



SANTA CRUZ PUBLIC
LIBRARIES
A City-County System

LIBRARY JOINT POWERS AUTHORITY BOARD

Monday, December 13, 2010
Central Branch Community Meeting Room
224 Church Street, Santa Cruz

6:00 PM Reception for outgoing Board member, Councilor Mike Rotkin

6:30 PM PUBLIC MEETING

1. ROLL CALL
2. APPROVE AGENDA
3. APPROVE MINUTES OF November 1, 2010 (PG. 3-6)
4. ORAL COMMUNICATIONS
5. CONSENT AGENDA
 - A. New ILS vendor selection (PG. 7-9)
 - B. Resolution to transfer and appropriate funds- Administrative Assistant position reduced form 40 hour FTE to 20 hours (PG. 10)
6. WRITTEN COMMUNICATIONS
 - A. Articles About Santa Cruz and California Libraries (PG. 11-19)
 - B. Patron Written Comments (PG. 20-24)
 - C. Articles on Libraries Nation Wide (PG. 25-31)
 - D. Monthly Narrative Reports- November 2010 (PG. 32-37)
 - E. Monthly Statistical Report (PG. 38-41)
 - F. Unique Management (PG. 42-44)
7. REPORTS OF ADVISORY BODIES
 - A. Friends of the Santa Cruz Libraries, Inc. (oral)
 - B. Finance Committee Minutes and Oral Report (PG. 45-46)
8. MEMBER REPORTS

- A. Scotts Valley Report (Reed)
- B. Capitola Report (Storey)

9. STAFF REPORTS

- A. October Financials (PG. 47-57)
- B. Draft Audit Report (PG. 58-93)

10. OTHER BUSINESS

- A. Library Service Model Task Force Update (oral)
- B. Parking Lot List Review (oral)
- C. Board Self Evaluation (oral)

11. NEXT MEETING

The next regularly scheduled meeting is Monday, January 10, 2010 at 6:30 p.m.

12. ADJOURN

The Library Joint Powers Authority Board will adjourn from the regularly scheduled meeting of December 13, 2010 to the next regularly scheduled public meeting on January 10, 2010 at 6:30 pm in the Community Meeting Room of the Central Branch Library.

The Santa Cruz City-County Library System does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, the Library requests that you attend fragrance free. The Central Branch Library is a fully accessible facility. If you wish to attend this public meeting, and you will require special assistance such as sign language or other special devices in order to attend and participate, please call (831) 427-7706 seventy-two (72) hours prior to the event to make arrangements for assistance. Upon request, agendas for public meetings can be provided in a format to accommodate special needs.

SANTA CRUZ PUBLIC LIBRARIES
A CITY-COUNTY SYSTEM

LIBRARY JOINT POWERS BOARD

MINUTES

November 1, 2010

Central Branch Meeting Room
224 Church Street, Santa Cruz

6:00 PM CLOSED PERSONNEL SESSION

Personnel Evaluation, Library Director (Government Code §54957)
Martin Bernal, City Manager

6:30 PM PUBLIC MEETING

I. ROLL CALL

Present: Citizen Nancy Gerdt, Citizen Barbara Gorson, Citizen Leigh Poitinger, Councilmember Jim Reed, Councilmember Mike Rotkin (arrived at 7:07pm), Supervisor Mark Stone

Absent: Councilmember Sam Storey, Councilmember Katherine Beiers, Supervisor Ellen Pirie

Staff: Teresa Landers, Director of Libraries

The Chair of the Board reported out on the closed session meeting. The meeting was held to discuss the Library Director's evaluation, no decisions were made.

II. APPROVAL OF MEETING AGENDA OF NOVEMBER 1, 2010

Citizenmember Poitinger moved, seconded by Councilmember Reed

that the Board approve the agenda of November 1, 2010.

UNAN

Absent: Storey, Beiers, Pirie,
Rotkin

III. APPROVE MINUTES OF OCTOBER 4, 2010

Councilmember Reed moved, seconded by Citizenmember Poitinger

that the Board approve the minutes of October 4, 2010.

UNAN

Absent: Storey, Beiers, Pirie,
Rotkin

VI. ORAL COMMUNICATIONS

None

VII. CONSENT AGENDA

None

VII. WRITTEN COMMUNICATION

- A. Articles About Santa Cruz and California Libraries
- B. Patron Written Comments
- C. Articles on Libraries Nation Wide
- D. Monthly Narrative Report
- E. Monthly Statistical Report
- F. Monthly Spotlight: Traveling Pants Teen Program

VIII. REPORTS OF ADVISORY BODIES

A. Friends of the Santa Cruz Libraries, Inc.

Susan Heinlein, Managing Director reported the following Friends' activities:

- Won the *Making A Difference Award* from the Volunteer Center
- Welcomed Four New Board Members
- Friends Fundraising Committee met to discuss \$1 Million Technology Fund
- Purchased a New Database to help Track Donors and Volunteers
- Civic Sale 11/12 & 11/13
- 12/8 Crate Sale; All Unsold Books from the Civic Sale will be Brought Over to the Central Branch Library Meeting Room
- Elizabeth Walch, Scotts Valley Friends President was the honoree at the Volunteer Awards

B. Finance Committee

Board members reviewed draft minutes from the October 25, 2010 meeting.

VIII. MEMBER REPORTS

A. Scotts Valley Report

Councilmember Reed reported to the Board that the new Scotts Valley library has been completely gutted and the basics are now being installed (ie: electrical and windows). The completion date is still set for mid-April of 2011.

B. Capitola Report

Citizenmember Gorson reported out on the progress of the Capitola ad-hoc committee. The committee met to review RFQ's for program planners and have requested more specific costing.

IX. STAFF REPORTS

A. September Financials

The Library Director reported on the current financial status of the library and the Board reviewed revenues, expenditures and cash flow for the library system.

B. La Selva Beach Pilot Project Report

Supervisor Stone moved, seconded by Councilmember Reed

that the Board authorize the continuation of the LSB volunteer project until the Library JPA Board has set a service model direction based on the Task Force Sustainable Service Model's report. At that time, with knowledge of the system service model, reevaluate the volunteer model.

UNAN

**Absent: Storey, Beiers, Pirie,
Rotkin**

Cindy Jackson, LSB Friends Volunteer Coordinator, will speak with the Director concerning volunteer duties at LSB.

X. OTHER BUSINESS

A. Board Packet Review

The Board reviewed the board packet preparation and no changes were made.

B. Letter from City of Capitola

The Board informally approved the draft letter written to the Capitola City Manager. The Board also clarified that future communication can be done without Board approval and if the Library Director wants to include copies of future communications in the board packets that will be up to her discretion.

C. Library Service Model Task Force Update

(Councilmember Mike Rotkin arrived at 7:07 PM)

The Task Force has broken into four small groups to work on separate models that will be presented to the larger group and costed out.

The task force has developed a costing sub committee that will cost out all of the model proposals.

Teresa has worked with the staffing consultant to develop a conceptual baseline staffing structure that can easily be expanded or contracted according to the model presented.

The Task Force will also be developing evaluation criteria based on the 6 strategic directions in the long range plan which includes financial sustainability.

D. Parking Lot List Review

None

E. Board Self Evaluation in December

Chair of the Board will talk about process in December.

XI. NEXT MEETING

The next regularly scheduled meeting has been moved to Monday, December 13, 2010 at 6:30 pm.

XII. ADJOURN

The regular meeting adjourned at 7:10 p.m.

Respectfully submitted,


Kira Heniffin, Clerk of the Board

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

STAFF REPORT

Date: November 29, 2010

To: Library Joint Powers Board

From: Teresa Landers, Library Director

Subject: New Integrated Library System(ILS) for the Santa Cruz Public Libraries

RECOMMENDATION: Accept Equinox as vendor to provide migration services to Evergreen, an open source Integrated Library System (ILS)

SUMMARY

Of the two open source library ILS options, Evergreen has been determined to be the one that best meets the needs of SCPL. Equinox has been identified as the vendor with the most experience and the best qualifications to handle the migration to a new ILS. Both Evergreen and Equinox have been selected by the other library systems who are our partners in a grant from the Institute of Museum and Library Services to promote open source systems for libraries.

BACKGROUND

Santa Cruz Public Libraries has been in the process of determining the most cost effective way to replace our current ILS(Integrated Library System). This need is generated by the following factors:

- Our current system was is no longer supported by the vendor.
- The cost of maintaining the current hardware is excessive due to the age of the equipment. We will soon reach a point where support for the hardware is no longer available. Risks to the system due to hardware failure are significant.
- Though our system has been heavily customized by staff to provide a level of service expected by the public there are some functions such as credit card processing which can never be supported on the current system.
- Knowledge of this system rests almost completely with a single employee.

Cost to replace the existing system with a similar proprietary ILS is in the range of \$300-500 thousand with annual support beginning at \$60 thousand. The library began exploring open source alternatives to the traditional ILS 2 years ago as a way to reduce the replacement cost. We undertook a prototype system based on a product called KOHA. After extensive testing we determined that this product was not adequate for a library of our size and configuration.

Another open source system called Evergreen surfaced and meets our requirements to a greater degree. The system was funded by the state of Georgia to replace the proprietary ILS in use by over 250 public libraries in that state. It was successfully deployed there and has been in

use for over 2 years. In addition, it has been widely adopted by public libraries. Of special interest to us is the successful deployment at KCLS(King County Public Librar,WA). This is one of the premier public library systems in the country and shares our service requirements.

KCLS is the recipient of a \$1 million grant from the IMLS(Institute of Museum and Library Services).

The goals of this grant are:

1. Promote Open Source Library System (OSLS) adoption by articulating the benefits to libraries.
2. Increase participation in OSLS projects.
3. Make open source conversion a viable option for public libraries by providing infrastructure elements related to planning, implementation, training, development, and support.
4. Develop a new model of peer-to-peer support for open source libraries.

The libraries partnering with KCLS include Peninsula Library System, Ann Arbor District Library, Orange County Library System, Bibliomation, EINetwork, PALS, and Santa Cruz Public Libraries.

We applied to participate in this project and were accepted. There will be some small monetary benefits in the coming year. The real benefit is the support environment created by the grant. The partners are committed to an open source solution to providing the core software application for libraries. This has resulted in many enhancements to the Evergreen ILS evidenced in the implementation at KCLS. We are the beneficiaries of this effort and also intend to be contributors.

There is no cost for Evergreen software but there is a need to purchase the support necessary to have a successful migration. The developers of this ILS have formed a company called Equinox to perform these services and to continue development. There are a few other companies offering implementation services. None have product knowledge of the depth held by Equinox. Equinox is also the vendor used by the partners in the IMLS grant. Because of this, it seems evident that we should rely on them as our primary service provider during the migration.

DISCUSSION

The JPB has approved a budget of \$175,000.00 for the implementation of a new ILS. We request approval for Equinox as our primary vendor as comparable comprehensive services are not available from another source. Equinox would provide data migration services, software installation on a hosted system and additional development as required. Payments to Equinox in the first year are expected to cost the budgeted \$175,000. Ongoing costs of maintaining the system are estimated at \$25,000 for product support and \$23,000 annually for hosting costs if we choose to go forward in a hosted environment. These costs are significantly less than the

annual maintenance and software upgrade charges which would be incurred by proprietary systems.

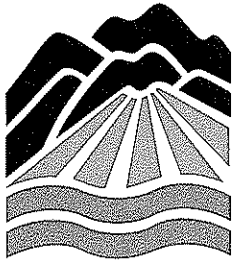
We have begun in earnest the work of auditing our business processes so that we can use this migration to streamline processing and provide the best possible service to the community. It is reasonable to believe that the new system could be in place by June of 2011. This change would mitigate the risks to our current system, improve functionality, and carry us forward with a technology that is stable, adaptable to change and well supported by service providers and the library community.

About the IMLS grant:

<http://rscel.org/about>

Evergreen Libraries:

http://evergreen-ils.org/dokuwiki/doku.php?id=evergreen_libraries



**SANTA CRUZ • PUBLIC
LIBRARIES**
A City-County System

RESOLUTION # 2010-015

**RESOLUTION OF THE SANTA CRUZ LIBRARY JOINT POWERS
AUTHORITY BOARD TRANSFERING AND APPROPRIATING FUNDS
FOR FY 2010-2011**

WHEREAS, the reduction of this position will help to address the library budget shortfall, and

NOW THEREFORE, be it resolved by the Library Joint Powers Authority Board

That the Library Joint Powers Authority Board reduce the following position from the FY 2010-2011 Library Budget as of January 1, 2011 from 40 hour FTE to 20 hour PTE:

106-008 Administrative Assistant II

PASSED AND ADOPTED this 13th day of December 2010 by the following votes:

AYES: Board Member(s):

NOES: Board Member(s):

ABSENT: Board Member(s):

DISQUALIFIED: Board Member(s):

APPROVED

ATTEST

Chair

Board Clerk

Steve Bonnel

Shopkeepers

A Small Towns' Perspective

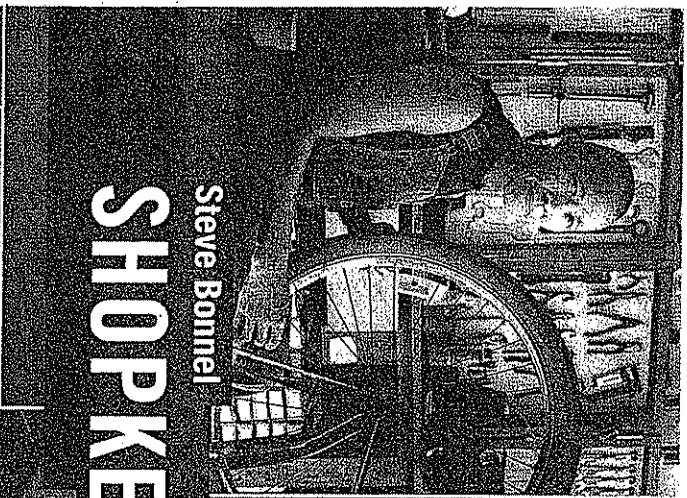
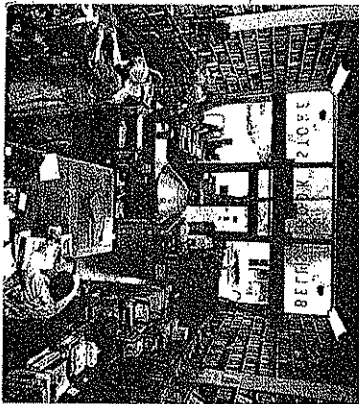
A multimedia documentary project that explores the importance of small, locally owned businesses.

November 1, 2010 - January 28, 2011

Santa Cruz Public Library - Scotts Valley
230-D Mount Hermon Road
Scotts Valley, CA 95066-4304
www.santacruzpl.org

Branch Hours - Sun: Closed, Mon: 1PM - 5PM, Tue: 10AM - 7PM
Wed: 11AM - 7PM, Thu: 10AM - 7PM, Fri: Closed, Sat: 1PM - 5PM

Artist Contact Info:
www.stevebonnel.com
sbonnel@sbcglobal.net
530-400-0675



SHOPKEEPERS

a small towns' perspective



"I think there is a sense that small businesses can't make it in today's economy and that the competition from chain stores is going to squash them. To label the family business as a has-been or something sweetly, nostalgically nostalgic is a real misconception."

Fawn Bell
Bell's Bookstore, Palo Alto, CA

Write about librarians

I hope you guys do an article on the librarians. Here's why: None of the librarians are happy about Teresa Landers' covert plan to replace them with computers, especially in Scotts Valley where she plans to put in 30 computers. Landers is from Oregon. She hired an efficiency expert from Oregon — translation: executioner (who was paid how much? A friend of hers?) — to go through the branches. A library director should generate and produce revenue, not reduce staff to cut costs. What about working on more grants? And does Landers get a bonus if she does this? And like all management, she'll put in a system that gives her job security and better benefits and a free car, which librarians don't have. A Carly Fiorina mentality shouldn't

be the basis for a community-based service. Maybe Landers should read some of the books in the library, and start with "Grapes of Wrath."

FRED REISS, Mount Hermon

SC Sentinel 11/13/10 Save the librarians

Librarians are being ordered by Library Director Teresa Landers to have patrons check their own books out on desk computers. I'm offended by this. Landers (who in the non-fiction world makes \$124,000 a year) wants us help her reduce staff and eliminate positions. I like librarians. I don't do something that makes them lose their jobs. The library is not an ATM. I urge people to refuse to check out their own books. If Landers wants to cut costs, then let her check out my books, or replace her with a computer or, better still, outsource her job for a lower salary. It's easy to make tough decisions that affect people making less if you still keep a six-figure salary.

FRED REISS, Mount Hermon

Everyone should boycott libraries' self-checkout

I am in full agreement with the letter from Mr. Reiss on Nov. 13 concerning the new self check-out policy at the library. I hope people will refuse to check out their own books and send a clear message to Ms. Teresa Landers that this is unacceptable. I urge everyone opposed to self check-out to please call or write Ms. Lander's office and issue a complaint.

ROBERT PORTER, Corralitos

Library policy the right move

In response to the letter Saturday concerning the library director ordering patrons to check out their own books, I'd like to call the writer's attention to the recently expanded open hours throughout the system. Simple tasks like book checkouts and fetching reserves from the new pick-up shelves can be easily done by untrained personnel — patrons. Thus, the library's (relatively high-paid and well-benefitted) personnel time is freed to do other tasks.

Further, in the past, repetitive-stress injuries and subsequent workers' comp claims caused by clerks spending hours on end checking out books were a huge drain on the budget. I'd rather have the library open more hours than stand in a line to have my book checked out by someone who may have a work-related injury in the near future. I am certain the letter writer will be assisted if he is incapable of using the new checkout machine or finding his reserve material on the shelf. When I can't figure out the ATM, I go in the bank and get in line, and the teller will disburse some cash from my account. The analogy breaks down, however, if the bank is closed. I say "Brava!" to Ms. Landers. Minor patron self-help equals more open hours.

JANE WALTON, Santa Cruz

Library experience a lesson in humanity

As a volunteer since August, introducing the public to the new self-check system at the Central Branch, I've noted a very small percentage of patrons unwilling to give it a try. Even those who don't consider themselves tech-savvy walk away feeling a bit more confident. My experience at the Central Library has been a lesson in humanity observing the gracious way all who work there tend to those patrons who need a little extra attention.

LUANNE WATKE, Santa Cruz

SANTA CRUZ

Library book sale set for Nov. 12-13

The Fall 2010 Friends of the Santa Cruz Public Libraries two-day sale is set for Nov. 12 and 13 at the Civic Auditorium, 307 Church St.

The semi-annual event offers tens of thousands of books and media items for sale for all ages and interests. Items in the auditorium sell for \$1.50 per pound, but there will be unusual items and other specially priced books in an adjacent room.

A Nov. 12 "members-only" preview sale will run from 5:30-8 p.m. Non-members can join at the door for \$15 for seniors and students, \$20 for individuals, \$30 for couples and \$40 for families of three or more persons.

The Nov. 13 sale is free to the community from 10 a.m. to 1 p.m., but the doors close from 1 to 2 p.m. except to pre-qualified nonprofit groups, schools and churches. From 2 to 4 p.m. is the Close Out Bag Sale, during which shoppers can fill up their own brown grocery bag for \$5.

For information, call 427-7707 ext. 5790 or visit www.fscpl.org. To qualify for the nonprofit group segment call Ron at 427-7707 ext. 5798.

11/16/10

Capitola Volunteers Want to Add Library Hours

The Capitola library branch gained two open hours a week in mid-October, but the city has asked the county library system to look into ways to further increase service through volunteers.

While small and housed in a portable facility, the branch is among the more popular in the county, serving local and Soquel residents.

The site and facility is owned by the city. However, the city is part of a countywide joint-powers authority (JPA) and must gain agreement from the JPA for any changes in hours. Changes in the use of volunteers must also be approved by the system's union members.

In a letter approved by City Council on Oct. 14, Capitola points to the blend of staff and volunteers that has been

piloted at the La Selva Beach branch, which allowed that small location to increase the numbers of hours it is open. The La Selva branch is now open two days a week.

Capitola now shares staff with La Selva Beach and is open three days weekly. That fact may help with the request.

Capitola usually has three staff members working at a time and La Selva's small size allows it to operate with one staff member and rotating volunteers, said Library Director Teresa Landers.

"[Capitola's] a much busier branch," she said.

The Library Joint Powers Board will get a report on the La Selva Beach pilot program at its Nov. 1 meeting, she added. Capitola Mayor Sam Storey represents the city on the JPA oversight board.

The nonprofit Friends of the Santa Cruz Public

Libraries purchased self-checkout machines for all the branches to support the system's efforts to reduce staff time required for that task. Before a branch can use the machines, the barcodes on the books must be moved from inside to the cover, Landers explained.

About 75 percent of Capitola's collection had been converted by mid-October.

"Within the next month or so we should have self-check installed," she said.

The city's letter also offered the help of resident volunteers to fundraise for any necessary equipment.

The Capitola library branch does not have its own Friends support chapter as do branches in Scotts Valley, Felton and Boulder Creek.

