



SANTA CRUZ • PUBLIC
LIBRARIES
A City County System

LIBRARY JOINT POWERS AUTHORITY BOARD

Monday, July 11, 2005 at 7:30 PM
Community Meeting Room
224 Church Street, Santa Cruz

AGENDA

6:30 PM: CLOSED AND (CLOSED) LITIGATION SESSION
Personnel Evaluation, Director of Libraries Gov't Code 54957

7:30 PM: PUBLIC MEETING

- ❖ ROLL CALL
- ❖ APPROVE AGENDA
- ❖ APPROVE MINUTES OF June 16, 2005
- ❖ CONSENT AGENDA

No items

- ❖ ORAL COMMUNICATIONS
- ❖ WRITTEN COMMUNICATIONS

No items

- ❖ REPORTS OF ADVISORY BODIES
- ❖ MEMBER REPORTS
- ❖ STAFF REPORTS

Document: Library Financial Reports, May 31, 2005

- ❖ OTHER BUSINESS

1. Continue Workers Compensation Charges discussion

Erwin Young, Director of Human Resources
Kelly Menehan, Assistant Director of Human Resources

2. Consider draft Response to Interim Grand Jury Report

Document: Draft Response to Interim Grand Jury Report

SCHEDULE NEXT MEETING

The next meeting is scheduled for Monday, August 1, 2005 in the
Community Meeting Room of the Central Branch Library.

❖ ADJOURNMENT

The Santa Cruz City-County Library System does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, the Library requests that you attend fragrance free. The Central Branch Library is a partially accessible facility. If you wish to attend this public meeting, and you will require special assistance such as sign language or special devices in order to attend and participate, please call (831) 420-5600 forty-eight hours before the meeting to make arrangements for assistance.

JAGENDA.JUL

06/27/05



SANTA CRUZ PUBLIC LIBRARIES
A CITY-COUNTY SYSTEM

LIBRARY JOINT POWERS BOARD

MINUTES

June 16, 2005
7:30 PM

Central Branch Community Meeting Room
224 Church Street, Santa Cruz

I. ROLL CALL

Present: Citizen Richard Gaughan, Citizen Barbara Gorson; Councilmember Randy Johnson, Councilmember Cynthia Mathews, Citizen Leigh Poitinger, Councilmember Mike Rotkin, Councilmember Michael Termini, Supervisor Mark Stone

Excused: Supervisor Jan Beautz

Staff: Anne Turner, Director of Libraries
Susan Elgin, Assistant Director of Libraries

II. APPROVAL OF MEETING AGENDA OF JUNE 16, 2005

The agenda of June 16, 2005 was unanimously approved. (Rotkin/Mathews)

III. APPROVE MINUTES OF JUNE 6, 2005

The minutes of June 6, 2005 were unanimously approved. (Mathews/Gorson)

IV. CONSENT AGENDA

There was nothing on the Consent Agenda.

V. ORAL COMMUNICATIONS

There were no oral communications.

VI. WRITTEN COMMUNICATIONS

There were no written communications.

VII. REPORTS OF ADVISORY BODIES

Pat Sandidge, Co-Director of the Friends of the Santa Cruz City-County Library System read a letter from the President of the Friends, paraphrased below:

On June 8th the Board of Directors of the Friends of the Santa Cruz City-County Library System approved a transfer of \$1,000 for operating expenses for the Felton Branch Project in support of the Felton auxiliary Friends group, as they have done in the past for other auxiliary Friends groups. The Friends also maintain a branch project fund for each branch library in the system as well as system-wide funds, including a book and media fund, a children's fund that sponsors summer reading programs and other youth services programs and special projects as suggested by library staff. These funds are to enhance, not substitute for the Santa Cruz City-County Library System budget.

VIII. MEMBER REPORTS

There were no member reports.

IX. STAFF REPORTS

The Director drew the Boards' attention to the summer reading adventures booklet distributed by Janis O'Driscoll, Youth Services Coordinator. The board was urged to visit the Youth Services department to view the 'giant sun' listing the sponsors of the program and the enormous community support from local businesses and the Friends of the Library.

X. OTHER BUSINESS

A. Memo from Director Human Resources re Workers Compensation

Erwin Young, City of Santa Cruz Director of Human Resources was unable to attend the June 16th meeting but in his memo distributed to the Board dated June 16, 2005, he suggested that the Board form a subcommittee to meet with him and further discuss the Workers Compensation issues. After discussing the issue, the Board decided to meet as a body with Erwin at a regularly scheduled meeting to ensure understanding by all board members. Councilmember Johnson was particularly concerned about the Board's lack of control over workers' compensation issues. Councilmember Termini called for more aggressive closing of very old claims and suggested hiring an independent party to audit the claims and the method of charging the library for their share of workers' compensation costs.

