

JPA-9
06/07/2018

**JOINT POWERS AUTHORITY
BOARD TRANSMITTAL**

APPROVED

ACCEPTED

PENDING

DENIED

PRESENTED

MODIFIED

**BY THE SANTA CLARA COUNTY LIBRARY
DISTRICT JOINT POWERS AUTHORITY**

BY: Tracey E. Eberhard
SECRETARY

DATE: 6/7/18

DATE: June 7, 2018

TO: Joint Powers Authority Board
FROM: Nancy Howe, County Librarian

**SUBJECT: ADOPT THE FISCAL YEAR 2018-19 SANTA CLARA
COUNTY LIBRARY DISTRICT BUDGET**

RECOMMENDED ACTION

It is recommended that Board adopt the Fiscal Year 2018-2019 Final Budget

BACKGROUND/REASONS FOR RECOMMENDATION

The Library District's revenues are expected to continue growing modestly. As a result, the Library is able to develop a budget that maintains existing hours and services, while adding staff to meet additional demand.

The approval of this budget is expected to be sustainable over the five-year forecast period:

FISCAL YEAR	Operating Revenue	Designated Reserves	Operating Cost	Surplus
2017-18	\$ 47,714,280	4,888,710	48,627,460	3,975,530
2018-19	\$ 49,403,868	4,170,000	53,573,868	-
2019-20	\$ 49,866,665	-	49,764,476	102,189
2020-21	\$ 52,070,237	-	51,571,724	498,513
2021-22	\$ 53,912,270	-	53,384,905	527,365

CONTENTS

	Page
Requested Budget Summary.....	1
Expenditure and Revenue Comparison Charts.....	2
Four-Year Recap of Revenue and Expenditure.....	3
Revenue Projection Fiscal Year 2018 – 2019.....	4
Four-Year Revenue Trend Chart.....	5
Personnel Request	6
- Personnel Cost Allocation by Location	7
- Ten-Year Recap of Personnel FTE	8
Services & Supplies, Facilities, and Books Request.....	9
- Book Allocation by Location	10
Fixed Asset Request.....	11
Budgeted Reserves.....	12
Rebudget of Unspent Fiscal Year 2017-2018 Funds...	13
Library Formula Fiscal Year 2018-2019.....	14
Funding Formula Parameter Adjustments.....	15

Santa Clara County Library District - Fiscal Year 2018-2019 REQUESTED BUDGET SUMMARY

Estimated Revenue:

Property Taxes	40,544,737
State Sources	53,523
Special Tax	5,888,732
City/ County Contribution	1,752,271
Fines & Fees	387,000
Other	<u>777,605</u>
TOTAL Current Revenue	<u>49,403,868</u>

Transfer from Cap. & IT Res.	890,000
2017-18 Budget Rollover	<u>3,280,000</u>

Requested Expenditures:

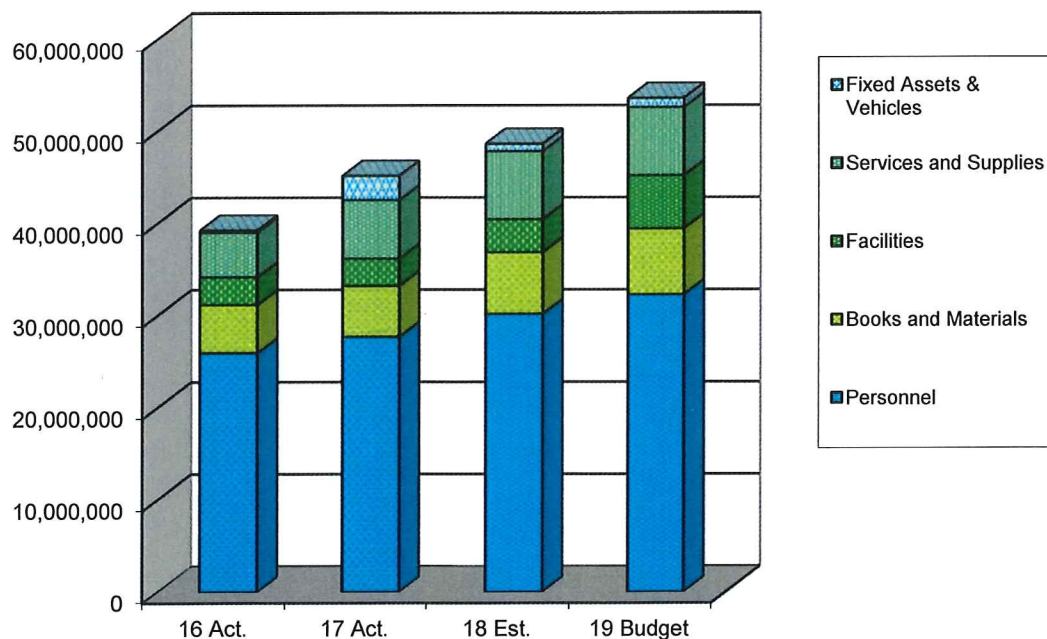
Personnel	32,280,568
Books and Materials	7,144,043
Facilities	5,758,022
Services and Supplies	<u>7,396,236</u>
TOTAL Operating Budget	<u>52,578,868</u>

