

To: Olin Woods, Chair, and Members of the  
Yolo County Local Agency Formation Commission

From: Elizabeth Castro Kemper, Executive Officer  
Elisa Carvalho, Assistant Executive Officer

Date: September 28, 2009

Subject: Woodland Library Summary Report of Organization Options

## **Recommended Action**

Receive for information an analysis report requested by Woodland Library Board of Trustees on possible alternative structures for the library organization.

## **Fiscal Impact**

None, staff has provided in-house expertise to affected agencies and interested parties concerning options, legal requirements and public considerations.

## **Reason for Recommended Action**

The Yolo LAFCO directed staff to work with the agencies and individuals interested in researching possible alternative structures for the library organization. This report is an update on that project.

## **Background**

Library Services Director Sandy Briggs notified LAFCO staff in May of the Woodland Public Library Board of Trustees interest regarding possible alternative structures for the library organization, including forming a special library district; and, on May 20, 2009, we received a letter from Alain Traig, President of the Woodland Public Library Board of Trustees asking staff to prepare an analysis report outlining the alternatives.

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*★ Commission Clerk Terri Tuck ★ Commission Counsel Robyn Truitt Drivon ★*

The Woodland Public Library is considered a department of the City of Woodland, and as such, is funded by general fund revenues. The latest budget constraints have caused the library board to investigate alternative structures. To this end they contacted the Yolo LAFCO concerning organizational changes.

This summary report outlines the differences between annexation to, or formation of, a library district. It also discusses the differences in financing and property tax allocation. A more in-depth review will be done if the community decides to pursue one of these options. Either process results in the Woodland Library functioning separate from the City of Woodland and eliminates the reliance on the City general fund revenues.

This summary is only meant to provide general information on organizational changes to those interested in the question of the library structure. Detailed financial and structural analysis would have to be done to determine the specific impacts or possible results of any action. In any case, community self-determination is the key attribute and the citizens and their local governments will have to determine the best approach, if any, to pursue.

### **Library Questions**

On August 6, 2009, Yolo County LAFCO staff met with the City of Woodland Library Board of Trustees to provide greater clarification on library organization alternatives. The Trustees were most interested in exploring an independent library district and had questions about how to initiate formation, how an independent Board would be selected, and how the City of Woodland would be involved in the process. In response to these inquiries the following information is provided and incorporated into the attached report.

### **Independent Library District Question Responses**

The Education Code, which is the principal act for independent library districts, and the Cortese-Knox-Hertzberg (CKH) Act, the primary principal government code for LAFCO actions have inconsistent sections relative to formation procedures. However, staff has analyzed the two referenced codes and determined that CKH is the appropriate code to use for the formation process. CKH is the more recently updated code and more consistent and inclusive in public process. LAFCO staff recommends that the Commission follow the CKH process for formation, but include applicable principal act requirements that insure all aspects of both codes are met. This would include the involvement of the City of Woodland, which is not a part of the Education Code.

Under Cortese-Knox-Hertzberg, the formation process would be:

1. The Board of Supervisors would pass a Resolution of Application based on a verified registered voter petition, which is then conveyed to LAFCO for processing. The petition for the proposal shall specify whether the proposed library district shall be governed by a three- or five-member board of trustees and the boundaries of the new district.
2. The Commission at a public hearing and after due consideration will rule on the formation.

3. If formation is approved, a LAFCO protest hearing will be held and a determination for formation or termination will be decided based on the number of protests from registered voters or landowners in the area. An election will be required if the Commission receives protests from between 25 and 50 percent of registered voters or from at least 25 percent of the number of landowners who own at least 25 percent of the assessed value of land. If 50% or more protest, the formation is terminated.

If the proposal is approved, the Board of Supervisors shall appoint the required number of library trustees from the district at large. The trustees shall hold office in four year staggered terms, the first of which will expire after two years. A vacancy in the board of library trustees shall be filled for the unexpired term by appointment of the Board of Supervisors. Each library trustee shall hold office until his or her successor is elected and qualified. An election shall be held biennially in each library district on the same day as the school district election. Any new library district would be responsible for financing its own election. As a comparison, the last election in the City of Davis, which is slightly larger in size to the City of Woodland, cost an estimated \$200,000.