"We're here to help if we can," said City Manager Jamie Goldstein. ■

www.ThePost.US.com • October 26, 2010 • 13

PRESS-BANNER

10/29/10

NEWS I

Library hours increase

Open hours have been added to the Boulder Creek, Felton and Scotts Valley branch libraries.

The Boulder Creek library will be open nine more hours each week, for a total of 21 hours. The library is open from 1 to 6 p.m. Monday and Tuesday, 11 a.m. to 6 p.m. Wednesday and 1 to 5 p.m. Saturday.

Felton's hours increased by seven hours to 15 per week, and the library is now open from 1 to 6 p.m. Tuesday, 11 a.m. to 6 p.m. Thursday and 9 a.m. to noon Saturday.

Scotts Valley's library increased by two hours each week to 34 hours, total. The branch is open from 1 to 5 p.m. Monday and Saturday, 10 a.m. to 7 p.m. Tuesday and Thursday and 11 a.m. to 7 p.m. Wednesday.

SC Sentinel 10/29/10
SCOTT'S VALLEY

Deadline to purchase library bricks is Nov. 5

Community members have until Nov. 5 to place their orders for individualized, engraved bricks, which will be placed at the entryway of the new Scotts Valley Library.

The brick-selling campaign is part of the fundraising campaign to construct the library, which is expected to open in May. As of Thursday, the Scotts Valley chapter of the Friends of the Santa Cruz Public Libraries had raised \$145,000 of its \$250,000 goal.

Prices for bricks range from \$50 to \$250 a brick, depending on size. Orders can be placed at <https://fsvpl.engravedbricks.com>.

Rispin property on the other side of the street, he proposes a sky bridge. He thinks it would cost about \$2 million. Wouldn't that be awful big in a smaller neighborhood? Not really, he says. But don't you have to have ramps or an elevator to meet ADA standards? "I hadn't thought about the handicapped," he answers.

Does he support the agreement with the county, with the city setting aside money each year?

"I don't remember it coming up at the time. It was buried at the time. I don't remember the discussion."

TERMINI: If this guy had a nickname, it would be Mr. Library. He's been part of the ad hoc committee to pick a new site, even before the committee was formalized. He's served on the countywide library oversight committee and is working with the system on ideas for reorganizing the way libraries are run - including a new plan to open Capitola's current library more hours using volunteers. Termini believes the present downturn in construction might be a good way to build a new library sooner and for less money.

HARLAN: When last on the council in the '90s, Harlan helped draft the agreement with the county and says that there was lots of attention to the deal and a public hearing. She likes the current library and looks forward to a new one. She doesn't support a sky bridge and believes there would be ways to improve pedestrian safety, like rear-

The Library...

For a long time, Capitola had no library. As part of a then-new countywide library system forming in the '90s, Capitola received staffing for a small branch. The city installed a small portable building on Wharf Road at Clares Street, later adding a tot lot.

The city has always had bigger plans, however, often part of redevelopment expansion. As part of a deal to form the city's lucrative redevelopment district on 41st Avenue in the '80s, the city agreed to put in a super large library (known as a Tier III) somewhere in the city.

The city didn't have the money and nothing happened until Capitola wanted to again make a change with the RDA and this time - back in the '90s - the city agreed to pay into a fund held by the county every year to build a larger (Tier II) library by 2017. This time the agreement was formal.

Each year, the city puts redevelopment money aside and the current site has been selected to house the new facility.

What Do the Candidates Think about a New Library?

BEGUN: He supports a new library and thinks it is 10 years away. To connect the library with a park or other eventual public use of the

ranging the current cross walk.

Sunnyvale's Investment Increases Efficiency and Improves Library Services

by Lisa G. Rosenblum



Library materials are scanned and returned through the slot. The screen above shows the items traveling on a conveyor belt to the automated sorting equipment.



Library customers check out materials using technology that can simultaneously scan an entire stack of materials.

It's ironic but true: During tough economic times as library budgets are being cut, public library use increases. At the Sunnyvale Public Library from 2004–09 the checkout of items increased 37 percent while library staffing decreased 13 percent. In a typical day 2,000 people used the library's services. With materials checkout at 2.5 million items per year and increasing, the library had a problem — it simply could not check in materials fast enough. Despite being open seven days and 66 hours per week, items routinely required a minimum of 24–72 hours just to get checked in and taken off the customer's library record. Reshelving the items took another 48 hours.

continued

015

Lisa G. Rosenblum is director of libraries for the Sunnyvale Public Library system and can be reached at <LRosenblum@ci.sunnyvale.ca.us>.

An Overwhelming Ocean of Returned Items

Library customers were understandably upset. They had returned their items on time, but the library was not keeping up. Employee morale was low. Library staff felt they could never catch up with the work, and repetitive motion injuries were often a part of everyday work life.

While libraries provide many great amenities, their core service is the movement of materials. Although some efficiencies have been achieved in recent years with the use of self-checkout machines and barcode technology, checking in and shelving are laborious manual processes.

Seeking Better Solutions

The Sunnyvale Public Library formed a project team to research two current technologies adapted for the library market: radio frequency identification (RFID) and automated check-in and sorting machines.

RFID is used for commercial applications ranging from accounting for inventory in large retail chains to tracking runners at races. But libraries are just now embracing this technology and realizing its full potential in providing more efficient and effective services. RFID acts as a very simple two-way radio affixed to a tag. Each tag contains identifying information, such as a book's title or material type. When placed upon a reader it attaches this information to a customer's library account and performs the opposite function when the item is returned.

The advantages of RFID include the ability to stack multiple items for check-out — saving effort and speeding the process — and tags that can also double as a security device. Converting from the current barcode system to RFID tags was chosen as the best option for the library. But RFID alone was not enough to solve the check in problem. An automated materials handling system (AMH) that scans the returned RFID-enabled items and then automatically sorts each item was another key part of the solution. Installed in March 2010, this two-tiered approach has already had a significant impact on Sunnyvale's library service.

Speedier Service

Checking in items now happens immediately. As soon as the customer feeds the item into the AMH machine, the tag is read and the item is removed from the customer's library account. In addition the machine produces a receipt for confirmation, a service often requested by library customers. After the AMH machine performs the check in and presort, staff manually places items in order on carts. Items are then reshelved and made available to customers. What frequently took five days to achieve now takes only one to two days. Another benefit of this fast turnaround is that DVDs, the most popularly used collection in most libraries, are now out on the floor within hours of return. As a result, the checkout limits on DVDs have been increased from three per customer to 10.

Employee morale has improved, too. No longer faced with a mountain of check ins, staff has been redeployed out on the floor to assist customers with using the AMH machine as well as the RFID-enabled checkout. The risk of repetitive injuries has been greatly reduced as well.

Return on Investment

Although the system is not inexpensive, a cost-benefit analysis determined the return on the city's investment was seven years. To recover these costs, the library agreed to permanently reduce 6,100 hours of staff time, which was achieved by eliminating "casual" or non-benefited extra hours and through attrition. According to Project Manager Steve Sloan, "Moving from barcode to RFID and manual to automated processes took two years of planning, but the results have far surpassed our expectations. Now staff can devote more time to interacting with customers, merchandising collections and getting books back on the shelf faster."

Library customers are especially impressed with the RFID-enabled self-check machines, which offer many more options than the older machines. Not only do they allow faster checkout, customers can also see their library record, review their holds and run their credit card to

Tips for Increasing Library Efficiency

1. Plan to invest at least a year in the effort to upgrade equipment and implement new technology.
2. To present a persuasive case for funding to your city, seek additional sources. For example, the Friends of the Library in Sunnyvale funded the six new self-checkout machines required for RFID. Each machine has a small plaque recognizing their support.
3. Involve the community. Sunnyvale used volunteers along with staff to tag library items. The volunteers did a great job and were an invaluable part of the team.
4. Ensure that your RFID tags are nonproprietary and your AMH is scaleable and flexible to meet your changing needs.
5. Involve your facilities and information technology staff early in the planning process. Their participation and suggestions are essential.

pay fines, all on one machine. Library customers enjoy using the system, as noted by one resident who says, "My kids love the automated returns. You just slide the books in, and the machine does the rest! I like the interactive screens. Very cool!"

The new system allows the library staff to view increased checkout of materials as a success rather than a burden. As library usage continues to grow and cities struggle to maintain services, this new system reminds us that the right technology combined with a well trained and service-oriented staff is the key to providing high quality, sustainable service to the community. ■

latimes.com/news/local/la-me-0924-tobar-20100924,0,2539540.column

latimes.com

Library cuts, school-night Xbox launches hurt students

Young scholars face more demands, and more distractions, than their parents did. Reducing library hours doesn't help.

Hector Tobar

September 24, 2010

Lucero Lorenzo, 18, spent many hours of her childhood reading and drawing in the cozy confines of the Cahuenga branch of the Los Angeles Public Library.

This summer, the city sharply reduced library hours and closed all the branches every Monday. But Lorenzo is still keeping to her old routine. This Monday I found her outside the closed library in East Hollywood, huddled with a sketchpad and a notebook beside the front steps' concrete banister.

"This is my refuge," she said quietly. "I've been coming here since I was 8. Just looking at all the books, I fell in love with it."

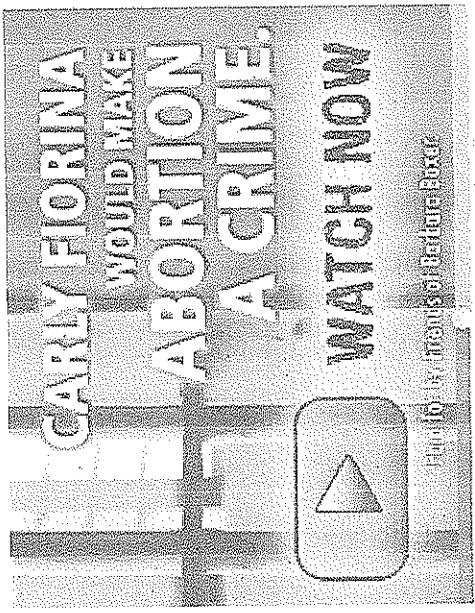
Sitting under the pepper tree outside while traffic zipped past on Santa Monica Boulevard wasn't quite the same.

"You get used to these things," she said. "It's hard to break from them."

For many L.A. Unified students, it was the first Monday with homework since the new library cuts. And in the course of just under an hour, Lorenzo and I watched as a dozen people, nearly all of them teenagers, arrived at the branch's front steps.

Each would-be library patron stood momentarily perplexed by the large pink Xs the librarians had placed over the now-obsolete schedule

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http://www.latimes.com/la-me-0924-tobar-20100924,0,2997388,print.column

affixed to the glass doors.

Standing there, listening to their stories, I could tangibly feel the loss of L.A. brain power.

Nancy Recinos, 16, arrived to check out "The Reptile Room," the second installment of "A Series of Unfortunate Events." She wanted to read it to her 7-year-old brother, who ate up the first book's weirdness and wordplay.

"I just started to really like reading myself," Nancy said. Reading books to her brother, she explained, was her way of keeping him from watching too much television.

The life of Frederick Douglass interested Maria Gonzalez, a 16-year-old at Marshall High, who admitted to being a few days behind on a history report. Mary Sanchez, a 17-year-old Hollywood High student, arrived in search of Dostoevsky's "Crime and Punishment" for her English class.

"I came here Sunday to look for it, but they were closed," she said.

All those intellectual yearnings were frustrated Monday. The emotional entanglements of Russian literature and the drama of the abolitionist movement would have to wait for another day.

"Closed?" asked Jessica Ramirez, a 17-year-old continuation school student. "On a school day? That sucks!"

Darkened public libraries weren't the only assault on learning in these first few days of school.

On Sept. 14, just as L.A. students were getting their first assignments, a massive new distraction arrived in their midst. That was the day Microsoft released the newest installment of its wildly popular Halo series for the Xbox game console.

Millions had awaited that date with great anticipation. And the sudden appearance of Halo: Reach caused many a tug-of-war between students and parents, both here and elsewhere.

"People get addicted to the Xbox," Eduardo Linares, 15, explained on the front steps of the Cahuenga library. "Especially when a new game comes out, you want to keep playing and playing."

Microsoft boasted that sales of Halo: Reach totaled \$200 million on the game's launch day, a greater one-day haul than any game or movie so far this year.

018 Several studies, including one by the Kaiser Family Foundation, show increased game usage correlates with lower academic performance.

And on various gaming blogs, I found parents and students struggling to balance the lure of the new game, and its midnight launch at stores, with the demands of schoolwork due the next day.

One dad said he'd allowed his kids to play until 2 a.m. that Tuesday. A high school student wrote: "I want to go, but since I got a ton of homework to do, I don't know ..."

"You are entitled to have fun in your life," another poster replied. "One missing assignment that you can turn in later will not hurt your grade — unless it's a super-duper test or something." (The student said he did, in fact, have a test — in calculus.)

It's probably impossible to measure the impact of closed libraries and new video games on a city and its educational system. But the subtle subtraction from our learning culture may become apparent in the weeks and months that follow — when all those school kids sit down for the next round of standardized tests.

In all the hubbub over education reform — over whether, for instance, our teachers are making the grade — we're often losing sight, I think, of a larger, societal dysfunction.

"We expect more from kids than ever before, and yet we provide them with more distractions than ever before," said Enrico Gnaulati, a Pasadena psychologist specializing in children and families.

Young people today have double or triple the homework their parents did, Gnaulati explained. And today's classroom environment favors the highly organized, "busy bee" student. "For boys, especially, that's a hard sell," Gnaulati said.

At home, meanwhile, on their game consoles, kids are offered heroic triumphs in virtual worlds, Gnaulati said. "It gives them a false sense of self-esteem, without truly being tested in the real world."

The library is one refuge from the game console. But we're willing to slice away at its hours, as well as other refuges such as summer school and after-school programs.

Game publishers make millions. School systems cut millions. Libraries lock their doors.

Obviously, there's something wrong with this equation.

hector.tobar@latimes.com

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Funny Quote of the Day - Charles de Gaulle - "The better I get to know men, the more I find myself loving dogs."

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Hui-Lan Titangos to Julie, me, Barbara, WEBMASTER

FYI. Patron feedback on our audio collection.

Kind Regards,

Hui-Lan

Forwarded message

Date: Sat, Nov 20, 2010 at 11:37 AM

Subject: Re: Patron request

To: Hui-Lan Titangos <hlan@webmaster.scpl.org>

Dear Hui-Lan Titangos:

Thank you for the information. I have trouble seeing and really enjoy the Audio Tapes. Thanks again.

Michele

mshum14@yahoo.com

— On Tue, 11/16/10, Hui-Lan Titangos <hlan@webmaster.scpl.org> wrote:

From: Hui-Lan Titangos <hlan@webmaster.scpl.org>

Subject: Re: Patron request

Cc: "WEBMASTER SCPL" <webmaster@webmaster.scpl.org>

Date: Tuesday, November 16, 2010, 9:25 AM

Dear Michele,

Thank you very much for emailing us about Patricia Cornwell's *Port Mortuary*.

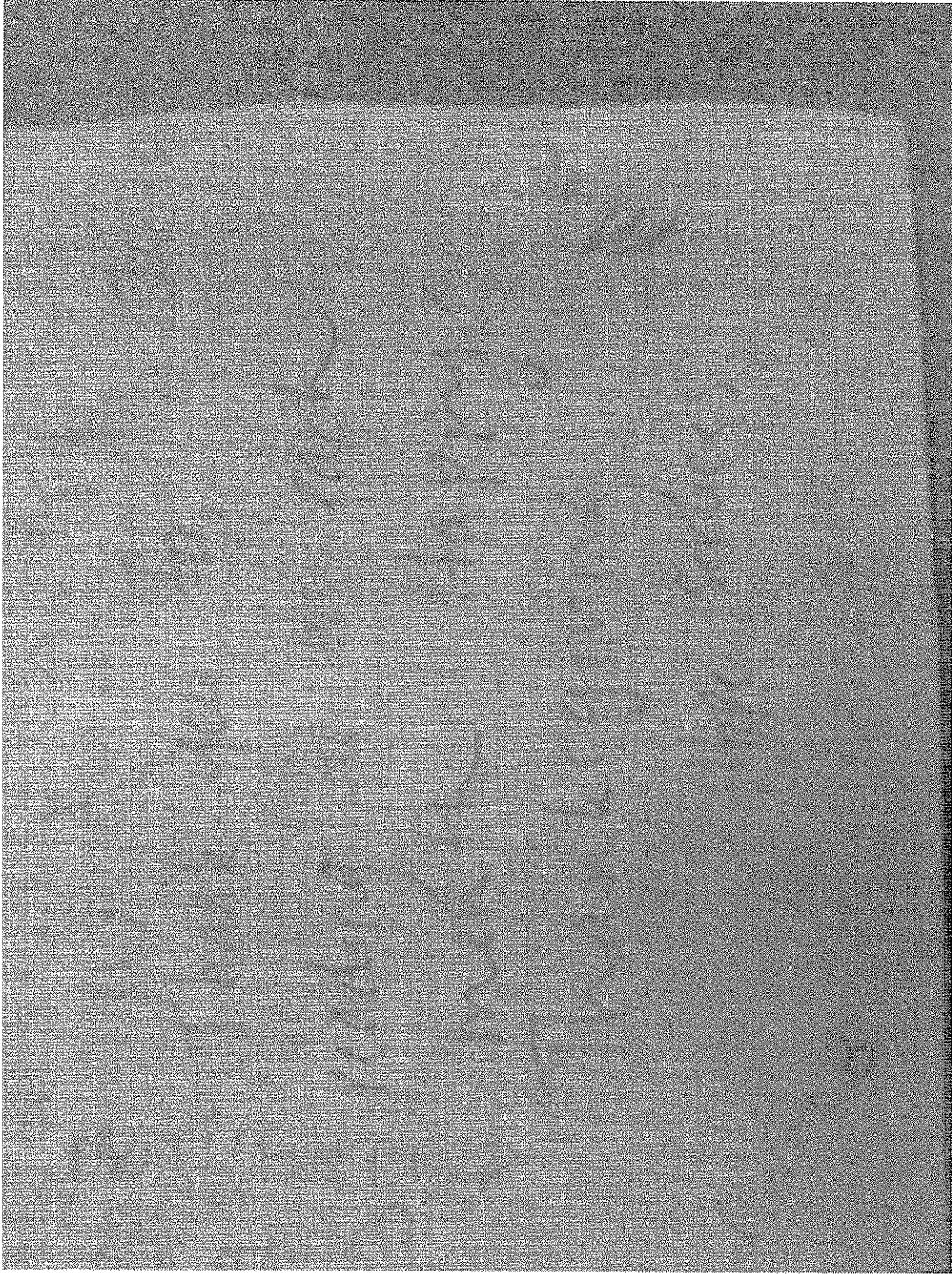
I am just in the middle of ordering a large batch of audio titles, and will add your suggestion to the batch. Please be aware that the title in question will not be released until Nov. 30, 2010. In addition, the only format available for now is CD.

Thanks again for contacting us. We appreciate your great support for our library system.

Kind Regards,

Hui-Lan

Hui-Lan H. Titangos
Access Services Librarian
Santa Cruz Public Libraries
117 Union Street
Santa Cruz, CA 95060-3707



NOV 30 2010

November 28, 2010

Ms. Teresa Landers
Director
Santa Cruz Public Libraries
117 Union Street
Santa Cruz, CA 95060

Dear Teresa,

Thank you for the opportunity to respond to the staff report on the LSB pilot project. We are grateful for the opportunity to support the Santa Cruz Library system and our neighborhood branch. We also appreciate your recognition that our volunteers have been conscientious and an asset to the public face of the library system. The purpose of this letter is to respond to the report and make the following points.

Volunteer Tasks and Assignments

Since the completion of the bar code duplication project there have not been sufficient library related tasks to keep a volunteer occupied for the two and a half or three hour shift. In reading your staff report, I do understand that their presence provides a security benefit so only one staff member rather than two are required at our branch. Although the primary security role was not the original purpose of recruiting volunteers at La Selva Beach, we understand the value they provide. On the other hand, it was our understanding that tasks would include basic library support services like shelving books, routing materials in and out, checking materials in and out and other low level activities that are currently being completed by pages or in some cases, other volunteers. If the Friend's volunteer's role is going to be predominately that of the additional body for security purposes, then we need to re-negotiate the expectations of our volunteers and re-negotiate their involvement in the project. If this is all our volunteers will do then there is a good chance that over the long term their interest and enthusiasm will diminish. Many of our volunteers may well be agreeable to sit and read during their shifts, but my feeling is that most would prefer to be doing a library related task.

We would also like to propose additional tasks for volunteers at the branch. We are firmly committed to increasing both circulation and "busyness" at our branch and believe we can contribute to both. For instance, part of the volunteer's duty could be to perform a greeting function by not only greeting visitors as they come

in, but also asking, "what can we help you with today"? Because at least one library staff person is always there, any question beyond their allowed scope would be referred to a library staff person. Volunteers could also provide outreach by arranging contact with the after school program across the courtyard from the library to ensure those children have library cards and perhaps arrange for a library field trip to show the kids what is available at the branch. We could also arrange for quick tutorials at the branch such as "using the internet for genealogical research" or "using the library system's browsing system to find the book you want" because the volunteers working have special expertise in those areas. As offered previously, the LSB Friends chapter would happily fund any background checks required for such activities.

