

CITY OF OAKLAND

AGENDA REPORT

2011 MAY 12 PM 6:35

TO: Office of the City Administrator
ATTN: P. Lamont Ewell, Interim City Administrator
FROM: Councilmember Libby Schaaf
DATE: May 24, 2011

RE: Resolution Authorizing The City Administrator To Negotiate And Enter Into Agreements With The County And/or Neighboring Municipalities To Provide Library Services To Residents Of The County And/or Neighboring Municipalities, Upon A Reasonable Annual Compensation To Be Paid By the County And/or Neighboring Municipality That Is Not Less Than Oakland's Total Per Capita General Fund And Library Parcel Tax (Measure Q) Appropriation for Library Services And Establishes Procedures for Terminating Library Privileges When Such A Contract Is Not in Effect.

SUMMARY

Councilmember Schaaf requests approval of a Resolution authorizing the City Administrator to negotiate and enter into agreements with neighboring municipalities to provide library services to their residents because they do not have their own public library. This resolution establishes a general inter-city compensation policy such that municipalities shall pay the City of Oakland no less than the Per General Purpose Fund (GPF), Per-Capita Cost, and Measure Q Per-Capita Cost for the prior fiscal year. For cities that currently utilize Oakland's library services, this fee may incrementally increase over the course of three years, and by the third year the neighboring municipality will pay the full negotiated fee. Lastly, if no agreement is reached by a predetermined date, the City of Oakland will terminate the library privileges of the residents of the non-consenting municipality.

If approved, the Oakland Public Library (OPL) would increase revenue earned from neighboring municipalities and have an established procedure for terminating library privileges to a particular municipality's residents when a contract is not in effect.

FISCAL IMPACT

The potential eamed revenue from the execution of an agreement would be \$477,191.82 from the City of Emeryville and \$524,484.92 from the City of Piedmont; as a result this resolution has only positive impacts on the General Fund. The figure below provides an example based on the City of Piedmont, and City of Emeryville population's, as well as the population total used to compute each city's compensation. As noted below the compensation is \$46.66 which is based on the total GPF and Measure Q FY 2009-10 actual expenditures per capita rate.

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CITY	Population (CA Dept. Finance Jan 2010)	Total GPF & Measure Q Expen / Capita	
Oakland	430,666	\$46.66	
Emeryville	10,227	\$46.66	\$477,191
Piedmont	11,262	\$46.66	\$524,484
Total All 3 Cities	452,155	\$46.66	

BACKGROUND

In 1976, the City of Oakland approached the City of Piedmont with a request to begin negotiations to officially contract with the Oakland Public Library for library services. In 1978 the first agreement was reached, based on a per capita cost, along with a provision that if Piedmont residents owned property in Oakland, they would not have to pay for a library card. Piedmont then charged their residents a user fee for 2 years, ostensibly to raise the funds to pay Oakland's future contract fees.

Since that time, the Cities of Emeryville and Piedmont have contracted with the City of Oakland to obtain library services through the Oakland Public Library for their residents. Neither city has their own public library, nor do they contract with the County of Alameda for library services.

For both cities, the most recent contracts were entered into in 1998, and both expired in July 2008. The 1998 library services agreements were based on Oakland's General Purpose fund per capita cost of the OPL. For Piedmont, that was 100% of OPL's GPF costs, and for Emeryville, 50% of OPL's GPF costs, starting at \$30,000 with a maximum annual increase of \$5,000.

In May 2008 the Office of the City Administrator initiated new contract negotiations by meeting with the respective City Managers of both cities. At that meeting, Oakland proposed that both cities pay 100% of the combined total of the GPF per capita cost and the Measure Q fund per capita cost of the Oakland Public Library. Both cities rejected Oakland's proposal. Under a new City Administrator negotiations were re-opened, and once again, both Piedmont and Emeryville rejected Oakland's proposal. However, at that meeting, both cities agreed to pay their 2009 fees based on the prior contract negotiated fee, which was \$80,000 for Emeryville, and \$350,000 for Piedmont. Piedmont subsequently agreed to pay \$395,000, but withdrew the offer and eventually paid \$350,000, and Emeryville offered to pay \$120,000, however this amount was later not deemed acceptable by the City Administrator.

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Both cities offered counter proposals to Oakland's proposed 100% of the combined total of the GPF and Measure Q fund per capita cost. In June 2008 Emeryville offered a continuation of 1998 terms, and in October 2008, \$100,000 with annual increases of \$20,000. Both offers were rejected. In March 2009 Piedmont offered, using FY 2008-09 GPF costs as a base year, \$355,144 with 5% annual increases for five years, but the Library Department was not authorized to respond or accept this proposal.

