

JPA-5  
06/27/19

## JOINT POWERS AUTHORITY BOARD TRANSMITTAL

**DATE:** June 27, 2019

**TO:** Joint Powers Authority Board

**FROM:** Nancy Howe, County Librarian *NH*

**SUBJECT:** **ADOPT THE FISCAL YEAR 2019-20**  
**SANTA CLARA COUNTY LIBRARY DISTRICT BUDGET**

APPROVED ACCEPTED PENDING  
DENIED PRESENTED MODIFIED  
BY THE SANTA CLARA COUNTY LIBRARY  
DISTRICT JOINT POWERS AUTHORITY  
BY: *Cynthia Rios Garcia*  
DATE: *6/27/2019* SECRETARY

### RECOMMENDED ACTION

It is recommended that the Board adopt the Fiscal Year 2019-2020 Final Budget.

### BACKGROUND/REASONS FOR RECOMMENDATION

A good budget document is one that aligns with an organization's vision and reflects the priorities of its governing body. This proposed budget fulfills those criteria as reflected in the Library District's "vision wheel" on the following page, while ensuring continued fiscal sustainability.

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

| FISCAL<br>YEAR | Operating<br>Revenue | Designated<br>Reserves | Operating<br>Cost | Surplus*  |
|----------------|----------------------|------------------------|-------------------|-----------|
| 2018-19        | \$ 55,658,879        | 4,170,000              | 52,372,692        | 7,456,188 |
| 2019-20        | \$ 57,395,280        | 5,040,000              | 60,902,127        | 1,533,153 |
| 2020-21        | \$ 56,751,642        | -                      | 55,825,128        | 926,514   |
| 2021-22        | \$ 58,287,857        | -                      | 57,741,177        | 546,680   |
| 2022-23        | \$ 59,869,271        | -                      | 59,728,214        | 141,056   |

\*Surpluses built up over time will be added to the Designated Reserves for the Capital Maintenance Program, the Technology Plan, and the Reserve for Economic Uncertainty

# SANTA CLARA COUNTY LIBRARY DISTRICT

## STRATEGIC WORK PLAN: VISION, STRATEGIES, AND PRIORITY PROJECTS

### 2019-2020



## CONTENTS

|                                                         | Page |
|---------------------------------------------------------|------|
| Requested Budget Summary.....                           | 1    |
| Expenditure and Revenue Comparison Charts.....          | 2    |
| Four-Year Recap of Revenue and Expenditure.....         | 3    |
| Revenue Projection Fiscal Year 2019 – 2020.....         | 4    |
| Personnel Request .....                                 | 5    |
| - Personnel Cost Allocation by Location .....           | 6    |
| - Ten-Year Recap of Personnel FTE .....                 | 7    |
| Services & Supplies, Facilities, and Books Request..... | 8    |
| - Book Allocation by Location .....                     | 9    |
| Fixed Asset Request.....                                | 10   |
| Budgeted Reserves.....                                  | 11   |
| Rebudget of Unspent Fiscal Year 2018-2019 Funds...      | 12   |
| Library Formula Fiscal Year 2019-2020.....              | 13   |
| Funding Formula Parameter Adjustments.....              | 14   |

## Santa Clara County Library District - Fiscal Year 2019-2020 REQUESTED BUDGET SUMMARY

### Estimated Revenue:

|                              |                          |
|------------------------------|--------------------------|
| Property Taxes               | 49,355,136               |
| State Sources                | 53,523                   |
| Special Tax                  | 5,895,434                |
| City/ County Contribution    | 618,458                  |
| Fines & Fees                 | 482,000                  |
| Other                        | <u>990,728</u>           |
| <b>TOTAL Current Revenue</b> | <b><u>57,395,280</u></b> |

|                              |                  |
|------------------------------|------------------|
| Transfer from Cap. & IT Res. | 2,945,000        |
| 2017-18 Budget Rollover      | <u>2,095,000</u> |

**TOTAL    \$62,435,280**

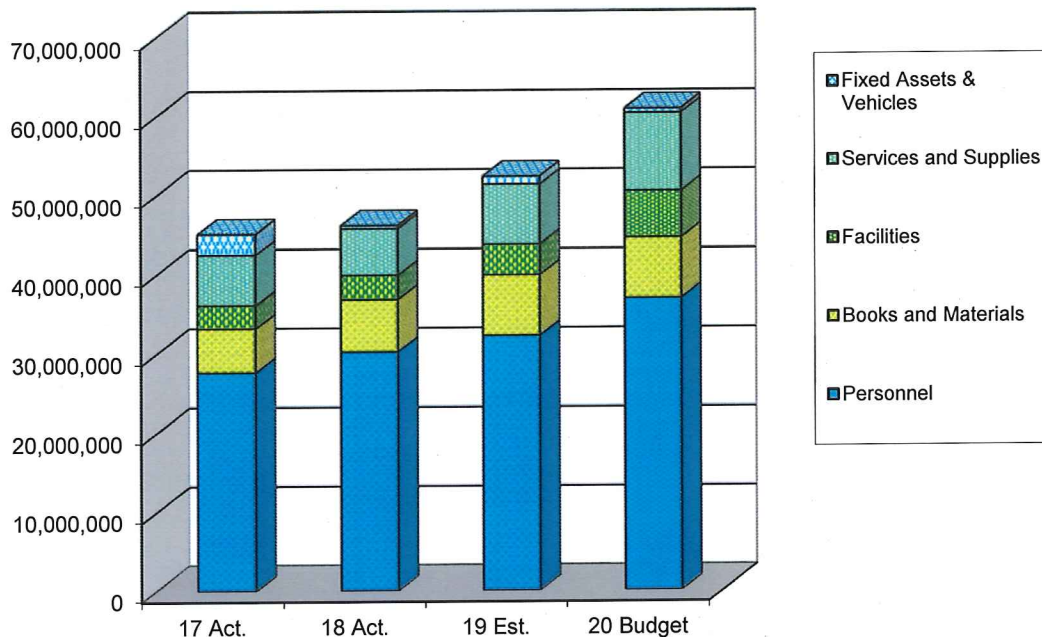
### Requested Expenditures:

|                               |                          |
|-------------------------------|--------------------------|
| Personnel                     | 36,958,430               |
| Books and Materials           | 7,661,386                |
| Facilities                    | 5,857,898                |
| Services and Supplies         | <u>9,894,412</u>         |
| <b>TOTAL Operating Budget</b> | <b><u>60,372,127</u></b> |

