



APPROVED ACCEPTED PENDING
DENIED PRESENTED MODIFIED

BY THE SANTA CLARA COUNTY LIBRARY
DISTRICT JOINT POWERS AUTHORITY

BY: Tigraia L. Johnson
DATE: 6/1/23

JPA Board
June 1, 2023
Item 4.a.

**JOINT POWERS AUTHORITY
BOARD TRANSMITTAL**

DATE: June 1, 2023

TO: JOINT POWERS AUTHORITY BOARD

FROM: Jennifer Weeks, County Librarian

SUBJECT: Approve and Recommend the Board Adopt the Fiscal Year 2023-24 Library Budget

RECOMMENDED ACTIONS

It is recommended that the Board adopt the Fiscal Year 2023-24 Final Budget.

BACKGROUND/REASONS FOR RECOMMENDATION

There is no change from the budget previously reviewed by the JPA Board in April. This action represents final budget approval, which was recommended by the JPA Finance Committee at its May 24, 2023 meeting.

Overall, this budget assumes a small growth rate in property tax, which is the Library's primary source of revenue. Even with this small amount of growth, the Library has sufficient resources to fund new positions to address the needs of the most vulnerable patrons in our communities, literacy skills for younger students, families, and the incarcerated, and growing facility maintenance needs – all of which is sustainable over the next five years.

As mentioned in the "Budgeted Reserves" section of this budget document, the Library District will continue to reserve the following amounts for future use:

- \$10,727,000 Capital Maintenance Reserve (for major capital maintenance needs expected over the next ten years;
- \$1,310,000 Technology Reserve (for the remaining funding in the JPA adopted Three Year Technology Plan);
- \$23,000,000 Economic Uncertainty Reserve (a \$2.million increase);
- \$7,800,000 1344 Dell Avenue Capital Program.

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

**SANTA CLARA COUNTY LIBRARY DISTRICT
FISCAL YEAR 2023-2024 PROPOSED BUDGET**

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Santa Clara County Library District - Fiscal Year 2023-2024 REQUESTED BUDGET SUMMARY

Estimated Revenue:

Property Taxes	64,874,517
State Sources	115,131
Special Tax	6,018,734
City/ County Contribution	447,879
Fees	100,000
Other	1,545,427
TOTAL Current Revenue	<u>73,101,688</u>

Transfer from Cap. & IT Res.	12,504,000
2022-23 Budget Rollover	<u>2,529,000</u>

TOTAL \$88,134,688

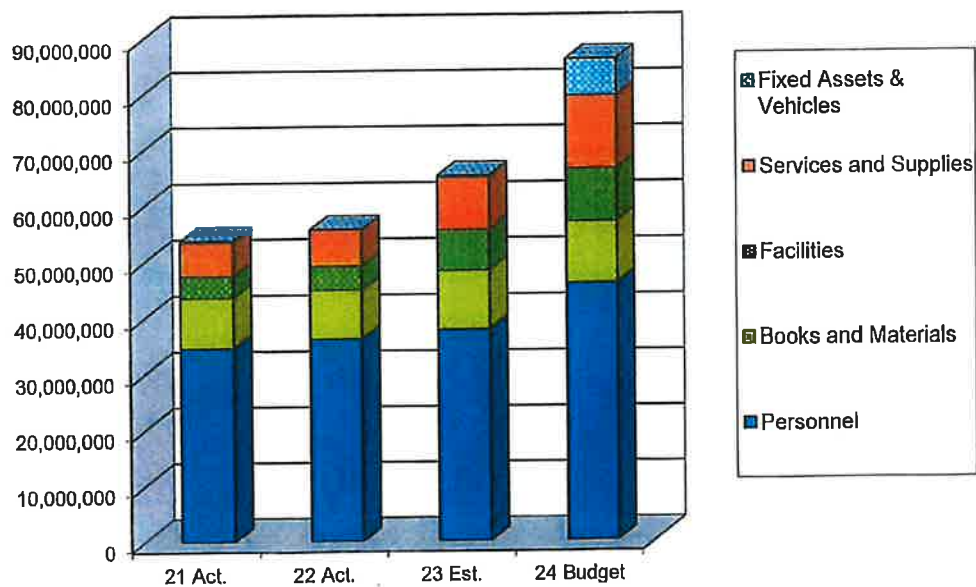
Requested Expenditures:

Personnel	46,092,695
Books and Materials	10,965,253
Facilities	9,404,517
Services and Supplies	<u>13,116,222</u>
TOTAL Operating Budget	<u>79,578,688</u>

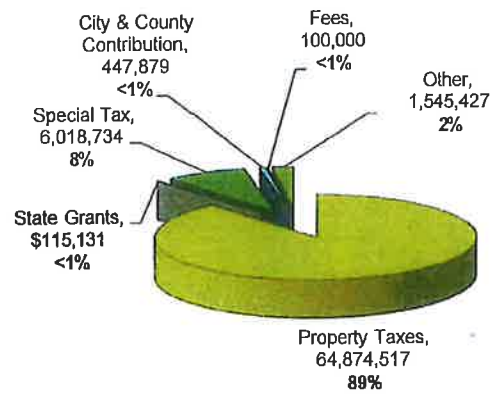
Increase to Reserves	2,000,000
Fixed Assets & Vehicles	<u>6,556,000</u>

TOTAL \$88,134,688

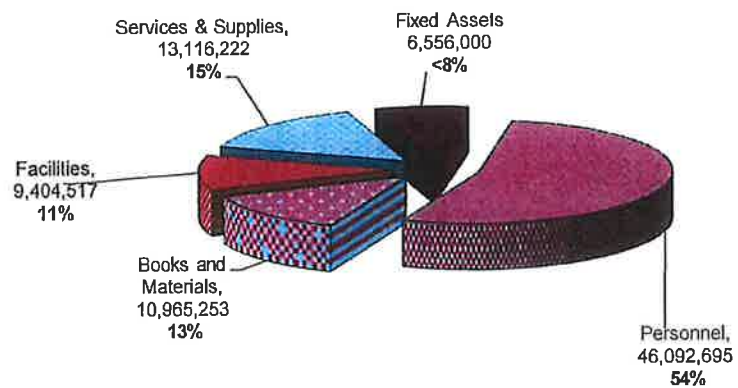
Four-Year Expenditure Trend



Fiscal Year 2023-2024 Library Revenue



Fiscal Year 2023-2024 Library Expenditures



Santa Clara County Library Budget
Fiscal Year 2023-2024
Four-Year Recap of Revenue & Expenses

	FY 20-21 Actual	FY 21-22 Actual	FY 22-23 Approved	FY 22-23 Estimated	FY 23-24 Budget
REVENUE					
Property Taxes	59,032,401	62,611,643	60,924,687	65,053,683	64,874,517
State Grants	129,158	176,184	104,967	152,657	115,131
Special Tax	5,965,733	5,999,484	6,013,460	6,013,460	6,018,734
City & County Contribution	2,005,033	2,346,039	305,244	258,348	447,879
Fines & Fees	49,087	104,950	100,000	100,000	100,000
Other	954,798	1,361,147	1,035,187	1,800,008	1,545,427
TOTAL	68,136,209	72,599,447	68,483,545	73,378,156	73,101,688
Transfer from Cap. & IT Reserves	0	0	4,987,000	4,987,000	12,504,000
Transfer from Prior Year	0	0	275,000	275,000	2,529,000
TOTAL FINANCING AVAILABLE	68,136,209	72,599,447	73,745,545	78,640,156	88,134,688

EXPENSES

Personnel	34,778,489	36,331,689	42,951,616	37,951,616	46,092,695
Books and Materials	9,007,190	8,717,664	10,272,532	10,487,155	10,965,253
Facilities	3,851,516	4,284,214	7,496,534	7,226,591	9,404,517
Services and Supplies	6,064,941	6,501,570	12,671,549	9,403,196	13,116,222
Fixed Assets & Vehicles	255,152	31,901	366,000	248,000	6,556,000
Increase Economic Uncertainty Reserve		1,957,901	2,102,099	2,102,099	2,000,000
TOTAL	53,957,288	57,824,939	75,860,330	67,418,656	88,134,688

