



LIBRARY JOINT POWERS AUTHORITY BOARD

Monday, June 11, 2012
Scotts Valley Branch Library Fireside Room
251 Kings Valley Road, Scotts Valley, CA

6:30 PM CLOSED SESSION

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

7:00 PM PUBLIC MEETING

1. ROLL CALL
2. APPROVE AGENDA OF JUNE 11, 2012
3. ORAL COMMUNICATIONS
4. MEMBER REPORTS
5. CONSENT AGENDA
 - A. Approve minutes of MAY 7, 2012 (PG.3-6)
 - B. Approve resolution accepting IMLS grant for year 3 of ILS grant (PG.7)
 - C. Approve Library Services Policy (PG.8-9)
 - D. Approve Code of Conduct Policy (PG.10)
6. FRIENDS OF THE SANTA CRUZ PUBLIC LIBRARIES REPORT
7. STAFF REPORTS

- A. Monthly Narrative Report: April/May 2012 (PG.11-20)
- B. April Statistical Reports and circ per borrower and per visitor data (PG.21-29)
- C. Financial Report: April Financials (PG.30-39)
- D. Approval of FY12/13 Budget (PG.40-51)
- E. Discussion and resolution regarding land donation for Felton Library (PG.52-61)

8. WRITTEN COMMUNICATIONS

- A. Articles about Santa Cruz and California Libraries (PG.62-72)
- B. Patron Written Comments (PG.73-74)
- C. Articles on Libraries Nation Wide (N/A)
- D. PERS Letter (PG.75-77)
- E. Santa Cruz County Letter regarding RDA distributions (PG.78-81)

9. BOARD MEETING CALENDAR

The Board will consider its current meeting schedule and may revise it as necessary.

The August meeting is canceled.

10. NEXT MEETING

The next regularly scheduled meeting is Monday, July 9, 2012 at 6:30 p.m. at the Downtown Branch Library.

11. ADJOURN

The Library Joint Powers Authority Board will adjourn from the regularly scheduled meeting of Monday, June 11 to the next regularly scheduled public meeting on Monday, July 9 at 6:30 pm in the Meeting Room of the Downtown Library.

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

SANTA CRUZ PUBLIC LIBRARIES
A CITY-COUNTY SYSTEM

LIBRARY JOINT POWERS BOARD

MINUTES

Downtown Branch Community Meeting Room
224 Church Street, Santa Cruz

May 7, 2012

6:00 PM CLOSED SESSION

6:50 PM PUBLIC MEETING

I. ROLL CALL

Present: Citizen Nancy Gerdt, Citizen Leigh Poitinger, Councilmember Katherine Beiers,
Councilmember David Terrazas, Councilmember Sam Storey, Citizen Dick English,
Supervisor Ellen Pirie, Councilmember Jim Reed, Supervisor Mark Stone

Staff: Marc Pimentel, Finance Director; Teresa Landers, Director of Libraries

II. APPROVAL OF MEETING AGENDA OF MAY 7, 2012

Councilmember Terrazas moved, seconded by Councilmember Beiers

That the Board approve the Agenda of May 7, 2012

UNAN

III. PRESENTATION: Inside/Out Art Project

Janis O'Driscoll gave a presentation on the Inside/Out Art Project.

IV. ORAL COMMUNICATIONS

Director Landers gave an update on "Food for Fines".

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V. MEMBER REPORTS

None

VI. CONSENT AGENDA

A. APPROVE MINUTES OF APRIL 9, 2012

Councilmember Beiers moved, seconded by Supervisor Pirie

That the Board approve the Minutes of April 9, 2012.

UNAN

VII. FRIENDS OF THE SANTA CRUZ PUBLIC LIBRARIES REPORT

- Friends Board member Glenda Hastings reported that the Friends are getting ready for the Book Sale on 5/25 and 5/26.
- Officers are needed for the VP and Treasurer positions.
- The Friends Bookstore at the Downtown Branch is doing well.
- A Retreat is scheduled for July with emphasis on the strategic goals for the next 3 years.

VIII. STAFF REPORTS

- A. Revised November – March Statistical Report
The Board reviewed and discussed the Statistical Report.
- B. Financial Report: March Financials
Finance Director Pimentel reviewed the March Financial Report and responded to questions from various Board members.
- C. Update on special expenditures approved in February (oral).
Director Landers reported that the back log is being reduced with the goal of a remaining 2 week back log by August. Book kits are being purchased and ebook readers have been ordered.
Director Landers reported on a successful Staff Day and the upcoming ALA conference in June.
Network migration is in process with the additional support of Cruzio and outside consultants.
- D. Follow-up to April Board Requests.
The Board discussed various points in Director Landers' follow-up report.
- E. Report on Volunteer Program.
Laura Whaley, Volunteer Coordinator, gave a general overview of the Volunteer situation. She introduced the Board to the new volunteer Database and explained the ongoing outreach and advertising efforts. Details of the report included volunteer training, statistical information on volunteer performance and absentee rates, the

creation of a formal volunteer handbook as well as the goal of formalizing the volunteer program. This includes the addition of a second Americorps volunteer. She answered numerous questions raised by Board members.

F. Preliminary FY 12/13 Budget

Finance Director Pimentel presented the FY 12/13 Projected Budget information with detailed explanations. He recommended continued discussions on the LJPB's long term reserve goals. The Board discussed the information.

Supervisor Pirie moved, seconded by Supervisor Stone

That the Board approve the preparation of the FY 2012/13 Budget with staffing for remediation and achieving open hours for all branches at a minimum of 90% of the hours set as a goal in April 2011.

AMENDMENT: Should the County change the RDA allocation method, the Board Chair shall consult with the Library Director to recommend budget revisions as deemed appropriate.

UNAN

Supervisor Pirie moved, seconded by Citizen English

That the Board approve the immediate implementation of 3 short term measures (fixes):

- 1. Using Library Aides instead of volunteers.**
- 2. Hire temporary help at the Library Assistant I level.**
- 3. Authorize additional substitute hours to cover Library Assistant II off desk time in the branches and for Programming and Reference staff.**

UNAN

IX. WRITTEN COMMUNICATIONS

- A. Articles About Santa Cruz and California Libraries
- B. Patron Written Comments (N/A)
- C. Articles on Libraries Nation Wide (N/A)

X. BOARD MEETING CALENDAR

Supervisor Stone moved, seconded by Supervisor Pirie

That the Board approve moving the next Board meeting to June 11, 2012.

UNAN

LJPB Meeting
May 7, 2012

XI. NEXT MEETING

The next regularly scheduled meeting is on Monday, June 11, 2012 at 6:30 pm at the Scotts Valley Branch Library.

XII. ADJOURN

The regular meeting adjourned at 9:15 p.m.

Respectfully submitted,

Helga Smith, Clerk of the Board

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

000006



RESOLUTION # 2012-13

**RESOLUTION OF THE SANTA CRUZ LIBRARY JOINT POWERS
AUTHORITY BOARD TRANSFERRING FUNDS AND AMENDING THE
FY 2011-2012 BUDGET TO ACCEPT A GRANT FROM THE INSTITUTE OF
MUSEUM AND LIBRARY SERVICES (IMLS)**

WHEREAS, IMLS has awarded the Santa Cruz Library System a grant for year 3 in the amount of \$26,441.88 for continued development of the new ILS.

NOW THEREFORE, BE IT RESOLVED that the Library Joint Powers Authority Board

Transfer funds and amend the FY 2011-2012 Budget in the amount of \$26,441.88 to accept the grant for the above named project.

PASSED AND ADOPTED this 11th day of June 2012 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

Policy Title: Library Services and Use

Policy Statement:

It is the mission of the Santa Cruz Public Libraries (SCPL) to enhance Santa Cruz County's quality of life by providing vibrant physical and virtual public spaces where people connect, discover, and engage the mind. All ages have the opportunity to nurture their love of reading, find diverse and relevant resources for entertainment and enrichment, and strengthen community networks. As such, SCPL is committed to providing free and equitable access to information in all of its forms, innovative tools and technologies, and learning opportunities in line with evolving community needs.

The Library does not distinguish or discriminate on the basis of age. It maintains collections and provides services that are organized to meet the different needs of children, teens, and adults. The library makes every effort to ensure that its services and collections are free to the community in order to ensure equitable access. However, the library may charge a fee for some services or reproductions of materials in the collection on a cost-recovery basis. All fees and procedures for obtaining services and reproductions will be posted on the library's website.

CONFIDENTIALITY

SCPL complies with all sections of the State of California Public Records Act (Protection of Library Circulation and Registration Records, Government Code Title 1, Division 7, Chapter 3.5). That is, all registration and circulation records of library users, including children, shall remain confidential and shall not be disclosed to any person, local, state, or federal agency except by order of the appropriate superior or federal court.

The Library also treats patron requests for reference information and records of patron internet use as confidential. Further, the Library Joint Powers Authority Board regards any inquiry about library use as an invasion of patron privacy. It prohibits staff from giving information about any library use absent a valid order from a superior or federal court. The common sense exception to this rule is when a law enforcement officer describes a situation involving immediate danger to either staff or the public.

FREEDOM OF SPEECH AND INFORMATION

The SCPL subscribes to the American Library Association's Freedom to View and Freedom to Read Statements and the Library Bill of Rights. The full text of these statements is available on the library's website:

Freedom to Read: <http://www.santacruzpl.org/policy/11/>

Freedom to View: <http://www.santacruzpl.org/policy/8/>

Library Bill of Rights: <http://www.santacruzpl.org/policy/12/>

The People's Rights:

The free speech clause of the U.S. Constitution gives people the right to say anything they want (short of shouting "Fire!" in a crowded theater) on public property, which is what all our library branches are. It also gives them the right to post notices if space has been made available for that purpose, and to solicit signatures on petitions.

However, a library is a limited public forum, and the people in charge of it are allowed to make rules for its use, provided those rules are reasonable and are equitably enforced. As such, all library users are expected to adhere to the Library Code of Conduct, which states that nobody has the right to interfere with anybody else's right to use the library. This means they may not talk in a loud voice, they may not interrupt people in the use of library materials, they may not block access or further crowd an already-crowded space (such as a lobby), and they may not impinge on the staff's use of facilities (such as bulletin boards) to meet all the peoples' information needs.

The Library's Rights:

We have the right to control the time, place, and manner that citizens exercise their right of free speech, only to the extent that their exercise impedes the operations of the library (i.e. interferes with anybody else's right to use). What this means is that we can stop people from being disruptive, from blocking access, or from interrupting people using library materials or equipment. We can limit petitioning in crowded spaces. But we cannot prevent people from standing on the steps or a path leading to a library building talking to themselves or others, so long as they do not block access.

This policy will be renewed every 3 years.

Adopted:

Updated:

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Policy Title: Library Code of Conduct

Policy Statement:

Library Code of Conduct

The library welcomes all members of the community, and asks that all visitors: respect other people's right to use the library; respect library staff; and respect library materials.

To this end, please:

- *Treat library materials and furniture with care.
- *Use beverages with lids only and away from computers.
- *Secure bicycles and other large items outside the library.
- *Bring service animals only.
- *Silence cell phones.
- *Keep personal belongings from obstructing access to library materials and spaces.
- *Note that children under 9 years must be accompanied by a person 14 years of age or older.

Library Code of Conduct violators may be asked to leave and/or photographed to assist in identification.

This policy will be reviewed every three years

Adopted: October 2010

Updated: June 2012

MONTHLY REPORT FOR APRIL/MAY 2012

1. READING, LISTENING AND VIEWING FOR PLEASURE

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

Brenda McIlroy is Uke-ing it up at LSB's Storytime! The families love to join in the songs and the children always have their own special thoughts on the stories they're hearing. The crafts are a popular part of the whole experience too.

As a result of surveys at Felton and Garfield Park, the Program team discontinued the poorly attended evening Family Storytimes at those branches and began preschool storytimes at 10:15 on Wednesdays at Garfield Park and 10:15 on Thursdays at Felton.

During the second week of April, program staff celebrated books, bookmobiles, and libraries at all storytimes and class visits in honor of National Library Week and celebrated National Poetry all month. Brenda coordinated Poem in a Pocket for all branches and program staff included poetry in all storytimes and class visits.

Brenda had a dad at one of her storytimes ask about her ukulele. The next time he came he brought his own and played along with her and did the solo accompaniment for the Hokey Pokey. It's great to have dads participate with their little ones.

Branciforte branch continues to have four school classes come in on Tuesday's from the Santa Cruz Children's School. They are a lovely group.

Kari Gunn of the programming team gave a tour of the Boulder Creek branch to two kindergarten classes from Boulder Creek Elementary School.

Brenda McIlroy and Valerie Murphy have been in the Storytime spotlight at La Selva Beach this month. Their stories and songs entertain and also encourage families with pre-schoolers to step into the wonderful world of books!

Live Oak Branch was host to 5 class visits in May. Led by Programming or Reference staff, children enjoyed a story time and help finding books to check out.

Kari Gunn's Toddler Story Time is a popular program at the Live Oak Branch. Children participate in the story time with stories, songs, and movement activities. Parents and children also have plenty of time for playtime interactions using a variety of carefully selected toys.

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.

Capitola branch has continued to re-organize the shelves to highlight materials of interest that have not circulated as well as might be expected. There are intra-shelf displays both in non-fiction and fiction where-in interesting titles are spotlighted, as well as a new area for Adult Graphic novels and Playaways. The children's books on CD collection has a new home in a carousel rack along with DVDs and music CDs and this has already increased circulation. The adult Large Print titles have also been moved to allow for easier greater visibility as well as accessibility.

Capitola celebrated National Poetry Month with a display of poetry books by local authors as well as those more world renowned. The display features both adult and children's titles and has been quite popular. A young volunteer (and friends) decorated book pockets, filled them with pocket poems and affixed them to areas throughout the library as well as secreting a few within books.

The Joy of Poetry was celebrated at the Scotts Valley branch with a displays of poems and poetry books, ready to go poems for your pocket, a program celebrating the poetry and prose of Patricia Hernan Grube and a Community Poetry Circle with Magdalena Montagne.

In celebration of poetry month, Marilyn R. created a poetry display in the Felton branch's display case. In addition to showcasing poems written by famous poets, the display also included a space for people to post their own poems.

BC celebrated National Poetry Month (April) and Poem in Your Pocket Day (April 26) by inviting patrons to take printed out poems with them to share with family and friends. Many of the poems were distributed by Brenda in Programming.

La Selva Beach had a display in April to honor the life and work of Adrienne Rich. The display included a selection of her poetry and articles about her written in local papers. We also had a display of poetry in the kids' room to keep with the theme of National Poetry Month. Poems in a Pocket were a festive addition to both displays

Due to the vast popularity of the Play and Learn Module on loan from Rancho Cucamonga Libraries, which contains a sandbox as well as a play table, the staff at Capitola had to make a request for a refill of moon sand, (special sand that has clay like attributes). Fortunately, Rancho Cucamonga was quick to respond so a riot by some of our smaller patrons was avoided.

This month Branciforte had adult and children's book displays for Spring. We also put up book displays in the children's area for Mother's Day, Latino Culture and a special display commemorating the artistry of Maurice Sendak.

La Selva Beach acknowledged the loss of Maurice Sendak this month with a display of his work as both author and illustrator. We also created displays to honor mothers for Mother's Day and Veterans for Memorial Day.

Garfield Park's Library Aide created a display for National Photography month with books on photography and collections of photographs. To go along with this were photos of animals that the public could vote on as to which was the best picture. There was a French Bull dog, a kitten, a mouse and a rabbit. The public enjoyed casting their votes and the winner was the kitten and in close second the rabbit.

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

Stickers have been added to the magazine plastic covers informing people that the current issues are not to be checked out.

2. LIFELONG LEARNING

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

Paula Turpenen has started cataloging the YA Book Discussion Kits. Jeanne cataloged 4 new Read to Me Tender Topics kits with books that were ordered from the library budget. More kits will be coming in the next few weeks.

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.

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.

Jim Tarjan, Jennifer Cockerill and Valerie Murphy have been delivering very helpful and informative hands-on workshops on E-Readers in La Selva Beach, Downtown and Live Oak. With staff help, workshop participants were successful in navigating the often-times confusing and frustrating process of downloading E-books. Those attending learned how to received individual help on using various eReader devices. Everyone who attended has been very appreciative that these classes are being offered by the Santa Cruz Public Library.

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.

Jeanne, Brenda, Dave, and Eric celebrated National Bookmobile Day at the bookmobile's newest stop - Seacliff Highlands in Aptos. A group of 30 adults and kids came to the bookmobile, enjoyed treats, and colored and made miniature paper bookmobiles. Some

will be displayed on our bookmobile throughout the year. Children look forward to seeing their art when they come aboard to get books.

Jeanne and Brenda met with Jennifer Robinson, the county coordinator for Raising a Reader (RAR). She has been very helpful in coordinating class visits to the library when the children

receive their RAR book bag as well as their first library card. Program staff did 8 RAR library visits this month with more scheduled for May. That is at least 100 new library users. In addition, some parents received library cards along with their children.

The Food for Fines Amnesty Event was held during National Library Week at all of the branches. For each item of food donated, the library forgave \$1.00 in overdue fines or other charges.

Over \$1,000 in fines were waived with Second Harvest benefiting from this event.

At the invitation of the Friends of the Felton Library, the Felton PIC read one of his favorite poems at the 8th Annual San Lorenzo Valley Poetry Reading. The event featured David Swanger, Santa Cruz County's Poet Laureate, as well as local poets of all ages who read poems they had composed around the theme of "taking a stand."

B. People will strengthen their ties with each other, the community and the library.

Two adult book discussion groups meet at the La Selva Beach Branch every month. In April, one of the groups ambitiously chose to read and discuss three books on the theme of The Internment of Japanese-Americans during WWII. Two of the books, "The Buddha in the Attic" and "When the Emperor was Divine" were written by Julie Otsuka. The third book was "Farewell to Manzanar" by Jeanne Wakatsuki Houston. The discussion sparked by the books was animated and thought-provoking for the 11 group members present that day. One of the members, in conjunction with SCPL, has arranged to have Mas Hashimoto, a retired Watsonville High School U.S. History Teacher and respected speaker give a presentation titled: *The Japanese American Experience: The Internment* at the La Selva Beach Clubhouse on June 7th. The books chosen for May were: *Death Comes to Pemberley* by P.D. James and *The Immortal Life of Henrietta Lacks* by Rebecca Skloot.

