



Item 4.a

**JOINT POWERS AUTHORITY
BOARD TRANSMITTAL**

DATE: June 3, 2021

TO: Joint Powers Authority Board

FROM: Jennifer Weeks, County Librarian

SUBJECT: **Adopt the Fiscal Year 2021-22 Santa Clara County Library District Budget**

RECOMMENDED ACTIONS

It is recommended that the Board adopt the Fiscal Year 2021-2022 Final Budget.

BACKGROUND/REASONS FOR RECOMMENDATION

There is no change from the budget previously reviewed by the JPA Board in April. This action represents final budget approval, which was recommended by the JPA Finance Committee at its May 19, 2021 meeting.

While the COVID-19 pandemic has temporarily limited the number of public service hours and accessible spaces throughout the Library system, over the past 13 months, the Library District deftly pivoted to provide improved online access to eBooks, electronic materials and virtual programming while reimagining public spaces to allow for expansion of Wi-Fi to Library parking lots, the creation of safe curbside and lobby service plus printing and computer access. Ultimately, the percentage of population vaccinated will increase, the Library's Disaster Service Workers will eventually return, and the State and County will allow our public spaces to fully re-open. As the timeframe for these events remains uncertain, this budget provides staffing for pre-pandemic hours of operation to allow for the recruitment and filling of vacant positions as we are able to do so.

A key component of this budget is the presumed continuation of ERAF reimbursements from the State. For the past year, it was unclear how the State's recalculation of this significant revenue source would affect the library system. Although the State's high level guidance on this recalculation remains somewhat vague, the County has provided revised revenue estimates for the Fiscal Years 2020-21 and 2021-22 and is awaiting State confirmation. Fortunately, the Library District has significant reserves set aside in case these estimates were overly optimistic; and this preliminary budget proposes an increase to these reserves, with additional increases likely coming to the Finance Committees and JPA Board in January 2022.

As mentioned on page 11 of this budget document, the Library District will continue to reserve the following amounts for future use:

- \$6,112,000 Capital Maintenance Reserve (for major capital maintenance needs expected over the next ten years;
- \$18,897,901 Economic Uncertainty Reserve (a \$1.9 million increase);
- \$7,800,000 1344 Dell Avenue Capital Program.

As a result, the Library District remains well-positioned to confront future revenue fluctuations with prudently planned fiscal resources.

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Santa Clara County Library District - Fiscal Year 2021-2022 FINAL BUDGET SUMMARY

Estimated Revenue:

Property Taxes	55,659,406
State Sources	53,523
Special Tax	5,999,484
City/ County Contribution	1,240,863
Fines & Fees	250,000
Other	<u>1,374,649</u>
TOTAL Current Revenue	<u>64,577,924</u>

Transfer from Cap. & IT Res.	2,937,000
2020-21 Budget Rollover	<u>5,397,610</u>

Requested Expenditures:

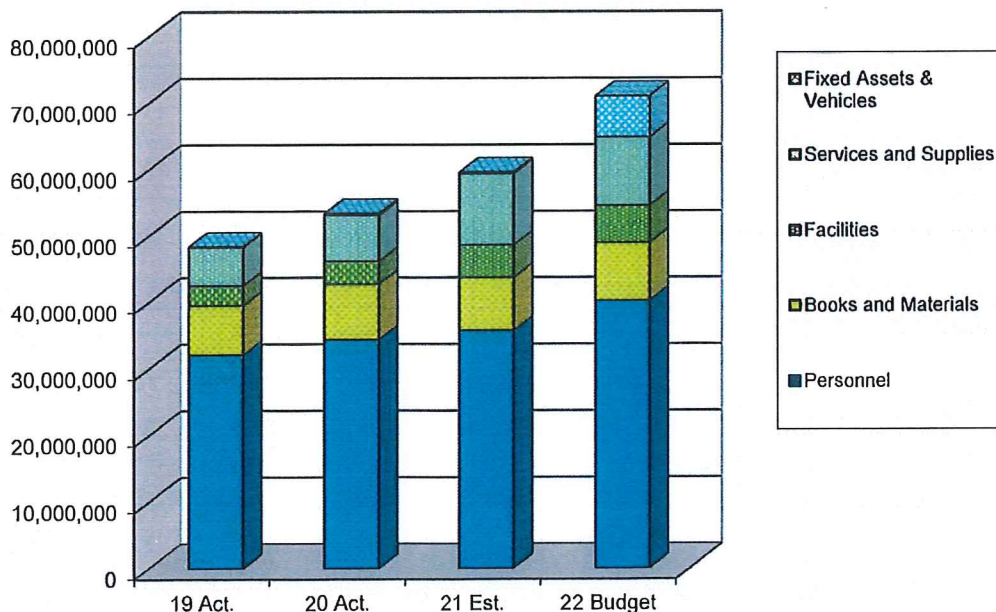
Personnel	40,249,344
Books and Materials	8,718,020
Facilities	5,604,677
Services and Supplies	<u>10,292,593</u>
TOTAL Operating Budget	<u>64,864,633</u>

