

FY 09-10 Budget Update



LIBRARY COMMISSION MEETING
JUNE 4, 2009

FY 09-10 Budget: Background



- **City's Budget Climate**

- Estimated Net General Fund Shortfall: \$460.4M

 - Projected Shortfall** **(\$575.6M)**

 - Estimated FY 10 Savings From FY 09**

 - Mid-Year Reductions** **\$115.2M**

 - Projected Shortfall with Mid-Year Reductions** **(\$460.4M)**

- Estimated fiscal impact of State propositions: ~\$90M

 - ✦ Health and Human Services

 - ✦ Education

- Estimated fiscal impact of SEIU agreement: ~\$28M

- Unknowns:

 - ✦ Labor concessions

 - ✦ Revenue enhancement proposition for Fall 2009

 - ✦ Stimulus funding availability for Library capital projects via City & State

FY 09-10 Budget: Background cont'd



- **Bridging the budget gap**

- Budget reductions for General Fund Departments of up to or greater than 25%
- Absorption of cost increases for Non-General Fund Departments
- Financial assistance from Non-General Fund Departments
- Mayoral citywide directive to reduce costs through efficiencies and consolidation
- Labor concessions
- Citywide layoffs currently estimated at 1,000 positions
- Deferral of projects

FY 09-10 Budget: Budget Priorities



- **Budget Priorities**
 - Library Collections
 - Maintain Public Service Hours
 - Library Outreach & Programming
 - Services to 50+ Active Adults & Seniors
 - Targeted Technology
 - Green Stacks
 - Public Safety & Emergency Preparedness
 - Lease Revenue Bond Debt Service Payment

FY 09-10 Budget: Revenue

- Revenue Estimates as of February 2009

Category	FY 09 Bgt	FY 10 Est	Change	% Change
Property Tax	\$ 36,423,000	\$ 36,189,000	\$ (234,000)	-0.64%
General Fund	\$ 46,265,000	\$ 42,285,000	\$ (3,980,000)	-8.60%
Subtotal LPF Baseline	\$ 82,688,000	\$ 78,474,000	\$ (4,214,000)	-5.10%
Misc. Annual Sources	\$ 1,087,643	\$ 993,800	\$ (93,843)	-8.63%
Work Order Recovery	\$ 49,167	\$ 52,946	\$ 3,779	7.69%
History Center	\$ -	\$ 25,000	\$ 25,000	100.00%
Fuhrman Trust	\$ 330,000	\$ 530,000	\$ 200,000	60.61%
State Grants & Subv.	\$ 424,654	\$ 410,801	\$ (13,853)	-3.26%
BLIP Bond Proceeds	\$ 3,827	\$ -	\$ (3,827)	-100.00%
Fund Balance	\$ 567,549	\$ 3,336,851	\$ 2,769,302	487.94%
Subtotal Other Sources	\$ 2,462,840	\$ 5,349,398	\$ 2,886,558	117.20%
Total Resources (Revenues)	\$ 85,150,840	\$ 83,823,398	\$ (1,327,442)	-1.56%

FY 09-10 Budget: Expenditures

- Expenditure comparison of FY 09 to FY 10 as of February 2009

Expenditure Category	FY 09	FY 10	Change	% Change
Labor	\$ 56,175,063	\$ 59,543,673	\$ 3,368,610	6.00%
Book Budget	\$ 10,068,741	\$ 10,624,762	\$ 556,021	5.52%
Non-Personal Services	\$ 3,490,466	\$ 3,269,331	\$ (221,135)	-6.34%
Materials & Supplies	\$ 1,842,119	\$ 1,766,919	\$ (75,200)	-4.08%
Equipment	\$ 358,343	\$ 145,000	\$ (213,343)	-59.54%
Services of Other Departments	\$ 5,945,072	\$ 5,591,529	\$ (353,543)	-5.95%
Operating Budget	\$ 77,879,804	\$ 80,941,214	\$ 3,061,410	3.93%
Capital Projects	\$ 6,471,037	\$ 212,435	\$ (6,258,602)	-96.72%
BLIP Debt Service Payment	\$ 800,000	\$ 2,669,749	\$ 1,869,749	233.72%
Capital & Debt Service	\$ 7,271,037	\$ 2,882,184	\$ (4,388,853)	-60.36%
Total Budget	\$ 85,150,841	\$ 83,823,398	\$ (1,327,442)	-1.56%

- Available Revenues without Fund Balance: \$80,486,547
- Required draw from Fund Balance: \$3,336,851