B. Adopt FY 2005-06 Operating Budget

1. Resolution Adopting Operating Budget for FY 2005-06

Councilmember Rotkin moved, seconded by Councilmember Termini

that the Santa Cruz Library Joint Powers Authority Board approve Resolution 2005-12 Adopting a Budget for the Fiscal Year 2005-06 as proposed in various documents plus Exhibit A. The documents include FY 2005-06 Revenue vs. Expense Summary, Personnel Budget, Exhibit A Revisions to Personnel, Supplies & Services Budget.

UNAN

2. Resolution Adopting Capital Equipment Budget for FY 2005-06

Councilmember Rotkin moved, seconded by Councilmember Mathews

that the Santa Cruz Library Joint Powers Authority Board approve Resolution 2005-13 Adopting a Capital Equipment Budget for the Fiscal Year 2005-06.

UNAN

3. Resolution Transferring and Appropriating McCaskill Trust for Local History

Councilmember Mathews moved, seconded by Barbara Gorson

that the Santa Cruz Library Joint Powers Authority Board approve Resolution 2005-14 Transferring and Appropriating Funds from The McCaskill Trust for Local History.

UNAN

4. Resolution Transferring and Appropriating McCaskill Trust for the Visually-Impaired.

Councilmember Mathews moved, seconded by Barbara Gorson

that the Santa Cruz Library Joint Powers Authority Board approve Resolution 2005-15 Transferring and Appropriating Funds from The McCaskill Trust for the Visually Impaired.

UNAN

5. Resolution Transferring and Appropriating Richardson Trust Funds

Councilmember Mathews moved, seconded by Barbara Gorson

that the Santa Cruz Library Joint Powers Authority Board approve Resolution 2005-16 Transferring and Appropriating Funds from The Richardson Trust.

UNAN

6. Resolution Transferring and Appropriating Finkeldey Trust Funds

Councilmember Mathews moved, seconded by Barbara Gorson

that the Santa Cruz Library Joint Powers Authority Board approve Resolution 2005-17 Transferring and Appropriating Funds from Finkeldey Trust.

UNAN

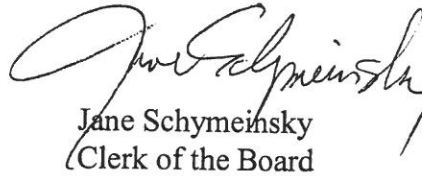
XI. SCHEDULE NEXT MEETING

The next regularly scheduled meeting will be held on July 11, 2005 rather than July 4th, a National Holiday.

XII. ADJOURNMENT

The regular meeting adjourned at 8:32 PM

Respectfully submitted,



Jane Schymeinsky
Clerk of the Board

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

LIBRARY JOINT POWERS BOARD MOTION LOG

DATE	#	DESCRIPTION	VOTE
06/16/05	2005-19 RESO #12	Resolution of the Santa Cruz Library Joint Powers Authority Board Adopting a Budget for the Fiscal Year 2005-06 as proposed in various documents plus Exhibit A. The documents include FY 2005-06 Revenue vs. Expense Summary, Personnel Budget, Exhibit A Revisions to Personnel, Supplies & Services Budget	UNAN Absent: Beautz
06/16/05	2005-20 RESO #13	Resolution of the Santa Cruz Library Joint Powers Authority Board Adopting a Capital Equipment Budget for the Fiscal Year 2005-06	UNAN Absent: Beautz
06/16/05	2005-21 RESO #14	Resolution of the Santa Cruz Library Joint Powers Authority Board Transferring and Appropriating Funds from The McCaskill Trust for Local History	UNAN Absent: Beautz
06/16/05	2005-22 RESO #15	Resolution of the Santa Cruz Library Joint Powers Authority Board Transferring and Appropriating Funds from The McCaskill Trust for the Visually Impaired	UNAN Absent: Beautz
06/16/05	2005-23 RESO #16	Resolution of the Santa Cruz Library Joint Powers Authority Board Transferring and Appropriating Funds from The Richardson Trust	UNAN Absent: Beautz
06/16/05	2005-24 RESO #17	Resolution of the Santa Cruz Library Joint Powers Authority Board Transferring and Appropriating Funds from The Finkeldey Trust	UNAN Absent: Beautz