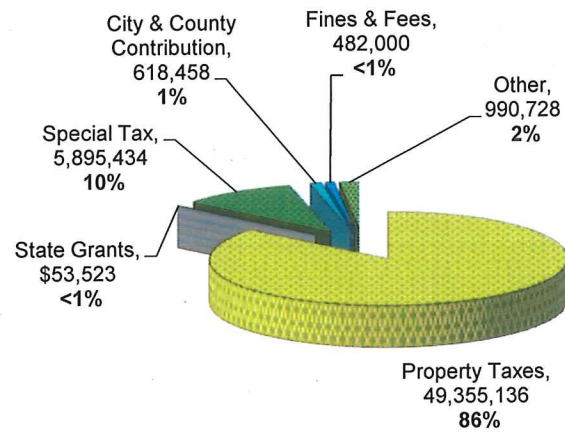
|                         |                |
|-------------------------|----------------|
| Fixed Assets & Vehicles | <u>530,000</u> |
|-------------------------|----------------|

**TOTAL    \$60,902,127**

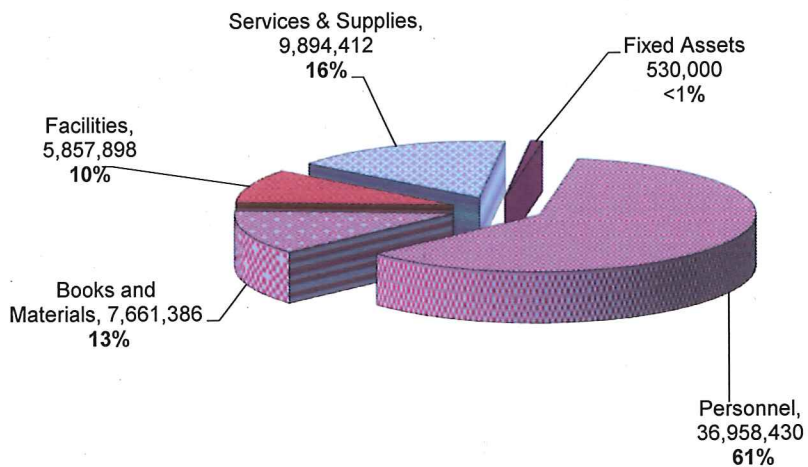
**Four-Year Expenditure Trend**



### Fiscal Year 2019-2020 Library Revenue



### Fiscal Year 2019-2020 Library Expenditures



**Santa Clara County Library Budget**  
**Fiscal Year 2019 - 2020**  
**Four-Year Recap of Revenue & Expenses**

|                                  | <b>FY 16-17<br/>Actual</b> | <b>FY 17-18<br/>Actual</b> | <b>FY 18-19<br/>Approved</b> | <b>FY 18-19<br/>Estimated</b> | <b>FY 19-20<br/>Budget</b> |
|----------------------------------|----------------------------|----------------------------|------------------------------|-------------------------------|----------------------------|
| <b>REVENUE</b>                   |                            |                            |                              |                               |                            |
| Property Taxes                   | 37,401,559                 | 40,852,344                 | 40,544,738                   | 46,063,922                    | 49,355,136                 |
| State Grants                     | 83,203                     | 81,383                     | 53,523                       | 120,523                       | 53,523                     |
| Special Tax                      | 5,857,783                  | 5,824,974                  | 5,888,732                    | 5,888,732                     | 5,895,434                  |
| City & County Contribution       | 1,723,189                  | 1,935,997                  | 1,752,271                    | 1,982,684                     | 618,458                    |
| Fines & Fees                     | 548,507                    | 526,435                    | 387,000                      | 482,000                       | 482,000                    |
| Other                            | 1,598,130                  | 1,493,675                  | 777,605                      | 1,121,018                     | 990,728                    |
| <b>TOTAL</b>                     | <b>47,212,371</b>          | <b>50,714,808</b>          | <b>49,403,869</b>            | <b>55,658,879</b>             | <b>57,395,280</b>          |
| Transfer from Cap. & IT Reserves | 0                          | 0                          | 890,000                      | 890,000                       | 2,945,000                  |
| Transfer from Prior Year         | 0                          | 0                          | <u>3,280,000</u>             | <u>3,280,000</u>              | <u>2,095,000</u>           |
| <b>TOTAL FINANCING AVAILABLE</b> | <b>47,212,371</b>          | <b>50,714,808</b>          | <b>53,573,869</b>            | <b>59,828,879</b>             | <b>62,435,280</b>          |

**EXPENSES**

|                         |                   |                   |                   |                   |                   |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Personnel               | 27,697,581        | 30,257,567        | 32,280,568        | 32,280,568        | 36,958,430        |
| Books and Materials     | 5,535,253         | 6,614,473         | 7,144,043         | 7,644,660         | 7,661,386         |
| Facilities              | 2,943,795         | 3,060,989         | 5,758,022         | 3,882,676         | 5,857,898         |
| Services and Supplies   | 6,364,115         | 5,892,548         | 7,396,236         | 7,569,787         | 9,894,412         |
| Fixed Assets & Vehicles | 2,626,774         | 394,306           | 995,000           | 995,000           | 530,000           |
| <b>TOTAL</b>            | <b>45,167,518</b> | <b>46,219,883</b> | <b>53,573,869</b> | <b>52,372,692</b> | <b>60,902,127</b> |

