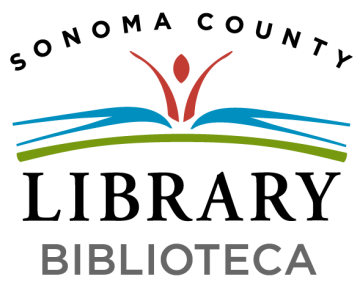


Measure Y

Oversight Committee

2020 | 2021 Report



This report encompasses the library fiscal year July 1, 2020 through June 30, 2021

In November 2016, voters of Sonoma County approved Measure Y, a one-eighth of a cent sales tax to support the Sonoma County Library. The ordinance stipulated that the Library Commission establish a citizen oversight committee to annually review expenditures and appropriations of the tax revenues to ensure that all such revenue is spent or appropriated for purposes and uses set forth in the expenditure plan of Measure Y. The revenues shall be used only to supplement existing revenues collected for the library and shall not be used to supplant existing library funding.

This report from the Measure Y Oversight Committee examines the expenditures to ensure that they conform to the spirit and letter of the ordinance. Based on the expenditure plan of the Measure Y ordinance, the additional sales tax revenues should be used only for the following purposes:

- Support library collections, educational programs, and classes for Sonoma County's pre-school and school-age children as well as adults and seniors
- Improve access to local branch libraries
- Maintain aging library facilities

These past 18 months have proven to be challenging in maintaining normal library operations.

In March of 2020, Sonoma County, as well as the rest of California, went into lockdown in its effort to stop the spread of Covid-19.


On June 1, 2020, three months into lockdown, a curbside pickup was begun with a pilot program at five libraries allowing patrons to order books online and pick them up without entering the library. By the end of June, curbside was available at all branches. Returns were limited to Fridays and Saturdays allowing time for books to be quarantined before handling.

In early April of 2021, libraries began reopening on a limited basis. By June, branches were open with reduced staff and with masks required. In person programs have not yet been resumed indoors and branches are still operating with reduced hours.



Supporting Library Programs, Collections And Services

The Sonoma County Library spent approximately \$100,000 on virtual events and programs in fiscal year 20/21 using Measure Y funds.

- Equipment was purchased for all branches at the beginning of the shutdown to support video recording of virtual program content.
 - Virtual programs like We Heart Fiber Arts, Beginning Spanish Language Club, Job Search Workshops, Botanical Bus, and Story Salsa were offered by contract presenters.
 - Materials for large events, which included ZineFest, Open Mic Night, Teen Poetry Slam, and LumaCon were purchased with these funds as well as supplies for the always popular craft programs and paint nights.
 - The Virtual Author program continued to be popular with visits from Anastasia Higginbotham, Neal Shusterman, and Gabby Rivera.
 - The annual summer reading program was supported with presenters, supplies, marketing, incentives, and books provided by Measure Y.
 - Funds to support collections, which include books and media, are allocated at fiscal year's end. This breaks down to 67% from property tax revenue and 33% from sales tax revenue. (Measure Y monies).
 - Staff that were added prior to the library's closure due to increased hours and services were paid throughout the pandemic. Approximately 36% of the library staff is funded by Measure Y. Training services including Equal Employment Opportunity, Racial Equity, and conflict de-escalation were provided for these staff members with Measure Y funds.
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Improving Access To Local Libraries

With branches shut down for an extended period, it became even more critical to provide access to as many patrons in as many ways as possible.

- Keeping that in mind, the library contracted services to provide Spanish interpretation for its virtual events.
- It increased access to eBooks and eAudiobooks, including the systemwide Read BIPOC Book Club.
- Additional ChromeKits and hotspots were purchased. PCs were upgraded and internet access for the branches were improved as these are heavily used by the public.

The most significant accomplishment of this fiscal year was the completion of the new Roseland Regional Library. As of the fiscal year 20/21, which ended June 30, 2021, the library was working toward opening at its new location (470 Sebastopol Road) in late summer of 2021 (September 13) to serve Southwest Santa Rosa.



Maintaining Aging Library Facilities

A significant portion of Measure Y revenue was spent improving and upgrading library facilities.