To provide the City and other affected agencies a greater opportunity for input and participation, the Commission may also consider referring the proposal to a reorganization committee for study, report, and recommendation. LAFCO may provide for a public hearing and resolution on the matter. The Commission designates the "subject districts" and the maximum number of members to represent each.

### **Other Agency Involvement**

Staff will continue to work with the Woodland library to provide information on potential reorganization options and processes. The attached report will be amended with a detailed description of the formation process, with code references, and posted on the internet as well as provided in hard copy to all requesting parties.

Attachment:

Woodland Library Summary of Organizational Options

cc. Woodland Library Board of Trustees  
Sandra Briggs, Woodland Library Librarian  
Mark Devon, City Manager, City of Woodland  
Patty Wong, Yolo Library District County Librarian  
Robyn Drivon, Interim Yolo County Administrator

# **Woodland Library** **Summary of Organization Options**

June 22, 2009  
Amended September 28, 2009

**Issue:** Woodland Library Board of Trustees has requested information on possible alternative structures for the library organization.

## **History:**

The Board of Supervisors entered into an agreement with the Woodland Free Public Library of the City of Woodland to assume the functions of a County Library in Yolo County in 1910. The Yolo County Library Board of Trustees was given the power to establish branch libraries and deposit and delivery stations, direct the librarian or assistants to visit and study the needs of different areas and inspect the branches and stations in the County, and make a quarterly report to the Board of Supervisors.

The contract with the Woodland Library was terminated in 1915. Woodland and Yolo County entered into a joint powers agreement in late 1978 to provide consolidated library services. On July 10, 1979, the citizens of Woodland voted to cancel the Joint Powers Agreement between the City and the County for the County operation of the Woodland Library. The measure stated that the City "shall own and operate the [Woodland Library] to the extent permitted by law, without occupancy by financial or other participation or involvement of the County of Yolo." The effective date of cancellation of the Joint Powers Agreement was July 27, 1979. Subsequent to the voters' decision to separate library operations from the County, the citizens of Woodland also authorized Certificates of Participation, which provided lease financing to renovate and expand the Woodland Public Library.

The Yolo County Free Library District and Woodland Public Library continue to be the entities that provide library services in Yolo County.

## **City of Woodland Library**

Built in 1905, the Woodland Public Library is housed in a Carnegie built library. Although previously administered with the Yolo County library district it is currently governed under the State Education Code (Title 1, Division 1, Part 11, Chapter 5, Articles 1-4, Sections 18900-18965): "The public library shall be managed by a board of library trustees, consisting of five members, to be appointed by the mayor... with the consent of the legislative body of the municipality." In this case, the Woodland City Council is the approving legislative body. The Woodland Public Library is structured as a department within the City of Woodland.

### **Provided Services:**

The library includes a collection of fiction and nonfiction books, magazines and newspapers, large print books, local government publications, talking books, DVDs and CDs for public borrowing. The City of Woodland Library also provides children and adult programming activities to support reading and lifelong learning and formal adult literacy program. In addition, personal computers with high speed internet connections are also available, as is wireless access. These are the primary services provided by the city library to the public.

### **Governing Information:**

Library Board members are residents of Woodland serving 3 year terms of which they can serve a second term. Twice a month meetings occur on the first and third Thursdays at 4 p.m. By state law the Library board must meet at least once a month.

The Board oversees the staffing, organization, holdings and management of the library. A volunteer group known as "The Friends of the Woodland Public Library" helps the Woodland Public Library through both volunteer staffing efforts and holding fundraisers.

### **Financing:**

The city council sets the annual budget amount for the library. However, as the administrative board, the Woodland Library Board of Trustees approves and oversees the library budget. (Education Code, Title 1, Division 1, Part 11, Chapter 5, Articles 1-4. Sections 18900-18965).

