

## REPORT TO COUNCIL City of Sacramento

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www.CityofSacramento.org

**PUBLIC HEARING**  
May 27, 2008

**Honorable Mayor and  
Members of the City Council**

**Title: FY2008/09 PROPOSED BUDGET – Sacramento Public Library Authority**

**Location/Council District: Citywide**

**Recommendation:** Conduct a public hearing on the FY2008/09 Proposed Budget for the Sacramento Public Library Authority and upon conclusion adopt an intent motion to approve the budget as proposed.

**Contact:** Anne Marie Gold, Library Director, (916) 264-2830; Rick Teichert, Deputy Director – Administrative Services, (916) 264-2737

**Presenters:** Anne Marie Gold

**Department:** Sacramento Public Library Authority

**Division:** Sacramento Public Library Authority

**Organization No:** N/A

### **Description/Analysis**

**Issue:** This report provides information on the FY2008/09 proposed budget for the Sacramento Public Library Authority. It includes an overall description, budget summary, and proposed actions to assist in balancing the City's budget.

The Sacramento Public Library Authority (SPLA) consolidates into one agency the operation and administration of 26 Library branches and the Central Library operated throughout the majority of Sacramento County. The City of Sacramento funds the provision of Library services, including 10 City branches and the Central Library, through a General Fund contribution (\$8,704,585 proposed FY 2008/09) and a City Special Parcel Tax (\$4,370,400 FY 2008/09) dedicated to Library funding. SPLA accounts for the funding and expenses for providing Library services through four governmental funds: County/Cities Fund, which tracks the activity for the 16 branches in the cities of Citrus Heights, Elk Grove, Iselton, Galt, Rancho Cordova and the unincorporated areas of the County of

Sacramento; the Sacramento City General Fund and the Sacramento City Special Tax Fund track the accounting for the 10 City of Sacramento branches and Central Library; and the Shared Cost Fund which provides for the accounting of shared and administrative costs allocated to the three funds above.

This budget continues the tradition of providing strong core Library services through a dedicated staff of 308.25 FTE, a solid materials budget supporting about 2.0 million items, broad access to public computers and Wifi internet connections, and excellent programs. The resources programmed in this budget provide continued customer centric service through strong support of staff and the 27 Library branches.

The City of Sacramento General Fund contribution for libraries is proposed to be reduced by \$776,515 to an amount of \$8,704,585. The City has committed to funding an additional \$59,754 to support the opening of the new Valley Hi North Laguna Library in June 2009. The Library will recognize the additional revenue and cost for the new branch in its September Final Budget. In addition to the revenue reduction, the Library has salary and benefits costs increasing by about 7.5% or \$400,000 for the City General Fund supported libraries. The City's share of Shared Cost Fund administrative costs is also rising by similar proportions for FY 2008/09. The Library is also experiencing reductions in other revenue sources, such as State contributions supporting library services.

The total impact of the revenue reduction and cost increases is \$1.24 million in the Library's Sacramento City General Fund. These revenue reduction and cost impacts have resulted in a number of actions recommended to balance the FY 2008/09 proposed Library budget; the most significant is the reduction of Library service hours. Staff is recommending service reductions at five City branches to accommodate the staffing reductions. Library staff is recommending freezing a total of 15 positions representing 13.0 Full Time Equivalents (FTE's), directly funded by City General Fund contributions. These positions save about \$940,000 annually. Of these positions, three are vacant and twelve are filled positions. There are currently sufficient vacant positions to provide for the transfer of the affected staff without recommending layoffs in this proposed budget.

The Library staff has also reduced "shared" or administrative costs in the Shared Cost Fund where possible. Five vacant positions are recommended to be frozen or unfunded across five departments, resulting in annual savings of \$478,000. In addition, reduction in discretionary expenditures is recommended in areas such as consultant and outside services, advertising, and travel/training.

Staff is planning to be able to sustain these reductions for several years, until the local economy recovers and City of Sacramento General Fund revenue growth returns. Staff is proposing to use \$257,000 of fund balance in the Library's Sacramento City General Fund to balance the budget. This leaves an estimated \$1.2 million in remaining fund balance to manage future cost increases without additional revenues. Staff has also proposed to the Library Authority Board an increase in the Economic Uncertainty Reserve from 5% to 10% of revenues. This sets a reserve level of \$956,000 in the Library's Sacramento City General Fund.