# Fiscal Year 2019-2020

## REVENUE PROJECTION

| REVENUE SOURCE                   | FY 17-18<br>Actual | FY 18-19<br>Budget | FY 18-19<br>Projected | FY 19-20<br>Budget | Variance from<br>Approved |
|----------------------------------|--------------------|--------------------|-----------------------|--------------------|---------------------------|
| Supplemental Roll                | \$ 1,120,524       | \$ 928,863         | \$ 916,502            | \$ 753,502         | \$ (175,361)              |
| Property Tax - Current Secured   | 27,950,060         | 29,059,561         | 29,613,653            | 31,118,653         | 2,059,092                 |
| Property Tax - RDA Distribution  | 1,470,616          | 1,303,000          | 1,442,000             | 1,471,000          | 168,000                   |
| Property Tax - Current Unsecured | 1,980,009          | 2,189,836          | 2,312,130             | 2,312,130          | 122,294                   |
| ERAF Reimbursements              | 3,355,184          | 1,902,000          | 6,411,965             | 8,071,000          | 6,169,000                 |
| Property Tax - Unitary Roll      | 811,324            | 812,478            | 842,851               | 873,851            | 61,373                    |
| Property Tax- VLF in lieu        | 3,259,344          | 3,444,000          | 3,487,000             | 3,696,000          | 252,000                   |
| RDA- Property Tax Pass-thru      | 905,283            | 905,000            | 1,037,821             | 1,059,000          | 154,000                   |
| Subtotal All Property Tax        | \$40,852,344       | \$40,544,738       | \$46,063,922          | \$49,355,136       | \$8,810,398               |
| Library Fees and Charges         | \$ 234,602         | \$ 232,000         | \$ 232,000            | \$ 232,000         | \$ -                      |
| Library Overdue Fines            | 291,833            | 155,000            | 250,000               | 250,000            | 95,000                    |
| Interest Earnings                | 496,851            | 250,000            | 500,000               | 500,000            | 250,000                   |
| Homeowner Prop. Tax Relief       | 143,593            | 140,105            | 142,768               | 142,768            | 2,663                     |
| State LSCA                       | 77,333             | 53,523             | 53,523                | 53,523             | 0                         |
| Other State Grants               | 4,050              | 0                  | 67,000                | 0                  | 0                         |
| Contributions from Cities        | 1,584,993          | 1,701,271          | 1,701,271             | 567,458            | (1,133,813)               |
| Special Tax - CFD                | 5,824,974          | 5,888,732          | 5,888,732             | 5,895,434          | 6,702                     |
| Other Library Services           | 24,538             | 21,250             | 21,250                | 21,250             | 0                         |
| Contributions & Donations        | 705,547            | 0                  | 237,000               | 0                  | 0                         |
| Passport Fees                    | 38,474             | 326,250            | 180,000               | 286,710            | (39,540)                  |
| Misc. Income                     | 49,368             | 10,000             | 10,000                | 10,000             | 0                         |
| Transfer from County             | 351,004            | 51,000             | 281,413               | 51,000             | 0                         |
| Federal Medicare Credit          | 35,304             | 30,000             | 30,000                | 30,000             | 0                         |
| Subtotal All Other Sources       | \$9,862,464        | \$8,859,131        | \$9,594,957           | \$8,040,143        | (\$818,988)               |
| TOTAL                            | 50,714,808         | \$49,403,869       | \$55,658,879          | \$57,395,280       | \$7,991,411               |
| Budget Rollover from Prior Year  | \$0                | \$3,280,000        | \$3,280,000           | \$2,095,000        | (\$1,185,000)             |
| Transfer from Cap. & IT Reserves | \$0                | \$890,000          | \$890,000             | \$2,945,000        | \$2,055,000               |
| GRAND TOTAL                      | \$50,714,808       | \$53,573,869       | \$59,828,879          | \$62,435,280       | \$8,861,411               |

Secured property taxes in FY 2019-2020 are forecasted to increase 5.08% over the projected FY 2018-2019 amounts based on estimates from the County Controller's Office, while overall property taxes are forecast to increase 7.14% -- primarily due to an expected 25.87% increase in ERAF reimbursements. All other revenue sources remain relatively flat, with the exception of "Contribution of Cities" -- as the improved performance of property tax revenue continues, the Library District has sufficient revenue to fund a portion of the additional hours previously funded from the cities of Cupertino and Milpitas and the North County Library Authority. The "Budget Rollover from Prior Year" represents projects budgeted in 2018-19 that will not be accomplished until 2019-20. The "Transfer from Reserves" represents FY 2019-2020 projects for which funding was set aside by the JPA Board in its approval of the Technology and Capital Maintenance Plans.

## FISCAL YEAR 2019-2020 PERSONNEL REQUEST

The proposed personnel budget of \$36,958,430 reflects a \$4,677,862 increase from the original JPA-approved Fiscal Year 2018-19 personnel budget. Of this increase, \$1,464,173 is the result of salary and benefit increases, \$1,950,000 is associated with the positions added to ensure all libraries are open seven days/week, and the \$1,263,689 balance is associated with the following proposed personnel actions:

- The addition of one full-time Deputy County Librarian, one full-time Library Services Manager, one full-time Supervising Librarian, one full-time Administrative Assistant to Library Administration.
- The addition of one full-time Management Analyst, one full-time Senior Warehouse Materials Handler, one full-time Stock Clerk, two full-time “floating” Librarians, two full-time “floating” Library Clerks, and one full-time Media Specialist Coordinator (converted from one part-time Media Specialist Coordinator).
- The addition of Library School Student Intern hours to every Community Library.
- The addition of two full-time Protective Services Officers shared between the Campbell, Cupertino, and Milpitas Community Libraries.
- The addition of one full-time Senior Library Clerk and one part-time Janitor at Campbell Community Library (in addition to the JPA-approved staffing for Sunday hours);
- The addition of one half-time Librarian and one half-time Library Clerk for the Cupertino City Council-funded expansion of GoGo Biblio services at Cupertino Community Library and the addition of 445 extra hours for part-time Library Clerks (in addition to the 2.5 Janitor FTE approved in a separate JPA transmittal);
- The addition of one full-time Library Clerk for passport services at Los Altos Community Library (approved in a separate JPA transmittal) and the addition of 740 extra hours for part-time Librarian staff;
- The addition of one full-time Librarian, 1,254 extra hours for part-time Librarians, and additional janitorial hours (in addition to the previously JPA-approved position additions for expanded Sunday hours) at Saratoga Community Library;
- The addition of 690 extra hours for part-time Librarians, in addition to the previously approved addition of one part-time Janitor (offset by a reduction in extra help Library Page hours) at Milpitas Community Library;
- The addition of one part-time Library Assistant at Morgan Hill Community Library (in addition to the previously JPA-approved position additions for Sunday hours) at Morgan Hill Community Library;
- The addition of 995 extra hours for part-time Librarians, in addition to the previously JPA-approved position additions for Sunday hours at Gilroy Community Library.