On April 14th, to celebrate National Library Week, the La Selva Beach Branch had a Book Making Craft Day. A total of 24 Moms, Dads, Grandparents, and Kids of all ages created and decorated books with collage materials, stickers, markers, and poems! This fun and successful event was led by three of our LSB Friends.

On April 21st, the La Selva Beach Branch was honored to have Amber Coverdale Sumrall, a nationally known author, lead a two-hour Poetry Writing "Playshop". Through Amber's skillful guidance, eleven participants let their creativity soar.

The Downtown Book Discussion Group will read "Buddha in the Attic" in May. In April they discussed two award-winning movies, "The Artist" and "The Separation."

Live Oak was host to the first Branch Advisory Meeting for the regions of Live Oak, Capitola, and Branciforte. This meeting was the first in a series of meetings to involve an ongoing group of community members to act as an advisory group. Three members of the public attended along with Teresa Landers, Gale Farthing, Janis O'Driscoll, Jonell Jel'endra and Laura VanDerslice. The three participants had some great ideas which staff is following up on and provided excellent feedback in general.

Jeanne and Janis participated in World Book Night with Santa Cruz Writes and Bookshop Santa Cruz. Several members of Santa Cruz Writes donated their books to the library and we will continue to distribute them at outreach sites. We shared new books with the jail on our regular April visit and Jeanne gave books out at the Homeless Services Center (the Paul Lee Loft, Paige Smith, and the Rebele Family Shelter) on April 23 which was the official distribution day for World Book Night.

The month of May had a group of crafty LSB folks creating Mother's Day cards for the Moms or "Like-a-Mom" in their lives. These craft events always draw a wonderful mixture of young and old, families and singles. The Friends of the LSB Library were the charming elves were responsible for the event, but the real stars were the participants who cheerfully helped each other create masterpieces any mom would be honored to receive.

On May 19, the Scotts Valley branch celebrated its first year in their new location with a book sale and a birthday party with cake! But the highlight of the day was the arrival of ten life size paper mache animal sculptures by artist Beth Gripenstraw. The animals adorn the branch and bring to life the precious endangered species of the world for all to enjoy. As an added bonus the artist agreed to let the 4 temporary visitors become permanent.

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

Jeanne and Addie processed 84 more library card applications for Aptos High. Brings our total for Aptos High to almost 500 new or updated library cards so far with several hundred more to go. Many classes at Aptos High are now using the library website and our databases for class assignments. Cheryl Nickel, the library tech at Aptos High has been instrumental in working with the teachers, gathering completed applications, distributing new cards and teaching teachers and students about the library website and databases.

Bobbi Wolner announced her intent to retire at the end of May. She has made many contributions to Outreach and Programs during her 10 year service at SCPL. Thank you Bobbi

Branciforte branch has had a group of Homeschoolers use our study room for the past three or so months. They were preparing to go to Oregon's Shakespeare Festival. On Wednesday, the 16th, a very nice group of young people came in with a beautiful Photo/poster signed by the students, thanking us for the use of the study area. It was a pleasure!

Teresa provided the last tour of the “season” for the Friends. Tours for community members interested in learning more about what the Library can offer them and how they can help the Library will resume in the Fall with a new group of Friends providing the backup and support.

D. Volunteers will be used effectively.

As one of the mainstays of the Capitola Volunteer squadron has gone away for a 3 month leave of absence, staff is training another volunteer who currently works there to step in and take over her duties as periodicals processor. This is a vital job and Capitola is grateful to the volunteers who are willing to learn new skills to the benefit of all of us.

Storytime volunteers are wonderful when they come, but this month several volunteers have just not turned up. One volunteer came once, said he really enjoyed the experience, but couldn't come the next week because of a prior commitment. He has never come again and we have not heard from him. Another volunteer, called on the day of the storytime, making it impossible to get a replacement. We really rely on these volunteers to make the storytimes a fun early literacy experience for children and parents. Without the volunteers, branch staff is severely impacted and program staff must attend to the door when programs occur before a branch opens. This really disrupts the flow of the storytime. Over the course of a week, the volunteers impact at least 250 patrons at toddler and preschool storytimes.

Branciforte continues to have amazing volunteers helping out. The staff noticed a huge hole in our re-shelving process when two of our super shelving volunteers went on vacation. Volunteers don't get replaced when they are sick or gone on vacation. We missed them.

Boulder Creek hosted another Community Service Day for teens on May 19. Lots of tasks were completed for our branch.

The core group of volunteers at Live Oak Branch has been a great help to staff. They perform the daily pull list for requested items, process magazines, organize the bulletin board postings, water plants, sort donated books, and stock our book sale shelves. We appreciate all the time they spend helping us with many varied tasks.

4. WELCOMING PLACE

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

Capitola branch has implemented a new check in area in the previous branch manager's office to allow the aides to work in a more private space than the circulation/reference desk. This creates a more focused work space where they are less hindered by the telephone or patrons, and frees up a computer for the desk staff to utilize, as well as lessens congestion at the circulation /reference desk.

The Branciforte library had all of the trees out front cut down. The roots of one of the trees was raising the sidewalk. The raised sidewalk was removed and redone. Landscapers have been by to add bushes and fix the sprinklers in order to add grass. Part of the lanai out back was cut off to help keep people from climbing on the roof.

The La Selva Beach Branch will be undergoing a "Makeover" in the upcoming months! We'll be going from charming and welcoming to, well, even MORE charming and welcoming. Teresa Landers, Janis O'Driscoll, Gale Farthing, Sue Graziano, Melanee Barash, and LSB Friend Extraordinaire Cindy Jackson met to envision and design the new look. A very rough estimate on cost determined that the makeover will have to be done in stages and future fundraisers will be needed. Look to upcoming reports for news on our progress!

Daniel, of the library's Building Maintenance Team, has been keeping the Boulder Creek branch's grounds looking great by week-whacking, mowing, trimming, pruning, leaf blowing and much more. He even rescued a baby bird! Boulder Creek had "check up" visits from Cardiff Pest Control and George Wilson Heating with good results (no problems!). Jeff Hill came out to pump the septic holding tank. Daniel has been accomplishing a great deal of landscaping by using work release inmates. Daniel does a phenomenal job of supervising his ever changing crew while saving the Library a lot of money.

Teresa is working with the City Attorney to obtain a Temporary Restraining Order for a patron who has received two 30 day bans within the past two months. Behavior violations include drinking alcohol in the library and tearing pages out of a library magazine.

Several facilities projects are underway or recently completed. A couple may need to be completed next fiscal year:

- Improved exterior lighting Downtown
- A security fence at the rear of the building on the parking lot side Downtown to prevent sleeping in a hidden area outside staff offices.
- Soundproofing for the men's restroom at Headquarters
- New fixtures and doors for the upstairs restrooms Downtown
- Painting two hallways, the meeting room and the stair railing Downtown.
- Painting the exterior of the Downtown Branch
- Air duct cleaning in Aptos
- Tree trimming Downtown and Branciforte
- Power washing of Downtown
- Roof and sidewalk repair at Branciforte

Mold remediation will take place at Felton. This is being paid for by the Belardi Board.

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Please see the attached list of incidents that have been reported since the last Board meeting on May 7. This is in response to a Board member's inquiry about the nature of the incidents staff deal with.

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

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

5. FINANCIAL SUSTAINABILITY

A. The library system maintains a healthy and stable financial position.

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.

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

6. ORGANIZATIONAL READINESS

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

Several staff attended Ipad training offered by the City of Santa Cruz IT Department. Cathy Landis of Boulder Creek, Laura VanDerslice of Live Oak, Catherine Workman of Garfield Park and Linda Gault of Scotts Valley attended Supervisory Skills training in Hollister on May 23.

Catherine Workman will attend the Preventing workplace harassment, discrimination and retaliation training on May 31st.

The Scotts Valley Police presented a training workshop on using the Scotts Valley 911 services to the Scotts Valley and visiting reference staff. A similar session was held at the Downtown Branch in April.

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

The Felton PIC attended two classes in the City's Leadership and Employee Development training series.

Teresa was elected to a second term as Chair of the Pacific Library Partnership. She also attended Earthquake Preparedness Training as part of her responsibilities to the City of Santa Cruz and the community during a disaster.

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.

Staff Day focused on defining customer service in light of our new service model.

REPORTED INCIDENTS MAY 7-JUNE 3, 2012

Location														Police Called
Date	APT	BC	B40	CAP	DTN	FTN	GP	HQ	LSB	LO SV	Time	General Brief Description	Police Called	
05/09/12							1				3:40 PM	Hypodermic needle found	no	
05/16/12										1	2:30 PM	15 yr old patron bullied and pulled a knife on a 12 yr old patron	yes	
05/16/12					1						2:30 PM	Man threatening to throw rock through window	yes	
05/16/12					1						2:15 PM	Man threatened to "kill" patron	yes	
05/17/12					1						12:00 PM	Patron's bike stolen		
05/18/12					1						3:00 PM	Unidentified man unlocked dumpster	no	
05/20/12					1						2:00 PM	Patron with bad hygiene	no	
05/19/12					1						11:30 AM	Woman was disrobing in the women's rest room	no	
05/25/12					1						12:05 PM	Patron tearing out pages out of magazines	no	
06/01/12					1						12:00 PM	Repeat patron raiding the dumpster for books	no	
06/01/12					1						3:20 PM	Confrontation between 2 patrons	yes	
06/01/12					1						2:10 PM	Young man confided that he had been detained by gang members and was visibly scared	yes	
06/02/12					1						10:45 AM	2 patrons - verbal altercation	yes	
06/02/14					1						3:20 PM	Verbally abusive patron	no	
06/03/12					1						afternoon	Staff member's purse stolen from back office area	report filed online	

	Circulation			Visitors			Circ/Open Hr			Visitors/Open Hr		
	FY10/11	FY11/12	%change	FY10/11	FY11/12	%change	FY10/11	FY11/12	%change	FY10/11	FY11/12	%change
November												
Aptos	19,284	20,655	7%	13,913	8,659	-38%	117	125	7%	84	53	-38%
Boulder Creek	3,556	3,972	12%	2,224	1,937	-13%	39	44	12%	24	21	-13%
Branciforte	5,044	7,452	48%	4,597	4,895	6%	65	96	48%	59	63	6%
Capitola	7,516	8,307	11%	4,603	4,628	1%	79	87	11%	48	49	1%
Downtown	40,879	47,641	17%	26,840	28,005	4%	201	234	17%	132	138	4%
Felton	1,833	2,372	29%	1,025	821	-20%	28	36	29%	16	13	-20%
Garfield Park	2,052	2,392	17%	1,977	2,358	19%	26	31	17%	25	30	19%
La Selva Beach	909	1,245	37%	1,608	1,048	-35%	15	21	37%	27	17	-35%
Live Oak	13,216	13,403	1%	10,057	8,558	-15%	102	103	1%	77	66	-15%
Scotts Valley	11,622	19,068	64%	10,676	12,403	16%	79	129	64%	72	84	16%
Outreach	3,250	2,721	-16%	2,267	1,208	-47%						
Subtotal	109,161	129,228	18%	79,787	74,520	-7%	750	906	21%	565	533	-6%
online renewals												
ebooks												
e-audio												
TOTAL	109,161	129,228	18%	79,787	74,520	-7%	750	906	21%	565	533	-6%
website hits	350,443	416,930	19%	101,784	105,162	3%						
December												
Aptos	16,442	20,468	24%	8,924	7,963	-11%	100	124	24%	54	48	-11%
Boulder Creek	3,206	3,224	1%	1,893	1,517	-20%	35	35	1%	21	17	-20%
Branciforte	4,679	6,737	44%	4,465	4,095	-8%	60	86	44%	57	53	-8%
Capitola	5,684	8,389	48%	3,957	4,591	16%	60	88	48%	42	48	16%
Downtown	37,335	46,660	25%	25,579	25,751	1%	183	229	25%	126	126	1%
Felton	1,512	2,600	72%	964	932	-3%	23	40	72%	15	14	-3%
Garfield Park	2,113	2,639	25%	2,981	2,866	-4%	27	34	25%	38	37	-4%
La Selva Beach	655	1,259	92%	1,098	1,241	13%	11	21	92%	18	20	13%
Live Oak	12,185	12,046	-1%	8,480	7,365	-13%	94	93	-1%	65	57	-13%
Scotts Valley	13,241	16,065	21%	8,118	9,176	13%	90	109	21%	55	62	13%
Outreach	2,522	2,295	-9%	1,418	1,102	-22%						
Subtotal	99,574	122,382	23%	67,877	66,589	-2%	683	859	26%	491	483	-2%
online renewals												
ebooks												
e-audio												
TOTAL	99,574	122,382	23%	67,877	66,589	-2%	683	859	26%	491	483	-2%
website hits	336,973	432,813	28%	97308	106311	9%						

	Circulation			Visitors			Circ/Open Hr			Visitors/Open Hr		
	FY10/11	FY11/12	%change	FY10/11	FY11/12	%change	FY10/11	FY11/12	%change	FY10/11	FY11/12	%change
January												
Aptos	19,197	23,695	23%	11,330	10,317	-9%	117	135	15%	69	59	-15%
Boulder Creek	3,457	4,181	21%	2,089	2,272	9%	38	35	-7%	23	19	-16%
Branciforte	5,203	8,914	71%	4,964	5,842	18%	67	74	11%	64	49	-24%
Capitola	7,827	9,436	21%	5,669	5,440	-4%	82	68	-17%	59	39	-34%
Downtown	43,908	53,475	22%	31,819	31,902	0%	216	248	15%	156	148	-5%
Felton	1,736	2,826	63%	1,071	1,587	48%	27	34	26%	16	19	15%
Garfield Park	2,173	2,954	36%	2,647	2,688	2%	28	37	33%	34	34	-1%
La Selva Beach	1,018	1,521	49%	1,141	1,547	36%	17	18	8%	19	18	-2%
Live Oak	14,161	13,598	-4%	10,761	8,493	-21%	109	116	7%	83	73	-12%
Scotts Valley	14,863	20,818	40%	10,114	14,760	46%	101	118	17%	69	84	22%
Outreach	2,808	2,917	4%	1,824	1,370	-25%						
Subtotal	116,351	144,335	24%	83,419	86,218	3%	800	883	10%	592	541	-9%
online <input type="checkbox"/> renewals												
ebooks												
e-audio												
TOTAL	116,351	144,335	24%	83,419	86,218	3%	800	883	10%	592	541	-9%
website hits	383,365	527,072	37%	109,903	127,092	16%						
February												
Aptos	18,092	22,640	25%	11,009	10,800	-2%	110	129	17%	67	61	-8%
Boulder Creek	3,069	4,547	48%	2,082	2,934	41%	34	39	14%	23	25	9%
Branciforte	5,582	8,289	48%	5,331	6,913	30%	72	70	-2%	68	59	-14%
Capitola	7,683	9,271	21%	5,409	5,964	10%	81	66	-18%	57	42	-25%
Downtown	38,804	49,729	28%	28,353	33,503	18%	191	230	21%	139	155	11%
Felton	1,650	2,520	53%	1,286	1,744	36%	25	30	18%	20	21	5%
Garfield Park	2,067	2,929	42%	2,785	2,780	0%	27	37	38%	36	35	-3%
La Selva Beach	1,014	1,335	32%	1,286	1,851	44%	17	16	-5%	21	22	4%
Live Oak	12,409	12,420	0%	9,602	9,024	-6%	95	104	8%	74	75	2%
Scotts Valley	13,923	19,913	43%	9,918	13,485	36%	95	113	20%	67	77	14%
Outreach	2,885	2,633	-9%	1,559	1,232	-21%						
Subtotal	107,178	136,226	27%	78,620	90,230	15%	745	833	12%	572	572	0%
online <input type="checkbox"/> renewals												
ebooks												
e-audio												
TOTAL	107,178	136,226	27%	78,620	90,230	15%	745	833	12%	572	572	0%
website hits	351,525	512,433	46%	101,444	122,298	21%						

May	Circulation			Visitors			Circ/Opn Hr			Visitors/Opn Hr		
	FY10/11	FY11/12	%change	FY10/11	FY11/12	%change	FY10/11	FY11/12	%change	FY10/11	FY11/12	%change
Aptos	15,617	22,903	47%	11,001	12,242	11%	95	117	23%	67	62	-7%
Boulder Creek	3,074	4,371	42%	2,236	2,760	23%	34	34	1%	25	22	-12%
Branciforte	5,075	8,011	58%	5,300	7,049	33%	65	64	-2%	68	56	-18%
Capitola	7,270	9,065	25%	4,605	4,995	8%	76	60	-21%	48	33	-31%
Downtown	39,647	46,345	17%	30,087	33,658	12%	195	194	0%	148	141	-6%
Felton	2,122	2,169	2%	1,359	1,553	14%	33	24	-28%	21	17	-19%
Garfield Park	1,875	3,224	72%	2,202	2,888	31%	24	37	52%	28	33	16%
La Selva Beach	1,023	1,541	51%	1,282	2,034	59%	17	17	-1%	21	22	5%
Live Oak	13,706	14,729	7%	10,740	9,570	-11%	105	118	12%	83	77	-7%
Scotts Valley	10,295	22,668	120%	8,726	15,759	81%	70	116	66%	59	80	36%
Outreach	2,674	3,192	19%	1,282	1,436	12%						
Subtotal	102,378	138,218	35%	78,820	93,944	19%	713	779	9%	567	543	-4%
online <input type="checkbox"/> renewals												
ebooks												
e-audio												
TOTAL	102,378	138,218	35%	78,820	93,944	19%	713	779	9%	567	543	-4%
website hits	371,521	508,538	37%	110,810	126,348	14%						

CIRCULATION PER VISITOR AND PER BORROWER

CIRCULATION PER BORROWER CALIFORNIA LIBRARY COMPARISONS

LOCATION	CIRC/ BORROWER
CONTRA COSTA COUNTY LIBRARY	14.6
FRESNO COUNTY PUBLIC LIBRARY	13.3
MONTEREY COUNTY FREE LIBRARIES	6.2
SAN LUIS OBISPO CITY-COUNTY LIBRARY	23.8
SAN MATEO COUNTY LIBRARY	23.0
SANTA BARBARA PUBLIC LIBRARY	9.3
SANTA CRUZ LIBRARIES	18.7
SONOMA COUNTY LIBRARY	13.9
WATSONVILLE PUBLIC LIBRARY	6.9
MEAN	14.42
MEDIAN	13.87

