



Agenda Item E.2
DISCUSSION/ACTION ITEM
Meeting Date: December 18, 2018

TO: Mayor and Councilmembers

FROM: Michelle Greene, City Manager

CONTACT: Luke Rioux, Finance Director
Dana Grossi, Management Analyst

SUBJECT: Consideration of the Management and Operations of the Buellton and Solvang Libraries

RECOMMENDATION:

- A. Approve minor revisions made to the library management fee for the cities of Buellton and Solvang; and,
- B. Provide direction to staff on whether to assume management and operations of the Buellton and Solvang libraries starting on July 1, 2019; and
- C. If Council directs staff to assume management and operations of the Buellton and Solvang libraries starting on July 1, 2019, provide such direction to be conditional upon the County of Santa Barbara's consent to the City's designation of the City Council to be the Library Board of Trustees pursuant to Education Code sections 18910 et. seq.

BACKGROUND:

On November 14, 2018, the City Council received a presentation from staff which summarized results of a financial analysis for the possible management and operations of the Buellton and Solvang libraries. At that meeting, City Council approved staff's recommendation for a fee that would be charged to the cities of Buellton and Solvang, if the City of Goleta were to provide library management services in the future. Of the four fee models presented, the City Council approved staff's recommendation to utilize Model 1, which is a time and materials survey approach that incorporates the hourly labor and benefit rate of City staff that would be supporting the libraries (non-fully burdened rate). This fee model ensures full cost recovery to the City of Goleta that is consistent with other fees established by the City for charging of staff time directly involved with providing a service.

The cities of Solvang and Buellton brought an item to their City Councils on December 10th and 13th, respectively, seeking direction on whether to transition management of their libraries from the City of Santa Barbara (current) to City of Goleta, a change that would take effect on July 1, 2019. The following section of this report summarizes the decision of the Solvang City Council, minor changes made to the management fee amount since it was presented at the November 14 meeting, and includes a discussion of the various considerations that should be weighed in determining whether the City of Goleta should ultimately manage these libraries in the future. The decision of the Buellton City Council was still outstanding as of the date this report was published.

DISCUSSION:

Buellton and Solvang City Council Decisions

On November 10th, the Solvang City Council voted unanimously to transition out of Zone 1 and into Zone 4 under Goleta management. As of the publishing of this report, the Buellton City Council meeting had not yet taken place. The staff reports prepared by Solvang and Buellton for their City Councils can be viewed as Attachments 3 and 4, respectively.

Revisions to Library Management Fee

The City Council approved a management fee model on November 14, 2018 that would allow the City of Goleta to recover all identifiable costs it would incur in providing annual library management and operations services to Buellton and Solvang. All currently known revenues and expenditures were evaluated, and a total estimated management fee of approximately \$50,094 was determined for each branch library. However, since that meeting staff have identified various areas where adjustments were needed in the management fee and draft branch library operational budgets. The proposed adjustments (summarized below) would altogether result in a slight decrease of approximately \$519 to Buellton's Library overall budget and an increase of approximately \$18,768 to Solvang's Library overall budget.

The revised fee reflects support staff's time and resources (General Government, Finance, and Library Administration) that are assumed to be involved in supporting the branch libraries. This fee was calculated by using the labor and benefits rate, and time assumptions for staff involved on providing services directly related to the branch libraries. When converting this management fee amount to an administrative percentage fee rate, this results in a rate of 14.62% for Buellton Library and 12.25% for Solvang Library. In addition, estimated one-time startup/transition costs of approximately \$13,384 was identified for each branch library. Further detail about the adjusted costs and fees is provided below.

Courier Services

Staff were able to obtain a significantly lower estimate for contracted courier services that would be needed to transport books received at the Goleta Library to the Buellton and Solvang libraries. Staff had previously received a quote totaling \$13,680 for these

services, but the Library Director has since been able to obtain more affordable pricing totaling \$8,760. This savings contributes to a notable decrease in the proposed expenditures for both Buellton and Solvang of \$4,920 (each branch). Courier services costs are accounted for in the Messenger/Delivery line item under Supplies and Services. Refer to Attachment 1 to view the revised library budgets for both branches.

Solvang Library Staffing

Staff received updated information pertaining to staffing at the Solvang Library, which contributed to increased costs in the Salary and Benefits section of that library's budget. Previously unknown and unaccounted for in the prior fee calculation, the Solvang Library has a part-time Library Technician position that was recently filled at 15 hours per week. In addition, staff also received updated information pertaining to the part-time hours of the Library Assistant 1 position, which are 17 hours per week instead of the previously calculated 16 hours per week. With these changes, the overall salary and benefits costs increased by approximately \$19,287 for the Solvang Library.

Mileage Costs

Staff identified previously unaccounted for mileage costs that would apply to both the Buellton and Solvang budgets, which would allow for travel by the Library Director to attend meetings specific to the Buellton and Solvang branches at an assumed frequency of once per month. Mileage costs of \$265 for each branch have been added under the Supplies and Services budget sections.

Support Time and Materials (Management Fee) Revisions

The previously approved management fee incorporates costs for contracted IT services. As shown in the Support Time and Materials section of the branch budgets, the management fee was calculated to include all support functions identified in the time and materials survey previously administered to staff. IT services totaled approximately \$18,848 for each branch based on a quote from Synergy Computing, Inc., the company currently providing IT services at Goleta City Hall. However, staff have since realized that it would be more appropriate to account for IT related costs under the Supplies and Services budget sections for each branch library, in recognition that the services would be contracted and directly identifiable to each branch library and therefore not appropriate to include in the management fee. Also related to Support Time and Materials section, an adjustment was identified pertaining to the estimated Library Department administrative time that would be spent selecting circulating materials for the Buellton and Solvang libraries. Costs were adjusted to reflect a frequency of one hour per week spent on this support task.

The overall adjustment of management fees results in a lower calculated management fee for both branches from \$50,094 to \$35,382, a \$14,712 or 29.4% decrease. The supplies and services budget experienced an increase of \$14,193 to both branch libraries. Overall, Buellton Library total expenditures increased by approximately \$519 with Solvang Library increasing by \$18,768 (primarily related to the adjustment of staffing levels, as described above).

All of the above described changes to the draft branch library budgets will ultimately result a decrease in the administrative fee percentage rate for both branch libraries. For the City of Buellton, the percentage fee has decreased from 21.07% to 14.62%. For the City of Solvang, the percentage has decreased from 19.62% to 12.25%. Translated into a dollar amount, the management fee for each branch is now estimated to be approximately \$35,382. In addition, staff adjusted the worksheets on the City of Santa Barbara column to now show the administrative fee rate comparison at 18% that was previously utilizing City of Goleta's calculated administrative fee percentage rate. The current FY 18/19 administrative fee rate imposed by the City of Santa Barbara is 13.5%, but Santa Barbara is likely to increase that amount to 18% in future years as it moves towards full cost recovery, as expressed by the City of Santa Barbara's staff report dated on May 15, 2018, discussing changes to the management of county libraries. This adjustment to an 18% administrative fee rate comparison was made to provide Buellton and Solvang a comparison of the City of Goleta proposed fee and City of Santa Barbara's likely fee. As both branch budgets show, the City of Goleta's current calculated management fee offers an economical alternative to Buellton and Solvang, with the ability to provide greater transparency through the tracking of actual costs incurred by the City of Goleta.

The adjusted branch library budget worksheets can be viewed in Attachment 1. The time and materials survey details, which informed the management fee amount (Support Time and Materials), are provided in Attachment 2. Staff are seeking Council's approval of the above-described revisions to the fee model.

Valuable Consideration

During the November 14 meeting, the concept of "valuable consideration" was raised by the City staff Government Code, sections 54981 and 54982 provide that a local agency may contract with another local agency for the performance by the latter of municipal services or functions within the territory of the former and that such an agreement must be for valuable consideration. The City has further explored this concept and has determined that the City could enter into an agreement with the County to provide library services to Buellton and Solvang on behalf of the County. The per capita payment from the County constitutes valuable consideration for Goleta's performance of library functions on behalf of the County for the Buellton and Solvang libraries. The agreement with Buellton and Solvang to compensate Goleta for all costs of operation would also be necessary to ensure that valuable consideration is met; in other words, the City could not operate the libraries at a loss and detriment to the Goleta's residents.

Considerations for Goleta: Expansion of Zone 4 and Management of the Buellton and Solvang Branches

Staff are seeking Council's direction on whether to assume management and operations of the Buellton and Solvang library branches. At the November 14 meeting, a timeline of actions was presented highlighting to Council the various steps that would need to be

taken to effectuate such a transition. A revised timeline is presented below. As previously discussed, the Black Gold Cooperative Library System (Black Gold) had requested to receive a decision from Goleta on management of the branches by December 1, 2018. It is important that Black Gold receive the City Council's decision as soon as possible because their deadline has already passed.

Action	Date/ Deadline
Goleta to provide financial fee details to Buellton and Solvang	Completed
Goleta City Council approval of a recommended library management fee for the Cities of Buellton and Solvang, and approval to assume management of both libraries by July 1, 2019	November 14, 2018 and December 18, 2018
Solvang City Council consideration of Goleta management	December 10, 2018
Buellton City Council consideration of Goleta management	December 13, 2018
Notification to Black Gold of Goleta's decision to manage Buellton and Solvang Libraries	December 1, 2018
Implement changes in the Polaris system (Black Gold's software)	March of 2019
County BOS approval of Zone 4 service area map changes	Spring of 2019
Goleta staff coordination with City of Santa Barbara on the transition of library employees to Goleta compensation; coordinate with City of Santa Barbara on outreach efforts to ensure a continuity of services to patrons at the affected libraries.	Spring of 2019
Complete book re-barcoding effort	June 1, 2019
July 1, 2019	Start Date for Goleta Management of Buellton and Solvang Libraries

As stated earlier in the report, the Solvang City Council decided to move forward with Goleta management of the Solvang Library starting on July 1, 2019, contingent upon the Goleta City Council also approving this change. The Buellton City Council decision was still outstanding at the time this report was published. Assuming the City of Buellton also votes to move forward with Goleta management, there are several considerations for the City Council to weigh in deciding whether to move forward with such a transition. Although not exhaustive, staff have attempted to summarize the salient points, a few of which were already presented at the November 14 meeting and are being reiterated for purposes of this discussion.

Benefits to Goleta

The City of Goleta is the newest library administrator in the County of Santa Barbara area, which consists of four geographical (i.e. administrative) zones. Zone 4 presently includes just the Goleta Library. As recommended in the recent Countywide library analysis performed by Management Partners, the creation of a new Zone 4 that

includes (in addition to the Goleta Library) the Buellton Library and Solvang libraries, would create an opportunity to achieve greater balance in the number of libraries managed in each zone. The other zones (1, 2, and 3) include several libraries under the purview of their respective zone administrators. Further, the Buellton and Solvang geographical areas are immediately adjacent to the existing Zone 4 boundaries, and thus an expansion of Zone 4 to include these areas makes practical sense.

The addition of Buellton and Solvang under Goleta management could also represent an opportunity for Goleta to serve as a stronger community and regional partner in the provision of library services. Furthermore, in a new role as administrator of several libraries, the City may be better situated to have a greater voice and presence in the discussion of library-related issues that affect the entire County, as well as the tri-county Black Gold Cooperative service area. For example, the City may wish to collaborate with other agencies in the future on a shared approach to increasing funding for libraries. All libraries within the County have continued to struggle with limited funding and a solution will ultimately be necessary for all. Additionally, there may be opportunities for the library patrons within Zone 4 to benefit from increased grant funding, in recognition that there are underserved populations in the Santa Ynez Valley that could make the City's grant applications more competitive.

Potential Drawbacks/ Future Issues to Consider

As highlighted at the November 14 meeting, the Buellton and Solvang library budgets were drafted assuming a continued baseline level of services to the patrons at those libraries. At the current service levels, a budget deficit already exists for both branches, but inevitable increases to salaries and benefits and supplies and services will further exacerbate these deficits in future years. While Buellton and Solvang are responsible for addressing their respective deficits, the City of Goleta as library administrator would be the responsible entity to provide services satisfactory to the patrons at both branches without subsidy. In other words, the City would be answerable to the needs of the patrons as the frontline customer service provider, yet would have little to no control over the funding sources that are controlled and provided by external agencies to operate the branches.

In determining a management fee, staff also observed that there are certain costs and impacts not directly measurable, such as the impacts to current Goleta support staff workloads (General Government, Finance, Library Administration) and competing priorities. When analyzing total support staff's annual hours used for calculating the management fee, this resulted in approximate 565 support hours for each branch or a total of 1,130 hours, with the majority of support hours provided by the Goleta Library Department of 927 hours. A portion of staff workloads would need to be dedicated to supporting the branch libraries on an ongoing basis, which has the potential to take time away from other City priorities. Such current workload-related impacts (if any) are currently unknown and therefore not directly translatable into monetary costs.

Library Board of Trustees

Another library issue that will be brought to the City Council at a future meeting will be to designate the City Council as the Library Board of Trustees pursuant to Education Code sections 18910 et. seq., and to create a separate advisory library board comprised of City and County residents. At the outset of the process by which Goleta considered formation of its own municipal library and operation of the Goleta Valley Library, for which a Library Board of Trustees would be created pursuant to Education Code section 18910, the City Council always understood this library board to have the ability to look at library services and operations and make recommendations to the City Council. The County and City mutually understood that the Library Board of Trustees would be advisory and this was the basis upon which the City Council moved forward.

Subsequently staff was made aware that the Library Board of Trustees had certain authority that the City Council never intended to cede to another entity. To correct this inadvertent error, staff will bring ordinances to designate the City Council as the Library Board of Trustees and create an advisory committee comprised of Goleta and County residents. This will reserve the authority of the City Council on matters which should be under its authority under the Education Code but still create an opportunity for community members using the Goleta library to provide policy recommendations. This framework would effectuate the original intent of the City Council and County.

Staff has brought this issue up with the County and will engage in further dialogue to obtain mutual agreement of the proposed framework. However, staff recommends that any future official actions taken by the Council on library operations with the County be conditioned upon the County's consent to the governing framework proposed above.

FISCAL IMPACTS:

The revised operational budget and management fee presented in this report accounts for all known costs the City would incur in managing the Buellton and Solvang libraries. If the City Council moves forward with management of the branches, staff involved with supporting the libraries will track their time throughout the fiscal year and the true costs of providing these services will be analyzed. Based on the outcome of time tacking, the management fee may be e adjusted up or down to reflect actual support provided. Due to the timing of budget projections and adoptions, actual adjustments would experience a timing lag. In other words, the adjustment from FY 19/20 actual hours and budget expenditure actuals, would not be applicable until FY 21/22, due to budget projections for FY 20/21 would have already been adopted prior to the end of FY 19/20. In this way, the fiscal impacts to the City of Goleta of moving forward with management of branch libraries would be fully recovered through the fee.

Total one-time costs of approximately \$13,384 will be experienced in FY 18/19 for each branch library for transition of management to start at the beginning of FY 19/20. Ongoing annual budget estimates were developed using FY 18/19 available information for both revenues and expenditures. Total revenue sources were assumed status quo

for both branch libraries, and total expenditure costs were estimated to be approximately \$277,347 for the Buellton Library, and \$324,151 for the Solvang Library. Expenditure estimates were determined from information received from City of Santa Barbara, costs projected by staff and quotes provided by vendors. Based on current estimated revenue and status quo service levels, a deficit of \$40,043 for Buellton Library and \$63,154 for Solvang Library will exist in the first year. The deficit will continue to increase on an ongoing basis, unless an additional revenue sources are made available to balance the budgets, or other adjustments implemented. Potential cost increases in the future would depend on salary levels, benefit adjustments, cost of supplies and services, and changes to increase levels of services. At this time, staff projects future overall cost increases in the range of 1% to 3%, which will be further evaluated. Other potential costs increases are associated with Black Gold fees. Staff does not have this information available to them at this time, but any Black Gold cost increases for the Buellton and Solvang Libraries will be further evaluated once known.

Both Buellton and Solvang are aware of these deficits and are prepared to address them through increased General Fund contributions in the 2019-20 Fiscal Year. Under Goleta management using the current fee calculations, the Buellton Library budget would need a total General Fund allocation of \$181,684 in 2019-20 to balance the library's budget, whereas the Solvang Library budget would need a total General Fund allocation of \$215,337. (Refer to Attachment 4)

Staff will also continue to evaluate indirect overhead rates that are not captured in the staff labor and benefit rates used in this current model. It was discussed during the November 14, Special City Council Meeting presentation that Model 2, similar to Model 1, was not recommended at this time, due to the updated cost allocation plan was under development, and has not been reviewed, approved or authorized by City Council. The updated cost allocation plan is expected to be presented to Council in the spring of 2019. A cost allocation plan is necessary to identify and properly allocate indirect costs into determining fully-burdened hourly labor rates for staff. After such time and approval, Council may choose to implement these rates at a later time if they choose to do so.

ALTERNATIVES:

The City Council could choose to forego managing the Buellton and Solvang Libraries. It should be noted, however, that there is strong community and political will from other stakeholders including the County of Santa Barbara Board of Supervisors, for the City of Goleta to manage these branches. This will be in large part predicated on the Management Partners consultant study results. It is also unknown at this point how or if Goleta's Zone 4 share of the County library per capita funding would be affected should the City Council decide not to manage the branches.

There is little to no flexibility timing-wise to delay the decision. As discussed on November 14, the Black Gold Cooperative Library System (Black Gold) needs to develop 2019-20 program year budgets for its member libraries. Since that time, staff learned that Black Gold has decided to move forward in their budgeting process using the assumption that Goleta will take on management of the Buellton and Solvang

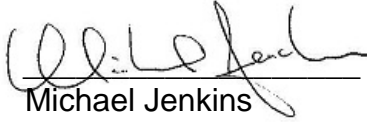
branches. It is important that Black Gold be notified as soon as possible of City Council's decision.

