



LIBRARY JOINT POWERS AUTHORITY BOARD  
FINANCE SUBCOMMITTEE

Monday February 23, 2015  
Downtown Branch Meeting Room  
224 Church Street, Santa Cruz, CA 95060

4:00 PM PUBLIC MEETING

1. ROLL CALL
2. APPROVE AGENDA OF FEBRUARY 23, 2015
3. APPROVE MINUTES OF JUNE 23, 2014 (PG.3-5)
4. ORAL COMMUNICATIONS
5. STAFF REPORTS
  - a. Monthly Financial Report- January (available at the meeting)
  - b. Update on administrative service charge paid to the City of Santa Cruz(PG.6-8)
  - c. Update on FY15/16 proposed budget (PG.9-12)
    - i. 3 year budget projections
      - a) Review of staffing and other priorities
      - b) Fines and fees potential reduction
    - ii. Cost of increasing open hours(PG.13-29)
6. OTHER BUSINESS
  - a. Election of Chair and Vice Chair
7. WRITTEN COMMUNICATIONS
8. FUTURE AGENDA ITEMS
9. FINANCE COMMITTEE MEETING CALENDAR
  - a. The Finance Committee will consider its current meeting schedule and may revise it as necessary.

## 10. NEXT MEETING

The next regularly scheduled meeting is Monday May 18, 2015 at 4:00 p.m. at the Downtown Branch Library

## ADJOURN

The Library Joint Powers Authority Board Finance Subcommittee will adjourn from the regularly scheduled meeting of Monday February 23, 2015 to the next regularly scheduled public meeting on Monday May 18, 2015 at 4:00 pm in the Community Meeting Room of the Downtown Branch Library.

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

SANTA CRUZ PUBLIC LIBRARIES  
A CITY-COUNTY SYSTEM

LIBRARY JOINT POWERS BOARD  
FINANCE SUBCOMMITTEE

MINUTES

Downtown Branch Meeting Room  
224 Church Street, Santa Cruz, CA 95060

June 23, 2014

4:00 PM PUBLIC MEETING

I. ROLL CALL

Present: Councilmember Mathews, Councilmember Termini, Citizen Member Dexter

Staff: Finance Director Marcus Pimentel, Library Director Teresa Landers

II. APPROVAL OF MEETING AGENDA OF JUNE 23, 2014

**Councilmember Mathews moved, seconded by Citizen Member Dexter**

**That the Finance Subcommittee approve the agenda of June 23, 2014**

**UNAN**

III. APPROVAL OF MINUTES OF APRIL 28, 2013

**Councilmember Mathews moved, seconded by Citizen Member Dexter**

**That the Finance Subcommittee approve the minutes of April 28, 2014**

**UNAN**

#### IV. ORAL COMMUNICATIONS

None

#### V. STAFF REPORTS

a. Monthly Financial Reports – May 2014

The Subcommittee members reviewed the reports and Finance Director Pimentel responded to a number of questions. Expenses for the remainder of the FY are trending towards a small surplus of \$100K. We will end possibly with a 1% deficit (of \$170k). This represents a huge financial accomplishment since the year started with a \$450K shortfall due to the approved carry-over of expenses from the previous fiscal year. This includes the pre-payment of the copiers as well as the investment in self-check kiosks. In answer to a question Director Pimentel explained that a 5% operating cushion is preferable. We don't want to create a pattern of dipping into reserves. Overall revenues are trending better than projected. Sales tax projections are good.

#### VI. OTHER BUSINESS

a. Recommendation to Board on addition of a fourth member to the Finance Subcommittee

The Subcommittee discussed the addition of a fourth member. Historically the committee consisted primarily of 3 members, with a few exceptions. The committee was created in 2009 with the intention to deal with the crisis of the time. The charge of the original committee has been met.

The real value of the Subcommittee at present is during the budget cycle, since the Subcommittee's work vetting the budget preparations saves time for the full LJPB. It was decided that meetings should be held quarterly and that the number of 3 Subcommittee members should be retained. However, an invitation could be extended to a member of the Friends of the Library Board to attend the Finance Subcommittee meetings.

Director Pimentel will continue to prepare the monthly snapshot for the Board and the quarterly detail for the Finance Subcommittee.

#### VII. WRITTEN COMMUNICATIONS

a. Trust Funds

Director Landers presented a list of the Library Trust Fund Accounts. The Subcommittee members discussed the importance of educating the community on planned giving. The Friends are working on a brochure for this purpose.

b. Estimated Budget for Election Related Costs

The Subcommittee members discussed the estimate of expenses related to a possible special election to fund library facility improvements in June 2015.

The Librarian Liaison is technically a post-election expense (July 2015-June 2018). This staff member will be working on functional aspects and be part of all pre-planning meetings.

System-wide pre-planning falls before the election.

Hiring an architect is going to be helpful before the election regarding the pre-planning. The architect will look at all the projects and define them better for the purposes of the election. He/she might be holding community meetings at the branches scheduled for major work depending on how the full Board chooses to approach this.

A construction manager might also be needed.

\$300K is already budgeted under Professional and Technical services in the FY 14/15 budget.

The public education part should continue along with the election campaign.

c. County LFA budget estimates

VIII. FUTURE AGENDA ITEMS

None

IX. FINANCE COMMITTEE MEETING CALENDAR

The August meeting will be canceled. The Subcommittee members agreed upon a quarterly schedule henceforth, with the next meeting on October 27<sup>th</sup>.

ADJOURN

The regular meeting adjourned at 4:35 p.m.

The Library Joint Powers Authority Board Finance Subcommittee will adjourn from the regularly scheduled meeting of Monday June 23, 2014 to the next regularly scheduled public meeting on Monday October 27<sup>th</sup> at 4 pm in the Community Meeting Room of the Downtown Branch Library.

