



**JOINT POWERS AUTHORITY
BOARD TRANSMITTAL**

DATE: June 25, 2020
TO: Joint Powers Authority Board
FROM: Jennifer Weeks, County Librarian
SUBJECT: Adopt the Fiscal Year 2020-21 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: 6/25/2020 SECRETARY

RECOMMENDED ACTIONS

It is recommended that the Board adopt the Fiscal Year 2020-2021 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.

The COVID-19 crisis creates a great deal of uncertainty related to the Library District's revenue, 96% of which is related to various property tax streams. It is impossible to know at this point in time the extent of any such reductions going forward, and the length that these reductions could continue.

One of the unknowns is tied to State actions that could put millions of dollars of Library District property tax revenues at risk – a proposed retroactive calculation change to excess Educational Revenue Augmentation Funds ("ERAF"). As of this writing, this proposal has not yet been approved, and the level of impact is not yet known.

Thankfully, the Library Joint Powers Authority Board ("Board") established an "Economic Uncertainty Reserve" to mitigate this type of circumstance; and due to additional allocations over the years, this reserve has increased to \$17,000,000. Nevertheless, rather than dipping into these reserves at this time, Library staff recommends rolling over Fiscal Year 2019-20 budget savings into Fiscal Year 2020-21 to shore up any funding gaps expected at this time, and to save the Economic Uncertainty Reserve for any further reductions in revenue, potentially including any impacts due to the states ERAF decision identified above

The current expected funding gap is principally a result of a \$4.1 million (8.0%) reduction in property tax revenue (based on the latest information from the County Controller's office before this crisis began) and a \$2.8 million (7.7%) increase in Salaries and Benefits due to the expected conclusion of

union contract negotiations. Again, these figures remain very fluid as the current COVID-19 picture changes weekly, daily, and hourly. Nevertheless, the Library District's budget goal is to ensure fiscal sustainability; and to that end, fiscal staff will remain ever vigilant, reducing extra help hours and extra hours for part-time staff, thoughtfully considering staff positions and limiting expenditures where possible, and forestalling any new programs or services until the economic picture becomes clearer.

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

- \$6,678,000 Capital Maintenance Reserve (for major capital maintenance needs expected over the next ten years.
- \$1,230,000 Technology Reserve (for the remaining funding in the JPA adopted Three Year Technology Plan)
- \$17,000,000 Economic Uncertainty Reserve
- \$7,800,000 1344 Dell Avenue Capital Program

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

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Santa Clara County Library District - Fiscal Year 2020-2021 REQUESTED BUDGET SUMMARY

Estimated Revenue:

Property Taxes	47,343,720
State Sources	53,523
Special Tax	5,996,705
City/ County Contribution	618,458
Fines & Fees	550,000
Other	<u>1,264,716</u>
TOTAL Current Revenue	<u>55,827,122</u>

Transfer from Cap. & IT Res.	5,944,000
2019-20 Budget Rollover	<u>5,563,971</u>

Requested Expenditures:

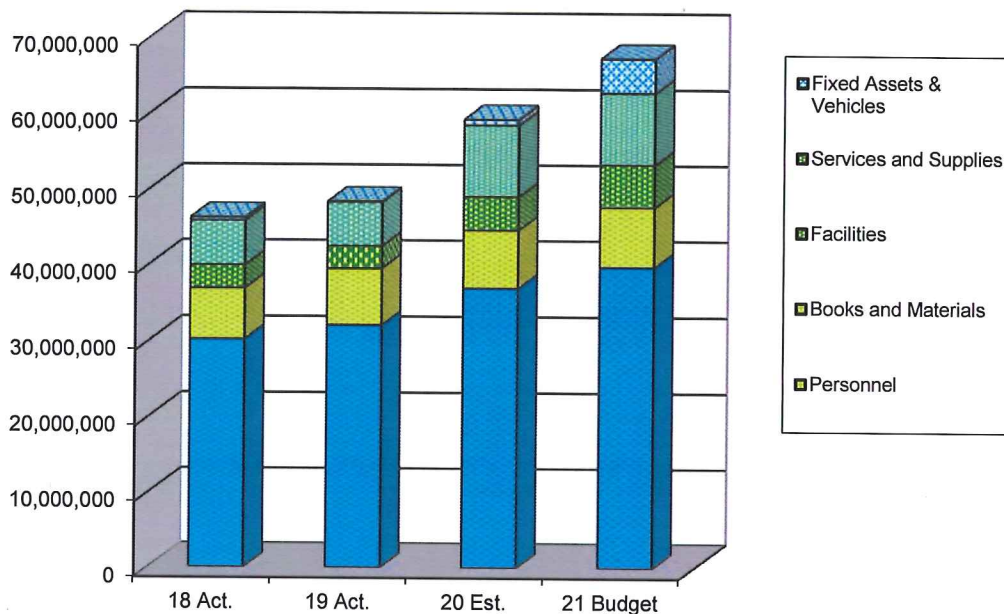
Personnel	39,788,096
Books and Materials	7,927,451
Facilities	5,616,311
Services and Supplies	<u>9,481,098</u>
TOTAL Operating Budget	<u>62,812,957</u>

