

APPROVED

ACCEPTED

PENDING

DENIED

PRESENTED

MODIFIED

JPA Board

June 5, 2025

Item 4.b.



BY THE SANTA CLARA COUNTY LIBRARY
DISTRICT JOINT POWERS AUTHORITY

BY:

Juliana Johnson

DATE: 6/5/25 SECRETARY

**JOINT POWERS AUTHORITY
BOARD TRANSMITTAL**

DATE: June 5, 2025

TO: JOINT POWERS AUTHORITY BOARD

FROM: Jennifer Weeks, County Librarian

SUBJECT: Adopt the Fiscal Year 2025-2026 Library Budget

RECOMMENDED ACTIONS

Adopt the Fiscal Year 2025-2026 Library Budget.

BACKGROUND/REASONS FOR RECOMMENDATION

The Library Budget, including rollover funds and reserve funding of \$126,851,743 is an increase of \$3,356,549 from the April preliminary budget. This budget has been reviewed by the Finance Committee and this action represents final budget approval for Fiscal Year 2025-2026.

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 over the next five years to sustain work on Strategic Plan initiatives, complete the build out of the Children's Spaces, the new Campbell Library, and the new building at 1344 Dell Avenue.

The Educational Revenue Augmentation Fund ("ERAF") reimbursements from the State continue to grow and the Library is encouraged to budget up to 80% annually for operational and project usage. ERAF will enable the Library District to increase service hours to improve access for the public, ensure programmatic support and division-wide strategic initiatives like 7-day material delivery for each library, literacy efforts and more.

This budget in combination with the approved Reserves Designations, ensures that the Library District remains well-positioned to confront future revenue fluctuations with prudently planned fiscal resources.

SANTA CLARA COUNTY LIBRARY DISTRICT

**PROPOSED BUDGET
FISCAL YEAR 2025-2026**

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Exhibit A Santa Clara County Library District - Fiscal Year 2025-2026 BUDGET SUMMARY

Estimated Revenue:

Property Taxes	81,554,084
State Sources	115,131
Special Tax	6,161,000
City/ County Contribution	0
Fees	150,000
Other	<u>4,633,829</u>
TOTAL Current Revenue	<u>92,614,044</u>

Transfer from Cap Reserve	10,014,150
2024-25 Budget Rollover	<u>24,223,549</u>

Requested Expenditures:

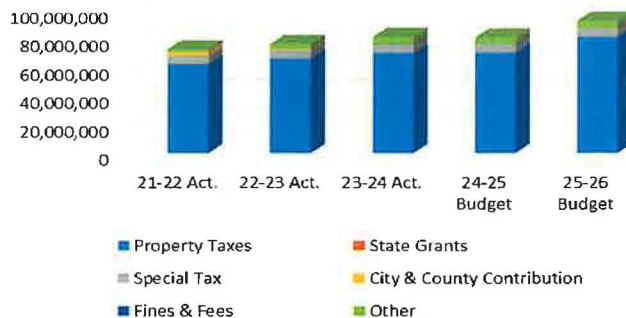
Personnel	59,291,131
Books and Materials	13,892,106
Facilities	27,637,579
Services and Supplies	<u>17,533,128</u>
TOTAL Operating Budget	<u>118,353,944</u>

