



Sacramento Public Library Authority

January 23, 2014

Agenda Item 6.0: 2014 City of Sacramento Ballot Measure

TO: Sacramento Public Library Authority Board
FROM: Rivkah K. Sass, Library Director
RE: Sacramento Public Library Parcel Tax Update

RECOMMENDED ACTION: None - Information only.

On January 14, 2014, the Sacramento City Council approved a June 3 ballot measure that calls for a supplemental parcel tax that would raise \$1.9 million a year for City libraries. The final ordinance language that will appear on the ballot will be brought to the Authority Board in February 2014.

Following is some background on what led to that action:

On December 17, 2013, City of Sacramento Staff presented a written report to the Sacramento City Council regarding the Library’s funding needs. As a follow-up, Library Director Rivkah Sass provided oral commentary that summarized the history of the funding challenges faced by the Library, as well as options for the Council to consider.

The following presentation and talking points were presented at the December 17 meeting.





Current Situation – City Libraries

Revenues	FY13/14	FY14/15	FY15/16	FY16/17	FY17/18
General Fund Contribution	7,128,500	7,128,500	7,128,500	7,128,500	7,128,500
Interest, fines/fees, other	534,000	534,000	534,000	534,000	534,000
Messure U MOE Restoration	507,000	507,000	507,000	507,000	507,000
Parcel Tax Revenues*	4,928,846	5,024,623	5,122,315	5,221,962	5,323,601
Annual Revenues	13,098,346	13,194,123	13,291,815	13,391,462	13,493,101
Expenditures					
Projected General Fund Expenditures**	8,634,000	9,152,000	9,472,000	9,804,000	10,147,000
Projected Parcel Tax Expenditures**	4,795,000	5,035,000	5,186,000	5,342,000	5,502,000
Annual Expenditures	13,429,000	14,187,000	14,658,000	15,146,000	15,649,000
Adjusted for Special Tax Annual Results	(133,846)				
Annual Operating Results	(464,300)	(992,877)	(1,366,185)	(1,734,338)	(2,133,899)
Beginning General Fund Fund Balance	2,494,262	2,029,762	1,036,885	(329,299)	(2,083,838)
Ending General Fund Fund Balance	2,029,762	1,036,885	(329,299)	(2,083,838)	(4,239,736)

*Assumes voter approval of continuation of existing parcel tax. Revenue assumes 2% growth annually.
**Assumes 6% growth in FY 2013/14 and 3.5% growth annually thereafter.
**Assumes 5% growth in FY 2013/14 and 3% growth annually thereafter.
*Current parcel tax is restricted to specific categories of expenditures and cannot be used to close this operational gap.

Footnotes contained in slide:

1. Assumes voter approval of continuation of existing parcel tax. Revenue assumes 2% growth annually.
2. Assumes 6% growth in FY 2013/14 and 3.5% growth annually thereafter.
3. Assumes 5% growth in FY 2013/14 and 3% growth annually thereafter.
4. Current parcel tax is restricted to specific categories of expenditures and cannot be used to close this operational gap.

Slide Two – Current Situation – City Libraries

We are here to seek your guidance on how we can sustain our libraries. Tonight continues the conversation we began more than two years ago when we brought the deficits threatening library services to your attention

Our situation is simple: Costs have outstripped revenues and our ability to effectively maintain services at the current levels. This shows projections from the current fiscal year through FY 2017/18 and where we expect to be, assuming library support at the current levels.

We have been very prudent in living within our means, but estimate that the deficit will grow from \$464,600 this year to more than \$2 million in FY 2017/18 and we will have exhausted our general fund balance by June 2015.



Maintaining Library Services

- New Libraries
- Reductions in Funding and Staff
- Library Usage
- Partners, Support, Grants
- SPL Comparison to Peers



Slide 3 – Maintaining Library Services

We have been creative in maintaining library services despite a 12.6% reduction in library staff, a 23% reduction in general fund contribution, rising costs, and the addition of three new libraries. Throughout our challenges, our mission has always been to keep services going so as to reduce the impact on the public to the extent possible.

The result of adding three new libraries was that Valley Hi-North Laguna grew from 4,500 SF to 20,000 SF, a five-fold increase in space, and added .5 FTE for the new space. North Natomas grew ten-fold and added 1.0 FTE.

In order to maintain the hours we promised to the public in the last election, we nipped, tucked and trimmed. As a result, while we promised the public **341 hours for nine libraries** when Measure X passed, by 2013 we are offering **392 hours through 11 libraries**, not including Central Library because it was excluded from the parcel tax. In other words, we have kept our promise despite the fact that North Natomas and Robbie Waters-Pocket Greenhaven libraries were not even in play when Measure X was approved and include 37,645 SF of library space and 72 hours per week.

