

## **7. Discussion of the Proposal to Restructure and Centralize Library Operations.** **Report/Action**

To: Ventura County Library Commission  
From: Jackie Griffin, Library Director, Ventura County Library Service  
Re: Moving Towards a County Library System

The Ventura County Library Commission has directed County Library staff to bring a proposal for operating the Ventura County Library System as a true County Library System.

### **Background**

Prior to 1998 the Ventura County Library System (VCLS) was operated in a manner in which all library services were developed by the VCLS staff with oversight, policy creation and budget approval coming from the Ventura County Board of Supervisors. In 1998 the Library faced a crisis. Finances were poor and cities were threatening to leave. The six member cities and the County came together to approve a new Memorandum of Understanding for the operation of the system. This MOU created a new budgeting model in which all property taxes raised in a city will be returned to that city ("return to source"). In addition, much of the County unincorporated area was divided into service areas. The library property tax from these areas was turned over to the proximate city library on the assumption that most of the people in that unincorporated area were being served by those city libraries. Expenses were apportioned by a formula that was created by dividing the number of materials checked out from a library by the amount of population in the service area.

The MOU also authorized the creation of a Ventura County Library Commission that will govern the library, create policies and authorize the budget. The Commission could only be overridden by a 4/5 vote of the Board of Supervisors. Also included in the MOU was the agreement that the MOU could only be modified by a unanimous vote of the Commission.

The new system was quite successful in holding the six cities and the County together to provide library service for 12 years. However, over time two significant events occurred. The first was that revenue did not grow to match the growth in expenses. More and more city libraries have been supplemented by unincorporated dollars outside of their service areas and by County general funds that have been dedicated to library service. As a result of this, the small libraries in the unincorporated areas have been budgeted at very low levels.

The second event was that the city of Camarillo decided to build a new and much larger library. This event, while excellent for the system as a whole and the city of Camarillo in particular, exposed a flaw in the MOU. The formula for apportioning expenses and the clause in the MOU that makes each city responsible for the additional costs of a new building, punish growth in the library system. Camarillo was responsible for all the costs of an increased building. In addition, because of the attractiveness of the new building, Camarillo attracted new users to their library.

These users came not only from Camarillo but also from other parts of Ventura County. However, this caused a rise in Camarillo portion of the expenses of the system. Rather than be responsible for 22% of the system as they had been previously, they became responsible for 28% of system expenses. In September, 2009, the Library Commission created a subcommittee made up of three members of the Commission, the city managers of each of the six cities and city and County staff to examine the MOU and the expense formula. Over the next several months, several different formulas were developed and discussed. However, none achieved a significantly different outcome and the need to achieve unanimity made any change unlikely.

In July, 2010, the City of Camarillo announced its intention to leave the Ventura County Library System and in October, 2010, the city council voted to enter into an agreement with a private company that operates libraries. At the same time the City of Ventura voted to begin discussing the future of library services in their city and indicated a desire to issue an RFP to look at the options for library service and to seek bids from agencies and companies interested in providing that service.

At this time, County Library staff has been examining what will be best for the future of the library system. Over the past several years, city libraries have been increasingly underwritten by unincorporated dollars and by County general fund monies. Camarillo was receiving approximately \$447,000 and the City of Ventura has been receiving \$528,000 from these sources. Other libraries within the system are receiving up to 50% of their operating funds through dollars outside of their cities.

An unintended consequence of the MOU has been the costs of oversight and accounting. In order to provide oversight of the "return to source" method of funding, 187 individual book accounts have been created. Purchases of materials must be made on individual purchase orders. VCL runs a very low staff operation and the MOU has proved to be unintentionally staff intensive.

County staff has recommended that no attempt be made to bid for the opportunity to operate Ventura's libraries. There is a deep desire to retain Ventura (and Camarillo) within the system. The more members the library system has, the greater the shared resources and economies of scale increase. However, given that Ventura receives 25% of their operating funds from property taxes raised outside their city, there seems to be little logic in bidding for the opportunity to give them those funds.

During the Library Commission Meeting held on December 9, 2010, Supervisor Kathy Long spoke as the representative for Ventura County. She acknowledged that with the departure of Camarillo the current MOU was no longer functional. She spoke to the County's desire to move ahead with the goal of creating excellent library service for the residents of Ventura County. She also indicated that the year of negotiating with Camarillo had been a year in which this goal had been stalled and expressed unwillingness, on the part of the County, to go through that process yet again. She invited all the willing cities to support a centralized system for libraries services as the most cost effective and efficient delivery model.

Under this model, the five member cities, if they chose to join, and the six unincorporated libraries will return to a County library model. All funds will be pooled (see attached proposed budget).

Unincorporated dollars and County general fund contributions will be used to support all libraries as needed. Cities will not be asked for additional contributions although cities will be able to provide funds for support of additional services or hours at their local libraries as desired.

This model reflects the fact that the libraries in the system have not operated as separate entities for a very long time. Books and other materials flow throughout the system on a daily basis. Over 40,000 items a month are moved between libraries. Rather than 12 individual libraries, we have one large library with 12 outlets. Patrons access our libraries from our website 55,000 times each month to reserve books, use the databases and to find programs at libraries throughout the system. The actual amount of books and materials on shelves or the open hours at any one branch have much less impact on VCL users than does the totality of the system and the wide range of resources available throughout the system.

