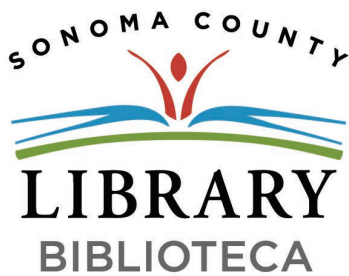


Measure Y

Oversight Committee

2021 - 2022 Report




This report encompasses the library fiscal year July 1, 2021 through June 30, 2022

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

The past two plus years have been challenging for the library because of the COVID-19 pandemic. Although operating hours have now been restored, operations are still not back to pre-pandemic conditions as traffic inside the libraries has not reached prior levels and there are fewer programs. More people are getting library services via the internet in addition to in person visits.



Supporting Library Programs, Collections And Services

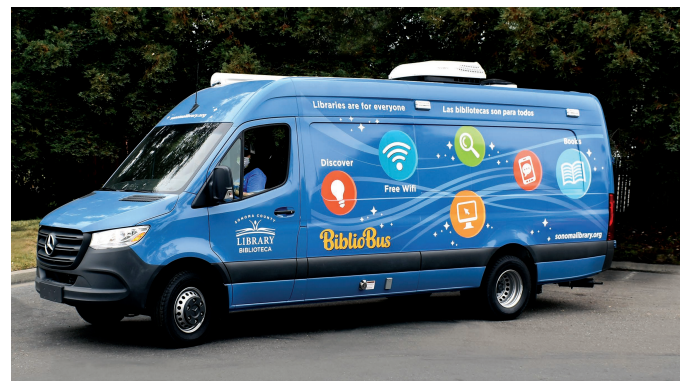
Collection, Events/Programs:

- \$1.3m in materials
- Summer Reading Program
- Adult/Juvenile Programs
- Literacy Lunch at the Library
- Family Concert



Access to Libraries:

- Library extended hours close to pre-pandemic levels in January 2022
- BiblioBox smart locker installed at Sonoma Valley Library: This allows patrons of the library to pick up library materials on their own time with the BiblioBox by placing holds online at sonomalibrary.org and then wait for notification that your holds are available, then pick up at the fully automated, 24/7 BiblioBox.
- The resumption of in-branch programming post-pandemic
- BiblioBus, a mobile library branch. The primary goal of the BiblioBus is to extend library services outside the walls of the library. Its focus is to provide services to areas that have difficulty accessing library services or that have been identified as high need such as senior centers, low-income housing complexes and schools.



2021 / 2022 ACCOMPLISHMENTS

Technology:

- Video Magnifiers installed in all branches, which provide accessible reading opportunities for people with visual disabilities.
- Accessible public computers in each branch, with specialized hardware and software for accessing library resources.
- SonomaFiConnect debuts. This is a mobile networking kit, which has the potential to provide up to 80 users with WiFi for 5 hours on a single battery charge.
- SonomaFi - Began replacement of all WiFi hotspots lost during the pandemic.

Maintaining Facilities:

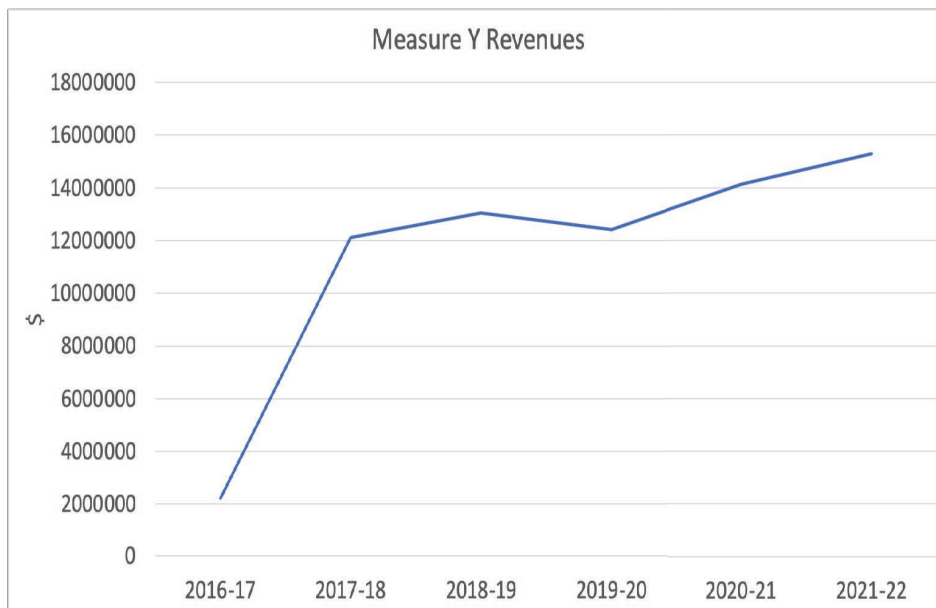
- New furniture for Central Library installed
- Roseland Regional Library temporary library opened in September 2021
- Furnishing for several branches
- Facilities Master Plan Assessment
- Guerneville refresh completed
- Sonoma County Archives relocated from Los Guilicos to the Farm Bureau building at Westwind
- The completion of the Reimagining Plan
- Deployment of external WiFi at all branches
- Began migrating staff from desktop computer workstations to laptops and docks
- Network upgrades at Rincon Valley, Roseland, Sebastopol and Sonoma Valley, increasing their usable bandwidth.
- Completed a long-term network project enabling 10 times the available network bandwidth at all branches



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.
- Services and Supplies in this report differ from standard library financial reports because materials and events/programs are reported separately.
- Events/programs are contained within the ‘special departmental expenses’ account and are not budgeted separately. Those expenses are reported separately in this report because they are explicitly mentioned in Measure Y.
- The figures for FY19-20 and FY20-21 reflect changes from last year’s report due to audit adjustments. Figures for FY21-22 have not yet been audited and are subject to change.

Figure 1 Measure Y revenues



2021/2022 FINANCIAL SUMMARY

Expenditures were less than planned with the result of another significant surplus, as shown in Table 1.

Table 1

2021-22	----- Sales Tax Fund -----	
	<u>Budget</u>	<u>Actual</u>
Tax revenue	14,470,000	15,394,374
Total Expense		
Salaries and Benefits	8,201,121	5,878,413
Books & Materials	1,321,601	1,338,503
Events and Programs ¹		232,397
Services and Supplies	4,452,339	2,372,588
Capital Expenses	6,892,252	1,569,305
Lease/interest		<u>54,840</u>
Total Spending	20,867,313	11,446,046
¹ events and programs are not budgeted separately		
Net		3,948,328

Salaries and benefits are the largest expenditure. Those expenditures were well under budget because they were budgeted too high and there was some attrition. Services and supplies were under budget because utilities and supplies were budgeted too high and there were supply chain issues. Capital expenses were considerably under budget. Some projects were delayed because of approvals for aspects of refurbishments. The major capital expenses were:

- Roseland temporary location preparation/furnishing
- Petaluma refresh (planning stages)
- Guerneville refresh (completed)
- Healdsburg refresh (planning stages)
- BiblioBus
- Computer/network equipment
- Facilities Master Plan

Measure Y accounted for 98.8% of all capital spending, as shown in Table 2. The committee does not believe that conforms to the language or the intent of Measure Y.

Table 2

2021-22	Gen. Fund	Sales Tax	Sales Tax
	<u>Actual</u>	<u>Actual</u>	<u>%</u>
Tax revenue	22,685,648	15,394,374	40.4%
Total Expense			
Salaries and Benefits	15,726,065	5,878,413	27.2%
Books & Materials	2,755,066	1,338,503	32.7%
Events and Programs ¹	45,651	232,397	83.6%
Services and Supplies	4,282,135	2,372,588	35.7%
Capital Expenses	19,168	1,569,305	98.8%
Total Spending	22,828,085	11,446,046	33.3%

¹events and programs are not budgeted separately



2021/2022 FINANCIAL SUMMARY

Since the inception of Measure Y, the sales tax has resulted in spending over \$49 million on the libraries, as shown in Table 3. The library maintains reserves for expected expenses, which was not shown in previous reports. That has been included this year to provide a more accurate view of available funds. Details on the committed funds are shown in Table 4. In addition, there were other adjustments which resulted in available funds of approximately \$8 million. The accumulated funds are available for future spending.

