

Chair Martin Bernal
Vice Chair Jenny Haruyama
Board Member Jamie Goldstein
Board Member Carlos Palacios



**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
(LFFA)
REGULAR BOARD MEETING
THURSDAY, JANUARY 18, 2018**

**9:00 A.M.
DOWNTOWN BRANCH LIBRARY
224 CHURCH STREET, SANTA CRUZ, CA 95060**

1. CALL TO ORDER / ROLL CALL

Board Members Jamie Goldstein, Carlos Palacios, Martin Bernal and Jenny Haruyama

2. ADDITIONAL MATERIALS

Additional information submitted after distribution of the agenda packet.

3. ADDITIONS AND DELETIONS TO AGENDA

4. ORAL COMMUNICATION

Any member of the audience may address the Board on any matter either on or off the agenda that is within the Board's jurisdiction. Note, however, that the Board is not able to undertake extended discussion or act on non-agendized items. Such items can be referred to staff for appropriate action which may include placement on a future agenda. If you intend to address a subject that is on the Agenda, please hold your comments regarding that item until it is before the Board, so that we may properly respond to all comments on that subject at the same time. In general 3 minutes will be permitted per speaker during Oral Communication; A MAXIMUM of 30 MINUTES is set aside for Oral Communications at this time.

5. EXECUTIVE DIRECTOR REPORT

A. See JPA Director Report

6. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS

7. CONSENT CALENDAR

- A. Approve Minutes of the December 7, 2017 Board Meeting
RECOMMENDED ACTION: Approve Minutes (PG.4-5)
- B. Accept Library Sales Tax Revenue Update
RECOMMENDED ACTION: Accept Library Sales Tax Revenue Update (PG.6-7)
- C. Accept Letter from Brown Armstrong CPAs to Library Financing Authority
RECOMMENDED ACTION: Accept Letter from Brown Armstrong CPAs (PG.8-9)
- D. Accept Annual Board Meeting Schedule 2018
RECOMMENDED ACTION: Accept Annual Board Meeting Schedule 2018 (PG.10-11)

All items listed in the "Consent Calendar" will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes on the action unless members of the public or the Board request specific items to be discussed for separate review. Items pulled for separate discussion will be considered following General Business.

8. GENERAL BUSINESS

- A. Annual Election of Board Chair and Board Vice-Chair
RECOMMENDED ACTION: Elect Board Chair and Vice-Chair (PG.12-13)

Other Business items are intended to provide an opportunity for public discussion of each item listed. The following procedure is followed for each Business item: 1) Staff explanation; 2) Board questions; 3) Public comment; 4) Board deliberation; 5) Decision.

9. SCHEDULED UPCOMING MEETINGS

March 1, 2018 6:00 PM	Aptos Branch Library 7695 Soquel Drive, Aptos, CA 95003	Agenda Items:
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10. ADJOURNMENT

Adjourned to a Regular Meeting of the Libraries Facilities Financing Authority (LFFA) to be held on Thursday March 1, 2018 at 6:00 p.m. at the Aptos Branch Library, located at 7695 Soquel Drive, Aptos, CA 95003.

The Santa Cruz City-County Library System does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, we ask that you attend fragrance free. Upon request, the agenda can be provided in a format to accommodate special needs. Additionally, if you wish to attend this public meeting and will require assistance such as an interpreter for American Sign Language, Spanish, or other special equipment please call the Library Administration Office at (831)427-7706 at least five days in advance so that we can arrange for such special assistance, or email library_admin@santacruzpl.org.

**SANTA CRUZ PUBLIC LIBRARIES
A CITY-COUNTY SYSTEM**

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
(LFFA)**

**REGULAR MEETING MINUTES
THURSDAY, DECEMBER 7, 2017
9:00 A.M.**

1. ROLL CALL

PRESENT: Martin Bernal (Chair), Jenny Haruyama (Vice Chair), Jamie Goldstein
(Board Member), Nicole Coburn (Alternate Board Member)

STAFF: Library Director Susan Nemitz

2. ADDITIONAL MATERIALS

None

3. ADDITIONS AND DELETIONS TO AGENDA

The Agenda of December 7, 2017 was approved by consensus.

