



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 8/14/2018

Agenda Placement: 10A

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Danis Kreimeier - Director
Library
REPORT BY: Danielle Clayton, Staff Services Analyst II - 253-4819
SUBJECT: Temporary Suspension of Factor Used in Library's Financial Plan

RECOMMENDATION

Director of Library Services and Community Outreach requests adoption of a resolution amending Part I: Section 29 of the Napa County Policy Manual allowing the Library to use only the factor of circulation for the allocation of revenue and overhead in the Library's Financial Plan through Fiscal Year 2021-22.

EXECUTIVE SUMMARY

On January 31, 2017, the Board of Supervisors approved changes to Section 29, Financial Plan, which replaced the factor of circulation within the Library allocation methodology with equally weighted factors of visitation and circulation. Staff realized that there were discrepancies with visitation data logged, and that the visitation data was flawed. On May 3, 2018, the Library Commission agreed to suspend the use of the visitation factor for the allocation of revenue and overhead, and only use circulation as a viable factor through Fiscal Year 2021-22.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Library
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The County Library's Financial Plan defines how indirect costs and tax-based revenue are spread amongst the different library branches operating budgets.

Is the general fund affected?	No
Future fiscal impact:	By approving the temporary change to the methodology, staff will be able to continue calculating revenue and overhead allocations on solid data.
Consequences if not approved:	If the temporary change is not approved, the allocation methodology will use visitation and circulation data to spread revenue and overhead costs.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

On January 31, 2017, The Board of Supervisor approved changes to the Library's Financial Plan located in Section 29 of the County Policy Manual. This approval allowed the Library to exchange the single factor (circulation) used for the funding approach of the Financial Plan to a weighted average of two factors (circulation and visitation).

At the May 4, 2017 Napa County Library Commission, the Library received a Public Records Act request for eight years of circulation and visitation data - from Fiscal Year 2008-2009 to Fiscal Year 2015-16. During the collection of the data, staff discovered formula errors in the spreadsheets used to log visitation. Staff found errors in every year of the visitation logs dating back to Fiscal Year 2009/2010. Subsequent Public Records Act requests and patrons requests uncovered data discrepancies attributed to missing data, inconsistent methods and erroneously placed door counters. It was determined that specific irregularities causing these discrepancies (multiple staff members keying visitation data into Excel logs without an established process; using people counters with infrared sensors with no discernible boundary lines; and the location of the sensors at some branches not providing an accurate usage count) needed to be addressed in order to gather accurate data.

In the Summer of 2017, new photo video sensor people counters were purchased and installed at each location to accurately capture customers entering/exiting the library locations. Counters were located in areas that count visitors who actually used the library during open hours. The Staff Analyst became solely responsible for monitoring, mining and reporting visitation data. Visitation data logged is audited six times a year by the Staff Analyst to catch inaccuracies and Commission statistics reports are amended accordingly.

In Fiscal Year 2017-2018, staff determined that data from prior years proved too faulty to use for the allocation methodology for Fiscal Year 2018-2019. It was decided that three years of solid visitation data was needed to be able to use it as a factor. On May 5, 2018, staff requested the Library Commission suspend visitation as a factor for the Financial Plan. The Library Commission agreed to suspending the visitation factor and only use circulation as a factor for the allocation of revenue and overhead through Fiscal Year 2021/2022.

Only the Financial Plan portion of Section 29 is being amended today. Staff will bring back Section 29 of the County Policy Manual with grammatical corrections in September. The September Board item will not have substantive changes to Section 29.

SUPPORTING DOCUMENTS

- A . Sec 29 Redline
- B . Sec 29 Clean
- C . Resolution

CEO Recommendation: Approve

Reviewed By: Ben Guerrieri