

District Library Establishment

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BEFORE THE AGREEMENT

BEFORE THE AGREEMENT

- Why form a district library?
 - Funding:
 - Fairness Issue.
 - Ability to locally determine funding needs.

BEFORE THE AGREEMENT

■ Why form a district library?

■ Independence:

- Funding.
 - District-wide millage.
 - Bonding.
- Library governance -- independent library board.
- Special considerations for PA 164 or City department libraries.

BEFORE THE AGREEMENT

- How do you Determine the Participating Municipalities?
 - Who may participate? A district library needs 2 or more (except for a “single unit” except described below) of the following:
 - Cities
 - Villages
 - Townships
 - School Districts
 - Counties.

BEFORE THE AGREEMENT

- How do you Determine the Participating Municipalities?
 - School Districts at one point were subject of a “sunset” provision that prevented them from being participating municipalities after January 1, 2015.
 - That provision was amended in 2016 and now school districts are back in!
 - If 2 or more school districts participate, they must hold their regularly scheduled elections on the same date.

BEFORE THE AGREEMENT

■ How do you Determine the Participating Municipalities?

■ Why participate?

- Will have the opportunity to participate in the negotiating and drafting of the Agreement.
- May choose board members if there is an appointed board.
- Determine if future amendments to Agreement are made.
- Library service may come "off the books" of that Participating Municipality.

BEFORE THE AGREEMENT

- How do you Determine the Participating Municipalities?
 - Determine the boundaries:
 - Are any other legal library service areas included?
 - Must exclude all other district libraries.
 - May exclude certain public libraries that (a) are recognized to receive state aid and (b) are PA 164, school libraries or county libraries. If included, the Library Board (non-advisory) still must approve the agreement.
 - Other exclusions may apply

BEFORE THE AGREEMENT

- How do you Determine the Participating Municipalities?
 - Determine the boundaries:
 - Are any other contracted service areas included?
 - If yes, those service contracts will be void.
 - Library should consider the effect of those areas on the participation by the Participating Municipality and the neighboring library. May need to include continued service contracts as part of the "deal."

BEFORE THE AGREEMENT

■ How do you Determine the Participating Municipalities?

- The pros and cons of including School Districts and Larger Municipalities.
 - Pro -- includes large area without individual participation of the cities, villages and townships included in the area. The Library can include a large territory without extra approvals of additional township boards and city and village councils.
 - Con -- includes large area without the individual participation of cities, villages and townships. What if the city, village or township does not want to be part of the district or wants a voice in the process? This can create political problems.
 - Be very open about what involving the School District will mean to the municipalities that are included in the School District.
 - **School Districts cannot be added later.** If a School District is considering joining, it must be an original Participating Municipality. Otherwise, the Library will have to dissolve and reform to include a School District.

SINGLE UNIT

II How do you Determine the Participating Municipalities?

- Recently added ways to form a District Library.
 - Single Unit (except a school district):
 - Must have approval of the state librarian; and
 - Each of the following requirements is satisfied:
 - » The municipality has made an assertive effort over a period of time of not less than 3 consecutive years to form a district library with 1 or more other municipalities.
 - » The municipality has submitted to and received the state librarian's approval of a plan of service.
 - » The municipality has a population of 4,500 or more.
 - » The municipality is otherwise qualified and meets the requirements of a district library under this act.
 - » Any other requirements considered necessary by the state librarian to ensure that a district library created under this section complies with the intent of this act.

REFERENDUM

- Recently added ways to form a District Library.
 - "Referendum."
 - Petition for a municipality to create or become part of an existing district.
 - Initiated by petition of not less than 5% of the registered electors residing in the affected municipality, municipalities, or the portion of a municipality, requesting a referendum on the question of becoming a district library or joining an existing district library

REFERENDUM

II "Referendum."

- The clerk of each affected municipality:
 - Verifies the required number of signatures on the petitions
 - Files a copy of the petition with the Department of Education
 - Submit the question of whether the municipality should become a participating municipality.