Fiscal Year 2023-2024
REVENUE PROJECTION

REVENUE SOURCE	FY 21-22 Actual	FY 22-23 Budget	FY 22-23 Projected	FY 23-24 Budget	Variance from Approved
Supplemental Roll	\$ 1,146,345	\$ 633,108	\$ 1,146,492	\$ 834,492	\$ 201,384
Property Tax - Current Secured	34,972,783	35,273,135	37,316,390	38,028,390	2,755,255
Property Tax - RDA Distribution	2,053,782	2,096,000	2,253,000	2,253,000	157,000
Property Tax - Current Unsecured	2,188,861	2,143,329	2,085,599	2,085,599	-57,730
ERAF Reimbursements	15,691,880	14,229,000	15,235,677	14,567,000	338,000
Property Tax - Unitary Roll	944,728	936,787	969,036	969,036	32,249
Property Tax- VLF in lieu	4,175,328	4,175,328	4,486,489	4,576,000	400,672
RDA- Property Tax Pass-thru	1,437,937	1,438,000	1,561,000	1,561,000	123,000
Subtotal All Property Tax	\$62,611,643	\$60,924,687	\$65,053,683	\$64,874,517	\$3,949,830
Library Fees and Charges	\$ 104,950	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Interest Earnings	558,024	500,000	1,000,000	1,000,000	500,000
Homeowner Prop. Tax Relief	134,907	133,492	132,310	130,310	(3,182)
State LSCA	112,130	104,967	115,131	115,131	10,164
Other State Grants	64,054	0	37,526	0	0
Contributions from Cities	0	254,244	14,054	114,425	(139,819)
Special Tax - CFD	5,999,484	6,013,460	6,013,460	6,018,734	5,274
Other Library Services	1,935	21,250	21,250	21,250	0
Contributions & Donations	488,907	0	241,000	0	0
Passport Fees	128,710	335,445	335,445	348,867	13,422
Misc. Income	10,084	10,000	35,003	10,000	0
Transfer from County	2,346,039	51,000	244,294	333,454	282,454
Federal Medicare Credit	38,580	35,000	35,000	35,000	0
Subtotal All Other Sources	\$9,987,804	\$7,558,858	\$8,324,473	\$8,227,171	\$668,313
TOTAL	72,599,447	\$68,483,545	\$73,378,156	\$73,101,688	\$4,618,143
Budget Rollover from Prior Year	\$0	\$275,000	\$275,000	\$2,529,000	\$2,254,000
Transfer from Cap. & IT Reserves	\$0	\$4,987,000	\$4,987,000	\$12,504,000	\$7,517,000
GRAND TOTAL	\$72,599,447	\$73,745,545	\$78,640,156	\$88,134,688	\$14,389,143

Estimates from the County Controller's Office predict a slight increase (< 1% over 2022-2023 projected amounts) to overall property taxes in 2023-2024. All other revenue sources remain relatively flat, with the exception of: "Interest Earnings" – the higher amount of Board-approved Reserves is contributing to this increase; and "Contributions from Cities" – although the full cost of additional hours paid for by the North County Library Authority, the City of Milpitas, and the City of Cupertino represented by this line item is higher at \$1,902,324, estimated property tax collections are sufficient to cover most of this cost. The "Transfer from County" represents reimbursements for the Library services to the Jail and Juvenile Justice facilities. The "Budget Rollover from Prior Year" represents specific projects budgeted in 2022-2023 that will not be accomplished until 2023-2024. The "Transfer from Reserves" represents FY2023-2024 projects for which funding was set aside by the JPA Board in its approval of the Technology and Capital Maintenance Plans.

FISCAL YEAR 2023-2024 PERSONNEL REQUEST

For Fiscal Year 2023-2024, the County of Santa Clara encouraged departments to consider equity in the development of their budgets, and to develop proposals that would acknowledge and address root causes of inequitable outcomes to marginalized groups or communities. To this end, the Library is proposing the following positions:

- The addition of one full-time Community Outreach Specialist. This position will expand existing services in concert with EAH Housing and Second Harvest Food Bank to provide free referrals and information for health and wellness, education, crisis intervention, legal issues and employment resources through one-on-one consultations, partner programs, resource listings and staff training. This program will benefit those most vulnerable patrons in the welcoming environment of our libraries and partner sites.
- The addition of one full time Literacy Program Manager. This position will oversee expansion of the library's literacy program, The Reading Program, to address critical needs for the diverse population of Santa Clara County. Building on the success of the adult learner model, the manager will create capacity for literacy work for those in need including incarcerated youth and younger students who need help to achieve grade level English language reading competency. Investing in programs to build literacy skills is critical to both address the challenges of today and build capacity and skills for a brighter tomorrow throughout our communities.