Fixed Assets & Vehicles	<u>4,522,136</u>
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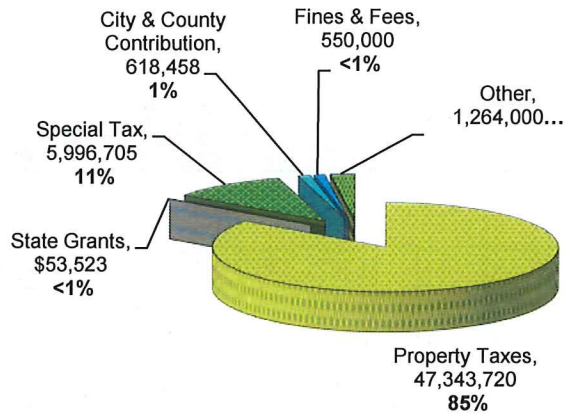
TOTAL \$67,335,093

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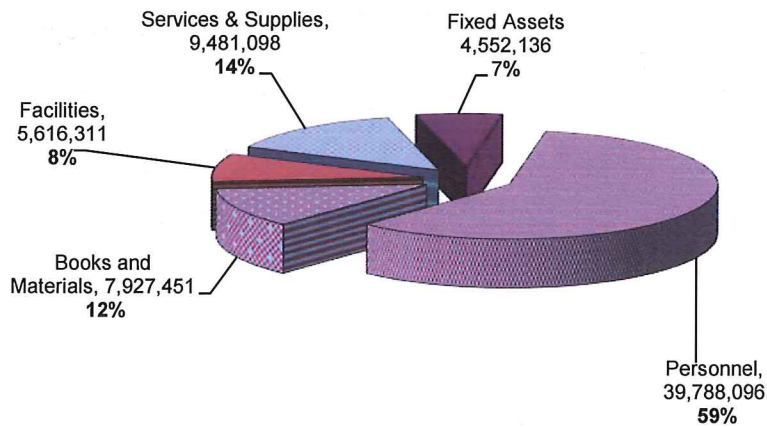
Four-Year Expenditure Trend



Fiscal Year 2020-2021 Library Revenue



Fiscal Year 2020-2021 Library Expenditures



Santa Clara County Library Budget
Fiscal Year 2020 - 2021
Four-Year Recap of Revenue & Expenses

	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Approved	FY 19-20 Estimated	FY 20-21 Budget
REVENUE					
Property Taxes	40,852,344	46,805,141	49,355,136	51,459,074	47,343,720
State Grants	81,383	180,635	53,523	53,523	53,523
Special Tax	5,824,974	5,855,190	5,895,434	5,895,434	5,996,705
City & County Contribution	1,935,997	1,999,495	618,458	618,458	618,458
Fines & Fees	526,435	575,570	482,000	550,000	550,000
Other	1,493,675	1,716,483	990,728	1,238,470	1,264,716
TOTAL	50,714,808	57,132,513	57,395,279	59,814,959	55,827,122
Transfer from Cap. & IT Reserves	0	0	2,095,000	2,095,000	5,944,000
Transfer from Prior Year	<u>0</u>	<u>0</u>	<u>2,945,000</u>	<u>2,945,000</u>	<u>5,563,971</u>
TOTAL FINANCING AVAILABLE	50,714,808	57,132,513	62,435,279	64,854,959	67,335,093