4. ORAL COMMUNICATIONS

None

5. EXECUTIVE DIRECTOR REPORT

None (See JPA Director Report)

6. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS

None

7. CONSENT CALENDAR

A. Approve Minutes of the November 2, 2017 Board Meeting

ACTION: Approved Minutes of November 2, 2017

RESULT: APPROVED CONSENT CALENDAR
A. Approved Minutes of November 2, 2017.
[UNANIMOUS]
MOVER: Jenny Haruyama (Vice Chair)
SECONDER: Jamie Goldstein (Board Member)
AYES: Bernal, Haruyama, Goldstein, Coburn

8. GENERAL BUSINESS

A. Determine Annual Meeting Schedule

RESULT: DETERMINED ANNUAL MEETING SCHEDULE FOR 2018 AT THE END OF THE LJPA BOARD MEETING AS FOLLOWS: JANUARY, MARCH, MAY, JUNE, AUGUST, OCTOBER AND DECEMBER WITH 2 NIGHT MEETINGS DIVIDED BETWEEN DOWNTOWN, APTOS, BOULDER CREEK AND SCOTTS VALLEY.
[UNANIMOUS]
MOVER: Nicole Coburn (Alternate Board Member)
SECONDER: Jamie Goldstein (Board Member)
AYES: Bernal, Haruyama, Goldstein, Coburn

9. ADJOURNMENT

The Libraries Facilities Financing Authority (LFFA) adjourned at 9:05 a.m. to the Regular Meeting on Thursday, January 18, 2018 at 9:00 a.m. at the Downtown Library, Upstairs Meeting Room, located at 224 Church Street, Santa Cruz, CA 95060.

ATTEST: _____
Helga Smith, Clerk of the Board

All documents referred to in these minutes are available in the Santa Cruz Public Libraries – Library Headquarters Office, 117 Union Street, Santa Cruz.



County of Santa Cruz

COUNTY ADMINISTRATIVE OFFICE

701 OCEAN STREET, SUITE 520, SANTA CRUZ, CA 95060-4073

831) 454-2100 • FAX: (831) 454-3420 • TDD/TTY: CALL 711

CARLOS J. PALACIOS, COUNTY ADMINISTRATIVE OFFICER

November 1, 2017

TO: Each Member of the Board of Directors of the Library Financing Authority

LIBRARY SALES TAX REVENUE UPDATE

Dear Members of the Board of Directors:

The purpose of this letter is to provide an update on the Library Sales Tax actual receipts for the 2016-17 and 2017-18 fiscal years.

In 2016-17, the Library Financing Authority received sales tax revenue totaling \$9,897,319, or \$106,613 (1.1%) more than the adopted budget. As shown in the attached history, this is a \$298,645 (3.1%) increase from 2015-16 actual receipts.

In 2017-18, actual revenue from the Library Sales Tax exceeds the estimated and budgeted amount. For the 1st quarter of 2017-18, sales tax revenue totaled \$2,650,310, which is \$111,613 (4.4%) more than the 1st quarter estimate provided to the Authority in June.

This office will provide an update in January when sales tax revenue for the 2nd quarter of 2017-18 is known. If you have any questions, please give me a call at 454-2100.