The primary source of the library operating revenue is city general funds. There are also revenues derived from fines and fees assessed for late returns or damages to collection items. The library also receives state funds through the Public Library Fund. In addition, the Friends of the Library organize fundraisers for additional revenue used primarily for specific programs such as those for children.

## **Yolo County Free Library District**

The District was established on July 12, 1910. As previously described, the Yolo County library district has been combined with Woodland in the past. However, currently the Yolo County Library District has seven library branches located in Davis, West Sacramento, Winters, Clarksburg, Esparto, Knights Landing, and Yolo. The Yolo County Library's Central Administration is located in Woodland. Woodland is the only city in Yolo County outside the Yolo County Library system.

### **Provided Services:**

The Yolo County Library designates three library service level categories: neighborhood, community, and resource level. The service level categories are based on the size of the community population to be served through the year 2020. In this case, calculations will be

based on the (approximate) population within school district boundaries to more accurately represent the service population, especially in unincorporated areas of the county. Neighborhood libraries are the smallest level designation and include the Clarksburg, Knights Landing and Yolo Branches. These libraries will include a service population of up to 5,000. Community libraries are mid-range and include Esparto and Winters. These libraries will include a service population of between 5,000 and 50,000. Resource libraries are the largest level designation and include the branch libraries of Davis and West Sacramento. These libraries will include a service population of over 50,000.

The Library District provides educational materials, programs, and information to the community including collections of fiction and nonfiction books, magazines and newspapers, large print books, local government publications, talking books, DVDs and CDs. Also, personal computers with high speed internet connections are also available, as is wireless access in all the branches. Various programs concerning literacy, children's reading, homework tutoring are provided by grants, library funds and private donations. In addition to general library services, the Library oversees and supports the archive, record, and other community resource services such as the Adult Literacy program and YoloLINK.

### **Governing Information:**

The principal act for the library district is the California Education Code (sections 19400 – 19532). The Library District is a dependent special district. The Yolo County Board of Supervisors (BOS) is the District's governing body and appoints members to the Library Advisory Board, which advises the BOS on library issues. The Library Advisory Board consists of eight representatives: one representative for each of the three participating cities of Davis, West Sacramento, and Winters and one representative for each of the five Supervisor's Districts. The Library Advisory Board meets at 7:00 p.m. on the 2nd Wednesday of every other month at Library Central Services, 226 Buckeye Street, Woodland.

### **Financing:**

The Yolo County Free Library's primary revenue source is a share of the property tax received from within its boundaries. In addition, it receives revenue from the state Public Library Fund, bond revenues, grants, fines and fees and interest earnings. In addition, the Yolo Library is building new libraries in the cities of Winters and West Sacramento. The Davis branch library is currently under renovation. All the construction projects are financed through outside sources of revenue including assessments, grants, development impact fees, state bond money, private and public donations.

### **Organizational Options**

The Woodland Public Library has two primary options to consider for restructuring possibilities: annexation to the Yolo Library District or formation of a new library district. Either alternative provides the opportunity for revenue directly from property tax. In either case the library has

the power to receive bond money and special taxes as approved by voters. They also still receive grants, loans, state Public Library funds and donations. The Board of Supervisors is the governing body for the Yolo County Fee Library District. The City Council would be the governing body for a new library district including just Woodland city limits. In both cases there is a Library Advisory Committee that reports to the governing board. The major difference between these options and the current situation is the property tax revenue sources and the size of the entities.

## **Annexation**

### **Action:**

The Woodland Library could be annexed to the Yolo County Free Library District (Education Code 19401):

**"19401.** The library district may include incorporated or unincorporated territory, or both, in any one or more counties, so long as the territory of the district consists of contiguous parcels and the territory of no city is divided."

However, since the City of Woodland citizens voted in 1979 to be formally separate from the County of Yolo library district it is possible annexation would require another election to void the 1979 vote. This is a legal question that will require additional research if annexation is an option to be pursued.