**Personnel Budget  
FY 2019-2020**

**Expenditure & Revenue Recap**

| 2019-20             | Traditional         | CFD                | Local/Gifts      | Passport         | Transfer           | TOTAL               |
|---------------------|---------------------|--------------------|------------------|------------------|--------------------|---------------------|
| <b>REVENUES</b>     |                     |                    |                  |                  |                    |                     |
|                     | \$50,645,677        | \$5,895,434        | \$567,458        | \$286,710        | \$5,040,000        | \$62,435,280        |
| <b>EXPENDITURES</b> |                     |                    |                  |                  |                    |                     |
| Operating           | \$11,112,310        |                    |                  |                  | \$4,640,000        | \$15,752,310        |
| Capital             | \$130,000           |                    |                  |                  | \$400,000          | \$530,000           |
| Books, Etc.         | \$6,482,300         | \$1,179,087        | \$0              |                  |                    | \$7,661,386         |
| Personnel           | \$31,387,915        | \$4,716,347        | \$567,458        | \$286,710        |                    | \$36,958,430        |
| <b>TOTAL</b>        | <b>\$49,112,525</b> | <b>\$5,895,434</b> | <b>\$567,458</b> | <b>\$286,710</b> | <b>\$5,040,000</b> | <b>\$60,902,127</b> |

**Community Facilities District Recap**

| CFD REVENUES    |                    | Personnel          | Books              |
|-----------------|--------------------|--------------------|--------------------|
| Campbell        | 574,260            | \$459,408          | \$114,852          |
| Cupertino       | 754,618            | \$603,694          | \$150,924          |
| Gilroy          | 716,143            | \$572,914          | \$143,229          |
| Los Altos/Wo    | 504,759            | \$403,807          | \$100,952          |
| Milpitas        | 1,055,520          | \$844,416          | \$211,104          |
| Morgan Hill     | 609,356            | \$487,485          | \$121,871          |
| Saratoga/MS     | 435,918            | \$348,734          | \$87,184           |
| Subtotal        | 4,650,574          | \$3,720,459        | \$930,115          |
| Bookmobile*     |                    | \$518,267          | \$70,000           |
| Unincorporated* | 1,244,860          | \$477,621          | \$178,972          |
| <b>Total</b>    | <b>\$5,895,434</b> | <b>\$4,716,347</b> | <b>\$1,179,087</b> |

**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) | FY20 TOTAL          | FY19 Budgeted       |
|---------------------|---------------|-------------------------|----------------------|--------------------|-------------------------|------------------|-------------------------------|---------------------|---------------------|
| Campbell            | 10.89%        | \$1,361,757             | \$1,000,907          | \$459,408          | \$51,995                |                  |                               | \$2,874,067         | \$2,441,314         |
| Cupertino           | 22.12%        | \$2,177,717             | \$2,033,835          | \$603,694          | \$105,653               | \$95,570         | \$117,000                     | \$5,133,469         | \$4,648,021         |
| Gilroy              | 10.42%        | \$1,155,235             | \$957,987            | \$572,914          | \$49,765                |                  |                               | \$2,735,901         | \$2,329,632         |
| Los Altos/Woodland  | 16.27%        | \$1,861,765             | \$1,495,915          | \$403,807          | \$77,709                | \$95,570         | \$289,834                     | \$4,224,602         | \$3,925,755         |
| Milpitas            | 17.37%        | \$1,781,310             | \$1,597,391          | \$844,416          | \$82,981                | \$95,570         | \$160,624                     | \$4,562,291         | \$4,317,326         |
| Morgan Hill         | 10.23%        | \$1,209,996             | \$940,519            | \$487,485          | \$48,858                |                  |                               | \$2,686,857         | \$2,254,494         |
| Saratoga            | 12.70%        | \$1,518,751             | \$1,167,696          | \$348,734          | \$60,659                |                  |                               | \$3,095,840         | \$2,595,238         |
| Sub-Total Libraries | 100%          | \$11,066,528            | \$9,194,250          | \$3,720,459        | \$477,621               | \$286,710        | \$567,458                     | \$25,313,028        | \$22,511,780        |
| Headquarters        |               | \$10,707,597            |                      |                    |                         |                  |                               | \$10,707,597        | \$8,862,706         |
| The Reading Program |               | \$419,535               |                      |                    |                         |                  |                               | \$419,535           | \$410,897           |
| Bookmobile          |               |                         |                      |                    | \$518,267               |                  |                               | \$518,267           | \$495,182           |
| <b>GRAND TOTAL</b>  |               | <b>\$22,193,662</b>     | <b>\$9,194,250</b>   | <b>\$3,720,459</b> | <b>\$995,888</b>        | <b>\$286,710</b> | <b>\$567,458</b>              | <b>\$36,958,428</b> | <b>\$32,280,565</b> |

