

Chair Martin Bernal
Vice Chair Jenny Haruyama
Board Member Susan Mauriello
Board Member Jamie Goldstein



**SANTA CRUZ CITY/COUNTY LIBRARIES
JOINT POWERS AUTHORITY BOARD
REGULAR MEETING**

APRIL 6, 2017

9:00 A.M.

**DOWNTOWN BRANCH MEETING ROOM
224 CHURCH STREET, SANTA CRUZ, CA 95060**

1. CALL TO ORDER / ROLL CALL

Board Members Jamie Goldstein, Jenny Haruyama, Susan Mauriello, and Chair Martin Bernal

2. PRESENTATIONS

3. ADDITIONAL MATERIALS

Additional information submitted after distribution of the agenda packet.

4. ADDITIONS AND DELETIONS TO AGENDA

5. ORAL COMMUNICATION

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

6. REPORT BY LIBRARY DIRECTOR

A. Library Director's Report - March 2017 (PG.4-5)

7. REPORT BY FRIENDS OF THE SANTA CRUZ PUBLIC LIBRARIES

8. REPORT BY LIBRARY ADVISORY COMMISSION (LAC)

A. Commissioners' Report – March 2017

9. COMMENTS BY BOARD MEMBERS

10. CONSENT CALENDAR

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

- A. Receive Minutes of March 2, 2017
RECOMMENDED ACTION: Approve Minutes. (PG.6-9)
- B. Articles about Santa Cruz Public Libraries.
RECOMMENDED ACTION: Receive Articles. (PG.10-19)
- C. Joint Powers Authority Annual Financial Report 2016
RECOMMENDED ACTION: Receive Report. (PG.20-59)
- D. FY 2016-2017 Budget Adjustment for Donations Received.
RECOMMENDED ACTION: Approve Budget Adjustment (PG.60-61)

11. GENERAL BUSINESS

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

- A. Library Code of Conduct Policy
RECOMMENDED ACTION: Review proposed policies and procedures (PG.62-77)
- B. Library Repair and Maintenance Discussion
RECOMMENDED ACTION: Discuss issues (PG.78-79)
- C. Library Policy Renewal Schedule 2017
RECOMMENDED ACTION: Approve Library Policy Renewal Schedule. (PG.80-81)
- D. FY 2017-2018 Budget
RECOMMENDED ACTION: Discussion item. (PG.82-83)
- E. Board Meeting Summer Schedule
RECOMMENDED ACTION: Discuss Summer Schedule.

12. SCHEDULED UPCOMING MEETINGS

May 4, 2017	Downtown Branch Library	Upcoming Agenda Items:
at 9:00 am	224 Church Street	First Draft Budget
	Santa Cruz, CA 95060	Approval of Code of Conduct Policy

13. ADJOURNMENT

Adjourned to a Regular Meeting of the Library Joint Powers Authority Board to be held on Thursday, May 4, 2017 [immediately following the LFFA meeting] at 9:00 a.m. at the Downtown Branch Meeting Room located at 224 Church St., Santa Cruz, CA 95060.

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

March 2017

Library Director's Report

Library Operations

Gale Farthing, the Library's On Site Services Division Manager, will retire on April 14, 2017. Gale has been a leader and driving force in this organization for decades. I am personally grateful for the time and effort she has provided in making the transition to a new director relatively smooth. Her humor and dedication will be missed.

The Library administration continues to meet with staff and union representatives regarding the distribution of work for on call and temporary employees.

The Downtown branch continues to work closely with the City of Santa Cruz on enhanced reporting and enforcement of behavioral expectations on the exterior in and around the facility.

Project Scout Tax Assistance remains available through April 18 at the Downtown branch.

Friends of the Library

The Friends of the Library have hired Vivian Rogers as their Executive Director. Vivian comes with a wealth of experience from Save Our Shores. The group has applied for a capacity building grant from the Community Foundation to strengthen the centralized infrastructure and lead a process to help coordinate branch capital campaigns. The group would also like to create a unique City of Santa Cruz branches friends group.

Library Advisory Commission (LAC)

The LAC has decided to focus their work on the Library's strategic plan focusing on library objectives and issues. They spent their March meeting discussing how homelessness affects the library and what the Library is doing in response. Next month, they will be discussion student support and STEAM programming.

Library Building Projects

County staff and architect, Teall Messer continue to work on the permitting processes for the new Felton branch library.

The Capitola branch schematic design was reviewed at a public meeting on March 8 and approved by the City Council on March 23. The Friends are working diligently to organize a \$350,000 capital campaign.

The City of Santa Downtown Library Advisory Committee applications have been received and reviewed. The Mayor will make a recommendation to the Council in the

next few weeks. Five firms have responded to the RFQ and a committee is evaluating proposals.

County Supervisor, John Leopold, continues to lead a group exploring the development of a Library Learning Annex Live Oak. The group seems to be narrowing in on the possibility of housing it adjacent to the Simpkins Swim Center.



Chair Martin Bernal
Vice Chair Jenny Haruyama
Board Member Susan Mauriello
Board Member Jamie Goldstein



**SANTA CRUZ CITY/COUNTY LIBRARIES
JOINT POWERS AUTHORITY BOARD
(LJPA)**

REGULAR MEETING MINUTES

**THURSDAY, MARCH 2, 2017
6:00 P.M.**

1. ROLL CALL

PRESENT: Chair Martin Bernal; Vice Chair Jenny Haruyama, Jamie Goldstein (Board Member), Susan Mauriello (Board Member),
STAFF: Library Director Susan Nemitz

2. PRESENTATIONS

David Addison: Veterans Project

3. ADDITIONAL MATERIALS

None

4. ADDITIONS AND DELETIONS TO AGENDA

The Agenda of March 2, 2017 was approved by consensus.

5. ORAL COMMUNICATIONS

None

6. REPORT BY LIBRARY DIRECTOR

Library Director Susan Nemitz reported on the latest activities of the library.

7. FRIENDS OF THE SANTA CRUZ PUBLIC LIBRARIES REPORT

Cindy Jackson, Board Member, reported on the Friends of the Santa Cruz Public Libraries activities and introduced Vivian Rogers, the new Executive Director of the Friends.

8. REPORT BY LIBRARY ADVISORY COMMISSION (LAC)

- A. Cindy Jackson, Commissioner, gave an update on the LAC's February meeting. She expressed the LAC's support of implementing additional open hours throughout the Library system.

9. COMMENTS BY BOARD MEMBERS

None

10. CONSENT CALENDAR

- A. Approve Minutes of February 2, 2017 meeting.
ACTION: Approved Minutes
- B. Receive Articles about Santa Cruz Public Libraries
ACTION: Received Articles
- C. Receive Financial Snapshot for December and January 2016/17
ACTION: Received Financial Snapshot

RESULT: APPROVED CONSENT ITEMS 10.A., 10.B., and 10.C. Pulled Item 10.D for further discussion. [UNANIMOUS]

MOVER: Susan Mauriello (Board Member)

SECONDER: Jenny Haruyama (Vice Chair)

AYES: Bernal, Mauriello, Haruyama, Goldstein

- D. Approve Naming Policy
ACTION: Approved Naming Policy

RESULT: APPROVED CONSENT ITEM 10.D NAMING POLICY WITH THE FOLLOWING CHANGE TO PARAGRAPH 4. NAMING PROCESS: "EACH JURISDICTION SHALL DEVELOP, PROPOSE, AND MAINTAIN A LIST OF NAMING OPPORTUNITIES". [UNANIMOUS]

MOVER: Jamie Goldstein (Board Member)

SECONDER: Susan Mauriello (Board Member)

AYES: Bernal, Mauriello, Haruyama, Goldstein

11. GENERAL BUSINESS

A. Costs associated with new libraries

ACTION: Reviewed Report

RESULT:	REVIEWED THE REPORT ON COSTS ASSOCIATED WITH NEW LIBRARIES [UNANIMOUS]
MOVER:	Susan Mauriello (Board Member)
SECONDER:	Jenny Haruyama (Vice Chair)
AYES:	Bernal, Mauriello, Haruyama, Goldstein

B. Pilot Hours, Books and Technology Budget Request

ACTION: Authorized Budget Adjustment for FY 17

RESULT:	AUTHORIZED BUDGET ADJUSTMENT FOR FY 17 [UNANIMOUS]
MOVER:	Susan Mauriello (Board Member)
SECONDER:	Jenny Haruyama (Vice Chair)
AYES:	Bernal, Mauriello, Haruyama, Goldstein

C. Security Update

ACTION: Reviewed Report

The Board reviewed the report and commented that Measure S resources should not be used for any physical changes in regards to security.

RESULT:	REVIEWED THE SECURITY UPDATE REPORT [UNANIMOUS]
MOVER:	Susan Mauriello (Board Member)
SECONDER:	Jenny Haruyama (Vice Chair)
AYES:	Bernal, Mauriello, Haruyama, Goldstein

LJPA
March 2, 2017

12. ADJOURNMENT

Final Adjournment of the Library Joint Powers Authority Board (LJPA) at 7:25 p.m. to the next Regular Meeting Thursday, April 6, 2017 at 9:00 a.m. [immediately following the Libraries Facilities Financing Authority (LFFA) meeting] at the Downtown Branch Meeting Room, located at 224 Church Street, Santa Cruz, CA 95060.

ATTEST: _____
Helga Smith, Clerk of the Board

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

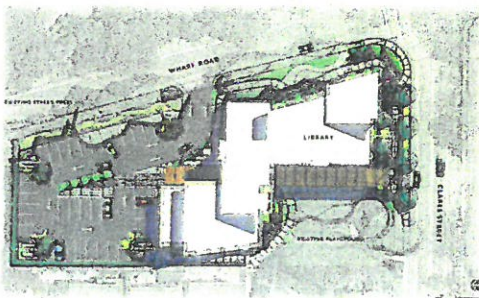


In the News and Media:

The Month of March contained fewer news and media mentions about SCPL than February.



Updates from Capitola City Hall: March 2017 Capitola Soquel times
By [Michael Oppenheimer](#) on March 6, 2017



Jaime Goldstein, Capitola City Manager

City Moves Forward on Designs for New Library

Schematic designs for the new Capitola library are currently being developed and reviewed. This work has included a review by the Santa Cruz Public Libraries staff of the projected programs and services to be provided at the library and related size

requirements. Based on their recommendations, the City Council has reduced the size of the building from 12,800 square feet to 11,700 square feet. Members of the public can review the current schematics at a workshop on March 8.

The City Council will be holding a public hearing on the plans on March 23.

