

- The annex, which houses the History & Genealogy Library, has undergone hazardous material cleanup and a new HVAC system has been installed. Healdsburg has seen the addition of a new sound and assisted listening system. The forum rooms in both Cloverdale and Windsor have been upgraded. Every branch has received technology upgrades.
- Flat panel displays have been added at most branches.
- In its effort to remain abreast of technology, public PCs and the internet have been upgraded. The purchase of WiFi hotspots has proven to be quite popular. These devices allow library patrons to connect with WiFi in remote areas away from the library. Additional Chromebooks have been purchased. Internet usage has increased considerably, which is directly attributed to the increase in hours and the upgraded systems.
- Measure Y funds have also been used to purchase new compact shelving units for collection services and to purchase new toys and tools to support post-storytime play at the Roseland branch.



SonomaFi
SONOMA COUNTY LIBRARY **BORROW THE INTERNET**

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*Ask Us!***

**Se pueden tomar prestados
los módems (hotspots)
de WiFi en esta biblioteca.
*¡Pregúntanos!***



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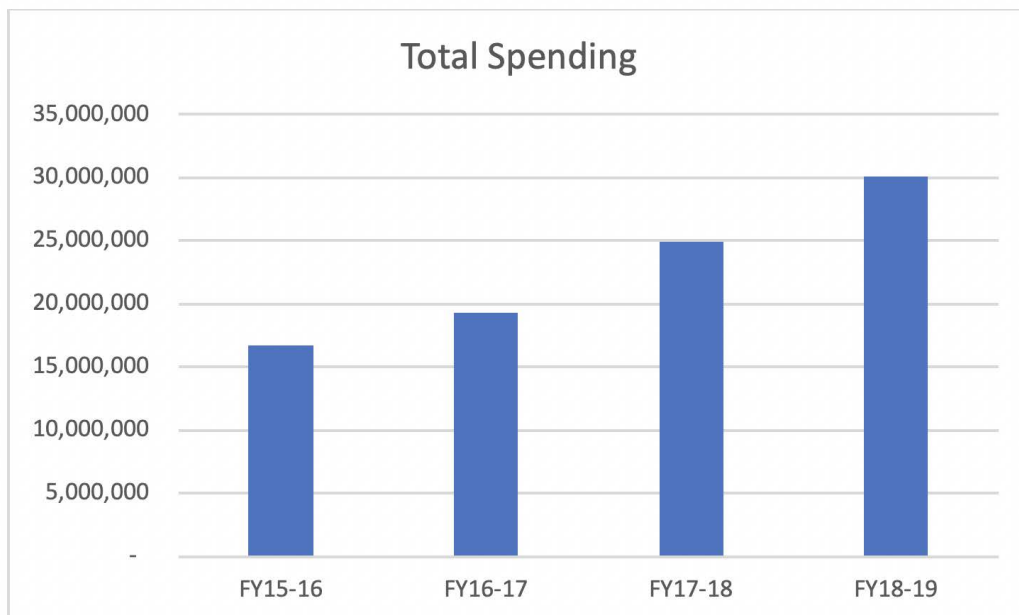
2018/2019 FINANCIAL SUMMARY

The following comments apply to the financial summary:

- The figures are based on financial reports from the library; the Oversight Committee does not audit the figures.
- The income figures include only sales tax revenues and interest income; they do not include unrealized gains and losses or other minor items.
- This report includes the partial year Fiscal Year (FY) 16-17, which was not included in last year's report.
- The figures for FY17-18 include minor changes from last year's report due to audit adjustments.
- The figures for FY18-19 are unaudited, so are still subject to revision, although no material modifications are expected.

Total library spending (property tax fund plus sales tax fund) has almost doubled from FY15-16 (prior to Measure Y), as shown in Figure 1.

