STAFF REPORT

DATE: **May 27, 2010**

TO: **Library Joint Powers Board**

FROM: **Teresa Landers, Library Director**

RE: **Use of Volunteers**

I.   Introduction

Volunteers provide value to many government agencies and non-profit organizations. They take on tasks that allow paid staff to devote their time and skills to those areas of the operation that take greater training, knowledge, skills and abilities than is typically found in the average volunteer.

Volunteers volunteer for many reasons:
- They seek social interaction and want to meet new people
- They have a passion for the "cause" represented by the organization (also an opportunity to give something back or make a difference)
- They have specific skills and talents the organization can utilize
- They have time due to retirement, unemployment, children in school, etc.
- They are looking for more balance in their life
- They are looking for an opportunity for personal growth and self esteem
- They want to develop professional experience or contacts (i.e. build a resume)

What the individual volunteer wants out of volunteering makes a difference as to how much time they are willing to commit, what tasks, duties or responsibilities they want to take on and how long they will stay.

In turn, the organization not only gets the value of the work performed but also builds support in the community for whatever "cause" the organization represents.

This report will:
- review the volunteer program currently in place
- review the literature on the use of volunteers in libraries,
- identify the issues involved with using volunteers
- discuss how volunteers are being used in other organizations
- present some opportunities for using volunteers more effectively

II.   Current Volunteer Program

In fiscal year 0809 (the most recent for which full year figures are available) the Santa Cruz Public Libraries utilized a total of 310 volunteers who contributed 7,963 hours or the equivalent of 3.84 FTE staff. The chart below details these numbers by location. This does not include Friends or genealogy volunteers.

	# Volunteers	# Hours	# FTE	Avg # Hours/Volunteer
Aptos	24	1,309	.63	54
Boulder Creek	13	253	.12	19
Branciforte	19	826	.40	43
Capitola	13	663	.32	51
Central	57	787	.38	14
Felton	11	128	.06	12
Garfield Park	50	518	.25	10
La Selva Beach	8	157	.08	20
Live Oak	19	311	.15	16
Outreach	34	640	.31	19
Scotts Valley	47	898	.43	19
Technical Services	15	1,473	.71	98
TOTAL	310	7,963	3.84	26

Another important volunteer initiative this year was Santa Cruz Public Libraries receiving a *GET INVOLVED - Powered by Your Library* volunteer engagement grant from the California State Library in late 2009. The grant provided training and support for Library staff and Friends' groups to encourage volunteer engagement in the work of public libraries.

The *Get Involved* Training Institute was held on February 23-24, 2010 in Irvine, California. Representing the Library were Gale Farthing and Janis O'Driscoll (Programs and Partnerships Division) and Susan Heinlein and Kathy Hatfield (Friends of the Santa Cruz Public Libraries). In two full days of work, the Institute focused on capacity building and collaboration in the use of volunteers in a public library setting. SCPL focused on creating and publicizing clear position descriptions for the many tasks volunteers could perform at the Library. The team also agreed that a more functional Friends website is essential to recruiting volunteers.

When they returned to Santa Cruz, the SCPL staff completed 28 position descriptions. Because the volunteer Friends website manager was unavailable, the Library webmaster, Ann Young, loaded the position descriptions onto the Friends website and put links to the pages from the Library's website. Position descriptions may be found by clicking on the Volunteer link in the lower left-hand box of the Library website or at this URL: http://www.fscpl.org/helping.htm and are listed below. This list changes all the time as new positions are identified and as the need for others subside. The list is pretty much self explanatory and indicates a wide

variety of opportunities available for volunteers which utilize a wide range of skills and which appeal to a variety of interests and talents.

Bibliographic Assistant	Materials Mending
Book Buddy	Newspaper Clipping File Assistant
Book Discussion Leader	Paper Assistant
CD Repackaging Project	Periodicals Maintenance Assistant
Circulation Assistant	Plant Care Assistant
Computer Class Instructor	Project Assistant
Computer Cleaning Assistant	Publicity Assistant
Delivery Dept. Book Sorter	Rebarcoder
Dial-a-Story Reader	Self-Check Assistant
Discard Assistant	Shelf Maintenance Assistant
Donations Sorting Assistant	Storyteller
EBay Sales	Tax Form Assistant
Fish Tank Caretaker	Techno Teen
Grounds Maintenance Assistant	Youth Services Assistant

As of mid-May 2010, SCPL is actively recruiting for immediate need in 8 different position descriptions at several branches. See http://www.santacruzpl.org/news/

The GET INVOLVED SCPL team is now focusing on getting the word out about Library volunteer needs. The team is entitled to a one-hour coaching conference call from Institute trainers; which is scheduled for June.

III.   Review of the Literature

A series of questions were sent out to all libraries in the state of California; using the statewide listserv. Over 20 responses were received. In none of them was paid staff ever replaced by volunteers.

Paso Robles is the only one where volunteers are being used to provide basic library service. Their transition came 15 years ago when they opened a new library that was much larger than their previous one. They hired a then part time and now full time volunteer coordinator. Volunteers work at a lesser level- they do not make any judgment calls or deal with any problems. They assist in virtually all areas of library service. There was no issue with the union since no one lost his/her job because of the addition of volunteers.

As for the other libraries who responded the following is a compilation and distillation of their answers. All described using volunteers the way SCPL currently does and many described it as for "value added services. A staff person from Roseville California gave a concise response; the essence of which was often repeated:

"Reasons for not using volunteers for core services include: for privacy reasons no access is allowed to the patron database or to staff areas. We do use volunteers

extensively at the Roseville Public Libraries but not to maintain hours or to fill in staffing gaps. While our volunteers shelf read they do not check in books or staff any of the public desks. We consider them the "icing" on the library cake providing services such as homework helpers, data entry computer tutors, greeters display designers, special event helpers, volunteer coordinators, story time leaders, etc. Many of our librarians conduct story times but we have trained story time volunteers to add more sessions due to public demand and also to provide outreach story times."

Humboldt County does not allow volunteers to use their ILS, handle County funds or work in the buildings without direct supervision.

Anaheim is in the process of reducing full time staff by 30%. Part time hours were also reduced. They are looking at an expanded role for volunteers but at the time of the survey were still identifying job descriptions and had not yet met with their bargaining unit.

Berkeley's volunteer policy expressly prohibits using volunteers to replace the work done by paid staff. Quoting from this policy:
"Volunteers are trained for routine recurring tasks and/or occasional special events. …Volunteers shall not replace the work done by paid staff. The Berkeley Public Library volunteer program serves as a method for encouraging citizens to become familiar with and advocate for their library and the services it offers… Volunteers are requested to make a minimum commitment of three to six months, depending on the volunteer project. Volunteers shall work during hours when adequate supervision is available. …In no case may a volunteer work in excess of 20 hours per week over a six month period."

One library that did not want to be identified started using volunteer greeters when they opened a new building but 6 years later the need is not so great and they only use greeters for special programs. This is not something they would use regular staff for so they feel it is an appropriate use of volunteers.

Another used to staff programs with on-call staff. When that budget was cut they started to use volunteers for an after school homework help program and for a read-to-a-dog therapy program. They also use volunteers to offer and set up for programs.

The Library Programs Consultant at the California State Library provided the following information to the Carlsbad Library. "There are no libraries in the state of California that are exclusively volunteer run and still considered branches of the larger system."

This latter comment brings up an interesting point of discussion. Would a greater reliance on volunteers affect the standing of the Santa Cruz Public Library system as a public library? To not be considered a public library has repercussions in terms of

funding, access to resource sharing, etc. The Institute for Museum and Library Services defines public libraries as:

"A public library is established under state enabling laws or regulations to serve a community, district or region and provides at least the following:
1. An organized collection of printed or other library materials or a combination thereof.
2. Paid staff
3. An established schedule in which services of the staff are available to the public
4. The facilities necessary to support such a collection, staff and schedule
5. Is supported in whole or in part with public funds."

The definition of branches and stations continues according to the California State Library (CSL):

"Some public libraries have stations or small branches, with large volunteer contingencies. The CSL's definition of outlets specifies minimum staffing in order for a facility to be defined as a branch or station and the corresponding requirements for space and collections.

Branches: A branch is an extension library open some part of each of at least 5 days a week, has at least 1,400 square feet of floor space a general book collection of at least 7,000 volumes and is staffed with the equivalent of at least one librarian and one clerical employee during the hours open for service.

Stations: A station is a library structure smaller than a branch, providing a lower level of service. All stations have all of the following, however: 1) separate quarters; 2) a permanent basic collection; 3) at least one established paid position; and 4) a regular schedule for opening to the public."

The May 2010 American Libraries magazine featured an article titled, "Those Who Can, Do. Those Who Can Do More, Volunteer" by Alan Jacobson who is a librarian and volunteer coordinator for the Oak Park, IL Public Library. This article repeats much of what was heard from the librarians who responded to the questions on the listserv. It lists all the non-mission critical functions volunteers can do: work programs and events, film presentations, book discussions, chess tournaments, report running, displays, scrap paper etc. He talks about the need for a professional approach to the hiring, orientation, appreciation, screening/reference checking processes and for staff to have someone to go to who backs them up when dealing with volunteers. The need to invest in the volunteers through training, orientation to policies and procedures including dress code is made clear. He also states,

"A lot of library staff will grumble about volunteers doing our work at a time when so many of us are looking for jobs. Volunteers don't (and can't) replace us; they merely add to what we are able to do."

His closing line is a good summary of his perspective:

097

"The judicious use of volunteers allows us to serve the community more efficiently. Incorporating them into our functions creates a seamless connection between us and the community, when their friends and neighbors walk through the door and are pleasantly surprised to see a thriving library, despite hard times."

A second review of the literature focused on the volunteer world beyond libraries. Since SCPL does not have a volunteer coordinator on staff and all volunteers are managed through the Friends of the Library, there is very little of our own data available so research into the industry of volunteer management to assist with data and identification of issues and trends is appropriate.

"The sudden flood of volunteers from the ranks of the unemployed has been a mixed blessing for nonprofits.
Many who run nonprofits have marveled at the sudden flood of bankers, advertising copywriters, marketing managers, accountants and other professionals eager to lend their formidable but dormant skills. The Financial Clinic, which counsels the working poor on economic matters, recently dispatched an M.I.T.educated ex-Wall Street type to help people in Chinatown prepare their tax returns.... But others grumbled that the current love affair with volunteerism, encouraged by President Obama's nationwide call to public service, can be a mixed blessing. Smaller organizations, with staffs of fewer than 20 and no full-time volunteer coordinator, have struggled to absorb the influx, especially since many of them have simultaneously had to cut back on projects in the face of dwindling donations and government grants."
MARCH 16, 2009, From Ranks of Jobless, a Flood of Volunteers, by Julie Bosman, *The New York Times*, http://www.nytimes.com. [posted 4/17/2009]

"There is a high turnover rate among baby boomer volunteers.
Baby boomers are volunteering at higher rates than previous generations, but 31 percent of those who volunteer one year fail to return the following year, according to a study released this month by the Corporation for National and Community Service. Nonprofit groups and others that use volunteers must find a way to bring that attrition rate down, says a report on the study that was presented here to a joint conference of the American Society on Aging and the National Council on Aging. "Volunteer turnover should be seen as just as undesirable as turnover among paid employees," it says. "For most businesses and nonprofits, a 30-percent employee turnover rate would be an indication of a workplace problem." The study also tracked baby-boomer volunteers over two-year periods from 2002 to 2006. It found that on average 31 percent did not continue volunteering the second year - and that the replacement rate, or the percentage of baby boomers who began volunteering that year, was only 27.2 percent. "Our nonprofit sector is doing an insufficient job of providing the kinds of opportunities and the kinds of management that boomers need in order to stay engaged and to stay fulfilled," David Eisner, chief executive of the corporation, told conference participants."
MARCH 22, 2007, Boomer Volunteers Often Give Up Duties, Study Finds, by Suzanne Perry, *The Chronicle of Philanthropy*, http://philanthropy.com.[posted 4/24/2008]

"Managing volunteers to grow long term with an organization could help stop the flow of volunteers leaving nonprofits.

