



Services & Support Center, 1370 Dell Avenue, Campbell, CA 95008-6604 | www.scccl.org | 408-293-2326

JOINT POWERS AUTHORITY BOARD FINANCE COMMITTEE AGENDA

Wednesday, October 10, 2018 at 2:00 p.m.

**Services and Support Center, Farrier Room
1370 Dell Avenue, Campbell, CA 95008**

In accordance with the Ralph M. Brown Open Meeting Act; this agenda was posted at the meeting site located at 1370 Dell Avenue, Campbell, CA 95008 on Thursday, October 4, 2018. Items with an asterisk (*) in front of the number are on the consent calendar and may be voted on in one motion at the beginning of the meeting. If you wish to discuss any of these items, please request this item be removed from the consent calendar.

CALL TO ORDER/ROLL CALL

Deletions, deferrals or corrections to the agenda.

ORAL COMMUNICATION

The JPA Finance Committee may take other actions relating to the issues as may be determined following consideration of the matter and discussion of the recommended actions.

This portion of the meeting is reserved for persons desiring to address the Finance Committee on any matter not on the agenda. **Please limit your comments to three minutes.** All statements that require a response will be answered in writing or status of response will be reported on the agenda for the next regular meeting of the Finance Committee. **NOTE:** If you wish to speak on an item of business listed on the agenda, please fill out a speaker card and indicate the number of the agenda item you wish to address. The Chair will call upon you at the time the Committee considers the item.

CONSENT CALENDAR

ACTION

- *1. Approve Minutes from May 15, 2018, Finance Committee meeting
- *2. Recommend to the JPA to accept the Santa Clara County Library semi-annual gift report: January 1, 2018 – June 30, 2018.
- *3. Recommend to the JPA to accept the following cash gifts:
 - a. Cash donation of \$5,906.44 to the Santa Clara County Library District and augment the budget for library materials and programs.
 - b. Cash donation of \$2,250 to the Cupertino Library and augment the budget for library courtyard redesign proposal.
 - c. Cash donation of \$2,506.10 to the Cupertino Library and augment the budget for library materials.
 - d. Cash donation of \$8,000 to the Gilroy Library and augment the budget for library programming and supplies.
 - e. Cash donation of \$1,500 to the Los Altos Library and augment the budget for furniture and space improvements.
 - f. Cash donation of \$30,000 to the Los Altos Library and augment the budget for library materials.
 - g. Cash donation of \$30,000 to the Los Altos Library and augment the budget for library materials and programming.

- h. Cash donation of \$14,000 to the Milpitas Library and augment the budget for library materials and the Reading Program.
- i. Cash donation of \$142,000 to the Saratoga Library and augment the budget for library materials and programming.

NEW BUSINESS

- 4. Recommend to the JPA to receive the Fiscal Year 2017-18 Year-End Fiscal Report.
- 5. Recommend to the JPA to approve increased staffing budgets and additional library hours

REPORTS/COMMENTS

- 6. County Librarian
- 7. Financial and Administrative Services Manager
- 8. Finance Committee Members

INFORMATION

ADJOURN

To the next Finance Committee meeting on Wednesday, January 9, 2019 at 2:00 p.m. at the Santa Clara County Library District Services and Support Center, 1370 Dell Avenue, Campbell CA 95008.

In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the County Librarian's Office 24 hours prior to the meeting at (408) 293-2326 x3090, TDD (408) 364-1528.



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FC-*1
10/10/18

**JOINT POWERS AUTHORITY BOARD
FINANCE COMMITTEE MINUTES**
Tuesday, May 15, 2018 at 2:30 p.m.

CALL TO ORDER/ROLL CALL

Committee members present: Mike Wasserman, BOS District 1, Courtenay C. Corrigan, Los Altos Hills, Carl Cahill, Los Altos Hills City Manager, Burton Craig, Monte Sereno and Steve Tate, (2:32 p.m.) Morgan Hill.

Staff in attendance: Chris Brown, Deputy County Librarian, Chuck Griffen, Financial and Administrative Services Manager, Diane Roche, Director of Communications and Marketing and Tracy Ellenberger, Secretary.