Figure 1

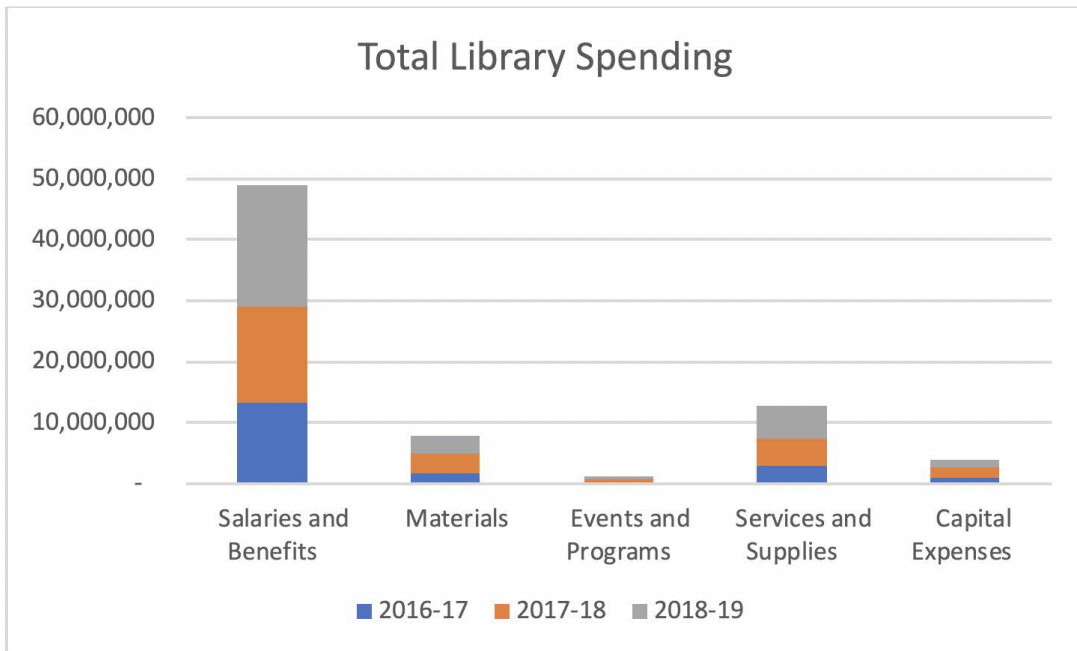


Spending increased by more than 50 percent since FY16-17, from \$19.7 million to \$30.1 million in FY18-19 due to income from Measure Y.

2018/2019 FINANCIAL SUMMARY

- Salaries and benefits account for approximately two-thirds of the budget. Spending on library staff has increased significantly in the past few years, as can be seen below in Figure 2. Measure Y now supports 91 positions (47.8 full-time equivalents) at the library, plus there are seven open positions funded by Measure Y.

Figure 2



2018/2019 FINANCIAL SUMMARY

Table 1 below shows a summary of revenues and expenses since the beginning of Measure Y.

Measure Y has had a significant impact on library revenue, generating an additional \$27.8 million in total.

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Table 1
Measure Y Financial Summary

	2016-17	2017-18	2018-19	Total
Revenues				
Sales Tax	2,235,270	12,110,478	13,265,637	27,611,385
Interest	(719)	43,021	155,048	197,350
Total Revenue	2,234,551	12,153,499	13,420,685	27,808,735
excluding unrealized gains/losses				
Expenses				
Salaries and Benefits	-	2,936,129	3,724,881	6,661,010
Materials	85,746	1,140,970	1,882,844	3,109,560
Events and Programs	-	299,867	483,411	783,278
Services /Supplies	351,103	1,340,385	1,911,105	3,602,593
Capital Expenses	-	1,669,016	1,434,646	3,103,662
Total Expenses	436,849	7,386,367	9,436,887	17,260,103
Surplus/(Deficit)	1,797,702	4,767,132	3,983,798	10,548,632

2018/2019 FINANCIAL SUMMARY

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Spending has not kept up with revenue, so a significant surplus has accumulated, although the surplus in FY18-19 was almost \$800,000 less than the previous year. Last year, the Library Commission approved a plan to spend the surplus from FY16-17 and FY17-18. That plan included the following proposed expenditures.

	Amount	Comments
Capital Improvements	1,275,000	includes branch improvements, Roseland
Materials	455,000	
Training/Consulting	150,000	
Services	725,000	includes programs, loanable hotspots, mobile van
Self-check Upgrade	150,000	
Technological Improvements	3,400,000	includes branch refreshes, materials handling, ILS
Total	6,155,000	

Of that amount, approximately \$1.8 million was spent in FY18-19. The surplus remains available for future spending.

As far as FY18-19 is concerned, the following table summarizes the differences from the budget.

Table 2

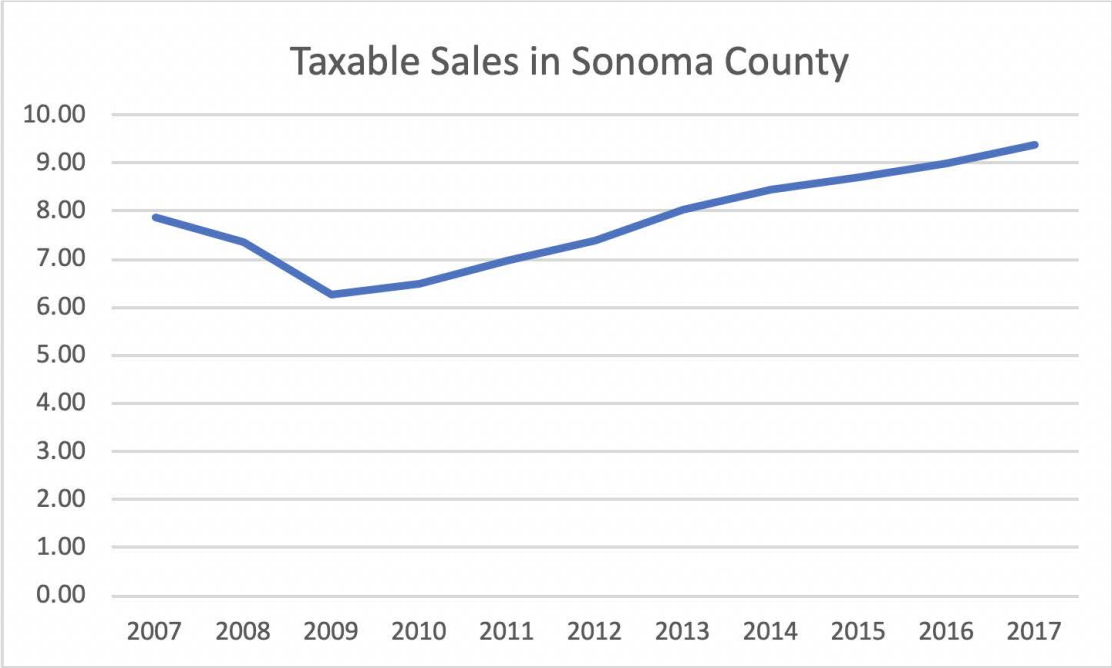
Revenue	Budget	Actual	Difference
Sales Tax Revenue	11,500,000	13,265,637	1,765,637
Interest Income	-	155,048	155,048
Total Revenue	11,500,000	13,420,685	1,920,685
Expense			
Salaries and Benefits	5,177,423	3,724,881	(1,452,542)
Materials	1,930,000	1,882,844	(47,156)
Events and Programs	650,000	483,411	(166,589)
Services and Supplies	2,687,577	2,169,385	(518,192)
Capital Expenses	3,875,000	1,176,351	(2,698,649)
Total Expenses	14,320,000	9,436,872	(4,883,128)