The City of Sacramento has actively funded the design and construction of three new library branches in the City. Opening the Valley Hi North Laguna (June 2009), North Natomas (September 2009) and Pocket-Greenhaven (Spring 2010) branches during difficult economic times adds to the financial challenge. These branches are now planned to open at the reduced operating level of five days per week. Library and City staff are working together to plan for the funding of the increased operating costs of the new branches, in light of the City's budget challenges. This budget adds \$59,754 in additional funding for the increased operating costs to open the Valley Hi North Laguna branch in June 2009.

Library and City staff will continue to work cooperatively to plan for any changes impacting the local economy, City revenues and the City's budget impacts as information is available.

**Policy Considerations:** The key policy issue addresses planned service reductions, specifically a proposed reduction in Library service hours, to provide the ability to absorb the revenue decreases and cost increases. The Library budget proposes reducing service at five branches from six days per week to five days per week. Generally, this would be a reduction of seven or eight service hours weekly, depending on the branch impacted. The branches affected include: Colonial Heights, Belle Cooledge, Martin Luther King, Jr., North Natomas and South Natomas. Collectively, the Library operates about 7,747 planned service days per year. The proposed reduction would reduce 240 service days, representing a 7.5% decrease for the City of Sacramento branches. There are no service reductions planned for branches funded by the County/Cities fund.

The service reduction is a prudent policy action to sustain cost reductions for an extended period of time. The duration of the economic downturn is anticipated to run at least three years before revenue growth is expected to return. Library staff is positioning City library services to remain as stable as possible during this period. The early implementation of the proposed service reductions is planned to avoid more severe cuts in future years. Staff is retaining fund balance to soften expected revenue reductions and cost increases in FY 2009/10. Further cuts may be necessary to weather the local economic impacts, but early action will ensure future service reductions are as minimal as possible.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** This report concerns administrative activities that will not have any significant effect on the environment, and that do not constitute a "project" as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3); 15378(b)(2)].

**Sustainability Considerations:** N/A

**Rationale for Recommendation:** Staff recommends that the City Council adopt an intent motion approving the City General Fund contribution to the Sacramento Public Library Authority in the amount of \$8,704,585 and/or provide additional direction for final budget adoption.

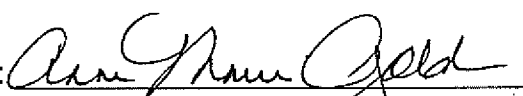
**Financial Considerations:** The FY2008/09 proposed budget for the Sacramento Public Library Authority includes 308.25 full-time equivalent (FTE) positions, of which 79.25 FTE are directly funded by the City through the General Fund and 21.5 FTE through the Special Parcel Tax. Fifteen positions, representing 13 FTE's, are recommended to be frozen and unfunded in the General Fund supported positions, or 16.4%. The Library has a total budget of \$35.5 million. The City library portion is \$14.2 million, of which \$9.6 million is supported by the General Fund and \$4.4 million is supported by the City Special Parcel Tax.

The Sacramento Public Library Authority Board is scheduled to be take action on the FY 08/09 budget at its meeting on May 22, 2008. The budget presented to the Board includes the City General Fund contribution as noted above, net of the additional funding for the Valley Hi North Laguna new library increased operations funding. Also included is the implementation of the service reductions also noted above. If there are any changes to the City General Fund contribution, in addition to the new library funding noted above, the Library Authority Board can adopt budget and/or service program changes at its next meeting on June 16, 2008, or subsequent meetings.


For more information on the department's budget and staffing, please see Attachments 1-3.

**Emerging Small Business Development (ESBD):** None.

Respectfully Submitted by:   
 Rick Teichert, Deputy Director, Administrative Services

Approved by:   
 Anne Marie Gold, Library Director

Recommendation Approved:

  
 for Ray Kerridge  
 City Manager

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**SACRAMENTO PUBLIC LIBRARY AUTHORITY  
BUDGET SUMMARY  
FISCAL YEAR 2008/09**

	Mid-Year Amended Budget FY 2007/08	BUDGET FY 2008-09	CHANGE	
<b>Total Revenues, all sources</b>	\$ 36,836,016	\$ 35,938,600	(\$897,416)	-2.4%
Salaries and Benefits	\$23,467,558	\$24,598,624	\$1,131,066	4.8%
Services and Supplies	\$8,007,266	\$7,126,116	(\$881,150)	-11.0%
Materials/Books	\$2,940,649	\$2,746,506	(\$194,143)	-6.6%
Capital Projects	\$1,816,603	\$1,064,456	(\$752,147)	-41.4%
<b>Total Expenses, all sources</b>	\$36,232,076	\$35,535,702	(\$696,374)	-1.9%
<b>Net Surplus for the Year</b>	\$603,940	\$402,898	(\$201,042)	-33.3%