CALL TO ORDER/ROLL CALL

Chair Wasserman called the meeting to order at 2:30 p.m. There were no deletions, deferrals or corrections to the agenda.

ORAL COMMUNICATION

None.

CONSENT CALENDAR

ACTION

- *1. Approve Minutes from April 11, 2018, Finance Committee meeting
- *2. Recommend delegation of authority related to the public works contracts for construction management, architectural services and general contractor services for the 1344 Dell Avenue project.
- *3. Accept the following cash gifts:
 - a. Cash donation of \$5,000 to the Santa Clara County Library District and augment the budget for library furniture
 - b. Cash donation of \$31,700 to the Santa Clara County Library District and augment the budget for library materials.
 - c. Cash donation of \$4,500 to the Santa Clara County Library District and augment the budget for library programs and materials.
 - d. Cash donation of \$850.18 to the Santa Clara County Library District and augment the budget for library materials
 - e. Cash donation of \$500 to the Santa Clara County Library District and augment the budget for library programming

MOTION was moved by **Corrigan** and seconded by **Craig** to approve the Consent Calendar items #1 through #3. **The motion passed unanimously by the following vote:**

Ayes: Cahill, Craig, Corrigan and Wasserman

Noes: None

Mayor Tate arrive arrived at 2:32 p.m.

NEW BUSINESS

4. Approve and recommend adoption of the Fiscal Year 2018-2019 Library Budget

MOTION was moved by **Craig** and seconded by **Tate** to approve and recommend adoption of the Fiscal Year 2018-2019 Library Budget **The motion passed unanimously by the following vote:**

Ayes: Cahill, Craig, Corrigan, Tate and Wasserman

Noes: None

5. Receive Independent Audit Report for the year ending June 30, 2017

Scott Diem, Audit Manager from MGO, reviewed the report to the Governing Body (JPA). The Independent Auditor's Report on the Library's Financial Statements issued an unmodified report, i.e., a clean report, with no deficiencies in internal control and no instances of non-compliance.

The Finance Committee received the Independent Audit Report for the year ending June 30, 2017 and recommended acceptance by the JPA Board.

MOTION was moved by **Corrigan** and seconded by **Craig** to receive the Independent Audit Report for the year ending June 30, 2017. **The motion passed unanimously by the following vote:**

Ayes: Cahill, Craig, Corrigan, Tate and Wasserman

Noes: None

6. Receive Annual Review of Capital Maintenance Plan

The Finance Committee received the report on the JPA Board approved Ten-Year Capital Maintenance Plan.

REPORTS/COMMENTS

INFORMATION

7. County Librarian. No report

8. Financial and Administrative Services Manager. No further reports.

9. Finance Committee Members

Vice Chair Corrigan reported that the North County Library Authority (NCLA) approved a \$30,000 dollar expenditure to engage Bryan Godbe of Godbe Research to conduct a community survey to gauge potential support for a 40,000 square foot library in Los Altos.

ADJOURN

Chair Wasserman adjourned the meeting at 2:52 p.m., to the next Finance Committee meeting on Wednesday, October 10, 2018 at 2:00 p.m. at the Santa Clara County Library District Services and Support Center, 1370 Dell Avenue, Campbell CA 95008.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tracy Ellenberger", with a long horizontal flourish extending to the right.

Tracy Ellenberger, Secretary
Library District Joint Powers Authority Board



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FC-*2
10/10/18

JOINT POWERS AUTHORITY BOARD TRANSMITTAL

DATE: October 10, 2018

TO: Finance Committee

FROM: Nancy Howe, County Librarian

SUBJECT: **ACCEPT SANTA CLARA COUNTY LIBRARY DISTRICT
SEMI-ANNUAL GIFT REPORT: JANUARY 1 – JUNE 30, 2018**

RECOMMENDED ACTION

It is recommended that the Finance Committee accept and recommend the Board accept the gifts listed on the enclosed report totaling \$61,418.08

FISCAL IMPLICATIONS

There are no fiscal implications to the County Library since these gifts are from outside sources and no Library funds were used. Library services have been enhanced by these donations.