Negative numbers indicate under-spending

FINANCIAL SUMMARY 2018/2019

Revenue was higher than expected (\$13.265 million vs \$11.5 million), but it is prudent to estimate sales tax revenue conservatively since those revenues can vary unpredictably. In the last recession, taxable sales fell by 20 percent over a two-year period and did not reach pre-recession levels for five years, as can be seen in Figure 3 below. On the expense side, the main contributors to the surplus are personnel expenses and capital expenses. The high cost of living in Sonoma County is still impacting the library’s ability to fill open positions. In some cases, capital projects have been slowed because of a lack of personnel

Figure 3



Source: Economic Development Board of Sonoma County

The Measure Y Committee is pleased to present this report. We met regularly throughout 2018-19 to review revenues and expenditures of the Sonoma County library system.

Again, this year sales tax revenues exceeded expectations and expenditures were under budget, producing another surplus of approximately \$4 million. The accumulated surplus, including prior years, is now over \$10 million. There are already plans approved by the Commission for spending part of that surplus and the library is developing a plan for the remainder for consideration by the Commission.

As can be seen in Table 3 below, it appears that spending has been shifted from the General Fund to the Measure Y budget for capital items. The problem currently is the ability to spend the money available rather than which fund the money comes from, but Point B of the Measure Y spending plan states that the Measure Y funds “shall only be used to supplement existing revenue collected for the library and shall not be used to supplant existing library spending.” Care should be taken in the future to respect that provision.

Table 3

	Materials		Capital	
	General Fund	Measure Y	General Fund	Measure Y
FY12-13	1,658,291	-	77,749	-
FY13-14	1,726,863	-	205,133	-
FY14-15	1,653,069	-	92,878	-
FY15-16	1,868,725	-	81,028	-
FY16-17	1,801,811	85,746	931,305	-
FY17-18	1,459,350	1,140,970	20,940	1,669,016
FY18-19	1,465,000 ¹	1,882,844 ²	18,100	1,434,646

¹Includes \$315,155 outstanding audit entry related to Y18-19

²Includes \$455,000 additional funds from prior years' surplus and \$7,156 audit adjustments; without those the figure would be \$1,435,000

As shown in Section 2 of this report, much has been accomplished. However, work remains to be done. Refurbishing library facilities has progressed slower than anticipated and there is still an unmet demand for more access to the libraries, including additional hours.

“ After careful review of the financial reports, the Committee concludes that funds have been expended as set forth in Measure Y. ”

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RESPECTFULLY SUBMITTED

Mike Neely, Chairman, on behalf of the Measure Y Oversight Committee

Barbara Hughes appointed by Commissioner Thomas Haeuser for Sonoma Valley

Scott Alonso appointed by Commissioners Tim May and Paul Heavenridge for Petaluma

Janis Brokaw appointed by Commissioner Barbara Mackenzie for Rohnert Park

Linda Clapp appointed by Commissioner Reece Foxen for Cloverdale

Tom Ford appointed by Commissioner Jason Merrick for Cotati

Irene Hodes appointed by Commissioner Andy Elkind for Healdsburg

Bruce H. Robinson appointed by Commissioner Stephen Zollman for Sebastopol

Mike Neely appointed by Commissioner Randall Neff for Windsor

Nace Nickel appointed by Commissioner Deborah Doyle of Sonoma County

Evette Minor appointed by Commissioner David Cahill for Santa Rosa

Judy Glenn appointed by Commissioner Karen Schneider for joint Santa Rosa / Sonoma County

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TRANSFORM**

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