

**INTERLOCAL AGREEMENT BY AND BETWEEN ORANGE COUNTY
AND THE TOWN OF CHAPEL HILL REGARDING
FUNDING OF THE CHAPEL HILL MUNICIPAL LIBRARY AND
IMPROVED INTEROPERABILITY OF LIBRARY SYSTEMS**

THIS AGREEMENT, made and entered into this ____ day of _____, 20__ between the Town of Chapel Hill, North Carolina, a North Carolina municipal corporation, of Orange County, North Carolina (hereinafter referred to as the "Town"); and Orange County, a body politic and political subdivision of the State of North Carolina (hereinafter referred to as the "County"), for the joint and/or assigned operations and funding responsibilities of the Chapel Hill Municipal Library (hereinafter referred to as the "Municipal Library").

WITNESSETH

WHEREAS, the County and Town are public bodies, politic and corporate, under the laws of the State of North Carolina and are vested with the power and authority to own and operate libraries for the benefit of the public pursuant to Article 14 of North Carolina General Statutes Chapter 153A and are authorized by Article 20 of North Carolina General Statutes Chapter 160A to enter into this Interlocal Agreement (hereinafter referred to as the "Agreement"); and

WHEREAS, the County operates a library system affording services to all residents of Orange County and the Town operates its Municipal Library for the principal benefit of Town residents, while also providing library services to residents of the County beyond its corporate limits; and

WHEREAS, the County has historically provided financial support for the Town's operation of the Municipal Library by way of an annual contribution, most recently a sum of approximately \$250,000.00 in FY2010-11; and

WHEREAS, the County and Town (hereinafter referred to jointly as the "Parties") acknowledge that Town residents primarily rely on the Municipal library for library services and, further, that many residents of the southern portion of the County, outside the Town, also rely on the Municipal Library and not the County library system, for library services; and

WHEREAS, the Municipality has historically provided library services to County residents outside of the Town's corporate limits at no charge and on the same basis as such services are provided to Town residents in accordance with N.C General Statute Sec. 153A-264; and

WHEREAS, the Parties have not previously instituted a formal written agreement to direct or calculate the County's annual contribution in support of Municipal library operations; and

WHEREAS, the Parties recognize the mutual benefit and interest of the Parties hereto, and to the public generally, in the County's continued contribution to the Municipal Library and in the Town's provision of library services to County residents; and

WHEREAS, the Parties wish to continue their longstanding relationship under which the County provides annual funding to the Town for library services to ensure such services are available at no charge to County residents; and

WHEREAS, the Parties wish, by entering into this Agreement, to establish the terms whereby future County funding of the Municipal Library shall continue and to establish a mechanism or formula whereby such funding may be appropriately calculated; and

WHEREAS, the Parties wish to explore the opportunities for cooperative inter-library services and operability, whereby residents of the Town and the County may have improved access to library resources provided by both Parties:

NOW, THEREFORE, in consideration of the foregoing and on mutual promises and obligations set forth herein, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. TERM

- a. This Agreement shall commence January 1, 2011 for the 2010-2011 Fiscal year and shall continue through June 30, 2015.
- b. This Agreement may be renewed beyond July 1, 2015 upon written agreement of the Parties.

2. COUNTY CONTRIBUTIONS TO LIBRARY OPERATING EXPENSES

- a. The County contributed to the Town, for general operating expenses of the Municipal Library, a base sum of Two Hundred Fifty Thousand Dollars (\$250,000) for FY 2010 - 2011. The \$250,000 represents 18% of the \$1,394,702 operational costs the County budgeted for its Main Library, Carrboro Cybrary and the Carrboro-McDougle Library for the same fiscal year.
- b. The County agrees to increase the base sum for Fiscal year 2011-2012 (subject to budget constraints) with a goal of increasing funding allocated to the Town Library as a percentage of what the County spends in the same fiscal period for operational costs of the County Library System. The County' annual base sum contribution to the Town Library shall increase each fiscal year through June 30, 2015 until the County's contribution to the Town Library equates to 30 % of what the County spends annually for operational costs for the County Library System. .
- c. It is the County's intent to increase its contribution to the Town Library by adding 3% of the total annual operational costs of the County Library system to the sum contributed to the Town each fiscal year. Over the life of

this agreement, doing so would increase the County's contribution to the Town's Library from its current 18% of total County Library System operational costs to 30% in the fiscal year ending June 30, 2015.

