

CITY OF SAN DIEGO, CALIFORNIA

COUNCIL POLICY

CP-100-19

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SUBJECT: ANNUAL APPROPRIATION FOR LIBRARY OPERATION AND MAINTENANCE

POLICY NO.: 100-19

EFFECTIVE DATE:

BACKGROUND:

Friends of the San Diego Public Library, concerned with the level of funding annually appropriated for the City's public libraries, circulated a proposed initiative petition that would have amended the City Charter to require the City Council to annually appropriate a set level of funding for library operation, maintenance and supplies. The petition was based on the Friends' observation, among other things, that the City's library funding has ranged for the past several years between 2-1/2 to 4% of the general fund, remaining around 4% for the four years preceding the circulation of the petition. The Friends further cited the City's 1998 Zero-Based Management Review report, which found that "the financial support for libraries can best be described as one of 'chronic underfunding,'" and that this underfunding would continue "unless drastic political and citizens involvement occurs and regional support is generated."

Based on these findings, the Friends requested the City Council to place its initiative measure on the November, 2000, ballot. The City Council declined to place it on the ballot, but agreed to consider an ordinance that would reflect the need for adequate library operations and maintenance funding. This policy, along with new Municipal Code section 22.0228, is intended to address the need for adequate library funding while retaining the necessary discretion in the City Council to annually appropriate the general fund for all of the City's needs. Pursuant to City Council direction, this policy is also intended to emphasize the importance of funding for basic neighborhood amenities.

In November 2002, the City Council adopted a conceptual financing plan for the construction and improvement of facilities for the Library System. In connection with that conceptual financing plan, the City Council proposed the establishment of a new fund, the New and Expanded Library Operation and Maintenance Fund, for the purpose of reserving monies for operation and maintenance expenses related to the new and expanded library system facilities as well as one-time expenditures for the library system. This Council Policy is intended to address how monies will be transferred on an annual basis into the New and Expanded Library Operation and Maintenance Fund for the purpose of funding the operations and maintenance expenses for the new and expanded library system facilities and one-time expenditures for the library system.

PURPOSE:

The purpose of this policy is to articulate the sense of the City Council that library operations, maintenance and supplies must receive sufficient funding to sustain a viable public library

system within the City of San Diego. Specifically, this policy expresses the support of the City Council for a proposal by the City Manager that will include sufficient funds to fulfill the purposes of San Diego Municipal Code section 22.0228, and this policy.

POLICY:

The City Council recognizes the need for adequate funding for the operation, maintenance and supply of the City's public libraries, as reflected in section 22.0228 of the San Diego Municipal Code which requires the City Manager's annual budget proposal to include funding for library operations, maintenance and supplies in an amount equal to up to 6% of the general fund. The City Auditor and Comptroller is authorized to transfer projected balances, if any, at the beginning of each fiscal year from the Annual Appropriation for Library Maintenance in the General Fund to the New and Expanded Library Operation and Maintenance Fund in accordance with the attached Schedule of Projected Balances after the annual budget for Operation and Maintenance of the Existing Library System has been funded. The monies in the New and Expanded Library Operation and Maintenance Fund shall be reserved to fund the maintenance and operation of library facilities that have completed construction or expansion after December 2002. Any monies not necessary to be carried forward for future expenses shall be available, on an annual basis, for one-time expenditures for the library system.

The City Auditor and Comptroller is authorized to transfer funds from the New and Expanded Library Operation and Maintenance Fund to the General Fund each year consistent with the approved City budget to fund (i) the operation and maintenance of new library facilities that have completed construction or expansion after December 2002, and (ii) one-time expenditures for the library system.

The City Council further declares that basic neighborhood amenities, including active use parks and recreation centers, are important priorities and should be adequately funded to serve the needs of their communities. The City Manager shall ensure this priority for these parks and recreation facilities is reflected in the annual budget proposed to the City Council each fiscal year.

It is the intent of the City Council that there be no new taxes proposed or imposed for the purpose of meeting this policy goal.

The adoption of this policy is not intended to be and shall not constitute an irrevocable commitment by the City Council to allocate monies for this purpose. Such a commitment may only be made, in the Council's discretion, at the time the annual budget ordinances are adopted, or as they may be amended from time to time.