CIRCULATION PER BORROWER NATIONWIDE LIBRARY COMPARISONS

LOCATION	CIRC/ BORROWER
WEBER COUNTY PUBLIC LIBRARY	18.16
BOISE PUBLIC LIBRARY	20.8
SASKATOON PUBLIC LIBRARY	14.87
ARLINGTON PUBLIC LIBRARY SYSTEM	14.10
ARAPAHOE LIBRARY DISTRICT	18.71
SANTA CRUZ LIBRARIES	16.08
SPOKANE PUBLIC LIBRARY	19.62
HUNTINGTON BEACH LIBRARY	7.92
IRVING PUBLIC LIBRARY	5.79
CHATTahoochee VALLEY REGIONAL LIBF	8.36
BROOME COUNTY PUBLIC LIBRARY	7.61
MEAN	13.82
MEDIAN	14.87

CIRCULATION PER VISITOR CALIFORNIA LIBRARY COMPARISONS

LOCATION	CIRC/ VISITOR
CONTRA COSTA COUNTY LIBRARY	1.7
FRESNO COUNTY PUBLIC LIBRARY	1.3
MONTEREY COUNTY FREE LIBRARIES	0.8
SAN LUIS OBISPO CITY-COUNTY LIBRARY	2.5
SAN MATEO COUNTY LIBRARY	1.8
SANTA BARBARA PUBLIC LIBRARY	1.5
SANTA CRUZ LIBRARIES	2.4
SONOMA COUNTY LIBRARY	1.2
WATSONVILLE PUBLIC LIBRARY	0.7
MEAN	1.6
MEDIAN	1.5

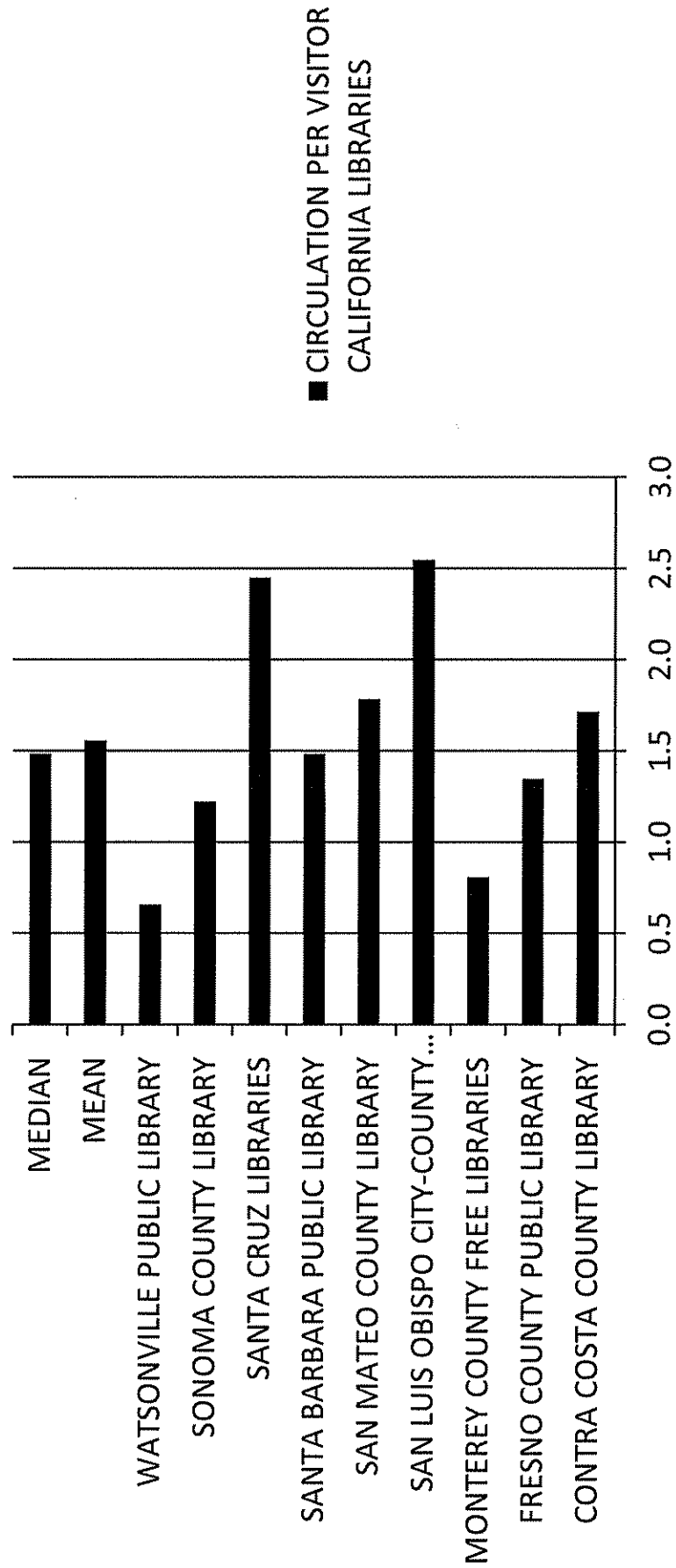
CIRCULATION PER VISITOR NATIONWIDE LIBRARY COMPARISONS

LOCATION	CIRC/ VISIT
WEBER COUNTY PUBLIC LIBRARY	0.94
BOISE PUBLIC LIBRARY	1.63
SASKATOON PUBLIC LIBRARY	1.29
ARLINGTON PUBLIC LIBRARY SYSTEM	1.50
ARAPAHOE LIBRARY DISTRICT	2.08
SANTA CRUZ LIBRARIES	2.09
SPOKANE PUBLIC LIBRARY	2.20
HUNTINGTON BEACH LIBRARY	1.29
IRVING PUBLIC LIBRARY	1.43
CHATTahoochee VALLEY REGIONAL LIBF	1.60
BROOME COUNTY PUBLIC LIBRARY	1.11
MEAN	1.56
MEDIAN	1.50

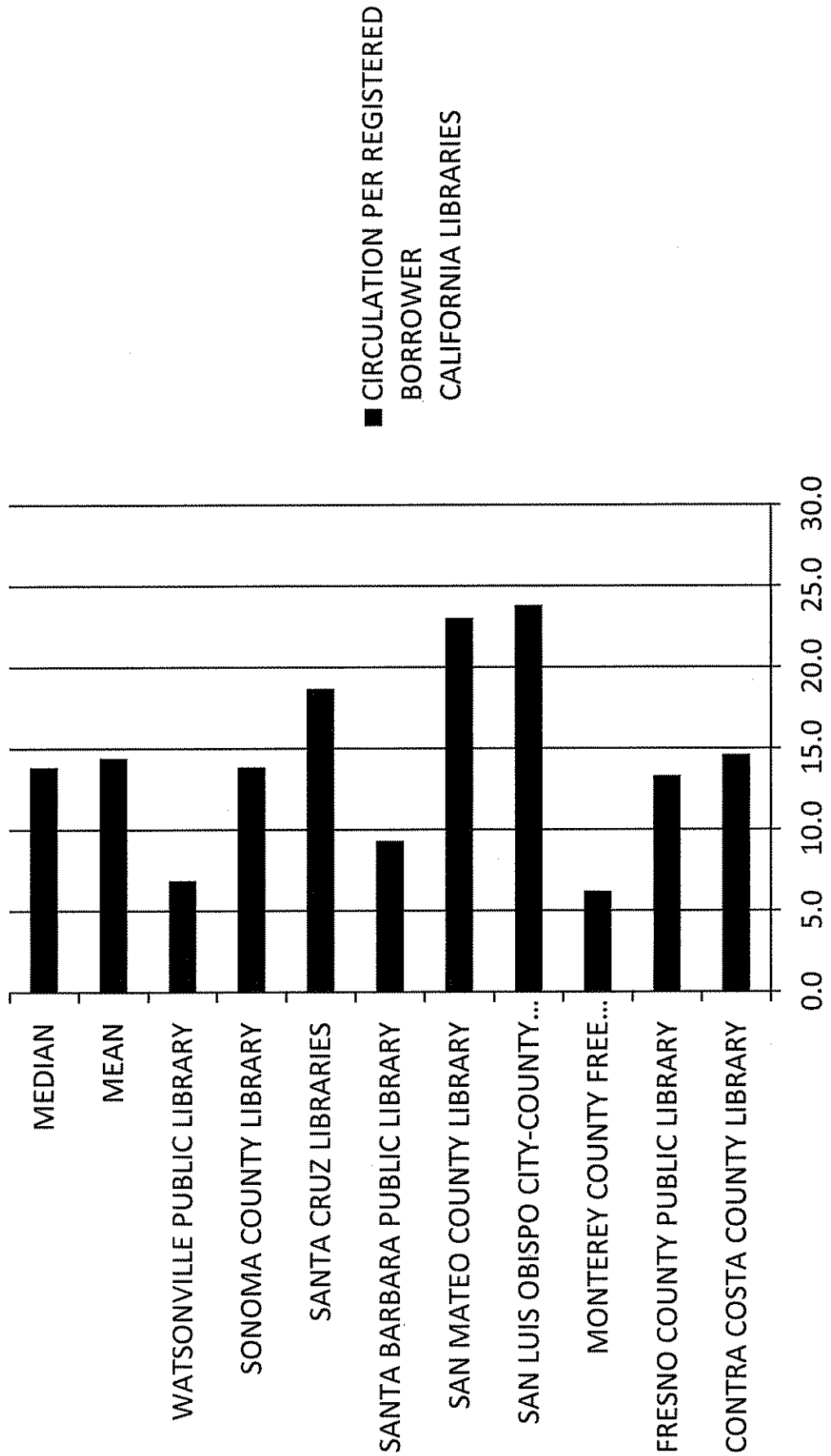
California Data: California Library Statistics 2009/2010
 National Data: Public Library Data Service 2010/2011

Santa Cruz PL Circ/Visitor **Jan-March 2012** **Jan-March 2011**
 Downtown 1.53 1.34
 System Overall (not including Downtown) 1.62 1.42

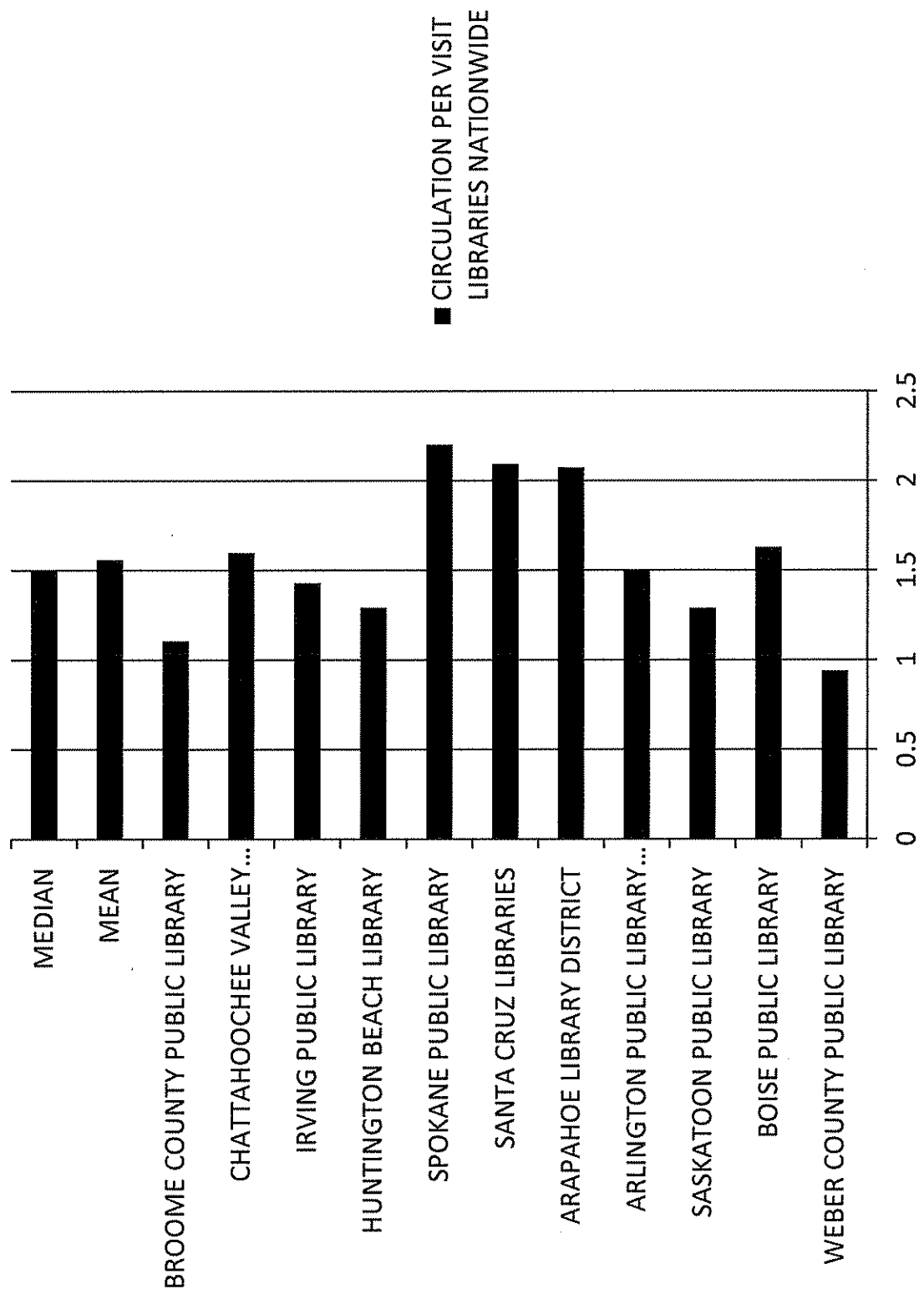
CIRCULATION PER VISITOR CALIFORNIA LIBRARIES



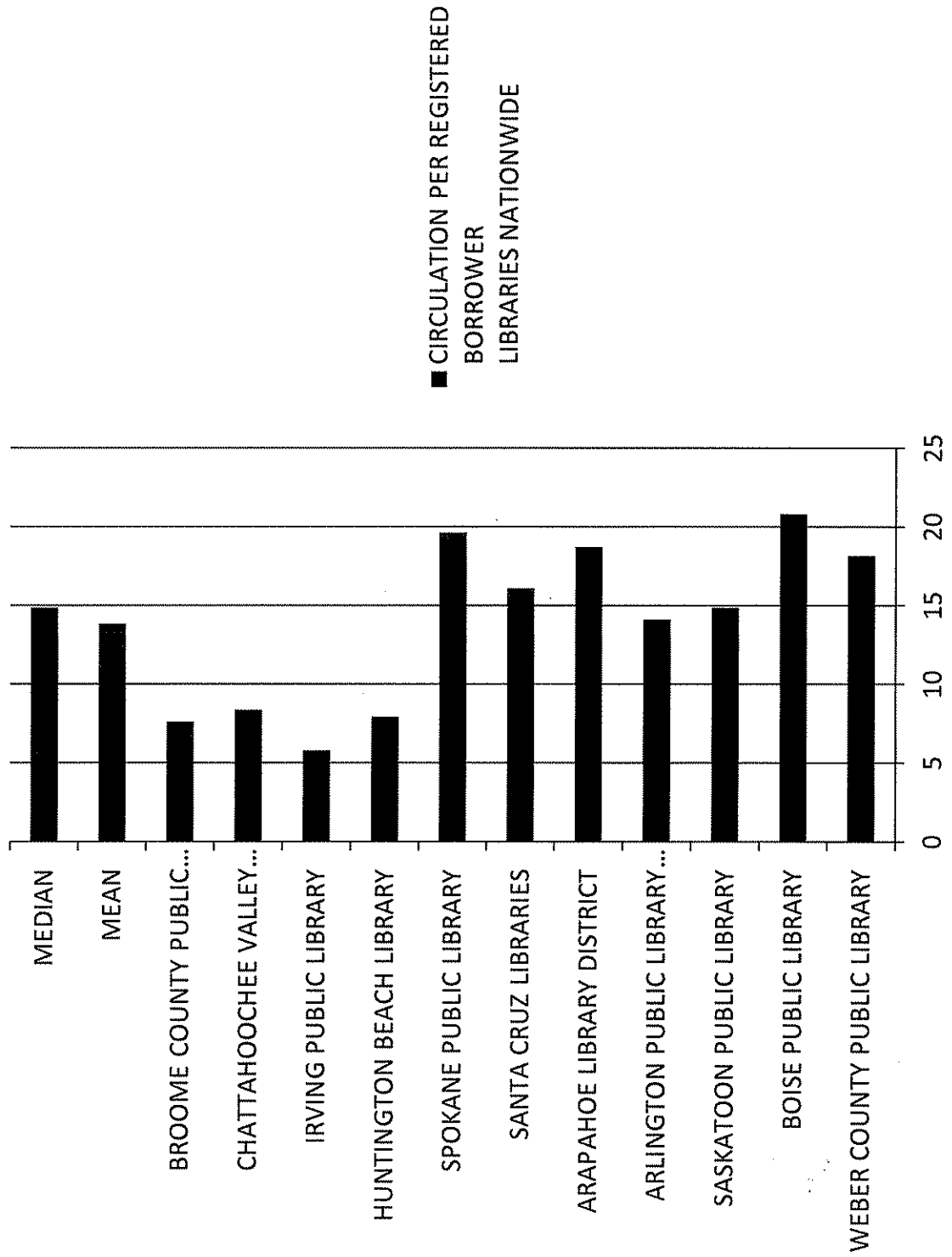
CIRCULATION PER REGISTERED BORROWER CALIFORNIA LIBRARIES



CIRCULATION PER VISIT LIBRARIES NATIONWIDE



CIRCULATION PER REGISTERED BORROWER LIBRARIES NATIONWIDE



LIBRARY JOINT POWERS AUTHORITY		
COMBINED BALANCE SHEET		
JPA FUND AND ACCOUNT GROUPS		
APRIL 2012		
	JPA	
	Total	
Assets		
Pooled cash	2,273,894	
Pooled cash interest receivable	3,600	
Other interest receivable	-	
Taxes receivable - current	-	
Accounts receivable	-	
Internal investment & loan receivable	8,952	
Infrastructure	579,683	
Accumulated depreciation - infrastructure	(217,892)	
Lease improvements - buildings	2,018,032	
Accumulated depreciation - lease imp-buildings	(1,134,479)	
Machinery and equipment	1,648,085	
Accumulated depreciation - machinery & equip	(1,515,684)	
Software	3,983	
Accumulated depreciation-software	(3,983)	
Construction in progress	71,354	
Total Assets	3,735,545	
Liabilities		
Accounts payable	68,026	
Sales tax payable	232	
Deferred grant revenue - unearned	3,098	
Unclaimed funds	596	
Payable to the County - noncurrent	80,586	
Other intergovernmental payable-noncurrent	307,170	
Total Liabilities	459,708	
Equities		
Unreserved, undesignated fund balance	1,718,565	
Committed - cash flow/unexpected expenditures	495,929	
Investment in capital assets - Library	1,449,099	
Reserved for long-term debt	(387,756)	
Total Equities	3,275,837	
Total Liabilities and Equities	3,735,545	

