



SANTA CRUZ PUBLIC
LIBRARIES
A City-County System

LIBRARY JOINT POWERS AUTHORITY BOARD

Monday, February 14, 2011
Santa Cruz City Council Chambers
809 Center Street, Santa Cruz

6:30 PM PUBLIC MEETING

1. ROLL CALL
2. APPROVE AGENDA OF FEBRUARY 14, 2011
3. APPROVE MINUTES OF JANUARY 10, 2011 (PG. 3-7)
4. ORAL COMMUNICATIONS
5. CONSENT AGENDA
 - A. Permission to Close Library for Staff Training Day April 13 (or alternate date if necessary)
 - B. Resolution to Accept IMLS Grant (PG. 8)
6. WRITTEN COMMUNICATIONS
 - A. Articles About California and Santa Cruz Libraries (PG. 9-18)
 - B. Patron Written Comments (PG. 19)
 - C. Articles About Libraries Nationwide (PG. 20-29)
 - D. Monthly Narrative Report (PG. 30-39)
 - E. Financial Reports:
 - i. Draft Minutes of Finance Committee Meeting January 27, 2011 (PG. 40-42)
 - ii. Library Audit Management Letter (copies of full report will be handed out at the meeting) (PG. 43-49)
 - iii. Workers Compensation Report (PG. 50-53)
 - iv. Monthly Report (PG. 54-63)
7. OTHER BUSINESS
 - A. Discussion of the Service Model Task Force Report (PG. 64-77)

8. NEXT MEETING

The next regularly scheduled meeting is Monday, March 7, 2011 at 6:30 p.m.

9. ADJOURN

The Library Joint Powers Authority Board will adjourn from the regularly scheduled meeting of February 14, 2011 to the next regularly scheduled public meeting on March 7, 2011 at 6:30 pm in the Community Meeting Room of the Central Branch Library

The Santa Cruz City-County Library System does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, the Library requests that you attend fragrance free. The Central Branch Library is a fully accessible facility. If you wish to attend this public meeting, and you will require special assistance such as sign language or other special devices in order to attend and participate, please call (831) 427-7706 seventy-two (72) hours prior to the event to make arrangements for assistance. Upon request, agendas for public meetings can be provided in a format to accommodate special needs.

SANTA CRUZ PUBLIC LIBRARIES
A CITY-COUNTY SYSTEM

LIBRARY JOINT POWERS BOARD

MINUTES

January 10, 2011

Central Branch Meeting Room
224 Church Street, Santa Cruz

6:30 PM PUBLIC MEETING

I. ROLL CALL

Present: Citizen Nancy Gerdt, Citizen Barbara Gorson, Citizen Leigh Poitinger, Councilmember Jim Reed, Councilmember David Terrazas, Councilmember Sam Storey, Councilmember Katherine Beiers (6:35 pm), Supervisor Mark Stone

Absent: Supervisor Ellen Pirie

Staff: Teresa Landers, Director of Libraries

II. APPROVAL OF MEETING AGENDA OF JANUARY 10, 2011

Councilmember Rotkin moved, seconded by Supervisor Stone

that the Board approve the agenda of January 10, 2011 with the removal of item 5B from the Consent Agenda.

UNAN

Absent: Pirie & Beiers

III. APPROVE MINUTES OF DECEMBER 13, 2010

Councilmember Storey moved, seconded by Councilmember Reed

that the Board approve the minutes of December 13, 2011.

UNAN

Absent: Pirie & Beiers

Abstain: Terrazas

VI. ORAL COMMUNICATIONS

- A. Liz Pollock, visual arts liaison for Scotts Valley, highlighted the 2010 visual art displays that took place at Scotts Valley. She has planned out the next 7 months including work by stained glass artists, an exhibit representing a county wide program called "Ageless Art" and

an exhibit coordinated with the SC County Fair to showcase local girl scouts work. These art shows are examples of real community outreach.

- B. Chair Gorson welcomed Councilmember David Terrazas from the City of Santa Cruz. Mr. Terrazas will be replacing termed out Councilmember Rotkin.

VII. CONSENT AGENDA

- A. Resolution to Accept Funds Received from Robert Leet-Corday Trust

Councilmember Storey moved, seconded by Councilmember Terrazas

that the Board accept the \$89,028.88 pecuniary gift from the Robert Leet-Corday Trust and that it amend the FY 2010-11 Budget.

**UNAN
Absent: Pirie**

- B. Resolution to transfer e-rate funds

This item was deleted from the agenda. This action took place in October's meeting.

VII. WRITTEN COMMUNICATION

- A. Articles About Santa Cruz and California Libraries
B. Patron Written Comments
C. Articles on Libraries Nation Wide
D. Monthly Narrative Reports-December 2010
E. Monthly Statistical Report

VIII. REPORTS OF ADVISORY BODIES

- A. Friends of the Santa Cruz Libraries, Inc.

Mary K. Simpson, Director reported the following Friends' activities:

- Introduced Pete Callen, new Friends Board Member
- Announced a date change to the Maya Angelou Event. The event will now be held 3/18/11.
- Fundraising is on hold until the Board adopts a new library service model

- B. Finance Committee

No minutes to review since the committee did not meet in December.

VIII. MEMBER REPORTS

- A. Scotts Valley Report

Councilmember Reed reported to the Board that the grand opening for the new Scotts Valley Branch Library is scheduled for June 4, 2011.

B. Capitola Report

Councilmember Storey reported that the ad-hoc committee took some time off over the holidays but will be meeting with the library programmer in the near future.

IX. STAFF REPORTS

A. November Financials

The Library Director reported on the current financial status of the library and the Board reviewed revenues, expenditures and cash flow for the library system.

B. Library Financing Authority

The Library Financing Authority did not meet because they did not have a quorum.

C. Calpers Letter

Jack Dilles, City Finance Director, reviewed with the Board the CalPERS projected rates.

Employer Contribution Rate (projections):

FY 2011-12 15.365%

FY 2012-13 16.1%

FY 2013-14 18.8%

Mr. Dilles cautioned that these rates may increase if CalPERS lowers its investment return assumption percentages.

D. State LSTA Grant

The Library has received \$40,000 from LSTA for staff transition training. This will help prepare library staff for the transition into a new service model.

X. OTHER BUSINESS

A. Election of Board Chair and Vice Chair

Councilmember Reed moved, seconded by Supervisor Storey

that the Library Joint Powers Board re-elected Citizenmember Gorson as Board Chair.

UNAN

Absent: Pirie

Councilmember Storey moved, seconded by Supervisor Stone

that the Library Joint Powers Board re-elected Citizenmember Poitinger as Board Vice Chair.

**UNAN
Absent: Pirie**

B. Finance Committee Membership for 2011

Councilmember Storey and Citizenmember Gorson will continue to serve on this committee. There is a vacant spot left by Councilmember Rotkin. Chair Gorson has requested that Board members contact her if they are interested in serving on this committee.

C. Verify 2011 Meeting Dates Including February Meetings

Calendar year 2011 meeting dates have been posted on the Library's website.

February will have additional meeting dates due to the library service model task force presentation.

February 7- Library Service Model Task Force Presentation and Study Session at Loudon Nelson

February 14- Regularly Scheduled Board Meeting (with a short agenda so the Board can discuss and vote on a library service model)

February 28- Final Task Force Decision (if a decision was not made on 2/14)

D. Library Service Model Task Force Update

The committee continues to meet weekly. The committee has three more scheduled meetings and the majority of the work has been done outside of the meeting times.

Teresa is finishing up the financial costs for each of the models. The committee is now focusing on the process of evaluating each model.

E. Parking Lot List Review

Board reviewed parking lot list.

F. Board Self Evaluation

Chair Gorson asked that this item be moved to the Parking Lot List with a due date no later than December 2011.

XI. NEXT MEETING

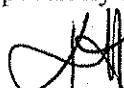
The next regularly scheduled meeting is Monday, February 14, 2011 at 6:30 pm.

A study session of the Library Joint Powers Board will be held at Loudon Nelson on February 7, 2011 at 6:30pm. This meeting will consist of the Library Service Model Task Force Presentation.

XII. ADJOURN

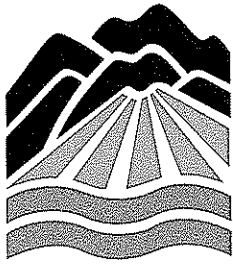
The regular meeting adjourned at 7:16 p.m.

Respectfully submitted,



Kira Henfin, Clerk of the Board

All documents referred to in these minutes are available in the Library Office.



**SANTA CRUZ • PUBLIC
LIBRARIES**
A City-County System

RESOLUTION # 2011-02

**RESOLUTION OF THE SANTA CRUZ LIBRARY JOINT POWERS
AUTHORITY BOARD TRANSFERRING FUNDS AND AMENDING THE
FY 2010-2011 BUDGET TO ACCEPT A GRANT FROM THE INSTITUTE OF
MUSEUM AND LIBRARY SERVICES (IMLS)**

WHEREAS, IMLS has awarded the Santa Cruz Library System a grant in the amount of \$31,297 for implementation of the new ILS.

NOW THEREFORE, BE IT RESOLVED that the Library Joint Powers Authority Board

Transfer funds and amend the FY 2010-2011 Budget in the amount of \$31,297 to accept the grant for the above named project.

PASSED AND ADOPTED this 14th day of February 2011 by the following votes:

AYES: Board Member(s):

NOES: Board Member(s):

ABSENT: Board Member(s):

DISQUALIFIED: Board Member(s):

APPROVED

ATTEST

Chair

Board Clerk

Librarians, not machines

It was interesting to see another study to cut public library staff. Each time I go to the library, a staff member has been instructed to steer me to the self check-out. No thanks. I didn't vote to have more taxes so the head of the library can pull down a paycheck of more than \$164,000 a year while she gets rid of 10-15 percent of the regular employees. Talk about a self-serving system. People should reject the self-service machines. I want people, not machines. I voted for more taxes for that privilege. I want to keep regular employees, the workers, there and employed. They are part of our community and the city should retain them. Interesting that the city would offer \$15,000 to 10 employees so they will retire early and not give that to any other city employee. The city does not offer its retired

employees any health care benefits once they leave. So much for a progressive council. The county takes care of its employees. So, not only are they getting rid of some city employees, the ones who are there will retire with no health care retirement benefits.

HANK SINCLAIR, Santa Cruz

Model C might work for library

Now that a self check-out system has been installed at all library branches, there is less need for staff. I agree with the Friends of the Library who are recommending Model C be chosen. This option keeps all branches open and best serves all library patrons, including those in outlying areas. So fans of the library, let them know we like Model C, which keeps all branches open and is endorsed by the Friends of the Library organization.

DOROTHY MCLEOD, Santa Cruz

Public Libraries-

Every year at the holiday season Capitola Book Cafe works with the Parent Center. We ask customers to purchase books or donate funds for books for the families associated with the Center. This year we collected more funds than families and would like to contribute to your Wish List, using the remaining donations. Thank you for all you do to promote reading in the community!

Cutting branches seems to be only good option

As a member of the public, as well as a library staff member, I urge the Joint Powers Board very strongly to support Service Model D, which I feel is the only one of these models that has any hope of being sustainable. Without consolidating our physical locations, i.e. closing branches, I cannot see any way for us to offer the quality of service we owe ourselves. Certainly, as an avid library user, I would be dismayed and angered to have already thinly stretched services further eroded. I fear all the models are unduly hopeful that reliable

volunteers and partners will turn out in quantity (experience has taught us, and other systems, otherwise). And it would be not only cruel, but counterproductive, to drive the staff below the poverty line by drastically cutting compensation. To this extent, any of the models will have to be tweaked. Only Model D will stand up to adjustments. The narrative for Model B has many fine ideas, and it should be used as a touchstone for improvements if/when our revenues increase, but I can't see how it can be anything but more expensive than our current system. Model C essentially perpetuates the situation we have now, which will result in deterioration of service as our deficit increases. Model A is unrealistic in the extreme.

LESLIE AUERBACH, Santa Cruz

Decision about library future at hand

By Peter Burke
Press-Banner

The future of the Santa Cruz County Public Library System, including the Felton, Boulder Creek and Scotts Valley branches, will go before library leaders in the next two weeks.

Four service models will be on the table, two of which would eliminate the Felton library and several other small branches from the county library system. A third model would rely on volunteers teamed with paid staff to keep the branches open.

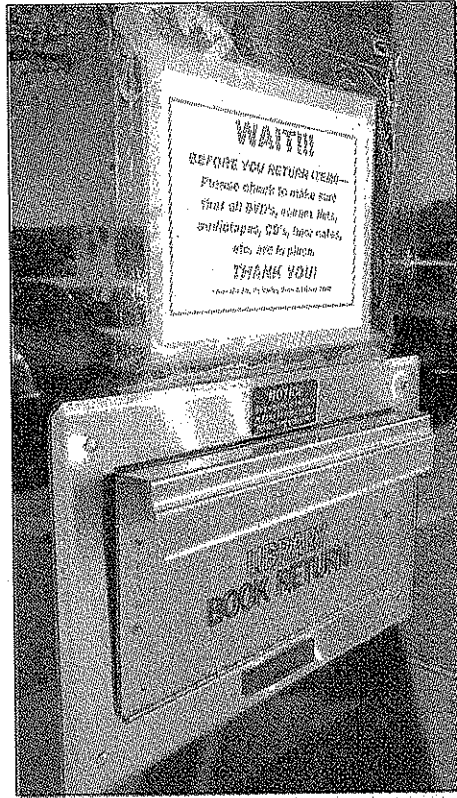
A special study session of the Library Joint Powers Authority is set for Monday, Feb. 7, in Santa Cruz to begin talks about the options, which were outlined in a report by a library task force.

Library director Teresa Landers, a Felton resident, said the research focused on two aspects, the financial viability and where the library system should go in the future.

"I really encourage people to think about and dig deeper into what are the issues, really, and what can help us as a whole system going forward," she said.

Library leaders will meet at 6:30 p.m. Monday, Feb. 7 at the Loudon Nelson Center, 301 Cedar St., in Santa Cruz, for a special board study session that includes a chance for people to comment. A decision is likely to be made at the following meeting at 6:30 p.m. Feb. 14, also at the center.

In 2007, the library system determined it was spending more money than tax revenue provided. Reserves dried up, and last year, the system made significant



DECISIONS: Libraries in the Santa Cruz County Public Library System face uncertain futures, including the number of hours the Scotts Valley Branch Library, at left, will be open.

Lucjan Szewczyk/
Press-Banner

cuts in hours and staff at many branches. A 20-member task force of county library staff, members of the Library Joint Powers Authority and people from the com-

munity got together in 2010 to determine ways to fix the library's budget while maintaining services into the future.

LIBRARY, CONTINUED ON PAGE 5

Scotts Valley
Press Banner
2/4/11

Their full report can be found at www.santacruzpl.org/media/pdf/task_force/data/ and at any library branch. Here are very brief summaries of each of the service models found in the report:

Service Model A

The first option reduces spending on workers' pay and benefits from 70 percent to 65 percent of the total budget. It also sets up a 3 percent capital reserve fund and a 10 percent materials budget and reduces the number of branches from 10 to seven, with a total of 290 open hours each week. In the valley, the Felton branch would no longer be part of the system. Scotts Valley's branch would be open 40 hours per week, and Boulder Creek 30 hours per week.

Service Model B

With a focus on providing the highest level of service to the most residents, this model frees up the most staff for reference and creates specialty areas at different branches. Under this model, Scotts Valley would remain open 48 hours per week, Boulder Creek 27 hours per week and Felton 20 hours per week. The plan relies on some volunteerism at the branches. A community learning center would be established in the Boulder Creek branch.

Learn more

A member of the Library Joint Powers Authority will be at the Felton library from 10 a.m. to noon Saturday, Feb. 5, and at the Boulder Creek library from 1 to 5 p.m. Saturday to answer questions related to the library's plans.

■ Felton Branch Library, 6299 Gushee St., 420-5339

■ Boulder Creek Branch Library, 13390 W. Park Ave., 420-5319

Service Model C

The third plan focuses on libraries as community gathering places that are open for longer hours so that groups can use the space, with fewer services. More volunteers would be needed, but libraries would still be run by paid staff. Felton and Boulder Creek would remain open 37 hours per week and Scotts Valley 42 hours per week as part of a total of 391 hours systemwide.

Service Model D

The final option changes the face of the library system by reducing the number of branches from 10 to six larger, centralized branches. Felton would be removed from the system. Scotts Valley would be open 52 hours each week and Boulder Creek 24 hours each week. Scotts Valley's branch would have a full reference desk, and Boulder Creek's library would be geared toward young people.

At a glance

- **WHAT:** Boulder Creek Branch Library
- **WHEN:** Regular hours, 1 to 5 p.m. Monday and Tuesday, 11 a.m. to 6 p.m. Wednesday, 1 to 5 p.m. Saturday; closed Thursday, Friday and Sunday
- **WHERE:** 13360 W. Park Ave., in Boulder Creek
- **INFO:** 427-7703

GAMERS: Mo Pohahau (left) and Derek Creelman play video games in Boulder Creek Branch Library's new game room.
Lucjan Szcwzyk/
Press-Banner



Teen gamers find space at the library

By Joe Shreve
Press-Banner

Thanks to recently expanded hours and the help of the Friends of the Santa Cruz Public Libraries, youngsters are finding more to do at the Boulder Creek branch of the Santa Cruz County Library.

Starting in October, the Boulder Creek Branch Library began to offer video gaming sessions Tuesday afternoons after school hours.

A donation from the Friends gave the library a PlayStation 2, three Nintendo Wii systems, a Wii Fit balance board, controllers and an assortment of games.

Branch manager Laura Whaley said she usually sees between 10 and 12 people per session — mostly middle school and high school-aged kids — to play Wii Sports Resort, RockBand and Mario Kart.

"They're having a good time, and up here, it's hard to find something to do," Whaley said.

Teen Services Librarian Sandi Imperio, whose responsibilities include setting up the games, projectors and sound systems and keeping an eye on the players, said the game days originally began as twice a month, but after consulting with the kids who frequented the program, organizers expanded it to a weekly feature.

Ryder Crist, 16, a student at San Lorenzo Valley High School, said he has visited the library for the gaming from the start.

"The librarians told me they were going to start having video games here," Crist said. "It's fun — I can come here and play games with the other kids that are here."

Ryan Kinch, 11, a student at San Lorenzo Valley Middle School, said he and his friends were at the library using the computers when they saw files for the video games.

"It's just a fun place to hang out," he said.

"We come here mostly every Tuesday," said Mo Pohahau, 12, who'd gone to play a round of "Mario Kart" with his friend Derek Creelman.

Whaley said that in addition to offering the video games, the library will show movies using its large projector in the Community Room from 2 to 4 p.m. the second and fourth Saturdays of each month, starting Saturday, Jan. 8.

January's movie selections are "Chitty Chitty Bang Bang" and "The Wizard of Oz."

The library is also nearing its goal of modernizing the checkout system for books by adding bar codes to each item in the library's collection.

"That's a huge project for the system," Whaley said. "We haven't done anything like this since 1985."

■ To comment, e-mail reporter Joe Shreve at joe@pressbanner.com, call 438-2500 or post a comment at www.pressbanner.com.

BUSINESS NOTES

Fitness club completes remodel

Scotts Valley Fitness, 59 Mount Hermon Road, recently finished adding a coat of fresh paint, new carpeting and more inside the club.

The gym was closed from Dec. 26 to Jan. 1 to complete the work. Scotts Valley Fitness has been open 19 years.

For information: 438-6778.

Hospital offers mobile app

Sutter Health released a free iPhone app this week to let patients check their medical records.