Reviewed By:



Carmen Nichols
Deputy City Manager

Legal Review By:



Michael Jenkins
City Attorney

Approved By:



Michelle Greene
City Manager

ATTACHMENTS:

1. Cities of Buellton and Solvang Revised Library Branch Budgets
2. Time and Materials Survey
3. City of Solvang Staff Report
4. City of Buellton Staff Report

ATTACHMENT 1

Cities of Buellton and Solvang Revised Library Branch Budgets

City of Buellton (DRAFT)	City of Santa Barbara		City of Goleta
	FY 18/19 Buellton Budget	FY 19/20 Buellton Budget	FY 19/20 Buellton Budget
Cost Model Methods:	Indirect Overhead Rate	Indirect Overhead Rate	Cost of Service (Labor/Benefit Rate)
Revenues			
Donations	\$ 2,050.00	\$ 2,050.00	\$ 2,050.00
Fees and Service Charges	\$ 3,150.00	\$ 3,150.00	\$ 3,150.00
County Per Capita	\$ 83,163.00	\$ 83,163.00	\$ 83,163.00
City Contribution	\$ 141,641.00	\$ 141,641.00	\$ 141,641.00
Library Fines	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Other Revenue	\$ 4,300.00	\$ 4,300.00	\$ 4,300.00
Total Revenues	\$ 237,304.00	\$ 237,304.00	\$ 237,304.00
Expenditures			
Salary and Benefits			
Total Salary and Benefits	\$ 162,909.00	\$ 162,909.00	\$ 140,693.57
Supplies and Services:			
Black Gold	\$ 19,550.00	\$ 19,550.00	\$ 19,550.00
Office Supplies & Expense	\$ 2,665.00	\$ 2,665.00	\$ 2,665.00
Bank Fees	\$ 25.00	\$ 25.00	\$ -
Special Supplies and Expense	\$ 4,115.00	\$ 4,115.00	\$ 4,115.00
Facilities Maint.	\$ -	\$ -	\$ -
Non-Contractual Services (Custodial/Copier)	\$ 10,562.39	\$ 10,562.39	\$ 2,400.00
Advertising	\$ 200.00	\$ 200.00	\$ 200.00
Printing & Binding	\$ 150.00	\$ 150.00	\$ 150.00
Messenger/Delivery	\$ -	\$ -	\$ 8,760.00
Postage/Delivery	\$ 500.00	\$ 500.00	\$ 500.00
Gas	\$ 300.00	\$ 300.00	\$ 300.00
Telephone	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00
Utilities	\$ -	\$ -	\$ -
Internet/Cable	\$ -	\$ -	\$ 2,800.00
Custodial	\$ -	\$ -	\$ -
Vehicle Fuel and Maintenance	\$ -	\$ -	\$ 265.00
IT Services and Software (Direct Costs)	\$ -	\$ -	\$ 18,848.28
Total Supplies and Services	\$ 39,667.39	\$ 39,667.39	\$ 62,153.28
Capital Equipment:			
Book Acquisitions	\$ 39,119.00	\$ 39,119.00	\$ 39,119.00
Total Capital Equipment	\$ 39,119.00	\$ 39,119.00	\$ 39,119.00
Subtotal Expenditures	\$ 241,695.39	\$ 241,695.39	\$ 241,965.85
Support Time and Materials (Mgmt. Fee):			
Gen Gov			\$ 13,078.45
Finance			\$ 4,305.65
Library			\$ 17,997.45
Total Support Staff Time and Materials	\$ 33,623.00	\$ 43,505.17	\$ 35,381.55
Conversion to Admin Fee Rate	13.91%	18.00%	14.62%
Total Expenditures	\$ 275,318.39	\$ 285,200.56	\$ 277,347.40
Net Revenues Over Expenditures	\$ (38,014.39)	\$ (47,896.56)	\$ (40,043.40)

City of Buellton (DRAFT)		City of Goleta	
		FY 2018/19 Buellton Budget	
Cost Model Methods:		Cost of Service	
One-Time Startup:			
	Gen Gov	\$	1,451.83
	Finance	\$	295.92
	Library	\$	11,636.44
Total One-Time Startup Expenditures		\$	13,384.19
One-time costs for transition includes Black Gold reconfiguration, re-barcoding staff time, barcodes, staff time for amending library agreements and vendor agreements, training on Goleta library policy and procedures, new library cards, onboarding staff, creation of new website, staff training on financial policies, cash handling and receipting for Goleta, and setting up new funds and accounts.			

City of Solvang (DRAFT)	City of Santa Barbara		City of Goleta
	FY 18/19 Solvang Budget	FY 19/20 Solvang Budget	FY 19/20 Solvang Budget
Cost Model Methods:	Indirect Overhead Rate	Indirect Overhead Rate	Cost of Service (Labor/Benefit Rate)
Revenues			
Donations	\$ 21,500.00	\$ 21,500.00	\$ 21,500.00
Fees and Service Charges	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
County Per Capita	\$ 83,163.00	\$ 83,163.00	\$ 83,163.00
City Contribution	\$ 141,534.00	\$ 141,534.00	\$ 141,534.00
Library Fines	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00
Other Revenue	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
Total Revenues	\$ 260,997.00	\$ 260,997.00	\$ 260,997.00
Expenditures			
Salary and Benefits			
Total Salary and Benefits	\$ 181,285.00	\$ 181,285.00	\$ 174,529.36
Supplies and Services:			
Black Gold	\$ 19,550.00	\$ 19,550.00	\$ 19,550.00
Office Supplies & Expense	\$ 2,665.00	\$ 2,665.00	\$ 2,665.00
Bank Fees	\$ -	\$ -	\$ -
Special Supplies and Expense	\$ 4,115.00	\$ 4,115.00	\$ 4,115.00
Facilities Maint.	\$ 7,938.00	\$ 7,938.00	\$ 7,938.00
Non-Contractual Services	\$ 4,258.31	\$ 4,258.31	\$ 2,400.00
Meeting & Travel	\$ 50.00	\$ 50.00	\$ 50.00
Dues Membership & License	\$ 20.00	\$ 20.00	\$ -
Training	\$ 200.00	\$ 200.00	\$ 200.00
Advertising	\$ 150.00	\$ 150.00	\$ 150.00
Printing & Binding	\$ 500.00	\$ 500.00	\$ 500.00
Messenger/Delivery	\$ -	\$ -	\$ 8,760.00
Postage/Delivery	\$ 100.00	\$ 100.00	\$ 100.00
Gas	\$ 280.00	\$ 280.00	\$ 280.00
Telephone	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Utilities	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Internet/Cable	\$ -	\$ -	\$ 2,800.00
Credit Card Fees	\$ -	\$ -	\$ -
Custodial	\$ -	\$ -	\$ -
Vehicle Fuel and Maintenance	\$ -	\$ -	\$ 265.00
IT Services and Software (Direct Costs)	\$ -	\$ -	\$ 18,848.28
Total Supplies and Services	\$ 46,326.31	\$ 46,326.31	\$ 75,121.28
Capital Equipment:			
Book Acquisitions	\$ 39,119.00	\$ 39,119.00	\$ 39,119.00
Total Capital Equipment	\$ 39,119.00	\$ 39,119.00	\$ 39,119.00
Subtotal Expenditures	\$ 266,730.31	\$ 266,730.31	\$ 288,769.64
Support Time and Materials (Mgmt. Fee):			
Gen Gov			\$ 13,078.45
Finance			\$ 4,305.65
Library			\$ 17,997.45
Total Support Staff Time and Materials	\$ 38,336.00	\$ 48,011.46	\$ 35,381.55
Conversion to Admin Fee Rate	14.37%	18.00%	12.25%
Total Expenditures	\$ 305,066.31	\$ 314,741.77	\$ 324,151.19
Net Revenues Over Expenditures	\$ (44,069.31)	\$ (53,744.77)	\$ (63,154.19)

City of Solvang (DRAFT)		City of Goleta	
		FY 2018/19 Solvang Budget	
Cost Model Methods:		Cost of Service	
One-Time Startup:			
	Gen Gov	\$	1,451.83
	Finance	\$	295.92
	Library	\$	11,636.44
Total One-Time Startup Expenditures		\$	13,384.19
<i>One-time costs for transition includes Black Gold reconfiguration, re-barcoding staff time, barcodes, staff time for amending library agreements and vendor agreements, training on Goleta library policy and procedures, new library cards, onboarding staff, creation of new website, staff training on financial policies, cash handling and receipting for Goleta, and setting up new funds and accounts.</i>			

ATTACHMENT 2

Time and Materials Survey

Cost of Service Analysis for Library Management (General Government)

Classification:	Mgmt. Assistant	Human Resources Analyst	Mgmt. Analyst	Human Resources Manager	Community Relations Assistant	Community Relations Manager	Deputy City Clerk	City Clerk	Assistant City Attorney	Deputy City Manager	City Manager
Labor/Benefit Hourly Rate:	\$ 51.61	\$ 69.11	\$ 60.83	\$ 77.72	\$ 38.56	\$ 92.00	\$ 64.61	\$ 107.50	\$ 110.22	\$ 139.28	\$ 170.17

Tasks												Total Time	Estimated Volume	Total Hours	Total Task Costs	Comments	Other Notes
One Time																	
Onboarding staff	1.00	0.50						0.05				1.55	6.00	9.30	\$ 549.24	Est. time spent onboard one new employee	Assumes 6 employees
Creation of new website					10.00							10.00	1.00	10.00	\$ 385.60	Est. time spent associated with new library website (initial startup)	Assumes status quo for initial transition and startup.
IT related improvements												0.00	0.00	0.00	\$ -	Est. time spent overall anything IT related with branch libraries	Removed per Scott as courttest with new contract rate
Staff Training	1.00	0.50										1.50	6.00	9.00	\$ 516.99	Est. avg. time spent training one new employee, personnel rules, time entry,	Assumes 6 employees
												0.00	0.00	0.00	\$ -		
												0.00	0.00	0.00	\$ -		
												0.00	0.00	0.00	\$ -		
												0.00	0.00	0.00	\$ -		
Total One Time	2.00	1.00	0.00	0.00	10.00	0.00	0.00	0.05	0.00	0.00	0.00	13.05	13.00	28.30	\$ 1,451.83		
City Manager's Office																	
Contract review			1.00						0.15	0.15	0.15	1.45	1.00	1.45	\$ 123.78	Est. average time spent for reviewing one contract	Assumes 1
Budget review										0.15	0.15	0.30	2.00	0.60	\$ 92.84	Est. average time spent for reviewing one programs budget	Assumes budget review twice a year for adoption.
Agenda and Staff Report Related Time			0.25						0.25	0.25	0.15	0.90	1.00	0.90	\$ 103.11	Est. average time spent for reviewing one staff report	Assumes annual time provided. Not per one staff report.
Labor agreements												0.00	0.00	0.00	\$ -	Est. average time spent for reviewing one labor agreement	Removed (see HR below)
												0.00	0.00	0.00	\$ -		
Total City Manager's Office	0.00	0.00	1.25	0.00	0.00	0.00	0.00	0.00	0.40	0.55	0.45	2.65	4.00	2.95	\$ 319.72		
City Clerk																	
Document routing, review and filing							0.50					0.50	5.00	2.50	\$ 161.53	Est. average time spent for routing, reviewing and filing one document	Assumes 5 documents related
Records request												0.00	0.00	0.00	\$ -	Est. average time spent for one public records request	Removed. Costs are reimburseable to requester of public records requests
New employee - Oath of Office								0.05				0.05	1.00	0.05	\$ 5.38	Est. average time spent for one employee oath of office	Assumes 1 EE turnover for ongoing.
Agenda and Staff Report Related Time							0.25	0.25				0.50	5.00	2.50	\$ 215.14	Est. average time spent on handling one staff report	Assumes 5 documents related.
												0.00	0.00	0.00	\$ -		
Total City Clerk	0.00	0.00	0.00	0.00	0.00	0.00	0.75	0.30	0.00	0.00	0.00	1.05	11.00	5.05	\$ 382.04		
City Attorney																	
Review of contracts/vendor agreements related to branch libraries												0.00	0.00	0.00	\$ -	Est. avg. time spent reviewing one contract	Limited. Time accounted for under City Manager's Office
												0.00	0.00	0.00	\$ -	Est. avg. time spent reviewing one personnel related matter	Removed. See HR section below.
												0.00	0.00	0.00	\$ -		
												0.00	0.00	0.00	\$ -		
Total City Attorney	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -		
Community Relations																	
Press Releases (To be done by Library staff)												0.00	0.00	0.00	\$ -	Est average time spent for issuing one press release	Assumes Goleta Library to provide this task
Marketing and advertising (To be done by Library staff)												0.00	0.00	0.00	\$ -	Est. average time spent creating marketing materials for one event	Assumes Goleta Library to provide this task
Website updates (To be done by Library staff)												0.00	0.00	0.00	\$ -	Est. average time spent making library changes and updates per program	Assumes Goleta Library to provide this task
												0.00	0.00	0.00	\$ -		
												0.00	0.00	0.00	\$ -		
Total Community Relations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -		
Human Resources																	
Onboarding	1.00	0.50										1.50	1.00	1.50	\$ 86.17	Est. time spent onboard one new employee	Assumes 1 EE turnover for ongoing
Staff Training	1.00	0.50										1.50	1.00	1.50	\$ 86.17	Est. avg. time spent training one new employee	Assumes 1 EE turnover for ongoing
Recruiting/Retention	1.00	1.50		1.00							0.50	4.00	1.00	4.00	\$ 318.08	Est. avg. time spent on recruitment/retention efforts for one employee	Assumes 1 EE turnover for ongoing
Performance Evaluations		0.15		0.25						0.15		0.55	6.00	3.30	\$ 304.13	Est. avg. time spent in managing/processing performance evaluation for one employee	Assumes 6 EE annual employee evaluations
Labor Relations		0.50		0.50								1.00	1.00	1.00	\$ 73.42	Est. avg. time spent on labor relations with one employee	Assumes 1 EE
Benefit Management		0.15										0.15	1.00	0.15	\$ 10.37	Est. avg. time spent on maintaining updated employee information	Assumes 1 EE changes in personnel information
Payroll and employee profile maintenance	0.15	0.15										0.30	6.00	1.80	\$ 108.65	Est. time spent on processing benefits for one employee	Assumes 6 EE
												0.00	0.00	0.00	\$ -	Est. time spent going over policies and procedures for one employee	Accounted for as one-time costs (see top section)
												0.00	0.00	0.00	\$ -	Est. time spent on setting up one employee in incode	Accounted for as one-time costs (see top section)
												0.00	0.00	0.00	\$ -		
Total Human Resources	3.15	3.45	0.00	1.75	0.00	0.00	0.00	0.00	0.00	0.15	0.50	9.00	17.00	13.25	\$ 986.97		
TOTAL TASK COSTS - ONE TIME	2.00	1.00	0.00	0.00	10.00	0.00	0.00	0.05	0.00	0.00	0.00	13.05	13.00	28.30	\$ 1,451.83		
TOTAL TASK COSTS - ONGOING	3.15	3.45	1.25	1.75	0.00	0.00	0.75	0.30	0.40	0.70	0.95	12.70	32.00	21.25	\$ 1,688.73		
TOTAL TASK COSTS	5.15	4.45	1.25	1.75	10.00	0.00	0.75	0.35	0.40	0.70	0.95	25.75	45.00	49.55	\$ 3,140.56		
Direct Costs												Unit Price	# of Units		Total Cost	Description	
One Time																	
PC/Laptop upgrades (anticipated)												\$ 2,000.00	0.00		\$ -	City dept. heads to transition laptops to Library	Goleta may have extra laptops for use
Microsoft Windows OS downgrade to Windows 7 for Black Gold compatibility (to PCs/Laptops above)												\$ 200.00	0.00		\$ -	MS Windows OS Downgrade for Black Gold compatibility	Not needed.
Website Page for Each Site (\$3,000) one time only												\$ 3,000.00	0.00		\$ -	Previously \$3,000. Removed. Will keep website status quo and redirect domain to	Website to remain status quo.
															\$ -		
															\$ -		
															\$ -		
															\$ -		
Total One Time												\$ 5,200.00	0.00		\$ -		
Supplies - Ongoing																	
Insurance Premiums (CJPIA - Workers Comp) \$7.16 per \$100 of new payroll												\$ 8,279.23	1.00		\$ 8,279.23	Cost of adding new employees - per CJPIA	Based on new payroll
Insurance Premiums (CJPIA - Liability) @2.69 per \$100 of new payroll												\$ 3,110.49	1.00		\$ 3,110.49	Cost of adding new employees - per CJPIA	Based on new payroll
NEOGOV												\$ 72.50				Cost of adding new employee	Removed, no additional impact to software cost.
Total Supplies - Ongoing												\$ 11,462.22	2.00		\$ 11,389.72		
Professional Services - Ongoing (IT Direct Costs to be listed in Supplies & Services Budget)																	
IT Services												\$ 1,497.00	12.00		\$ 17,964.00	Annual monthly cost of providing full IT support to one Library Branch	Per Scott. Revised estimate, after assessment.
Office 365 Licensing (monthly \$12, annual \$144)												\$ 144.00	1.00		\$ 144.00	Cost of adding one additional license	Assumes 1 license needed
Adobe Licensing (annual \$140.28)												\$ 140.28	1.00		\$ 140.28	Annual Cost of adding one additional license	Assumes 1 license needed
MS Exchange Email Webhosting												\$ 120.00	5.00		\$ 600.00	Annual Cost of adding one MS Exchange Email Hosting	Assumes 6 employees at \$15/month
															\$ -		
															\$ -		

	Mgmt. Assistant	Human Resources Analyst	Mgmt. Analyst	Human Resources Manager	Community Relations Assistant	Community Relations Manager	Deputy City Clerk	City Clerk	Assistant City Attorney	Deputy City Manager	City Manager						
Classification:																	
Labor/Benefit Hourly Rate:	\$ 51.61	\$ 69.11	\$ 60.83	\$ 77.72	\$ 38.56	\$ 92.00	\$ 64.61	\$ 107.50	\$ 110.22	\$ 139.28	\$ 170.17						
Total Professional Services - Ongoing (IT Direct Costs to be listed in Supplies & Services Budget)												\$ 1,901.28	19.00		\$ 18,848.28		
TOTAL DIRECT COSTS - ONE TIME												\$ -					
TOTAL DIRECT COSTS - ONGOING												\$ 30,238.00					
TOTAL DIRECT COSTS												\$ 30,238.00					