Increased Volunteer Bench Strength

The other thing we have learned during this pilot project is that our volunteer pool should be increased. We would also like the flexibility associated with a larger volunteer pool. I believe we have proven that we can be a reliable resource to the library and I would refer to Joan Fry William's point about needing a "deep bench" for volunteers to work successfully. For the last 6 months we have had 6 volunteers scheduled and have worked around jury duty for one, vacations out of the country for two and a foot surgery for another. Our current group of volunteers is not looking for a full time commitment and most are happy to work a shift twice a month. Originally you were concerned about the staff time required to train a larger number of volunteers, but since there has been little training other than the less than one hour required to become self-check proficient that seems to be a moot point. We also continue to suggest that we become "the trainers" on these tasks and become responsible for training new volunteers.

A Browsing Collection

As you know, the collection of books and materials at LSB was weeded prior to the bar code duplication project and we have had few additions since. The adult collection, at best, is stale. I believe the letter received from Colleen Hendricks and included in the November Board packet would be representative of our patrons. Because we believe that the majority of our patrons are "browsing" without a specific item in mind when they come into our branch, we think it is of the utmost importance to have new, attractive and popular items available to check out. The LSB Friends Chapter has been successful in its fundraising, including a continuing commitment from Deluxe Foods. All of our contributors are interested in supporting our particular branch.

The LSB Chapter of the Friends has already voted to invest \$3000 in books and materials, but we have been unable to negotiate a way to do that and actually keep the books at LSB. We would like to propose an idea that is currently in use at the Milpitas branch of the Santa Clara library system. The Milpitas Friends

group has purchased a number of bestseller books that are housed in a special bookshelf at the library. They may be checked out only at that branch and for only one week at a time with a one week renewal. (They may not be reserved on line.) The books are very clearly identified with a yellow banner underneath the clear book cover stating "Bestseller Collection, Friends of the Milpitas Library". Surely we can find a way to purchase books and materials for use at our branch and we are hoping this idea borrowed from Milpitas will work. There seems to be a significant disconnect between what we would like to donate and what other Friends' chapters are allowed to donate with hundreds of thousands of dollars being used to purchase furniture and fixtures. We would very much appreciate the opportunity to support our branch by adding to our collection and thereby hopefully make our branch more attractive to browsers which we believe are the majority of our patrons.

Creating Life Long Library Supporters

I also believe that your comment about the use of pages creating "life long library supporters" is also true of volunteers. I do not, however, agree with your conclusion that LSB is unique and our model could not be replicated in other branches. My experience has been that the volunteer spirit is alive and well at the Monterey Bay Aquarium, CASA, Dominican Hospital, Habitat for Humanity and many other organizations in the county that rely heavily on volunteers to fulfill their mission. Some of those same organizations have highly sensitive and highly confidential information, operate in highly regulated environments like following HIPPA guidelines and still manage to utilize volunteers in a wide variety of tasks. I see no reason why volunteers could not be used at all branches where appropriately trained.

Thank you for the opportunity to respond to your staff report.

Sincerely,



Cindy Jackson

President, LSB Chapter of the Friends of the SC Public Libraries

Cc: Barbara Gorson

Library users check out much more than books

By Jeannie Nuss
ASSOCIATED PRESS

GRANDVIEW HEIGHTS, Ohio — Libraries are tweeting, texting and creating apps for smart phones as they try to keep up with the biblio-techs — a computer-savvy class of people who consider card catalogs as vintage as typewriters. And they seem to be pulling it off.

Since libraries started re-inventing themselves for the iPod generation, thousands of music geeks have downloaded free songs from library websites. And with many more bookworms waiting months to check out wireless reading devices, libraries are shrugging off the notion that the Internet shelved them alongside dusty books.

"People tend to have this antiquated version of libraries, like there's not much more inside than books and microfiche," said Hiller Goodspeed, a 22-year-old graphic designer in Orlando, who uses the Orange County Library System's iPhone app to discover foreign films.

Visits up almost 20 percent

The latest national data from the Institute of Museum and Library Services show that library visits and circulation climbed nearly 20 percent from 1999 to 2008.

Since then, experts say, technology has continued to boost visits, circulation and use of library services.

"It also brings people back to the library that might have left thinking that the library wasn't relevant for them," says Chris Tonjes, the information technology director at the public library in Washington, D.C.

Public library systems have provided free Internet access and lent movies and music for years. They have a good track record of syncing up with past technological advances, from vinyl to VHS.

"They've always had competition," says Roger Levien, a strategy consultant in Stamford, Conn., who also serves as

an American Library Association fellow. "Bookstores have existed in the past. I'm sure they will find ways to adapt."

Now, the digital sphere is expanding: 82 percent of the nation's more than 16,000 public libraries have Wi-Fi, up from 37 percent four years ago, according to the American Library Association.

Trying out digital gadgets

Since the recession hit, more people are turning to libraries to surf the Web and try out digital gadgets.

In Princeton, N.J., 44 people are waiting to borrow Kindles, Amazon.com's wireless reading device. Roya Karimian, 32, flipped through the preloaded e-pages of "Little Women" after two months on the waiting list.

"I had already read it, but I wanted to experience reading it on the Kindle," Karimian said.

A growing number of libraries are creating mobile websites and smart phone applications, says Jason Griffey, author of "Mobile Technology and Libraries." No one keeps tabs of exactly how many, but a recent iPhone app search showed more than a dozen public libraries.

The Grandview Heights Public Library in suburban Columbus, Ohio, spent \$4,500 — a third of what the library spent on CDs — to give patrons access to songs by artists from Beyonce to Merle Haggard using a music-downloading service called Freegal.

Online services point to technology as a cheaper means to boost circulation.

The Cuyahoga County Public Library near Cleveland laid off 41 employees and cut back on hours after its budget shrank by \$10 million. But it still maintains a Twitter account and texts patrons when items are about to become overdue.

Crops of social-networking sites are popping up specifically for bookworms — electronic or otherwise — and library junkies.

Jennifer Reeder, a 35-year-old mother of two in suburban



John Raoux / Associated Press

Hiller Goodspeed uses an iPod application to find reading suggestions at the Orlando Public Library.

Phoenix, tracks her reading stats on Goodreads.com: 12,431 pages so far this year — most of them in library books.

"When I was growing up, I always felt like a library was where I was supposed to go and like do homework," Reeder says.

A place for recreation

Now, it's where she checks out audio books for her kids' iPods and sates her addiction to iTunes with free downloads of songs by Pink and the cast of "Glee."

Even the brick-and-mortar buildings are evolving, as li-

braries cater to a generation with smart phones stapled to their hands and music plugged into their ears.

Sleek study areas give off a coffee-shop vibe, while silence seekers are relegated to nooks. Self-checkout stations feel like supermarkets, with patrons ringing up books and DVDs instead of boxes of cereal.

Libraries are designing new branches as hybrid technology centers — dedicating more space to computer labs and meeting rooms.

The Central Library in Seattle houses 400 public computers, compared with 75 in the

old building. The building opened in 2004 and looks more like Frank Gehry's Guggenheim Museum in Bilbao, Spain, than the imposing stone or brick building that's come to symbolize a library.

"The traditional function of a library, of being a place where people can come to get information, to learn, to relax, to kind of lose themselves in books, is going to continue," says Tonjes. "It's just not going to be constrained by physical boundaries."

San Francisco Chronicle
10/4/10

foreign-exchange markets. But by holding the value of the renminbi down artificially, China has built up a vast trade surplus and created a major source of tension with the US, causing talk of "global currency wars" and a breakdown of the international economic system.

If China was simply a medium-sized country, the world could shrug off its currency policies. But it is now the world's largest exporter, the world's largest manufacturer and its second-largest economy. And yet it is the only major trading nation to use capital controls to prevent its currency rising to market levels. It is that anomaly that is at the heart of current global economic tensions.

Even the Americans are not asking

and to set a timeframe to move to market-determined exchange rates.

Yet when I made that suggestion to a group of Chinese academics in Shanghai last week I got a distinctly frosty response. If China let the level of the renminbi be determined by the markets, I was told, the US would deliberately use its financial institutions to destabilise China. And another thing: if the Americans care so much about their competitiveness, why didn't they just pay themselves wages at Chinese levels?

That exchange showed that what should be a technical economic issue - currency management - has now become highly emotional and politicised. So much so, that it now seems easier to call for democracy in

China than to try to fix the currency.

This paradox is personified by Wen Jiabao, the prime minister. In recent months Mr Wen has created a stir by talking on several occasions of the need for China to move towards democracy. Whatever Mr Wen actually means, it is striking that a word that used to be all but banned by the official Chinese media is now being bandied about. Yet on the currency issue, Mr Wen is orthodox itself. He recently warned that forcing China to have a stronger currency risked causing social chaos that would then destabilise the whole world.

The terms of the currency and democracy arguments are oddly

populous Asian nation that has already made the transition from dictatorship to democracy.

The real Chinese exception when it comes to democracy is not the country's relative poverty - but its turbulent and tragic history, its huge size and the government's fear that a more open political system would encourage separatism in the provinces of Tibet and Xinjiang.

Just as it is unrealistic to expect China to move instantly to a floating exchange rate, so it is unreasonable to demand that China should move to one-man, one-vote tomorrow. But both Chinese people and foreigners have an interest in seeing China make a start by considerably

next 15 years the Chinese economy is likely to become bigger than that of the US. At that stage, by the first time for a century and more, the world's most powerful economy would not be a democracy. The rest of the world would be legitimately alarmed by that.

The Chinese government likes slogans. In the week in which it became clear that the country's next president in 2012 will be Xi Jinping, it seems appropriate to propose a couple of slogans for the new man. My suggestions would be "Strong country, strong currency". Or "Free country, floating exchange rate".

gideon.rachman@ft.com

It is in print that our words will live on



Michael Skapinker

"I'm glad you're so confident," a colleague said when he heard I was going to argue the case for print in front of the University of St Andrews debating society. In previous talks to young people I had found few who read newspapers. Amazon announced in July that it was now selling more e-books than hardcovers. So my mission did seem hopeless.

It helped that our motion, "Print media is dead" (it should have been "are dead", of course), was overstated. Print clearly isn't dead. On my train to Scotland, as many people were lost in newspapers and books as in laptops and iPads.

But the motion was not supposed to be read literally. The highest casing was: print will be dead as soon as we students have taken over from you oldies.

A newspaper journalist arguing the

case for print risks a riposte of "Well, he would, wouldn't he?" It depends. Professionally, it doesn't much matter to me. The Financial Times is confident of thriving in any medium. We are one of the few news organisations successfully charging for our online journalism.

Personally, while I spend hours every day on the internet and on hand-held devices, I will read and cherish printed books and newspapers for as long as they survive.

Will they survive? Let us do a thought experiment that people have been performing for some time. Imagine a world in which print had never existed, in which all we had were computers and their successors. Surely some smart inventor would say: "I've got an idea. Print!" The earliest such thought experimenter I can trace is an unnamed founder of *The Independent* newspaper. He was quoted by Andrew Marr in the *Observer* 11 years ago; Mr Marr said the founder had put the notion to him years earlier. Yet here we are in 2010, with gadgets unobtainable then - broadband, iPads, Kindles, Blackberrys - and the attraction of print as a new invention remains as

potent as ever.

Imagine the marketing campaign for these newfangled paper-based products: "First of that tangible of changes, one for each digital thingy! Sick of those plugs that fit the sockets in San Diego but not in Sydney or Surrey? In dread of the 'beep' that tells you your screen is about to go blank?"

"Well, say goodbye to recharging!

We don't know how much of what is stored digitally will simply disappear. Books have stood the test of centuries

misery! Welcome to Print, to the book with pages you can turn, to the newspaper you can hold - to a world of reading pleasure that never shuts down. Put your book on a shelf. Toss your newspaper in a drawer. Take them out a week later. Take them out 100 years later. There they are, ready to be read. You won't believe print's download speed. There is no download speed! Print is always on!

Take a book in your holiday suitcase. Slip a newspaper in your beach bag. What happens if you drop your book on the rocks? No harm done. Your newspaper in the pool? Not a great idea, but not the end of the world either. Leave it in the sun for a while. It will be a bit wrinkled, but still perfectly legible. Drop your digital reader in any of those places? Don't even think about it.

Now, no doubt some of these advantages of print will recede over time. At some point, rival manufacturers of digital gadgets may agree on a single, universal charger and a plug that works everywhere. Perhaps they will even develop products that don't need to be charged for, say, a year. They may make their offerings waterproof and shock resistant.

But print has other advantages. It is impervious to viruses, hackers and other electronic intruders. Most important, it won't be rendered unreadable when the technological wind changes. An FT article a few years ago pointed out that, while scholars can still read the 900-year-old *Domesday Book*, written on sheepskin, a BBC project to create an equivalent 1996 record of British

life, using adolescent diaries and video tours, was unusable within a decade. It had been recorded on huge laser discs and the machines no longer existed to run them.

The digital world offers many advantages: articles that allow you to click straight through to the sources, the opportunity to spread learning around, to share thoughts with colleagues and friends, but we don't know how much of what we are reading and storing digitally will be superseded by new technologies that make what is now on our screens inconvenient, or impossible, to read. We don't know how much of what is stored digitally will simply disappear.

Books have stood the test of centuries. Whatever happens, print will always be there for us. One of my debate opponents quoted Jeff Jarvis, a new-technology champion, who said: "Print is where words go to die." No. Print is where our history lives on.

What did the St Andrews students think? Ten agreed that print was dead; 102 voted that it wasn't. Motion defeated.

michael.skapinker@ft.com

Online: Britain's health service reforms are an accident waiting to happen, writes Philip Stephens www.ft.com/comment

10/26/2010

Infrastructure spending

False expectations

CHICAGO

The historic infrastructure investment that wasn't

DEMOCRATS, Republicans chant, are irresponsible big spenders. But in the run-up to the mid-terms, the Democrats ought to have had one example of spending at its best: investment in infrastructure. When they passed the \$787 billion stimulus bill in February 2009, they promised an historic investment in roads, bridges and rail. It would put Americans to work quickly and raise productivity in the long term, a Keynesian kick with benefits for years to come. But this ambitious plan has had middling results. Infrastructure is still in need of investment; unemployment in the construction sector was 17.2% in September. Barack Obama is touting a new \$50 billion infrastructure proposal, but as the mid-terms loom, it is probably too late.

The stimulus bill's spending on infrastructure may have been doomed to mediocrity from the start. First, and most important, a relatively small share of the bill was actually devoted to infrastructure. Mr Obama called the bill "the largest new investment in our nation's infrastructure since Eisenhower built an interstate highway system in the 1950s." But even on the broadest definition of the term, infrastructure got \$150 billion, under a fifth of the total. Just \$64 billion, or 8% of the total, went to roads, public transport, rail, bridges, aviation and wastewater systems.

Second, hopes for an immediate jolt of activity were misplaced. The bill prioritised "shovel-ready" plans. States did have a backlog of maintenance projects, such as repaving dilapidated roads. Nevertheless, work moved more slowly than some Democrats expected. By October 2009 even the fastest programmes—those under

the highway and transit headings—had seen work begin on just \$14.3 billion-worth of projects. Spending has since quickened. Of the money appropriated to transport, 83% has now been allocated. But it is unclear that the money spent has been money spent well. The attempt to begin work hastily meant that both good and bad projects have moved forward.

Meanwhile the bill's most notable project, high-speed passenger rail, threatens to become a debacle. It is fun to imagine trains whizzing across the heartland. But there is no urgent need for them. Freight companies worry that new passenger services will simply increase congestion. Any new rail service, meanwhile, is unlikely to be particularly fast. The Recovery Act dedicated \$8 billion for high-speed trains, a sizeable sum but not enough for any train

that is actually high-speed. Instead of being a selling point for Democrats, rail has become an easy target for Republicans. In Ohio, the Republican nominee for governor declares: "when I'm governor, the 39-mile-an-hour high-speed passenger train is dead." Wisconsin's Republican nominee even started a website, Notrain.com.

Mr Obama's new \$50 billion infrastructure plan has promising elements, such as a proposal for a national infrastructure bank. But his push may be for naught: Americans have become allergic to spending. Politicians are unlikely to raise the gas (petrol) tax to pay for it. Janet Kavinsky, transport director for the Chamber of Commerce, is one of many advocates who want a long-term transport bill. The trouble is, she reckons, that most people think the stimulus bill took care of all that. ■

Free internet

The librarian's tale

ALBUQUERQUE

Too much demand for too few terminals

USUALLY by ten in the morning at the Erna Fergusson public library in Albuquerque a dozen people are waiting in line to use the computers. Shortly after the doors opened on a weekday this summer there was someone typing at every screen. Two young girls dressed an online doll together; next to them a man in a Dallas Cowboys cap applied for a job at a hardware chain. He's living with his parents for a while, he explained, and he doesn't like to wait to use the internet.

Almost all of America's public libraries provide free internet access. Over the past two years, hard-hit Americans have been economising by cancelling their broadband contracts at home and looking to public libraries to fill the gap. At the same time, companies and government agencies are saving money by moving job applications and services online; so a rush of new visitors is arriving at libraries just as the local governments that fund them run out of money.

This year three-quarters of America's public libraries have told the American Library Association that public use of the internet increased at their branches, and roughly the same number said that they didn't have enough computers to meet demand. A majority of American states have cut funding to their libraries during the year.

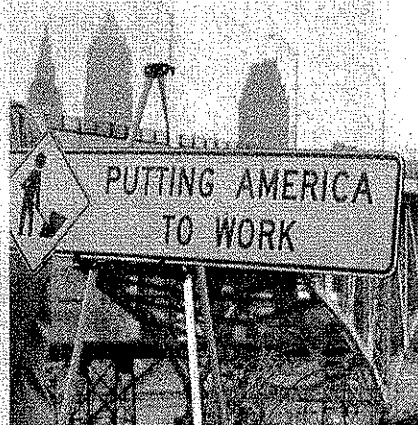
The weak economy is forcing libraries to redefine their role. Close to 70% of America's public libraries now say their staff help patrons complete job applications online, and the same number offer help with résumés. "Workforce Solutions"—as the state of New Mexico calls

the dole—requires a weekly check-in. For many people, long queues or long journeys means it is only practical to do this online. Lynne Fothergill, a head librarian at Erna Fergusson, says she noticed an increasing number of online check-ins in early 2009; they are now a primary function of the library's two 15-minute computer terminals.

Nationally, the number of libraries reporting that they help patrons with e-government services has risen by almost half. As with private employers, when state and local governments save money by moving services online, they actually shift some of those costs to the point of access: for many of those most likely to need jobs and benefits, this is the local library.

Perversely, computers are often more expensive for public libraries than for individuals, and harder to buy. In Albuquerque, any city purchase over \$500 requires approval by a technical review committee. A single library desktop, with all of the officially necessary licences and security and session-management programmes, costs the city a whopping \$1,800.

The best way for America to ease the new strain on its libraries is by closing the digital divide: companies and state agencies are unlikely ever to give up the efficiencies they won by moving online. Around \$7 billion of 2009's stimulus went to expand broadband access. But encouraging competition among America's expensive broadband providers, and hence lower prices for consumers, might do this more cheaply than subsidies.



Or not

With their own industry in ruinous decline, the victim of low-wage competition from China, and too few unskilled jobs being created in South Africa, the wom-

e Names Exit, ws Can't Go On

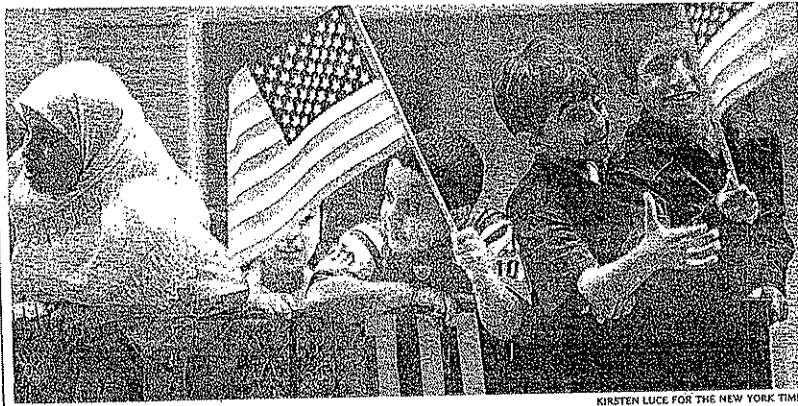
ICK HEALY

The producers built the \$9 million revival of "Promises" as a vehicle for Mr. Hayes and Ms. Chenoweth — so much so, they now contend, that the actors have become irreplaceable, and the show will close in January when they leave.

This is the decision of Broadway's dependence on star casting: how do you recast roles that grow to be heavily identified with widely recognized actors?