- d. If in any fiscal year the County does not increase its funding of the County Library System by an amount equal to the increase being provided the Town Library via this agreement, the amount contributed to the Town Library will be less than 3%. If in any fiscal year the County reduces funding for County Library System operational costs, no increase will be provided the Town Library during that same fiscal year.
- e. It would be the intent of the County to increase its funding of County Library operational costs at a minimum by an amount equal to the proposed increase in funding provided the Town Library by the County each fiscal year.
- f. At no time during the term of this agreement would the County's contribution to the Town Library fall below the base amount of \$250,000.
- g. Funding for equipment, facility expansion and debt service associated with facility enhancements of County Libraries are not operational costs and are excluded in calculation of contributions to be provided the Town Library by the County.
- h. The Town will remain responsible for the day to day operations of the Municipal Library.

3. INTEROPERABILITY OF LIBRARY SYSTEMS

- a. The Parties agree to direct County and Town managers and library staff to examine methods and determine the most appropriate methods of interoperability between the Orange County Library System and the Town of Chapel Hill Library. .
- b. Upon staff mutually determining the most appropriate methods for a transition to interoperability, County and Town management shall make a recommendation to the governing boards of the County and Town before November 2012. This recommendation will include a description of costs and benefits of options considered.
- c. Upon adoption of an agreement implementing interoperability, which may be adopted by way of Amendment to this Agreement, such interoperability shall be phased in over an appropriate period of time.

4. LIBRARY BOARD OF TRUSTEES/ADVISORY BOARD

The Board of County Commissioners shall appoint a county commissioner to serve as liaison to the Town's Library Board of Trustees. The liaison may attend Board of Trustees meetings and may make recommendations to the Board of Trustees.

5. REVIEW OF AGREEMENT

- a. During the initial five year term this Agreement shall be reviewed by staff of the Municipal Library and Orange County Library and County and Town

Management each year beginning no later than November 2012 with a report generated for the Town and County governing boards describing:

- i. The cost/benefit of the County's funding contribution to the Municipal Library;
 - ii. Any difficulties encountered in implementing the terms of this Agreement;
 - iii. Verification that funding provided is being utilized as proposed;
 - iv. Consideration of ways by which the County may offset the demand on the Municipal Library;
 - v. Any other issues that need to be examined.
- b. Upon the conclusion of the initial five year term should the Parties elect to renew this Agreement for an additional year and for additional one year terms thereafter the Agreement shall be reviewed by staff annually with a report generated for the Town and County governing boards describing the same items set out in subsection (a) of this section.

6. AMENDMENTS

This Agreement may be amended by mutual written consent of the County and Town.

7. TERMINATION

This Agreement may be terminated by the Parties hereto upon one year advance written notice by either Party or at any time by mutual written agreement of the Parties.

8. NOTICE

Any notice required by this Agreement shall be in writing and delivered by certified or registered mail, return receipt requested to the following:

To the County:

Orange County
County Manager
200 S. Cameron Street
Hillsborough, NC 27278

To the Town:

Town of Chapel Hill
Town Manager
405 Martin Luther King, Jr. Blvd.
Chapel Hill, NC 27514

9. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement of the parties hereto and is effective the date first above recorded.

Mayor, Town of Chapel Hill

Chair, Board of Orange County
Commissioners

ATTEST:

ATTEST:

Town Clerk

Clerk to the Board

DRAFT