LIBRARY SYSTEM IMPROVEMENTS PROGRAM Schedule of Projected Balances

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Library Ordinance Appropriation										
Projected General Fund	\$ 732,822,323	\$ 740,000,000	\$ 773,300,000	\$ 808,098,500	\$ 844,462,933	\$ 882,463,764	\$ 922,174,634	\$ 963,672,492	\$ 1,007,037,755	\$ 1,052,354,453
Allotted % of General Fund for Library Ordinance	5.00%	5.50%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Annual Allocation for Library Ordinance	\$ 36,641,116	\$ 40,700,000	\$ 46,398,000	\$ 48,485,910	\$ 50,667,776	\$ 52,947,826	\$ 55,330,478	\$ 57,820,350	\$ 60,422,265	\$ 63,141,267
Balance from Prior Year	\$ -	\$ -	\$ 3,792,736	\$ 10,711,404	\$ 15,527,749	\$ 17,462,732	\$ 15,914,989	\$ 13,903,382	\$ 11,383,327	\$ 7,943,517
Total Allocation Available	\$ 36,641,116	\$ 40,700,000	\$ 50,190,736	\$ 59,197,314	\$ 66,195,525	\$ 70,410,557	\$ 71,245,467	\$ 71,723,731	\$ 71,805,592	\$ 71,084,784
Library Budget Expenses										
<u>Existing Library Operations & Maintenance</u>										
Personnel Expense (PE)	\$ 23,991,909	\$ 24,351,120	\$ 25,455,857	\$ 26,525,003	\$ 27,639,053	\$ 28,799,893	\$ 30,009,489	\$ 31,269,887	\$ 32,583,223	\$ 33,951,718
Non-Personnel Expense (NPE)	12,658,742	12,025,846	12,374,595	12,733,458	13,102,729	13,482,708	13,873,706	14,276,044	14,690,049	15,116,060
Total Existing Library O&M Expense	\$ 36,650,651	\$ 36,376,966	\$ 37,830,452	\$ 39,258,461	\$ 40,741,782	\$ 42,282,601	\$ 43,883,195	\$ 45,545,931	\$ 47,273,272	\$ 49,067,779
<u>New Facility Operations & Maintenance</u>										
Incremental PE & NPE Expense	\$ -	\$ 436,843	\$ 1,444,262	\$ 4,065,207	\$ 7,474,796	\$ 11,498,095	\$ 12,517,419	\$ 13,598,569	\$ 15,187,006	\$ 16,116,342
Total New Facility O&M Expense	\$ -	\$ 436,843	\$ 1,444,262	\$ 4,065,207	\$ 7,474,796	\$ 11,498,095	\$ 12,517,419	\$ 13,598,569	\$ 15,187,006	\$ 16,116,342
Total Library Budget Expenses	\$ 36,650,651	\$ 36,813,808	\$ 39,274,714	\$ 43,323,669	\$ 48,216,577	\$ 53,780,696	\$ 56,400,614	\$ 59,144,500	\$ 62,460,278	\$ 65,184,121
Total Balance (Transfer to New Fund)	\$ (9,535)	\$ 3,886,192	\$ 10,916,023	\$ 15,873,645	\$ 17,978,948	\$ 16,629,861	\$ 14,844,853	\$ 12,579,232	\$ 9,345,314	\$ 5,900,663
Net Available for One time Expenditures		\$ 93,455	\$ 204,619	\$ 345,896	\$ 516,216	\$ 714,872	\$ 941,471	\$ 1,195,905	\$ 1,401,797	\$ 885,100
Net Balance		\$ 3,792,736	\$ 10,711,404	\$ 15,527,749	\$ 17,462,732	\$ 15,914,989	\$ 13,903,382	\$ 11,383,327	\$ 7,943,517	\$ 5,015,564

