

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: The Honorable City Council

FROM: Jennifer Mellon, Senior Management Analyst 

DATE: November 27, 2006 (Meeting of December 20, 2006)

SUBJECT: Consider a Resolution Amending the Fiscal Year 2006-07 Budget for Library Operations and the Dedication Ceremony and Open House and Establish a Library Services Fund

DISCUSSION

On July 19, 2006 Council amended the budget to include \$300,000 for the Library transition to enable staff and Library Systems and Services, Inc. (LSSI) to transition library services from the County to City operations. At the meeting of November 15, 2006 staff stated that an operations budget would be presented to Council in December for January 1, 2007 through June 30, 2007.

The estimated library operating budget for the remaining six months of Fiscal Year 2006/07 is \$320,000. This figure is comprised of the LSSI operations agreement \$252,727; computer supplies, equipment, maintenance, and licensing \$28,000; facility maintenance and contractual services \$18,490; utilities \$19,283; and legal costs \$1,500. Under these budget assumptions, the annual operating budget for the Moorpark City Library would be approximately \$640,000.

This estimated operational budget is comparable to the operational budget of the Library under the County for the same period; however, included within the City's budget is the development of the library collection, enhancement of services and programs, the addition of staff, and extended hours of operation.

Staff anticipates, based on projections, annual Library revenue of \$690,000 which includes property tax as well as fines, fees, and grants. Effective January 1, 2007, the City will begin receiving property tax for library purposes collected within the City incorporated boundary totaling approximately \$660,000 per year. Additionally staff conservatively estimates \$30,000 of revenue to be collected in fines, fees, and from the Public Library Foundation (PLF). The City will not begin receiving PLF revenue until Fiscal Year 2007-08; therefore, the revenue shown this period from January 1, 2007 through June 30, 2007 is zero. Staff recommends that library generated revenue be used for Library operations with accumulated, annual fund balances set aside and identified for future library projects.

Additionally, on November 1, 2006 Council approved the date of January 13, 2007 for the Moorpark City Library Dedication Ceremony and Open House event. Staff has been working on an all inclusive event budget. Due to some unforeseen savings, the transition budget can absorb \$5,000 of the costs for the event; however, staff is requesting an addition of \$5,500 for the ceremony and programming.

The official opening of the Moorpark City Library should be an event showcasing the Library and offering citizens of Moorpark the opportunity to see the benefits that the city operated library will bring to the community. The budget includes audio, video, decorations, postage, catering, supplies, rentals, and entertainment. Videomax will provide an audio and video package of the day's events, morning refreshments as well as an afternoon snack will be served, and there are two scheduled performances during the celebration; a children's program at 10:30 a.m. and an "all ages" show at 2:00 in the afternoon.

A total budget amendment of \$325,500 is being requested at this time which covers the FY 2006-07 operating expenses request and the additional funds necessary for the dedication event. Additionally, staff recommends that the Council approve a loan not to exceed \$320,000 from the City's General Fund, to be replenished with future library revenue, to be used for actual expenditures for library operations from January 1, 2007 to the end of FY 2006-07.

STAFF RECOMMENDATION (Roll Call Vote)

1. Adopt Resolution No. 2006 - ___, amending the FY 2006-07 budget for Library Services and Establishing the Library Services Fund
2. Approve a loan from the General Fund as outlined in the staff report

Attachment A – Resolution

ATTACHMENT A

RESOLUTION NO. 2006-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, ESTABLISHING A LIBRARY SERVICES FUND AND AMENDING THE FISCAL YEAR 2006-07 BUDGET TO ALLOCATE \$320,000 TO THE LIBRARY SERVICES FUND (1010), FOR OPERATIONS, FROM THE GENERAL FUND (1000), TO BE REPLENISHED WITH FUTURE LIBRARY REVENUE, AND TO ALLOCATE \$5,500 TO THE LIBRARY FACILITIES FUND (2154), FOR THE DEDICATION CEREMONY, FROM THE LIBRARY FUND BALANCE (2154)

WHEREAS, on June 21, 2006, the City Council adopted the budget for Fiscal year 2006/07; and

WHEREAS, a staff report has been presented to said Council requesting the establishment of a Library Services Fund to account for revenue and expenditures of Library operations and to allow easier scrutiny by the public; and

WHEREAS, a staff report has been presented to said Council requesting a budget amendment allocating \$320,000 to the new Library Services Fund expenditure budget for library operations and \$5,500 to the Library Facilities Fund for the dedication ceremony; and

WHEREAS, the new Library Services Fund requires an inter-fund loan from the General Fund in an amount not to exceed \$320,000 to cover actual expenditures occurring in fiscal year 2006-07 which will be repaid with future Library revenue; and

WHEREAS, Exhibit "A" hereof describes said budget amendment and its resultant impact to the budget line item(s).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Establish the Library Services Fund.

SECTION 2. Amend the Fiscal Year 2006/07 budget allocating \$325,500 to the Library Services Fund expenditure budget as more particularly described in Exhibit "A" attached hereto is hereby approved.

SECTION 3. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

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Resolution 2006-____
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PASSED AND ADOPTED this 20th day of December, 2006.

Patrick Hunter, Mayor

ATTEST:

Deborah S. Traffenstedt, City Clerk

Attachment: Exhibit A – Budget Amendment

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