BACKGROUND/REASONS FOR RECOMMENDATION

The \$61,418.08 represents gifts that have been received by the eight District libraries, Bookmobile, and the Reading Program during the period January 1 through June 30, 2018.

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FC-*3a
10/10/18

JOINT POWERS AUTHORITY BOARD TRANSMITTAL

DATE: October 10, 2018
TO: Finance Committee
FROM: Nancy Howe, County Librarian *NH*
SUBJECT: ACCEPTANCE OF CASH GIFT

RECOMMENDED ACTION

It is recommended the Committee approve and recommend the Board accept a cash donation in the amount of \$5,906.44 made to the Santa Clara County Library District from various donors for library materials.

FISCAL IMPLICATIONS

There are no fiscal implications to the approved Library Budget. The budget for purchases will increase commensurately with the amount of the cash donation.

BACKGROUND/REASON FOR RECOMMENDATION

The Santa Clara County Library has received cash donations from various donors, which are to be appropriated for the acquisition of Adult & Children's library material.

STEPS FOLLOWING APPROVAL

The Library budget will be augmented to reflect this donation. The County Librarian will acknowledge this gift.



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FC-*3b
10/10/18

JOINT POWERS AUTHORITY BOARD TRANSMITTAL

DATE: October 10, 2018
TO: Finance Committee
FROM: Nancy Howe, County Librarian *NH*
SUBJECT: ACCEPTANCE OF CASH GIFT

RECOMMENDED ACTION

It is recommended the Committee approve and recommend the Board accept a cash donation in the amount of \$2,250 to the Cupertino Library from the Cupertino Library Foundation for the courtyard redesign proposal.

FISCAL IMPLICATIONS

There are no fiscal implications to the approved Library Budget. The budget for purchases will increase commensurately with the amount of the cash donation.

BACKGROUND/REASON FOR RECOMMENDATION

The Cupertino Library Foundation have presented the Library with a cash donation, which is to be appropriated for the courtyard redesign proposal.

STEPS FOLLOWING APPROVAL


The Library budget will be augmented to reflect this donation. The County Librarian will acknowledge this gift.



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FC-*3c
10/10/18

JOINT POWERS AUTHORITY BOARD TRANSMITTAL

DATE: October 10, 2018
TO: Finance Committee
FROM: Nancy Howe, County Librarian 
SUBJECT: ACCEPTANCE OF CASH GIFT

RECOMMENDED ACTION

It is recommended the Committee approve and recommend the Board accept a cash donation in the amount of \$2,506.10 to the Cupertino Library from the Friends of the Cupertino Library for library materials.

FISCAL IMPLICATIONS

There are no fiscal implications to the approved Library Budget. The budget for purchases will increase commensurately with the amount of the cash donation.

BACKGROUND/REASON FOR RECOMMENDATION

The Friends of the Cupertino Library have presented the Library with a cash donation, which is to be appropriated for library materials.

STEPS FOLLOWING APPROVAL

The Library budget will be augmented to reflect this donation. The County Librarian will acknowledge this gift.



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FC-*3d
10/10/18

JOINT POWERS AUTHORITY BOARD TRANSMITTAL

DATE: October 10, 2018
TO: Finance Committee
FROM: Nancy Howe, County Librarian *NH*
SUBJECT: ACCEPTANCE OF CASH GIFT

RECOMMENDED ACTION

It is recommended the Committee approve and recommend the Board accept a cash donation in the amount \$8,000 made to the Gilroy Library from the Friends of the Gilroy Library for library programming and supplies.

FISCAL IMPLICATIONS

There are no fiscal implications to the approved Library Budget. The budget for purchases will increase commensurately with the amount of the cash donation.

BACKGROUND/REASON FOR RECOMMENDATION

The Friends of the Gilroy Library has presented the Library with a cash donation, which is to be appropriated for library programming and supplies.

STEPS FOLLOWING APPROVAL

The Library budget will be augmented to reflect this donation. The County Librarian will acknowledge this gift.



