

SANTA CRUZ PUBLIC LIBRARIES  
A CITY-COUNTY SYSTEM

LIBRARY JOINT POWERS BOARD

MINUTES

October 5, 2009

Central Branch Meeting Room  
224 Church Street, Santa Cruz

7:00 PM PUBLIC MEETING

I. ROLL CALL

Present: Citizen Nancy Gerdt, Citizen Barbara Gorson, Citizen Leigh Poitinger, Councilmember Sam Storey, Supervisor John Leopold, Councilmember Katherine Beiers, Councilmember Jim Reed

Absent: Supervisor Mark Stone, Councilmember Mike Rotkin

Staff: Teresa Landers, Director of Libraries

II. APPROVAL OF MEETING AGENDA OF OCTOBER 5, 2009

**Councilmember Storey moved, seconded by Citizenmember Poitinger**

**that the Board approve the agenda of October 5, 2009.**

**UNAN**

**ABSENT: Rotkin, Stone**

III. APPROVE MINUTES OF SEPTEMBER 14, 2009

**Supervisor Leopold moved, seconded by Citizenmember Poitinger**

**that the Board approve the minutes of September 14, 2009 with the following change: Under item X letter B instead of phase survey it should be phone survey.**

**UNAN**

**ABSENT: Rotkin, Stone**

VI. ORAL COMMUNICATIONS

Jim Morley, La Selva Beach resident, reported that the La Selva Beach Friends chapter would like to ask the Board to move one of the LSB open days to Saturday.

## VII. WRITTEN COMMUNICATION

- A. Letter and Email Correspondence From & To the Public
- B. Articles on Library Cutbacks Nation Wide
- C. Article on Innovative Library Services
- D. Article on Libraries as Necessities or Amenities
- E. Articles About Santa Cruz and California Libraries

## VIII. REPORTS OF ADVISORY BODIES

### A. Friends of the Santa Cruz Libraries, Inc.

Jo Ann Mattingley reported the following Friends' activities:

- Annual Membership Mailing
- Upcoming Donor Reception
- October 13<sup>th</sup> Business Survival Workshop from 11:45-1:00 PM
- October 15<sup>th</sup> Munching with Mozart at 12:10 PM
- 25<sup>th</sup> Annual Fall Book Sale, November 20<sup>th</sup> and 21<sup>st</sup>

### B. Finance Committee

Barbara Gorson reported for the LJPB Finance Subcommittee. The meeting was very informative and the minutes are available for review. The committee was able to better understand the roles between the City Finance Department and the Library.

## VIII. MEMBER REPORTS

### A. Felton Library Task Force

This committee is on hiatus.

### B. Scotts Valley Report

Councilmember Jim Reed reported the successful event held by the Scotts Valley Friends. The BBQ and auction raised \$23,000 and \$19,000-\$20,000 was the net revenue from the event. There were 200 people at the event, 170 were paid attendees, and the other 30 were volunteers. On October 7<sup>th</sup> the first library subcommittee meeting will be held with the architect and construction manager to start the design process. The timeline will include a 60-day public comment period. Kathy Page, hired consultant to work on the new SV project, will be holding several workshops for community and target group input (ie: staff). The committee hopes to have preliminary plans for the new branch by the end of the year.

### C. Capitola Report

Citizenmember Gorson reported on the formation of an informal committee for the new Capitola Branch Library. Citizenmember Gorson and Councilmember Storey both serve on this committee. The committee is looking at potential locations for the new branch that is slated to be built by 2018. There were six possible locations. The proposed sites were rated and evaluated by the criteria established by the committee. The committee did not address

detailed costs; this will be done with the formal committee. Both the Rispin property and the current location are being discussed. The committee will be presenting their findings at a Capitola City Council meeting in November. The Library Director has also allowed the strategic planning sessions in Capitola to include this issue.

Councilmember Storey added that from the Capitola City Council's perspective they would like to coordinate public hearings to get input on the best possible site location for the new branch. The City of Capitola has an obligation with the County of Santa Cruz to build a 7,000 sq. ft. facility by year 2018. The City of Capitola has been on a payment schedule in order to achieve this goal. The public hearing is tentatively schedule for November 4<sup>th</sup>.

## IX. STAFF REPORTS

### A. Monthly Financial Reports

Jack Dilles, Finance Director, responded to the Board's inquiry about the Library's debt service issues. Mr. Dilles addressed the three types of debt the library currently holds.

The first is the working capital loan debt. This accounts for the monies loaned by the City to the Library to cover its negative cash position.

Supervisor Leopold expressed his concern over this loan made to the Library. The Library is currently paying the City for repayment of the loan that is 2% over portfolio. The 2% adds approximately \$1,000 per month to the loan repayment the Library already makes to the City. Mr. Leopold pointed out that roughly \$600,000 is paid to the City for its financial services each year and a lack of oversight has led to the Library needing to borrow money to cover its negative cash balance. Supervisor Leopold does not see how the lack of financial oversight by the City should negatively affect the Library. He explained that this is a failure of the system and that one party of the system should not be saddled with the costs associated with the failure.

