
M E M O R A N D U M

DATE: November 11, 2009
TO: City Council Members
FROM: Russell Weeks
RE: Salt Lake City Library System Budget Opening and Branch Building Process and Preliminary Timeline
CC: Cindy Gust Jenson, David Everitt, Beth Elder, Gordon Hoskins, Helen Langan, Jennifer Bruno, Susan Callaway, Kay Christensen

This memorandum pertains to two items. One is an amendment to the Salt Lake City Library System's operating and capital budget for fiscal year 2009-2010. The other is a preliminary timeline for the planning, design and construction of branch libraries in the Glendale and West Capitol Hill/Marmalade areas.

The two items are scheduled to be briefed together because they reflect the City Council's action June 16 to increase property taxes in part to pay for the planning and construction of the two branches and the City Council's adopted legislative intent that the Library System prepare a process to use to build the branch libraries.

The budget opening is scheduled for a briefing on November 17. By law the City Council also must schedule a public hearing on the opening. An item setting the date of the public hearing has been placed on the November 17 consent agenda for a December 1 public hearing.

OPTIONS

- Adopt the proposed budget amendment.
- Do not adopt the proposed budget amendment.
- Amend the proposed budget amendment.

It should be noted that the proposed budget amendment is the last step in allocating funds generated by a property tax increase the City Council enacted in June when it adopted the budget for the Library System.

POTENTIAL MOTIONS

PUBLIC HEARING

- I move that the City Council close the public hearing and refer this item to a future meeting for action.
- I move that the City Council continue the public hearing to a later date.

PROPOSED BUDGET AMENDMENT

- I move that the City Council adopt the Salt Lake City Library System Operating and Capital Budget for Fiscal Year 2009-2010 as amended.
- I move that the City Council consider the next item on the agenda.
- I move that the City Council adopt the Salt Lake City Library System Operating and Capital Budget for Fiscal Year 2009-2010 as presented at the November 17 briefing with the following amendments: (Council Members may propose amendments they choose to make).

BACKGROUND/DISCUSSION

The Salt Lake City Library System Board of Directors in May submitted an operating and capital budget with revenues of \$14,958,068. Property taxes made up \$12,499,568 of the total projected revenues.

On June 16, 2009, the City Council adopted a motion to increase the Library System's operating revenue by \$560,000; to build a new library with a sales tax bond; and to fund planning for a branch library in the Glendale area and a planning process for a branch library in the West Capitol Hill/Marmalade area at a tax rate of .000057. The motion also included a legislative intent statement indicating the City Council's intent to fund, plan and build the two branch libraries.

It should be noted that later budget calculations brought the adopted increase to the Library System's operating budget to \$572,466.ⁱ Under the proposed amended budget, the increase in operating revenues would be used to restore \$500,000 to the System's operating fund balance. That would bring the fund balance up to about \$1.9 million. The original budget presented to the City Council proposed using \$500,000 in operating fund balance to pay for projected increased costs to run the System's main and branch libraries. The remaining \$72,466 would be used to offset an overly optimistic projection of interest earnings for the current fiscal year. The revised budget shows projected interest earnings at \$27,535 for the year ending June 30, 2010, instead of interest earnings of \$100,000. Total anticipated revenue from all sources is projected to remain the same as the original budget. Projected expenditures also are shown as remaining the same.