EXPENSES

Personnel	30,257,567	32,128,919	36,958,430	36,958,430	39,788,096
Books and Materials	6,614,473	7,406,012	7,661,386	7,661,385	7,927,451
Facilities	3,060,989	2,960,093	5,857,898	4,444,838	5,616,311
Services and Supplies	5,892,548	5,815,801	9,894,412	9,477,560	9,481,098
Fixed Assets & Vehicles	394,306	62,706	1,592,294	720,294	4,522,136
TOTAL	46,219,883	48,373,531	61,964,420	59,262,506	67,335,093

Fiscal Year 2020-2021
REVENUE PROJECTION

REVENUE SOURCE	FY 18-19 Actual	FY 19-20 Budget	FY 19-20 Projected	FY 20-21 Budget	Variance from Approved
Supplemental Roll	\$ 1,310,964	\$ 753,502	\$ 950,445	\$ 824,445	\$ 70,943
Property Tax - Current Secured	29,742,754	31,118,653	31,380,691	31,847,691	729,038
Property Tax - RDA Distribution	1,530,950	1,471,000	1,662,178	1,662,178	191,178
Property Tax - Current Unsecured	2,358,889	2,312,130	2,263,100	2,220,300	-91,830
ERAF Reimbursements	6,411,965	8,071,000	9,334,000	4,667,000	-3,404,000
Property Tax - Unitary Roll	913,559	873,851	885,106	885,106	11,255
Property Tax- VLF in lieu	3,498,239	3,696,000	3,735,554	3,989,000	293,000
RDA- Property Tax Pass-thru	<u>1,037,821</u>	<u>1,059,000</u>	<u>1,248,000</u>	<u>1,248,000</u>	<u>189,000</u>
Subtotal All Property Tax	\$46,805,141	\$49,355,136	\$51,459,074	\$47,343,720	-\$2,011,416
Library Fees and Charges	\$ 264,023	\$ 232,000	\$ 250,000	\$ 250,000	\$ 18,000
Library Overdue Fines	311,547	250,000	300,000	300,000	50,000
Interest Earnings	778,414	500,000	750,000	750,000	250,000
Homeowner Prop. Tax Relief	142,483	142,768	140,510	139,222	(3,546)
State LSCA	98,791	53,523	53,523	53,523	0
Other State Grants	81,844	0	0	0	0
Contributions from Cities	1,718,082	567,458	567,458	567,458	0
Special Tax - CFD	5,855,190	5,895,434	5,895,434	5,996,705	101,271
Other Library Services	34,981	21,250	21,250	21,250	0
Contributions & Donations	437,620	0	0	0	0
Passport Fees	191,976	286,710	286,710	314,244	27,534
Misc. Income	94,583	10,000	10,000	10,000	0
Transfer from County	281,413	51,000	51,000	51,000	0
Federal Medicare Credit	<u>36,426</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Subtotal All Other Sources	\$10,327,372	\$8,040,143	\$8,355,885	\$8,483,402	\$443,259
TOTAL	57,132,513	\$57,395,279	\$59,814,959	\$55,827,122	-\$1,568,157
Budget Rollover from Prior Year	\$0	\$2,095,000	\$2,095,000	\$5,563,971	\$3,468,971
Transfer from Cap. & IT Reserves	\$0	\$2,945,000	\$2,945,000	\$5,944,000	\$2,999,000
GRAND TOTAL	\$57,132,513	\$62,435,279	\$64,854,959	\$67,335,093	\$4,899,814

Overall property taxes in FY 2020-2021 are forecasted to decrease 8% from the projected FY 2019-2020 amounts based on estimates from the County Controller's Office, primarily due to an expected 50% decrease in ERAF reimbursements. All other revenue sources remain relatively flat, with the exception of interest earnings, which have increased due in part to the increased amounts in the Library District's designated reserves.. The "Budget Rollover from Prior Year" represents specific projects budgeted in 2019-20 that will not be accomplished until 2020-21, as well as an additional \$3 million in overall savings. 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 2020-2021 PERSONNEL REQUEST

The proposed personnel budget of \$39,958,430 reflects a \$2.8 million increase from the original JPA-approved Fiscal Year 2019-20 personnel budget associated with the following personnel actions:

- A 4.15% increase (\$1.5 million) in combined contract-negotiated salary and benefit increases
- \$849,000 for the establishment of the new Library Circulation Aide positions (approved by the JPA Board on October 24, 2019)
- \$447,000 in living wage increases for Library clerical positions in parity with the newly established Library Circulation Aide positions.