KEY ISSUES AND IMPACTS

Approval of the proposed resolution would authorize the City Administrator to establish contracts with other cities to use our library system, but establish a minimum fee for such service. The Minimum Fee would be the sum of the GPF Per Capita Cost and the Measure Q Per Capita Cost multiplied by the Contracting municipality's population. The GPF per capita cost is the net amount of the City of Oakland's General Purpose fund budget that was spent directly for the prior fiscal year on library funding, less any amount used for administrative overhead, central services offset for any purpose other than libraries, divided by the population of Oakland. The Measure Q fund Per Capita Cost is the amount of the Library Services Retention and Enhancement Act of 1994, as Amended in 2004, fund budget that was spent directly for the prior fiscal year on library funding, less any amount used for administrative overhead, central services offset or any purpose other than libraries divided by the population of Oakland. The population of the respective municipality is an estimate determined by the California Department of Finance for the year prior to the year in which payment is due.

Currently the City of Oakland is collecting fees from the cities of Piedmont and Emeryville based on the most recent contracts which were entered into in 1998, and expired in July 2008 with the rates of \$350,000 and \$80,000 respectively, but no official contract has been reached with either municipality. These rates are based on an old contract and need to be increased to today's standards. Municipalities that use the City of Oakland's libraries should pay the same per capita rate as City of Oakland residents.

Since the increase is substantially greater than that which was previously paid, this proposed policy includes a provision to allow the City Administrator to allow an incremental one-third increase to the new rate over three years. The phase in period allows time for the cities to adjust to the new negotiated fee.

DISABILITY AND SENIOR CITIZEN ACCESS

All Oakland Public Library facilities are ADA accessible.

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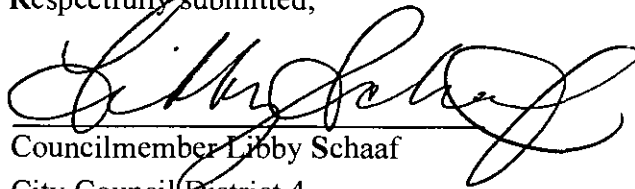
RECOMMENDATION(S) AND RATIONALE

Councilmember Schaaf recommends that the City Council approve of a Resolution authorizing the City Administrator to negotiate and establish a general inter-city compensation policy such that municipalities shall pay the City of Oakland no less than the Per General Purpose Fund (GPF), Per-Capita Cost, and Measure Q Per-Capita Cost for the prior fiscal year. These cities get the full benefit of Oakland's capital investment, it is only fair that they pay their share of its operational costs.

ACTION REQUESTED OF THE CITY COUNCIL

Adopt the attached Resolution establishing a policy for entering into agreements with other jurisdictions for library services.

Respectfully submitted,



Councilmember Libby Schaaf
City Council District 4

Prepared by:
Shereda Nosakhare, Policy Analyst
Councilmember Libby Schaaf

FY2010 Comparison of Bay Area City & County Library Systems Local Revenue per Capita*

Fig. A: Includes Piedmont & Emeryville in OPL's Service Area

LIBRARY NAME / SYSTEM	Total Number of Outlets	Total Population Legal Svc. Area	Local Gov't Revenue/ Capita
BELVEDERE-TIBURON LIBRARY	1	11,175	\$128.23
BERKELEY PUBLIC LIBRARY	5	108,119	\$128.05
MILL VALLEY PUBLIC LIBRARY	1	14,144	\$106.39
PALO ALTO CITY LIBRARY	5	65,408	\$95.97
BURLINGAME PUBLIC LIBRARY	2	37,033	\$94.30
SAN FRANCISCO PUBLIC LIBRARY	30	856,095	\$92.35
MARIN COUNTY FREE LIBRARY	11	143,772	\$78.69
SAUSALITO PUBLIC LIBRARY	1	7,596	\$78.59
BENICIA PUBLIC LIBRARY	1	28,086	\$68.24
SANTA CLARA COUNTY LIBRARY	10	426,516	\$66.75
SAN MATEO COUNTY LIBRARY	13	286,569	\$66.55
BAY-AREA AVERAGE	6.45	212,630	\$63.18
SANTA CLARA CITY LIBRARY	2	118,830	\$62.24
LIVERMORE PUBLIC LIBRARY	3	85,312	\$60.65
RICHMOND PUBLIC LIBRARY	4	105,630	\$58.93
SO. SAN FRANCISCO PUBLIC LIBRARY	3	65,872	\$58.38
SAN LEANDRO PUBLIC LIBRARY	4	83,183	\$58.19
PLEASANTON PUBLIC LIBRARY	1	70,711	\$56.64
LARKSPUR PUBLIC LIBRARY	1	12,398	\$54.43
SUNNYVALE PUBLIC LIBRARY	1	140,450	\$50.20
SAN MATEO PUBLIC LIBRARY	3	101,381	\$46.27
OAKLAND PUBLIC LIBRARY (INC. PIED. & EMERY.)	17	452,155	\$44.44
ALAMEDA COUNTY LIBRARY	11	546,864	\$43.03
ALAMEDA FREE LIBRARY	3	75,409	\$41.09
SAN JOSE PUBLIC LIBRARY	20	1,023,083	\$37.60
SAN RAFAEL PUBLIC LIBRARY	2	58,822	\$36.93
DALY CITY PUBLIC LIBRARY	4	108,383	\$35.89
SAN ANSELMO PUBLIC LIBRARY	1	12,744	\$32.84
HAYWARD PUBLIC LIBRARY	2	153,104	\$26.45
CONTRA COSTA COUNTY LIBRARY	25	967,425	\$23.78