000030

LIBRARY JOINT POWERS AUTHORITY						
COMBINED BALANCE SHEET						
SPECIAL FUNDS						
APRIL 2012						
Fund #	956	960	961	Spec Funds		
Fund Description	Technology	Felton	Vehicle Replacement	Total		
Assets						
Pooled cash	4,782	1,137	73,782	79,701		
Pooled cash interest receivable	12	3	125	140		
Internal investment and loan receivable	43	10	-	53		
Total Assets	4,837	1,150	73,907	79,894		
Equities						
Unreserved, undesignated fund balance	4,837	1,150	73,907	79,894		
Total Equities	4,837	1,150	73,907	79,894		

000031

LIBRARY JOINT POWERS AUTHORITY										
COMBINED BALANCE SHEET										
TRUST FUNDS										
APRIL 2012										
Fund #	Fund Description	931 McCaskill Loc His	932 McCaskill Vis Imp	933 Finkeldey	934 Whalen	935 Leet-Corday	936 Morley	937 Hale	Trust Funds Total	
Assets										
	Pooled cash	255,305	236,065	9,340	147,205	89,324	12,315	70,215		819,769
	Pooled cash interest receivable	654	604	24	370	229	31	180		2,092
	Internal investment and loan receivable	2,317	2,191	85	1,257	737	-	-		6,587
	Total Assets	258,276	238,860	9,449	148,832	90,290	12,346	70,395		828,448
Equities										
	Net assets held in trust-library prog	258,276	238,860	9,449	148,832	90,290	12,346	70,395		828,448
	Total Equities	258,276	238,860	9,449	148,832	90,290	12,346	70,395		828,448

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Revenue Status Report
 Library JPA
 CITY OF SANTA CRUZ
 4/1/2012 through 4/30/2012

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 Periods: 10 through 10

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951 Library Joint Powers Authority

Account Number	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prct Rcvd
951-41000 TAXES					
951-00-00-0000-41211 Sales and use tax	5,501,530.00	377,895.37	4,960,584.34	540,945.66	90.17
Total TAXES	5,501,530.00	377,895.37	4,960,584.34	540,945.66	90.17
951-43000 INTERGOVERNMENTAL					
951-36-00-0000-43210 State operating grants and contributions	0.00	9,177.00	14,177.00	-14,177.00	0.00
951-36-00-0000-43310 Local operating grants and contributions	0.00	0.00	14,671.00	-14,671.00	0.00
951-36-00-0000-43311 Maintenance of effort contributions	5,146,100.00	428,530.10	4,282,592.33	863,507.67	83.22
951-36-55-3531-43210 State operating grants and contributions	2,500.00	0.00	1,550.98	949.02	62.04
951-36-55-3560-43190 Federal grants - other	17,756.00	0.00	3,956.00	13,800.00	22.28
951-36-55-3560-43210 State operating grants and contributions	0.00	0.00	4,800.00	-4,800.00	0.00
Total INTERGOVERNMENTAL	5,166,356.00	437,707.10	4,321,747.31	844,608.69	83.65
951-44000 CHARGES FOR SERVICES					
951-36-00-0000-44613 Internet use fee	4,100.00	399.80	3,841.86	258.14	93.70
951-36-00-0000-44630 Room rentals-library JPA	2,500.00	37.00	2,597.00	-97.00	103.88
951-36-00-0000-44901 Photocopy fee	7,000.00	680.65	6,199.45	800.55	88.56
Total CHARGES FOR SERVICES	13,600.00	1,117.45	12,638.31	961.69	92.93
951-45000 FINES AND FORFEITS					
951-36-00-0000-45131 Library fines	200,000.00	13,750.93	142,811.15	57,188.85	71.41
951-36-00-0000-45132 Lost library items	25,000.00	1,028.95	11,620.04	13,379.96	46.48
Total FINES AND FORFEITS	225,000.00	14,779.88	154,431.19	70,568.81	68.64

000033

Revenue Status Report
 Library JPA
 CITY OF SANTA CRUZ
 4/1/2012 through 4/30/2012

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 Periods: 10 through 10

Account Number	Library Joint Powers Authority	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prct Rcvd
951-46000	MISCELLANEOUS REVENUES					
951-00-00-0000-46110	Pooled cash and investment interest	0.00	2,188.74	10,681.36	-10,681.36	0.00
951-00-00-0000-46190	Interest earnings - other	4,096.00	100.32	2,487.09	1,608.91	60.72
951-00-00-0000-46620	Internal investment & loan int receipts	0.00	0.00	50.04	-50.04	0.00
951-00-00-0000-46910	Miscellaneous operating revenue	8,500.00	0.00	6,518.64	1,981.36	76.69
951-00-00-0000-46990	Miscellaneous non-operating revenue	0.00	0.00	22,303.44	-22,303.44	0.00
951-36-00-0000-46303	Donations - library	12,000.00	0.00	17,214.72	-5,214.72	143.46
951-36-00-0000-46309	Donations - library - Friends of the Lib	100,000.00	344.50	26,027.00	73,973.00	26.03
951-36-00-0000-46916	Cash over/short	0.00	11.36	194.48	-194.48	0.00
Total	MISCELLANEOUS REVENUES	124,596.00	2,644.92	85,476.77	39,119.23	68.60
951-49000	OTHER FINANCING SOURCES					
951-00-00-0000-49122	From Library Private Trust Fund	55,190.00	0.00	15,190.00	40,000.00	27.52
951-00-00-0000-49191	Intra-entity fund transfer in	9,959.00	0.00	10,036.41	-77.41	100.78
Total	OTHER FINANCING SOURCES	65,149.00	0.00	25,226.41	39,922.59	38.72
Total	Library Joint Powers Authority	11,096,231.00	834,144.72	9,560,104.33	1,536,126.67	86.16
Grand Total						
		11,096,231.00	834,144.72	9,560,104.33	1,536,126.67	86.16

000034

Expenditure Status Report
 Library JPA Fund
 CITY OF SANTA CRUZ
 4/1/2012 through 4/30/2012

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 Periods: 10 through 10

951 Library Joint Powers Authority

83%

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Pct Used
951-52000						
SERVICES						
951-36-50-3510-52135	7,644.00	131.48	7,880.00	0.00	-236.00	103.09
Financial services - outside						
951-36-50-3510-52199	130,000.00	0.00	10,000.00	0.00	120,000.00	7.69
Other professional & technical services						
951-36-50-3510-52240	4,020.00	439.25	2,451.33	0.00	1,568.67	60.98
Office equipment operation/maint						
951-36-50-3510-52248	16,000.00	0.00	10,100.00	0.00	5,900.00	63.13
Software maintenance services						
951-36-50-3510-52302	4,000.00	0.00	514.91	0.00	3,485.09	12.87
Travel and meetings						
951-36-50-3510-52402	42,600.00	0.00	31,950.00	0.00	10,650.00	75.00
Telecommunications service - internal						
951-36-50-3510-52403	3,300.00	0.00	1,505.65	0.00	1,794.35	45.63
Telecommunications service - outside						
951-36-50-3510-52933	14,774.00	0.00	10,440.00	0.00	4,334.00	70.66
Liability insurance/surety bonds-outside						
951-36-50-3510-52961	17,250.00	235.00	14,079.00	0.00	3,171.00	81.62
Dues and memberships						
951-36-50-3510-52971	100.00	1.18	45.15	0.00	54.85	45.15
Printing and binding-internal						
951-36-50-3510-52972	3,900.00	168.18	5,071.55	0.00	-1,171.55	130.04
Printing and binding-outside						
951-36-50-3540-52135	550,000.00	40,883.09	448,866.11	0.00	101,133.89	81.61
Financial services - outside						
951-36-51-3520-52131	10,000.00	844.02	5,693.61	5,830.06	-1,523.67	115.24
Claims management services - outside						
951-36-51-3520-52244	1,680.00	0.00	0.00	0.00	1,680.00	0.00
Other equipment operation/maintenance						
951-36-51-3520-52248	46,320.00	454.48	31,555.22	0.00	14,764.78	68.12
Software maintenance services						
951-36-51-3520-52302	100.00	0.00	17.00	0.00	83.00	17.00
Travel and meetings						
951-36-51-3520-52972	2,500.00	0.00	580.48	0.00	1,919.52	23.22
Printing and binding-outside						
951-36-52-3530-52240	1,500.00	0.00	248.00	0.00	1,252.00	16.53
Office equipment operation/maint						
951-36-52-3530-52244	2,180.00	0.00	610.42	0.00	1,569.58	28.00
Other equipment operation/maintenance						
951-36-52-3530-52302	2,150.00	233.65	881.73	0.00	1,268.27	41.01
Travel and meetings						
951-36-52-3530-52972	4,000.00	59.68	3,367.43	0.00	632.57	84.19
Printing and binding-outside						
951-36-53-3515-52201	66,640.00	2,571.37	46,574.22	0.00	20,065.78	69.89
Water, sewer and refuse						
951-36-53-3515-52211	125,000.00	8,397.87	74,863.06	0.00	50,136.94	59.89
Janitorial services						
951-36-53-3515-52223	111,000.00	2,606.05	47,194.28	0.00	63,805.72	42.52
Vehicle operation charges - internal						
951-36-53-3515-52246	183,800.00	22,230.92	149,236.13	13,319.90	21,243.97	88.44
Building and facility o & m - outside						
951-36-53-3515-52247	17,000.00	1,090.59	2,483.95	3,500.00	11,016.05	35.20
Landscaping maintenance services						
951-36-53-3515-52261	312,530.00	25,940.11	261,233.34	1,850.00	49,446.66	84.18
Equipment, building and land rentals						
951-36-53-3515-52302	150.00	0.00	0.00	0.00	150.00	0.00
Travel and meetings						
951-36-53-3515-52932	17,050.00	0.00	12,787.47	0.00	4,262.53	75.00
Liability insurance/surety bonds-interna						
951-36-53-3515-52933	36,506.00	0.00	25,714.00	0.00	10,792.00	70.44
Liability insurance/surety bonds-outside						
951-36-54-3550-52199	108,000.00	9,881.25	32,706.50	23,193.50	52,100.00	51.76
Other professional & technical services						

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Expenditure Status Report
 Library JPA Fund
 CITY OF SANTA CRUZ
 4/1/2012 through 4/30/2012

951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prc't Used
951-36-54-3550-52248	169,835.49	2,919.02	61,757.80	11,750.00	96,327.69	43.28
951-36-54-3550-52249	91,700.00	0.00	42,160.16	1,005.30	48,534.54	47.07
951-36-54-3550-52302	1,350.00	233.66	965.16	0.00	384.84	71.49
951-36-54-3550-52403	73,234.00	14,041.49	126,437.27	22,556.88	-75,760.15	203.45
951-36-55-3550-52304	70,606.00	4,441.42	41,095.71	0.00	29,510.29	58.20
951-36-55-3560-52306	9,000.00	0.00	0.00	0.00	9,000.00	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	6,500.00	297.83	5,180.68	0.00	1,319.32	79.70
Total SERVICES	2,266,919.49	138,101.59	1,516,247.32	83,005.64	667,666.53	70.55
951-53000						
SUPPLIES						
951-36-50-3510-53101	8,000.00	148.81	2,672.37	0.00	5,327.63	33.40
951-36-50-3510-53102	2,400.00	186.67	2,706.23	0.00	-306.23	112.76
951-36-50-3510-53108	0.00	0.00	175.00	0.00	-175.00	0.00
951-36-51-3520-53106	872,269.00	81,860.17	648,309.41	0.00	223,959.59	74.32
951-36-51-3520-53107	75,000.00	0.00	6,407.29	0.00	68,592.71	8.54
951-36-51-3520-53112	113,550.00	2,843.80	40,688.96	39,193.59	33,667.45	70.35
951-36-52-3530-53102	12,300.00	1,008.93	10,614.98	444.26	1,240.76	89.91
951-36-52-3530-53109	6,630.00	0.00	4,141.10	0.00	2,488.90	62.46
951-36-53-3515-53108	2,370.00	0.00	1,864.49	0.00	505.51	78.67
951-36-53-3515-53113	18,360.00	1,529.99	10,969.31	0.00	7,390.69	59.75
951-36-53-3515-53311	167,748.00	9,779.01	125,240.14	0.00	42,507.86	74.66
951-36-53-3515-53312	26,133.00	3,005.29	22,949.99	0.00	3,183.01	87.82
951-36-54-3550-53110	22,000.00	1,804.83	19,007.39	4,000.00	-1,007.39	104.58
Total SUPPLIES	1,326,760.00	102,167.50	895,746.66	43,637.85	387,375.49	70.80
951-54000						
OTHER MATERIALS AND SERVICES						
951-36-50-3510-54990	3,445.00	0.00	752.90	0.00	2,692.10	21.85
951-36-52-3530-54990	7,000.00	0.00	3,319.90	0.00	3,680.10	47.43
951-36-53-3515-54108	44,000.00	450.00	450.00	0.00	43,550.00	1.02
951-36-55-3531-54990	0.00	209.00	2,090.00	0.00	-2,090.00	0.00
951-36-55-3560-54990	23,727.52	2,137.35	18,768.14	0.00	4,959.38	79.10
Total OTHER MATERIALS AND SERVICES	78,172.52	2,796.35	25,380.94	0.00	52,791.58	32.47

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Expenditure Status Report
Library JPA Fund
CITY OF SANTA CRUZ
4/1/2012 through 4/30/2012

951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
951-56000 OTHER CHARGES						
951-36-52-3530-56995 Refunded fees and fines	2,000.00	156.01	1,359.51	0.00	640.49	67.98
Total OTHER CHARGES	2,000.00	156.01	1,359.51	0.00	640.49	67.98
951-57000 CAPITAL OUTLAY						
951-36-50-3510-57401 Office furniture/equipment	20,000.00	2,327.76	2,327.76	13,854.86	3,817.38	80.91
951-36-55-3560-57401 Office furniture/equipment	25,000.00	0.00	6,972.47	0.00	18,027.53	27.89
Total CAPITAL OUTLAY	45,000.00	2,327.76	9,300.23	13,854.86	21,844.91	51.46
951-58000 DEBT SERVICE						
951-36-50-3540-58140 Loan principal	40,961.00	0.00	43,008.92	0.00	-2,047.92	105.00
951-36-50-3540-58190 Other debt principal	40,293.00	0.00	40,293.07	0.00	-0.07	100.00
951-36-50-3540-58240 Loan interest	19,600.00	0.00	17,508.96	0.00	2,091.04	89.33
951-36-50-3540-58290 Other debt interest	3,500.00	0.00	414.21	0.00	3,085.79	11.83
Total DEBT SERVICE	104,354.00	0.00	101,225.16	0.00	3,128.84	97.00
951-59000 OTHER FINANCING USES						
951-00-00-0000-59191 Intra-entity fund transfer out	148,668.00	0.00	73,668.00	0.00	75,000.00	49.55
Total OTHER FINANCING USES	148,668.00	0.00	73,668.00	0.00	75,000.00	49.55
Grand Total	3,971,874.01	245,549.21	2,622,927.82	140,498.35	1,208,447.84	69.57

Expenditure Status Report
 Library Personnel Costs
 CITY OF SANTA CRUZ
 4/1/2012 through 4/30/2012

951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
951-51000 PERSONNEL SERVICES						839/b
Total Regular full time	4,237,245.00	247,530.36	3,047,076.32	0.00	1,190,168.68	71.91
Total Regular part time	747,294.00	80,750.58	712,314.74	0.00	34,979.26	95.32
Total Overtime	3,000.00	1,335.52	3,778.57	0.00	-778.57	125.95
Total Termination pay	0.00	1,924.89	78,900.06	0.00	-78,900.06	0.00
Total Temporary	555,298.00	46,723.53	474,879.30	0.00	80,418.70	85.52
Total Other pay	0.00	0.00	2,703.65	0.00	-2,703.65	0.00
Total Special vacation pay	4,400.00	0.00	19,351.73	0.00	-14,951.73	439.81
Total Special sick leave pay	0.00	0.00	0.00	0.00	0.00	0.00
Total Vehicle-phone-data allowance	1,800.00	155.00	1,710.00	0.00	90.00	95.00
Total Salary savings	0.00	0.00	0.00	0.00	0.00	0.00
Total Retirement contribution	754,846.00	51,421.41	581,469.40	0.00	173,376.60	77.03
Total F.I.C.A.	0.00	2,041.17	22,800.25	0.00	-22,800.25	0.00
Total Group health insurance	1,119,068.00	76,008.88	844,533.62	0.00	274,534.38	75.47
Total Group dental insurance	107,422.00	6,403.28	76,587.29	0.00	30,834.71	71.30
Total Vision insurance	18,242.00	1,036.86	12,700.24	0.00	5,541.76	69.62
Total Medicare insurance	64,309.00	4,977.94	57,162.91	0.00	7,146.09	88.89
Total Employer-paid COBRA	0.00	1,247.64	4,148.92	0.00	-4,148.92	0.00
Total Group life insurance	2,744.00	176.04	2,082.22	0.00	661.78	75.88
Total Disability insurance	73,078.00	2,703.30	31,232.32	0.00	41,845.68	42.74
Total Unemployment insurance	23,622.00	1,894.25	21,056.04	0.00	2,565.96	89.14
Total Workers' compensation	208,640.00	15,698.99	177,899.06	0.00	30,740.94	85.27
Total Intrafund labor - credit	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	7,921,008.00	542,029.64	6,172,386.64	0.00	1,748,621.36	77.92

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Library - Fund 951
 Month-End Cash Balances

	July	August	September	October	November	December	January	February	March	April	May	June
FY 2012 Pooled cash	894,190.39	994,042.19	759,933.36	925,760.72	911,230.93	1,083,486.87	1,323,144.44	2,379,377.39	2,211,047.06	2,273,893.52		
FY 2011 Pooled cash	72,541.96	250,794.12	312,607.59	1,397,052.22	604,129.15	539,173.69	1,586,988.17	875,122.12	1,076,342.48	1,227,629.78	1,184,416.13	806,095.53
FY 2010 Pooled cash	(808,343.59)	(797,637.50)	(752,924.76)	(697,787.31)	(558,459.72)	(707,533.76)	290,832.95	(390,345.22)	(62,933.26)	15,984.66	25,912.58	120,299.01
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)	(943,869.74)	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

MEMORANDUM

DATE; June 7, 2012
TO: Library JPB
FROM: Teresa Landers, Library Director ^{TZ}
SUBJECT: FY12/13 Budget

RECOMMENDATION:

That the Board approve the attached budget for FY12/13 including the staffing resolution.