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

**Santa Clara County Library District  
FTE from FY 2009-2010 to FY 2019-2020**

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

| <b>Headquarters</b> | <b>2009/10</b> | <b>2010/11</b> | <b>2011/12</b> | <b>2012/13</b> | <b>2013/14</b> | <b>2014/15</b> | <b>2015/16</b> | <b>2016/17</b> | <b>2017/18</b> | <b>2018/19</b> | <b>2019/20</b> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Administration      | 6.0            | 6.0            | 6.0            | 6.0            | 6.5            | 6.5            | 6.5            | 6.5            | 8.5            | 9.5            | 13.0           |
| Business Office     | 14.80          | 14.8           | 13.9           | 14.0           | 13.5           | 13.6           | 14.2           | 14.6           | 15.1           | 16.1           | 18.1           |
| Public Services     | 5.2            | 5.3            | 5.6            | 6.2            | 6.2            | 6.2            | 7.4            | 7.4            | 7.4            | 6.5            | 8.5            |
| Computer Support    | 6.3            | 6.9            | 7.3            | 7.1            | 7.1            | 7.0            | 7.0            | 7.0            | 7.0            | 7.0            | 7.0            |
| Tech & Digital Svcs | 18.3           | 18.4           | 16.8           | 16.7           | 16.7           | 16.7           | 16.7           | 17.7           | 18.7           | 19.7           | 19.7           |
| Subtotal            | 50.60          | 51.3           | 49.5           | 50.0           | 50.0           | 50.0           | 51.8           | 53.2           | 56.8           | 58.8           | 66.3           |

|                  |       |       |       |       |       |       |       |       |       |       |       |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Percent of total | 18.6% | 19.2% | 19.5% | 19.6% | 20.0% | 19.9% | 20.0% | 19.9% | 19.8% | 19.9% | 20.0% |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

| <b>Direct Service</b> | <b>2009/10</b> | <b>2010/11</b> | <b>2011/12</b> | <b>2012/13</b> | <b>2013/14</b> | <b>2014/15</b> | <b>2015/16</b> | <b>2016/17</b> | <b>2017/18</b> | <b>2018/19</b> | <b>2019/20</b> |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Centr. Pub. Svc.      | 5.8            | 5.5            | 5.5            | 5.5            | 6.9            | 6.9            | 6.9            | 9.4            | 9.0            | 9.0            | 13.0           |
| Bookmobile            | 3.5            | 3.4            | 3.3            | 3.2            | 3.2            | 3.2            | 3.2            | 3.7            | 4.5            | 5.0            | 5.0            |
| Campbell              | 23.3           | 22.3           | 20.6           | 21.3           | 20.7           | 21.0           | 21.3           | 22.2           | 23.2           | 23.2           | 27.2           |
| Cupertino             | 39.2           | 39.3           | 37.8           | 40.8           | 38.8           | 39.4           | 39.8           | 40.4           | 41.9           | 43.8           | 49.7           |
| Gilroy                | 22.2           | 20.9           | 20.4           | 21.1           | 20.5           | 20.6           | 20.9           | 21.0           | 22.0           | 22.4           | 25.4           |
| Literacy              | 1.0            | 2.5            | 2.5            | 2.9            | 2.9            | 2.9            | 2.9            | 3.1            | 3.0            | 3.5            | 3.5            |
| Los Altos             | 32.7           | 31.7           | 30.0           | 29.7           | 28.8           | 28.8           | 30.1           | 30.6           | 32.3           | 32.3           | 34.5           |
| Woodland              | 4.6            | 4.1            | 4.1            | 4.1            | 4.1            | 4.1            | 4.8            | 4.8            | 5.0            | 5.9            | 5.9            |
| Milpitas              | 39.3           | 40.0           | 37.7           | 32.6           | 30.9           | 31.1           | 33.1           | 33.7           | 41.4           | 43.3           | 44.0           |
| Morgan Hill           | 21.9           | 20.8           | 19.5           | 20.3           | 20.0           | 20.0           | 20.8           | 21.4           | 21.9           | 22.5           | 26.9           |
| Saratoga              | 27.3           | 25.2           | 22.9           | 23.9           | 23.4           | 23.6           | 23.9           | 24.4           | 25.2           | 25.7           | 30.1           |
| Subtotal              | 220.8          | 215.4          | 204.1          | 205.3          | 200.1          | 201.5          | 207.6          | 214.7          | 229.3          | 236.5          | 265.2          |

|                  |       |       |       |       |       |       |       |       |       |       |       |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Percent of total | 81.4% | 80.8% | 80.5% | 80.4% | 80.0% | 80.1% | 80.0% | 80.1% | 80.2% | 80.1% | 80.0% |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

|                  |              |              |              |              |              |              |              |              |              |              |              |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Total FTE</b> | <b>271.4</b> | <b>266.8</b> | <b>253.6</b> | <b>255.2</b> | <b>250.1</b> | <b>251.5</b> | <b>259.5</b> | <b>268.0</b> | <b>286.0</b> | <b>295.3</b> | <b>331.6</b> |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|

|                  | <b>2018/19</b> | <b>2019/20</b> |
|------------------|----------------|----------------|
| Benefited FTE:   | 242.5          | 273.8          |
| Extra Help FTE:  | 33.4           | 33.7           |
| Extra Hours FTE: | 19.5           | 24.1           |
| <b>TOTAL:</b>    | <b>295.3</b>   | <b>331.6</b>   |