Increase to Reserves	1,897,901
Fixed Assets & Vehicles	<u>6,150,000</u>

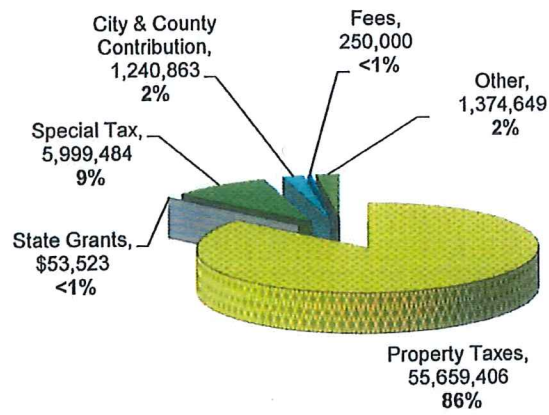
TOTAL \$72,912,534

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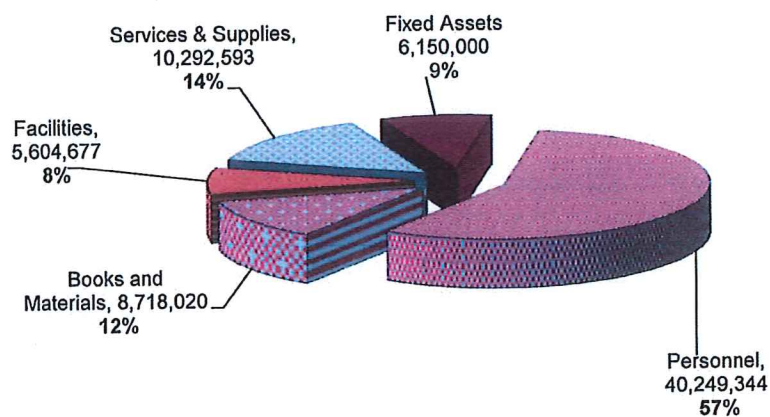
Four-Year Expenditure Trend



Fiscal Year 2021-2022 Library Revenue



Fiscal Year 2021-2022 Library Expenditures



Santa Clara County Library Budget

Fiscal Year 2021-2022

Four-Year Recap of Revenue & Expenses

	FY 18-19 Actual	FY 19-20 Actual	FY 20-21 Approved	FY 20-21 Estimated	FY 21-22 Budget
REVENUE					
Property Taxes	46,805,141	51,828,991	47,343,720	53,789,168	55,659,406
State Grants	180,635	137,738	53,523	53,523	53,523
Special Tax	5,855,190	5,942,468	5,996,705	5,996,705	5,999,484
City & County Contribution	1,999,495	910,215	618,458	51,000	1,240,863
Fines & Fees	575,570	405,817	550,000	260,000	250,000
Other	1,716,483	1,690,980	1,264,716	1,048,882	1,374,649
TOTAL	57,132,514	60,916,210	55,827,122	61,199,278	64,577,924
Transfer from Cap. & IT Reserves	0	0	5,944,000	5,944,000	2,937,000
Transfer from Prior Year	0	0	5,563,971	5,563,971	5,397,610
TOTAL FINANCING AVAILABLE	57,132,514	60,916,210	67,335,093	72,707,249	72,912,534

EXPENSES

Personnel	32,128,919	34,407,430	39,788,096	35,788,096	40,249,344
Books and Materials	7,406,012	8,322,228	7,927,451	7,932,451	8,718,020
Facilities	2,960,093	3,448,276	5,616,311	4,882,280	5,604,677
Services and Supplies	5,815,801	6,974,823	9,481,098	10,781,645	10,292,593
Fixed Assets & Vehicles	62,706	251,320	4,522,136	207,000	6,150,000
Increase to Reserve for Economic Uncertainty					1,897,901
TOTAL	48,373,531	53,404,077	67,335,093	59,591,472	72,912,534