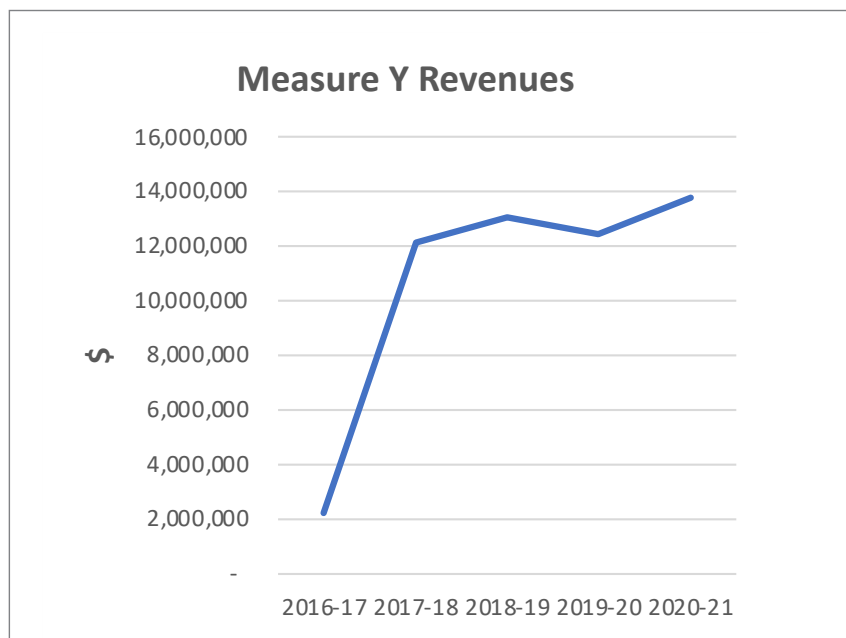
- A large sorter (AMH-automated materials handling) with accompanying equipment and supplies was purchased. This allows headquarters to efficiently sort and deliver materials more quickly to the branches, reducing patron hold times.
- Kiosks (pay stations for public printer use) were purchased with Measure Y funds at the request of the public who wanted to pay with credit or debit cards.
- Audio-visual upgrades were made for the community rooms at branches to improve functionality, public access and convenience.
- New paging systems are clock/announce systems and have been provided in all library branches. This allows each branch to announce closing times, emergency closures, masking information and much more.
- Repainting of the Rohnert Park Library was completed in October of 2020. The city of Rohnert Park provided the paint and Measure Y funds were used to cover labor costs.
- As the fiscal year 20/21 ended, the library was at work on a plan to relocate the historical records (the Sonoma County Archives) to a safe location away from Los Guilicos, a facility threatened by wildfire in recent years. (That process began in August and the cost of the relocation was shared with the Sonoma County Board of Supervisors. Measure Y funds provided \$137,000 for an inventory of the records, professional packaging and moving, and reconfiguring the new space near the Santa Rosa airport. The relocation is not permanent but will give the library time to develop a long-term plan.)
- A “reimagining effort” was launched in early 2020 which resulted in more than 1,000 responses from the public. Approximately \$3,000 of Measure Y funds were spent to advertise the public input survey. All other costs for the reimagining plan were paid from property tax revenue.

The following comments apply to the financial summary:

- The figures are based on financial reports from the library as the Measure Y committee does not audit the figures.
- The income figures include only sales tax revenues and interest income, and do not include unrealized gains and losses or other minor items.
- The figures for FY18-19 reflect minor changes from last year's report due to audit adjustments.
- The revenue for FY19-20 has been adjusted for receipts that were not previously shown. The figures for FY19-20 and FY20-21 are unaudited and subject to revision.
- Contrary to prior years, salaries and benefits are now based on the actual people assigned to Measure Y supported positions.
- Services and Supplies in this report differs from standard library financial reports because materials and events/programs are reported separately.

Fortunately, Sonoma County recovered quickly from the initial pandemic-induced economic shock. Sales tax revenues were significantly higher than forecast. Revenue increased from the previous year, as shown in Figure 1.

Figure 1 Measure Y revenues



Expenditures were less than planned with the result of another significant surplus, as shown in Table 1. The Library Commission budgeted prudently due to the dire forecasts that were made at the time the budget was completed.

Table 1 – Measure Y Budget vs Actual for 2020-21

2020-21	<u>Budget</u>	<u>Spent</u>
Total Expense		
Salaries and Benefits	4,231,148	4,161,404
Materials	1,708,583	1,078,939
Events and Programs ¹		118,888
Services and Supplies	3,638,336	2,702,040
Capital Expenses	1,200,000	2,184,171
Total Spending	10,778,067	10,245,442
revenue	9,828,000	13,854,852
Net	(950,067)	3,609,410
¹ events and programs are not budgeted separately		

The largest expense is for salaries and benefits. The library continued to pay the permanent staff even when the libraries were closed.

Capital spending was the only area where expenditures exceeded budget. Expenses for the Roseland branch were approximately \$1.1 million; capital expenses for other projects was a bit over \$1 million. While Roseland is mentioned specifically in the Measure Y authorization, it appears that Measure Y is supplanting capital spending in other areas. Table 2 shows the percentage paid from Measure Y funds.