No new positions are being added at this time, and vacant positions are only being filled after thoughtful consideration, balancing the needs of the community while preparing for further potential revenue reductions.

**Personnel Budget
FY 2020-2021**

Expenditure & Revenue Recap

2020-21	Traditional	CFD	Local/Gifts	Passport	Transfer	TOTAL
REVENUES						
	\$48,948,715	\$5,996,705	\$567,458	\$314,244	\$11,507,971	\$67,335,093
EXPENDITURES						
Operating	\$8,039,438.49				\$7,057,971	\$15,097,409
Capital	\$72,136				\$4,450,000	\$4,522,136
Books, Etc.	\$6,728,110	\$1,199,341	\$0			\$7,927,451
Personnel	\$34,109,030	\$4,797,364	\$567,458	\$314,244		\$39,788,096
TOTAL	\$48,948,715	\$5,996,705	\$567,458	\$314,244	\$11,507,971	\$67,335,093

Community Facilities District Recap

CFD REVENUES		Personnel	Books
Campbell	581,559	\$465,248	\$116,312
Cupertino	761,892	\$609,513	\$152,378
Gilroy	731,636	\$585,309	\$146,327
Los Altos/Wo	505,332	\$404,266	\$101,066
Milpitas	1,110,090	\$888,072	\$222,018
Morgan Hill	624,978	\$499,983	\$124,996
Saratoga/MS	437,386	\$349,909	\$87,477
Subtotal	4,752,874	\$3,802,299	\$950,575
Bookmobile*		\$566,963	\$70,000
Unincorporated*	1,243,832	\$428,102	\$178,972
Total	\$5,996,705	\$4,797,364	\$1,199,547

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)	FY21 TOTAL	FY20 Budgeted	Change from FY20
Campbell	11.04%	\$1,446,381	\$1,143,219	\$465,248	\$47,265			\$3,102,113	\$2,874,067	\$228,046
Cupertino	21.78%	\$2,338,463	\$2,254,843	\$609,513	\$93,224	\$104,748	\$117,000	\$5,517,791	\$5,133,469	\$384,322
Gilroy	10.38%	\$1,222,655	\$1,074,324	\$585,309	\$44,417			\$2,926,705	\$2,735,901	\$190,804
Los Altos/Woodland	16.22%	\$1,987,321	\$1,680,001	\$404,266	\$69,458	\$104,748	\$289,834	\$4,535,628	\$4,224,602	\$311,026
Milpitas	18.14%	\$1,922,875	\$1,878,840	\$888,072	\$77,679	\$104,748	\$160,624	\$5,032,837	\$4,562,291	\$470,546
Morgan Hill	9.86%	\$1,282,523	\$1,021,081	\$499,983	\$42,216			\$2,845,802	\$2,686,857	\$158,945
Saratoga	12.58%	\$1,625,846	\$1,302,336	\$349,909	\$53,844			\$3,331,934	\$3,095,840	\$236,094
Sub-Total Libraries	100%	\$11,826,062	\$10,354,644	\$3,802,299	\$428,102	\$314,244	\$567,458	\$27,292,811	\$25,313,027	\$1,979,784
Headquarters		\$11,504,882						\$11,504,882	\$10,707,597	\$797,285
The Reading Program		\$423,437						\$423,437	\$419,535	\$3,902
Bookmobile					\$566,963			\$566,963	\$518,267	\$48,696
GRAND TOTAL		\$23,754,382	\$10,354,644	\$3,802,299	\$995,065	\$314,244	\$567,458	\$39,788,093	\$36,958,426	\$2,829,667