### **Process:**

The entire city limits of Woodland would be annexed into the county library district. The boundary change would be processed through Government Code 56000 et. al., which is LAFCO law. The Yolo Local Agency Formation Commission (LAFCO) processes the application and oversees the analysis of the request. The Commission determines the approval or denial of the annexation, unless an election is required.

The annexation application can be initiated by a resolution of an affected governmental agency, such as the City Council or Board of Supervisors (Government Code 56654).

The proposal can also be started through (Government Code 56864):

1. a petition of not less than 25% of registered voters within the annexation area,
2. a petition of not less than 25% of the number of landowners owning land within the territory proposed to be annexed who also own not less than 25% of the assessed value of land in the annexation area.

The application would require a map and legal description of the annexation area, in this case the entire City of Woodland. LAFCO staff processes the request for annexation provides research, analysis and a report to the Commission with recommendations for action at a public hearing. The Commission then determines approval, denial or approval with conditions. If approved, the LAFCO Commission will then hold a protest public hearing.

If sufficient written protest is received at the protest hearing, (more than 25% and less than 50% from registered voters or landowners) the Yolo LAFCO will call an election. If Yolo LAFCO receives 50% or more written protest from registered voters or landowners at the protest hearing the proposal is automatically terminated.

### **Fiscal Aspects**

Property tax negotiations would occur between the City and County to determine any property tax allocated to the Yolo County library for the Woodland area. There would be no new property tax added to the existing rate. A portion of the property tax for the existing entities (in this case the city and county) would have to be reapportioned to a lower percentage so that the new share for the library could be included. There is no requirement that any property tax be exchanged between the city and the county for this annexation. If no agreement can be approved between the two entities, the application is terminated. If an agreement is approved but does not provide sufficient revenue to maintain a Woodland Library the Yolo LAFCO would have to consider that fiscal aspect in their deliberations. If an annexation were successful, the Yolo County Library would have the ability to identify a larger branch area of interest for bonds, loans and assessments based on the direct benefit to the area.

At the time any election is held for the annexation, the question of additional revenue, either through bonds, assessments or other revenue could be included on the ballot. The success of the annexation could be tied to the success of new revenue approval.

### **Formation**

#### **Action:**

Application can be made to form a free library district including the same boundaries as the existing city limits.

#### **Process:**

A petition to form a new district must be signed by 5% of registered voters equal to 5% of the voters casting votes at the last election for governor within the proposed district. The petition must designate if the district will be governed by a 3 or 5 member Board of Trustees and provide the proposed boundaries of the new district in a map with a legal description. The petition is then presented to the Yolo LAFCO for analysis and determinations.



After receipt by the Yolo LAFCO the application is processed and analysis is prepared for the Commission. At a noticed public hearing the Commission receives public input and determines the approval, denial or modification of the proposal. If approved, the Commission adopts terms and conditions and sets a conducting authority public hearing to receive written protest.

At the protest hearing if written protest is received that is:

- more than 50% protest is received from either the majority of landowners owning 50% of the assessed value or 50% of the registered voters, the proposal is ended;
- if between 25% and 50% of the landowners or registered voters protest the formation an election will be called;
- if less than 25% written protest the district can be formed without an election.

### **Fiscal Aspects**

As set in Government Code section 56810 (a)(2) the Yolo LAFCO commission will determine the amount of property tax to be exchanged by the affected agency to the new district. The determination is made by formula outlined in government code section 56810. et. al. and calculated by the county auditor. In this process there is no negotiation of property tax shares, it is determined by the formula outlined in the government code. In addition, the Commission must determine a provisional appropriations limit as required by section 7902.7 and Article XIII B of the California Constitution. (Attachment 1)

At the time any election is held for the formation, the question of additional revenue, either through bonds, assessments or other revenue could be included on the ballot.

