CONTRA COSTA COUNTY LIBRARY COMMISSION
AGENDA ATTACHMENT 7

MEETING DATE: Thursday, March 27, 2014
AGENDA ITEM #: 12A

ITEM: LIBRARY BUDGET

RECOMMENDED ACTION:
From: Cathy Sanford  
Sent: Friday, February 14, 2014 1:44 PM  
To: Library Commission  
Subject: Update on Library budget

Hello, everyone. I wanted to update you on the Library budget; our budget instructions included a 5% increase in property tax revenue, rather than a decrease as previously thought. This is great news. The 5% increase enabled the Library to absorb projected salary and benefit increases as well as higher charges from other county departments. And, for the first time in multiple years, there is an increase to the library materials budget! We submitted our final budget today for approval on schedule with a projected budget of $25,256,871.

You’ll hear more at the March Library Commission meeting.

Thanks!
Cathy
Contra Costa County Library

Fiscal Year 2014 – 15 Proposed Budget

Presentation

- Background
- Highlights of Proposed FY 2014 – 15 Budget
- Budget adoption timeline

Types of Public Libraries: A Closer Look

City libraries

- Often were established before their county library
- Generally, the larger the city, the more likely it is served by a city library; exceptions include San Francisco
- May be funded from any source of revenue to the city
- Compete for city general funds with other city departments
- Cities have greater flexibility in revenue generation than do counties or special districts
Types of Public Libraries in California

City Libraries

- City does not have access to property taxes from surrounding unincorporated areas
- Local examples (11-12 California State Library Statistics)
  - Richmond: $5.23 million serves 104,887
  - Livermore: $4.6 million serves 82,400
  - Pleasanton: $4 million serves 71,269

County General Fund Libraries

- Often are countywide and serve the entire county
- Often are small rural counties
- Cities may contact for enhanced services
- Cities may own library building

- May be funded by any discretionary revenue source available to the county
- Compete for county general funds with other county services, such as health and social services
- Libraries in member cities benefit from property taxes from surrounding unincorporated areas
Types of Public Libraries in California

*County Special District Libraries*
- Often are less than countywide and serve some cities and all of the unincorporated areas
- Often are large, urban counties
- Funded primarily from dedicated portion of property tax based on Pre-Prop.13 tax rate established by local board of supervisors
- General funds can be used but general funds are often used to fund countywide services

*Independent Special District Libraries*
- Most include one city and surrounding unincorporated areas
- Most are located in LA, Orange, and Riverside counties: Alhambra Library, Buena Park Library, Palm Verde Valley Library District
- Funded primarily from dedicated portion of property tax based on pre-Prop.13 tax rate established by local library board or approved by voters
- No parent organization to assist with funding

*Other Options*
- Joint Powers Authorities (JPA): Downey, Sacramento
- Property tax of former county special district libraries transfers to JPA
- City and county libraries: Carlsbad, Vacaville, San Jose
- City has same financing mechanisms as other cities
- County is a special district for tax purposes, some revenue
- City libraries serving entire counties (Santa Barbara)
- These counties never established a legal county library
- Use general fund revenues for contracts for service
Contra Costa County Library

- Although not technically a special district separate from the County for most purposes.
- For some purposes, the Library has been considered "de facto" a separate agency.
- Revenue and Taxation Code intend that the County Library obtain a separate property tax allocation...
- Auditor has "tax allocation factor" that provides the Library a share of property taxes, much like special district.
- After Prop. 13, the Library was deemed (and remains) a "special district" for property tax allocation purposes.

Budgeted Property Tax Revenue % Change

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Change</th>
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<tbody>
<tr>
<td>FY 08-09</td>
<td>5.87%</td>
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<td>FY 09-10</td>
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<td>FY 10-11</td>
<td>-5.98%</td>
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<td>FY 14-15</td>
<td>8.02%</td>
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</table>
### Increased Library Use

In the past 5 years:
- Number of items checked out: + 13%
- Program attendance: + 20%
- Library cards issued: + 9%

### Managing County Library Resources

- Library open hours are core, staffed by individuals trained in multiple roles.
- Continued focus on key initiatives and core services as identified in the strategic plan.
- Ongoing search for opportunities to introduce new service models to meet library customers where they are.
- Continue forward movement despite flat funding.
- Continue to innovate and introduce new technology to reduce cost and enhance services.
- Continue to investigate ways to cut costs.
FY 2014 - 15 Proposed Library Budget

- Retain 35 hours base level at all locations
- Increase salary and benefits costs
- Increase materials budget 107.3%
  (still 1.7% lower than level of six years ago)
- Increase database budget 2.8%
- Increase budget for equipment rental and maintenance costs
- Increase building maintenance costs

Budget Development Timeline:

- Budget submitted February 26, 2014
- Provide estimates to Cities March 31, 2014
- Budget hearing April 22, 2014
- Budget adoption May 13, 2014