**SACRAMENTO PUBLIC LIBRARY AUTHORITY  
COSTS BY FUND, INCLUDING COST ALLOCATION  
FOR FISCAL YEAR 2008/09**

	County/ Cities Fund	Sac City Fund	Sac City Special Tax Fund	Total
Salaries and Benefits	8,429,199	5,238,473	1,513,156	\$15,180,828
Services, Materials and Supplies	\$1,591,266	\$1,306,837	\$370,724	\$3,268,827
Books and Materials	\$1,823,945	\$218,347	\$687,054	\$2,729,346
Capital and Equipment	\$439,273	\$167,965	\$49,763	\$657,001
Shared Cost Allocation	\$8,285,158	\$2,886,078	\$1,672,464	\$12,843,700
<b>Total by Fund</b>	<b>\$ 20,568,841</b>	<b>\$ 9,817,700</b>	<b>\$ 4,293,161</b>	<b>\$ 34,679,702</b>

**SACRAMENTO PUBLIC LIBRARY  
REVENUE DETAILS BY FUND SOURCE  
FISCAL YEAR 2008/09**

REVENUE	BUDGET	PROPOSED	CHANGE	
	2007-08	BUDGET 2008-09		
<b>COUNTY/CITIES FUND</b>				
County Contributions	\$20,099,958	\$20,450,000	\$350,042	1.7%
State Appropriations	\$326,787	\$413,904	\$87,117	26.7%
Fines and Fees	\$321,800	\$261,050	(\$60,750)	-18.9%
Donations	\$50,105	\$0	(\$50,105)	-100.0%
Cell Tower Lease	\$23,400	\$24,000	\$600	2.6%
Carryover/Other	\$29,745		(\$29,745)	
<b>TOTAL</b>	<b>\$20,851,795</b>	<b>\$21,148,954</b>	<b>\$297,159</b>	<b>1.4%</b>
<b>SAC CITY FUND</b>				
City Contributions	\$9,365,600	\$8,644,600	(\$721,000)	-7.7%
State Appropriations	\$174,035	\$216,396	\$42,361	24.3%
Galleria	\$531,901	\$549,000	\$17,099	3.2%
Fines and Fees	\$204,630	\$150,750	(\$53,880)	-26.3%
Donations	\$17,855	\$0	(\$17,855)	-100.0%
Carryover/Other	\$45,500		(\$45,500)	
<b>TOTAL</b>	<b>\$10,339,521</b>	<b>\$9,560,746</b>	<b>(\$778,775)</b>	<b>-7.5%</b>
<b>SAC CITY SPECIAL TAX</b>				
Special Taxes	\$4,262,900	\$4,370,400	\$107,500	2.5%
Fines	\$10,000	\$2,500	(\$7,500)	-75.0%
<b>TOTAL</b>	<b>\$4,272,900</b>	<b>\$4,372,900</b>	<b>\$100,000</b>	<b>2.3%</b>
<b>SHARED COST</b>				
Interest Revenue	\$800,000	\$560,000	(\$240,000)	-30.0%
State Appropriations	\$210,000	\$40,000	(\$170,000)	
State Foundation/Grants	\$125,000	\$0	(\$125,000)	-100.0%
Donations	\$70,000	\$0	(\$70,000)	
Other Contributions	\$166,000	\$166,000	\$0	0.0%
Carryover/Other	\$800	\$90,000	\$89,200	11150.0%
<b>TOTAL</b>	<b>\$1,371,800</b>	<b>\$856,000</b>	<b>(\$515,800)</b>	<b>-37.6%</b>
<b>GRAND TOTAL</b>	<b>\$36,836,016</b>	<b>\$35,938,600</b>	<b>(\$897,416)</b>	<b>-2.4%</b>