Increase to Reserves	0
Fixed Assets & Vehicles	<u>8,497,799</u>

TOTAL \$126,851,743

TOTAL \$126,851,743

Revenue



Expenses

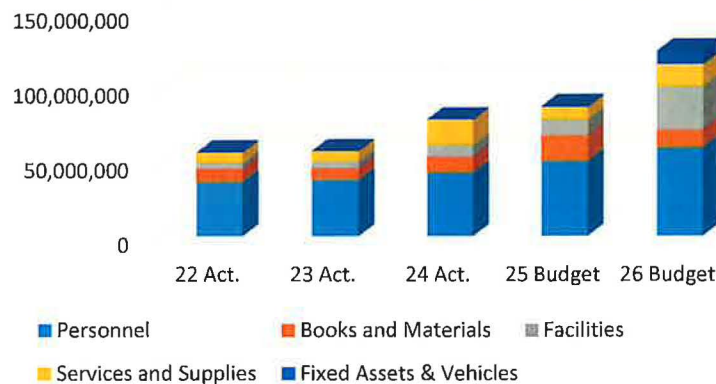


Exhibit B

REVENUE PROJECTION

Fiscal Year 2025-2026

REVENUE SOURCE	FY 23-24 Actual	FY 24-25 Budget	FY 24-25 Projected	FY 25-26 Budget	Variance from Approved
Supplemental Roll	\$ 1,130,040	\$ 1,155,242	\$ 1,189,899	\$ 1,189,899	\$ 34,657
Property Tax - Current Secured	39,912,602	40,240,198	45,280,000	46,185,000	\$ 5,944,802
Property Tax - RDA Distribution	2,391,743	2,346,000	2,487,000	2,487,000	\$ 141,000
Property Tax - Current Unsecured	2,588,975	2,380,998	2,586,000	2,586,000	\$ 205,002
ERAF Reimbursements	16,762,351	16,995,000	17,043,658	20,999,000	\$ 4,004,000
Property Tax - Unitary Roll	1,095,752	1,033,260	1,223,185	1,223,185	\$ 189,925
Property Tax- VLF in lieu	4,784,412	4,784,412	5,041,910	5,143,000	\$ 358,588
RDA- Property Tax Pass-thru	1,667,299	1,667,000	1,741,000	1,741,000	\$ 74,000
Subtotal All Property Tax	\$70,333,174	\$70,602,110	\$76,592,652	\$81,554,084	\$10,951,974
Library Fees and Charges	\$ 178,853	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Interest Earnings	3,599,713	2,500,000	2,745,504	3,000,000	\$ 500,000
Homeowner Prop. Tax Relief	133,347	131,090	131,090	135,022	\$ 3,932
State LSCA	114,251	115,131	115,131	115,131	\$ -
Other State Grants	47,332	28,281	28,281	28,281	\$ -
Contributions from Cities	0	0	0	0	\$ -
Special Tax - CFD	5,967,734	6,100,000	6,100,000	6,161,000	\$ 61,000
Other Library Services	-671	637,345	637,345	637,345	\$ -
Contributions & Donations	414,065	107,572	437,302	0	\$ -
Passport Fees	334,183	153,824	415,583	415,583	\$ 261,759
Misc. Income	10,650	16,028	16,028	10000	\$ (6,028)
Transfer from County	288,525	372,598	372,598	372,598	\$ -
Federal Medicare Credit	47,533	35,000	35,000	35,000	\$ -
Subtotal All Other Sources	\$11,135,516	\$10,346,869	\$11,183,862	\$11,059,960	\$ 820,663
TOTAL	81,468,690	80,948,979	87,776,514	92,614,044	11,772,637
Budget Rollover from Prior Year	\$0	\$10,559,000	\$10,599,000	\$24,223,549	\$13,664,549
Transfer from Cap. & IT Reserves	\$0	\$6,226,000	\$6,226,000	\$10,014,150	\$3,788,150
GRAND TOTAL	\$81,468,690	\$97,733,979	\$104,601,514	\$126,851,743	\$29,225,336

Estimates from the County Controller's Office predict a slight increase (< 2% over 2024-2025 projected amounts) to overall property taxes in 2025-2026. 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; "Passport Fees" due to the addition of new passport facilities at the Saratoga and Gilroy Libraries. The "Transfer from County" represents reimbursements for the Library services to Elmwood Jail and Juvenile Justice facilities. The "Budget Rollover from Prior Year" represents specific projects budgeted in 2024-2025 that will not be accomplished until 2025-2026. The "Transfer from Reserves" represents FY 2025-2026 projects for which funding was set aside by the JPA Board in its approval of the Capital Maintenance Plans (now including Technological Innovations).