In addition, the Library is proposing the following positions for Fiscal Year 2023-2024 to keep up with growing facility maintenance, adult literacy, library reference help, and clerical needs:

- The addition of one full-time General Maintenance Mechanic III.
- Additional hours for the part-time Literacy Program Specialist in the Literacy Program.
- The addition of one full-time Librarian at Los Altos Community Library.
- Additional hours for part-time Librarians at Milpitas Community Library.
- The addition of one part-time Library Clerk at Morgan Hill Community Library.

The proposed personnel budget of \$46,092,695 reflects a \$3,141,079 increase from the original JPA-approved Fiscal Year 2022-2023 personnel budget. Of this increase, \$1,854,928 is the result of salary and benefit increases and \$1,286,151 is associated with the personnel actions identified above, as well as two County-funded Librarian positions added in the current fiscal year to provide Library services inside the County Juvenile Justice Centers and Elmwood Correctional Center.

Personnel Budget
FY 2023-2024

Expenditure & Revenue Recap

2022-23	Traditional	CFD	Local/Gifts	Passport	Transfer	TOTAL
REVENUES						
	\$66,619,662	\$6,018,734	\$114,425	\$348,867	\$15,033,000	\$88,134,688
EXPENDITURES						
Operating	\$13,737,739.80				\$8,783,000	\$22,520,740
Capital	\$306,000				\$6,250,000	\$6,556,000
Books, Etc.	\$9,761,506	\$1,203,747	\$0			\$10,965,253
Personnel	\$40,814,416	\$4,814,988	\$114,425	\$348,867		\$46,092,696
TOTAL	\$64,619,662	\$6,018,734	\$114,425	\$348,867	\$15,033,000	\$86,134,689

Community Facilities District Recap

CFD REVENUES	Personnel	Books
Campbell	\$83,576	\$488,862
Cupertino	747,942	\$598,354
Gilroy	748,884	\$599,107
Los Altos/Alto	503,311	\$402,649
Milpitas	1,143,755	\$915,004
Morgan Hill	649,390	\$519,512
Saratoga/MS	437,047	\$349,637
Subtotal	4,813,906	\$3,851,125
Bookmobile*		\$766,161
Unincorporated*	1,204,828	\$197,702
Total	\$6,018,734	\$4,814,988

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)	FY24 TOTAL	FY23 Budgeted	Change from FY23
Campbell	10.36%	\$1,587,717	\$1,364,258	\$466,862	\$20,474			\$3,439,311	\$3,275,587	\$163,724
Cupertino	21.60%	\$2,570,664	\$2,846,074	\$598,354	\$42,713	\$116,289	\$57,599	\$6,231,693	\$6,002,874	\$228,819
Gilroy	9.91%	\$1,709,643	\$1,305,765	\$599,107	\$19,597			\$3,634,111	\$3,398,390	\$235,721
Los Altos/Woodland	17.49%	\$2,183,926	\$2,304,252	\$402,649	\$34,582	\$116,289	\$56,826	\$5,098,523	\$4,759,001	\$339,522
Milpitas	18.42%	\$2,114,530	\$2,426,084	\$915,004	\$36,410	\$116,289	(\$0)	\$5,608,316	\$5,240,951	\$367,365
Morgan Hill	9.48%	\$1,455,429	\$1,249,039	\$519,512	\$18,745			\$3,242,725	\$3,058,268	\$184,457
Saratoga	12.74%	\$1,788,153	\$1,677,854	\$349,637	\$25,181			\$3,840,826	\$3,619,130	\$221,696
Sub-Total Libraries	100%	\$13,410,061	\$13,173,325	\$3,851,125	\$197,702	\$348,867	\$114,425	\$31,095,506	\$29,354,201	\$1,741,305
Headquarters		\$13,561,086						\$13,561,086	\$12,408,387	\$1,152,699
The Reading Program		\$669,943						\$669,943	\$447,477	\$222,466
Bookmobile					\$766,161			\$766,161	\$741,552	\$24,609
GRAND TOTAL		\$27,641,091	\$13,173,325	\$3,851,125	\$963,863	\$348,867	\$114,425	\$46,092,696	\$42,951,617	\$3,141,079