### Fiscal Year 2019-2020 Facilities, Services and Supplies Request

| EXPENDITURE CATEGORY             | FY 17-18<br>ACTUAL  | FY 18-19<br>Budget (Adj) | FY 18-19<br>Projected | FY 19-20<br>Proposed<br>Budget | Change           |
|----------------------------------|---------------------|--------------------------|-----------------------|--------------------------------|------------------|
| Safety Shoes                     | 3,108               | 3,128                    | 3,000                 | 3,000                          | (128)            |
| Communications & Phone           | 77,942              | 333,020                  | 191,811               | 303,560                        | (29,460)         |
| Communications & Phone- Co.      | 23,200              | 28,034                   | 28,034                | 14,122                         | (13,912)         |
| Insurance Premiums               | 118,952             | 126,910                  | 122,275               | 142,358                        | 15,448           |
| Insurance- Internal              | 96,259              | 98,066                   | 98,066                | 95,383                         | (2,683)          |
| Maintenance- Equipment           | 930,392             | 761,987                  | 761,987               | 769,273                        | 7,286            |
| Maintenance- Structures          | 665,429             | 3,630,208                | 1,538,965             | 3,403,120                      | (227,088)        |
| Membership Dues & Fees           | 50,366              | 55,000                   | 50,567                | 55,000                         | 0                |
| Office Expense                   | 606,299             | 612,003                  | 612,503               | 610,000                        | (2,003)          |
| Postage Expense-External         | 15,157              | 227,577                  | 50,000                | 200,000                        | (27,577)         |
| Postage Expense- Internal        | 9,783               | 10,456                   | 10,456                | 12,338                         | 1,882            |
| Printing- External               | 110,102             | 211,168                  | 83,842                | 200,000                        | (11,168)         |
| PC Software                      | 836,424             | 1,001,713                | 1,001,713             | 1,049,424                      | 47,711           |
| Education Exp.- Other            | 6,591               | 22,000                   | 22,000                | 75,000                         | 53,000           |
| Workshops, Conf. & Seminars      | 31,231              | 30,000                   | 30,000                | 30,000                         | 0                |
| Professional Services            | 685,212             | 1,758,937                | 1,200,000             | 2,349,400                      | 590,463          |
| SCC Library Foundation           | 810                 | 10,000                   | 2,612                 | 10,000                         | 0                |
| Silicon Valley Reads             | 10,000              | 10,000                   | 10,000                | 10,000                         | 0                |
| Data Proc. Serv.- External       | 52,410              | 70,200                   | 62,604                | 70,200                         | 0                |
| IT Services.- Internal           | 297,932             | 401,500                  | 371,150               | 447,099                        | 45,599           |
| Legal Services                   | 30,935              | 28,125                   | 49,338                | 55,000                         | 26,875           |
| Property Tax Admin Fee           | 30,029              | 27,000                   | 30,029                | 30,930                         | 3,930            |
| Lease- Equipment- Other          | 198,026             | 279,746                  | 275,660               | 206,000                        | (73,746)         |
| Rent & Lease Building & Improve. | 505,029             | 365,704                  | 365,704               | 365,355                        | (349)            |
| Small Tools & Instru.            | 55,207              | 166,401                  | 87,524                | 145,000                        | (21,401)         |
| Furniture                        | 461,312             | 268,683                  | 304,130               | 276,000                        | 7,317            |
| PC Hardware                      | 928,460             | 1,603,967                | 1,527,502             | 2,214,455                      | 610,488          |
| Incentives and Promotions        | 23,823              | 50,000                   | 25,989                | 50,000                         | 0                |
| Summer Reading Marketing         | 27,380              | 15,000                   | 15,000                | 15,000                         | 0                |
| Library Materials                | 6,614,473           | 7,308,756                | 7,644,660             | 7,661,386                      | 352,630          |
| County Overhead                  | 757,476             | 1,036,111                | 1,036,111             | 1,101,459                      | 65,348           |
| Fuel                             | 2,301               | 1,805                    | 2,704                 | 2,622                          | 817              |
| Garage Fleet Services            | 23,001              | 17,588                   | 17,588                | 21,513                         | 3,925            |
| Mileage                          | 20,503              | 25,500                   | 25,500                | 27,500                         | 2,000            |
| Automobile Services              | 44,409              | 37,000                   | 74,001                | 45,000                         | 8,000            |
| Local Meals and Meetings         | 5,283               | 5,000                    | 2,309                 | 5,000                          | 0                |
| Business Travel                  | 64,240              | 72,200                   | 66,262                | 72,200                         | 0                |
| Utilities                        | 1,112,866           | 1,331,000                | 1,233,692             | 1,258,000                      | (73,000)         |
| Misc. Expenses -- Other          | 35,661              | 12,000                   | 12,000                | 12,000                         | 0                |
| <b>TOTAL</b>                     | <b>\$15,568,233</b> | <b>\$22,063,492</b>      | <b>\$19,097,124</b>   | <b>\$23,423,697</b>            | <b>1,360,204</b> |

#### Facilities, Services and Supplies Summary:

The overall increase from 2018-19 to 2019-20 is \$1,360,204, or 6%. The most dramatic increases include: \$610,488 in "PC Hardware" for updated audio-visual equipment to our library community rooms; \$590,463 in "Professional Services" for homework help and "tech tool bars" at every library; and \$352,630 in "Library Materials" for additional library books and e-resources.

**Books and Materials Budget  
FY 2019-2020**

**Expenditure & Revenue Recap**

| 2019-20             | Traditional         | CFD                | Local/Gifts      | Passports        | Transfer           | TOTAL               |
|---------------------|---------------------|--------------------|------------------|------------------|--------------------|---------------------|
| <b>REVENUES</b>     |                     |                    |                  |                  |                    |                     |
|                     | \$50,645,677        | \$5,895,434        | \$567,458        | \$286,710        | \$5,040,000        | \$62,435,280        |
| <b>EXPENDITURES</b> |                     |                    |                  |                  |                    |                     |
| Operating           | \$11,112,310        | \$0                | \$0              | \$0              | \$4,640,000        | \$15,752,310        |
| Capital             | \$130,000           | \$0                | \$0              | \$0              | \$400,000          | \$530,000           |
| Books, Etc.         | \$6,482,300         | \$1,179,087        | \$0              | \$0              | \$0                | \$7,661,386         |
| Personnel           | \$31,387,915        | \$4,716,347        | \$567,458        | \$286,710        | \$0                | \$36,958,430        |
| <b>TOTAL</b>        | <b>\$49,112,524</b> | <b>\$5,895,434</b> | <b>\$567,458</b> | <b>\$286,710</b> | <b>\$5,040,000</b> | <b>\$60,902,127</b> |

**Community Facilities District Recap**

| CFD REVENUES    |                    | Personnel          | Books              |
|-----------------|--------------------|--------------------|--------------------|
| Campbell        | \$574,260          | \$459,408          | \$114,852          |
| Cupertino       | \$754,618          | \$603,694          | \$150,924          |
| Gilroy          | \$716,143          | \$572,914          | \$143,229          |
| Los Altos/Wo    | \$504,759          | \$403,807          | \$100,952          |
| Milpitas        | \$1,055,520        | \$844,416          | \$211,104          |
| Morgan Hill     | \$609,356          | \$487,485          | \$121,871          |
| Saratoga/MS     | \$435,918          | \$348,734          | \$87,184           |
| Subtotal        | \$4,650,574        | \$3,720,459        | \$930,115          |
| Bookmobile      | \$0                | \$518,267          | \$70,000           |
| Unincorporated* | \$1,244,860        | \$477,621          | \$178,972          |
| <b>Total</b>    | <b>\$5,895,434</b> | <b>\$4,716,347</b> | <b>\$1,179,087</b> |