Table 2 – Percentage Split

	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Sales Tax %</u>
EXPENSE			
Salaries & Benefits Total	14,301,752	4,161,404	22.5%
Books/media/subscriptions	2,189,754	1,078,939	33.0%
Programs/events ¹	6,985	118,888	94.5%
Services & Supplies	3,244,021	2,702,040	45.4%
Capital Expense	215,195	2,184,171	91.0%
	<u>19,957,707</u>	<u>10,245,442</u>	33.9%

¹Prop. Tax amount estimated

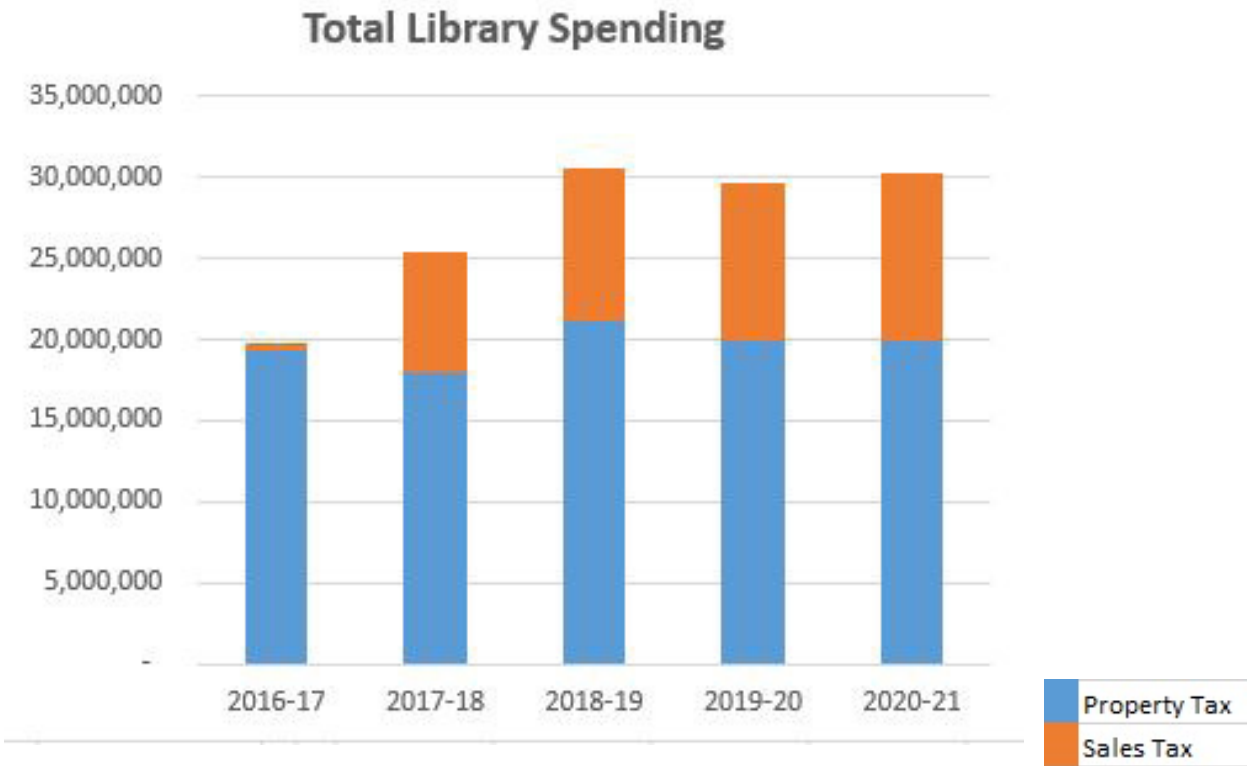
In total, Measure Y has provided approximately \$54 million in resources since its inception. The accumulated surplus is now approximately \$17 million, as shown in Table 3. The large surplus is partly due to wildfires and the pandemic, which affected planned expenses.