Respectfully submitted,

Helga Smith  
Clerk of the Board

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

# STAFF REPORT

DATE: February 18, 2015  
TO: Library Joint Powers Board Finance Subcommittee  
FROM: Teresa Landers, Library Director  
RE: Administrative Charge Update

**RECOMMENDATION:** Accept report and provide direction.

## SUMMARY

The 5.5% administrative service charge was crafted among the JPA members nearly 20 years ago, providing a predictable cost to the Library for all administrative services needed to support the system. A detailing of the individual line items comprising the 5.5% does not exist. All JPA parties have agreed to reexamine the service charge structure and consider a shift from a percent-of-budget basis to one of actual cost. The City of Santa Cruz is completing a new internal cost allocation model to update the costs to provide administrative services that will be useful to this larger discussion of the appropriate administrative service charge. Finally, separating out legal services under a separate contract is likely to be more costly for the JPA than the current bundling with other administrative services.

## BACKGROUND

At the February 2015 LJPB meeting a question was raised about the 5.5% administrative service charge paid to the City of Santa Cruz. The focus was on two aspects:

- What is the basis for this charge?
- What information is available that would inform the discussion about removing the payment for legal counsel from this formula in order to contract directly for legal services?

The 5.5% is calculated on the total operating expenses of the Library excluding debt service, capital outlay, transfers and the administrative charge to the City.

This 5.5% pays for all library demands for legal, human resources, financial and library director supervision services that may arise regardless of the amount of time and effort required to meet those needs. This comprises not only personnel but the software, applications and other back-end utilities that support the City and Library (e.g. payroll, accounting, Intranet). Informally, the Library also utilizes the services of other City of Santa Cruz departments as needed (e.g. the Public Works Department assisting with an RFP for a vehicle acquisition).

The 5.5% administrative charge is specified in both the Library Joint Powers Authority Agreement as well as the Library Financing Authority Agreement. There is a third document, which is a Memorandum of Understanding between the Library JPA and the City of Santa Cruz Concerning the Business Affairs of the City-County Library System. These are all currently under review.

## **DISCUSSION**

### **5.5% Administrative Charge**

The current 5.5% administrative charge is a product of negotiations among the parties at the time of the formation of the original JPA agreement and there is no explanatory calculation of the 5.5% available. The 5.5% charge provided a predictable annual budget line item for the JPA while being entirely flexible as to the amount of legal, human resources, financial and director supervision services consumed. A fixed percentage charge of total budget for administrative services is a common model with library JPAs across the nation as it smooths the cost variations from year-to-year as service demands fluctuate.

Note that all JPA parties have recommended a review of the current method of charging (e.g. the 5.5%) and a likely shift to an actual cost basis for administrative services. Assisting in that work, the City of Santa Cruz is currently updating its model of internal cost allocation to refine the actual costs of administrative services. This will yield information about the current costs of providing support services to the Library. A preliminary analysis by the City of Santa Cruz suggests that the cost of services received by the Library comes very close to what the Library is currently paying (e.g. 5.5% charge).

### **Separation of Legal Services**

The Subcommittee was also interested in the financial ramifications of separating the legal services from the suite of administrative services. Estimates place this cost at \$100,000 - \$150,000 annually. Any new contract for legal services would be in addition to the new negotiated administrative service contract and efficiencies from bundling would be lost.

Currently, legal services are bundled not only into the 5.5% service charge but also into the City's contract with Atchison, Barisone, Condotti & Kovacevich (City Attorney). The City Attorney does not track services rendered per City department and the Library is considered a City department for their purposes. The Library benefits from efficiencies inherent in this bundling and the longstanding relationship with the City of Santa Cruz. The City Attorney estimates that the Library comprises a small part of the total City contract of \$660,000.

Should the JPA choose to separate legal services, the City Attorney recommends a structure by which the Library has an annual retainer arrangement similar to what the Cities of Capitola and Santa Cruz enjoy, with litigation assigned by the JPA handled on a case-by-case basis at an hourly rate.

The annual legal retainer for the City of Capitola is about \$133,000. This is a solid comparator as the budgets for Capitola and the Library are very similar. Animal Services pays County Counsel on a charge back basis for about \$45,000 per year or 1.3% of its total budget. The 911 Center pays County Counsel for legal services on an hourly basis and pays about \$2,700-\$4,000 per year.

The Library's legal needs cover a wide breadth including: contracts, Brown Act, confidentiality, freedom of information, civil rights and liberties, and litigation. Without issuing a Request for Proposals, we only have a best guess of the cost of independently obtained legal services. This guess is anywhere from \$100,000-150,000 with the higher end of the range supporting expanded legal services such as having counsel attend Board meetings. The cost estimate is largely driven from establishing a fixed retainer and purchasing hourly litigation services from a firm without the benefit of efficiencies from bundling the legal services into a larger contract.

Experience shows that in the 20 years of the current arrangement, the business and legal relationship with the City Attorney has worked smoothly without any conflicts of interest that could not be easily mitigated. It is also important to point out that if a conflict should arise, that there is nothing that precludes the Library Board from obtaining special legal counsel. This is a common practice in public agencies with contracted legal services.

## **CONCLUSION**

The agreements which include the future structure of the 5.5% administrative service charge are currently all under review. The Library Joint Powers Authority Agreement and the Library Financing Authority Agreement will require each jurisdictional body to approve changes and the MOU must be approved by the Board. The most fiscally responsible course of action would be to take a holistic view and wait to make all desired changes at once. Once the new Board is in place, the members can take the time to carefully evaluate options related to the service charge and separation of service contracts, issue Requests for Information and/or Requests for Proposals and then make a carefully calculated decision that is in the best financial interests of the Library.



## STAFF REPORT

DATE: February 13, 2015  
TO: Library Joint Powers Board Finance Subcommittee  
FROM: Teresa Landers, Library Director  
RE: FY1516 Budget and 3 year projections

**RECOMMENDATION:** Accept report and provide direction.

### SUMMARY

The three budget projection indicates support for small increases in operational costs and only limited structural increases.

