

Santa Cruz Public Libraries

Finance and Operations Study Session

Agenda

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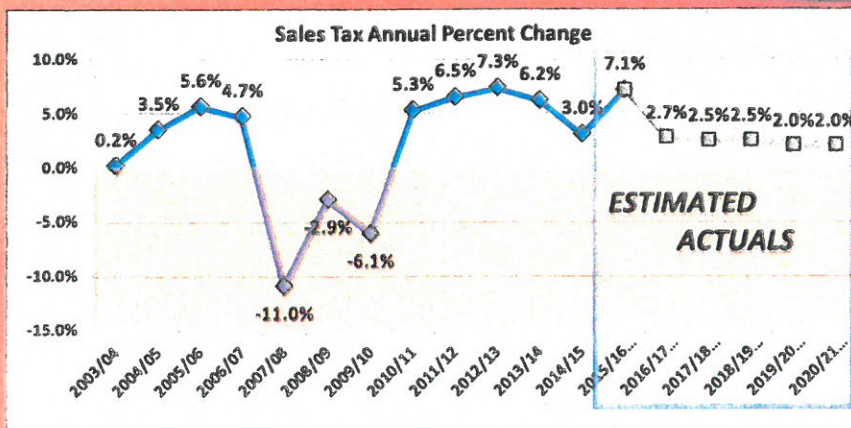
- Forecast
- 2016-2017 Budget
 - Administrative Costs - Marcus
 - Reserve policy
 - Reimbursement Proposal - Rich
 - Cost Allocations by Branch
 - Budget format
- Facilities Planning
 - Sale of Bond Timeline (draft) - Nicole
 - Project Timeline (draft) - Nicole

Forecast for the Libraries

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Revenue: Sales Tax Forecast

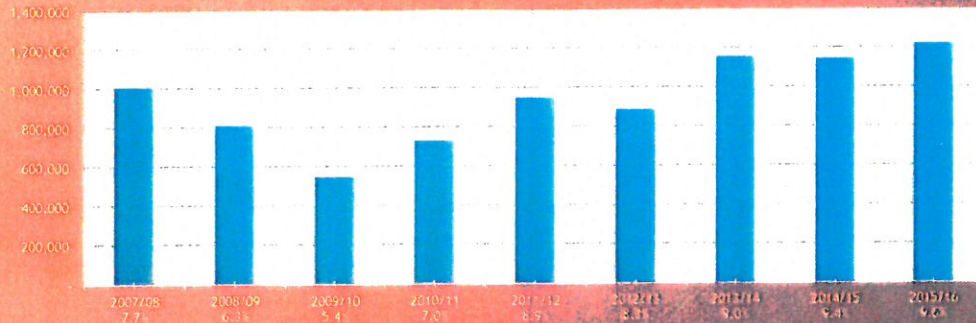
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Expenditures: Collections

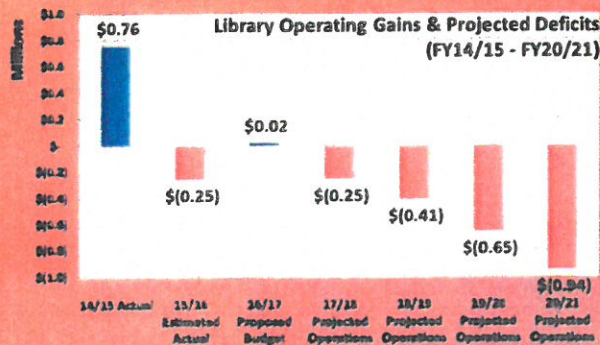
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Material Costs



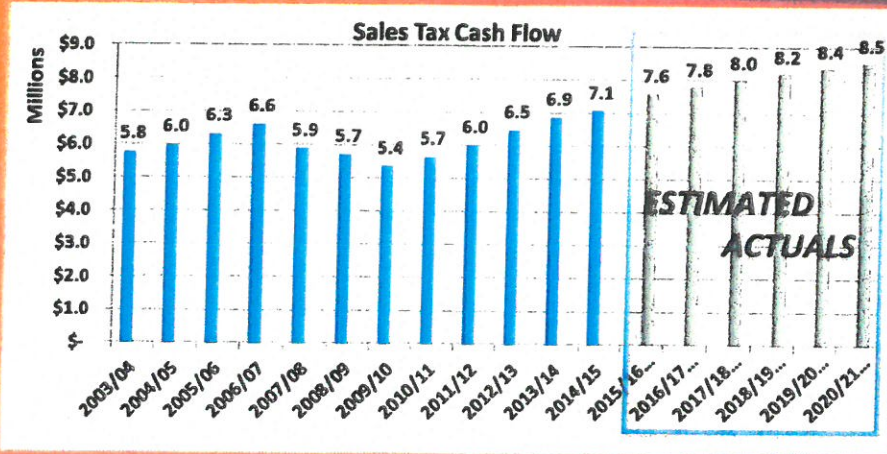
Forecasted Budget (2015-21)