BACKGROUND

The Board provided direction at their May 7, 2012 meeting to prepare a budget reflecting staffing increases. These increases include provisions to alleviate a number of pressure points identified in the new service model (remediation) and to achieve a minimum at all branches of 90% of the goal for hours set in the service model approved in April 2011. This budget achieves these recommendations.

Following is a review of the current year's work plan objectives, accomplishments and financial results. The report concludes with a review of the upcoming Fiscal Year 2012/2013 (FY12/13) priorities and the FY12/13 budgeted revenues and expenditures.

Status of Progress on Work Plan for FY11/12

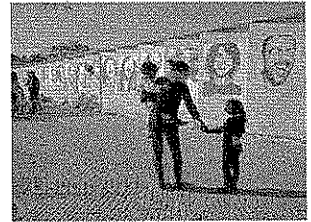
- Implement the new service model and staffing plan. This was accomplished and we are continually evaluating it and recommending adjustments for improvement. A major piece of the new service model was establishing the Library's Volunteer Program.
- Revise the strategic plan's action steps in light of the new service model. This has been accomplished.
- Conduct a Facilities Master Plan. The Board approved moving forward on this in February 2012. The revised completion date is January 2013, requiring the funding to be carried over into FY12/13.
- Implement a new Integrated Library System (ILS). This was implemented in October 2011. Staff continues to work on implementation issues.
- Leverage technology for greater efficiency. This has been accomplished through projects such as adopting Liquid Space for meeting room reservation management, implementing Text-a-Librarian and moving the network to Cruzio.
- Continue the organizational cultural transformation. This was accomplished through the adoption of the principles of a learning organization.

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Other Key Accomplishments

- **Grants received:** The Library was successful in applying for and receiving several grants this past year:
 - “Big Read” through the Friends of the Library for a community wide reading program centered on Edgar Allan Poe (\$17,000).
 - LSTA for Eureka! Leadership participant: Funded a quality digital scanner to scan local documents (5,000)
 - LSTA for Eureka! Leadership participant: Funded a program to involve fathers and children in reading and playing together. This grant is in collaboration with the Papas Program (\$4,800).
 - The State Council on Developmental Disabilities, via the Scotts Valley Friends: Funded a program to establish a Special Needs Resource Center at the Scotts Valley Library (\$15,000).
 - County Office of Education: The County Office of Education provided two grants this year. One was to provide a parenting program during the summer (\$12,500) and the other an after school tutoring program (\$15,000).
 - Institute of Museums and Libraries (IMLS): Funded a grant for Year 3 (\$26,400) for work related to the new Integrated Library System (ILS).
 - First Five: Continued to fund a storage unit for early literacy materials. This will change in FY12/13 to support the “Read-To-Me” and “Play-With- Me” Kits. (\$2,700)
 - Libraries Inside Out: SCPL has been officially selected by an international organization to be an official “Inside Out” site (see sample photo of Lisbon’s project). This means our “posters” will be produced by the organization at no cost to us.
 - Coastal Dog Owners: Continue to support the “Tales to Tails” program both logistically and financially (\$1,000).

- **Key Partnerships:**
 - City IT: The Library and the City have been cooperating in the area of Information Technology. The City’s Chief Information Officer is attending senior library management meetings and providing technical expertise while the Library’s IT Manager position is vacant.
 - The County Office of Education has provided important grant funding.
 - Santa Cruz Writes: As part of the “Big Read” grant, this local community organization was in charge of a community and school wide writing contest. They have continued as a major partner in this year’s application for a “Big Read” grant.
 - Big Read partners: As part of the “Big Read” grant, the Library and Friends collaborated with a wide variety of community partners: American Red Cross, Museum of Art and History, Santa Cruz City Schools and many more. This has morphed into a year round celebration of reading with events at the Library, Santa Cruz Writes, the schools and various Big Read partners.
 - The Downtown Library is now a regular participant in the First Friday Art Tour.



- The Volunteer Center/Americorps VIP program has asked us to expand our involvement.
 - The Friends of the Library and the associated chapters; particularly the Scotts Valley Branch Chapter which is now working to create a usable back patio.
 - Museum of Art and History: a variety of projects. Teresa Landers and Janis O'Driscoll serve on the MAH Community Focus Group which meets quarterly.
 - Community TV has produced a number of videos for the Library: "Big Read", "Tales to Tails", "Read-to-Me", "Battle of the Bands" and "Summer Reading."
- **Major Donations Received:**
 - The Dorothy A. Hale Trust provided \$70,000 for the Scotts Valley Branch.
 - The Friends of the Santa Cruz Public Libraries continue to support the Library. They allocated \$100,000 for technology and other expenses in FY11/12. These funds are being used to purchase digital signs for each branch and purchase new tables and chairs for the Downtown branch and new tables for Aptos.

Challenges Faced during FY11/12

The major challenges this year revolved around the implementation of the new service model and the implementation of the new Integrated Library System (ILS).

- The new service model created a time of great uncertainty for staff as they wondered if they would still have a job and if so, what would it be and for how many hours.
- A lot of time was spent by staff throughout the system working through the various service model and ILS changes.
- Training for new positions in new locations, training on the new ILS and transitioning to a different organizational culture using the learning organization model took a great deal of staff time and energy and continues to do so.
- The loss of the Library Network Administrator/IT Manager resulted in a greater reliance on contract consultants and the temporary (although still ongoing) redeployment of a key senior manager.
- The new ILS is a young system that has required a great deal of staff time to configure and manage.

Financial Summary for FY11/12

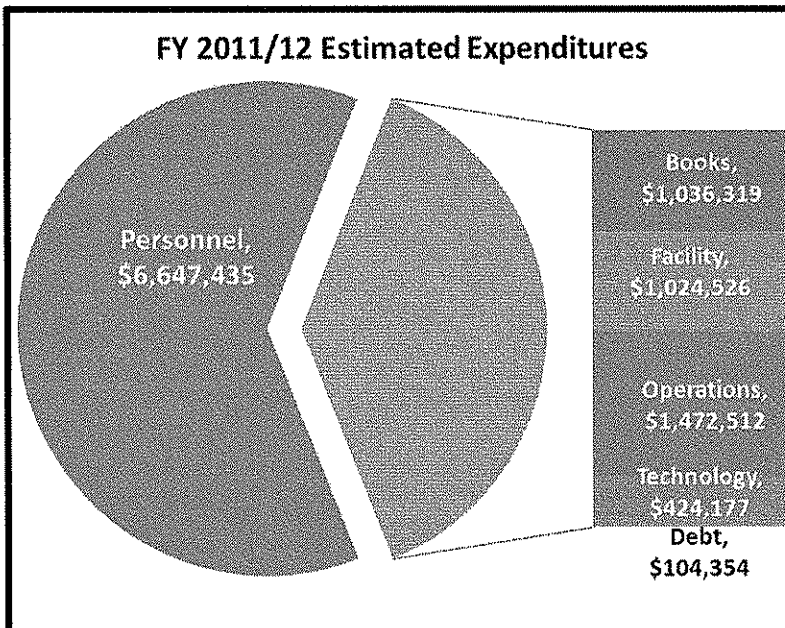
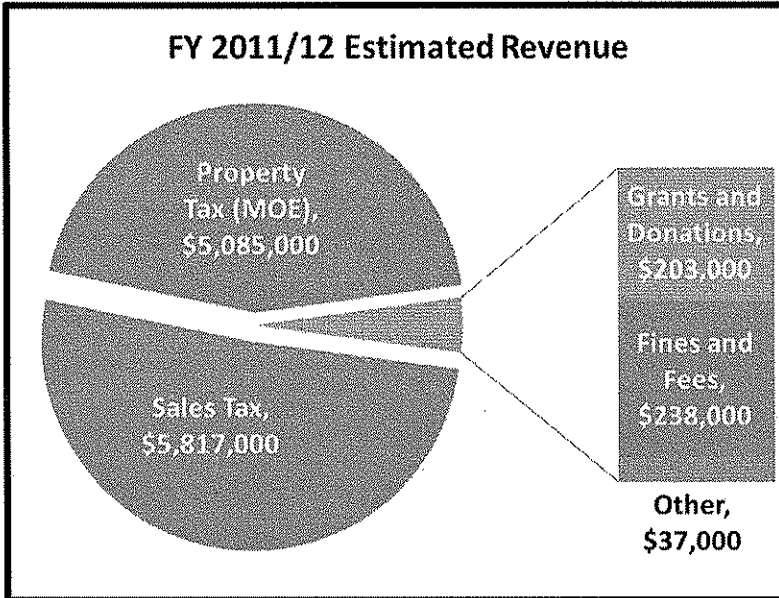
Year end projections indicate final revenue will be about \$11.38 million with expenditures of about \$10.07 million (after excluding \$212,500 in carryovers discussed below). This results in a net gain of \$1.3 million. The bulk of this net gain is from the structural change that took place in January and a small increase in sales tax revenues which outweighed a reduction in income from property taxes.

There is a total of \$212,500 requested for carryovers. Carryovers include commitments made in FY11/12 that will not be invoiced until FY12/13. Therefore, these will become part of the beginning fund balance for FY12/13. These are:

- The Facilities Master Plan (up to \$100,000)
- Technology Reserve (\$75,000)

- Whalen Trust appropriation for Felton (\$20,000 and an additional \$12,500 being requested 6/11/12). Please note that should the LJPB approve an additional appropriation of \$27,500 from the Whalen Trust, that will need to be carried over as well.
- The LJPB authorized additional funds mid-year for staff development. Of this, \$5,000 is needed to fulfill a contract with a trainer whose work with staff will extend to September.

The charts below provide an overview of revenue and expenditure by type.



FY12/13 REVIEW

Work Priorities for FY12/13

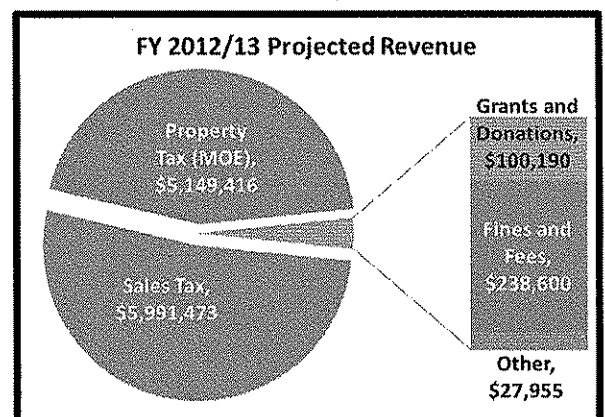
The draft budget reflects the following work priorities for FY12/13:

- Develop a Facilities Master Plan and strategize its implementation.
- Evaluate the service model and recommend improvements. These could include:
 - Continue to develop the volunteer program.
 - Achieve smoother functioning in the centralized Reference and Programming Teams delivering services in various ways throughout the Library's service area to persons of all ages.
 - Continue to develop a customer service philosophy reflective of the new model and responsive to patron needs.
- Continue upgrading and strategically using technology:
 - Conduct an IT Strategic Plan and begin implementing recommendations.
 - Upgrade public and staff computers.
 - Upgrade all branches to high speed fiber.
 - Explore and develop greater efficiencies such as floating collections, automated sub-finding, Collection HQ, Counting Opinions, and automated Interlibrary Loan.
 - Improve the library's web site as the Library's 11th Branch.
- Fully implement shelf ready acquisition of materials and clear backlogs.
- Develop greater functionality from Evergreen; particularly acquisitions and reporting.
- Market library services and resources so that residents are more aware of what the library can offer.

FY12/13 Revenues

The projected revenue for FY12/13 from Maintenance of Effort and Sale & Use Tax alone is \$11.1 million, reflecting a 3% increase in sales tax base. This reflects the County Auditor-Controller's currently proposed RDA distribution method, which leaves the County's former RDA property tax "pass-throughs" 100% intact. Staff will closely monitor any regional or state-wide changes that could alter this distribution method, which in turn reduces the County's funding stream they dedicate for their MOE requirements.

A known loss for FY 12/13 was the State's elimination of their "Public Library Fund" (\$70,000 for our system). However, the reimbursement program for staff currently pursuing a M.L.S. will continue at least one more year (\$3,000). No new reimbursements will be initiated.

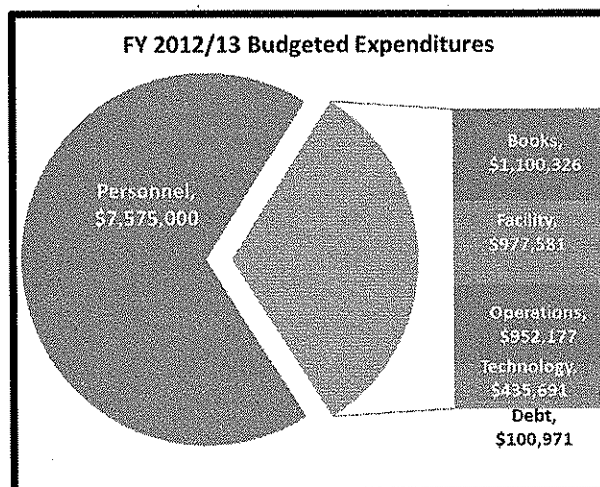


The estimate for funds donated to the Friends for the purchase of library materials has been decreased to reflect actual activity during FY11/12. There is a corresponding decrease in estimated expenditures from the donation line for materials.

FY12/13 Expenditures

PERSONNEL

As shown in the chart, the personnel budget is the largest segment of operating costs. The \$7,575,000 in Budgeted Expenditures is based on the current service model plus the additions recommend by the Board at their May 7th meeting. The implementation of the new service model was expected to result in structural savings; which it did for FY11/12. The budget, as presented, reflects modifications to address deficiencies in the current model (remediation) and to increase hours at all branches to a minimum of 90% of the hours set as a goal in April 2011.



Going forward, the personnel budget includes the cost to cover step increases which go into effect 6 months after the start of new service model; with most occurring on July 1, 2012.

The effect from the anticipated retirement plan increases approved by the CalPERS board in March 2012 will not be felt until July 2013. CalPERS anticipates sending us our new FY13/14 rates in October 2012. Staff will then report back to the board with what the increase will be for FY13/14.

INFORMATION TECHNOLOGY

Software maintenance is budgeted at \$114,000, which is \$19,400 less than last year. This is due to the new ILS which was paid for in FY11/12. Also included are the annual maintenance fees for various software packages. These were added last year to leverage technology to contribute to the success of the new service model.

Several new technological services have been added to keep current our delivery of services to patrons such as "Text a Librarian" and the "Discover and Go Museum Pass" program.

Predicting telecommunications costs for FY12/13 will be very complicated as we await a formal approval of the AT&T offer through the "e-rate" procurement process. We want to provide a fiber connection to the 6 branches that currently use DSL only. Last year, our e-rate certification notice was not received until January. While it's retroactive to the beginning of the fiscal year, given the magnitude of our financial exposure should we not receive the e-rate funding for this conversion, we are waiting until we are certified to estimate the cost difference. It makes planning for FY12/13 very difficult so we have made our best estimate.

Finally, the service model calls for an investment of \$25,000 in innovative technologies.

LIBRARY MATERIALS

As per the service model, \$840,000 has been allocated for the purchase of library materials in all formats. This is calculated as 7.5% of revenues from sales tax, MOE, fines/fees and interest from trusts designated for materials.

We separate from the \$840,000 allocation any money donated for material purchases to the Friends and directly to the Library (estimated at \$40,000); as are proceeds from the Fleming Trust (\$30,000 requested in FY12/13). Fleming is the one trust that allows us to spend the principal. We have been doing this the past few years only to augment the regular materials budget for the purchase of materials benefitting the blind and physically challenged.

The cost of library functional supplies has been increased to reflect the move to "shelf ready" ordering. Costs average about \$4.00 per item and we will be receiving the majority of our materials in this way once fully implemented (anticipated for June 2012). \$3,500 is also included to continue to assist with reducing the backlog due to delays in implementation of "shelf ready" ordering.

STAFF DEVELOPMENT

The focus of our training efforts this coming year will be to address the needs created by the new service model; particularly how this has impacted how we provide customer service. Keeping staff current on technology trends is another important focus.

Where possible, we continue to make use of webinars so that staff does not need to travel to get training. With the loss of the LSTA training grant, we have reduced that specific training line item.

UTILITIES

No surprises or major changes.

BUILDING OPERATIONS AND MAINTENANCE

(see section on Capital Projects)

The cost of the basic janitorial contract decreased \$8,000 due to a new city wide contract despite the increase in hours.

The vehicle reserve has been increased by \$5,000 to cover the replacement costs associated with not outsourcing the courier service and the need to keep an additional vehicle.

We are applying again for an Air Quality Grant to assist with the purchase of a new bookmobile.

SUPPLIES

There are no major changes in this line.

