

III Consent, Item A

MINUTES
BERKELEY PUBLIC LIBRARY
BOARD OF LIBRARY TRUSTEES REGULAR MEETING
Wednesday, April 4, 2012, 6:30 P.M.

WEST BRANCH LIBRARY – 1125 University Avenue

Board of Library Trustees:

| | |
|-----------------------------|---------------|
| Chair Winston Burton | Darryl Moore |
| Vice Chair Abigail Franklin | Julie Holcomb |
| | Jim Novosel |

I. PRELIMINARY MATTERS

A copy of the agenda packet and a digital recording of the meeting is accessible at http://www.berkeleypubliclibrary.org/about_the_library/bolt/bolt.php

A. Call to Order: 5:37 p.m.

Present: Trustees Burton, Franklin, Holcomb, and Novosel

Absent: Trustee Moore

Also Present: Donna Corbeil, Director of Library Services; Douglas Smith, Deputy Director; Dennis Dang, Library Admin Manager; Eve Franklin, Administrative Secretary.

B. Public Comments: None.

C. Report from library employees and unions, discussion of staff issues: None.

D. Report from Board of Library Trustees:

1. Trustee Novosel – Temporary Tool Lending Library is fantastic.
2. Trustee Franklin – Trustee Holcomb and I attended the 4x2 Committee meeting this week. Foundation reported the Author's Dinner was very successful. Did a walkthrough at Claremont today, it is terrific.
3. Trustee Burton – Attended the Downtown Berkeley Association meeting this week and handed out information on North reopening event. Recently attended the PLA in Philadelphia.
4. Trustee Holcomb – Will be attend the North branch reopening celebration this Saturday and will take an opportunity to educate the public about BOLT.

II. DISCUSSION

A. Preparation of Biennial Library Budget FY13 – Dennis Dang

From: Administrative Services Manager

Contact: Dennis Dang, Administrative Services Manager

Action: Report provided (Attachment #1) and discussion.

III. CONSENT CALENDAR

Item C pulled for discussion.

Action: M/S/C (Trustee Novosel / Trustee Holcomb to adopt Resolution# R12-018 to adopt the Consent Calendar except item C.

Vote: Ayes: Trustees Burton, Franklin, Holcomb, and Novosel. Noes: None. Absent: Trustee Moore. Abstentions: None.

A. Approve minutes of March 14, 2012 Regular Meeting

From: Director of Library Services

Recommendation: Approve the minutes of the March 14, 2012 regular meeting of the Board of Library Trustees.

Financial Implications: None.

Contact: Donna Corbeil, Director of Library Services

Action: Adopted Resolution# R12-019 to approve minutes as presented.

B. Accept and Appropriate Pacific Gas & Electric Company – California Solar Initiative Rebate Program Grant Funds for the West Improvement Project

From: Director of Library Services

Recommendation: Adopt a resolution authorizing the Director of Library Services to apply for, accept and appropriate to FY 2012/13 PG&E – CA. solar Initiative Rebate Program grant funds for the West Branch Improvement Project in an amount not to exceed \$42,352.

Financial Implications: See report.

Contact: Donna Corbeil, Director of Library Services

Action: Adopted Resolution# R12-020.

C. Approve Closure of West Branch Library effective May 7, 2012 for Construction and Initiate Branch Van Related Services.

From: Director of Library Services

Recommendation: Adopt a resolution authorizing the Director of Library Services to close the West Branch Library in May, at a date to be determined, for approximately 15 months for construction and to begin Branch Van services to the community on Monday, May 7, 2012.

Contact: Donna Corbeil, Director of Library Services

Action: M/S/C (Trustee Novosel / Trustee Holcomb to adopt Resolution# R12-021.

Adopted Resolution# R12-021.

Vote: Ayes: Trustees Burton, Franklin, Holcomb, and Novosel. Noes: None. Absent: Trustee Moore. Abstentions: None.

D. Accept Gift Funds From the Berkeley Public Library Foundation in the Amount of \$200,000 Constituting Payment Toward the Foundation's Branch Library Capital Campaign Pledge and Other Miscellaneous Gifts

From: Director of Library Services

Recommendation: Adopt a resolution authorizing the acceptance and allocation of gift funds from the Berkeley Public Library Foundation constituting payment toward the Foundation's branch library capital campaign pledge and accept other miscellaneous gift funds

Action: Adopted Resolution# R12-022.

IV. ACTION CALENDAR

A. FYTD JAN 2012 Budget Summary Performance Report and FY12 Budget Amendment

From: Administrative and Fiscal Services Manager

Recommendation: Adopt a resolution amending the FY 2012 Revised Budget for all Fund entities based upon recommended re-appropriation of budgeted expenditures as presented and amend the FY12 expenditure budget for a total revised budget of \$37,778,137.