Some experts say that with all the perennial hand-wringing over the problem of volunteer recruitment, perhaps not enough attention has been paid to the grooming of long-term volunteers like Mr. Hale. Why do they stay when other volunteers quit? How can charities keep more of them? The decades-long increase in the number of volunteers has recently showed signs of slowing, and charities lose roughly one of every three volunteers a year, says Robert Grimm, director of research and policy development at the U.S. Corporation for National and Community Service, a federal agency that encourages volunteering. He calls this phenomenon the "leaky bucket" that's costing nonprofit groups an estimated $30-billion annually. He believes organizations that lower volunteer turnover rates and master the grooming of long-term workers will reap increasingly large benefits. A skilled volunteer who comes back year after year can be just as critical to an organization's health as a comparably experienced and talented paid employee, he says. But finding volunteers like Mr. Cori, who are willing to stick with one organization over the long term, requires what Mr. Grimm, the federal researcher, calls a "talent management" approach to dealing with volunteers. Find out what stokes a person's passion or gets their creativity flowing, he suggests, then plug the person into a role where those specific passions can flower."

FEBRUARY 7, 2008, Taking the Long View: Charities that Cultivate and Keep Volunteers Over Many Years Stand To Reap Big Benefits, Experts Say, by Eric Frazier, *The Chronicle of Philanthropy*, http://philanthropy.com. [posted 4/24/2008] .
(*ed. Note: this is a summary of a longer article which details Mr. Hale's and Mr. Cori's experiences*)

An article by Mary Merrill (September 29, 2005) titled "Supervising Volunteers" on the website http://www.worldvolunteerweb.org discusses the issue of supervision of volunteers in the creation of a successful volunteer program.

> "Unlike paid staff, volunteers are not dependent upon the organization for pay, and in fact are not motivated by pay. Their sources of motivation are often different from paid staff, they gain different benefits and most often volunteers work part time. All supervisors need to understand the dynamics of working with unpaid staff, and understand why volunteers donate their time and talents to the work of the organization."

She goes on to discuss the similarities between supervising paid staff and volunteers.

> "Policies of professional behavior should apply equally to paid and volunteer staff. Supervisors of volunteers may find themselves dealing with issues of absenteeism, tardiness, failure to perform, or other common problems. It is important that all staff understand the procedures and process for dealing with volunteer as well as paid staff problems. A good risk management procedure outlines the steps for dealing with problem behavior and usually includes one-to-one discussion between the volunteer and the supervisor, a documented plan of action, and an agreed upon review date. Occasionally performance does not improve, leading to disciplinary action or dismissal. Volunteers, like paid staff,

must have information on the organizational policies regarding disciplinary offences, and the consequences."

Joanne Fritz confronts the issue of replacing staff with volunteers in her article, "Should Nonprofits Save Money by Replacing Staff with Volunteers? A Reasonable Recession Tactic or Not?" This appears on the website About.com Guide: Nonprofit Charitable Orgs. She provides the following tips:

- **"Don't lay anyone off with the intention of substituting a volunteer for paid staff.**
  Such action is bound to cause other paid staff to fear for their positions and to resent and resist working with volunteers, fearing they might take their jobs. However, when there is natural attrition, or a general reorganization, use that opportunity to rethink how your organization is set up, and how you might reconfigure jobs so that some duties could be done by volunteers.
- **Keep an open mind about what kinds of jobs volunteers might fill**.
  Yes, you might have a list of basic roles that you are always shopping for, but when your interview reveals other possibilities, don't be bound by precedent and rules. Don't hesitate to create a volunteer job that fits that particular person, his talents, and interests. You might be able to relieve a paid staff member of some task and shift it to a volunteer. That should allow your paid staff the time to spend time on other pressing duties. It should never, however, expose a paid staff person to possible job loss.

  The bottom line is that it is to no one's benefit to cut costs by deliberately cutting staff and replacing them with volunteers."

Susan J. Ellis brings a different perspective to the discussion when she talks about the opposite, "Replacing Volunteers with Paid Staff", September 2008 on the website, http://www.energizeinc.com. In so doing she identifies some of the issues encountered when using volunteers and discusses how some organizations have chosen to go in the other direction and use paid staff where they once used volunteers. She says,

"Now add in a few other key factors:

- Aging-in-place of long-time volunteers who may no longer be able to handle the required duties as well as they used to, or who no longer represent the institution's desired face to the public.
- Resistance by new volunteers to committing to a fixed schedule over a long period – exactly what a front desk or shop assignment requires. These locations *have* to be covered, no matter what.
- Introduction of computers, complicated phone systems, electronic cash registers, and other technology – plus all sorts of new privacy regulations – which make the work much more complicated than being friendly to visitors.

From the perspective of consistent service to consumers through assured, constant, competent presence at a location operating many hours and possibly all week, employees may actually be better suited to these types of roles, despite the tradition of assigning volunteers there. When you pay someone a salary, you can require attendance at hours you set. There is no question that paying one to three employees to permanently work the desk or the store is the *easiest* way to go. And if money is available to pay such staff, it's legitimate to do so."

A study by researchers at the University of Pennsylvania in 2008, "The Interchangeability of Paid Staff and Volunteers in Nonprofit Organizations" 2008 (School of "Social Policy and Practice Departmental Papers) looks at both these trends. They first present an economic model to consider when deciding whether or not volunteer labor is worth it:

"Whether volunteers complement or substitute paid staff is an open question. For an organization, the decision of whether to use volunteers or paid staff, and how much of each, depends on several factors. Organizations that use volunteer labor as one of the inputs in production will be faced with a choice of how much to use of each of the various inputs of production. In other words, the use of labor, volunteer or paid, will depend on its productivity, its price, and other available substitutes. For example, from an economic point of view, the choice of using an additional hour of labor as an input should be made if, and only if, the value of the additional output from this hour is, at the least, equal to the price paid for this hour. For overall efficiency, this logic should be true for all inputs of production, including paid labor. Organizations will eschew volunteer labor as its price increases (the costs per hour of volunteer labor incurred by the organization) and turn to substitute inputs with lower prices, such as minimum-wage labor. The economics of choosing between paid labor and volunteers is complex, as indicated in the research by Handy and Srinivasan (2005) in the context of hospitals in Canada. Their research indicated that the quantity of volunteer labor used by hospitals is a decreasing function of their costs, productivity, and output. Several noneconomic factors also influence the decisions of organizations to use volunteer labor. Organizations in which volunteers are an essential part of the mission, such as Big Brothers and Big Sisters, will find it impossible to substitute volunteers with paid staff. On the other hand, in hospitals, it would be legally impossible to substitute volunteers for paid staff for any of the medical services. Moreover, in hospitals and Big Brothers, volunteer board members cannot be replaced by paid staff, whereas some tasks, such as helping with routine administrative duties, can be safely done by either paid staff or volunteers."

In discussing whether volunteer staff does tend to replace paid staff they refer to a study by the Small Business Administration.

"The primary empirical study on the issue of whether volunteers were replacing paid staff was undertaken by Brudney and Gazley (2002) and was a retrospective analysis of more than 42 years of a volunteer program carried out by the U.S. Small Business Administration. Using an interrupted time series analysis of data related to the Service Corps of Retired Executives, the authors found no evidence

in support of either volunteer replacement of paid staff or cutbacks in paid staff in response to volunteer initiatives. Rather, the data suggest that volunteers were supplementing paid staff, a view put forward by Brudney in earlier writings (Brudney, 1990). Even though the Brudney and Gazley (2002) study deals with a government agency, it has similarities to nonprofits serving the public using mainly government funding; however, it is based on a case study of the one organization."

They then looked at the professionalization of nonprofits and the trend for paid staff to replace volunteers. They cite comments made by nonprofit managers:

- "There has been a professionalization trend within our services and the movement in general so that we now hire trained counselors rather than women who have experienced violence."
- "Volunteers were too unreliable and untrained to do some of the jobs that paid staff now do. Timing for some projects is an issue so paid staff can be expected to meet those timelines but volunteers may or may not. It is time-consuming to train volunteers. Paid staff accepts instructions and directions easier than volunteers."
- "Volunteers are not used to replace a staff member. Rather they assist the current staff to allow us to cope in this world of 'doing more with less.'
- "We have no more or less staff than we have ever had but we certainly have more work due to higher expectations of funders, stakeholders, and participants.
- "Volunteers allow us to keep our heads above water."
- "Volunteers today are not just bored seniors looking to fill their time. They are educated, busy people wanting to contribute. They therefore are capable of performing more complex tasks. I still maintain, however, that volunteers do not replace staff, but are an enhancement."
- Reality is that many activities require consistency, which means that you must look to staff as few people are willing to volunteer 40 hours a week. Splitting the job between 5 people (8 hours each/week) is not effective."

Comments specifically from the hospital environment are:

- "It takes a long time to train employees and volunteers. It is often uneconomical to train volunteers because they move on, have limited time to contribute and need special time and effort to motivate."
- "We do not believe in using volunteers to do work that employees should be paid for, except with a very few exceptions. Most of our work requires specific skills and education, and we are not willing to use volunteers for this work."
- "Volunteers have a high turnover rate, so the training and retraining needs are important; this is a factor in the attribution of complex/ specialized tasks to paid personnel."
- "All tasks are currently done by paid staff except donor information, which could be done by volunteers if acceptable qualification, skill, and commitment were available. Recruiting volunteers who meet

10

these criteria is difficult."

- . "Experience shows us that tasks that can be done by volunteers are punctual tasks with guidelines. Regular tasks or those involving care, and supervision of people, need a stable and continuous approach."

The research team concludes that overall, volunteers are replacing staff in some organizations but the reverse trend is occurring in an even greater number of organizations.

Kate Bowgett is the Volunteer Management Advisor for the London Museums Hub and is a board member of the Association of Volunteer Managers. She wrote an article that originally appeared in Volunteering England Magazine June 2009 and was posted on her blog June 27, 2009 on the website: http://www.volunteermanagers.org.uk/economic-downturn-and-spectre-job-substitution . She cautions against replacing staff with volunteers for several reasons. Her blog posting is reprinted in its entirety:

"The economic downturn would seem to have created boom time for volunteering. Volunteer Centres are reporting record numbers of volunteer enquiries, and the government has just put millions into a scheme using volunteering as a step toward employability for the long term unemployed.

But unless the sector is careful, this slump could have real risks for volunteer management, and the way volunteering is perceived.

Volunteering and volunteer management have transformed since the last time we were in a recession. Organisations involve volunteers much more professionally, using the gift of time more effectively, and ensuring that volunteering is a positive experience where both organisation and volunteer benefit.

However this step change could well come to a grinding halt as credit crunch sets in, and as the specter of job substitution rears its ugly head. Money is scarce on the ground for everyone, and as organisations face cutbacks, one solution is to replace our paid staff with volunteers.

Funding bodies push us to reduce our overheads to the absolute minimum, arguing that as the 'Voluntary' sector shouldn't more of our workers be just that?

As funding starts to dry up its easy to see why panicked organisations look at making staff cuts and relying on volunteers to take up the slack. Many would argue that job substitution is a pragmatic solution to a loss of funding.

Faced with having to close down an organisation, or withdraw funding, isn't it just the lesser of two evils? But what do we lose if we make this compromise? The practice of replacing paid staff with volunteers does not show up our sector in a particularly good light, and does little to persuade the public at large that volunteering is a positive thing to do.

A common argument people use for not volunteering is that organisations exploit volunteers. It becomes harder to argue against this if volunteers are being used purely to save on staff costs.