GENERAL GOVERNMENT SUMMARY:		
TOTAL TASK COSTS - ONE TIME	\$	1,451.83
TOTAL TASK COSTS - ONGOING	\$	1,688.73
TOTAL TASK COSTS	\$	3,140.56
TOTAL DIRECT COSTS - ONE TIME	\$	-
TOTAL DIRECT COSTS - ONGOING	\$	30,238.00
TOTAL DIRECT COSTS	\$	30,238.00
TOTAL ONE TIME	\$	1,451.83
TOTAL ONGOING	\$	13,078.45
TOTAL GEN GOV	\$	14,530.28
TOTAL IT COSTS	\$	18,848.28
TOTAL	\$	33,378.56

\$11,390 is insurance premium related (workers comp and liability)

IT contract costs and software to be accounted for separately under branch line-item budget

Cost of Service Analysis for Library Management (Finance)

Classification:
Labor/Benefit Hourly Rate:

Senior Office Specialist	Accounting Specialist	Accountant	Budget Analyst	Accounting Manager	Finance Director
\$ 42.89	\$ 44.22	\$ 55.11	\$ 54.83	\$ 77.11	\$ 112.83

Tasks (Finance Department)	Estimated Amount of Hours						Total Time	Estimated Volume	Total Hours	Total Task Costs	Comments	Other Comments
One Time												
Incode Training - Time Entry							0.00	0.00	0.00	\$ -	Removed. Goleta Library to provide training	
Incode Training - Purchasing/Purchase Requisitions							0.00	0.00	0.00	\$ -	Removed. Goleta Library will be managing ordering	
Training - Cash Receipting and Cash Handling			0.50		0.20		0.70	1.00	0.70	\$ 42.98	Finance original oversight	
Incode Training - Account Lookup							0.00	0.00	0.00	\$ -	Removed. Not needed. Goleta Library to manage	
Incode Training - Budget Tools							0.00	0.00	0.00	\$ -	Removed. Not needed. Goleta Library to manage	
Library Credit Card Merchant Setup							0.00	0.00	0.00	\$ -	N/A yet. Credit card setup for future.	
Library Self Serve Machines Setup							0.00	0.00	0.00	\$ -	N/A yet. Additional costs if in future	
Financial Policy and Procedures Training			0.50		0.00		0.50	1.00	0.50	\$ 27.56	To go through Goleta Library	
Setting up new funds and accounts			1.00		0.10	0.05	1.15	3.00	3.45	\$ 205.39	Est. time spent on setting up new funds and accounts for one branch	Assumes 3 funds per branch(county per capita, other, friends)
							0.00	0.00	0.00	\$ -		
							0.00	0.00	0.00	\$ -		
Total One Time	0.00	0.00	2.00	0.00	0.30	0.05	2.35	5.00	4.65	\$ 275.92		
Accounts Payable												
Vendor Maintenance and Setup							0.00	0.00	0.00	\$ -	Est. time of setting up one vendor and Est number of vendors	Removed. Assumption no new specific vendor.
Purchase Requisitions and Purchase Orders		0.05	0.10				0.15	5.00	0.75	\$ 38.61	Est. time of review/process purchase req/order and Est number of Pos	Purchase orders specific to branch. Assume 5.
Invoice Review, Routing and Processing		0.05	0.05		0.05		0.15	60.00	9.00	\$ 636.48	Est. time of reviewing one invoice and est number of invoices per branch	Assumes 5 vendors, 12 monthly invoices on annual basis
Travel Reimbursements		0.30	0.05		0.05		0.40	1.00	0.40	\$ 21.66	Est. time of reviewing and processing travel reimbursement	Assumes processing 1 travel reimbursement
Credit Card and Vendor Account Reconciliation							0.00	0.00	0.00	\$ -	Est. time of reviewing one month of credit card transaction per branch	Credit Card Reconciliation per branch (N/A yet)
Mail/document routing and handling		0.01					0.01	60.00	0.60	\$ 26.53	Est. time of mail handling related to one branch	Assumes 5 vendors,12 monthly invoices, 60 total
1099 preparation and review							0.00	0.00	0.00	\$ -	Est. time of preparing and processing 1099 for one branch	Removed. Absorbed through Goleta Library
							0.00	0.00	0.00	\$ -		
Total Accounts Payable	0.00	0.41	0.20	0.00	0.00	0.10	0.71	126.00	10.75	\$ 723.29		
Treasury Services												
Cash Collections/Processing of Deposits	0.20		0.05				0.25	156.00	39.00	\$ 1,768.03	Est. time of processing one receipt and estimated volume of deposits, per branch	3x a week for 52 weeks = 156 transactions. Volume base on courier service
Donation Reconciliation			0.10		0.10		0.20	12.00	2.40	\$ 158.66	Est. time of reconciling donations	Monthly reconciliation and remittance of Friends funds
Credit Card Merchant and Processing Fee Reconciliation							0.00	0.00	0.00	\$ -	Est time processing credit card fees, on a monthly basis	N/A. No credit card system.
Change Funds			0.20		0.10		0.30	4.00	1.20	\$ 74.93	Est. time processing change funds. Monthly basis	Assumes 4x a year.
Reimbursement/Refund Processing and Reconciliation		0.20	0.10		0.05		0.35	2.00	0.70	\$ 39.99	Est . Time processing one reimbursement or refund	Assumes 2x a year
Revenue tracking and reconciliation			0.50		0.10		0.60	4.00	2.40	\$ 141.06	Est. time reconciling special revenue funds for one branch	4 quarterly reports
							0.00	0.00	0.00	\$ -		
							0.00	0.00	0.00	\$ -		
Total Treasury Services	0.20	0.20	0.95	0.00	0.30	0.05	1.70	178.00	45.70	\$ 2,182.68		
Accounting Services												
Internal Control Review and Audit			0.50		0.30	0.05	0.85	1.00	0.85	\$ 56.33	Est. time of reviewing controls and audits	Can vary. Should be reviewed/audit twice a year
Library Funds Management and Reconciliation		0.50	0.50		0.20	0.05	1.25	4.00	5.00	\$ 282.91	Est. time reviewing and reconciling all funds	4x a year when preparing quarterly and treasurer reports
Management of Friends Groups Funds							0.00	0.00	0.00	\$ -	Est. time reconciling and remitting funds for friends group	Removed. Accounted for above.
Journal Entries			0.20		0.10		0.30	3.00	0.90	\$ 56.20	Est. time reviewing/processing Journal Entries	Assumed 10 journal entries for the year
Budget Adjustments			0.20			0.05	0.25	3.00	0.75	\$ 49.99	Est. time reviewing/processing Budget Adjustments	Assumes 10 budget adjustments for the year
Budget Oversight/Preparation		0.50	0.50		0.20	0.05	1.25	2.00	2.50	\$ 141.46	Est time preparing budget worksheets and reviewing	Assumes mid-year and mid-cycle prep
Financial Reporting			0.50		0.20	0.05	0.75	4.00	3.00	\$ 194.47	Est. time preparing financial reporting for Quarterlies	Assumes Quarterly Financial Reporting
Ongoing Incode Training			0.00		0.00		0.00	0.00	0.00	\$ -	Est. time on ongoing Incode training.	No training needed by Finance.
Cost Allocation and Cost of Service Analysis			0.15		0.20	0.10	0.45	4.00	1.80	\$ 139.89	Est. time reconciling time tracking for Library management	Reconcile on Quarterly Basis. Assumes Annual Cost Model True Up and Adjustments
							0.00	0.00	0.00	\$ -		
Total Accounting Services	0.00	1.00	2.55	0.00	1.20	0.35	5.10	21.00	14.80	\$ 921.25		
Payroll												
Time Entry Review and Assistance			0.10				0.10	26.00	2.60	\$ 143.29	Est. time reviewing timesheets for one employee	26 pay periods, average time of assistance for 1 EE
Payroll Processing/Reconciliation			0.10				0.10	26.00	2.60	\$ 143.29	Est. time reconciling time sheet for one employee, with payroll worksheet	26 pay periods, average time of 1 FTE, and 5 PT
Benefit Reconciliation			0.10				0.10	12.00	1.20	\$ 66.13	Est. time reconciling benefit deductions and amounts	Separate monthly process, reconciling liability accounts
PERS Reporting			0.05				0.05	26.00	1.30	\$ 71.64	Est. time for PERs reporting for one employee	1 EE subject to PERS per branch
Tax Reporting			0.05				0.05	4.00	0.20	\$ 11.02	Est. time for payroll tax review/reporting for one employee	Federal and State Quarterly 941
w2 preparation and review		0.10	0.05				0.15	6.00	0.90	\$ 43.07	Est. time preparing w2 and review for one employee	Annual w2 generated, reported and reviewed, specific to EE
							0.00	0.00	0.00	\$ -		
							0.00	0.00	0.00	\$ -		

Classification: Labor/Benefit Hourly Rate:	Senior Office Specialist	Accounting Specialist	Accountant	Budget Analyst	Accounting Manager	Finance Director								
	\$ 42.89	\$ 44.22	\$ 55.11	\$ 54.83	\$ 77.11	\$ 112.83								
Total Payroll	0.00	0.10	0.45	0.00	0.00	0.00	0.55	100.00	8.80	\$ 478.43				
TOTAL TASK COSTS - ONE TIME	0.00	0.00	2.00	0.00	0.30	0.05	2.35	5.00	4.65	\$ 275.92				
TOTAL TASK COSTS - ONGOING	0.20	1.71	4.15	0.00	1.50	0.50	8.06	425.00	80.05	\$ 4,305.65				
TOTAL TASK COSTS	0.20	1.71	6.15	0.00	1.80	0.55	10.41	430.00	84.70	\$ 4,581.57				
Direct Costs							Unit Price	# of Units	N/A	Total Cost	Description			
Supplies - Ongoing														
Receipting paper for revenues and cash collection activity							\$ 10.00	1.00		\$ 10.00	Estimated cost of receipt paper for deposits per branch			
Credit Card Device							\$ 300.00	0.00		\$ -	Remove, to remain status quo. Est. cost is \$300 to add.			
W-2 forms and envelopes for additional staff							\$ 1.00	5.00		\$ 5.00	Est. cost for w2 forms for employees at one branch library			
1099 forms for additional separate contractors							\$ 1.00	0.00		\$ -	Remove. Vendor already accounted for within Library system.			
Postage and envelopes							\$ 1.00	5.00		\$ 5.00	Can change if specific vendor for specific branch.			
							\$ -	0.00		\$ -				
							\$ -	0.00		\$ -				
Total Supplies - Ongoing							\$ 313.00	11.00		\$ 20.00				
Professional Services - Ongoing														
Annual Audit							\$ -	0.00		\$ -	Est. cost associated with audit			No impacts to audit contract
Total Professional Services - Ongoing							\$ -	\$ -		\$ -				
TOTAL DIRECT COSTS - ONGOING							\$ 20.00							

FINANCE SUMMARY		
TOTAL TASK COSTS - ONE TIME	\$	275.92
TOTAL TASK COSTS - ONGOING	\$	4,305.65
TOTAL TASK COSTS	\$	4,581.57
TOTAL DIRECT COSTS - ONGOING	\$	20.00
TOTAL ONE TIME	\$	295.92
TOTAL ONGOING	\$	4,305.65
TOTAL	\$	4,601.57

Cost of Service Analysis for Library Management (Library)

Classification:	Library Tech	Mgmt. Assistant	IT	Library Page	Children's Librarian	Supervising Librarian	Library Director
Labor/Benefit Hourly Rate:	\$ 46.94	\$ 51.61	\$ 165.00	\$ 17.22	\$ 56.84	\$ 69.72	\$ 108.27

Tasks (Library Department)	Estimated Amount of Hours							Total Time	Estimated Volume	Total Hours	Total Task Costs (Annualized)	Comments	Other Notes
One Time													
Rebarcoding: Goleta Staff Time assisting and managing effort	26.00		0.00				4.00	30.00	1.00	30.00	\$ 1,653.52	Est. average time for one branch	IT costs removed as courtesy, per Scott.
Amendments to current contracts (Baker & Taylor, Midwest, Janicare)		6.00					4.00	10.00	1.00	10.00	\$ 742.74	Est. average time for one branch	
Amendments to utility accounts		6.00						6.00	1.00	6.00	\$ 309.66	Est. average time for one branch	Internet/Cable Service.
Library Policy and Procedures							6.00	6.00	1.00	6.00	\$ 649.62	Est. average time for one branch	
Blackgold Conversion Oversight							8.00	8.00	1.00	8.00	\$ 866.16	Est. average time for one branch	
Zone 4 expansion, County BOS Approval								0.00	0.00	0.00	\$ -	Est. average time for one branch	
Prepare/Negotiate MOU with Friends Groups							12.00	12.00	1.00	12.00	\$ 1,299.24	Est. average time for one branch	
RFP for IT Services		2.00					2.00	4.00	1.00	4.00	\$ 319.76	Est. average time for one branch	Required per purchasing ordinance.
Credit Card Terminal and Register Training								0.00	0.00	0.00	\$ -	Est. average time for one branch	No CC termina. Remain status quo.
Procedures Training							6.00	6.00	1.00	6.00	\$ 649.62	Est. average time for one branch	
City car for training - Vehicle Fuel								0.00	0.00	0.00	\$ -		
Total One Time	26.00	14.00	0.00	0.00	0.00	0.00	42.00	82.00	8.00	82.00	\$ 6,490.32		
Library Administration													
Library Vendor Contracts		0.05					0.05	0.10	5.00	0.50	\$ 39.97	Est. average time spent with one vendor contract. Input est. number of contracts related for one branch in the estimated volume column cell.	Assumes 5
Purchase Requisitions and Purchase Orders		0.50					0.20	0.70	5.00	3.50	\$ 237.30	Est. average time spent preparing, reviewing, approving one purchase requisition. Input estimated number of purchase requisitions in estimated volume column. Usually a purchase requisition per each vendor.	Assumed 5
Invoice Review and Approval	0.25	0.02					0.02	0.29	60.00	17.40	\$ 895.96	Est. average time spent reviewing one invoice. Input number of estimated invoices reviewed for one branch.	Adj. assumption to 5 vendors, 12 monthly invoices (supply ordering, and contract services)
Staff relief for vacation and sick								0.00	0.00	0.00	\$ -	Est. average hours of staff relief time for one branch	Assumes no relief from Goleta needed. Branches pro
Selecting circulating materials for branches					0.25	0.25	0.50	1.00	52.00	52.00	\$ 4,460.30	Est. average time spent on circulating material for one branch per week. Input frequency of weeks in estimated volume for one branch	Weekly basis. Adjusted for time share per branch library
Order Supplies				0.50				0.50	52.00	26.00	\$ 447.72	Est. average time spent on ordering supplies on a weekly basis. Input frequency in estimated volume for one branch.	Processed weekly.
Receiving circulating materials	1.00							1.00	52.00	52.00	\$ 2,440.88	Est. average time spent on receiving circulating materials per day for one branch. Input frequency of days in estimated volume	Assumes weekly.
Invoicing		0.00						0.00	0.00	0.00	\$ -	Est. average time spent on invoicing related to one branch per one vendor. Input frequency in estimated volume.	Assumes no in-house invoice for collections
Time sheet review and approval							0.02	0.02	156.00	3.12	\$ 337.80	Est. average time spent on time sheet review, requests and approval per one employee. Leave volume blank, will depend on number of employees for branch.	Assumes 6 employees, 26 pay periods.
Annual Reports specific to branch library							0.10	0.10	4.00	0.40	\$ 43.31	Est. average time spent on preparing annual report for one branch. If more than one type of annual report, input frequency per year.	Assumes 4 Quarterly reports
Additional meetings (Friends and Council meetings)							1.50	1.50	12.00	18.00	\$ 1,948.86	Est. average time spent on additional meetings and frequency for one branch.	Assumes monthly meeting.
Ongoing training Library staff on City Procedures							0.25	0.25	6.00	1.50	\$ 162.41	Est. average time spent on training library staff on city procedures for one branch. Input estimated frequency (i.e., 2x per year? 4x)	Assumes 6x per year.
Ongoing training Library staff related to Black Gold software			0.00					0.00	0.00	0.00	\$ -	Est. average time spent on black gold software training for library staff for one branch. Input estimated frequency.	Removed. IT costs accounted for in IT services.
Friends Group Fund Management and Oversight		0.05					0.05	0.10	12.00	1.20	\$ 95.93	Est. average time spent with one friends group and managing funds.	Monthly review
Grant writing and administration		0.25					0.50	0.75	5.00	3.75	\$ 335.19	Est. average time spent applying for grant and administering for one branch. Input estimated frequency on average number of grants applied in a year in estimated volume.	Assumes 5 grants related per branch.
Shipment Sorting (Library Assistant)				5.00				5.00	52.00	260.00	\$ 4,477.20	Est. average time spent in one day on sorting shipment for one branch library. Input estimated number of days in a year of shipment sorting	Processed weekly.
General IT Services			0.00					0.00	0.00	0.00	\$ -	Est. average time spent on anything IT related per week. Input frequency of weeks.	Removed. IT costs accounted for in IT services.
Outreach (website, social media, press releases, program posters)							0.15	0.15	52.00	7.80	\$ 844.51		Assumes weekly updates - once a week
Agenda and Staff Report Related Time Board of Trustees		0.25						0.25	12.00	3.00	\$ 154.83	12 Meetings per year.	Assumes 12 meetings.
Agenda and Staff Report Related Time City Council								0.00	0.00	0.00	\$ -	Approximately Five Reports Per Year	Removed. Only one time costs associated.
Program Coordination					0.50			0.50	6.00	3.00	\$ 170.52	Est. average time and number of programs per each branch requiring coordination	Assumed 6 children programs per year.
								0.00	0.00	0.00	\$ -		
Total Library Administration	1.25	1.12	0.00	5.50	0.75	0.25	3.34	12.21	543.00	453.17	\$ 17,092.67		
Library Financial Functions													
Cash Collections and Deposit Review								0.00	0.00	0.00	\$ -	Est. average time spent on receiving/reviewing cashing per day for one branch. Input number of days Goleta Library will receive collections.	Assigned "Branch Manager" to account for proper cash collections and control. To turn directly to Finance.
Donation management and reconciliation							0.05	0.05	12.00	0.60	\$ 64.96	Est average time spent on donation oversight. Estimate frequency. (i.e, donation box ? Other random donations) Input estimated frequency	Monthly basis. Check requests/signature/review provided by Library Director and staff
Budget review							0.15	0.15	12.00	1.80	\$ 194.89	Est. time reviewing one branch library budget and estimated frequency (i.e, per quarter? Per month?)	Budget oversight. Monthly balance checkup
Administrative oversight over Change Funds and cash handling							0.25	0.25	12.00	3.00	\$ 324.81	Est. time administering librarys change fund and cash handling	Training oversight and review. Library Director to have final oversight.
Reimbursement/Refund Review and Approval								0.00		0.00	\$ -	Est. time reviewing one reimbursements and refunds by Goleta Library admin, and estimated frequency per year	Assumed none.
Annual Budget Development							0.05	0.05	1.00	0.05	\$ 5.41	Est. average time developing budget for one library branch.	Budget to remain status quo with minor adjustments.
Budget and account maintenance specific to branches		1.00					0.25	1.25	4.00	5.00	\$ 314.71	Est. average time preparing, reviewing, and signing one journal entry and/or budget adjustment document. Input estimated number of documents a year for one branch.	Est 4 JE/BJE requests per year, after review of budget or guidance from Finance.
Total Library Financial Functions	0.00	1.00	0.00	0.00	0.00	0.00	0.75	1.75	41.00	10.45	\$ 904.78		
TOTAL TASK COSTS - ONE TIME	26.00	14.00	0.00	0.00	0.00	0.00	42.00	82.00	8.00	82.00	\$ 6,490.32		
TOTAL TASK COSTS - ONGOING	1.25	2.12	0.00	5.50	0.75	0.25	4.09	13.96	584.00	463.62	\$ 17,997.45		