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

**Santa Clara County Library District
FTE from FY 2013-2014 to FY 2023-2024**

The following includes benefited positions, extra help positions and extra hours for part-time employees:

Headquarters	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Administration	6.5	6.5	6.5	8.5	9.5	13.0	14.0	14.0	13.0	13.0
Business Office	13.6	14.2	14.6	15.1	16.1	18.1	20.1	19.1	20.1	21.1
Public Services	6.2	7.4	7.4	7.4	6.5	8.5	8.5	7.5	9.0	9.0
Computer Support	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	8.0
Tech & Digital Svcs	16.7	16.7	17.7	18.7	19.7	19.7	18.7	17.7	18.7	18.7
Subtotal	50.0	51.8	53.2	56.8	58.8	66.3	68.3	65.3	68.8	69.8
Percent of total	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Direct Service	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Centr. Pub. Svc.	6.9	6.9	9.4	9.0	9.0	13.0	13.0	13.0	14.0	17.0
Bookmobile	3.2	3.2	3.7	4.5	5.0	5.0	5.0	5.0	6.0	6.0
Campbell	21.0	21.3	22.2	23.2	23.2	27.2	28.2	26.7	26.7	26.7
Cupertino	39.4	39.8	40.4	41.9	43.8	49.7	51.7	47.8	48.8	48.8
Gilroy	20.6	20.9	21.0	22.0	22.4	25.4	26.9	27.1	28.4	28.4
Literacy	2.9	2.9	3.1	3.0	3.5	3.5	3.5	3.5	3.5	4.8
Los Altos	28.8	30.1	30.6	32.3	32.3	34.5	36.0	35.2	35.1	36.1
Woodland	4.1	4.8	4.8	5.0	5.9	5.9	5.9	5.9	5.9	5.9
Milpitas	31.1	33.1	33.7	41.4	43.3	44.0	46.0	44.2	45.0	45.3
Morgan Hill	20.0	20.8	21.4	21.9	22.5	26.9	26.7	25.4	26.0	26.5
Saratoga	23.6	23.9	24.4	25.2	25.7	30.1	31.6	31.1	31.6	31.6
Subtotal	201.5	207.6	214.7	229.3	236.5	265.2	274.6	264.9	270.9	277.0
Percent of total	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Total FTE	251.5	259.5	268.0	286.0	295.3	331.6	342.8	330.1	339.6	346.8

	2022/23	2023/24
Benefited FTE:	282.0	288.5
Extra Help FTE:	33.6	33.6
Extra Hours FTE:	24.1	24.7
TOTAL:	339.6	346.8