The new library will include space for a large children’s area, a community room, adult reading lounges, group study areas, teen areas, small meeting rooms, and electronic homework rooms. As shown on the graphics, the library will also include outdoor patios that tie into the existing playground and pedestrian access from Clares Street.

The project architect, Noll and Tam, developed an interesting roof and ceiling plan that will



provide simple roof lines and a dynamic ceiling that allows natural light throughout the building.

Due to the success of the free citizenship workshop offered in February, SCPL added an additional citizenship workshop in March, which was promoted in the media.

Aptos Community News

You are here: [Home](#) / [News Items](#) / Free Citizenship Workshop at Santa Cruz Public Library
Free Citizenship Workshop at Santa Cruz Public Library Posted March 6, 2017 by [Seb Frey](#)



Citizenship Workshop at the Santa Cruz Public Library

The Santa Cruz Public Library System (SCPL) will host a free Citizenship information session and application workshop at the Downtown Branch Library at 224 Church St. on March 11th from 11:00am to 2:00pm. After the far-reaching success of a free citizenship application workshop last month, the International Rescue Committee (IRC) has offered to hold another workshop to make immigration resources accessible to our community.

The event begins with a session designed to provide participants with information on the citizenship application process and the eligibility requirements to become an American citizen.

Those who are ready to apply can register in advance for a free on-site one-on-one session with an IRC trained immigration specialist who will help complete and submit the citizenship application (N-400); and file fee waivers on the participant's behalf (if applicable). Afterwards and throughout the entire naturalization process, IRC will follow-up with the status of cases and serve as a representative with USCIS.

To register for the workshop please call 408-277-0255 ext. 17, 18, or 21 or email sanjoseimmigration@rescue.org. You can also register online at citizenshipsantacruz.eventbrite.com.

Santa Cruz Sentinel

Posted: 03/01/17, 3:15 PM PST | Updated: 3 days ago

[0 Comments](#)

Coast Lines, March 7, 2017

The Santa Cruz Public Library System will host a free citizenship information session and application workshop from 11 a.m. to 2 p.m. Saturday at its downtown branch, 224 Church St.

The event begins with a session designed to provide participants with information on the citizenship application process and the eligibility requirements to become an American citizen. Those who are ready to apply, can register in advance for a free on-site, one-on-one session with an immigration specialist who will help complete and submit the N-400 citizenship application and file fee waivers on the participant's behalf if applicable. Throughout the naturalization process, IRC will follow-up on the status of cases and serve as a representative with USCIS.

Registration: 408-277-0255, ext. 17, 18, or 21; sanjoseimmigration@rescue.org or citizenshipsantacruz.eventbrite.com.

Homework Help also appeared in the Coastlines

LIBRARY BRANCHES OFFER HOMEWORK HELP

Are you a student needing homework help? Free help is available to all students younger than age 18 years through May 25 at branches of the Santa Cruz Public Library.

No appointment is needed. The schedule:

- 3-5 p.m. Tuesdays at La Selva Beach Branch Library, 316 Estrella Ave., La Selva Beach, and Scotts Valley branch library, 251 Kings Village Road, Scotts Valley.
- 3-5 p.m. Wednesdays at Garfield Park, 705 Woodrow Ave.

The Brown Bag Workshop on Cottage Food Businesses was advertised in the Business Digest. This Brown Bag Workshop also received a great deal of promotion on Twitter by various partners and their networks.

Santa Cruz Sentinel Business Digest, March 2, 2017: Cottage food class with Tom Bruce
Wednesday

Tom Bruce of Central Coast Food & Beverage will present a two-hour class, "From Kitchen to Market, Scale Up your Artisan Food Production," 11 a.m. to 1 p.m. Wednesday at the Santa Cruz Public Library, 224 Church St. upstairs meeting room, as part of the 2017 Small Business Brown Bag Series presented by the Small Business Development Center.

The class will describe the Cottage Food Program, steps to compliance, estimating costs, breaking into retail, pitfalls to avoid, licensed facilities and marketing tactics.

Admission is free but pre-registration is required at Santacruzpl.org/brownbags. Information: 831-479-6136.

Below is an excerpt from an article recognizing many individuals for their work on community issues. Only the relevant paragraph is included.

SANTA CRUZ

Sentinel March 21st

[Santa Cruz County supervisors recognize trailblazers](#)

- Cynthia Mathews, founding director of Planned Parenthood Santa Cruz, with six terms on the Santa Cruz City Council and five terms as mayor; work on library, education and water issues.

The grand opening of the Veterans Information Center continued to receive some press from Times Publishing at the end of February.

New Veterans Information Center

By [Michael Oppenheimer](#) on February 23, 2017



Grand Opening at Downtown Santa Cruz Library

The Santa Cruz Public Library System (SCPL) invited the entire community to the Grand Opening Celebration of the new Veterans Information Center housed in the Downtown Santa Cruz library. The Grand Opening Celebration was held Thursday February 16 with a ribbon cutting ceremony at noon. The event featured local dignitaries, a brief presentation about the new center, and refreshments.

The Veterans Information Center at the library provides trained Volunteer Benefit Coaches to connect veterans and their families with local, state and federal resources on education, employment, housing, health, disability and other benefits that may be available. In addition, there is a collection of books and other resources, and access to computer equipment for extended periods in order to complete online applications and do research.

The Veterans Information Center hours are weekly on Mondays 1:00pm – 3:00pm, Tuesdays 10:00am – 12:00pm, and Wednesdays 10:00am – 12:00pm. Librarians are also available for individual appointments.

California public libraries, in partnership with California Department of Veterans Affairs, are working to connect veterans and their families to benefits and services for which they are eligible. SCPL has joined this partnership and is working in collaboration with our local community veteran service organizations to positively impact the quality of life for veterans.

According to Susan Nemitz, Director of Libraries, "So many veterans have no idea that they are eligible to receive benefits. This new center will help us connect these veterans to the tools and information that can transform their lives."

After a soft launch in December 2016, the Veterans Information Center has already seen some success. According to Program Coordinator David Addison, "Collaboration with veteran service organizations in our community has helped shape the program for collective impact. Many veterans, including homeless veterans, visit the library frequently. Most think they aren't eligible for benefits, but many are. We have already directly served some veterans and had some positive outcomes."

SCPL also has a web page dedicated to veterans resources, located at www.santacruzpl.org/veterans. For more information about the Veterans Information Center, or to volunteer as a benefits coach, contact David Addison at (831) 427-7700 ext. 7671 or email vetconnect@santacruzpl.org.



The subject of the downtown library and parking garage proposal was discussed in letters to the editor in the Good Times. The only mention of the library in the article referred to by the author of this letter appears in the following paragraph:

The current rough draft proposal for the Cedar Street lot is to put a library on the ground floor, using money from Measure S, which voters approved in June. City Manager Martín Bernal estimates that it would be cheaper to build a brand-new, state-of-the-art library than to renovate the old one. Five stories of parking—plus a little office space—would go up above.

The rest of the article is concerned with parking and transportation issues, and is therefore not reproduced in entirety.

Good Times Letters March 15: Deconstructing the Garage

Thank you for the timely and comprehensive article in last week's *Good Times* (GT, 3/8) on the critical issue of a [proposed five-story parking garage](#). Here are some of the thoughts that came to me as I read it.

First, the idea of building a new library needs to be de-coupled from the proposed garage and examined. When so many of us voted for Measure S in June, we voted to *refurbish* the existing downtown library. There was nothing on the wording of the ballot about building a new one. If I, and many other folks I know, had known Measure S would potentially lead to a monstrous parking structure where we currently enjoy the Farmers Market, we certainly would not have voted for Measure S.

Consider, too, the flow of traffic on the streets around the proposed garage's perimeter, streets already in need of maintenance from overuse. And consider what a five-story building will do to block sunlight in that area.

What's more, I find it hard to believe that a permanent structure would be built for a *weekly* farmers market, when space is at such a premium. Where would it be? And what would happen to the monthly antique fair?

Far better to use that \$35 million (though it could well be more than that) to encourage people to leave their cars at home when they come downtown. All Metro buses currently end up right on Pacific Avenue, and they need more riders.

Most likely, people don't use the bike lockers we now have because they are intimidating. People are afraid they won't be able to get their bikes back out. Bike lockers that are friendly in operation, and uniform throughout town, would be a great enticement.

Brodie Hamilton told the audience during his visit here that parking and transportation at Stanford are under the same department and budget. The popular bus service in Boulder is paid for by parking fees. We could move into a more contemporary transportation culture if we followed their example.

So, hold your horses, I say. Let's think about what kind of town we want. One that is bound by car traffic, or one that encourages a walk-able, bike-able, bus-able town we can enjoy for many years to come. We don't want to be left with a white elephant sitting in the center of our town with car ramps that can't be re-purposed for something more worthwhile like affordable housing.

Reviews

Library branches are frequently reviewed and rated on sites like Yelp, Google+, and Facebook.

Google+ Reviews

Downtown: 1 Star Rating on February 25, 2017

WORST LIBRARY EVER! I have been coming to this library for many years, and have loved it up until about a year ago. The "police officer" or "security guard" is nothing short of a joke and a failure. As I said, I have been coming to this library for a long time and have never had a problem with the homeless/drug addicted population at the library because it is a public library and everyone has a right to be there. The problem I have is with the "security guard" and his unwillingness to do his job. I have seen people SHOOT UP HEROIN in the public library and pass out on the desks and drop their needles on the ground MANY TIMES. The closest thing to enforcement I have ever seen him do is clean up the needles on the carpet under the people who had just shot up heroin and wake them up when the library is closing. I have had people try to steal from me before, but did not report it to the front desk because it is clear he does not care and nothing will be done. Today, I had someone try to steal my purse and wallet right in front of me and I decided I had to say something because I have had it with this library. When I reported it and showed the "security guard" who had done it, he told me he would "have a conversation with him" and thanked me for letting him know. I had parked right in front of the library, and by the time I got in my car the "security guard" had already gone inside and the person who attacked me was going about his day like nothing happened. I went back inside to complain and called the real police to file a real police report since he was clearly disabled.

While I was on the phone with the authorities, the "security guard" could not keep the smirk off his face and it was clear he thought the entire situation was a joke. What I think is a joke, is that I have been to this library hundreds of times and have seen illegal activity almost every time I have come. They should really change his position title to "JANITOR" because it seems like he's just cleaning up after people who really should not be doing drugs, stealing, etc. in the public library. I understand it is a public library and they don't have a ton of options of enforcement of rules. My problem is not with the homeless/drug addicted population. The problem that I have is that when a particular incident happens and the library security is able to track down the individual that perpetrated the attack, they don't take the opportunity to enforce the rules/law. I can forgive so much and have forgiven so much with this library over the years, but I have had with that "security guard." I honestly don't understand how I can be so loyal to that library over the years and that I pay for parking every time only to be laughed at by the security guard when he fails to protect me. I will NEVER attend this library again and advise you to stay away or look out for yourself because it is clear the "security guard" is not there to look out for you. P.S. When I reported it to the front desk, they had to call the security guard out from some room in the back and it took him a couple minutes to actually come out. What is the use of a security guard thats in some back room? I would rate it zero stars but thats not an option.