Table 3 – Income/Expenses since Inception of Measure Y

Sales Tax Fund	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	Since inception
	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Revenues						
Sales Tax	2,235,270	12,110,478	13,055,614	12,420,713	13,749,204	53,571,279
Interest	(719)	43,021	269,366	212,089	105,648	629,405
Total Revenue	<u>2,234,551</u>	<u>12,153,499</u>	<u>13,324,980</u>	<u>12,632,802</u>	<u>13,854,852</u>	<u>54,200,684</u>
excluding unrealized gains/losses and miscellaneous						
Expenses						
Salaries and Benefits	-	2,936,129	3,724,881	4,001,405	4,161,404	14,823,819
Materials	85,746	1,140,970	1,890,000	1,800,777	1,078,939	5,996,432
Events and Programs	-	299,867	504,581	346,699	118,888	1,270,035
Services /Supplies	351,103	1,340,385	2,084,044	2,556,859	2,702,040	6,332,391
Capital Expenses	-	1,669,016	1,277,965	988,512	2,184,171	3,935,493
Total Expenses	<u>436,849</u>	<u>7,386,367</u>	<u>9,481,471</u>	<u>9,694,252</u>	<u>10,245,442</u>	<u>37,244,381</u>
Surplus/(Deficit)	<u>1,797,702</u>	<u>4,767,132</u>	<u>3,843,509</u>	<u>2,938,550</u>	<u>3,609,410</u>	<u>16,956,303</u>

Since Measure Y was approved, the library has been able to expand spending significantly, as shown in Figure 2.

Figure 2 Total Library Spending



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Digital resources such as national newspaper subscriptions are made possible by Measure Y funds.



The library's biggest challenge over the 2020-21 fiscal year has been to forecast revenue and expenses under COVID and to budget for them appropriately. The 2020-21 budgets for both the general fund and the Measure Y fund reflected an expected shortfall in revenue. As revenue continued to exceed expectations through the year, Measure Y revenue not only met budgeted Measure Y expenses but exceeded them, creating a surplus for the year. The general fund ended the year with a surplus of \$10.875 million, not including \$3.8 million held in the general fund's restricted stabilization fund balance. A large amount of capital expenditures was allocated to Measure Y, per the Library Commission's interpretation of appropriate uses of sales tax funds.

This committee reviewed the capital purchases for the year and we are satisfied that the capital items purchased with Measure Y funds were appropriate Measure Y expenses. We suggest that going forward the library staff review its budget throughout the year, and, as circumstances change, adjust it accordingly. It would have been preferable if the large increase in the Measure Y spending on capital improvements had been reflected in an updated budget in addition to its approval by the Library Commission.

An additional challenge related to COVID involved salaries and benefits versus hours the library branches were open. While the library was forced to close all branches for many months, and is even now struggling to increase hours, salaries and benefits did not decline from the prior year. After reviewing the changes in staffing needs required to continue serving library patrons, we are satisfied that salary and benefit costs were appropriate and fair. We recommend that the library more clearly define its employee job descriptions to reflect program versus administrative positions and that exempt and nonexempt non branch positions should be defined.

Without the chief financial officer, it has been difficult for this committee to obtain reports in the format that aids our review of Measure Y spending. We encourage the library to fill this position as soon as possible. (A new CFO is scheduled to start November 1, 2021)

The library is far behind in the preparation of its annual financial statement audits. The audit for the 2018-19 was just completed in July 2021. We strongly recommend the audits for the years ending June 30, 2020 and June 30, 2021 be completed as soon as possible, and that in the future, audits are completed within a few months of the fiscal year-end.

Our final concern is that the library has been accumulating a surplus in the Measure Y funds for several years. We recognize that this has been created in large part by the interruption in operations due to COVID and wildfires. It is our understanding that prior to COVID much of the surplus was designated for library branch refreshes and updates, and those had to be put on hold when COVID occurred. We recommend that the library update its plan, including a timeline, for the use of the surplus, and begin executing the plan as soon as possible.

Measure Y Oversight Committee in 2021

Janis Brokaw, Chair

Judith Glenn, Vice Chair

Committee members (as of June 30, 2021)

Janis Brokaw Appointed by commissioner Barbara Mackenzie/Rohnert Park

Linda Clapp Appointed by commissioner Reece Foxen/Cloverdale

Walt Frazer Appointed by commissioner Joel Neuberg/Sebastopol

Judith Glenn Appointed by commissioner Karen Schneider
/Santa Rosa & Sonoma County

Barbara Hughes Appointed by commissioner Thomas Haeuser/Sonoma

Evette Minor Appointed by commissioner David Cahill/Santa Rosa

Mike Neely Appointed by commissioner Deborah Doyle/Windsor

Nace Nickel Appointed by commissioner Sam Mulford/Sonoma County

John Dell'Osso Appointed by commissioner Rachel Parker/Cotati

Ginny Simonds Appointed by commissioner Andy Elkind/Healdsburg

ACKNOWLEDGEMENTS

The Measure Y Oversight Committee would like to express its appreciation to the Sonoma County Library Graphics Department for its help in preparing this report; to Randy Siple for support with financial data; to Ray Holley for his knowledge of programs and collections; and to Jen Swenson for all her logistical support.