

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # B-11

Urgent

Routine

AGENDA DATE May 20, 2008

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Approval of Revised Library Operating Hours and the Reduction-In-Force of Three Filled Positions and Downgrade of One Filled Position in the Library Effective July 1, 2008

STAFF RECOMMENDATIONS:

1. Approve the revised Library operating hours effective June 30, 2008.
2. Approve the reduction-in-force of three filled positions and downgrade of one filled position in the Library budget unit effective July 1, 2008.
3. Amend the Salary and Position Allocation Resolution to reflect the recommended changes as outlined in this report.

FISCAL IMPACT:

The Library has submitted a requested Fiscal Year 2008-2009 Proposed Budget of \$10,652,565, a reduction of \$1,791,818 from the Fiscal Year 2007-2008 Final Budget. The Library has experienced a significant reduction in revenue as a result of declining sales tax and anticipates further reductions due to the current State budget situation. In anticipation of this revenue reduction, the Library is recommending a revised operating plan which requires the closure of each of the Library branches one additional day per week.

- CONTINUED -

BOARD ACTION AS FOLLOWS:

No. 2008-364

On motion of Supervisor O'Brien, Seconded by Supervisor Grover

and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, DeMartini and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: Monteith

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

FISCAL IMPACT Continued:

In 1994, the Library underwent a fundamental change in funding as a result of the implementation of a voter approved 1/8th cent dedicated sales tax. This vital revenue source now represents 85% of the Library's total revenue. Combined with a contribution from the County's General Fund of \$863,630, the sales tax was key in the restoration of services after significant State budget cuts in the late '80s and early '90s. This dedicated sales tax was initially approved in 1994 for a period of five years, re-approved in 1999 for an additional five years, and again approved in 2004 for a period of eight years. The current 1/8th cent sales tax for the Library will sunset on June 30, 2013.

The Library anticipates a 12% decline in sales tax revenue for Fiscal Year 2008-2009. As the sales tax represents the largest source of revenue for the Library, this exposure greatly impacts the level of service the Library is able to provide. In addition, State revenue from California Library Literacy Services and Transaction Based Reimbursement are expected to be reduced by 10%. The Library, with the anticipated reduction in revenue, will not qualify for Public Library Foundation funds, a further anticipated reduction of approximately \$250,000. Additionally, the Library's General Fund contribution of \$863,327 reflects a 3% reduction as part of the County's Fiscal Year 2008-2009 budget balancing strategy.

These losses in revenue come at a time when overhead costs are expected to increase by over 16%. These increases are, in part, a result of negotiated salary increases and health care costs, an increase in County Cost Allocation Plan (CAP) charges, increased fuel and utility costs and an expected increase in the cost of books and materials.

DISCUSSION:

In the early years, library services in Stanislaus County were provided by the cities. On August 14, 1911, the Stanislaus County Free Library (Library) was formed in accordance with State law, creating in Stanislaus County a city and county model of partnering for the delivery of library services. This model provided a high level of library services for years.

Following the passage of Proposition 13 in 1978, cities and counties began to feel the negative effects of reduced property tax revenue. The Library's funding challenges began in earnest in 1986, when its budget was cut by 50% in response to fiscal problems created by State budget actions. In Fiscal Year 1992-1993, Library revenue was again cut by 40% after the State reduced property taxes by more than \$3,000,000 in what is commonly referred to as the ERAF shift. Each budget cut was accompanied by a large reduction-in-force and a subsequent drop in operating hours and services provided.

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Consequently, in 1994 the Modesto Library was open just 27 hours per week and the smaller branches were only open 10 hours per week. The Library was unable to provide children and teen programs, telephone reference, or access to electronic resources. In addition, the limited revenue resources meant very few books and materials were purchased.

To maintain an acceptable level of services, a fundamental change in funding was required. The Stanislaus County Free Library Advisory Board delivered a report to the Board of Supervisors in February 1994. The report recommended that a moderate level of services be restored to the Library system, paid for through a 1/8 cent sales tax. This dedicated sales tax, the Library's primary source of revenue, was initially approved by the voters in 1994 for a period of five years, approved in 1999 for an additional five years, and again approved in 2004 for a period of eight years. The current 1/8th cent sales tax will sunset on June 30, 2013.

The increase in revenue, generated by the 1/8th cent sales tax, enabled the Library to increase services including opening the Modesto Library 7 days a week, the Oakdale, Turlock, Ceres, Patterson, Riverbank, and Waterford libraries 6 days a week, and the Denair, Empire, Hughson, Keyes, Newman, and Salida Libraries 5 days a week. Information and reference services became available at all sites, and children services like StoryTimes, class visits, reader's advisory, and school visits to the Library were implemented. Furthermore, the tax enabled teen services, telephone reference, interlibrary loan service, home delivery services for the homebound, and access to electronic information services for all County residents. It also provided materials allocation of approximately \$2.00 per capita. Cities that chose to do so were invited to provide enhanced services at libraries within their borders such as expanded hours, larger materials budgets, homework resources, and programs for children and teens. To date, no city has chosen to do so, although some cities, like Ceres, have participated in facility needs associated with the Library.