Garfield Park: 3 Star Rating on March 22, 2017

Pretty good wifi speed. Hearthstone works.

Downtown: 3 Star Rating on March 22, 2017

Great internet, as should be expected downtown. Hearthstone can be played.

Aptos: 3 Star Rating on March 21, 2017

Allows Hearthstone and even porn websites. Just has a warning in the library about "private viewing". I appreciate the liberal approach to Internet use.

Capitola: 5 Star Rating on March 16, 2017

Patient, friendly, helpful and knowledgeable staff. You can order books from any Santa Cruz library and have it delivered here.

Aptos: 3 star Rating on March 14, 2017

Pretty good...I ordered some books online and lots of times they gave me the wrong book, other then that it's a good library.

Felton: 5 Star Rating with no review on March 9, 2017

Capitola: 5 Star Rating on March 2, 2017

I love the Capitola Library. - The Location - The Staff - The variety of Materials - The Playground - The Children's Section - The Computers - The CDs & DVDs

Yelp Reviews

A woman from Riverside gave a 1 star review on March 21st

They are so unorganized, they are rude, and inexperienced to talk to or deal with mental health people or persons. They need to take some trainings asap.

The same review from Google + appeared on Yelp 2/25/2017

WORST LIBRARY EVER! I have been coming to this library for many years, and have loved it up until about a year ago. See remainder of review in Google+ section above.

Social Media

Eighty-six people visited SCPL's Facebook page during March. The Young Makers program was a popular post.

Post Details

1,438 Likes

5 Comments

0 Shares

Get More Likes, Comments and Shares

Boost this post for \$2 to reach up to 550 people

Post Details

841 Likes

36 Comments

27 Shares

Get More Likes, Comments and Shares

Boost this post for \$2 to reach up to 550 people

The Aptos Library's "Lost and Found" display was very successful on social media as well.

One parent tagged us on Instagram when sharing this precious photo, and agreed to let us repost.

santacruzpl
New, Scotts Valley Library

84 likes

santacruzpl Board book exploration. Thanks for sharing your little book lover xstorybubbles rule



Coworking Unbound
@CoworkingUnbnd

Follow

Excited to bring community-based #coworking to the Santa Cruz Public Libraries (@SantaCruzPL)!

On Twitter, Coworking Unbound is happy to work with SCPL.

RETWEET 1 LINKS 3

8:17 PM · 26 Feb 2017

Email

People also let us know how we're doing via email.

Email Date: Fri, Mar 3, 2017 at 8:53 AM

SCPL Patron Comment or Suggestion: Excellent Librarian

I wanted to take a moment to commend and thank Clifford, a librarian at the Downtown Library. As a Direct Support Provider for Hope Services, we love taking our clients with developmental disabilities to the library as a means of socializing and being active in the community. One of our clients who struggles with control over sounds he makes was briefly confronted by another library patron, and Clifford stepped in quickly, but with grace and class to stand up for my client, while firmly not creating a scene and diffusing the situation. I really appreciate having such excellent support from you guys, thank you!

Email Date: Fri, Feb 24, 2017 at 8:06 AM

SCPL Patron Comment or Suggestion: Commendation for Reference Librarian Jeanne Cz

I wanted to take this opportunity to commend Reference Librarian Jeanne Cz__ for her much-appreciated assistance on Wednesday afternoon on my behalf. I was on a very tight time schedule - having to time-manage several appointments and errands in Santa Cruz before navigating a partially closed highway 17 en route to the city for an early evening appointment there. She took the time from her busy schedule to help me print needed legal documents, when all the computers were manned by Santa Cruz residents for an indeterminate amount of time. I would have never made my important appointment in the city at 6 pm without her able professional help. Truth be told, I have received such kind assistance as such by the main library staff in Santa Cruz on many numerous occasions as such over the past 11 years. Thanks again, Jeanne, for a job well done. It's people like you that make Santa Cruz the very special city it is !!

Email Date: Mon, Feb 27, 2017 at 3:48 PM

SCPL Patron Comment or Suggestion: Maile

I have just now had contact with a lady named Maile. She has taught me so many very valuable ways to use my tablet. Lessons that I need to know in order for me to complete my project that I am working on; she has been invaluable to me; the contact was smooth, unassuming and comfortable. I want to say Thank you to all who had something to do with her being here. Thank you all Very Much, a wise decision, Thank you! I've learned so much today, Thank you!

Email Date: Tue, Mar 7, 2017 at 8:04 PM

Subject: Genealogy Workshop

Hello - I stopped by the Branciforte Library this afternoon to ask about their genealogy section (which has been moved to the main library) and saw the notice about the workshop on April 22.

Please sign me up! This is the perfect offering at the perfect time for me, and I was excited to learn that Ancestry.com is accessible at our library!

See you on the 22nd



FINANCE DEPARTMENT

877 Cedar Street, Suite 100, Santa Cruz, CA 95060 831-420-5052 www.cityofsantacruz.com

February 24, 2017

Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants
260 Sheridan, Suite 440
Palo Alto, California 94036

This representation letter is provided in connection with your audit of the financial statements of the Santa Cruz Public Libraries Joint Powers Authority (Authority), which comprise the respective financial statements of the governmental activities and the general fund, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents of the annual financial report, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February 24, 2017, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 20, 2016, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements [or in the schedule of findings and questioned costs].

- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Authority or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Authority and involves:
 - o Management,
 - o Employees who have significant roles in internal control, or
 - o Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 18) We have disclosed to you all communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

- 22) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 28) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 29) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34 .
- 30) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 31) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 32) With regard to investments reported at fair value:
 - a) The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b) The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c) The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - d) There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- 33) Provisions for uncollectible receivables have been properly identified and recorded.
- 34) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 35) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 36) Interfund, internal, and intra-entity activity and balances have been appropriately classified, reported and approved.

- 37) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 38) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 39) We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 40) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 41) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 42) With respect to the combining fund financial statements for the library operating funds, other supplementary information (the supplementary information):
 - a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- 43) We agree with the findings of specialists in the evaluation of the pension and Other Post-employment Benefit Liability and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- 44) We have evaluated the methods and actuarial assumptions used in the GASB 68 actuarial valuations and have determined that they are in accordance with the standard and the results are appropriate for the Authority. We have evaluated key plan provisions included in the actuarial valuation report to the latest plan document. Additionally, we determined the following items used in the valuation were appropriate: long-term expected rate of return, the mortality tables, and the projected benefit assumptions.
- 45) We have evaluated and properly implemented the provisions of GASB Statements No. 72, *Fair Value Measurement and Application* and No. 82, *Pension Issues – An amendment of GASB Statements No. 67, No. 68, and No. 73*, effective July 1, 2015.
- 46) We have not completed the process of evaluating the impact of adopting future GASB pronouncements including GASB Nos. 73, 74, 75, 77, 78, 80 & 81. The Authority is therefore unable to disclose the impact that adopting these statements will have on its financial position and the results of operations when such statements are adopted.
- 47) We believe that the actuarial assumptions and methods used to measure pension and Other Post-employment Benefit (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 48) Capital assets have been evaluated for impairment. Impairment loss and insurance recoveries have been properly recorded.


Cheryl Fyfe, Assistant Finance Director

**Santa Cruz
Public Libraries
Joint Powers
Authority**

Santa Cruz, California

Annual Financial Report

For the year ended June 30, 2016

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Santa Cruz Public Libraries Joint Powers Authority
Basic Financial Statements
For the year ended June 30, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Administrative Board of the
Santa Cruz Public Libraries Joint Powers Authority
Santa Cruz, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Santa Cruz Public Libraries Joint Powers Authority, (Authority), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Authority as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the general fund budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining fund financial statements for the library operating funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements for the library operating funds is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2017, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Vavrinek, Trinc, Day & Co. LLP

Palo Alto, California
February 24, 2017

Management's Discussion and Analysis

Management of the Santa Cruz Public Libraries Joint Powers Authority (Authority) provides this Management Discussion and Analysis for readers of the Authority's Basic Financial Statements. This narrative overview and analysis of the financial activities of the Authority is for the fiscal year ended June 30, 2016.

I. Financial Highlights

- **Government-Wide Highlights:**

The assets of the Authority exceeded its liabilities at the close of the fiscal year by \$6,200,319 (*Net Position*). A component of this balance represents \$1,423,075 of net investment in capital assets; however, the remainder of Net Position consists of unrestricted Net Position of \$4,777,244. Unrestricted Net Position represents the amount normally used to meet the Authority's ongoing obligations.

Changes in Net Position - The Authority's total Net Position increased by \$1,009,042 in fiscal year 2016 that was the result of the Authority's efforts to reduce expenses and increase revenues.

By the end of the fiscal year, the Authority's total assets increased by \$993,635. All current asset categories experienced increases during the year, including Cash and Cash Equivalents of \$758,778, Interest Receivable of \$3,656, Taxes Receivable of \$12,454 and Due from Other Governments of \$77,070. The noncurrent asset category - Capital Assets decreased by \$149,298.

The Authority's total liabilities decreased modestly in the amount of \$15,407 during the fiscal year primarily due to an decrease in accounts payable.

- **Fund Highlights:**

As of the close of the fiscal year, the Authority's general fund reported a fund balance of \$4,777,244 which is an increase of \$859,744 when compared with the prior year amount. The fund balance is a measure of whether the Authority will have sufficient resources to meet its near-term obligations.

The Authority's general fund total assets increased by \$844,337 and the total liabilities decreased by \$15,407 during the fiscal year. Changes in assets consist of increases in all asset categories of Cash and Cash Equivalents of \$758,778, Interest Receivable of \$3,657, Taxes Receivable of \$12,454, and Due from Other Governments of \$77,070. Changes in liabilities consist of a decrease in Accounts Payable of \$15,407.

II. Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

Notes to the Basic Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 16-28 of this report.

Required and Other Information. In addition to the basic financial statements and accompanying notes, this report also presents a section containing *required supplementary information* which includes a budgetary comparison schedule for the general fund to demonstrate compliance with the budget. This section can be found on pages 30-31 of this report.

III. Government-wide Financial Analysis

About 24% of the Authority's Net Position reflects its investment in capital assets, primarily machinery, furnishings, equipment and leasehold improvements. These assets are used to provide services to citizens; consequently, they are not available for future spending. The table below shows the components of the Net Position.