Exhibit C

Personnel Budget
FY 2025-2026

Expenditure & Revenue Recap

2025-26	Traditional	CFD	Local/Gifts	Passport	Transfer	TOTAL
REVENUES						
	\$86,037,461	\$6,161,000	(\$0)	\$415,583	\$34,237,699	\$126,851,743
EXPENDITURES						
Operating	\$20,947,158				\$24,223,549	\$45,170,707
Capital	\$1,450,000				\$7,047,799	\$8,497,799
Books, Etc.	\$12,733,909	\$1,156,197	\$0			\$13,892,106
Personnel	\$53,872,745	\$5,002,803	(\$0)	\$415,583		\$59,291,131
TOTAL	\$89,003,812	\$6,161,000	(\$0)	\$415,583	\$31,271,348	\$126,851,743

Community Facilities District Recap

CFD REVENUES		Personnel	Books
Campbell	527,836	\$422,269	\$105,567
Cupertino	1,088,374	\$870,699	\$217,675
Gilroy	508,853	\$407,083	\$101,771
Los Altos/Wo	889,372	\$711,498	\$177,874
Milpitas	933,570	\$746,856	\$186,714
Morgan Hill	487,229	\$389,783	\$97,446
Saratoga/MS	634,066	\$507,253	\$126,813
Subtotal	5,069,300	\$4,055,440	\$1,013,860
Bookmobile*		\$878,026	\$75,000
Unincorporated*	1,091,700	\$110,934	\$27,740
Total	6,161,000	\$5,044,400	\$1,116,600

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)	FY25 TOTAL	FY24 Budgeted	Change from FY24
Campbell	10.38%	\$1,777,250	\$1,801,922	\$422,269	\$11,515			\$4,012,957	\$3,750,685	\$262,272
Cupertino	21.40%	\$2,903,723	\$3,715,480	\$870,699	\$23,744	\$103,963	\$0	\$7,517,610	\$6,802,219	\$815,391
Gilroy	10.01%	\$1,917,996	\$1,737,116	\$407,083	\$11,101	\$103,963		\$4,177,261	\$4,108,212	\$69,049
Los Altos/Woodland	17.49%	\$2,454,632	\$3,036,129	\$711,498	\$19,403		(\$0)	\$6,221,661	\$5,587,137	\$634,524
Milpitas	18.36%	\$2,386,088	\$3,187,013	\$746,856	\$20,367	\$103,963	(\$0)	\$6,444,287	\$6,133,518	\$310,769
Morgan Hill	9.58%	\$1,637,391	\$1,663,297	\$389,783	\$10,629			\$3,701,100	\$3,555,649	\$145,451
Saratoga	12.47%	\$2,013,745	\$2,164,569	\$507,253	\$13,833	\$103,963		\$4,803,363	\$4,328,094	\$475,269
Sub-Total Libraries	100%	\$15,090,825	\$17,305,528	\$4,055,440	\$110,592	\$415,583	(\$0)	\$36,978,239	\$34,265,514	\$2,712,725
SSC & District-Wide		\$21,420,941						\$21,420,941	\$15,719,382	\$5,701,559
The Reading Program		\$2,000						\$2,000	\$2,000	\$0
Bookmobile					\$878,026			\$878,026	\$826,385	\$51,641
GRAND TOTAL		\$36,513,766	\$17,305,528	\$4,055,440	\$988,618	\$415,583	(\$0)	\$59,278,936	\$46,092,699	\$11,178,649

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

Exhibit D Fiscal Year 2025-2026 Facilities, Books & Materials, Services and Supplies