LIBRARY SYSTEM IMPROVEMENTS PROGRAM Schedule of Projected Balances

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Library Ordinance Appropriation										
Projected General Fund	\$ 1,099,710,404	\$ 1,149,197,372	\$ 1,200,911,254	\$ 1,254,952,260	\$ 1,311,425,112	\$ 1,370,439,242	\$ 1,432,109,008	\$ 1,496,553,913	\$ 1,563,898,839	\$ 1,634,274,287
Allotted % of General Fund for Library Ordinance	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Annual Allocation for Library Ordinance	\$ 65,982,624	\$ 68,951,842	\$ 72,054,675	\$ 75,297,136	\$ 78,685,507	\$ 82,226,355	\$ 85,926,540	\$ 89,793,235	\$ 93,833,930	\$ 98,056,457
Balance from Prior Year	\$ 5,015,564	\$ 2,869,422	\$ 1,416,836	\$ 584,549	\$ 312,146	\$ 550,226	\$ 1,258,857	\$ 2,406,265	\$ 3,967,724	\$ 5,924,623
Total Allocation Available	\$ 70,998,188	\$ 71,821,264	\$ 73,471,511	\$ 75,881,685	\$ 78,997,652	\$ 82,776,580	\$ 87,185,397	\$ 92,199,500	\$ 97,801,655	\$ 103,981,080
Library Budget Expenses										
<u>Existing Library Operations & Maintenance</u>										
Personnel Expense (PE)	\$ 35,377,690	\$ 36,863,553	\$ 38,411,823	\$ 40,025,119	\$ 41,706,174	\$ 43,457,833	\$ 45,283,062	\$ 47,184,951	\$ 49,166,719	\$ 51,231,721
Non-Personnel Expense (NPE)	15,554,426	16,005,505	16,469,664	16,947,284	17,438,756	17,944,480	18,464,869	19,000,351	19,551,361	20,118,350
Total Existing Library O&M Expense	\$ 50,932,116	\$ 52,869,058	\$ 54,881,487	\$ 56,972,403	\$ 59,144,930	\$ 61,402,313	\$ 63,747,932	\$ 66,185,302	\$ 68,718,080	\$ 71,350,071
<u>New Facility Operations & Maintenance</u>										
Incremental PE & NPE Expense	\$ 16,690,281	\$ 17,285,340	\$ 17,902,320	\$ 18,542,051	\$ 19,205,398	\$ 19,893,259	\$ 20,606,566	\$ 21,346,287	\$ 22,113,430	\$ 22,909,040
Total New Facility O&M Expense	\$ 16,690,281	\$ 17,285,340	\$ 17,902,320	\$ 18,542,051	\$ 19,205,398	\$ 19,893,259	\$ 20,606,566	\$ 21,346,287	\$ 22,113,430	\$ 22,909,040
Total Library Budget Expenses	\$ 67,622,398	\$ 70,154,398	\$ 72,783,806	\$ 75,514,455	\$ 78,350,328	\$ 81,295,572	\$ 84,354,498	\$ 87,531,589	\$ 90,831,510	\$ 94,259,112
Total Balance (Transfer to New Fund)	\$ 3,375,790	\$ 1,666,866	\$ 687,705	\$ 367,230	\$ 647,324	\$ 1,481,008	\$ 2,830,900	\$ 4,667,911	\$ 6,970,145	\$ 9,721,969
Net Available for One time Expenditures	\$ 506,369	\$ 250,030	\$ 103,156	\$ 55,085	\$ 97,099	\$ 222,151	\$ 424,635	\$ 700,187	\$ 1,045,522	\$ 1,458,295
Net Balance	\$ 2,869,422	\$ 1,416,836	\$ 584,549	\$ 312,146	\$ 550,226	\$ 1,258,857	\$ 2,406,265	\$ 3,967,724	\$ 5,924,623	\$ 8,263,673

LIBRARY SYSTEM IMPROVEMENTS PROGRAM Schedule of Projected Balances

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Library Ordinance Appropriation										
Projected General Fund	\$ 1,707,816,630	\$ 1,784,668,378	\$ 1,864,978,455	\$ 1,948,902,486	\$ 2,036,603,098	\$ 2,128,250,237	\$ 2,224,021,498	\$ 2,324,102,465	\$ 2,428,687,076	\$ 2,537,977,995
Allotted % of General Fund for Library Ordinance	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Annual Allocation for Library Ordinance	\$ 102,468,998	\$ 107,080,103	\$ 111,898,707	\$ 116,934,149	\$ 122,196,186	\$ 127,695,014	\$ 133,441,290	\$ 139,446,148	\$ 145,721,225	\$ 152,278,680
Balance from Prior Year	\$ 8,263,673	\$ 10,976,246	\$ 14,057,813	\$ 17,507,480	\$ 21,327,595	\$ 25,523,429	\$ 30,102,901	\$ 35,076,370	\$ 40,456,450	\$ 46,257,873
Total Allocation Available	\$ 110,732,671	\$ 118,056,349	\$ 125,956,520	\$ 134,441,629	\$ 143,523,781	\$ 153,218,443	\$ 163,544,191	\$ 174,522,518	\$ 186,177,675	\$ 198,536,553
Library Budget Expenses										
<u>Existing Library Operations & Maintenance</u>										
Personnel Expense (PE)	\$ 53,383,453	\$ 55,625,558	\$ 57,961,832	\$ 60,396,229	\$ 62,932,870	\$ 65,576,051	\$ 68,330,245	\$ 71,200,115	\$ 74,190,520	\$ 77,306,522
Non-Personnel Expense (NPE)	20,701,782	21,302,134	21,919,896	22,555,573	23,209,685	23,882,766	24,575,366	25,288,051	26,021,405	26,776,026
Total Existing Library O&M Expense	\$ 74,085,236	\$ 76,927,693	\$ 79,881,728	\$ 82,951,802	\$ 86,142,555	\$ 89,458,817	\$ 92,905,611	\$ 96,488,167	\$ 100,211,925	\$ 104,082,548
<u>New Facility Operations & Maintenance</u>										
Incremental PE & NPE Expense	\$ 23,734,205	\$ 24,590,052	\$ 25,477,757	\$ 26,398,538	\$ 27,353,663	\$ 28,344,448	\$ 29,372,262	\$ 30,438,528	\$ 31,544,722	\$ 32,692,383
Total New Facility O&M Expense	\$ 23,734,205	\$ 24,590,052	\$ 25,477,757	\$ 26,398,538	\$ 27,353,663	\$ 28,344,448	\$ 29,372,262	\$ 30,438,528	\$ 31,544,722	\$ 32,692,383
Total Library Budget Expenses	\$ 97,819,441	\$ 101,517,745	\$ 105,359,485	\$ 109,350,340	\$ 113,496,218	\$ 117,803,265	\$ 122,277,873	\$ 126,926,694	\$ 131,756,648	\$ 136,774,931
Total Balance (Transfer to New Fund)	\$ 12,913,231	\$ 16,538,604	\$ 20,597,035	\$ 25,091,289	\$ 30,027,563	\$ 35,415,178	\$ 41,266,318	\$ 47,595,824	\$ 54,421,027	\$ 61,761,622
Net Available for One time Expenditures	\$ 1,936,985	\$ 2,480,791	\$ 3,089,555	\$ 3,763,693	\$ 4,504,134	\$ 5,312,277	\$ 6,189,948	\$ 7,139,374	\$ 8,163,154	\$ 9,264,243
Net Balance	\$ 10,976,246	\$ 14,057,813	\$ 17,507,480	\$ 21,327,595	\$ 25,523,429	\$ 30,102,901	\$ 35,076,370	\$ 40,456,450	\$ 46,257,873	\$ 52,497,379

