



ACTION CALENDAR

June 08, 2016

TO: Board of Library Trustees
FROM: Lucy Xie, Senior Management Analyst
SUBJECT: Biennial Budget Update FY 2017 – All Library Funds

RECOMMENDATION

Adopt a resolution to approve the Biennial Budget update for FY 2017 for revenues of \$18,531,335 and expenditures of \$20,142,606.

INTRODUCTION

The total proposed revenue and expenditure budgets for all funding sources contained herein present the Library's budget for fiscal year 2017, the final period for the biennial cycle comprising fiscal years 2016 and 2017. It has been updated to reflect the released tax rate indices, revenues and expenditures associated with the Central Library Improvement/Teen Room Project, revised personnel costs, and miscellaneous items. This budget will also go to City Council for adoption on June 28, 2016.

Table 1 is a breakdown of the revenue sources by fund for FY17 budget. Table 2 is a breakdown of the expenditures for each fund for FY17 budget.

FY 2017 Revenue Budget:

Fund	Description	FY17 Proposed	Percentage
301	Library Tax	17,893,335	96.56%
301	Miscellaneous	287,000	1.55%
302	Copier Fees	20,000	0.11%
304	CLLS Grants Income	30,000	0.16%
306	Friends of BPL	90,000	0.49%
307	BPL Foundation Commitment	211,000	1.14%
	Total	18,531,335	100.00%

Table 1

FY2017 Expenditure Budget:

Fund	FY 2017 Proposed Budget	Percentage
301	19,002,915	94.34%
302	69,000	0.34%
304	55,691	0.28%
306	115,000	0.57%
307	700,000	3.48%
308	200,000	0.99%
Grand Total	20,142,606	100.00%

Table 2

Here below is a comparison between the June 3rd 2015 BOLT initial Proposed budget FY17 and the new proposed budget, which will also go to June 28, 2016 City Council official adoption of budget FY17:

Fund	FY17 (6/3/2015)		FY17 (6/8/2016)	
	Revenue	Expenditure	Revenue	Expenditure
Fund 301 - Library Tax Fund	17,539,069	17,165,995	18,180,335	19,002,915
All Other Funds (302, 304)	50,000	124,691	50,000	124,691
Fund 306-Gifts Fund	90,000	115,000	90,000	115,000
Fund 307- BPL Foundation		200,000	211,000	700,000
Fund 308- Measure FF				200,000
Total	17,679,069	17,605,686	18,531,335	20,142,606

Table 3

FISCAL IMPACT OF RECOMMENDATION

The adoption of the budget will enable the library to accept the revenue sources as indicated above, continue the normal operational needs of all the five libraries, and construct capital improvements.

Fund 301 - Library Tax Fund

The new tax rate analysis for the library tax is based on the greater of the San Francisco Bay Area Consumer Price Index (CPI) of 2.695% in April 2016, and the reported per capita Personal Income Growth factor of 5.37% for the State of California. The Library Tax revenue is projected to achieve revenues of \$17,893,335 based on the FY16 net amount of \$17,275,109 that was submitted to Alameda County Tax Collector Office with a Personal Income Growth Factor of 5.37% for FY17 provided by California State Department of Finance and a county processing fee of 1.7% deduction.

Miscellaneous receipts, primarily attributable to fines and fees, are forecasted the same as previous years at \$287,000, making the total Library Tax Fund 301 an revenue budget of \$18,180,335. Compared with FY16 Adjusted budget for Fund 301 of \$17,200,793, that is an increase of \$979,542. The increase is mainly from the library tax increase as a result of choosing a Personal Income Growth Factor of 5.37%. It is also based on the updated information regarding FY16 net property tax billing of \$17,275,109 .

From Table 1, we can tell Fund 301 has 98.11% of the total library revenue budget, among which, library tax revenue is 96.56% and other miscellaneous revenue for this Fund is 1.55%.

Planned expenditures total \$19,002,915 is budgeted for Fund 301 in FY17, a prior period increase of 2.39% over the FY16 adjusted budget of \$18,559,345. Among the total budgeted, \$28,394 is an expenditure budgeted for 12.5% Assistant Management Analyst position for library tax collection in Finance department and for 6% Environmental Compliance Specialist position in Public Works Department for handling compliance on all sites and underground storage tanks.