EXPENDITURE CATEGORY	FY 23-24 ACTUAL	FY 24-25 Budget (Adj)	FY 24-25 Projected	FY 25-26 Proposed Budget	Change
Safety Shoes	2,458	4,537	4,537	5,000	(463)
Communications & Phone	425,402	593,639	593,639	593,639	0
Communications & Phone- Co.	2,019	2,257	2,257	2,257	0
Insurance Premiums	365,431	489,800	489,800	489,800	0
Insurance- Internal	146,614	179,312	179,312	179,312	0
Maintenance- Equipment	778,938	1,484,198	1,484,198	11,764,150	(10,279,952)
Maintenance- Structures	2,646,688	15,114,645	7,500,000	10,551,218	4,563,427
Membership Dues & Fees	68,798	70,000	70,000	70,000	0
Office Expense	696,507	705,075	705,075	705,075	0
Postage Expense-External	23,897	100,000	100,000	100,000	0
Postage Expense- Internal	5,644	9,500	9,500	9,500	0
Printing- External	56,013	169,112	169,112	200,000	(30,888)
PC Software	729,849	1,332,473	1,332,473	800,000	532,473
Education Exp.- Other	1,800	131,800	131,800	150,000	(18,200)
Workshops, Conf. & Seminars	31,090	40,000	40,000	40,000	0
Professional Services	3,539,731	2,608,544	2,608,544	6,406,549	(3,798,005)
Advertising	900	100,000	100,000	100,000	0
SCC Library Foundation	0	0	0	0	0
Silicon Valley Reads	10,000	10,000	10,000	10,000	0
Data Proc. Serv.- External	0	410,082	410,082	500,000	(89,918)
IT Services.- Internal	531,460	562,902	562,902	1,562,902	(1,000,000)
Legal Services	57,309	25,000	25,000	35,000	(10,000)
Lease- Equipment- Other	395,800	218,000	218,000	285,000	(67,000)
Rent & Lease Building & Improve.	446,856	446,856	446,856	446,856	0
Small Tools & Instru.	33,850	189,892	189,892	189,892	0
Furniture	294,827	945,668	945,668	500,000	445,668
PC Hardware	244,407	4,143,985	500,000	3,690,000	453,985
Service Staff Meetings	0	0	0	0	0
Incentives and Promotions	0	70,000	70,000	70,000	0
Summer Reading Marketing	7,476	10,000	10,000	10,000	0
Library Materials	10,304,159	12,320,151	12,320,151	13,892,106	(1,571,955)
County Overhead	1,224,043	2,134,779	2,134,779	2,500,000	(365,221)
Fuel	5,202	6,560	6,560	6,560	0
Garage Fleet Services	28,956	38,007	38,007	40,000	(1,993)
Mileage	15,376	35,500	35,500	35,500	0
Automobile Services	126,118	47,000	47,000	130,000	(83,000)
Local Meals and Meetings	5,232	5,000	5,000	6,000	(1,000)
Business Travel	51,505	80,000	80,000	80,000	0
Utilities	1,607,452	1,901,522	1,901,522	2,000,000	(98,478)
Misc. Expenses -- Other	10,704	254,296	254,296	254,296	0
TOTAL	\$24,922,509	\$46,990,094	\$35,731,464	\$58,410,612	(11,420,518)

Facilities, Services and Supplies Summary:

The most dramatic increases from the prior year include \$10,279,952 in Maintenance - Equipment for the AMHS System primarily, \$1,000,000 in "IT Services - Internal" which is a result of the Migration to County Services and a change in where costs are billed; \$365,221 in "County Overhead" due to increased County-wide costs for internal audit, labor relations, recruiting, and IT services; \$3,798,005 in "Professional Services" to accommodate for the rollover amounts related to Children's Play spaces and additional facilities contracts. The biggest reduction in cost as compared to the previous fiscal year budget is listed as \$4,563,427 which includes partially completed projects that continue into FY25-26 but is overall still higher than typical for this line.

Exhibit E

Fiscal Year 2025-2026

Fixed Assets

The following fixed asset requests are included in the Capital Maintenance Budget and the money will roll over from Fiscal Year 24-25 to cover the cost:

Automated Materials Handling System Replacement	\$7,047,799
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This funding will support the replacement of automated materials handling equipment at all Library locations.

Fleet Replacement	\$1,450,000
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This funding generally supports replacement of library fleet vehicles in excess of 100,000 miles and 10 years of age or end of life whichever is longer.

The Small Bookmobile estimated replacement cost of \$250,000 in Fiscal Year 25-26.

The GoGo Biblio/Outreach Vehicles upgrade will feature one for each library (total 7) estimated between \$150K - \$175K each for a not to exceed total of \$1,200,000 in Fiscal Year 25-26.