Stars and celebrities have become crucial to modern Broadway, with virtually every top-grossing play and many musicals having household names in the cast. Often they come from television, like Mr. Hayes, an Emmy-winning actor who starred on "Will & Grace," which ran eight seasons on NBC. Among the hits of the last Broadway season were the drama "Fences," with Denzel Washington, and the musical "A Little Night Music," with Catherine Zeta-Jones, both Oscar win-

Continued on Page A22



KIRSTEN LUCE FOR THE NEW YORK TIMES

On Madison Avenue, a Muslim Celebration

The American Muslim Day Parade, an annual event since 1985, was held Sunday in Manhattan.

Outsourcing Fairly Healthy Public Libraries, and Hearing a Roar

By DAVID STREITFELD

SANTA CLARITA, Calif. — A private company in Maryland has taken over public libraries in ailing cities in California, Oregon, Tennessee and Texas, growing into the country's fifth-largest library system.

Now the company, Library Systems & Services, has been hired for the first time to run a system in a relatively healthy city, setting off an intense and

often acrimonious debate about the role of outsourcing in a ravaged economy.

A \$4 million deal to run the three libraries here is a chance for the company to demonstrate that a dose of private management can be good for communities, whatever their financial situation. But in an era when outsourcing is most often an act of budget desperation — with janitors, police forces and even entire city halls farmed out in one town or another — the contract in

Santa Clarita has touched a deep nerve and begun a round of second-guessing.

Can a municipal service like a library hold so central a place that it should be entrusted to a profit-driven contractor only as a last resort — and maybe not even then?

"There's this American flag, apple pie thing about libraries," said Frank A. Pezzanite, the outsourcing company's chief executive. He has pledged to save \$1 million a year in Santa Clarita,

their investigative powers.

"We're talking about lawfully authorized intercepts," said Valerie E. Caproni, general counsel for the Federal Bureau of Investigation. "We're not talking expanding authority. We're talking about preserving our ability to execute our existing authority in order to protect the public safety and national security."

Investigators have been concerned for years that changing communications technology could damage their ability to con-

Continued on Page A12

A Sloppy Cyberattack

The most striking characteristic of a computer worm that affected computers in Iran and elsewhere may be its faults. News Analysis, Page A6.

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PAGE A11

Venezuelan Legislative Vote

Millions cast ballots across Venezuela in tightly contested legislative elections seen as a plebiscite of President Hugo Chávez's government, ahead of the next presidential election in 2012. PAGE A9



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BUSINESS DAY B1-11

Testimony on Bad Mortgages

Officials from a company hired to assess the quality of mortgages sold by Wall Street banks to investors testified that nearly half the loans they reviewed over an 18-month period in 2006 and 2007 failed to meet standards and that they presented this information to the major ratings agencies. But the evidence was ignored, the officials said. PAGE B1

ARTS C1-6

Presidential Jottings

In "White House Diary," Jimmy Carter



SPORTSMONDAY D1-8

Endurance Race Gets a Boost

The Brazilian team in the cool-down area at the 100-mile race at the World Equestrian Games in Kentucky, where

ONLINE

The Scoop Expands

The Scoop, The Times's iPhone app for recommendations about what to eat, drink and do in New York City, now includes new categories for finding some of the best coffee shops, day trips and furniture stores.

nytimes.com/thescoop

EDITORIAL, OP-ED A20-21

Paul Krugman

PAGE A21



ope

Outsourcing Fairly Healthy Public Libraries

From Page A1

policies are all about job security. That's why the profession is nervous about us. You can go to a library for 35 years and never have to do anything and then have your retirement. We're not running our company that way. You come to us, you're going to have to work."

The members of the Santa Clarita City Council who voted to hire L.S.S.I. acknowledge there was no immediate threat to the libraries. The council members say they want to ensure the libraries' long-term survival in a state with increasingly shaky finances.

Until now, the three branch locations have been part of the Los Angeles County library system. Under the new contract, the branches will be withdrawn from county control and all operations — including hiring staff and buying books — ceded to L.S.S.I.

"The libraries are still going to be public libraries," said the mayor pro tem, Marsha McLean. "When people say we're privatizing libraries, that is just not a true statement, period."

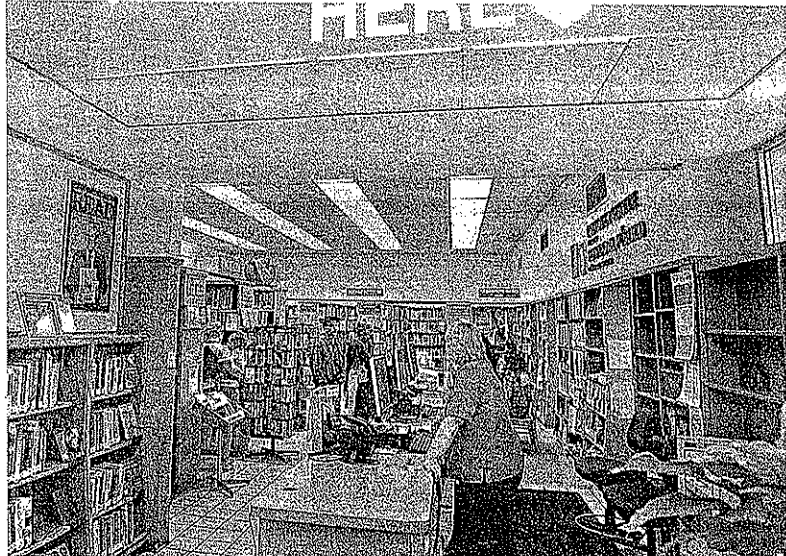
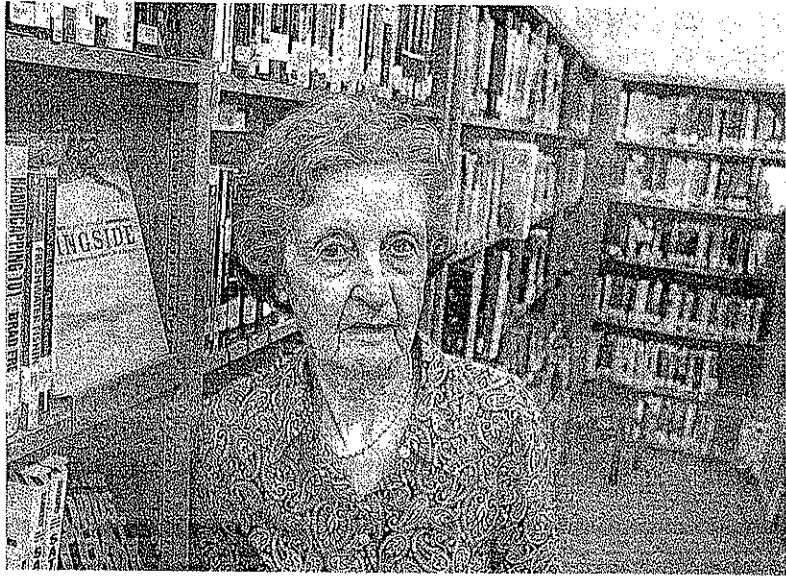
Library employees are furious about the contract. But the reaction has been mostly led by patrons who say they cannot imagine Santa Clarita with libraries

Saving taxpayers money by replacing unionized workers.

run for profit.

"A library is the heart of the community," said one opponent, Jane Hanson. "I'm in favor of private enterprise, but I can't feel comfortable with what the city is doing here."

Mrs. Hanson and her husband, Tom, go to their local branch every week or two to pick up tapes for the car and books to read after dinner. Mrs. Hanson recently checked out Willa Cather's classic "Death Comes for the Archbishop," although she was only mildly in favor of its episodic style; she has higher hopes for her current choice, on the shadowy world of North Korea.



PHOTOGRAPHS BY J. EMILIO FLORES FOR THE NEW YORK TIMES

Santa Clarita, Calif., is outsourcing the operation of its three library locations, although there is no financial pressure to do so. The move worries residents like Jane Hanson, 81, top. "I'm in favor of private enterprise," she says, "but I can't feel comfortable with what the city is doing here."

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The suggestion that a library is different — and somehow off limits to the outsourcing fever — has been echoed wherever L.S.S.I. has gone. The head of the county library system, Margaret Donnellan Todd, says L.S.S.I. is viewed as an unwelcome outsider.

"There is no local connection," she said. "People are receiving superb service in Santa Clarita. I challenge that L.S.S.I. will be able to do much better."

As a recent afternoon shaded into evening, there were more than a hundred patrons at the main Santa Clarita library. Students were doing their homework. Old men paged through newspapers. Children gathered up arm's loads of picture books. It was a portrait of civic harmony and engagement.

Mrs. Hanson, who is 81 and has been a library patron for nearly 50 years, was so bothered by the outsourcing contract that she be-

came involved in local politics for the first time since 1969, when she worked for a recall movement related to the Vietnam War.

She drew up a petition warning that the L.S.S.I. contract would result in "greater cost, fewer books and less access," with "no benefit to the citizens." Using a card table in front of the main library branch, she gathered 1,200 signatures in three weekends.

L.S.S.I. says none of Mrs. Hanson's fears are warranted, but the anti-outsourcing forces continue to air their suspicions at private meetings and public forums, even wondering whether a recall election is feasible.

"Public libraries invoke images of our freedom to learn, a cornerstone of our democracy," Deanna Hanashiro, a retired teacher, said at the most recent city council meeting.

Frank Ferry, a Santa Clarita councilman, dismisses the criticism as the work of the Service Employees International Union,

which has 87 members in the libraries. The union has been distributing red shirts defending the status quo. "Union members out in red shirts in defense of union jobs," Mr. Ferry said.

Library employees are often the most resistant to his company, said Mr. Pezzanite, a co-founder of L.S.S.I. — and, he suggested, for reasons that only reinforce the need for a new approach.

"Pensions crushed General Motors, and it is crushing the governments in California," he said. While the company says it rehires many of the municipal librarians, they must be content with a 401(k) retirement fund and no pension.

L.S.S.I. got its start 30 years ago developing software for government use, then expanded into running libraries for federal agencies. In the mid-1990s, it moved into the municipal library market, and now, when ranked by number of branches, it places

immediately after Los Angeles County, New York City, Chicago and the City of Los Angeles.

The company is majority owned by Islington Capital Partners, a private equity firm in Boston, and has about \$35 million in annual revenue and 800 employees. Officials would not discuss the company's profitability.

Some L.S.S.I. customers have ended their contracts, while in other places, opposition has faded with time. In Redding, Calif., Jim Ceragioli, a board member of the Friends of Shasta County Library, said he initially counted himself among the skeptics.

But he has since changed his mind. "I can't think of anything that's been lost," Mr. Ceragioli said.

The library in Redding has expanded its services and hours. And the volunteers are still showing up — even if their assistance is now aiding a private company. "We volunteer more than ever now," Mr. Ceragioli said.

Search Mail Search the Web

Compose Mail

Inbox (22)

Starred

Sent Mail

Drafts (100)

Accounting

at direct

ala

analysis

ann

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board report

book complaints

book dispensers

branches

budget

calendar

castrola

circulation

committee for sustain

community of interest

conferences

consolidation

credit card

culture change

data due cards

dayway

dearier preparedness

doody

early literacy

erate

faculty master plan

Faxon

Finance

Follow up

Friends

Friends Tech Campaign

genealogy

google

grand jury

Leadership

listserve

Los Oak Issues

LSIA

Management Team

Misc

monthly report

news

new scotts valley library

Personnel

Personnel changes

phone system

planning

PLP

pod

Priority

Privatization

re for materials

Scotts Valley Friends

self check

spotlight

statistics

store

strategic plan

sv new library

technology

telephone

trackdowntime

Volunteers

4 more

Gmail Blog - Five new themes - 6 days ago

Back to Inbox Archive Report spam Delete Move to Labels More actions

[calix] [CSL_FYI] National Association of College Stores - E-Books, E-Readers Slow To Catch On With College Students

Brandis, Rushton to calix

show details 8:48 AM (2 hours ago) Reply

http://www.nacs.org/advocacynewsmedia/pressreleases/ebookereadersslowtocatchonwithstudents.aspx

E-Books, E-Readers Slow to Catch on with College Students Study finds preference for print continues; Laptop love prevails

October 27, 2010 (OBERLIN, OHIO) - Despite screaming headlines proclaiming the death of the printed book due to burgeoning digital content and electronic reading devices, the printed page remains the Big Man On Campus among college students, according to findings of a new study by OnCampus Research, a division of the National Association of College Stores (NACS) that helps companies better understand the college market.

"With all the attention given to e-books and e-readers, particularly as to their use in higher education, we wanted to cut through all the speculation and put hard numbers to it," says OnCampus Research Manager Elizabeth Riddle. "It seems that the death of the printed book, at least on campus, has been greatly exaggerated, and that dedicated e-readers have a way to go before they catch on with this demographic. The college-aged market is definitely a growth opportunity for companies providing digital educational products."

The OnCampus Research Electronic Book and E-Reader Device survey, conducted in early October, found that only 13% of college students had purchased an electronic book of any kind during the previous three months. Of that percentage, slightly over half (56%) stated that the primary purpose of their e-book purchase was required course materials for class.

The new survey also confirmed a finding of NACS' 2010 OnCampus Student Watch survey, conducted last fall, in which 74% of college students preferred print over digital.

Overwhelmingly, students are reading e-books on a computer rather than a dedicated e-reading device. In fact, 92% of students indicate they currently do not own an e-reader, and of those, 59% said they don't plan to purchase one in the next three months.

Approximately 77% of the students who said they recently purchased an e-book indicated that they used a laptop computer or Netbook to read it. Desktop computer was the second most popular choice (30%), followed at 19% by a smartphone, such as an iPhone, Blackberry, or Android. Another 19% reported using an e-reader like a Kindle or Nook. A tablet computer, such as an iPad, was the least common reading device used by students, selected by only 4% of respondents.

List archives and other configuration options are available at https://lists.gsois.ucle.edu/sympa/subscribe/calix To unsubscribe from the list send a message to requests@lists.gsois.ucle.edu with the subject unsubscribe calix

Reply Reply to all Forward

Back to Inbox Archive Report spam Delete Move to Labels More actions

Import contacts from Yahoo, Outlook, and others into your Santa Cruz Public Library Mail contact list. Learn more

You are currently using 1063 MB (4%) of your 25600 MB.

Last account activity: 2.5 hours ago on this computer. Details

Santa Cruz Public Library Mail view: standard | turn off chat | basic HTML | Learn more

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MONTHLY REPORT FOR NOVEMBER 2010

1. READING, LISTENING AND VIEWING FOR PLEASURE

A. Children in Santa Cruz County will enter school ready to read, write, listen and learn

B. All ages will have materials, programs and displays that reflect current community interests and provide pleasurable reading, viewing and listening experiences that help them reach their personal literacy goals

On Wednesday, Nov. 3rd, staff member Liz Pollock visited the Scotts Valley City Council meeting to promote the current exhibit of photography at the Scotts Valley Library. The exhibit, entitled "Shopkeepers" was created by Santa Cruz local Steve Bonnel, is on display at the library from November through January. Liz emphasized the important resource that the library provides for the small business community. She noted that she has often seen patrons come in to our branch to look up info about business software, business management, or ask our reference librarian for books about DIY advertising. The photos are of family business owners: some from Soquel, Santa Cruz (our own Emily Reilly of Emily's Bakery) and Palo Alto and Davis, California.

In addition to the photography display at Scotts Valley, Lauren Suhd created an Autumn/Thanksgiving display which included materials for both young people and adults.

A small group of adults gathered at the Scotts Valley branch for a book discussion, which will begin to meet regularly at Scotts Valley in January. In addition, the Knitting Club continues to meet weekly at the Scotts Valley branch.

The autumn display in the Aptos young people's room ran in conjunction with an interactive art project that is continuing into the oncoming months. Now that the children have groomed the tree with leaves and they have seen an artistic rendering of a bird feeder with seeds, they will begin to make paper birds to fly toward or alight to eat – resulting in a nice winter scene.

C. People of all ages will have friendly support and intuitive access to the materials and resources they want

The Aptos Branch Library completed its rearrangement of library materials in November. The children's collection was heavily weeded so that items can be re-shelved the same day they are returned and therefore easier to find.

The adult non-fiction collection is now shelved in numerical order and flows from one range to another. The VHS collection was downsized to make more room for paperbacks and the growing DVD collection. People love the new books display area at the entrance to the branch and teens are enjoying the fact that they have more space. Patti Maraldo has done a wonderful job making new signs for the branch and we are still working on new, colorful signage for the teen space.

2. LIFELONG LEARNING

A. People will have access to a relevant collection of resources in diverse formats for all ages.

Liz Pollock reported that she discovered some YA books and a returned YA Honor book branch in the bookdrop at Scotts Valley. She said that the theme of these books was "what shall I do now, when will I stop hurting?" And inside one of the books was a poignant handwritten note. Liz mentioned this incident, "because I am heartened to think maybe these books helped the patron; and also to emphasize how really great our collection of YA Honor books are for those who are seeking help and perhaps found solace because they found a book that helps!". The teen honor books are on topics that may be on sensitive issues, or issues that a young adult may be embarrassed to ask a staff member about directly.

We have seen a handful of older patrons seeking information on the new Medigap Insurance plans in Aptos. The November edition of Consumer Reports has helped as have a series of web sites we print out for people. Bests Key Rating Guide is too clinical and not necessarily trustworthy.

Heidi assisted a young woman who was to begin a seasonal job this past week. Her employer required that she go to the company web site and print out 10 pages worth of documents to sign. She has no personal computer and our new network printer would not handle PDF documents last week. Heidi printed out what she needed from her office computer and the reward was a bear hug. We love our jobs!

B. Library users will have access to innovative and successful programming which reflects the cultural, educational and informational needs of the diverse communities served by SCPL and which will help learners of all ages to achieve their goals.

At Scotts Valley, Lauren Suhd also presented preschool storytimes about the alphabet and clocks, showing young people along with their parents or caregivers fun way to explore these topics. She also prepared open-ended craft projects for the youngsters which emphasize "process, not product", so that the participants can enjoy the activity regardless of their developmental level. Lauren also makes an effort to present projects that parents and caregivers can easily adapt in settings outside the library.

Our school-age craft programs have been extremely popular at Live Oak, with 127 kids and their families making projects this month. Heather Norquist sets up a do-it-yourself craft table for children and their families on Sunday afternoons, and Cathy Landis has a regular group of kids who come after school on Tuesdays to do more complex projects.

C. People will have access to innovative technology and the tools necessary to find, evaluate and use information and resources to meet their learning needs.

Lauren Suhd has used a Scotts Valley Middle School biography project as a way to demonstrate to young people the use of electronic resources and recommended websites. The project was a great jumping-off point for the middle schoolers and parents to more thoroughly explore our library's website.

Heather Norquist met with Del Mar Elementary 4th graders in their computer lab to teach them how to search the SCPL catalog for biographies. The next day, the class came to the Live Oak library, found the books they had selected, and started work on their reports.

Aptos reference staff members have reapplied themselves to teaching people how to use the wealth of data bases available from home. We never have enough books on ancient civilizations and finding just the right amount of biographical information for students is a constant challenge. Children and their parents are always overjoyed to learn that they can get what they need from the Biography and Student Resource Centers. Adults are amazed at the information they can obtain from Reference USA. Some use it for marketing purposes but even more use it as part of their job hunting strategy. By listing names of key contacts, it avoids those dreaded "cold calls".

When the New York Family Place Trainers visited the Aptos Branch more than a year ago, we all brainstormed about the type of changes that would make our branch more welcoming to our patrons, and we have successfully made a few changes to do just that. The Aptos Young People's Department has weeded the VHS collection and moved Books on CD and audio tape into that space, leaving the latter's vacated spot for board books. Now the Family Place toys are tucked into a little nook with the age-appropriate books, the board books. True to our New York trainer's prediction, these changes have delighted our youngest patrons and their caregivers.

3. COMMUNITY CONNECTIONS

A. The Library will initiate and nurture partnerships with the public, private and nonprofit sectors in Santa Cruz County for the mutual benefit of the partners, the Library and the community.

The Valencia Elementary Principal and Library Staff are gathering library card applications for their new students. Last year, in conjunction with Aptos Library staff, the Valencia Elementary students all received a new or replacement library card if they did not have one or could not find their card. This year we continue the tradition that we hope will continue into the future. Other schools are in the preliminary stages of taking on this project with the Aptos Library staff.

B. People will strengthen their ties with each other, the community and the library.
Teresa participated on the review committee for the Jim Howes awards.

C. The community will recognize the value of SCPL in improving their lives and will recognize SCPL as an asset to their community.

Teresa met with the acting director of the Museum of Art and History to get acquainted and discuss additional cooperative efforts. (We already do collaborate on projects)

D. Volunteers will be used effectively

The Scotts Valley branch has greatly benefited from the volunteers working on our re-barcoding project. Due to volunteer and staff efforts, the Scotts Valley collection is now barcoded for self-check.