**Santa Clara County Library District
FTE from FY 2010-2011 to FY 2020-2021**

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

Headquarters	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Administration	6.0	6.0	6.0	6.5	6.5	6.5	6.5	8.5	9.5	13.0	14.0
Business Office	14.8	13.9	14.0	13.5	13.6	14.2	14.6	15.1	16.1	18.1	20.1
Public Services	5.3	5.6	6.2	6.2	6.2	7.4	7.4	7.4	6.5	8.5	8.5
Computer Support	6.9	7.3	7.1	7.1	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Tech & Digital Svcs	18.4	16.8	16.7	16.7	16.7	16.7	17.7	18.7	19.7	19.7	18.7
Subtotal	51.3	49.5	50.0	50.0	50.0	51.8	53.2	56.8	58.8	66.3	68.3
Percent of total	19.2%	19.5%	19.6%	20.0%	19.9%	20.0%	19.9%	19.8%	19.9%	20.0%	19.9%

Direct Service	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2019/20
Centr. Pub. Svc.	5.5	5.5	5.5	6.9	6.9	6.9	9.4	9.0	9.0	13.0	13.0
Bookmobile	3.4	3.3	3.2	3.2	3.2	3.2	3.7	4.5	5.0	5.0	5.0
Campbell	22.3	20.6	21.3	20.7	21.0	21.3	22.2	23.2	23.2	27.2	28.2
Cupertino	39.3	37.8	40.8	38.8	39.4	39.8	40.4	41.9	43.8	49.7	51.7
Gilroy	20.9	20.4	21.1	20.5	20.6	20.9	21.0	22.0	22.4	25.4	26.9
Literacy	2.5	2.5	2.9	2.9	2.9	2.9	3.1	3.0	3.5	3.5	3.5
Los Altos	31.7	30.0	29.7	28.8	28.8	30.1	30.6	32.3	32.3	34.5	36.0
Woodland	4.1	4.1	4.1	4.1	4.1	4.8	4.8	5.0	5.9	5.9	5.9
Milpitas	40.0	37.7	32.6	30.9	31.1	33.1	33.7	41.4	43.3	44.0	46.0
Morgan Hill	20.8	19.5	20.3	20.0	20.0	20.8	21.4	21.9	22.5	26.9	26.7
Saratoga	25.2	22.9	23.9	23.4	23.6	23.9	24.4	25.2	25.7	30.1	31.6
Subtotal	215.4	204.1	205.3	200.1	201.5	207.6	214.7	229.3	236.5	265.2	274.6
Percent of total	80.8%	80.5%	80.4%	80.0%	80.1%	80.0%	80.1%	80.2%	80.1%	80.0%	80.1%

Total FTE	266.8	253.6	255.2	250.1	251.5	259.5	268.0	286.0	295.3	331.6	342.8
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	2019/20	2020/21
Benefited FTE:	273.8	285.3
Extra Help FTE:	33.7	33.7
Extra Hours FTE:	24.1	23.9
TOTAL:	331.6	342.8

