

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

Agenda Date: 05/02/05

Reviewed by: _____

Subject: Request from the Albany Library Board for \$15,487 in funding from the City of Albany General Fund in fiscal year 2005-06

Report By: Beth Pollard, City Administrator

RECOMMENDATION

Decline the request for a City General Fund subsidy for the Albany Library branch of the Alameda County Library, and direct staff to work with the Albany Library to include financial support for library services in a City tax measure in 2005 or 2006.

BACKGROUND

The Alameda County Library system operates the Albany Library in a building provided by the City of Albany. In 1994, the voters of Albany approved the Library Services Act of 1994 to provide funding for 21.5 hours of the 37 hours per week that the Albany Library is open.

DISCUSSION

The expenses to provide the library services have reached the point where they exceed the revenues received from the library tax. A significant reason for this funding gap is that the Library tax increases each year by the amount of the change in the Consumer Price Index (CPI), which has been less than the increase in operating costs – primarily in labor costs. In 2005-06, the funding gap is projected to be \$15,487.

ANALYSIS

The City of Albany does not currently provide a General Fund subsidy to the Albany Library. Financial support for the Library is provided by a portion of property tax revenues designated for County Library services, and other County Library funds, in addition to the Albany Library Services tax.

Because of the other pressing needs for which the City of Albany has direct fiduciary responsibility, and the City's limited resources, staff cannot recommend the City subsidize the library with General Funds on either a one-time or ongoing basis.

However, the City Council is considering placing a tax measure before the voters to support City capital projects, operations, and maintenance. Staff recommends that financial support for Library services be considered for inclusion in such a tax measure.

FINANCIAL IMPACT

If Council were to approve a General Fund subsidy of \$15,487, a reduction in spending for a commensurate amount would be required in the 2005-06 budget.

Attachment

Letter from Linda Yamamoto, Albany Library Board Chair, April 13, 2005