Fiscal Year 2021-2022
REVENUE PROJECTION

REVENUE SOURCE	FY 19-20 Actual	FY 20-21 Budget	FY 20-21 Projected	FY 21-22 Budget	Variance from Approved
Supplemental Roll	\$ 918,399	\$ 824,445	\$ 750,896	\$ 416,896	\$ (407,549)
Property Tax - Current Secured	31,694,655	31,847,691	32,966,430	34,016,253	2,168,562
Property Tax - RDA Distribution	1,771,593	1,662,178	2,271,823	1,929,175	266,997
Property Tax - Current Unsecured	2,215,684	2,220,300	2,110,468	1,711,468	-508,832
ERAF Reimbursements	9,386,422	4,667,000	9,480,315	11,376,378	6,709,378
Property Tax - Unitary Roll	859,005	885,106	869,237	869,237	-15,869
Property Tax- VLF in lieu	3,735,554	3,989,000	3,992,000	3,992,000	3,000
RDA- Property Tax Pass-thru	1,247,679	1,248,000	1,348,000	1,348,000	100,000
Subtotal All Property Tax	\$51,828,991	\$47,343,720	\$53,789,168	\$55,659,406	\$8,315,686
Library Fees and Charges	\$ 175,534	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Library Overdue Fines	230,283	300,000	10,000	0	(300,000)
Interest Earnings	880,211	750,000	850,000	850,000	100,000
Homeowner Prop. Tax Relief	140,390	139,222	137,632	134,632	(4,590)
State LSCA	103,791	53,523	53,523	53,523	0
Other State Grants	33,947	0	0	0	0
Contributions from Cities	567,458	567,458	0	1,189,863	622,405
Special Tax - CFD	5,942,468	5,996,705	5,996,705	5,999,484	2,779
Other Library Services	5,087	21,250	21,250	21,250	0
Contributions & Donations	415,565	0	0	0	0
Passport Fees	192,095	314,244	0	328,767	14,523
Misc. Income	24,041	10,000	10,000	10,000	0
Transfer from County	342,757	51,000	51,000	51,000	0
Federal Medicare Credit	33,591	30,000	30,000	30,000	0
Subtotal All Other Sources	\$9,087,219	\$8,483,402	\$7,410,110	\$8,918,518	\$435,116
TOTAL	60,916,210	\$55,827,122	\$61,199,278	\$64,577,924	\$8,750,802
Budget Rollover from Prior Year	\$0	\$5,563,971	\$5,563,971	\$5,397,610	(\$166,361)
Transfer from Cap. & IT Reserves	\$0	\$5,944,000	\$5,944,000	\$2,937,000	(\$3,007,000)
GRAND TOTAL	\$60,916,210	\$67,335,093	\$72,707,249	\$72,912,534	\$5,577,441

Estimates from the County Controller's Office predict an increase to overall property taxes in 2021-22, primarily due to an estimated 20% increase in ERAF reimbursements. All other revenue sources remain relatively flat, with the exception of "Contributions from Cities" -- although the full cost of additional hours paid for by the North County Library Authority, the City of Milpitas, and the City of Cupertino represented by this line item is higher at \$1,930,216, estimated property tax collections are sufficient to cover a portion of this cost; however, actual charges for these additional hours may be lower depending on when pre-pandemic hours are reinstated at all library locations. The "Budget Rollover from Prior Year" represents specific projects budgeted in 2020-21 that will not be accomplished until 2021-22. The "Transfer from Reserves" represents FY 2021-2022 projects for which funding was set aside by the JPA Board in its approval of the Technology and Capital Maintenance Plans.

FISCAL YEAR 2021-2022 PERSONNEL REQUEST

The proposed personnel budget of \$40,249,344 reflects a \$461,247 increase from the original JPA-approved Fiscal Year 2020-21 personnel budget associated with the following personnel actions:

- A 5% increase (\$1.96 million) in combined contract-negotiated salary and benefit increases
- The addition of four extra help Public Safety Officers (\$138,000)
- \$1.68 million in savings from the elimination of 18 positions (14.5 FTE) as part of the Voluntary Separation Incentive Program ("VSIP")

No new positions are being added at this time. While this personnel budget represents staffing needed for pre-pandemic hours, it is unknown at this time how soon library staff will return from Disaster Service Work and when the libraries will be allowed to fully resume all operations.