Using volunteers to fill in key roles risks undermines some of the fundamental things that attract people to volunteering. If a volunteer is carrying a role so vital that the organisation would suffer if they did not come in, then there is no room for any flexibility around what they do, and when they do it.

We risk a situation where we are, essentially, emotionally blackmailing people to carry on offering time. Job substitution is also problematic on a practical level.

A volunteer entering an organisation where they are displacing paid staff is unlikely to be welcomed with open arms by existing workers. It would be hard to persuade a staff member to spend time supporting and developing a volunteer, if they knew that person could oust them at any moment.

Good, sensitive, volunteer management becomes very difficult in these circumstances. Proper planning is impossible when volunteers are being bunged in at the last minute to fill up gaps.

Under these conditions organisations are unlikely to be giving their volunteers a high quality experience, and as a result their volunteers are much less likely to suggest volunteering to their peers.

We also need to think about the kind of sector we all want to work in. Working in the Third Sector is now seen a positive career. Charities attract talented dedicated individuals who want to expand and develop their careers.

If we slip back into a position where job substitution is seen as ok because it's a means to an end, we stop making a career in the voluntary sector a viable choice, which will inevitably lead to a much less vibrant, sustainable sector.

In the short term, job substitution may seem like the ideal quick fix for organisations having to cut back on services, but if we accept it as a fact of life; we risk short changing all service users in the long term."

The web site http://hrcouncil.ca/hr-toolkit/workplaces-staff-volunteer.cfm focuses on the human resources function in organizations and has a section devoted to the management of volunteers. There is a tool kit and as part of that, the issue of staff resistance to volunteers is addressed. The first part discusses possible staff concerns:

- "I enjoy the hands-on part of my job. I don't want to give that part up to volunteers and be left with only a supervisory role.
- It takes too much time to get a volunteer trained and up and running.
- Volunteers are well meaning but don't have the same level of professional training that I do. Service to clients will be affected.
- My job description is big enough already without having to add on supervising volunteers.
- I don't have any training in volunteer management. That's not my job.
- Volunteers aren't dependable.
- You can't get rid of volunteers even when they aren't doing a good job.
- I'm worried that volunteers won't respect confidentiality.
- It's easier to do it myself than involve volunteers

- Will my job be replaced with volunteers?"

Tips for working with volunteers are provided:

- **"Top-down commitment**
There needs to be an organizational commitment that volunteers are integral to advancing the mission of the organization and the commitment needs to be shared from the top down. An important question to ponder is "If we had an unlimited budget, would we still involve volunteers?" If the answer is, "yes" then ponder the unique value that volunteers bring to your organization and to your clients.

- **Investing in infrastructure**
While it may appear at first that volunteers are "free" because there is no cheque to be paid, there is a cost to involving volunteers. Your organization needs to provide staff with a budget to recruit, properly train, supervise and recognize volunteers as well as to cover the cost of professional development. When staff has the resources they need, you set the stage for successful staff-volunteer relations.

- Understanding today's volunteer
In the past, volunteers operated more "behind the scenes" supporting the work of paid staff. Today's volunteers have much different expectations and oftentimes come with highly developed, specialized skills that they want to utilize. That means that staff is more likely to be in a coordinator or manager role and the volunteer in a consultant role. It is important to recognize the change and to build volunteer positions that tap into the strengths of both staff and volunteers."

IV.   Issues to be Addressed

The review of the literature brings up many of the issues that need to be considered when expanding the volunteer program to provide basic library service. Others may be somewhat specific to SCPL. While they may not all be insurmountable, the resolution of each of these must be considered with the understanding and recognition that it could take time and considerable resources to resolve.

1.   Labor Relations: Agreed upon guidelines with the four bargaining units for the use of volunteers include not using volunteers to replace furloughed or laid-off employees. These guidelines describe the appropriate use of volunteers to augment and support paid staff. If financial reductions are achieved by laying off staff and we then turn around and hire volunteers to run the libraries, if those libraries are still considered branches of the SCPL system, then we have effectively violated our agreements. There is no reason to believe this is going to be an area in which the bargaining units are going to be willing to make any concessions. To make this work there would be a need for agreement in advance on the use of volunteers such as they do in the Sheriff's Department as is described later in this report.

2. <u>Public Library Status:</u> In order to receive funds from several state programs; Public Library Fund and Transaction Based Reimbursements, it is necessary to be considered a public library. By reading the definitions above, it is clear that we must have paid staff in order to be considered a public library. This is also a good place to include additional related information. In 1978 the Attorney General issued an opinion that states, "Fees may not be charged to local residents for "library services, as defined herein." Later in the opinion library service is defined based on the federal Library Services and Construction Act.

> "In this act "library service" is defined as "the performance of all activities of a library relating to the collection and organization of library materials and to making the materials and information of a library available to a clientele."

3. <u>Confidentiality:</u> The confidentiality of patron records is an important and basic tenet of the public library and California State Law protects this. In this Internet age we are finding people much less concerned about their privacy and the confidentiality of their information but that is not a reason for us to give up this tenet. Yes, volunteers can sign confidentiality agreements but what are the consequences for violating that agreement? They can no longer volunteer for us? Does this open the Library itself up to potential litigation? We have heard some patrons express concern that their neighbor is the one who has access to what they are checking out. Staff also accesses a great deal of information on the Library and City Intranets. Access to both these involves access to much information necessary to do one's job but also a great deal of confidential information as well. Will we give volunteers access to this information? If not, we will need to develop a duplicate pathway for disseminating and storing information needed when working a public service desk.

4. <u>Liability:</u> In discussions with the City of Santa Cruz Risk Management Division several issues have been identified. City policy requires that a staff member be present and be supervising whenever a volunteer is present. To deviate from this will require research into the additional liability insurance costs which are likely to be necessary. The other area of concern is Worker's Compensation. Volunteers do not currently appear to be covered by Worker's Compensation. Risk Management is researching this issue to determine if volunteers should be covered and if so, by whom- the Friends or the Library as part of the City of Santa Cruz. If they are, we can expect a significant increase in Worker's Compensation rates. If not, then should a volunteer be hurt while working we could be exposed to civil litigation including a charge of negligence depending on the circumstances. Patrons hurt while using a facility with none or very few staff present could result in a similar situation of civil liability and negligence as someone might argue the volunteers are not as well trained as staff to deal with potentially dangerous situations. Reference Paso Robles that uses volunteers extensively but does not allow them to

106

handle difficult patrons or situations. "Incidents" occur in our facilities almost every day that require the intervention of staff at some level.

5. Communication: Every staff member has an email account paid for by the Library. If we are going to have volunteers doing tasks that require they stay up to date on policies and procedures, they will need to have access to email. The cost per account is currently $50 per year per person. They could have a personal email account but would need to be willing to use it for library purposes. Access to the City and Library Intranets is also an issue of communication as detailed in the Confidentiality section.

6. Management: If there is one consistent theme in the literature it is that volunteers require supervision and training. There is also the issue of training staff on the management of volunteers. Recruiting, interviewing, checking references, managing the paperwork, training, discipline and ongoing supervision all must be provided. We recently used a volunteer supervisor to oversee government paid workers for the re-barcoding project. Early on it was clear the volunteer supervisor could so only so much. Another area that is frequently referenced is recognition of volunteers. Many organizations host annual events to recognize volunteers. Giving awards for years of service or just basic appreciation is also standard procedure when managing volunteers. This should be budgeted at $2-3,000 per year minimum.

Background checks and fingerprinting: Currently we only do this for volunteers working with vulnerable populations- seniors and children. All staff undergoes a background check and fingerprinting before they are hired. If volunteers are going to be replacing staff, handling money and having access to confidential information they are going to need to undergo a background check and fingerprinting. This currently costs $65 per person. If the Library is going to pay for this, this cost must be factored in, taking into account turnover and the need to have backup volunteers.

Staff undergo initial and follow up training in many areas. They are required to attend "Preventing Workplace Harassment, Discrimination and Retaliation", "Understanding Cultural Diversity" and "Disaster Service Worker Training." Internally we not only train for the specific job tasks but also for safety and ergonomics, confidentiality and handling difficult patrons and situations. To get a circulation clerk ready to serve on a customer service desk, not including mandatory city training takes almost 30 hours.

The Friends currently employ someone 20 hours per week to recruit and place volunteers. He is unable to keep up and spends most of his time arranging for volunteers for special library and Friends projects; book sales, survey workers, re-barcoding, etc. He does not have time to follow up to see if the placement is working, track statistics beyond the basics or help staff if they are having

problems. Training is left to the individual location where the volunteer is placed.

Not all staff is comfortable supervising. As an example we know of one situation where the work of the volunteer has to be re-done after the volunteer leaves because it is not done correctly. The staff supervisor of the volunteer is not comfortable "letting the volunteer go" because she is such a nice person.

Our entire process for handling volunteers runs contrary to the recommendations found in the literature. To do it right we need a minimum of one full time professional volunteer coordinator and at least a half time (possibly full time with 12 volunteer locations) volunteer liaison who can help with orientation and training, record keeping, and working with staff on location with the volunteers.

7. Depth of the field: How many volunteers would be needed to staff branches with volunteers? We will use Capitola as an example. Capitola is open 20 hours per week which requires 108.5 hours per week of staff time. This calculation does not include the approximate 28 hours per week of page time for sorting and shelving Let's say that half the staff time will be covered by volunteers. With each volunteer working 4 hours per week; This means that 14 volunteers will be needed. In recent discussions with the La Selva Beach community the model called for 3 volunteers. The request was to have 10 volunteers trained to cover for the 3 so as to have some depth should a volunteer not be available. (Note that in LSB the volunteers are not doing the work of staff). The compromise is currently at 5. At a 5:3 ratio one could conclude that 23 volunteers will be needed in order to have 54 hours per week of volunteer time. This is also at current levels of open hours. If hours were to be increased then the number increases proportionally. For a regional branch such as Scotts Valley this same calculation results in the need for about 69 volunteers ready and trained. (In Morgan Hill 60 volunteers are used to cover 40 hours of time. This is a 9:6 ratio while 5:3 is a 10:6 ratio so they are very close).

8. Customer Service: We spend a lot of time working with staff on developing a strong ethos of excellence in customer service. This was reflected at every single strategic plan town hall where staff was consistently named as one of the library's greatest strengths. This does not happen by accident but by design and takes diligence in supervision, providing relevant training opportunities and developing policies and procedures which support such excellence even if it means altering them as necessary to be responsive to changes. Volunteers would require the same, if not more, supervision and attention including attendance at ongoing training. The current training budget is woefully inadequate to meet staff needs so would need to be greatly increased to accommodate the needs of a larger volunteer workforce.

9.   <u>Experiences:</u>. There are many success stories and there are many volunteers who have proven to be dependable, hard working and committed. However, less than positive experiences working with volunteers make it more difficult for staff to accept an expanded role for volunteers. When dependent on volunteers to provide basic public service, just one of the occurrences below could mean the library cannot open at the time scheduled or provide the basic service expected of the Library. In the case of Book Buddies, a staff member has to make the delivery or delivery is delayed. Delaying delivery to someone who counts on that visit not only for the materials but for the social interaction is not good customer service.