Currently, the Library is open 579 hours per week at 13 branches for educational and recreational purposes. Customers receive reference and reader's advisory help at all branches. In addition, customers have access to weekly StoryTimes at all branches and to many children and teen programs throughout the year. Furthermore, customers can use online premium content databases and reference services at any time from any Internet link. Also, customers may utilize home delivery services, interlibrary loan, literacy tutoring, and public computers. Lastly, the Library offers basic literacy services to adults throughout the County.

As stated earlier, the dedicated 1/8th cent sales tax is the single largest funding source for the Library, representing over 85% of all revenue. For Fiscal Year 2008-2009, sales tax is projected at \$8,000,000, down from the Fiscal Year 2007-2008 Final Budget estimate of \$9,095,534. Other revenue sources are being affected by the economic climate as well. Each year, the Legislature and Governor allocate funds to the libraries

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during the State budget process for the California Library Literacy Services (CLLS). These funds provide learner-centered, volunteer-based literacy services dedicated to empowering low-literacy adults and their families. It is expected that CLLS will have at least a 10% reduction in Fiscal Year 2008-2009. This comes in addition to an anticipated 10% reduction in the Library's allocation from the State's Transaction Based Reimbursement funds. The State's Transaction Based Reimbursement funds are allocated by the Library of California Board and support reimbursement of local libraries for a portion of the costs they incur when lending materials beyond their jurisdictional clientele. The Library does not expect to receive Public Library Foundation funds in Fiscal Year 2008-2009. The State awards a dollar amount to qualifying public libraries, based upon the population of the library's service area and equal to a proportional share of the total amount appropriated by the Legislature and signed by the Governor each year. For a library to qualify, the local governing body must appropriate funds to the library that at least equal its revenue appropriated for the immediate preceding year (Maintenance of Effort). Revenue is calculated based upon local funds appropriated and not actual expenditures. This funding could potentially be restored in Fiscal Year 2009-2010 if no further reductions are required in the Library's budget and if the State continues funding this program.

Since the cost of doing business is increasing, the Department also anticipates increases as a result of negotiated salary increases and health care costs, an increase in County Cost Allocation Plan (CAP) charges, increases in fuel and utilities, and an expected increase in the cost of books and materials. The Library has already taken steps during the current fiscal year to address the current decrease in sales tax revenue by maintaining vacant positions, reducing the book and materials budget by 10%, delaying facility maintenance and other projects, reducing the use of part time hours, and by reducing supplies.

For Fiscal Year 2008-2009, the Library has evaluated operations and plans to implement several additional strategies to address the budget deficit. The travel and training budget will be reduced by 50% from \$48,160 to \$23,980. The book and materials budget will be reduced from \$1,292,000 to \$566,677. Facilities maintenance will be deferred unless it is a safety issue with the amount allocated for this category reduced from \$531,500 to \$173,340.

Enhanced content with pictures of book covers will be deleted from the Library's online catalog for a saving of \$6,000. The materials vendors who offer free shipping will be utilized more often for anticipated savings of \$10,000. The hiring freeze will remain in effect until the Library's fiscal position improves. The Library is proposing to delete three full time positions from the budget, bringing the total positions to 96. Seven of the current vacancies will remain vacant and unfilled. The Library will reduce the overall part-time labor costs by 48% by reducing the number of part time hours per week by 16% and the number of part time extra help employees from approximately 140 to 68. In the 2008-2009 Proposed Budget, the Library will still rely on \$1,200,000 fund balance

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reserves. The Library has been prudent in recent years and established a reserve that can be utilized annually to support operations until the economy shows improvement and revenues increase.

After careful review, the Library is also recommending that the number of open hours at the branches be revised for a savings of approximately \$1,100,000. As Attachment A reflects, it is recommended that the Modesto Library be closed on Sundays and that all other branches close one additional day a week to save in overhead and staffing costs. Unlike the 1990's when all the branches were closed on the same days of the week, this is a regional/geographic plan, with staggered days of operation. When one library in an area is closed, another nearby will be open and available to customers. As much as possible, evening hours at the branches will be intact and the Modesto Library will continue to provide the information technology and administrative support for all other branches. With the reduction in staff, existing staff will work at several branches during their work week to fill in hours that part time staff would have been working.

Library closures were discussed with the City Managers at their May 1, 2008 meeting and costs to operate branch libraries in their respective cities have been shared with them should any of the cities wish to participate in helping to keep those branches open.