SYSTEM SERVICES

The Pacific Library Partnership has changed its dues structure. Monterey Bay Area Consortium (MOBAC) members were paying the lowest rates in the system. The new dues structure is being phased in over four years. The current dues of \$14,961 will increase to \$18,500 in FY12/13.

FUND BALANCE AND RESERVE FUNDS

The cash flow/emergency reserve fund as of April 2012 was \$495,929. At the beginning of the current year, total Fund Balance was \$1.47 million. The estimated net gain in FY11/12 is \$1.3 million, bringing the total fund balance to an estimated \$2.77 million. After adjusting for the

current year carryovers, estimated fund balance at the end of FY11/12 will be \$2.56 million. For FY12/13, the budgeted net gain in operations is \$ 366,000 which would increase ending Fund Balance for FY12/13 to \$2.9 million.

CAPITAL PROJECTS

The Capital Maintenance budget was increased according to the service model to \$50,000. A list of potential projects is being compiled and the Facilities Master Plan will provide guidance for the second half of the year which may include requests for additional funding.

Also included is \$35,000 in funding for short term improvements to Downtown and the branches in order to efficiently and effectively utilize a single point of service.

As a new addition, the Finance Committee recommended, during their June 4th meeting, to include a new appropriated project for the Facilities Master Plan & IT Strategic Plan in the amount of \$300,000. This lump sum would draw down reserves from a projected \$2.9 Million FY12/13 ending balance to \$2.6 Million. This funding would be allocated by the Board for specific projects based on the individual study’s recommendations. By the time the Board would be asked to allocate any such expenses, there would be a better sense of how the FY12/13 budget is progressing and if there is any new information regarding CalPERS pension increases for FY13/14 and property tax distributions from the former county RDAs.

DEBT SERVICE

The following chart lists the current debt carried by the Library System.

DEBT	LOAN AMOUNT	ANNUAL PAYMENT (principal and interest)	FISCAL YEAR RETIRED
Internal improvements to Headquarters Building	\$467,000	\$60,518	2017-2018
Overpayment reimbursement to Watsonville	\$322,344	\$48,793 (interest varies)	2012-2013 (last payment August 2012)

YEAR END SUMMARY (all figures are rounded)

The table below provides a summary of estimated revenues, expenditures and fund balance projections for FY11/12 and FY12/13. As mentioned previously, the FY11/12 estimated year-end fund balance was reduced for the \$212,500 in carryover expenditures into FY12/13.

It is recommended that the Finance Committee schedule a mid-year discussion to formally create targeted reserves for emergency/unforeseen catastrophic events, for facilities maintenance and for future economic uncertainties (i.e., a “rainy day” fund). A January/February 2013 mid-year date is recommended to incorporate the new CalPERS rates review and to allow staff the time to evaluate the likelihood of any changes in the County’s dedicated property tax revenue from RDA methodology challenges.

<i>Amounts are rounded to nearest thousand</i>	FY11/12	FY12/13
Estimated Revenues	\$11,380,000	\$ 11,508,000
Estimated Expenditures ⁽¹⁾	< <u>\$10,073,000</u> >	< <u>\$ 11,142,000</u> >
Net Gain/Loss	\$ 1,307,000	\$ 366,000
Previous FY Ending Fund Balance	<u>\$ 1,469,000</u>	<u>\$ 2,564,000</u>
Fund Balance (before carryovers)	<u>\$ 2,776,000</u>	<u>\$ 2,930,000</u>
LESS: FY 11/12 Carryovers ⁽¹⁾	< <u>\$ 212,000</u> >	< <u>\$ - 0 -</u> >
Available Fund Balance (less carryovers)	<u>\$ 2,564,000</u>	<u>\$ 2,930,000</u>
Facility Master & IT Strategic Plan Project Funding (placeholder)		< <u>\$ 300,000</u> >
Projected Ending Available Fund Balance		<u>\$ 2,630,000</u>
<p>(1) Estimated expenditures for FY11/12 do not include the \$212,500 carried over into FY12/13 operations. As mentioned within the FY11/12 Financial Summary section of this report, this amount consists of \$100,000 for a Facilities Master Plan, \$75,000 for the Technology Reserve \$32,500 for the Whalen Trust and \$5,000 for Training. If these amounts were spent during FY11/12, the total estimated expenditures would have been increased to approximately \$10,295,000.</p>		

Budget Overview- FY 12/13

	12/13 Proposed	11/12 Projected
Revenue		
Sales Tax	\$ 5,991,473	\$ 5,817,473
Maintenance of Effort	5,149,416	5,085,508
Grants and Donations	100,190	203,361
Fines and Fees	238,600	238,600
Other	27,955	37,914
Revenue Total	\$ 11,507,634	\$ 11,382,856
Personnel Expenditures		
Regular Full and Part Time	\$ 4,603,000	\$ 4,414,702
Temporary	692,000	540,353
Misc. Personnel Costs	12,000	2,505
Benefits	2,193,000	1,614,875
Retirement Incentive	75,000	75,000
<i>Personnel Subtotal</i>	<i>\$ 7,575,000</i>	<i>\$ 6,647,435</i>
Operating Expenditures		
Information Technology		
Hardware Maintenance	\$ 130,200	\$ 91,700
Professional Services Other	98,000	58,000
Software Maintenance Services	113,917	133,343
Telecommunications	69,574	119,134
Computer Supplies	24,000	22,000
<i>Subtotal</i>	<i>\$ 435,691</i>	<i>\$ 424,177</i>
Library Materials		
Materials	\$ 839,826	\$ 820,769
Grants and Donations	70,000	100,000
Refunded Fines and Fees	2,000	2,000
Library Functional Supplies	188,500	113,550
<i>Subtotal</i>	<i>\$ 1,100,326</i>	<i>\$ 1,036,319</i>
Staff Development		
Travel	\$ 13,230	\$ 7,750
Training	28,975	43,975
LSTA Tuition	3,000	9,000
<i>Subtotal</i>	<i>\$ 45,205</i>	<i>\$ 60,725</i>
Utilities		
Water/Sewer/Refuse	\$ 59,465	\$ 66,640
Electricity	173,400	167,748
Natural Gas	29,200	26,133
<i>Subtotal</i>	<i>\$ 262,065</i>	<i>\$ 260,521</i>
Building O & M		
Building O & M	\$ 154,752	\$ 176,475
Landscaping	16,645	17,000
Janitorial Services	117,097	125,000
Vehicle O & M	33,947	59,334
Vehicle Replacement Fund (Adjusted for Not Outsourcing Courier)	80,666	73,666
Building Equip. & Rental	312,409	312,530
<i>Subtotal</i>	<i>\$ 715,516</i>	<i>\$ 764,005</i>
Supplies and Equipment		
Office Supplies	\$ 18,500	\$ 14,700
Copier Supplies	7,150	6,630
Janitorial Supplies	18,500	18,360
Misc. Supplies	25,255	24,876
Office Furniture and Equipment	57,820	30,520
Other Equipment	3,500	3,860
Building Repairs-Library	35,000	40,000
<i>Subtotal</i>	<i>\$ 165,725</i>	<i>\$ 138,946</i>
System Services		
Professional Services Fiscal	\$ 577,800	\$ 557,644
Unique Management Collection Agency	17,000	10,000
Insurance	68,356	68,330
Postage	4,500	8,000
Printing and Advertising	21,750	20,000
Dues and Membership	26,841	17,250
Other Professional & Technical Services	25,000	167,440
Moving Costs	-	-
<i>Subtotal</i>	<i>\$ 741,247</i>	<i>\$ 848,664</i>
Debt Services		
Loan Principal	\$ 45,160	\$ 40,961
Other Debt Principal	40,293	40,293
Loan Interest	15,359	19,600
Other Debt Interest	159	3,500
<i>Subtotal</i>	<i>\$ 100,971</i>	<i>\$ 104,354</i>
Expenditure Total	\$ 3,566,746	\$ 3,637,711
Net Increase in Reserves		
	\$ 365,888	\$ 1,097,710
Estimated Beginning FY12/13 Fund Balance	\$ 2,567,035	
Increase in Reserves (projected FY12/13 yearend results)	365,888	
LESS: NEW PROJECT: Facility Master & IT Strategic Plan	(300,000)	
Final Projected FY12/13 Ending Fund Balance (reserve)	<u>\$ 2,632,923</u>	



RESOLUTION # 2012-11

**RESOLUTION OF THE SANTA CRUZ LIBRARY JOINT POWERS
AUTHORITY BOARD TRANSFERRING AND APPROPRIATING FUNDS
FOR THE FY 2011-2012 BUDGET**

WHEREAS, since implementing the Compromised Service Model in January 2012, the Library has identified some key areas in need of remediation:

WHEREAS, an increase in personnel will help to address the areas of immediate concern with regards to the new service model and;

WHEREAS, will help to move the library to 90% of its open hours goal set in April 2011:

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

That the Library Joint Powers Authority Board increase the FTE for the following positions:

Position #	Position Title	Previous FTE	New FTE
282-002	Library Assistant I	.75	1.00
282-001	Library Assistant I	.75	1.00
283-013	Library Assistant II	.625	1.00
283-017	Library Assistant II	.625	.75
283-020	Library Assistant II	.50	.625
283-012	Library Assistant II	.75	.80
283-022	Library Assistant II	.50	.625
283-025	Library Assistant II	.50	.625
283-023	Library Assistant II	.50	.625
283-024	Library Assistant II	.50	.625
283-016	Library Assistant II	.625	.80
283-019	Library Assistant II	.625	.80
283-014	Library Assistant II	.625	.80
283-009	Library Assistant II	.75	1.00
283-015	Library Assistant II	.625	1.00
283-018	Library Assistant II	.625	.75
283-021	Library Assistant II	.50	.625
284-002	BKM Library Asst. II	.50	.725

285-004	Information Specialist	.75	1.00
363-005	Library Assistant III	.75	1.00
363-004	Library Assistant III	.75	1.00
750-014	Librarian II	.75	1.00
363-xxx	Library Assistant III		1.00
283-xxx	Library Assistant II		.55
283-xxx	Library Assistant II		.50
283-xxx	Library Assistant II		.50

PASSED AND ADOPTED this 11th day of June 2012 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

000051

STAFF REPORT

DATE: June 5, 2012
TO: Library Joint Powers Board
FROM: Teresa Landers, Director of Libraries
RE: Property for a new Felton Library

RECOMMENDATION:

1. The LJPB authorize the Library Director to manage the preliminary review processes and to negotiate the Library's interests in any MOUs necessary to transfer property ownership to the County.
2. Only Whalen Funds will be used to pay expenses related to these processes.
3. A resolution be approved authorizing the additional \$27,500 estimated as currently needed to complete the process.

SUMMARY

The Library is being asked to use Whalen Funds to pay for services to provide and manage the design side of the process for subdividing the site for a new Felton Library that is being donated to the County by the Verutti family. The Library is also being asked to manage the contract with Teall Messer, the architect/consultant who will oversee this process and to contract directly with one or more vendors who cannot be included in Mr. Messer's contract. Third, the Library will have legal interests that need to be protected and will be reflected in any MOU negotiated.

BACKGROUND

The Verutti Family has offered to donate a site in Felton to the County of Santa Cruz for use as a branch library. At the April LJPB meeting, \$20,000 was appropriated from the Whalen Trust to share costs with the County related to the transfer of the property.

The Whalen Trust currently has \$148,832. This Trust is for capital improvements and/or new books for the Felton Library.

At the County Supervisor's meeting on May 22, a recommendation was made and accepted that

“...the Board direct the County Counsel's Office to negotiate and prepare a Memorandum of Understanding, consistent with the expectations and responsibilities outlined in this letter, and return to the Board on or before August 7, 2012, with a proposed Memorandum of Understanding for Board consideration.”

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A copy of that letter is attached with the details discussed below. A copy of the resolution passed in April 2012 approving the initial \$20,000 is also attached.

DISCUSSION

The County is requesting that the County and the Library “determine whether there is interest in pursuing land use entitlements which would enable the donation of real property to the County, intended to serve as the location for a new Felton Library.” There is recognition that funding to actually construct the Library has not been identified.

Ultimately, the County would like to enter into a Memorandum of Understanding (MOU) with the Verutti family and authorize the County Administrative Officer to co-sign an application for the proposed entitlements. The Library will pay all the costs to process the application. This is currently estimated to be \$10,000.

A summary of the MOU outlining general expectations and responsibilities is provided here and the full details can be found in the attached letter.

- Agreement on Proposed Project Description and on the content of the proposed map and plan.
- Library will pay the costs associated with preparing the map and plan, technical studies, etc.
- The Library will pay all costs associated with processing the application. There is an “escape” clause if the fees go beyond a level the Library is willing and/or able to support.
- There will be a CEQA environmental review that will analyze “reasonably foreseeable” development and associated impacts. Should this result in a need to make changes to the General Plan or require rezoning, the Library is not responsible for those processes.
- The property will ultimately be owned by the County of Santa Cruz.
- After the transfer is complete, the Library and the County will work to identify funding to pursue the design and construction of a new Felton Library.

The Library will contract with Teall Messer Architect, who has been identified by the County as their preferred vendor. Mr. Messer has already done a great deal of preliminary design work and is familiar with the property and issues involved. The services Teall Messer Architect will provide are outlined in the attached letter/proposal. Generally, he will oversee the project and coordinate the various consultants. The current total estimate is \$37,500 with two potential additional costs for a traffic study and septic testing. The traffic study is estimated to cost \$5,000 and has been included in the \$37,500 as we are certain it will need to be done but do not yet have a firm cost. The geotechnical report will be contracted for separately by the Library but the cost is included in the \$37,500. Permit application fees and legal fees are not included.

There are several other areas that will need to be addressed and it is not yet known if there will be additional costs to the Library for accomplishing these:

- Rezoning
- Felton Town Plan Amendment
- General Plan Amendment
- Lot split (minor land division)

- Septic

The Library will also need to be involved in several other areas and will work with the City Attorney to ensure the Library's interests are represented:

- Easements may be necessary to do the initial studies.
- An easement may be needed on the parcel to allow the Library the use of all the land south of the creek. This may also involve maintenance obligations.
- An easement may be necessary for the Veruttis to access their residual parcel before they have completed their access off of Kirby.
- There is a well that will end up on the County owned land. The Veruttis want to retain access and development rights to the well.
- The Verutti family has also stated that they want assurances this property will only ever be used as a Library and that construction start within ten years. Any agreement will need to be clear what happens to the property should either of these conditions not be met.

In summary the known and estimated costs are as follows. Most are also detailed in the proposal from Teall Messer Architect and/or the letter to the County Board of Supervisors from Mark Stone

ITEM	ESTIMATED COST
Biotic Report	\$ 2,000
100 year floodplain analysis	200
Tentative Map	3,600
Final Map and Boundary Survey	7,500
Archaeological Study	550
Phase I Environmental	2,200
Geotechnical Report	500
Traffic Study	5,000 (estimate)
Septic Testing	Unknown- may not be necessary
Teall Messer Architect	15,950
County Application and Filing Fees	10,000 (initial deposit; total unknown)
ESTIMATED TOTAL	\$47,500

Whalen Trust Available	\$ 148,832
Appropriated April 2012	20,000*
Requested June 2012	27,500*
Balance Available	\$ 101,332

*\$20,000 has already been identified as needing to be carried from FY11/12 to FY12/13. The additional \$27,500 will need to be carried over as well.



RESOLUTION # 2012-06

**RESOLUTION OF THE
SANTA CRUZ LIBRARY JOINT POWERS AUTHORITY BOARD
TRANSFERRING FUNDS AND AMENDING THE FY 2011-2012 BUDGET**

WHEREAS, the Board approve the transfer of monies from the Whalen Trust;

WHEREAS, the monies will be appropriated from the trust to pay for the costs related to rezoning the future Felton Library property;

NOW THEREFORE, be it resolved by the Library Joint Powers Authority Board that it authorize the transfer of \$20,000 from the Whalen Trust, and that it amend the FY 2011-2012 Budget.

PASSED AND ADOPTED this 9th day of April 2012 by the following votes:

AYES: Board Member(s):

NOES: Board Member(s):

ABSENT: Board Member(s):

DISQUALIFIED: Board Member(s):

COPY

APPROVED

ATTEST

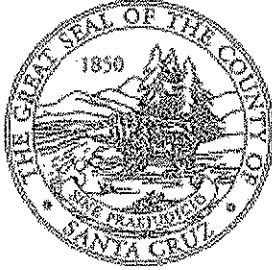
Chair

Board Clerk

000019

000055

MAY 27 2012



County of Santa Cruz

BOARD OF SUPERVISORS

701 OCEAN STREET, SUITE 500, SANTA CRUZ, CA 95060-4069
(831) 454-2200 • FAX: (831) 454-3262 TDD: (831) 454-2123

JOHN LEOPOLD
FIRST DISTRICT

ELLEN PIRIE
SECOND DISTRICT

NEAL COONERTY
THIRD DISTRICT

GREG CAPUT
FOURTH DISTRICT

MARK W. STONE
FIFTH DISTRICT

AGENDA: 5/22/12

May 15, 2012

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

RE: PROPOSED SITE FOR A NEW FELTON LIBRARY

Dear Members of the Board:

The Verutti family, owners of property located in Felton (APN 065-073-03), have approached the County of Santa Cruz and the Santa Cruz Public Libraries (the Library) to determine whether there is interest in pursuing land use entitlements which would enable the donation of real property to the County, intended to serve as the location for a new Felton Library. At this time, funding to actually construct the library has not been identified; however, the property owner is willing to split an existing parcel and donate a portion of it to the County of Santa Cruz, and the Library has identified funding from the Whalen Trust that is available for application and pre-development costs, including development and environmental review. The initial estimate of funding that would be needed from the Trust is \$25,000-\$30,000.

If the Board is interested in pursuing this opportunity, it would be appropriate for the Board to take action authorizing County Counsel to negotiate a Memorandum of Understanding (MOU) with the Verutti family and also authorizing the County Administrative Officer to co-sign an application for the proposed entitlements. The County would not be responsible for costs to process the application, and the MOU would make it clear that the County cannot commit to and is under no obligation to approve the requested land use entitlements. The application will go through the normal land use application processing steps, including analysis for regulatory compliance and environmental review.