A total of \$18,974,521 is budgeted for library operation from library divisions. Among this, \$13,471,990 are employee wages and benefits, 71% of the library operation Fund 301 budget is for the personnel costs. In FY17, a library specialist II position is added to the Children's division. The personnel budget has been developed with a 1% Cost of Living Adjustment (COLA) compared with FY16. During the FY17 and FY18, various union MOUs will be implemented, with various COLAs effective on different payroll dates. The end effect is a total of about 5.5% COLA for the next two years, with a salary adjustment of 5.86% and 8% CALPERS pick-up by employees, which means for the two fiscal years, a total of 3.36% of COLA will be implemented or 1.68% for each year. Library has always been very conservative in the personnel budget and proved to be under budget for the last few years. We are confident that the current personnel budget is sufficient. With the adoption of 5.37% library tax increase based on Personal Income Growth Factor, the library operation Fund 301 continues to be strong and healthy. Please find attachment 5 for the projected FY 17 ending Fund balance.

A total of \$5,502,531 non-personnel costs are budgeted, mainly for Central Library Improvement/Team Room project, building maintenance, library materials purchase, and all others professional costs. The Central Project has a budget of \$2.5 million, of which \$1.9 million will be from Fund 301. The other \$600,000 has been committed from Berkeley Public Library Foundation to contribute to the project.

From the Table 2, we can tell Fund 301 has 94.34% of the total library expenditure budget. 71% is for the personnel cost, 29% is for the non-personnel costs.

Other Funds

Fund 302 – Transaction based Reimbursement

The FY 17 budget of \$69,000 is less than FY16 budget of \$73,887. The Fund pays for the rental of public-use copiers. On average, a \$40,000 a year for the expenditure budget is enough. However, the fund is not able to be self-sufficient because the yearly revenue brought in from the copying and printing services is about \$30,000. A yearly loss of \$10,000 is supported by the previous unrestricted fund balance from California State Library Interlibrary Loan program. This Fund still has about \$120,000 balance as of June 30, 2016.

The Library is in search of new vendors to improve the copying, printing and scanning services while at the same time minimizing Library monetary loss.

Fund 304 – Grants Fund

The annual expenditure budget of \$55,691 for FY17 is the same as for FY16. In FY16, the grants revenue received is \$74,167. Grants revenue of \$59,167 from California State Library Literacy and English Acquisition Services program (CLLS) and grants revenue of \$15,000 Pacific Library Partnership for Berkeley Reads cover the program expenditure in this Fund. While there is a change in the funding from year to year as the funding is based on an increase or decrease in the number of adult learners library has served, the expenditure side is relatively stable as for staffing and program costs. We expect this Fund will continue to be healthy.

Fund 306 - Gifts Fund

The Gifts Fund estimates a \$90,000 award revenue from Friends of the Berkeley Public Library. The projected estimate will be revised during the first Annual Appropriations Ordinance adjustment in FY 2017. The actual award for FY16 is \$97,628. The gifts from Friends of Berkeley Public Library enable library to have the following programs: training and development, science programs, Poetry workshops, volunteer services, employee teamwork, annual art show, literacy, art and music and children's programs

Fund 307- BPL Foundation Fund

In FY17, the budget of \$700,000 for this Fund is broken down into three projects: one is approximately \$600,000 that BPL Foundation has committed to contribute to the central library's teen room project, the other is about \$50,000 budgeted for the North Branch library programs from the PACE Funding, and lastly, the carryover of unused project funds such as ChromeBooks and Berkeley Readers. On the revenue side, there is only \$211,000 estimated; that is because \$389,000 from BPL foundation is already received. PACE fund, a total of \$695,000 was also already received in the year 2014.

Fund 308- Measure FF Fund

The Measure FF Fund, the depository of all Measure FF bond proceeds, has completed all major construction activities. The unused balance is about \$1.3 million. On March 9, 2016, by Resolution No. 16-011, BOLT authorized the funds that remain after completion of approximately \$200,000 in remaining projects are to be transferred to the Debt Service Fund according to the Official Statement requirement. The remaining projects include improvements such as expansion of sidewalk access, security equipment and drainage improvements at North Branch and an electric vehicle charging station at West Branch; these projects are being budgeted in FY17.

SUMMARY

The Board of Library Trustees approved Resolution No. 14-077 on December 10, 2014 adopting the fiscal years 2016 and 2017 Biennial Budget priorities as follows:

- Identify and prioritize strategic capital improvements, including infrastructure and Central Library repairs and improvements for possible action
- Maintain the stability of operating budget and plan for future operational needs – including establishing / maintaining a balanced budget
- Undertake a marketing campaign to raise the library's profile in the community
- Consider options/strategies to increase community partnerships and collaborative opportunities
- Conduct a technology needs assessment, identify strategic technology improvements and draft a 3 year technology plan for the library

The presented FY17 budget is designed in response and in support of these enunciated priorities, and is structured for the current and future viability and continued growth of the Library.

