

Financial Feasibility Analysis and Process for Assuming Direct Management and Operation of the Goleta Library

AUGUST 15, 2017



Creation of a Zone 4 Goleta Library Service Area: Population Scenarios

- **92,666** – Continuation of the status-quo service area population assigned by the City of Santa Barbara to the Goleta Library
- **98,645** – Assumes the inclusion of Hope Ranch and the Mission Canyon and Foothill areas (Attachment 4)
- **94,545** – Includes Hope Ranch but leaves out the Mission Canyon and Foothill areas (Attachment 5)
- **92,145** – Leaves out Hope Ranch, Mission Canyon and Foothill areas (Attachment 6)
- **62,680** – Includes only CSA 3 and the City of Goleta population (Attachment 7)

Service to Isla Vista

	Azusa City Library	Monterey Public Library	Anaheim Public Library	Lompoc Public Library	Mountain View Public Library
Service Area Population	49,485	28,610	358,136	60,172	77,925
Annual Expenditures	\$14,500	\$91,074	\$431,580	\$115,000	\$145,107
Funding Sources	Bookmobile was purchased with donations from businesses and foundations	Partially funded by Friends of Monterey Public Library	Partially funded by CDBG; also funded through donations and small grants	100% funded through a trust	Partially funded by Google
Staffing and Hours	Part-time staffing/ 19 hours-week	Full-time staffing by Library Assistant/ 40 hours-week	1 full-time driver; 3 part-time drivers, 2 part-time library clerks, 60% of FT librarian	139 stops; 10,000 people served annually	Full-time Library Assistant III and some hourly staffing/ 4 days (12 hours/week)

City of Santa Barbara Administrative Fee vs. Allocated Cost Charges

- Administrative Fee for FY 2017-18 = \$177,436
 - This fee is charged on all budget expenditures
 - Calculated from the City of Santa Barbara's Cost Allocation Plan
 - Represents costs incurred from in areas, the Central Library and Library Administration, to support the Goleta Library
- Allocated Cost Charges for FY 2017-18 = \$288,680
 - represents costs incurred outside of the Cost Allocation Plan, such as work's comp/insurance, IT, and custodial costs, to support the Goleta Library

Salaries and Benefits Calculations

21 Employees	City of SB (Step 5)	City of Goleta (Step 5)	Variance	% Dif
Total Salaries	\$ 697,065	\$ 709,720	\$ 12,656	2%
Total Benefits	\$ 254,700	\$ 173,913	\$ (80,787)	-32%
Total Salaries & Benefits	\$ 951,765	\$ 883,634	\$ (68,131)	-7%

26 Employees	City of SB (Step 5)	City of Goleta (Step 5)	Variance	% Dif
Total Salaries	\$ 864,544	\$ 876,085	\$ 11,541	1%
Total Benefits	\$ 321,235	\$ 223,791	\$ (97,445)	-30%
Total Salaries & Benefits	\$ 1,185,779	\$ 1,099,876	\$ (85,903)	-7%

Salaries and Benefits Calculations

Santa Barbara vs. Goleta: Annual Percentage Increase in Salaries & Benefits

	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Goleta Rate Increase	4.50%	2.79%	2.21%	2.10%	2.11%
SB Rate Increase	3.68%	3.98%	3.22%	2.96%	3.00%

Santa Barbara vs. Goleta: Annual Percentage Increase in CalPERS

	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Goleta CalPERS ER Rate	12.20%	13.50%	15.20%	15.90%	16.40%
Santa Barbara CalPERS ER Rate	30.37%	33.83%	37.90%	40.57%	42.75%

Indirect Costs Analysis

Description of Function/Task	Description of resource/service/capital cost	Additional % time	Annual Cost (21 employees)	Annual Cost (26 employees)
Onboarding	Staff time	2.06 hrs @ \$65.94	\$7,200.65	\$8,915.09
Recruiting/Retention	Staff time	3.62 hrs @ \$48.98	\$9,220.00	\$11,415.23
Performance Evaluations	Staff time	2.06 hrs @ \$76.64	\$8,209.68	\$10,164.36
IT – Adobe Licensing	\$148/ 6 FT users		\$888	\$1,099.43
One Time Incode Training: Time	1 hour for one-time Incode module training		\$56.77	\$56.77
W-2 Forms and envelopes for add'l staff	Supplies W-2 Forms and envelopes for add'l staff		\$65	\$80.48

Indirect Costs Analysis

	Annual Cost (21 employees) Fully Burdened	Annual Cost (26 employees) Fully Burdened
HR Sub Total	49,989.18	61,891.37
Human Resources & IT: Materials/Supplies/Services	109,850.66	136,005.58
Finance Subtotal	31,901.61	33,147.86
Finance: Materials/Supplies/Services	648.85	691.36
TOTAL	\$192,390.30	\$231,736.16

Reserve Book Balance

	FY 2017-18 Santa Barbara Management	FY 2018-19 Goleta Management
Book Acquisitions	\$245,042	\$245,042

Black Gold Fee

	FY 2017-18 Santa Barbara Management	FY 2018-19 Goleta Management
Black Gold Fee	\$157,000	\$140,000