### BACKGROUND

At the February 2015 LJPB meeting, Director Landers was directed to present information to the Finance Subcommittee related to the FY1516 budget. The following areas were to be addressed:

- 3 year budget projections
- Prioritized new staffing requests
- Impact of reducing overdue fines
- Cost of increasing open hours

The first three will be discussed in this report. A separate report is presented for the cost of increasing open hours.

Finance Director Pimentel and Director Landers (along with the library managers) worked to create a dependable draft of expected revenues and expenditures for the FY1516 budget. While there will undoubtedly be some changes before this budget is finalized, it creates a good starting point for developing three year projections.

Assumptions have been made and are included as part of the draft:

- An increase in the MOE contribution by the City of Santa Cruz
- General increases in sales tax and property tax revenues
- Increases due to renegotiated contracts with the bargaining units, as all are open this year
- Expenditure changes as detailed below

At the February LJPB meeting, budget priorities were presented and the list of expenditures reflects the direction given at that meeting.

This draft includes minimal staffing requests:

- One additional Informational Technology Specialist III (\$79,000)
- Several reclassifications of existing positions in LIT (\$21,000)
- One .5 Library Assistant II for Telephone Reference (\$25,000)

The only other structural cost is increasing landscaping by \$16,000 per year to cover the doubling of costs due to the new prevailing wage requirements.

This draft also includes the following one time requests:

- Poll in January 2016 for a possible election in June or November (\$20,000)
- Consultant costs for hiring a new director (\$25,000)
- Assist with governance and/or MOE transitions (\$25,000)
- Moving costs for a new director (\$10,000)
- Estimated cost of participating in a June 2016 election (\$250,000)

Revenues from overdue fines has been reduced from the FY1415 anticipated level of \$166,000 to \$104,000 which is a \$62,000 reduction.

With all the above changes, the FY1516 budget and three year projections are as follows:

	FY1516	FY1617	FY1718	FY1819
Revenues	\$13,239,000	\$13,693,000	\$14,165,000	\$14,636,000
Expenditures	\$13,220,300	\$13,428,000	\$13,994,000	\$14,589,000
Net	\$ 18,700	\$ 265,000	\$ 171,000	\$ 47,000

There is also \$200,000 for a new bookmobile but this will be offset by a transfer from the vehicle replacement fund and is not included above.

The fund balance has a surplus over the required operating reserve of \$471,000 as of December 2014. \$100,000 has been designated from this for building repair and maintenance as recommended in the facilities master plan but is also not reflected in the above table.

## DISCUSSION

### Revenues:

While a final agreement regarding MOE changes has not been reached, there is no doubt that the contribution from the City of Santa Cruz will increase. For now a placeholder increase has been included.

Sales and property taxes are increasing. It is believed that the County will continue to “release” properties from the reductions in valuation that were instituted during the height of the recession. Estimates are still being studied.

The reduction in overdue fines is based on the following calculation. Overdue fines are reduced from \$.50 to \$.25 per day. A poll was done of our colleague public libraries in the Monterey Bay Area Consortium (MOBAC). All but two charge \$.25 per day or less. The Cities of Monterey and Pacific Grove (who share an ILS) charge \$.50. We are trying to find out why they went to \$.50 and when, but have not heard back yet.

A question was also posed to the libraries in the Bay area (Pacific Library Partnership) about any know correlation between the amount of fines charged and the number of items returned. No one was able to provide any insight into this nor provide any way to research this.

When fines were doubled in 2009, revenue did not double. Based on this empirical experience, we predict that halving the fines will not result in halving the income. We believe that some of the amount lost due to halving the fines will be recouped and this was calculated at 25%. Income from overdue fines in FY1415 is expected to be about \$166,000. Half of this is \$82,000. When 25% of this \$82,000 reduction is added back in, the anticipated loss in revenue is \$62,000.

Eliminating the charge for a lost card will cost \$1,500. We also plan to drop the maximum fine from \$10 to \$5 and expect this will help increase the payment of fines.

In talking to staff, what we heard is that staff very often reduces fines from \$.50 to \$.25 and that if fines were already at \$.25 they would be less likely to reduce or waive them. Reducing the fines and possibly losing \$62,000 is a small price to pay for the goodwill that will be generated.

### **Expenditures:**

It is clear from the projections that, while we are making a good recovery, there are factors at play that indicate revenues are not keeping up with the rate of increase in expenditures, mostly related to increasing PERS and health insurance costs.

It is also unreasonable to assume there will only be structural increases each year and not one time needs. The one time requests will need to be met either by the small net within the operating budget or the fund balance beyond the two month operating reserve will need to be tapped.

The preliminary draft of the IT classification study recommended 3.5 new positions in Library IT as well as the reclassification of several positions. We do not expect major changes in the final report but cannot discuss specifics until we have the final report in hand. This budget reflects adding only one of those 3.5 positions and providing the funds for the reclassification of several of the current positions.

The only other staff that is now being requested is a half time Library Assistant II for Telephone Reference. We currently have one full time position covering the phones 40 of the 54 open hours per week. The rest of the time it is covered by members of the reference team. By providing the additional half time position, we will be able to free up time for reference librarians who can then assist with the other needs identified in the budget prioritization process. These include an increase in librarian time to assist with the selection of electronic resources. This selection responsibility has grown considerably since the service model was adopted three years ago.

The area that is also in great need for additional staff is the Program Division. However, the plan is to replace a Building Maintenance Worker II with a Building Maintenance Worker I. The salary savings from this can fund a part time Administrative Assistant in the Program Division. This request is being prepared separately for approval at the March LJPB meeting.

The one-time costs listed above do not require further discussion, nor does the need to increase landscaping costs.

The vehicle reserve is working very well and will cover the cost of a new bookmobile.