Attachments:

1. Resolution
2. Library Expenditure Detail Budget FY17
3. Library Revenues Budget FY17 and FY16
4. Library Expenditure Budget FY17 abd FY16
5. FY17 FTE Positions Summary by Divisions
6. FY17 FTE Positions Summary
7. FY16 and FY17 Project Funds Balance Reconciliation

**BOARD OF LIBRARY TRUSTEES
RESOLUTION NO.:**

**APPROVE THE PROPOSED BIENNIAL BUDGET UPDATE FOR FISCAL YEAR 2017 FOR REVENUES OF
\$18,531,335 AND FOR EXPENDITURES OF \$20,142,606**

WHEREAS, on June 3, 2015, the Board of Library Trustees approved the Biennial Budgets for FY 2016 and FY 2017; and

WHEREAS, the FY 2017 budget has been updated to reflect changes in projected revenues and expenditures; and

WHEREAS, the Board of Library Trustees must adopt the fiscal year 2017 biennial budget update no later than June 30, 2016; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Library Trustees of the City of Berkeley to approve the Biennial Budget update for FY 2017 for revenues of \$18,531,335 and expenditures of \$20,142,606.

ADOPTED by the Board of Library Trustees of the City of Berkeley at a regular meeting held on June 8, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Julie Holcomb, Chairperson

Beth Pollard, Director of Library Services
Serving as Secretary to the Board of Library Trustees

Attachment 2: FY17 Proposed Budget for Library Expenditures

ACCOUNT DESCRIPTION	FY 17 PROPOSED
PERSONAL SVCS-SAL & WAGES	
* MONTHLY RATED EMPLOYEES	7,825,876.00
* HOURLY AND DAILY RATED EM	246,947.00
* MONTHLY RATED - PART BEN	106,220.00
** PERSONAL SVCS-SAL & WAGES	8,179,043.00
OVERTIME	
* OT-MONTHLY RATED EMPLOYEE	6,771.00
* HOLIDAY PAY	5,081.00
** OVERTIME	11,852.00
PERSONAL SVCS-EMP FB	
* MEDICAL INSURANCE	1,330,023.00
* DENTAL INSURANCE	185,199.00
* LIFE INSURANCE	7,032.00
* CASH-IN-LIEU	124,172.00
* PERS/MISC OTHER	2,769,860.00
* PARS (3.75%)	13,245.00
* SRIP	287,969.00
* MEDICARE TAX	105,834.00
* MISC. EMP MEDICAL TRUSTS	173,002.00
* WORKERS COMPENSATION CHAR	191,244.00
* SHOES ALLOWANCE	1,212.00
* TERMINAL PAYOUTS-MISC.EMP	146,992.00
* OTHER EMPLOYEE BENEFITS	217,237.00
* COMMUTER CHECK	21,390.00
* SALARY SAVINGS	(256,243.00)
** PERSONAL SVCS-EMP FB	5,318,168.00
FRINGE BENEFITS	
* FRINGE BENEFITS (BUDGET)	12,290.00
** FRINGE BENEFITS	12,290.00
Total Personnel Costs	13,521,353.00

Attachment 2: FY17 Proposed Budget for Library Expenditures

ACCOUNT DESCRIPTION	FY 17 PROPOSED
PURCHASED PROFESSIONAL/TE	
* MISC PROF SVCS	560,750.00
* HAZARDS MATERIAL HANDLING	2,000.00
* OFFICE EQUIP MTC SVCS	6,500.00
* BLDG & STRUCTURES MTCS SV	174,000.00
* FIELD EQUIP MTC SVCS	86,250.00
* COMPUTER MAINTENANCE	5,000.00
* SOFTWARE MAINTENANCE	350,000.00
* BANK CREDIT CARD FEES	4,500.00
** PURCHASED PROFESSIONAL/TE	1,189,000.00
GRANTS & GOVT PAYMENTS	
* COUNTY/STATE/FED PYMTS.	5,000.00
** GRANTS & GOVT PAYMENTS	5,000.00
OTHER PURCHASED SERVICES	
* PROFESSIONAL DUES AND FEE	47,250.00
* TELEPHONES	87,200.00
* CELLULAR	14,550.00
* WATER	32,500.00
* GAS/ELECTRICITY	300,000.00
* REFUSE	34,252.00
* PRINTING AND BINDING	17,850.00
* COMMERICAL TRAVEL	2,000.00
* MEALS & LODGING	7,000.00
* REGISTRATION/ADMIN FEES	25,000.00
* TRANSPORTATION	2,000.00
* ADVERTISING	20,000.00
* BOOKS AND PUBLICATIONS	16,000.00
* OTHER	175,000.00
** OTHER PURCHASED SERVICES	780,602.00
RENTALS	
* RENTAL OF LAND/BUILDINGS	1,500.00
* RENTAL OF EQUIP/VEHICLES	46,500.00
* RENTAL OF OFF EQUIP & FUR	10,000.00
* LEASE OF SOFTWARE & LIC.	75.00
** RENTALS	58,075.00
MAIL SERVICES	
* POSTAGE	47,000.00
* MESSENGER/DELIVERY	13,000.00
** MAIL SERVICES	60,000.00