ljp:/motion log

LIBRARY JOINT POWERS BOARD MOTION LOG

DATE	#	DESCRIPTION	VOTE
02/07/05	2005-11	that Michael Termini be nominated to serve as Vice-Chair of the Library Joint Powers Board. Absent further nominations, Councilmember Termini was elected Vice-Chair. AYES: Beautz, Gaughan, Gorson, Mathews, Rotkin, Poitinger, Stone-Absent: Johnson	
04/04/05	2005-12	That the Minutes of February 6, 2005 be approved with the following corrections: Item IV, A, Motion 3, "the policy regarding the geographic diversity of citizen members is that the City of Santa Cruz shall be defined as the area within the legal city limits, with the addition of the North Coast area congruent with Supervisorial District 3"- the vote was erroneously listed as 7 AYES. The vote was actually 4 to 3, AYES from Beautz, Mathews, Rotkin, Termini; NAYES from Gorson, Gaughan and Stone. Councilmember Johnson was absent. Item IV, A, Motion 4 – erroneously stated that Chair Gaughan made the motion to close the nominations and elect Leigh Poitinger. The motion was actually made by Councilmember Rotkin. Ayes: Beautz, Gaughan, Gorson, Mathews, Poitinger, Rotkin, Termini, Stone Abstained: Johnson	
04/04/05	2005-12	that the Library Joint Powers Authority Board accept the Financial Statements and Independent Auditors Report for the Year Ended June 30, 2004 prepared by Caporicci & Larson, Certified Public Accountants	UNAN
05/02/05	2005-13	that the Minutes of April 4, 2005 be approved with the following correction: Leigh Poitinger was present at the April 4, 2005 meeting. Her name was inadvertently omitted from the minutes	UNAN
05/02/05	2005-14	that the Library Joint Powers Board create a policy not to close branches, commit that we are going to make the policy of not closing branches the cornerstone of how we handle our budget process and declare that keeping branches open is a core service	UNAN
06/06/05	2005-15	that the minutes of May 2, 2005 be approved with the following corrections:Leslie Scanagatta is the SEIU Representative, not the SEIU Steward. Richard Gaughan's name was spelled "Vaughan" in 2 instances. AYES: Beautz, Gaughan, Gorson, Johnson, Mathews, Termini, Stone: ABSTAINED: Rotkin	
06/06/05	2005-16	that the Library Joint Powers Authority Board authorize the Director of Libraries to sign a contract with the First Five Commission of Santa Cruz County for continuation in FY 2005-06 of the <i>Read to Me</i> Grant Project.	UNAN
06/06/05	2005-17	that the Chair appoint a subcommittee made up of Supervisor Stone and one other Board member to join with the Director in discussions with appropriate parties from the School System. Richard Gaughan agreed to be a member of the committee.	UNAN
RESOLUTION NUMBERS 2 THROUGH 11 WERE NOT USED DUE TO NUMBERING ERROR			
06/06/05	2005-18	that the Library Joint Powers Board direct the Chair to work with the Library Director on guidelines for the communication policy between board members and various staff members, using the discussion in this meeting to set the direction of the policy.	UNAN

