

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



**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY
(LFFA)
REGULAR BOARD MEETING
THURSDAY DECEMBER 6, 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 Chair 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. Director's Report for December (PG.3-5)

6. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS

7. CONSENT CALENDAR

- A. Approve Minutes of the August 2 and August 30, 2018 Board Meetings
RECOMMENDED ACTION: Approve Minutes (PG.6-9)
- B. Accept Letter from Brown Armstrong CPAs to Library Financing Authority
RECOMMENDED ACTION: Accept Letter from Brown Armstrong CPAs (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. Determine Annual Meeting Schedule (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

January 10, 2019	Downtown Branch Library	Agenda Items:
	224 Church Street, Santa Cruz, CA 95060	Elect Chair and Vice Chair
		Bond Plans by Jurisdiction
		Budget Adjustments

10. ADJOURNMENT

Adjourned to a Regular Meeting of the Libraries Facilities Financing Authority (LFFA) to be held on Thursday January 10, 2019 at 9:00 a.m. at the Downtown Branch Library, located at 224 Church Street, Santa Cruz, CA 95060.

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.

December 2018

Library Director's Report to the LFFA

After a pause in planning last summer due to funding limitations, the distribution of an additional \$15.5 million from Measure S has allowed all of the projects to move forward.

Aptos

Byrons Kim has been selected as a Design build criteria Consultant for the Aptos Branch. A design team consisting of Library and County Staff was created and met on October 18. Library staff has provided a variety of data on use on collection size. A community meeting was held November 13 and another is scheduled for December 11. Criteria documents are expected by June 2019. A design/build firm will be selected in the summer of 2019 with a final design expected by the end of the year. Construction will follow with the opening of the remodeled facility expected in the summer of 2021.

Boulder Creek

Boulder Creek's limited budget had reduced preliminary planning to accessibility and health and life safety projects. The County has allocated an additional \$1.1 million to the project bringing the total to \$1.6 million. A community meeting is being scheduled for early 2019. Construction is expected to begin in late Fall 2019 with a grand opening in early 2020.

Branciforte

Library staff explored design priorities with Jayson Architects and David Tanza. Initial funding has increased from \$1 million to \$2 million. Meetings with the community are expected in early 2019.

Capitola

The City of Capitola City opened construction bids on June 6 and was \$2,334,870 over the available resources. City staff, working with the Ad Hoc Design Committee, completed a value engineering process and allocated an additional \$2 million in Measure S funds. The Council adopted a proposal that awards the contract to Otto Construction at a bid price of \$12,325,000 and negotiated a change order based upon the value engineering recommendations. A groundbreaking celebration with nearly 200 community members occurred on November 9. The current facility was demolished soon after. The new Capitola Branch is expected to open in early 2020. Fundraising by the Friends of the Library continues to exceed expectations.



Downtown

The City Council endorsed the Downtown Library Advisory Committee (DLAC) recommendation of Option B, relocating the Downtown Branch Library to a mixed-use project on Cedar, Lincoln, and Cathcart Streets to the Santa Cruz City Council on September 11.

Felton

The Friends of the Felton Library had a wonderful groundbreaking ceremony on September 21. Construction on the new Felton Branch Library has begun and is moving forward. Thompson Builders is currently mobilized on site and has started site work and grading operations. The footings and building slab are ready to be poured. The new branch is scheduled to open in early 2020.



Garfield

Library staff explored design priorities with Jayson Architects and David Tanza. Initial funding has increased from \$500,000 to \$2 million. Meetings with the community are expected in early 2019.

La Selva Beach

County and Library staff developed design priorities with Jayson Architects and presented them to the community on November 8. The schematic design has been finalized and a revised budget is being prepared. The County hopes to award a contract in the summer of 2019 with a 6 month construction process beginning fall of 2019.

Live Oak Annex

County, Library and Noll and Tam staff met to begin planning a fall community input meeting. Feasibility and concepts were discussed with the community on September 24 and ideas were reviewed by the community on October 22. A final community meeting is to be held on December 4, 2018. The County hopes to award a contract for the project in the summer of 2020 with a potential opening in the summer of 2021.

Scotts Valley

The Scotts Valley Theatre Guild used grant monies to complete the leveling of the concrete floor in the space adjacent to the branch library. Group 4 is completing a cost assessment of the Library's infrastructure needs and of the cost of the Guild obtaining occupancy of the adjacent space. AMS is completing a performing arts feasibility study.

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



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

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

**REGULAR MEETING MINUTES
THURSDAY AUGUST 2, 2018
9:00 A.M.**

1. ROLL CALL

PRESENT: Martin Bernal, Jenny Haruyama, Carlos Palacios, Jamie Goldstein
STAFF: Library Director Susan Nemitz

2. ADDITIONAL MATERIALS

None

3. ADDITIONS AND DELETIONS TO AGENDA

The Agenda of August 2, 2018 was approved by consensus.