Fixed Assets & Vehicles	<u>995,000</u>
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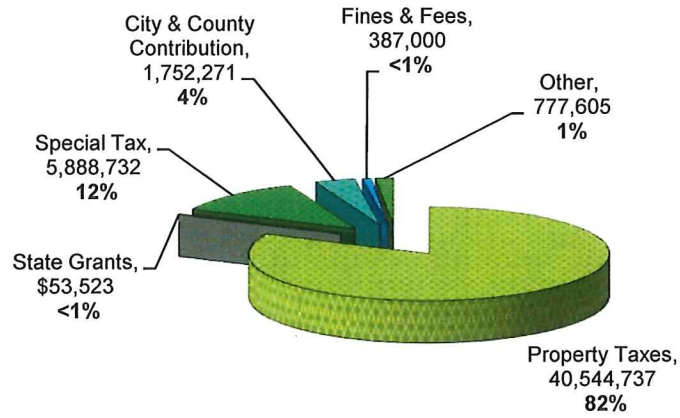
TOTAL \$53,573,868

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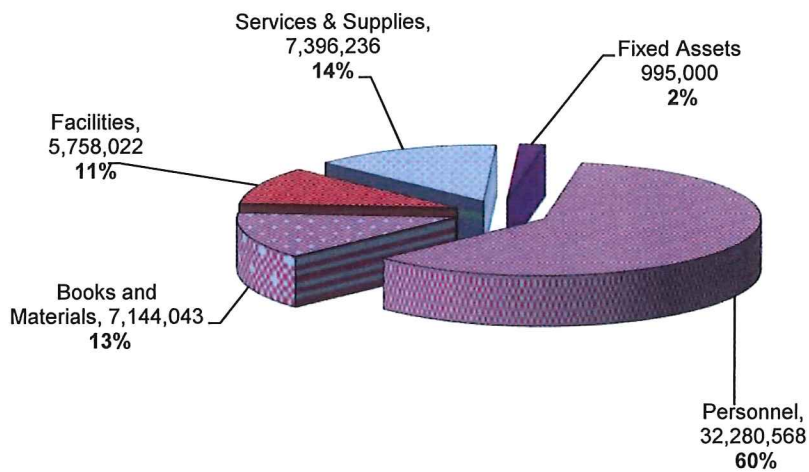
Four-Year Expenditure Trend



Fiscal Year 2018-2019 Library Revenue



Fiscal Year 2018-2019 Library Expenditures



Santa Clara County Library Budget
Fiscal Year 2018 - 2019
Four-Year Recap of Revenue & Expenses

	FY 15-16 Actual	FY 16-17 Actual	FY 17-18 Approved	FY 17-18 Estimated	FY 18-19 Budget
REVENUE					
Property Taxes	35,904,614	37,401,559	37,276,988	38,713,020	40,544,737
State Grants	119,846	83,203	46,000	46,000	53,523
Special Tax	5,818,256	5,857,783	5,824,984	5,873,258	5,888,732
City & County Contribution	1,121,826	1,723,189	1,621,482	1,654,482	1,752,271
Fines & Fees	555,736	548,507	542,000	482,000	387,000
Other	929,458	1,598,130	446,741	945,520	777,605
TOTAL	44,449,736	47,212,371	45,758,195	47,714,280	49,403,868
Transfer from Cap. & IT Reserves	0	0	4,173,017	4,173,017	890,000
Transfer from Prior Year	<u>0</u>	<u>0</u>	<u>715,693</u>	<u>715,693</u>	<u>3,280,000</u>
TOTAL FINANCING AVAILABLE	44,449,736	47,212,371	50,646,905	52,602,990	53,573,868

EXPENSES

Personnel	25,947,476	27,697,581	30,238,846	30,175,154	32,280,568
Books and Materials	5,236,957	5,535,253	6,406,147	6,693,104	7,144,043
Facilities	2,998,610	2,943,795	5,097,470	3,562,987	5,758,022
Services and Supplies	4,840,640	6,364,897	7,134,425	7,391,198	7,396,236
Fixed Assets & Vehicles	235,723	2,626,774	1,770,017	805,017	995,000
TOTAL	39,259,406	45,168,300	50,646,905	48,627,460	53,573,868