Ventura County Library System operates on a low amount of funding. The per capita spending at \$25.04 is considerably lower than the state wide mean of \$34.89. However, as a large system, serving 433,000, our staffing per capita is also substantially lower than the statewide average (4,436 per FTE versus the statewide average of 3,092). This may be directly attributed to VCL's ability to create economies of scale.

Earlier this year, the Ventura County CEO's office commissioned a study of the effectiveness and cost of operating VCL. This report showed clearly that not only is our budget much smaller than other libraries of similar size throughout the state, but our percentage of cost for centralized services such as administration, cataloging and IT services were lower than other libraries with greater budgets. Thus, VCL is able to return a greater proportion of our limited dollars to direct public service in our community libraries.

Over the past ten years, the VCL Memorandum of Understanding held the Ventura County libraries together through difficult times. However, that MOU has brought with it additional costs and the unintended consequence of punishing improvements to library service.

In those ten years, the various cities and the County have worked to achieve a level of trust and cooperation in providing library service to the cities and unincorporated County areas. Over the last year, the city and County have met many times to discuss the future of library service in Ventura County and there has been general agreement that the MOU has served its purpose and is no longer sustainable.

During these discussions, no mutually agreeable change to the MOU, or its formula, could be found that will improve the status of library service in Ventura County.

## County Library System

A County Library System is designed to provide the most service possible with the dollars available. It creates economies of scale. It also reflects the ways that our communities are using our libraries. Our communities consistently speak highly of the ability to order books from other libraries and receive them in a timely way; the ability to access databases to provide information at any time regardless of the open hours at their local branches. They take their children to story-times where they are convenient or multiple times a week at multiple branches.

These are all services made possible by being part of a larger system. And, these services rely on County-wide support rather than “return to source funding”.

In the future, these types of shared resources will increase in value if our financial resources stay stagnant or decline. The MOU was designed to make sure that each community retained the dollars raised in those communities but that is not how our residents are using their local libraries.

No city within the Ventura County Library System is supporting its own city library solely through “return to source” property taxes. Each city is subsidized by both unincorporated area tax dollars and Ventura County General Funds.

**In actuality, VCL is operating as a County Library System. We pool our funds, our resources and our services. The public expects and enjoys the types of services available from the larger system. However, our governance system lessens the flexibility, increases the costs of oversight and maintains a fiction that “return to source” funding is underwriting the costs of the city libraries. In actuality, the unincorporated areas and County general fund dollars insure the viability of hours of operation and service at all city libraries. Creating a true County Library System will meet our present reality and our future needs.**

### Hours

- The current total number of public service hours of 428 per week, for all branches, will be considered the baseline:

Avenue	25 hr/wk	Prueter	40 hr/wk
Foster	58 hr/wk	Saticoy	24 hr/wk
Fillmore	32 hr/wk	Piru	24 hr/wk
Meiners Oak	24 hr/wk	Oak View	25 hr/wk
Ojai	55 hr/wk	Simi Valley	55 hr/wk
Oak Park	42 hr/wk		

- Consideration of decrease in hours will be triggered by a decrease in property taxes.
- If a decrease in hours is anticipated, cities will be given preliminary notification of potential loss of hours by April 15th for the following fiscal year.

- County staff will meet with city staff to discuss alternative methods of funding hours.
- Final notification of reduction in hours to begin July 1 will be given by June 1.
- For FY11/12, hours will remain at current levels.

### **Staffing**

- Staffing will not increase under this proposal.
- Centralizing of purchasing and other processes will decrease workload on Branch staff.
- VCL continues to use technology and process streamlining to keep staffing static even as circulation continues to rise.

### **Services**

- Services to the public will remain essentially the same under a County Library System.
- Purchases of library materials, including books, CD's, DVD's and supplies will be done centrally more frequently for popular items of general interest across the system. This will create budget savings and staffing stability even as use increases.
- Books and other materials will be available much more quickly.
- Flexibility of staffing will mean that staffing can be shifted as needed to meet individual community needs. Reduces the chances of local branch being closed at any time from staffing shortages.
- Items of particular interest to a targeted community will still be purchased by branch staff who are in touch with specific community needs.
- Floating collections, not housed at a particular branch, will increase. This will create a true process for what is happening by default currently. Patrons order popular materials and these items tend to move throughout the system for the first year or more.
- Technology and other services can be implemented as needed across the system in a much more equitable fashion.
- Delivery will decrease as items will not need to be returned to their home branch to wait for a hold. They will be shelved at the return library until another request arrives. Staff time to process materials should decrease. We anticipate this resulting in budget savings both for delivery and for staffing over the long-term.
- County staff will take advantage of centralized and streamlined resources and processes to add programming and services as possible.
- Programming will be more centralized with an ability to spread programming throughout the County. This will create a more equitable programming model. Residents will be able to find more programming in their communities and travel will be reduced.
- Technology will continue to be used to increase services to all areas of the County and to reduce costs.

**Facilities**

- VCL will continue to maintain buildings owned by the County.
- Buildings owned by individual cities will be maintained as economically feasible by the County. County staff will meet and confer with city staff when facilities need work beyond the financial capabilities of the library system.
- County staff will seek to obtain grants and other funding to improve and replace library facilities and capital equipment.

**Accountability**

- The VCL director will report to the Ventura County Board of Supervisors who will be charged with oversight for the budgeting and library services needs of their communities.
- Individual cities will have the opportunity to meet with the Library Director, quarterly, to review the budget as well as library services and library output measures for their libraries.
- Library Director will report to each city council annually on the State of the Library.