- o There was an event which involved reading to children (Dia de los Ninos). A call to 100 volunteers went out. Ten responded to say they couldn't help; the others did not respond at all. In the end two staff volunteered on their Saturday off.
- o Live Oak geared up for the premier of self check by engaging volunteers for most of their open hours. The first volunteer scheduled for the opening of the library on the first day did not come. She called later and said she was at a job fair and lost track of time.
- o On April 15, 4 volunteers were scheduled to direct the public to the tax forms. Two showed up. They were great.
- o One area where we do have some statistics is the Book Buddy program whereby volunteers bring materials to homebound patrons. As of March, 2010, there are 20 Book Buddies of which 3 are inactive. Of those 1 has been with the program since its inception, 71% since 2008 and 29% since 2006. Last year 2 dropped out after one month. Since 2007 the average loss per year is between 30-35%. This is remarkably close to the figure given by the study cited in the literature review. Reasons for leaving include people decided to work less and spend more time pursuing other interests, several deaths of volunteers and some have had grave illnesses which ended their ability to continue. Others decided to quit when their Book Buddy moved away or died.
- o Boulder Creek landscape maintenance- Funds were eliminated last year for landscape maintenance in Boulder Creek. An attempt to restore those was met with a recommendation that we use volunteers for this function at Boulder Creek and several other facilities. The following is a report from Laura Whaley at Boulder Creek regarding just such an effort for May 1, 2010:

        "The BC Friends and I began planning and advertising for this event on April 5th. This would be an all day event where we asked for volunteers willing to work one hour or more between 9am and 4pm. The BC Friends would provide lunch and beverages, the library would provide tools. By the end of the first week we had fliers up in the Library, in downtown Boulder Creek businesses, on a BC activity website, and a notice in the Press Banner that ran for

two weeks. I was also speaking to patrons at the Branch. Within this time we received verbal or e-mail notice from over thirty people that they would assist in the grounds clean-up. One large group promised over twenty people. It was a church group that needed to perform community volunteer hours.

As the days grew closer to the clean-up date the number of folks from the group dwindled to 'maybe' five or ten people 'maybe' after lunch. Others we had spoken to earlier were non-committal. The night before, the recently formed SOL group held a town hall meeting where one of the volunteers reminded attendees that one way they could help the library was to show up the next day to help clean the grounds.

On the day of the event I was joined by two people at 9am and then two more at 10am, one of whom was a library employee on her day off and the other, a member of the BC Friends group. By 11:00, two individuals had to leave but were replaced by two people from the group that originally was going to be twenty participants and three more, one being my husband. At 1 pm the two from the group left and were replaced by two Moms with their, under six years old, children. Tasks were assigned to the children. Honestly, they made more of a mess but they're kids, they had fun. The families disappeared into the library before 2 pm. Two other volunteers arrived after lunch and helped for about an hour. All told, about 12 adults participated in the clean-up (two being employees and one an employee spouse).

While a good deal of clean-up was accomplished, the lion's share was done by the two employees (one on her morning off), and two volunteers (one being my husband). I don't want to discount what the volunteers did; the hillside looks so much better than it did, but I wouldn't want to rely on volunteers to handle the grounds keeping unless a clear 'contract' was established between the volunteer and the Library. As a one time project, or perhaps twice a year, it can be doable but for regular maintenance, I question the reliance on volunteers.

If an employee spent a good deal of time lining volunteers up, establishing a contract detailing a set number of hours and tasks to be completed, and then, to a point, supervising the work it could work but there are still no consequences for the volunteer if they break the contract unless we modeled it as we do with young volunteers who need community service hours. In this case we would probably want to work with adults who need to work off community service hours or who want to work off library fines.

110

My worry though is the amount of supervision needed and the regularity of the work."

V.   Community Comparison

Several examples have been cited as possible models for the SCPL use of volunteers. One of these is the Santa Cruz County Sheriff's Department service centers whose front desks are staffed by volunteers. A lengthy conversation with Jaclyn Hart, full time volunteer coordinator revealed the details of how this works. There are some similarities to the Library's situation but also many differences. Volunteer positions are agreed to by the labor union. The centers opened in 1996 with volunteers from the beginning. In other words, no staff was replaced by volunteers. Each of the four service centers is open 40 hours per week and is staffed by a paid sergeant and paid community service officer. Each volunteer works 4 hours per week so there are 10 volunteers per service center. If a volunteer cannot make his/her shift they cover for each other or swap shifts. If no one can cover the CSO or Sergeant covers or they close the center if necessary. If a volunteer is gone for an extended time they work short staffed. There is a constant flux with the majority having been there 5-12 years.

Jaclyn did express concern that only being there 4 hours per week makes it that much more difficult to learn the job. While the CSOs and Sergeants oversee the day to day operation, she, as the coordinator handles any problems that occur. They handle about 6,000 phone calls and 5,800 walk-ins per year. This corresponds to taking about 500 reports per year. They do not perform the full range of duties of any paid position. They all do the same tasks which makes supervision and training easier. Busyness varies from really busy to nothing at all happening.

This is a good place to compare with a library facility that is open 40 hours per week; the Central Library. The Central Library handles over 400,000 "walk ins" per year and almost 100,000 reference questions are answered. The basic operation of the Central Library takes 811.5 staff hours per week which does include having staff available when the facility is not open in order to provide for the smooth handling of materials. It does not include 163 page hours per week for sorting and shelving. (As a side note- all pages must be students. This provides an opportunity for the young people in our community to get work experience as well as earn income.) There are over 500,000 circulation transactions per year. Questions do not fall within a specific category such as minor crime reports but can be about virtually any topic imaginable and some not so imaginable.

Two other examples of volunteer operations are the Ben Lomond and Soquel volunteer libraries. A library staff member interviewed the volunteer staff at the Soquel library. They are open 12-4 Monday through Friday and 10-2 on Saturday and run the library on a budget of $5,000 per year which they get from a donation drive every December. It is a small browsing collection. What you see is what you get (no system for placing reserves) and is totally manual. They do lease books through a bestseller program which is paid for by one individual ($2,000); otherwise they are totally dependent on donations. They have one computer with Internet access but

support is dependent on what the different volunteers can offer. They acknowledged that there are difficulties running the library, and it is a lot of work, but they are far outweighed by the benefits to their community. They have dedicated volunteers, who are totally responsible for their shift. Only drastic circumstances stop them opening and they all have a back-up. They could not recall anyone not working out, but they do all know each other pretty well. They all meet once a month. They have no security problems. The library can be used whenever groups want because there is mutual trust and respect. They provide a service to their community which is much appreciated but are backed up by the presence of the SCPL system which is accessible to their community members as well.

At a recent social event a man was talking about the Ben Lomond Library. He has a young child who he used to take to story time there on Tuesday mornings but now they go to Scotts Valley every Saturday to get materials and to do research for reports. They go online and pick up the materials they need at Scotts Valley.

These local small volunteer libraries provide a possible alternative for smaller communities as long as the resources of the larger system remain available to them which could be done through bookmobile service and a books-by-mail program.

Just like teachers, librarians are highly educated. In fact, a Master's Degree is required. We do not turn over the education of our children to volunteers. We require a certified teacher in every classroom; possibly assisted by paid and/or volunteer aides. Museums employ professional staff to plan and prepare exhibits, manage education programs, handle marketing and public relations. They rely on volunteers to add value as docents, in gift shops, etc. Even then, docents usually undergo lengthy and specialized training. CASA volunteers must undergo about 36 hours of training. One staff member trained as a volunteer tour guide for the zoo in Seattle a number of years ago. The training was every week for 3 hours for 3 months while learning detailed biological information about every animal at the zoo.

VI.   Summary and Conclusion

Another important area is partnerships. Our Programs and Partnerships Division is actively pursuing partnerships with various groups in the community. Another area of collaboration is with other library groups. We are participants in several: MOBAC (Monterey Bay Area Consortium), PLP (Pacific Library Partnership) and Califa. Through these partnerships we currently receive discounts on electronic databases, have access to a variety of training programs, benefit from grants for materials, software, training, etc. While not specifically volunteer related, they are ways we are able to expand our resources at the cost of membership in these groups which is quite reasonable.

There are many opportunities for volunteers to help our libraries run more smoothly. The key consideration is using volunteers for non-essential services so if a volunteer cannot come in for a shift, the basic operation of the library and service to our

customers is not disrupted. The following report from our Central Youth Services Division provides an excellent perspective on how much we value volunteers while recognizing they do take staff time to manage and there are limits to how many volunteers staff can handle:

> "Central YP had 111 volunteer hours in May, 85 hours in April, and 72 hours in March. There were four staff members to supervise the 27 volunteers that are regularly scheduled. Our experience has shown that we can expect approximately 20 minutes of staff time for each volunteer hour. We also discovered that volunteer assignments work best when there is no deadline since so many factors in their personal lives, including transportation to the library, can interfere with their volunteer schedule. We are now at the angle of repose for the number of volunteers we can supervise.
>
> That being said, the volunteers have been immensely helpful with their contributions. We average 10-12 carts of books each day, and most of the picture books are shelved by our volunteers. One volunteer is a native Spanish speaker and is recording Telecuentos on a weekly basis. Many of the volunteers assist us with craft projects that are used in our programming. They have also been barcoding the collection and several have been trained in book mending. Other chores include book cleaning, computer and keyboard cleaning, and we are particularly grateful for Mimi who weekly takes care of the fish tank and prepares the fish food for the following week. During the past year, our volunteers have helped us to maintain the level of service we now provide despite the reduction in hours, staff and services."

If we were to have staff available to coordinate the volunteer program we undoubtedly could make more effective use of volunteers. This could translate into additional or restored open hours if paid staff could be freed up enough.

Interlibrary loan is an example of a service that could be supported by volunteers. Volunteers could also be used to provide more creative services. One possibility would be a books-by-mail program that could be offered on a fee basis. Volunteer run, this could provide materials to people who have difficulty getting to a fixed facility to pick up materials or for those willing to pay for value added service. Since this is not a basic service, charging for it is not unreasonable. Covering postal charges and the cost of supplies, this could be an innovative service that is cost neutral to the Library, if run by volunteers.

There are many options for using volunteers effectively to the extent that open hours could be expanded. Three possibilities are outlined here:

1. Replacing staff with volunteers- There are many problems with this model as described in the literature. There are major liability, training, supervision and logistical difficulties. Effect on staff morale is crippling and the ensuing labor union difficulties daunting.

2. Augment current staff with volunteers- This could take many different forms. The recommended one is to have volunteers do non-essential task so if they do not come in, basic operations can continue. This would also require the least training. To do this effectively, however, there is a need for a full time dedicated volunteer coordinator and at least a half time volunteer trainer/liaison. Current staff responsibilities do not leave enough capacity to take on the additional work required. It is possible that over time, as various efficiencies are achieved, some staff time would be freed up to either open more hours directly or to take on more supervisory responsibilities over volunteers.

3. Smaller branches are turned over to their local communities to be run completely by volunteers with the Library providing bookmobile, books-by-mail and other value added services.

These alternatives and others should be considered by the Task Force on Library Service Models where they can be fully evaluated more completely in terms of cost, advantages and disadvantages and how they contribute to long range financial sustainability for the Library system. We realize the community is anxious to increase hours but to take immediate action without fully evaluating alternatives will most likely result in disappointment, frustration and poor management of the resources we do have.

114

STAFF REPORT

DATE: May 24, 2010

TO: Joint Powers Board

FROM: Teresa Landers, Library Director

RE: FY 10/11 Budget

There are only a few deviations from the information provided last month in the budget so that is what I will highlight.

We now project that we will end the 0910 year with a positive fund balance of $113,939. We have tried to err on the conservative side such as not counting on any additional e-rate reimbursement. Some personnel costs are projected to be higher but others lower. The net operating gain is estimated at $433,344 but we began the year with a $319,405 deficit fund balance.

The major sources of savings include the reduced materials budget and under expenditures in temporary personnel. The important change is that we will be starting the 10/11 year from a positive fund balance position- not a lot but it is a start. The cash position, however, is projected to be negative at June 30, 2010 because the amount due for June from the Santa Cruz County Library Financing Authority will not be received until July.

For FY10/11 the projection shows ending the year with a positive fund balance of $243,718. This includes the reduced materials budget and a reduction in the appropriation for temporary personnel. It also assumes a continuation of the 10% furlough for all staff. Should the furlough continue, the terms will be the same as they were in FY 09/10. This includes a two week closure of all city departments. Last year the Library took one week at Thanksgiving and one week at Christmas to reduce the impact on the public. Last year, the Library JPB reluctantly agreed to this closure. Direction as to how the Board would like to proceed this coming year is needed.