Library Usage

To meet community needs, Library staff has raised the bar. Library card holders have increased by 30%, the number of programs offered by 78% and program attendance by 86%. The bulk of the programs we offer relate to enhancing literacy in our community:

- Preparing children to start school ready to read
- Helping children succeed in school



- Helping job-seekers and adult learners

We trimmed costs where we could – renegotiating every contract we could, reducing staff benefits, including increasing their contribution to PERS, reducing time off, eliminating cash back and adding furloughs. Throughout these reductions, staff have increased their commitment to meeting our community’s needs.

The 2011 statistics report from the Institute of Museum of Library Services on libraries clearly shows that Sacramento Public Library is efficient. Our per capita spending is among the lowest of our peers throughout California and our staffing ratios are among the lowest as well.

I won’t tell you about how we compare to communities like Denver or Minneapolis with per capita spending levels twice that of Sacramento’s.

Partners, Support and Grants

We live in an increasingly complex world, and library services have evolved to meet our changing community. Whether it’s the 3,400 meals we served last summer at Valley-Hi North Laguna Library, which amounted to 1/7 of all the summer meals served to children via California libraries, the Junior League-sponsored garden we created at the Colonial Heights Library, our new GED Center at the Central Library, adding a passport acceptance center, or the 38 grants amounting to \$1,305,922 that we have written and received since June 2008, we are committed to being a national model for efficient, practical and effective library services. Mayor Johnson said the other night that mayors are practical. I believe librarians are just as practical. We see the challenges our communities face and we work to meet and resolve those challenges in ways that use taxpayers’ dollars in the most efficient, practical and effective manner possible.

Options for Sustaining Library Services

- Option 1: Renew Existing \$30 Parcel Tax
 - Impact: Close libraries or reduce services by 2016.
- Option 2: \$12 Supplement
 - This option will provide the library with the necessary resources to stabilize and sustain operations at all 12 libraries through FY 2017/18.
- Option 3: \$49 Parcel Tax
 - Immediately corrects funding imbalance, stabilizes library funding and provides potential to expand library operations at some libraries.





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Slide 4 – Options for Sustaining Library Services

We are presenting three options for your consideration.

Option 1: \$30 Renewal – Renew the existing parcel tax in June 2016 or before. Without new revenue to cover the cost of the City’s three new libraries, it will likely be necessary to close multiple libraries or significantly reduce service levels, operating hours, and staffing at City libraries.

Option 2: \$12 Supplemental Parcel Tax/Renewal – This is a supplemental measure requiring voter approval and would be renewed with the existing parcel tax in June 2016. This option will provide the library with the necessary resources to stabilize and sustain operations at all 12 libraries through FY 2017/18. However, absent additional resources, or service level reductions, the expenditures will outpace projected revenue growth over the long term.

Option 3: \$49 Parcel Tax – This \$49 parcel tax, combined with the \$7.6 million General Fund contribution, would provide the library with the opportunity to immediately correct the funding imbalance and stabilize library funding. The resulting growth could potentially provide an opportunity to expand library operations to six days a week at some City libraries.

Timeline

Date	Description
January 14, 2014	Pass for Publication on City Council agenda including review of the 75-word ballot measure and ordinance language.
January 21, 2014	Public Hearing/Adoption of Ordinance subject to voter approval
January 28, 2014	Council adopts resolutions submitting measure (question/text) to the ballot.
February 28, 2014	Due date for Arguments (not to exceed 300 words). All arguments shall be accompanied by a Statement of Argument Authors form.
March 10, 2014	Due date for Rebuttals (not to exceed 250 words). All rebuttals shall be accompanied by a State of Argument Authors form.
June 3, 2014	Election Day. Polls open 7:00 a.m. to 8:00 p.m.



At the conclusion of the presentation, several library supporters spoke, including 9-year-old Joseph O’Toole, who made a compelling case for Library support. His remarks and the remarks of other library



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supporters can be found at:

http://sacramento.granicus.com/MediaPlayer.php?view_id=22&clip_id=3379

The Council directed staff to return on January 14, 2014, with the three options for moving forward. Vice-Mayor Ashby stated that her preference was the \$12 augmentation, but reiterated that the Council needed all three options.

January 14, 2014 City Council Hearing

A slight revision in the timeline occurred when it was determined that, in lieu of Pass for Publication, the Council would hold the public hearing on January 14, 2014, and that, if approved, the Ordinance would be published in its entirety within 10 days after adoption as required by Sacramento City Charter section 32(d).

On January 14, 2014, City of Sacramento Finance Manager Leyne Milstein presented the item to the City Council, recommending the \$12 supplement. Several dozen library supporters, Friends and advocates attended and several spoke in support of the measure. The Council commented and subsequently unanimously passed the item.

The item can be viewed at:

http://sacramento.granicus.com/GeneratedAgendaViewer.php?view_id=22&clip_id=3383

Next Steps

During the next few months, Library supporters from the Friends, Foundation and community will work to educate the community and voters on the issue, raise funds and prepare for the June 3 primary.

On February 7, about 80 library supervisors, managers and staff will participate in a training session to help them understand how to respond to inquiries regarding the City of Sacramento Parcel Tax initiative.