Fiscal Year 2023-2024 Facilities, Services and Supplies Request

EXPENDITURE CATEGORY	FY 21-22 ACTUAL	FY 22-23 Budget (Adj)	FY 22-23 Projected	FY 23-24 Proposed Budget	Change
Safety Shoes	3,199	4,000	4,000	4,000	(0)
Communications & Phone	330,599	593,000	543,000	553,000	(40,000)
Communications & Phone- Co	6,096	6,400	6,400	5,268	(1,132)
Insurance Premiums	235,294	351,500	309,660	388,900	37,400
Insurance- Internal	87,373	99,528	99,528	158,308	58,780
Maintenance- Equipment	800,705	1,089,051	1,014,051	1,155,400	66,349
Maintenance- Structures	1,861,055	4,219,152	3,612,152	5,625,185	1,406,033
Membership Dues & Fees	66,760	60,000	62,000	65,000	5,000
Office Expense	512,724	726,558	726,558	600,000	(126,558)
Postage Expense-External	24,678	200,000	75,000	200,000	0
Postage Expense- Internal	6,953	7,300	7,300	8,160	860
Printing- External	29,385	229,909	75,000	201,494	(28,415)
PC Software	466,866	1,124,000	1,124,000	1,124,126	126
Education Exp.- Other	0	75,000	75,000	75,000	0
Workshops, Conf. & Seminars	-641	30,000	30,000	40,000	10,000
Professional Services	1,606,667	3,265,572	2,100,000	3,023,646	(241,926)
SCC Library Foundation	3,885	10,000	10,000	10,000	0
Silicon Valley Reads	10,000	10,000	10,000	10,000	0
Data Proc. Serve.- External	4,709	60,000	60,000	60,000	0
IT Services.- Internal	573,931	598,589	623,589	554,442	(44,147)
Legal Services	43,563	61,170	61,170	62,840	1,670
Lease- Equipment- Other	173,071	218,000	218,000	218,000	0
Rent & Lease Building & Improve.	431,990	446,856	446,856	446,856	0
Small Tools & Instru.	20,472	183,750	125,000	183,750	0
Furniture	124,664	490,098	490,098	425,000	(65,098)
PC Hardware	241,872	3,013,867	1,366,867	3,952,000	938,133
Service Staff Meetings	1,600	10,000	10,000	10,000	0
Incentives and Promotions	18,337	70,000	70,000	70,000	0
Summer Reading Marketing	8,125	30,000	30,000	30,000	0
Library Materials	8,717,664	10,337,155	10,487,155	10,965,253	628,098
County Overhead	1,765,884	1,314,731	1,314,731	1,224,854	(89,877)
Fuel	6,071	4,420	4,420	8,054	3,634
Garage Fleet Services	35,952	31,309	31,309	40,756	9,447
Mileage	21,014	30,500	30,500	35,500	5,000
Automobile Services	48,396	47,000	47,000	47,000	0
Local Meals and Meetings	-468	5,000	500	5,000	0
Business Travel	625	72,200	72,200	72,200	0
Utilities	1,207,144	1,290,000	1,718,897	1,802,000	512,000
Misc. Expenses – Other	7,236	25,000	25,000	25,000	0
TOTAL	\$19,503,448	\$30,440,615	\$27,116,941	\$33,485,993	3,045,378

Facilities, Services and Supplies Summary:

The most dramatic increases from the prior year include \$1,406,033 in "Maintenance-Structures" for Children's Spaces and the expansion of "Open+" service models, both of which arose out of the new Strategic Plan, as well as a significant HVAC replacement at Cupertino Library; \$938,133 in "PC Hardware" for network and audio-visual enhancements from the Board approved Technology Plan; \$628,098 in "Library Materials" to keep up with the demand in E-Books and other electronic resources; and \$512,000 in "Utilities" due to recent rate increases. Most major reductions are associated with one-time projects completed in 2022-2023, including 1344 architectural design work in "Professional Services."

**Books and Materials Budget
FY 2023-2024**

Expenditure and Revenue Recap

2023-24	Traditional	CFD	Local/Gifts	Passports	Transfer	TOTAL
REVENUES						
	\$66,619,662	\$6,018,734	\$114,425	\$348,867	\$15,033,000	\$88,134,688
EXPENDITURES						
Operating	\$13,737,740	\$0	\$0	\$0	\$8,783,000	\$22,520,740
Capital	\$306,000	\$0	\$0	\$0	\$6,250,000	\$6,556,000
Books, Etc.	\$9,761,506	\$1,203,747	\$0	\$0	\$0	\$10,965,253
Personnel	\$40,814,416	\$4,814,988	\$114,425	\$348,867	\$0	\$46,092,695
TOTAL	\$64,619,662	\$6,018,734	\$114,425	\$348,867	\$15,033,000	\$86,134,688

Community Facilities District Recap

CFD REVENUES	Personnel	Books
Campbell	\$583,578	\$466,862
Cupertino	\$747,942	\$598,354
Gilroy	\$748,884	\$599,107
Los Altos/WO	\$503,311	\$402,649
Milpitas	\$1,143,755	\$915,004
Morgan Hill	\$649,390	\$519,612
Saratoga/MS	\$437,047	\$349,637
Subtotal	\$4,813,906	\$3,851,125
Bookmobile	\$0	\$766,161
Unincorporated*	\$1,204,828	\$197,702
Total	\$6,018,734	\$4,814,988