Another \$556,466 in capital budget expenditures is projected to be split equally between the Glendale area and Marmalade area branch building projects. Again, it should be noted that, ultimately, the \$556,466 will be used to repay sales tax bonds issued to build the Glendale area branch library. It also should be noted that the capital fund balance is listed at about \$4 million.ⁱⁱ Projected total construction costs of building a 20,000 square foot branch library is estimated at about \$8.24 million.ⁱⁱⁱ

According to the Library System timeline, construction of the Glendale area branch library would finish in June 2012. Construction of the West Capitol Hill/Marmalade area branch library would finish in September 2012.^{iv}

It should be noted that the timeline also indicates that the Library System plans to request tax increases in fiscal years 2011-2012 and 2012-2013.^v The projected increase in 2011-2012 would fund construction of the West Capitol Hill/Marmalade branch library. The projected increase in the subsequent fiscal year would fund operating expenses for the Glendale area and West Capitol Hill/Marmalade area branch libraries. It should be noted that the City Council motion on June 16, 2009, included a legislative intent that the City Council move forward with funding for the West Capitol Hill/Marmalade area branch library beyond planning and design.^{vi}

The preliminary timeline projects planning, program development and site selection for the Glendale area branch library would start in December 2009. That phase of the process for the West Capitol Hill/Marmalade area branch would start in March 2010. The phase for both libraries would last about nine months and include a community process aimed at involving as many members of each community as possible.^{vii}

ⁱ Salt Lake City Library System proposed amended budget, Page 6

ⁱⁱ Salt Lake City Library System proposed amended budget, Page 5.

ⁱⁱⁱ Glendale and Marmalade Library Branch Building Process and Preliminary Timeline Draft, Nov. 4, 2009, Page 5.

^{iv} Ibid, Page 6.

^v Ibid, Page 6.

^{vi} Salt Lake City Council audio tapes, June 16, 2009, 10:16 p.m. to 10:18:36 p.m.

^{vii} Glendale and Marmalade Library Branch Building Process and Preliminary Timeline Draft, Nov. 4, 2009, Page 3.

SALT LAKE CITY ORDINANCE

No. _____ of 2009

NOV 18 2009

(Amending the Final Budget for the Library Budget of
Salt Lake City, Utah for Fiscal Year 2009-2010)

An ordinance amending Salt Lake City Ordinance No. 41 of 2009 which adopted the final budget for the Library fund of Salt Lake City, Utah, for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

PREAMBLE

On June 16, 2009, the Salt Lake City Council adopted the final budget for the Library fund of Salt Lake City, Utah for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the requirements of Section 118, Chapter 6, Title 10 of the Utah Code Annotated, and said budget was approved by the Mayor of Salt Lake City, Utah.

The City's Policy and Budget Director, acting as the City's Budget Officer, prepared and filed with the City Recorder proposed amendments to said duly adopted budget, copies of which are attached hereto, for consideration by the City Council and inspection by the public.

All conditions precedent to amend said budget have been accomplished.

Be it ordained by the City Council of Salt Lake City, Utah:

SECTION 1. Purpose. The purpose of this Ordinance is to amend the final budget for the Library fund of Salt Lake City as approved, ratified and finalized by Salt Lake City Ordinance No.41 of 2009.

SECTION 2. Adoption of Amendments. The budget amendments, attached hereto and made a part of this Ordinance shall be, and the same hereby are adopted and

incorporated into the budget for the Library fund of Salt Lake City, Utah for the fiscal year beginning July 1, 2009 and ending June 30, 2010, in accordance with the requirements of Section 128, Chapter 6, Title 10, of the Utah Code Annotated.

SECTION 3. Certification to Utah State Auditor. The City's Policy and Budget Director, acting as the City's Budget Officer, is authorized and directed to certify and file a copy of said budget amendments with the Utah State Auditor.

SECTION 4. Filing of copies of the Budget Amendments. The said Budget Officer is authorized and directed to certify and file a copy of said budget amendments in the office of said Budget Officer and in the office of the City Recorder which amendments shall be available for public inspection.

SECTION 5. Effective Date. This Ordinance shall take effect on its first publication.

Passed by the City Council of Salt Lake City, Utah, this _____ day of _____, 2009.

CHAIRPERSON

ATTEST:

CITY RECORDER

Transmitted to the Mayor on _____

Mayor's Action: _____ Approved _____ Vetoed

MAYOR

ATTEST: _____

CITY RECORDER

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date 11-13-09
By [Signature]

(SEAL)

Bill No. _____ of 2009.