Table 3

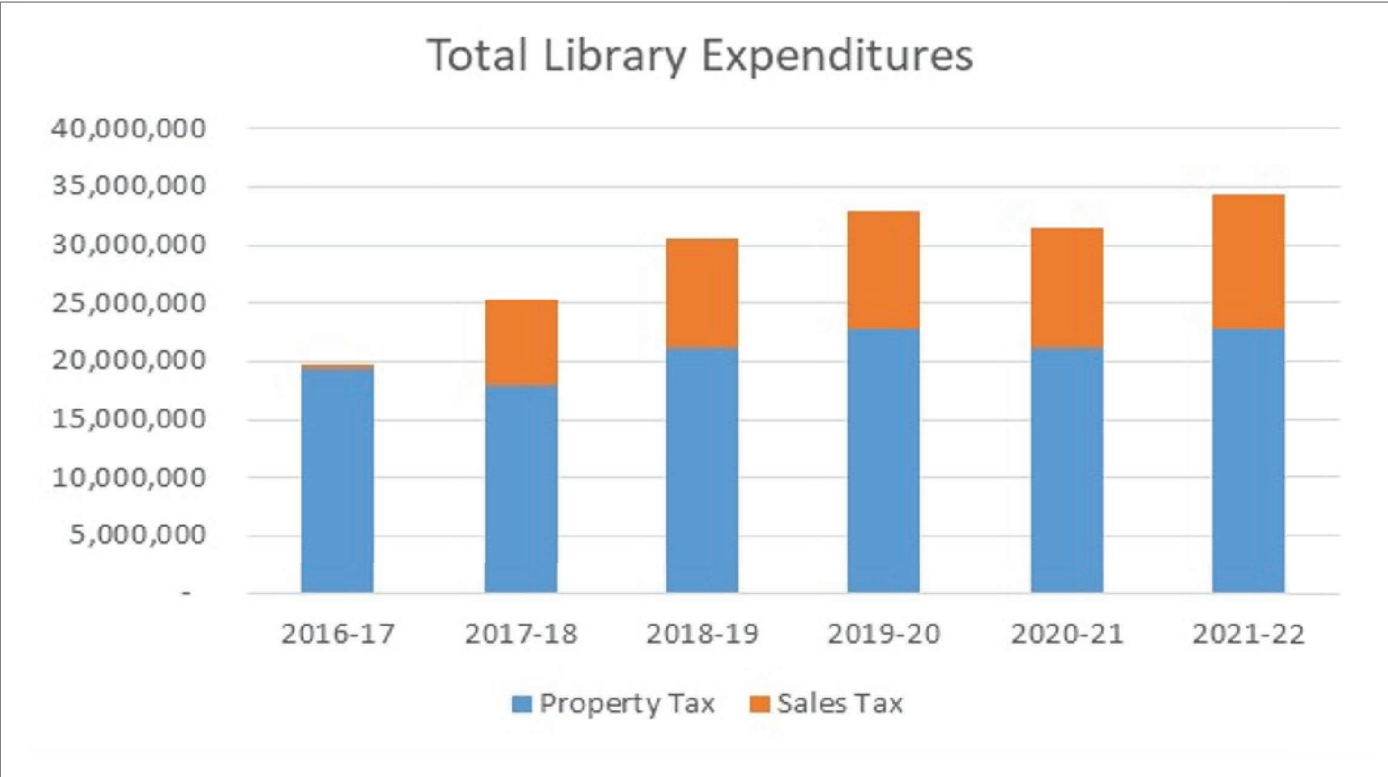
			Measure Y	Cumulative			Since
Sales Tax Fund	Actual	Actual	Actual	Actual ¹	Actual ¹	Actual	inception
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Revenues							
Sales Tax	2,235,270	12,110,478	13,055,614	12,420,713	14,133,034	15,289,893	69,245,002
Interest	(719)	43,021	269,366	207,769	22,710	104,481	646,628
Total Revenue	2,234,551	12,153,499	13,324,980	12,628,482	14,155,744	15,394,374	69,891,630
excluding unrealized gains/losses and miscellaneous							
Expenses							
Salaries and Benefits	-	2,936,129	3,724,881	4,434,789	4,024,028	5,878,413	20,998,240
Books & Materials	85,746	1,140,970	1,890,000	1,800,777	1,078,939	1,338,503	7,334,935
Events and Programs	-	299,867	504,581	346,699	118,888	232,397	1,502,432
Services /Supplies	351,103	1,340,385	2,084,044	2,672,574	2,700,547	2,372,588	11,521,241
Capital Expenses	-	1,669,016	1,277,965	903,857	2,346,309	1,569,305	7,766,452
Lease/Interest						54,840	54,840
Total Expenses	436,849	7,386,367	9,481,471	10,158,696	10,268,711	11,446,046	49,178,140
Excess/(Deficit)	1,797,702	4,767,132	3,843,509	2,469,786	3,887,033	3,948,328	20,713,490
Committed funds							9,892,513
¹ adjusted from audit							