The janitorial contract has been finalized and is only $8,000 more than originally estimated and this is a considerable savings ($80,000) over last year. Once again, we did not budget for e-rate reimbursement for 08/09 or 09/10 but we are still pursuing the recovery of e-rate and CTF funds.

It will be another very tight year but we will continue to carefully monitor the revenues and expenditures. We have developed good processes this past year to do this so we are confident we can be successful.

We are also counting on the City continuing to help us cover our negative cash flow and expect a formal approval of this through the City's budget process. The proposal is currently to loan us up to a cumulative $1 million at any given time at the City's portfolio rate of interest which has been about 1% but is, of course, subject to change. If, at any time, we need to borrow more than $1 million, the City would ask Library staff which bills to hold and which to pay, so that the City would not, at any point in time, loan the Library more than $1 million. In FY11/12, should the Library still need to borrow from the City, there would be an interest charge of 2% above the portfolio rate.

Direction requested on two week closure issue.

Recommendation: The Library Joint Powers Board approve the Proposed FY10/11 budget as presented.

	Current FY 09/10 Budget	Projected FY 09/10	Proposed FY 10/11
PROJECTIONS IF FURLOUGH OR EQUIVALENT SAVINGS END ON JUNE 30, 2011			
Fund balance at beginning of year		$ (319,405)	$ 113,939
Revenues:			
Sales taxes:	$ 5,612,255	$ 5,321,475	$ 5,321,475
Maintenance of effort	$ 5,174,769	$ 5,136,589	$ 5,210,951
Grants	$ 79,262	$ 83,262	$ 79,000
Charges for services	$ 18,890	$ 18,890	$ 18,890
Fines	$ 340,000	$ 225,000	$ 225,000
Donations-book and media Friends	$ 29,600	$ 74,000	$ 25,000
Donations-library		$ 36,791	$ 23,000
Miscellaneous revenues	$ 60,000	$ 39,000	$ 25,000
Transfers from other funds	$ 33,773	$ 37,473	$ 40,755
Water Dept. Charge for BMW			$ 8,500
Interest earnings from County	$ 3,871	$ 5,141	$ 5,141
Interest earnings (expense) temp loans	$ -	$ (7,000)	$ (5,000)
Insurance reimbursement		$ 10,588	
Total Revenues	$ 11,352,420	$ 10,981,209	$ 10,977,712
Expenditures:			
Regular Full Time	$ 4,957,974	$ 4,287,662	$ 4,231,733
Regular Part Time		$ 689,864	$ 727,704
Overtime			$ 3,000
Termination Pay		$ 27,157	$ 27,157
Temporary wages	$ 510,086	$ 400,000	$ 449,010
Special Vacation Pay		$ 12,577	$12,600
Special Sick Leave Pay		$ 504	$ 504
Vehicle Allowance		$ 2,880	$2,880
Retirement	$ 631,119	$ 647,668	$ 664,408
FICA	$ 61,081	$ 61,081	$ 69,994
Group health	$ 943,722	$ 878,110	$ 984,287
Group dental	$ 98,798	$ 95,798	$ 99,100
Vision	$ 17,895	$ 17,418	$ 17,994
Medicare insurance	$ 58,208	$ 94,205	$ 63,714
Group life	$ 2,673	$ 2,759	$ 2,737
Disability	$ 35,613	$ 36,030	$ 35,158
Unemployment	$ 12,291	$ 23,719	$ 36,216
Workers' comp	$ 219,856	$ 238,146	$ 221,244
Accrual payout			$ 10,000
Reclassifications			$ 50,000
Claims Management		$ 16,000	$ 16,000
Professional Services Fiscal	$ 605,726	$ 520,000	$ 556,200
Professional Services Other	$ 56,018	$ 56,018	$ 79,000
Water, sewer, & refuse	$ 64,706	$ 55,065	$ 55,065
Janitorial services	$ 180,928	$ 180,928	$ 100,000
Vehicle operation - internal	$ 38,103	$ 38,103	$ 39,555

Office equipment/maintenance	$ 4,620	$ 4,620	$ 5,020
Other equipment - operation/maintenance	$ 5,900	$ 5,900	$ 6,500
Building & facility m & o - outside	$ 141,611	$ 141,611	$ 140,984
Placeholder - New SV maintenance/utils	$ -	$ -	$ -
Landscaping maintenance	$ 12,975	$ 12,975	$ 21,145
Software maintenance	$ 83,639	$ 83,639	$ 237,626
Hardware maintenance	$ 60,300	$ 60,300	$ 55,275
Equipment, building, & land rentals	$ 401,232	$ 401,232	$ 393,396
Travel & meetings	$ 6,595	$ 6,595	$ 7,313
Training	$ 10,910	$ 10,910	$ 13,975
LSTA Tuition Reimb Grant	$ 6,762	$ 6,762	$ 9,000
Telecommunications - internal	$ 82,224	$ 82,224	$ -
Telecommunications - outside	$ 80,217	$ 109,200	$ 188,683
Liability insurance/surety bonds - internal	$ 15,500	$ 15,500	$ 15,500
Liability insurance/surety bonds - outside	$ 46,354	$ 46,354	$ 50,990
Advertising	$ 3,000	$ 3,000	$ 3,000
Dues & memberships	$ 2,720	$ 2,720	$ 17,471
Printing & binding - outside	$ 26,500	$ 26,500	$ 21,000
Moving costs	$ 8,170	$ 8,170	$ 10,000
Postage	$ 17,000	$ 17,000	$ 12,000
Office supplies	$ 16,500	$ 16,500	$ 16,200
Books & periodicals	$ 839,000	$ 491,108	$ 567,000
Books & periodicals - grants & donations	$ 10,600	$ 74,000	$ 25,000
Safety clothing & equipment	$ 3,690	$ 3,690	$ 2,690
Copier supplies	$ 7,248	$ 7,248	$ 6,500
Computer supplies	$ 18,000	$ 18,000	$ 20,000
Library functional supplies	$ 150,276	$ 150,276	$ 120,350
Janitorial supplies	$ 18,000	$ 18,000	$ 18,000
Electricity	$ 152,710	$ 152,710	$ 157,710
Natural gas	$ 25,200	$ 25,200	$ 20,260
Computer Equipment	$ 30,000	$ 30,000	
Miscellaneous supplies & services	$ 13,255	$ 13,255	$ 23,731
Building remodeling	$ -	$ -	
Capital outlay			$ -
Refunded fees and fines		$ 2,000	$ 2,000
Office furniture/equipment	$ 12,995	$ 14,230	$ -
Loan principal (headquarters loan)	$ 39,022	$ 39,010	$ 40,961
Other debt principal (moe overpayment)	$ 40,293	$ 40,293	$ 40,293
Loan interest (headquarters loan)	$ 21,508	$ 21,508	$ 19,600
Loan interest (city cash advances)	$ 20,000	$ -	$ -
Other debt interest (moe overpayment)	$ 8,500	$ 3,933	$ 3,500
Total Expenditures	*$ 10,937,823*	*$ 10,547,865*	*$ 10,847,933*
Net operating gain (loss)	$ 414,597	$ 433,344	$ 129,779
Fund balance at year-end		*$ 113,939*	*$ 243,718*

Structure of the Task Force on Library Service Models

Charge

The Library Joint Powers Authority Board has directed this task force to identify a range of future service models for the Santa Cruz Public Library system. Each model will describe the level of services delivered, the supporting organizational infrastructure (staff and facilities) needed and the key impacts. Each service model must be financially sustainable; aligned with revenue projection; and meet the spirit of the Library's mission and vision, as well as the Library Strategic Plan. The Task Force will deliver a report to the Library Joint Powers Board in January 2011.

Duration

The Task Force will meet on the 2nd and 4th Thursday of the month at 8:00 -10:00 am from August 2010 to January 2011.

Membership and Appointment

The Task Force will be comprised of four LJPB members, 10 members of the public (one from each branch service area), Library Director Landers and library staff members as appropriate.

The LJPB Chair will appoint four LJPB members and the LJPB members of the task force will appoint ten members from the public, one from each branch service area. Library Director Landers will determine which staff members should participate.

Reporting and Communication

The Task Force will report progress and issues requiring inputs or decisions from the LJPB at the routine monthly LJPB meetings.

The Task Force will post agendas, minutes, reports and other pertinent information on the library website.

Roles and expectations

Members: As this is a working committee, members are expected to devote approximately 8-15 hours per month plus meeting time to task force work. Members will undertake various tasks including research, financial analysis, interviewing or gathering information or input from various stakeholders and sources, writing draft reports, benchmarking or comparing with other library systems, and additional tasks as necessary. Members will also be encouraged to visit other recommended library systems. Members will be asked to be creative and to address issues with a system wide approach.

Members are not expected to support any or all service models, but are expected to participate in the identification and development of the full range of alternatives. Personal opinions about various service models should not impede the member's ability to provide work on a variety of models.

Staff: The makeup of the library staff members participating in the task force may change depending upon the nature of the task and the needs of the task force during the duration of the project. Staff is expected to provide professional expertise, knowledge of the library community and patrons, an understanding of library operation and knowledge of library trends. Staff will provide data, statistics and other information about the library system as needed. Similar to the other task force members, Staff is expected to take an objective, system wide approach to identifying and defining a range of service models.

Timeline

May: LJPB approves Task Force

June/July: Task force Board members solicit and appoint public members and prepare resources, materials, task details and key milestones. Members receive background materials for review prior to the first meeting.

August: Full task force convenes. Members come up to speed on background and context of the need to develop new future service models, current library system structure and finances, vision and mission, service priorities and future service trends. Members visit Santa Cruz Library branches and operations as well as other recommended system branches.

Sept to November: Task Force develops a range of financially sustainable service models. Task Force members will define work and tasks and divide among the Task Force members as needed.

Nov/Dec: Report drafted and submitted to the LJPB in January 2011.

PARKING LOT ITEMS

TOPIC	RESOURCES/ RESPONSIBILITY	DATE
Local fund raising policy	Friends/JPB/Landers	Jul-10

121

HANDOUTS
THE NIGHT
OF THE MEETING.