The MOU would outline the following general expectations and responsibilities:

- The parties will agree on the Proposed Project Description and on the content of the proposed map and plan, prior to submittal of the application to the County of Santa Cruz.

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- It is understood that the Library will pay the costs associated with preparing the parcel map and plan that shows environmental and site features, proposed development envelopes, and the nature and approximate sizes of future improvements on the property. It is also understood that the Library will pay the costs associated with preparing and/or updating various technical studies that are needed in order to process the application. The Library Joint Powers Board recently approved the appropriation of \$20,000 from the Whalen Trust to cover a substantial portion of the costs of the technical studies. The County and the Library will mutually agree on who contracts for and oversees preparation of the necessary studies. It is my understanding that the Library will need to authorize an additional \$5,000-\$10,000 to cover the remaining application and pre-development costs. At this time, the estimated cost of the following studies is \$15,000:

\$2,000	Biotic Report Update
\$1,500	Archaeology Records Search and Report
\$1,500	Updated Soils Report (in area of high liquefaction potential due to high groundwater)
\$2,500	Hydrology Study
\$5,000	Traffic Analysis
\$2,500	Phase 1 Environmental Site Assessment

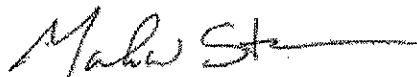
- The County will expect the Library to deposit \$10,000 at the time of filing the application with the County of Santa Cruz Planning Department and to pay costs associated with processing the application, which could require additional deposit(s) depending on the actual costs associated with project and environmental review and public hearings.
- If application processing costs exceed the above amounts and the Library and/or parties to the MOU are not able to identify additional funding, then the application will be withdrawn or considered abandoned 160 days after the date that the notice of required additional funding is provided to the parties by the Planning Department and funds are not deposited.
- The CEQA environmental review document will analyze the "reasonably foreseeable" development and impacts associated with that development. Specific building designs will not be part of the application and are not required; however, the nature and estimated sizes of future library and other development that may be accommodated under the proposed General Plan and rezoning will be analyzed.
- Upon completion of the lot split, the property owner and the County will jointly prepare and execute documents that result in the portion of the property that is intended as the site of a new library being transferred to the County of Santa Cruz as a donation of real property. 000057

- After transfer of the property to County ownership, the Library and the County shall endeavor to identify funding to pursue the design and construction of a new Felton Library.

Felton residents and the Library have long been desirous of having a new Felton Library. There are relatively few sites available in Felton, and the opportunity to obtain a donated site may be an attractive option to pursue. While the desirability and feasibility of the Verutti site will not be known until after the land use application and CEQA environmental review processes are completed, it appears that if the County, property owner and Library cooperate, a cost-effective process can be structured to obtain the answers to those questions.

Accordingly, I recommend that the Board direct the County Counsel's Office to negotiate and prepare a Memorandum of Understanding, consistent with the expectations and responsibilities outlined in this letter, and return to the Board on or before August 7, 2012, with a proposed Memorandum of Understanding for Board consideration.

Sincerely,



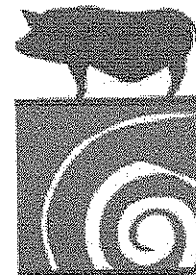
MARK W. STONE, Supervisor
Fifth District

MWS:ted

cc: County Counsel
County Administrative Officer
Santa Cruz Public Libraries
Verutti Family
Planning Director
Public Works Department
Teall Messer
Nancy Gerdt

1842D5

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**TEALL MESSER
ARCHITECT**

3833 GLEN HAVEN RD.
SOQUEL CALIF. 95073
831 462 4721
FAX 462 9343

16 May 2012

Teresa Landers
Santa Cruz Public Library System
117 Union Street
Santa Cruz, CA 95060

Re: New Felton Library site

Dear Teresa,

I am pleased to offer this proposal of services for providing and managing the design side of the process for subdividing the site offered to the library system by the Verutti family. That limited scope makes this a reasonably straightforward endeavor.

The services Teall Messer Architect will be providing are:

1. Meet and consult with library and county Board of Supervisors members and staff;
2. Provide interface with the Verutti family;
3. Meet and consult with county Planning, Department of Public Works and Environmental Health Services staff;
4. Manage the technical consultants and their products;
5. Provide documentation for the project applications;
6. Provide support at and follow up for the public review process;
7. Reproductions of the various documents involved.

My consultants and their respective fees are as follows. These products should be sufficient to satisfy the county planning requirements as they have described them. All of these fees are on a not-to-exceed basis.

Biotic Resources Group, biotic report	\$2,000
Ifland Engineers, 100 year floodplain analysis	200
Ifland Engineers, tentative map	3,600
Ifland Engineers, final map and boundary survey	7,500
Archaeological Consultants of Central California	550
Weber Hayes and Assoc., Phase I environmental	2,200
Subtotal	16,050

Teall Messer Architect fees, including pass through mark ups, not-to-exceed	15,950
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Total fees

\$32,000

Additionally the geotechnical report will need to be undated by Bauldry Engineering for \$500 in a separate agreement or purchase order.

There are two potential additional costs. A possibility exists that a traffic study will be required. I have an inquiry in to the county traffic engineer who is considering his requirements. The amount is unknown. County planning estimated such a study at \$5,000. There is also a possibility that the septic tests will need to be updated. I have an inquiry in to county Environmental Health on that question.

This proposal does not include any permit application fees, legal fees or consultant services beyond those listed above.

My city business license is current and I believe my certificate of insurance also is. I assume we will be in entering into a standard city contract for the work.

I am available to move ahead with the work immediately as are all of my consultants. I hope that my considerable experience with the site and county processes will help make it a satisfactory one for everyone.

Respectfully yours,



Teall R. Messer
California architect C10182

Feltonlibrary2007\l.Teresa2012-5-16

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RESOLUTION # 2012-12

**RESOLUTION OF THE
SANTA CRUZ LIBRARY JOINT POWERS AUTHORITY BOARD
TRANSFERRING FUNDS AND AMENDING THE FY 2011-2012 BUDGET**

WHEREAS, the Board approve the transfer of monies from the Whalen Trust;

WHEREAS, the monies will be appropriated from the trust to pay for additional costs related to rezoning the future Felton Library property;

NOW THEREFORE, be it resolved by the Library Joint Powers Authority Board that it authorize the transfer of \$27,500 from the Whalen Trust, and that it amend the FY 2011-2012 Budget.

PASSED AND ADOPTED this 11th day of June 2012 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

Library board votes to increase hours: Most branches will see more hours by end of summer

By J.M. BROWN - Santa Cruz Sentinel Santa Cruz Sentinel

Posted: 5/7/12

SantaCruzSentinel.com

SANTA CRUZ - Library trustees voted unanimously Monday to increase open hours in most branches to 90 percent of what the board promised patrons last year when they approved a new service model.

The board also agreed to hire library aides and make other personnel adjustments to plug holes in the new system, which only came to light after the model was implemented in January. Reshelving and other services have fallen behind, and volunteers also haven't been as much help in the largest branches as assumed when the board approved job cuts last year.

All told Monday, the Joint Powers Authority Board for the 10-branch system approved spending nearly \$700,000 to increase the hours and hire more staff. The goal is to get the new hours in place by late summer.

The move means seven additional hours each week for small branches in La Selva Beach, Garfield Park and Felton. Capitola and Live Oak branches would see six more hours each week, and Boulder Creek and Branciforte branches will have four more hours.

The Downtown and Aptos branches, the system's largest, already have hours that exceed 90 percent of the hours pledged when the board created a new system in April 2011. That plan laid off staff in favor of greater spending on technology and building rainy-day reserves.

Two camps on the board debated the wisdom of increasing hours to 80 percent or 90 percent, the cost difference being just \$136,000 per year. The cost to jump to 100 percent was far greater, nearly \$1 million more each year because more employees and hours would be required at the largest branches.

The city's finance director, Mark Pimentel, told the board revenue is higher and expenses are lower than projected, with reserves expected to grow strongly in coming years. For a system that once borrowed from the city of Santa Cruz to stay afloat, reserves on the \$11.2 million system are expected to hit \$2.8 million this year.

Going to 100 percent of hours in July would cost \$600,000 immediately, he projected. The budget would be in the red by 2015.

"It's just not a sustainable model," Pimentel said.

Although an early proponent of going to the maximum 392 weekly hours, compared to 318 presently, County Supervisor Ellen Pirie said, "100 percent just doesn't look responsible to me, and I'm very disappointed at that."

Nancy Gertz, a citizen member of the board, agreed, saying, "We can tell our communities, 'We couldn't get to 100 percent but we got to 90 percent. That's what we can do right now. And the six smallest branches will get more hours and that is a really good thing.'"

Some board members favored a move to just 80 percent of hours, saying if ongoing economic

uncertainties don't go the library's way, the board could be back in the position of cutting hours.

"Any change in hours will have an enormous impact on the public," said trustee Jim Reed, a Scotts Valley City Council member. "None of us wants to be in a sport where we are rolling back hours."

But in the end all trustees supported the move.

Follow Sentinel reporter J.M. Brown on Twitter

000063

Supervisor's term limit idea fails to take flight

By JASON HOPPIN - Santa Cruz Sentinel Santa Cruz Sentinel

Posted: 5/22/12

SantaCruzSentinel.com

The Board of Supervisors on Tuesday rejected an effort by one of its own to survey county voters on whether to restrict board service to two four-year terms, the idea crashing faster than Facebook's market debut.

It was the latest proposal floated by iconoclastic Supervisor Greg Caput to stir discussion on the board, with Caput and Board Chairman John Leopold engaging in a lengthy but cordial discussion after the meeting. It came after unsuccessful prior efforts by Caput to cut board member's pay and benefits.

The board's newest supervisor, Caput is giving away 25 percent of his salary to Watsonville high schools. He said term limits are popular and would bring fresh ideas and energy to the board.

"This is something that voters think about as far as the future," Caput said.

But the idea was roundly criticized, with other board members saying statewide term limits have been a disaster. And it came after an another Tuesday effort by Caput to increase unpaid furloughs for board members that Supervisor Neal Coonerty derided as not serious after Caput raised it out of the blue.

"You will have constant turnover, and people constantly not understanding how to do things," said Supervisor Ellen Pirie, saying the impact of state term limits has been to concentrate power in the hands of unelected staff members and restrict the service of capable public servants.

"I think we pay for that. I think we will continue to pay for that," Pirie said.

Coonerty joined in the criticism as well.

"We do have term limits: It's called voters voting us out of office. It comes along every four years and it's very effective," Coonerty said.

Caput's motion died when no one else supported it.

In other business, the board voted unanimously to support the state TRUST Act, which would restrict how the controversial Secure Communities program can be applied to illegal immigrants in local jails. Paul Johnston of the Immigration Action Group said he expects the Legislature to pass it, but said gov. Jerry Brown's support depends on local government support.

The board also voted to continue negotiating with a local family over the acquisition of part of a 5-acre lot for a future Felton library, which has been discussed almost as often as the current branch has been on the chopping block.

"We need a definite, positive, tangible step that shows the library system and the county are committed to a new library in Felton," Supervisor Mark Stone said, adding that Tuesday's vote was that step.

Follow Sentinel reporter Jason Hoppin on Twitter:

000064

[print](#)

Special-needs resource center to open at library

by Press-Banner

05.24.12 - 02:03 pm

A resource center will open in Scotts Valley Branch Library next week to provide information to parents of special-needs students in Santa Cruz County.

The center is funded by a \$15,000 grant from the Area Board VII of the State Council on Developmental Disabilities.

Scotts Valley residents Susie Christensen and Peter Mclean are the local representatives on the Area VII Board and helped secure the grant.

Mclean and his wife, Maureen, donated more than 70 resource publications to start the collection, giving the library a foundation of materials for the special-needs community.

The center will open June 2 at the new library, 251 Kings Village Road, in Scotts Valley.

The collection will include reference books, legal manuals, video cassettes and DVDs that deal with a wide spectrum of issues.

Addressed by the fledgling collection — the only one of its kind in Santa Cruz County — are conditions including autism, attention deficit disorder, ADHD, Tourette syndrome, Asperger's syndrome, cerebral palsy, visual impairment, pervasive developmental delays, dyspraxia, bipolar disorder, sensory processing disorders, Down syndrome, anxiety, depression and obsessive-compulsive disorders.

Elizabeth Walch, president of the Friends of the Library Scotts Valley Chapter, wrote the grant.

“We are so pleased that the library’s commitment to providing resources and education to the community now includes the special-needs community,” Walch said. “We hope to obtain similar grants in the coming year so that we can continue to build on the special-needs resource collection and provide even more support to our special-needs community.”

For information: www.fsvpl.org.

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Best Bets, May 25, 2012: Friends of the Santa Cruz Public Libraries book sale

- Santa Cruz Sentinel

Posted: 5/25/12

SantaCruzSentinel.com

Friends of the Santa Cruz Public Libraries book sale

The Friends of the Santa Cruz Public Libraries will hold a book sale today and Saturday at the Santa Cruz Civic Auditorium. Members of Friends of the Santa Cruz Public Libraries can shop at the sale from 5:30-8 p.m. this evening and the public can participate from 10 a.m. to 12:30 p.m. and from 1-3 p.m. Saturday.

WHEN: 5:30-8 p.m. today for Friends of the Santa Cruz Public Libraries, 10 a.m. to 12:30 p.m. and 1-3 p.m. Saturday for the public

WHERE: Santa Cruz Civic Auditorium, 307 Church St., Santa Cruz

COST: \$1.50 per pound Friday night and Saturday morning, \$5 per grocery bag on Saturday afternoon

DETAILS: 427-7716, www.fscpl.org

Santa Cruz Improv Fest -- ComedySportz

The interactive comedy group ComedySportz performs at the Broadway Playhouse tonight as part of the Santa Cruz Improv Fest. ComedySportz, an award-winning organization, specializes in a sport-themed brand of comedy in which teams compete for laughter and points from the audience for their improvised operas, musical, games and scenes and are overseen by a referee.

WHEN: 8 p.m.

WHERE: Broadway Playhouse, 526 Broadway, Santa Cruz

COST: \$15

DETAILS: 425-9378

Artist of the Year Profile Performance: Gary Young

Poet Gary Young, who was named Santa Cruz County's 2012 Artist of the Year, will speak at an event at the Museum of Art and History tonight. Young, a celebrated poet, book artist, illustrator and printmaker, will talk about several topics in the field of writing.

WHEN: 7 p.m.

DETAILS: Ages 13+ only, 454-7901

For more local activities, visit the Things to Do section of the Sentinel homepage or <http://events.santacruzsentinel.com>.

000066

[print](#)

County supervisors OK rezoning of new Felton library site

by Press-Banner

05.31.12 - 10:28 am

At the May 22 meeting of the Santa Cruz County Board of Supervisors, the five supervisors unanimously voted to take a step toward securing land for a new library branch in Felton.

The proposed site for the library, adjacent to the post office on Gushee Street, is part of a parcel of land owned by the Verutti family. The Veruttis have a longstanding offer to split the parcel and donate a portion to the county for a library.

“That offer’s been in place for quite a while,” said 5th District Supervisor Mark Stone, who recommended the vote.

With the vote, the county agreed to begin rezoning the land and allow Santa Cruz Public Libraries to draw up a parcel map and prepare environmental studies.

The agreement does not cost the county any money. The library system must find funding for the building application fees and environmental studies that are needed before a library can be built.

Stone said that he thought the environmental and rezoning processes would be finished before the end of the year.

The idea, Stone said, was to have the property zoned and ready to build on, should the library system receive funds at a later date that would enable it to begin construction immediately.

“It’s something that we’ve been trying to make tangible progress on for a long time,” Stone said. “This is tangible progress.”

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000067

SV Library presents 'Go Figure' exhibit

- Sentinel staff report Santa Cruz Sentinel

Posted: 5/31/12

SantaCruzSentinel.com

Santa Cruz artist Val Peyser is making sure that visitors to the still-new Scotts Valley branch of the county's public library system are going to encounter a little fine art with their books and DVDs.

Peyser is the program chair of the Art in the Library in Scotts Valley, and on Saturday, she will present the latest installation at the library that opened a year ago. "Go Figure" is an art show celebrating figurative art and the human form and features many prominent names in local art, including Mattie and Melissa Leeds, Anna Oneglia, Laura Rice, Anthony L. Solis, Cher Roberts, Sefla Joseph and the grandchildren of well-known painter and artist Laurie Zeszut's grandchildren, as well as the artists of the Santa Cruz County's special-needs art program.

Twenty-two local artists have displayed their work at the Scotts Valley Library since its opening, including Carol Bowie, Moto Ohtake, Judy Bingman and Mike McClellan. For more information, go to www.fsvpl.org.

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GOOD TIMES

community *in action*

LOCAL NEEDS > LOCAL RESOURCES > LOCAL SOLUTIONS

5/31/12

> Next/Now Generation Making A Difference

GENERATION

SANTA CRUZ
share a story
from our staff
or the list of those
in the room for all the
to learn more.



learn / connect / do

> Spotlight on Megan Aufdermaur Santa Cruz Public Libraries

"The library has always been an important component of my life," says Megan Aufdermaur. "It provides so many resources to local families that are invaluable." An AmeriCorps member, and the Volunteer Coordinator for the Santa Cruz Public Libraries, Aufdermaur has been recruiting and retaining volunteers for various library programs since joining their work force in 2011.

Santa Cruz Public Libraries serve the public via 10 stationary locations across the county. They also run a bookmobile that offers a small English and Spanish book collection that exists to expand library services to communities that are geographically isolated or underserved. Santa Cruz Public Libraries not only offer a space for book loans and computer access, but also provide exam-proctoring services, tax forms and assistance, and a variety of youth programs.

"Santa Cruz Public Libraries was my first choice because it was facing declining donations and revenue in relation to the economic downturn," explains Aufdermaur. As a single mother, Aufdermaur utilizes library services with her family and recognizes its importance in the community on a very personal level. She has recently started overseeing the Tales to Tails literacy program where local students sign up for private time slots to read to an attentive certified therapy dog or cat. "This program increases confidence in a student's own reading ability through partnering with a nonjudgmental reading partner," explains Aufdermaur. The program is available in the Capitola, Felton and Downtown branches, and is planned to expand to other branches.