Published: _____

HB_ATT#10614-V1-Library_Budget_Amendment_FY09-10.DOC

NOV 04 2009

The City Library

Salt Lake City Public Library System

Operating and Capital Budget

Revised Budget
Approved by
Library Board of Directors
October 30, 2009

Fiscal Year
2009-2010

**SALT LAKE CITY PUBLIC LIBRARY
SUMMARY OF GENERAL PROPERTY TAX REQUEST
2009-2010 BUDGET**

	2007-08 <u>ACTUAL</u>	2008-09 <u>BUDGET</u>	APPROVED 2009-10 <u>BUDGET</u>	REVISED 2009-10 <u>BUDGET</u>
Operating	\$12,670,293	\$12,445,448	\$12,499,568	\$13,072,034
Capital	25,000	—	—	556,466
TOTAL GENERAL PROPERTY TAX	<u>\$12,695,293</u>	<u>\$12,445,448</u>	<u>\$12,499,568</u>	<u>\$13,628,500</u>
<i>Operating Fund Balance</i>	<i>\$1,910,183</i>			
<i>Capital Fund Balance</i>	<i>\$4,019,006</i>			

**REVENUE SOURCES OPERATING FUND AND CAPITAL FUND
2009-2010 BUDGET**

	2007-08 <u>ACTUAL</u>	2008-09 <u>BUDGET</u>	APPROVED 2009-10 <u>BUDGET</u>	REVISED 2009-10 <u>BUDGET</u>
OPERATING REVENUE				
General Property Tax	\$12,670,293	\$12,445,448	\$12,499,568	\$13,072,034
Operating Fund Balance from Prior Year	—	—	500,000	—
Copier/Printer and Sundry Revenue	63,741	70,000	60,000	60,000
Fines and Collections	393,973	425,000	385,000	385,000
Interest	195,515	200,000	100,000	27,534
Grants	10,013	25,000	25,000	25,000
Donations	53,143	100,000	100,000	100,000
Leases	63,222	70,000	60,000	60,000
Events/Conferences	65,804	40,000	50,000	50,000
TOTAL OPERATING REVENUE	<u>\$13,515,704</u>	<u>\$13,375,448</u>	<u>\$13,779,568</u>	<u>\$13,779,568</u>
CAPITAL REVENUE				
General Property Tax	\$ 25,000	\$ —	\$ —	\$ 556,466
RDA Rebate	110,802	—	28,500	28,500
Interest	141,164	150,000	100,000	100,000
Prior Year Capital Fund Balance	—	est. 3,500,000	1,000,000	1,000,000
Donations and Grants	120,134	50,000	50,000	50,000
Miscellaneous/Sundry Revenue	500	—	—	—
TOTAL CAPITAL REVENUE	<u>\$ 397,600</u>	<u>\$ 3,700,000</u>	<u>\$ 1,178,500</u>	<u>\$ 1,734,966</u>
TOTAL BUDGET	<u>\$13,913,304</u>	<u>\$17,075,448</u>	<u>\$14,958,068</u>	<u>\$15,514,534</u>

4/16/09
REVISED 10/30/09

GRANTS

The City Library continues its efforts to raise private funds to supplement tax and fee revenues. In 2008-09, a grant was received from the Division of Workforce Services. In the coming year, efforts will be made to apply for grants with particular emphasis upon strengthening the Library's capacity to cooperate with other agencies on early literacy and to support public programs such as the Dewey Lecture series.

DONATIONS

The City Library has been successful in raising funds for special programs and projects with the continued support of the Friends of the Library and individuals. The Library has been included as a beneficiary in several estates over the past few years. Although these funds cannot be budgeted, we are grateful to patrons who have included The City Library in their estate planning. The Library will seek in-kind donations for reading incentives, media promotion, welcome literature for new city residents, and incentives for staff wellness efforts.