Attachment 2: FY17 Proposed Budget for Library Expenditures

ACCOUNT DESCRIPTION	FY 17 PROPOSED
SUPPLIES	
* OFFICE SUPPLIES	39,260.00
* FIELD SUPPLIES	169,721.00
* SPARE REPLACEMENT PARTS	6,000.00
* FOOD	1,531.00
* LIBRARY MATERIALS	1,327,000.00
** SUPPLIES	1,543,512.00
PURCHASED PROPERTY SVCS	
* OUTSIDE JANITORIAL SVCS	205,000.00
** PURCHASED PROPERTY SVCS	205,000.00
CONSTRUCTION	
* BUILDING	2,525,000.00
** CONSTRUCTION	2,525,000.00
PROPERTY	
* MACHINERY AND EQUIPMENT	9,000.00
* FURNITURE AND FIXTURES	75,000.00
* COMPUTERS & PRINTERS	40,000.00
* COMPUTER SOFTWARES & LIC	25,000.00
** PROPERTY	149,000.00
PROPERTY UNDER CAP LIMIT	
* SMALL EQUIPMENT	26,000.00
* COMPUTERS AND PRINTERS	50,000.00
* SOFTWARE & LICENSES	20,000.00
** PROPERTY UNDER CAP LIMIT	96,000.00
INTERNAL SERVICES	
* MAIL SERVICES	1,764.00
* CITY VEHICLES/FUEL & MAIN	7,800.00
* CITY PARKING PERMITS	500.00
** INTERNAL SERVICES	10,064.00
Total Non-Personnel Expenditures	6,621,253.00
Total Library Expenditure Budget FY17	20,142,606.00

Attachment 3: Library Revenues Budget FY17 and FY16

Fund	Description	FY17 Budget	FY16 Adjusted	Change
301	Library Tax	17,893,335	16,913,793	979,542
301	Library Fines	223,000	223,000	-
301	Lost Book Fines	30,000	30,000	-
301	Tool Lending Fines	20,000	20,000	-
301	Meeting Room Fees	2,000	2,000	-
301	Miscellaneous Revenue	10,000	10,000	-
301	Refund on Bills	2,000	2,000	-
302	Copier Fees	20,000	20,000	-
304	CLLS Grants Income	30,000	59,167	(29,167)
306	Friends of BPL	90,000	90,000	-
307	BPL Foundation contribution/Commitment	211,000	3,500	207,500
	Total	18,531,335	17,373,460	1,157,875

Attachment 4: Library Expenditures Budget FY17 and FY16

Fund	Description	FY17 Budget	FY16 Adjusted	Change
301	Personnel Costs	13,496,384	13,212,186	284,198
301	Non-Personnel Costs	5,506,531	5,347,159	159,372
302	Non-Personnel Costs	69,000	73,837	(4,837)
304	Personnel Costs	24,969	24,969	-
304	Non-Personnel Costs	30,722	30,722	-
306	Non-Personnel Costs	115,000	115,388	(388)
307	Non-Personnel Costs	700,000	203,721	496,279
308	Non-Personnel Costs	200,000	7,548	192,452
	Total	20,142,606	19,015,530	1,127,076

Attachment 5: FY17 FTE Positions Summary by Divisions

Library Division	FTE Count
9101 Library Administration	10.00
9102 Library Information Systems	5.00
9103 Facilities	3.00
9201 Circulation Services	24.00
9202 Children's & Teen Services	6.90
9203 Art & Music	5.00
9204 Reference	8.70
9205 Literacy Programs	2.50
9302 North Branch	9.00
9303 South Branch	7.75
9304 West Branch	8.00
9305 Claremont Branch	7.25
9307 Tool Lending	2.25
9401 Technical Services	6.50
9402 Collections Management	3.00
Grand Total	108.85