Very truly yours,

Nicole Coburn

Assistant County Administrative Officer

cc: Director of Libraries, Santa Cruz City/County Library System
Library Director, Watsonville Library
County Administrative Officer
City Managers
Auditor-Controller-Treasurer-Tax Collector
Director of Finance, City of Santa Cruz
Administrative Services Director, City of Watsonville

SERVING THE COMMUNITY – WORKING FOR THE FUTURE

Library Sales Tax Receipts - Quarterly and Annual

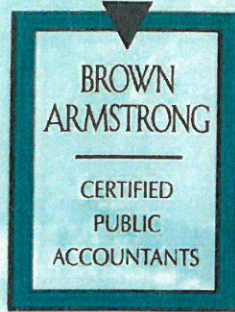
Year	Quarter	Quarterly Actual	Estimate **	Annual		
				Actual/ Estimate	Change over Prior Year	% Change over Prior Year
2007-08	1	2,182,266				
2007-08	2	2,182,896				
2007-08	3	2,035,609				
2007-08	4	1,953,174		\$8,353,945	(\$185,997)	-2.18%
2008-09 *	1	2,112,168				
2008-09	2	2,125,649				
2008-09	3	1,795,098				
2008-09	4	1,570,743		\$7,603,658	(\$750,287)	-8.98%
2009-10	1	1,783,988				
2009-10	2	1,764,882				
2009-10	3	1,747,693				
2009-10	4	1,650,856		\$6,947,419	(\$656,239)	-8.63%
2010-11	1	1,845,994				
2010-11	2	1,944,408				
2010-11	3	1,784,248				
2010-11	4	1,738,035		\$7,312,685	\$365,266	5.26%
2011-12	1	1,977,610				
2011-12	2	2,017,194				
2011-12	3	1,926,748				
2011-12	4	1,878,232		\$7,799,784	\$487,098	6.66%
2012-13	1	2,067,292				
2012-13	2	2,213,276				
2012-13	3	2,073,641				
2012-13	4	2,010,230		\$8,364,440	\$564,656	7.24%
2013-14	1	2,308,067				
2013-14	2	2,271,714				
2013-14	3	2,211,364				
2013-14	4	2,082,934		\$8,874,079	\$509,639	6.09%
2014-15	1	2,321,923				
2014-15	2	2,338,481				
2014-15	3	2,295,975				
2014-15	4	2,183,913		\$9,140,291	\$266,212	3.00%
2015-16	1	2,458,685				
2015-16	2	2,516,897				
2015-16	3	2,378,260				
2015-16	4	2,244,832		\$9,598,675	\$458,384	5.01%
2016-17	1	2,503,646				
2016-17	2	2,571,786				
2016-17	3	2,487,745				
2016-17	4	2,334,143		\$9,897,319	\$298,645	3.11%
2017-18	1	2,650,310				
2017-18	2		2,607,791			
2017-18	3		2,522,574			
2017-18	4		2,366,821	\$10,147,495	\$250,176	2.53%
2017-18 Estimated Total Receipts Net of Audit Fee				\$10,143,695		

History for additional years going back to Fiscal Year 1997-98 is available upon request.

* The amount for the 1st quarter of 2008-09 includes the cost of the Measure R Election.

Estimated cost of the election was \$275,000. Actual cost of the election was \$198,267.

** Bold Amounts are Estimated



BROWN ARMSTRONG

Certified Public Accountants

Board of Directors of
Santa Cruz County Library Financing Authority

We are engaged to audit the financial statements of the governmental activities and general fund information of the Santa Cruz County Library Financing Authority (the Authority) for the year ended June 30, 2017. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

**BAKERSFIELD OFFICE
(MAIN OFFICE)**

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

7673 N. INGRAM AVENUE
SUITE 101
FRESNO, CA 93711
TEL 559.476.3592
FAX 559.476.3593

LAGUNA HILLS OFFICE

23272 MILL CREEK DRIVE
SUITE 255
LAGUNA HILLS, CA 92563
TEL 949.652.5422

STOCKTON OFFICE

5250 CLAREMONT AVENUE
SUITE 150
STOCKTON, CA 95207
TEL 209.451.4833

Our Responsibility under Auditing Standards Generally Accepted in the United States of America and Government Auditing Standards

