

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: June 16, 2008

Reviewed By: BP

SUBJECT: Contract with the County of Alameda for Additional Library Services,
Fiscal Year 2008-2009

REPORT BY: Charlie Adams, Finance & Administrative Services Director

STAFF RECOMMENDATION

Approve the contract between the City of Albany and the County of Alameda for Additional Library Services for fiscal year 2008-2009.

BACKGROUND

In June 1994, Albany voters approved the Library Services Act of 1994, which assessed a \$42.00 per year tax on single-family residential parcels.

In June 2006, Albany voters approved Measure G, the Albany Library Board's request for a supplemental parcel tax of \$24.00 to fund restoration of staff hours, the addition of four hours on Sunday, and the purchase of new materials as needed.

These acts allow for the City Council to annually increase the taxes by the percentage increase in the Consumer Price Index for the San Francisco Bay Area, not to exceed 5%.

DISCUSSION

The contract with the County for fiscal year 2006-2007 was in the amount of \$513,146, and the contract for fiscal year 2007-08 was \$634,728 - an increase of 24%. The total County budget for the Albany Library increased from \$1,622,449 to \$1,783,660, an increase of 10%. The increase in the total library budget without comparable increase in service, and the requirement that the City fund a greater percentage of the total cost was a matter of concern to the Albany Library Board.

Of major concern to the Albany Library Board was the question of whether contract proposed by the County in fiscal year 2008-2009 would deplete the reserve that had been established from the 2006 Supplemental Tax, to ensure maintenance of the increase hours of service for which the tax was passed.

The amount of the contract for fiscal year 2008-2009 is \$654,714, an increase of 3% over the fiscal year 2007-2008 contract. The total County budget for the Albany Library for fiscal year 2008-2009 is \$1,783,660, an increase of 10% over the fiscal year 2007-2008 budget.

City staff and members of the Albany Library Board have held several discussions with staff members of the Alameda County Library regarding the allocation of system wide costs to the Albany Library and potential increases in the amount of the budget to be funded by the Albany contract. These discussions are continuing and the Albany Library Board's concerns and plans are expressed to the City Council in a letter of June 2, 2008, which is attached to this report.

In its meeting May 28, 2008, the Albany Library Board voted to recommend that the City Council accept the contract proposed by the Alameda County Library for fiscal year 2008-2009.

ANALYSIS

The increase in the fiscal year 2008-2009 is a relatively modest 3%, and does not require the expenditure by the City of funds estimated to be held in reserve at June 30, 2008. The contract maintains the additional service instituted in fiscal year 2007-2008.

FINANCIAL IMPACT

The contract payment by the City to the County will be fully covered by the special library taxes collected in fiscal year 2008-2009, and will not impact the City's general fund.

Attachments:

- Agreement Between the City of Albany and County of Alameda for Additional Library Services Fiscal Year 2008-2009
- Letter of June 2, 2008 from the Albany Library Board to the Albany City Council