Fiscal Year 2020-2021 Facilities, Services and Supplies Request

EXPENDITURE CATEGORY	FY 18-19 ACTUAL	FY 19-20 Budget (Adj)	FY 19-20 Projected	FY 20-21 Proposed Budget	Change
Safety Shoes	4,000	3,250	3,250	3,250	0
Communications & Phone	128,672	303,560	136,000	565,750	262,190
Communications & Phone- Co.	10,421	14,122	14,122	7,987	(6,135)
Insurance Premiums	122,275	142,358	142,358	186,859	44,501
Insurance- Internal	98,066	95,383	95,383	81,206	(14,177)
Maintenance- Equipment	790,370	978,534	730,000	922,984	(55,550)
Maintenance- Structures	760,744	3,477,161	1,872,161	2,886,390	(590,771)
Membership Dues & Fees	50,598	55,000	55,000	55,000	0
Office Expense	597,553	734,607	734,607	600,000	(134,607)
Postage Expense-External	17,325	200,000	75,000	200,000	0
Postage Expense- Internal	9,396	12,338	12,338	10,008	(2,330)
Printing- External	105,757	249,478	150,000	200,390	(49,088)
PC Software	649,490	1,084,487	884,487	1,331,721	247,234
Education Exp.- Other	0	75,000	0	75,000	0
Workshops, Conf. & Seminars	34,993	30,000	30,000	30,000	0
Professional Services	955,529	2,515,322	2,465,322	1,819,400	(695,922)
SCC Library Foundation	494	10,000	10,000	10,000	0
Silicon Valley Reads	10,000	10,000	10,000	10,000	0
Data Proc. Serv.- External	55,398	70,200	60,000	60,000	(10,200)
IT Services.- Internal	388,432	409,441	409,441	544,928	135,487
Legal Services	54,315	55,000	25,000	55,000	0
Property Tax Admin Fee	0	30,930	30,930	31,858	928
Lease- Equipment- Other	257,008	253,495	253,495	218,000	(35,495)
Rent & Lease Building & Improve.	363,685	365,355	365,355	367,119	1,764
Small Tools & Instru.	111,850	145,000	145,000	173,750	28,750
Furniture	431,988	561,459	561,459	0	(561,459)
PC Hardware	394,804	2,835,235	2,035,235	1,607,000	(1,228,235)
Service Staff Meetings	9	10,000	10,000	10,000	0
Incentives and Promotions	16,713	50,000	50,000	50,000	0
Summer Reading Marketing	52,148	20,532	20,532	15,000	(5,532)
Library Materials	7,406,012	7,656,385	7,661,385	7,927,451	271,066
County Overhead	1,036,111	1,101,459	1,101,459	1,252,620	151,161
Fuel	3,584	2,622	2,622	4,745	2,123
Garage Fleet Services	22,147	21,513	21,513	25,744	4,231
Mileage	24,284	27,500	30,500	30,500	3,000
Automobile Services	71,872	59,829	44,829	45,000	(14,829)
Local Meals and Meetings	287	5,000	5,000	5,000	0
Business Travel	57,257	72,200	60,000	72,200	0
Utilities	1,074,182	1,258,000	1,258,000	1,521,000	263,000
Misc. Expenses -- Other	14,148	12,000	12,000	12,000	0
TOTAL	\$16,181,907	\$25,003,755	\$21,583,783	\$23,024,861	(1,988,894)

Facilities, Services and Supplies Summary:

The most dramatic increases from the prior year include \$262,190 in "Communications & Phone" for VoIP maintenance, \$247,234 in "PC Software" for online catalog and website subscriptions, \$271,066 in "Library Materials" for increased e-book and electronic materials purchases, and \$263,000 for anticipated utility cost increases. All major reductions are associated with one-time projects complete in 2019-20.

**Books and Materials Budget
FY 2020-2021**

Expenditure & Revenue Recap

2020-21	Traditional	CFD	Local/Gifts	Passports	Transfer	TOTAL
REVENUES						
	\$48,948,715	\$5,996,705	\$567,458	\$314,244	\$11,507,971	\$67,335,093
EXPENDITURES						
Operating	\$8,039,438	\$0	\$0	\$0	\$7,057,971	\$15,097,409
Capital	\$72,136	\$0	\$0	\$0	\$4,450,000	\$4,522,136
Books, Etc.	\$6,728,110	\$1,199,341	\$0	\$0	\$0	\$7,927,451
Personnel	\$34,109,030	\$4,797,364	\$567,458	\$314,244	\$0	\$39,788,096
TOTAL	\$48,948,714	\$5,996,705	\$567,458	\$314,244	\$11,507,971	\$67,335,093

Community Facilities District Recap

CFD REVENUES		Personnel	Books
Campbell	\$581,559	\$465,248	\$116,312
Cupertino	\$761,892	\$609,513	\$152,378
Gilroy	\$731,636	\$585,309	\$146,327
Los Altos/Wo	\$505,332	\$404,266	\$101,066
Milpitas	\$1,110,090	\$888,072	\$222,018
Morgan Hill	\$624,978	\$499,983	\$124,996
Saratoga/MS	\$437,386	\$349,909	\$87,477
Subtotal	\$4,752,874	\$3,802,299	\$950,575
Bookmobile	\$0	\$566,963	\$70,000
Unincorporated*	\$1,243,832	\$428,102	\$178,766
Total	\$5,996,705	\$4,797,364	\$1,199,341