Santa Cruz Public Libraries
Condensed Statement of Net Position
June 30

	2016	2015
Total assets	\$ 6,797,992	\$ 5,804,357
Total liabilities	597,673	613,080
Net Position:		
Net investment in Capital Assets	1,423,075	1,273,777
Unrestricted	4,777,244	3,917,500
Total Net Position	\$ 6,200,319	\$ 5,191,277

The figure in *Unrestricted Net Position* represents the balance in the amounts normally used to meet the Authority's ongoing obligations. At June 30, 2016, the Authority had a balance of \$4,777,244 in unrestricted Net Position which is an increase of \$859,744 in the balance of \$ 3,917,500 in the prior fiscal year end.

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

Government-wide Financial Analysis, Continued

**Santa Cruz Public Libraries
Condensed Statement of Changes in Net Position
Fiscal year ended June 30**

	2016	2015
General Revenues:		
Sales Tax	\$ 7,457,210	\$ 7,086,468
Unrestricted Investment Earnings	57,172	33,784
Miscellaneous Revenue	210,217	130,198
Total General Revenues	7,724,589	7,250,450
Program revenues	5,843,701	5,709,846
Total Revenues	13,568,290	12,960,296
Expenditures	12,559,248	12,289,368
Changes in Net Position	1,009,042	670,928
Net Position - beginning of year	5,191,277	4,520,349
Net Position - end of year	\$ 6,200,319	\$ 5,191,277

The Authority's net position increased by \$1,009,042 during the fiscal year due to the Authority's continued efforts to reduce its operating expenses.

IV. Financial Analysis of the Authority's Funds

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

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

As of the close of the fiscal year, the Authority's general fund reported an ending fund balance of \$4,777,244 which is an increase of \$859,744 in comparison with the prior year amount. This increase is primarily due to an increase in sales tax revenue and other program revenues.

V. Budgetary Highlights

The final amended budget is more than the original budget for revenues and other financing sources by \$355,153, due to an increase in Intergovernmental Revenue of \$275,520 and Other Revenues of \$79,632. The final amended budget is more than the original budget for expenditures and other financing uses by \$755,803, due to increases in Capital Outlay of \$69,479, Services, Supplies and Other Materials and Services of \$686,324.

The actual revenues and other financing sources were less than the final amended budget by \$26,999. The actual expenditures and other financing uses were less than the final amended budget by \$1,245,694.

VI. Capital Asset and Debt Administration

Capital Assets. As of June 30, 2016, the Authority's investment in capital assets was \$1,423,075 (net of accumulated depreciation), which is \$149,298 higher than the prior year. The increase is attributed entirely to the purchases of \$309,917 in machinery and equipment less \$160,619 in accumulated depreciation.

Long-term Debt. At the end of the current fiscal year, the Authority had no long-term debt outstanding.

VII. Economic Factors and Next Year's Budgets

The library system maintains a healthy and stable financial position. There is adequate, stable and diverse funding to finance ongoing operations, key strategic initiatives and capital projects. Of the Authority's fiscal year 2015-16 revenues (excluding other financing sources), 55% came from a dedicated quarter cent sales tax approved by the voters in 1996. This tax was originally intended to sunset in 2012, but the voters approved making this quarter cent sales tax permanent in 2008. The balance of the Authority's revenues come from local contributions, property tax collected in the County unincorporated areas designated for libraries, bequest income, donations and fees and fines. Sales tax revenues are driven by the general health of the local economy. Sales tax revenue increased over \$370,742 (about 5%) in fiscal year 2015-16 in line with the improved economy.

During fiscal year 2015-16, the Library Joint Powers Authority continued the transition to a new service model for the library system aimed at changing how services are delivered, improving technology at the branches, building up reserves and increasing branch hours. In June of 2013, the Board amended the Reserve Policy to replace the 5% operating reserve and future 10% reserve policy with a System Wide Stabilization Arrangement (i.e. Reserve) at a 2-month funded level policy. They also adopted a Library operating fund Surplus Policy in which the Library's last year's audited General Fund surplus (defined as "Net Change in Fund Balance") shall be used for specific purposes defined in the policy to continue to maintain a healthy and stable financial position. The budget for fiscal year 2016-17 builds on the priorities established through the various plans that are now in place: Strategic Plan, Service Model/Staffing Plan, Facilities Master Plan and Technology Plan.

VIII. Requests for Information

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

Santa Cruz Public Libraries
Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,922,388
Interest receivable	10,345
Taxes receivable	694,030
Due from other governments	748,154
Total current assets	<u>5,374,917</u>
Noncurrent assets:	
Capital assets not depreciated	71,353
Capital assets, net of accumulated depreciation	1,351,722
Total noncurrent assets	<u>1,423,075</u>
Total assets	<u>\$ 6,797,992</u>
LIABILITIES	
Current liabilities:	
Accounts payable and other current liabilities	597,673
Total current liabilities	<u>597,673</u>
NET POSITION	
Net investment in capital assets	1,423,075
Unrestricted	4,777,244
Total Net Position	<u>\$ 6,200,319</u>

See Accompanying Notes to Basic Financial Statements.

Santa Cruz Public Libraries
Statement of Activities
For the year ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Operating Grants and Contributions	Governmental Activities	Revenue and Changes in Net Position
Primary government:				
Library services	\$ 12,559,248	\$ 5,843,701		\$ (6,715,547)
Total primary government	\$ 12,559,248	\$ 5,843,701		(6,715,547)
General Revenues:				
				7,457,210
Sales taxes				57,172
Unrestricted investment earnings				208,500
Miscellaneous				1,707
Gain/ (loss) on sale of assets				
Total general revenues				7,724,589
Change in Net Position				1,009,042
Net Position - beginning of year				5,191,277
Net Position - end of year				\$ 6,200,319

See Accompanying Notes to Basic Financial Statements.

Santa Cruz Public Libraries
Balance Sheet
Governmental Fund
June 30, 2016

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 3,922,388
Interest receivable	10,346
Taxes receivable	694,029
Due from other governments	748,154
Total assets	\$ 5,374,917
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and other current liabilities	\$ 597,673
Total liabilities	597,673
Fund Balances:	
Committed	2,372,126
Unassigned	2,405,118
Total fund balance	4,777,244
Total liabilities and fund balance	\$ 5,374,917

See Accompanying Notes to Basic Financial Statements.

Santa Cruz Public Libraries
Reconciliation of the Governmental Fund Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2016

Total Fund Balance - Total Governmental Fund \$ 4,777,244

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

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

Infrastructure	579,683
Lease Improvements	2,018,031
Machinery and equipment	2,374,303
Software	3,983
Construction in progress	71,353
Less accumulated depreciation	<u>(3,624,278)</u>
Total capital assets	<u>1,423,075</u>

Net Position of Governmental Activities \$ 6,200,319

See Accompanying Notes to Basic Financial Statements.

Santa Cruz Public Libraries
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the year ended June 30, 2016

	<u>General Fund</u>
REVENUES:	
Taxes	\$ 7,457,210
Intergovernmental	5,774,334
Use of money and property	57,172
Other revenues	<u>277,867</u>
Total revenues	<u>13,566,583</u>
EXPENDITURES:	
Current: Library Services:	
Personnel services	8,204,657
Services, supplies, and other charges	4,193,972
Capital outlay	<u>309,917</u>
Total expenditures	<u>12,708,546</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>858,037</u>
OTHER FINANCING SOURCES (USES):	
Sale of surplus equipment	<u>1,707</u>
Total other financing sources (uses)	<u>1,707</u>
Net change in fund balance	859,744
FUND BALANCE:	
Beginning of year	<u>3,917,500</u>
End of year	<u>\$ 4,777,244</u>

See Accompanying Notes to Basic Financial Statements.

Santa Cruz Public Libraries

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position For the year ended June 30, 2016

Net Change in Fund Balance - Total Governmental Funds \$ 859,744

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

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay recorded as capital assets in the current period. 309,917

Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as an expenditure. (160,619)

Change in Net Position of Governmental Activities \$ 1,009,042

See Accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

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

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

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

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

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

Governmental Fund Financial Statements

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

Governmental fund financial statements are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Generally, revenues are considered available if they are collected within 60 days after fiscal year end. If revenues are not subject to accrual, they are recorded when received in cash. The primary revenue sources, which have been treated as susceptible to accrual, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are generally recorded in the accounting period in which the related fund liability is incurred.

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

Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to facilitate comparison between governmental funds and governmental activities.

C. Flow Assumptions and Use of Restricted/Unrestricted Net Position

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

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Flow Assumptions and Use of Restricted/Unrestricted Net Position, Continued

Net position flow assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the governmental-wide statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund balance flow assumptions

Sometimes the Authority will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

D. Cash and Cash Equivalents

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

The City has pooled its cash and investments in order to achieve a higher return on investments while facilitating management of cash. The cash balance in the pooled accounts is available to meet current operating requirements of the Authority. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms. Investment policies and associated risk factors applicable to the Authority are those of the City and are included in the City's basic financial statements.

Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. Interest earned on investments is allocated to all funds on the basis of daily cash and investment balances.

The Authority also participates in an investment pool managed by the State of California, the Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in structured notes and asset-backed securities. These structured notes and asset-backed securities are subject to market risk as to change in interest rates.

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Capital Assets

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

F. Interest Payable

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

G. Long-Term Debt

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

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

H. Net Position

In the Government-Wide Financial Statements, Net Position may be classified in the following categories:

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

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

Unrestricted Net Position - This amount is all Net Position that do not meet the definition of "net investment in capital assets" or "restricted net position."

I. Fund Balances

In the Fund Financial Statements, governmental funds report nonspendable fund balances for amounts that are not available for appropriation and restricted fund balances for amounts that are legally restricted by outside parties for use for a specific purpose. In accordance with GASB Statement No. 54, fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. Fund balance is now classified into five categories: *nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.*

Nonspendable - This category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted - This category consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Authority to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed - This category consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Authority's highest level of decision making authority which is by Resolutions. Formal action taken is with the passage of a simple majority vote at or prior to the last meeting for the applicable fiscal year. It also includes contractual obligations for which existing resources have been committed. Those committed amounts cannot be used for any other purpose unless the Authority removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Fund Balances, Continued

Assigned - This category consists of amounts that are constrained by the Authority's intent to be used for specific purposes, but are neither restricted nor committed. Such intent should be expressed by the Authority or its designated officials, such as the Director of Libraries, to assign amounts to be used. Constraints imposed on the use of assigned amounts can be removed with no formal Authority action.