Mr. Dilles did explain that the City's practice of charging 2% over portfolio is applied when the borrowing party is a separate entity or activity such as the library and/or golf course. The City has charged only the portfolio rate for minor short-term loans.

Councilmember Storey questioned whether there is an agreement between the City and the Library over the issue of negative cash balances. Also following up a motion made in the June LJPB meeting the Board directed staff to meet with City of Santa Cruz officials to discuss borrowing terms between the City and the Library. Councilmember Storey stated that this needs to take place and a report back to the Board needs to be made.

The second debt the Library holds is the Santa Cruz County Overpayment. This debt repayment is a result of a miscalculation of revenues made by the County of Santa Cruz. The repayment goes directly to the City of Watsonville for revenues inadvertently paid to the Santa Cruz Library.

The third and final type of debt is the loan made by the City for improvements made to the Headquarters building at 117 Union Street. The debt schedule runs through 2018.

The Board concluded that they would like to see detailed expenditure reports, expenditure balance reports and revenue balance reports each month.

#### B. Monthly Statistical Report

Monthly library statistics were presented to the Board. These statistics are an initial attempt to provide comparative data from month to month regarding library use.

#### C. Monthly Narrative Report

This monthly report is intended to give the Board a good overview of the services and programs provided throughout the library system.

#### D. Workman's Compensation for FY 2008-09

Overview of new claims this year and the costs associated.

#### E. La Selva Beach Change in Hours on Tuesday

Due to earlier comments made by a LSB resident indicating the communities wish to have the La Selva Beach Branch Library open on Saturday's the Director can not make a recommendation to the Board at this time. The availability of staff for Saturday open hours will need to be discussed. The Board agreed to leave this decision up to the Library Director after investigating the feasibility of Saturday hours instead of one evening per week.

#### F. Report on Headquarters Building Electrical Costs Savings

The building at 117 Union Street is using 90% less PG & E electricity than if the building was designed to meet standard Title 24 requirements. Also 83% of all the electricity the building uses comes from the PV system on the roof. In rough numbers, each year the building saves \$38,000 in electricity costs.

#### G. Update on How the Change in Hours is Affecting Staff/Public

The public is still mixed on how open hours should be allocated throughout the library system.

Library staff are coping with the reduced open hours with increased workloads and are still settling down into the new regional system.

#### H. New Way to Handle Donations to Friends and/or Library for Library Materials

**Councilmember Beiers moved, seconded by Supervisor Leopold**

**that the Board authorize the following recommendation:**

**Donations received by the Friends of the Library for library materials will be transferred into the Library budget monthly and will be entered in a separate line in the same category as Books and Periodicals. Library staff will spend the money following the same procedures used for ordering “regular” library materials. The LJPB will not need to pass a resolution each month to accept these funds as part of the Library’s budget but this action will serve as authorization.**

**AMENDMENT: This motion will be retroactive to include two donations received in August and September that were deposited in the Library’s general fund. This motion will transfer these funds to the new donations line and will allow them to be spent on library materials according to the donor’s wishes.**

**UNAN**

**ABSENT: Rotkin, Stone**

**X. OTHER BUSINESS**

**A. Parking Lot List Review**

The Board added to the parking lot list the discussion of earmarked donations made to specific branches. The Board also added to the list the Library Director’s report to the Board on the 2% over portfolio discussion with the City.

**B. Strategic Plan Update**

Town Hall meetings for the strategic plan have been scheduled. The library’s website does have a link to the strategic planning process where the public can find more information and details.

**C. Questions for Auditors**

Supervisor Leopold would like to have an opportunity to talk with the auditors concerning the Library’s internal controls and methods of operation. He would also like to request a separate management letter from the auditors for the library system.

Councilmember Storey would like to have the City negotiate a schedule with the auditors so that the auditors are able to present their finding to the Board and discuss any questions the Board may have for them.

**D. Update on Securitization Process**

The clean up bill has not passed and it is unclear what will happen in the state legislature with the state pay back.

E. Process for Board Self Evaluation

The Board discussed holding the Board Self Evaluation process in open session in the December regularly scheduled meeting. An evaluation survey would be developed and sent out in November in order to obtain constructive feedback on how the Board effectively manages the Library system.

F. Process for Library Director Mid-Year Evaluation

The Board will conduct an evaluation for the Library Director. This evaluation will be informal since the hire of the Library Director was made only a few months ago. Citizenmember Gorson will send each board member an evaluation to be filled out and returned. The Library Director will also fill out a self-evaluation. In November, a closed session meeting will be held to discuss the evaluation.

XI. NEXT MEETING

November 2, 2009

XII. ADJOURN

The regular meeting adjourned at 9:11 p.m.

Respectfully submitted,

Helga Smith, Substitute Clerk of the Board

Kira Henifin, Clerk of the Board

All documents referred to in these minutes are available in the Library Office.