Financial Implications: see report.

Contact: Dennis Dang, Administrative and Fiscal Services Manager.

Action: M/S/C (Trustee Moore / Trustee Novosel to adopt Resolution # R12-017.

Vote: Ayes: Trustees Burton, Franklin, Holcomb and Novosel. Noes: None. Absent: Trustee Moore. Abstentions: None.

V. INFORMATION REPORTS

A. Update on the Branch Bond Program

From: Director of Library Services

Contact: Donna Corbeil, Library Director

Action: Received.

B. March 2012 Monthly Report from Library Director

From: Director of Library Services

Contact: Donna Corbeil, Library Director

Action: Received.

C. Library events

From: Director of Library Services

Contact: Donna Corbeil, Library Director

Action: None.

VI. AGENDA BUILDING

The next meeting will be a Regular Meeting held at 6:30 PM on Wednesday, May 9, 2012 at the North Branch Library, 1125 University Avenue, Berkeley.

- Biennial Budget

VII. ADJOURNMENT

Adjourned at 6:40 p.m.

COMMUNICATIONS: None.

SUPPLEMENTAL COMMUNICATIONS AND REPORTS:

1. FY 2012 Revised Budget Development: Recommendation & Strategies.



BERKELEY PUBLIC LIBRARY

INFORMATION CALENDAR

April 4, 2012

TO: Board of Library Trustees
FROM: Dennis Dang, Administrative Services Manager
SUBJECT: FY 2012 Revised Budget Development: Recommendations & Strategies

INTRODUCTION

This report provides a summary overview of proposed adjustments to the FY 2013 budget in anticipation of consolidation into the City's budget to be presented before the City Council on May 1, 2012 followed by two public hearings, and Council acceptance on June 26. Prior to Council acceptance the Library will present to BOLT a proposed budget update for discussion at the May 9th regular meeting session.

BACKGROUND

In coordination with the City, the Library is in the midst of updating the adopted FY 2013 budget to better align with current internal and external conditions. As a budget update, the second year of a two-year biennial cycle is typically not treated to the full budgeting process, and will remain for this update as such. However, the Library views the upcoming fiscal year as a significant period with several necessary material budget adjustments unique to the Library. Going into this process there are uncertainties shared throughout the City with major budgeting implications, for example, personnel cost changes that will come out of the current round of labor negotiations, the recent lowering of the CalPERS discount rate to 7.5% from 7.75% effective for public agencies on July 1, 2013, and the City's phone system switchover to VOiP. Additionally, for FY 2013 the Library will have reopened two branches and have under consideration repair or replacement of a number of major building components at the Central Library.

On July 1, 2012, the Library will be entering the second year of the two year FY 2012 and FY 2013 biennial budget cycle. The fiscal year 2013 budgets were adopted on June 8, 2011 by passage of BOLT Resolution No. 11-045 at values of \$16,113,440 for revenue and \$17,893,578 for expenditures.

Since adoption and up to the start of FY13, the North and Claremont branch libraries will have reopened offering a full array of services, the South and West branches will have closed for construction, and the Central Library will have confronted and/or be actively addressing several larger facility infrastructure issues. Thus when considering the branch operations, while the closure of South and West can be expected to yield some operational savings primarily within the Library Tax Fund, those savings are offset by additional operational servicing costs related to the upgraded North and Claremont facilities.



On the revenue side, the elimination of state funding for libraries by way of the state's *Tier 1* trigger cuts necessitates a review and realignment of some programs' expenditure allocations, most noticeably Berkeley READS.

Library Tax Fund

The Library's biennial operational budget was built with a structural deficit whereby expenditures exceeded revenues and the Library Tax Fund balance was relied upon to bring the budget into balance; fiscal year's 2013 update maintains that pattern. What follows is a summary of initiatives that although does not eliminate nor reduce the structural deficit, does attempt to minimize its expansion while allowing the Library to maintain service delivery at current levels.

Changes to staffing in FY 2013 are not expected.

FY 2013 objectives as enunciated in the completed Library Strategic Plan and Library Projects documents encompass new as well as continuing multi-year projects. Some of these projects are rather straight-forward such as engaging consultants for development and implementation of a streamlined, effective communication plan to be put into use throughout the organization; whereby others such as the reopening of the North and Claremont buildings themselves, entail a list of entirely new expenditures not previously encountered in the branches, such as elevator servicing and maintenance, and fire monitoring and inspection. Additional branch expenditure changes include expected higher costs for janitorial services due to the larger facilities, and application of Bay-Friendly landscaping practices. While much of the anticipated expenditure increase is infrastructure related, inclusive of the resumption of operations at the newly renovated North and Claremont branch libraries, services and programs are likewise addressed. Two significant system-wide program offerings debuting in late FY 2012 or early FY 2013 is *Discover and Go*, a group of member libraries providing library cardholders with free and discounted passes to local museums and cultural institutions; and the new laptop loan program, piloted at North and Claremont, that provides wireless Internet connectivity inside a Library facility. City-wide, a conversion to VOiP telephone service has been initiated and remains in a very early stage of planning; consequently, Library funding for its proportionate share of expenses may require an adjustment to timing.