Unassigned - This category represents amounts that have not been restricted, committed or assigned to specific purposes.

J. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts and the disclosures. Actual results could differ from these estimates and assumptions.

2. CASH AND INVESTMENTS

The Authority had cash and investments balance of \$3,893,708 at June 30, 2016. The Authority's funds are pooled with the City's cash and investments in order to generate optimum interest income.

Investments Authorized by the City's Investment Policy

The investments made by the City treasurer are limited to those allowable under State statutes as incorporated into the City's Investment Policy, dated June 2016, which is more conservative than that allowed by the State statute.

The scope of the investment policy includes all activities of the City and the following reporting entities:

- City of Santa Cruz
- City of Santa Cruz Successor Agency (Redevelopment)
- Santa Cruz Public Improvement Financing Corporation
- Santa Cruz Public Financing Authority

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

2. CASH AND INVESTMENTS, Continued

Under provisions of this policy, the City is authorized to invest in the following types of investments:

- Money market accounts deposited with a nationally or state-chartered bank.
- Bonds issued by the City. Purchases of this type shall not exceed five years to maturity.
- U.S. Treasury bills, notes, bonds, or certificates of indebtedness, or those securities backed by the full faith and credit of the U.S. Government with maturities not to exceed five years.
- Obligations, participations, or other instruments of, or issued by, a Federal agency or a United States government-sponsored enterprise with maturities not to exceed five years.
- Bankers' acceptances with a term not to exceed 180 days' maturity or 40% of the City's portfolio.
- Nonnegotiable and nontransferable certificates of deposit issued by the following types of financial institutions which have branch office locations within Santa Cruz County: a nationally or state-chartered bank, state or federal credit union, or a state-licensed branch of a foreign bank. Purchases may not exceed 30% of the City's portfolio with no more than 5% of the portfolio deposited with a single issuer.
- State of California Local Agency Investment Fund as long as the total amount of City and Agency combined funds invested does not exceed the limit set by LAIF.
- Shares of beneficial interest issued by diversified management companies investing in authorized securities and obligations (e.g., money market mutual funds). Purchases shall not exceed 20% of the City's portfolio with no more than 10% of the portfolio in a single mutual fund.
- Repurchase agreements with primary dealers of the Federal Reserve with specific terms and conditions. The market value of securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities, and the value shall be adjusted no less than quarterly. Securities that can be pledged for collateral consist only of investments permitted within this policy with a maximum maturity of five years. Purchases shall not exceed 92 days to maturity and 20% of the portfolio.

Bond proceeds held by fiscal agents to be used only for specific capital outlay, payments of certain long-term debt and maintaining required reserves are invested in accordance with the requirements and restrictions of the City's investment policy unless provided for otherwise by the City Council or Redevelopment Successor Agency Oversight Board and as permitted by specific State statutes, applicable City ordinance or resolution, and bond indenture requirements.

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

2. CASH AND INVESTMENTS, Continued

Investment in State Investment Pool

The City is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in the LAIF pool is reported in the statements provided at amounts based on the City's pro-rata share of the fair value provided by LAIF, for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdraw is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the City's position in the LAIF pool.

The City's investments with LAIF at June 30, 2016, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

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

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

As of June 30, 2016, the City had \$37,431,542 invested in LAIF accounts, which had invested 2.811% of the pool investments in structured notes and asset-backed securities as compared to 2.080% in the previous year. The City's share of structured notes and asset-backed securities due to its holdings in LAIF amounted to approximately 1.095% of investments at June 30, 2016.

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to two and one-half (2 ½) years or less. The City is in compliance with this provision of the investment policy with a weighted average maturity of 426 days at June 30, 2016.

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

Investments in callable bonds are investments that, although having clearly defined maturities, allow for the issuer to redeem or call such bonds earlier than their respective maturity dates. The investor must then replace the called bonds with investments that may have lower yield than the original bonds. As a result, the fair value of the callable bonds is highly sensitive to changes in interest rates. As of June 30, 2016, the City held \$10,056,080 in callable securities, which amounted to approximately 10.36% of investments at June 30, 2016. The investment policy limits the purchase of callable U.S. Agency instruments to discreet calls and those that pay 100% of the principal at the redemption date. In addition, purchases of callable U.S. Agency instruments are not to exceed 30% of the value of the portfolio. The City is in compliance with these provisions of the investment policy.

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

2. CASH AND INVESTMENTS, Continued

Credit Risk

This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City manages credit risk by evaluating and pre-qualifying banks and primary dealers and by investing in securities with top ratings issued by nationally recognized statistical rating organizations. The City's investment policy requires that the management company of mutual funds must have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations. Although the investment in the Dreyfus California AMT-Free Muni Fund is not rated, and therefore, not in compliance with the City policy, it was authorized by City Council and City Officials as a necessary investment to preserve the tax-exempt status of the related bond proceeds.

Concentration of Credit Risk

The City's investment policy states that not more than 25% of the portfolio shall be invested in any one entity or any one instrument to protect the City from concentration of credit risk, with the following exceptions: U.S. Treasury Obligations and the external investment pool (LAIF). In addition, purchases of mutual funds must not exceed 20% of the value of the portfolio. Purchases in a single mutual fund may not exceed 10% of the value of the portfolio. The City is in compliance with these provisions of the investment policy.

3. CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2016 the Authority's capital assets consisted of the following:

	Balance June 30, 2015	Additions	Balance June 30, 2016
Non-depreciable assets:			
Construction In Progress	\$ 71,353	\$ -	\$ 71,353
Total non-depreciable assets	71,353	-	71,353
Depreciable assets:			
Infrastructure	579,683	-	579,683
Lease improvements	2,018,031	-	2,018,031
Machinery and equipment	2,064,386	309,917	2,374,303
Software	3,983	-	3,983
Total depreciable assets, at cost	4,666,083	309,917	4,976,000
Total capital assets	4,737,436	309,917	5,047,353
Less accumulated depreciation:			
Infrastructure	(295,092)	(13,188)	(308,280)
Lease improvements	(1,511,587)	(86,752)	(1,598,339)
Machinery and equipment	(1,652,997)	(60,120)	(1,713,117)
Software	(3,983)	(559)	(4,542)
Total accumulated depreciation	(3,463,659)	(160,619)	(3,624,278)
Total capital assets, net	\$ 1,273,777	\$ 149,298	\$ 1,423,075

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

3. CAPITAL ASSETS, Continued

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

Depreciation expense of the governmental activities for the year ended June 30, 2016 was \$160,619 and was included as part of the library services expense line item on the statement of activities.

4. LONG-TERM DEBT

As of June 30, 2016, the Authority had no outstanding long term debt.

5. RELATED PARTY TRANSACTIONS

The cities of Santa Cruz and Watsonville and the County of Santa Cruz are required to provide funding to the Santa Cruz County Library Financing Authority in accordance with the maintenance of effort agreement. The net revenues received by the County Library Financing Authority are then passed through to the Library Joint Powers Authority (Authority) and the City of Watsonville based on a prescribed formula. For fiscal year 2016, the Authority's share of the revenues is \$5,443,032 or 77.69%. Distribution of the member contributions are as follows:

Contributing Member Agencies	County Library Financing Authority Contributions	Less: Miscellaneous Costs	Net Contributions	Library Joint Powers Authority Share (77.69%)	City of Watsonville Library Share (22.31)
City of Santa Cruz	\$ 1,394,751	\$ (2,241)	\$ 1,392,510	\$ 1,081,841	\$ 310,669
City of Watsonville	541,684	(644)	541,040	420,334	120,706
County of Santa Cruz	5,072,541	-	5,072,541	3,940,857	1,131,684
Total	\$ 7,008,976	\$ (2,885)	\$ 7,006,091	\$ 5,443,032	\$ 1,563,059

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

6. DUE FROM OTHER GOVERNMENTS

Due from other governments includes funding for Library operations from the County Library Financing Authority. Amounts due are as follows:

	<u>FY 2016</u>
County of Santa Cruz	<u>\$ 748,154</u>
Total	<u>\$ 748,154</u>

7. COMMITMENTS AND CONTINGENCIES

A. Commitments

As of June 30, 2016, the Authority had no outstanding commitments.

B. Contingencies

In the opinion of Authority's management, there were no additional outstanding matters that would have a significant effect on the financial position of the operations of the Authority at June 30, 2016.

8. RETIREMENT PLANS

Pension Plan

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

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

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

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

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

9. FUND BALANCE

The Authority approved a fund balance policy that recognized five fund balance classifications: *nonspendable, restricted, committed, assigned and unassigned.*

Under the Authority's fund balance reporting policy, the order of fund balance classification within each fund is determined by the fund's total nonspendable amount and remaining fund balance. All nonspendable funds, such as inventories and prepaid expenditures, must always be classified first, even if this action creates a deficit unassigned fund balance, and classifying funds under the remaining categories is not allowable if the action creates a deficit unassigned fund balance. The Authority's policy established that, unless prohibited by legal requirements, the following fund balance category order should be used when classifying any remaining funds: *restricted, committed, assigned and unassigned.*

The board resolutions of the Board of Directors are the only authority for fund balance commitments. The approval of fund balance assignments and the classification of fund balance amounts have been delegated to the Director of Libraries.

In addition, the Board approved an establishment of a stabilization agreement to cover cash flow issues and unexpected expenditures in future fiscal years. The amount at June 30, 2016 is \$1,982,478. This amount is included in committed fund balance. The amount can be used only in the event of a declaration of an emergency.

The following table shows the classification of the Authority's fund balance at the end of June 30, 2016:

<u>Fund Balance Category</u>	<u>General Fund</u>
Committed for:	
Stabilization Reserve	\$ 1,982,478
Technology improvements	5,045
New Felton branch	1,200
JPA vehicle replacement	383,403
Total Committed:	<u>2,372,126</u>
Unassigned	2,405,118
Total Fund Balance	<u><u>\$ 4,777,244</u></u>

10. AUTHORITY'S FINANCIAL CONDITION

At June 30, 2016, the Authority had unrestricted Net Position of \$4,777,244, an increase of \$859,744 from the prior year of \$3,917,500 on the Government-Wide Financial Statements. The Authority had a surplus fund balance of \$4,777,244, an increase of \$859,744 from the prior year balance of \$3,917,500 on the Fund Financial Statements. Of that surplus fund balance, \$2,405,118 of it is unassigned.