6-7-10

SANTA CRUZ CITY-COUNTY LIBRARY
FIVE YEAR OPERATING FUND PROJECTIONS

	Current FY 09/10 Budget	Projected FY 09/10	Proposed FY 10/11
PROJECTIONS IF FURLOUGH OR EQUIVALENT SAVINGS END ON JUNE 30, 2011			
Fund balance at beginning of year		$ (319,405)	$ 110,429
Revenues:			
Sales taxes:	$ 5,612,255	$ 5,321,475	$ 5,322,162
Maintenance of effort	$ 5,174,769	$ 5,136,589	$ 5,211,624
Grants	$ 79,262	$ 83,262	$ 79,000
Charges for services	$ 18,890	$ 18,890	$ 18,890
Fines	$ 340,000	$ 225,000	$ 225,000
Donations-book and media Friend	$ 29,600	$ 74,000	$ 25,000
Donations-library		$ 36,791	$ 12,000
Miscellaneous revenues	$ 60,000	$ 39,000	$ 25,000
Transfers from other funds	$ 33,773	$ 33,963	$ 37,245
Water Dept. Charge for BMW			$ 8,500
Interest earnings from County	$ 3,871	$ 5,141	$ 5,141
Interest earnings (expense) temp	$ -	$ (7,000)	$ (5,000)
Insurance reimbursement		$ 10,588	
Total Revenues	**$ 11,352,420**	**$ 10,977,699**	**$ 10,964,562**
Expenditures:			
Regular Full Time	$ 4,957,974	$ 4,287,662	$ 4,231,733
Regular Part Time		$ 689,864	$ 727,704
Overtime			$ 3,000
Termination Pay		$ 27,157	$ 27,157
Temporary wages	$ 510,086	$ 400,000	$ 449,010
Special Vacation Pay		$ 12,577	$12,600
Special Sick Leave Pay		$ 504	$ 504
Vehicle Allowance		$ 2,880	$2,880
Retirement	$ 631,119	$ 647,668	$ 664,408
FICA	$ 61,081	$ 61,081	$ 69,994
Group health	$ 943,722	$ 878,110	$ 984,287
Group dental	$ 98,798	$ 95,798	$ 99,100
Vision	$ 17,895	$ 17,418	$ 17,994
Medicare insurance	$ 58,208	$ 94,205	$ 63,714
Group life	$ 2,673	$ 2,759	$ 2,737
Disability	$ 35,613	$ 36,030	$ 35,158
Unemployment	$ 12,291	$ 23,719	$ 36,216
Workers' comp	$ 219,856	$ 238,146	$ 221,244
Accrual payout			$ 10,000
Reclassifications			$ 50,000
Claims Management		$ 16,000	$ 16,000
Professional Services Fiscal	$ 605,726	$ 520,000	$ 556,200
Professional Services Other	$ 56,018	$ 56,018	$ 79,000
Water, sewer, & refuse	$ 64,706	$ 55,065	$ 55,065
Janitorial services	$ 180,928	$ 180,928	$ 100,000
Vehicle operation - internal	$ 38,103	$ 38,103	$ 39,555

Office equipment/maintenance	$	4,620	$	4,620	$	5,020
Other equipment - operation/main	$	5,900	$	5,900	$	6,500
Building & facility m & o - outside	$	141,611	$	141,611	$	140,984
Placeholder - New SV maintenand	$	-	$	-	$	-
Landscaping maintenance	$	12,975	$	12,975	$	21,145
Software maintenance	$	83,639	$	83,639	$	237,626
Hardware maintenance	$	60,300	$	60,300	$	55,275
Equipment, building, & land rental	$	401,232	$	401,232	$	393,396
Travel & meetings	$	6,595	$	6,595	$	7,313
Training	$	10,910	$	10,910	$	13,975
LSTA Tuition Reimb Grant	$	6,762	$	6,762	$	9,000
Telecommunications - internal	$	82,224	$	82,224	$	-
Telecommunications - outside	$	80,217	$	109,200	$	188,683
Liability insurance/surety bonds - i	$	15,500	$	15,500	$	15,500
Liability insurance/surety bonds - (	$	46,354	$	46,354	$	50,990
Advertising	$	3,000	$	3,000	$	3,000
Dues & memberships	$	2,720	$	2,720	$	17,471
Printing & binding - outside	$	26,500	$	26,500	$	21,000
Moving costs	$	8,170	$	8,170	$	10,000
Postage	$	17,000	$	17,000	$	12,000
Office supplies	$	16,500	$	16,500	$	16,200
Books & periodicals	$	839,000	$	491,108	$	567,000
Books & periodicals - grants & dor	$	10,600	$	74,000	$	25,000
Safety clothing & equipment	$	3,690	$	3,690	$	2,690
Copier supplies	$	7,248	$	7,248	$	6,500
Computer supplies	$	18,000	$	18,000	$	20,000
Library functional supplies	$	150,276	$	150,276	$	120,350
Janitorial supplies	$	18,000	$	18,000	$	18,000
Electricity	$	152,710	$	152,710	$	157,710
Natural gas	$	25,200	$	25,200	$	20,260
Computer Equipment	$	30,000	$	30,000		
Miscellaneous supplies & services	$	13,255	$	13,255	$	23,731
Building remodeling	$	-	$	-		
Capital outlay					$	-
Refunded fees and fines			$	2,000	$	2,000
Office furniture/equipment	$	12,995	$	14,230	$	-
Loan principal (headquarters loan	$	39,022	$	39,010	$	40,961
Other debt principal (moe overpay	$	40,293	$	40,293	$	40,295
Loan interest (headquarters loan)	$	21,508	$	21,508	$	19,600
Loan interest (city cash advances'	$	20,000	$	-	$	-
Other debt interest (moe overpayr	$	8,500	$	3,933	$	3,500
Total Expenditures	$	10,937,823	$	10,547,865	$	10,847,935
Net operating gain (loss)	$	414,597	$	429,834	$	116,627
Fund balance at year-end			$	110,429	$	227,056

NOTE: PERSONNEL COSTS (ALL STAFF)						
With furlough		$	5,650,174	$	5,686,275	$	5,693,839
Without furlough		$	6,215,191	$	6,254,903	$	6,263,223
Difference		$	(565,017)	$	(568,628)	$	(569,384)

SEIU NOT CONTINUING FURLOUGH AND OTHER CONCESSIONS
FY10/11

To date, SEIU has not agreed to continue the concessions from last fiscal year. These include continuing the 10% furlough and a 5% COLA scheduled to go into effect on October 2, 2010. Until we have agreement we must go under the assumption we are not going to get agreement. If we do not get an agreement then the furlough ends on July 9 for SEIU employees and the Library's liability for personnel related expenses for FY10/11 grows by about $677,102. Please note these figures have not been vetted by the Finance Department as they have been consumed with preparing the City's budget but they are based on data provided earlier by Finance for the 5 year projections.. While the task force on service alternatives is just forming, their report is not due until January 2011 and the Library starts facing serious shortages July 9, 2010. With the City cap of $1 million being loaned at any given time, we run a great risk of surpassing that figure much more often which means not paying our bills on time as well as operating at a deficit that only deepens as the year progresses. I feel it essential that we adopt a contingency plan to deal with this potential shortfall and not wait to see if "it all works out."

RECOMMENDATION: Adopt budget as prepared assuming the furlough and other concessions continue with a contingency that if agreement is not reached sooner, the Board reconvene on Monday June 28 to adopt a revised budget which takes into account the increased costs. The Board will also provide the Library Director direction as to their preferred course of action to deal with the increased costs.

Baseline:

SEIU % of Personnel budget	78.9%
FT+PT all	4,959,437
SEIU PORTION	3,912,996
SEIU PORTION WITH 10% FURLOUGH REMOVED	4,304,295
5% COLA for 9 months	157,272
SEIU PORTION WITH COLA	4,461,568
INCREASED RETIREMENT CONTRIBUTION BY CITY	52,448
TOTAL WITH RETIREMENT	4,514,016
SAVINGS NEEDED: 10% + 5%	677,102

Other data to consider:

- SEIU off furlough but supervisors and managers not

- Still, SEIU would be back to 40 hours per week so should result in more open hours with supervisors and managers staggering schedules to be available at newly opened times

	NON FURLOUGH (Based on least seniority)	WITH RETIREMENT INCENTIVE (Based on most seniority)
CLERK	$53,133	$58,842
LIBRARY ASSISTANT (LA)	$52,000	$59,586
SENIOR LIBRARY ASSISTANT (SLA)	$84,434	$75,460
LIBRARIAN 1 OR II	$75,774	$80,294
AVERAGE	$66,3335	$68,546

- We are already past the deadline to begin achieving savings July 1. Numbers presented here are based on July 1 but will need to be adjusted once a specific method to achieve savings is identified as each entails different factors. It is important to note that each 2 week payroll period in which no savings occur, incurs $26,042 in non-realized savings or $13,000 per week.

OPTIONS TO CLOSE $677,000 GAP IF CONCESSIONS ARE NOT CONTINUED

1. Minimum 8 week closure:

-

SEIU PER PAY PERIOD   173,616
\# PAY PERIODS TO SAVE
$677,102   4

- which equals 8 weeks (2 weeks per payroll)
- Close all facilities except Central November 20 through January 1 plus 2 additional weeks- January? August?
- All SEIU staff are laid off since services they provide are cut
- Central open 20 hours per week. We are still seeking clarification but in order to be in accordance with FLSA Managers and Supervisors cannot spend more than 51% of their time on activities they do not normally do. Branch managers and

Richard (Circ supervisor) can do circulation since they regularly do that. Other supervisors and managers can work Adult and Youth Services since they currently do. Kira and Teresa would need to do Administrative tasks. This limitation will prevent us from being open any more hours.

- 8 weeks is an approximation- cost of paying out vacation time and unemployment needs to be factored in
- Would need to keep Jesse Bunker-Maxwell as essential employee to keep computer system running
- Possibly keep 2 clerks or one clerk and one LA to help with circulation functions
- Pages can work regular schedules
- No ordering, receiving, cataloging, processing or courier (although we may have to do some courier work to avoid materials backing up at Central)
- Close all book drops other than Central
- At end of savings period, staff is hired back according to seniority rules into positions identified as still needed.
- Advantages:
  - Pain for public all at once
  - During non closure branches would be open more hours
  - A temporary fix while the task force on service alternatives does its work and develops its alternatives
  - During hire back, some of the staffing plan recommendations may be able to be instituted
- Disadvantages:
  - Very hard on employees- need to apply for unemployment; pain all at once and not spread through the year
  - Details hard to work out
  - Not been done before- unknown pitfalls
  - A lot of paperwork- layoff and return
  - Lost productivity- catch up afterwards will be intense
  - Supervisors and managers- lost productivity
  - Very painful for public when it's really not their fault. (We could offer fine amnesty and extended due dates- this would reduce fine income but would engender some goodwill)
  - Short term solution
  - Service available at only one location

2. Traditional layoffs with Hours of Service Reduction

- This could involve a reduction in hours (after an addition for being back to 40 hour work week) or closing facilities completely or a combination thereof.
- Could also be combined with an overall closure of the system as described above for 1-7 weeks; recognizing that each week of complete closure represents approximately $86,808
- At an average employee annual cost of $67,440; we would need to layoff about 10 staff. T

- Taking an hours of service reduction throughout the system translates to about 50 hours or 24% of total hours. (10 fte x 20 hpw desk hours= 200 desk hours per week divided by an average of 4 on desk at one time = 50 hours.
- Ways to handle this are many and varied: One option- maintain hours proportional to # visitors or circulation. These are presented in the tables below.
-

	CIRCULATION JULY-MAY 09/10	PERCENTAGE OF TOTAL SYSTEM CIRC	HOURS OPEN PER WEEK	CURRENT HOURS PER WEEK
APTOS	213,772	16.7	27	32
BOULDER CREEK	35,,378	2.8	4	12
BRANCIFORTE	67,119	5.2	8	14
CAPITOLA	93,628	7.3	12	20
CENTRAL	464,592	36.3	58	40
FELTON	20,673	1.6	3	8
GARFIELD PARK	31,441	2.5	4	12
LA SELVA BEACH	8,502	.7	1	8
LIVE OAK	137,848	10.8	17	28
SCOTTS VALLEY	176,726	13.8	22	32
TOTALS	1,249,679*	100	156	206
OUTREACH	29,784*		NA	0

*Outreach hours are not included in the total calculation as their hours are not part of the 206 open hours

	# VISITORS JULY-APRIL 09/10	PERCENTAGE OF SYSTEM TOTAL	HOURS OPEN PER WEEK	CURRENT HOURS PER WEEK
APTOS	110,697	15	22	32
BOULDER CREEK	24,154	3.1	5	12
BRANCIFORTE	54,934	7	11	14
CAPITOLA	49,811	6.3	10	20

CENTRAL	305,079	38.6	60	40
FELTON	13,837	1.8	3	8
GARFIELD PARK	25,225	3.2	5	12
LA SELVA BEACH	7,829	1.0	2	8
LIVE OAK	93,058	11.8	18	28
SCOTTS VALLEY	105,513	13.4	21	32
TOTALS	790,136	100	157 (doesn't equal 156 due to rounding)	206
OUTREACH	5,606			

- exact figures will depend on classifications laid off. Example for 10 staff:

-

	Non furlough	Retirement	TOTAL	Balance Needed (Surplus)
1 Librarian 1 SLA 1 LA 1 Clerk 6 clerks	5 clerks= $265,665	1 in each classification $274,182	$539,847	-$137,255

In this scenario would still need to lay off an additional 2-3 FTE (and reduce hours further) depending on level or close for almost 2 weeks in addition to the 10 layoffs identified. Alternatively, we could talk to SEIU about voluntary reductions by individuals totally 14 days each during the year which is less than the 52 current furlough days.