**Books and Materials Recap**

| MATERIALS**         | Formula Share | Traditional by Formula | CFD Return       | Unincorp CFD by formula | Specific Place \$ (City/NCLA) | FY20 TOTAL         | FY19 Budgeted |
|---------------------|---------------|------------------------|------------------|-------------------------|-------------------------------|--------------------|---------------|
| Campbell            | 10.89%        | \$688,478              | \$114,852        | \$19,483                |                               | \$822,813          | \$760,904     |
| Cupertino           | 22.12%        | \$1,398,981            | \$150,924        | \$39,590                |                               | \$1,589,494        | \$1,467,054   |
| Gilroy              | 10.42%        | \$658,954              | \$143,229        | \$18,648                |                               | \$820,831          | \$769,880     |
| Los Altos/Woodland  | 16.27%        | \$1,028,971            | \$100,952        | \$29,119                |                               | \$1,159,041        | \$1,067,626   |
| Milpitas            | 17.37%        | \$1,098,771            | \$211,104        | \$31,094                |                               | \$1,340,969        | \$1,301,834   |
| Morgan Hill         | 10.23%        | \$646,939              | \$121,871        | \$18,308                |                               | \$787,118          | \$708,027     |
| Saratoga            | 12.70%        | \$803,204              | \$87,184         | \$22,730                |                               | \$913,117          | \$840,718     |
| Sub-Total Libraries | 100%          | \$6,324,298            | \$930,115        | \$178,972               | \$0                           | \$7,433,384        | \$6,916,043   |
| Bookmobile          |               |                        |                  | \$70,000                |                               | \$70,000           |               |
| Headquarters        |               | \$158,000              |                  |                         |                               | \$158,000          |               |
| <b>GRAND TOTAL</b>  |               | <b>\$6,482,298</b>     | <b>\$930,115</b> | <b>\$248,972</b>        | <b>\$0</b>                    | <b>\$7,661,384</b> |               |

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

## **FIXED ASSET and VEHICLE REQUEST**

**Fiscal Year 2019-2020**

### **Fixed Assets**

The following fixed asset requests will be funded with unspent funding from FY 2018-19 (\$130,000) and a transfer from the Technology Reserve (\$400,000):

|                                     |                  |
|-------------------------------------|------------------|
| <b>Smart Devices for Patron Use</b> | <b>\$400,000</b> |
|-------------------------------------|------------------|

This funding supports the loaning of “smart” devices to respond to patron needs.

|                         |                 |
|-------------------------|-----------------|
| <b>Outreach Vehicle</b> | <b>\$75,000</b> |
|-------------------------|-----------------|

This funding will be used to purchase a gas-powered outreach vehicle for the library system.

|                          |                 |
|--------------------------|-----------------|
| <b>Maintenance Truck</b> | <b>\$55,000</b> |
|--------------------------|-----------------|

This funding provides a dedicated vehicle with a lift gate and lumber rack for facilities staff.

|                                   |                  |
|-----------------------------------|------------------|
| <b>Total Fixed Asset Request:</b> | <b>\$530,000</b> |
|-----------------------------------|------------------|

## BUDGETED RESERVES Fiscal Year 2019-2020

### **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 2019-20 is \$550,000 for the following projects:

Saratoga Carpet Replacement: \$250,000  
Morgan Hill and Woodland Roof Restorations: \$115,000  
HVAC Unit Replacement: \$75,000  
Exterior Automatic Door Replacement and Repair: \$60,000  
Gilroy Lighting Ballasts: \$50,000

The current balance in this reserve: \$5,414,000

### **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 2019-20 is \$2,395,000. 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: \$8,720,000

Reserves Recap: The *estimated* status of reserves/fund balance, following adoption of the FY 2019-20 Budget, is as follows.

| <u>FUND 0025</u> |                                                |
|------------------|------------------------------------------------|
| \$ 4,864,000     | Capital Maintenance Reserve*                   |
| 6,325,000        | Technology Reserve                             |
| 17,000,000       | Fund Balance- Economic Uncertainty Designation |
| 7,800,000        | 1344 Dell Avenue Capital Program               |
| <br>\$ 5,041,241 | <br>Undesignated Fund Balance*                 |

\*Should the Board adopt the Capital Maintenance Plan as presented elsewhere on this Agenda, the Capital Maintenance Reserve will increase to \$7,297,000, while the Undesignated Fund Balance will reduce to \$2,608,241.

**REBUDGET OF UNSPENT FISCAL YEAR 2018-2019 FUNDS**  
**Fiscal Year 2019-2020**

The following projects and purchases, budgeted in Fiscal Year 2018-2019, will not be completed before June 30, 2019 and need to be rebudgeted to Fiscal Year 2019-2020:

- \$750,000 for 1344 Dell Architectural and Construction Management;
- \$460,000 for Los Altos Community Library Roof
- \$245,000 for Campbell Community Library Roof
- \$205,000 for Saratoga Community Library Roof Restoration
- \$200,000 for Gilroy Community Library Interior Space
- \$200,000 for Morgan Hill Community Library Interior Space
- \$35,000 for Morgan Hill Community Library Interior Painting;