The app, "MyChart," gives patients instant access to electronic health records directly from an iPhone, iPad or iPod Touch by way of Sutter's My Health Online.

Patients can send secure messages to doctors, check most lab and test results, view appointments, receive health reminders and see a health summary.

Sutter's My Health Online is also available for Palo Alto Medical Foundation patients in Santa Cruz County.

Users must sign up for online account access at www.sutterhealth.org before downloading the app at www.sutterhealth.org/myhealthonline_app.

Business mixer on tap in Felton

Jim Geary at Cowboy Bar and Grille and Bay Federal Credit Union will host a business and networking mixer from 5 to 7 p.m. Tuesday, Jan. 11, at Cowboy Bar and Grille, 6155 Highway 9, in Felton. Live music, a no-host bar and raffle prizes will be included in the evening.


For information: www.slvchamber.org

■ Submit information about business openings, management changes and other news to pbeditor@pressbanner.com or 5215 Scotts Valley Drive, Scotts Valley 95066.

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Plan for the Libraries' Future Coming Soon

by Linda Fridy

Santa Cruz County residents will get their first peek at what the future of local libraries may look like when the library board's sustainability task force releases its recommendations at the end of January.

For those following the process closely, this may be the first time local libraries have had a major remake. The system is funded by a local sales tax and the recent economic downturn has devastated the system, cutting as much as 50 percent of the open hours at branches.

A board of directors representing the cities of Capitola, Santa Cruz and Scotts Valley, along with the county, oversees the operations. However, direct oversight is by contract to the City of Santa Cruz. And that contract has been criticized as too expensive and the city too slow to make changes.

However, the recent work is being carried out by a new library director and a group of local elected leaders and citizens aiming to renovate the system.

Those involved with the process expressed enthusiasm that new options can increase service while working within budget realities.

The report will likely be released on Jan. 31, with the first public hearing and study session on Feb. 7.

A Loss of 20 Percent of the Libraries Budget

The budget for the system's 10 libraries, stretching from Boulder Creek to La Selva Beach, dropped from about \$12 million to \$10 million.

Task force member Ellen Pirie praised the process, which focused on identifying "efficiencies" or new ways of

providing service.

"We're looking at being able to provide really good service at less cost," she said, adding that the strategies extend across the county's branches.

Capitola's Mike Termini also praised the task force's work, saying the long and challenging meetings are paying off with several ways to save money that preserve programs and service.

He said task force members put aside the interests of their own constituents or regions, but different areas including Capitola should be pleased with the options.

The task force began meeting in August, at first twice a month and more frequently in December and January.

It had the help of both a library "futurist" — internationally respected consultant Joan Frye Williams — and a staffing expert.

That combination has been very effective, said library Director Teresa Landers. It forced her and the task force to set aside how things have always been done.

"We're asking the public to join us in opening their minds and asking what we could be," she said. "We're not losing, we're changing. For some people, change means loss, but it's not."

She did warn that holding onto a nostalgic view of what a library is could "kill" libraries and services, while acknowledging that the process is scary to both staff and patrons.

Starting Over

The task force used a zero-based approach as if they were creating a new library, Landers explained.

The members looked at four major areas: onsite or what happens when someone

comes into a library branch, managing the existing collection, choosing what materials will be available, and providing programs and services, such as reference and story time.



An example of how programming could change is taking services into the community. For example, Landers said she would love to offer story time programs at locations where students get free breakfasts.

As options were developed, each was reviewed for costs.

Termini said asking patrons to take on some tasks, such as the recent move to self-checkout, will reap significant savings.

Check-in technology can now record returns and do a rough sorting of material, which likewise saves money by allowing staff to focus on other work.

"These are the most menial tasks, and [technology] can free up our librarians so they can work with people for productive exchanges," he said.

Keeping library patrons' choice of materials private prevents the use of volunteers in these tasks under current policy.

New Libraries Underway

Some older branches may

need to do some remodeling to accommodate new approaches, but for others a change dovetails with new facilities.

The new Scotts Valley branch, which is under construction and expected to open later this year, is being designed to take advantage of future efficiencies. It will nearly triple in size, but requires the same staffing level.

Likewise, Capitola continues to move forward with plans for a larger, permanent branch. It decided to use the current location on Wharf Road and has been setting aside redevelopment money for the project.

City leaders are working closely with the library system to both advocate for the branch and design it to work within the new structure.

"This is perfect timing because we get to use all the benefits of the system's consultants," said Termini. "They would say things like, 'If all your branches were like this, you could save so much money.' Well, our branch will be like that."

He also said the task force appears to support a branch in Capitola.

The current branch serves people from throughout Mid-County, in part, he said, because people come to the city for many reasons.

"We're a thoroughfare. People travel through Capitola."

The Volunteer Issue

One topic sure to generate continued discussion is the role of volunteers. A pilot program in the system's smallest branch, La Selva Beach, expanded hours with the addition of self-checkout and a volunteer paired with a single staff person.

A recent review of the program generated positive responses, but also raised concerns about retaining volunteers if their primary purpose is merely to provide the security of a second person.

"If this is all our volunteers will do then there is a good chance that over the long term their interest and enthusiasm will diminish," wrote Cindy Jackson in response to the report.

She is both president of the La Selva Beach Friends chapter and the volunteer coordinator.

She encouraged the use of volunteers in basic support services such as shelving and routing materials as well as helping patrons with new technology.

She also questioned the conclusion that the La Selva Beach approach could not be duplicated in other branches.

The library contracts with a union for staffing, and any changes that affect work-place rules will eventually have to be negotiated. La Selva has been allowed volunteer support in part because it is a small branch and it is unlike revenues would ever support too much more paid staffing.

The use of volunteer staffing is more controversial in busier branches.

Pointing to the extensive use of volunteers at agencies such as Dominican Hospital and the Monterey Bay Aquarium, Jackson wrote, "I see no reason why volunteers could not be used at all branches where appropriately trained."

In her report and at numerous meetings, Landers has acknowledged the challenge of using volunteers in meaningful ways while balancing privacy and labor issues. Volunteers cannot replace paid staff under contract agreements. ■

SantaCruzPatch

GOVERNMENT

Battered Library System Could Vote Next Week to Shutter Branches

Capitola stays off list, but four other small branches could close.

By Genevieve Bookwalter 1:37am

Library supporters embraced two different visions for the county system on Monday—one that keeps all 10 branches open as community gathering places, and another that shutter four branches to deal with ongoing economic strife and make way for new books and technology.

The comments came at a study session of the Santa Cruz Libraries Joint Powers Board on Monday, one week before its nine members decide how to prioritize the limited funds at hand and possibly close branches as they plan for the long-term future. The group oversees all Santa Cruz County libraries except those in Watsonville.

The branches proposed to be closed are those in La Selva Beach and Felton, and Santa Cruz's Branciforte and Garfield branches.

"We arrange our weekly schedule around our trip to the Felton library," said Tandy Beal of Felton, one of many advocating for keeping the small San Lorenzo Valley branch open. Going to the library "is absolutely one of the only neighborly things," Beal said.

But others, especially library staff, pushed for more technology and resources that they said patrons want but the system can't afford to offer without closing the smallest branches.

"We need to get past the point of thinking that the only way to save libraries is to maintain many branches," said Richard Eberle, circulation division supervisor for the library system. "Get past defining success or failure by the number of libraries in the system. Libraries are quickly moving beyond buildings with books."

Monday's meeting was the result of about eight months of study by an appointed committee after the library board has grappled with crippling budget cuts over the past two years. The budget is expected to drop nearly \$2 million this year from 2008, to about \$10.5 million.

Of four alternatives proposed, two would require closing branches. Of the two alternatives favored, however, one would keep all branches open while the other would close branches in La Selva Beach, Felton and Santa Cruz's Branciforte and Garfield branches, in exchange for better technology and services at remaining libraries.

Capitola's library, which has been mentioned before as one to close, was spared from the list.

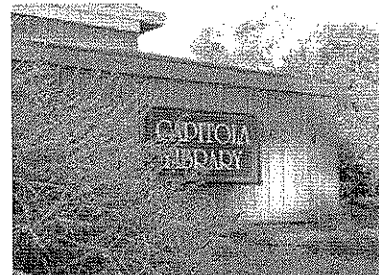
The argument was not a new one for the board, and Monday's meeting was not marked for a decision.

Still, the board's split was obvious as the members shared their impressions of the evening.

"If we close libraries, we will never again have a successful tax measure to support libraries in this community," said county Supervisor Ellen Pirie, whose district includes the La Selva Beach branch. Measure R, which passed in 2008, continued an existing quarter-cent sales tax in perpetuity to fund libraries. The money pays for about half of the library budget.

But board member Jim Reed, a Scotts Valley resident and city councilman, wondered if the board could live up to the responsibilities of Measure R anyway.

"I don't think it's the job of the taxes. I don't think it's the job of this board, to provide community centers," Reed said. He noted that the measure also promised extensive new books and programs for youth, neither of which have been delivered.



Interested in a follow-up to this article?



SEE NEXT IN GOVERNMENT

SCOTTS VALLEY IN 2010: COMMUNITY ON HOLD

By Noel Smith

The economy has put progress on hold for many communities including Scotts Valley. Lack of funding has affected many public and private projects by causing their delay until the economy improves or other sources of money can be developed.

Plans for the Scotts Valley Town Center development are still waiting for the right time and the right developer. The Town Center is a long-planned, mixed-use development that city leaders and

the community have eyed for the old Skypark airport parcels off Mt. Hermon and Kings Village roads. This project has been pursued since the 1990's and would be a big revenue-producer for the city.

Also a Town Center-style development would provide Scotts Valley amenities it's short on today — a destination location that would attract shoppers from outside the area to grow its economy, provide a pedestrian-friendly shopping and living area and would give Scotts Valley a needed gathering place for people of all

ages with restaurants and outdoor cafes, all adjoining a public park. The road to reality for the long-delayed Town Center may finally begin in 2011.

A new Junior High School is still only a dream. The question now is whether to construct new buildings on the current site or to combine locations with the High School ... and how to pay for either project. Capital improvements at all school campuses are needed but funding is not to be found. There is even a plan to put a parcel tax on the ballot in a spe-

cial election just to provide additional operational funding for teachers and equipment.

Also in 2010 there was the loss of two important corporate presences. Seagate announced plans to move their corporate headquarters to Cupertino in 2011 while Target dropped their plans to locate their second Santa Cruz County location in Scotts Valley and will now be opening sometime in 2012 at the Capitola Mall in the former Gottschalks' store.

... continued on page 4

"Poetry Contest" from pg 1

But Scotts Valley is still a family-friendly place to live, work and to raise kids. There are businesses such as Giro: founded locally in 1985 with the development of the first lightweight adult cycling helmet and is now a worldwide leader in the design and development of premium, high-performance protective gear and accessories for action sports. It was acquired in 2009 by Easton-Bell Sports, Inc. There is Zero Motorcycles, located at One Victor Square (Remember Victor Technologies?) that is now selling its electric powered dirt and highway motorcycles both in the U.S. and overseas.

And there is progress even in these difficult times. The community turned out for the groundbreaking of the new Scotts Valley library on Saturday, August 14. The remodeling of the old Scotts Valley Sports Center has officially started and will continue through April 2011. If all goes as planned, including another month or two for moving in, by June, 2011 there will be a brand new library that is three times the size of the current one.

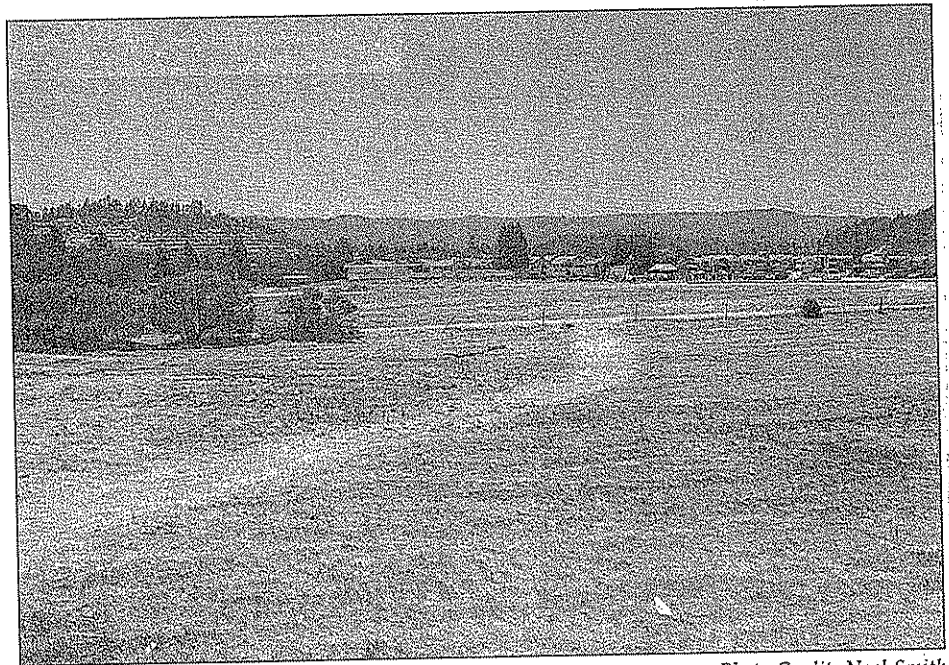


Photo Credit: Noel Smith

ABOVE: Site of the proposed Town Center

We have a responsive and responsible City Council that has done a good job of keeping us on course and new mayor Dene Bustichi knows how to deal with planning

for the future. Scotts Valley may be in a holding pattern but the skies are clearing and the destination is coming into view.

Happy New Year! ■

Scotts Valley Times
January 2011

ALA President Roberta Stevens releases statement on California library budget cuts

For Immediate Release
Tue, 01/11/2011 - 11:56

Contact: Michael P Dowling
Chapter Relations Office (CRO)

San Diego – Gov. Jerry Brown released his 2011-12 Budget proposal calling it “painful” and one that requires sacrifice from every sector of the state. The proposal eliminates all state funding for the Public Library Fund, Transaction Based Reimbursement and the California Library Literacy and English Acquisition Service. The cuts translate to more than \$30 million which will be stripped away from California public libraries.

American Library Association President Roberta Stevens released the following statement regarding the proposed reduction of funding for California’s public libraries.

“In our current economic environment we understand that state and local governments must make difficult decisions, but eliminating critical funding needed to sustain library service is not the answer.

“What will happen to the thousands of people who depend on libraries as a lifeline while they look for jobs and improve their skills to be competitive in today’s job market. U.S. public libraries are first responders in a time of economic uncertainty.

“Every service hour lost in our libraries translates into a million lost opportunities to connect people to distance education, unemployment benefits, and other e-government services. I encourage Governor Brown not to bury his head in the sand and work to understand the value of public libraries. It is clear that the Governor’s proposal to reduce funding for public libraries in the state of California must be re-evaluated.”

The American Library Association (ALA) is the voice of America’s libraries and the millions of people who depend on them. Its more than 62,000 members are primarily librarians, but also trustees, publishers and others who support the work of the association.

California libraries again

facing budget cuts

It is, as the inimitable Yogi Berra observed, "deja vu all over again."

Some 31 years ago, advocates of local libraries persuaded

the California Legislature to appropriate \$18 million to save them from wholesale shutdowns.

Libraries had traditionally been financed by city and county governments, but in the wake

of Proposition 13, the 1978 property tax limit initiative, local



**DAN
WALTERS**
Sacramento Bee

governments had slashed spending for libraries.

The \$18 million appropriation in 1981 didn't survive, however. Then-Gov. Jerry Brown vetoed it contending "state government is perilously close to an unbalanced budget."

Brown took some sharp criticism for his action. A week earlier, he had signed legislation that gave California's horseracing industry a \$15 million tax break. The industry's lobbyist, James Garibaldi, had claimed that tracks faced financial disaster without the indirect subsidy of a tax cut.

In the wake of Brown's veto, libraries waged a decades-long battle in the Capitol to gain state

funding, finding success with some post-Brown governors and failure with others.

Most recently, the state has been spending about \$30 million a year — no more than a droplet in a nearly \$90 billion state budget — to bolster local library services.

However, Jerry Brown is once again ensconced in the governor's Capitol office, once again the state budget is in trouble, and once again he wants to whack funding for local libraries.

"With the exception of some limited local assistance for library development and civil liberties programs, the ability of the state to provide general fund

local assistance to the California State Library is hampered by the economic conditions of the state," Brown's proposed 2011-12 budget says in eliminating \$30.4 million.

Once again, too, libraries are gearing up for battle.

Paymaneh Maghsoudi, Whittier's librarian and president of the California Library Association, termed Brown's action "disastrous and disheartening."

"Public libraries have done more than their share to assist with the budget deficit over the years by absorbing painful cuts," he said. "The time has come to stop the bleeding and CLA respectfully asks the members of the Legislature to oppose these proposed cuts to our

valuable programs."

It's an infinitesimal slice of California's budget conundrum, to wit: Our spending commitments add up to much more than our tax system produces, and something has to give.

How do we prioritize?

Are libraries more important than welfare grants, poor children's health, legislators' cars, inmates' health care, university executives' raises, professional sports palaces, Sacramento's mermaid bar, or bureaucrats' cell phones?

Should the state continue to underwrite local governments or compel them to prioritize?

Brown wants us to answer those questions.

January 28, 2011

was sent to
various legislators

Dear

I am writing as the Library Director for the Santa Cruz Public Libraries. I fully understand and agree with the Governor's approach to balancing the budget and getting the State of California on the road to stability. I am actually facing the same situation in my smaller world as a public library in Santa Cruz. We have been in reduction mode for several years and are now working on our own plan to achieve fiscal sustainability. I do understand that many difficult decisions have to be made.

That said, I do feel the cuts need to be reasonable and that we avoid cutting off the nose to spite the face, so to speak. While losing the Public Library Fund means a reduction in about \$72,000 per year for my system, I am prepared to accept that as a necessary evil.

Where I start to have problems is cuts that have a wider impact. By eliminating all funding for libraries we will lose the ability to receive valuable federal LSTA grant funding. This makes the cut not \$30 million but, in effect, \$46 million. By even keeping a minimum amount of funding for libraries, we can maintain our eligibility. These funds need to be seen as a refund to California taxpayers from what they have paid in taxes to the federal government. Why should a portion of the taxes California citizens have paid to the federal government go to support programs in Mississippi (or any other state you want to slip in here)?

One of the most valuable programs being cut is literacy. Literacy is the basis for all education. Education is a priority for Governor Brown and he is not proposing any cuts to education. Why then is he proposing cuts to literacy? By keeping the funding that supports literacy, we can address support for education while maintaining our state's eligibility for LSTA funding.

The other major impact of these cuts is to the important reciprocity arrangement that exists between all libraries in California. If this funding goes away, we eliminate the opportunity to effectively share resources. This means libraries will incur additional expenses to ensure their own patrons have access to the information they need. In the Information Age in which we currently find ourselves we should be looking at ways to work together for the good of all and not return to an "every man for himself" mentality.

Libraries receive significant discounts through our cooperative relationships and this, in turn, allows us to make more information available to more people. This makes us more efficient and more effective. Cutting the CLSA and TBR programs endangers this and hinders the ability of each and every public library in California to continue the important roles they are playing in helping the unemployed find and apply for jobs, access and fill out necessary government forms, and engage in an infinite number of other activities that contribute to an informed citizenry and a healthy economy.

I hope you will consider how we can find a middle way that allows public libraries in California to contribute to the stabilization of the California budget without endangering the valuable contributions public libraries make to the health and well being to the citizens of California.