Personnel Budget
FY 2021-2022

Expenditure & Revenue Recap

2021-22	Traditional	CFD	Local/Gifts	Passport	Transfer	TOTAL
REVENUES						
	\$57,059,811	\$5,999,484	\$1,189,863	\$328,767	\$8,334,610	\$72,912,534
EXPENDITURES						
Operating	\$13,712,660.00				\$2,184,610	\$15,897,270
Capital	\$0				\$6,150,000	\$6,150,000
Books, Etc.	\$7,518,123	\$1,199,897	\$0			\$8,718,020
Personnel	\$33,931,127	\$4,799,587	\$1,189,863	\$328,767		\$40,249,344
TOTAL	\$55,161,910	\$5,999,484	\$1,189,863	\$328,767	\$8,334,610	\$71,014,634

Community Facilities District Recap

CFD REVENUES		Personnel	Books
Campbell	582,092	\$465,674	\$116,418
Cupertino	762,540	\$610,032	\$152,508
Gilroy	734,941	\$587,953	\$146,988
Los Altos/Wo	505,300	\$404,240	\$101,060
Milpitas	1,117,905	\$894,324	\$223,581
Morgan Hill	627,889	\$502,311	\$125,578
Saratoga/MS	437,326	\$349,861	\$87,465
Subtotal	4,767,993	\$3,814,394	\$953,599
Bookmobile*		\$591,017	\$70,000
Unincorporated*	1,231,491	\$394,176	\$176,298
Total	\$5,999,484	\$4,799,587	\$1,199,897

Salary and Benefit Recap

PERSONNEL	Formula Share	Traditional by Platform	Remainder by Formula	100% CFD Return	Unincorp CFD by formula	Passport Fees	Specific Place \$ (City/NCLA)	FY22 TOTAL	FY21 Budgeted	Change from FY21
Campbell	11.42%	\$1,460,223	\$1,082,370	\$465,674	\$45,002			\$3,053,270	\$3,102,113	(\$48,843)
Cupertino	22.37%	\$2,399,123	\$2,120,899	\$610,032	\$88,182	\$109,589	\$371,738	\$5,699,562	\$5,517,791	\$181,770
Gilroy	10.03%	\$1,572,529	\$951,306	\$587,953	\$39,553			\$3,151,341	\$2,926,705	\$224,636
Los Altos/Woodland	16.59%	\$2,030,601	\$1,573,226	\$404,240	\$65,411	\$109,589	\$478,661	\$4,661,728	\$4,535,628	\$126,100
Milpitas	17.55%	\$1,969,524	\$1,664,106	\$894,324	\$69,189	\$109,589	\$339,464	\$5,046,196	\$5,032,837	\$13,358
Morgan Hill	9.50%	\$1,330,474	\$901,031	\$502,311	\$37,463			\$2,771,278	\$2,845,802	(\$74,524)
Saratoga	12.53%	\$1,652,399	\$1,187,556	\$349,861	\$49,376			\$3,239,191	\$3,331,934	(\$92,743)
Sub-Total Libraries	100%	\$12,414,872	\$9,480,493	\$3,814,394	\$394,176	\$328,767	\$1,189,863	\$27,622,566	\$27,292,811	\$329,755
Headquarters		\$11,604,440						\$11,604,440	\$11,504,882	\$99,558
The Reading Program		\$431,318						\$431,318	\$423,437	\$7,881
Bookmobile					\$591,017			\$591,017	\$566,963	\$24,054
GRAND TOTAL		\$24,450,631	\$9,480,493	\$3,814,394	\$985,193	\$328,767	\$1,189,863	\$40,249,341	\$39,788,093	\$461,248

*Bookmobile expenses are deducted from the Unincorporated Revenues before applying formula to Unincorporated CFD

**Santa Clara County Library District
FTE from FY 2011-2012 to FY 2021-2022**

The following totals included benefited positions, extra help positions and allocations of extra hours for part-time employees:

Headquarters	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Administration	6.0	6.0	6.5	6.5	6.5	6.5	8.5	9.5	13.0	14.0	14.0
Business Office	13.9	14.0	13.5	13.6	14.2	14.6	15.1	16.1	18.1	20.1	19.1
Public Services	5.6	6.2	6.2	6.2	7.4	7.4	7.4	6.5	8.5	8.5	7.5
Computer Support	7.3	7.1	7.1	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Tech & Digital Svcs	16.8	16.7	16.7	16.7	16.7	17.7	18.7	19.7	19.7	18.7	17.7
Subtotal	49.5	50.0	50.0	50.0	51.8	53.2	56.8	58.8	66.3	68.3	65.3
Percent of total	19.5%	19.6%	20.0%	19.9%	20.0%	19.9%	19.8%	19.9%	20.0%	19.9%	19.8%
Direct Service	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Centr. Pub. Svc.	5.5	5.5	6.9	6.9	6.9	9.4	9.0	9.0	13.0	13.0	13.0
Bookmobile	3.3	3.2	3.2	3.2	3.2	3.7	4.5	5.0	5.0	5.0	5.0
Campbell	20.6	21.3	20.7	21.0	21.3	22.2	23.2	23.2	27.2	28.2	26.7
Cupertino	37.8	40.8	38.8	39.4	39.8	40.4	41.9	43.8	49.7	51.7	47.8
Gilroy	20.4	21.1	20.5	20.6	20.9	21.0	22.0	22.4	25.4	26.9	27.1
Literacy	2.5	2.9	2.9	2.9	2.9	3.1	3.0	3.5	3.5	3.5	3.5
Los Altos	30.0	29.7	28.8	28.8	30.1	30.6	32.3	32.3	34.5	36.0	35.2
Woodland	4.1	4.1	4.1	4.1	4.8	4.8	5.0	5.9	5.9	5.9	5.9
Milpitas	37.7	32.6	30.9	31.1	33.1	33.7	41.4	43.3	44.0	46.0	44.2
Morgan Hill	19.5	20.3	20.0	20.0	20.8	21.4	21.9	22.5	26.9	26.7	25.4
Saratoga	22.9	23.9	23.4	23.6	23.9	24.4	25.2	25.7	30.1	31.6	31.1
Subtotal	204.1	205.3	200.1	201.5	207.6	214.7	229.3	236.5	265.2	274.6	264.9
Percent of total	80.5%	80.4%	80.0%	80.1%	80.0%	80.1%	80.2%	80.1%	80.0%	80.1%	80.2%
Total FTE	253.6	255.2	250.1	251.5	259.5	268.0	286.0	295.3	331.6	342.8	330.1

	2020/21	2021/22
Benefited FTE:	285.3	269.8
Extra Help FTE:	33.7	35.7
Extra Hours FTE:	23.9	24.7
TOTAL:	342.8	330.1

Fiscal Year 2021-2022 Facilities, Services and Supplies Request

EXPENDITURE CATEGORY	FY 19-20 ACTUAL	FY 20-21 Budget (Adj)	FY 20-21 Projected	FY 21-22 Proposed Budget	Change
Safety Shoes	3,264	3,313	3,313	3,500	187
Communications & Phone	159,707	570,750	232,000	502,444	(68,306)
Communications & Phone- Co.	7,754	7,179	7,179	7,394	215
Insurance Premiums	142,359	186,859	186,859	246,300	59,441
Insurance- Internal	95,383	76,732	76,732	90,018	13,286
Maintenance- Equipment	882,535	929,842	929,232	867,104	(62,738)
Maintenance- Structures	993,667	3,925,296	2,120,296	2,746,390	(1,178,906)
Membership Dues & Fees	48,137	55,000	56,000	57,000	2,000
Office Expense	679,349	685,424	685,424	600,000	(85,424)
Postage Expense-External	6,865	200,000	75,000	200,000	0
Postage Expense- Internal	6,542	9,517	9,517	1,372	(8,145)
Printing- External	44,079	200,579	150,000	202,520	1,941
PC Software	646,993	1,370,703	1,370,703	1,003,982	(366,721)
Education Exp.- Other	111	75,000	0	75,000	0
Workshops, Conf. & Seminars	26,836	30,000	30,000	30,000	0
Professional Services	1,390,530	3,377,597	3,227,597	2,377,187	(1,000,410)
SCC Library Foundation	1,015	10,000	10,000	10,000	0
Silicon Valley Reads	10,000	10,000	10,000	10,000	0
Data Proc. Servc.- External	59,051	60,000	60,000	60,000	0
IT Services.- Internal	383,642	546,315	546,315	584,688	38,373
Legal Services	48,134	60,480	60,480	60,480	0
Property Tax Admin Fee	0	31,858	31,858	31,858	0
Lease- Equipment- Other	273,823	273,428	273,428	218,000	(55,428)
Rent & Lease Building & Improve.	369,869	367,119	367,119	431,131	64,012
Small Tools & Instru.	42,428	173,750	173,750	177,750	4,000
Furniture	482,923	537,440	537,440	200,000	(337,440)
PC Hardware	1,081,692	2,717,884	1,620,884	1,654,000	(1,063,884)
Service Staff Meetings	0	10,000	10,000	10,000	0
Incentives and Promotions	1,605	50,000	50,000	50,000	0
Summer Reading Marketing	34,140	30,000	30,000	30,000	0
Library Materials	8,322,228	7,927,451	7,932,451	8,718,020	790,569
County Overhead	1,101,459	1,252,620	1,252,620	1,765,884	513,264
Fuel	3,485	4,745	4,745	3,790	(955)
Garage Fleet Services	21,087	25,780	25,780	28,778	2,998
Mileage	20,358	30,500	30,500	30,500	0
Automobile Services	54,380	45,000	40,000	47,000	2,000
Local Meals and Meetings	232	5,000	500	5,000	0
Business Travel	51,088	72,200	2,000	72,200	0
Utilities	1,224,690	1,521,000	1,354,654	1,381,000	(140,000)
Misc. Expenses -- Other	23,888	12,000	12,000	25,000	13,000
TOTAL	\$18,745,327	\$27,468,360	\$23,596,376	\$24,615,290	(2,863,070)