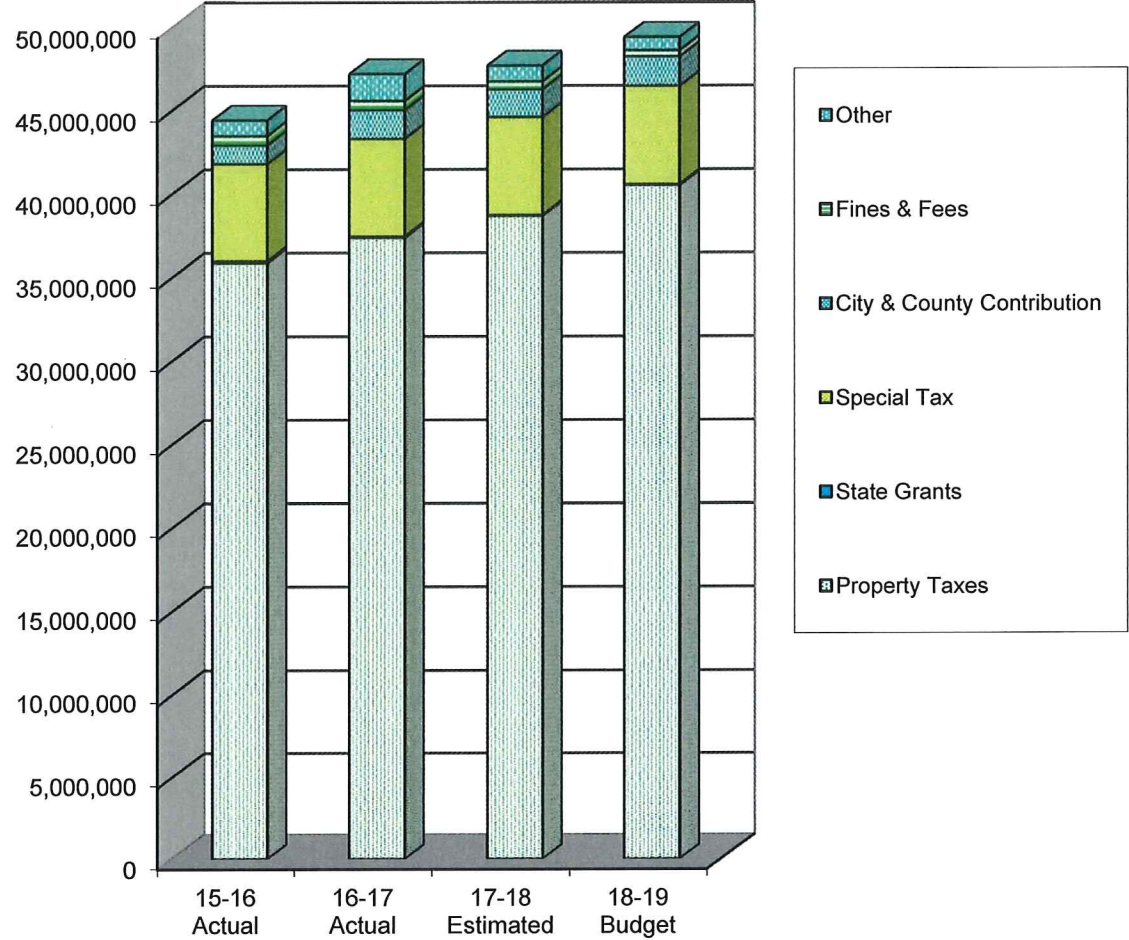
Fiscal Year 2018-2019

REVENUE PROJECTION

REVENUE SOURCE	FY 16-17 Actual	FY 17-18 Budget	FY 17-18 Projected	FY 18-19 Budget	Variance from Approved
Supplemental Roll	\$ 1,031,860	\$ 979,941	\$ 928,863	\$ 928,863	\$ (51,078)
Property Tax - Current Secured	26,438,862	26,831,914	27,558,561	29,059,561	2,227,647
Property Tax - RDA Distribution	1,248,791	1,300,000	1,303,000	1,303,000	3,000
Property Tax - Current Unsecured	1,998,572	2,080,219	2,148,836	2,189,836	109,617
Excess ERAF	2,065,785	1,300,000	1,807,000	1,902,000	602,000
Property Tax - Unitary Roll	785,022	800,914	812,478	812,478	11,564
Property Tax- VLF in lieu	3,036,025	3,188,000	3,249,000	3,444,000	256,000
RDA- Property Tax Pass-thru	<u>796,642</u>	<u>796,000</u>	<u>905,283</u>	<u>905,000</u>	<u>109,000</u>
Subtotal All Property Tax	\$37,401,559	\$37,276,988	\$38,713,020	\$40,544,737	\$3,267,749
Library Fees and Charges	\$ 235,821	\$ 230,000	\$ 230,000	\$ 232,000	\$ 2,000
Library Overdue Fines	\$ 312,686	\$ 312,000	\$ 252,000	\$ 155,000	\$ (157,000)
Interest Earnings	320,163	250,000	250,000	250,000	0
Homeowner Prop. Tax Relief	146,139	142,741	141,520	140,105	(2,636)
State LSCA	83,188	46,000	46,000	53,523	7,523
Other State Grants	15	0	0	0	0
Contributions from Cities	1,273,699	1,570,482	1,603,482	1,701,271	130,789
Special Tax - CFD	5,857,783	5,824,984	5,873,258	5,888,732	63,748
Other Library Services	20,807	14,000	14,000	21,250	7,250
Contributions & Donations	1,031,012	0	500,000	0	0
Passport Fees				326,250	
Misc. Income	32,635	10,000	10,000	10,000	0
Transfer from County	449,490	51,000	51,000	51,000	0
Federal Medicare Credit	<u>47,374</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Subtotal All Other Sources	\$9,810,812	\$8,481,207	\$9,001,259	\$8,859,131	\$377,924
TOTAL	47,212,371	\$45,758,195	\$47,714,280	\$49,403,868	\$3,645,673
Budget Rollover from Prior Year	\$0	\$715,693	\$715,693	\$3,280,000	2,564,307
Transfer from Cap. & IT Reserves	\$0	\$4,173,017	\$4,173,017	\$890,000	(\$3,283,017)
GRAND TOTAL	\$47,212,371	\$50,646,905	\$52,602,990	\$53,573,868	\$2,926,963

Secured property taxes in FY 2018-2019 are forecasted to increase 5.45% over the projected FY 2017-2018 amounts based on estimates from the County Controller's Office, while overall property taxes are forecast to increase 4.49%. "Excess ERAF" is expected to continue through 2018-19 and beyond. All other revenue sources remain relatively flat, with the exception of "Contribution of Cities," due to the financial support from the North County Library Authority for additional hours of service at the Woodland Branch Library in Los Altos. The "Budget Rollover from Prior Year" represents projects budgeted in 2017-18 that will not be accomplished until 2018-19. The "Transfer from Reserves" represents FY 2018-2019 projects for which funding was set aside by the JPA Board in its approval of the Technology and Capital Maintenance Plans.