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FC-*3e
10/10/18

JOINT POWERS AUTHORITY BOARD TRANSMITTAL

DATE: October 10, 2018

TO: Finance Committee

FROM: Nancy Howe, County Librarian *NH*

SUBJECT: **ACCEPTANCE OF CASH GIFT**

RECOMMENDED ACTION

It is recommended the Committee approve and recommend the Board accept a cash donation in the amount of \$1,500 to the Los Altos Library from Albert and Kathryn Chen for furniture and space improvements.

FISCAL IMPLICATIONS

There are no fiscal implications to the approved Library Budget. The budget for purchases will increase commensurately with the amount of the cash donation.

BACKGROUND/REASON FOR RECOMMENDATION

Albert and Kathryn Chen have presented the Library with a cash donation, which is to be appropriated for furniture and space improvements.

STEPS FOLLOWING APPROVAL

The Library budget will be augmented to reflect this donation. The County Librarian will acknowledge this gift.



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FC-*3f
10/10/18

JOINT POWERS AUTHORITY BOARD TRANSMITTAL

DATE: October 10, 2018

TO: Finance Committee

FROM: Nancy Howe, County Librarian ✓

SUBJECT: **ACCEPTANCE OF CASH GIFT**

RECOMMENDED ACTION

It is recommended the Committee approve and recommend the Board accept a cash donation in the amount of \$30,000 to the Los Altos Library from the Friends of the Los Altos Library for library materials.

FISCAL IMPLICATIONS

There are no fiscal implications to the approved Library Budget. The budget for purchases will increase commensurately with the amount of the cash donation.

BACKGROUND/REASON FOR RECOMMENDATION

The Friends of the Los Altos Library have presented the Library with a cash donation which is to be appropriated for library materials.

STEPS FOLLOWING APPROVAL

The Library budget will be augmented to reflect this donation. The County Librarian will acknowledge this gift.



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FC-*3g
10/10/18

**JOINT POWERS AUTHORITY
BOARD TRANSMITTAL**

DATE: October 10, 2018
TO: Finance Committee
FROM: Nancy Howe, County Librarian *NH*
SUBJECT: ACCEPTANCE OF CASH GIFT

RECOMMENDED ACTION

It is recommended the Committee approve and recommend the Board accept a cash donation in the amount of \$30,000 made to the Los Altos Library from the Los Altos Library Endowment for library materials and programming.

FISCAL IMPLICATIONS

There are no fiscal implications to the approved Library Budget. The budget for purchases will increase commensurately with the amount of the cash donation.

BACKGROUND/REASON FOR RECOMMENDATION

The Los Altos Library Endowment has presented the Library with a cash donation, which is to be appropriated for library materials and programming.

STEPS FOLLOWING APPROVAL

The Library budget will be augmented to reflect this donation. The County Librarian will acknowledge this gift.



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FC-*3h
10/10/18

**JOINT POWERS AUTHORITY
BOARD TRANSMITTAL**

DATE: October 10, 2018
TO: Finance Committee
FROM: Nancy Howe, County Librarian *NH*
SUBJECT: **ACCEPTANCE OF CASH GIFT**

RECOMMENDED ACTION

It is recommended the Committee approve and recommend the Board accept a cash donation in the amount of \$14,000 made to the Milpitas Library from the Friends of the Milpitas Library for library materials and Reading Program.

FISCAL IMPLICATIONS

There are no fiscal implications to the approved Library Budget. The budget for purchases will increase commensurately with the amount of the cash donation.

BACKGROUND/REASON FOR RECOMMENDATION

The Friends of the Milpitas Library has presented the Library with a cash donation, which is to be appropriated for library materials and Reading Program.

STEPS FOLLOWING APPROVAL

The Library budget will be augmented to reflect this donation. The County Librarian will acknowledge this gift.



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FC-*3j
10/10/18

JOINT POWERS AUTHORITY BOARD TRANSMITTAL

DATE: October 10, 2018

TO: Finance Committee

FROM: Nancy Howe, County Librarian *NH*

SUBJECT: ACCEPTANCE OF CASH GIFT

RECOMMENDED ACTION

It is recommended the Committee approve and recommend the Board accept a cash donation in the amount \$142,000 made to the Saratoga Library from the Friends of the Saratoga Library for library materials and programming.