Sincerely,

Teresa Landers
Library Director

The following message has been received from:

NAME: Joan Schwimmer

[REDACTED]
[REDACTED]

=====
For the 40 years I have been a Santa Cruz County Library patron, I have felt it to be needlessly confusing that the library has a policy of having a borrowing/renewal period of just 2 weeks with a "1 week grace period", instead of an unambiguous policy of 3 weeks, like most other library systems. When I recently mentioned this to a Santa Cruz librarian, she said she was in complete agreement and that many patrons have expressed similar opinions. She said this policy was apparently adopted many years ago, and appears to have continued because "that's the way it has always been done", rather than for any concrete reason related to the immediate present. She suggested I might wish to send a message on the "Contact Us" option on the library website, which I thought was a great idea. I sincerely hope you will revisit this outdated and confusing practice. Thank you.

Joan Schwimmer

Santa Cruz Public Library Mail - your comment

<http://mail.google.com/a/santacruzpl.org/?ui=2&ik=9a00f4612d&vi...>



Teresa Landers <landerst@santacruzpl.org>

your comment

1 message

Teresa Landers <landerst@santacruzpl.org>

Thu, Jan 20, 2011 at 4:42 PM

To: joanschwimmer@hotmail.com

You have picked an opportune time to comment on our circulation period. We are planning a move to a new computer system this Spring. This is an excellent time to look at many of our policies and procedures including loan periods. In fact, we are discussing this very issue at our next manager's meeting. To be honest, at the moment we are getting mixed feedback- some love the two weeks with the one week grace and others agree with your viewpoint. I don't know yet what we will decide but it does help to hear from the public about their preferences.

Thank you for taking the time to comment.

--
Teresa Landers
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Fight for libraries as you do freedom

By Karin Slaughter

6:47 p.m. Friday, September 10, 2010

My father and his eight siblings grew up in the kind of poverty that America doesn't like to talk about unless something like Katrina happens, and then the conversation only lasts as long as the news cycle. His family squatted in shacks. The children scavenged the forest for food. They put cardboard over empty windowpanes so the cold wouldn't kill them.

Books did not exist here. When your kids are starving, you can't point with pride to a book you've just spent six hours reading. Picking cotton, sewing flour bags into clothes — those were the skills my father grew up appreciating.

And yet, when he noticed that I, his youngest daughter, showed an interest in reading, he took me to our local Jonesboro library and told me that I could read any book in the building so long as I promised to talk to him about it if I read something I didn't understand. I think this is the greatest gift my father ever gave me. Though he was not a reader himself, he understood that reading is not just an escape. It is access to a better way of life.

But, why do we need to read? It's not a survival skill. Contrary to how some of us feel, we won't die if we can't read. I think the need for reading boils down to one simple issue: Children are selfish. Reading about other people creates a sense of balance in a child's life. It gives them the knowledge that there is a world outside themselves. It tells them that the language they are learning at home is the key to unlocking the mysteries of the greater world.

Reading develops cognitive skills. It trains your mind to question what you are told, which is why the first thing dictators do when they come to power is censor or ban books. It's why it was illegal for so many years to teach slaves to read. It's why girls in developing countries have acid thrown in their faces going to school.

You would just as soon cut "Romeo and Juliet" from a high school curriculum as you would cut algebra. Both train young minds how to think in critical ways. Both foster problem solving and spatial reasoning. Both create adults who question and contribute to society. Fundamentally, reading creates better societies. This is not a theory. This is a quantifiable fact: There is a direct correlation between the rate of literacy in a nation and its success.

This is why the funding of American libraries should be a matter of national security. Keeping libraries open, giving access to all children to all books is vital to our nation's sovereignty. For nearly 85 percent of kids living in rural areas, the only place where they have access to technology or books outside the schoolroom is in a public library. For many urban kids, the only safe haven they have to study or do

homework is the public library. Librarians are soldiers in the battle for our place in the world, and in many cases they are getting the least amount of support our communities can offer.

We need to shift our national view of libraries not as luxuries, but as necessities. When tragedy strikes in other nations, Americans are generous, but our libraries are being hit with a tsunami and there has been no call to action. Staffs are being fired. Hours are being cut. Doors are being closed. Buildings are being razed. Kids are being left behind. Futures are being destroyed.



Libraries are the backbone of our educational infrastructure, and they are being slowly broken by bankrupt municipalities and apathetic politicians. As voters and taxpayers, we have to demand that our local governments properly prioritize libraries. As charitable citizens, we must invest in our library down the street so that the generations serviced by that library grow up to be adults who contribute to not just their local communities, but to the world.

Kids who read become students who do well in school. Students who do well in school go to college. College students graduate to good jobs and pay higher taxes. Libraries don't service only Democrats or Republicans. They don't judge by class, race or religion. They service everyone in their community, no matter their circumstances. Rich or poor; no one is denied. Libraries are not simply part of our guarantee to the pursuit of happiness. They are a civil right, the foundation upon which time and time again the American dream has been built. If we lose our libraries, we risk losing our communities, our families and ourselves.

Karin Slaughter of Atlanta is a novelist.

Find this article at:

<http://www.ajc.com/opinion/fight-for-libraries-as-611271.html>

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Get Ahead of Outsourcing

By John Huber

Stave off privatization with a lean, mean library management machine

Posted Wed, 01/19/2011 - 11:38

January/February 2011

How will politicians and library leaders respond to the challenges of shrinking budgets, increased community expectations, and ever aggressive competition?

One approach is to replace current library management teams with private profit-driven companies whose first strategy is to attack labor cost.

In a September 26 *New York Times* article titled "Anger as a Private Company Takes Over Libraries," David Streitfeld states: "A private company in Maryland has taken over public libraries in ailing cities in California, Oregon, Tennessee, and Texas, growing into the country's fifth-largest library system."

He goes on to say that even relatively healthy cities are pursuing the management outsourcing option; cities such as Santa Clarita, California.

However, ALA's governing Council voted in 2001 to adopt the following policy statement concerning privatization: "ALA affirms that publicly funded libraries should remain directly accountable to the publics they serve. Therefore, the American Library Association opposes the shifting of policy making and management oversight of library services from the public to the private for-profit sector."

Under extreme budget pressure, city managers and politicians across the country are desperate to find ways to reduce costs. The underlying assumption of this approach is that current library leadership teams and their staff are incapable of successfully responding to the challenges they face.

Since the early 1980s I have served as a management consultant, assisting for-profit companies in their fight to survive the overseas outsourcing juggernaut. I have learned invaluable lessons from this battle for survival. Over the past 10 years I have applied this experience to the library world assisting public libraries across the country in improving services and reducing costs. This includes the New York Public Library, Carnegie Library of Pittsburgh, Youngstown/ Mahoning County (Ohio) Library, Johnson County (Kans.) Library, and Tulsa (Okla.) City-County Library, to mention a few. My experience has taught me that libraries can achieve dramatic service and cost improvements by embracing lessons learned from for-profit manufacturing and distribution businesses, especially those in a battle to survive. The manufacturing and distribution industry call this survival strategy Lean Manufacturing.

In the library environments I have worked, library teams have discovered many opportunities for improvement: improvement in lead-times, material handling and process flows, ergonomics, capacity management, collection management, cataloging, service desk performance, and logistics. By applying the concepts of Lean to their libraries, these teams, made up of a cross section of library managers and staff, have dramatically improved service as well as reduced cost.

Lean in concept is very simple. It states that you should constantly strive to reduce the distance between you and your customer by eliminating all the waste in your service delivery cycle. It accomplishes this by attacking the waste that lies hidden behind poorly designed process flows, outdated business models, ineffectual

organizational structures, inflexible software systems, poorly applied automation, and stagnant procedures. Waste is defined by any delay or nonvalued activity in the process. Reduce this waste, and the distance between you and your customer is reduced; as a result, costs go down. Specifically, by eliminating wasteful delays and nonvalue activities in your service cycle, the speed, accuracy, and quality of service to your customers will dramatically improve. Therefore, Lean provides a vehicle to improve customer service and at the same time reduce costs.

The following are some of the Lean survival lessons we have successfully adapted and applied to the library environment.

1. To survive, libraries must change. While obvious, this is not as simple as it seems.
2. Libraries should recognize they have stiff competition and should respond in kind.
3. Labor cost is a secondary issue; success does not come from blindly cutting staff.
4. Libraries should not be seen as departments, but as service delivery chains.
5. Eliminating wasteful activities in the service delivery chain will result in improved customer service.
6. Improved customer service will lead to significant cost reduction.
7. Budget reductions are a negative motivator. Budgets should not be the driving factor used by management to reduce cost; budgets will be reduced because service is improved.
8. Performance measures must be implemented to guide the service improvement effort.
9. Labor unions and/or staff must have ownership of the process to eliminate waste. As waste is eliminated, unions and staff must be flexible and adaptive to changing job descriptions and responsibilities.
10. Delivery lead-times have a direct correlation to your purchasing budget. Reduce delivery times and your purchasing budget can be reduced as well.
11. Digital content provides great opportunities for delivery service improvement and therefore cost improvement.

City and county councilors and politicians are correct about one thing. Libraries must look for new solutions to lower costs. The concepts of Library Lean provide this path. However city and county managers should not send the message “work harder for less pay”; instead, they should send the message “better service with less waste.”

Typical savings from a Lean Library effort can include:

- 50–75% reduction in new book delivery lead-time/backlog;
- 50–75% reduction in customer reserves delivery lead-time;
- 20–45% reduction in service delivery costs;
- 25–40% improvement in book service days available;
- 10–80% reduction in overtime;
- 25–90% reduction in injury-related tasks;
- 25–90% reduction in internal book damage;
- 10–20% reduction in materials budget allocation.

It's a win-win opportunity. Improve customer service by reducing waste. Reduce waste and you reduce costs. In these tough economic times, Lean is the solution libraries are looking for; a solution that will allow your city and county leaders to have confidence in their library leadership teams and staff. The question remains: Can library management teams look within to embrace and deploy new competitive concepts in order to improve service and reduce cost? My experience tells me, yes.

*JOHN HUBER of J. Huber and Associates has dedicated his career to helping organizations improve their customer service and cost performance. He is the author of *Lean Library Management: Eleven Strategies for Reducing Costs and Improving Services* (Neal-Schuman Publishers, 2010).*

Spread the Word: There's New Evidence of Libraries' ROI

By Beverly Goldberg

The promise of a fresh start is part and parcel of the beginning of a new year, particularly when hardship has darkened your door in the year just past. Although no one in the library community realistically expected their institution's fiscal standing to magically move from strapped to solvent, a new study conducted by the University of Pennsylvania's Fels Institute of Government adds bottom-line evidence that the return on investment in library service more than justifies the costs.

The first-ever economic impact study about the Philadelphia's public libraries, *The Economic Value of the Free Library of Philadelphia* ([PDF file](#)) concludes that the library created more than \$30 million worth of economic value to the city in FY2010. Particularly noteworthy is the library's impact on business development and employment, which has rightfully become an ongoing national concern. Survey respondents reported that they couldn't have started, sustained, or grown an estimated 8,600 businesses without the resources they accessed at the Free Library of Philadelphia. Direct economic impact: Almost \$4 million.

Librarians have come to expect that data will back up their positive effect on the creation of jobs (1,000 found work thanks to FLP resources, pumping \$30 million in salaries into the economy) and tax revenue (\$1.2 million) in a given community. The Fels study also offered a pleasant surprise: Researchers found that Philadelphia homes located within a quarter-mile of a branch library were worth an average of \$9,630 more than homes outside that radius.

"Until now, there hasn't been a way to know exactly how much we help in dollars and cents," FLP President and Director Siobhan A. Reardon stated. "Through this groundbreaking study we put a figure to our services, providing hard evidence that we are more than a nice community resource—we're an integral economic engine for the city of Philadelphia."

The bottom-line figures may vary, but what's true on the East Coast is undoubtedly just as true throughout Libraryland, and boosters in California would do well to point that out to newly sworn-in Gov. Jerry Brown, among whose first acts was proposing that lawmakers triage the state's fiscal hemorrhage by cutting off entire state-level programs that help keep public libraries afloat. Both the [California Library Association](#) and the [American Library Association](#) were quick to issue statements decrying the proposal.

Trending across the pond

As stressed as U.S. libraries have been by the economic downturn, the crisis seems to pale in comparison to public libraries in Britain, whose ministers have told local governing councils to slash millions from their budgets with the goal of saving £6.5 billion nationwide beginning in April; simultaneously the interpretation of regulations that require the maintenance of library service have been loosened. Protests are growing against the possibility that more than 375 libraries could close. For example, the creation January 16 of a #savelibraries hashtag [trended](#) to number four that same day on the United Kingdom Twitter stream as thousands expressed their love of libraries.

American Libraries, Wed, 01/19/2011 - 13:01

James J. Hill Reference Library to launch business incubator

The Internet has forced the historic St. Paul institution to seek new sources of revenue.

By WENDY LEE, Star Tribune

St. Paul's historic James J. Hill Reference Library said Wednesday that it plans to open an incubator to help entrepreneurs next summer.

The library will turn 10,000 square feet of office and floor space into working areas for growth companies and related service providers and also offer training programs online, said Tom Triplett, director of strategy development.

The library will allocate \$2 million of its \$14.5 million endowment to launch the project.

"It's an extraordinary opportunity for the state and region, [to bring] together the resources of the Hill Library with our founder's entrepreneurial legacy and help grow businesses," Triplett said.

The library's board gave its approval last Thursday to move forward with the incubator, but has not yet decided on its area of focus, Triplett said. The next step will be to seek partners, from academic to entrepreneurial organizations, and finalize those relationships in February.

The decision to open an incubator comes at a time when the library is trying to find new ways to increase revenue. The speediness of Internet adoption has made it challenging for the historic library to compete and charge for research services.

To make matters worse, the library's endowment shrank by 23 percent during the recession.

The nonprofit library, which was built by railroad tycoon James J. Hill as a gift to the city of St. Paul, opened in 1921 and once drew 200 to 300 visitors a day. It became a center for business, technology and science research.

Dan Carr, CEO of the Collaborative, an organization that links entrepreneurs with investors, said he believes the librarians can provide "a unique advantage" to the incubator by helping companies do market research and intellectual property searches.

"I think anything that can help start-ups get to the finish line a little bit easier makes some sense," Carr said.

Wendy Lee • 612-673-1712

Amazon Kindle ebook sales surpass paperbacks

By [Matthew DeCarlo](#), TechSpot.com

Published: January 27, 2011, 7:09 PM EST

Amazon has released its [fourth quarter financial statement](#) marking two significant milestones: the latest period was Amazon's first \$10 billion quarter with net sales increasing 36% on-year to \$12.95 billion, and the company's Kindle ebook sales have surpassed paperbacks.

Last July, Amazon announced that it was selling [nearly two ebooks](#) for every one hardcover. The company originally thought ebooks would outpace paperbacks by the second quarter of this year, so the milestone came unexpectedly fast (and it's on top of increasing paperback sales).



Amazon now sells 115 Kindle books for every 100 paperbacks. Meanwhile, the gap between ebooks and hardcovers has increased to three digital sales for every physical copy. This includes traditional books that don't have a Kindle copy and excludes pre-1923 public domain works.

The US Kindle store now offers more than 810,000 books, up from 630,000 last summer, as well as millions of free titles with expired copyrights. Amazon has yet to [share device sales](#), but the company touts that "millions" of the third-gen Kindle were sold in the fourth quarter of 2010.

Library e-books easier, but still a hassle

By PETER SVENSSON
Associated Press

NEW YORK — Libraries have been lending e-books for longer than there's been a Kindle, but until recently only a few devices worked with them. That's changed in the past few months with the arrival of software for reading library e-books on some popular devices: iPhones, iPads and Android-powered smart phones.

However, I'm sad to report that reading library e-books is still more hassle than buying them. The whole process could be smoother, and there are questions about how libraries are going about the transition to the e-book world.

But let's focus first on the good news: You can now download library books straight to your Apple or Android device. Once you've figured out the system and are lucky enough to find a book you want, it takes only a few minutes to start reading.

■ First, you need a library card. Visit a local branch if you don't have one.

■ Second, download a free application called OverDrive Media Console to your Apple or Android device. OverDrive Inc. runs the lending system for the 5,400 U.S. public libraries that offer e-books — a bit more than half of all public libraries.

■ Third, follow the app's instructions to get an "Adobe ID" and tie your device to it. It's an e-mail address and password registered with Adobe Systems Inc. to prevent you from sharing borrowed books with the whole world. The books you borrow won't be readable on devices that aren't "authorized" with this ID.

■ If you're still with me after dealing with three different parties just to get started, you can now tap "Get Books" in the app. That fires up the Web

browser, where you can find your local library's website. Once there, you can search for e-books. You'll need to enter your library card number and usually a passcode that comes with it.

There's a particular lingo to learn. Your "shopping cart" of books that you want to check out is called "My eList." The books you have checked out already are "My eCheck Outs." Most libraries have entirely separate systems for physical books, and if you blunder into that part of the site, getting back to e-books can be challenging.

Each library has a limited number of copies of each e-book to lend out. If it has five electronic copies of "The Girl with the Dragon Tattoo," then five patrons can have the book at once. Others have to place an "eHold" on it and wait till one of the five "return" the e-book, which happens automatically at the end of the borrowing period, usually three weeks, if the borrower didn't voluntarily return it earlier.

That's right: there's no more hunting around the house for overdue books, no more late fees. That alone should make up for some of the hassle of e-book borrowing.

But the selection of e-books is small, and the limited number of copies is frustrating. Right now, I'm No. 62 out of 98 people waiting to read Nassim Nicholas Taleb's "The Black Swan" at the New York Public Library. It has 12 electronic copies, so I can expect one to free up in about four months.

The OverDrive Media Console has some limitations compared with other e-book software. You can't change page margins or the color of the page, and there's no iPad version.

Another e-book application deals with those shortcomings, but it can't load e-books straight from the Web. You

need a Windows or Mac computer and Bluefire Reader, free software that works with the iPhone, iPod Touch and iPad, but not Android. As with Overdrive, you need a library card and an Adobe ID. You also need Adobe Dig-

ital Editions, another free application. Instead of browsing for e-books on your Apple device, you do so on the computer. You download books to the computer and open them with Digital Editions. Then, connect the Apple

Click "Open" to transfer it to the iPad.

This is clunky, but Bluefire has the advantage of being able to load books from the many online bookstores that use Adobe ID, including Google Books. So one app can hold both your library books and commercial ones.

Using a similar process, you can load library books on to Barnes & Noble Inc.'s Nook e-book readers and Sony Readers. Instead of iTunes, you'll use computer's file system or Adobe Digital Editions. Sorry, you're out of luck if you have an Amazon Kindle, which doesn't accept books protected by Adobe ID.

For those willing to figure out the system, library e-books can be rewarding. But many steps in the process are poorly thought out and unfriendly to the user. For instance, to download a book to an Android phone using OverDrive, you have to tap three different "Download" buttons on three different screens.

Another source of frustration is the way the nation's e-books are divided among thousands of libraries. Some branch out there might have a spare copy of "The Black Swan," yet I'm stuck in the long line of the local library. One national e-book library would be better.

But the current system, though unfriendly to users, probably serves the interests of local libraries, which can point to e-book lending as one way they're staying current and relevant. And it's hard to see that publishers would have a big interest in streamlining e-book lending — they want people to buy e-books or even printed copies instead.

So we're probably stuck with what we have: a system where you can trade the time it takes to learn the system for free e-books. It's not great, but it's free.

