government are permitted to join together to create a joint instrumentality. It is possible for two or more employers to create a joint instrumentality which is not recognized as a separate unit of government for purposes of Titles II and XVIII of the Federal Social Security Act and for WRS purposes. One example would be a joint library district.

This rule specifies that an employe of a joint instrumentality is a participating employe under the WRS if any of the units of government forming the joint instrumentality is a participating employer under the WRS and the employe meets the WRS eligibility criteria. In determining whether an employe meets the WRS eligibility criteria, the employe's work for the joint instrumentality is to be considered as a whole, without regard to the number of separate units of government which created the joint instrumentality or any agreement among them apportioning responsibility for the retirement contributions. For example, a librarian in a permanent position working 900 hours per year for a joint library district created by six towns and villages, at least one of which is a WRS participating employer, would qualify as a participating employe under the WRS.

Reporting Hours and Earnings for WRS

The number of hours and the amount of earnings to be reported by each WRS participating employer with respect to an employe of the joint instrumentality are determined by prorating the hours and earnings among the employers that created the joint instrumentality. If the proration is not specified by the agreement establishing the joint instrumentality, it must be in accord with the agreed proration of other expenses. If no proration is provided in the agreement, each WRS participating employer must report as hours and earnings, the total amount divided by the number of units of government forming the joint instrumentality.

EXAMPLE:

A librarian works 1,800 hours annually and is paid \$20,000 per year by a joint library district created by a town and a village, both of which are WRS participating employers, and both agree to split the expenses, with the town paying 80% and the village 20%:

- The town would report for WRS purposes, 1,440 hours of service and \$16,000 in earnings.
- The village would report for WRS purposes, 360 hours of service and \$4,000 in earnings.

NOTE: If the village is not a WRS participating employer, it would have no obligation for WRS purposes, whatsoever, while the town's responsibilities would be exactly the same.

For more information about this new rule, please contact the Employer Communication Center at (608) 264-7900.

JOINT INSTRUMENTALITY RULE

SECTION 1. ETF 10.55 is created to read:

ETF 10.55 Joint Instrumentalities; reporting participating employees, service and earnings.

(1) SCOPE. This section applies to reporting and contributions with respect to employment by joint instrumentalities created by two or more units of government, when all of the following apply:

(a) At least one of the units of government creating the joint instrumentality is, or subsequently becomes, a participating employer in the Wisconsin retirement system.

(b) The joint instrumentality is not a separate and independent employer within the meaning of s. 40.02 (28), Stats., as determined by the department. A joint instrumentality which has not established itself as a separate unit of government for OASDHI purposes is not a separate and independent employer under this paragraph.

Example: A joint library district is not a separate and independent employer.

(c) There are persons employed by the joint instrumentality. This section does not apply with respect to employees of a unit of government loaned or assigned to perform services for a joint instrumentality. Those individuals remain the employees of their employing unit of government which is subject to the usual reporting and contribution requirements.

Example: If a joint library district's library board hired a librarian but the library was located on the premises of one of the units of government establishing the joint library district, which assigned one of its janitors to the library, then this section would apply with respect to the librarian but not the janitor.

(2) PURPOSE. With respect to the employees of joint instrumentalities subject to this section:

(a) Each participating employer forming a joint instrumentality covered by this section shall be responsible for its share of the retirement benefits of the instrumentality's employees who meet the qualifications for participating employees as both the share and qualifications are determined under this section.

(b) Nothing in this section prevents the units of government forming a joint instrumentality subject to this section from providing for their share of responsibility for the retirement benefits of the employees of the joint instrumentality in the agreement establishing the joint instrumentality. If they fail to expressly address the issue then the share of each participating employer shall be determined as provided in this section.

(c) Whether an employee of a joint instrumentality covered by this section is a participating employee under s. 40.22, Stats., is not affected by the number of units of government which form the joint instrumentality.

(3) PARTICIPATING EMPLOYEES. (a) An employee of a joint instrumentality subject to this section is a participating employee for Wisconsin retirement system purposes if any of the units of government forming the joint instrumentality is a participating employer under s. 40.21, Stats., unless the employee is excluded under s. 40.22 (2), Stats.

(b) In making determinations concerning the work expected of or services rendered by an employee of a joint instrumentality, including determining whether an employee is expected to work at least one-third of what is considered full time employment by s. ETF 20.015, the employee's work for the joint instrumentality shall be considered as a whole, without regard for the number of separate units of government which created the joint instrumentality or any agreement among them apportioning responsibility for expenses or for retirement contributions.