"I have been overwhelmed by the support of fellow community members," she says. "They have really demonstrated that people will rise to the occasion to support local organizations and services that sustain our community."

For more information, please visit santacruzpl.org.

> tools for action

Learn

Join the conversation with others talking about the next/now generation. Check out **Rosetta Thurman** at facebook.com/rosettathurman and her posts about leadership, career development and social media. You can also follow **Young Nonprofit Professional Network-Bay Area** at facebook.com/YNPNsbba or Twitter.com/#!/ynpnstba.

Connect

Santa Cruz NEXT provides a fun, hip and diverse environment to discuss issues affecting the next generation of our community. Connect at santacruznext.org. **Emerging Arts Professionals** is a SF Bay Area group offering network opportunities and online resources at emergingarts.org/.

Do

YouthServe helps youth ages 11-18 be active participants in our community. Go to facebook.com/pages/YouthSERVE. **Leadership Santa Cruz County** connects you to other new leaders and gives you info and resources to start making a difference. Go to leadershipsc.org. **Media Causes** empowers volunteers to support nonprofits at facebook.com/mediacauses.

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County OKs step for new library site

Press-Banner

At the May 22 meeting of the Santa Cruz County Board of Supervisors, the five supervisors unanimously voted to take a step toward securing land for a new library branch in Felton.

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The idea, Stone said, was to have the property zoned and ready to build on, should the library system receive funds at a later date that would enable it to begin construction immediately.

"It's something that we've been trying to make tangible progress on for a long time," Stone said. "This is tangible progress."

Community Library Advisory Council

Join us as we inaugurate an exciting opportunity for community input

Tuesday, May 15, 2012
Live Oak Branch Library
2380 Portola Drive, Santa Cruz
6:30-7:30 PM



This is the organizational meeting for people who live in the communities near the **Live Oak, Capitola and Branciforte Libraries.**

We plan to meet quarterly to hear from our communities on the direction of library service in Santa Cruz County.

For more information, call (831)427-7706, ext. 5606

000071

Editor [Jacob Bourne](#) jacob.bourne@patch.com

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Update: [Capitola Book Cafe needs help from the community to keep from closing its doors permanently. Learn more here.](#) »

[Business](#)

Capitola Book Cafe's Plan to Save Itself

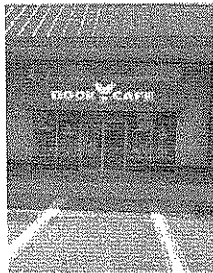
Everything you need to know about the Capitola Book Cafe's plan to avoid closure.

By [Jacob Bourne](#) [Email the author](#) 9:20 am

Recommend Tweet 1

[Email](#) [Print](#) [Comment](#)

Related Topics: [Books Belong](#), [Capitola Book Cafe](#), and [Nonprofit](#)



As we reported Tuesday, the [Capitola Book Cafe's](#) financial situation is dire. And although the business is respected and heavily integrated into the community, it is nonetheless on the brink of permanent closure.

But the cafe's quartet of owners has [one rabbit left in its hat to save the business](#): the launch of a 501(c)(3) nonprofit which would generate revenue through private donation and grants. The nonprofit, [Books Belong](#), would expand on the Book Cafe's current author talk, book club, writing group and education program.

The Book Cafe has outlined its entire plan in the Q&A below. Got a question about how the business plans to survive? You can probably find the answer here.

Q: How will this new business model work?

A: Capitola Book Café (CBC) is creating a separate 501(c)(3) organization that will be dedicated to education and outreach programs currently being offered by CBC. The seed funding for the nonprofit arm of CBC called Books Belong will come from a portion of the fundraising campaign's revenue, and will be sustained by future profits from the CBC.

As a registered 501(c)(3), Books Belong will be eligible to apply for and receive grants and tax-deductible donations from individuals, foundations and corporations. Programs offered via Books Belong will include: Author talks and book signings, book clubs and reading groups, workshops for writers, literature literacy education and outreach for teens, adult education, special off-site events with authors and release parties.

Books Belong will also expand upon its growing role as a support to local teachers, educators and education administrators, providing content and staffing for literacy outreach that is no longer supported by outside programs.

With events and outreach being created and managed by Books Belong, the retail arm of this business model, the for-profit CBC, will focus on selling books, both in-store and online through the newly-revised CBC website. With resources no longer being allocated to events and outreach, the newly-streamlined retail operation will be better able to shape in-store inventory, offering a more robust reflection of our community's shopping needs.

Q: Why does CBC need to raise this specific amount of money?

[Close](#)



Teresa Landers <landerst@santacruzpl.org>

Positive Feedback!!

Diane Cowen <cowend@santacruzpl.org>

Mon, May 14, 2012 at 9:53 AM

To: All Staff <allstaff@santacruzpl.org>, Oncall <oncall@santacruzpl.org>, Service Branch Accounts <service-branches@santacruzpl.org>

Hi all,

I just wanted to share some positive feedback I received in the webmaster mailbox this morning:

=====

never mind the naysayers. i think you folks do a great job, and your new system seems to work well. the renewal process is very easy. so, in summary, i love you!

=====

Diane Cowen

Virtual Services Coordinator
Santa Cruz Public Libraries
Tel: 831.427.7706 x 7763
cowend@santacruzpl.org
http://www.santacruzpl.org



Get a signature like this. [CLICK HERE.](#)

000073



Teresa Landers <landerst@santacruzpl.org>

Positive feedback

Diane Cowen <cowend@santacruzpl.org>

Thu, Apr 5, 2012 at 3:23 PM

To: Metis Group <metis@santacruzpl.org>, Branch Staff Live Oak <liv@santacruzpl.org>

I just thought I'd share a comment from webmaster. Somebody likes us:

Hello, my wife and I really enjoy the Live Oak Branch! The audiobooks I have been getting are great for my commute> The online access is so helpful, thank you.

--

Diane Cowen
Virtual Services Coordinator
Santa Cruz Public Libraries
(831) 427-7706 ext. 7763

000074



California Public Employees' Retirement System
P.O. Box 942709
Sacramento, CA 94229-2709
(888) CalPERS (or 888-225-7377)
TTY: (877) 249-7442
www.calpers.ca.gov

Reference No.:
Circular Letter No.: 200-014-12
Distribution: VI
Special:

Circular Letter

May 23, 2012

TO: ALL PUBLIC AGENCY EMPLOYERS

SUBJECT: PHASE-IN OF IMPACT OF THE CHANGES IN ECONOMIC ASSUMPTIONS (INCLUDING DISCOUNT RATE)

The purpose of this Circular Letter is to inform you of recent changes to the CalPERS economic assumptions and the impact this will have on employer contribution rates.

At the March 14, 2012 meeting, the CalPERS Board of Administration (Board) approved a recommendation to lower the CalPERS discount rate assumption, or the rate of investment return the pension fund assumes, from 7.75 to 7.50 percent. This will increase public agency employer rates for the 2013-14 fiscal year.

At the April 18, 2012 meeting, the Board approved a recommendation to phase-in the employer contribution rate increases over a period of two years.

Agencies with non-pooled plans will have the opportunity to elect not to phase-in the higher rates for 2013-14 by notifying their plan actuary prior to May 1, 2013.

Background

At its March meeting, the Board directed staff to develop a phase-in of the impact of the change in the price inflation assumption and discount rate over the next two years. Staff recommended that the phase-in be accomplished by requiring public agency employers to pay in 2013-14 one-third of the amortization payment that would otherwise be required for the increase in actuarial liabilities resulting from the change in assumptions. The remaining two-thirds will be paid by public agency employers over the remaining 19 years so that at the end of 20 years, the full increase in actuarial liabilities will have been paid.

For most plans, the proposed method will allow for a phase-in of roughly 50 to 55 percent of the required increase in employer rates resulting from the change in actuarial assumptions adopted by the Board on March 14, 2012.

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Results

The Board's decision to phase-in the lower discount rate assumption will have the following estimated impacts on sample public agency employers:

**Estimated Increase in Employer Contribution Rates
in Fiscal Year 2013-14
(% of Payroll)**

Group	Without Phase-in	Phase-in Rate	Phase-in Percentage
Public Agency Miscellaneous			
Sample Agency A	1.24%	0.65%	52.4%
Sample Agency B	1.15%	0.63%	54.8%
Public Agency Safety			
Sample Agency A	1.94%	1.00%	51.5%
Sample Agency B	1.62%	0.90%	55.6%

Phasing-in the impact of the change in assumptions by reducing the amortization payment in the first year is expected to result in higher contribution rates in the 19 years following the phase-in. Staff determined that employer rates in the 2nd through 20th year would be approximately 0.04 to 0.05 percent of payroll higher than the rates without the phase-in for miscellaneous plans and approximately 0.05 to 0.08 percent of payroll higher for safety plans.

To help illustrate the impact of the phase-in, below is a table showing the expected increase in employer rates resulting from the change in assumptions for a sample miscellaneous plan with and without the phase-in.

**Estimated Increase in Employer Contribution Rates
(% of Payroll)**

	Without Phase-in	With Phase-in	Difference
Sample Public Agency Miscellaneous			
Year 1	1.24%	0.65%	(0.59%)
Years 2 - 20	1.24%	1.29%	0.05%

The measured impact of the change in the discount rate assumption for each agency will be known when the Actuarial Office completes the June 30, 2011 actuarial valuations in fall 2012. The June 30, 2011 valuations will set the employer rates that take effect on July 1, 2013.

The valuations for non-pooled plans will reflect the employer rates with the phase-in and will also disclose what the rates would be without the phase-in. Employers will be assumed to be using the phased-in rates. However, public agencies with non-pooled plans will have until May 1, 2013 to notify their CalPERS actuary if they decide they would prefer not to phase-in the increased rates.

Potential Accounting Impact

It is possible that the funding contribution determined in the annual valuation may be less than the Annual Required Contribution (ARC) under the current Governmental Accounting Standards Board (GASB) rules. This could create an accounting event and require special accounting treatment for the difference. It is advised that you speak with your auditor concerning this issue.

If you have any questions, please call our CalPERS Customer Contact Center at **888 CalPERS** (or 888-225-7377).

ALAN MILLIGAN
Chief Actuary



COUNTY OF SANTA CRUZ

MARY JO WALKER, AUDITOR-CONTROLLER
701 OCEAN STREET, SUITE 100, SANTA CRUZ, CA 95060-4073
(831) 454-2500 FAX (831) 454-2660

Edith Driscoll, Chief Deputy Auditor-Controller
Pam Silbaugh, General Accounting Manager
Mark Huett, Audit and Systems Manager
Marianne Ellis, Property Tax Accounting Manager

May 22, 2012

Gary Bloom, Superintendent
Santa Cruz City Schools
405 Old San Jose Road,
Soquel, CA 95073

Brian King, President
Cabrillo Community College
6500 Soquel Drive, Room 806
Aptos, CA 95003

Subject: Residual distribution from the Redevelopment Property Tax Trust Fund

Dear Mr. Bloom and Mr. King;

Thank you for your letter dated May 11, 2012, advocating that I do not rely on the Department of Finance's interpretation of the allocation and distribution of the Redevelopment Property Tax Trust Fund (RPTTF). I appreciate your interest in this issue.

I wanted to let you know that after much research and analysis, I decided to use the model for distributing the residual from the RPTTF which maintains the integrity of the passthrough agreements. This is the so-called "Department of Finance" (DOF) model, following the priorities described in H&S code section 34183.

You requested that I "cease and desist" from relying on the DOF model, and that I explain why my office should not accept the legal analysis of the League of California Cities to support the Legislative Analyst's Office (LAO). My decision was based on a number of factors.

LACK OF CLARITY

Fundamentally, it is very unclear which model is the "correct" way to distribute the residual. There are essentially two interpretations: one that maintains the integrity of the passthrough agreements to our local taxing entities, and one that redistributes those passthrough amounts to all taxing entities in the redevelopment area. The first model is being referred to as the DOF model, and the second is being referred to as the LAO model. There has been a good deal of discussion about this at the state and local level, and there are valid arguments in support of both models.

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THE DEPARTMENT OF FINANCE'S METHOD IS MOST COMMONLY USED

A clear majority of the county Auditor-Controllers throughout the state are using the DOF model, although this is not unanimous. This is my understanding from a number of Auditor-Controller and property tax meetings and conference calls I recently attended, and County Counsel's understanding from the County Counsel RDA working group conference calls. This is further supported by an informal survey performed by the California State Association of Counties (CSAC's).

THE DEPARTMENT OF FINANCE'S POSITION IS CLEAR

You attached a copy of a letter from the League of California Cities (the League) dated May 7, 2012, which stated that the DOF's position is flawed and unworkable, based on one of the DOF's "Frequently Asked Questions" on their website. I agree that the DOF's response was not well worded, and so did the DOF themselves, which is why they clarified their position on April 10, 2012, in an email that was provided to all Auditor-Controller's. The DOF's email said:

"Our position is still that the AB 1290/pre-AB 1290 passthrough payments in 34183 (a) (1) are protected in full. However, the haircutting in 34188 applies to both the distribution of residual property taxes pursuant to 34183 (a) (4), as well as to the distribution of any proceeds from the sale of assets. Previously I had said the haircutting applied only to the proceeds from the sale of assets, and that 34188 (a) (4) passthroughs were also protected in full."

The DOF reiterated their position in another Frequently Asked Questions posted on their website on March 17, 2012, which stated:

"Specifically, we believe Section 34188 does not require county auditor-controllers to reduce pre-AB 1290 or AB 1290 pass through payments. Instead, the reduction required by Section 34188 should only apply to "residual" pass through distributions made per Section 34183 (a) (4), and to any non-property tax revenues received by ATEs from the former redevelopment agencies, such as revenues from the sale of assets."

The DOF again clarified this position that same day in an email that was provided to all Auditor-Controller's, which read as follows:

Q: Pass-through payments 34183(a)(1) are not be adjusted (unless necessary to invoke subordination clauses when insufficient funds problem arise)?

A: Yes, this is correct.

Q: However 34188 does require that "residual" payments 34183(a)(4) and Other Money 34177(e) payments be adjusted to account for pass-through payments already received under 34183(a)(1) to the extent that when these payments are combined an ATE does not receive more money than it contributes to the RDA?

A: Yes, the 34183 (a) (4) and 34177 (e) payments should be "haircut" to the extent that those payments would, when added to the AB 1290/pre-AB 1290 passthrough payments, result in the ATE receiving more money than it contributed to the RDA.

LEAGUE OF CALIFORNIA CITIES MISREPRESENTS COUNTY AUDITOR'S POSITION

You may have read in the League's letter that the County Auditor's *Draft Uniform Guidelines for the Implementation of Assembly Bill No. 26* supports the alternative model which is identified by the Legislative Analyst Office (LAO). What the League's letter does not say, but should have, is that the final adopted version of our *Uniform Guidelines* does not support either model. Support for any model was stricken from the adopted *Uniform Guidelines*. The President of our State Association of County Auditors wrote a letter to the League informing them of the County Auditor's position, but the League has not yet corrected their letter.

CALIFORNIA STATE ASSOCIATION OF COUNTIES

The California State Association of Counties issued a letter dated April 24, 2012, in which it stated that "CSAC believes that the counties should have a consistent and state-wide approach and agree with the Department of Finance's interpretation." So once again, we have well informed and respected organizations taking opposite positions.

PROPOSITION 1A

You stated in your letter that you believe that the DOF model would violate Article XIII, Section 25.5(a)(3) of the California Constitution, which was added in 2004 by Proposition 1A. Once again, not everyone agrees with that position. The California Supreme Court itself made the following observation in their decision regarding AB X1 26 which dissolved Redevelopment Agencies:

"Finally, tax increment revenue that would have gone to redevelopment agencies must be deposited in a local trust fund each county is required to create and administer. All amounts necessary to satisfy administrative costs, pass-through payments, and enforceable obligations will be allocated for those purposes, while any excess will be deemed property tax revenue and distributed in the same fashion as balances and assets."

DISRUPTION TO OUR COMMUNITY AND CONTRACTUAL OBLIGATIONS

Another important factor which I took into account was the effect of both models on all taxing entities in our county. As I mentioned, it is unclear which model is "correct", and legal experts on both sides believe their positions are legally defensible, so I had to weigh other factors as well. The DOF model is the least disruptive to most (but not all) of the affected taxing entities in our county. Auditor-Controllers were required to estimate by May 1 the amount that will be distributed on June 1. If our county followed the model identified by the LAO, we estimated that a number of entities would lose very significant passthroughs that were negotiated decades ago, and have been receiving for all those years. These entities issued debt and made other legally binding agreements based on this revenue stream. We are still refining our May 1 estimates, and we expect them to change a bit, but we estimate the following entities which would lose the most under the LAO's model:

- Santa Cruz Public Library system - about \$850,000 annually, almost 10% of their annual budget.
- Central Fire Protection District - about \$4 million annually, more than 25% of their annual budget.
- Scotts Valley Fire Protection District - about \$400,000 annually, about 8% of their annual budget.
- County General Fund - about \$4 million annually, more than 4% of general purpose revenues.

GOVERNOR'S BUDGET MESSAGE

I would like to close with a quote from the Governor's budget update, known as the May Revision, released by his office on May 14, 2012. Please remember that the legislation which dissolved redevelopment agencies was originally authored by the Governor and his staff. In the section pertaining to Redevelopment Agencies, the May Revision says:

“Revenues that would have been directed to the former RDAs are now provided to the successor agencies to pay the debts of the former RDA, and to make the “pass-through” payments to which affected taxing entities were entitled before the RDAs were dissolved. The revenues remaining after debt service and pass-through payments are distributed as property taxes to cities, counties, school and community college districts, and special districts under existing law.”

Please contact me if you would like to discuss this further.

Regards,



Mary Jo Walker
Auditor-Controller

Attachment

cc: Cabrillo College Board of Trustees
Santa Cruz City Schools Board of Education
Honorable Bill Monning, 27th District
Honorable Don Lane, Mayor, City of Santa Cruz
City of Santa Cruz City Council and City Manager
City of Santa Cruz Redevelopment Oversight Board and Community Development Director
Santa Cruz Public Library Joint Powers Board and Library Director
Central Fire Protection District Board of Trustees and Fire Chief
Scotts Valley Fire Protection District Board of Trustees and Fire Chief
Santa Cruz County Board of Supervisors, County Administrative Officer and County Council

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