REFERENDUM

- **Referendum:** If the question of the petition relates to the joining of an existing district library:
 - Before circulating the petition for signatures, the supporters of the petition may submit the proposal and the petition language to the existing district library board for review and approval.
 - The district library board shall vote by resolution to accept or reject the proposed new participating municipality within 30 days of receiving a copy of the proposed petition.
 - If the proposal is approved by the district library board and the referendum is passed by the electors, the district library shall amend its agreement to incorporate the new participating municipality.

REFERENDUM

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REFERENDUM

■ Referendum:

- The referendum submitted to the electors under this section shall include a request for a millage to fund the new district or the municipality's obligation to the existing district.
- For district libraries with appointed boards, the referendum shall include language regarding the appointment of new members to represent any new participating municipality.

BEFORE THE AGREEMENT

■ Referendum:

- If approved by a majority of the electors in the affected municipality voting on the question, the municipality shall proceed to become a participating municipality in the manner provided under this act.
- A new district library established under this section shall consist of 2 or more municipalities and be governed by an elected board as provided under section 11. The board required under this subsection shall be elected not later than 1 year from the date the electors approve the new district.

BEFORE THE AGREEMENT

II Referendum:

- If a new district library is created under this section, each participating municipality shall appoint members to an interim governing board in a number proportional to its population in relationship to the entire district.
- The interim board shall prepare and submit the agreement and map required by this act to the department no later than 180 days from the date the electors approve the new district.
- If the agreement and map are not submitted as required by this subsection, the agreement and map shall be prepared by the state librarian.

BEFORE THE AGREEMENT

II Referendum:

- If the district library board has not approved the new participating municipality under subsection (2) and the petition is submitted to the electors for approval and passes, the board of the district library shall vote within 30 days following certification of the election results whether to accept or reject the new proposed participating municipality. If the new participating municipality is accepted, the district library shall amend its agreement to incorporate the new participating municipality.



DISTRICT LIBRARY ESTABLISHMENT ACT REQUIREMENTS

DISTRICT LIBRARY ESTABLISHMENT ACT

- This session will focus on the typical issues that arise during a district library establishment process.

DISTRICT LIBRARY ESTABLISHMENT ACT

- Required Provisions. The agreement shall provide for the creation of a board to govern the operation of the district library and set forth all of the following:

DISTRICT LIBRARY ESTABLISHMENT ACT

- **Name.** The Agreement must include the name of the district. Now, after the enactment of Act 60 of the Public Acts of 2005, the name must include the word "district."

DISTRICT LIBRARY ESTABLISHMENT ACT

- **Participating Municipalities.** The Agreement must include the identity of the municipalities establishing the district library. The Library should review the boundaries to determine if any territory should be excluded.

DISTRICT LIBRARY ESTABLISHMENT ACT

- **Appointed or Elected Board.** The Agreement must include method of selection of board members, whether by election or appointment.
 - ***Appointment.*** If by appointment, the Agreement should include:
 - The term of office (up to 4 years);
 - The total number of board members (5 to 8); and
 - The number of board members to be appointed by the legislative body of each Participating Municipality.
 - ***Election.*** If by election, there shall be seven (7) members voted at large from the district. However, the Agreement must include the number of provisional board members to be appointed by the legislative body of each Participating Municipality.

DISTRICT LIBRARY ESTABLISHMENT ACT

- **Funding.** Of the amount of money to be stated in the annual budget pursuant to section 13, the Agreement must include the percentage to be supplied by each Participating Municipality. If a Participating Municipality provides nothing, the Agreement should specifically state that the Participating Municipality has no obligation to fund the district.

DISTRICT LIBRARY ESTABLISHMENT ACT

- **Amendment.** The Agreement should include the procedure for amending the agreement, which shall require the consent of the legislative bodies of not less than 2/3 of the Participating Municipalities.