Updates to Supplies and Services

	FY 2017-18 Santa Barbara Management	FY 2018-19 Goleta Management
Training, Meeting, and Travel	\$1,000	\$4,000
Advertising	\$1,500	\$4,000
Printing	\$4,000	\$4,000
Office and Special Supplies	\$46,333	\$46,333

Overall Budget Outlook:

Summary of Total Revenues & Expenditures

Expenditures	FY 2017-18 Santa Barbara Management	FY 2018-19 Goleta Management
Total Revenues	\$ 1,433,086	\$ 1,400,374
Total Expenditures	\$1,658,976	\$ 1,563,379
Operating Surplus (or Deficit)	\$ (225,890)	\$ (163,005)
General Fund Contribution	\$ 219,668	\$ 163,005
Adjusted Surplus (or Deficit)	\$ (6,222)	
Reserve Balance (\$485,744)	\$ 479,522)	\$ (482,879)
Indirect Costs		\$ 192,390

Overall Budget Outlook:

Summary of Total Revenues & Expenditures w/Indirect Costs Included

	FY 2018-19 Santa Barbara Management	FY 2018-19 Goleta Management	FY 2019-20 Goleta Management*	FY 2019-20 Goleta Management*
Library Revenues	\$ 1,400,374	\$ 1,400,374	\$ 1,404,975	\$ 1,404,975
General Fund Contribution	\$ 347,394	\$ 412,722	\$ 397,409	\$ 349,858
Total Revenues	\$ 1,747,769	\$ 1,813,096	\$ 1,802,384	\$ 1,754,833
Total Expenditures	\$ 1,747,769	\$ 1,813,096 ¹	\$ 1,802,384	\$ 1,754,833

¹ First-year start costs included in FY 2018-19 of \$110,350

Next Steps and Timeline

July 1, 2018 transition

Date	Activity
August 15, 2017	Regular City Council Meeting – Staff receive direction from Council on becoming an independently managed municipal library by July 1, 2018
August 2017	Pursue membership with Black Gold and coordinate with the Executive Director on submitting needed documents to the California State Library
September 1, 2017	Deadline for State Library to receive documentation from Goleta and Black Gold
October 17, 2017	California Library Services Board Hearing to consider approval of Goleta into Black Gold system
Fall 2017	Recruit for Library Director
Winter 2017 and Spring 2018	Staff to coordinate with Library Director to: <ul style="list-style-type: none">-Negotiate with the County of Santa Barbara and the City of Santa Barbara on the boundaries for a new library service area-Purchase of new barcodes for library items-Design and purchase of new patron ID cards-Work with Black Gold to reconfigure network connection-Address needed IT improvements such as purchase of new (additional) computers for patrons-Work with the City of Santa Barbara on the transition of current library staff to employment with the City of Goleta
Spring 2018	-Depending on direction from City Council, recruit additional library staff to ensure a continuation of library services and smooth transition.
July 1, 2018	Target Cross Over

Next Steps and Timeline

July 1, 2018 transition

- *The following documentation must be submitted to the California State Library by September 1:*
- Ordinance establishing a municipal library (Goleta has already established such ordinance)
- Documentation from City of Goleta to the Black Gold system requesting affiliation
- Letter of intent to California Library Services Board from the City of Goleta to function as a municipal library and obtain membership with Black Gold
- Notification from Black Gold to California Library Services Board that the City of Goleta has been approved for membership
- Letter from the City to California Library Services Board president requesting affiliation with Black Gold and as needed

Appointment of Members to Library Board of Trustees

- Section 2.13.030 of Goleta's Municipal Code specifies that the Library Board of Trustees shall consist of five members, appointed by the Mayor with the consent of the City Council.
 - Appointment of the Library Board of Trustees by the Mayor is required by Education Code section 18910
- Three members shall be residents of the City of Goleta, while the other two members shall be residents of the County of Santa Barbara residing within the designated CSA 3.
- Consider staff recommendation to adopt a policy that would allow the County BOS to suggest members who would represent the County portion of CSA 3; the Mayor would always appoint the County's suggested appointments and Council would always consent to such suggested appointments.

County Library Consultant Study

- RFP Scope of Services:
 - Consultant will evaluate the current County library service delivery system and funding model and recommend improvements to the system or different service delivery models for the County to consider
 - Consultant will evaluate the proposed formation of a City of Goleta Municipal library, specifically its impact to the current system, and develop recommendations for a service and funding model which incorporates Goleta as a municipal library and ensuring proper County representation in the governance model
- Submittals due August 16, 2017
- Results available in January 2018

Recommended Actions

- A. Receive an update from staff providing additional detail on the financial feasibility for direct management and operation of the Goleta Library; and
- B. Direct staff to continue the process of assuming direct management and operation of the Goleta Library, including applying for membership to the Black Gold Cooperative Library System and pursuing approval from the California State Library; and
- C. Adopt a Council policy for the Mayor to always appoint and Council to always consent to suggested appointments by the County Board of Supervisors of two of the five members that would serve on the Library Board of Trustees
- D. Approve the potential Zone 4 service area of 94,545 persons which includes Goleta City limits, Gaviota unincorporated census blocks, CSA 3, Isla Vista, and Hope Ranch, subject to ratification by the County of Santa Barbara Board of Supervisors, and agreement by the City of Santa Barbara