Classification: Labor/Benefit Hourly Rate:	Library Tech	Mgmt. Assistant	IT	Library Page	Children's Librarian	Supervising Librarian	Library Director							
	\$ 46.94	\$ 51.61	\$ 165.00	\$ 17.22	\$ 56.84	\$ 69.72	\$ 108.27							
TOTAL TASK COSTS	27.25	16.12	0.00	5.50	0.75	0.25	46.09	95.96	592.00	545.62	\$ 24,487.77			
Direct Costs								Unit Price or Est. Cost	# of Units	N/A	Total Cost	Description	Other Notes	
One Time														
Rebarcoding: Cost of barcodes								\$ 450.12	1.00		\$ 450.12	Estimated cost for barcodes for branch library. Input estimated # of units.	(\$26.57 per thousand) + \$25 shipping	
Rebarcoding: Cost of computers, scanners needed for rebarcoding											\$ -	Estimated cost of new computers, scanners and other equipment needed for rebarcoding for one branch	To be donated, and computers to be provided by temp extra city laptops	
New Library Cards								\$ 0.142	8000.00		\$ 1,136.00	Estimated cost for one new library card for one branch. Input estimated number of library cards purchased	8,000 is lowest unit order. One time order	
New Library Card Design								\$ -	0.00		\$ -	Estimated cost for new library card design for one branch	No cost. Use City Logo.	
Dedicated vehicle for Library											\$ -	Estimated cost for new vehicle needed. Cost can be later allocated	County Per Capita Reserve Fund may be able to fund, but will need to be shared with branches	
Black Gold Reconfiguration - \$3560 per Library branch								\$ 3,560.00	1.00		\$ 3,560.00	Estimated direct cost for black gold	Provided by Black Gold	
Library Specific Equipment											\$ -	Estimated cost for new library specific equipment if applicable.	See specific library branch budget	
Total One Time								4010.26	8002.00		\$ 5,146.12			
Supplies - Ongoing														
Memberships											\$ -	Estimated annual membership specific to one library branch	See specific library branch budget	
Vehicle Fuel											\$ -	Estimated annual fuel cost for providing service to one library branch	See specific library branch budget	
Books & Subscriptions											\$ -	Estimated costs related to Goleta Library acquisition of books, if not impact, leave	See specific library branch budget	
Printing & Copying											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Office Supplies (paper, pens, pencils, markers, staples, paper clips, etc)											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Postage & Mailing											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Advertising											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Merchant Credit Card Fees											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Sewage Fees											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Alarm System (i.e., Bay Alarm)											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Internet and Cable TV service (Cox Internet and Cable)											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Utilities - Telephone											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Utilities - Water											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Utilities - Electric											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Utilities - Gas											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Maintenance - Facilities											\$ -	Exterior, interior, landscaping, plumbing, electrical	See specific library branch budget	
Maintenance - Computers											\$ -	Email exchange server, software licensing (office, adobe), Cox TV/Internet	See specific library branch budget	
Maintenance - Vehicles											\$ -	Est. misc repairs, car washes, tires, oil changes, brake pads etc	See specific library branch budget	
Total Supplies - Ongoing								0.00	0.00		\$ -			
Professional Services - Ongoing														
Black Gold											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Unique Management											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Janitorial/Custodial Services											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Book Processing											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Hoopla											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
IT Services											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Total Professional Services - Ongoing								0.00	0.00		\$ -			
Capital Outlay - Ongoing														
Furnishings (Desk, Chairs, Carpet, Tables, other furniture)											\$ -	Desk, Chairs, Carpet, Tables, other furniture	Direct Costs, not shared with Goleta	
Computer Technology (Computers, Laptops, Tablets, Printers,etc)											\$ -	Computers, Laptops, Tablets, Printers, Servers, etc	Direct Costs, not shared with Goleta	
Total Capital Outlay - Ongoing								0.00	0.00		\$ -			
TOTAL DIRECT COSTS - ONE TIME								0.00	0.00		\$ 5,146.12			
TOTAL DIRECT COSTS - ONGOING								0.00	0.00		\$ -			
TOTAL DIRECT COSTS								0.00	0.00		\$ 5,146.12			

LIBRARY SUMMARY	
TOTAL TASK COSTS - ONE TIME	\$ 6,490.32
TOTAL TASK COSTS - ONGOING	\$ 17,997.45
TOTAL TASK COSTS	\$ 24,487.77
TOTAL DIRECT COSTS - ONE TIME	\$ 5,146.12
TOTAL DIRECT COSTS - ONGOING	\$ -
TOTAL DIRECT COSTS	\$ 5,146.12
TOTAL ONE TIME	\$ 11,636.44
TOTAL ONGOING	\$ 17,997.45
TOTAL	\$ 29,633.89

ATTACHMENT 3

City of Solvang Staff Report



**CITY COUNCIL
STAFF REPORT**

TO: SOLVANG CITY COUNCIL MEMBERS

FROM: Brad Vidro, City Manager

MEETING DATE: December 10, 2018

DATE PREPARED: November 29, 2018

SUBJECT: ZONE CHANGE FOR THE SOLVANG LIBRARY

I. RECOMMENDATION:

The City Council ad hoc library subcommittee is recommending the City Council send a letter to Santa Barbara County requesting they move the Solvang Library from Zone 1 to Zone 4.

II. DISCUSSION:

At the April 24, 2017 City Council created an ad hoc subcommittee of the City Council regarding funding of the Solvang Library. Councilmembers Jamieson and Toussaint are the two Councilmembers on the committee. In the last few years there has been frustration with the increasing costs and oversight of the Solang branch library. The subcommittee met with both the City of Santa Maria and City of Goleta staff regarding the potential move from Zone 1, which is operated by the City of Santa Barbara.

Operation of the Santa Barbara County libraries is through a five party Agreement between the County of Santa Barbara and the Cities of Santa Barbara, Lompoc, Santa Maria and Goleta. The Solvang Library is in Zone 1 which is run by the City of Santa Barbara. They are responsible for the operational budgets for the Carpinteria, Montecito, Santa Barbara Central, Santa Barbara Eastside, Goleta, Solvang, Buellton Santa Ynez and Los Olivos branches. All of the branches in incorporated cities receive additional funding from those incorporated cities. Last year the Board of Supervisors created Zone 4 which is run by the City of Goleta. A study completed for the County of Santa Barbara regarding Organizational

Analysis of Library Service Delivery recommended that Solvang and Buellton libraries be incorporated into the newly created Zone 4.

The ad hoc subcommittee is recommending moving to the new Zone 4. Since Solvang Library is a County library and not operated by the City of Solvang the ultimate decision on what Zone it is operated in is up to Santa Barbara County. County staff has acknowledged that if there is a desire by the cities of Solvang and Buellton to have the Santa Ynez Valley libraries switch zones it would line up with what their consultant recommended and they would move forward with getting Board of Supervisors approval with an anticipated start date of July 1, 2019 for operation in Zone 4.

The attached draft letter would request the County change Solvang Library to Zone 4 and also ask that all of the current library staff be offered similar positions within the Goleta system.

III. ALTERNATIVES:

The City Council could chose not to recommend a change of zones for the Solvang Library.

IV. FISCAL IMPACT:

In FY 2018/19 Solvang's budget included funding of \$173,333 towards the operation of the Solvang Branch of the Santa Barbara County Library System. We recently received a request from Santa Barbara County for payment of \$161,117.

The City of Goleta is estimating a total operational budget of \$321,517, which includes an adjusted admin fee of 11.34%. Solvang's contribution would be \$202,054 plus a one-time cost of \$13,283 for converting to the Goleta library system. Santa Barbara's operational budget as a comparison for FY 18/19 was \$310,872. While there is a higher cost when compared side by side, staff feels more comfortable with the basis for the administrative fee as presented by the City of Goleta. In addition, Goleta staff has indicated that they will annually review the administrative fee to insure it is an accurate representation of true staff time allocated to the operation of the branch libraries. Attached to this report is a staff report that went to the Goleta City Council for a workshop on this topic and also a revised cost analysis based on additional information received from the City of Santa Barbara after the workshop was held.

V. ATTACHMENTS:

- Draft Letter
- Staff report from the City of Goleta
- Revised Cost Analysis



DRAFT

December 10, 2018

County of Santa Barbara
City of Santa Barbara
City of Goleta

RE: Transition to Library Zone 4 (Goleta)

To Whom it May Concern:

The Solvang City Council, at their December 10, 2018, meeting, accepted the proposed transfer of the Solvang Library from Zone 1 (Santa Barbara) to Zone 4 (Goleta) contingent upon the Goleta City Council approving management of the Solvang and Buellton libraries. This acceptance is subject to the following requests:

- The proposed Goleta library budget (dated November 27, 2018) is acceptable at this time, but that both cities should work together to finalize the budget numbers for the upcoming Fiscal Year 2019-2020
- That the existing Solvang library staff be offered positions within the Goleta system to keep continuity with the patrons

We understand that the Goleta City Council must approve the transfer and that the process will then begin with the County of Santa Barbara Board of Supervisors taking action on revising the library zone boundaries. The City of Solvang will assist in the process if needed and requested.

If you have any questions, please call me at 805-688-5575 or e-mail me at bradv@cityofsolvang.com.

Sincerely,

Brad Vidro
City Manager



Agenda Item A.1
DISCUSSION/ACTION ITEM
Meeting Date: November 14, 2018

TO: Mayor and Councilmembers

FROM: Michelle Greene, City Manager

CONTACT: Luke Rioux, Finance Director
Dana Grossi, Management Analyst

SUBJECT: Financial Analysis and Process for Assuming Management and Operation of the Buellton and Solvang Libraries

RECOMMENDATION:

- A. Receive a presentation on the financial analysis of management and operation of the Buellton and Solvang libraries, and the associated timeline for implementing a transition by July 1, 2019;
- B. Approve a library management fee for the Cities of Buellton and Solvang;

BACKGROUND:

On August 15, 2017, the City Council voted to pursue independent management and operation of the Goleta Library, a decision which took effect on July 1, 2018. The purpose of this transition was to achieve cost savings, greater transparency and control in budgeting for the Library's needs. Prior to July 1, 2018, the City of Santa Barbara managed the Goleta Library including administration of its budget. The City of Santa Barbara is the administrator for the Zone 1 service area, which formerly included the Goleta Library. Presently, Zone 1 includes the Central Library, Eastside Library, Solvang Library and its Los Olivos and Santa Ynez locations, Buellton Library, Montecito Library, and the Carpinteria Library. When the Goleta Library transitioned to independent management, a new service area, Zone 4, was established by the County Board of Supervisors (BOS). The Goleta Library is presently the only library located within Zone 4, serving a population of 94,545 patrons.

At a meeting on April 3, 2018, the BOS approved a motion that the City of Goleta work with the Cities of Buellton and Solvang to incorporate their libraries into Zone 4 within one year. The Solvang and Buellton libraries have been struggling to balance their respective budgets and both cities are seeking an alternative to continued management of their libraries by the City of Santa Barbara. Since the BOS provided their direction in April, Goleta staff have been in communication with the City Managers of Buellton and

Solvang. Both City Managers have indicated interest in the City of Goleta managing their libraries, a decision that will ultimately depend on the specific costs to both cities of Goleta providing this service.

In response to the BOS and interest from Buellton and Solvang, Goleta staff have conducted a financial analysis of what it would cost for Goleta to manage the libraries in Solvang and Buellton, which consists of four libraries total: the Buellton Library, Solvang Library, Los Olivos Library, and Santa Ynez Library. It should be noted that the Los Olivos and Santa Ynez libraries are associated with Solvang and are volunteer-run with very limited hours, resources, and no technology. More information on all four libraries is provided in the next section, which details the results of a financial analysis undertaken by staff to arrive at a recommended library management fee that the City of Goleta would charge to the Cities of Solvang and Buellton. A timeline is also provided to describe the various steps that would need to be taken to implement a transition of these libraries to Goleta management.

DISCUSSION:

In order to properly assess the cost of managing and operating the library branches, all revenues and expenditures were evaluated, including support staff resources (General Government, Finance, Library Administration, and IT) that go into supporting the management and operations of a branch library, or in other words the library management fee. To recover the costs associated with management of the branch libraries within Zone 1 (including the Buellton and Solvang libraries), the City of Santa Barbara charges each branch an administrative fee (percentage rate) to provide those services, along with allocated costs from their Library Department. The City of Santa Barbara's administrative fee is currently at a rate of 13.5%, and they will be looking to increase this rate as they move towards full cost recovery per their cost allocation plan. If the City of Goleta were to manage the Buellton and Solvang libraries in the future, it would similarly need to establish a fee and process to ensure full cost recovery of library management services provided.

Before performing the cost of service analysis, staff analyzed the current FY 18/19 budgets, staffing levels and line item detail for both library branches that were received from the City of Santa Barbara. From there, staff developed draft budgets keeping the revenues, staffing and service levels of the libraries at status quo. Staffing information was first examined to identify all fiscal impacts and determine which positions received full benefits, numbers of hours worked and current step level of each position.

Buellton and Solvang Library Branch Staff Information

The following table is a comparison summary of estimated costs for staffing between Santa Barbara and Goleta management for the Buellton and Solvang Library branches:

City of Buellton			Santa Barbara	Goleta	
Staff Positions	Type	Hrs/Week	Salary & Benefits	Salary & Benefits	Difference
Senior Library Technician	FT	40	\$ 85,442	\$ 70,783	\$ (14,658)
Library Technician	Hrly	16	\$ 17,516	\$ 18,660	\$ 1,143
Library Technician	Hrly	16	\$ 17,516	\$ 18,660	\$ 1,143
Library Assistant I	Hrly	16	\$ 15,775	\$ 16,295	\$ 521
Library Assistant I	Hrly	16	\$ 15,775	\$ 16,295	\$ 521
Total Staff Positions:	5	Total:	\$ 152,023	\$ 140,694	\$ (11,330)

City of Solvang			Santa Barbara	Goleta	
Staff	Type	Hrs/Week	Salary & Benefits	Salary & Benefits	Difference
Senior Library Technician	FT	40	\$ 103,821	\$ 86,580	\$ (17,241)
Library Technician	Hrly	19	\$ 21,201	\$ 22,159	\$ 958
Library Technician	Hrly	16	\$ 17,516	\$ 18,660	\$ 1,143
Library Assistant I	Hrly	16	\$ 15,775	\$ 16,295	\$ 521
Page	Hrly	15	\$ 11,023	\$ 11,549	\$ 526
Total Staff Positions:	5	Total:	\$ 169,335	\$ 155,242	\$ (14,093)

Based on staff's analysis, salary costs were approximately the same, but the benefit costs were lower under Goleta management, primarily due to the significant difference in the CalPERS pension rated. CalPERS pension rates for both cities currently are as follows:

City	Classic	Classic UAL	Employee Share	Adjusted Total
Santa Barbara	10.637%	21.191%	-2.726%	29.102%
Goleta	9.409%	2.748%	0.000%	12.157%
Difference	1.228%	18.443%	-2.726%	16.945%

City	PEPRA	PEPRA UAL	Employee Share	Adjusted Total
Santa Barbara	10.637%	21.191%	0.000%	31.828%
Goleta	6.842%	0.324%	0.000%	7.166%
Difference	3.795%	20.867%	0.000%	24.662%

Only the full-time positions are subject to CalPERS. Overall, staffing under Goleta management would lower overall expenditure costs by approximately \$11,330 for Buellton and \$14,093 for Solvang.