Anticipated FY 2013 Increases (as of 28MAR12)

| Obj/Ele | Description | Current | Proposed | Comments |
|----------|-------------------------------------|-----------|------------|---|
| 30-38 | Miscellaneous Professional Services | \$275,450 | \$280,450 | +Communications Plan |
| 30-43 | Maint Svcs: Building & Structures | \$119,800 | \$126,418 | +NB & CB Fire Monitoring & Testing +CNTL & NB Elevator Servicing |
| 40-31 | Communications: Telephone | \$86,250 | ? | +CoB VOiP: UNKNOWN IMPACT |
| 50-10 | Rental of Land/Buildings | \$500 | \$34,700 | TLL Rental |
| 55-11 | Office Supplies | \$26,030 | \$30,000 | + General Increase |
| 70-42 | Vehicles | \$4,425 | \$12,000 | +BranchVan |
| 55-60 | Library Materials (excludes TLL) | \$876,000 | \$915,000 | +Increased Collections & Electronic + <i>Discover & Go</i> |
| 65-70 | Building & Structures Maintenance | \$75,000 | \$200,000 | +Infrastructure Repair/Replacement |
| 70/71-44 | Computers and Printers | \$60,000 | \$125,000 | +Expansion of Laptop Program +Resume Staff PC Replacements |
| Various | Branch Closure Savings | | (\$67,425) | South and West Branches |



The library tax rate which is the Library’s primary source of funding funneled through the Library Tax Fund is determined by selection of either the per capita personal income growth factor for the state of California or the consumer price index in the immediate San Francisco Bay Area. These benchmark rates are released in early to mid-May and may not be known prior to the May 9th BOLT meeting. The FY 2013 tax revenue is currently estimated by the City at \$14,772,099.

Other Funds, consisting of the Direct/Inter-library Loan Fund (302), the Grants Fund (304), and the Public Library Fund (305) are materially impacted by the Tier 1 trigger cuts, which eliminate all state funding. While these cuts are modest dollar-wise, representing only about 3% of annual Library receipts, they will be felt in a significant way especially in regards to directed programs such as the adult literacy program Berkeley READS. Fortunately the Library in acknowledgement of the precariousness of the state budget planned for possible funding cuts and set-aside the bulk of the last two fiscal years of Public Library Fund receipts as a rainy-day back-up resource. Consequently, in terms of Berkeley READS, expectations are that modifications made to this program in the fiscal year will be scarcely noticeable to its public clients. Actions being considered include engaging a higher degree of unpaid volunteers, increasing usage of electronic resources and materials, and employing set-aside Public Library Funds. Other directed programs such as fiscal year’s 2009 Coming of Age in the Civil Rights Era program or the even the earlier Early Learning with Families program will no longer exist unless funding is sourced from federal or private funds.

Transfer Berkeley READS Program Costs from Grants Fund to Public Library Fund

| Fund | Current | Proposed | Comments |
|---------------------------|----------|------------|---|
| Grants Fund (304) | \$34,930 | (\$34,930) | Transfer to; Labor for Berkeley READS |
| Public Library Fund (305) | | \$34,930 | Transfer from: Labor for Berkeley READS |

The Branch Libraries Improvement Program funded by the Foundation Capital FF&E Fund (307) and the Measure FF Fund (308) is stable due to its dedicated funding sources. Timing of expenses would be the issue here.

SUMMARY

Fiscal year 2013 is expected to be a year of significant activity for the Library as the North and Claremont libraries will be back in full operation mode with modernized facilities and equipment, as well as enhancements to the Library experience with expanded collections especially in the realm of downloadable materials, and the new offering of *Discover and Go*. Major facility equipment at the Central Library is reaching the end of its life cycle and now requires either substantial repair or replacement. Nonetheless, the Library, immersed in a constantly evolving environment is aggressively moving forward to maintain and heighten its relevancy to its patrons in response to technological and economic changes; and it does so with an acute awareness of its funding imbalance between revenues and expenditures and remains resolved that any action taken be prudent and responsibly executed.

FUTURE ACTION

At the May 9, 2012 regular meeting of the board a proposed FY 2013 budget will be presented for discussion. The board will be presented a proposed final FY13 revised budget for approval at the June 13, 2012 regular meeting.