Four-Year Revenue Trend



FISCAL YEAR 2018-2019 PERSONNEL REQUEST

The proposed personnel budget of \$32,280,568 reflects a \$2,041,722 increase from the original JPA-approved Fiscal Year 2017-18 personnel budget and associated with the following proposed personnel actions:

- The addition of one full-time Public Communication Specialist, one part-time Media Specialist/Coordinator, one full-time Electronic Resources Librarian, and one full-time Warehouse Materials Handler, offset by the deletion of one vacant part-time Public Communication Specialist and one vacant full-time Senior Library Clerk;
- The addition of 1,040 extra Library Clerk hours for the Bookmobile;
- The addition of 780 extra help Library Clerk hours and 34 extra Library Clerk hours at Cupertino Community Library;
- The addition of one part-time Library Assistant at Los Altos Community Library;
- The addition of one part-time Library Page and 132 extra Librarian hours at Saratoga Community Library;
- The addition of one full-time Librarian, one part-time Library Clerk, and one part-time Library Page at Milpitas Community Library;
- The addition of one part-time Library Clerk and 104 extra Janitor hours at Morgan Hill Community Library, offset by the reduction of 350 extra Library Clerk hours;
- The addition of 728 extra Janitor hours at Gilroy Community Library

**Personnel Budget
FY 2018-2019**

Expenditure & Revenue Recap

2018-19	Traditional	CFD	Local/Gifts	Passport	Transfer	TOTAL
REVENUES						
	\$41,573,625	\$5,888,732	\$1,701,271	\$240,240	\$4,170,000	\$53,573,868
EXPENDITURES						
Operating	\$9,014,258				\$4,140,000	\$13,154,258
Capital	\$965,000				\$30,000	\$995,000
Books, Etc.	\$5,966,296	\$1,177,746	\$0			\$7,144,043
Personnel	\$25,628,071	\$4,710,986	\$1,701,271	\$240,240		\$32,280,568
TOTAL	\$41,573,625	\$5,888,732	\$1,701,271	\$240,240	\$4,170,000	\$53,573,868

Community Facilities District Recap

CFD REVENUES		Personnel	Books
Campbell	573,971	\$459,177	\$114,794
Cupertino	754,713	\$603,770	\$150,943
Gilroy	713,783	\$571,027	\$142,757
Los Altos/Wo	504,531	\$403,625	\$100,906
Milpitas	1,051,957	\$841,566	\$210,391
Morgan Hill	605,453	\$484,362	\$121,091
Saratoga/MS	435,952	\$348,761	\$87,190
Subtotal	4,640,360	\$3,712,288	\$928,072
Bookmobile*		\$495,182	\$70,000
Unincorporated*	1,248,373	\$503,516	\$179,675
Total	\$5,888,732	\$4,710,986	\$1,177,746