Sc
Sentinel

1/22/11



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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action.
See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

FOR IMMEDIATE RELEASE
January 6, 2011

MEDIA CONTACT:
Mark Wigfield, 202-418-0253
Email: mark.wigfield@fcc.gov

FCC RELEASES DATA FROM E-RATE PROGRAM AND BROADBAND USAGE SURVEY *Survey finds faster broadband needed in schools and libraries*

Washington, D.C. – The Federal Communications Commission today released a report on the state of broadband connectivity at schools and libraries receiving funds from the federal E-rate program, which provides support to help connect schools and libraries to the Internet.

The report is based on data from a survey conducted in 2010 that examined the success and challenges related to broadband use faced by schools and libraries. This survey will help the Commission make data-driven policy decisions for the E-rate program by providing information on the educational and technological needs of schools and libraries.

The survey was commissioned by the FCC and conducted by Harris Interactive, Inc., an independent national marketing research firm. Specifically, the survey found:

- ***Almost All Have At Least Some Broadband:*** 95% of all E-rate survey respondents have some form of terrestrial broadband connection to at least one facility, while 2% use satellite and 3% use dial-up.
- ***Faster Broadband Speeds Needed:*** However, nearly 80% of all survey respondents say their broadband connections do not fully meet their current needs.
 - Slow connection speed is the primary reason current Internet connectivity does not meet the needs for 55% of these respondents.
- ***Cost is a Big Factor:*** 39% of E-rate survey respondents cite cost of service as a barrier in meeting their Internet needs, and 27% cite cost of installation as a barrier.
- ***E-Book Use to Greatly Increase:*** 56% of all E-rate survey respondents expect to implement or expand the use of digital textbooks in the next two to three years, and 45% expect to implement or expand the use of handheld devices for educational purposes.
- ***Most Have Speeds Greater Than 3 Mbps:*** 10% of E-rate survey respondents have broadband speeds of 100 Mbps or greater and most (55%) have broadband speeds greater than 3 Mbps.
 - More than half of school districts (60%) subscribe to a fiber optic connection.
 - 66% of respondents provide some wireless connectivity for staff, students or library patrons.

- ***E-Mail Essential for Schools:*** For schools, e-mail is the most-used application (almost all schools, 98%, regularly use or access e-mail), and the most essential (69% consider it the most essential).
- ***Libraries Rely on Online Reference Materials:*** For libraries, online reference materials are both the most used application (86% of staff and patrons regularly use or access online reference materials) and the most essential (62% consider it the most essential).

The E-rate program, which provides more than \$2.25 billion annually to support telephone and Internet connections at schools and libraries across the country, was recently upgraded to allow schools and libraries to get higher-speed broadband at lower cost (FCC 10-175).

-FCC-

News about the Federal Communications Commission can also be found on the Commission's web site www.fcc.gov.

MONTHLY REPORT FOR JANUARY 2011

1. Reading, Listening and Viewing for Pleasure

A. Children in Santa Cruz County will enter school ready to read, write, listen and learn

Jeanne O'Grady, Outreach Librarian, is collecting complete sets of the World Book Encyclopedias as they are discarded from the branches to make room for new sets. This month she delivered the first set to the homework center at the Davenport Community Resource Center. The discarded 2002 World Book replaces a 1984 World Book and another 1993 encyclopedia set. She also encouraged the staff to bookmark the library website and use the online resources including World Book available to all library card holders on our webpage.

Jeanne attended the First 5 sponsored 2 day workshop for home visitors and family advocates on the SEEDS of Early Literacy for Parents program at Cabrillo. On the second day she gave a presentation about library early literacy programs and Read to Me in particular. Many participants did not know about Read to Me. One requested a library card and several asked about scheduling programs for their parent groups.

Jeanne was the guest presenter at a UCSC class on children's literature. She reviewed the SCPL website and the topics on the website that will be useful to tutors and teachers.

B. All ages will have materials, programs and displays that reflect current community interests and provide pleasurable reading, viewing and listening experiences that help them reach their personal literacy goals

Branciforte:

Branciforte staff created an activities display for children on the topic of birds. The display features books and videos about birds, along with bird-themed learning activities such as word searches, crosswords, coloring projects, and other simple literacy builders for children to take and enjoy.

Branciforte has also had its walls adorned with art from the Ageless Art Project. The Ageless Art Project makes creative expression possible for the residents of skilled nursing and assisted care homes in Santa Cruz County, reaching people who, because of their infirmity and disabilities, would otherwise have little or no access to the cultural life of the community. We hope that providing a space for the Ageless Art Project to display the work of its members will help the project's endeavor to provide the community with a new and positive view of care facility residents through public exhibits of their creative work.

Aptos:

Dana Mackenzie, the Aptos Chess Club Director arranged for Steven Zierk, the World Under 18 Chess Champion to appear at our January 25th chess club program. He performed an amazing feat by simultaneously playing 15 of our participants at once. He graciously won every game. Everyone was honored to compete against the Champion, who is the only American to win the title. He is a Los Gatos High School Senior who, since his school has no chess program, works with the Saratoga Parks and Recreation Department Chess Program where he teaches. He showed all the moves he and his opponent made, and engaged our participants by asking them what chess move they would have made. Steven Zierk was inspiring.

The Children's Department at Aptos has been switching out its book display to meet the interest of our patrons: weather related subjects, award-winning picture-book authors, chess books, and Picture Books of interest to Mother-Goose Timers, as well as a popular juvenile-picture-book subject with a related simple preschool-level craft to do and take home.

The Aptos Library display case featured an exhibit by the Monterey Bay Ninety-Nines, the local chapter of the International Organization of Women Pilots. In 1931 Amelia Earhart was elected as first president and the group took its name from the 99 charter members. Ninety-Nines sponsors more than 75 percent of the Federal Aviation Administration aviation safety programs in the United States. Members support women in all facets of aviation through scholarships, career mentoring and flight training forums. The deadline for this year's local scholarship is January 31, 2011. Meetings are held the third Wednesday of each month at 7:00 p.m. in the Watsonville Aviation Education Center at the Watsonville Airport.

The following groups met at the Aptos Library during the month of January:

1. SEIU Home Care Workers
2. California Rural Legal Assistance
3. California State Teacher's Association
4. Loma Prieta Rd. Association
5. Genealogy Society of Santa Cruz County
6. Aptos Library Writing group
7. GLBT Youth task force

Meeting room usage is also down from years past possibly due to the fact that hourly rate fees rose from \$5.00 per hour to \$20.00 per hour several years ago and because meetings have to conclude at 6:45 p.m.

Capitola

Tales to Tails, a new literacy program in which children read to dogs to increase young readers' confidence and competency, launched very successful on Wed. January 19 from 3-5pm. 9 children had the opportunity to read to 3 dogs. Participants ranged from young students learning to read to older reluctant readers practicing their skills in a safe environment. Tales to Tails will expand to other branches as soon as possible. The credit

for Tales to Tails' success goes to Capitola staff person, Melanee Barash, and Friends volunteer, Phyllis Taylor.

Downtown

The Walnut Ave Women's Center met at the library 1/20 to honor and celebrate those families participating in Even Start. Participants received "Raising a Reader" bookbags and the library distributed books purchased with First Five funds.

Live Oak

Heather gave a tour and orientation to a group of 20 kids from Barrios Unidos and The Farm (Mid-Peninsula Housing), who are embarking on an incentive-based reading program through their after school program.

The third and fourth grade classes from Del Mar elementary visited Live Oak this month. After a tour and library orientation, Heather read from books about shorebirds, telling about the different birds we have at Corcoran Lagoon. After their library visit, the kids did some birdwatching and sketched the coots and mallards they saw. Heather received 2 lovely packets of thank you letters illustrated with pictures of birds the children had seen.

Patty Carroll made a book display for upcoming Maya Angelou Program.

Scotts Valley

Scotts Valley is currently featuring a display of stained glass. The artist is Jackie Marr, a dedicated stained glass teacher at Cabrillo and for 29 years, from her own studio, Kiss My Glass. She has loaned the library 12 pieces of her work, as well as 19 drawings or mockups which are up on the walls of our branch. Also being exhibited are tools and instructions for making stained glass work. Scotts Valley also had a display of library materials having to do with New Year's resolutions and new beginnings.

C. People of all ages will have friendly support and intuitive access to the materials and resources they want

David Addison, Chase McLelan and Patty Carroll are researching the status of the current Reader's Link bookmarks that are now out of date. They are willing to join others throughout the library system in updating these popular flyers. California historical fiction, biographies, legal thrillers, horror fiction, romantic suspense and mysteries to name a few.

David Addison and Patti Maraldo will continue to develop book displays each month. David selects the subject and Patti does the graphics. Next up: Black History Month in February.

2. LIFELONG LEARNING

A. People will have access to a relevant collection of resources in diverse formats for all ages.

Aptos:

The adult Playaway collection continues to grow. It is now featured on end panel shelving with instructional posters provided by Recorded Books. Teen and children's Playaways are shelved with their respective media collections.

B. Library users will have access to innovative and successful programming which reflects the cultural, educational and informational needs of the diverse communities served by SCPL and which will help learners of all ages to achieve their goals.

Downtown:

The first session of "Making Friends With Your Computer: A Library Computer Club" met this month in the Central branch meeting room. Eighteen enthusiastic adults attended and heard a computer hardware lecture from "Computer Dave" and had the opportunity to ask questions on anything technology related. This is a regularly scheduled program, meeting the third Tuesday of every month.

Scotts Valley

At Scotts Valley, 284 preschoolers enjoyed storytimes, and 66 adults attended programs.

C. People will have access to innovative technology and the tools necessary to find, evaluate and use information and resources to meet their learning needs.

A Technology Petting Zoo on January 26 gave the public an opportunity to become familiar with ebook readers, smartphones, recording equipment, tablets/laptops/notebooks, Wii, gaming equipment. The staff had an opportunity to share what they know and become familiar with the kinds of questions the public has about these tools.

3. COMMUNITY CONNECTIONS

A. The Library will initiate and nurture partnerships with the public, private and nonprofit sectors in Santa Cruz County for the mutual benefit of the partners, the Library and the community.

Aptos:

Valencia Elementary in the Aptos Library service area is just three students away from "every child a Santa Cruz Public Library Card." All the cards had been successfully processed and in the hands of the students when three new kindergartners asked "what about me?" When Michelle Galipeaux, Valencia's Library staff, hands out the last three cards, every student in her school will have a Santa Cruz Public Library card.

Aptos Youth Services Librarian has developed a relationship with the administration and staff at Rio Del Mar Elementary. At the invitation of their Principal, Deborah Dorney, Nancy Call attended their first annual literature night, talked with 117 children and

parents about their book under discussion, "Charlie and the Chocolate Factory," assisted with their evening's activities, and introduced the every-child-a-library-card program.

The Programs and Partnerships Manager had promising discussions with a representative of Starbucks about summer reading sponsorship and with poet, Magdalena Montagne, about launching a Library-sponsored poetry writing group.

The Programs and Partnerships Manager worked with the Small Business Development Center to create the calendar for the 2011 Brown Bag Seminars at the Downtown Branch. There will be one seminar per month from February through November. Partners include Bank of America, Santa Cruz Downtown Association, and the City of Santa Cruz Redevelopment Agency.

Sandi Imperio, Teen Services Librarian worked with UCSC students in the Education Department to set up regular tutoring sessions during the Winter Quarter.

Live Oak

Anastasia Torres-Gil, Resource Family Specialist for Roots & Wings, thanked us for displaying art work by foster children at the Live Oak Branch. She says they had many people call their agency about fostering after seeing the art display at Live Oak.

Outreach

Hope Services (downtown). This partnership has been floundering lately as a result of inconsistent Hope Services staff availability, changes in their setup, & difficulty in communicating with a prospective volunteer. Rather than limp along, we decided to take a break from the monthly storytimes but maintain our connection by working on the "Hope Stories" book (stories written & illustrated by Hope clients that we will bind & catalog as we do the We Have Stories to Tell books). Mike Nichols, our liaison, also expressed interest in bringing more of his clients to Central, & we will work together in the New Year on developing this new joint venture.

B. People will strengthen their ties with each other, the community and the library.

Aptos:

Third Wednesdays at the Aptos Family Place Together in the Library for Mother Goose Timers is just the place for young parents and grandparents and their children to meet each other and enjoy the benefits of the early-literacy program. Since many of them have been meeting together since their babes were in arms, they were exultant when one of the little ones took her first step and another said her first word. As they see one another's children grow and develop, they are bonding with one another and building memories. This low-tech program has high-patron approval.

Outreach

January has been an exciting month for BookBuddies. Bobbi has several new volunteers who had signed up in December so they had meetings in early January and Bobbi was able to begin introducing those who need the service with those who volunteer. One of

her previous BB's was ready to begin volunteering again and the match-up went very well. Donna is a dog lover and her new BB has a delightful cockapoo, named Pierre, who loves everyone. They all had fun at the introductory meeting. Bobbi's two new volunteers live up in the San Lorenzo Valley and, interestingly enough, two of the new homebound BB's are in Felton.

C. The community will recognize the value of SCPL in improving their lives and will recognize SCPL as an asset to their community.

When returning to De Anza on the bookmobile run in early January, Sonja, whose husband had died in early December, came onboard to see Eric and Bobbi. They suggested a book she might like and took her list. Sonja then gave them \$100 in cash and said it was a donation from her daughter for the good service the BKM provided her father in his last years. Bobbi & Eric worked out that some of the money would be for LP mysteries he so loved to read and some would be for Scandinavian authors they both enjoyed. Both were touched by the thoughtfulness of a family in the midst of grieving but still reaching out to the community.

D. Volunteers will be used effectively
Aptos:

After learning that the Aptos Library no longer had a landscape service, members of the Aptos Lion's Club asked Heidi to write up plans for a "Clean-Up Day" Although our maintenance team works with court referrals to do some things, they are stretched thin. It looks like a go on Friday, February 25th! Ken Madonia will deliver rolling garbage cans to the branch that morning. Heidi will be on site from 8-2 p.m.

Becky Steinbrunner has volunteered to adopt a triangular patch adjacent to the ADA parking space. It is currently overrun with weeds and wild bulbs that are very high maintenance. Becky will work with donations from local nurseries to cultivate and replant the area with drought resistant plants that also attract butterflies. As a 4-H Club leader in Corralitos, she has taken on similar projects in the past. Exciting!

Aptos Library volunteers and staff will hold a Valentine's Day romance book and bake sale in the library meeting on Monday, February 14 from 11-5. All proceeds go to the Friends of the Library.

Sellers: Terry Hanson, Ethel Curtis, Nancy Greenfield, Anne Bunn, and Becky Steinbrunner and Christine DeLapp.

Bakers: Cathy Simons, Patti Maraldo, Rose Church, Sally Macki, Eric Call, Joyce Blaskovich, Andrea Compoginis, Bob Holmes, Becky Steinbrunner, Marilyn Kanemura and Christine DeLapp.

Decorations: Teen volunteers

Publicity: Heidi Jaeger-Smith (Press Release) and Patti Maraldo (posters and fliers)
Library IT-Web announcement
Room set up and tear down: Aptos Pages: Julie Begin, Briana Garcia and Chelsea Bogrow.

The Programs and Partnerships Manager worked very closely with the Friends grant writing committee to complete a Big Read grant proposal around the works of Edgar Allan Poe. The Committee consists of Jory Post, Mary Nelson, and Teall Messer. It is an excellent, hardworking group which has enlisted the support of the Santa Cruz City Schools, the Museum of Art and History, the Santa Cruz County Poet Laureate, and Community Television, should the project be funded. The deadline is February 1, 2011.

Live Oak

We have commissioned a young volunteer to pull requests from the J/YA Sends List every Sunday, freeing up some of Heather's time. We also have a pair of High School students cleaning the entire picture book collection to fulfill community service hours.

Downtown

The Downtown Library Book Discussion group had a lively discussion of *Enemy Women* January 20. Janie Tibbals is the volunteer leader.

Outreach

Our program at Hope Senior Services in Aptos is flourishing, thanks to volunteer Sue Lampson working with staff member Leslie Auerbach. Sue took over when Michele Mugnier retired and the partnership has been working very well.

4. WELCOMING PLACE

A. Identify the physical changes and funding required to provide 21st century library facilities.

Aptos Branch:

Heidi has been putting together a list of capital outlay requests for the January 31st deadline. This is only a wish list at this point in time. The ADA space and driveway issue is a priority for safety reasons.

B. The virtual branch meets the definition of a welcoming place

Aptos:

Heidi demonstrated the Safari downloadable e-book ProQuest product to a patron who is beginning a social networking business in Aptos. His disappointment at the lack of current print materials turned to elation when he discovered several newly released titles on Safari. This data base is a popular tool for people needing technical manuals and being able to click on just those chapters that are most essential is a plus.

He asked if we perhaps also had resources for his children! Away we went!!!

C. People receive service at the level they need and want

Aptos Branch:

Although some people miss the old reference desk area, others are happy that they now can work more collaboratively with staff. The old set up required people to sit across the desk and it was difficult to turn the screen as staff did subject/title searching. People now sit next to the desk and staff can more easily teach them their search strategies. It is also helpful in working with a person who has fines or lost books. They love being able to see their account. It also helps us keep our voices low. (Sound is always an issue at Aptos due to the high beam ceilings.)

5. FINANCIAL SUSTAINABILITY

A. The Library System maintains a healthy and stable financial position

B. There is adequate, stable and diverse funding to finance ongoing operations, key strategic initiatives and capital projects.

C. Services of a defined level and quality are consistently delivered based on revenue projections and supportive organizational and operating structure.

D. The Library operates efficiently and focuses on continual improvement.

6. ORGANIZATIONAL READINESS

A. Staff receives adequate training to do their jobs effectively.

Thirty staff participated in the Technology Petting Zoo training

Six staff completed the online course Core Reference Skills. Lauren

Linda Gault participated in the webinar "Digital Storytelling: Everyone Has a Story to Tell".

Liz Pollock attended a workshop on e-Readers.

Eight staff members attended the MOBAC Tech workshop "Kindles and iPads and Nooks, Oh My!" where they learned about the complexities of the consumer and library eBook markets.

Six staff members attended the first session of the ALA TechSource workshop "Integrating eBooks and eReaders into Your Library." The first session addressed purchasing eBooks for libraries. The second session is scheduled for next month and will address lending eBook readers at libraries.

Fourteen staff members attended the online conference "Edgy Librarian" which covered: SMS/chat reference, the consumer and library eBook market, an open source update from libraries who have gone live with Koha (an ILS), and learning and local history projects.

Three non-reference staff members attended a reference workshop titled "Strategic Searching: Getting to the Real Question to Find the Right Answer."

Mike Zulim and Amelia Hickey from Aptos will attend a reference workshop at the Mountain View Public Library on January 27th.

Patti Maraldo attended an all day City-required training on Sexual Harassment on January 18th. This is required periodically of all staff.

B. SCPL is committed to developing current library staff to become tomorrow's library leaders.

C. Employees have the skills to execute change and are committed to change and continual improvement.

Branciforte:

The quarterly meeting of the Branciforte-Garfield Park staff focused on upcoming changes. Branch staff identified areas of interest for individual training and committee involvement in order to prepare for the future. Galina Wells introduced us to her new Droid Kindle phone, demonstrating how to download a book and read it on the phone. She also attended the MOBAC eBook workshop in Monterey, and has taken the lead in training and troubleshooting downloadable audio and eBooks for our branch community.

Four staff members attended Infopeople's two-day workshop in Oakland "Leading From Any Position: Influencing Library Effectiveness and Responsiveness."

Aptos:

The quarterly meeting of the Aptos Branch library was held on January 11th. Teresa Landers spoke with us about current and future upgrades in technology and acknowledged that the Aptos Branch was far too small for the amount of usage it generates. As an older building built at time when current technology needs weren't envisioned, it will take much work to make upgrades. She also listened to our concerns regarding delivering good customer service.