Table 4

Amount	Commitment	
371.6	IT replacement	
1,185.3	IT Capital replacement	
226.0	Major Maintenance	
157.1	Vehicle Replacement	
8,455.5	Capital improvements	
(503.0)	other/adjustments (net)	
9,892.5	Total	

Measure Y has had a significant impact on total spending for the library, as shown in Figure 2.

Figure 2



The Measure Y Committee consists of members selected by the library commissioners to oversee how revenues and expenditures of the Sonoma County library system are used in relation to the Measure Y ordinance.

During the fiscal year of 2021-2022, the library saw sales tax revenue exceed the budget while expenditures were under budgeted, producing an excess of revenues over expenses of \$3,948,328. There is an accumulated excess of approximately \$8 million that is available for future spending. Due to constant emergencies, such as fires and the current pandemic, sales tax forecasting has been difficult. A conservative approach in spending and delays in projects are some of the reasons for the surplus.

The committee commends the commission for the adoption of the Measure Y Spending Allocations Guidelines, as that will eliminate some of the issues the committee has faced in the past.

Moving forward, we have the following recommendations:

- The library system can provide more services to patrons in the form of events and more programming, such as, authors and music series.
- Use the approved Allocation Policy to stop the under-spending on capital expenses from the General Fund.
- The library system updates its plan, including a timeline, for the use of the surplus and begins executing the plan as soon as possible.
- Going forward, the library staff should review its budget throughout the year, and, as circumstances change, adjust it accordingly in line with new policies.

After careful review of the financial reports, the Committee concludes that proper procedures have been followed and that funds have been expended as set forth.

Measure Y Oversight Committee In 2022

Evette Minor, Chair / **Mike Neely**, Vice Chair

Committee members (as of June 30, 2022)

Janis Brokaw Appointed by commissioner Barbara Mackenzie/Rohnert Park

John Dell’Osso Appointed by commissioner Rachel Parker/Cotati

Barbara Hughes Appointed by commissioner Thomas Haeuser/Sonoma Valley

Charlene Luks Appointed by commissioner Andy Elkind/Healdsburg

Tim May Appointed by commissioner Paul Heavenridge/Petaluma

Evette Minor Appointed by commissioner David Cahill/Santa Rosa

Mike Neely Appointed by commissioner Deborah Doyle/Windsor

Vacant Appointed by commissioner Fred Engbarth/Sebastopol

Vacant Appointed by commissioner Sarah Laggos/Joint Santa Rosa City and County of Sonoma

Vacant Appointed by Cloverdale library commissioner

Vacant Appointed by County of Sonoma commissioner

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 Myrna Lopez for support with financial data; to Ray Holley for his knowledge of programs and collections; and to Lisa Davison for all her logistical support.