Example: A librarian working 900 hours per year for a joint library district created by six towns and villages, at least one of which is a participating employer, would not be barred from being a participating employe under the WRS by s. 40.22 (2)(a), Stats.

- (4) REPORTING REQUIREMENTS.** (a) *Report participating employe.* Among the units of government which formed the joint instrumentality, each unit which is a participating employer under s. 40.21, Stats., shall report each employe of the joint instrumentality who qualifies as a participating employe under sub. (3) to the department as its own participating employe.
- (b) *Reported earnings.* Earnings shall be reported by each participating employer, in the same manner and subject to the same requirements as for its other participating employes, with respect to each employe of the joint instrumentality required to be reported as a participating employe under sub. (3). The amount of earnings to be reported shall be determined by prorating the gross amount paid to the employe for services rendered to the joint instrumentality which would qualify as "earnings" under s. 40.02 (22), Stats., if the joint instrumentality were itself the employer among the units of government which created the joint instrumentality. If the proration is not specified by the agreement that establishes the joint instrumentality, proration shall be made as are expenses for the joint instrumentality. If no proration of expenses is provided in the agreement, each participating employer shall report the total amount of earnings divided by the number of units of government forming the joint instrumentality during that annual earnings period. If a unit of government joins or leaves a joint instrumentality during an annual earnings period, reported shares of earnings shall be adjusted as of the date of that event.
- (c) *Contributions.* Each participating employer shall transmit as required contributions to the department the same percentages of the employe's reportable earnings determined under par. (a) as is required, and in the same manner as, contributions on earnings for its other participating employes in the same employment category.
- (d) *Service.* The employe's hours of service for creditable service purposes shall be prorated in the same manner as earnings under par. (a) and reported to the department by each participating employer in the same manner as is required for its other employes.

Example: If a librarian qualifying as a participating employe worked 1,800 hours annually and was paid \$20,000 per year by a joint library district created by a town and a village, both of which are participating employers, and they had agreed to split the expenses, with the town paying 80% and the village 20%, and the agreement was silent on allocating responsibility for the employes, then the town would report 1,440 hours of service and \$16,000 in earnings, while the village reported 360 hours of service and \$4,000 in earnings, with each making the associated contributions. If the village in this example was not a participating employer, it would have no obligation whatsoever while the town's responsibilities would remain exactly as stated.

(5) NON-PARTICIPATING EMPLOYERS. Nothing in this section shall be construed to require any employer which does not participate in the Wisconsin retirement system to make any report to the department or to pay any contributions to the public employe trust fund.

(END OF RULE TEXT)

Agreement for the operation of the Joint Library District.

AGREEMENT BETWEEN _____ AND _____ FOR THE JOINT SUPPORT AND OPERATION OF THE _____ LIBRARY

WHEREAS the City (Village, Town) _____ and the Town(s) (Village, Town) _____ desire to establish a Joint Library District, pursuant to Chapter 43.56 of the Wisconsin State Statutes, and

WHEREAS, the municipalities desire to enter into an agreement relating to the matters pertaining to the operation of such joint district, and

WHEREAS, the municipalities recognize the benefit to the communities of the joint operation of an area-wide library;

NOW THEREFORE, WITNESSETH, that for and in consideration of the mutual agreements, covenants and provisions herein contained, the parties hereto agree that the joint library district shall be governed by a Joint Library Board of Trustees according to the terms and conditions as set out herein:

1. Joint Library Board of Trustees – Membership – Terms.

The joint library district board shall consist of (7 to 11) trustees.

- ___ Trustees shall be appointed by the mayor (village president, town chair) of _____
- ___ Trustees shall be appointed by _____
- ___ Trustees shall be appointed by _____

All appointments are subject to confirmation by the respective legislative bodies.

The K-12 School District trustee shall be the Superintendent of Schools or the Superintendent’s appointee. (If there is more than one school district in the proposed joint library, provision must be made for this appointment- perhaps on a rotating basis).

Appointments shall be for staggered three-year terms as determined by the board in order to achieve a measure of continuity on the board.

The trustees shall elect a president, vice-president, and treasurer, and shall adopt such rules in accordance with Chapter 43.58 of the Wisconsin Statutes, as may be applicable herein.

2. Power and Duties

It is understood that the Joint Library District Board will operate pursuant to Section 43.58 of the Wisconsin Statutes and that all sources of revenue shall be used for the operation of the Library, except those permanent trust funds and gifts under the Joint Library District Board’s control. It is further understood that the Joint Library District Board shall be free to contract with any of the respective municipalities or the County of _____ for services. All moneys received by devise, bequest or gift for the purpose of the joint library district shall be administered as are other funds

but under a separate account unless stated to the contrary as a provision of the devise, bequest or gift.