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)	FY19 TOTAL	FY18 Budgeted
Campbell	10.79%	\$1,343,145	\$584,662	\$459,177	\$54,330			\$2,441,314	\$2,327,068
Cupertino	21.98%	\$2,154,494	\$1,190,945	\$603,770	\$110,669	\$120,120	\$468,023	\$4,648,021	\$4,304,785
Gilroy	10.47%	\$1,138,391	\$567,481	\$571,027	\$52,734			\$2,329,632	\$2,220,917
Los Altos/Woodland	16.14%	\$1,842,389	\$874,781	\$403,625	\$81,289		\$723,670	\$3,925,755	\$3,664,929
Milpitas	18.23%	\$1,766,643	\$987,642	\$841,566	\$91,777	\$120,120	\$509,578	\$4,317,326	\$3,978,729
Morgan Hill	9.80%	\$1,189,661	\$531,117	\$484,362	\$49,354			\$2,254,494	\$2,152,949
Saratoga	12.58%	\$1,501,250	\$681,864	\$348,761	\$63,363			\$2,595,238	\$2,470,148
Sub-Total Libraries	100%	\$10,935,974	\$5,418,491	\$3,712,288	\$503,516	\$240,240	\$1,701,271	\$22,511,780	\$21,119,525
Headquarters		\$8,862,706						\$8,862,706	\$7,724,107
The Reading Program		\$410,897						\$410,897	\$343,669
Bookmobile					\$495,182			\$495,182	\$395,409
GRAND TOTAL		\$20,209,578	\$5,418,491	\$3,712,288	\$998,698	\$240,240	\$1,701,271	\$32,280,566	\$29,582,710

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

Santa Clara County Library District
FTE from FY 2008-2009 to FY 2018-2019

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

Headquarters	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Administration	6.0	6.0	6.0	6.0	6.0	6.5	6.5	6.5	6.5	8.5	9.5
Business Office	14.50	14.80	14.8	13.9	14.0	13.5	13.6	14.2	14.6	15.1	16.1
Public Services	5.2	5.2	5.3	5.6	6.2	6.2	6.2	7.4	7.4	7.4	6.5
Computer Support	6.3	6.3	6.9	7.3	7.1	7.1	7.0	7.0	7.0	7.0	7.0
Tech & Digital Svcs	17.8	18.3	18.4	16.8	16.7	16.7	16.7	16.7	17.7	18.7	19.7
Subtotal	49.70	50.60	51.3	49.5	50.0	50.0	50.0	51.8	53.2	56.8	58.8

Percent of total	19.3%	18.6%	19.2%	19.5%	19.6%	20.0%	19.9%	20.0%	19.9%	19.8%	19.9%
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Direct Service	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Centr. Pub. Svc.	5.0	5.8	5.5	5.5	5.5	6.9	6.9	6.9	9.4	9.0	9.0
Bookmobile	3.5	3.5	3.4	3.3	3.2	3.2	3.2	3.2	3.7	4.5	5.0
Campbell	22.2	23.3	22.3	20.6	21.3	20.7	21.0	21.3	22.2	23.2	23.2
Cupertino	38.1	39.2	39.3	37.8	40.8	38.8	39.4	39.8	40.4	41.9	43.8
Gilroy	19.5	22.2	20.9	20.4	21.1	20.5	20.6	20.9	21.0	22.0	22.4
Literacy	1.0	1.0	2.5	2.5	2.9	2.9	2.9	2.9	3.1	3.0	3.5
Los Altos	32.0	32.7	31.7	30.0	29.7	28.8	28.8	30.1	30.6	32.3	32.3
Woodland	4.1	4.6	4.1	4.1	4.1	4.1	4.1	4.8	4.8	5.0	5.9
Milpitas	37.8	39.3	40.0	37.7	32.6	30.9	31.1	33.1	33.7	41.4	43.3
Morgan Hill	20.0	21.9	20.8	19.5	20.3	20.0	20.0	20.8	21.4	21.9	22.5
Saratoga	24.9	27.3	25.2	22.9	23.9	23.4	23.6	23.9	24.4	25.2	25.7
Subtotal	208.1	220.8	215.4	204.1	205.3	200.1	201.5	207.6	214.7	229.3	236.5

Percent of total	80.7%	81.4%	80.8%	80.5%	80.4%	80.0%	80.1%	80.0%	80.1%	80.2%	80.1%
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Total FTE	257.8	271.4	266.8	253.6	255.2	250.1	251.5	259.5	268.0	286.0	295.3
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	2017/18	2018/19
Benefited FTE:	233.8	242.5
Extra Help FTE:	33.4	33.4
Extra Hours FTE:	18.9	19.5
TOTAL:	286.0	295.3