Facilities, Services and Supplies Summary:

The most dramatic increases from the prior year include \$790,569 in "Library Materials" to keep up with the demand in E-Books and other electronic resources, and \$513,264 in "County Overhead" for Countywide increases in Information Security and other Countywide IT Projects. All major reductions are associated with one-time projects completed in 2020-21; this includes a variety of building maintenance projects in "Maintenance - Structures," 1344 Dell Avenue architectural services in "Professional Services," and one-time IT Hardware purchases in "PC Hardware."

**Books and Materials Budget
FY 2021-2022**

Expenditure & Revenue Recap

2021-22	Traditional	CFD	Local/Gifts	Passports	Transfer	TOTAL
REVENUES						
	\$57,059,811	\$5,999,484	\$1,189,863	\$328,767	\$8,334,610	\$72,912,534
EXPENDITURES						
Operating	\$13,712,660	\$0	\$0	\$0	\$2,184,610	\$15,897,270
Capital	\$0	\$0	\$0	\$0	\$6,150,000	\$6,150,000
Books, Etc.	\$7,518,123	\$1,199,897	\$0	\$0	\$0	\$8,718,020
Personnel	\$33,931,127	\$4,799,587	\$1,189,863	\$328,767	\$0	\$40,249,344
TOTAL	\$55,161,910	\$5,999,484	\$1,189,863	\$328,767	\$8,334,610	\$71,014,633

Community Facilities District Recap

CFD REVENUES		Personnel	Books
Campbell	\$582,092	\$465,674	\$116,418
Cupertino	\$762,540	\$610,032	\$152,508
Gilroy	\$734,941	\$587,953	\$146,988
Los Altos/Wo	\$505,300	\$404,240	\$101,060
Milpitas	\$1,117,905	\$894,324	\$223,581
Morgan Hill	\$627,889	\$502,311	\$125,578
Saratoga/MS	\$437,326	\$349,861	\$87,465
Subtotal	\$4,767,993	\$3,814,394	\$953,599
Bookmobile	\$0	\$591,017	\$70,000
Unincorporated*	\$1,231,491	\$394,176	\$176,298
Total	\$5,999,484	\$4,799,587	\$1,199,897

Books and Materials Recap

MATERIALS**	Formula Share	Traditional by Formula	CFD Return	Unincorp CFD by formula	Specific Place \$ (City/NCLA)	FY22 TOTAL	FY21 Budgeted	Change from FY21
Campbell	11.42%	\$840,291	\$116,418	\$20,128		\$976,838	\$861,431	\$115,407
Cupertino	22.37%	\$1,646,546	\$152,508	\$39,440		\$1,838,495	\$1,622,024	\$216,470
Gilroy	10.03%	\$738,540	\$146,988	\$17,690		\$903,219	\$846,543	\$56,676
Los Altos/Woodland	16.59%	\$1,221,364	\$101,060	\$29,256		\$1,351,680	\$1,196,045	\$155,635
Milpitas	17.55%	\$1,291,918	\$223,581	\$30,946		\$1,546,445	\$1,446,595	\$99,849
Morgan Hill	9.50%	\$699,509	\$125,578	\$16,755		\$841,843	\$790,508	\$51,335
Saratoga	12.53%	\$921,952	\$87,465	\$22,084		\$1,031,501	\$936,304	\$95,197
Sub-Total Libraries	100%	\$7,360,121	\$953,599	\$176,298	\$0	\$8,490,019	\$7,699,451	\$790,569
Bookmobile				\$70,000		\$70,000		
Headquarters		\$158,000				\$158,000		
GRAND TOTAL		\$7,518,121	\$953,599	\$246,298	\$0	\$8,718,019		