FISCAL IMPLICATIONS

There are no fiscal implications to the approved Library Budget. The budget for purchases will increase commensurately with the amount of the cash donation.

BACKGROUND/REASON FOR RECOMMENDATION

The Friends of the Saratoga Library has presented the Library with a cash donation which is to be appropriated for library materials and programming.

STEPS FOLLOWING APPROVAL

The Library budget will be augmented to reflect this donation. The County Librarian will acknowledge this gift.



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FC-4
10/10/18

JOINT POWERS AUTHORITY BOARD TRANSMITTAL

DATE: October 10, 2018

TO: Finance Committee

FROM: Nancy Howe, County Librarian *NH*

SUBJECT: **ACCEPT FISCAL YEAR 2017-18 YEAR-END FISCAL REPORT**

RECOMMENDED ACTIONS

It is recommended that the Committee review and recommend the Board accept the attached Fiscal Report for the Santa Clara County Library District for the period ending June 30, 2018.

FISCAL IMPLICATIONS

The recommended action does not affect revenues or expenditures as recorded in the County of Santa Clara's financial accounting system. Reconciliation of accounts shows the following for the close of fiscal year 2017-18.

- FY 2017-18 Current Revenue: \$50,714,818
- FY 2017-18 Operating Expenditures: \$46,219,883
- Revenue Exceeds Operating Expenditures by: \$ 4,494,935
- Library Fund Net Equity including Designated Reserves: \$42,766,834

Please see the attached report for a detailed account analysis of the fiscal year 2017-18 year-end close.

BACKGROUND/REASONS FOR RECOMMENDATION

Acceptance of this report by the JPA will acknowledge that the books have been closed for fiscal year 2017-18.

Fiscal Year 2017-2018
Year-end Review of Revenue

REVENUE SOURCE	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Actual	Variance from Prior Year
Supplemental Roll	\$ 1,031,860	\$ 979,941	\$ 1,120,524	\$ 88,664
Property Tax - Current Secure	26,438,862	26,831,914	27,950,060	1,511,198
Property Tax - Current Unsecured	1,998,572	2,080,219	1,980,009	(18,563)
Property Tax - Unitary Roll	785,022	800,914	811,324	26,302
RPTTF Residual	1,248,791	1,300,000	1,462,266	213,474
Property Tax - Others	2,065,785	1,300,000	3,363,534	1,297,749
RDA Pass-through	796,642	796,000	905,283	108,641
Motor Vehicle in Lieu Tax	<u>3,036,025</u>	<u>3,188,000</u>	<u>3,259,344</u>	<u>223,320</u>
Subtotal All Property Tax	\$ 37,401,559	\$ 37,276,988	\$ 40,852,344	\$ 3,450,785
Library Fees and Charges	\$ 235,821	\$ 230,000	\$ 234,602	\$ (1,219)
Library Overdue Fines	312,686	312,000	291,833	(20,853)
Interest Earnings	320,163	250,000	496,851	176,687
Homeowner Prop. Tax Relief	146,139	142,741	143,593	(2,546)
State LSCA	83,188	46,000	77,333	(5,855)
Other State Grants	15	0	4,050	4,035
Contributions from Cities	1,273,699	1,601,982	1,584,993	311,294
Special Tax	5,857,783	5,824,984	5,824,974	(32,809)
Other Library Services	20,807	64,000	63,012	42,204
Contributions & Donations	1,031,012	562,813	705,547	(325,466)
Misc. Income and Adj.	32,635	10,000	49,368	16,733
Contribution from County	449,490	351,004	351,004	(98,486)
Federal Medicare Credit	<u>47,374</u>	<u>30,000</u>	<u>35,304</u>	<u>(12,070)</u>
SUBTOTAL	\$ 9,810,812	\$ 9,425,524	\$ 9,862,464	\$ 51,652
Total Current Revenue	\$ 47,212,371	\$ 46,702,512	\$ 50,714,808	\$ 3,502,437