Fiscal Year 2018-2019 Facilities, Services and Supplies Request

EXPENDITURE CATEGORY	FY 16-17 ACTUAL	FY 17-18 Budget (Adj)	FY 17-18 Projected	FY 18-19 Proposed Budget	Change
Safety Shoes	1,555	3,559	2,606	3,000	(559)
Communications & Phone	312,746	201,690	53,810	333,020	131,330
Communications & Phone- Co.	30,955	34,521	33,345	28,034	(6,487)
Insurance Premiums	119,593	121,499	121,331	126,910	5,411
Insurance- Internal	67,956	96,259	96,259	97,354	1,095
Maintenance- Equipment	191,635	684,807	808,058	750,157	65,349
Maintenance- Structures	765,964	3,202,510	1,037,510	3,280,000	77,490
Membership Dues & Fees	50,472	55,500	48,938	55,000	(500)
Office Expense	600,693	629,532	733,602	458,400	(171,132)
Postage Expense-External	10,336	200,000	136,704	200,000	0
Postage Expense- Internal	10,590	9,210	9,210	10,456	1,246
Printing- External	86,640	210,858	121,779	200,000	(10,858)
PC Software	655,709	1,135,489	911,082	976,529	(158,960)
Education Exp.- Other	3,179	22,000	8,620	22,000	0
Workshops, Conf. & Seminars	24,356	30,000	32,371	30,000	0
Professional Services	873,501	1,581,399	1,103,911	1,438,470	(142,929)
SCC Library Foundation	0	10,000	10,000	10,000	0
Silicon Valley Reads	10,000	10,000	10,000	10,000	0
Data Proc. Servc.- External	54,048	65,000	54,314	70,200	5,200
IT Services.- Internal	306,978	361,354	361,354	330,198	(31,156)
Legal Services	31,267	35,590	20,000	30,375	(5,215)
Property Tax Admin Fee	16,453	27,000	27,000	27,000	0
Lease- Equipment- Other	167,949	187,634	206,116	206,000	18,366
Rent & Lease Building & Improve.	427,782	442,253	442,253	365,704	(76,549)
Small Tools & Instru.	78,526	118,838	103,094	120,800	1,962
Furniture	77,575	244,086	471,852	196,000	(48,086)
PC Hardware	1,957,768	1,846,400	1,696,400	1,160,222	(686,178)
Service Staff Meetings	10,000	10,000	10,000	10,000	0
Incentives and Promotions	30,000	50,000	50,000	50,000	0
Summer Reading Marketing	15,000	15,000	15,000	15,000	0
ESL Programming	0	150,000	0	0	(150,000)
Library Materials	5,535,253	6,693,104	6,693,104	7,144,043	450,938
County Overhead	548,003	757,476	757,476	1,036,111	278,635
Fuel	1,878	5,637	5,637	2,487	(3,150)
Garage Fleet Services	24,350	27,439	33,549	23,631	(3,808)
Mileage	15,106	22,500	18,465	24,000	1,500
Automobile Services	32,232	26,000	36,678	37,000	11,000
Local Meals and Meetings	4,484	3,000	6,786	5,000	2,000
Business Travel	41,522	65,000	41,293	72,200	7,200
Utilities	1,141,224	1,211,000	1,306,626	1,331,000	120,000
Misc. Expenses -- Other	510,668	10,000	11,157	12,000	2,000
TOTAL	\$14,843,945	\$20,613,144	\$17,647,289	\$20,298,300	(314,843)

Facilities, Services and Supplies Summary:

Although there are a number of fluctuations identified above, many of these are related to the expenditure of one-time funds in a given fiscal year that do not repeat in another. For example, the \$686,178 decrease in "PC Hardware" expenditures relates to the 2017-18 funding for network enhancements and replacement of all staff phones. The most dramatic increases include \$450,938 in "Library Materials" for additional e-books and e-resources. The drop in "ESL Programming" refers to the \$150,000 transfer from the County to continue formerly federal grant-funded ESL programming in the Libraries for three years; this funding will be used to fund a part-time Literacy Program Coordinator rather than an outside contractor.