The one area that needs to be highlighted is building maintenance and repair. Last year we addressed the most egregious building related issues that had been identified in the facilities master plan. This year, there were less items, but also based on what we felt could not wait for the renovations/new buildings. With the financial support for the Facilities Master Plan delayed, another review of needs was done. Once again, the focus is on those maintenance recommendations that will be needed even if a given facility is addressed through the renovation/new building process. This total comes to roughly \$146,000 and is the reason why \$100,000 is being requested from the fund balance surplus with \$50,000 coming from the regular operational budget for building maintenance and repair. These include such projects as:

- Painting the outside of Live Oak (\$38,000)
- Replacing tile at Boulder Creek (\$46,000)
- Fixing/replacing windows at Branciforte and Downtown (\$62,000)
- Painting the ceiling at Garfield Park (\$12,800)

It is advisable that surplus funds beyond what is needed for the operating reserve, be earmarked for a facility maintenance and repair fund.

## STAFF REPORT

DATE: February 5, 2015  
TO: Finance Subcommittee  
Library Joint Powers Board  
FROM: Teresa Landers, Library Director  
RE: Open Hours

**RECOMMENDATION:** Accept report and provide direction.

### SUMMARY

The issue of open hours has been discussed many times since the adoption of the Community Service Model in 2011. This report not only provides the cost of achieving the goal of 392 open hours per week, but examines the issue of open hours holistically.

### BACKGROUND

At the February 2015 LJPB meeting, budget priorities for FY15/16 were presented. Several requests for additional staff were included. A request to increase open hours was not. The LJPB requested a review of the cost of opening additional hours.

Two staff reports recently addressed this issue:

- The first was prepared for the Finance Committee in December 2013 and is very detailed about the cost of meeting the Community Service Model goal of 392 open hours per week. (Attached in its entirety) (Attachment #1)
- The second is the staff report presented to the LJPB in February 2014 which outlined budget priorities for FY14/15. It included a summary of the report to the Finance Committee (the page dealing with this issue is attached). (Attachment #2)
- A subsequent report discussing the cost of hours in the planned two new facilities in Capitola and Felton, references a decision by the LJPB in the minutes of the February 2014 LJPB meeting, "The Board received the report for future updating and consideration after the financial measure is approved". The background section of that report states:

"Instead of increasing hours at this time while there are still serious deficiencies to remedy in the adopted model in other areas, the JPB has agreed to postpone the discussion of additional hours until the implementation of the facilities master plan is more known."

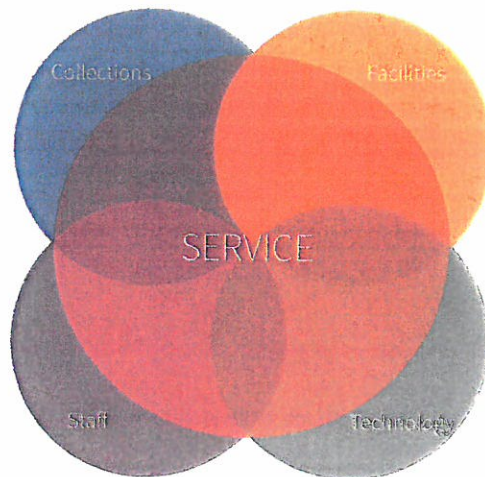
The Community Service Model adopted by the LJPB in April 2011 set a number of goals. One of these was to increase hours incrementally as budget allowed. The first round of increases occurred in September 2012 when it was determined there was some room for structural increases. This first round also included “tweaking” of the service model in terms of staffing based on deficiencies discovered regarding the ability to provide service at the desired levels. In the FY13/14 budget no increase in hours was adopted and there were minor staff additions made to, once again, respond to the need to fill gaps in service delivery.

The total cost of achieving the 100% goal is either \$443,000 (in 2013/14 dollars) or \$320,000 (2013/14 dollars). The difference between the options is that the more expensive option provides seven day per week service in Aptos and Scotts Valley as stated in the community service model goal. These options only include direct branch staff costs and do not include any increased costs for janitorial services, utilities, and support staff in Administration or Information Technology.

## DISCUSSION

The issue of open hours needs to be evaluated holistically. When the Community Service Model was developed in 2011, it was in an atmosphere charged with differing opinions and emotions. The four member Board task force that worked out this model was not in agreement and the decision to adopt a stepped approach to restoring hours was very definitely a compromise. The document was carefully crafted to reflect that achieving the 392 hours was a goal and not a promise. It also very clearly described that other areas of library service needed to be kept in balance as decisions were made going forward.

This led to the development of the framework which has guided us since.



Service is at the core and includes open hours, but also includes a lot more in order to fully define service levels. Programs offered by the Library are an ever increasing component of the services

provided and they are not dependent on open hours. The American Library Association recently published a white paper, “National Impact of Library Public Programs Assessment.” This paper does not provide any results but establishes a framework for undertaking a study of the impact of programming on the modern public library. There are many great quotations in this document. Some of the most relevant are below:

“We used to look at programming as a way to get people in and then get them to read. Now programming is one of our core learning experiences.”

“As “equal access” places of learning, libraries became community gathering places and civic centers, seen as safe and neutral spaces where all ideas might be pursued. Their roles as community anchors...have led to many libraries becoming the center of their neighborhood social and cultural life. Often the largest and most important public building a town, the library became the ideal place for holding classes and performances, concerts, and even exhibitions.”

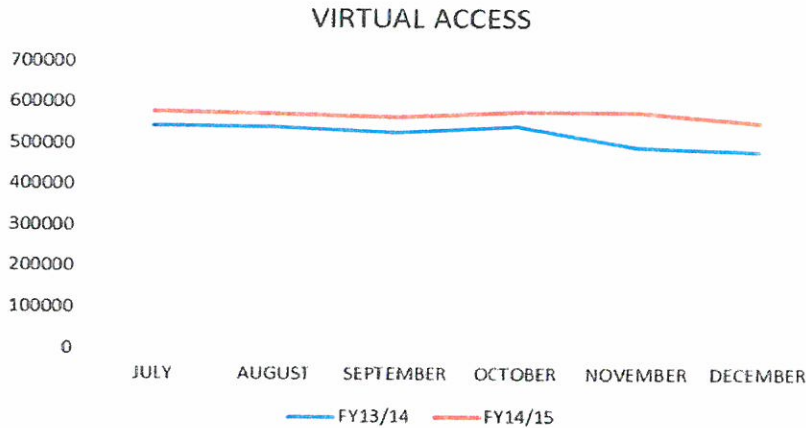
“Books are a 500-year-old delivery system for providing access to information. We aren’t getting out of the book business, but now we are providing new ways to access information. In fact, this trend has emerged nationwide, as public libraries have shrunk the proportion of their print materials in favor of growing other services and parts of the collection.”

