

# Highlights

## Library Systems and Services Proposal

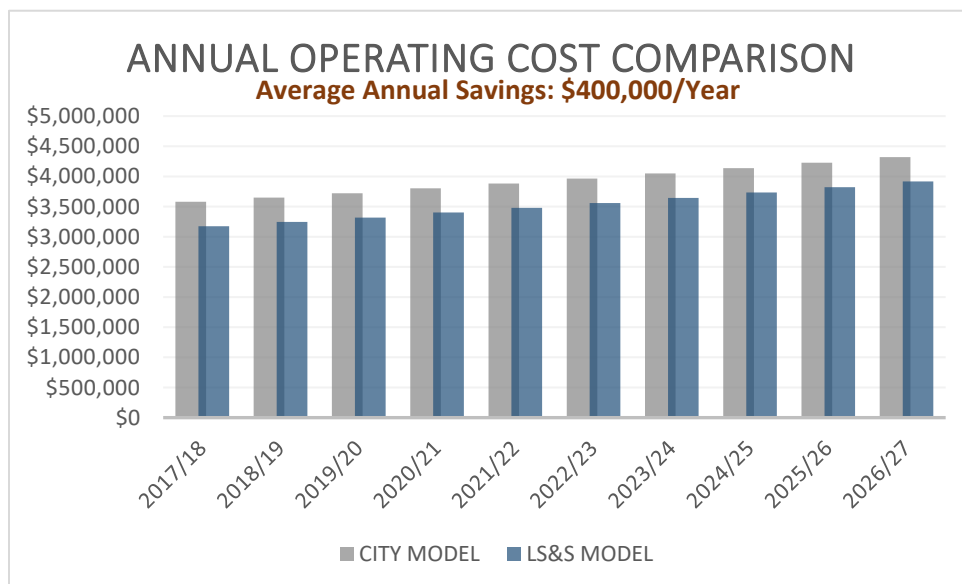
**LS&S proposal generates over \$400,000 in annual savings to the City, totaling over \$4 million in 10 years**

**The LS&S proposal includes the following:**

- Library open 7 days per week, 60 hours total each week
- All costs associated with staffing the Library and its programs
- Responsibility for supplies and materials to operate the library, maintenance of equipment, and service contracts
- Advertising and printing
- Janitorial services
- Utilities

**Ongoing City Responsibilities:**

- The portion of CalPERS for “unfunded liability,” which is the current value of benefits for all past service of current members.
- Internal service charges such as Building Maintenance, Fleet Services, Duplicating, Telecommunications, Office Automation and Insurance
- \$250,000 a year for additional library books and materials



## CITY OF ESCONDIDO'S FINANCIAL ANALYSIS OF CURRENT LIBRARY SERVICES AND LS&S PROPOSAL

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	TOTAL SAVINGS OVER 10 YEARS
<b>CITY MODEL:<sup>3</sup></b>											
Operating Budget	3,670,055	3,329,520	3,398,090	3,470,864	3,553,920	3,633,342	3,715,214	3,799,625	3,886,668	3,976,436	
Less: PERS-Unfunded Liability <sup>5</sup>	(340,535)	-	-	-	-	-	-	-	-	-	
<b>Add:</b>											
3% Salaries <sup>6</sup>	-	45,019	46,370	47,761	49,194	50,670	52,190	53,755	55,368	57,029	
2% of PERS-Normal Cost General Fund Increases <sup>7</sup>	-	4,000	6,000	14,000	8,000	8,000	8,000	8,000	8,000	8,000	
5% Medical	-	12,430	13,052	13,704	14,389	15,109	15,864	16,657	17,490	18,365	
3% Other Overhead	-	3,507	3,613	3,721	3,833	3,947	4,066	4,188	4,314	4,443	
3.5% Maintenance of Equipment Contracts	-	3,613	3,740	3,871	4,006	4,146	4,291	4,442	4,597	4,758	
<b>ADJUSTED OPERATING BUDGET</b>	<b>3,329,520</b>	<b>3,398,090</b>	<b>3,470,864</b>	<b>3,553,920</b>	<b>3,633,342</b>	<b>3,715,214</b>	<b>3,799,625</b>	<b>3,886,668</b>	<b>3,976,436</b>	<b>4,069,031</b>	
Library Materials	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	
<b>ANNUAL TOTAL COST</b>	<b>3,579,520</b>	<b>3,648,090</b>	<b>3,720,864</b>	<b>3,803,920</b>	<b>3,883,342</b>	<b>3,965,214</b>	<b>4,049,625</b>	<b>4,136,668</b>	<b>4,226,436</b>	<b>4,319,031</b>	
<b>LS&amp;S MODEL:<sup>3</sup></b>											
Operating Budget <sup>1</sup>	2,475,000	2,545,000	2,617,250	2,701,818	2,778,772	2,858,185	2,945,131	3,034,685	3,121,925	3,216,933	
Library Materials <sup>2</sup>	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	
<b>SUBTOTAL</b>	<b>2,725,000</b>	<b>2,795,000</b>	<b>2,867,250</b>	<b>2,951,818</b>	<b>3,028,772</b>	<b>3,108,185</b>	<b>3,195,131</b>	<b>3,284,685</b>	<b>3,371,925</b>	<b>3,466,933</b>	
Internal Service Charges <sup>4</sup> , Less Janitorial Services	449,949	449,949	449,949	449,949	449,949	449,949	449,949	449,949	449,949	449,949	
<b>ANNUAL TOTAL COST</b>	<b>3,174,949</b>	<b>3,244,949</b>	<b>3,317,199</b>	<b>3,401,767</b>	<b>3,478,721</b>	<b>3,558,134</b>	<b>3,645,080</b>	<b>3,734,634</b>	<b>3,821,874</b>	<b>3,916,882</b>	
<b>ANNUAL COST/(SAVINGS)</b>	<b>(404,571)</b>	<b>(403,141)</b>	<b>(403,665)</b>	<b>(402,153)</b>	<b>(404,621)</b>	<b>(407,080)</b>	<b>(404,545)</b>	<b>(402,034)</b>	<b>(404,562)</b>	<b>(402,149)</b>	<b>(4,038,521)</b>
<b>% Change</b>	11%	11%	11%	11%	10%	10%	10%	10%	10%	9%	

**NOTES:**

<sup>1</sup> Assumes 3% annual increases

<sup>2</sup> Library materials are kept at a flat historical amount of \$250,000.

<sup>3</sup> Library is currently open 51 hours per week and closed on Sunday. LS&S proposes that library be open 60 hours per week, including Sunday.

<sup>4</sup> Internal service charges excluded from LS&S original proposal that are still a cost to the City. Assumes 0% annual increases for both models.

<sup>5</sup> The cost of PERS unfunded liability, which is the current value of benefit for all past service of current members, will remain a cost of the City.

<sup>6</sup> Three-year average General Fund salary increase. Includes step increases.

<sup>7</sup> Based on 6/30/2016 PERS Valuation projections

<sup>8</sup> LS&S calculation of savings is greater than the City's due to differences in evaluating pension commitments, growth rate of employee service costs and other direct charges. This information is not included in the above modeling.