Deborah Lipoma, project manager of the new ILS system spoke with us at length about some of the exciting possibilities still under development by Evergreen and Equinox. She asked for volunteers to serve on evaluation and training committees to help staff prepare for the change this summer. Circulation supervisor, Mike Zulim will serve on the circulation evaluation team. Youth Services Librarian, Nancy Call will represent Aptos on the evaluation and training committee.

The Programs and Partnerships manager completed an application to the State Library's Pitch a Grant division to fund PRESTO (PREparing Staff for Organizational Change). SCPL has been granted \$40,000 to design a staff development model which will encourage the staff to be change resilient in the face of the new service model, new ILS system, and other innovations we can only imagine. The final application was due January 24, 2011.

Access Services has initiated a blog and is meeting regularly to train, log problems and resolutions, and establish new workflows for the migration to Evergreen. Each staff will analyze their work flow for the first two weeks in February.

.D. A customer driven service philosophy guides staff training and development.

Diane Cowen provided an introduction to the concept of customer experience, leading a discussion on the topic at the Branciforte-Garfield Park quarterly branch meeting.

SANTA CRUZ PUBLIC LIBRARIES
A CITY-COUNTY SYSTEM

LIBRARY JOINT POWERS BOARD
FINANCE COMMITTEE

MINUTES

January 24, 2011

Central Branch Meeting Room
224 Church Street, Santa Cruz

6:00 PM PUBLIC MEETING

I. ROLL CALL

Present: Citizenmember Gorson, Councilmember Storey, Councilmember Terrazas

Staff: Teresa Landers, Library Director

City Staff: Jack Dilles, City Finance Director

II. APPROVAL OF MEETING AGENDA OF JANUARY 24, 2011

Councilmember Storey moved, seconded by Councilmember Terrazas

that the Board approve the agenda of January 24, 2011.

UNAN

III. APPROVAL OF MINUTES OF NOVEMBER 29, 2010

Councilmember Storey moved, seconded by Councilmember Terrazas

that the Board approve the minutes of November 29, 2010.

UNAN

IV. ORAL COMMUNICATIONS

There were no oral communications.

V. STAFF REPORTS

A. Financial Reports through December 31, 2010

Revenues:

-Are at 53% for the year

-\$89,000 Trust left to the library will soon show on the Trust Funds Balance Sheet

-\$70,000 State Funds will be received this year but the Governor has announced these funds may not be available in the State's budget for FY 11/12.

Expenditures:

-Janitorial services budget line is lower than expected due to the additional services the library needs to schedule above the agreed upon city-wide contract. These additional services have been difficult to schedule.

-Landscaping maintenance services budget line is lower than expected and may see an increase in the spring when the irrigation systems are operational again.

-Software maintenance services budget line is lower than expected because the library's new ILS system has not been installed yet. The timeframe for this project will be in the spring.

-Library functional supplies budget line is lower than expected because we order these items in bulk and more things are being pre-processed.

Personnel:

-Temporary wages budget line is lower than expected but may increase once staff begins to use the closure pay that they were given. All City employees were entitled to the same closure time off regardless of the department's holiday schedule.

-FICA costs are lower than expected and may have been over budgeted at the beginning of FY 10/11. Jack Dilles and Teresa Landers will look into this issue.

Month End Cash Balance

- Still positive

VI. OTHER BUSINESS

A. Ongoing Committee Schedule and Members

Members are Councilmember Terrazas, Storey and Citizenmember Gorson.

The committee will meet every 4th Monday of the month and the meetings will begin at 6:00pm.

B. Task Force Update

The committee reviewed a draft of the 5-year costs for each library service model. All of the models incorporated the Board's two stipulations, which were to keep the materials budget at a minimum of 8%, and to have a 10% or \$1 million cash flow reserve fund at the end of the 5th year. The committee made a few suggestions concerning layout and wording.

The Library Director also reported to the committee on a very recent development concerning the CalPERS and health care costs. These costs will affect the service models and will need to be accounted for when the Board is presented with the final task force service model options.

Jack Dilles, Finance Director, reported to the committee that the CalPERS and health care costs are expected to affect the percent of salary going towards benefits as follows:

FY 10/11 42.8%

FY 11/12 46.7%

FY 12/13 49.4%

FY 13/14 54.2%

FY 14/15 57.2%

FY 15/16 60.2%


The committee agreed that these costs should be presented in a separate document since there will not be enough time to tweak the task force models with these new and increased projections.

VII. NEXT MEETING

The next meeting is scheduled for Monday February 24, 2011 at 6:00PM in the Central Library meeting room. This meeting date may change if the regular Board meets on this night.

VIII. ADJOURN

The regular meeting adjourned at 7:17 p.m.

 Respectfully submitted,
Kira Henifin
Clerk of the Board

All documents referred to in these minutes are available in the Library Office.

DRAFT

INDEPENDENT AUDITORS' REPORT

To the Administrative Board of Santa Cruz
Public Libraries Joint Powers Authority
Santa Cruz, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Santa Cruz Public Libraries Joint Powers Authority (Authority) as of and for the year ended June 30, 2010, as listed in the foregoing table of contents. These financial statements are the responsibility of Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority, as of June 30, 2010, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2011, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

To the Administrative Board of the Santa Cruz
Public Libraries Joint Powers Authority
Santa Cruz, California
Page 2

The Management Discussion and Analysis and the Required Supplementary Information, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedules listed in the foregoing table of contents as Supplemental Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Caporicci & Larson, Inc.

Caporicci & Larson, Inc.
A Subsidiary of Marcum LLP
Certified Public Accountants
San Francisco, California
January 27, 2011

Management's Discussion and Analysis

Management of the Santa Cruz Public Libraries Joint Powers Authority (Authority) provides this Management Discussion and Analysis for readers of the Authority's Basic Financial Statements. This narrative overview and analysis of the financial activities of the Authority is for the fiscal year ended June 30, 2010.

I. Financial Highlights

- **Government-Wide Highlights:**

The assets of the Authority exceeded its liabilities at the close of the fiscal year by \$1,581,344 (*net assets*). A component of this balance represents \$1,592,338 of net investment in capital assets; however, the remainder of net assets consists of unrestricted net assets of negative (\$10,994) that primarily is the residual balance of the deficit unrestricted net assets of (\$901,278) from the prior fiscal year. Unrestricted net assets represent the amount normally used to meet the Authority's ongoing obligations.

Changes in Net Assets - The Authority's total net assets increased by \$768,760 in fiscal year 2010 that was the result of the Authority's efforts to reduce expenses, which included employee layoffs, furloughs and less spending on books and materials.

The Authority's total assets decreased by \$9,396 at fiscal year end. Certain asset categories did experience increases during the year, including Cash and Cash Equivalents of \$101,932, Interest Receivable of \$933 and Taxes Receivable of \$54,326. However, these increases were offset by decreases in Accounts Receivable of \$4,769, Prepaid Expenses of \$28,944, Due From Other Governments of \$11,350 and Net Capital Assets of \$121,524.

In addition, the Authority's total liabilities decreased by \$778,156 during the fiscal year due to decreases in Accounts Payable of \$7,878, Due to City of Santa Cruz of \$667,431, Interest Payable of \$13,701, Deferred Revenue of \$9,787, Deposits Payable of \$56, Loans Payable of \$39,010 and Notes Payable of \$40,293.

- **Fund Highlights:**

As of the close of the fiscal year, the Authority's general fund reported a fund balance of \$511,782 which is an increase of \$797,280 in comparison with the prior year amount. This is a significant improvement in the Authority's financial condition as it had a negative fund balance of \$(285,498) in the prior fiscal year. The fund balance is a measure of whether the Authority will have sufficient resources to meet its near-term obligations.

The Authority's general fund total assets increased by \$112,128 and the total liabilities decreased by \$685,152 during the fiscal year. Changes in assets consist of increases in Cash and Cash Equivalents of \$101,932, Interest Receivable of \$933 and Taxes Receivable of \$54,326, coupled with decreases in Accounts Receivable of \$4,769, Prepaid Expenses of \$28,944 and Due From Other Governments of \$11,350. Changes in liabilities consist of a decrease in Due to City of Santa Cruz of \$667,431, Accounts Payable of \$7,878, Deposits Payable of \$56 and Deferred Revenue of \$9,787.

II. Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Santa Cruz Public Libraries Joint Powers Authority's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net assets*.

The *statement of activities* presents information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., interest on long-term debt due but unpaid at the end of the fiscal year).

The Authority's library services function is principally supported by taxes and intergovernmental revenues, and is therefore considered a *governmental activity*.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund statements focus on *near-term inflows and outflows of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Authority has one governmental fund, the general fund, which is used to account for all of its activities.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents a section containing *required supplementary information* which includes a budgetary comparison schedule for the general fund to demonstrate compliance with the budget.

III. Government-wide Financial Analysis

By far the largest portion of the Authority's net assets reflects its investment in capital assets, primarily machinery, furnishings and equipment. These assets are used to provide services to citizens; consequently, they are not available for future spending. The table below shows the components of the net assets.

**Santa Cruz Public Libraries
Net Assets
At June 30, 2010**

	2010	2009
Total assets	\$ 2,628,437	\$ 2,637,833
Current liabilities	626,106	1,313,229
Noncurrent liabilities	430,766	512,020
Total liabilities	1,056,872	1,825,249
Net assets:		
Invested in capital assets, net	1,592,338	1,713,862
Restricted	-	-
Unrestricted	(10,994)	(901,278)
Total net assets	\$ 1,581,344	\$ 812,584

The figure in *unrestricted net assets* represents the balance in the amounts normally used to meet the Authority's ongoing obligations. At June 30, 2010, the Authority had a negative balance of (\$10,994) in unrestricted net assets; however, this is still a significant improvement from the negative balance of (\$901,278) in the prior fiscal year end.

Governmental Activities. All the activities of the Authority are governmental, so it has no business-type activities.

**Santa Cruz Public Libraries
Changes in Net Assets
Fiscal year ended June 30, 2010**

	2010	2009
General revenues:		
Sales Tax	\$ 5,383,555	\$ 5,732,239
Unrestricted Investment Earnings	(591)	4,918
Miscellaneous Revenue	45,813	29,550
Total general revenues	5,428,777	5,766,707
Program revenues	5,639,638	5,982,546
Other financing sources	525	-
Total revenues	11,068,940	11,749,253
Expenditures	10,300,180	12,686,044
Changes in net assets	768,760	(936,791)
Net assets - beginning of year	812,584	1,749,375
Net assets - end of year	\$ 1,581,344	\$ 812,584

The Authority's net assets increased by \$768,760 during the fiscal year due to the Authority's continued efforts to reduce its operating expenses.

IV. Financial Analysis of the Authority's Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. As mentioned above, such information may be useful in assessing the Authority's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the fiscal year, the Authority's general fund reported an ending fund balance of \$511,782, which is an increase of \$797,280 in comparison with the prior year amount. This increase has been possible because of the Authority's efforts to reduce operating costs, which have included employee layoffs, furloughs and less spending on books and materials. In addition, the Authority has received increased donations and assistance from the Friends of the Santa Cruz Public Library organization.

V. Budgetary Highlights

The final amended budget is more than the original budget for revenues and other financing sources by \$99,134, due to increases in Other Revenues of \$96,634, Fines and Forfeitures of \$20,000, and Intergovernmental of \$2,500, coupled with a decrease in Charges For Services of \$20,000. The final amended budget is more than the original budget for expenditures and other financing uses by \$103,134, due to increases in Services, Supplies and Other Charges of \$75,139 and Capital Outlay of \$27,995.

The actual revenues and other financing sources were less than the final amended budget by \$348,496. The actual expenditures and other financing uses were less than the final amended budget by \$706,202.

VI. Capital Asset and Debt Administration

Capital Assets. As of June 30, 2010, the Authority's investment in capital assets was \$1,592,338 (net of accumulated depreciation), which is \$121,524 less than the prior year. Increases in capital assets from the new phone system project and ongoing Felton Branch project were offset by retirements of equipment and additional accumulated depreciation.

Long-term Debt. At the end of the current fiscal year, the Authority had total long-term debt outstanding of \$512,020, which consisted of outstanding note obligations of \$120,880 and outstanding loan obligations of \$391,140. The Authority's long-term debt decreased by \$79,303 during the fiscal year due to scheduled annual repayments of outstanding debt. Additional information on the Authority's long-term debt can be found in Note 4 of this report.

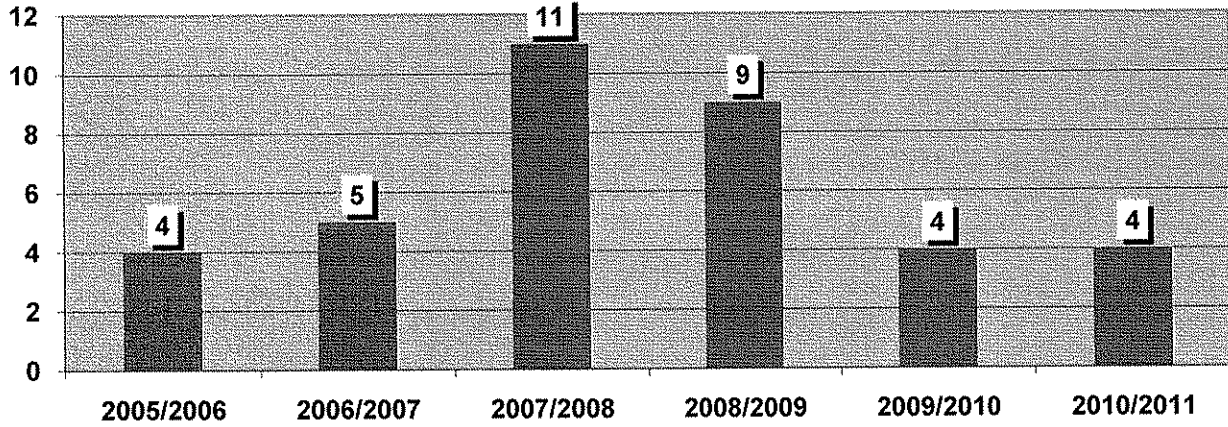
VII. Economic Factors and Next Year's Budgets

Of the Authority's fiscal year 2010 revenues (excluding other financing sources), 49% came from a dedicated quarter cent sales tax approved by the voters in 1996. This tax was originally intended to sunset in 2012, but the voters approved making this quarter cent sales tax permanent in 2008. The balance of the Authority's revenues come from local contributions, property tax collected in the County unincorporated areas designated for libraries, bequest income, donations and fees and fines. Sales tax revenues are driven by the general health of the local economy. Sales tax revenue declined during fiscal year 2009-10, but is expected to hold steady in fiscal year 2010-11. Property tax collections had been strong in the past, but the drop in property values due to the poor housing market and budget transfers from the State have also had a negative impact on the library budget. In response to such declining revenues, the Authority has implemented plans to reduce its expenses, including employee layoffs, work furloughs and reductions in branch hours. The Library Joint Powers Authority Board, anticipating continued decline in the economy, is engaged in a financial planning process in which it hopes to set priorities for future library growth and spending.

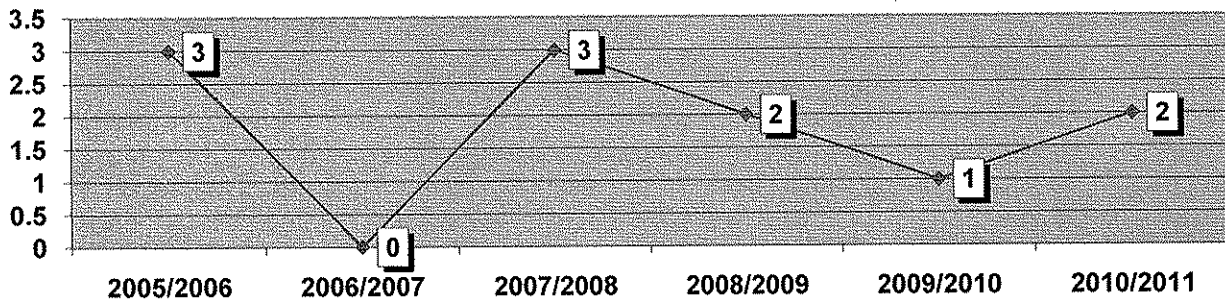
VIII. Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Libraries, 117 Union Street, Santa Cruz, California, 95060.

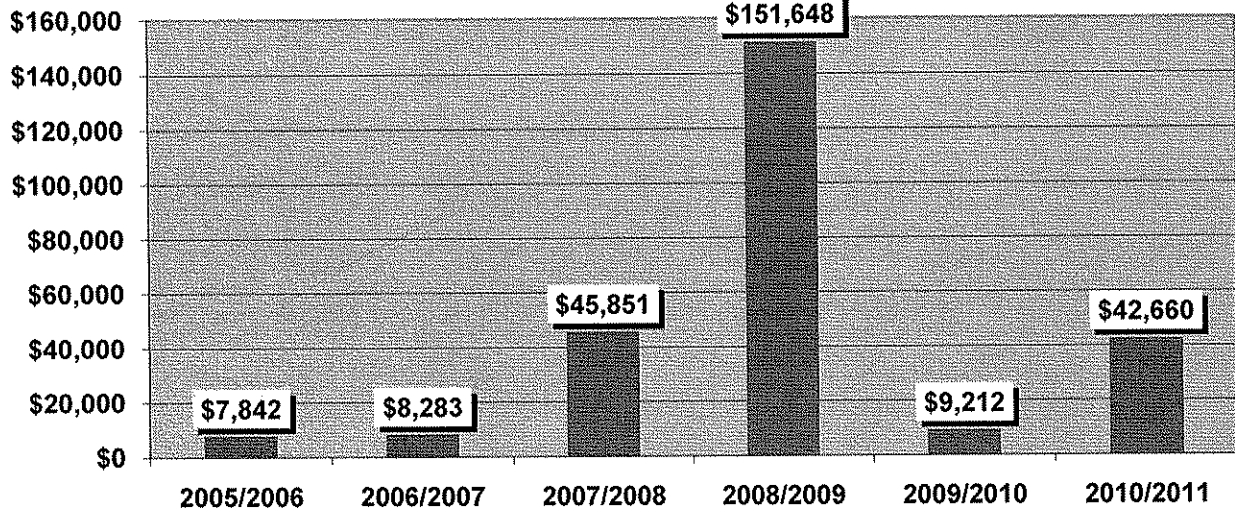
**City of Santa Cruz
Workers' Compensation
Reported Claims per Fiscal Year
Library
07/01/05 - 12/31/10**