The Aptos branch is in the process of adding 6 new volunteers. Christine DeLapp is taking on our Thursday and Saturday morning sends list searching. Georgia Edmond works Thursday afternoons helping people learn how to retrieve their requests and use the self check equipment. She will also be our eyes on the meeting room when it is open as a study hall. Terry Hanson, Mary Classen, Becky Steinbrunner and Ann Bunn will join us after the holidays to do the same thing Georgia does on other days of the week. When the Aptos Bookmenders project ended this past month, 4 of the volunteers agreed to stay on and help us Mon-Thurs afternoons.

They also assisted us with the extremely popular November 17th CookBook and Bake sale. The annual event was coordinated by staff member Michele Mungnier who is retiring from our library system on December 15th and Ann Bunn, member of the Friends. It netted \$414.57 for the Friends of the Library. Baked goods were provided by current and retired staff as well as Andrea Compoginis and Becky Steinbrunner.

In this season of thanksgiving Aptos also wishes to acknowledge the wonderful work by our long-time volunteers. Nancy Greenfield (20 years); Joyce Blaskovich (15 years), Ethel Curtiss (3 years); Marilyn Kanemura (2 years); Dolly Barnes, (2 years). Marilyn is a retired management librarian for Monterey County Public Library and Dolly Barnes retired from a career with the Santa Clara County Library system and was the Saratoga Branch manager for many years. Dolly is the substitute story teller for Nancy Call.

Dolly and her husband Jeff Barnes are active at the New Brighten visitor center where Jeff is a docent and program instructor. They have met with Janis O'Driscoll and will develop a series of free natural history programs for our library system in the new year!

4. WELCOMING PLACE

A. Identify the physical changes and funding required to provide 21st century library facilities.

Teresa, Kira Henifin and Paula Contreras met with staff from the County Redevelopment Agency to discuss the ongoing issues and associated expenses at the Live Oak Library. The RDA staff are going to investigate doing an energy audit to determine where the focus should be on rectifying the problems we have.

B. The virtual branch meets the definition of a welcoming place

C. People receive service at the level they need and want

From Heidi Jaeger-Smith:

Customer service is timeless and changes lives and this is a great example of providing service at the level needed. Two people approached the desk in Aptos asking if

anyone knew anything about the first Aptos Branch Manager. I was summoned to the desk and asked if they needed information about David McFadden who ran books out to Trout Gulch Rd. during the war years and later became the first librarian at Cabrillo College, or Helen Wikkerink who followed him.

The gentleman was pleasantly surprised to know that I came up with his great-grandmother Helen's name so quickly. He and his wife were vacationing from Wisconsin and he was hoping that the library might have some documentation for his family. Though I was unable to find her gavel and her nameplate, I pulled out our album and Margaret Sousa's History of the Santa Cruz Public Library. I also had a photograph taken by Vester Dick back in 1962 when Helen retired. I printed off our web site and that of Covello and Covello who now owns the Vester Dick and Santa Cruz Sentinel photo collection. They copied everything we had and said they would contact us from home after the first of the year. They were in awe of the fact that we cared enough to save these things and keep a library history.

Though I never had the pleasure of knowing Helen, those who followed her at the Aptos Branch certainly heard about her from our patrons over the years. She embodied what a single point of service can achieve. She checked out people's books after helping them find what they needed (sans computers), she knew everyone in town as well as the local history of the area; she made special trips to the Central library to fill the small collection in her one room library, and did story times that adults recalled from their childhood. It just doesn't get better than that! Something for all of us to aspire to!!

5. FINANCIAL SUSTAINABILITY

A. The Library System maintains a healthy and stable financial position

A generous patron donated \$200 to be used for youth services programming at Scotts Valley to show her appreciation for story times provided by staff member Kari Gunn.

Scotts Valley staff member Paula Turpenen reported that a record number of book donations have come in from the Scotts Valley community. The majority have been in very good condition that hopefully can be added to the library collection.

Money has been promised from an anonymous donor to pay for new teen space signage in Aptos. It will run along the fascia board at the back of the adult reading area to better define the teen area.

B. There is adequate, stable and diverse funding to finance ongoing operations, key strategic initiatives and capital projects.

C. Services of a defined level and quality are consistently delivered based on revenue projections and supportive organizational and operating structure.

The task force continued its work. Developing a staffing model and preliminary costing of the various models consumed a great deal of Teresa's time. Other staff on the task

force worked on the various subcommittees developing models and helping to develop the evaluation instruments.

D. The Library operates efficiently and focuses on continual improvement.

The Aptos Branch downsized its L-shaped reference desk last week and moved one section over to the end of the circulation counter. We brought in a round table and chairs next to power plugs so that the public had yet another space to plug in their laptops. The table – indeed the entire branch has been opened up to allow for more seating.

Given the fact that our public meeting room in Aptos is not heavily booked during the afternoon, we have turned it into a study hall from 12-4 p.m. The IT staff is prepared to put a booster WiFi unit in the meeting room if complaints arise but so far all is fine. Next we are doing a “soft opening” during the holiday weeks to see how things will go but expect it to be very popular in the new year! We have already had positive feedback- especially from tutors.

6. ORGANIZATIONAL READINESS

A. Staff receives adequate training to do their jobs effectively.

Three Scotts Valley staff members (Catherine Workman, Lauren Suhd, and Paula Turpenen) are currently enrolled in an online Core Reference Skills course.

Aptos staff members are taking part in a series of training opportunities. Chase McLelan is taking an on-line Core Class, David Addison and Mike Zulim will attend an InfoPeople Class in San Francisco in December, Linda Gault and Sally Maki will participate in an on-line workshop on Serving the 21st Century Library Patron on December 1 and 2nd. Nancy Call is a representative on the library’s single point of service committee and has toured a number of Bay area libraries to see how they deliver service in this new/old way. Heidi Jaeger-Smith and Mike Zulim participated in a 6 week refresher course to strengthen their team building and supervisory skills offered by the City of Santa Cruz Human Resources Department. Staff will continue to take advantage of training in the new year.

Several staff attended the California Library Association Conference in Sacramento and two presented sessions.

B. SCPL is committed to developing current library staff to become tomorrow’s library leaders.

Teresa participated in a City of Santa Cruz Department Head retreat which focused on the strategic direction of the City.

C. Employees have the skills to execute change and are committed to change and continual improvement.

D. A customer driven service philosophy guides staff training and development.

	Circulation			Business*			Reference/info			Visitors		
	FY0910	FY1011	%change	FY0910	FY1011	%change	FY0910	FY1011	%change	FY0910	FY1011	%change
July												
Aptos	20850	20321	-2.5%	50334	47311	-6.0%	3139	2110	-32.8%	12,585	10,134	-19%
Boulder Creek	3462	3075	-11.2%	10470	9152	-12.6%	71	312	339.4%	4,151	1,971	-53%
Branchforte	6716	6152	-8.4%	21789	18285	-16.1%	3276	845	-74.2%	6,006	4,762	-21%
Capitola	9169	9711	5.9%	24244	25497	5.2%	1998	936	-53.2%	5,821	5,133	-12%
Central	44612	42850	-3.9%	99046	90160	-9.0%	12081	9421	-22.0%	31,432	29,752	-5%
Felton	2531	2031	-19.8%	9064	6417	-29.2%	173	156	-10.0%	1,728	1,202	-30%
Garfield Park	3643	2265	-37.8%	11154	7463	-33.1%	546	420	-23.0%	3,229	1,945	-40%
La Selva Beach	979	1005	2.7%	3609	2273	-37.0%	53	74	39.0%	1,109	1,532	38%
Live Oak	12835	13313	3.7%	32510	22505	-30.8%	1570	2392	52.4%	9,870	6,792	-31%
Scotts Valley	17308	18018	4.1%	40942	39757	-2.9%	2760	1837	-33.4%	11,409	11,261	-1%
Outreach	3245	2677	-17.5%	7421	6304	-15.1%	2747	1998	-27.3%	na	994	na
TOTAL	125350	121418	-3.1%	310583	275124	-11.4%	28415	20501	-27.9%	87,340	75,477	-14%
August												
Aptos	21655	20095	-7.2%	50085	47281	-5.6%	3139	2110	-32.8%	11242	11252	0%
Boulder Creek	4161	3364	-19.2%	10587	9752	-7.9%	49	312	536.7%	4188	2347	-44%
Branchforte	7806	5640	-27.7%	20027	17721	-11.5%	3276	845	-74.2%	5862	4607	-21%
Capitola	10607	8642	-18.5%	25134	24718	-1.7%	1887	936	-50.4%	5256	5244	0%
Central	43409	43072	-0.8%	100246	84348	-15.9%	12081	9421	-22.0%	32012	29191	-9%
Felton	1959	1580	-19.3%	6972	5891	-15.5%	156	156	0.0%	1396	966	-31%
Garfield Park	3141	2695	-14.2%	9876	8223	-16.7%	546	420	-23.0%	2916	2472	-15%
La Selva Beach	771	945	22.6%	2791	2381	-14.7%	53	74	39.0%	760	1279	68%
Live Oak	13221	13129	-0.7%	32495	23534	-27.6%	1936	2392	23.6%	9444	10975.5	16%
Scotts Valley	16444	16380	-0.4%	38603	38713	0.3%	2760	1837	-33.4%	10639	10232	-4%
Outreach	3235	2809	-13.2%	6972	4465	-36.0%	2747	1998	-27.3%	na	928	na
TOTAL	126409	118351	-6.4%	303788	267027	-12.1%	28630	20501	-28.4%	83715	79493.5	-5%

*Defined as check ins/check outs/route ins/route outs

	FY0910	FY1011	%change	FY0910	FY1011	%change	FY0910	FY1011	%change	FY0910	FY1011	%change
Sept												
Aptos	20473	18645	-8.9%	47173	39059	-17.2%	3139	2110	-32.8%	11689	9225	-21.1%
Boulder Creek	3547	2850	-19.7%	10019	8545	-14.7%	49	312	536.7%	1963	1900	-3.2%
Branchforte	5974	5575	-6.7%	17902	17231	-3.7%	3276	845	-74.2%	5306	4775	-10.0%
Capitola	9015	8171	-9.4%	24349	22620	-7.1%	1887	936	-50.4%	5493	4781	-13.0%
Central	41717	40135	-3.8%	94200	71145	-24.5%	12081	9421	-22.0%	31871	27623	-13.3%
Felton	2335	1668	-28.6%	7676	5512	-28.2%	156	156	0.0%	1678	1237	-26.3%
Garfield Park	3373	2568	-23.9%	9973	7537	-24.4%	546	420	-23.0%	1943	1974	1.6%
La Selva Beach	804	703	-12.6%	2981	1856	-37.7%	53	74	39.0%	929	996	7.2%
Live Oak	12618	12517	-0.8%	30363	21142	-30.4%	1936	2392	23.6%	9476	7024	-25.9%
Scotts Valley	16530	15949	-4.1%	38550	36809	-4.5%	2760	1837	-33.4%	10947	10692	-2.3%
Outreach	3550	6958	96.0%	7457	10247	37.4%	2747	1998	-27.3%	na	1238	na
TOTAL	120036	115739	-3.6%	290643	241703	-16.8%	28630	20501	-28.4%	81295	71465	-12.1%
Oct												

	Circulation			Business*			Reference/info			Visitors		
	FY0910	FY1011	%change	FY0910	FY1011	%change	FY0910	FY1011	%change	FY0910	FY1011	%change
Aptos	19944	19446	-2.5%	46884	34026	-27.4%	1556 na	na	#VALUE!	11,177	10393	-7.0%
Boulder Creek	3340	3534	5.8%	10320	9649	-6.5%	516 na	na	#VALUE!	2,354	2221	-5.8%
Branchforte	7211	5720	-20.7%	20712	16973	-18.1%	1218 na	na	#VALUE!	6,508	4595	-29.4%
Capitola	9252	8173	-11.7%	24959	22177	-11.1%	806 na	na	#VALUE!	5,271	5075	-3.7%
Central	42814	40573	-5.2%	97660	64677	-33.8%	8359 na	na	#VALUE!	38,928	27389	-29.6%
Felton	2043	1689	-17.3%	6936	5583	-19.5%	425 na	na	#VALUE!	1,335	894	-33.0%
Garfield Park	2901	2330	-19.7%	8973	6888	-23.2%	979 na	na	#VALUE!	2,594	2183	-15.8%
La Selva Beach	842	709	-15.8%	3074	1897	-38.3%	26 na	na	#VALUE!	895	958	7.0%
Live Oak	12679	12779	0.8%	30941	21482	-30.6%	1122 na	na	#VALUE!	9,418	9414	0.0%
Scotts Valley	16998	14735	-13.3%	38930	32217	-17.2%	2314 na	na	#VALUE!	10,938	9633	-11.9%
Outreach	3099	2564	-17.3%	7116	5548	-22.0%	1833 na	na	#VALUE!	357	1785	400.0%
TOTAL	121123	112252	-7.3%	296505	221117	-25.4%	19154 na	na	#VALUE!	78,597	74540	-5.2%
	FY0910	FY1011	%change	FY0910	FY1011	%change	FY0910	FY1011	%change	FY0910	FY1011	%change
Nov	(closed 1 week)											
Aptos	16011	19284	20.4%	38594	33727	-12.6%	1556 na	na	#VALUE!	8,660	13913	60.7%
Boulder Creek	2752	3556	29.2%	8356	9757	16.8%	516 na	na	#VALUE!	1522	2224	46.1%
Branchforte	5375	5044	-6.2%	16058	13116	-18.3%	1218 na	na	#VALUE!	4,183	4597	9.9%
Capitola	6865	7516	9.5%	19102	21010	10.0%	806 na	na	#VALUE!	3,877	4603	18.7%
Central	36594	40879	11.7%	82860	64540	-22.1%	8359 na	na	#VALUE!	22,258	26840	20.6%
Felton	1537	1833	19.3%	5109	5881	15.1%	425 na	na	#VALUE!	1,137	1025	-9.9%
Garfield Park	2549	2052	-19.5%	7650	7228	-5.5%	979 na	na	#VALUE!	2,305	1977	-14.2%
La Selva Beach	735	909	23.7%	2419	2225	-8.0%	26 na	na	#VALUE!	613	1608	162.3%
Live Oak	11783	13216	12.2%	28370	21686	-23.6%	1122 na	na	#VALUE!	7,596	10057	32.4%
Scotts Valley	13302	11622	-12.6%	31580	28080	-11.1%	2314 na	na	#VALUE!	8,285	10676	28.9%
Outreach	2658	3250	22.3%	5908	6704	13.5%	1833 na	na	#VALUE!	714	2267	217.5%
TOTAL	100161	109161	9.0%	246006	213954	-13.0%	19154 na	na	#VALUE!	61,150	79787	30.5%

(Italics=no self check)

	Circ/Open Hour		Busyness/Open Hour		Refill/Open Hour		Visits/Open Hour					
	FY0910	FY10/11 %change	FY0910	FY10/11 %change	FY0910	FY10/11 %change	FY0910	FY10/11 %change				
July												
Aptos	150	159	6%	363	370	2%	25	16	-36%	98	79	-19%
Boulder Creek	67	64	-4%	201	191	-5%	1	7	600%	86	41	-53%
Branchforte	111	110	-1%	359	327	-9%	59	15	-75%	107	85	-21%
Capitola	106	121	15%	280	319	14%	25	12	-50%	73	64	-12%
Central	267	268	4%	571	564	-1%	76	59	-22%	196	186	-5%
Felton	73	63	-13%	261	201	-23%	5	5	0%	54	38	-30%
Garfield Park	70	47	-33%	215	155	-28%	11	9	-18%	67	41	-40%
La Selva Beach	28	18	-36%	104	41	-61%	2	1	-50%	35	27	-21%
Live Oak	106	119	12%	268	201	-25%	14	21	24%	88	61	-31%
Scotts Valley	125	141	13%	295	311	5%	22	14	-36%	89	88	-1%
TOTAL	1093	1110	2%	2918	2677	-8%	34	24	-30%	106	89	-16%
August												
Aptos	156	157	1%	361	369	2%	25	16	-36%	88	88	0%
Boulder Creek	80	70	-12%	204	203	0%	1	7	600%	87	49	-44%
Branchforte	129	101	-22%	330	316	-4%	59	15	-75%	105	82	-21%
Capitola	122	108	-12%	290	309	7%	24	12	-50%	66	66	0%
Central	250	269	7%	578	527	-9%	76	59	-22%	200	182	-9%
Felton	57	49	-13%	201	184	-8%	5	5	0%	44	30	-31%
Garfield Park	60	56	-7%	190	171	-10%	11	9	-18%	61	52	-15%
La Selva Beach	22	17	-24%	81	43	-47%	2	1	-50%	24	23	-4%
Live Oak	109	117	8%	268	210	-22%	17	21	24%	84	98	16%
Scotts Valley	119	128	8%	278	302	9%	22	14	-36%	83	80	-4%
TOTAL	1104	1073	-3%	2781	2636	-5%	35	24	-30%	102	94	-8%
Sept												
Aptos	148	146	-1%	340	305	-10%	25	16	-36%	91	72	-21%
Boulder Creek	68	59	-13%	193	178	-8%	1	7	600%	41	40	-3%
Branchforte	98	100	1%	295	308	4%	59	15	-75%	95	85	-10%
Capitola	104	102	-2%	281	283	1%	24	12	-50%	69	60	-13%
Central	241	251	4%	543	445	-18%	76	59	-22%	199	173	-13%
Felton	67	52	-23%	221	172	-22%	5	5	0%	40	39	-3%
Garfield Park	65	54	-18%	192	157	-18%	11	9	-18%	40	41	3%
La Selva Beach	23	13	-46%	86	33	-61%	2	1	-50%	29	18	-39%
Live Oak	104	112	7%	250	189	-25%	17	21	24%	85	63	-26%
Scotts Valley	120	125	4%	278	288	3%	22	14	-36%	86	84	-2%
TOTAL	1038	1012	-2.53%	2680	2357	-12%	35	24	-31%	91	84	-7%
Oct												
Aptos	144	133	-8%	338	207	-39%	12	#VALUE!	#VALUE!	87	71	-19%
Boulder Creek	64	51	-26%	198	106	-47%	11	#VALUE!	#VALUE!	51	32	-38%
Branchforte	119	85	-39%	341	218	-36%	22	#VALUE!	#VALUE!	116	69	-41%
Capitola	107	93	-15%	288	233	-19%	10	#VALUE!	#VALUE!	66	58	-12%
Central	247	223	-10%	563	318	-44%	52	#VALUE!	#VALUE!	243	151	-38%
Felton	59	35	-69%	200	86	-57%	13	#VALUE!	#VALUE!	54	18	-66%
Garfield Park	56	37	-51%	173	88	-49%	20	#VALUE!	#VALUE!	54	35	-36%
La Selva Beach	24	12	-100%	89	31	-65%	1	#VALUE!	#VALUE!	28	16	-41%
Live Oak	104	106	1%	255	155	-39%	10	#VALUE!	#VALUE!	84	78	-7%
Scotts Valley	123	107	-15%	281	219	-22%	18	#VALUE!	#VALUE!	85	70	-18%
Outreach	na	na	na	na	na	na	na	na	na	na	na	na
TOTAL	1047	882	-19%	2726	1670	-413%	170	#VALUE!	#VALUE!	670	597	-31%
Nov												
Aptos	115	117	1%	278	205	-26%	16	#VALUE!	#VALUE!	90	84	-6%

PER OPEN HOUR

	Circ/Open Hour			Busyness/Open Hour			Refill/Open Hour			Visits/Open Hour		
	FY0910	FY10/11	%change	FY0910	FY10/11	%change	FY0910	FY10/11	%change	FY0910	FY10/11	%change
Boulder Creek	53	39	-26%	161	107	-33%	14	14	0%	42	24	-42%
Branciforte	89	65	-27%	265	168	-36%	29	29	0%	100	59	-41%
Capitola	79	79	0%	220	220	0%	13	13	0%	65	48	-26%
Central	211	201	-5%	478	317	-34%	70	70	0%	185	132	-29%
Felton	44	28	-36%	147	90	-39%	18	18	0%	47	16	-66%
Garfield Park	49	26	-46%	147	93	-37%	27	27	0%	64	25	-60%
La Selva Beach	21	15	-29%	70	37	-47%	1	1	0%	26	27	2%
Live Oak	97	102	5%	234	167	-29%	13	13	0%	90	77	-14%
Scotts Valley	96	79	-18%	228	191	-16%	24	24	0%	86	72	-16%
TOTAL	855	750	-12%	2228	1595	-28%	225	225	0%	795	565	-29%

UNIQUE Management Services, Inc.

L i b r a r y D i v i s i o n

Cumulative Recovery:

Santa Cruz City-County Library System

Accounts Submitted:	15,878
Dollars Submitted:	\$1,583,017.05
Cash Recovery:	\$435,207.50
Material Recovery:	\$549,633.52
Waives:	\$42,035.88
Recovery Total:	\$1,026,876.90
Total Invoice Amount:	\$125,822.24
Total ROI:	8:1
Asset ROI:	8:1

Please note, for the purposes of these reports the term 'Asset' will refer to the recovery of Materials and Cash.

UNIQUE

Management
Services, Inc.