- Advantages:
  - All branches are still open
  - Access consistent throughout the year (unless a two week closure is also included)
  - Hours are based on current usage patterns
  - Less paperwork than 8 week closure unless we close for two weeks
- Disadvantages:
  - Confusing for public when branches are open

- o Staff travel costs have to be factored in since hours are too few to have dedicated staff
- o Public may not have consistency in staff
- o Inefficient to operate so few hours in any given location
- o Will not have enough staff in place in any given location to make use of volunteers- when open, staff will most likely be busier and unable to take on additional load of supervising volunteers

3. **Branch closures**

Once again a variety of scenarios are possible. One is presented here. Close LSB, B40, GP, Felton and BC= 246 staff hours

- •

	FURLOUGH	Retirement	TOTAL	Balance Needed (Surplus)
1 SLA 3 LA 3 clerks 1 courier driver 1 maintenance	2 LA + 2 clerks=210,386 Courier+ maintenance worker=$48,672+$43,410=$92,082 (note courier and maintenance worker savings are approximate and not based on figures provided by Payroll department)	1 Clerk, 1 LA, 1 SLA= $269,348	$571,816	
Rent			$22,200	
Utilities (does not include telecom)			$71,300	
Supplies			$3,000	
TOTAL (without telecom)			$668,316	need $9,000

The $9,000 savings would most likely be achieved throughTelecom savings.

- • Advantages:
  - o Utilizes economies of scale:technology, courier, maintenance, collections, staff
  - o Has the best long term perspective of the 3 options
  - o Branches with more staff available makes it possible to offer more services with possible specialization

- o Saves the amount of money needed
- o Opens possibilities of volunteer run neighborhood community centers with library support
- o Could be most easily "undone" if task force comes up with alternatives JPB likes better
- Disadvantages:
  - o It is a change in structure that will be unpopular with some members of the community

SUMMARY

- We cannot wait for the task force to do its work- we will be too deep in the hole
- Three options for 10/11:
  - o Minimum 8 week closure- most complicated to administer, many legal issues to address,
  - o Reduced service hours and immediate layoffs- won't happen immediately which will delay savings, confusing to the public, already operating at a level not liked by public
  - o Close 5 smaller branches- unpopular with those 5 communities, comes closest to achieving necessary savings with least ambiguity

AGENDA
Library Financing Authority

Central Branch Community Meeting Room
224 Church Street, Santa Cruz
June 7, 2010 at 6:15 PM

I.   Roll Call

II.   Consideration of Late Additions or Corrections to the Agenda

III.   Consent Agenda

    1.   Approve the minutes of meeting of January 11, 2010

IV.   Regular Agenda

    2.   Consider Revised Revenue Estimate for 2009-10 and 2010-11

        --   Letter of Assistant County Administrative Officer with Attachment

    3.   Public Hearing on the 2010-11 Proposed Budget of the Library Financing Authority

        --   Letter of Assistant County Administrative Officer
        --   Proposed Budget

V.   Oral Communications

VI.   Report of Attorney for the Authority

LIBRARY FINANCING AUTHORITY   **AGENDA:** June 7, 2010

VII.   Correspondence

–   None

VIII.   Adjournment

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Proceedings of the Library Financing Authority
Volume 2010, Number 1
January 11, 2010
Action Summary Minutes

Voting Key: B=Begun, C=Caput, L=Leopold, Re=Reed, Ro=Rotkin; first initial indicates maker of motion, second initial the "second" to the motion; upper case letter= "yes" vote; lower case letter= "no" vote; ( ) = abstain; / / = absent

I. **Roll Call**
(Jim Reed present at 6:50 p.m.)

II. **Consideration of late additions or corrections to the agenda**–No items

III. **Consent Agenda**

1. APPROVED minutes of June 1, 2009

RoLBC /Re/

IV. **Regular Agenda**

2. CONSIDERED selection of officers for 2010; SELECTED representative of the City of Capitola as the Chair and the representative of the City of Scotts Valley as the Vice Chair for 2010

RoBLC /Re/

3. CONSIDERED Preliminary Revenue Estimate for 2010-2011 and Revised Estimate for 2009-2010; APPROVED amounts as outlined in the table on page two of the Letter of Pat Busch, dated January 6, 2010, as the Proposed Amount to be Distributed to qualified public libraries for the 2009-2010 and 2010-2011 fiscal years; with the additional direction that staff forward the Library Financing Authority's (LFA) recommendation to the Santa Cruz County Joint Powers Authority Board to consider establishing a contingency/reserve fund, as the LFA projects sales tax revenue to continue to decline in the next fiscal cycle.

RoBCRe I

V. **Oral Communications** – Two people addressed the Board

VI. **Report of Attorney for the Authority** – None

VII.   **Correspondence** – None

VIII.   **Adjournment** – The meeting adjourned at 7:00 p.m.

Attest: _____   Approved: _____

County of Santa Cruz

COUNTY ADMINISTRATIVE OFFICE

701 OCEAN STREET, SUITE 520, SANTA CRUZ, CA 95060-4073

(831) 454-2100 FAX: (831) 454-3420 TDD: (831) 454-2123

SUSAN MAURIELLO, J.D., COUNTY ADMINISTRATIVE OFFICER

June 1, 2010

AGENDA: June 7, 2010

BOARD OF DIRECTORS
Library Financing Authority
224 Church Street
Santa Cruz, California 95060

REVISED REVENUE ESTIMATE FOR 2010-11

Dear Members of the Board:

The purpose of this letter is to provide your Board with revised estimates of the funds available to the libraries for 2009-10 and 2010-11. The revised estimates, which update the estimates provided in January 2010, are based on the most recent data on sales and property tax revenues and updated population numbers for the service areas of the Santa Cruz City/County Library System and the Watsonville Library.

The tables, which follow, show:

✓ the population percentages used to distribute Library Financing Authority funds for 2009-10 and 2010-11; and

✓ the revised revenue estimates for 2009-10 and 2010-11.

Population

As shown in Table 1 there has been little change in the population percentages over the last year.

Table 1
Population Percentages for 2009-10 and 2010-11

| Item	2009	2010	Change
Santa Cruz City County Library System	77.49%	77.50%	0.01%
Watsonville Library	22.51%	22.50%	-0.01%
Totals	100.00%	100.00%	0.00%

Revised Revenue Estimates

As shown in Table 2, the revised revenue estimate for 2009-10 changed little from the revenue estimate provided to your Board in January 2010 and the revenue estimate for 2010-11 has improved by $250,152, do in large part to improvement in property tax revenues from the County Library Fund. The January 2010 property tax estimate was based on the Assessor's December 2009 estimate of a 7% decrease in secured property taxes for the County Library Fund. The current estimate is based on a decline of .66% in secured property taxes.

Table 2
Revised Revenue Estimates - Jan 2010 Estimates Compared to May 2010 Estimates

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	2009-10			2010-11		
Item	Jan Estimate	May Est	Increase	Jan Estimate	May Est	Increase
Measure B (Sales Tax)	$6,824,956	$6,867,306	$42,350	$6,824,956	$6,867,306	$42,350
Maintenance of Effort						
City of Santa Cruz	1,394,751	1,394,751	0	1,394,751	1,394,751	0
City of Watsonville	541,684	541,684	0	541,684	541,684	0
County	4,741,548	4,692,277	(49,271)	4,580,439	4,788,241	207,802
Total MOE	6,677,983	6,628,712	(49,271)	6,516,874	6,724,676	207,802
Interest Earnings	6,634	6,634	0	6,634	6,634	0
Total	$13,509,573	$13,502,652	($6,921)	$13,348,464	$13,598,616	$250,152
Distribution Detail						
Measure B (Sales Tax)						
Watsonville Library	$1,536,298	$1,545,831	$9,533	$1,536,298	$1,545,144	$8,846
Santa Cruz Library System	5,288,658	5,321,475	32,817	5,288,658	5,322,162	33,504
Total	$6,824,956	$6,867,306	$42,350	$6,824,956	$6,867,306	$42,350
Maintenance of Effort						
Watsonville Library	$1,503,214	$1,492,123	($11,091)	$1,466,948	$1,513,052	$46,104
Santa Cruz Library System	5,174,769	5,136,589	(38,180)	5,049,926	5,211,624	161,698
Total	$6,677,983	$6,628,712	($49,271)	$6,516,874	$6,724,676	$207,802
Interest Earnings						
Watsonville Library	$1,493	$1,493	$0	$1,493	$1,493	$0
Santa Cruz Library System	5,141	5,141	0	5,141	5,141	0
Total	$6,634	$6,634	$0	$6,634	$6,634	$0
Grand Total						
Watsonville Library	$3,041,005	$3,039,447	($1,558)	$3,004,739	$3,059,689	$54,949
Santa Cruz Library System	10,468,568	10,463,205	(5,363)	10,343,725	10,538,927	195,203
Total	$13,509,573	$13,502,652	($6,921)	$13,348,464	$13,598,616	$250,152

Attachment 1 of this letter is the Final Revenue Estimate for 2010-11. The amounts in the Final Revenue Estimate are consistent with the amounts in Table 2.

Library Sales Tax Revenue - Actual and Estimated Receipts
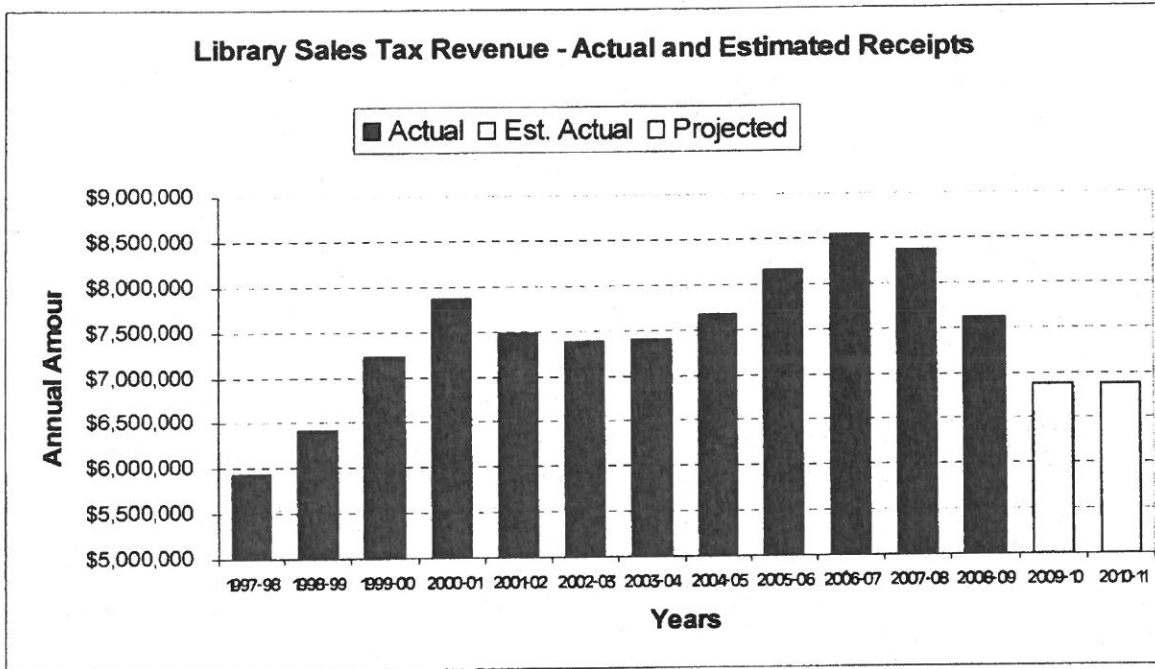
As illustrated in the preceding graph, the sales tax component of the 2010-11 revenue estimate is based on 2009-10 performance. The 2010-11 estimate anticipates that sales tax receipts will reach bottom in 2009-10 and will be flat for the 2010-11 fiscal year. The estimate does not anticipate significant recovery in 2010-11.