**SACRAMENTO PUBLIC LIBRARY  
EXPENSE DETAILS BY FUND SOURCE  
FISCAL YEAR 2008/09**

EXPENSE	PROPOSED		CHANGE	
	BUDGET 2007-08	BUDGET 2008-09		
<b>COUNTY</b>				
Salaries and Benefits	\$7,793,998	\$8,429,199	\$635,201	8.1%
Services and Supplies	\$1,766,347	\$1,591,266	(\$175,081)	-9.9%
Materials/Books	\$1,918,514	\$1,823,945	(\$94,569)	-4.9%
Capital Projects	\$660,347	\$439,273	(\$221,074)	-33.5%
<b>TOTAL</b>	<b>\$12,139,206</b>	<b>\$12,283,683</b>	<b>\$144,477</b>	<b>1.2%</b>
<b>CITY</b>				
Salaries and Benefits	\$5,270,553	\$5,238,473	(\$32,080)	-0.6%
Services and Supplies	\$1,365,618	\$1,306,837	(\$58,781)	-4.3%
Materials/Books	\$288,865	\$218,347	(\$70,518)	-24.4%
Capital Projects	\$419,582	\$167,965	(\$251,617)	-60.0%
<b>TOTAL</b>	<b>\$7,344,618</b>	<b>\$6,931,622</b>	<b>(\$412,996)</b>	<b>-5.6%</b>
<b>SPECIAL TAX</b>				
Salaries and Benefits	\$1,670,788	\$1,513,156	(\$157,632)	-9.4%
Services and Supplies	\$389,704	\$370,724	(\$18,980)	-4.9%
Materials/Books	\$589,000	\$687,054	\$98,054	16.6%
Capital Projects	\$40,250	\$49,763	\$9,513	23.6%
<b>TOTAL</b>	<b>\$2,689,742</b>	<b>\$2,620,697</b>	<b>(\$69,045)</b>	<b>-2.6%</b>
<b>SHARED COST</b>				
Salaries and Benefits	\$8,732,223	\$9,417,796	\$685,573	7.9%
Services and Supplies	\$4,485,593	\$3,857,289	(\$628,304)	-14.0%
Materials/Books	\$144,270	\$17,160	(\$127,110)	-88.1%
Capital Projects	\$696,424	\$407,455	(\$288,969)	-41.5%
<b>TOTAL</b>	<b>\$14,058,510</b>	<b>\$13,699,700</b>	<b>(\$358,810)</b>	<b>-2.6%</b>
<b>GRAND TOTAL</b>	<b>\$36,232,076</b>	<b>\$35,535,702</b>	<b>(\$696,374)</b>	<b>-1.9%</b>



**SACRAMENTO PUBLIC LIBRARY AUTHORITY  
UNDESIGNATED FUND BALANCE CHANGES  
FOR FISCAL YEAR 2008/09**

	Shared Fund	County/ Cities Fund	Sac City Fund	Sac City Special Tax Fund	Total
Estimated Beginning Fund Balance: Undesignated	\$0	11,342,553	1,497,962	1,981,355	\$14,821,870
Net Change to Undesignated Fund Balance	\$0	\$502,587	(\$256,954)	\$79,739	\$325,372
Estimated Ending Fund Balance: Undesignated	\$0	\$11,845,140	\$1,241,008	\$2,061,094	\$15,147,242

PER CAPITA FUNDING GROWTH				
COUNTY/CITIES Per Capita Funding				
	FY 2000	FY 2007/08	FY 2008/09	% Change
Population	760,300	867,930	876,082	15.2%
Property Tax Revenues	\$10,903,000	\$20,099,958	\$20,450,000	87.6%
Revenue Per Capita	\$14.34	\$23.16	\$23.34	62.8%

CITY OF SACRAMENTO Per Capita Funding				
	FY 2000	FY 2007/08	FY 2008/09	% Change
Population	405,963	466,981	475,743	17.2%
Sac City General Fund Revenues	\$6,500,000	\$9,365,600	\$8,644,600	33.0%
Sac City General Fund Revenue per Capita	\$16.01	\$20.06	\$18.17	13.5%
Sac City Special Tax Revenues	\$3,268,499	\$4,262,900	\$4,370,400	33.7%
Sac City Special Tax Revenue per Capita	\$8.05	\$9.13	\$9.19	14.1%
Total Revenues	\$9,768,499	\$13,628,500	\$13,015,000	33.2%
TOTAL Revenue per Capita	\$24.06	\$29.18	\$27.36	13.7%