Books and Materials Recap

MATERIALS**	Formula Share	Traditional by Formula	CFD Return	Unincorp CFD by formula	Specific Place \$ (City/NGLA)	FY24 TOTAL	FY23 Budgeted	Change from FY23
Campbell	10.36%	\$978,300	\$116,716	\$17,188		\$1,112,204	\$1,083,050	\$29,154
Cupertino	21.60%	\$2,040,901	\$149,588	\$35,857		\$2,226,347	\$2,134,906	\$91,441
Gilroy	9.91%	\$936,355	\$149,777	\$16,451		\$1,102,583	\$1,025,663	\$76,920
Los Altos/Woodland	17.49%	\$1,652,364	\$100,662	\$29,030		\$1,782,057	\$1,705,405	\$76,652
Milpitas	18.42%	\$1,739,729	\$228,751	\$30,565		\$1,999,046	\$1,840,270	\$158,776
Morgan Hill	9.48%	\$895,678	\$129,878	\$15,736		\$1,041,292	\$999,170	\$42,122
Saratoga	12.74%	\$1,203,179	\$87,409	\$21,139		\$1,311,727	\$1,256,070	\$55,657
Sub-Total Libraries	100%	\$9,446,506	\$962,781	\$165,966	\$0	\$10,575,255	\$10,044,534	\$530,721
Bookmobile				\$75,000		\$75,000	\$70,000	\$5,000
Headquarters		\$315,000				\$315,000	\$158,000	\$157,000
GRAND TOTAL		\$9,761,506	\$962,781	\$240,966	\$0	\$10,965,255	\$10,272,534	\$692,721

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

FIXED ASSET and VEHICLE REQUEST

Fiscal Year 2023-2024

Fixed Assets

The following fixed asset requests will be funded from unspent funding from a \$6,250,000 transfer from the Technology Reserve, a \$188,000 transfer from the Capital Maintenance Reserve, and a \$118,000 rebudget of Capital Maintenance Reserve funds from fiscal year 2022-2023:

Automated Materials Handling System Replacement	\$6,000,000
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This funding will support the replacement of automated materials handling equipment at all Library locations.

Fleet Replacement	\$306,000
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This funding supports replacement of library fleet vehicles in excess of 100,000 miles and 10 years of age.

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

Media Box	\$100,000
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This funding supports a pilot project to test media lending machines in the libraries.

Total Fixed Asset Request:	\$6,556,000
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BUDGETED RESERVES Fiscal Year 2023-2024

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 2023-2024 is \$4,284,000 for the following projects:

Campbell Library FF&E: \$1,028,000
Cupertino HVAC VFD Replacement: \$1,200,000
Gilroy Interior and Exterior Painting: \$278,000
Gilroy Public Furniture: \$141,000
Gilroy HVAC Replacement: \$26,000
Gilroy Interior Space: \$200,000
Los Altos and Milpitas Children's Play Spaces: \$600,000
Morgan Hill Boiler & Burner Overhaul: \$43,000
Morgan Hill and Saratoga "Open+": \$150,000
Services & Support Center Exterior Painting: \$47,000
Services & Support Center FF&E: \$333,000
Fleet Replacement: \$188,000
Miscellaneous Emergency Work \$50,000

The Current balance in this reserve: \$15,011,000

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 2022, the JPA Board considered the three-year comprehensive plan for technology replacement and upgrade and designated funds for technology improvements through 2025. The amount requested to be transferred from this reserve in Fiscal Year 2022-2023 is \$8,220,000. It is needed to pay for the items detailed in the Fixed Asset request and certain Services and Supplies items. The current balance in this reserve is \$9,530,000

Reserves Recap: The *estimated* status of reserves/fund balance, following adoption of the FY 2023-2024 Budget, is as follows.

<u>FUND 0025</u>	
\$10,727,000	Capital Maintenance Reserve
1,310,000	Technology Reserve
23,000,000	Fund Balance- Economic Uncertainty Designation
7,800,000	1344 Dell Avenue Capital Program
 \$39,442,850	 Undesignated Fund Balance

REBUDGET OF UNSPENT FISCAL YEAR 2022-23 FUNDS
Fiscal Year 2023-2024

The following projects, budgeted in Fiscal Year 2022-2023, will not be completed before June 30, 2023 and need to be rebudgeted to Fiscal Year 2023-2024:

- \$1,647,000 for IT Hardware
- \$350,000 for Los Altos Roof Replacement
- \$118,000 for Fleet Replacement
- \$100,000 for Network Security and Privacy Audit
- \$100,000 for Automated Materials Handling System RFP Consultation
- \$79,000 for Los Altos Library Interior Painting
- \$75,000 for Fee and Payment Kiosk Maintenance
- \$60,000 for Saratoga Library Roof Coating

Total amount rebudgeted from Fiscal Year 2022-2023: \$2,529,000.