The next step in the process was analyzing the supplies and services section of each of the branches' budgets. Line-item detail was received from City of Santa Barbara to provide as an initial basis. Goleta staff reviewed the line items and estimates and made adjustments accordingly for operation under Goleta management. Certain expenditures adjusted in the budget are costs associated with courier delivery services for books, internet and cable, and copier leases. Courier delivery service would be a new cost to the Goleta Library as it would require Goleta Library to now function as a central library. Deliveries would be made 3 times week and circulate between Goleta, Solvang and Buellton, with Goleta being the initial point. Staff is reviewing this type of service, and is evaluating if this process would be more cost effective if in-house staff were utilized for greater control and flexibility. Current quoted costs for courier delivery service at 3 times

a week is approximately \$27,600. A budget comparison for both library branches has been attached for further detail and reference. After all revenue and expenditure line items were evaluated, staff then conducted a cost of service analysis to determine an appropriate management fee as described below.

City of Goleta Management Fee

City staff performed a cost of service analysis for providing management and operation services for both Buellton and Solvang library branches at status quo service levels. Any improvements or additional services, such as including a credit card device at each branch, or computer upgrades, would require a separate analysis for impacts to support staff time and new equipment costs. The primary purposes of conducting this analysis were to assess the estimated fiscal impacts to the City of Goleta, and recommend an appropriate management fee that does not exceed the cost of services being provided.

The cost of service analysis included examining four cost model approaches, and evaluated different methods of determining an appropriate measurement of fiscal impacts to the City. In summary, the models examined were the following:

- 1) Time and materials survey model utilizing the hourly labor and benefit rate
- 2) Time and materials survey model utilizing the fully burdened hourly labor rate
- 3) Indirect overhead rate model develop a from cost allocation plan
- 4) Library service unit model

Between the four models, the time and materials survey models (model 1 and model 2) are the most labor intensive and detailed models, as they examine actual staff involved in the support process to the library branches. The model 1 approach is the model City staff is recommending due to its consistency with the process the City undergoes in developing its user fees. This model also provides the ability to measure actual services being provided.

Model 1 determines the amount of time each employee spends assisting in the provision of service to a branch library. This includes examining various tasks performed by City departments and divisions, and identifies direct costs of services provided to the library branches. Tasks and direct costs were identified as either one-time for initial startup and transition, or on-going. Some of the tasks examined in this analysis included, but were not limited to, processing accounts payable, treasury services, accounting services, budget management, employee and labor relations, payroll, contract administration, IT services, supply and book ordering, and Goleta library support and administration to each branch.

To develop this model, staff examined utilizing both the labor and benefit rate and fully burdened hourly labor rate (developed from draft cost allocation plan) of the classifications of staff involved in the process of providing management and operation services for the library branches. An excel survey that identified tasks was then developed and staff time estimates in providing completing these tasks was inputted. This step required the development of average staff time estimates for the services and

activities that were identified in providing for library operations. Worksheets and questionnaires were used to develop the necessary data sets describing estimated labor time. In most cases, City staff estimated the average amount of time (in minutes and hours) it would take to complete a typical occurrence of each activity considered. Every attempt was made to ensure that each department having a direct role in the provision of each activity provided a time estimate.

It should be noted that the development of these time estimates was not a one-step process. Estimates received were carefully reviewed by City Manager's Office, Library Director and Finance staff to assess the reasonableness of such estimates. Based on this review, the City developed its time estimates with all parties comfortable that the fee estimates reasonably reflected the average service level provided by the City. Then, staff's time estimates were applied to the appropriate labor rate to yield an average full cost of the activity for its respective department. This cost model also incorporated direct costs based on estimated quotes received for IT services, book courier services, and employee related fees.

The third cost model examined utilized the indirect overhead rate approach. This cost model is similar to how the City of Santa Barbara currently assesses their administrative fee (without the subsidy) and similar to how the City assess charges on contract invoices for administrative charges for developer deposits. The indirect overhead rate is determined by use of a cost allocation plan (CAP), in which the current draft CAP has the city-wide indirect overhead rate, subject to federal regulations at 21%. This rate is approximately in line to the time and materials model calculated rate.

The fourth cost most model studied was developing a Library Service Unit (LSU) model, similar to the model the City has with the County of Santa Barbara's Sheriff's Office with the Deputy Sheriff's Service Units (DSSU). This cost model determined the cost of a LSU based on average hourly cost of Library staff using a blended rate, with an estimated amount of time of direct Library Director management. It also included both direct and indirect costs of providing one hour of support to library services. This rate was calculated to be approximately \$134.21 an hour. This model would allow flexibility in determining library service hours provided. Assuming 2,080 (standard full-time equivalent), this equates to approximately \$279,000 (not inclusive of the service and supplies budget needed for each branch). Staff found the cost model to be extremely high and to not function the same due to the major differences of library operations and sheriff operations (i.e., support is not always needed every hour for a library staff to perform their duties).

The draft cost models were then discussed at a Library Ad-Hoc Committee Meeting held on October 24, 2018. Additional review and adjustments were made and discussion was later held with the City Managers of both Solvang and Buellton.

After further review and discussion, staff recommends the most appropriate model to utilize is the time and materials model, applying the labor and benefits rate (model 1). The model using the fully burdened labor hourly rate is not recommended at this time, due to a draft cost allocation plan currently under development, and the cost allocation

method has not been fully reviewed or approved by City Council. This updated cost allocation plan is projected to be taken to Council in the spring of 2019. Due to the highly variable nature of providing library management services, use of model 1 coupled with time tracking is the preferred fee structure, as it is the most detailed and consistence with developing user fees. In addition, this model would allow the City greater flexibility to impose a fee per hour of staff time for services outside of status quo, and establish fairness of services being provided to the library branches by tracking time and adjusting the management fee over the years for true-ups in operations costs. This approach is somewhat similar to the recent cost model change currently being utilized by the County of Santa Barbara's (COSB) Sheriff's Office contract police services, as it is a time tracking model, though the hourly is not consolidated.

Overall, the cost of service analysis determined the cost of support or management fee for both library branches to be approximately \$50,000 each on an ongoing basis, and one-time startup costs of approximately \$13,280. When converting the management fee cost estimate of approximately \$50,000 to an administration fee rate, this results an administration fee rate of 21.99% for Buellton or 17.97% for Solvang. This administration fee rate is different for both branches, as it is the rate change when comparing total budgeted operating expenditures for the specific branch and the approximate \$50,000 increase for the management fees of the support staff. A detailed worksheet has been provided as an attachment to this report.

It should be noted, on April 3, 2018 the County Board of Supervisors had taken action of establishing cap on administration fees at 20% and to exclude Friends of the Library groups' donations from administration costs, though both these actions were reversed at the June 5, 2018 BOS Hearing. Should the City or County BOS impose these actions at a future date, staff has estimated these impacts to be an approximate \$2,000 to \$4,000 adjustment, and would result in the City of Goleta subsidizing these costs, unless additional contributions from the branches were made to ensure full cost recovery.

Below are tables summarizing the comparison of the cost of service models under Santa Barbara management vs Goleta management. In an effort to show a comparison to City of Santa Barbara at a similar rate, the 21.99% and 19.62% rates determined for Buellton and Solvang from the cost of service analysis under Goleta were used, as shown in the second column of both tables:

Buellton Library:

City of Buellton Library Cost Estimates	City of Santa Barbara		City of Goleta
	FY 18/19 Buellton Budget	FY 18/19 Buellton Budget	FY 2018/19 Buellton Budget
	Indirect Overhead Rate	Indirect Overhead Rate	Cost of Service (Labor/Benefit)
Total Revenues	\$ 237,304	\$ 237,304	\$ 237,304
Total Salary and Benefits	\$ 162,909	\$ 162,909	\$ 140,694
Total Supplies and Services	\$ 39,667	\$ 39,667	\$ 47,960
Total Capital Equipment	\$ 39,119	\$ 39,119	\$ 39,119
Subtotal Expenditures	\$ 241,695	\$ 241,695	\$ 227,773
Support Staff T&M (Mgmt Fees)	\$ 32,623	\$ 53,156	\$ 50,094
Total Expenditures	\$ 274,318	\$ 294,851	\$ 277,866
Net Revenues over Expenditures	\$ (37,014)	\$ (57,547)	\$ (40,562)
Effective Admin Fee Rate	13.50%	21.99%	21.99%

Solvang Library:

City of Solvang Library Cost Estimates	City of Santa Barbara		City of Goleta
	FY 18/19 Solvang Budget	FY 18/19 Solvang Budget	FY 18/19 Solvang Budget
	Indirect Overhead Rate	Indirect Overhead Rate	Cost of Service (Labor/Benefit)
Total Revenues	\$ 260,997	\$ 260,997	\$ 260,997
Total Salary and Benefits	\$ 181,285	\$ 181,285	\$ 155,242
Total Supplies and Services	\$ 46,326	\$ 46,326	\$ 60,928
Total Capital Equipment	\$ 39,119	\$ 39,119	\$ 39,119
Subtotal Expenditures	\$ 266,730	\$ 266,730	\$ 255,289
Support Staff T&M (Mgmt Fees)	\$ 38,336	\$ 52,339	\$ 50,094
Total Expenditures	\$ 305,066	\$ 319,069	\$ 305,383
Net Revenues Over Expenditures	\$ (44,069)	\$ (58,072)	\$ (44,386)
Effective Admin Fee Rate	14.37%	19.62%	19.62%

Timeline Details

Pending Buellton and Solvang City Council Decisions

The table within this section summarizes a timeline of actions that would be necessary, should the City of Goleta proceed with management of the Buellton and Solvang libraries by July 1, 2019. Following the decision of the Goleta City Council to approve a management fee (the primary purpose of this report), the City of Solvang will bring an item to its City Council on November 26, 2018 with the fee details. Similarly, the City of Buellton is planning to bring an item to its City Council on December 13, 2018. Their respective City Councils will review the cost details and make a decision on whether to move forward with a change to Goleta management of their libraries. Assuming all parties decide to move forward with the change, additional actions would be needed

that require coordination with the Black Gold Cooperative Library System (Black Gold), the City of Santa Barbara, and the County of Santa Barbara, to ensure a smooth transition for all involved.

Black Gold Considerations

Black Gold is a regional library cooperative authorized by the State of California and is comprised primarily of the Central Coast municipal libraries. As a member library, the Goleta Library pays an annual fee to Black Gold to access the cooperative's extensive collection materials, which are shared among the other member libraries. Black Gold's services include technology and courier services, including administration of its collections software system called Polaris. To inform its annual budgeting process, Black Gold has requested that the City of Goleta inform them of its decision to manage the Buellton and Solvang libraries by December 1, 2018. However, due to the complexity and time involved in determining an appropriate library management fee, and the pending decisions by the Buellton and Solvang City Councils, the December 1 deadline cannot realistically be met. At this stage, Goleta staff are working diligently to ensure Black Gold does receive this information as soon as possible and are hopeful that the slight delay will not create any significant impact to Black Gold's processes.

Various other coordination efforts will need to be undertaken with Black Gold ahead of July 1, 2019, including necessary changes to Black Gold's Polaris software and the setting up of new courier services to transport collection materials among the Goleta, Buellton, and Solvang Libraries. In addition, the collection at both libraries will need to be re-barcoded (similar to the re-barcoding effort the Goleta Library recently underwent earlier this year).

Expansion of the Zone 4 Service Area

If the Goleta City Council decides to move forward with management of the Buellton and Solvang libraries by July 1, 2019, the Zone 4 service area would need to be expanded to include those areas. The Santa Barbara County BOS is responsible for the setting of library zone boundaries and (in this case) the associated service area population increase that would result for Zone 4. The County provides library funding to each zone on a "per capita" basis. Thus, Goleta staff anticipate coordinating with the County in the spring of 2019 to update the service area and population numbers, which will inform Zone 4's per capita funding for the following 2019-20 fiscal year. As a result, it should be noted that there could be variances in each library's revenues from what is shown in the draft budgets provided in this report. Any decreases in this revenue category will further reduce the deficits in each budget.

Coordination with City of Santa Barbara

If the City of Goleta moves forward with managing the Buellton and Solvang libraries, coordination will be needed on various levels with the City of Santa Barbara, including the transition of Buellton and Solvang library staff to Goleta employment. Goleta staff would work with the City of Santa Barbara Library Director to implement a management transition that minimizes impacts to both the staff and patrons of the Buellton and Solvang libraries.

The following table summarizes the actions outlined above, as well as an estimated timeline.

Action	Deadline
Goleta to provide financial/ cost details to Buellton and Solvang	In progress
Goleta City Council approval of a recommended library management fee for the Cities of Buellton and Solvang, and approval to assume management of both libraries by July 1, 2019	November 14, 2018 and December 4, 2018
Solvang City Council approval of Goleta management	November 26, 2018
Buellton City Council approval of Goleta management	December 13, 2018
Notification to Black Gold of Goleta's decision to manage Solvang and Buellton	As soon as possible following all three cities City Council actions
Implement changes in the Polaris system (Black Gold's software)	March of 2019
County BOS approval of Zone 4 service area map changes	Spring of 2019
Goleta staff coordination with City of Santa Barbara on the transition of library employees to Goleta compensation; coordinate with City of Santa Barbara on outreach efforts to ensure a continuity of services to patrons at the affected libraries	Spring of 2019
Complete book re-barcoding effort	June 1, 2019

FISCAL IMPACTS:

If the City chooses to pursue full cost recovery, and utilizing the recommended time and materials cost of service model, there will be minimal fiscal impact to the City except for additional staff time that may have not been accounted for. By implementing a time tracking process, and adjusting for actuals over the term of the contract will establish fairness for all costs associated.

Total one-time costs of approximately \$13,280 will be needed from both branches if the transition of management were authorized. Total expenditure costs will be approximately \$277,870 for Buellton and \$305,280 for Solvang, when including the approximately \$50,000 management fee to both branches. Based on current estimated revenues and service levels, a deficit of approximately \$40,560 and \$44,400 would exist for both of these branches on an ongoing basis, unless an additional source of revenue was made available to balance, or other adjustments implemented. Potential cost

increases in the future would depend on salary levels and benefit adjustments. At this time, staff projects a future cost of increase in the range of 1% to 3% which will be further evaluated.

ALTERNATIVES:

The City Council could choose to take no action at this time, and/or direct staff to further evaluate other cost models and bring them back to Council at a later date.

Reviewed By:

Legal Review By:

Approved By:

Carmen Nichols
Deputy City Manager

Michael Jenkins
City Attorney

Michelle Greene
City Manager

ATTACHMENTS:

1. City of Buellton and Solvang Library Branch Budgets and Cost Analysis

ATTACHMENT 1:

City of Buellton and Solvang Library Branch
Budgets and Cost Analysis

City of Buellton (DRAFT)	City of Santa Barbara		City of Goleta
	FY 18/19 Buellton Budget	FY 18/19 Buellton Budget	FY 2018/19 Buellton Budget
Cost Model Methods:	Indirect Overhead Rate	Indirect Overhead Rate	Cost of Service (Labor/Benefit Rate)
Revenues			
Donations	\$ 2,050.00	\$ 2,050.00	\$ 2,050.00
Fees and Service Charges	\$ 3,150.00	\$ 3,150.00	\$ 3,150.00
County Per Capita	\$ 83,163.00	\$ 83,163.00	\$ 83,163.00
City Contribution	\$ 141,641.00	\$ 141,641.00	\$ 141,641.00
Library Fines	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Other Revenue	\$ 4,300.00	\$ 4,300.00	\$ 4,300.00
Total Revenues	\$ 237,304.00	\$ 237,304.00	\$ 237,304.00
Expenditures			
Salary and Benefits			
Total Salary and Benefits	\$ 162,909.00	\$ 162,909.00	\$ 140,693.57
Supplies and Services:			
Black Gold	\$ 19,550.00	\$ 19,550.00	\$ 19,550.00
Office Supplies & Expense	\$ 2,665.00	\$ 2,665.00	\$ 2,665.00
Bank Fees	\$ 25.00	\$ 25.00	
Special Supplies and Expense	\$ 4,115.00	\$ 4,115.00	\$ 4,115.00
Facilities Maint.	\$ -		\$ -
Non-Contractual Services (Custodial/Copier)	\$ 10,562.39	\$ 10,562.39	\$ 2,400.00
Advertising	\$ 200.00	\$ 200.00	\$ 200.00
Printing & Binding	\$ 150.00	\$ 150.00	\$ 150.00
Messenger/Delivery	\$ -		\$ 13,680.00
Postage/Delivery	\$ 500.00	\$ 500.00	\$ 500.00
Gas	\$ 300.00	\$ 300.00	\$ 300.00
Telephone	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00
Utilities	\$ -		\$ -
Internet/Cable	\$ -		\$ 2,800.00
Custodial	\$ -		\$ -
Total Supplies and Services	\$ 39,667.39	\$ 39,667.39	\$ 47,960.00
Capital Equipment:			
Book Acquisitions	\$ 39,119.00	\$ 39,119.00	\$ 39,119.00
Total Capital Equipment	\$ 39,119.00	\$ 39,119.00	\$ 39,119.00
Subtotal Expenditures	\$ 241,695.39	\$ 241,695.39	\$ 227,772.57
Support Time and Materials (Mgmt Fee):			
Gen Gov			\$ 13,915.44
Finance			\$ 4,298.47
Library			\$ 13,915.65
IT			\$ 17,964.00
Total Support Staff Time and Materials	\$ 32,623.00	\$ 53,155.57	\$ 50,093.55
Conversion to Admin Fee Rate	13.50%	21.99%	21.99%
Total Expenditures	\$ 274,318.39	\$ 294,850.96	\$ 277,866.12
Net Revenues Over Expenditures	\$ (37,014.39)	\$ (57,546.96)	\$ (40,562.12)
Fee Adjustment (Remove Friends Donations and Cap 20% on County Per Capita)	\$ -	\$ -	\$ (2,105.80)
Adjusted Support Staff Time and Materials	\$ 32,623.00	\$ 53,155.57	\$ 47,987.76
Total Adjusted Expenditures	\$ 274,318.39	\$ 294,850.96	\$ 275,760.32
Adjusted Admin Fee Rate	13.50%	21.99%	21.07%
Adjusted Net Revenue Over Expenditures	\$ (37,014.39)	\$ (57,546.96)	\$ (38,456.32)
One-Time Startup:			
Gen Gov			\$ 1,419.58
Finance			\$ 227.46
Library			\$ 11,636.44
IT			\$ -
Total One-Time Startup Expenditures			\$ 13,283.48
Total Expenditures + One-Time Startup	\$ 274,318.39	\$ 294,850.96	\$ 289,043.80
Net Revenues Over Expenditures	\$ (37,014.39)	\$ (57,546.96)	\$ (51,739.80)