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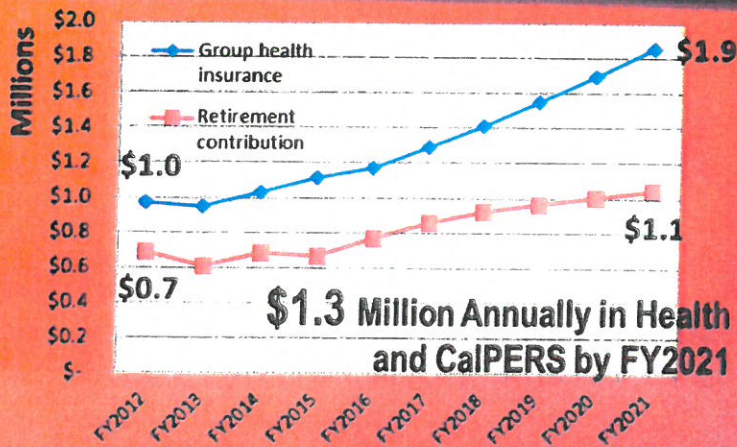
Revenue: Sales Tax Forecast

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Expenditures: Health and Pensions

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Other Potential Costs: Hours

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- Staffing to 2011 hours - \$220,000
- Staffing to 2008 hours - \$690,000



Other Potential Costs: Facilities

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- Maintenance Standards 20,000 additional square feet



2016-2017 Budget and Concerns

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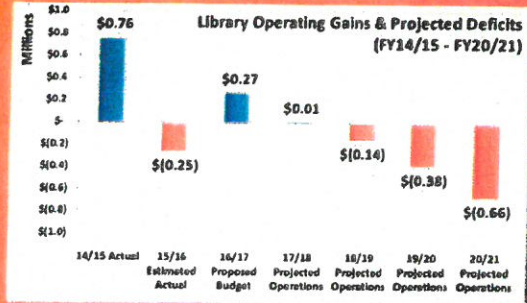
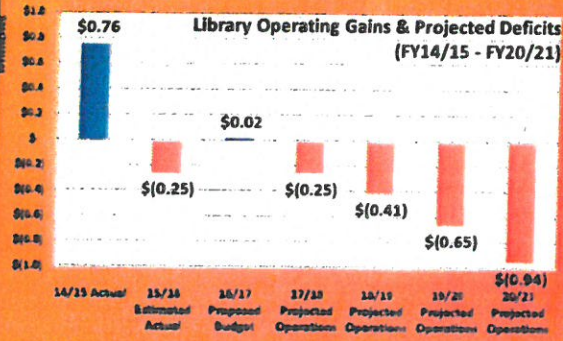
Administrative Overhead

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Table 2	FY 16/17 Admin
City Department/Function	Cost Allocation
City Management General Support	\$ 31,355
Human Resources	160,490
Finance	249,280
Data systems (direct charge)	13,774
Public Works	5,071
Total City Allocations & Charges	\$ 459,970

Effect of Change in Overhead

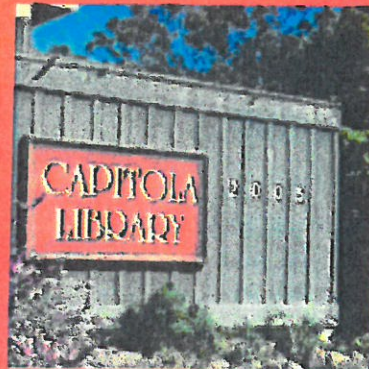
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Current Reserve Policy

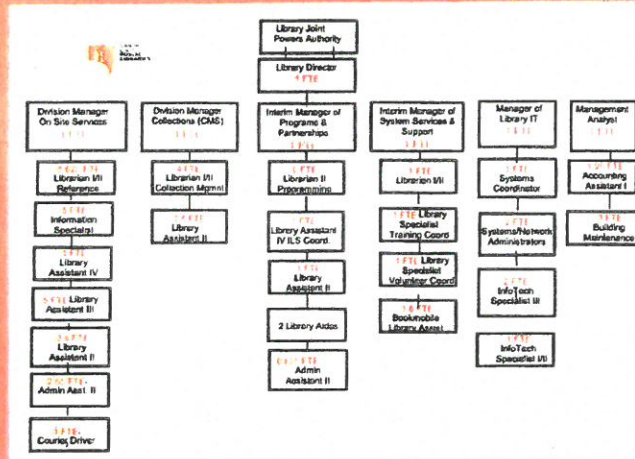
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- 2 months operating
- \$2.3 million
- Surplus policy