What these quotations tell us is that facilities are important, but the public’s use of them is changing and the focus on the physical collection to be found in our facilities is, perhaps, not the top priority anymore.

This is borne out in our case by the decreasing number of visitors per open hour. With the exception of November 2014, the trend is definitely going down.



This downward trend in physical visitors is matched by a corresponding increase in the use of our electronic collection, which is facility agnostic and available 24/7.



There is definitely a new paradigm developing and to focus only on open hours as an indicator of quality public service is antiquated and will not serve the community well in the long run.

Library staff were polled to get a sense of what the community is telling them about open hours. This is what we heard with several direct quotations from the branch managers:

- **Aptos-** staff have observed individuals coming to the door before 11 but have not received any complaints
- **Garfield Park-** some would like more consistent hours and a few would like Saturday hours. “For the most part, people are happy that we're open more hours”.
- **Live Oak:** “We've always had comments (not necessarily complaints) from patrons that they wish Live Oak wasn't closed on Friday and Saturday.
- **Felton:** Patrons have expressed thanks that the Library is open more hours than it was.
- **Capitola:** “Of all the things that patrons tell us are on their "wish lists", more open hours are not one they mention! And, of course, we just could not accommodate more open hours without more staff.
- **Downtown:** “We receive frequent remarks at Downtown at closing time recalling how we used to be open until 9pm and 6pm on Fridays (conveniently forgetting that we used to be closed on Sundays and Mondays altogether). Presumably, most of the patrons who are reluctant to leave the building at closing time (many of them likely homeless) would love for us stay open longer.”
- **Branciforte:** I've received three comments in eight months about adding more hours.

Most of the comments I get reflect on the hours in 2009 from people do not know they have improved.

From a staff perspective, there is not a groundswell of concern about the current hours which are at 92% of the goal. Mostly it is based on individual preference for their own convenience. We can certainly look at specific configurations of hours but the basic approach of six branches open five days per week, two at six and one at seven seems to be working very well.

When the restructuring occurred three years ago, many difficult choices were made. The balance between providing staff for increased open hours and the need for staff to support those open hours was very definitely tipped in favor of providing as many open hours as possible. This came at the expense of



the staff needed to provide background support for those open hours and to get new materials onto the shelves.

Over the past three years we added open hours once, which brought us to the 92% level. Since that time, we have struggled to support these hours and have focused recommendations by reviewing ALL the goals expressed in the service model and in maintaining a balance on the circle diagram. All the open hours in the world mean nothing if the other circles on the diagram are not in balance.

- The Materials budget (**Collection**) is respectable and can actually hold fairly steady with some inflationary increases provided. Floating collections and a reduced need for physical materials has allowed us to improve electronic resources without sacrificing the ability to meet the demand for physical items. Staff are needed to order, process and manage the collection. Without them, open hours are meaningless because items are not available.
- We have made considerable progress in the **Technology** circle. By the end of this fiscal year, we hope to have fully entered the 21<sup>st</sup> Century in terms of libraries and technology and will turn our focus to maintenance and gradual progress rather than playing catch up. All our technological advances, however, and the prospect of future change and development, have compounded our inadequacy in terms of staffing of the IT Division. To address this, we commissioned the classification study, which was also recommended in the IT Strategic Plan. Without an IT staff with the appropriate knowledge, skills and abilities, we will fall behind again and this time, will likely not regain the confidence of the community.
- **Staff** are what turn open hours into service to the community. Staff needs have been discussed briefly in relation to the two circles above. The other staff needs that have been identified are to:
  - Strengthen the reference staff who serve the public throughout the system
  - Increase hours for one circulation staff member at the Downtown Library
  - Support telephone reference which handles ALL incoming calls to the Library System and thus serves all the branches
  - Make small increases in accounting and administrative services staff who support the staff in the branches. If staff were to be increased to provide open hours, there is then more work for the administrative staff to handle in terms of payroll, finding substitutes, etc.
  - Strengthen the Programming staff which has gone way beyond the level of service that was promised in the restructuring. The discussion above indicates that Programming is much more of our future than being a repository for books. Even our reference staff has gone beyond the original model and conduct class visits for older students, manage the Veterans' History Project and the latest grant for the Books to Action program as well as teach e-reader classes at the branches and other community locations such as senior living facilities. These are just a few examples of how the role of "Programming" has grown and expanded throughout the organization.
- The last circle is **Facilities**- Additional open hours also affects the facilities themselves. Additional cleaning is necessary and utility costs will increase. There is more wear and tear on already beleaguered facilities. I will reiterate my recommendation to the Board from last year.

Make no changes in open hours until the facilities have been built/renovated/remodeled. Usage patterns will change and that will be the time to assess what the needs are for open hours. The Virtual Branch may not be a physical facility, but it functions as the eleventh branch and is available 24/7.

This Board is at a crossroads. Do you want to continue to ignore the facts and the reality of a shifting paradigm or do you want to embrace the future of the public library and focus on the change in definition of what minimum service levels are to address not just open hours but the full range of services provided. Should we focus on fixing something that is essentially not broken just because a goal was set three years ago that most of us knew at the time was unrealistic, but was politically popular. Goals are meant to be adjusted as circumstances change and they are something to shoot for- not necessarily something to live and die by.

In a perfect world, we would have it all- all the staffing needed to have all the hours we want including the support staff, as well as all the staffing needed to provide as many quality programs and materials as the public demands. Unfortunately, we do not live in a perfect world and it is unlikely that circumstances will allow us to meet all the demands as outlined in the budget priorities document and this document. The best we can all do is work to keep it all in balance and put our efforts towards what is most important in order to meet the broadest range of community interests.