**Books and Materials Budget
FY 2018-2019**

Expenditure & Revenue Recap

2018-19	Traditional	CFD	Local/Gifts	Passports	Transfer	TOTAL
REVENUES						
	\$41,573,625	\$5,888,732	\$1,701,271	\$240,240	\$4,170,000	\$53,573,868
EXPENDITURES						
Operating	\$9,014,258	\$0	\$0	\$0	\$4,140,000	\$13,154,258
Capital	\$965,000	\$0	\$0	\$0	\$30,000	\$995,000
Books, Etc.	\$5,966,296	\$1,177,746	\$0	\$0	\$0	\$7,144,043
Personnel	\$25,628,071	\$4,710,986	\$1,701,271	\$240,240	\$0	\$32,280,568
TOTAL	\$41,573,625	\$5,888,732	\$1,701,271	\$240,240	\$4,170,000	\$53,573,868

Community Facilities District Recap

CFD REVENUES	Personnel	Books
Campbell	\$573,971	\$459,177
Cupertino	\$754,713	\$603,770
Gilroy	\$713,783	\$571,027
Los Altos/Wo	\$504,531	\$403,625
Milpitas	\$1,051,957	\$841,566
Morgan Hill	\$605,453	\$484,362
Saratoga/MS	\$435,952	\$348,761
Subtotal	\$4,640,360	\$3,712,288
Bookmobile	\$0	\$495,182
Unincorporated*	\$1,248,373	\$503,516
Total	\$5,888,732	\$4,710,986

Books and Materials Recap

	Formula Share	Traditional by Formula	CFD Return	Unincorp CFD by formula	Specific Place \$ (City/NCLA)	FY19 TOTAL	FY18 Budgeted	Change from FY18
MATERIALS**								
Campbell	10.79%	\$626,722	\$114,794	\$19,387		\$760,904	\$638,839	\$122,065
Cupertino	21.98%	\$1,276,621	\$150,943	\$39,491		\$1,467,054	\$1,225,558	\$241,496
Gilroy	10.47%	\$608,305	\$142,757	\$18,817		\$769,880	\$654,668	\$115,212
Los Altos/Woodland	16.14%	\$937,712	\$100,906	\$29,007		\$1,067,626	\$877,255	\$190,371
Milpitas	18.23%	\$1,058,693	\$210,391	\$32,750		\$1,301,834	\$1,077,546	\$224,288
Morgan Hill	9.80%	\$569,325	\$121,091	\$17,612		\$708,027	\$602,277	\$105,750
Saratoga	12.58%	\$730,917	\$87,190	\$22,610		\$840,718	\$702,005	\$138,713
Sub-Total Libraries	100%	\$5,808,294	\$928,072	\$179,674	\$0	\$6,916,042	\$5,778,148	\$1,137,894
Bookmobile				\$70,000		\$70,000		
Headquarters		\$158,000				\$158,000		
GRAND TOTAL		\$5,966,294	\$928,072	\$249,674	\$0	\$7,144,042		

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

FIXED ASSET and VEHICLE REQUEST

Fiscal Year 2018-2019

Fixed Assets

The following fixed asset requests will be funded with unspent funding from FY 2017-18 (\$965,000) and a transfer from the Technology Reserve (\$30,000):

Self-Check Machine Replacements	\$790,000
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Originally scheduled in the Technology Plan for fiscal year 2018-19, this project will be moved to fiscal year 2017-18 to coincide with the replacement of security gates.

Security Gate Replacement	\$175,000
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This funding will be used to replace security gates at each library location.

Smart Devices for Patron Use	\$30,000
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This funding supports the loaning of “smart” devices to respond to patron needs.

Total Fixed Asset Request:	\$995,000
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BUDGETED RESERVES

Fiscal Year 2018-2019

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 2018-19 is \$490,000 for the following projects:

Saratoga Roof Restoration: \$205,000
Milpitas Library Interior Space: \$200,000
Milpitas Interior Painting: \$45,000
Milpitas Exterior Auto Doors: \$40,000

The current balance in this reserve: \$5,904,000

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 2016, the JPA Board considered the three-year comprehensive plan for technology replacement and upgrade and designated funds for technology improvements through 2019. The amount requested to be transferred from this reserve in Fiscal Year 2018-19 is \$400,000. 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: \$400,000

As the above action will spend the entire balance in this reserve, it is recommended that a new three-year reserve be established in the estimated amount of \$2,000,000. A detailed Technology Plan outlining the use of this money will be presented to the JPA Board in June 2018.

Reserves Recap: The *estimated* status of reserves/fund balance, following adoption of the FY 2018-19 Budget, is as follows.

FUND 0025

\$ 5,414,000	Capital Maintenance Reserve
2,000,000	Estimated Technology Reserve
13,000,000	Fund Balance- Economic Uncertainty Designation
7,800,000	1344 Dell Avenue Capital Program
 \$ 3,015,078	 Undesignated Fund Balance

REBUDGET OF UNSPENT FISCAL YEAR 2017-2018 FUNDS

Fiscal Year 2018-2019

The following projects and purchases, budgeted in Fiscal Year 2017-2018, will not be completed before June 30, 2018 and need to be rebudgeted to Fiscal Year 2018-2019:

- \$790,000 for Replacement of Self-Check Machines;
- \$750,000 for 1344 Dell Architectural and Construction Management;
- \$460,000 for Los Altos Roof
- \$245,000 for Campbell Roof
- \$200,000 for Gilroy Community Library Interior Space
- \$200,000 for Morgan Hill Community Library Interior Space
- \$200,000 for Cupertino Community Library Interior Space
- \$175,000 for Replacement of Security Gates;
- \$150,000 for WiFi Network Upgrade
- \$75,000 for Gilroy & Milpitas Community Library HVAC Units
- \$35,000 for Morgan Hill Community Library Interior Painting;

Total amount rebudgeted from Fiscal Year 2017-2018: \$3,280,000.