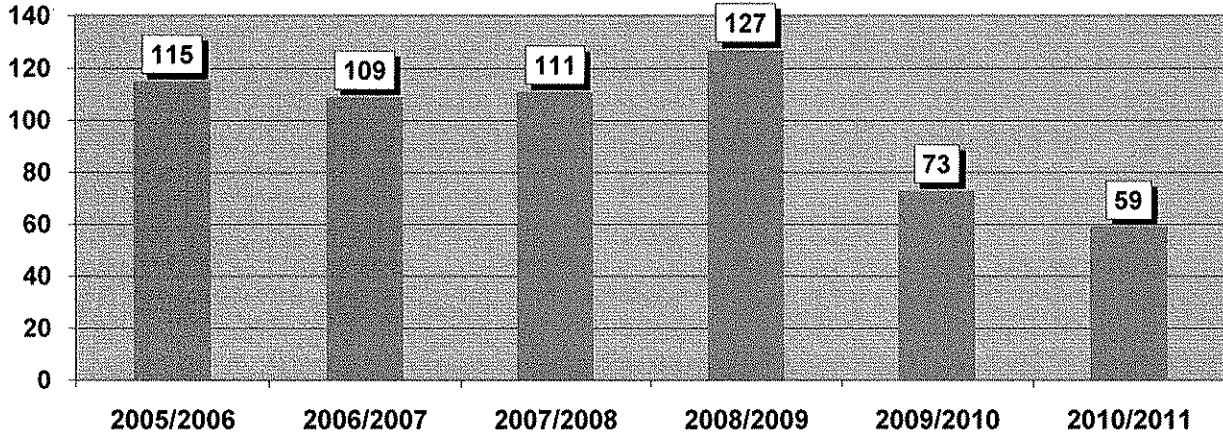
Indemnity Claims



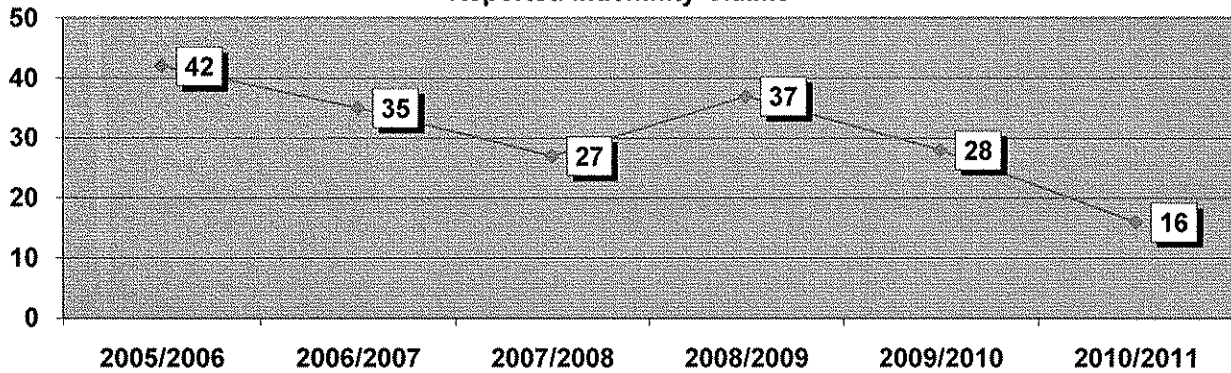
Incurred Costs for Reported Claims



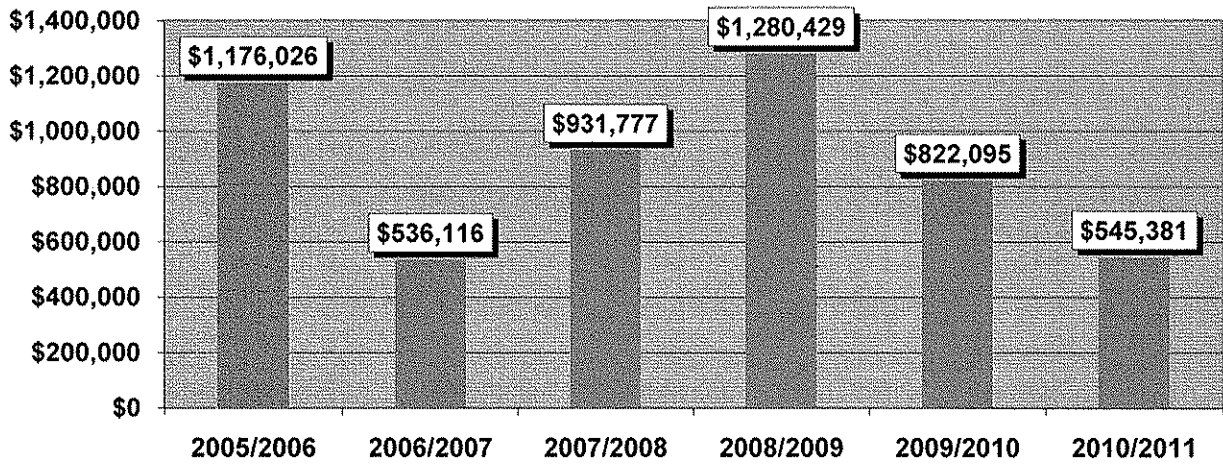
**City of Santa Cruz
Workers' Compensation
Citywide
Reported Claims per Fiscal Year
07/01/05 - 12/31/10**

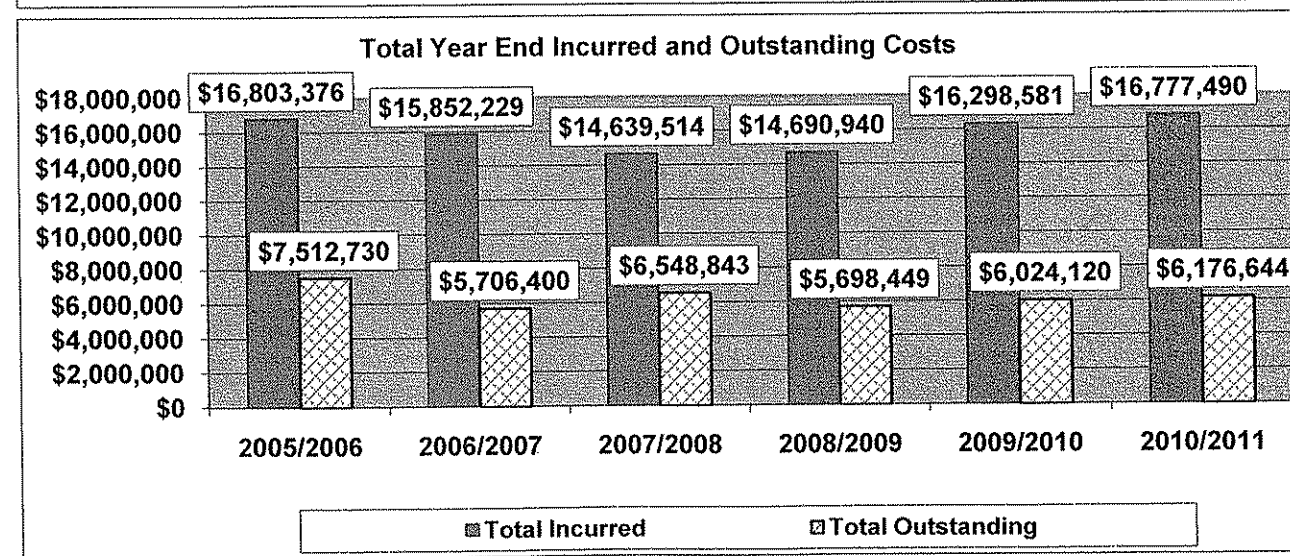
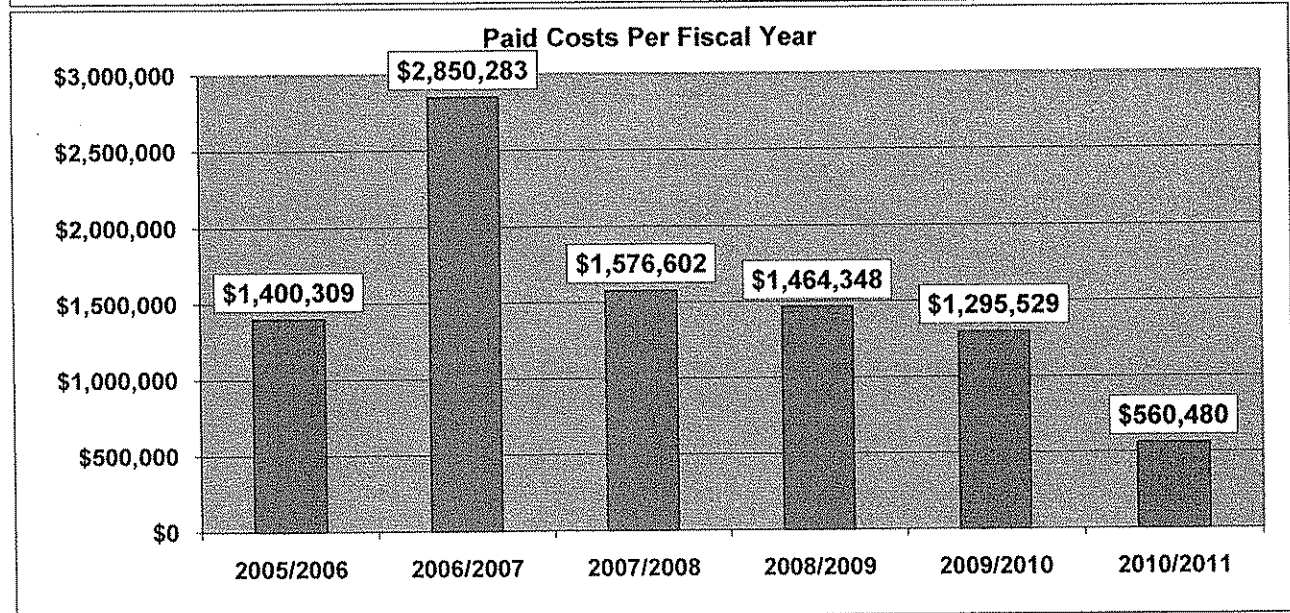
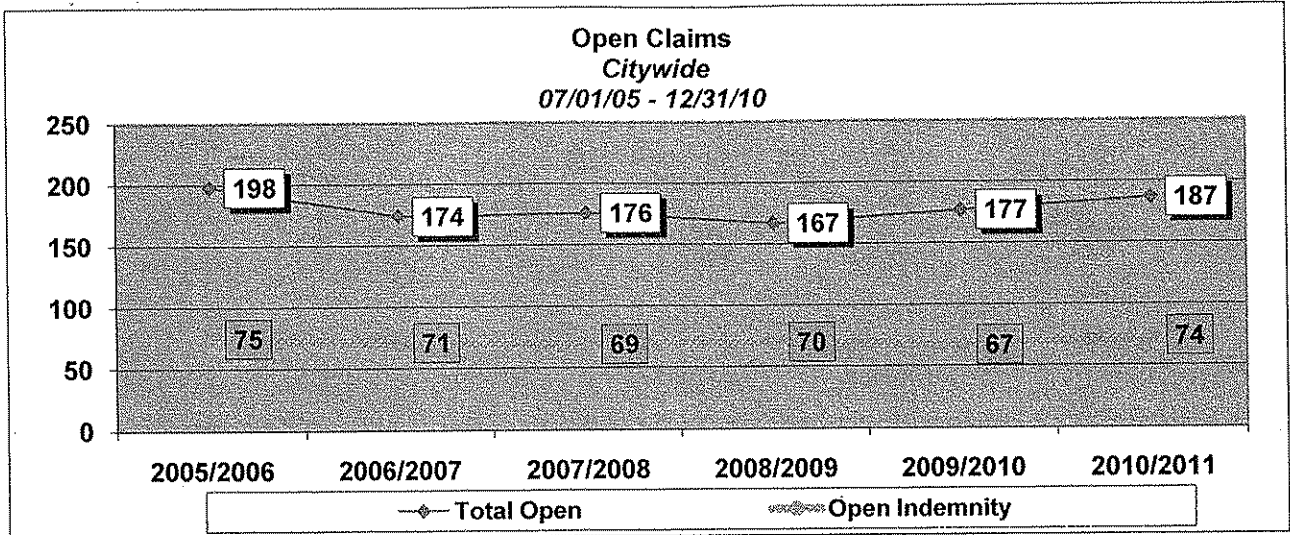


Reported Indemnity Claims

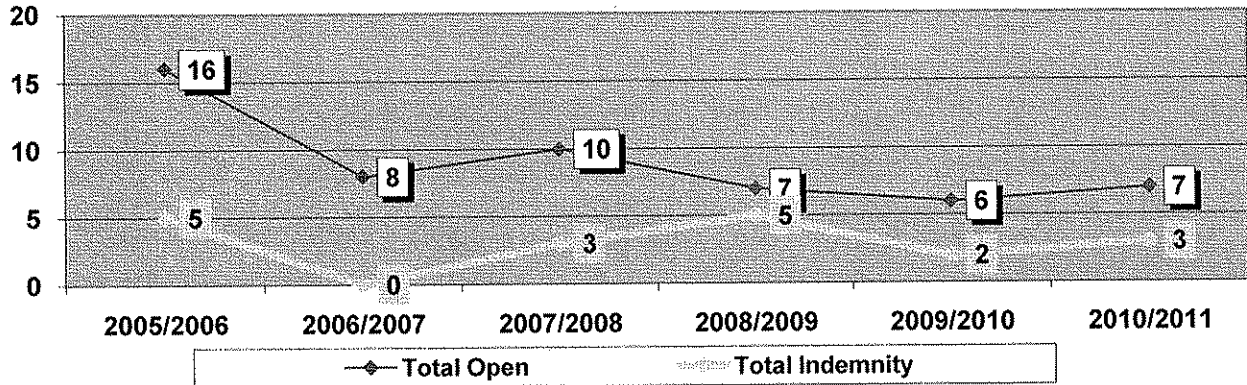


Incurred Costs for Reported Claims

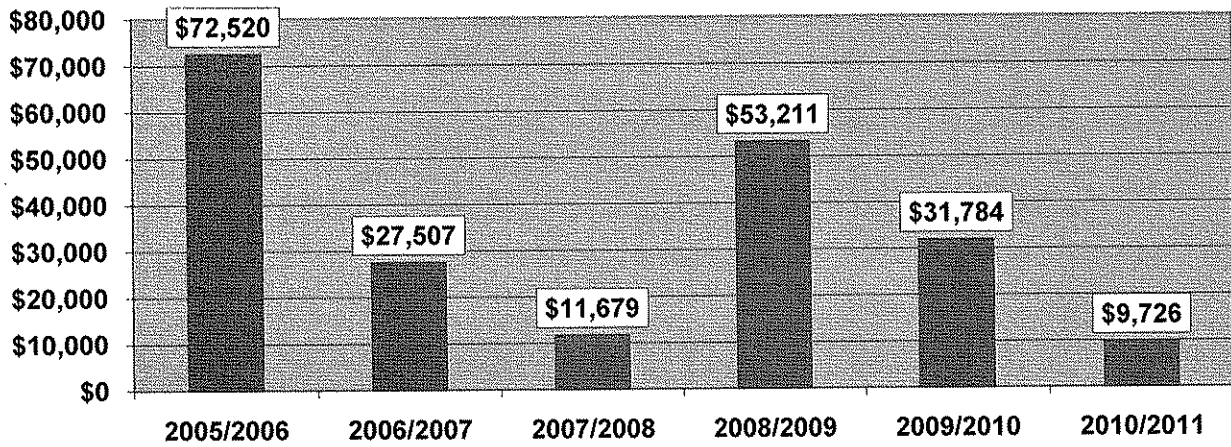




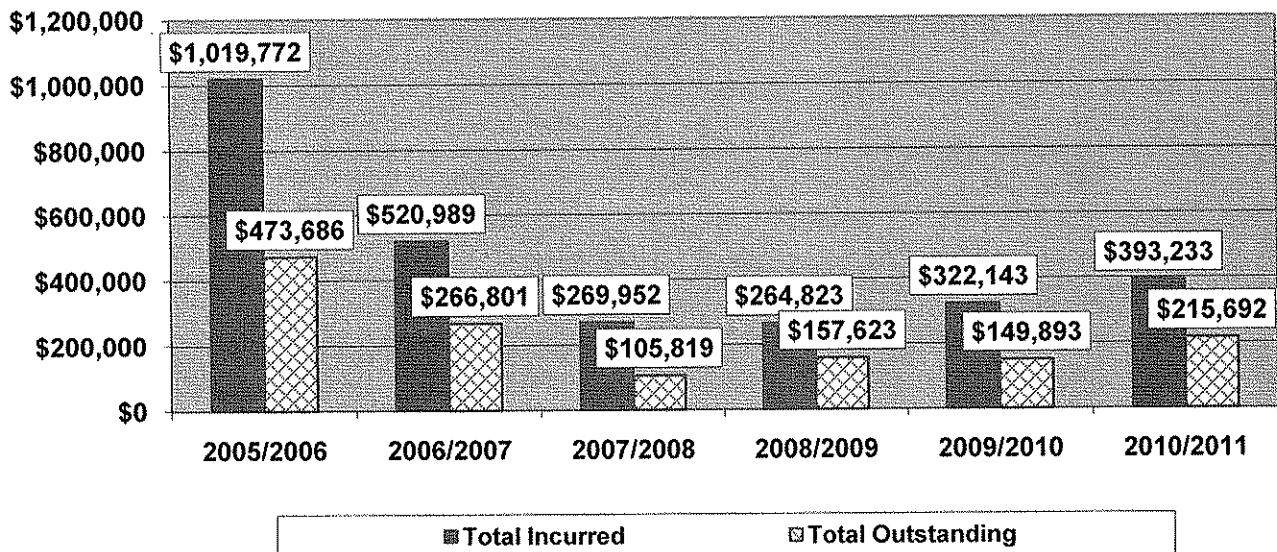
**Open Claims
Library
07/01/05 -12/31/10**



Paid Costs Per Fiscal Year



Total Year End Incurred and Outstanding Costs



LIBRARY JOINT POWERS AUTHORITY	
COMBINED BALANCE SHEET	
JPA FUND AND ACCOUNT GROUPS	
DECEMBER 2010	
	JPA Total
Assets	
Pooled cash	539,173.69
Pooled cash interest receivable	1,567.59
Other interest receivable	173.14
Taxes receivable - current	587,611.63
Accounts receivable	434,301.99
Infrastructure	579,683.02
Accumulated depreciation - infrastructure	(191,370.66)
Buildings	1,758,907.67
Accumulated depreciation - buildings	(853,447.25)
Lease improvements - buildings	259,124.00
Accumulated depreciation - lease imp-buildings	(178,220.34)
Machinery and equipment	1,617,208.66
Accumulated depreciation - machinery & equip	(1,478,466.09)
Software	61,759.70
Accumulated depreciation-software	(61,759.70)
Construction in progress	78,918.85
Total Assets	3,155,165.90
Liabilities	
Accounts payable	143,230.15
Sales tax payable	644.02
Deferred grant revenue - unearned	529.84
Unclaimed funds	219.00
Payable to the County - noncurrent	80,586.11
Other intergovernmental payable-noncurrent	391,139.91
Total Liabilities	616,349.03
Equities	
Unreserved, undesignated fund balance	922,276.03
Committed - cash flow/unexpected expenditures	495,929.00
Investment in capital assets - Library	1,592,337.86
Reserved for long-term debt	(471,726.02)
Total Equities	2,538,816.87
Total Liabilities and Equities	3,155,165.90

LIBRARY JOINT POWERS AUTHORITY					
COMBINED BALANCE SHEET					
TRUST FUNDS					
DECEMBER 2010					
Fund # Fund Description	931 McCaskill Loc His	932 McCaskill Vis Imp	933 Finkeldey	934 Whalen	Trust Funds Total
Assets					
Pooled cash	259,609.48	245,439.21	9,504.72	119,124.01	633,677.42
Pooled cash interest receivable	510.04	482.20	18.67	234.04	1,244.95
Total Assets	260,119.52	245,921.41	9,523.39	119,358.05	634,922.37
Equities					
Net assets held in trust-library prog	260,119.52	245,921.41	9,523.39	119,358.05	634,922.37
Total Equities	260,119.52	245,921.41	9,523.39	119,358.05	634,922.37