City of Solvang (DRAFT)	City of Santa Barbara		City of Goleta
	FY 18/19 Solvang Budget	FY 18/19 Solvang Budget	FY 18/19 Solvang Budget
Cost Model Methods:	Indirect Overhead Rate	Indirect Overhead Rate	Cost of Service (Labor/Benefit Rate)
Revenues			
Donations	\$ 21,500.00	\$ 21,500.00	\$ 21,500.00
Fees and Service Charges	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
County Per Capita	\$ 83,163.00	\$ 83,163.00	\$ 83,163.00
City Contribution	\$ 141,534.00	\$ 141,534.00	\$ 141,534.00
Library Fines	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00
Other Revenue	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
Total Revenues	\$ 260,997.00	\$ 260,997.00	\$ 260,997.00
Expenditures			
Salary and Benefits			
Total Salary and Benefits	\$ 181,285.00	\$ 181,285.00	\$ 155,242.27
Supplies and Services:			
Black Gold	\$ 19,550.00	\$ 19,550.00	\$ 19,550.00
Office Supplies & Expense	\$ 2,665.00	\$ 2,665.00	\$ 2,665.00
Bank Fees	\$ -	\$ -	\$ -
Special Supplies and Expense	\$ 4,115.00	\$ 4,115.00	\$ 4,115.00
Facilities Maint.	\$ 7,938.00	\$ 7,938.00	\$ 7,938.00
Non-Contractual Services	\$ 4,258.31	\$ 4,258.31	\$ 2,400.00
Meeting & Travel	\$ 50.00	\$ 50.00	\$ 50.00
Dues Membership & License	\$ 20.00	\$ 20.00	\$ -
Training	\$ 200.00	\$ 200.00	\$ 200.00
Advertising	\$ 150.00	\$ 150.00	\$ 150.00
Printing & Binding	\$ 500.00	\$ 500.00	\$ 500.00
Messenger/Delivery	\$ -	\$ -	\$ 13,680.00
Postage/Delivery	\$ 100.00	\$ 100.00	\$ 100.00
Gas	\$ 280.00	\$ 280.00	\$ 280.00
Telephone	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Utilities	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Internet/Cable	\$ -	\$ -	\$ 2,800.00
Credit Card Fees	\$ -	\$ -	\$ -
Custodial	\$ -	\$ -	\$ -
Total Supplies and Services	\$ 46,326.31	\$ 46,326.31	\$ 60,928.00
Capital Equipment:			
Book Acquisitions	\$ 39,119.00	\$ 39,119.00	\$ 39,119.00
Total Capital Equipment	\$ 39,119.00	\$ 39,119.00	\$ 39,119.00
Subtotal Expenditures	\$ 266,730.31	\$ 266,730.31	\$ 255,289.27
Support Time and Materials (Mgmt Fee):			
Gen Gov			\$ 13,915.44
Finance			\$ 4,298.47
Library			\$ 13,915.65
IT			\$ 17,964.00
Total Support Staff Time and Materials	\$ 38,336.00	\$ 52,338.55	\$ 50,093.55
Conversion to Admin Fee Rate	14.37%	19.62%	19.62%
Total Expenditures	\$ 305,066.31	\$ 319,068.86	\$ 305,382.82
Net Revenues Over Expenditures	\$ (44,069.31)	\$ (58,071.86)	\$ (44,385.82)
Fee Adjustment (Remove Friends Donations and Cap 20% on County Per Capita)			\$ (4,218.79)
Adjusted Support Staff Time and Materials	\$ 38,336.00	\$ 52,338.55	\$ 45,874.77
Total Adjusted Expenditures	\$ 305,066.31	\$ 319,068.86	\$ 301,164.04
Adjusted Admin Fee Rate	14.37%	19.62%	17.97%
One-Time Startup:			
Gen Gov			\$ 1,419.58
Finance			\$ 227.46
Library			\$ 11,636.44
IT			\$ -
Total One-Time Startup Expenditures			\$ 13,283.48
Total Expenditures + One-Time Startup	\$ 305,066.31	\$ 319,068.86	\$ 318,666.30
Net Revenues Over Expenditures	\$ (44,069.31)	\$ (58,071.86)	\$ (57,669.30)

City of Solvang (DRAFT)	City of Santa Barbara		City of Goleta
	FY 18/19 Solvang Budget	FY 18/19 Solvang Budget	FY 18/19 Solvang Budget
Cost Model Methods:	Indirect Overhead Rate	Indirect Overhead Rate	Cost of Service (Labor/Benefit Rate)
Revenues			
Donations	\$ 21,500.00	\$ 21,500.00	\$ 21,500.00
Fees and Service Charges	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
County Per Capita	\$ 83,163.00	\$ 83,163.00	\$ 83,163.00
City Contribution	\$ 141,534.00	\$ 141,534.00	\$ 141,534.00
Library Fines	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00
Other Revenue	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
Total Revenues	\$ 260,997.00	\$ 260,997.00	\$ 260,997.00
Expenditures			
Salary and Benefits			
Total Salary and Benefits	\$ 181,285.00	\$ 181,285.00	\$ 174,529.36
Supplies and Services:			
Black Gold	\$ 19,550.00	\$ 19,550.00	\$ 19,550.00
Office Supplies & Expense	\$ 2,665.00	\$ 2,665.00	\$ 2,665.00
Bank Fees	\$ -	\$ -	\$ -
Special Supplies and Expense	\$ 4,115.00	\$ 4,115.00	\$ 4,115.00
Facilities Maint.	\$ 7,938.00	\$ 7,938.00	\$ 7,938.00
Non-Contractual Services	\$ 4,258.31	\$ 4,258.31	\$ 2,400.00
Meeting & Travel	\$ 50.00	\$ 50.00	\$ 50.00
Dues Membership & License	\$ 20.00	\$ 20.00	\$ -
Training	\$ 200.00	\$ 200.00	\$ 200.00
Advertising	\$ 150.00	\$ 150.00	\$ 150.00
Printing & Binding	\$ 500.00	\$ 500.00	\$ 500.00
Messenger/Delivery	\$ -	\$ -	\$ 8,760.00
Postage/Delivery	\$ 100.00	\$ 100.00	\$ 100.00
Gas	\$ 280.00	\$ 280.00	\$ 280.00
Telephone	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Utilities	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Internet/Cable	\$ -	\$ -	\$ 2,800.00
Credit Card Fees	\$ -	\$ -	\$ -
Custodial	\$ -	\$ -	\$ -
Vehicle Fuel and Maintenance	\$ -	\$ -	\$ 265.00
IT Services and Software (Direct Costs)	\$ -	\$ -	\$ 18,848.28
Total Supplies and Services	\$ 46,326.31	\$ 46,326.31	\$ 75,121.28
Capital Equipment:			
Book Acquisitions	\$ 39,119.00	\$ 39,119.00	\$ 39,119.00
Total Capital Equipment	\$ 39,119.00	\$ 39,119.00	\$ 39,119.00
Subtotal Expenditures	\$ 266,730.31	\$ 266,730.31	\$ 288,769.64
Support Time and Materials (Mgmt. Fee):			
Gen Gov			\$ 13,078.45
Finance			\$ 4,305.65
Library			\$ 17,997.45
IT			\$ -
Total Support Staff Time and Materials	\$ 38,336.00	\$ 48,011.46	\$ 35,381.55
Conversion to Admin Fee Rate	14.37%	18.00%	12.25%
Total Expenditures	\$ 305,066.31	\$ 314,741.77	\$ 324,151.19
Net Revenues Over Expenditures	\$ (44,069.31)	\$ (53,744.77)	\$ (63,154.19)
One-Time Startup:			
Gen Gov			\$ 1,451.83
Finance			\$ 295.92
Library			\$ 11,636.44
IT			\$ -
Total One-Time Startup Expenditures			\$ 13,384.19
Total Expenditures + One-Time Startup	\$ 305,066.31	\$ 314,741.77	\$ 337,535.37
Net Revenues Over Expenditures	\$ (44,069.31)	\$ (53,744.77)	\$ (76,538.37)
WITH FEE ADJUSTMENT (No admin fee on donations and 20% cap on County Per Capita):			
Fee Adjustment (Remove Friends Donations and Cap 20% on County Per Capita)		\$ (3,870.00)	\$ (2,634.29)
Adjusted Support Staff Time and Materials	\$ 38,336.00	\$ 44,141.46	\$ 32,747.26
Total Adjusted Expenditures	\$ 305,066.31	\$ 310,871.77	\$ 321,516.89
Adjusted Conversion Admin Fee Rate	14.37%	16.55%	11.34%
Adjusted Net Revenue Over Expenditures	\$ (44,069.31)	\$ (49,874.77)	\$ (60,519.89)
Total Adjusted Expenditures + One-Time Startup	\$ 305,066.31	\$ 310,871.77	\$ 334,901.08
Net Revenues Over Adjusted Expenditures (w/Startup)	\$ (44,069.31)	\$ (49,874.77)	\$ (73,904.08)

ATTACHMENT 4

City of Buellton Staff Report

CITY OF BUELLTON
City Council Agenda Staff Report

City Manager Review:
Council Agenda Item No.:

To: The Honorable Mayor and City Council

From: Marc Bierdzinski, City Manager

Meeting Date: December 13, 2018

Subject: Discussion and Direction Regarding Library Zone Change from
Zone 1 (Santa Barbara) to Zone 4 (Goleta)

BACKGROUND

Based on City Council direction, staff has been meeting with City of Goleta staff regarding a transfer of the Buellton library from Zone 1 (Santa Barbara) to Zone 4 (Goleta). The result of these meetings has been a proposed budget to operate the Buellton library (Attachment 1), one-time start-up costs (Attachment 2), and a detailed breakdown of the administration costs (Attachment 3). Attachment 1 also provides a comparison to the City of Santa Barbara estimated costs. Based on this, the annual cost would be approximately \$8,000 less with Goleta than Santa Barbara. The full cost is detailed under Fiscal Impacts.

If the City Council is in support of the transfer to Zone 4, Attachment 3 is a draft letter to send to the County of Santa Barbara, City of Santa Barbara, and City of Goleta accepting the transfer with the following caveats:

- The proposed Goleta library budget (Attachments 1, 2, and 3) is acceptable at this time, but that both cities should work together to finalize the budget numbers for the upcoming Fiscal Year 2019-2020 and 2010-2021 budget cycles
- That the existing Buellton library staff be offered positions within the Goleta system to keep continuity with the patrons
- That the cities sign an agreement for the lease space continuing the \$1 rental amount plus identification of maintenance responsibilities

The transfer to Zone 4 is also subject to approval by the City of Goleta. That decision will be made at their December 18, 2018, City Council meeting.

In order to save money and reduce administrative costs, the City of Buellton would be taking over custodial services since we already do cleaning of the Council Chambers. The City of Buellton would also continue to pay for utilities except for phone and internet. The proposed budget does not add a sixth day of the library being open. It is a status quo situation.

The City of Solvang is also deciding whether to move to Zone 4 and action on this will be at their December 10, 2018, City Council meeting.

FISCAL IMPACTS

The following is a summary of the proposed fiscal impacts:

- What we have paid Santa Barbara: \$141,641
- What we have budgeted for the library (excluding utilities): \$169,974
- Current Buellton budget surplus: \$28,333

For the current Fiscal Year 2018-2019, the City of Goleta will require a one-time start-up cost of \$13,384 (Attachment 2). The City of Buellton has this amount available in the current City budget as noted above (\$28,333 budget surplus).

Per Attachment 1, the proposed Goleta annual budget has expenditures exceeding revenues by \$40,043. Therefore, based on our current budget surplus of \$28,333, the City of Buellton would have to allocate an additional \$11,710 in the upcoming budget to make revenues equal expenditures.

The draft Fiscal Year 2019-2020 and 2020-2021 Buellton budget would need the following allocations:

- FY 19-20: \$181,684 (an increase of \$11,710 over our existing budgeted amount)
- FY 20-21: \$181,684 (an increase of \$11,710 over our existing budgeted amount – a cost of living increase may occur for this fiscal year)

These amounts may change as we move forward towards transfer on July 1, 2019.

RECOMMENDATION

That the City Council accept the transfer of the Buellton Library from Zone 1 (Santa Barbara) to Zone 4 (Goleta) subject to approval by the Goleta City Council and authorize the City Manager to send the letter included as Attachment 4 and authorize the City Manager to use the library fund budget surplus for the one-time start-up costs.

ATTACHMENTS

Attachment 1 – Draft Goleta Budget for Buellton Library
Attachment 2 – One-time Start-up Costs
Attachment 3 – Draft Administrative Fee Breakdown
Attachment 4 – Draft Letter

City of Buellton (DRAFT)	City of Santa Barbara		City of Goleta
	FY 18/19 Buellton Budget	FY 18/19 Buellton Budget	FY 2018/19 Buellton Budget
Cost Model Methods:	Indirect Overhead Rate	Indirect Overhead Rate	Cost of Service (Labor/Benefit Rate)
Revenues			
Donations	\$ 2,050.00	\$ 2,050.00	\$ 2,050.00
Fees and Service Charges	\$ 3,150.00	\$ 3,150.00	\$ 3,150.00
County Per Capita	\$ 83,163.00	\$ 83,163.00	\$ 83,163.00
City Contribution	\$ 141,641.00	\$ 141,641.00	\$ 141,641.00
Library Fines	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Other Revenue	\$ 4,300.00	\$ 4,300.00	\$ 4,300.00
Total Revenues	\$ 237,304.00	\$ 237,304.00	\$ 237,304.00
Expenditures			
Salary and Benefits			
Total Salary and Benefits	\$ 162,909.00	\$ 162,909.00	\$ 140,693.57
Supplies and Services:			
Black Gold	\$ 19,550.00	\$ 19,550.00	\$ 19,550.00
Office Supplies & Expense	\$ 2,665.00	\$ 2,665.00	\$ 2,665.00
Bank Fees	\$ 25.00	\$ 25.00	\$ -
Special Supplies and Expense	\$ 4,115.00	\$ 4,115.00	\$ 4,115.00
Facilities Maint.	\$ -	\$ -	\$ -
Non-Contractual Services (Custodial/Copier)	\$ 10,562.39	\$ 10,562.39	\$ 2,400.00
Advertising	\$ 200.00	\$ 200.00	\$ 200.00
Printing & Binding	\$ 150.00	\$ 150.00	\$ 150.00
Messenger/Delivery	\$ -	\$ -	\$ 8,760.00
Postage/Delivery	\$ 500.00	\$ 500.00	\$ 500.00
Gas	\$ 300.00	\$ 300.00	\$ 300.00
Telephone	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00
Utilities	\$ -	\$ -	\$ -
Internet/Cable	\$ -	\$ -	\$ 2,800.00
Custodial	\$ -	\$ -	\$ -
Vehicle Fuel and Maintenance	\$ -	\$ -	\$ 265.00
IT Services and Software (Direct Costs)	\$ -	\$ -	\$ 18,848.28
Total Supplies and Services	\$ 39,667.39	\$ 39,667.39	\$ 62,153.28
Capital Equipment:			
Book Acquisitions	\$ 39,119.00	\$ 39,119.00	\$ 39,119.00
Total Capital Equipment	\$ 39,119.00	\$ 39,119.00	\$ 39,119.00
Subtotal Expenditures	\$ 241,695.39	\$ 241,695.39	\$ 241,965.85
Support Time and Materials (Mgmt. Fee):			
Gen Gov			\$ 13,078.45
Finance			\$ 4,305.65
Library			\$ 17,997.45
IT			\$ -
Total Support Staff Time and Materials	\$ 32,623.00	\$ 43,505.17	\$ 35,381.55
Conversion to Admin Fee Rate	13.50%	18.00%	14.62%
Total Expenditures	\$ 274,318.39	\$ 285,200.56	\$ 277,347.40
Net Revenues Over Expenditures	\$ (37,014.39)	\$ (47,896.56)	\$ (40,043.40)
One-Time Startup:			
Gen Gov			\$ 1,451.83
Finance			\$ 295.92
Library			\$ 11,636.44
IT			\$ -
Total One-Time Startup Expenditures	\$ -	\$ -	\$ 13,384.19
Total Expenditures + One-Time Startup	\$ 274,318.39	\$ 285,200.56	\$ 290,731.58
Net Revenues Over Expenditures	\$ (37,014.39)	\$ (47,896.56)	\$ (53,427.58)
WITH FEE ADJUSTMENT (No admin fee on donations and 20% cap on County Per Capita):			
Fee Adjustment (Remove Friends Donations and Cap 20% on County Per Capita)	\$ -	\$ (369.00)	\$ (299.76)
Adjusted Support Staff Time and Materials	\$ 32,623.00	\$ 43,136.17	\$ 35,081.79
Total Adjusted Expenditures	\$ 274,318.39	\$ 284,831.56	\$ 277,047.63
Adjusted Conversion Admin Fee Rate	13.50%	17.85%	14.50%
Adjusted Net Revenue Over Expenditures	\$ (37,014.39)	\$ (47,527.56)	\$ (39,743.63)
Total Adjusted Expenditures + One-Time Startup	\$ 274,318.39	\$ 284,831.56	\$ 290,431.82
Net Revenues Over Adjusted Expenditures (w/Startup)	\$ (37,014.39)	\$ (47,527.56)	\$ (53,127.82)

City of Buellton (DRAFT)		City of Goleta	
		FY 2018/19 Buellton Budget	
Cost Model Methods:		Cost of Service	
One-Time Startup:			
	Gen Gov	\$	1,451.83
	Finance	\$	295.92
	Library	\$	11,636.44
Total One-Time Startup Expenditures		\$	13,384.19
<i>One-time costs for transition includes Black Gold reconfiguration, re-barcoding staff time, barcodes, staff time for amending library agreements and vendor agreements, training on Goleta library policy and procedures, new library cards, onboarding staff, creation of new website, staff training on financial policies, cash handling and receipting for Goleta, and setting up new funds and accounts.</i>			