3. Joint Library District Budget

The Joint Library District Board shall submit its estimate of library financial needs each year to the appropriate governing body of each member municipality on or before September 1st.

Such budget shall outline in detail the purpose of the proposed expenditures and operating costs. Such budget shall be subject to review and revision by the governing body of each municipality. Should any governing body make a change or revision in any portion of the library budget it must notify the Joint Library District Board on or before October 1st of each year. Upon the Board being notified that one of the participating municipalities has sought a change or revision in the budget they shall immediately request that each town chairman or in the case of the City of Rhinelander the Mayor to choose one person to represent their municipality and to participate in a committee to arbitrate the revision of the library budget. The Town Chairman or the Mayor of each participating municipality respectively shall pick their representative to participate in the arbitration committee by October 15th. The Arbitration Committee shall meet and operate by rules that it chooses, but the majority vote of the committee as to the library budget for the next coming year shall be binding upon each participating municipality. The Arbitration Committee shall return its decision by November 15th.

4. Appropriation of Costs

It is agreed that the member municipalities shall fund that portion of the operating budget of the Joint Library District which is to paid by tax levy from the member municipalities based upon the following formula: Fifty percent (50%) of the municipality's total share shall be based on its respective ratio of equalized property valuation to the total valuation of all member municipalities. This equalized property value shall annually be determined by the Wisconsin Department of Revenue. The additional fifty percent (50%) of the member municipalities share of the budget shall be determined by its respective ratio of population to the total population of the joint library district as it is estimated by the State of Wisconsin for the previous year. This method of valuation shall go into effect January 1, 1985. For budget year commencing January 1, 1982, ending December 31, 1982, the City of Rhinelander shall pay sixty-five percent (65%) and the member Towns thirty-five percent (35%) of the total Joint Library District budget. For the budget year commencing January 1, 1983, ending December 31, 1983, the City of Rhinelander shall pay fifty-eight percent (58%) and the member Towns forty-two percent (42%) of the total Joint Library District budget. For the budget year commencing January 1, 1984, ending December 31, 1984, the City of Rhinelander shall pay fifty percent (50%) and the member Towns fifty percent (50%) of the total Joint Library District budget. The above percentages are to be applied after Oneida County contributions have been determined by the Oneida County Board of Supervisors.

5. Payment of Levy

Each member of the Joint Library District shall pay to the City of Rhinelander Treasurer on or before February 1 of each year a percentage of its Library levy proportionate to the amount of taxes received for the current tax year. The remainder of the levy shall be paid in accordance with the municipal treasurers' normal procedure for tax settlement with the Oneida County

Treasurer. The City of Rhinelander Treasurer and Comptroller shall be responsible for the maintenance and the disbursement of the Joint Library District budget under the direction of the Joint Library District Board of Trustees following Wisconsin Statute 43.58(1). The accounting and bookkeeping for the Joint Library District budget shall be maintained by the City of Rhinelander at no charge to the joint Library District and the books shall be open for inspection during normal business hours any day for any member municipality.

6. Employees

Library personnel will be employed by the Joint Library District Board but for salary and benefit purposes will continue as City of Rhinelander employees with salary and benefit costs to be reflected in the Joint Library Districts budget and paid for as previously described by all member municipalities.

7. The City of Rhinelander Contribution

The City of Rhinelander shall retain ownership of all real estate presently under the jurisdiction of the Rhinelander Public Library Board. The City of Rhinelander hereby agrees to lease the present library facility to the Joint Library District for a sum of One Dollar (\$1.00) annually, with the term of the lease to run concurrent with the term of the within Joint Library Agreement. All personal library assets presently under the jurisdiction of the Rhinelander Public Library Board shall be transferred to the jurisdiction of the Joint Library District.

8. Term of Agreement

This agreement shall commence on January 1, 1982 and shall continue for not less than seven (7) years. In the event any member municipality of the Joint Library District wishes to withdraw from this agreement prior to the end of the term stated above, it shall be able to do so only upon one (1) year prior written notice to the remaining municipal members of the Joint Library District.

9. Distribution of Assets Upon Dissolution

In the event this agreement shall be dissolved, all assets of the Joint Library District, both real and personal, shall be appropriated in accordance with the initial contribution of the respective municipalities upon the establishment of the joint Library District, and thereafter, in accordance with the percentum of contribution of each member municipality as established in paragraph 4 herein, for the year in which dissolution occurs.

IN WITNESS THEREOF, the duly authorized municipal officers have caused this agreement to be signed and sealed on the 8 day of December , 1981.

[Signatures]