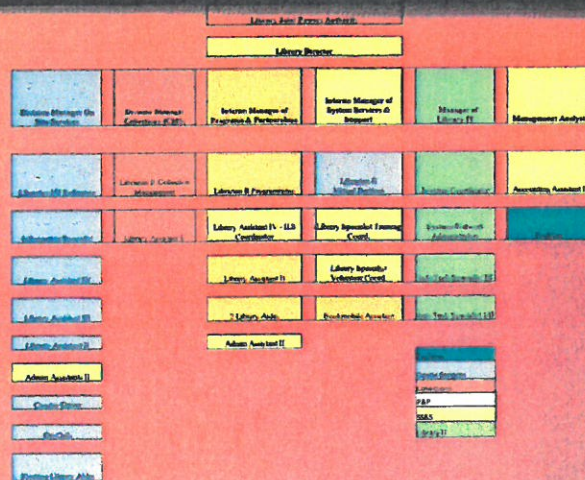
Cost Allocation: Organizational Structure

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Cost Allocation: Accounting Structure

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Cost Allocations Options

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Changes

- Staffing Model
- Chart of Accounts

Solution

- Complete cost study on 10 percent of expenditures create formulae for remainder
- Complete the Strategic Plan, reorganize public services, redo Chart of Accounts for 2017-18, data available August 2018

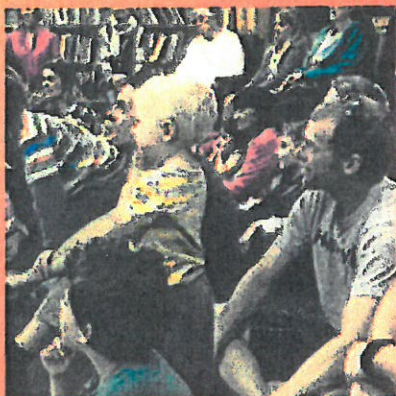
LFFA Reimbursement

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Budget Format

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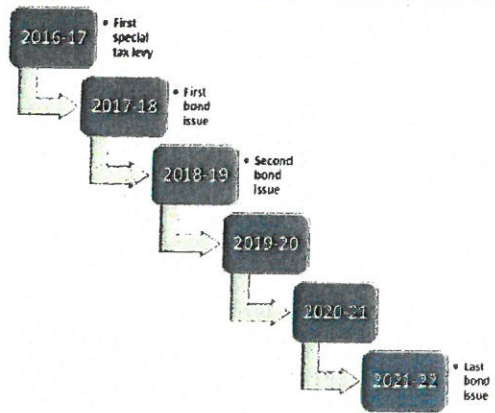
- Subcommittee - Nicole, Marcus, Susan N.

Facilities Planning

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Sale of Bonds Timeline (draft)

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Project Timeline (draft)

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Construction Goals

- First Bond Issue:
 - ✓ Boulder Creek
 - ✓ Capitola
 - ✓ Felton
 - ✓ La Selva Beach
- Second Bond Issue:
 - ✓ Aptos
 - ✓ Branciforte
 - ✓ Garfield Park
 - ✓ Scotts Valley
- Last Bond Issue:
 - ✓ Downtown
 - ✓ Live Oak

Next Steps?

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- Bring Administrative Cost Agreement Contract in September
- Reserve Policy - Decisions in September
- Bring final 2016-2017 Budget for Approval in September
- Plan for Library balances - September
- Assign a Budget Format/chart of accounts subcommittee
- Agree to LFFA Cost Reimbursement plan at LFFA meeting

Three Months

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- Obtain Reserve Policy Agreement
- Obtain Overhead Payment Agreement
- Obtain Measure S Reimbursement Agreement
- Obtain 2016-2017 Budget Agreement
- Ascertain long term budget issues
- Meet with internal staff groups/branches
- Develop strategic planning process
- Develop timeline for Measure S bonding and project priorities
- Update Library Building Standards document
- Work with Capitola and Felton to move facility projects forward
- Begin internal succession planning
- Visit central and local Friends Groups
- Assist central Friends with the hiring of an Executive Director

Six Months

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- Develop 2017-2020 Strategic Plan
 - Explore the centralized vs. federated nature of SCPL
 - Create operating budget plan (2017-2020)
 - Reexamine the organization structure/public services structure
- Assume leadership of the LFFA
- Continue implementing library facilities improvements
 - Obtain agreement on timeline and project priorities
 - Continue work on Felton and Capitola
 - Benchmark best practice on facilities development
 - Define scope of future projects
- Work with Friends to develop capital campaigns