**FY 2005 FUND 951
LIBRARY JPA - REVENUE & EXPENDITURES**

AS OF 05/31/05

	(1) 2005 Adopted Budget	(2) Carryover Appropriations 2004	(3) Budget Adjustments	(4) = (1)+(2)+(3) 2005 Amended Budget	(5) 2005 Actual as of 05-31-05	(6) 2005 Encumbered as of 05-31-05	(7) = (4)-(5)-(6) 2005 Budget Balance	(5)/(4) Actual Percent
REVENUES:								
07/01/04 Beginning Fund Balance					179,620			
Sales and Use Tax	5,736,292	-	-	5,736,292	5,489,584	-	246,708	96%
Other Agencies	4,278,883	-	-	4,278,883	3,922,309	-	356,574	92%
County Interest	6,280	-	-	6,280	7,348	-	(1,068)	117%
Public Library Fund	92,361	-	(10,916)	81,445	82,431	-	(986)	101%
First Five Extension (Read to Me Grant)	233,157	25,655	-	258,812	177,241	-	81,571	68%
Transfer From Reserves	-	-	15,000	15,000	15,000	-	-	100%
Other Income	377,054	-	(70,835)	306,219	261,484	-	44,735	85%
Total Revenues	10,724,027	25,655	(66,751)	10,682,931	10,135,017	-	727,534	95%
EXPENDITURES:								
Personnel Services	7,518,434	-	-	7,518,434	6,611,248	-	907,186	88%
Supplies and Services	2,359,069	-	(15,350)	2,343,719	1,980,060	151,264	212,395	84%
Transfer to Reserves	-	-	100,000	100,000	100,000	-	-	100%
Debt Payments	275,905	-	-	275,905	275,905	-	0	100%
First Five (Read to Me Grant)	215,887	23,764	-	239,651	159,000	24,319	56,332	66%
City Charge	570,578	-	(6,476)	564,102	501,926	-	62,176	89%
Total Expenditures	10,939,873	23,764	78,174	11,041,811	9,628,139	175,584	1,238,089	87%
Revenues Over (Under) Expenditures	(215,846)			(358,880)	506,879			
Sales tax, MOE, and Interest received after month end								
Estimated Current Fund Balance					506,879			
Cash Balance - 05/31/05					660,267			

*City Charge is estimated

Revenue Status Report
CITY OF SANTA CRUZ
7/1/2004 through 5/31/2005

Account Number	Library Agency Funds	Library Joint Powers Authority	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prct Rcvd
950	Library Agency Funds						
00-00-0000-41211	Sales and use tax		5,736,292.00	5,489,584.15	5,489,584.15	246,707.85	95.70
00-00-0000-46110	Pooled cash and investment interest		0.00	-3,442.60	-3,442.60	3,442.60	0.00
00-00-0000-46190	Interest earnings - other		6,280.00	7,348.09	7,348.09	-1,068.09	117.01
00-00-0000-49122	From Library Private Trust Fund		12,055.00	11,300.00	11,300.00	755.00	93.74
00-00-0000-49191	Intra-entity fund transfer in		15,000.00	15,000.00	15,000.00	0.00	100.00
36-00-0000-43210	State operating grants and contributions		81,445.00	82,431.00	82,431.00	-986.00	101.21
36-00-0000-43310	Local operating grants and contributions		4,278,883.00	3,922,309.38	3,922,309.38	356,573.62	91.67
36-00-0000-44613	Internet use fee		3,500.00	4,973.75	4,973.75	-1,473.75	142.11
36-00-0000-44630	Room rentals-library JPA		8,000.00	4,655.00	4,655.00	3,345.00	58.19
36-00-0000-44680	Interlibrary loan reimbursement		6,000.00	4,824.94	4,824.94	1,175.06	80.42
36-00-0000-44901	Photocopy fee		7,200.00	8,023.01	8,023.01	-823.01	111.43
36-00-0000-45131	Library fines		217,000.00	190,256.51	190,256.51	26,743.49	87.68
36-00-0000-45132	Lost library items		32,000.00	27,149.99	27,149.99	4,850.01	84.84
36-00-0000-46303	Donations - library		12,000.00	4,800.00	4,800.00	7,200.00	40.00
36-00-0000-46910	Miscellaneous operating revenue		7,000.00	5,100.27	5,100.27	1,899.73	72.86
36-00-0000-46916	Cash over/short		0.00	19.41	19.41	-19.41	0.00
36-00-0000-46918	Damaged property recovery		0.00	3,823.42	3,823.42	-3,823.42	0.00
36-50-3510-43190	Federal grants - other		1,464.00	0.00	0.00	1,464.00	0.00
36-52-3531-43210	State operating grants and contributions		258,811.58	177,241.10	177,241.10	81,570.48	68.48
Grand Total			10,682,930.58	9,955,397.42	9,955,397.42	727,533.16	93.19