**SACRAMENTO PUBLIC LIBRARY AUTHORITY**  
**POSITION CONTROL REPORT**  
 May 27, 2008  
 Attachment 2

Position Titles	FY 2008/09	County/	Sacramento	Sac. City	City	Shared	
	Proposed May 22, 2008	Shared Fund	Cities/ Fund	City General Fund	Special Tax Fund	Position Freeze	Position Freeze
<b>Totals</b>	<b>308.25</b>	<b>100.5</b>	<b>107</b>	<b>78.25</b>	<b>21.5</b>	<b>-13.00</b>	<b>-5.00</b>
Account Clerk II	0	0	0	0	0		
Administrative Assistant	5	5	0	0	0		
Authority Counsel	1	1	0	0	0		
Budget Analyst	1	1	0	0	0		-1
Building Maintenance Worker	2	2	0	0	0		
Buyer/Contract Coordinator	2	2	0	0	0		
Capital Projects Manager*	1	1	0	0	0		
Central Security Coordinator, Limited Term**	1	1	0	0	0		
Circulation Supervisor	15	0	10	5	0		
Collection Management Supervisor	2	2	0	0	0		
Collection Management Services Manager*	1	1	0	0	0		
Community Relations Manager*	1	1	0	0	0		
Community Services Manager*	1	1	0	0	0		
Custodial Supervisor	1	1	0	0	0		-1
Custodian	11.75	10	1	0.75	0		-1
Database Administrator	1	1	0	0	0		
Deputy Library Director - Admin. Services	1	1	0	0	0		
Deputy Library Director - Public Services	1	1	0	0	0		
Director of Facilities	1	1	0	0	0		
Director of Finance	1	1	0	0	0		
Director of Human Resources	1	1	0	0	0		
Director of Marketing	1	1	0	0	0		
Events Duty*	0.5	0	0	0.5	0		
Executive Assistant	1	1	0	0	0		
Facilities Superintendent	1	1	0	0	0		
Field Custodial Supervisor	2	2	0	0	0		
General Services Supervisor	1	1	0	0	0		
General Services Worker	5.5	5.5	0	0	0		
Human Resources Associate	0	0	0	0	0		
Human Resources Generalist	1	1	0	0	0		
Human Resources Supervisor	1	1	0	0	0		
Information Technology Manager*	1	1	0	0	0		
Information Technology Services Specialist	1	1	0	0	0		
Information Technology Supervisor	2	2	0	0	0		
Information Technology Technician	1	1	0	0	0		
Librarian	58.5	3	25	23.5	7		-9.5
Library Associate	2.5	0	2.5	0	0		
Library Director	1	1	0	0	0		
Library Galleria Administrator	1	0	0	1	0		
Library Program Specialist	1	1	0	0	0		
Library Services Assistant	105.5	18	47.5	27.5	14.5		-3.5
Library Services Specialist (Emerg Technology)	1	1	0	0	0		
Library Supervisor I	9	2	4	3	0		
Library Supervisor II	5	0	2	3	0		
Library Supervisor III	20	1	10	9	0		
Library Technician	6	3	1	2	0		

**SACRAMENTO PUBLIC LIBRARY AUTHORITY**  
**POSITION CONTROL REPORT**  
 May 27, 2008  
 Attachment 2

Position Titles	FY 2008/09 Proposed May 22, 2008	Shared Fund	County/ Cities Fund	Sacramento City General Fund	Sac. City Special Tax Fund	City Position Freeze	Shared Position Freeze
Literacy Coordinator	1	1	0	0	0		
Management Analyst	1	1	0	0	0		
Materials Processor	1	1	0	0	0		
Office Assistant	2	0	1	1	0		
Public Information Coordinator	1	1	0	0	0		
Public Services Manager*	4	0	2	2	0		
Safety Coordinator	1	1	0	0	0		-1
Security Supervisor	1	1	0	0	0		
Senior Accounts Payable Technician*	1	1	0	0	0		
Senior Accountant	1	1	0	0	0		
Senior Human Resources Generalist	1	1	0	0	0		
Senior Information Technology Analyst	2	2	0	0	0		
Senior Information Technology Technician	2	2	0	0	0		
Senior Payroll Technician	1	1	0	0	0		
Technology Assistant	2	0	1	1	0		
Trainer	1	1	0	0	0		
Training Supervisor	1	1	0	0	0		-1
Visual Communications Supervisor	1	1	0	0	0		
Web Developer	1	1	0	0	0		
Youth Services Manager*	1	1	0	0	0		