Fig. B: Excludes Piedmont & Emeryville from OPL's Service Area

LIBRARY NAME / SYSTEM	Total Number of Outlets	Total Population Legal Svc. Area	Local Gov't Revenue/ Capita
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PLEASANTON PUBLIC LIBRARY	1	70,711	\$56.64
LARKSPUR PUBLIC LIBRARY	1	12,398	\$54.43
SUNNYVALE PUBLIC LIBRARY	1	140,450	\$50.20
OAKLAND PUBLIC LIBRARY (OAKLAND ONLY)	17	430,666	\$46.66
SAN MATEO PUBLIC LIBRARY	3	101,381	\$46.27
ALAMEDA COUNTY LIBRARY	11	546,864	\$43.03
ALAMEDA FREE LIBRARY	3	75,409	\$41.09
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*Note: Data from California State Library: "Public Library State Totals and Selected Tables DRAFT (2009-2010 Fiscal Year)." Does not reflect audited actuals.

M. Meloni
CITY ATTORNEY

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2011 MAY 12 RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND ENTER INTO AGREEMENTS WITH THE COUNTY AND/OR NEIGHBORING MUNICIPALITIES TO PROVIDE LIBRARY SERVICES TO RESIDENTS OF THE COUNTY AND/OR NEIGHBORING MUNICIPALITIES, UPON A REASONABLE ANNUAL COMPENSATION TO BE PAID BY THE COUNTY AND/OR NEIGHBORING MUNICIPALITY THAT IS NOT LESS THAN OAKLAND'S TOTAL PER CAPITA GENERAL FUND AND LIBRARY PARCEL TAX (MEASURE Q) APPROPRIATION FOR LIBRARY SERVICES AND ESTABLISHES PROCEDURES FOR TERMINATING LIBRARY PRIVILEGES WHEN SUCH A CONTRACT IS NOT IN EFFECT.

WHEREAS, City Charter Section 504 empowers the City Administrator, "[w]hen directed by the Council, to represent the City in its intergovernmental relations and to negotiate contracts for joint governmental actions, subject to Council approval."

WHEREAS, jurisdictions that contract to use the City of Oakland's libraries as their jurisdiction's libraries should pay at least the same per capita rate as City of Oakland resident pay for libraries; therefore,

RESOLVED, the City Council authorizes the City Administrator to enter into agreements with neighboring municipalities (individually "Contracting Jurisdiction") to provide library services to residents of the Contracting Jurisdiction; and

FURTHER RESOLVED, the City Administrator shall enter into such agreements for a negotiated amount that shall not be less than the same per capita rate as City of Oakland residents pay for libraries ("Minimum Fee"), defined as followed:

A. "The Minimum Fee" means the sum of the General Purpose Fund Per Capita Cost and the Measure Q Per Capita Cost multiplied by the Contracting Jurisdiction's population.

B. "The General Purpose Fund Per Capita Cost" means the net amount of the City of Oakland's General Purpose fund budget that was spent directly for the prior fiscal year on library funding, less any amount used for administrative overhead, central services offset or any purpose other than libraries, divided by the population of Oakland.

C. "Measure Q Fund Per Capita Cost" means the amount of the Library Services Retention and Enhancement Act of 1994, as Amended in 2004, fund budget that was spent directly for the prior fiscal year on library funding, less any amount used for administrative overhead, central services offset or any purpose other than libraries, divided by the population of Oakland.

D. "The population" of the respective municipalities shall be defined as the "population estimate" of the respective municipalities or County as determined by the California Department of Finance for the year prior to the year in which payment is due.; and

FURTHER RESOLVED, for Jurisdictions with existing library privileges with the City of Oakland as of the date of adoption of this Resolution, the City Administrator may enter into an agreement for less than the Minimum Fee, provided that the first year's negotiated fee is no less than one-third the Minimum Fee, the second year's negotiated fee is no less than two-thirds the Minimum Fee, and the third year's negotiated fee is for no less than the Minimum Fee; and

FURTHER RESOLVED, when an existing contract expires and no new agreement is reached within six (6) months, the City of Oakland shall initiate the termination of library privileges for the residents of the non-agree jurisdiction, in compliance with State Library Law.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2011

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF,
AND PRESIDENT REID

NOES-

ABSENT-

ABSTENTION

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California