FY 09-10 Budget Activity



- **Budget activity to date:**

- Commission approved \$83.82M budget proposal on February 19, 2009
- Submission of budget to Controller's and Mayor's Offices on February 20, 2009
- Budget negotiations with the Mayor's Office began on May 1, 2009
 - ✦ Review of Library's original proposed budget & budget priorities
 - Expenditures based on service priorities
 - Maintain service levels through efficiencies
 - Limit impact on Fund Balance
 - ✦ Library's contribution to city services
 - Proposed versus estimated final work orders are comparable
 - Increased role and cost for Writers' Corps and Youth Works

FY 09-10 Budget: Revenue

- Revenue Estimates as of May 2009

Category	FY 09 Bgt	FY 10 Est	Change	% Change
Property Tax	\$ 36,423,000	\$ 37,549,000	\$ 1,126,000	3.09%
General Fund	\$ 46,265,000	\$ 42,070,000	\$ (4,195,000)	-9.07%
Subtotal LPF Baseline	\$ 82,688,000	\$ 79,619,000	\$ (3,069,000)	-3.71%
Misc. Annual Sources	\$ 1,087,643	\$ 993,800	\$ (93,843)	-8.63%
Work Order Recovery	\$ 49,167	\$ 52,780	\$ 3,613	7.35%
History Center	\$ -	\$ 25,000	\$ 25,000	100.00%
Fuhrman Trust	\$ 330,000	\$ 530,000	\$ 200,000	60.61%
State Grants & Subv.	\$ 424,654	\$ 409,665	\$ (14,989)	-3.53%
BLIP Bond Proceeds	\$ 3,827	\$ -	\$ (3,827)	-100.00%
Fund Balance	\$ 567,549	\$ 3,321,609	\$ 2,754,060	485.26%
Subtotal Other Sources	\$ 2,462,840	\$ 5,332,854	\$ 2,870,014	116.53%
Total Resources (Revenues)	\$ 85,150,840	\$ 84,951,854	\$ (198,986)	-0.23%

FY 09-10 Budget: Expenditures

- Expenditure comparison of FY 09 to FY 10 as of May 2009

Expenditure Category	FY 09	FY 10	Change	% Change
Labor	\$ 56,175,063	\$ 59,706,772	\$ 3,531,709	6.29%
Book Budget	\$ 10,068,741	\$ 10,624,762	\$ 556,021	5.52%
Non-Personal Services	\$ 3,490,466	\$ 3,268,195	\$ (222,271)	-6.37%
Materials & Supplies	\$ 1,842,119	\$ 1,766,919	\$ (75,200)	-4.08%
Equipment	\$ 358,343	\$ 145,000	\$ (213,343)	-59.54%
Services of Other Departments	\$ 5,945,072	\$ 5,813,247	\$ (131,825)	-2.22%
Operating Budget	\$ 77,879,804	\$ 81,324,895	\$ 3,445,091	4.42%
Capital Projects	\$ 6,471,037	\$ 212,435	\$ (6,258,602)	-96.72%
BLIP Debt Service Payment	\$ 800,000	\$ 3,414,524	\$ 2,614,524	326.82%
Capital & Debt Service	\$ 7,271,037	\$ 3,626,959	\$ (3,644,078)	-50.12%
Total Budget	\$ 85,150,841	\$ 84,951,854	\$ (198,986)	-0.23%

- Available Revenues without Fund Balance: \$81,630,245
- Required draw from Fund Balance: \$3,321,609

FY 09-10 Budget Activity



- Budget negotiations with the Mayor's Office continued:
 - ✦ Reduction target of \$2,007,876 or 2.4% of proposed budget of \$83.82M
 - How SFPL reached its reduction target:
 - Combination of personnel & non-personnel services
 - Analysis of vacant positions
 - Limit layoffs
 - Analysis of non-personnel services to determine what could be reduced, deferred or funded from an alternate source
 - Personnel Reductions: \$787,054
 - Eliminate 9.12 FTEs across divisions and classifications
 - Prioritize vacant positions
 - Minimize redeployment

FY 09-10 Budget Activity



- Budget negotiations with the Mayor's Office continued:
 - ✦ Reduction target of \$2,007,876 or 2.4% of proposed budget of \$83.82M
 - Non-Personnel Reductions: \$1,220,822
 - Defer Chinatown façade renewal project
 - Reduce material and supply budgets department-wide
 - Delay full implementation of the keycard system in branches
 - Reduce graphics budget
 - Limit growth in book budget to additional Fuhrman dollars
 - ✦ Potential Impacts

FY 09-10 Budget Activity



- **Status and Next Steps:**

- Mayor's Proposed Budget submitted to Board of Supervisors on June 1, 2009
- Update presented to Library Commission on June 4, 2009
- Budget negotiations with Board of Supervisors
 - ✦ **First Budget Hearing: June 17, 2009**
 - ✦ **Second Budget Hearing: June 24, 2009**
- Full Board of Supervisors' approval: July 31, 2009
- Implementation of FY 10 budget: July 2009