We can have more open hours but it will come at an expense. Technology will not be as robust. Or, we reduce our programming. Professionally, I cannot advise this. I believe we are at a fairly sweet spot in the number of hours we are open- at least until the goals of the Facilities Master Plan are achieved and we can reevaluate the demands of the community.

## STAFF REPORT

DATE: December 11, 2013  
TO: Library Finance Subcommittee  
FROM: Teresa Landers, Director of Libraries  
RE: Cost of additional hours

**RECOMMENDATION: Provide direction to the Library Director**

### SUMMARY

A request was made to determine the cost of adding 33 hours per week to the Library's open hours in accordance with the goal stated in the April 2010 Community Service Model. Two options are presented based on this goal with estimated annual costs of \$443,000 and \$320,000 respectively.

### BACKGROUND

The Community Service Model adopted by the LJPB in April 2011 set a number of goals. One of these was to increase hours to the level represented here in Option #1. The first round of increases occurred in September 2012 when it was determined there was some room for structural increases.

This first round also included "tweaking" of the service model in terms of staffing based on deficiencies discovered regarding the ability to provide service at the desired levels.

In the FY13/14 budget no increase in hours was adopted and there were minor staff additions made to, once again, respond to the need to fill gaps in service delivery.

### DISCUSSION

Appendix I details four schedules of hours:

1. January 2012 (the implementation of the new service model); 318 hours per week
2. September 2012- an increase of 41 hours per week to 359.
3. Option #1 for increased hours- The original goal was to reach 392 hours; an additional 33 hours per week). This assumed Aptos and Scotts Valley would be open 7 days per week and Live Oak 6 days per week (open Friday and Saturday but closed Sunday)
4. Option #2 for increased hours- 392 hours but keeping Aptos and Scotts Valley at 6 days per week and Live Oak at 5 (open on Sunday)

The additional annual staff cost of each option is:

1. Option #1: \$443,247
2. Option #2: \$320,352

Please note that these options only include direct branch staff costs. They do not include any increased costs for janitorial services, utilities, and support staff in Administration or Information Technology.

Background on how the costing was done:

1. Each branch was considered individually- a spreadsheet by branch is attached. Current staffing and when the hours were added makes a difference as to how new staffing costs are incurred. For example: some branches have capacity to add hours to current part time positions. Other branches do not- a good example of this is Boulder Creek. The one staff member there is already full time so cannot absorb any more hours. Saturdays going to 6 hours will require a meal break so that has to be accounted for as well. The result is the need to hire an additional 20 hour per week Library Assistant who would be assigned to Scotts Valley and would work a shift in Boulder Creek and would also meet the need for additional hours in Scotts Valley. We cannot assign a Library Assistant II to Boulder Creek unless we reclassify the Person in Charge from a Library Assistant II to a Library Assistant III. We have tried very hard not to share staff between branches as it greatly reduces the flexibility of each branch to provide coverage when needed outside an agreed upon set schedule.
2. Individual names were provided to City of Santa Cruz payroll and they calculated the change in cost.
3. Aide hours were assigned as one additional aide hour for every hour added with this being doubled for Downtown as per the original staffing formula.
4. On call hours and cost were calculated as a ratio of current costs across the various classifications. On calls are used to cover absences due to vacation, illness, training, etc.

A detailed description by branch is attached in Appendix II. The full cost schedule is in Appendix III.

**Open Hours – September 2012**

**Total= 359**

	SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
APTOS	closed	11-7	11-7	11-7	11-7	11-5	11-5	44
BOULDER CREEK	closed	closed	11-6	11-6	11-6	11-5	12-5	32
BRANCIFORTE	closed	closed	10-6	11-7	10-6	1-5	1-5	32
CAPITOLA	closed	closed	11-7	11-7	11-7	11-5	11-5	36
DOWNTOWN	1-5	10-7	10-7	10-7	10-7	10-5	10-5	54
FELTON	closed	closed	1-6	1-6	11-6	11-5	10-2	27
GARFIELD PARK	closed	10-5	2-7	11-5	2-7	1-5	closed	27
LA SELVA BEACH	closed	closed	10-5	1-6	10-5	1-5	1-5	27
LIVE OAK	1-5	11-7	11-7	11-7	11-7	closed	closed	36
SCOTTS VALLEY	closed	11-7	11-7	11-7	11-7	11-5	11-5	44

**APPENDIX I: SCHEDULES****Santa Cruz Public Libraries  
Open Hours January 2012  
Total=318**

	SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
APTOS	closed	11-7	11-7	11-7	11-7	11-5	11-5	44
BOULDER CREEK	closed	closed	12-6	12-6	12-6	12-5	12-5	28
BRANCIFORTE	closed	closed	10-6	1-7	1-7	1-5	1-5	28
CAPITOLA	closed	closed	1-7	11-5	1-7	11-5	11-5	30
DOWNTOWN	1-5	10-7	10-7	10-7	10-7	10-5	10-5	54
FELTON	closed	closed	2-6	2-6	1-5	1-5	10-2	20
GARFIELD PARK	closed	1-5	2-6	1-5	2-6	1-5	closed	20
LA SELVA BEACH	closed	closed	10-2	2-6	10-2	1-5	1-5	20
LIVE OAK	1-5	11-7	1-6	11-7	1-6	closed	closed	30
SCOTTS VALLEY	closed	11-7	11-7	11-7	11-7	11-5	11-5	44