Expenditure Status Report
CITY OF SANTA CRUZ
7/1/2004 through 5/31/2005

951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
00-00-0000						
00-00-0000-59191	100,000.00	100,000.00	100,000.00	0.00	0.00	100.00
Total	100,000.00	100,000.00	100,000.00	0.00	0.00	100.00
Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
36-50-3510	Library Administration					
36-50-3510-52131	14,900.00	14,900.00	14,900.00	0.00	0.00	100.00
36-50-3510-52135	7,500.00	3,140.50	3,140.50	0.00	4,359.50	41.87
36-50-3510-52139	0.00	224.00	224.00	0.00	-224.00	0.00
36-50-3510-52149	1,193,030.00	1,079,375.43	1,079,375.43	0.00	113,654.57	90.47
36-50-3510-52199	4,783.00	0.00	0.00	1,783.00	3,000.00	37.28
36-50-3510-52201	47,285.00	40,287.98	40,287.98	3,697.74	3,299.28	93.02
36-50-3510-52211	33,531.00	27,965.50	27,965.50	5,565.50	0.00	100.00
36-50-3510-52223	26,041.00	39,541.25	39,541.25	0.00	-13,500.25	151.84
36-50-3510-52240	4,850.00	2,699.70	2,699.70	383.09	1,767.21	63.56
36-50-3510-52242	0.00	3,443.64	3,443.64	0.00	-3,443.64	0.00
36-50-3510-52244	3,850.00	713.74	713.74	3,436.26	-300.00	107.79
36-50-3510-52246	73,987.00	80,925.29	80,925.29	20,115.30	-27,053.59	136.57
36-50-3510-52247	23,275.00	24,386.95	24,386.95	6,117.05	-7,229.00	131.06
36-50-3510-52261	376,724.00	337,255.23	337,255.23	32,555.32	6,913.45	98.16
36-50-3510-52302	4,000.00	3,588.15	3,588.15	0.00	411.85	89.70
36-50-3510-52304	14,191.00	7,082.22	7,082.22	3,066.00	4,042.78	71.51
36-50-3510-52306	1,464.00	1,464.00	1,464.00	0.00	0.00	100.00
36-50-3510-52402	43,092.00	31,752.00	31,752.00	0.00	11,340.00	73.68
36-50-3510-52403	31,300.00	19,931.74	19,931.74	0.00	11,368.26	63.68
36-50-3510-52932	20,200.00	18,517.00	18,517.00	0.00	1,683.00	91.67
36-50-3510-52933	53,250.00	52,192.00	52,192.00	0.00	1,058.00	98.01
36-50-3510-52960	1,000.00	111.60	111.60	0.00	888.40	11.16
36-50-3510-52961	7,357.00	4,725.00	4,725.00	0.00	2,632.00	64.22

Expenditure Status Report
CITY OF SANTA CRUZ
 7/1/2004 through 5/31/2005

951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
36-50-3510-52972	7,500.00	4,446.07	4,446.07	0.00	3,053.93	59.28
36-50-3510-53101	15,500.00	12,684.47	12,684.47	0.00	2,815.53	81.84
36-50-3510-53102	17,000.00	12,656.02	12,656.02	108.88	4,235.10	75.09
36-50-3510-53108	11,718.00	3,567.95	3,567.95	5,094.70	3,055.35	73.93
36-50-3510-53113	17,695.00	16,156.09	16,156.09	0.00	1,538.91	91.30
36-50-3510-53310	148,217.00	114,905.89	114,905.89	0.00	33,311.11	77.53
36-50-3510-54990	12,042.00	2,615.44	2,615.44	0.00	9,426.56	21.72
36-50-3510-57203	24,920.00	24,920.00	24,920.00	0.00	0.00	100.00
36-50-3510-57401	70,158.00	70,839.16	70,839.16	0.00	-681.16	100.97
36-50-3510-57409	22,500.00	0.00	0.00	14,064.92	8,435.08	62.51
Total Library Administration	2,332,860.00	2,057,014.01	2,057,014.01	95,987.76	179,858.23	92.29
36-50-3540						
Library Special Accounts						
36-50-3540-52135	564,102.00	461,397.73	561,926.84	0.00	102,704.27	81.79
36-50-3540-58130	252,252.00	252,252.13	461,397.73	0.00	-0.13	100.00
36-50-3540-58230	23,653.00	23,652.77	252,252.13	0.00	0.23	100.00
Total Library Special Accounts	840,007.00	737,302.63	23,652.77	0.00	102,704.37	87.77
36-50-9510						
Library Buildings						
Total Library Buildings	0.00	0.00	0.00	0.00	0.00	0.00
Total Library Administration	3,172,867.00	2,794,316.64	2,794,316.64	95,987.76	282,562.60	91.09
36-51-3520						
Library Technical Services						
36-51-3520-52149	1,598,378.00	1,406,933.37	1,406,933.37	0.00	191,444.63	88.02
36-51-3520-52199	2,500.00	300.00	300.00	0.00	2,200.00	12.00
36-51-3520-52248	81,290.00	57,669.53	57,669.53	11,467.65	12,152.82	85.05
36-51-3520-52249	16,259.00	8,845.72	8,845.72	1,639.28	5,774.00	64.49
36-51-3520-52403	81,000.00	38,802.38	38,802.38	421.16	41,776.46	48.42
36-51-3520-52972	15,000.00	13,485.02	13,485.02	0.00	1,514.98	89.90
36-51-3520-53110	14,000.00	10,288.71	10,288.71	4,854.33	-1,143.04	108.16
36-51-3520-53112	130,112.00	83,926.45	83,926.45	32,073.37	14,112.18	89.15
36-51-3520-54990	0.00	-227.65	-227.65	0.00	227.65	0.00
Total Library Technical Services	1,938,539.00	1,620,023.53	1,620,023.53	50,455.79	268,059.68	86.17