Attachment 6: FY17 FTE Positions Summary

Position Title	FTE
ACCOUNTING OFF SPEC III	2.00
ADMIN & FISCAL SVS MGR	1.00
ADMINISTRATIVE SECRETARY	1.00
ASSOCIATE HUMAN RESOURCES ANAL	1.00
BUILDING MAINTENANCE MECHANIC	1.00
BUILDING MAINTENANCE SUPERVISO	1.00
CIRCULATION SERVICES MANAGER	1.00
DEPUTY DIRECTOR OF LIBRARY SER	1.00
DIRECTOR OF LIBRARY SERVICES	1.00
INFORMATION SYSTEMS SPECIALIST	3.00
LIBRARIAN I	3.50
LIBRARIAN II	18.80
LIBRARY AIDE	14.00
LIBRARY ASSISTANT	14.25
LIBRARY INFO SYS ADMINISTRATOR	1.00
LIBRARY LITERACY PROGRAM COORD	1.00
LIBRARY SERVICES MANAGER	2.00
LIBRARY SPECIALIST I	3.00
LIBRARY SPECIALIST II	14.30
MAIL SERVICES AIDE	1.75
OFFICE SPECIALIST II	1.00
SENIOR BUILDING MTC SUPERVISOR	1.00
SENIOR LIBRARIAN	2.00
SUPERVISING LIBRARIAN	7.00
SUPERVISING LIBRARY ASSISTANT	9.00
TOOL LENDING SPECIALIST	2.25
Grand Total	108.85

Attachment 7: FY16 and FY17 Projected Fund Balance Reconciliation

	Fund 301- Library Tax	Fund 302- Transactions Based Reimb	Fund 304- Grants	Fund 305- Public Library	Fund 306- Gifts	Fund 307- BPL Foundation	Fund 308- Measure FF Branch
7/1/2015 Beginning Fund Balance	\$ 4,332,540	\$ 138,653	\$ 38,146	\$ 56,283	\$ 338,224	\$1,053,591	\$ 1,331,747
Revenue (7/1/15- 4/30/2016)	\$ 16,722,087	\$ 19,121	\$ 74,167		\$ 102,525	\$ 36,000	\$ 2,778
Expenditures (7/1/15- 04/30/2016)	\$ 12,779,170	\$ 33,784	\$ 50,191		\$ 75,578	\$ 49,576	
04/30/2016 Ending Fund Balance	\$ 8,275,457	\$ 123,990	\$ 62,122	\$ 56,283	\$ 365,171	\$1,040,015	\$ 1,334,525
<i>Revenues (May & June 2016 Estimated)</i>	<i>\$ 800,000</i>	<i>\$ 5,000</i>					
<i>Expenditures (May & June 2016 Estimated)</i>	<i>\$ 2,555,834</i>	<i>\$ 7,000</i>	<i>\$ 10,000</i>		<i>\$ 25,000</i>	<i>\$ 15,000</i>	<i>\$ 3,000</i>
06/30/16 Projected Ending Fund Balance	\$ 6,519,623	\$ 121,990	\$ 52,122	\$ 56,283	\$ 340,171	\$1,025,015	\$ 1,331,525
<i>FY17 Proposed Revenue</i>	<i>\$ 18,180,335</i>	<i>\$ 20,000</i>	<i>\$ 30,000</i>		<i>\$ 90,000</i>	<i>\$ 211,000</i>	
<i>FY Proposed Expenditure</i>	<i>\$ 19,002,915</i>	<i>\$ 69,000</i>	<i>\$ 55,691</i>		<i>\$ 115,000</i>	<i>\$ 700,000</i>	<i>\$ 200,000</i>
06/30/17 Projected Ending Fund Balance	\$ 5,697,043	\$ 72,990	\$ 26,431	\$ 56,283	\$ 315,171	\$ 536,015	\$ 1,131,525
Reserve Per Resolution 13-056	\$ 1,300,000						
06/30/17 Projected Available Fund Balance	\$ 4,397,043	\$ 72,990	\$ 26,431	\$ 56,283	\$ 315,171	\$ 536,015	\$ 1,131,525

Note: Fund 301 Library Tax Fund has a reserve of \$1.3 million per the Resolution NO: 13-056 on September 11, 2013, which is intended to address one-time priority programs, smooth out economic swings, buffer the loss of state and federal revenues, and for the continuation of city services in the event of a catastrophic disaster.