Santa Cruz Public Libraries Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

10. AUTHORITY'S FINANCIAL CONDITION, Continued

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

Government-Wide Financial Statements

	Total Net		Unrestricted		Change in	
	Position (Deficit)	Change \$	Net Position	Change \$	Net Position	Change \$
2012	\$ 3,219,526	\$ 741,038	\$ 1,936,811	\$ 907,421	\$ 741,038	\$ (156,106)
2013	4,354,251	1,134,725	3,227,257	1,290,446	1,134,725	393,687
2014	4,520,349	166,098	3,158,714	(68,543)	166,098	(968,627)
2015	5,191,277	670,928	3,917,500	758,786	670,928	504,830
2016	6,200,320	1,009,043	4,777,244	859,744	1,009,043	338,115

Fund Financial Statements

	Total Fund	
	Balance (Deficit)	Change \$
2012	\$ 2,292,113	\$ 822,788
2013	3,495,818	1,203,705
2014	3,158,714	(337,104)
2015	3,917,500	758,786
2016	4,777,244	859,744

The Authority has steadily improved its financial condition over the last four fiscal years. Fiscal years 2013, 2014, 2015 and 2016 saw an increase of \$1,134,725, \$166,098, \$670,928 and \$980,362 respectively, in total Net Position. For fiscal years 2013, 2015 and 2016 the Authority saw an increase of \$1,203,705, \$758,786 and \$831,064 respectively, in total fund balance and in fiscal year 2014 the Authority saw a slight decrease in fund balance of \$337,104. These improvements in Net Position and fund balance reduce the uncertainties regarding the Authority's ability to conduct future operations.

During fiscal 2015-16, the Authority continued certain procedures to improve its fund balance, including reductions in operating expenses which are anticipated to continue for the next few years.

Management estimates that the Authority will also end fiscal year 2016-17 with a positive fund balance based on its current budget. The Authority is not anticipating that revenues will increase significantly in fiscal year 2016-17; however, the Authority has continued policies to control expenses, including the implementation of the new service model for the Library.

REQUIRED SUPPLEMENTARY INFORMATION

Santa Cruz Public Libraries

Required Supplementary Information - Budgetary Comparison Schedule, General Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance with Final Budget Positive Negative
	Original	Final		
REVENUES:				
Taxes	\$ 7,516,000	\$ 7,516,000	\$ 7,457,210	\$ (58,790)
Intergovernmental	5,504,000	5,779,520	5,774,334	(5,186)
Use of money and property	31,061	31,061	57,172	26,111
Other revenues	186,968	266,601	277,867	11,266
Total revenues	13,238,029	13,593,182	13,566,583	(26,599)
EXPENDITURES:				
Current:				
Personnel services	8,677,912	8,677,912	8,204,657	473,255
Services, supplies, and other charges	4,179,525	4,865,849	4,193,972	671,877
Capital outlay	341,000	410,479	309,917	100,562
Total expenditures	13,198,437	13,954,240	12,708,546	1,245,694
REVENUES OVER (UNDER) EXPENDITURES	39,592	(361,058)	858,037	1,219,095
OTHER FINANCING SOURCES (USES):				
Sale of surplus equipment	-	-	1,707	1,707
Total other financing sources (uses)	-	-	1,707	1,707
NET CHANGE IN FUND BALANCE	39,592	(361,058)	859,744	1,220,802
BUDGETARY FUND BALANCES:				
Beginning of year	3,917,500	3,917,500	3,917,500	-
End of year	\$ 3,957,092	\$ 3,556,442	\$ 4,777,244	\$ 1,220,802

See notes to required supplementary information.

Santa Cruz Public Libraries
Required Supplementary Information
For the year ended June 30, 2016

1. BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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

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Chair Martin Bernal
Vice Chair Jenny Haruyama
Board Member Susan Mauriello
Board Member Jamie Goldstein



**SANTA CRUZ
PUBLIC LIBRARIES**

STAFF REPORT

DATE: April 6, 2017
TO: Library Joint Powers Authority Board
FROM: Kira Henifin, Management Analyst
RE: FY 2016-2017 Budget Adjustment for Donations Received

RECOMMENDATION

To approve the attached budget adjustment.

DISCUSSION

SCPL received a donation via the Friends in support of programs. In order to budget accurately we need to process a budget adjustment showing the unanticipated revenue and expenditures for FY 2016-2017.

Attachment:

1. Budget Adjustment (Draft)

City of Santa Cruz
BUDGET ADJUSTMENT REQUEST

PAGE 1 OF 1

<input type="radio"/> Council Approval	Resolution No. _____
<input type="radio"/> Successor Agency	Resolution No. _____
<input checked="" type="radio"/> Administrative Approval	

<input checked="" type="radio"/> Current Fiscal Year
<input type="radio"/> Prior Fiscal Year

TO: FINANCE DIRECTOR
FROM: KIRA HENIFIN

DATE: 03/01/2017

<u>ACCOUNT</u>	REVENUE EDEN ACCOUNT TITLE	
951-36-00-0000-46309	Donations	2,084
TOTAL REVENUE		2,084

<u>ACCOUNT</u>	EXPENDITURE EDEN ACCOUNT TITLE	
951-33-55-3560-54990	Misc. Supplies and Services	2,084
TOTAL EXPENDITURE		2,084

NET: \$ _____ (0)

Purpose:

The library received donations for the STEM project as well as donations to help with chess club costs from the Friends of the Library. These donations increase our expected donations revenue and expenditure line items.

REQUESTED BY	DEPARTMENT HEAD APPROVAL	ACCOUNTING APPROVAL	FINANCE DIRECTOR APPROVAL	CITY MANAGER APPROVAL
Kira Henifin <small>Digitally signed by Kira Henifin Date: 2017.02.28 11:23:41 -08'00'</small>	Susan M. Nemitz <small>Digitally signed by Susan M. Nemitz DN: cn=Susan M. Nemitz, o=Santa Cruz Public Library, ou=Director, email=snemitz@santacruz.org, c=US Date: 2017.02.28 16:55:15 -08'00'</small>			
02/28/17	02/28/17			

Revised September 2012

Chair Martin Bernal
Vice Chair Jenny Haruyama
Board Member Susan Mauriello
Board Member Jamie Goldstein



STAFF REPORT

DATE: April 6, 2017
TO: Library Joint Powers Authority Board
FROM: Susan Nemitz, Library Director
RE: Library Code of Conduct Policy and Procedures

RECOMMENDATION

Review proposed policies and procedures with approval expected at the May 2017 meeting.

DISCUSSION

For Approval:

1. Code of Conduct Policy
2. Code of Conduct Prohibited Behaviors Policy
3. Suspension Policy

For your Information:

4. Request for Suspension Appeal Procedure
5. Request for Suspension Appeal Form
6. Request for Suspension Hearing Procedure
7. Request for Suspension Hearing Form
8. Notice of Suspension from Library Form 1 – 30 Days
9. Notice of Suspension from Library Form 31 Days – 1 Year
10. Suspension Appeal Determination Notice Form
11. Suspension Hearing Panel Determination Notice Form

James Lee, Branch Manager of the Downtown Branch Library, will give a presentation about the need for Library Code of Conduct and Suspension policies and procedures. Staff has been working on this item for over six months.

Attachments: Policies, Procedures and Forms

Code of Conduct Policy

JPAB Policy # _____

Adopted: xx/xx/xxxx

Revised: xx/xx/xxxx

Five-year Review Schedule: 20xx

Santa Cruz Public Libraries supports the rights of all individuals to free and equal access to information and use of the library without discrimination, intimidation, threat of harm, or invasion of privacy. We are dedicated to providing friendly, courteous, and respectful service. The role of Santa Cruz Public Libraries is to provide an accessible, welcoming, clean, comfortable, and safe environment for all library users.

To Provide a Comfortable and Welcoming Environment

Santa Cruz Public Libraries provides a comfortable and welcoming environment. Mutual respect makes it possible for everyone to enjoy library materials and services. We ask library users to be respectful of each other and behave in a manner that does not disrupt other library users or interfere with standard operation of the library.

To Make Information Resources and Materials Accessible for All

Santa Cruz Public Libraries makes collections, equipment, and resources accessible for current and future library users. Intentionally damaging, destroying, or stealing any materials, equipment, or property belonging to the library, another patron, or staff member is prohibited.

To Ensure a Safe and Secure Environment

Santa Cruz Public Libraries ensures a safe and secure environment. Committing or attempting to commit any act that is a violation of any federal, state, or local criminal law or ordinance is prohibited on Santa Cruz Public Libraries property.

To Maintain a Healthy and Clean Environment

Santa Cruz Public Libraries maintains a healthy and clean environment for all library users. Considerate consumption of snack food or a covered beverage is allowed in public areas of the library unless otherwise noted.

Enforcement of the Library Code of Conduct

Enforcement of the Library Code of Conduct will be administered in a fair and reasonable manner. Library staff, security, and/or law enforcement will intervene to prevent and/or stop prohibited activities and behaviors. Individuals who fail to observe the Library Code of Conduct may be asked to leave the library building and property, have their library privileges suspended for a designated period of time, be subject to arrest, or be subject to other lawful action.

Code of Conduct Prohibited Behaviors Policy

Adopted: xx/xx/xxxx

Revised: xx/xx/xxxx

Five-year Review Schedule: 20xx

Examples of prohibited activities and/or conduct on Santa Cruz Public Libraries property include but are not limited to:

1. Conduct that interferes with a **Comfortable and Welcoming Environment**
 - a. Disruptive behavior, such as creating unreasonable noise or banging on computer keyboards.
 - b. Soliciting, panhandling, or gambling on Library property.
 - c. Using audible devices without headphones, using headphones set at a volume that disturbs others, or having an audible cell phone ringtone.
 - d. Using any communication devices in a manner that disturbs others.
 - e. Distributing literature, gathering signatures, soliciting contributions, or conducting surveys inside a Library facility.

2. Conduct that interferes with making **Information Resources and Materials Accessible for All**
 - a. Setting up blankets or bedding with the intention to camp anywhere on library property.
 - b. Lying down or appearing to be sleeping; having feet on furniture; or blocking aisles, exits, or entrances.
 - c. Bringing into the library personal items with total dimensions exceeding 65 inches (ex.: 20"x20"x25"), with the exception of items necessary for medical or child care reasons.
 - d. Blocking aisles or walkways with personal property or leaving personal property unattended.
Note: Unattended items are subject to immediate removal.

3. Conduct that does not **Ensure a Safe and Secure Environment**
 - a. Using roller skates, bicycles, skateboards, scooters or similar wheeled devices inside the Library, with the exception of items necessary for medical or mobility purposes, or child care.
 - b. Disciplining a child in a manner that injures the child or disrupts other patrons.
 - c. Leaving young children/adults with special needs unsupervised. Children under nine years must be accompanied by a person 14 years of age or older.
 - d. Parents and caregivers are responsible for the behavior of the individuals under their charge. Children/adults with special needs are expected to conduct themselves in a manner that does not violate the Code of Conduct or disrupt other patrons.
 - e. Adults loitering in the Children's areas for no legitimate purpose is prohibited (see [State of California PENAL CODE Section 653b](#)). Adults are welcome to access the materials and collections in the Children's areas without a child present.