### **Code Consistency Aspects**

The Education Code, which is the principal act for independent library districts, and the Cortese-Knox-Hertzberg (CKH) Act, the primary principal government code for LAFCO actions have inconsistent sections relative to formation procedures. However, staff has analyzed the two referenced codes and determined that CKH is the appropriate code to use for the formation process. CKH is the more recently updated code and more consistent and inclusive in public process. LAFCO staff recommends that the Commission follow the CKH process for formation, but include applicable principal act requirements that insure all aspects of both codes are met. This would include the involvement of the City of Woodland, which is not a part of the Education Code.

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2. The Commission at a public hearing and after due consideration will rule on the formation.
3. If formation is approved, a LAFCO protest hearing will be held and a determination for formation or termination will be decided based on the number of protests from registered voters or landowners in the area. An election will be required if the Commission receives protests from between 25 and 50 percent of registered voters or from at least 25 percent of the number of landowners who own at least 25 percent of the assessed value of land. If 50% or more protest, the formation is terminated.

If the proposal is approved, the Board of Supervisors shall appoint the required number of library trustees from the district at large. The trustees shall hold office in four year staggered terms, the first of which will expire after two years. A vacancy in the board of library trustees shall be filled for the unexpired term by appointment of the Board of Supervisors. Each library trustee shall hold office until his or her successor is elected and qualified. An election shall be held biennially in each library district on the same day as the school district election. Any new library district would be responsible for financing its own election. As a comparison, the last election in the City of Davis, which is slightly larger in size to the City of Woodland, cost an estimated \$200,000.

To provide the City and other affected agencies a greater opportunity for input and participation, the Commission may also consider referring the proposal to a reorganization committee for study, report, and recommendation. LAFCO may provide for a public hearing and resolution on the matter. The Commission designates the "subject districts" and the maximum number of members to represent each.

## **Conclusion**

This summary report outlines the differences between annexation to, or formation of, a library district. A more in-depth review will be done if the community decides to pursue one of these options. Either process results in the Woodland Library functioning separate from the City of Woodland and eliminates the reliance on the City general fund revenues. On the other hand, the library would then be responsible solely for its own functions without the support of the city. If annexation occurs, the Woodland library would most likely become a branch of the Yolo County Library District and, although managed as a distinct section, would be a part of a larger whole. In either situation, the Woodland library entity would only be affected by library revenues, requirements and concerns, which could be prioritized accordingly.

There are positive and negative aspects to each action. There would be definite economies of scale that could improve the situation of the Woodland Library, if annexed to the Yolo County Library District. However, the formula used for a specific allocation of property tax to a new district is a positive fiscal aspect of formation. There is also the option of maintaining the status quo and remaining a department of the City of Woodland.

This summary is only meant to provide general considerations to those interested in the question of the library structure. Detailed financial and structural review would have to be done to determine the specific impacts or possible results of any action. In any case, community self-determination is the key attribute and the citizens and their local governments will have to determine the best approach, if any, to pursue.

References:

City of Woodland library website, Yolo County Free Library District Municipal Service Review and Sphere of Influence Study, Yolo County Free Library District website, Cortese-Knox-Hertzberg Local Reorganization Act of 2000, California Education Code, LAFCO procedures guide (San Diego LAFCO).

(a) (1) If the proposal includes the incorporation of a city, as defined in Section 56043, the commission shall determine the amount of property tax revenue to be exchanged by the affected local agency pursuant to this section and Section 56815.

(2) If the proposal includes the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, the commission shall determine the amount of property tax to be exchanged by the affected local agency pursuant to this section.

(b) The commission shall notify the county auditor of the proposal and the services which the new jurisdiction proposes to assume within the area, and identify for the auditor the existing service providers within the area subject to the proposal.

(c) If the proposal would not transfer all of an affected agency's service responsibilities to the proposed city or district, the commission and the county auditor shall do all of the following:

(1) The county auditor shall determine the proportion that the amount of property tax revenue derived by each affected local agency pursuant to subdivision (b) of Section 93 of the Revenue and Taxation Code bears to the total amount of revenue from all sources, available for general purposes, received by each affected local agency in the prior fiscal year. For purposes of making this determination and the determination required by paragraph (3), "total amount of revenue from all sources available for general purposes" means the total amount of revenue which an affected local agency may use on a discretionary basis for any purpose and does not include any of the following:

(A) Revenue which, by statute, is required to be used for a specific purpose.