Total Fixed Asset Request: \$8,497,799

Exhibit F FISCAL YEAR 2025-2026 PERSONNEL REQUEST

The Library is proposing the following 41.5 new positions for Fiscal Year 2025-2026:

Library & Library Services = 36.5

- 1 Supervising Librarian
- 6.5 Librarians
- 3.5 Library Assistant
- 4 Library Clerk
- 8 Library Circulation Aide
- 1 Electronic Resources Librarian
- 1 Program Manager I
- 2 Community Outreach Specialists
- 4.5 Janitors
- 2 Utility Workers
- 3 Warehouse – Materials Supply Specialists

Administrative & System Wide Support = 5

- 1 Senior/Management Analyst
- 1 Business Systems Analyst
- 1 Management Analyst
- 1 Graphic Designer
- 1 Accountant II/III

The proposed personnel budget of \$59,291,131 reflects a \$8,477,851 increase from the original JPA-approved Fiscal Year 2024-2025 personnel budget. Of this increase, \$1,489,803 is the result of salary and benefit increases and \$6,988,048 is associated with the personnel actions identified above.

**Exhibit G REBUDGET OF UNSPENT FISCAL YEAR 2024-2025
Fiscal Year 2025-2026**

The following projects, budgeted in Fiscal Year 2024-2025, will not be completed before June 30, 2025 and need to be rebudgeted to Fiscal Year 2025-2026:

- \$7,000,000 for Children's Play Spaces
- \$7,047,799 for Automated Materials Handling Equipment Replacement
- \$1,590,000 for Public Computers
- \$350,000 for HVAC replacement in Saratoga
- \$1,059,000 for Campbell Library Furniture, Fixtures and Equipment
- \$600,000 for Updated Audio Visual Equipment
- \$212,000 for Services & Support Center Furniture, Fixtures and Equipment
- \$278,000 for Gilroy Library Interior and Exterior Paint
- \$47,000 for Services & Support Center Exterior Paint
- \$6,039,750 for the Nest Building

Total amount rebudgeted from Fiscal Year 2024-2025: \$24,223,549.

Exhibit H Santa Clara County Library Formula 2025-26								
Library	Population 1-1-24	Percent	Assessed Valuation	Percent	Circulation	Percent	Formula Share	FY 24- 25
Campbell	43,095		14,552,198,828					
Unincorporated	11,959		2,950,091,572					
Redevelopment			-1,588,425,632					
RDA Pass-thru			1,580,847,219					
RDA Dissolution			<u>7,578,413</u>					
	55,054	13.328%	17,502,290,400	10.622%	784,694	7.191%	10.38%	10.32%
Cupertino	59,471		33,715,509,406					
Unincorporated	1,192		18,518,276					
	60,663	14.686%	33,734,027,682	20.473%	3,170,378	29.052%	21.40%	21.54%
Gilroy	61,033		12,151,056,109					
Unincorporated	7,134		<u>1,201,534,696</u>					
	68,167	16.503%	13,352,590,805	8.104%	590,881	5.415%	10.01%	10.04%
Los Altos	31,255		22,823,621,414					
Los Altos Hills	8,476		11,048,779,709					
Unincorporated	14,712		<u>5,833,661,627</u>					
	54,443	13.180%	39,706,062,750	24.097%	1,758,775	16.117%	17.80%	17.70%
Milpitas	81,773		26,227,211,781					
Unincorporated	630		101,073,917					
Redevelopment			-11,048,265,416					
RDA Pass-thru			1,826,660,115					
RDA Dissolution			<u>4,043,363,041</u>					
	82,403	19.949%	21,150,043,438	12.836%	2,432,781	22.293%	18.36%	18.31%
Morgan Hill	46,384		13,850,941,932					
Unincorporated	9,910		2,287,479,627					
Redevelopment			-5,048,662,610					
RDA Pass-thru			829,093,366					
RDA Dissolution			<u>1,896,144,043</u>					
	56,294	13.629%	13,814,996,359	8.384%	734,688	6.732%	9.58%	9.53%
Saratoga	30,819		20,955,157,754					
Monte Sereno	3,582		3,215,054,933					
Unincorporated	1,634		<u>1,343,060,409</u>					
	36,035	8.724%	25,513,273,096	15.484%	1,440,535	13.200%	12.47%	12.57%
Percentages are based on assigned								
	Population		Assessed Valuation		Circulation			
Total	456,355		182,688,321,980		11,988,775			
Assigned	413,059		164,773,284,530		10,912,732			
Cities	365,888		158,539,531,866					
Unincorporated	47,171		13,735,420,124					
Unassigned	43,296		10,413,369,990		1,076,043	(Bookmobile, HQ)		
Redevelopment			-7,501,667,460					
Total Unincorp	90,467		24,148,790,114					