Expenditure Status Report
CITY OF SANTA CRUZ
 7/1/2004 through 5/31/2005

951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
36-52-3530						
Library Public Services						
36-52-3530-52139	0.00	396.00	396.00	0.00	-396.00	0.00
Medical services						
36-52-3530-52149	4,727,026.00	4,124,939.12	4,124,939.12	0.00	602,086.88	87.26
Interagency labor charges						
36-52-3530-52199	0.00	0.00	0.00	1,700.00	-1,700.00	0.00
Other professional & technical services						
36-52-3530-52972	1,000.00	189.44	189.44	800.00	10.56	98.94
Printing and binding-outside						
36-52-3530-53106	850,000.00	779,969.73	779,969.73	0.00	70,030.27	91.76
Books and periodicals						
36-52-3530-53109	6,948.00	5,311.80	5,311.80	1,636.20	0.00	100.00
Copier supplies						
36-52-3530-54990	5,780.00	3,464.08	3,464.08	684.66	1,631.26	71.78
Miscellaneous supplies and services						
Total Library Public Services	5,590,754.00	4,914,270.17	4,914,270.17	4,820.86	671,662.97	87.99
36-52-3531						
Read-to Me Grant Program						
36-52-3531-52149	142,993.00	97,144.87	97,144.87	0.00	45,848.13	67.94
Interagency labor charges						
36-52-3531-52199	2,500.00	250.00	250.00	750.00	1,500.00	40.00
Other professional & technical services						
36-52-3531-52223	5,942.56	831.02	831.02	0.00	5,111.54	13.98
Vehicle operation charges - internal						
36-52-3531-52302	2,895.35	3,123.53	3,123.53	1,172.91	-1,401.09	148.39
Travel and meetings						
36-52-3531-52402	691.00	396.00	396.00	0.00	295.00	57.31
Telecommunications service - internal						
36-52-3531-52961	1,800.00	1,132.00	1,132.00	0.00	668.00	62.89
Liability insurance/surety bonds-outside						
36-52-3531-52972	250.00	250.00	250.00	0.00	0.00	100.00
Dues and memberships						
36-52-3531-53101	14,366.74	178.67	178.67	0.00	14,188.07	1.24
Printing and binding-outside						
36-52-3531-53101	103.72	376.83	376.83	0.00	-273.11	363.31
Postage charges						
36-52-3531-53102	100.00	32.42	32.42	0.00	67.58	32.42
Office supplies						
36-52-3531-53106	23,476.00	18,239.54	18,239.54	14,908.50	-9,672.04	141.20
Books and periodicals						
36-52-3531-54990	44,533.00	37,045.00	37,045.00	7,488.00	0.00	100.00
Miscellaneous supplies and services						
Total Read-to Me Grant Program	239,651.37	158,999.88	158,999.88	24,319.41	56,332.08	76.49
Total Library Public Services	5,830,405.37	5,073,270.05	5,073,270.05	29,140.27	727,995.05	87.51
Total Library (JPA)	10,941,811.37	9,487,610.22	9,487,610.22	175,583.82	1,278,617.33	88.31
Total Library Joint Powers Authority	11,041,811.37	9,587,610.22	9,587,610.22	175,583.82	1,278,617.33	88.42
Grand Total	11,041,811.37	9,587,610.22	9,587,610.22	175,583.82	1,278,617.33	88.42