Santa Clara County Library Formula 2023-2024

Library	Population 1-1-22	Percent	Assessed Valuation	Percent	Circulation	Percent	Formula Share	FY22- 23
Campbell	42,833		13,149,188,213					
Unincorporated	11,975		2,623,668,814					
Redevelopment			-1,464,268,408					
RDA Pass-thru			1,464,268,408					
RDA Dissolution			0					
	54,808	13.411%	15,772,857,027	10.641%	705,228	7.017%	10.36%	10.63%
Cupertino	59,610		30,892,027,763					
Unincorporated	1,192		17,619,286					
	60,802	14.877%	30,909,647,049	20.853%	2,923,013	29.085%	21.60%	21.81%
Gilroy	59,269		10,973,811,042					
Unincorporated	6,986		1,045,891,769					
	66,255	16.211%	12,019,702,811	8.109%	544,343	5.416%	9.91%	9.66%
Los Altos	31,526		20,377,566,619					
Los Altos Hills	8,400		9,933,906,117					
Unincorporated	13,411		4,892,025,043					
	53,337	13.051%	35,203,497,779	23.750%	1,575,367	15.675%	17.49%	17.65%
Milpitas	80,839		24,124,508,667					
Unincorporated	629		83,195,042					
Redevelopment			-10,013,446,036					
RDA Pass-thru			1,572,222,436					
RDA Dissolution			3,441,939,961					
	81,468	19.934%	19,208,420,070	12.959%	2,246,938	22.357%	18.42%	17.79%
Morgan Hill	46,451		12,353,578,191					
Unincorporated	9,805		2,005,148,787					
Redevelopment			-4,263,697,152					
RDA Pass-thru			651,905,964					
RDA Dissolution			1,523,357,767					
	56,256	13.765%	12,270,293,557	8.278%	643,385	6.402%	9.48%	9.60%
Saratoga	30,667		18,881,148,900					
Monte Sereno	3,488		2,812,650,398					
Unincorporated	1,613		1,149,418,069					
	35,768	8.752%	22,843,217,367	15.411%	1,411,792	14.048%	12.74%	12.86%
Percentages are based on assigned								
	Population		Assessed Valuation		Circulation			
Total	447,541		165,292,460,745		10,778,806			
Assigned	408,694		148,227,635,660		10,050,066			
Cities	363,083		143,498,385,910					
Unincorporated	45,611		11,816,966,810					
Unassigned	38,847		9,977,108,025		728,740	(Bookmobile, HQ)		
Redevelopment			-7,087,717,060					
Total Unincorp	84,458		21,794,074,835					

FUNDING FORMULA PARAMETER ADJUSTMENTS Fiscal Year 2023-2024

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 2017-2018:

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	10.641%	10.356%	0.285%	6.938%	10.356%	-3.418%
Cupertino	20.853%	21.605%	-0.752%	28.821%	21.605%	7.216%
Gilroy	8.109%	9.912%	-1.803%	5.767%	9.912%	-4.145%
Los Altos	23.750%	17.492%	6.258%	15.677%	17.492%	-1.815%
Milpitas	12.959%	18.417%	-5.458%	22.240%	18.417%	3.823%
Morgan Hill	8.278%	9.482%	-1.204%	6.594%	9.482%	-2.887%
Saratoga	15.411%	12.737%	2.674%	13.963%	12.737%	1.226%

In the Fiscal Year 2023-2024 Funding Formula, there are two instances in which one-time adjustments could be made.

- 1) Los Altos' relative share of assessed valuation is 23.750%, while the formula share is 17.492% -- a difference of 6.258%. If this difference was capped at 5%, Los Altos libraries would receive an additional \$168,183 for staffing and \$120,907 for materials.
- 2) Cupertino's relative share of Public Services Transactions is 28.821%, while the formula share is 21.605% -- a difference of 7.216%. If this difference was capped at 5%, Cupertino Community Library would receive an additional \$296,305 for staffing and \$213,015 for materials.

Upon approval from the JPA Board, the 2023-2024 Personnel Budget and Books & Materials Budget will be adjusted accordingly.