Lib r a r y D i v i s i o n

Monthly Recovery Statistics: Santa Cruz City-County Library System

11/2009 Through 10/2010

Month	Cash	Material	Waives	Total	Assets Only	Invoice Amount
October-10	\$3,054.48	\$1,690.40	\$190.49	\$4,935.37	\$4,744.88	\$474.35
September-10	\$3,815.79	\$4,961.00	\$830.70	\$9,607.49	\$8,776.79	\$528.05
August-10	\$2,633.91	\$4,158.00	\$277.45	\$7,069.36	\$6,791.91	\$760.75
July-10	\$3,297.23	\$3,164.94	\$471.00	\$6,933.17	\$6,462.17	\$599.65
June-10	\$2,613.23	\$3,145.00	\$157.75	\$5,915.98	\$5,758.23	\$805.50
May-10	\$4,097.73	\$3,789.00	\$369.70	\$8,256.43	\$7,886.73	\$644.40
April-10	\$1,863.35	\$1,957.60	\$636.50	\$4,457.45	\$3,820.95	\$572.80
March-10	\$3,451.40	\$4,148.00	\$323.74	\$7,923.14	\$7,599.40	\$375.90
February-10	\$4,813.85	\$3,985.85	\$1,005.25	\$9,804.95	\$8,799.70	\$375.90
January-10	\$4,656.37	\$6,350.99	\$585.50	\$11,592.86	\$11,007.36	\$1,253.00
December-09	\$4,883.48	\$4,677.00	\$527.50	\$10,087.98	\$9,560.48	\$1,324.60
November-09	\$3,413.48	\$2,597.99	\$669.50	\$6,680.97	\$6,011.47	\$1,405.15
Total	\$42,594.30	\$44,625.77	\$6,045.08	\$93,265.15	\$87,220.07	\$9,120.05
Average	\$3,549.53	\$3,718.81	\$503.76	\$7,772.10	\$7,268.34	\$760.00

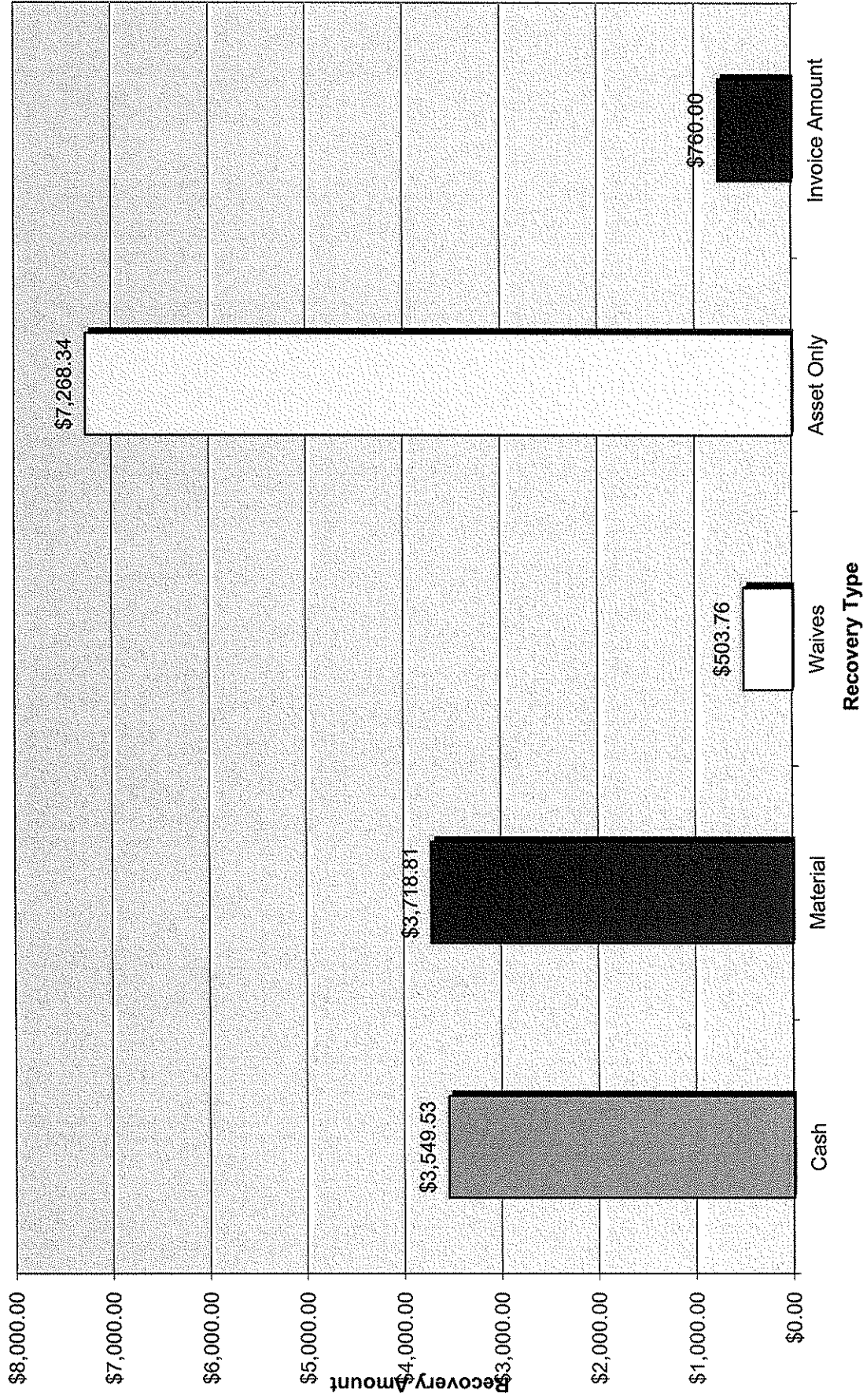
Unique Management Services, Inc

11/12/2010

Quarterly Result Reporting

Page 2 of 3

Average Monthly Recovery and Cost



SANTA CRUZ PUBLIC LIBRARIES
A CITY-COUNTY SYSTEM

LIBRARY JOINT POWERS BOARD
FINANCE COMMITTEE

MINUTES

November 29, 2010

Central Branch Meeting Room
224 Church Street, Santa Cruz

5:00 PM PUBLIC MEETING

I. ROLL CALL

Present: Citizenmember Gorson, Councilmember Storey, Councilmember Rotkin

Staff: Kira Henifin, Management Analyst

City Staff: Jack Dilles, Finance Director
Raymond Chin, Accounting Manager

II. APPROVAL OF MEETING AGENDA OF NOVEMBER 29, 2010

Councilmember Rotkin moved, seconded by Councilmember Storey

that the Board approve the agenda of November 29, 2010

UNAN

III. APPROVAL OF MINUTES OF OCTOBER 25, 2010

Councilmember Rotkin moved, seconded by Councilmember Storey

that the Board approve the minutes of October 25, 2010.

UNAN

IV. ORAL COMMUNICATIONS

There were no oral communications.

V. STAFF REPORTS

A. Financial Reports through October 31, 2010

Revenues- Santa Cruz County made an extra payment in November due to the holidays in December

Expenditures- Building O & M costs are slightly higher than expected due to unexpected HVAC maintenance repairs at the Downtown Branch and Live Oak.

Personnel- FICA costs are lower than expected and may have been over budgeted for at the beginning of FY 10/11
Month End Cash Balance- Still positive

VI. OTHER BUSINESS

A. Draft Audit Report

Jack Dilles went over the draft audit report and there were no findings to report.

B. Ongoing Committee Schedule and Members

Councilmember Rotkin will be vacating the board. The Mayor of Santa Cruz will be working on the new assignment.

The Finance Sub Committee has decided to continue with the current meeting schedule.

VII. NEXT MEETING

The next meeting is scheduled for Monday January 4, 2010 at 5:00PM in the Central Library meeting room. This meeting date may change.

VIII. ADJOURN

The regular meeting adjourned at 5:33 p.m.

Respectfully submitted,

Kira Henifin
Management Analyst

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

LIBRARY JOINT POWERS AUTHORITY COMBINED BALANCE SHEET		PRELIMINARY PENDING AUDIT
JPA FUND AND ACCOUNT GROUPS OCTOBER 2010		
	JPA Total	
Assets		
Pooled cash	1,397,052.22	
Pooled cash interest receivable	784.23	
Infrastructure	579,683.02	
Accumulated depreciation - infrastructure	(191,370.66)	
Buildings	1,758,907.67	
Accumulated depreciation - buildings	(853,447.25)	
Lease improvements - buildings	259,124.00	
Accumulated depreciation - lease imp-buildings	(178,220.34)	
Machinery and equipment	1,617,208.66	
Accumulated depreciation - machinery & equip	(1,478,466.09)	
Software	61,759.70	
Accumulated depreciation-software	(61,759.70)	
Construction in progress	78,918.85	
Total Assets	2,990,174.31	
Liabilities		
Accounts payable	205,795.35	
Sales tax payable	553.67	
Deferred grant revenue - unearned	529.84	
Unclaimed funds	1,035.45	
Payable to the County - noncurrent	80,586.11	
Other intergovernmental payable-noncurrent	391,139.91	
Total Liabilities	679,640.33	
Equities		
Unreserved, undesignated fund balance	693,993.14	
Committed - cash flow/unexpected expenditures	495,929.00	
Investment in capital assets - Library	1,592,337.86	
Reserved for long-term debt	(471,726.02)	
Total Equities	2,310,533.98	
Total Liabilities and Equities	2,990,174.31	

LIBRARY JOINT POWERS AUTHORITY							
COMBINED BALANCE SHEET							
SPECIAL FUNDS							
OCTOBER 2010							
	Fund #	955	956	957	960	Spec Funds	
Fund Description		Contingency	Technology	Projects	Felton	Total	
Assets							
Pooled cash		9,427.36	4,763.42	469.28	1,132.70	15,792.76	
Pooled cash interest receivable		21.97	11.10	1.09	2.64	36.80	
Total Assets		9,449.33	4,774.52	470.37	1,135.34	15,829.56	
Equities							
Unreserved, undesignated fund balance		9,449.33	4,774.52	470.37	1,135.34	15,829.56	
Total Equities		9,449.33	4,774.52	470.37	1,135.34	15,829.56	

LIBRARY JOINT POWERS AUTHORITY							PRELIMINARY PENDING AUDIT
COMBINED BALANCE SHEET							
TRUST FUNDS							
OCTOBER 2010							
Fund #	931	932	933	934	Trust Funds		
Fund Description	McCaskill Loc His	McCaskill Vis Imp	Finkeldey	Whalen	Total		
Assets							
Pooled cash	259,316.52	245,162.25	9,493.99	118,989.59	632,962.35		
Pooled cash interest receivable	608.42	579.36	22.28	297.04	1,507.10		
Total Assets	259,924.94	245,741.61	9,516.27	119,286.63	634,469.45		
Equities							
Net assets held in trust-library prog	259,924.94	245,741.61	9,516.27	119,286.63	634,469.45		
Total Equities	259,924.94	245,741.61	9,516.27	119,286.63	634,469.45		

Revenue Status Report
 CITY OF SANTA CRUZ
 10/1/2010 through 10/31/2010

revstat.rpt
 11/23/2010 11:08AM
 Periods: 4 through 4

33%

951 Library Joint Powers Authority

Account Number	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Pct Rcvd
951-41000 TAXES					
951-00-00-0000-41211 Sales and use tax	5,321,475.00	964,715.47	1,828,220.47	3,493,254.53	34.36
Total TAXES	5,321,475.00	964,715.47	1,828,220.47	3,493,254.53	34.36
951-43000 INTERGOVERNMENTAL					
951-36-00-0000-43210 State operating grants and contributions	70,000.00	0.00	0.00	70,000.00	0.00
951-36-00-0000-43310 Local operating grants and contributions	12,000.00	0.00	12,000.00	0.00	100.00
951-36-00-0000-43311 Maintenance of effort contributions	5,210,951.00	868,603.98	1,736,936.71	3,474,014.29	33.33
951-36-55-3531-43210 State operating grants and contributions	2,500.00	801.80	1,001.30	1,498.70	40.05
951-36-55-3560-43190 Federal grants - other	3,024.00	0.00	0.00	3,024.00	0.00
Total INTERGOVERNMENTAL	5,298,475.00	869,405.78	1,749,938.01	3,548,536.99	33.03
951-44000 CHARGES FOR SERVICES					
951-36-00-0000-44613 Internet use fee	7,000.00	325.95	1,551.95	5,448.05	22.17
951-36-00-0000-44630 Room rentals-library JPA	1,890.00	120.00	680.00	1,210.00	35.98
951-36-00-0000-44901 Photocopy fee	10,000.00	538.95	2,332.74	7,667.26	23.33
Total CHARGES FOR SERVICES	18,890.00	984.90	4,564.69	14,325.31	24.16
951-45000 FINES AND FORFEITS					
951-36-00-0000-45131 Library fines	200,000.00	17,129.61	68,123.75	131,876.25	34.06
951-36-00-0000-45132 Lost library items	25,000.00	1,980.00	7,515.00	17,485.00	30.06
Total FINES AND FORFEITS	225,000.00	19,109.61	75,638.75	149,361.25	33.62
951-46000 MISCELLANEOUS REVENUES					
951-00-00-0000-46110 Pooled cash and investment interest	-5,000.00	986.43	2,014.34	-7,014.34	40.29

Revenue Status Report
 CITY OF SANTA CRUZ
 10/1/2010 through 10/31/2010

951 Library Joint Powers Authority

Account Number	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prct Rcvd
951-00-00-0000-46190 Interest earnings - other	5,141.00	676.76	1,219.03	3,921.97	23.71
951-00-00-0000-46910 Miscellaneous operating revenue	9,250.00	0.00	2,765.00	6,485.00	29.89
951-00-00-0000-46990 Miscellaneous non-operating revenue	25,000.00	15,500.22	55,286.78	-30,286.78	221.15
951-36-00-0000-46303 Donations - library	33,000.00	1,540.00	41,545.70	-8,545.70	125.90
951-36-00-0000-46309 Donations - library - Friends of the Lib	25,000.00	13,889.59	22,125.89	2,874.11	88.50
951-36-00-0000-46916 Cash over/short	0.00	-19.23	-12.43	12.43	0.00
951-36-00-0000-46918 Damaged property recovery	0.00	10.00	33.23	-33.23	0.00
Total MISCELLANEOUS REVENUES	92,391.00	32,583.77	124,977.54	-32,586.54	135.27
951-49000 OTHER FINANCING SOURCES					
951-00-00-0000-49122 From Library Private Trust Fund	40,190.00	0.00	40,190.00	0.00	100.00
Total OTHER FINANCING SOURCES	40,190.00	0.00	40,190.00	0.00	100.00
Grand Total	10,996,421.00	1,886,799.53	3,823,529.46	7,172,891.54	34.77

Expenditure Status Report
CITY OF SANTA CRUZ
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951 Library Joint Powers Authority

33%

Account Number	Adjusted Appropriation	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
951-52000					
SERVICES					
951-36-50-3510-52135	6,200.00	0.00	2,319.75	1,045.00	83.15
Financial services - outside					
951-36-50-3510-52149	603,881.00	44,638.25	167,463.91	436,417.09	27.73
Interagency labor charges					
951-36-50-3510-52199	60,000.00	5,000.00	7,000.00	0.00	100.00
Other professional & technical services					
951-36-50-3510-52240	5,020.00	273.98	633.35	4,386.65	12.62
Office equipment operation/maint					
951-36-50-3510-52248	5,000.00	0.00	0.00	5,000.00	0.00
Software maintenance services					
951-36-50-3510-52302	2,000.00	0.00	0.00	2,000.00	0.00
Travel and meetings					
951-36-50-3510-52402	0.00	4,001.97	23,452.12	-23,452.12	0.00
Telecommunications service - internal					
951-36-50-3510-52403	43,548.00	174.43	745.25	42,802.75	1.71
Telecommunications service - outside					
951-36-50-3510-52933	14,484.00	0.00	10,190.00	4,294.00	70.35
Liability insurance/surety bonds-outside					
951-36-50-3510-52961	17,471.00	0.00	12,005.97	5,465.03	68.72
Dues and memberships					
951-36-50-3510-52971	100.00	0.00	16.80	83.20	16.80
Printing and binding-internal					
951-36-50-3510-52972	5,900.00	0.00	1,965.08	3,934.92	33.31
Printing and binding-outside					
951-36-50-3510-52973	10,000.00	0.00	0.00	10,000.00	0.00
Moving Costs					
951-36-50-3540-52135	550,000.00	42,911.99	160,233.24	389,766.76	29.13
Financial services - outside					
951-36-51-3520-52131	16,000.00	528.05	1,888.45	-2.60	100.02
Claims management services - outside					
951-36-51-3520-52149	1,214,081.00	92,732.15	349,279.27	864,801.73	28.77
Interagency labor charges					
951-36-51-3520-52244	3,500.00	0.00	0.00	3,500.00	0.00
Other equipment operation/maintenance					
951-36-51-3520-52248	17,588.00	280.90	843.14	16,744.86	4.79
Software maintenance services					
951-36-51-3520-52972	3,000.00	219.00	1,034.78	1,965.22	34.49
Printing and binding-outside					
951-36-52-3530-52149	4,313,404.00	318,409.81	1,205,438.48	3,107,965.52	27.95
Interagency labor charges					
951-36-52-3530-52244	3,000.00	0.00	0.00	3,000.00	0.00
Other equipment operation/maintenance					
951-36-52-3530-52302	3,063.00	0.00	56.50	3,006.50	1.84
Travel and meetings					
951-36-52-3530-52972	6,000.00	0.00	0.00	6,000.00	0.00
Printing and binding-outside					
951-36-53-3515-52149	225,162.00	17,164.92	64,053.39	161,108.61	28.45
Interagency labor charges					
951-36-53-3515-52201	55,065.00	8,470.11	19,198.41	35,866.59	34.86
Water, sewer and refuse					
951-36-53-3515-52211	100,000.00	8,699.56	21,216.56	78,783.44	21.22
Janitorial services					
951-36-53-3515-52223	39,555.00	0.00	0.00	39,555.00	0.00
Vehicle operation charges - internal					
951-36-53-3515-52246	140,984.00	13,202.33	44,900.02	68,338.52	51.53
Building and facility o & m - outside					
951-36-53-3515-52247	21,145.00	325.00	1,213.11	19,931.89	5.74
Landscaping maintenance services					
951-36-53-3515-52261	393,396.00	32,933.33	140,845.32	188,766.68	52.02
Equipment, building and land rentals					
951-36-53-3515-52302	150.00	0.00	0.00	150.00	0.00
Travel and meetings					
951-36-53-3515-52932	15,500.00	1,291.67	5,166.68	10,333.32	33.33
Liability insurance/surety bonds-interna					

Expenditure Status Report
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951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Year-to-date Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
951-36-53-3515-52933	36,506.00	0.00	30,732.00	0.00	5,774.00	84.18
951-36-54-3550-52149	550,312.00	44,137.95	160,789.43	0.00	389,522.57	29.22
951-36-54-3550-52199	29,000.00	125.00	437.50	15,562.50	13,000.00	55.17
951-36-54-3550-52248	215,038.00	0.00	44,423.30	6,400.00	164,214.70	23.63
951-36-54-3550-52249	55,275.00	6,505.23	13,267.84	9,588.36	32,418.80	41.35
951-36-54-3550-52302	1,300.00	0.00	236.00	0.00	1,064.00	18.15
951-36-55-3560-52403	111,713.00	12,083.34	34,525.42	73,052.15	4,135.43	96.30
951-36-55-3560-52149	802,600.00	58,822.62	226,745.08	0.00	575,854.92	28.25
951-36-55-3560-52302	800.00	0.00	115.50	0.00	684.50	14.44
951-36-55-3560-52304	13,975.00	929.95	1,283.39	0.00	12,691.61	9.18
951-36-55-3560-52306	3,024.00	0.00	0.00	0.00	3,024.00	0.00
951-36-55-3560-52960	3,000.00	0.00	0.00	0.00	3,000.00	0.00
951-36-55-3560-52972	6,000.00	339.45	811.96	0.00	5,188.04	13.53
Total SERVICES	9,722,740.00	714,200.99	2,754,527.00	266,081.87	6,702,131.13	31.07
951-53000						
SUPPLIES						
951-36-50-3510-53101	12,000.00	512.03	1,375.26	0.00	10,624.74	11.46
951-36-50-3510-53102	16,200.00	1,569.98	4,663.05	0.00	11,536.95	28.78
951-36-51-3520-53106	567,000.00	88,289.66	211,222.47	0.00	355,777.53	37.25
951-36-51-3520-53107	25,000.00	25.00	17,699.81	0.00	7,300.19	70.80
951-36-51-3520-53112	120,350.00	3,070.99	12,472.06	3,500.00	104,377.94	13.27
951-36-52-3530-53109	6,500.00	487.10	1,040.15	0.00	5,459.85	16.00
951-36-53-3515-53108	2,690.00	236.14	399.91	0.00	2,290.09	14.87
951-36-53-3515-53113	18,000.00	792.29	4,189.16	0.00	13,810.84	23.27
951-36-53-3515-53311	157,710.00	12,426.47	55,114.69	0.00	102,595.31	34.95
951-36-53-3515-53312	20,260.00	474.99	2,198.39	0.00	18,061.61	10.85
951-36-54-3550-53110	20,000.00	0.00	3,149.28	4,782.31	12,068.41	39.66
Total SUPPLIES	965,710.00	107,884.65	313,524.23	8,282.31	643,903.46	33.32
951-54000						
OTHER MATERIALS AND SERVICES						
951-36-50-3510-54990	3,020.00	0.00	0.00	0.00	3,020.00	0.00
951-36-52-3530-54990	2,390.00	33.64	105.64	0.00	2,284.36	4.42
951-36-54-3550-54203	0.00	0.00	358.28	0.00	-358.28	0.00
951-36-55-3531-54990	2,500.00	190.00	950.00	1,330.00	220.00	91.20