Estimated May City Chg
 40,528.36
 9,628,138.58

Expenditure Status Report
CITY OF SANTA CRUZ
7/1/2004 through 5/31/2005

101	General Fund	Account Number	Library Administration (City)	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
35-50-3410			Library Administration (City)						
35-50-3410-51110			Regular full time	851,343.00	762,925.86	762,925.86	0.00	88,417.14	89.61
35-50-3410-51111			Regular part time	76,382.00	67,078.80	67,078.80	0.00	9,303.20	87.82
35-50-3410-51114			Overtime	0.00	1,326.87	1,326.87	0.00	-1,326.87	0.00
35-50-3410-51115			Termination pay	0.00	511.79	511.79	0.00	-511.79	0.00
35-50-3410-51130			Other pay	0.00	10.33	10.33	0.00	-10.33	0.00
35-50-3410-51132			Special vacation pay	0.00	7,296.94	7,296.94	0.00	-7,296.94	0.00
35-50-3410-51133			Special sick leave pay	0.00	368.08	368.08	0.00	-368.08	0.00
35-50-3410-51150			Vehicle allowance	5,760.00	4,867.20	4,867.20	0.00	892.80	84.50
35-50-3410-51201			Retirement contribution	58,947.00	51,869.52	51,869.52	0.00	7,077.48	87.99
35-50-3410-51202			F.I.C.A.	0.00	339.02	339.02	0.00	-339.02	0.00
35-50-3410-51210			Group health insurance	123,249.00	115,187.20	115,187.20	0.00	8,061.80	93.46
35-50-3410-51212			Group dental insurance	19,987.00	15,711.03	15,711.03	0.00	4,275.97	78.61
35-50-3410-51213			Vision insurance	3,642.00	2,905.38	2,905.38	0.00	736.62	79.77
35-50-3410-51214			Medicare insurance	7,642.00	6,812.77	6,812.77	0.00	829.23	89.15
35-50-3410-51220			Group life insurance	759.00	598.75	598.75	0.00	160.25	78.89
35-50-3410-51221			Disability insurance	7,653.00	6,041.45	6,041.45	0.00	1,611.55	78.94
35-50-3410-51230			Unemployment insurance	2,321.00	2,097.60	2,097.60	0.00	223.40	90.37
35-50-3410-51240			Workers' compensation	36,760.00	33,426.84	33,426.84	0.00	3,333.16	90.93
			Total General Fund	1,194,445.00	1,079,375.43	1,079,375.43	0.00	115,069.57	90.37
			Grand Total	1,194,445.00	1,079,375.43	1,079,375.43	0.00	115,069.57	90.37

Expenditure Status Report
CITY OF SANTA CRUZ
7/1/2004 through 5/31/2005

101 General Fund

Account Number	Library Technical Services (City)	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
35-51-3411	Library Technical Services (City)						
35-51-3411-51110	Regular full time	1,231,620.00	1,065,300.93	1,065,300.93	0.00	166,319.07	86.50
35-51-3411-51111	Regular part time	15,526.00	13,296.90	13,296.90	0.00	2,229.10	85.64
35-51-3411-51114	Overtime	0.00	147.38	147.38	0.00	-147.38	0.00
35-51-3411-51115	Termination pay	0.00	1,890.25	1,890.25	0.00	-1,890.25	0.00
35-51-3411-51122	Temporary	15,423.00	8,163.17	8,163.17	0.00	7,259.83	52.93
35-51-3411-51130	Other pay	0.00	105.23	105.23	0.00	-105.23	0.00
35-51-3411-51132	Special vacation pay	0.00	2,194.61	2,194.61	0.00	-2,194.61	0.00
35-51-3411-51133	Special sick leave pay	0.00	663.14	663.14	0.00	-663.14	0.00
35-51-3411-51201	Retirement contribution	79,244.00	68,247.49	68,247.49	0.00	10,996.51	86.12
35-51-3411-51202	F.I.C.A.	956.00	673.28	673.28	0.00	282.72	70.43
35-51-3411-51210	Group health insurance	161,027.00	166,265.69	166,265.69	0.00	-5,238.69	103.25
35-51-3411-51212	Group dental insurance	23,289.00	19,885.98	19,885.98	0.00	3,403.02	85.39
35-51-3411-51213	Vision insurance	4,550.00	3,871.39	3,871.39	0.00	678.61	85.09
35-51-3411-51214	Medicare insurance	13,771.00	11,713.05	11,713.05	0.00	2,057.95	85.06
35-51-3411-51220	Group life insurance	1,102.00	902.07	902.07	0.00	199.93	81.86
35-51-3411-51221	Disability insurance	8,419.00	6,850.07	6,850.07	0.00	1,568.93	81.36
35-51-3411-51230	Unemployment insurance	3,157.00	2,729.09	2,729.09	0.00	427.91	86.45
35-51-3411-51240	Workers' compensation	40,294.00	34,033.65	34,033.65	0.00	6,260.35	84.46
Total	General Fund	1,598,378.00	1,406,933.37	1,406,933.37	0.00	191,444.63	88.02
	Grand Total	1,598,378.00	1,406,933.37	1,406,933.37	0.00	191,444.63	88.02

