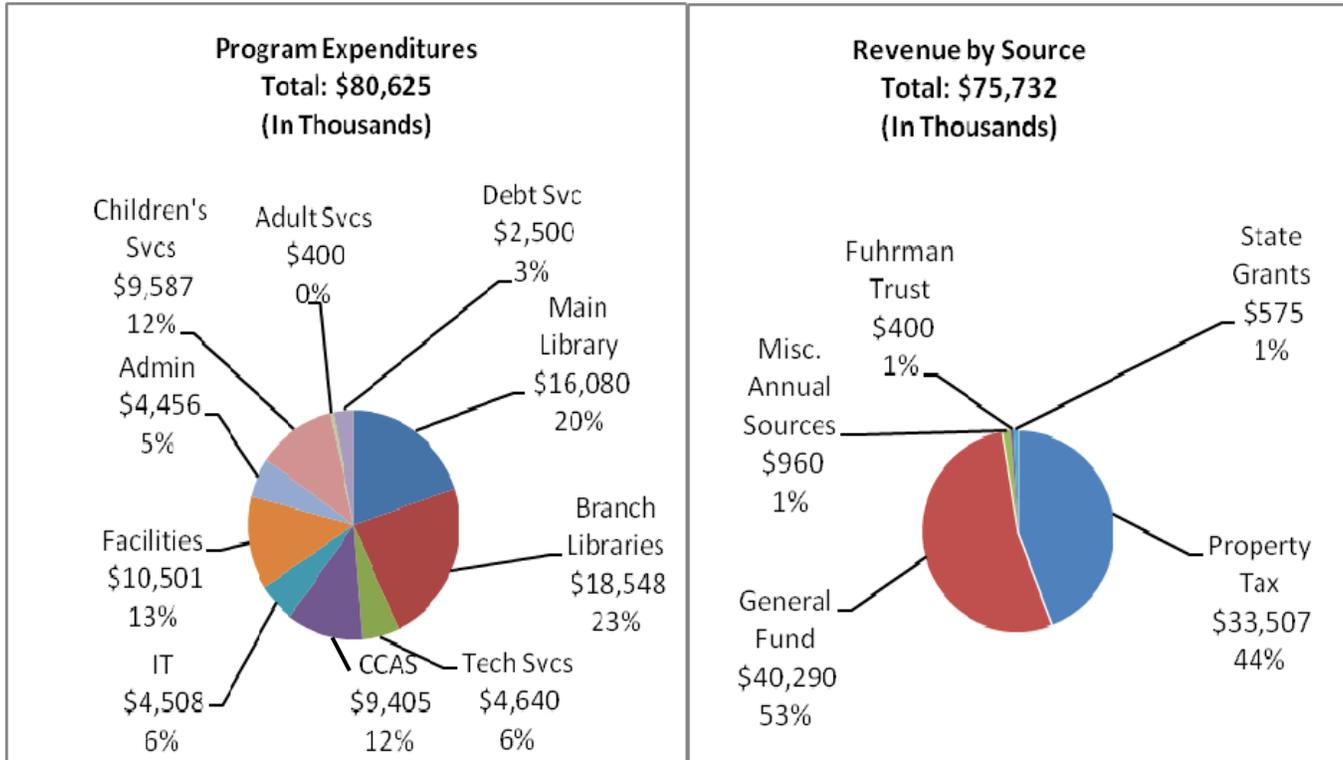


PUBLIC LIBRARY: FY 10-11 Proposed Budget

Budget Overview: FY 10-11



Expenditure Budget

	FY09-10	FY10-11- Proposed	Change	% Change
Expenditures-Operation	\$ 79,656,010	\$ 78,125,370	\$ (1,530,640)	1.92%
Expenditures – BLIP Debt Service Payment	\$ 3,414,524	\$ 2,500,000	\$ (914,524)	-26.78%
Total Expenditures	\$ 83,070,534	\$ 80,625,370	\$ (2,445,164)	2.94%
FTE	649.3	636.4	-12.9	-1.99%

The Library's proposed budget for FY 10-11 totals \$80.6 million & supports approximately 636.4 FTE.