**Total amount rebudgeted from Fiscal Year 2018-2019: \$2,095,000.**

# **Santa Clara County Library Formula 2019-2020**

| Library                           | Population<br>1-1-18 | Percent | Assessed<br>Valuation | Percent | Circulation | Percent          | Formula<br>Share | FY 18-<br>19 |
|-----------------------------------|----------------------|---------|-----------------------|---------|-------------|------------------|------------------|--------------|
| <b>Campbell</b>                   | 42,696               |         | 10,187,110,496        |         |             |                  |                  |              |
| Unincorporated                    | 8,464                |         | 2,202,817,800         |         |             |                  |                  |              |
| Redevelopment                     |                      |         | -1,096,525,752        |         |             |                  |                  |              |
| RDA Pass-thru                     |                      |         | 1,096,525,752         |         |             |                  |                  |              |
| RDA Dissolution                   |                      |         | <u>14,160,607</u>     |         |             |                  |                  |              |
|                                   | 51,160               | 13.229% | 12,404,088,903        | 10.658% | 795,627     | 8.771%           | <b>10.89%</b>    | 10.79%       |
| <b>Cupertino</b>                  | 60,091               |         | 25,182,059,606        |         |             |                  |                  |              |
| Unincorporated                    | 4,006                |         | <u>648,154,209</u>    |         |             |                  |                  |              |
|                                   | 64,097               | 16.574% | 25,830,213,815        | 22.195% | 2,502,911   | 27.593%          | <b>22.12%</b>    | 21.98%       |
| <b>Gilroy</b>                     | 55,615               |         | 8,741,061,361         |         |             |                  |                  |              |
| Unincorporated                    | 7,663                |         | <u>1,531,094,347</u>  |         |             |                  |                  |              |
|                                   | 63,278               | 16.362% | 10,272,155,708        | 8.826%  | 550,535     | 6.069%           | <b>10.42%</b>    | 10.47%       |
| <b>Los Altos</b>                  | 31,361               |         | 15,720,232,198        |         |             |                  |                  |              |
| Los Altos Hills                   | 8,568                |         | 8,079,300,293         |         |             |                  |                  |              |
| Unincorporated                    | 4,288                |         | <u>1,394,211,431</u>  |         |             |                  |                  |              |
|                                   | 44,217               | 11.434% | 25,193,743,922        | 21.648% | 1,426,723   | 15.729%          | <b>16.27%</b>    | 16.14%       |
| <b>Milpitas</b>                   | 74,865               |         | 18,343,899,235        |         |             |                  |                  |              |
| Unincorporated                    | 312                  |         | 90,650,938            |         |             |                  |                  |              |
| Redevelopment                     |                      |         | -7,396,784,335        |         |             |                  |                  |              |
| RDA Pass-thru                     |                      |         | 399,925,469           |         |             |                  |                  |              |
| RDA Dissolution                   |                      |         | <u>1,009,173,241</u>  |         |             |                  |                  |              |
|                                   | 75,177               | 19.439% | 12,446,864,548        | 10.695% | 1,994,402   | 21.987%          | <b>17.37%</b>    | 18.23%       |
| <b>Morgan Hill</b>                | 44,513               |         | 9,451,519,593         |         |             |                  |                  |              |
| Unincorporated                    | 7,633                |         | 2,406,782,411         |         |             |                  |                  |              |
| Redevelopment                     |                      |         | -3,189,630,340        |         |             |                  |                  |              |
| RDA Pass-thru                     |                      |         | 996,879,643           |         |             |                  |                  |              |
| RDA Dissolution                   |                      |         | <u>2,192,750,697</u>  |         |             |                  |                  |              |
|                                   | 52,146               | 13.484% | 11,858,302,004        | 10.189% | 636,327     | 7.015%           | <b>10.23%</b>    | 9.80%        |
| <b>Saratoga</b>                   | 31,435               |         | 15,393,228,913        |         |             |                  |                  |              |
| Monte Sereno                      | 3,630                |         | 2,189,749,893         |         |             |                  |                  |              |
| Unincorporated                    | 1,586                |         | <u>791,382,691</u>    |         |             |                  |                  |              |
|                                   | 36,651               | 9.477%  | 18,374,361,497        | 15.788% | 1,164,276   | 12.835%          | <b>12.70%</b>    | 12.58%       |
| Percentages are based on assigned |                      |         |                       |         |             |                  |                  |              |
|                                   | Population           |         | Assessed Valuation    |         | Circulation |                  |                  |              |
| Total                             | 440,440              |         | 131,256,633,000       |         | 9,647,883   |                  |                  |              |
| Assigned                          | 386,727              |         | 116,379,730,397       |         | 9,070,801   |                  |                  |              |
| Cities                            | 352,774              |         | 113,288,161,588       |         |             |                  |                  |              |
| Unincorporated                    | 33,953               |         | 9,065,093,827         |         |             |                  |                  |              |
| Unassigned                        | 53,713               |         | 8,903,377,585         |         | 577,082     | (Bookmobile, HQ) |                  |              |
| Redevelopment                     |                      |         | -5,973,525,019        |         |             |                  |                  |              |
| Total Unincorp                    | 87,666               |         | 17,968,471,412        |         |             |                  |                  |              |

## FUNDING FORMULA PARAMETER ADJUSTMENTS

Fiscal Year 2019-2020

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"<sup>1</sup> 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.

<sup>1</sup>"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<br>Valuation<br>Percentage | Formula<br>Percentage | Difference | Public Service<br>Transactions<br>Percentage | Formula<br>Percentage | Difference |
| Campbell    | 10.658%                             | 10.89%                | -0.228%    | 8.937%                                       | 10.89%                | -1.949%    |
| Cupertino   | 22.195%                             | 22.12%                | 0.074%     | 26.814%                                      | 22.12%                | 4.694%     |
| Gilroy      | 8.826%                              | 10.42%                | -1.593%    | 6.766%                                       | 10.42%                | -3.653%    |
| Los Altos   | 21.648%                             | 16.27%                | 5.378%     | 15.683%                                      | 16.27%                | -0.587%    |
| Milpitas    | 10.695%                             | 17.37%                | -6.679%    | 21.787%                                      | 17.37%                | 4.413%     |
| Morgan Hill | 10.189%                             | 10.23%                | -0.040%    | 7.311%                                       | 10.23%                | -2.918%    |
| Saratoga    | 15.788%                             | 12.70%                | 3.088%     | 12.701%                                      | 12.70%                | 0.001%     |

In the Fiscal Year 2019-20 Funding Formula, there is only one instance in which a one-time adjustment could be made.

- 1) Los Altos' relative share of assessed valuation is 21.648%, while the formula share is 16.27% -- a difference of 5.378%. If this difference were limited to 5%, Los Altos libraries would receive an additional \$36,537 for staffing and \$24,567 for materials.

As sufficient unrestricted fund balance is available to fund this increased budget, the 2019-20 Personnel Budget and Books & Materials Budget will be adjusted accordingly.