Fiscal Year 2017-2018
Year-end Review of Expenditures

EXPENDITURE CATEGORY	FY 16-17 ACTUAL	FY 17-18 BUDGET	FY 17-18 ACTUAL	Variance from Prior Year
Permanent Employees	\$ 15,159,926	\$ 16,376,730	\$ 16,810,779	\$ 1,650,853
Temporary Employees	1,367,705	1,576,156	1,335,926	(31,780)
Overtime	13,617		12,892	(726)
Unemployment Insurance	16,812	5,661	5,583	(11,229)
Premium Pay	281,837	276,000	317,785	35,948
Call Duty				0
Uniform Allowance	70	1,000	500	430
Health Insurance	3,829,936	3,811,842	4,216,164	386,229
Retiree Health Insurance	1,922,075	1,946,100	2,365,179	443,104
FICA Soc.Sec.- Medicare	1,226,237	1,238,290	1,349,935	123,698
PERS Retirement	3,257,168	3,444,719	3,454,608	197,440
Workers' Comp. Insurance	584,530	315,282	351,936	(232,594)
Salary wo Benefits & Misc.	0	1,781,650	0	0
Holiday Overtime	37,667	0	36,280	(1,387)
Total Object 1	\$ 27,697,581	\$ 30,773,430	\$ 30,257,567	\$ 2,559,986
Safety Shoes	\$ 1,555	\$ 3,309	\$ 3,108	\$ 1,553
Telephone Service	343,701	236,211	101,142	(242,559)
Insurance	187,549	217,758	215,211	27,661
Equipment Maint.	191,635	684,132	937,493	745,858
Structure Maint & Improve.	765,964	3,129,163	665,429	(100,535)
Office & Book Proc.Supplies	578,847	599,835	605,159	26,312
Incentives and Promotions	61,647	50,000	23,823	(37,825)
Summer Reading Marketing	14,057	22,500	27,380	13,323
Co. Professional Serv.	29,971	35,590	29,642	(329)
Prof.&Specialized Ser.	852,308	1,540,680	653,685	(198,623)
Contract Services Literacy	32,489	0	43,617	11,128
Co. Data Processing	306,978	361,354	297,932	(9,046)
Data Processing Services	54,048	65,000	52,410	(1,638)
Equipment Rent/Lease	167,949	187,000	190,925	22,976
Building Rent	427,782	442,253	505,029	77,247
Small Tools& Equip.	78,526	118,569	55,207	(23,319)
Furniture	77,575	282,272	461,312	383,737
Education Expense	3,179	22,000	6,591	3,412
Workshops, Conferences	24,356	30,000	31,231	6,875
Books	5,535,253	6,827,432	6,614,473	1,079,220
Membership Dues	50,472	55,500	50,366	(106)
External Printing	86,640	200,077	110,102	23,462

EXPENDITURE CATEGORY	FY 16-17 ACTUAL	FY 17-18 BUDGET	FY 17-18 ACTUAL	Variance from Prior Year
Business Travel & Meetings	\$46,006	\$68,000	\$70,439	\$24,433
Auto. Mileage Reimb.	15,106	22,500	20,503	5,397
Garage Fleet Services	58,460	59,076	69,710	11,250
Utilities	1,141,224	1,211,000	1,112,866	(28,358)
County Overhead	548,003	757,476	757,476	209,473
PC Hardware	1,957,768	1,780,055	928,460	(1,029,307)
PC & Application Software	655,709	935,250	836,424	180,716
Postage	10,336	200,000	15,157	4,821
Mailroom/Postage	10,590	9,210	9,783	(807)
Settlement & Misc. Expense	27,481	47,000	65,925	38,444
Transfer to Los Altos Library Endowment	500,000	0	0	(500,000)
Total Object 2	\$ 14,843,163	\$ 20,200,202	\$ 15,568,010	\$ 724,846
Equipment	\$ 2,330,453	\$ 1,785,425	\$ 147,310	\$ (2,183,143)
Vehicles	296,321	451,968	246,996	(49,325)
GRAND TOTAL	\$ 45,167,519	\$ 53,211,025	\$ 46,219,882	\$ 1,052,364