- **Reduction in FTE is made possible, without reducing public operating hours, using a combination of solutions:**
 - Reviewing and adjusting public service staffing requirements to maximize open hours;
 - Reorganizing support functions to achieve time and staffing efficiencies while optimizing services;
 - Reducing FTE incrementally through the creation of part time positions from full time vacancies;
 - Minimizing layoffs.

- **The proposed operating budget has been reduced through a number of Budget Efficiency Proposals, including such items as:**
 - Returning the books & materials budget to FY08 level;
 - Reducing work orders to the Department of Public Health, Department of Public Works, and the Arts Commission;
 - Reducing capacity to purchase public technology (while continuing to meet service needs through previous year investments and grant funding);

PUBLIC LIBRARY: FY 10-11 Proposed Budget

- Incrementally reducing allocation for materials and supplies.

Revenue Budget

Public Library services are funded by annual revenue allocations made pursuant to Charter Section **16.109**. The Charter requires allocation of property taxes equivalent to **2½ cents** for every **\$100** of assessed property valuation in the City; and, allocation of discretionary General Fund money. Funding is appropriated to the Library through the Library Preservation Fund (LPF). The Controller's Office has not finalized the revenue allotment for FY 11 as of February 12, 2010 and as such the Library Administration prepared their proposed budget base on 6 months Revenue projection by the Controller's Office. The Administration will inform the Library Commission of the FY 11 revenues once the Controller finalizes the revenue figures. Revenue sources total **\$75.73** million with LPF baseline and other annual miscellaneous revenue (Fuhrman, gifts, grants, etc.) accounting for **100%** of proposed spending. Revenue detail is shown below:

Categories	FY10 Budget	FY11 Budget Proposal	Change	% Change
Property Tax	\$ 37,384,000	\$ 33,507,000	\$ (3,877,000)	-10.4%
General Fund Transfer	\$ 42,240,000	\$ 40,290,000	\$ (1,950,000)	-4.6%
Subtotal LPF Baseline	\$ 79,624,000	\$ 73,797,000	\$ (5,827,000)	-7.3%
Misc. Annual Sources	\$ 993,800	\$ 960,200	\$ (33,600)	-3.4%
Fuhrman Trust	\$ 530,000	\$ 400,000	\$ (130,000)	-24.5%
State Grants	\$ 574,665	\$ 574,665	\$ -	0.0%
Subtotal Other Sources	\$ 2,098,465	\$ 1,934,865	\$ (163,600)	-7.8%
Total Revenues	\$ 81,722,465	\$ 75,731,865	\$ (5,990,600)	-7.3%

The Library Preservation Fund (LPF) Balance:

- Current balance in the LPF Reserve is approximately **\$13.3** million.
- The proposed budget would utilize **\$4,893,505** of the LPF fund balance: **\$2,500,000** for the debt service and **\$2,393,505** for operational funding. With approval of the budget, the LPF fund balance would have a remaining balance of approximately **\$8.4** million or **11.38%** of baseline revenue.

Summary:

Available revenues to fund Library operations in FY 11 total **\$75,731,865**. The proposed budget for FY 11 totals **\$80,625,370** which equals the available funding, including the use of **\$4,893,505** of the Library's fund balance. The remaining available fund balance is estimated to be approximately **\$8.4 million**.

The proposed budget supports library services and operations in keeping with the department's priorities which emphasize: public service hours, strong collections, targeted technologies, safe and welcoming facilities, public safety and workforce development.

Next Steps:

All City Departments are required by the Mayor to submit their budgets on **February 22, 2010**. Library Administration will enter into budget negotiations with the Mayor's Office in March and with the Board of Supervisors in June.

The Library Commission will be asked to take action on the proposed FY 11 budget during its meeting on **February 18th**.