- f. Inappropriate use of Library property in Library facilities or on Library grounds, including computer hardware, software, network, systems, printers, copiers, phones, and other equipment (see [Library Policies - Internet Access Policy](#)).
 - g. Engaging in activities not reasonably associated with use of a public library.
 - h. Failing to comply with a staff request to cease behavior that interferes with the effective functioning of the Library, or failure to leave the Library during emergencies or at closing time.
 - i. Intimidating, harassing, or threatening staff, volunteers, or other patrons; including stalking, staring, or lurking using profane, obscene, or abusive language including racial, ethnic, or other epithets; verbally, physically, or in writing including all forms of electronic media.
 - j. Being under the influence of alcohol or illegal drugs.
 - k. Trespassing in nonpublic areas, being in the Library without permission of an authorized Library employee before or after Library operating hours, remaining on Library property once suspended.
 - l. Engaging in any other behavior that would constitute a criminal act under applicable law.
4. Conduct that does not **Maintain a Healthy and Clean Environment**
- a. Entering into the Library barefoot or without a shirt, or removing one's footwear or shirt while in the Library, or being otherwise attired so as to be disruptive to the Library environment, with the exception of infants or toddlers.
 - b. Body odor, personal hygiene, or excessive fragrance that interferes with other patrons' ability to use the Library and its facilities, or that poses a health risk.
 - c. Consumption of snack food and/or a covered beverage at computers. Patrons are asked to keep areas in which food consumption is allowed clean and free of residue, spills, crumbs, or wrappings. Consumption of food that causes a disruption to other patrons, harms library resources, leaves a mess, and/or failure to clean up any residue, wrappings, or spills after consuming these items will be a violation of the Library Code of Conduct.
 - d. Bringing pets or animals, other than service animals necessary for disabilities, into the Library, except as allowed during special Library programs.
 - e. Littering.
 - f. Using cigarettes, e-cigarettes, cannabis, chewing tobacco, or other tobacco products.
 - g. Using restrooms for bathing or shampooing, or doing laundry.

Violators of the Santa Cruz Public Libraries Code of Conduct may be asked to leave and/or be photographed to assist in identification.

Suspension Policy

JPAB Policy # _____

Adopted: xx/xx/xxxx

Revised: xx/xx/xxxx

Five-year Review Schedule: 20xx

Violation or repeated violation of the Santa Cruz Public Libraries Code of Conduct may warrant a suspension of library privileges. Suspension of library privileges will result in removal from and denial of access to Santa Cruz Public Libraries services and facilities for a designated period of time. In order to be fair and equitable in the application of the Santa Cruz Public Libraries Code of Conduct Policy, and to provide documentation of the enforcement of this code, authorized library staff shall apply the following suspension guidelines.

In addition to the Code of Conduct Prohibited Behaviors, the following violent behaviors will not be tolerated:

- physical abuse or assault
- fighting or challenging to fight
- making violent or threatening statements

Authorized library staff will instruct anyone displaying these behaviors to leave the library facility immediately for a period up to and including thirty days. Police will be called and additional legal action may occur, as appropriate. In addition, *based on the severity of the situation, a suspension of library privileges for up to one year may be applied.* Library staff will notify Library Administration immediately, where the appropriate suspension period and procedures will be determined by authorized staff.

FIRST VIOLATION: Initial warning and given copy of Code of Conduct

When a patron has violated the Santa Cruz Public Libraries Code of Conduct by displaying behavior that is prohibited but not violent or physically threatening, authorized library staff will:

1. Provide the patron with a copy of the Code of Conduct.
2. Explain to the patron that they are engaging in prohibited behavior, what that behavior is, and the importance of abiding by the Code of Conduct.
3. Advise the patron that further violations of the Code of Conduct will not be tolerated and may result in their being asked to leave the library.

SECOND VIOLATION: Library privileges suspended for the day

If the patron continues prohibited behavior either the same day or another day, authorized library staff will:

1. Reaffirm all previous conversations with the patron regarding the behavior.
2. Instruct the patron to leave the facility for the day.

3. Document the incident with a Library Incident Report submitted to Library Administration.
4. Offer the patron the name and telephone number of the appropriate library staff person so they may communicate their concerns, if they feel the treatment was unfair.

THIRD VIOLATION: Library privileges suspended for up to and including thirty days

Longer than one-day suspensions will be issued if a patron continues to display prohibited behavior after receiving a prior suspension.

If a patron has been issued a one-day suspension for prohibited behavior and if prohibited behavior continues either during the suspension period or afterwards, a patron will then be suspended for up to and including thirty days.

When a decision is made to suspend a patron for more than one day, authorized library staff will:

1. Complete the *Notice of Suspension from Library - One to Thirty Days* document.
3. Provide the patron with a copy of the completed document. In the case of a minor patron (under the age of 18), library staff will also attempt to notify the parent or guardian and provide them with a copy of the completed document.
4. Complete a Library Incident Report and submit the report to Library Administration.
5. Provide the patron with the name and phone number of the appropriate library staff person so they may communicate their concerns by telephone or by submitting an appeal in writing. *The patron will not be offered a formal hearing process for suspensions of up to thirty days.*

To submit a written appeal, the patron must complete the *Request for Suspension Appeal Form* and submit it to Library Headquarters within one working day from the date the suspension is issued.

The appeal will be reviewed by the appropriate library staff person(s) within one working day of submittal.

If, by a preponderance of the evidence, the suspension is determined to be unwarranted, the suspension will be withdrawn. The patron may contact Library Administration one day after submitting a written appeal to determine the status of the suspension.

FOURTH OR SIGNIFICANT VIOLATION: Library privileges suspended for 31 days to up to one year

I. 31 DAYS TO ONE YEAR SUSPENSION:

If a patron has been issued a one-to-thirty day suspension for displaying prohibited behavior and prohibited behavior continues either during the suspension period or afterwards, a decision will be made to suspend the patron for 31 days to up to one year.

Authorized library staff will:

1. Complete the *Notice of Suspension from Library - 31 Days to One Year* form. When a decision is made to suspend a patron for longer than thirty days, the suspension notice will be signed by authorized library staff.
2. A copy of the completed document (even if not yet signed) and all accompanying forms shall be provided to the patron.
3. In the case of a minor (under the age of 18), authorized library staff will also attempt to notify the parent or guardian to provide them with the completed document and all accompanying forms.
4. Authorized library staff will complete a Library Incident Report and submit it to Library Administration.

Any patron suspended for 31 days to one year has the right to a hearing with the Suspension Hearing Panel. The Suspension Hearing Panel will comprise authorized library staff, the Library Joint Powers Authority Board jurisdictional designee, and a library security guard if one is available. Library staff or patrons who were witnesses to the event may also be asked to appear.

To receive a hearing, the patron must:

1. Follow the directions on the *Request for Suspension Hearing* and fill out the *Request for Suspension Hearing Form*.
2. Return the completed form to Library Headquarters within seven working days from the date the suspension is issued.

A parent or guardian must accompany a minor (under the age of 18 unless emancipated) to the hearing.

The decision of the Suspension Hearing Panel for all 31 Days to One Year suspensions is final.

Request for Suspension Appeal Procedure

You have a right to appeal your suspension of one to 31 days from the Santa Cruz Public Libraries.

Suspension Appeal Procedures

1. Complete the *Request for Suspension Appeal* form.
2. Return the completed form to Library Headquarters. Staff there will sign the form to acknowledge its receipt and will provide you with a copy for your records.
3. The completed form must be received by staff at Library Headquarters within seven days from the date of the suspension. Postmarks will not apply.

Suspension Appeal Meeting Procedures

1. The Suspension Appeal meeting will comprise any combination of authorized library staff, the authorized Library Joint Powers Authority Board jurisdictional designee, and a library security guard if one is available. Library staff or patrons who witnessed the incidents(s) may also be asked to attend.
2. The Suspension Appeal meeting members will convene privately to discuss the evidence and make a final suspension determination.
3. The suspension will be withdrawn if the authorized Suspension Appeal meeting members determine, by a preponderance of evidence, that you did not engage in the behaviors that are cited on the *Notice of Suspension from Library - One to 31 Days* and that the suspension is unwarranted.

Suspension Appeal Meeting Determination

1. Within five business days from the date the library receives your *Request for Suspension Appeal* form, a *Suspension Appeal Determination* notice will be mailed to the address provided by you on the *Request for Suspension Appeal* form.
3. If you do not have a mailing address, you must return to Library Headquarters five business days from the date the library receives your *Request for Suspension Appeal* form to pick up your *Suspension Appeal Determination* notice.
4. The Suspension Appeal Determination decision is final.

Request for Suspension Appeal Form

I want to appeal the library suspension that was issued to me. I am requesting that Library Administration review this suspension.

Date: _____

Name: _____

Address: _____

Telephone: _____

Reason for the request (optional): _____

This form must be returned to Library Headquarters within seven days of the suspension issue date.

Staff will acknowledge receipt of your request and will issue a copy of this form as a receipt.

Within five days after you submit this form, you may go to or call Library Headquarters to determine the status of your suspension appeal.

If, by a preponderance of the evidence, it is determined that your suspension is unwarranted, your suspension will be withdrawn. The Library's Suspension Appeal decision is final.

Signature of Appellant: _____

Date: _____

Staff Signature: _____

Staff Job title: _____

Date: _____

FOR LIBRARY USE ONLY: Suspension is _____ is not _____ withdrawn.

Library Headquarters 117 Union Street, Santa Cruz, California 95060 (831) 427-7706

Request for Suspension Hearing Procedure

Procedures for Request for Suspension Hearing

You have a right to a hearing regarding your suspension of 31 days to one year from Santa Cruz Public Libraries. If you want to have a hearing:

1. Complete the *Request for Suspension Hearing* form.
2. Return the completed form to Library Headquarters. Staff will sign to acknowledge receipt and will provide a copy as receipt.
3. The completed form must be received by Library Headquarters within seven days from the date of the suspension. Postmarks will not apply.

Suspension Hearing Date

1. Once you have returned the *Request for Suspension Hearing* form, the library will mail you a notice that will provide you with the date, time, and location of the Suspension Hearing Panel.
2. This notice will be mailed to you within five business days from the date the library receives your Request form.
3. If you do not have a mailing address, you must return to Library Headquarters in five days to pick up your notice of date, time, and location of the Suspension Hearing Panel.