**Proposed Open Hours Option #1  
Aptos and Scotts Valley Open on Sunday  
Downtown 11-5 Sundays  
Total= 392**

	SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
APTOS	1-5	11-7	11-7	11-7	11-7	11-5	11-5	48
BOULDER CREEK	closed	closed	10-6	11-6	11-6	11-5	10-5	35
BRANCIFORTE	closed	closed	10-6	11-7	10-7	12-5	12-5	35
CAPITOLA	closed	closed	10-7	10-7	10-7	10-5	11-5	40
DOWNTOWN	11-5	10-7	10-7	10-7	10-7	10-5	10-5	56
FELTON	closed	closed	11-6	12-6	11-6	11-5	10-2	30
GARFIELD PARK	closed	10-5	1-7	10-5	1-7	1-5	closed	30
LA SELVA BEACH	closed	closed	10-5	10-5	10-5	12-5	1-5	30
LIVE OAK	closed	11-7	11-7	11-7	11-7	1-5	1-5	40
SCOTTS VALLEY	1-5	11-7	11-7	11-7	11-7	11-5	11-5	48

**Proposed Open Hours- Option #2**  
**No change in Sunday hours**

	SUN	MON	TUE	WED	THU	FRI	SAT	TOTAL
APTOS	closed	10-7	10-7	10-7	10-7	11-5	11-5	48
BOULDER CREEK	closed	closed	10-6	11-6	11-6	11-5	10-5	35
BRANCIFORTE	closed	closed	10-6	11-7	10-7	12-5	12-5	35
CAPITOLA	closed	closed	10-7	10-7	10-7	10-5	11-5	40
DOWNTOWN	1-5	10-8	10-7	10-8	10-7	10-5	10-5	56
FELTON	closed	closed	11-6	12-6	11-6	11-5	10-2	30
GARFIELD PARK	closed	10-5	1-7	10-5	1-7	1-5	closed	30
LA SELVA BEACH	closed	closed	10-5	10-5	10-5	12-5	1-5	30
LIVE OAK	1-5	10-7	10-7	10-7	10-7	closed	closed	40
SCOTTS VALLEY	closed	10-7	10-7	10-7	10-7	11-5	11-5	48



## **APPENDIX II: METHODOLOGY BY BRANCH**

### **Branch: Aptos**

#### **Hours: 4**

Option 1: Adding the additional day would leave current hours the same and add 4 hours 1-5 on Sundays. Aptos would then add 10 hours to the 20 hour position held by a current LAII, add a 20 hpw Library Assistant II, add 8 librarian hours on Sunday, and 12 aide hours.

Option 2: Adding hours to existing days Aptos would go to a 10-7 schedule Monday through Thursday and remain 11-5 on Friday and Saturday.

Aptos would add 4 aide hours and 4 Librarian Hours.

### **Branch: Boulder Creek**

#### **Hours: 3**

Boulder Creek would open 1 hour earlier on Tuesdays and 2 hours earlier on Saturdays, making their hours Tuesday 10-6, Wednesday and Thursday 11-6, Friday 11-5 and Saturday 10-5.

Boulder Creek would add a 20 hour LA II position. This would mean that the current LA II would need to become an LA III. Alternative would be to add a 20 hour LA II to Scotts Valley and share the position with the LAIII in SV being the supervisor.

### **Branch: Branciforte**

#### **Hours: 3**

Branciforte would stay open 1 hour later on Thursdays and open 1 hour earlier on Fridays and Saturdays, making their hours Tuesday 10-6, Wednesday 11-7, Thursday 10-7, Friday and Saturday 12-5. Branciforte would add 10 hours to the 30 hour position held by a current LAII, and 3 aide hours.

### **Branch: Capitola**

#### **Hours: 4**

Capitola would open 1 hour earlier on Tuesday through Friday, making their hours Tuesday through Thursday 10-7, Friday 10-5 and Saturday 11-5.

Capitola would add 8 hours to the 32 hour position held by a current LAII, and 4 aide hours.

### **Branch: Downtown**

#### **Hours: 2**

Option 1: Downtown would open 11-5 on Sundays instead of 1-5.

Downtown would add 12\* librarian hours and 10 LA II hours to existing positions.

Option 2: Downtown would stay open until 8 two days a week. Downtown would add 12\* librarian hours and would add 5 hours to two existing LAII positions.

**Branch: Felton**

**Hours: 3**

Felton would open 2 hours earlier on Tuesday and 1 hour earlier on Wednesday, making their hours Tuesday 11-6, Wednesday 12-6, Thursday 11-6, Friday 11-5 and Saturday 10-2. Felton would add 3 hours to Jason McCluskey's LA II position, and add 3 aide hours as well.

**Branch: Garfield Park**

**Hours: 3**

Garfield would open 1 hour earlier on Tuesday, Wednesday and Thursday, making their hours Monday 10-5, Tuesday 1-7, Wednesday 10-5, Thursday 1-7 and Friday 1-5.

Garfield would add 3 hours to Catherine Workman's LA II position and add 3 aide hours as well.

**Branch: La Selva Beach**

**Hours: 3**

La Selva would open 3 hours earlier on Wednesdays, but close an hour earlier, and open 1 hour earlier on Saturdays, making their hours Tuesday through Thursday 10-5, Friday 12-5 and Saturday 1-5.

La Selva would add 3 hours to Galina Wells's LA II position, and add 3 aide hours as well.

**Branch: Live Oak**

**Hours: 4**

Option 1: Adding an additional day Live Oak would be open Monday through Thursday 11-7, and Friday and Saturday 1-5. Live Oak would then add 3 hours to the 22 hour LA II position, and add another 20 hour LA II position. They would also add an additional 4 librarian hours and 4 aide hours.

Option 2: Adding hours to existing days, Live Oak would open 1 hour earlier Monday through Thursday, making their hours Sunday 1-5, Monday through Thursday 10-7. Live Oak would add 4 hours to a current 22 hour LA II position and would add 4 librarian hours. There would be 4 additional aide hours.