In terms of the Library Sales Tax, the longest and deepest recession in the post-Depression era appears to be ending. As shown in the preceding graph, the recession has wiped out a decade of Sales Tax growth. While this revenue has declined markedly over the last three years, the purchasing power of the dollar has changed very little. A dollar in 2010-11 does not purchase the same level of goods and services as a dollar did in 1999.

We will provide an update on Sales Tax revenue when the results for the fourth quarter of 2009-10 are known in July. Sales Tax revenue for the third quarter of 2009-10 was $42,350 above our January estimate. Attachment 2 provides a history of the library sales tax receipts.

The ballot measure which authorized the Library Sales Tax provided for an annual audit of the Library Financing Authority. The Sales Tax estimates shown in Table 2 and Attachment 1 are net of the $3,500 required for the annual audit.

Repayment of the 2001-02 Allocation Error

As we have previously advised your Board, in 2001-02 there was an error in the allocation of Library Financing Authority funds between the Santa Cruz City/County Library System and the Watsonville Library which went undetected until 2004. Santa Cruz and Watsonville have now agreed on the amount of the allocation error; that the funds will be repaid with interest over the remaining life of the Library Financing Authority Agreement with the first payment occurring in 2008-09; and that the interest payment on the outstanding balance will be computed annually based on the average interest rate for the previous 12 month period for the Local Agency Investment Fund (LAIF) Pooled Money Investment Account (PMIA).

The agreed upon procedures for determining the appropriate annual interest payment provides that:

■ in May of each year the Finance Director of the City of Santa Cruz will calculate the effective average interest rate for the previous twelve month period ending in April for the Local Agency Investment Fund (LAIF) Pooled Money Investment Account (PMIA);

■ the Finance Director of the City of Santa Cruz will then update the amortization schedule for the following year's August payment and notify the Library Financing Authority of the amount of the payment:;

■ this procedure will be followed until the debt is extinguished in 2012.

In accordance with the procedure, the 2010-11 amount of $40,945.01 will be subtracted from Santa Cruz's August 2009 Library Financing Authority payment and added to Watsonville's August 2009 Library Financing Authority payment.

Recommendation

At this time it is RECOMMENDED that your Board take the following actions:

1. approve the amounts in Attachment 1 as the Revenue Estimate for 2010-11;

2. authorize the Auditor-Controller to decrease the August 2010 Library Financing Authority payment to the Santa Cruz City/County Library System by $40,9495.01, and increase the Watsonville Library payment by a like amount; and

3. authorize the County Administrative Office to execute an engagement letter with Caporicci and Larson for the annual audit at a cost not to exceed $3,500.

Very truly yours,

Pat Busch
Assistant County Administrative Officer

cc: Director of Libraries, Santa Cruz City-County Library System
        Library Director, City of Watsonville
        Auditor-Controller
        County Counsel
        Santa Cruz City Manager
        Watsonville City Manager
        Santa Cruz Director of Finance
        Administrative Services Director, City of Watsonville

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Attachment 1

Final Revenue Estimate for 2010-11

2010-11 Final Revenue Estimate
Library Financing Authority
Population Adjustments, Authority Revenues and Disbursements

Population[1]	Amount	Adj.[2]	Adj. Amount
Watsonville Library	52,543	8,690	61,233
Library System			
-- City of Santa Cruz	59,684		59,684
-- County Library Fund			
.. Unincorporated Area	137,873	(8,690)	129,183
.. Scotts Valley	11,903		11,903
.. Capitola	10,198		10,198
Total County Library Fund	159,974	(8,690)	151,284
Total Library System	219,658	(8,690)	210,968
Grand Total	272,201	0	272,201

Library Financing Authority Revenues	Amount
Section 3.1 - Amount From Maintenance of Effort Contributions	
-- City of Santa Cruz	$1,394,751
-- City of Watsonville	541,684
-- County Library Fund	4,788,241
Total Maintenance of Effort	$6,724,676
Section 3.4 - Amount from Special Tax	6,867,306
Interest Earnings	6,634
Carry Over Amount	0
Distribution Amount	$13,598,616
-- County-wide Population	272,201
Per Capital Amount	$49.96

Library Financing Authority Disbursements		Distribution %	Amount
-- Watsonville Library	61,233	22.50%	$3,059,689
-- Library System	210,968	77.50%	10,538,927
Total			**$13,598,616**

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[1]   From January 2009 and 2010 Official State Estimates of the Population of California Cities and Counties (Report E-1) published by the State Department of Finance April 29, 2010.

[2]   See Section 4.3 of the Library Financing Authority Agreement and the attached population adjustment.

Population Adjustments

	Item	Adjustments	Total	Library System	Watsonville Library
1.	Department of Finance Population Estimate for January 1, 2010 (E-1 Report)		272,201	219,658	52,543
2.	Section 4.3 (A) Service Area Population Adjustment for 2010-11 of plus 3.1926% for the Watsonville Library and minus 3.1926% for the City-County Library System,	8,690			
3.	Section 4.3 (B) Service Area Population adjustment for annexations applicable to the 2010-11 Fiscal Year.				
	■ none				
Totals		8,690		(8,690)	8,690
Adjusted Totals for 2010-11 Revenue Estimate			272,201	210,968	61,233

Attachment 2

History of the Library Sales Tax Measure
Quarterly and Annual Amounts

Library Sales Tax Receipts - Quarterly and Annual

Year	Quarter	Quarterly Actual & Est. Actual	Estimate	Actual/ Est. Act.	Annual Change	% Change
1997-98	1	$1,460,903				
1997-98	2	1,533,628				
1997-98	3	1,582,188				
1997-98	4	1,358,294		$5,935,013		
1998-99	1	1,623,813				
1998-99	2	1,690,893				
1998-99	3	1,525,948				
1998-99	4	1,561,793		$6,402,447	$467,434	7.88%
1999-00	1	1,741,273				
1999-00	2	1,862,384				
1999-00	3	1,859,563				
1999-00	4	1,756,389		$7,219,609	$817,162	12.76%
2000-01	1	1,986,572				
2000-01	2	2,051,736				
2000-01	3	2,035,286				
2000-01	4	1,789,860		$7,863,454	$643,845	8.92%
2001-02	1	1,940,315				
2001-02	2	1,978,436				
2001-02	3	1,787,984				
2001-02	4	1,764,249		$7,470,984	($392,470)	-4.99%
2002-03	1	1,826,667				
2002-03	2	2,032,714				
2002-03	3	1,833,704				
2002-03	4	1,686,660		$7,379,745	($91,239)	-1.22%
2003-04	1	1,843,988				
2003-04	2	1,986,815				
2003-04	3	1,787,501				
2003-04	4	1,712,421		$7,330,725	($49,020)	-0.66%
2004-05	1	1,969,607				
2004-05	2	1,911,909				
2004-05	3	1,983,125				
2004-05	4	1,800,041		$7,664,682	$333,957	4.56%
2005-06	1	1,912,226				
2005-06	2	2,298,069				
2005-06	3	2,060,642				
2005-06	4	1,878,281		$8,149,218	$484,536	6.32%
2006-07	1	2,124,038				
2006-07	2	2,318,897				
2006-07	3	2,098,577				
2006-07	4	1,998,430		$8,539,942	$390,724	4.79%
2007-08	1	2,182,266				
2007-08	2	2,182,896				
2007-08	3	2,035,609				
2007-08	4	1,953,174		$8,353,945	($185,997)	-2.18%
2008-09 *	1	2,112,168				
2008-09	2	2,125,649				
2008-09	3	1,795,098				
2008-09	4	1,570,743		$7,603,658	($750,287)	-8.98%
2009-10	1	1,783,988	1,858,092			
2009-10	2	1,764,882	1,870,571			
2009-10	3	1,747,693	1,795,098			
2009-10	4	*1,570,743*	1,718,793	$6,867,306	($736,352)	-9.68%
2010-11	1		1,783,988			
2010-11	2		1,764,882			
2010-11	3		1,747,693			
2010-11	4		1,570,743	$6,867,306	$0	0.00%

* The amount for the 1st quarter includes the cost of the Measure R Election.
Estimated cost of the election was $275,000. Actual cost of the election was $198,267.
* Bold Amounts are Estimated Actual.

County of Santa Cruz

COUNTY ADMINISTRATIVE OFFICE

701 OCEAN STREET, SUITE 520, SANTA CRUZ, CA 95060-4073

(831) 454-2100   FAX: (831) 454-3420   TDD: (831) 454-2123

SUSAN A. MAURIELLO, J.D., COUNTY ADMINISTRATIVE OFFICER

May 17, 2010

AGENDA: June 7, 2010

BOARD OF DIRECTORS
Library Financing Authority
224 Church Street
Santa Cruz, California 95060

PROPOSED BUDGET FOR 2010-11

Dear Members of the Board:

Attached for your Board's consideration is the Proposed Budget for the Library Financing Authority for the 2010-11 fiscal year. The expenditures and revenues in the Proposed Budget are consistent with the revenue estimate and distribution amounts contained in item 2 of your Board's agenda of June 7, 2010.

Public Hearing

A public hearing for the 2010-11 Proposed Budget for the Library Financing Authority has been advertised by the Authority's Secretary for your meeting of June 7, 2009. 10

Recommendation

At this time, it is RECOMMENDED that your Board open the public hearing on the Proposed Budget for the Library Financing Authority and at the conclusion of the public hearing adopt the attached schedule as the Final Budget for the Library Financing Authority for 2010-11.

Very truly yours,

Pat Busch
Assistant County Administrative Officer

3

16

Attachment

cc: Director of Libraries, Santa Cruz City-County Library System
      Library Director, City of Watsonville
      Each City Manager
      Auditor Controller
      County Counsel

3

2010-11 Proposed Budget
Santa Cruz County Library Financing Authority

June-10

Santa Cruz County Library Financing Authority
Proposed Budget
for the 2010-11 Fiscal Year

Subobject	Description	2008-09 Actual	2009-10 Estimated	2010-11 Requested	2010-11 Recommended
	Estimated Fund Balance at June 30	-		$ -	$ -

Summary of Estimated Financing Sources

Subobject	Description	2008-09 Actual	2009-10 Estimated	2010-11 Requested	2010-11 Recommended
0176	Sales Tax Revenue	$7,603,659.43	$6,870,806.00	$6,870,806.00	$6,870,806.00
2044	Member Contributions	7,132,904.92	6,628,712.00	6,724,676.00	6,724,676.00
0430	Interest	12,804.64	6,634.00	6,634.00	6,634.00
	Total Revenues	$ 14,749,368.99	$ 13,506,152.00	$ 13,602,116.00	$ 13,602,116.00

Summary of Financing Requirements

Subobject	Description	2008-09 Actual	2009-10 Estimated	2010-11 Requested	2010-11 Recommended
3665	Professional and Special Services	2,100.00	3,500.00	3,500.00	3,500.00
3905	Election Expense	198,267.47			
5191	Watsonville Library	3,336,498.22	3,039,447.00	3,059,689.00	3,059,689.00
5191	City-County Library System	11,212,503.30	10,463,205.00	10,538,927.00	10,538,927.00
	Total Expenditures	$ 14,749,368.99	$ 13,506,152.00	$ 13,602,116.00	$ 13,602,116.00

Difference Between Revenues and Expenditures $0.00