Designated Reserves

	FY 17-18 Beginning	FY 17-18 End
Designated Reserves		
Building Reserve	\$ 7,834,000	\$ 5,904,000
Technology Reserve	2,643,017	400,000
Total	\$ 10,477,017	\$ 6,304,000

FUND BALANCE STATUS June 30, 2018

<u>Category</u>	<u>June 30, 2018</u>
Designated Reserves	\$ 6,304,000
Reserves for Economic Uncertainty	\$ 13,000,000
1344 Dell Avenue Fund Balance	\$ 7,800,000
Reserve for Encumbrances	\$ 1,448,933
Undesignated Fund Balance	\$ 14,213,901
Net Fund Equity	\$ 42,766,834
<u>Other Library Funds</u>	
Fund 1701 -- Silicon Valley Reads	\$ 19,056
Fund 1700 -- Special Tax	\$ 196,466
Total Net Equity -- All Funds	\$ 42,982,355

OPERATING SOURCE & USE STATEMENT -- FUND 0025

SOURCES OF FUNDS	2016-17 Actual	2017-18 Adopted	2017-18 Modified	2017-18 Actual
Beginning Fund Balance				
Building Reserve	8,364,000	7,834,000	7,834,000	7,834,000
Technology Reserve	7,316,695	2,493,017	2,643,017	2,643,017
Economic Uncertainty Reserve	11,576,000	11,576,000	13,000,000	13,000,000
Encumbrances	1,007,837	1,007,837	1,960,067	1,960,067
Undesignated Fund Balance	7,962,514	9,155,669	12,834,814	12,834,814
Total Beginning Fund Balance	36,227,046	32,066,523	38,271,899	38,271,899
Revenue				
Property Tax	37,401,559	37,276,988	37,276,988	40,852,344
State Sources	83,203	46,000	46,000	81,383
Special Tax	5,857,783	5,824,984	5,824,984	5,824,984
City/County Contribution	1,723,189	1,621,482	1,952,986	1,935,997
Fines & Fees	548,507	542,000	542,000	526,435
Other	1,598,130	446,741	1,059,554	1,493,675
Total Current Revenue	47,212,371	45,758,195	46,702,512	50,714,818
TOTAL SOURCES OF FUNDS	83,439,417	77,824,718	84,974,411	88,986,717
USES OF FUNDS				
Expenditures				
Personnel	27,697,581	30,238,846	30,773,430	30,257,567
Books and Materials	5,535,253	6,406,147	6,827,432	6,614,473
Facilities	2,943,795	5,097,470	5,518,657	3,060,989
Services and Supplies	6,364,115	7,134,425	7,854,114	5,892,548
Total Operating Budget	42,540,744	48,876,888	50,973,633	45,825,577
Fixed Assets and Vehicles				
Equipment	2,330,453	1,710,017	1,785,425	147,310
Vehicles	296,321	60,000	451,968	246,996
Total Fixed Assets	2,626,774	1,770,017	2,237,393	394,306
Capital Expenditures	0	0	0	0
Ending Fund Balance				
Building Reserve	7,834,000	5,904,000	5,904,000	5,904,000
Technology Reserve	2,643,017	400,000	400,000	400,000
Economic Uncertainty Reserve	13,000,000	13,000,000	13,000,000	13,000,000
1344 Dell Avenue Fund Balance				7,800,000
Encumbrances	1,960,067	1,007,837	1,960,067	1,448,933
Undesignated Fund Balance	12,834,814	6,865,976	10,499,317	14,213,900
Total Ending Fund Balance	38,271,899	27,177,813	31,763,384	42,766,834
TOTAL USES OF FUNDS	83,439,417	77,824,718	84,974,411	88,986,717



Services & Support Center, 1370 Dell Avenue, Campbell, CA 95008-6604 | www.sacl.org | 408-293-2326

FC-5
10/10/18

**JOINT POWERS AUTHORITY
BOARD TRANSMITTAL**

DATE: October 10, 2018

TO: Finance Committee

FROM: Nancy Howe, County Librarian *nh/org*

SUBJECT: **RECOMMEND THAT THE JPA BOARD APPROVE INCREASED STAFFING BUDGETS AND ADDITIONAL LIBRARY HOURS THROUGHOUT THE LIBRARY SYSTEM**

RECOMMENDED ACTION

It is requested that the Finance Committee recommend the JPA Board approve a \$1,950,000 annualized increase to the Library's staffing budget.

