



*City of Arts & Innovation*

# Board of Library Trustees

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**TO: BOARD OF LIBRARY TRUSTEES** **DATE: NOVEMBER 13, 2023**

**FROM: RIVERSIDE PUBLIC LIBRARY**

**SUBJECT: OVERVIEW OF TRUST FUND, MINOR GIFT FUND AND OTHER FUNDING SOURCES**

## **ISSUE:**

Receive an overview of the trust fund, minor gift fund and other funding sources.

## **RECOMMENDATION:**

That the Board of Library Trustees receive and file this report.

## **BACKGROUND:**

The Library is a general fund City Department. As part of the City's two-year budget process, the Library receives budget allocation recommended by the City Manager and approved by the City Council each fiscal year to cover the term of July 1 to June 30. The Library Director details department priorities and discusses them with city management as part of the budget process.

In addition to general fund allocations, the Library receives annual funding in various trust and gift fund accounts, and in accordance with the spending requirements for that specific fund, purchases library materials and hosts programs throughout the year. Trust funds are held by the Inland Empire Community Foundation, a non-profit 501(c)3 organization, for annual distribution to the Library.

Trust funds are intended by their donors to be used to improve the level of library service provided by the Library's operating budget. The operating budget consists of public funds appropriated by the City and miscellaneous revenues. Therefore, trust funds are managed separately from the Library's operating budget.

The City Charter requires all City funds, including private donations, to be deposited into the City Treasury. All trust fund expenditures are paid from a separate expenditure account after the City Council considers the necessary appropriation. On February 13, 2009, the City Council approved Resolution No. 21784 (Attachment 1) pledging that all private funds contributed to the Riverside Public Library be used to supplement and not supplant regular funding of the Library by the City. In accordance with library policy, trust fund purchases and gift donations are reported to the Board of Library Trustees.

## **DISCUSSION:**

### **Trust Fund:**

Trust funds are large endowments which are held “in trust” for the benefit of the library, retaining the principle invested and spending only the income (or portion of the income if so, specified by the donor). Trust funds often are received as a bequest or a memorial gift. The terms of each trust fund are specified by the donor. The City invests and manages the principle on trust funds and the income is paid annually to the Library Department.

The trust funds and terms are listed below with further information in the Trust Handbook (Attachment 2).

1. Ethan Allen Chase Fund was established July 2, 1912, for books on history, biography, science, travel and literature for general circulation.
2. John Correja Memorial Fund was established March 2, 1920, for books on architecture, engineering and related subjects.
3. Dorothy Daniels Memorial Fund was established January 12, 1921, for historical and non-circulating children’s books.
4. Myra Finton Fund was established February 5, 1942, for the purchase of fiction only.
5. Hartman Trust Fund was established June 20, 1955, with funds invested and the income used for subscriptions to newspapers, both regular and microfilm/fiche, and newspaper indexes.
6. Frank A. Miller Fund was established March 6, 1947, for City planning and building construction.
7. Margaret Morgan and Mary Morgan Pedlow Memorial Fund was established March 27, 1984, for the purchase of books, periodicals and library materials.

### **Minor Gift Fund:**

Minor gifts are gifts to the Library which are intended by the donors to be spent as soon as possible or within a period of several years from the date of the gift and usually are smaller in dollar amount. All gifts from groups such as the Riverside Public Library Foundation or the Friends of the Library or similar groups are deposited to the minor gift account, as are funds for memorial gifts and miscellaneous donations.

The Riverside Public Library Foundation, a non-profit 501(c)3 organization, raises funds to enhance the Riverside Public Library. In the past, they have funded programs for teens and children, new books and materials, and underwritten the costs associated with the Science, Technology, Reading, Engineering, Art and Math (STREAM) mobile. The organization annually donates approximately \$80,000 to the library.

The Friends of the Library, also a non-profit organization, raises funds via used book sales in all library locations. The organization annually donates approximately \$40,000 to the library to support children's and adult programs and services.

### Other Funding Sources:

## **Measure Z**

On November 8, 2016, voters approved a one-cent transaction and use tax (similar to the sales tax). Measure Z revenues go directly to the City of Riverside to help pay for critical unfunded City programs and services. The funds received from Measure Z became effective on July 1, 2017. With the initial five-year spending plan for Measure Z, the Library was allocated \$43.3 million for the new Main Library Project and \$100,000 for site selection for a new SPC Jesus S. Duran Eastside Library. Additional Measure Z funds were allocated to deferred maintenance, technology, and security guard services and the Library Department has benefitted from some of these funds.

## **Grants**

Lastly, the Riverside Public Library actively pursues grant funding as an alternative funding source and/or supplement to City funds to enable the purchase of library materials that improve or enhance services provided to customers. Grants offer valuable, unique opportunities for local jurisdictions through State, Federal, or other agencies to aid in covering the costs of select projects.

The Library Services and Technology Act (LSTA) is a federal grant program that is managed by the Institute of Museum and Library Services (IMLS) and administered in California by the State Librarian. As required by LSTA, the California State Library must submit an LSTA 5-Year Plan to the Institute of Museum and Library Services. This plan outlines how the State Library will spend the funds in relationship to LSTA priorities identified in the 5-year plan.

LSTA funding is used each year to support three key areas:

1. Statewide initiatives that provide libraries with the opportunity to support their local communities with programs and information services.
2. A competitive grant process to provide public libraries with funding to develop programs and innovative initiatives.
3. Services and access to resources available through the California State Library.

## **STRATEGIC PLAN ALIGNMENT:**

This item contributes to Strategic Priority No. 1 *Arts, Culture & Recreation* and Goal 1.1 - Strengthen Riverside's portfolio of arts, culture, recreation, senior and lifelong learning programs and amenities through expanded community partnerships, shared use opportunities and fund development.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Through the involvement of the Board of Library Trustees per City

Charter Section 808 (f) decisions and actions associated with gifts to the library promote community trust in financial decisions.

2. **Equity** - This item aligns with equity by having the potential to facilitate equitable distribution of services to every member of the community depending on the amount of gift funds received.
3. **Fiscal Responsibility** - Through City Charter Section 808 (f), the Board of Library Trustees shall have the power and duty to accept money, personal property or real estate donated to the City for library purposes, subject to the approval of the City Council.
4. **Innovation** - This item aligns with Innovation in future partnership with the Community Foundation, Friends of the Library, Riverside Public Library Foundation and other donors.
5. **Sustainability & Resiliency** - This assists the Library with Sustainability & Resiliency by potentially providing fund development opportunity.

### **FISCAL IMPACT:**

There is no fiscal impact associated with this report.

Prepared by: Erin Christmas, Library Director  
Approved by: Kris Martinez, Assistant City Manager

Attachments:

1. Resolution 21784
2. Presentation