LIBRARY SYSTEM IMPROVEMENTS PROGRAM Schedule of Projected Balances

	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040
Library Ordinance Appropriation								
Projected General Fund	\$ 2,652,187,004	\$ 2,771,535,420	\$ 2,896,254,513	\$ 3,026,585,967	\$ 3,162,782,335	\$ 3,305,107,540	\$ 3,453,837,379	\$ 3,609,260,061
Allotted % of General Fund for Library Ordinance	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Annual Allocation for Library Ordinance	\$ 159,131,220	\$ 166,292,125	\$ 173,775,271	\$ 181,595,158	\$ 189,766,940	\$ 198,306,452	\$ 207,230,243	\$ 216,555,604
Balance from Prior Year	\$ 52,497,379	\$ 59,193,632	\$ 66,367,162	\$ 74,040,324	\$ 82,237,279	\$ 90,983,984	\$ 100,308,205	\$ 110,239,535
Total Allocation Available	\$ 211,628,599	\$ 225,485,757	\$ 240,142,433	\$ 255,635,482	\$ 272,004,219	\$ 289,290,436	\$ 307,538,448	\$ 326,795,139
Library Budget Expenses								
<u>Existing Library Operations & Maintenance</u>								
Personnel Expense (PE)	\$ 80,553,396	\$ 83,936,639	\$ 87,461,978	\$ 91,135,381	\$ 94,963,067	\$ 98,951,515	\$ 103,107,479	\$ 107,437,993
Non-Personnel Expense (NPE)	27,552,530	28,351,554	29,173,749	30,019,787	30,890,361	31,786,182	32,707,981	33,656,512
Total Existing Library O&M Expense	\$ 108,105,926	\$ 112,288,192	\$ 116,635,726	\$ 121,155,168	\$ 125,853,428	\$ 130,737,697	\$ 135,815,460	\$ 141,094,506
<u>New Facility Operations & Maintenance</u>								
Incremental PE & NPE Expense	\$ 33,883,106	\$ 35,118,551	\$ 36,400,443	\$ 37,730,574	\$ 39,110,810	\$ 40,543,086	\$ 42,029,417	\$ 43,571,896
Total New Facility O&M Expense	\$ 33,883,106	\$ 35,118,551	\$ 36,400,443	\$ 37,730,574	\$ 39,110,810	\$ 40,543,086	\$ 42,029,417	\$ 43,571,896
Total Library Budget Expenses	\$ 141,989,032	\$ 147,406,743	\$ 153,036,169	\$ 158,885,743	\$ 164,964,238	\$ 171,280,783	\$ 177,844,877	\$ 184,666,402
Total Balance (Transfer to New Fund)	\$ 69,639,567	\$ 78,079,014	\$ 87,106,264	\$ 96,749,740	\$ 107,039,981	\$ 118,009,653	\$ 129,693,571	\$ 142,128,737
Net Available for One time Expenditures	\$ 10,445,935	\$ 11,711,852	\$ 13,065,940	\$ 14,512,461	\$ 16,055,997	\$ 17,701,448	\$ 19,454,036	\$ -
Net Balance	\$ 59,193,632	\$ 66,367,162	\$ 74,040,324	\$ 82,237,279	\$ 90,983,984	\$ 100,308,205	\$ 110,239,535	\$ 142,128,737