Cost of Service Analysis for Library Management (General Government)

Classification:	Mgmt. Assistant	Human Resources Analyst	Mgmt. Analyst	Human Resources Manager	Community Relations Assistant	Community Relations Manager	Deputy City Clerk	City Clerk	Assistant City Attorney	Deputy City Manager	City Manager
Labor/Benefit Hourly Rate:	\$ 51.61	\$ 69.11	\$ 60.83	\$ 77.72	\$ 38.56	\$ 92.00	\$ 64.61	\$ 107.50	\$ 110.22	\$ 139.28	\$ 170.17

Tasks												Total Time	Estimated Volume	Total Hours	Total Task Costs	Comments	Other Notes
One Time																	
Onboarding staff	1.00	0.50						0.05				1.55	6.00	9.30	\$ 549.24	Est. time spent onboard one new employee	Assumes 6 employees
Creation of new website					10.00							10.00	1.00	10.00	\$ 385.60	Est. time spent associated with new library website (initial startup)	Assumes status quo for initial transition and startup.
IT related improvements												0.00	0.00	0.00	\$ -	Est. time spent overall anything IT related with branch libraries	Removed per Scott as courttest with new contract rate
Staff Training	1.00	0.50										1.50	6.00	9.00	\$ 516.99	Est. avg. time spent training one new employee, personnel rules, time entry,	Assumes 6 employees
												0.00	0.00	0.00	\$ -		
												0.00	0.00	0.00	\$ -		
												0.00	0.00	0.00	\$ -		
												0.00	0.00	0.00	\$ -		
Total One Time	2.00	1.00	0.00	0.00	10.00	0.00	0.00	0.05	0.00	0.00	0.00	13.05	13.00	28.30	\$ 1,451.83		
City Manager's Office																	
Contract review			1.00						0.15	0.15	0.15	1.45	1.00	1.45	\$ 123.78	Est. average time spent for reviewing one contract	Assumes 1
Budget review										0.15	0.15	0.30	2.00	0.60	\$ 92.84	Est. average time spent for reviewing one programs budget	Assumes budget review twice a year for adoption.
Agenda and Staff Report Related Time			0.25						0.25	0.25	0.15	0.90	1.00	0.90	\$ 103.11	Est. average time spent for reviewing one staff report	Assumes status quo for initial transition and startup.
Labor agreements												0.00	0.00	0.00	\$ -	Est. average time spent for reviewing one labor agreement	Removed per Scott as courttest with new contract rate
												0.00	0.00	0.00	\$ -		Assumes 6 employees
Total City Manager's Office	0.00	0.00	1.25	0.00	0.00	0.00	0.00	0.00	0.40	0.55	0.45	2.65	4.00	2.95	\$ 319.72		
City Clerk																	
Document routing, review and filing							0.50					0.50	5.00	2.50	\$ 161.53	Est. average time spent for routing, reviewing and filing one document	Assumes 5 documents related
Records request												0.00	0.00	0.00	\$ -	Est. average time spent for one public records request	Assumes 5 documents related
New employee - Oath of Office								0.05				0.05	1.00	0.05	\$ 5.38	Est. average time spent for one employee oath of office	Assumes 5 documents related
Agenda and Staff Report Related Time							0.25	0.25				0.50	5.00	2.50	\$ 215.14	Est. average time spent on handling one staff report	Assumes 5 documents related
												0.00	0.00	0.00	\$ -		
Total City Clerk	0.00	0.00	0.00	0.00	0.00	0.00	0.75	0.30	0.00	0.00	0.00	1.05	11.00	5.05	\$ 382.04		
City Attorney																	
Review of contracts/vendor agreements related to branch libraries												0.00	0.00	0.00	\$ -	Est. avg. time spent reviewing one contract	Limited. Time accounted for under City Manager's Office
												0.00	0.00	0.00	\$ -	Est. avg. time spent reviewing one personnel related matter	Removed. See HR section below.
												0.00	0.00	0.00	\$ -		
												0.00	0.00	0.00	\$ -		
Total City Attorney	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -		
Community Relations																	
Press Releases (To be done by Library staff)												0.00	0.00	0.00	\$ -	Est average time spent for issuing one press release	Assumes Goleta Library to provide this task
Marketing and advertising (To be done by Library staff)												0.00	0.00	0.00	\$ -	Est. average time spent creating marketing materials for one event	Assumes Goleta Library to provide this task
Website updates (To be done by Library staff)												0.00	0.00	0.00	\$ -	Est. average time spent making library changes and updates per program	Assumes Goleta Library to provide this task
												0.00	0.00	0.00	\$ -		
												0.00	0.00	0.00	\$ -		
Total Community Relations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -		
Human Resources																	
Onboarding	1.00	0.50										1.50	1.00	1.50	\$ 86.17	Est. time spent onboard one new employee	Assumes 1 EE turnover for ongoing
Staff Training	1.00	0.50										1.50	1.00	1.50	\$ 86.17	Est. avg. time spent training one new employee	Assumes 1 EE turnover for ongoing
Recruiting/Retention	1.00	1.50		1.00							0.50	4.00	1.00	4.00	\$ 318.08	Est. avg. time spent on recruitment/retention efforts for one employee	Assumes 1 EE turnover for ongoing
Performance Evaluations		0.15		0.25						0.15		0.55	6.00	3.30	\$ 304.13	Est. avg. time spent in managing/processing performance evaluation for one employee	Assumes 6 EE annual employee evaluations
Labor Relations		0.50		0.50								1.00	1.00	1.00	\$ 73.42	Est. avg. time spent on labor relations with one employee	Assumes 1 EE
Benefit Management		0.15										0.15	1.00	0.15	\$ 10.37	Est. avg. time spent on maintaining updated employee information	Assumes 1 EE changes in personnel information
Payroll and employee profile maintenance	0.15	0.15										0.30	6.00	1.80	\$ 108.65	Est. time spent on processing benefits for one employee	Assumes 6 EE
												0.00	0.00	0.00	\$ -	Est. time spent going over policies and procedures for one employee	Accounted for as one-time costs (see top section)
												0.00	0.00	0.00	\$ -	Est. time spent on setting up one employee in incode	Accounted for as one-time costs (see top section)
												0.00	0.00	0.00	\$ -		
Total Human Resources	3.15	3.45	0.00	1.75	0.00	0.00	0.00	0.00	0.00	0.15	0.50	9.00	17.00	13.25	\$ 986.97		
TOTAL TASK COSTS - ONE TIME	2.00	1.00	0.00	0.00	10.00	0.00	0.00	0.05	0.00	0.00	0.00	13.05	13.00	28.30	\$ 1,451.83		
TOTAL TASK COSTS - ONGOING	3.15	3.45	1.25	1.75	0.00	0.00	0.75	0.30	0.40	0.70	0.95	12.70	32.00	21.25	\$ 1,688.73		
TOTAL TASK COSTS	5.15	4.45	1.25	1.75	10.00	0.00	0.75	0.35	0.40	0.70	0.95	25.75	45.00	49.55	\$ 3,140.56		
Direct Costs												Unit Price	# of Units		Total Cost	Description	
One Time																	
PC/Laptop upgrades (anticipated)												\$ 2,000.00	0.00		\$ -	City dept. heads to transition laptops to Library	Goleta may have extra laptops for use
Microsoft Windows OS downgrade to Windows 7 for Black Gold compatibility (to PCs/Laptops above)												\$ 200.00	0.00		\$ -	MS Windows OS Downgrade for Black Gold compatibility	Not needed.
Website Page for Each Site (\$3,000) one time only												\$ 3,000.00	0.00		\$ -	Previously \$3,000. Removed. Will keep website status quo and redirect domain to	Website to remain status quo.
															\$ -		
															\$ -		
															\$ -		
															\$ -		
Total One Time												\$ 5,200.00	0.00		\$ -		
Supplies - Ongoing																	
Insurance Premiums (CJPIA - Workers Comp) \$7.16 per \$100 of new payroll												\$ 8,279.23	1.00		\$ 8,279.23	Cost of adding new employees - per CJPIA	Based on new payroll
Insurance Premiums (CJPIA - Liability) @2.69 per \$100 of new payroll												\$ 3,110.49	1.00		\$ 3,110.49	Cost of adding new employees - per CJPIA	Based on new payroll
NEOGOV												\$ 72.50				Cost of adding new employee	Removed, no additional impact to software cost.
Total Supplies - Ongoing												\$ 11,462.22	2.00		\$ 11,389.72		
Professional Services - Ongoing (IT Direct Costs to be listed in Supplies & Services Budget)																	
IT Services												\$ 1,497.00	12.00		\$ 17,964.00	Annual monthly cost of providing full IT support to one Library Branch	Per Scott. Revised estimate, after assessment.
Office 365 Licensing (monthly \$12, annual \$144)												\$ 144.00	1.00		\$ 144.00	Cost of adding one additional license	Assumes 1 license needed
Adobe Licensing (annual \$140.28)												\$ 140.28	1.00		\$ 140.28	Annual Cost of adding one additional license	Assumes 1 license needed
MS Exchange Email Webhosting												\$ 120.00	5.00		\$ 600.00	Annual Cost of adding one MS Exchange Email Hosting	Assumes 6 employees at \$15/month
															\$ -		
															\$ -		

	Mgmt. Assistant	Human Resources Analyst	Mgmt. Analyst	Human Resources Manager	Community Relations Assistant	Community Relations Manager	Deputy City Clerk	City Clerk	Assistant City Attorney	Deputy City Manager	City Manager						
Classification:																	
Labor/Benefit Hourly Rate:	\$ 51.61	\$ 69.11	\$ 60.83	\$ 77.72	\$ 38.56	\$ 92.00	\$ 64.61	\$ 107.50	\$ 110.22	\$ 139.28	\$ 170.17						
Total Professional Services - Ongoing (IT Direct Costs to be listed in Supplies & Services Budget)												\$ 1,901.28	19.00		\$ 18,848.28		
TOTAL DIRECT COSTS - ONE TIME												\$ -					
TOTAL DIRECT COSTS - ONGOING												\$ 30,238.00					
TOTAL DIRECT COSTS												\$ 30,238.00					

GENERAL GOVERNMENT SUMMARY:			
TOTAL TASK COSTS - ONE TIME	\$	1,451.83	
TOTAL TASK COSTS - ONGOING	\$	1,688.73	
TOTAL TASK COSTS	\$	3,140.56	
TOTAL DIRECT COSTS - ONE TIME	\$	-	
TOTAL DIRECT COSTS - ONGOING	\$	30,238.00	
TOTAL DIRECT COSTS	\$	30,238.00	
TOTAL ONE TIME	\$	1,451.83	
TOTAL ONGOING	\$	13,078.45	
TOTAL GEN GOV	\$	14,530.28	
TOTAL IT COSTS	\$	18,848.28	
TOTAL	\$	33,378.56	

\$11,390 is insurance premium related (workers comp and liability)

IT contract costs and software to be accounted for separately under branch line-item budget

Cost of Service Analysis for Library Management (Finance)

Classification:
Labor/Benefit Hourly Rate:

Senior Office Specialist	Accounting Specialist	Accountant	Budget Analyst	Accounting Manager	Finance Director
\$ 42.89	\$ 44.22	\$ 55.11	\$ 54.83	\$ 77.11	\$ 112.83

Tasks (Finance Department)	Estimated Amount of Hours						Total Time	Estimated Volume	Total Hours	Total Task Costs	Comments	Other Comments
One Time												
Incode Training - Time Entry							0.00	0.00	0.00	\$ -	Removed. Goleta Library to provide training	
Incode Training - Purchasing/Purchase Requisitions							0.00	0.00	0.00	\$ -	Removed. Goleta Library will be managing ordering	
Training - Cash Receipting and Cash Handling			0.50		0.20		0.70	1.00	0.70	\$ 42.98	Finance original oversight	
Incode Training - Account Lookup							0.00	0.00	0.00	\$ -	Removed. Not needed. Goleta Library to manage	
Incode Training - Budget Tools							0.00	0.00	0.00	\$ -	Removed. Not needed. Goleta Library to manage	
Library Credit Card Merchant Setup							0.00	0.00	0.00	\$ -	N/A yet. Credit card setup for future.	
Library Self Serve Machines Setup							0.00	0.00	0.00	\$ -	N/A yet. Additional costs if in future	
Financial Policy and Procedures Training			0.50		0.00		0.50	1.00	0.50	\$ 27.56	To go through Goleta Library	
Setting up new funds and accounts			1.00		0.10	0.05	1.15	3.00	3.45	\$ 205.39	Est. time spent on setting up new funds and accounts for one branch	Assumes 3 funds per branch(county per capita, other, friends)
							0.00	0.00	0.00	\$ -		
							0.00	0.00	0.00	\$ -		
Total One Time	0.00	0.00	2.00	0.00	0.30	0.05	2.35	5.00	4.65	\$ 275.92		
Accounts Payable												
Vendor Maintenance and Setup							0.00	0.00	0.00	\$ -	Est. time of setting up one vendor and Est number of vendors	Removed. Assumption no new specific vendor.
Purchase Requisitions and Purchase Orders		0.05	0.10				0.15	5.00	0.75	\$ 38.61	Est. time of review/process purchase req/order and Est number of Pos	Purchase orders specific to branch. Assume 5.
Invoice Review, Routing and Processing		0.05	0.05		0.05		0.15	60.00	9.00	\$ 636.48	Est. time of reviewing one invoice and est number of invoices per branch	Assumes 5 vendors, 12 monthly invoices on annual basis
Travel Reimbursements		0.30	0.05		0.05		0.40	1.00	0.40	\$ 21.66	Est. time of reviewing and processing travel reimbursement	Assumes processing 1 travel reimbursement
Credit Card and Vendor Account Reconciliation							0.00	0.00	0.00	\$ -	Est. time of reviewing one month of credit card transaction per branch	Credit Card Reconciliation per branch (N/A yet)
Mail/document routing and handling		0.01					0.01	60.00	0.60	\$ 26.53	Est. time of mail handling related to one branch	Assumes 5 vendors,12 monthly invoices, 60 total
1099 preparation and review							0.00	0.00	0.00	\$ -	Est. time of preparing and processing 1099 for one branch	Removed. Absorbed through Goleta Library
							0.00	0.00	0.00	\$ -		
Total Accounts Payable	0.00	0.41	0.20	0.00	0.00	0.10	0.71	126.00	10.75	\$ 723.29		
Treasury Services												
Cash Collections/Processing of Deposits	0.20		0.05				0.25	156.00	39.00	\$ 1,768.03	Est. time of processing one receipt and estimated volume of deposits, per branch	3x a week for 52 weeks = 156 transactions. Volume base on courier service
Donation Reconciliation			0.10		0.10		0.20	12.00	2.40	\$ 158.66	Est. time of reconciling donations	Monthly reconciliation and remittance of Friends funds
Credit Card Merchant and Processing Fee Reconciliation							0.00	0.00	0.00	\$ -	Est time processing credit card fees, on a monthly basis	N/A. No credit card system.
Change Funds			0.20		0.10		0.30	4.00	1.20	\$ 74.93	Est. time processing change funds. Monthly basis	Assumes 4x a year.
Reimbursement/Refund Processing and Reconciliation		0.20	0.10		0.05		0.35	2.00	0.70	\$ 39.99	Est . Time processing one reimbursement or refund	Assumes 2x a year
Revenue tracking and reconciliation			0.50		0.10		0.60	4.00	2.40	\$ 141.06	Est. time reconciling special revenue funds for one branch	4 quarterly reports
							0.00	0.00	0.00	\$ -		
							0.00	0.00	0.00	\$ -		
Total Treasury Services	0.20	0.20	0.95	0.00	0.30	0.05	1.70	178.00	45.70	\$ 2,182.68		
Accounting Services												
Internal Control Review and Audit			0.50		0.30	0.05	0.85	1.00	0.85	\$ 56.33	Est. time of reviewing controls and audits	Can vary. Should be reviewed/audit twice a year
Library Funds Management and Reconciliation		0.50	0.50		0.20	0.05	1.25	4.00	5.00	\$ 282.91	Est. time reviewing and reconciling all funds	4x a year when preparing quarterly and treasurer reports
Management of Friends Groups Funds							0.00	0.00	0.00	\$ -	Est. time reconciling and remitting funds for friends group	Removed. Accounted for above.
Journal Entries			0.20		0.10		0.30	3.00	0.90	\$ 56.20	Est. time reviewing/processing Journal Entries	Assumed 10 journal entries for the year
Budget Adjustments			0.20			0.05	0.25	3.00	0.75	\$ 49.99	Est. time reviewing/processing Budget Adjustments	Assumes 10 budget adjustments for the year
Budget Oversight/Preparation		0.50	0.50		0.20	0.05	1.25	2.00	2.50	\$ 141.46	Est time preparing budget worksheets and reviewing	Assumes mid-year and mid-cycle prep
Financial Reporting			0.50		0.20	0.05	0.75	4.00	3.00	\$ 194.47	Est. time preparing financial reporting for Quarterlies	Assumes Quarterly Financial Reporting
Ongoing Incode Training			0.00		0.00		0.00	0.00	0.00	\$ -	Est. time on ongoing Incode training.	No training needed by Finance.
Cost Allocation and Cost of Service Analysis			0.15		0.20	0.10	0.45	4.00	1.80	\$ 139.89	Est. time reconciling time tracking for Library management	Reconcile on Quarterly Basis. Assumes Annual Cost Model True Up and Adjustments
							0.00	0.00	0.00	\$ -		
Total Accounting Services	0.00	1.00	2.55	0.00	1.20	0.35	5.10	21.00	14.80	\$ 921.25		
Payroll												
Time Entry Review and Assistance			0.10				0.10	26.00	2.60	\$ 143.29	Est. time reviewing timesheets for one employee	26 pay periods, average time of assistance for 1 EE
Payroll Processing/Reconciliation			0.10				0.10	26.00	2.60	\$ 143.29	Est. time reconciling time sheet for one employee, with payroll worksheet	26 pay periods, average time of 1 FTE, and 5 PT
Benefit Reconciliation			0.10				0.10	12.00	1.20	\$ 66.13	Est. time reconciling benefit deductions and amounts	Separate monthly process, reconciling liability accounts
PERS Reporting			0.05				0.05	26.00	1.30	\$ 71.64	Est. time for PERs reporting for one employee	1 EE subject to PERS per branch
Tax Reporting			0.05				0.05	4.00	0.20	\$ 11.02	Est. time for payroll tax review/reporting for one employee	Federal and State Quarterly 941
w2 preparation and review		0.10	0.05				0.15	6.00	0.90	\$ 43.07	Est. time preparing w2 and review for one employee	Annual w2 generated, reported and reviewed, specific to EE
							0.00	0.00	0.00	\$ -		
							0.00	0.00	0.00	\$ -		