For the Campbell, Gilroy, Morgan Hill, and Saratoga Community Libraries, the budget increase would add the following positions for expanded operating hours, subject to the JPA-adopted funding formula:

- 0.75 Part-Time Librarian, 0.50 Part-Time Library Clerk, 0.50 Library Page, 208 extra Janitor hours, 572 Extra Help Librarian hours, and 156 Extra Help Page hours at Campbell Community Library;
- 0.50 Part-Time Librarian, 0.50 part-Time Library Clerk, 0.50 Part-Time Library Assistant, 0.50 Library Page, and 364 extra Janitor hours at Gilroy Community Library;
- 1.0 Full-Time Librarian (with the reduction of 0.50 Part-Time Librarian to be moved to Gilroy Community Library, as described above), 1.0 Full-Time Library Clerk, 300 extra Librarian hours, 200 extra Library Page hours, and 100 extra help Librarian hours at Morgan Hill Community Library
- 0.50 Part-Time Librarian, 0.50 Part-Time Library Clerk, 1.0 FTE Part-Time Library Page, 318 extra Janitor hours, 208 extra Librarian hours, 208 extra Library Page hours, 208 extra Library Clerk hours, 312 Extra Help Librarian hours, and 416 Extra Help Library Page hours at Saratoga Community Library.

This will allow the Campbell and Gilroy Community Libraries to expand to a 7 day/week operation, adding 1 pm to 5 pm on Sundays, effective February 2019. This will also allow Saratoga Community Library to expand its Sunday operating hours from 1 pm – 5 pm to 10 am – 6 pm (similar to its Wednesday-Saturday operating hours), also effective February of 2019.

While it is anticipated that the Morgan Hill Community Library will add Sunday hours in December of 2018 based on its existing 2018-19 fiscal year staff budget allocation, the additional positions proposed herein will be evaluated after a six month period to see what further expanded hours can be supported.

Pursuant to the JPA-adopted funding formula, a proportional amount of the Library staffing budget will be allocated to the three Community Libraries currently open at least 71 hours/week (Cupertino, Los Altos, and Milpitas). After further study and discussion with the three respective Library Commissions and the three respective funding partners (the Cities of Cupertino and Milpitas and the North County Library Authority), recommendations will be brought back to the Finance Committee and JPA Board in January 2019.

FISCAL IMPLICATIONS

Based on ongoing data collection and metrics related to output measures for each open hour, requests for additional staffing have been developed in concert with the Community Librarian at each Library to ensure the best possible outcomes for the public. Fiscal resources are sufficient to ensure at least a two-year commitment for this increased staffing budget and additional operating hours.

BACKGROUND/REASONS FOR THE RECOMMENDATIONS

As directed by the JPA Board, staff presented a range of costs to enable all libraries to be open a minimum of 52, 61, or 71 hours per week at the April 26, 2018 JPA Board meeting. Chair Wasserman requested that any motion taken by the Board allows Gilroy, Campbell, and Morgan Hill Community Libraries to open on Sundays, and that there should be a minimum standard that all libraries be open every day of the week. The Board unanimously approved the 61 hour/week option, should additional revenue become available, with the goal of moving to 71 hours/week if feasible.

At this point, the 61 hour/week and 71 hour/week scenarios are not financially feasible. Since the JPA's Joint Exercise of Powers Agreement dictates that any incremental funding for staff at each library be subject to the JPA-approved funding formula, even the 61 hour/week option is cost prohibitive; while the cost for additional staff needed to get Campbell, Gilroy, Morgan Hill and Saratoga Community Libraries open 61 hours/week was estimated at over \$1.3 million, the amount of revenue that would be needed to run through the funding formula would be closer to \$3.8 million annually, which is not currently supported by ongoing annual revenues. However, additional property tax revenue is available to allow for at least 52 operating hours at each Community Library. Ongoing revenues and expenses will be closely monitored annually with the goal of further expansion of hours in mind.