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951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
951-36-55-3560-54990	31,071.00	544.22	3,309.28	0.00	27,761.72	10.65
Total	38,981.00	767.86	4,723.20	1,330.00	32,927.80	15.53
951-56000						
OTHER CHARGES						
951-36-52-3530-56995	2,000.00	276.50	790.50	0.00	1,209.50	39.53
Total	2,000.00	276.50	790.50	0.00	1,209.50	39.53
951-57000						
CAPITAL OUTLAY						
951-36-54-3550-57410	73,000.00	3,280.96	16,367.86	0.00	56,632.14	22.42
Total	73,000.00	3,280.96	16,367.86	0.00	56,632.14	22.42
951-58000						
DEBT SERVICE						
951-36-50-3540-58140	40,961.00	0.00	0.00	0.00	40,961.00	0.00
Loan principal						
951-36-50-3540-58190	40,293.00	0.00	40,293.07	0.00	-0.07	100.00
Other debt principal						
951-36-50-3540-58240	19,600.00	0.00	0.00	0.00	19,600.00	0.00
Loan interest						
951-36-50-3540-58290	3,500.00	325.97	977.91	0.00	2,522.09	27.94
Other debt interest						
Total	104,354.00	325.97	41,270.98	0.00	63,083.02	39.55
951-59000						
OTHER FINANCING USES						
Total	0.00	0.00	0.00	0.00	0.00	0.00
OTHER FINANCING USES						
Total	10,906,785.00	826,736.93	3,131,203.77	275,694.18	7,499,887.05	31.24
Grand Total						

Expenditure Status Report
 CITY OF SANTA CRUZ
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Account Number	General Fund	Library (City)	Adjusted Appropriation	Expenditures	Expenditures	Year-to-date Encumbrances	Balance	Prct Used
101-35-51000	PERSONNEL SERVICES							33%
Total	Regular full time		4,226,408.00	479,819.52	1,398,576.72	0.00	2,827,831.28	33.09
Total	Regular part time		733,982.00	83,334.75	239,756.50	0.00	494,225.50	32.67
Total	Overtime		3,000.00	0.00	92.72	0.00	2,907.28	3.09
Total	Termination pay		0.00	0.00	2,288.39	0.00	-2,288.39	0.00
Total	Temporary		520,010.00	50,102.22	142,499.81	0.00	377,510.19	27.40
Total	Other pay		0.00	0.00	158.43	0.00	-158.43	0.00
Total	Special vacation pay		12,600.00	0.00	0.00	0.00	12,600.00	0.00
Total	Special sick leave pay		0.00	0.00	-329.16	0.00	329.16	0.00
Total	Vehicle allowance		2,880.00	535.00	1,127.40	0.00	1,752.60	39.15
Total	Retirement contribution		665,780.00	77,127.54	222,902.64	0.00	442,877.36	33.48
Total	F.I.C.A.		69,994.00	2,250.03	6,666.57	0.00	63,327.43	9.52
Total	Group health insurance		982,969.00	114,635.77	289,935.05	0.00	693,033.95	29.50
Total	Group dental insurance		99,100.00	11,807.34	29,972.26	0.00	69,127.74	30.24
Total	Vision insurance		17,994.00	2,139.54	5,436.86	0.00	12,557.14	30.21
Total	Medicare insurance		63,836.00	7,992.72	23,307.96	0.00	40,528.04	36.51
Total	Group life insurance		2,744.00	342.99	873.15	0.00	1,870.85	31.82
Total	Disability insurance		35,300.00	3,795.70	11,049.97	0.00	24,250.03	31.30
Total	Unemployment insurance		37,175.00	2,851.47	8,194.46	0.00	28,980.54	22.04
Total	Workers' compensation		221,481.00	27,358.70	79,443.42	0.00	142,037.58	35.87
Total	Accrued vacation - period 13		0.00	0.00	0.00	0.00	0.00	0.00
Grand Total			7,695,253.00	864,093.29	2,461,953.15	0.00	5,233,299.85	31.99

Library - Fund 951
 Month-End Cash Balances

	July	August	September	October	November	December	January	February	March	April	May	June
FY 2011 Pooled cash	72,541.96	250,794.12	312,607.59	1,397,052.22								
FY 2010 Pooled cash	(908,343.59)	(797,637.50)	(752,924.76)	(597,787.31)	(558,459.72)	(707,533.76)	290,832.95	(390,345.22)	(62,933.26)	15,984.66	25,912.58	120,298.01
FY 2009 Pooled cash	(1,028,955.46)	(397,327.61)	(356,999.20)	252,949.44	(714,416.36)	(711,714.61)	(812,054.05)	(668,015.42)	(595,048.05)	(543,669.74)	222,502.65	(667,431.15)
FY 2008 Pooled cash	555,177.28	285,993.39	362,222.74	452,678.88	381,688.89	348,644.68	414,873.10	180,026.54	267,117.50	988,379.63	877,239.75	65,274.00
FY 2007 Pooled cash	378,173.37	260,209.81	(47,055.07)	77,967.52	141,276.32	331,082.13	1,134,207.34	1,970,264.04	582,080.73	688,990.25	693,402.17	260,082.00

ANNUAL CERTIFICATION: PUBLIC LIBRARY FUND

Submit two copies of this form, one with original signature, by December 1, 2010

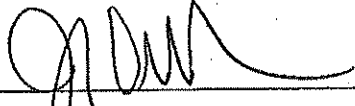
Library jurisdiction: Santa Cruz Public Libraries

Certification. Complete all four entries. Local revenue appropriated:

1. <u>FY 2009-10</u>	<u>10,741,282</u>
2. <u>FY 2010-11</u>	<u>10,653,907</u>
3. <u>90% of FY 2009-10</u>	<u>9,667,154</u>
4. <u>Difference (2 - 3)</u>	<u>986,753</u>

From the FY 2010-11 appropriation (#2) subtract the 90% figure for the FY 2009-10 appropriation (#3). If the difference is zero or a positive number then the maintenance of effort requirement has been met. If not, please contact the State Library PLF coordinator (Ira Bray, ibray@library.ca.gov, (916) 653-0171) for assistance.

I hereby certify under penalty of perjury that I am the duly authorized officer of the claimant herein and that the data provided is all true, correct and in accordance with law and that payment has not previously been received for fiscal year 2010-11. **Signature of Fiscal Officer:**

 Date: 11/23/10

Print Name and Title: Jack Dilles
Director of Finance

Address: 809 Center Street, Room 101, Santa Cruz, CA 95060

Telephone: (831) 420-5055

PUBLIC LIBRARY FINANCE
 (Education Code, Title 1, Division 1, Part 11, Chapter 1.5)

ARTICLE 2. DEFINITIONS

(c) "Fiscal officer" means, for a municipal library, the chief fiscal officer of the municipality; for a county library or a library district under the jurisdiction of the county board of supervisors, the chief fiscal officer of the county; and for an independent library district, the chief librarian of the district. In the case of a public library which provides foundation program service by contract to one or more jurisdictions in addition to the jurisdiction or jurisdictions with which it is affiliated, the chief fiscal officer of the jurisdiction with which it is primarily affiliated shall be deemed the fiscal officer for the public library for the purposes of this chapter.

**Santa Cruz
Public Libraries
Joint Powers
Authority**

Santa Cruz, California

*Basic Financial Statements and
Independent Auditors' Report*

For the year ended June 30, 2010

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Santa Cruz Public Libraries Joint Powers Authority

Basic Financial Statements

For the year ended June 30, 2010

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Management's Discussion and Analysis

Management of the Santa Cruz Public Libraries Joint Powers Authority (Authority) provides this Management Discussion and Analysis for readers of the Authority's Basic Financial Statements. This narrative overview and analysis of the financial activities of the Authority is for the fiscal year ended June 30, 2010.

I. Financial Highlights

- Government-Wide Highlights:

The assets of the Authority exceeded its liabilities at the close of the fiscal year by \$1,571,566 (*net assets*). A component of this balance represents \$1,592,338 of net investment in capital assets; however, the remainder of net assets consists of unrestricted net assets of negative (\$20,772) that primarily is the residual balance of the deficit unrestricted net assets of (\$901,278) from the prior fiscal year. Unrestricted net assets represent the amount normally used to meet the Authority's ongoing obligations.

Changes in Net Assets - The Authority's total net assets increased by \$758,982 in fiscal year 2010 that was the result of the Authority's efforts to reduce expenses, which included employee layoffs, furloughs and less spending on books and materials.

The Authority's total assets decreased by \$9,395 at fiscal year end. Certain asset categories did experience increases during the year, including Cash and Cash Equivalents of \$101,933 and Taxes Receivable of \$54,326. However, these increases were offset by decreases in Accounts Receivable of \$4,769, Prepaid Expenses of \$28,944, Due From Other Governments of \$11,350 and Net Capital Assets of \$121,524.

In addition, the Authority's total liabilities decreased by \$768,377 during the fiscal year due primarily to decreases in Accounts Payable of \$7,878, Due to City of Santa Cruz of \$667,431, Interest Payable of \$3,922, Deferred Revenue of \$9,787, Loans Payable of \$40,961 and Notes Payable of \$40,293.

- Fund Highlights:

As of the close of the fiscal year, the Authority's general fund reported a fund balance of \$511,783 which is an increase of \$797,281 in comparison with the prior year amount. This is a significant improvement in the Authority's financial condition as it had a negative fund balance of \$(285,498) in the prior fiscal year. The fund balance is a measure of whether the Authority will have sufficient resources to meet its near-term obligations.

The Authority's general fund total assets increased by \$112,129 and the total liabilities decreased by \$685,152 during the fiscal year. Changes in assets consist mainly of increases in Cash and Cash Equivalents of \$101,933 and Taxes Receivable of \$54,326. Changes in liabilities consist mainly of a decrease in Due to City of Santa Cruz of \$667,431, Accounts Payable of \$7,878 and Deferred Revenue of \$9,787.

II. Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The Santa Cruz Public Libraries Joint Powers Authority's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Authority's finances in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Authority's assets and liabilities, with the difference between the two reported as *net assets*.

The *statement of activities* presents information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., interest on long-term debt due but unpaid at the end of the fiscal year).

The Authority's library services function is principally supported by taxes and intergovernmental revenues, and is therefore considered a *governmental activity*. The government-wide financial statements can be found on pages 9-10 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements can be found on pages 11 and 14 of this report.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund statements focus on *near-term inflows and outflows of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Authority has one governmental fund, the general fund, which is used to account for all of its activities.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 15-25 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents a section containing *required supplementary information* which includes a budgetary comparison schedule for the general fund, to demonstrate compliance with the budget. This section can be found on pages 27-29 of this report.

III. Government-wide Financial Analysis

By far the largest portion of the Authority's net assets reflects its investment in capital assets, primarily machinery, furnishings and equipment. These assets are used to provide services to citizens; consequently, they are not available for future spending. The table below shows the components of the net assets.

**Santa Cruz Public Libraries
Net Assets
At June 30, 2010**

	2010	2009
Total assets	\$ 2,628,438	\$ 2,637,833
Current liabilities	626,106	1,313,229
Noncurrent liabilities	430,766	512,020
Total liabilities	1,056,872	1,825,249
Net assets:		
Invested in capital assets, net	1,592,338	1,713,862
Restricted		
Unrestricted	(20,772)	(901,278)
Total net assets	\$ 1,571,566	\$ 812,584

The figure in *unrestricted net assets* represents the balance in the amounts normally used to meet the Authority's ongoing obligations. At June 30, 2010, the Authority actually had a negative balance of (\$20,772) in unrestricted net assets; however, this is still a significant improvement from the negative balance of (\$901,278) in the prior fiscal year end.

Governmental Activities. All the activities of the Authority are governmental and it has no business-type activities.

Santa Cruz Public Libraries
Changes in Net Assets
 Fiscal year ended June 30, 2010

	2010	2009
General revenues:		
Sales Tax	\$ 5,383,555	\$ 5,732,239
Unrestricted Investment Earnings	(591)	4,918
Miscellaneous Revenue	45,814	37,395
Total general revenues	5,428,778	5,774,552
Program revenues	5,639,638	5,974,701
Other financing sources	525	-
Total revenues	11,068,941	11,749,253
Expenditures	10,309,959	12,686,044
Changes in net assets	758,982	(936,791)
Net assets - beginning of year	812,584	1,749,375
Net assets - end of year	\$ 1,571,566	\$ 812,584

The Authority's net assets increased by \$758,982 during the fiscal year because of the Authority's continued efforts to reduce its operating expenses.

IV. Financial Analysis of the Authority's Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. As mentioned above, such information may be useful in assessing the Authority's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the fiscal year, the Authority's general fund reported an ending fund balance of \$511,783, which is an increase of \$797,281 in comparison with the prior year amount. This increase has been possible because of the Authority's efforts to reduce operating costs, which have included employee layoffs, furloughs and less spending on books and materials. In addition, the Authority has received increased donations and assistance from the Friends of the Santa Cruz Public Library organization.

V. Budgetary Highlights

The final amended budget is more than the original budget for revenues and other financing sources by \$99,134, due to increases in Other Revenues of \$96,634, Fines and Forfeitures of \$20,000, and Intergovernmental of \$2,500, coupled with a decrease in Charges For Services of \$20,000. The final amended budget is more than the original budget for expenditures and other financing uses by \$103,134, due to increases in Services, Supplies and Other Charges of \$75,393 and Capital Outlay of \$27,741.

The actual revenues and other financing sources were less than the final amended budget by \$348,495. The actual expenditures and other financing uses were less than the final amended budget by \$688,184.

VI. Capital Asset and Debt Administration

Capital Assets. As of June 30, 2010, the Authority's investment in capital assets was \$1,592,338 (net of accumulated depreciation), which is \$121,524 less than the prior year. Increases in capital assets from the new phone system project and ongoing Felton Branch project were offset by retirements of equipment and additional accumulated depreciation.

Long-term Debt. At the end of the current fiscal year, the Authority had total long-term debt outstanding of \$512,020, which consisted of outstanding note obligations of \$120,880 and outstanding loan obligations of \$391,140. The Authority's long-term debt decreased by \$79,303 during the fiscal year due to scheduled annual repayments of outstanding debt. Additional information on the Authority's long-term debt can be found in Note 4 of this report.

VII. Economic Factors and Next Year's Budgets

Of the Authority's fiscal year 2010 revenues (excluding other financing sources), 46% came from a dedicated quarter cent sales tax approved by the voters in 1996. This tax was originally intended to sunset in 2012, but the voters approved making this quarter cent sales tax permanent in 2008. The balance of the Authority's revenues come from local contributions, property tax collected in the County unincorporated areas designated for libraries, bequest income, donations and fees and fines. Sales tax revenues are driven by the general health of the local economy. Sales tax revenue declined during fiscal year 2009-10, but is expected to hold steady in fiscal year 2010-11. Property tax collections had been strong in the past, but the drop in property values due to the poor housing market and budget transfers from the State have also had a negative impact on the library budget. In response to such declining revenues, the Authority has implemented plans to reduce its expenses, including employee layoffs, work furloughs and reductions in branch hours. The Library Joint Powers Authority Board, anticipating continued decline in the economy, is engaged in a financial planning process in which it hopes to set priorities for future library growth and spending.

VIII. Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Libraries, 117 Union Street, Santa Cruz, California, 95060.

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Santa Cruz Public Libraries
Statement of Net Assets
June 30, 2010

	Primary Government Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 135,605
Interest receivable	1,168
Taxes receivable	500,706
Accounts receivable	-
Prepaid expenses	-
Due from other governments	398,621
Total current assets	<u>1,036,100</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>1,592,338</u>
Total assets	<u>2,628,438</u>
LIABILITIES	
Current liabilities:	
Accounts payable and other current liabilities	510,687
Due to City of Santa Cruz	-
Interest payable	20,535
Deferred revenue	12,530
Deposits payable	1,100
Loans payable - current portion	40,961
Notes payable - current portion	40,293
Total current liabilities	<u>626,106</u>
Noncurrent liabilities:	
Loans payable - due in more than one year	350,179
Notes payable - due in more than one year	80,587
Total noncurrent liabilities	<u>430,766</u>
Total liabilities	<u>1,056,872</u>
NET ASSETS	
Invested in capital assets, net of related debt	1,592,338
Restricted	-
Unrestricted	<u>(20,772)</u>
Total net assets	<u>\$ 1,571,566</u>

See accompanying Notes to Basic Financial Statements.

Santa Cruz Public Libraries
Statement of Activities and Changes in Net Assets
For the year ended June 30, 2010

Functions/Programs	Expenses	Program Revenues				Total	Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions				Governmental Activities
Primary government:								
Library services	\$ 10,288,441	\$ 260,679	\$ 5,365,964	\$ 12,995	\$ 5,639,638	\$ (4,648,803)		
Interest on long-term debt (unallocated)	21,518	-	-	-	-	(21,518)		
Total primary government	\$ 10,309,959	\$ 260,679	\$ 5,365,964	\$ 12,995	\$ 5,639,638	(4,670,321)		
General Revenues:								
						5,383,555		
						(591)		
						45,814		
Other Financing Sources (Uses):								
						525		
						<u>5,429,303</u>		
						758,982		
						<u>812,584</u>		
						<u>\$ 1,571,566</u>		

See accompanying Notes to Basic Financial Statements.

Santa Cruz Public Libraries
Balance Sheet
Governmental Fund
June 30, 2010

	<u>Major Fund</u> <u>General</u>
ASSETS	
Cash and cash equivalents	\$ 135,605
Interest receivable	1,168
Taxes receivable	500,706
Accounts receivable	-
Prepaid expenses	-
Due from other governments	398,621
Total assets	\$ 1,036,100
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and other current liabilities	\$ 510,687
Due to City of Santa Cruz	-
Deferred revenue	12,530
Deposits payable	1,100
Total liabilities	524,317
Fund Balances:	
Reserved	-
Unreserved:	
Designated:	
Branch upgrades	-
Contingencies	9,459
Technology upgrades	4,780
Capital projects	471
Felton Branch	1,143
Undesignated	495,930
Total fund balance	511,783
Total liabilities and fund balance	\$ 1,036,100

See accompanying Notes to Basic Financial Statements.

Santa Cruz Public Libraries
Reconciliation of the Governmental Fund Balance Sheet
to the Government-Wide Statement of Net Assets
June 30, 2010

Total Fund Balance - Total Governmental Fund \$ 511,783

Amounts reported for governmental activities in the Statement of Net Assets were different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. The capital assets were adjusted as follows:

Infrastructure	579,683
Buildings	1,758,907
Lease Improvements	259,124
Machinery and equipment	1,617,209
Software	61,760
Construction in progress	78,918
Less accumulated depreciation	<u>(2,763,263)</u>
Total capital assets	<u>1,592,338</u>

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet. (20,535)

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

	Current Portion	Long-Term Portion	
Loans payable	\$ (40,961)	\$ (350,179)	(391,140)
Notes Payable	<u>(40,293)</u>	<u>(80,587)</u>	<u>(120,880)</u>
Total long-term liabilities	<u>\$ (81,254)</u>	<u>\$ (430,766)</u>	<u>(512,020)</u>

Net Assets of Governmental Activities \$ 1,571,566

See accompanying Notes to Basic Financial Statements.

Santa Cruz Public Libraries
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the year ended June 30, 2010

	<u>Major Fund</u> <u>General</u>
REVENUES:	
Taxes	\$ 5,383,555
Intergovernmental	5,216,027
Charges for services	14,304
Fines and forfeitures	246,375
Use of money and property	(591)
Other revenues	208,746
Total revenues	<u>11,068,416</u>
EXPENDITURES:	
Current:	
Personnel services	7,517,716
Services, supplies, and other charges	2,621,223
Debt service:	
Principal	79,303
Interest	25,440
Capital outlay	27,978
Total expenditures	<u>10,271,660</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>796,756</u>
OTHER FINANCING SOURCES (USES):	
Debt proceeds	-
Sale of surplus equipment	525
Transfers in	18,018
Transfers out	(18,018)
Total other financing sources (uses)	<u>525</u>
Net change in fund balance	797,281
FUND BALANCE:	
Beginning of year	<u>(285,498)</u>
End of year	<u>\$ 511,783</u>

See accompanying Notes to Basic Financial Statements.