Classification: Labor/Benefit Hourly Rate:	Senior Office Specialist	Accounting Specialist	Accountant	Budget Analyst	Accounting Manager	Finance Director						
	\$ 42.89	\$ 44.22	\$ 55.11	\$ 54.83	\$ 77.11	\$ 112.83						
Total Payroll	0.00	0.10	0.45	0.00	0.00	0.00	0.55	100.00	8.80	\$ 478.43		
TOTAL TASK COSTS - ONE TIME	0.00	0.00	2.00	0.00	0.30	0.05	2.35	5.00	4.65	\$ 275.92		
TOTAL TASK COSTS - ONGOING	0.20	1.71	4.15	0.00	1.50	0.50	8.06	425.00	80.05	\$ 4,305.65		
TOTAL TASK COSTS	0.20	1.71	6.15	0.00	1.80	0.55	10.41	430.00	84.70	\$ 4,581.57		
Direct Costs							Unit Price	# of Units	N/A	Total Cost	Description	
Supplies - Ongoing												
Receipting paper for revenues and cash collection activity							\$ 10.00	1.00		\$ 10.00	Estimated cost of receipt paper for deposits per branch	
Credit Card Device							\$ 300.00	0.00		\$ -	Remove, to remain status quo. Est. cost is \$300 to add.	
W-2 forms and envelopes for additional staff							\$ 1.00	5.00		\$ 5.00	Est. cost for w2 forms for employees at one branch library	
1099 forms for additional separate contractors							\$ 1.00	0.00		\$ -	Remove. Vendor already accounted for within Library system.	
Postage and envelopes							\$ 1.00	5.00		\$ 5.00	Can change if specific vendor for specific branch.	
							\$ -	0.00		\$ -		
							\$ -	0.00		\$ -		
Total Supplies - Ongoing							\$ 313.00	11.00		\$ 20.00		
Professional Services - Ongoing												
Annual Audit							\$ -	0.00		\$ -	Est. cost associated with audit	
Total Professional Services - Ongoing							\$ -	\$ -		\$ -	No impacts to audit contract	
TOTAL DIRECT COSTS - ONGOING							\$ 20.00					

FINANCE SUMMARY	
TOTAL TASK COSTS - ONE TIME	\$ 275.92
TOTAL TASK COSTS - ONGOING	\$ 4,305.65
TOTAL TASK COSTS	\$ 4,581.57
TOTAL DIRECT COSTS - ONGOING	\$ 20.00
TOTAL ONE TIME	\$ 295.92
TOTAL ONGOING	\$ 4,305.65
TOTAL	\$ 4,601.57

Cost of Service Analysis for Library Management (Library)

Classification:	Library Tech	Mgmt. Assistant	IT	Library Page	Children's Librarian	Supervising Librarian	Library Director
Labor/Benefit Hourly Rate:	\$ 46.94	\$ 51.61	\$ 165.00	\$ 17.22	\$ 56.84	\$ 69.72	\$ 108.27

Tasks (Library Department)	Estimated Amount of Hours							Total Time	Estimated Volume	Total Hours	Total Task Costs (Annualized)	Comments	Other Notes
One Time													
Rebarcoding: Goleta Staff Time assisting and managing effort	26.00		0.00				4.00	30.00	1.00	30.00	\$ 1,653.52	Est. average time for one branch	IT costs removed as courtesy, per Scott.
Amendments to current contracts (Baker & Taylor, Midwest, Janicare)		6.00					4.00	10.00	1.00	10.00	\$ 742.74	Est. average time for one branch	
Amendments to utility accounts		6.00						6.00	1.00	6.00	\$ 309.66	Est. average time for one branch	Internet/Cable Service.
Library Policy and Procedures							6.00	6.00	1.00	6.00	\$ 649.62	Est. average time for one branch	
Blackgold Conversion Oversight							8.00	8.00	1.00	8.00	\$ 866.16	Est. average time for one branch	
Zone 4 expansion, County BOS Approval								0.00	0.00	0.00	\$ -	Est. average time for one branch	
Prepare/Negotiate MOU with Friends Groups							12.00	12.00	1.00	12.00	\$ 1,299.24	Est. average time for one branch	
RFP for IT Services		2.00					2.00	4.00	1.00	4.00	\$ 319.76	Est. average time for one branch	Required per purchasing ordinance.
Credit Card Terminal and Register Training								0.00	0.00	0.00	\$ -	Est. average time for one branch	No CC termina. Remain status quo.
Procedures Training							6.00	6.00	1.00	6.00	\$ 649.62	Est. average time for one branch	
City car for training - Vehicle Fuel								0.00	0.00	0.00	\$ -		
Total One Time	26.00	14.00	0.00	0.00	0.00	0.00	42.00	82.00	8.00	82.00	\$ 6,490.32		
Library Administration													
Library Vendor Contracts		0.05					0.05	0.10	5.00	0.50	\$ 39.97	Est. average time spent with one vendor contract. Input est. number of contracts related for one branch in the estimated volume column cell.	Assumes 5
Purchase Requisitions and Purchase Orders		0.50					0.20	0.70	5.00	3.50	\$ 237.30	Est. average time spent preparing, reviewing, approving one purchase requisition. Input estimated number of purchase requisitions in estimated volume column. Usually a purchase requisition per each vendor.	Assumed 5
Invoice Review and Approval	0.25	0.02					0.02	0.29	60.00	17.40	\$ 895.96	Est. average time spent reviewing one invoice. Input number of estimated invoices reviewed for one branch.	Adj. assumption to 5 vendors, 12 monthly invoices (supply ordering, and contract services)
Staff relief for vacation and sick								0.00	0.00	0.00	\$ -	Est. average hours of staff relief time for one branch	Assumes no relief from Goleta needed. Branches pro
Selecting circulating materials for branches					0.25	0.25	0.50	1.00	52.00	52.00	\$ 4,460.30	Est. average time spent on circulating material for one branch per week. Input frequency of weeks in estimated volume for one branch	Weekly basis. Adjusted for time share per branch library
Order Supplies				0.50				0.50	52.00	26.00	\$ 447.72	Est. average time spent on ordering supplies on a weekly basis. Input frequency in estimated volume for one branch.	Processed weekly.
Receiving circulating materials	1.00							1.00	52.00	52.00	\$ 2,440.88	Est. average time spent on receiving circulating materials per day for one branch. Input frequency of days in estimated volume	Assumes weekly.
Invoicing		0.00						0.00	0.00	0.00	\$ -	Est. average time spent on invoicing related to one branch per one vendor. Input frequency in estimated volume.	Assumes no in-house invoice for collections
Time sheet review and approval							0.02	0.02	156.00	3.12	\$ 337.80	Est. average time spent on time sheet review, requests and approval per one employee. Leave volume blank, will depend on number of employees for branch.	Assumes 6 employees, 26 pay periods.
Annual Reports specific to branch library							0.10	0.10	4.00	0.40	\$ 43.31	Est. average time spent on preparing annual report for one branch. If more than one type of annual report, input frequency per year.	Assumes 4 Quarterly reports
Additional meetings (Friends and Council meetings)							1.50	1.50	12.00	18.00	\$ 1,948.86	Est. average time spent on additional meetings and frequency for one branch.	Assumes monthly meeting.
Ongoing training Library staff on City Procedures							0.25	0.25	6.00	1.50	\$ 162.41	Est. average time spent on training library staff on city procedures for one branch. Input estimated frequency (i.e., 2x per year? 4x)	Assumes 6x per year.
Ongoing training Library staff related to Black Gold software			0.00					0.00	0.00	0.00	\$ -	Est. average time spent on black gold software training for library staff for one branch. Input estimated frequency.	Removed. IT costs accounted for in IT services.
Friends Group Fund Management and Oversight		0.05					0.05	0.10	12.00	1.20	\$ 95.93	Est. average time spent with one friends group and managing funds.	Monthly review
Grant writing and administration		0.25					0.50	0.75	5.00	3.75	\$ 335.19	Est. average time spent applying for grant and administering for one branch. Input estimated frequency on average number of grants applied in a year in estimated volume.	Assumes 5 grants related per branch.
Shipment Sorting (Library Assistant)				5.00				5.00	52.00	260.00	\$ 4,477.20	Est. average time spent in one day on sorting shipment for one branch library. Input estimated number of days in a year of shipment sorting	Processed weekly.
General IT Services			0.00					0.00	0.00	0.00	\$ -	Est. average time spent on anything IT related per week. Input frequency of weeks.	Removed. IT costs accounted for in IT services.
Outreach (website, social media, press releases, program posters)							0.15	0.15	52.00	7.80	\$ 844.51		Assumes weekly updates - once a week
Agenda and Staff Report Related Time Board of Trustees		0.25						0.25	12.00	3.00	\$ 154.83	12 Meetings per year.	Assumes 12 meetings.
Agenda and Staff Report Related Time City Council								0.00	0.00	0.00	\$ -	Approximately Five Reports Per Year	Removed. Only one time costs associated.
Program Coordination					0.50			0.50	6.00	3.00	\$ 170.52	Est. average time and number of programs per each branch requiring coordination	Assumed 6 children programs per year.
								0.00	0.00	0.00	\$ -		
Total Library Administration	1.25	1.12	0.00	5.50	0.75	0.25	3.34	12.21	543.00	453.17	\$ 17,092.67		
Library Financial Functions													
Cash Collections and Deposit Review								0.00	0.00	0.00	\$ -	Est. average time spent on receiving/reviewing cashing per day for one branch. Input number of days Goleta Library will receive collections.	Assigned "Branch Manager" to account for proper cash collections and control. To turn directly to Finance.
Donation management and reconciliation							0.05	0.05	12.00	0.60	\$ 64.96	Est average time spent on donation oversight. Estimate frequency. (i.e, donation box ? Other random donations) Input estimated frequency	Monthly basis. Check requests/signature/review provided by Library Director and staff
Budget review							0.15	0.15	12.00	1.80	\$ 194.89	Est. time reviewing one branch library budget and estimated frequency (i.e, per quarter? Per month?)	Budget oversight. Monthly balance checkup
Administrative oversight over Change Funds and cash handling							0.25	0.25	12.00	3.00	\$ 324.81	Est. time administering librarys change fund and cash handling	Training oversight and review. Library Director to have final oversight.
Reimbursement/Refund Review and Approval								0.00		0.00	\$ -	Est. time reviewing one reimbursements and refunds by Goleta Library admin, and estimated frequency per year	Assumed none.
Annual Budget Development							0.05	0.05	1.00	0.05	\$ 5.41	Est. average time developing budget for one library branch.	Budget to remain status quo with minor adjustments.
Budget and account maintenance specific to branches		1.00					0.25	1.25	4.00	5.00	\$ 314.71	Est. average time preparing, reviewing, and signing one journal entry and/or budget adjustment document. Input estimated number of documents a year for one branch.	Est 4 JE/BJE requests per year, after review of budget or guidance from Finance.
Total Library Financial Functions	0.00	1.00	0.00	0.00	0.00	0.00	0.75	1.75	41.00	10.45	\$ 904.78		
TOTAL TASK COSTS - ONE TIME	26.00	14.00	0.00	0.00	0.00	0.00	42.00	82.00	8.00	82.00	\$ 6,490.32		
TOTAL TASK COSTS - ONGOING	1.25	2.12	0.00	5.50	0.75	0.25	4.09	13.96	584.00	463.62	\$ 17,997.45		

Classification: Labor/Benefit Hourly Rate:	Library Tech	Mgmt. Assistant	IT	Library Page	Children's Librarian	Supervising Librarian	Library Director							
	\$ 46.94	\$ 51.61	\$ 165.00	\$ 17.22	\$ 56.84	\$ 69.72	\$ 108.27							
TOTAL TASK COSTS	27.25	16.12	0.00	5.50	0.75	0.25	46.09	95.96	592.00	545.62	\$ 24,487.77			
Direct Costs								Unit Price or Est. Cost	# of Units	N/A	Total Cost	Description	Other Notes	
One Time														
Rebarcoding: Cost of barcodes								\$ 450.12	1.00		\$ 450.12	Estimated cost for barcodes for branch library. Input estimated # of units.	(\$26.57 per thousand) + \$25 shipping	
Rebarcoding: Cost of computers, scanners needed for rebarcoding											\$ -	Estimated cost of new computers, scanners and other equipment needed for rebarcoding for one branch	To be donated, and computers to be provided by temp extra city laptops	
New Library Cards								\$ 0.142	8000.00		\$ 1,136.00	Estimated cost for one new library card for one branch. Input estimated number of library cards purchased	8,000 is lowest unit order. One time order	
New Library Card Design								\$ -	0.00		\$ -	Estimated cost for new library card design for one branch	No cost. Use City Logo.	
Dedicated vehicle for Library											\$ -	Estimated cost for new vehicle needed. Cost can be later allocated	County Per Capita Reserve Fund may be able to fund, but will need to be shared with branches	
Black Gold Reconfiguration - \$3560 per Library branch								\$ 3,560.00	1.00		\$ 3,560.00	Estimated direct cost for black gold	Provided by Black Gold	
Library Specific Equipment											\$ -	Estimated cost for new library specific equipment if applicable.	See specific library branch budget	
Total One Time								4010.26	8002.00		\$ 5,146.12			
Supplies - Ongoing														
Memberships											\$ -	Estimated annual membership specific to one library branch	See specific library branch budget	
Vehicle Fuel											\$ -	Estimated annual fuel cost for providing service to one library branch	See specific library branch budget	
Books & Subscriptions											\$ -	Estimated costs related to Goleta Library acquisition of books, if not impact, leave	See specific library branch budget	
Printing & Copying											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Office Supplies (paper, pens, pencils, markers, staples, paper clips, etc)											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Postage & Mailing											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Advertising											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Merchant Credit Card Fees											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Sewage Fees											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Alarm System (i.e., Bay Alarm)											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Internet and Cable TV service (Cox Internet and Cable)											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Utilities - Telephone											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Utilities - Water											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Utilities - Electric											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Utilities - Gas											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Maintenance - Facilities											\$ -	Exterior, interior, landscaping, plumbing, electrical	See specific library branch budget	
Maintenance - Computers											\$ -	Email exchange server, software licensing (office, adobe), Cox TV/Internet	See specific library branch budget	
Maintenance - Vehicles											\$ -	Est. misc repairs, car washes, tires, oil changes, brake pads etc	See specific library branch budget	
Total Supplies - Ongoing								0.00	0.00		\$ -			
Professional Services - Ongoing														
Black Gold											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Unique Management											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Janitorial/Custodial Services											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Book Processing											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Hoopla											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
IT Services											\$ -	Estimated direct costs affecting Goleta Library	See specific library branch budget	
Total Professional Services - Ongoing								0.00	0.00		\$ -			
Capital Outlay - Ongoing														
Furnishings (Desk, Chairs, Carpet, Tables, other furniture)											\$ -	Desk, Chairs, Carpet, Tables, other furniture	Direct Costs, not shared with Goleta	
Computer Technology (Computers, Laptops, Tablets, Printers,etc)											\$ -	Computers, Laptops, Tablets, Printers, Servers, etc	Direct Costs, not shared with Goleta	
Total Capital Outlay - Ongoing								0.00	0.00		\$ -			
TOTAL DIRECT COSTS - ONE TIME								0.00	0.00		\$ 5,146.12			
TOTAL DIRECT COSTS - ONGOING								0.00	0.00		\$ -			
TOTAL DIRECT COSTS								0.00	0.00		\$ 5,146.12			

LIBRARY SUMMARY	
TOTAL TASK COSTS - ONE TIME	\$ 6,490.32
TOTAL TASK COSTS - ONGOING	\$ 17,997.45
TOTAL TASK COSTS	\$ 24,487.77
TOTAL DIRECT COSTS - ONE TIME	\$ 5,146.12
TOTAL DIRECT COSTS - ONGOING	\$ -
TOTAL DIRECT COSTS	\$ 5,146.12
TOTAL ONE TIME	\$ 11,636.44
TOTAL ONGOING	\$ 17,997.45
TOTAL	\$ 29,633.89

DRAFT

December 13, 2018

County of Santa Barbara
City of Santa Barbara
City of Goleta

RE: Transition to Library Zone 4 (Goleta)

To Whom it May Concern:

The Buellton City Council, at their December 13, 2018, meeting, accepted the proposed transfer of the Buellton Library from Zone 1 (Santa Barbara) to Zone 4 (Goleta). This acceptance is subject to the following requests:

- The proposed Goleta library budget (draft of November 27, 20-18) is acceptable at this time, but that both cities should work together to finalize the budget numbers for the upcoming Fiscal Year 2019-2020 and 2010-2021 budget cycles
- That the existing Buellton library staff be offered positions within the Goleta system to keep continuity with the patrons
- That the cities sign an agreement for the lease space continuing the \$1 rental amount plus identification of maintenance responsibilities

We understand that the Goleta City Council must approve the transfer and that the process will then begin with the County of Santa Barbara Board of Supervisors taking action on revising the library zone boundaries. The City of Buellton will assist in the process if needed and requested.

If you have any questions, please call me at 805-686-7429 or e-mail me at marcb@cityofbuellton.com.

Sincerely,

Marc P. Bierdzinski
City Manager