DISTRICT LIBRARY ESTABLISHMENT ACT

- **Withdrawal.** A period of time after the effective date of the agreement, not less than 1 year, during which the adoption of a resolution to withdraw from the district library pursuant to section 24 shall be void.
 - The Participating Municipalities should understand the effect of withdrawing before they approve the agreement.
 - If all but one withdraw, the district library is dissolved.
 - If a Participating Municipality withdraws, the Library is still in existence, and there is a districtwide millage in effect, residents in the Participating Municipality must still pay the existing millage until it expires.

DISTRICT LIBRARY ESTABLISHMENT ACT

- **Distribution of Library Assets.** Any distribution of district library assets to take place upon the withdrawal of a Participating Municipality should be identified in the Agreement.

DISTRICT LIBRARY ESTABLISHMENT ACT

- **Miscellaneous.** The Agreement may provide for any other necessary provisions regarding the district library.

DISTRICT LIBRARY ESTABLISHMENT ACT

- **Involuntary Dissolution.** A district library agreement may provide that the district library board is abolished and the district library terminates unless, on or before a date stated in the agreement, the district electors approve a district library millage at a rate not less than a minimum number of mills stated in the agreement. If the district library agreement contains such a provision, the district library agreement shall specify the manner in which the net assets of the district library shall be distributed to the Participating Municipalities upon termination and shall contain a plan for continuing public library service to all residents of the district after termination.

DISTRICT LIBRARY ESTABLISHMENT ACT

- **Approval by Resolution.** The Participating Municipalities must approve by resolution and submit the resolution with the District Library Agreement to the Library of Michigan.



ISSUES FOR DISCUSSION

ISSUES FOR DISCUSSION

II Funding.

- Millage: The exact millage cannot be dictated by the existing Library Board or the Participating Municipalities. However, the agreement may provide for a minimum that must be requested (see above).
 - Either have a districtwide millage.
 - Passes if approved by the majority in the entire district.
 - Must be levied uniformly in the district. This becomes an issue at times if a Participating Municipality joins an existing district.
 - Millage may be up to 4 mills, 2 mills may be in perpetuity.
 - Individual Participating Municipalities may approve and levy "single unit" millages in support of the district library.

ISSUES FOR DISCUSSION

- Interim Period: If there is a districtwide millage or if individual Participating Municipalities were to ask for a millage, how will the Library be funded in the interim?
 - Continue to levy existing millage (if ballot language does not prevent it).
 - General fund contributions by Participating Municipality.
- Contributions from Participating municipalities.
- Penal fines and state aid.

ISSUES FOR DISCUSSION

II Employment.

- Termination/lease
- Retirement
- Benefits
- Seniority
- Need information regarding current employees

ISSUES FOR DISCUSSION

II Property Transfer.

■ Real Property

- Transfer
- Sale
- Lease

■ Personal Property

- Who owns what property in the Library
- Formal transfer of property should be included
- Endowment and other funds

■ Any restrictions of use for the property?

■ Effect of property upon dissolution

ISSUES FOR DISCUSSION

|| Contractual Obligations

ISSUES FOR DISCUSSION

|| Insurance

ISSUES FOR DISCUSSION

|| Fiscal Year



AFTER APPROVAL

AFTER APPROVAL

- Submission to State Librarian within ten (10) days of approval.
 - A copy of the Agreement
 - Resolutions from all the Parties
 - Map of District showing the relationship to adjacent and constituent units of government.

AFTER APPROVAL

|| Tax ID Numbers

AFTER APPROVAL

|| Millage Results

AFTER APPROVAL

- Library now an independent public body.
 - First meeting of Library Board.
 - Adopt Policies and Bylaws
 - Adopt Regular Meeting schedule
 - Approve all obligations under the District Library Agreement
 - Library does its own budget and budget hearing.
 - Tax Identification No.
 - Review all contracts and policies for notification of new District.

THANK YOU

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