*Bookmobile expenses are deducted from the Unincorporated Revenues before applying formula to Unincorporated CFD

FIXED ASSET and VEHICLE REQUEST

Fiscal Year 2021-2022

Fixed Assets

The following fixed asset requests will be funded from unspent funding from FY 2020-21 (\$4,000,000), prior year budget savings (\$1,700,000), and a transfer from the Technology Reserve (\$450,000):

Automated Material Handling System	\$6,000,000
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This funding replacement of the automated materials handling machines throughout the library district.

Smart Devices for Public Use	\$150,000
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This funding supports the loaning of “smart” devices to respond to patron needs.

Total Fixed Asset Request:	\$6,150,000
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BUDGETED RESERVES

Fiscal Year 2021-2022

Capital Maintenance (Building) Reserve

The designated Building Reserve serves to identify funding for future significant building repair and maintenance obligations. The amount requested to be transferred from this reserve in Fiscal Year 2021-22 is \$1,707,000 for the following projects:

Cupertino Community Room FF&E: \$572,000
Los Altos Roof Repair/Replacement: \$350,000
Cupertino HVAC Upgrades: \$280,000
1370 Dell Avenue FF&E: \$275,000
Cupertino Battery Backup System Upgrades: \$75,000
Saratoga Flat Roof Coating: \$60,000
Cupertino BMS Software Upgrade: \$51,000
Services & Support Center Exterior Painting: \$44,000

The current balance in this reserve: \$7,819,000

Reserve for Future Operation (Technology)

The Board established this designated reserve to accrue financing for large, costly computer system upgrades and equipment replacement. In January 2019, the JPA Board considered the three-year comprehensive plan for technology replacement and upgrade and designated funds for technology improvements through 2022. The amount requested to be transferred from this reserve in Fiscal Year 2021-22 is \$1,230,000. It is needed to pay for the items detailed in the Fixed Asset request and certain Services and Supplies items. The current balance in this reserve is \$1,230,000

Fund Balance- Economic Uncertainty Designation

The Board established this reserve to continue library services during the next economic downturn. Additional amounts are added periodically to keep pace with increased operating costs. The current balance in this reserve is \$17,000,000.

Reserves Recap: The *estimated* status of reserves/fund balance, following adoption of the FY 2021-22 Budget, is as follows.

FUND 0025

\$ 6,112,000	Capital Maintenance Reserve
0	Technology Reserve (renewal will be presented in January)
18,897,901	Fund Balance- Economic Uncertainty Designation
7,800,000	1344 Dell Avenue Capital Program
\$15,772,049	Undesignated Fund Balance

REBUDGET OF UNSPENT FISCAL YEAR 2019-2020 FUNDS Fiscal Year 2021-2022

The following projects and purchases, budgeted in Fiscal Year 2020-2021, will not be completed before June 30, 2021 and need to be rebudgeted to Fiscal Year 2021-2022:

- \$4,000,000 for Automated Materials Handling Equipment Replacement;
- \$712,000 for Updated Audio-Visual Equipment;
- \$200,000 for the Gilroy Community Library Patio Project;
- \$140,000 for Network Enhancement Upgrades;
- \$100,000 for Replacement of Microfilm Scanners;
- \$100,000 for Replacement of Book Scanners;
- \$100,000 for Network Security and Privacy Audits;
- \$25,000 for Library Information and Events Display Monitors and Software;
- \$20,000 for Servers and Data Storage Needs;
- \$610 for Color Printer Replacements;

Total amount rebudgeted from Fiscal Year 2020-2021: \$5,397,610.