Santa Clara County Library Formula 2018-2019

Library	Population 1-1-17	Percent	Assessed Valuation	Percent	Circulation	Percent	Formula Share	FY 17- 18
Campbell	42,726		9,479,316,208					
Unincorporated	8,474		2,076,785,359					
Redevelopment			-980,471,857					
RDA Pass-thru			962,774,627					
RDA Dissolution			0					
	51,200	13.291%	11,538,404,336	10.607%	734,862	8.473%	10.79%	10.79%
Cupertino	58,917		23,139,029,846					
Unincorporated	4,011		611,070,589					
	62,928	16.335%	23,750,100,435	21.833%	2,408,540	27.770%	21.98%	22.15%
Gilroy	55,936		8,175,945,948					
Unincorporated	7,672		1,443,494,021					
	63,608	16.512%	9,619,439,969	8.843%	526,005	6.065%	10.47%	10.60%
Los Altos	31,402		14,654,150,002					
Los Altos Hills	8,634		7,546,831,485					
Unincorporated	4,293		1,314,442,750					
	44,329	11.507%	23,515,424,237	21.617%	1,327,779	15.309%	16.14%	15.98%
Milpitas	75,410		17,465,358,074					
Unincorporated	312		85,464,418					
Redevelopment			-6,904,688,474					
RDA Pass-thru			823,056,400					
RDA Dissolution			2,225,495,045					
	75,722	19.656%	13,694,685,464	12.589%	1,945,939	22.436%	18.23%	17.88%
Morgan Hill	44,145		8,843,643,065					
Unincorporated	7,641		2,269,080,299					
Redevelopment			-2,949,128,085					
RDA Pass-thru			386,456,180					
RDA Dissolution			859,415,456					
	51,786	13.443%	9,409,466,916	8.650%	634,277	7.313%	9.80%	9.95%
Saratoga	30,569		14,451,616,526					
Monte Sereno	3,501		2,057,751,561					
Unincorporated	1,587		746,104,370					
	35,657	9.256%	17,255,472,457	15.862%	1,095,734	12.634%	12.58%	12.65%
Percentages are based on assigned								
	Population		Assessed Valuation		Circulation			
Total	439,004		122,754,062,547		9,033,100			
Assigned	385,231		108,782,993,813		8,673,136			
Cities	351,240		105,813,642,715					
Unincorporated	33,991		8,546,441,805					
Unassigned	53,773		8,393,978,027		359,964	(Bookmobile, HQ)		
Redevelopment			-5,577,090,707					

Total Unincorp 87,764

16,940,419,832

FUNDING FORMULA PARAMETER ADJUSTMENTS

Fiscal Year 2018-2019

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	10.607%	10.79%	-0.183%	8.754%	10.79%	-2.036%
Cupertino	21.833%	21.98%	-0.147%	27.006%	21.98%	5.026%
Gilroy	8.843%	10.47%	-1.630%	6.816%	10.47%	-3.657%
Los Altos	21.617%	16.14%	5.472%	15.221%	16.14%	-0.923%
Milpitas	12.589%	18.23%	-5.638%	22.209%	18.23%	3.982%
Morgan Hill	8.650%	9.80%	-1.152%	7.551%	9.80%	-2.251%
Saratoga	15.862%	12.58%	3.278%	12.442%	12.58%	-0.142%

In the Fiscal Year 2018-19 Funding Formula, there are two instances in which one-time adjustments could be made.

- 1) Los Altos' relative share of assessed valuation is 21.617%, while the formula share is 16.14% -- a difference of 5.472%. If this difference were limited to 5%, Los Altos libraries would receive an additional \$27,980 for staffing (recommended for 884 extra help Page hours and 364 extra Janitor hours) and \$28,291 for materials.
- 2) Cupertino's relative share of public service transactions is 27.006%, while the formula share is 22.98% -- a difference of 5.026%. If this difference were limited to 5%, Cupertino Community Library would receive an additional \$1,566 for staffing (recommended for the addition of 74 extra help Library Clerk hours) and \$133 for materials.

As sufficient unrestricted fund balance is available to fund these increased budgets, the 2018-19 Personnel Budget and Books & Materials Budget will be adjusted accordingly.