4. ORAL COMMUNICATIONS

A member of the public expressed her opinion on the Library's financial direction.

5. EXECUTIVE DIRECTOR REPORT

Library Director's Report – August 2018

6. PROJECT UPDATES AND COMMENTS BY BOARD MEMBERS

Carlos Palacios commented on the Felton library project bid which is very satisfactory and the project will definitely be manageable with the available funds.

7. CONSENT CALENDAR

RESULT:	APPROVED CONSENT CALENDAR A. Approved Minutes of June 7, 2018 B. Approved Budget Adjustment FY 2017/18 to pay Debt Agent Fees [UNANIMOUS]
MOVER:	Jamie Goldstein
SECONDER:	Martin Bernal
AYES:	Bernal, Haruyama, Palacios, Goldstein

8. GENERAL BUSINESS

A. Update on Measure S Funds

Nicole Coburn reported that additional funds can be freed up via tax revenues. \$15 million between ongoing annual tax revenues and the bond capacity to distribute to members is now available. Allocation of funds to all members goes up by 25%. An amendment to the LFFA agreement is required to raise the allocations and distribute those funds.

9. ADJOURNMENT

The Libraries Facilities Financing Authority (LFFA) adjourned at 9:25 a.m. to the Regular Meeting on Thursday October 4, 2018 at 6:00 p.m. at the Scotts Valley Branch Library, located at 251 Kings Village Road, Scotts Valley, CA 95066.

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.

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



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

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

Special Session

**THURSDAY AUGUST 30, 2018
9:00 A.M.**

1. ROLL CALL

PRESENT: Martin Bernal, Jenny Haruyama, Carlos Palacios, Jamie Goldstein
STAFF: Library Director Susan Nemitz, Nicole Coburn, Assistant County
Administrative Officer

2. ADDITIONS AND DELETIONS TO AGENDA

The Agenda of August 30, 2018 was approved by consensus.

3. ORAL COMMUNICATIONS

None

4. GENERAL BUSINESS

A. First Supplement to Amended and Restated Joint Exercise of Powers Agreement for the LFFA

Nicole Coburn reported that additional funds can be freed up via tax revenues. \$15 million between ongoing annual tax revenues and the bond capacity to distribute to members is now available. Allocation of funds to all members goes up by 25%. An amendment to the LFFA agreement is required to raise the allocations and distribute those funds and is presented for approval today.

**RESULT: APPROVED FIRST SUPPLEMENT TO AMENDED AND RESTATED
JOINT EXERCISE OF POWERS AGREEMENT FOR THE LFFA
[UNANIMOUS]**

MOVER: Martin Bernal

SECONDER: Carlos Palacios

AYES: Bernal, Haruyama, Palacios, Goldstein

A member of the public expressed his disagreement with the proposed allocation formula.

5. ADJOURNMENT

The Libraries Facilities Financing Authority (LFFA) adjourned at 9:20 a.m. to the Regular Meeting on Thursday October 4, 2018 at 6:00 p.m. at the Scotts Valley Branch Library, located at 251 Kings Village Road, Scotts Valley, CA 95066.

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.

**BROWN
ARMSTRONG**
—
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REGISTERED with the Public Company
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MEMBER of the American Institute of
Certified Public Accountants

BROWN ARMSTRONG

Certified Public Accountants

To the Board of Directors of
Santa Cruz County Library Financing Authority
Santa Cruz, California

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, 2018. 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.

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

As stated in our engagement letter dated August 22, 2018, 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

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 1, 2018, and issue our report on later than December 15, 2018. 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
August 22, 2018



STAFF REPORT

DATE: December 6, 2018
TO: Libraries Facilities Financing Authority
FROM: Susan Nemitz, Library Director
RE: Annual Meeting Schedule 2019

RECOMMENDATION

Accept Annual Meeting Schedule 2019

DISCUSSION

The Board may want to consider moving the January meeting to Thursday February 7, 2019 in order to review financial forecasts at the Library Joint Powers Authority Board meeting (which follows the LFFA Board meeting).

2019 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 10</u>	<u>Downtown</u>	<u>9:00 am</u>
<u>March 7</u>	<u>Aptos</u>	<u>6:00 pm</u>
<u>May 2</u>	<u>Downtown</u>	<u>9:00 am</u>
<u>June 6</u>	<u>Boulder Creek</u>	<u>6:00 pm</u>
<u>August 1</u>	<u>Downtown</u>	<u>9:00 am</u>
<u>October 3</u>	<u>Scotts Valley</u>	<u>6:00 pm</u>
<u>December 5</u>	<u>Downtown</u>	<u>9:00 am</u>