Exhibit I FUNDING FORMULA PARAMETER ADJUSTMENTS

Fiscal Year 2025-2026

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						
	Value %	Formula %	Difference	Location	PST%	Formula%	Difference
Campbell	10.622%	10.380%	0.242%	Campbell	7.027%	10.380%	-3.353%
Cupertino	20.473%	21.404%	-0.931%	Cupertino	28.728%	21.404%	7.324%
Gilroy	8.104%	10.007%	-1.903%	Gilroy	5.759%	10.007%	-4.248%
Los Altos	24.097%	17.798%	6.299%	Los Altos	16.126%	17.798%	-1.672%
Milpitas	12.836%	18.359%	-5.524%	Milpitas	22.142%	18.359%	3.783%
Morgan Hill	8.384%	9.582%	-1.198%	Morgan Hill	7.066%	9.582%	-2.516%
Saratoga	15.484%	12.469%	3.014%	Saratoga	13.151%	12.469%	0.682%

In the Fiscal Year 2025-2026 Funding Formula, there are two instances in which one-time adjustments could be made.

- 1) Los Altos' relative share of assessed valuation is 24.097%, while the formula share is 17.798% -- a difference of 6.299%. Capped at 5%, Los Altos libraries will receive an estimated \$210,937 for staffing and \$141,056 for materials.
- 2) Cupertino's relative share of Public Services Transactions is 28.728%, while the formula share is 21.404% -- a difference of 7.324%. Capped at 5%, Cupertino Community Library will receive an estimated \$390,965 for staffing and \$256,055 for materials.

Upon approval from the JPA Board, the 2025-2026 Personnel Budget and Books & Materials Budget will be adjusted accordingly.

Exhibit J

BUDGETED RESERVES
Fiscal Year 2025-26

Capital Maintenance Plan – Building & IT Innovation Reserve

The designated Capital Maintenance Reserve serves to identify funding for future significant building repair and maintenance, and IT Innovation obligations.

Interior -	\$2,002,000
Carpet Replacements at Cupertino & Gilroy	\$600,000
FF & E for Campbell +SSC/Nest	\$1,402,000
Exterior -	\$292,000
Painting Exterior for Gilroy/Los Altos/SCC	\$292,000
Building Mechanical Systems -	\$167,000
Fire Panel Upgrade – Cupertino	\$100,000
HVAC – Los Altos	\$67,000
Special Projects/Fleet Replacement -	\$200,000
Emergency Work/Misc (abatement – SA)	\$200,000
Technology Improvements -	\$5,526,400
AMHS	\$5,326,400
ILS Research	\$200,000
Staff Space Renovations	\$7,353,150

Reserves Recap: The status of reserves/fund balance, adopted in April 2025 by the JPA for the FY 2025-2026 Budget inclusion, is as follows.

FUND 0025

\$10,014,150	Capital Maintenance Reserve including Technology Improvements* & Staff Space Renovations
\$46,000,000	Economic Uncertainty Reserve
\$1,500,000	The Nest -1344 Dell Avenue Capital Reserve
\$20,000,000	Literacy Innovation Reserve
\$16,831,508	Undesignated Fund Balance (ERAF payback amount)

* The Technology Improvement Plan is combined with the Capital Maintenance Plan as of January 2025.