The Library remains committed to its mission of fostering the love of reading and opening the door to knowledge. It is not anticipated that core services such as reference, children and teen services, StoryTimes, interlibrary loans, home delivery services, online services, internet access, class visits, reader's advisory, or other public services will be reduced. Customers may experience longer lines at checkout and a longer waiting period for best selling books, but the Library staff remain committed to providing the highest level of customer service possible within the given resources. Many Library services are available online through the Library's web page: www.stanislauslibrary.org. As the economy improves, the Library anticipates restoring service hours. Sales tax and other revenues will continue to be closely monitored, and as they improve, the Library would anticipate returning to the Board of Supervisors to begin restoring services.

POLICY ISSUES:

The Board of Supervisors has the authority to set the hours and days of operation of County facilities. The Board should determine if approval of staff's recommendation meets its stated priority to promote efficient delivery of public services.

STAFFING IMPACT:

Currently, there are 99 full-time allocated positions in the Library Services budget unit, 91 of which are currently filled and 8 of which are vacant. This report includes the recommendation to delete three filled positions requiring approval of a reduction-in-

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force, and to downgrade one position from Librarian II to Library Assistant II to more accurately reflect the duties and needs of the position. The Library will also maintain a hiring freeze for seven of the eight current vacant positions until such time as revenues are available to fill vacant positions and restore additional service hours to the public. The effective date for all deletions and the position reclassification is July 1, 2008.

Table 1 reflects the details of the positions recommended for deletion as part of this item. It is recommended the Salary and Position Allocation Resolution be amended to reflect these changes.

Table 1:

Position Number	Allocated Position	Filled Classification	Recommendation
7394	Librarian II	Supervising Account/ Administrative Clerk I	Downgrade position to Library Assistant II
6345	Account Clerk III	Account Clerk III	Delete position
1738	Confidential Assistant IV	Confidential Assistant III	Delete position
10446	Librarian II	Staff Services Technician	Delete position

The Library currently employs a part-time workforce of approximately 140 extra-help employees in a variety of classifications including Administrative Clerk I, Library Assistant I/II, Librarian II/III, Stock Delivery Clerk I/II, and Clerical Community Aide II (Library Page). This part-time workforce provides for direct services to the community at all 13 Library branches. The recommendations included in this report will reduce the total budget for extra-help staffing by 51%, and will reduce the number of part-time staff employed with the Library from approximately 140 to 68.

Recognizing the potential impact this recommendation may have on the County's workforce, representatives from the County's Chief Executive Office/Human Resources Division have discussed the potential impacts of this action with the affected labor organizations. Additionally, the County has asked departments to hold vacancies as potential landing positions for employees affected by this recommendation. To assist the part-time staff affected by this report, the Library and the Chief Executive Office have partnered with the County's Alliance Worknet Department to explore part-time job opportunities within the community and provide an interviewing techniques workshop. In addition, Workplace Wellness has facilitated meetings with staff to provide support.

Stanislaus County Library

Proposed open hours beginning June 30, 2008

Gray boxes indicate **new** closures.

Library	Mon	Tues	Wed	Th	Fri	Sat	Sun	Hours per week
Ceres - District 5 2250 Magnolia 537-8938	10 - 8	10 - 6	10 - 6	10 - 6	Closed	12 - 5	Closed	39
Denair - District 2 4801 Kersey Rd. 634-1283	Closed	12 - 6	Closed	12 - 6	11 - 5	11 - 5	Closed	24
Empire - District 1 18 South Abbie 524-5505	Closed	12 - 6	12 - 6	12 - 6	11 - 5	Closed	Closed	24
Hughson - District 2 2412 A Third St. 883-2293	Closed	12 - 6	12 - 6	Closed	11 - 5	11 - 5	Closed	24
Keys - District 2 4420 Maud Ave. 664-8006	9 - 5	9 - 5	9 - 5	9 - 7	9 - 5	Closed	Closed	42
Modesto - District 4 1500 I Street 558-7800	10 - 9	10 - 9	10 - 9	10 - 9	10 - 5	10 - 5	Closed	58
Newman - District 5 1305 Kern St. 862-2010	Closed	12 - 8	10 - 5	10 - 5	10 - 5	Closed	Closed	29
Oakdale - District 1 151 S. First Ave. 847-4204	10 - 6	10 - 8	10 - 6	10 - 8	10 - 5	Closed	Closed	43
Patterson - District 5 46 North Salado 892-6473	10 - 6	10 - 6	10 - 8	Closed	10 - 5	12 - 5	Closed	38
Riverbank - District 1 3442 Santa Fe Ave. 869-7008	Closed	10 - 6	10 - 8	10 - 6	10 - 5	12 - 5	Closed	38
Salida - District 3 4835 Sisk Rd. 543-7353	10 - 8	10 - 8	10 - 6	10 - 6	Closed	10 - 5	Closed	43
Turlock - District 2 550 Minaret Ave. 664-8100	10 - 9	Closed	10 - 9	10 - 9	10 - 5	10 - 5	Closed	47
Waterford - District 1 324 E Street 874-2191	10 - 6	10 - 6	10 - 8	Closed	10 - 5	12 - 5	Closed	38
Total Number of Open Hours Systemwide								487