Santa Cruz Public Libraries
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets
For the year ended June 30, 2010

Net Change in Fund Balance - Total Governmental Funds	\$ 797,281
Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay recorded as capital assets in the current period.	46,718
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as an expenditure.	(168,242)
Repayment of principal debt was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Assets.	79,303
Interest payable on long-term debt was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but did not require the use of current financial resources. Therefore, it was not reported as an expenditure in the governmental fund.	
Prior year interest payable	\$ 24,457
Current year interest payable	20,535
Change between prior and current year	<u>3,922</u>
Change in Net Assets of Governmental Activities	<u>\$ 758,982</u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Santa Cruz Public Libraries Joint Powers Authority (Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

A. Reporting Entity

In May 1996 the County of Santa Cruz (County), City of Santa Cruz (City), City of Watsonville, City of Capitola, and the City of Scotts Valley entered into a joint exercise of powers agreement to provide library services to their respective jurisdictions representing the entire incorporated and unincorporated areas of Santa Cruz County. On November 5, 1996, the voters approved an additional one-quarter percent increase in the sales tax to fund the library system. This revenue is collected by the County Library Financing Authority, and is subsequently passed through to the Authority. In addition to the sales tax funding, under the joint powers agreement, each entity has maintenance of effort requirements based on the respective entities' previous funding levels.

The Authority is a separate entity with a nine member board consisting of two members of the County Board of Supervisors, two members of the City of Santa Cruz City Council, one member each of the City Councils of Capitola and Scotts Valley, and three at-large citizens appointed by the Board. The City of Santa Cruz (the City) administers the library system. All library employees are employees of the City and have the same benefits and retirement programs as all other City employees.

B. Basis of Accounting and Measurement Focus

The accounts of the Authority are organized on the basis of funds. Each fund is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Authority uses only one fund, General Fund, to record the results of its operations.

Government-Wide Financial Statements

The Authority's government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of governmental activities for the Authority.

The basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Authority's assets and liabilities, including capital assets and related infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Certain types of transactions are reported as program revenues for the Authority in three categories:

- Charges for services (including fines and forfeitures)
- Operating grants and contributions
- Capital grants and contributions

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance for all governmental funds aggregated. The Authority presented one major governmental fund.

The governmental fund is accounted for on a spending or "current financial resources" measurement focus. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balance presents increases (revenues and other financial sources) and decreases (expenditures and other financial uses) in fund balance.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on general long-term obligations, which is recorded when due, are recorded when they are expected to be liquidated with expendable available resources.

Deferred revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the balance sheet and revenue is recognized.

Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

C. Use of Restricted/Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Authority's policy is to apply restricted net assets first.

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Cash and Cash Equivalents

The Authority's cash is pooled with that of the City.

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The cash balance in the pooled accounts is available to meet current operating requirements of the Authority. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. The Authority's cash is deposited in the City's internal investment pool, which is reported at fair value. Interest income is allocated on the basis of average cash balances. Investment policies and associated risk factors applicable to the Authority are those of the City and are included in the City's basic financial statements.

The investments made by the City are limited to those allowable under State Statutes and include the following types of investments:

Certificates of Deposit	Government Agency Securities
Bankers Acceptances	Treasury Bill and Notes
Medium term Notes	Passbook savings accounts
Repurchase Agreements	State of California Local Agency Investment Fund (LAIF)

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2010, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2010, the City had pooled cash and investment in LAIF, which had invested 3.63% of the pool investment funds in structured notes and asset-backed securities as compared to 14.71% in the prior year. As of June 30, 2010 the LAIF fair value factor of 1.001643776 was used to calculate the fair values of the investments in LAIF.

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Capital Assets

Government-Wide Financial Statements

Capital assets are defined by the Authority as assets having an estimated useful life in excess of one year, and an initial individual cost as follows, depending on the asset type:

Infrastructure	\$ 25,000
Buildings and lease improvements	10,000
Machinery and equipment	5,000
Software (if qualified)	5,000

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated. Assets acquired under capital leases are capitalized in accordance with generally accepted accounting principles. Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's useful life are not capitalized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Infrastructure	5-100 Years
Buildings and lease improvements	15-50 Years
Machinery and equipment	5-20 Years
Software	5 Years

Fund Financial Statements

The fund financial statements do not present capital assets. Consequently, capital assets are presented as reconciling items in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

F. Interest Payable

In the Government-Wide Financial Statements, interest payable on long-term debt is recognized as the liability is incurred. Interest payable is not presented in the fund financial statements because the fund financial statements do not present liabilities related to long-term debt.

G. Long-Term Debt

Government-Wide Financial Statements - Long-term debt and other long-term obligations are reported as liabilities in the appropriate activities.

Fund Financial Statements - The fund financial statements do not present long-term debt. Consequently, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Net Assets

In the Government-Wide Financial Statements, net assets may be classified in the following categories:

Invested in Capital Assets, net of Related Debt - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets - This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Assets - This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

I. Fund Balances

In the Fund Financial Statements, the General Fund reports reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balances represent tentative management plans that are subject to change.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

2. CASH AND INVESTMENTS

The Authority had the following cash and investments at June 30, 2010:

Cash and Investments	<u>\$ 135,605</u>
----------------------	-------------------

The Authority's funds are pooled with the City's cash and investments in order to generate optimum interest income. The information required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, related to authorized investments, interest rate risk, credit rate risk, custodial credit risk, and concentration risk is available in the basic financial statements of the City.

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

3. CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2010 the Authority's capital assets consisted of the following:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Non-depreciable assets:				
Construction In Progress	\$ 52,613	\$ 26,305	\$ -	\$ 78,918
Total non-depreciable assets	52,613	26,305	-	78,918
Depreciable assets:				
Infrastructure	579,683	-	-	579,683
Buildings	1,758,907	-	-	1,758,907
Lease improvements	259,124	-	-	259,124
Machinery and equipment	1,628,319	20,413	(31,523)	1,617,209
Software	61,760	-	-	61,760
Total depreciable assets, at cost	4,287,793	20,413	(31,523)	4,276,683
Total capital assets	4,340,406	46,718	(31,523)	4,355,601
Less accumulated depreciation:				
Infrastructure	(164,848)	(26,522)	-	(191,370)
Buildings	(765,044)	(88,403)	-	(853,447)
Lease improvements	(163,049)	(15,171)	-	(178,220)
Machinery and equipment	(1,471,843)	(38,146)	31,523	(1,478,466)
Software	(61,760)	-	-	(61,760)
Total accumulated depreciation	(2,626,544)	(168,242)	31,523	(2,763,263)
Total capital assets, net	\$ 1,713,862	\$ (121,524)	\$ -	\$ 1,592,338

Purchases of books are recorded as expenditures when acquired and are not included in capital assets.

Depreciation expense of the governmental activities for the year ended June 30, 2010 was \$168,242.

B. Fund Financial Statements

The fund financial statements do not present general government capital assets. Consequently, capital assets are shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

4. LONG-TERM DEBT

A summary of long-term debt transactions for the year ended June 30, 2010, is as follows:

Description	Balance			Balance June 30, 2010	Classification	
	July 1, 2009	Additions	Deletions		Due within one year	Due in more than one year
City of Santa Cruz Loan	\$ 430,150	\$ -	\$ (39,010)	\$ 391,140	\$ 40,961	\$ 350,179
2004 Library Debt to County	161,173	-	(40,293)	120,880	40,293	80,587
Total	\$ 591,323	\$ -	\$ (79,303)	\$ 512,020	\$ 81,254	\$ 430,766

City of Santa Cruz Loan

In September of 2008, the Authority executed a loan agreement with the City for \$467,303 related to the costs of the Authority's tenant improvements at the Union Locust building. The loan will be repaid over ten years, with an annual interest rate of 5%. The annual debt service payment on this loan is fixed at \$60,518 and payments began in January of 2009. The principal balance outstanding at June 30, 2010 was \$391,140.

The annual installment payments remaining on this loan at June 30, 2010, are as follows:

Year Ending June 30	Principal	Interest	Total
2011	\$ 40,961	\$ 19,557	\$ 60,518
2012	43,009	17,509	60,518
2013	45,159	15,359	60,518
2014	47,417	13,101	60,518
2015	49,788	10,730	60,518
2016-2018	164,806	16,748	181,554
Total	\$ 391,140	\$ 93,004	\$ 484,144

2004 Library Debt to County

On April 26, 2004, the Authority entered into an agreement with the County to repay an overpayment received due to a distribution error from the County. Payments began in August of 2005 and consist of fixed annual principal payments of \$40,293 plus interest. The interest rate is based upon the LAIF interest rate used by both parties and varies year to year. The interest portion listed below is estimated based on the LAIF rate used for 2010. The principal balance outstanding at June 30, 2010 was \$161,173.

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

4. LONG-TERM DEBT, Continued

The annual installment payments remaining on this agreement at June 30, 2010, are as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 40,293	\$ 978	\$ 41,271
2012	40,293	652	40,945
2013	40,294	326	40,620
Total	\$ 120,880	\$ 1,956	\$ 122,836

5. RELATED PARTY TRANSACTIONS

The cities of Santa Cruz and Watsonville and the County are required to provide funding to the Santa Cruz County Library Financing Authority in accordance with the maintenance of effort agreement. The net revenues received by the County Library Financing Authority are then passed through to the Library Joint Powers Authority (Authority) and the City of Watsonville based on a prescribed formula. For fiscal year 2010, the Authority's share of the revenues is 77.49%; therefore, the Authority's share of the member contributions is as follows:

	Authority's Share (77.49%)
City of Santa Cruz	\$ 1,080,793
City of Watsonville	419,751
County of Santa Cruz	3,636,045
Total	\$ 5,136,589

6. DUE FROM OTHER GOVERNMENTS

Due from other governments represents anticipated reimbursements of expenditures incurred for library operations as follows:

	2010
County of Santa Cruz	\$ 398,422
State of California - First 5 Grant	199
Total	\$ 398,621

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

7. COMMITMENTS AND CONTINGENCIES

A. Commitments

As of June 30, 2010, the Authority had the following commitments:

<u>Project/Service</u>	<u>Amount</u>
Architectural services for the proposed Felton branch replacement	\$ 21,160
Consultant services for the open software (ILS) project	10,000
Consultant services for the VoIP phone system	10,410
Consultant services for the e-rate and ctf credits on telecommunications	5,500
	<u>\$ 47,070</u>

B. Contingencies

In the opinion of Authority's management, there were no additional outstanding matters that would have a significant effect on the financial position of the operations of the Authority at June 30, 2010.

8. RETIREMENT PLANS

Pension Plan

Authority's employees are covered under the City's participation in the State of California's Public Employees Retirement System (PERS).

The City contributes to PERS, an agent multiple-employer public employee retirement system, that acts as a common investment and administrative agency for participating public entities within the State of California.

The benefit provisions and all other requirements are established by State statute and City ordinance.

The Authority assumes its share of pension costs based upon rates established by PERS for the City's general employees. No separate pension benefit obligation is calculated for the Authority; accordingly, no obligation is presented herein. Further information regarding the City's participation in PERS may be found in the City's basic financial statements.

9. OTHER REQUIRED FUND DISCLOSURES

A. Deficit in Unrestricted Net Assets

At June 30, 2010, the Governmental Activities had a deficit in unrestricted net assets:

Governmental Activities	<u>\$ (20,772)</u>
-------------------------	--------------------

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

The deficit in the Governmental Activities represents the residual balance of the deficit that first occurred in fiscal year 2009. At that time, the deficit was \$(901,278). Since then, the Authority has worked toward improving its financial condition, mainly through cost reduction measures, such as layoffs, furloughs and reduced books and materials purchases. These efforts have enabled the Authority to reduce its deficit balance from \$(901,278) down to \$(20,772) in fiscal year 2010. It is anticipated that the Authority will end fiscal year 2011 with a positive balance.

10. AUTHORITY'S FINANCIAL CONDITION

At June 30, 2010, the Authority had a deficit unrestricted net assets of (\$20,772), a decrease in the deficit of \$880,506 from the prior year on the Government-Wide Financial Statements, and a surplus fund balance of \$511,783, an increase of \$797,281 from the prior year deficit balance on the Fund Financial Statements.

The following is the three year trend information of financial condition of the Authority:

Government-Wide Financial Statements

	Total Net Assets (Deficit)	Change \$	Unrestricted Net Assets	Change \$	Change in Net Assets	Change \$
2008	\$ 1,749,375		\$ 195,616		\$ (898,861)	
2009	812,584	\$ (936,791)	(901,278)	\$ (1,096,894)	(936,791)	\$ (37,930)
2010	1,571,566	\$ 758,982	(20,772)	\$ 880,506	758,982	\$ 1,695,773

Fund Financial Statements

	Total Fund Balance (Deficit)	Change \$
2008	\$ 406,668	
2009	(285,498)	\$ (692,166)
2010	511,783	\$ 797,281

The Authority has improved its financial condition significantly from the prior fiscal year. Whereas fiscal year 2009 saw a huge drop in the Authority's total net assets of \$936,791, fiscal year 2010 saw an increase of \$758,982 in total net assets. Similarly, whereas the Authority had a decrease in the fund balance of \$692,166 for fiscal year 2009, it saw an increase of \$797,281 for fiscal year 2010. This improvement in net assets and fund balances reduces the uncertainties regarding the Authority's ability to conduct future operations.

Per Management, during fiscal 2009-10, the Authority continued certain procedures to improve its fund balance, including reductions in operating expenses which are anticipated to continue for the next few years.

Management estimates that the Authority will also end fiscal year 2010-11 with a positive fund balance based on its current budget. Per Management, the Authority is not anticipating that revenues will increase significantly in fiscal year 2010-11; however, according to Management, the Authority has taken steps to contain expenses and this action is expected to improve the Authority's financial condition.

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REQUIRED SUPPLEMENTARY INFORMATION

Santa Cruz Public Libraries
Required Supplementary Information
For the year ended June 30, 2010

1. BUDGETARY BASIS OF ACCOUNTING

An annual budget is adopted by the Authority on or before June 30 for the fiscal year beginning July 1. The annual budget process begins in February with a public hearing, at which time the Board considers service and budget priorities for the following year. The Director of Libraries then prepares a proposed budget, based upon the service priorities and revenue estimates. The proposed budget is made available to the public for review prior to a public hearing in May of each year. At this hearing, the Board can request supplemental information from the Director of Libraries. This supplemental information, plus an update on available financing for the Library System is presented to the Board for review prior to final budget adoption.

Administratively, the Authority's budget is managed under the policies and procedures of the City. The Director of Libraries is authorized to approve appropriation transfers up to a specified amount; however, any new appropriation requires approval by the Authority Board. Several supplemental appropriations that were necessary during the year are reflected in the final budgeted amounts. Expenditures may not legally exceed appropriations at the department level.

All annual operating appropriations lapse at fiscal year end, except for amounts legally encumbered at year end. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in governmental fund types. Encumbrances outstanding at year-end are reported as reservation of fund balances since they do not constitute expenditures or liabilities, and re-appropriations in the subsequent year provide authority to complete these transactions as expenditures.

In addition, project-length (or non-lapsing) budgets are adopted for capital improvements and other projects, and grant-funded projects or programs that may not be completed within the fiscal year during which the budget appropriation for the project or program originates. Under these circumstances, the appropriation continues until project or program completion, or unless the appropriation is subsequently amended or rescinded by the Authority Board.

Budgets are adopted each year for the General Fund. This budget is prepared on a basis consistent with GAAP.

Santa Cruz Public Libraries
 Required Supplementary Information
 For the year ended June 30, 2010

Budgetary Comparison Schedule, General Fund

	Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 5,612,255	\$ 5,612,255	\$ 5,383,555	\$ (228,700)
Intergovernmental	5,251,531	5,254,031	5,216,027	(38,004)
Charges for services	38,890	18,890	14,304	(4,586)
Fines and forfeitures	320,000	340,000	246,375	(93,625)
Use of money and property	3,871	3,871	(591)	(4,462)
Other revenues	91,755	188,389	208,746	20,357
Total revenues	11,318,302	11,417,436	11,068,416	(349,020)
EXPENDITURES:				
Current:				
Personnel services	7,549,316	7,549,316	7,517,716	31,600
Services, supplies, and other charges	3,196,089	3,271,228	2,621,223	650,005
Debt service:				
Principal	79,315	79,315	79,303	12
Interest	50,008	50,008	25,440	24,568
Capital outlay	-	27,995	27,978	17
Total expenditures	10,874,728	10,977,862	10,271,660	706,202
REVENUES OVER (UNDER) EXPENDITURES	443,574	439,574	796,756	357,182
OTHER FINANCING SOURCES (USES):				
Sale of surplus equipment	-	-	525	525
Transfers in	-	18,018	18,018	-
Transfers out	-	-	(18,018)	(18,018)
Total other financing sources (uses)	-	18,018	525	(17,493)
NET CHANGE IN FUND BALANCE	443,574	457,592	797,281	339,689
BUDGETARY FUND BALANCES:				
Beginning of year	(285,498)	(285,498)	(285,498)	-
End of year	\$ 158,076	\$ 172,094	\$ 511,783	\$ 339,689

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SUPPLEMENTARY INFORMATION

Santa Cruz Public Libraries
Combining Balance Sheet
Library Operating Funds*
June 30, 2010

	Library Operating Funds					Total Library Operating Funds
	Library JPA Operating	Contingency Reserve	Technology Reserve	Capital Projects Reserve	Felton Branch Reserve	
ASSETS						
Cash and cash equivalents	\$ 119,794	\$ 9,434	\$ 4,767	\$ 470	\$ 1,140	\$ 135,605
Interest receivable	1,126	25	13	1	3	1,168
Taxes receivable	500,706	-	-	-	-	500,706
Accounts receivable	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Due from other governments	398,621	-	-	-	-	398,621
Total assets	\$ 1,020,247	\$ 9,459	\$ 4,780	\$ 471	\$ 1,143	\$ 1,036,100
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and other current liabilities	\$ 510,687	\$ -	\$ -	\$ -	\$ -	510,687
Due to City of Santa Cruz	-	-	-	-	-	-
Deferred revenue	12,530	-	-	-	-	12,530
Deposits payable	1,100	-	-	-	-	1,100
Total liabilities	524,317	-	-	-	-	524,317
Fund Balances:						
Reserved	-	-	-	-	-	-
Unreserved:						
Designated:						
Contingencies	-	9,459	-	-	-	9,459
Technology upgrades	-	-	4,780	-	-	4,780
Capital projects	-	-	-	471	-	471
Felton Branch	-	-	-	-	1,143	1,143
Undesignated	495,930	-	-	-	-	495,930
Total fund balances	495,930	9,459	4,780	471	1,143	511,783
Total liabilities and fund balances	\$ 1,020,247	\$ 9,459	\$ 4,780	\$ 471	\$ 1,143	\$ 1,036,100

*The "Library Operating Funds" constitute sub-funds of the General Fund of the Santa Cruz Public Libraries Joint Powers Authority.

Santa Cruz Public Libraries
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Library Operating Funds*
For the year ended June 30, 2010

	Library Operating Funds					Total Library Operating Funds
	Library JPA Operating	Contingency Reserve	Technology Reserve	Capital Projects Reserve	Felton Branch Reserve	
REVENUES:						
Sales and use tax	\$ 5,383,555	\$ -	\$ -	\$ -	\$ -	5,383,555
Charges for services	12,099	-	-	-	-	12,099
Federal grants	5,667	-	-	-	-	5,667
State grants	76,212	-	-	-	-	76,212
Maintenance of effort	5,134,148	-	-	-	-	5,134,148
Room rentals	2,116	-	-	-	-	2,116
Interlibrary loan charges	89	-	-	-	-	89
Fines and forfeitures	246,375	-	-	-	-	246,375
Investment income	(555)	114	58	(18)	(190)	(591)
Contributions and donations	143,477	-	-	-	-	143,477
From private trusts	19,455	-	-	-	-	19,455
Other miscellaneous revenues	45,814	-	-	-	-	45,814
Total revenues	11,068,452	114	58	(18)	(190)	11,068,416
EXPENDITURES:						
Current:						
Personnel services	7,517,716	-	-	-	-	7,517,716
Services, supplies, and other charges	2,621,223	-	-	-	-	2,621,223
Debt service:						
Principal	79,303	-	-	-	-	79,303
Interest	25,440	-	-	-	-	25,440
Capital outlay	27,978	-	-	-	-	27,978
Total expenditures	10,271,660	-	-	-	-	10,271,660
REVENUES OVER (UNDER) EXPENDITURES	796,792	114	58	(18)	(190)	796,756
OTHER FINANCING SOURCES (USES):						
Sale of surplus equipment	525	-	-	-	-	525
Transfers in	18,018	-	-	-	-	18,018
Transfers out	-	-	-	-	(18,018)	(18,018)
Total other financing sources (uses)	18,543	-	-	-	(18,018)	525
Net change in fund balances	815,335	114	58	(18)	(18,208)	797,281
FUND BALANCES:						
Beginning of year	(319,405)	9,345	4,722	489	19,351	(285,498)
End of year	\$ 495,930	\$ 9,459	\$ 4,780	\$ 471	\$ 1,143	511,783

*The "Library Operating Funds" constitute sub-funds of the General Fund of the Santa Cruz Public Libraries Joint Powers Authority.

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