LEASES

The City Library receives rent from the shops on Library Square.

EVENTS/CONFERENCES

Frequent use of library facilities, both during and after library hours, has resulted in revenue from rental fees. Income from this budget center has increased in 2009-10.

SUMMARY OF OPERATING BUDGET EXPENDITURES

	2007-08 <u>ACTUAL</u>	2008-09 <u>BUDGET</u>	2009-10 <u>BUDGET</u>
BUILDINGS AND GROUNDS			
Buildings–Maintenance	\$ 246,996	\$ 195,000	\$ 221,100
City Boiler Operations	–	–	103,900
Equipment–Maintenance	52,491	55,000	50,000
Buildings and Equipment–Contract Services	269,053	315,000	300,000
Building Security	121,142	120,000	150,000
Equipment Purchases	26,913	25,000	25,000
Heating and Fuel	106,332	155,000	100,000
Lights and Power	322,703	360,000	343,000
Motor Equipment–Service and Maintenance	14,339	6,000	9,000
Rent–Property and Equipment	2,839	5,000	3,500
Water	38,879	42,000	38,000
TOTAL BUILDINGS AND GROUNDS	\$ 1,201,687	\$ 1,278,000	\$ 1,343,500
MATERIALS			
Art Prints	–	–	\$ 1,000
Binding	\$ 5,336	\$ 6,000	4,000
Books and Reference Sources	884,125	887,305	935,068
CD-ROMS	3,171	2,000	–
Computer Reference Sources	180,667	180,000	200,000
Downloadable Audio	30,667	32,500	31,000
Maps	1,160	1,000	1,000
Periodicals	114,591	120,000	120,000
Sound Recordings	338,823	325,000	400,000
Visual Recordings	322,860	325,000	375,000
TOTAL MATERIALS	\$ 1,881,400	\$ 1,878,805	\$ 2,067,068
PERSONNEL			
Salaries and Wages	\$ 6,621,896	\$ 6,945,643	\$ 7,087,000
Employees' Insurance	780,113	900,000	974,000
Social Security	489,540	508,000	517,000
Retirement	599,421	640,000	635,000
Unemployment Compensation	3,312	6,000	12,000
Other	12,772	18,000	15,000
TOTAL PERSONNEL	\$ 8,507,054	\$ 9,017,643	\$ 9,240,000

SALT LAKE CITY PUBLIC LIBRARY
SUMMARY OF CAPITAL BUDGET EXPENDITURES

	APPROVED 2009-10 <u>BUDGET</u>	REVISED 2009-10 <u>BUDGET</u>
GLENDALÉ BRANCH BUILDING PROJECT	\$ —	\$ 278,233
MARMALADE BRANCH BUILDING PROJECT	—	278,233
CAPITAL IMPROVEMENTS	628,500	628,500
TECHNOLOGY INFRASTRUCTURE	200,000	200,000
QWEST LEASE AGREEMENT	50,000	50,000
CAPITAL REPAIRS	200,000	200,000
PRIOR YEAR/CONTINGENCY	<u>100,000</u>	<u>100,000</u>
TOTAL CAPITAL EXPENDITURES	<u>\$1,178,500</u>	<u>\$1,734,966</u>

**SALT LAKE CITY PUBLIC LIBRARY
FUND BALANCES 2009-10**

	<u>06/30/08</u>	<u>06/30/09</u>
Operating Fund Balance		
Unreserved		\$ 2,348,314
Reserved		147,338
Designated		58,636
Total Operating Fund Balance	\$ 1,910,183	2,554,288
Capital Fund Balance		
Unreserved		3,340,088
Reserved		528,717
Designated		70,000
Total Capital Fund Balance	4,019,005	3,938,805
Total Fund Balances	<u>\$ 5,929,188</u>	<u>\$ 6,493,093</u>

10/30/09