Books and Materials Recap

	Formula Share	Traditional by Formula	CFD Return	Unincorp CFD by formula	Specific Place \$ (City/NCLA)	FY21 TOTAL	FY20 Budgeted	Change from FY20
MATERIALS**								
Campbell	11.04%	\$725,382	\$116,312	\$19,737		\$861,431	\$822,813	\$38,618
Cupertino	21.78%	\$1,430,717	\$152,378	\$38,928		\$1,622,024	\$1,589,494	\$32,530
Gilroy	10.38%	\$681,668	\$146,327	\$18,548		\$846,543	\$820,831	\$25,712
Los Altos/Woodland	16.22%	\$1,065,975	\$101,066	\$29,004		\$1,196,045	\$1,159,041	\$37,004
Milpitas	18.14%	\$1,192,140	\$222,018	\$32,437		\$1,446,595	\$1,340,969	\$105,626
Morgan Hill	9.86%	\$647,884	\$124,996	\$17,628		\$790,508	\$787,118	\$3,390
Saratoga	12.58%	\$826,343	\$87,477	\$22,484		\$936,304	\$913,117	\$23,187
Sub-Total Libraries	100%	\$6,570,108	\$950,575	\$178,766	\$0	\$7,699,451	\$7,433,383	\$266,068
Bookmobile				\$70,000		\$70,000		
Headquarters		\$158,000				\$158,000		
GRAND TOTAL		\$6,728,108	\$950,575	\$248,766	\$0	\$7,927,451		

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

FIXED ASSET and VEHICLE REQUEST

Fiscal Year 2020-2021

Fixed Assets

The following fixed asset requests will be funded with unspent funding from FY 2019-20 (\$72,136) and a transfer from the Technology Reserve (\$4,450,000):

Automated Material Handling System	\$4,000,000
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This funding replacement of the automated materials handling machines throughout the library district.

Book Lending Services	\$300,000
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This funding will be used to pilot book lending services for the library system.

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

Outreach Vehicle	\$72,136
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This funding will be used to purchase a gas-powered outreach vehicle for the library system.

Total Fixed Asset Request:	\$4,522,136
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BUDGETED RESERVES

Fiscal Year 2020-2021

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 2020-21 is \$619,000 for the following projects:

Cupertino Carpet Replacement: \$300,000
Cupertino Front Door/Lobby Upgrade: \$85,000
Saratoga Audio-Visual Equipment: \$55,000
Cupertino Energy Audit Upgrades: \$50,000
Morgan Hill Audio-Visual Equipment \$50,000
Miscellaneous Emergency Work: \$50,000
Saratoga Flat Roof Coating: \$29,000

The current balance in this reserve: \$7,297,000

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 2020-21 is \$5,325,000. 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: \$6,555,000

Reserves Recap: The *estimated* status of reserves/fund balance, following adoption of the FY 2020-21 Budget, is as follows.

FUND 0025

\$ 6,678,000	Capital Maintenance Reserve
1,230,000	Technology Reserve
17,000,000	Fund Balance- Economic Uncertainty Designation
7,800,000	1344 Dell Avenue Capital Program
\$ 6,205,080	Undesignated Fund Balance

REBUDGET OF UNSPENT FISCAL YEAR 2019-2020 FUNDS

Fiscal Year 2020-2021

The following projects and purchases, budgeted in Fiscal Year 2019-2020, will not be completed before June 30, 2020 and need to be rebudgeted to Fiscal Year 2020-2021:

- \$800,000 for Updated Community Room Audio-Visual Equipment;
- \$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 Campbell Library Interior Space;
- \$200,000 for Gilroy Community Library Interior Space;
- \$200,000 for Morgan Hill Community Library Interior Space;
- \$72,136 for Outreach Vehicle;
- \$50,000 for Link+ Catalog Subscription;
- \$45,000 for Cupertino Library Automatic Doors;
- \$35,000 for Morgan Hill Community Library Interior Painting;
- \$15,000 for Campbell Library Automatic Doors;

Total amount rebudgeted from Fiscal Year 2019-2020: \$2,527,136.