As stated in our engagement letter dated July 10, 2017, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the Authority. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about the whether the financial statements are free of material misstatement, we will also perform tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Accounting principles generally accepted in the United States of America provide for certain required supplementary information (RSI). Our responsibility with respect to the Budgetary Comparison Schedule – General Fund, which supplements the basic financial statements, is to apply certain limited procedures in accordance with auditing standards generally accepted in the United States of America. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by

REGISTERED with the Public Company
Accounting Oversight Board and
MEMBER of the American Institute of
Certified Public Accountants

management or employees acting on behalf of the Authority. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit on approximately October 2, 2017, and issue our report on later than November 13, 2017. Jian Ou-Yang is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
July 10, 2017



STAFF REPORT

DATE: January 18, 2018
TO: Libraries Facilities Financing Authority
FROM: Susan Nemitz, Library Director
RE: Annual Meeting Schedule 2018

RECOMMENDATION

Accept Annual Meeting Schedule 2018

DISCUSSION

The Annual Meeting Schedule was approved at the December 7, 2017 meeting.

2018 Meeting Dates

LFFA (Libraries Facilities Financing Authority)

Immediately followed by the LJPA (Library Joint Powers Authority) Board meetings:

All are Thursdays

Meeting Date	Location	Time
<u>January 18</u>	<u>Downtown</u>	<u>9:00 am</u>
<u>March 1</u>	<u>Aptos</u>	<u>6:00 PM</u>
<u>May 3</u>	<u>Downtown</u>	<u>9:00 am</u>
<u>June 7</u>	<u>Boulder Creek</u>	<u>9:00 am</u>
<u>August 2</u>	<u>Downtown</u>	<u>9:00 am</u>
<u>October 4</u>	<u>Scotts Valley</u>	<u>6:00 PM</u>
<u>December 6</u>	<u>Downtown</u>	<u>9:00 am</u>

Chair Martin Bernal
Vice Chair Jenny Haruyama
Board Member Carlos Palacios
Board Member Jamie Goldstein



STAFF REPORT

DATE: January 18, 2018
TO: LFFA Board of Directors
FROM: Susan Nemitz, Library Director
RE: Annual Election of Board Chair and Board Vice-Chair

RECOMMENDATION

That by motion the Board elects the Calendar year 2018 Board Chair and Vice-Chair as the City of Scotts Valley and County of Santa Cruz respectively.

DISCUSSION

Staff Report presented in 2016 by the former LFFA Interim Executive Director Marcus Pimentel is attached for reference.

Attachment:

Staff Report from January 14, 2016



STAFF REPORT

AGENDA: January 14, 2016
DATE: January 5, 2016
TO: Library Facilities Financing Authority (LFFA) Board of Directors
FROM: Marcus Pimentel, Interim Executive Director
SUBJECT: Item 6.a. –Annual election of Board Chair and Board Vice-Chair

RECOMMENDATION

That by motion the Board elects the Calendar year 2016 Board Chair and Vice-Chair as the City of Capitola and City of Santa Cruz respectively.

BACKGROUND

The LFFA agreement requires that at the first meeting of January the Board shall elect a Chair and a Vice-Chair. The Chair is the presiding officer and shall sign all contracts of the LFFA unless otherwise provided by a Board resolution.

DISCUSSION

At the LFFA’s first meeting in January 2015, the Board established a rotation schedule that would set for 2016 the City of Capitola as the Chair and the City of Santa Cruz as the Vice-Chair. The rotation for 2016 and the next 4 years are as follows:

<i>Year</i>	<i>Chair</i>	<i>Vice-Chair</i>
2016	City of Capitola	City of Santa Cruz
2017	City of Santa Cruz	City of Scotts Valley
2018	City of Scotts Valley	County of Santa Cruz
2019	County of Santa Cruz	City of Capitola
2020	City of Capitola	City of Santa Cruz

Prepared and approved by:
Marcus Pimentel
Interim Executive Director

ATTACHMENTS:
None