LIBRARY JOINT POWERS AUTHORITY					
COMBINED BALANCE SHEET					
SPECIAL FUNDS					
DECEMBER 2010					
Fund #	955	956	957	960	Spec Funds
Fund Description	Contingency	Technology	Projects	Felton	Total
Assets					
Pooled cash	9,438.01	4,768.81	469.81	1,133.97	15,810.60
Pooled cash interest receivable	18.54	9.37	0.92	2.22	31.05
Total Assets	9,456.55	4,778.18	470.73	1,136.19	15,841.65
Equities					
Unreserved, undesignated fund balance	9,456.55	4,778.18	470.73	1,136.19	15,841.65
Total Equities	9,456.55	4,778.18	470.73	1,136.19	15,841.65

Library - Fund 951
 Month-End Cash Balances

	July	August	September	October	November	December	January	February	March	April	May	June
FY 2011 Pooled cash	72,541.96	250,794.12	312,607.59	1,397,052.22	604,129.15	539,173.69						
FY 2010 Pooled cash	(908,343.59)	(797,637.50)	(752,924.76)	(597,787.31)	(558,459.72)	(707,533.76)	290,832.95	(390,345.22)	(62,933.26)	15,984.66	25,912.58	120,299.01
FY 2009 Pooled cash	(1,028,955.46)	(397,327.61)	(356,999.20)	252,949.44	(714,416.36)	(711,714.61)	(812,054.05)	(668,015.42)	(595,048.05)	(543,669.74)	222,502.65	(667,431.15)
FY 2008 Pooled cash	555,177.28	285,993.39	362,222.74	452,678.88	381,688.89	348,644.68	414,873.10	180,026.54	267,117.50	988,379.63	877,239.75	65,274.00
FY 2007 Pooled cash	378,173.37	260,209.81	(47,055.07)	77,967.52	141,276.32	331,082.13	1,134,207.34	1,970,264.04	582,080.73	688,990.25	693,402.17	260,082.00

Expenditure Status Report
Library Personnel Expenditures
CITY OF SANTA CRUZ
12/1/2010 through 12/31/2010

expstat.rpt
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 Periods: 6 through 6

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prc't Used
101-35-51000	PERSONNEL SERVICES					
Total	4,226,408.00	323,180.64	2,043,918.30	0.00	2,182,489.70	48.36
Total	733,982.00	56,706.45	353,896.45	0.00	380,085.55	48.22
Total	3,000.00	463.54	556.26	0.00	2,443.74	18.54
Total	0.00	4,782.25	7,210.47	0.00	-7,210.47	0.00
Total	520,010.00	35,185.30	206,721.56	0.00	313,288.44	39.75
Total	0.00	493.87	725.10	0.00	-725.10	0.00
Total	12,600.00	8,229.27	19,324.59	0.00	-6,724.59	153.37
Total	0.00	0.00	-329.16	0.00	329.16	0.00
Total	2,880.00	35.00	1,447.40	0.00	1,432.60	50.26
Total	665,780.00	51,889.30	326,463.42	0.00	339,316.58	49.03
Total	69,994.00	1,627.10	9,688.71	0.00	60,305.29	13.84
Total	982,969.00	43,996.53	415,949.83	0.00	567,019.17	42.32
Total	99,100.00	3,888.19	41,684.42	0.00	57,415.58	42.06
Total	17,994.00	706.47	7,562.98	0.00	10,431.02	42.03
Total	63,836.00	5,631.82	34,414.72	0.00	29,421.28	53.91
Total	2,744.00	114.33	1,216.14	0.00	1,527.86	44.32
Total	35,300.00	2,509.41	16,077.27	0.00	19,222.73	45.54
Total	37,175.00	2,010.93	12,159.80	0.00	25,015.20	32.71
Total	221,481.00	18,509.10	116,184.36	0.00	105,296.64	52.46
Total	0.00	0.00	0.00	0.00	0.00	0.00
Total	7,695,253.00	559,959.50	3,614,872.62	0.00	4,080,380.38	46.98
Grand Total						

Expenditure Status Report
Library JPA
CITY OF SANTA CRUZ
12/1/2010 through 12/31/2010

expstat.rpt
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 Periods: 6 through 6

951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
951-52000						
SERVICES						
951-36-50-3510-52135	6,200.00	0.00	2,319.75	2,835.25	1,045.00	83.15
Financial services - outside						
951-36-50-3510-52149	603,881.00	74,367.94	286,346.94	0.00	317,534.06	47.42
Interagency labor charges						
951-36-50-3510-52199	60,000.00	0.00	9,900.00	50,100.00	0.00	100.00
Other professional & technical services						
951-36-50-3510-52223	0.00	0.00	73.75	0.00	-73.75	0.00
Vehicle operation charges - internal						
951-36-50-3510-52240	5,020.00	95.00	891.77	0.00	4,128.23	17.76
Office equipment operation/maint						
951-36-50-3510-52248	5,000.00	0.00	0.00	0.00	5,000.00	0.00
Software maintenance services						
951-36-50-3510-52302	2,000.00	-104.26	703.66	0.00	1,296.34	35.18
Travel and meetings						
951-36-50-3510-52402	0.00	4,001.97	31,455.06	0.00	-31,456.06	0.00
Telecommunications service - internal						
951-36-50-3510-52403	43,548.00	173.25	1,202.81	0.00	42,345.19	2.76
Telecommunications service - outside						
951-36-50-3510-52933	14,484.00	0.00	10,190.00	0.00	4,294.00	70.35
Liability insurance/surety bonds-outside						
951-36-50-3510-52961	17,471.00	130.00	12,135.97	0.00	5,335.03	69.46
Dues and memberships						
951-36-50-3510-52971	100.00	4.81	21.61	0.00	78.39	21.61
Printing and binding-internal						
951-36-50-3510-52972	5,900.00	0.00	2,690.41	0.00	3,209.59	45.60
Printing and binding-outside						
951-36-50-3510-52973	10,000.00	0.00	0.00	0.00	10,000.00	0.00
Moving Costs						
951-36-50-3540-52135	550,000.00	51,612.19	254,986.38	0.00	295,013.62	46.36
Financial services - outside						
951-36-51-3520-52131	16,000.00	644.40	3,007.20	0.00	-2.60	100.02
Claims management services - outside						
951-36-51-3520-52149	1,214,081.00	134,617.68	576,751.64	0.00	637,329.36	47.51
Interagency labor charges						
951-36-51-3520-52244	3,500.00	0.00	0.00	0.00	3,500.00	0.00
Other equipment operation/maintenance						
951-36-51-3520-52248	17,588.00	281.12	1,405.16	0.00	16,182.84	7.99
Software maintenance services						
951-36-51-3520-52972	3,000.00	0.00	1,439.93	0.00	1,560.07	48.00
Printing and binding-outside						
951-36-52-3530-52149	4,313,404.00	472,069.46	1,994,147.87	0.00	2,319,256.13	46.23
Interagency labor charges						
951-36-52-3530-52244	3,000.00	0.00	0.00	0.00	3,000.00	0.00
Other equipment operation/maintenance						
951-36-52-3530-52302	3,063.00	10.00	238.50	0.00	2,824.50	7.79
Travel and meetings						
951-36-52-3530-52972	6,000.00	0.00	266.22	0.00	5,733.78	4.44
Printing and binding-outside						
951-36-53-3515-52149	225,162.00	26,207.21	107,414.36	0.00	117,747.64	47.71
Interagency labor charges						
951-36-53-3515-52201	55,065.00	3,783.58	26,286.96	0.00	28,778.04	47.74
Water, sewer and refuse						
951-36-53-3515-52211	100,000.00	9,113.58	36,989.70	0.00	63,010.30	36.99
Janitorial services						
951-36-53-3515-52223	39,555.00	0.00	3,893.63	0.00	35,661.37	9.84
Vehicle operation charges - internal						
951-36-53-3515-52246	140,984.00	7,006.05	62,021.99	23,052.21	55,909.80	60.34
Building and facility o & m - outside						
951-36-53-3515-52247	21,145.00	675.00	2,900.87	0.00	18,244.13	13.72
Landscaping maintenance services						
951-36-53-3515-52261	393,396.00	32,671.33	206,448.98	45,822.00	141,124.02	64.13
Equipment, building and land rentals						

Expenditure Status Report
Library JPA
CITY OF SANTA CRUZ
12/1/2010 through 12/31/2010

951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
951-36-53-3515-52302	150.00	0.00	0.00	0.00	150.00	0.00
951-36-53-3515-52932	15,500.00	1,291.67	7,750.02	0.00	7,749.98	50.00
951-36-53-3515-52933	36,506.00	0.00	30,732.00	0.00	5,774.00	84.18
951-36-54-3550-52149	550,312.00	63,502.47	268,380.31	0.00	281,931.69	48.77
951-36-54-3550-52199	29,000.00	2,736.00	3,173.50	12,826.50	13,000.00	55.17
951-36-54-3550-52248	215,038.00	824.74	48,306.54	6,400.00	160,331.46	25.44
951-36-54-3550-52249	55,275.00	1,355.63	15,979.10	6,931.80	32,364.10	41.45
951-36-54-3550-52302	1,300.00	0.00	532.00	0.00	768.00	40.92
951-36-54-3550-52403	111,713.00	12,051.67	57,768.51	51,827.19	2,117.30	98.10
951-36-55-3560-52149	802,600.00	35,953.47	320,641.39	0.00	481,958.61	39.95
951-36-55-3560-52302	800.00	0.00	543.00	0.00	257.00	67.88
951-36-55-3560-52304	13,975.00	635.00	5,505.67	0.00	8,469.33	39.40
951-36-55-3560-52306	3,024.00	0.00	0.00	0.00	3,024.00	0.00
951-36-55-3560-52960	3,000.00	0.00	0.00	0.00	3,000.00	0.00
951-36-55-3560-52972	6,000.00	139.28	968.76	0.00	5,031.24	16.15
Total SERVICES	9,722,740.00	935,850.24	4,396,413.92	212,790.35	5,113,535.73	47.41
951-53000						
SUPPLIES						
951-36-50-3510-53101	12,000.00	368.11	2,115.57	0.00	9,884.43	17.63
951-36-50-3510-53102	16,200.00	439.69	7,234.96	0.00	8,965.04	44.66
951-36-51-3520-53106	567,000.00	30,421.40	333,097.25	0.00	233,902.75	58.75
951-36-51-3520-53107	25,000.00	7,137.49	24,975.19	0.00	24.81	99.90
951-36-51-3520-53112	120,350.00	2,514.99	23,585.27	3,125.00	93,639.73	22.19
951-36-52-3530-53109	6,500.00	1,123.15	2,163.30	0.00	4,336.70	33.28
951-36-53-3515-53108	2,690.00	131.39	671.90	0.00	2,018.10	24.98
951-36-53-3515-53113	18,000.00	896.00	6,472.32	0.00	11,527.68	35.96
951-36-53-3515-53311	157,710.00	7,766.21	74,931.79	0.00	82,778.21	47.51
951-36-53-3515-53312	20,260.00	1,685.23	4,949.26	0.00	15,310.74	24.43
951-36-54-3550-53110	20,000.00	0.00	6,637.44	4,782.31	8,580.25	57.10
Total SUPPLIES	965,710.00	52,483.66	486,834.25	7,907.31	470,968.44	51.23
951-54000						
OTHER MATERIALS AND SERVICES						
951-36-50-3510-54990	3,020.00	0.00	0.00	0.00	3,020.00	0.00
Miscellaneous supplies and services						

Expenditure Status Report
Library JPA
CITY OF SANTA CRUZ
12/1/2010 through 12/31/2010

951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
951-36-52-3530-54990	2,390.00	0.00	105.64	0.00	2,284.36	4.42
951-36-54-3550-54203	0.00	0.00	358.28	0.00	-358.28	0.00
951-36-55-3531-54990	2,500.00	0.00	1,140.00	1,140.00	220.00	91.20
951-36-55-3560-54990	31,071.00	1,545.71	5,204.72	6,600.00	19,266.28	37.99
Total OTHER MATERIALS AND SERVICES	38,961.00	1,545.71	6,808.64	7,740.00	24,432.36	37.32
951-56000						
OTHER CHARGES						
951-36-52-3530-56995	2,000.00	136.00	1,045.50	0.00	954.50	52.28
Total OTHER CHARGES	2,000.00	136.00	1,045.50	0.00	954.50	52.28
951-57000						
CAPITAL OUTLAY						
951-36-54-3550-57410	73,000.00	0.00	16,367.86	0.00	56,632.14	22.42
Total CAPITAL OUTLAY	73,000.00	0.00	16,367.86	0.00	56,632.14	22.42
951-58000						
DEBT SERVICE						
951-36-50-3540-58140	40,961.00	0.00	0.00	0.00	40,961.00	0.00
951-36-50-3540-58190	40,293.00	0.00	40,293.07	0.00	-0.07	100.00
951-36-50-3540-58240	19,600.00	0.00	0.00	0.00	19,600.00	0.00
951-36-50-3540-58290	3,500.00	0.00	977.91	0.00	2,522.09	27.94
Total DEBT SERVICE	104,354.00	0.00	41,270.98	0.00	63,083.02	39.55
Grand Total	10,906,785.00	990,015.61	4,948,741.15	228,437.66	5,729,606.19	47.47

Revenue Status Report
 Library JPA
 CITY OF SANTA CRUZ
 12/1/2010 through 12/31/2010

951 Library Joint Powers Authority

Account Number	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prc't Rcvd
951-41000 TAXES					
951-00-00-0000-41211 Sales and use tax	5,321,475.00	587,611.63	2,937,562.10	2,383,912.90	55.20
Total TAXES	5,321,475.00	587,611.63	2,937,562.10	2,383,912.90	55.20
951-43000 INTERGOVERNMENTAL					
951-36-00-0000-43210 State operating grants and contributions	70,000.00	0.00	0.00	70,000.00	0.00
951-36-00-0000-43310 Local operating grants and contributions	12,000.00	0.00	12,000.00	0.00	100.00
951-36-00-0000-43311 Maintenance of effort contributions	5,210,951.00	431,860.74	2,603,099.44	2,607,851.56	49.95
951-36-55-3531-43210 State operating grants and contributions	2,500.00	0.00	1,001.30	1,498.70	40.05
951-36-55-3560-43190 Federal grants - other	3,024.00	0.00	0.00	3,024.00	0.00
Total INTERGOVERNMENTAL	5,298,475.00	431,860.74	2,616,100.74	2,682,374.26	49.37
951-44000 CHARGES FOR SERVICES					
951-36-00-0000-44613 Internet use fee	7,000.00	174.55	2,035.20	4,964.80	29.07
951-36-00-0000-44630 Room rentals-library JPA	1,890.00	9.00	850.00	1,040.00	44.97
951-36-00-0000-44901 Photocopy fee	10,000.00	362.99	3,277.36	6,722.64	32.77
Total CHARGES FOR SERVICES	18,890.00	546.54	6,162.56	12,727.44	32.62
951-45000 FINES AND FORFEITS					
951-36-00-0000-45131 Library fines	200,000.00	12,089.94	97,598.92	102,401.08	48.80
951-36-00-0000-45132 Lost library items	25,000.00	1,644.50	10,830.50	14,169.50	43.32
Total FINES AND FORFEITS	225,000.00	13,734.44	108,429.42	116,570.58	48.19

Revenue Status Report
Library JPA
CITY OF SANTA CRUZ
12/1/2010 through 12/31/2010

951 Library Joint Powers Authority

Account Number	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prct Rcvd
951-46000 MISCELLANEOUS REVENUES					
951-00-00-0000-46110 Pooled cash and investment interest	-5,000.00	1,201.64	3,763.86	-8,763.86	75.28
951-00-00-0000-46190 Interest earnings - other	5,141.00	173.14	1,707.63	3,433.37	33.22
951-00-00-0000-46910 Miscellaneous operating revenue	9,250.00	0.00	2,765.00	6,485.00	29.89
951-00-00-0000-46990 Miscellaneous non-operating revenue	25,000.00	1,699.45	57,290.23	-32,290.23	229.16
951-36-00-0000-46303 Donations - library	33,000.00	-1,012.00	44,445.70	-11,445.70	134.68
951-36-00-0000-46309 Donations - library - Friends of the Lib	25,000.00	13,810.99	49,880.41	-24,880.41	199.52
951-36-00-0000-46916 Cash over/short	0.00	-12.80	-16.55	16.55	0.00
951-36-00-0000-46918 Damaged property recovery	0.00	0.00	1,068.63	-1,068.63	0.00
Total MISCELLANEOUS REVENUES	92,391.00	15,860.42	160,904.91	-68,513.91	174.16
951-49000 OTHER FINANCING SOURCES					
951-00-00-0000-49122 From Library Private Trust Fund	40,190.00	0.00	40,190.00	0.00	100.00
Total OTHER FINANCING SOURCES	40,190.00	0.00	40,190.00	0.00	100.00
Grand Total	10,996,421.00	1,049,613.77	5,869,349.73	5,127,071.27	53.38



CITY COUNCIL AGENDA REPORT

DATE: February 2, 2011

AGENDA OF:

DEPARTMENT: Library

SUBJECT: Task Force on Fiscally Sustainable Service Models Final Report. (LB)

RECOMMENDATION: Motion to recommend adoption of a new library service model from the four options presented in the Final Task Force Report and to provide direction to the City Council's representatives to the Library Joint Powers Board (LJPB) to act in accordance with this recommendation.

BACKGROUND:

In June 2010 the LJPB established a citizen/board/staff task force to develop a range of alternative service models that will be fiscally sustainable in the near future. The task force met from August through January. While, at one point, there were at least seven models on the table, four were selected for final development and are presented in the attached report.

DISCUSSION:

The difficult financial situation is certainly a key issue facing the library. There are, however, bigger issues also at stake. Public libraries throughout the country are at a crossroads. Libraries are finding that the service delivery model that has been in place for decades is no longer meeting the needs of customers and so they must change or risk becoming irrelevant. Regardless of the financial situation, this radical paradigm shift would have needed to be dealt with within the next few years.

In many ways Santa Cruz Public Libraries (SCPL) is more fortunate than its colleagues. There has not been a slow adoption of many changes and efficiencies over the past 5-10 years. Thus, SCPL has an opportunity to engage in an "extreme makeover," learning from the successes and failures of others and adopting those efficiencies that have proven effective.

This does come with a price, however. It means a radical shift in how the facilities are operated and what services and programs are provided. This will not be an easy transition for either the staff or the public but it is a necessary one. It takes looking at libraries differently and looking to the future for guidance. Even two years ago, e-books had not really caught on with the public. They are now becoming ubiquitous. Public libraries must adapt and change to the new environment both in terms of demands for cost effective government and in light of the changes wrought by the growth of the Internet and electronic books and media.

The attached report provides an opportunity to select between four models that look at the future of SCPL in very different ways. Two are fairly traditional with a focus on maintaining fixed facilities, collections and traditional services albeit provided at different levels. One focuses on a very different physical structure with an approach that looks at the broader community and how service can be delivered beyond the fixed facility. The fourth is somewhat of a hybrid in terms of facilities but draws heavily on an approach which reaches into the broader community as well.

Additional summary information is also provided.

FISCAL IMPACT:

Depending on the model selected, varying degrees of financial sustainability are projected over the next five years. All the models meet basic financial requirements as set forth by the LJPB. Some provided more “cushion” than others. All assume there is no longer a 10% furlough and the materials budget is restored to an acceptable level. All create a 10% cash flow/emergency reserve that should preclude the need for the library to borrow from the city any time in the next 5 years.

Submitted by:

Approved by:

Teresa Landers
Library Director

Martin Bernal
City Manager

Attachment: Final Task Force Report

**STRENGTHS/WEAKNESSES/OPPORTUNITIES/THREATS (SWOT)
FOR EACH SERVICE MODEL**

SERVICE MODEL A:

- The basic premise of this model is that personnel costs never exceed 65%. The current model is at 63%. The additional 2% could be reallocated to increase open hours or could be kept as a hedge against the higher than projected increases in retirement and health benefit costs or other unanticipated expense increases
- Programs and services are left to library management to determine (within the staffing limits of the model)
- Because personnel is the driver, hours and branches are reduced in order to meet the 65% target.