**APPENDIX III: COST OF ADDING HOURS BY BRANCH**

<b>Aptos</b>	4 hours		<b>Felton</b>	3 hours	
<b>Option 1</b>			<b>Options 1&amp;2</b>		
Regular	\$ 64,637		Regular	\$ 4,631	
Aide	\$ 3,334		Aide	\$ 2,500	
<b>TOTAL</b>	\$ 67,971		<b>TOTAL</b>	\$ 7,131	
<b>Option 2</b>			<b>Garfield Park</b>	3 hours	
Regular	\$ 19,341		<b>Options 1&amp;2</b>		
Aide	\$ 3,334		Regular	\$ 5,450	
<b>TOTAL</b>	\$ 22,675		Aide	\$ 2,500	
			<b>TOTAL</b>	\$ 7,950	
<b>Boulder Creek</b>	3 hours				
<b>Options 1&amp;2</b>			<b>La Selva</b>	3 hours	
Regular	\$ 17,190		<b>Options 1&amp;2</b>		
Aide	\$ 2,500		Regular	\$ 6,720	
<b>TOTAL</b>	\$ 19,690		Aide	\$ 2,500	
			<b>TOTAL</b>	\$ 9,220	
<b>Branciforte</b>	3 hours				
<b>Options 1&amp;2</b>			<b>Live Oak</b>	4 hours	
Regular	\$ 17,697		<b>Option 1</b>	closed Sunday	
Aide	\$ 2,500		Regular	\$ 47,526	
	\$ 20,197		Aide	\$ 3,334	
			<b>TOTAL</b>	\$ 50,860	
<b>Capitola</b>	4 hours				
<b>Options 1&amp;2</b>			<b>Option 2</b>	open Sunday	
Regular	\$ 9,440		Regular	\$ 13,145	
Aide	\$ 3,334		Aide	\$ 3,334	
<b>TOTAL</b>	\$ 12,774		<b>TOTAL</b>	\$ 16,479	
<b>Downtown</b>	2 hours		<b>Scotts Valley</b>		
<b>Option 1</b>			<b>Option 1</b>	Open Sundays	
Regular	\$ 43,945		Regular	\$ 69,248	
Aide	\$ 3,334		Aide	\$ 3,334	
<b>TOTAL</b>	\$ 47,279		<b>TOTAL</b>	\$ 72,582	
<b>Option 2</b>			<b>Option 2</b>		
Regular	\$ 43,945		Regular	\$ 26,029	
Aide	\$ 3,334		Aide	\$ 3,334	
<b>TOTAL</b>	\$ 47,279		<b>TOTAL</b>	\$ 29,363	
<b>Librn to provide access for smaller branches</b>	\$ 88,384		<b>On calls</b>	proportional hours/\$	
				\$ 39,209	
			<b>Option 1</b>	\$ 443,247	
			<b>Option 2</b>	\$ 320,352	

**Branch: Scotts Valley**  
**Hours: 4**

Option 1: Adding the additional day would leave the hours as they are and add 1-5 on Sundays. Scotts Valley would share a 20 hour LAII position with Boulder Creek and add a 20 hour LAII, add 8 librarian hours and add 4 aide hours.

Option 2: Adding hours to existing days, Scotts Valley would open 1 hour earlier Monday through Thursday, making their hours Monday through Thursday 10-7 and Friday and Saturday 11-5. Scotts Valley would share a 20 hour LAII with Boulder Creek, add 8 Librarian hours and 4 aide hours.

There is an additional system cost to provide a librarian for access by the branches when a reference librarian is not on duty. That comes to 19 hours per week which would be a full time librarian position. This figure might be able to be reduced somewhat if a very detailed analysis of overall schedules and where overlap occurs were done. This was not done for this report as this was meant to be a ballpark estimate.

\*Librarian hours are not an exact match to increased hours as they are allocated based on several principles:

1. Downtown always has reference librarians on duty covering in person and phone (3)
2. Aptos, Live Oak and Scotts Valley have them on site half the time they are open (but you can't do a two hour shift on Sunday) and have access to one at other hours.
3. The other branches are entitled to access to a reference librarian all the time they are open.

Librarians also are entitled to half their time on desk and the other half handling other responsibilities such as teaching classes, one on one appointments, class visits, and special projects (currently veteran's oral history is a major one), preparing web materials for the public, etc. Other staff are guaranteed 5 hours per week off desk to handle email, payroll, training, etc.

Note that these costs do not include increased costs indirectly related to opening additional hours: IT staff, janitorial, administrative staff to handle substitute calling and increased workload from having additional employees. If DTN stays open until 8 pm then an additional hour of security will be necessary. Currently the Library pays full freight for security from 5-7 pm instead of being able to cost share with the City.

**ATTACHMENT #2**  
**EXCERPTED FROM STAFF REPORT TO LJPB ON FY14/15 BUDGET PRIORITIES**

- I. **Hours-** A lengthy report was submitted to the Finance Subcommittee in December. An abbreviated version is presented here. Two options are presented based on the goal of 392 hours per week.
  - A. Option #1 for increased hours: The original model assumed Aptos and Scotts Valley would be open 7 days per week and Live Oak 6 days per week (open Friday and Saturday but closed Sunday). **\$443,000**
  - B. Option #2 for increased hours- 392 hours but keeping Aptos and Scotts Valley at 6 days per week and Live Oak at 5 (open on Sunday). This was not the original assumption but given the high cost of Option #1, this one was developed as well. **\$320,000**

Please note that these options only include direct branch staff costs. They do not include any increased costs for janitorial services, utilities, and support staff in Administration or Information Technology.

Each branch was considered individually with aide hours calculated as one additional aide hour for every hour added (two for Downtown as per the original formula).

On call hours and costs were calculated as a ratio of current costs across the various classifications. On calls are used to cover absences due to vacation, illness, training, etc.

Where possible, hours were added to existing part time positions. In many locations, however, staff is already at 40 hours per week so the addition of just 3 hours per week to the schedule, necessitates a minimum addition of a .5 staff member. This is particularly noticeable when adding staffing to provide reference service. Some sharing between branches was calculated but cannot be applied to all situations.

It should also be noted that new and remodeled facilities will necessitate changes in hours system-wide to balance new patterns of demand while recognizing the need for open hours to be equitably distributed throughout the County. A recommended course of action would be to review the addition of hours once the future of the facilities plan is more known. For future planning, a draft of what *might* be needed could be provided any time.