Santa Clara County Library Formula 2020-2021

Library	Population 1-1-19	Percent	Assessed Valuation	Percent	Circulation	Percent	Formula Share	FY 19- 20
Campbell	43,250		11,063,771,091					
Unincorporated	8,532		2,333,012,736					
Redevelopment			-1,254,679,897					
RDA Pass-thru			1,254,679,897					
RDA Dissolution			0					
	51,782	13.263%	13,396,783,827	10.817%	857,166	9.042%	11.04%	10.89%
Cupertino	59,879		26,012,581,858					
Unincorporated	4,039		686,462,595					
	63,918	16.371%	26,699,044,453	21.558%	2,597,500	27.399%	21.78%	22.12%
Gilroy	55,928		9,291,636,386					
Unincorporated	7,725		1,621,587,864					
	63,653	16.303%	10,913,224,250	8.812%	569,811	6.010%	10.38%	10.42%
Los Altos	31,190		16,809,016,557					
Los Altos Hills	8,785		8,516,992,968					
Unincorporated	4,323		1,476,614,645					
	44,298	11.346%	26,802,624,170	21.642%	1,487,071	15.686%	16.22%	16.27%
Milpitas	76,231		19,999,026,460					
Unincorporated	315		96,008,755					
Redevelopment			-8,121,160,168					
RDA Pass-thru			1,111,181,847					
RDA Dissolution			2,910,301,790					
	76,546	19.606%	15,995,358,683	12.916%	2,077,463	21.913%	18.14%	17.37%
Morgan Hill	45,742		10,229,924,020					
Unincorporated	7,694		2,549,032,433					
Redevelopment			-3,475,863,228					
RDA Pass-thru			520,440,601					
RDA Dissolution			914,654,249					
	53,436	13.687%	10,738,188,076	8.671%	685,054	7.226%	9.86%	10.23%
Saratoga	31,407		16,167,288,519					
Monte Sereno	3,787		2,295,001,653					
Unincorporated	1,598		838,156,427					
	36,792	9.424%	19,300,446,599	15.584%	1,206,275	12.724%	12.58%	12.70%
Percentages are based on assigned								
	Population		Assessed Valuation		Circulation			
Total	444,567		139,415,716,133		10,122,079			
Assigned	390,424		123,845,670,059		9,480,340			
Cities	356,199		120,385,239,512					
Unincorporated	34,225		9,600,875,455					
Unassigned	54,143		9,429,601,166		641,739	(Bookmobile, HQ)		
Redevelopment			-6,140,444,909					
Total Unincorp	88,368		19,030,476,621					

FUNDING FORMULA PARAMETER ADJUSTMENTS

Fiscal Year 2020-2021

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	10.817%	11.04%	-0.223%	9.618%	11.04%	-1.422%
Cupertino	21.558%	21.78%	-0.218%	27.764%	21.78%	5.987%
Gilroy	8.812%	10.38%	-1.563%	7.032%	10.38%	-3.343%
Los Altos	21.642%	16.22%	5.417%	16.242%	16.22%	0.017%
Milpitas	12.916%	18.14%	-5.229%	22.670%	18.14%	4.525%
Morgan Hill	8.671%	9.86%	-1.190%	7.904%	9.86%	-1.957%
Saratoga	15.584%	12.58%	3.007%	13.113%	12.58%	0.536%

In the Fiscal Year 2020-21 Funding Formula, there are two instances in which one-time adjustments could be made.

- 1) Los Altos' relative share of assessed valuation is 21.642%, while the formula share is 16.22% -- a difference of 5.417%. If this difference were limited to 5%, Los Altos libraries would receive an additional \$45,001 for staffing and \$28,166 for materials.
- 2) Cupertino's relative share of Public Services Transactions is 27.764%, while the formula share is 21.78% -- a difference of 5.987%. If this difference were limited to 5%, Cupertino Community Library would receive an additional \$106,468 for staffing and \$66,638 for materials.

Upon approval from the JPA Board, the 2020-21 Personnel Budget and Books & Materials Budget will be adjusted accordingly.