STRENGTHS/OPPORTUNITIES	WEAKNESSES/THREATS
Fixed amount to spend on personnel provides future proofing for the personnel part of the budget	It is a somewhat artificial structure and does not lend itself to nimbleness and flexibility. Future increases in retirement and health benefits affects the personnel budget. Does not permit LJPB or Management to determine what is best given future circumstances.
Funding for capital improvements is strong	Only place to cut in the future will be hours and facilities in order to maintain the 65% target.
Leaves it to library management to manage resources available according to best practices	Programs and services are at current levels (which are decreased from 07/08 and are low compared with other libraries) with no room for innovation
Depending on details of implementation, could keep the library more relevant to the public resulting in greater support for bond and other funding measures	Based on traditional view- maximum number of fixed facilities with personnel dollars available. Provides traditional services in traditional way; does not innovate or address issues of declining number of active borrowers; does not improve services to people who do not currently use branches.
Branches are open 5-7 days/week	Closes 3 branches (LaSelva Beach, Garfield Park, Felton) which may result in reduced support for future bond measure.
The City of Santa Cruz could sell or lease facilities that have been closed; or with community support, turn them into resource centers with a reading room, and other library services provided via outreach.	People who use the closed branches as their primary branch will be required to travel to the next closest branch.
	Reduces hours for Aptos, Live Oak, and Scotts Valley (compared to 07/08) Hours allocation is not commensurate with historical usage. Example: Boulder Creek represents 3% of usage but in this model gets 10% of hours while Downtown represents 37% of usage but gets 21% of hours

SERVICE MODEL B:

- This model is based on a philosophy that the library is defined by its commitment to literacy. Literacy is defined in a myriad of ways- traditional such as children learning to read and other types such as technical literacy, information literacy, etc.
- It looks at branches individually and has them specialize in different types of literacy: For example: Boulder Creek with a focus on youth and Branciforte with a focus on technical and information literacy.
- It provides a 10 branch alternative utilizing volunteers in the three least busy and smallest branches to maintain open hours.
- Volunteers are also used heavily to enhance services and programs and act as partners to staff

STRENGTHS/OPPORTUNITIES	WEAKNESSES/THREATS
Keeps all 10 branches open 4 – 7 days per week with some branches repurposed	Relies on volunteers to keep the doors open in 3 locations. The success of this is dependent upon consistent, long term commitment of volunteers. Presents the LJPB with another decision in future if this is not successful.
Innovative approach; somewhat flexible	Assumes the genealogy or historical society is willing to provide volunteers to keep the doors open in Garfield Park
Branches specializing in services that are most relevant to that community and/or to the system at large	Higher personnel costs due to retirement and health benefits (and other unanticipated expense increases) will be hard to absorb. Cutting hours and/or facilities will be primary options
Hours allocation commensurate with historical usage. Example: Boulder Creek represents 3% of usage but in this model gets 8% of hours while Downtown represents 37% of usage but gets 15% of hours	Some branches only open 4 days per week; Open hours are decreased from 07/08 levels in all branches but Scotts Valley.
Focus on core strength of libraries: literacy establishes a solid foundation for designing services and programs. (Clear foundation for decision making)	
Continues to provide some on- site support for reference and readers' advisory	

SERVICE MODEL C

- This model is based on keeping 10 branches open with hours spread at 3 levels through the system
- Children and teen services and programs will be designed and delivered by staff; all other services and programs rely solely on use of volunteers

STRENGTHS/OPPORTUNITIES	WEAKNESSES/THREATS
Keeps 10 branches open, maintains neighborhood libraries which provide much needed community gathering places for those living in the area.	Traditional model focused on facilities. Branches fill more of a community center role with a library presence rather than a library role with a community center presence. Not future oriented in terms of how services will be delivered in the library of the future.
Maintaining neighborhood libraries could result in greater support for a bond measure	Open hours allocation is not commensurate with historic levels of usage. Example: Boulder Creek represents 3% of usage but in this model gets 9% of hours while Downtown represents 37% of usage but gets 13% of hours. No branch open more than 5 days.
Meets stated strengths from strategic plan input: people love their libraries	All adult programming and many services dependent on local branch community and a significant increase in numbers of volunteers for design and delivery. Lack of provision for communities without organized support will likely result in uneven service throughout the system.
Provides the highest system open hours of all models.	Relies on onsite staff to deliver programming without increasing onsite staffing beyond the baseline level.
Improves hours at the smaller branches.	Results in small operating surpluses and is the least able of all models to address unexpected increases in expenses in the future or to fund automation opportunities such as Automated Materials Handling. Cutting hours and facilities is the primary option for cutting costs.
	Funding is included only for Downtown to remodel for consolidated service desks
	Library could lose relevancy for many users resulting in less support for bond and other financial measures
	Compared to 07/08 open hours, GP hours are increased, Felton and BC hours remain the same, and all other branches have reduced hours.
	Keeps branches as full service that are not serving people where they work, go to school, shop or on a transportation corridor.

SERVICE MODEL D:

- This model is based on a broad view of the library in terms of who is served and where. It is less reliant on the physical facility thereby closing those branches that serve the fewest people in the smallest facilities.
- It focuses on staff providing programs and services where the people are- in the branches, in the community and virtually
- Volunteers are used heavily to enhance services and programs and act as partners to staff rather than relying on them to provide a basic level of service and/or programming.

STRENGTHS/OPPORTUNITIES	WEAKNESSES/THREATS
Is most in tune with current library trends and takes library staff to where people are in addition to providing branches.	Closes 4 branches (La Selva Beac, Felton, Garfield Park, Branciforte) which may result in reduced support for future bond measure
Replace service at closed branches with bookmobile and other community based library services.	Compared to 07/08 open hours: Central and SV hours are improved, but all other branches have reduced open hours.
Allocates resources to community based and virtual services to reach the 70% of people who are not active library users –focusing on those who are not interested in or have barriers to visiting a branch.	Library no longer provides a community gathering place in locations with closed branches.
Strong financial positioning for the future with flexibility to handle unexpected expenses and open to modifications based on Board and Management desires, e.g. repurposing of Branciforte instead of closure.	People who use the closed branches as their primary branch will be required to travel to the next closest branch.
Hours allocation commensurate with usage. Example: Boulder Creek represents 3% of usage & in this model gets 9% of hours while Downtown represents 37% of usage & gets 22% of hours	
Provides funding for increased technological focus in all branches.	
The City of Santa Cruz could sell or lease its facilities that have been closed or with community support, turn them into resource centers with a reading room, and other library services provided via outreach or used for some other shared community purpose	

**BRIEF COMPARISON FOR SANTA CRUZ BRANCHES:
DOWNTOWN, BRANCIFORTE, GARFIELD PARK**

In FY 07/08 which is the last full year before cuts were made in hours throughout the system, the three Santa Cruz branches accounted for **44%** of the Circulation and **48%** of the visitors system-wide. (Please note that this does not mean all the visitors were Santa Cruz residents and Santa Cruz residents also used branches besides the three Santa Cruz ones. Data describing this type of usage is in the report in Appendix III)

The four service models result in the following percentage of open hours for the Santa Cruz branches. The second line represents the change that would occur if a modification is made to service model D if Branciforte were kept open for 20 hours; with possibly a technology, local history or youth focus.

A	B	C	D
34%	29%	32%	22%
34%	29%	32%	30%

NOTE ON VOLUNTEERS

All the service models employ volunteers in varying capacities. It should be noted that using volunteers to provide baseline services and programs currently provided by staff is not a small undertaking. While all the models add a full time Volunteer Coordinator to the staff, the number of volunteers required to meet the demands of each service model varies greatly. Some examples follow.

First; a few basic assumptions supported by the literature of the volunteer management and included in a report submitted to the LJPB in June 2010.

- Turnover for volunteers is typically about 33%.
- In addition, the “bench” when relying on volunteers needs to be at least 3 deep to cover illness, vacations and other absences,. In a pilot project in La Selva Beach, 5 volunteers were used to cover 14 open hours and recently 2 more were added. This is a 2:1 ratio.
- Volunteers typically only want to commit to 2-4 hours per week at the most so these calculations will assume 3 hours per week as an average.

Service Model B relies on volunteers to keep three of the branches open. The onus of finding and managing these volunteers rests with the communities served. Nevertheless the number of volunteers needed is as follows:

56 hours per week need to be covered by volunteers. $56 \text{ hour} \times 3 \text{ volunteers per hour} = 168 \text{ hours}$.
Each volunteer giving 3 hours = $168/3 = 56 \text{ volunteers}$

Service Model C relies on volunteers to provide baseline programming and service such as computer assistance onsite in the branches. This translates to a baseline need for about 335 volunteers:

Total system open hours are 391. Assume that there will be volunteers available only half the open hours to assist onsite = $391/2 = 195.5 \text{ volunteer hours} \times 3 \text{ volunteers per hour} = 586.5$ divided by each volunteering giving 3 hours per week = 195.5 volunteers.

Baseline adult programming requires about 70 hours per week $\times 3 = 210/3 \text{ hours per volunteer} = 70 \text{ volunteers}$.

Metrics and Measures

	Model A	Model B	Model C	Model D
Cost/square foot	\$54.00	\$53.00	\$54.00	\$52.00
Cost/circulation	\$5.67	\$5.65	\$5.72	\$5.55
Cost/visit	\$8.96	\$8.92	\$9.03	\$8.76
Cost/capita	\$53.53	\$53.28	\$53.95	\$52.34
Population served/FTE	2,363.4	2,345.1	2,222.2	2,371.4
Visitors/open hour	4,366	3,757	3,238	4,724
Circ/hour	6,897	5,935	5,115	7,463
Circ/FTE	22,297	22,124	20,964	22,371
Open hours/branch	41.4	33.7	39.1	44.7
Personnel as % of operating cost	63.2%	67.1%	66.7%	66.6%

Notes:

1. FY0708 circulation and visitors data is used to calculate metrics as that is the last year before hours and staff were reduced and so reflects a better picture of library usage.
2. The service population for FY10/11 was used
3. Costs represents costs in year 5 of the projections

Important trends/issues for modern public libraries

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February 5, 2011

Like any enterprise, a good public library is a reflection of its place and time, taking full advantage of modern tools and techniques to sustain its mission as efficiently as possible. With or without local government budget shortfalls, progressive communities are rethinking their library operations in a number of ways:

Automation of materials handling and distribution

Computer-supported, just-in-time techniques from commercial manufacturing and distribution industries are being adapted for use in the management of library inventories, thereby reducing the unit cost per transaction. This retooling is based on technologies such as RFID, improved inventory management software, point-to-point “floating” of collections between facilities to reduce shipping costs, and predictive modeling of collection demand.

Centralization and pre-mediation of professional services

Professional librarians are a valuable asset and their time should be used as productively as possible. To that end, library work is being significantly redesigned to allow professionals to increase their reach and impact. They now spend less time conducting routine transactions themselves and more time analyzing and supervising those transactions, planning and collaborating across agency lines to realize shared efficiencies, anticipating needs and preparing services in advance, and designing programs and services that can be delivered by others.

Sustainable staffing efficiencies are not achieved simply by substituting lower paid staff or volunteers for librarians, with little change in the tasks performed or the tools used to perform them. Removing expertise from an existing system does not improve productivity or maintain service quality. And presuming that any intelligent and community-spirited volunteer can easily step in and do professional library work is extraordinarily naïve. Volunteers are very effective partners for librarians – or for land use planners, auditors, public health nurses, classroom teachers, or any other similarly qualified local government professional – but they are no substitutes.

The benefits of redeploying professional staff for greater productivity are real. However, they can only be realized when workflows are systematically streamlined and redesigned, new tools are supplied, volunteer partnerships are established with full risk management safeguards, and job descriptions are updated throughout the library.

In particular, any service model that relies on moving volunteers inside the firewall surrounding networked library applications – giving non-employees access to confidential patron information and the ability to compromise a library's inventory tracking database or other large, mission-critical data files – is imprudent at best and potentially very expensive.

Expansion of self-service

Like a growing number of industries that employ self-service kiosks, libraries are “harnessing the power of the patron” by making self-checkout and check-in of books and other materials their primary approach to loan processing. (These functions are secured outside the firewall and do not incur the risks noted above.) Modern libraries are also redesigning facilities and merchandising collections for simplicity in wayfinding and improved browse-ability. Rather than mediate every transaction, staff monitor independent library use and focus on resolving difficulties and handling exceptions. This increases staff productivity and reduces the risk of repetitive stress injuries in the workplace.

Expansion of virtual services

Libraries aren't in the book business; they're in the reading, learning, and civic discourse business. Changes in publishing have not eliminated the need for those activities, but they have changed the tools that libraries use to accomplish their mission. As price points for multi-user licenses for e-materials begin to come into line with costs for print versions of the same titles, library repertoires are being kept fresh by expansion into many formats.

This includes increased access to information via the Internet. Information that used to be scarce and expensive is now abundant and affordable. That means that both individuals and libraries can spend less time locating and acquiring content and more time interpreting and applying it. The “app” side of this equation has always been and continues to be an area in which libraries add significant value.

Guaranteeing free access to information – regardless of the access tool employed – for all residents is still an important library role in a democratic society. Information is the currency of the modern economy, and members of the public now routinely turn to libraries for access to and application of the

information on the Internet, just as they turned to libraries for access to and application of the information in print materials. This is the same relationship, in a new medium.

As routine consumer transactions – everything from filling a prescription to filing a tax form or applying for a job – are moving online, libraries are filling a dual role. They are making e-government more effective by offering public access computers that can be used to engage other agencies and departments at convenient locations, during extended hours. They are also achieving their own efficiencies by transitioning to Internet-based library functions such as online registration, renewal, payments, and meeting room booking.

Aligning facilities with transportation and retail corridors

In today's mobile society, a public library visit is most often part of a multi-stop trip that does not necessarily originate at home. Libraries are achieving lower costs per unit of service by locating facilities near where residents work, shop, or attend school.

The data are clear: neither small "corner" libraries, nor libraries that are evenly distributed throughout a geographic area like firehouses, deliver as much service for as low a cost as libraries that are easily accessed over a lunch hour, on the way home after school or work, or as part of a round of shopping or other errands. Extending hours or investing more in collections at a poorly aligned library does not change this equation.

Realigning facilities along retail and transportation corridors can lead to significant savings without loss of overall quantity or quality of service. Jurisdictions that take this approach are able to support increased library usage without increased costs. Local merchants also benefit from increased exposure to patrons who are visiting the library.

This raises an important question – is the public library's symbolic value as a civic amenity in a particular community more or less important than its operational efficiency? Consolidating and relocating poorly aligned library branches definitely improves performance – and invariably raises community protests. The tough political choice may come down to saving "my" local library vs. saving library service at all.

Where realignment is not acceptable, retaining the status quo is not the only option. Libraries that do not meet modern siting criteria are being repurposed as community reading rooms, "express" libraries, or collaborative, special-purpose facilities such as homework centers.

Recommendation

None of the service models as presented incorporates all of these efficiencies.

Model A stands out in its acknowledgment of the need for retooling of existing materials management processes, combined with significant investment in e-format library collections.

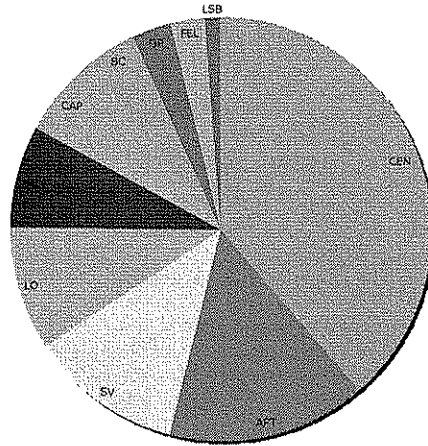
Model B recognizes that facilities should be sized and service offerings should be tailored to meet actual community need, rather than distributed uniformly across the County. This model also speaks clearly to the advantage of using library professionals to partner with other agencies.

Model C rightly points out that community volunteers have much to contribute to library operations. However, two primary assumptions in this model – that volunteers are effectively used as direct replacements for professional staff, and that expanding hours in small community libraries increases both library usage and efficiency – run counter to both the evidence and the trends of modern library practice.

Model D addresses the need to rethink how services are delivered, and exploits new technologies, while giving the most attention to effective consolidation and realignment of library facilities.

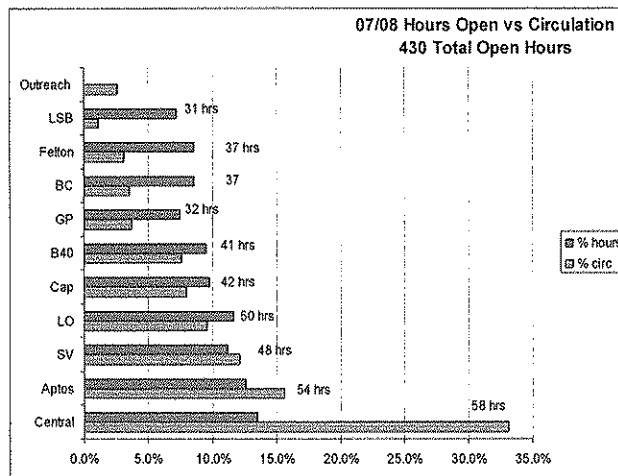
I recommend Service Model D as the strongest of the four, and the most in tune with where public libraries should be heading, both now and into the future. Using Model D as a solid basis and incorporating the strengths of each of the other service models as identified above, would go a long way towards making the Santa Cruz Public Library more efficient, effective, and fiscally sustainable.

0708 % of Circulation by Branch



Comparison of 2007/08 Open Hours and Circulation

Open hours as a percent of total open hours
 Circulation as a percent of total circulation



Updated Retirement and Health Benefits Projections

	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16
Plus actual 2011/12 PERS increase		1.9%				
Plus 2012/13 PERS increase projected by PERS			0.7%			
Plus 2013/14 PERS increase projected by PERS				2.8%		
Plus 2014/15 PERS increase estimated by staff					1.0%	
Plus 2015/16 PERS increase estimated by staff						1.0%
Plus 2011/12 health increase estimated by staff		2.0%				
Plus 2012/13 health increase estimated by staff			2.0%			
Plus 2013/14 health increase estimated by staff				2.0%		
Plus 2014/15 health increase estimated by staff					2.0%	
Plus 2015/16 health increase estimated by staff						2.0%
Total projected benefit rates for Library	42.8%	46.7%	49.4%	54.2%	57.2%	60.2%
Original estimates		42%	43%	44%	45%	46%

ILLUSTRATIVE EFFECTS OF PERS AND HEALTH BENEFIT INCREASES

SERVICE MODEL A

Fund balance+Cash flow reserves-Benefits	\$ (524,606)
Capital Improvement Reserves (if none is spent)	\$ 840,000
Available funds	\$ 315,394

SERVICE MODEL B

Fund balance+Cash flow reserves-Benefits	\$ (189,801)
Capital Improvement Reserves (if none is spent)	\$ 50,000
Available funds	\$ (139,801)

SERVICE MODEL C

Fund balance+Cash flow reserves-Benefits	\$ (600,463.26)
Capital Improvement Reserves (if none is spent)	\$ 250,000
Available funds	\$ (350,463.26)

SERVICE MODEL D

Fund balance+Cash flow reserves-Benefits	\$ 229,040
Capital Improvement Reserves (if none is spent)	\$ 150,000
Available funds	\$ 379,040