Santa Clara County Library Formula 2021-2022

Library	Population 1-1-20	Percent	Assessed Valuation	Percent	Circulation	Percent	Formula Share	FY 20- 21
Campbell	42,288		11,807,697,220					
Unincorporated	8,399		2,394,541,230					
Redevelopment			-1,343,528,709					
RDA Pass-thru			1,343,528,709					
RDA Dissolution			0					
	50,687	12.965%	14,202,238,450	10.815%	561,403	10.470%	11.42%	11.04%
Cupertino	59,549		27,821,316,543					
Unincorporated	3,976		<u>704,566,658</u>					
	63,525	16.249%	28,525,883,201	21.722%	1,562,581	29.143%	22.37%	21.78%
Gilroy	57,084		9,854,955,121					
Unincorporated	7,604		<u>1,664,353,966</u>					
	64,688	16.547%	11,519,309,087	8.772%	256,542	4.785%	10.03%	10.38%
Los Altos	30,876		17,975,243,547					
Los Altos Hills	8,413		8,906,354,532					
Unincorporated	4,255		<u>1,515,557,371</u>					
	43,544	11.138%	28,397,155,450	21.624%	912,640	17.021%	16.59%	16.22%
Milpitas	77,961		21,478,096,351					
Unincorporated	310		98,540,791					
Redevelopment			-8,802,845,581					
RDA Pass-thru			1,221,851,400					
RDA Dissolution			<u>2,933,585,795</u>					
	78,271	20.021%	16,929,228,756	12.891%	1,058,775	19.747%	17.55%	18.14%
Morgan Hill	46,454		10,856,245,431					
Unincorporated	7,574		2,616,258,011					
Redevelopment			-3,761,473,685					
RDA Pass-thru			563,634,762					
RDA Dissolution			<u>1,317,793,678</u>					
	54,028	13.820%	11,592,458,196	8.827%	314,463	5.865%	9.50%	9.86%
Saratoga	31,030		16,868,992,367					
Monte Sereno	3,594		2,429,033,638					
Unincorporated	1,573		860,261,109					
	36,197	9.259%	20,158,287,114	15.350%	695,423	12.970%	12.53%	12.58%
Percentages are based on assigned								
	Population		Assessed Valuation		Circulation			
Total	444,238		147,530,301,721		6,407,679			
Assigned	390,940		131,324,560,256		5,361,827			
Cities	357,249		127,997,934,750					
Unincorporated	33,691		9,854,079,137					
Unassigned	53,298		9,678,287,834		1,045,852	(Bookmobile, HQ)		
Redevelopment			-6,527,453,631					
Total Unincorp	86,989		19,532,366,971					

FUNDING FORMULA PARAMETER ADJUSTMENTS Fiscal Year 2021-2022

At the October 27, 2016 JPA Board meeting, the Board adopted the following funding formula parameters to the existing funding formula, beginning in Fiscal Year 2017-18:

When a community's relative percentage of assessed valuation and/or "public service transactions"¹ exceeds their Community Library's funding formula share by more than 5%, increase these Community Libraries' staffing and library materials budgets to an amount that would be realized if these differences were limited to 5%, subject to available annual funding from excess fund balance.

¹"Public Service Transactions" include circulation of library materials, program attendance, reference questions, and computer sessions.

	Test 1: Assessed Valuation			Test 2: Public Service Transactions		
	Assessed Valuation Percentage	Formula Percentage	Difference	Public Service Transactions Percentage	Formula Percentage	Difference
Campbell	10.815%	11.417%	-0.602%	10.509%	11.417%	-0.908%
Cupertino	21.722%	22.371%	-0.650%	28.706%	22.371%	6.335%
Gilroy	8.772%	10.034%	-1.263%	5.177%	10.034%	-4.857%
Los Altos	21.624%	16.594%	5.029%	16.993%	16.594%	0.398%
Milpitas	12.891%	17.553%	-4.662%	19.703%	17.553%	2.150%
Morgan Hill	8.827%	9.504%	-0.677%	5.992%	9.504%	-3.512%
Saratoga	15.350%	12.526%	2.824%	12.919%	12.526%	0.393%

In the Fiscal Year 2021-22 Funding Formula, there are two instances in which one-time adjustments could be made.

- 1) Los Altos' relative share of assessed valuation is 21.624%, while the formula share is 16.594% -- a difference of 5.029%. If this difference were limited to 5%, Los Altos libraries would receive an additional \$2,778 for staffing and \$115 for materials.
- 2) Cupertino's relative share of Public Services Transactions is 28.706%, while the formula share is 22.371% -- a difference of 6.335%. If this difference were limited to 5%, Cupertino Community Library would receive an additional \$126,581 for staffing and \$5,263 for materials.

Upon approval from the JPA Board, the 2021-22 Personnel Budget and Books & Materials Budget will be adjusted accordingly.