Suspension Hearing Panel Procedures

1. The Suspension Hearing Panel will comprise authorized library staff, the Library Joint Powers Authority Board jurisdictional designee, and a library security guard if one is available. Library staff or patrons who were witnesses to the event may also be asked to appear.
3. When you arrive for your hearing you will be provided the opportunity to present evidence or reasons why this suspension should be withdrawn.
4. A parent or guardian must accompany a minor (under the age of 18 unless emancipated) to the hearing.
5. The suspension will be withdrawn if the Suspension Hearing Panel determines, by a preponderance of evidence, that you did not engage in the behaviors that are cited on the *Notice of Extensive Suspension – 31 Days to One Year*, and that the suspension is unwarranted.

Suspension Hearing Panel Determination

1. After all the evidence has been presented, the Suspension Hearing Panel may convene privately to discuss the determination.
2. Within five business days of the date of your hearing, the Panel will mail you a written determination that will include the findings in support of the decision.
3. If you do not have a mailing address, you may return to Library Headquarters after five business days to pick up a copy of the hearing determination.
4. The Suspension Hearing Panel's decision is final.

Request for Suspension Hearing Form

I want to appeal the library suspension that was issued to me. I am requesting that Library Administration review this suspension.

Date: _____

Name: _____

Address: _____

Telephone: _____

Reason for the request (optional): _____

This form must be returned to Library Headquarters within seven days of the suspension issue date.

Staff will acknowledge receipt of your request and will issue a copy of this form as a receipt.

Within five days after you submit this form, you may go to or call Library Headquarters to determine the status of your suspension appeal.

If, by a preponderance of the evidence, it is determined that your suspension is unwarranted, your suspension will be withdrawn. The Suspension Hearing Panel's decision is final.

Signature of Appellant: _____

Date: _____

Staff Signature: _____

Staff Job title: _____

Date: _____

FOR LIBRARY USE ONLY: Suspension is _____ is not _____ withdrawn.

NOTICE OF SUSPENSION FROM LIBRARY FORM
One to Thirty Days

You, _____, are suspended from using all Branch Libraries
Name of Patron

of the Santa Cruz Public Libraries System for the next days, because you
have enacted prohibited activities and/or conduct ignored warnings about this behavior,
as described in the Library Code of Conduct.

Prohibited activities and/or conduct enacted:

You may return to all Branch Libraries on _____. If you again violate the
Date

Library Code of Conduct, you may be suspended from library use for up to and including
one year.

Staff Signature

Name of Staff Person

Date

Library Headquarters 117 Union Street, Santa Cruz, California 95060



NOTICE OF SUSPENSION FROM LIBRARY FORM
31 Days to One Year

You, _____, are suspended from using all Branch Libraries
Name of Patron

of the Santa Cruz Public Libraries System for the next days/months, because
you have enacted prohibited activities and/or conduct ignored warnings about this behavior,
as described in the Library Code of Conduct.

Prohibited activities and/or conduct enacted:

You may return to all Branch Libraries on _____. If you again violate the
Date

Library Code of Conduct, you may be suspended from library use for a longer period of time.

Staff Signature

Name of Staff Person

Date

Library Headquarters 117 Union Street, Santa Cruz, California 95060

Suspension Appeal Determination Notice Form

A determination has been made regarding the library suspension that was issued to you.

Date: _____

Name: _____

Address: _____

Telephone: _____

A preponderance of the evidence shows that your suspension is warranted/unwarranted and your suspension will be retained/withdrawn. This Suspension Appeal determination is final.

Suspension Appeal Determination Comments: _____

Authorized Library Staff: _____

Authorized Library Staff Job Title: _____

Date: _____

FOR LIBRARY USE ONLY: Suspension is _____ is not _____ withdrawn.

Suspension Hearing Panel Determination Notice Form

A determination has been made regarding the library suspension that was issued to you.

Date: _____

Name: _____

Address: _____

Telephone: _____

A preponderance of the evidence shows that your suspension is warranted/unwarranted and your suspension will be retained/withdrawn. This Suspension Appeal determination is final.

Suspension Hearing Panel Comments: _____

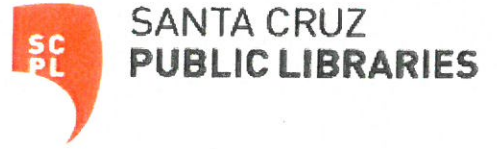
Authorized Library Staff: _____

Authorized Library Staff Job Title: _____

Date: _____

FOR LIBRARY USE ONLY: Suspension is _____ is not _____ withdrawn.

Chair Martin Bernal
Vice Chair Jenny Haruyama
Board Member Susan Mauriello
Board Member Jamie Goldstein



STAFF REPORT

DATE: April 6, 2017
TO: Library Joint Powers Authority Board
FROM: Susan Nemitz, Library Director
RE: Maintenance of Buildings

RECOMMENDATION

Discussion of issues

DISCUSSION

The Library is seeking consistent interpretation of the roles and responsibilities of maintaining buildings owned by the jurisdictions in the JPA.

The chart below is purely for discussion.

Characteristics	Repair and Maintenance	Capital Expenditure
Funding	Library operating budget – recurring	Jurisdiction’s Capital Improvement Process - nonrecurring
Expenditure Level	Usually under \$50,000	Usually over \$50,000
Life span	Under ten years	Over ten years
Approvals	Library Director	Local Jurisdiction’s Board
Assets	Does not increase the value	Increases the value
Examples	<ul style="list-style-type: none"> • Routine repairs • Remodeling/Redecorating • Ordinary maintenance of building systems and structure • Cleaning • Landscaping maintenance • Pest Control • Security with assistance of local law enforcement 	<ul style="list-style-type: none"> • Land purchase • New construction • Changes to the mechanical, structural, or architectural components of a building • Infrastructure equipment and technology

Chair Martin Bernal
Vice Chair Jenny Haruyama
Board Member Susan Mauriello
Board Member Jamie Goldstein



STAFF REPORT

DATE: April 6, 2017
TO: Library Joint Powers Authority Board
FROM: Susan Nemitz, Library Director
RE: Library Policy Renewal Schedule

RECOMMENDATION

Approve Library Policy Renewal Schedule

DISCUSSION

In preparation for policy renewals, the following steps are taken by the Director of Libraries (DL) and Learning Systems Coordinator (LSC).

- a) Policy is re-read and its use since the last review and Board approval cycle is discussed by the DL and LSC.
- b) Review team is developed (LSC).
- c) Research on topic, including peer and standout library policy use, is performed (LSC and Review team).
- d) Draft updated policy is written (LSC with Review team input).
- e) DL and LSC discuss, review, and refine draft.
- f) Draft policy is presented to Policy Advisory Committee for review and feedback.
- g) Policy is presented to JPAB for review and approval.
- h) Approved, updated policy is posted to the Library website for public access.

The following is the proposed 2017 Library Policy renewal schedule.

- March: Code of Conduct
Suspension Policy
- April: Gifts
Library Bill of Rights (American Library Association)
- May: Internet Access
Freedom to Read (American Library Association)
- June: Meeting Rooms
Freedom to View (American Library Association)
- July: Alcoholic Beverages
Resolution of the USA Patriot Act and Libraries (American Library Association)
- Aug.: Volunteers
Free Speech Rights of Citizens
- Sept.: Confidentiality of Library Records
- Oct.: Services and Use
- Nov.: Circulation
- Dec.: Displays

Chair Martin Bernal
Vice Chair Jenny Haruyama
Board Member Susan Mauriello
Board Member Jamie Goldstein



STAFF REPORT

DATE: April 6, 2017
TO: Library Joint Powers Authority Board
FROM: Susan Nemitz, Library Director
RE: FY 2017-18 Library Budget

RECOMMENDATION

Discussion

DISCUSSION

The Library has successfully modified the Chart of Accounts for 2017-2018 to a branch based model. The number of funds have been reduced.

The Library is working with City Finance staff on base budget reconciliation. The new positions approved last month to expand hours have been forwarded to the City for Council approval April 4. The hiring process has begun. The positions will be entered in the financial system upon approval. Branches will begin to add hours in May with an official Celebration June 1.

The City has completed its overhead administrative cost study showing cost increases just above 5%. I have attached a memo from Marcus Pimentel agreeing to limit the increase to the 4.6% cap imposed by the JPA last year.

The Library is not seeking major changes to the annual budget. A review of the technology budget will result in a slight decrease in technology spending. The Library will request a small increase in professional development funds.

Next month, the Library will provide a draft budget. Budget approval is expected in June.

Attachment: Memo from Finance Director Marcus Pimentel

City of Santa Cruz Memorandum

DATE: March 30, 2017

TO: Santa Cruz Libraries Joint Powers Authority Board of Directors
Susan Nemitz, Library Director, Library JPA

FROM: Marcus Pimentel, City of Santa Cruz Finance Director

RE: FY 2017/18 City of Santa Cruz Administrative Charges for Services with the Santa Cruz Public Libraries Joint Powers Authority (SCPL)

CITY FY 2017/18 Administrative Cost- Cap at 4.6% increase

The City of Santa Cruz's updated FY 2017/18 cost plan and Library allocation model resulted in a proposed increase in administrative services of just over 5%; as compared the 4.6% contractual targeted ceiling. In the spirit of cooperation, the City has revised downward its cost proposal for the last year of the three-year contract to the 4.6% ceiling (or \$1,700/month).

BACKGROUND

Within the three-year contractual services agreement finalized last fall, the compensation for the third year (FY2017/18) was left undecided and was to be based on the City's updated cost plan. The agreement also indicated that should the increase be above \$1,700 per month, the Board could opt to convene a sub-committee to consider other administrative service options.

The City's cost plan has been used as the basis for the City's charge. It is then amended downward for the unique relationship with the Library (such as the Library providing the bulk of their own IT and facility maintenance services as well as the Board Chair fulfilling the daily guidance of the Library Director). In addition legal services are removed from the Cost Plan allocation in lieu of the Library's direct legal services contract.

City Department/Function	FY 15/16 Admin Cost Allocation	FY 16/17 Admin Cost Allocation	FY 17/18 Admin Cost Allocation
City Management General Support	\$ -	\$ -	\$ -
Human Resources	160,490	172,766	164,443
Finance	249,280	249,264	277,116
Data systems (direct charge)	12,447	12,857	14,215
Public Works	5,071	5,213	6,664
Total City Allocations & Charges	\$ 427,288	\$ 440,100	\$ 462,438
Monthly Charge	\$ 35,607	\$ 36,675	\$ 38,537
			FY 17/18 Calculated Monthly Increase \$ 1,862
			FY 17/18 Contractual target 1,700
			Amount in excess of target \$ 162