(B) Revenue from fees, charges, or assessments which are levied to specifically offset the cost of particular services and do not exceed the cost reasonably borne in providing these services.

(C) Revenue received from the federal government which is required to be used for a specific purpose.

(2) The commission shall determine, based on information submitted by each affected local agency, an amount equal to the total net cost to each affected local agency during the prior fiscal year of providing those services which the new jurisdiction will assume within the area subject to the proposal. For purposes of this paragraph, "total net cost" means the total direct and indirect costs that were funded by general purpose revenues of the affected local agency and excludes any portion of the total cost that was funded by any revenues of that agency that are specified in subparagraphs (A), (B), and (C) of paragraph (1).

(3) The commission shall multiply the amount determined pursuant to paragraph (2) for each affected local agency by the corresponding proportion determined pursuant to paragraph (1) to derive the amount of property tax revenue used to provide services by each affected local agency during the prior fiscal year within the area subject to the proposal. The county auditor shall adjust the amount described in the previous sentence by the annual tax increment according to the procedures set forth in Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code, to the fiscal year in which the new city or district receives its initial allocation of property taxes.

(4) For purposes of this subdivision, in any county in which, prior to the adoption of Article XIII A of the California Constitution, and continuing thereafter, a separate fund or funds were established consisting of revenues derived from the unincorporated area of the county and from which fund or funds services rendered in the unincorporated area have been paid, the amount of property tax revenues derived pursuant to paragraph (3), may, at the discretion of the commission, be transferred to the proposed city over a period not to exceed 12 fiscal years following its incorporation. In determining whether the transfer of the amount of property tax

revenues determined pursuant to paragraph (3) shall occur entirely within the fiscal year immediately following the incorporation of the proposed city or shall be phased in over a period not to exceed 12 full fiscal years following the incorporation, the commission shall consider each of the following:

(A) The total amount of revenue from all sources available to the proposed city.

(B) The fiscal impact of the proposed transfer on the transferring agency.

(C) Any other relevant facts which interested parties to the exchange may present to the commission in written form.

The decision of the commission shall be supported by written findings setting forth the basis for its decision.

(d) If the proposal would transfer all of an affected agency's service responsibilities to the proposed city or district, the commission shall request the auditor to determine the property tax revenue generated for the affected service providers by tax rate area, or portion thereof, and transmit that information to the commission.

(e) The executive officer shall notify the auditor of the amount determined pursuant to paragraph (3) of subdivision (c) or subdivision (d), as the case may be, and, where applicable, the period of time within which and the procedure by which the transfer of property tax revenues will be effected pursuant to paragraph (4) of subdivision (c), at the time the executive officer records a certificate of completion pursuant to Section 57203 for any proposal described in subdivision (a), and the auditor shall transfer that amount to the new jurisdiction.

(f) The amendments to this section enacted during the 1985-86 Regular Session of the Legislature shall apply to any proposal described in subdivision (a) for which a certificate of completion is recorded with the county recorder on or after January 1, 1987.

(g) For purposes of this section, "prior fiscal year" means the most recent fiscal year for which data on actual direct and indirect costs and revenues needed to perform the calculations required by this section are available preceding the issuance of the certificate of filing.

(h) An action brought by a city or district to contest any determinations of the county auditor or the commission with regard to the amount of property tax revenue to be exchanged by the affected local agency pursuant to this section shall be commenced within three years of the effective date of the city's incorporation or the district's formation. These actions may be brought by any city that incorporated or by any district that formed on or after January 1, 1986.

(i) This section applies to any city that incorporated or district that formed on or after January 1, 1986.

(j) The calculations and procedures specified in this section shall be made prior to and shall be incorporated into the calculations specified in Section 56815.