Expenditure Status Report
CITY OF SANTA CRUZ
7/1/2004 through 5/31/2005

101 General Fund

Account Number	Library Public Services (City)	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
35-52-3412	Library Public Services (City)						
35-52-3412-51110	Regular full time	2,728,842.00	2,368,357.74	2,368,357.74	0.00	360,484.26	86.79
35-52-3412-51111	Regular part time	622,766.00	547,476.61	547,476.61	0.00	75,289.39	87.91
35-52-3412-51114	Overtime	0.00	538.91	538.91	0.00	-538.91	0.00
35-52-3412-51115	Termination pay	0.00	9,245.06	9,245.06	0.00	-9,245.06	0.00
35-52-3412-51122	Temporary	536,128.00	414,534.87	414,534.87	0.00	121,593.13	77.32
35-52-3412-51130	Other pay	0.00	166.77	166.77	0.00	-166.77	0.00
35-52-3412-51132	Special vacation pay	0.00	4,071.00	4,071.00	0.00	-4,071.00	0.00
35-52-3412-51133	Special sick leave pay	0.00	1,667.38	1,667.38	0.00	-1,667.38	0.00
35-52-3412-51201	Retirement contribution	212,961.00	186,187.96	186,187.96	0.00	26,773.04	87.43
35-52-3412-51202	F.I.C.A.	33,240.00	23,810.69	23,810.69	0.00	9,429.31	71.63
35-52-3412-51210	Group health insurance	439,644.00	430,476.28	430,476.28	0.00	9,167.72	97.91
35-52-3412-51212	Group dental insurance	65,903.00	54,074.14	54,074.14	0.00	11,828.86	82.05
35-52-3412-51213	Vision insurance	12,989.00	10,700.31	10,700.31	0.00	2,288.69	82.38
35-52-3412-51214	Medicare insurance	46,567.00	40,443.75	40,443.75	0.00	6,123.25	86.85
35-52-3412-51220	Group life insurance	2,892.00	2,292.19	2,292.19	0.00	599.81	79.26
35-52-3412-51221	Disability insurance	25,543.00	19,858.26	19,858.26	0.00	5,684.74	77.74
35-52-3412-51230	Unemployment insurance	9,721.00	8,365.98	8,365.98	0.00	1,355.02	86.06
35-52-3412-51240	Workers' compensation	116,617.00	99,679.88	99,679.88	0.00	16,937.12	85.48
Total	General Fund	4,853,813.00	4,221,947.78	4,221,947.78	0.00	631,865.22	86.98
Grand Total		4,853,813.00	4,221,947.78	4,221,947.78	0.00	631,865.22	86.98

Personnel Reconciliation

May-05

Fund 951	
Administration	1,079,375.43
Technical Services	1,406,933.37
Public Services	4,124,939.12
<u>Total Posted</u>	6,611,247.92
Administration	-
Technical Services	-
Public Services	(136.21)
<u>Total Unposted</u>	(136.21)
<u>Total Fund 951</u>	<u>6,611,111.71</u>

Fund 101	
Administration	1,079,375.43
Technical Services	1,406,933.37
Public Services	4,221,947.78
<u>Total Posted</u>	6,708,256.58
First Five	
<u>Total Adjustments*</u>	(97,144.87)
<u>Total Fund 101</u>	<u>6,611,111.71</u>

*First Five Personnel Charges are included in the Fund 101 Public Services amount



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LIBRARIES
A City County System

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July XXX, 2005

LIBRARY JOINT POWER AUTHORITY BOARD

RESPONSE TO SANTA CRUZ COUNTY GRAND JURY 2004-05 INTERIM FINAL REPORT

SCHOOLS AND LIBRARIES COMMITTEE REPORT

Santa Cruz City-County Library System: Ready to Check Out?

Findings

Library Administration

1. Current library system organization balances two conflicting library service issues:
 - the desire to maintain neighborhood-level branch libraries; and
 - the economic necessity of maximizing funding resources by centralizing programs and services.¹

AGREE

2. The Director of Libraries is supervised by the City Manager and has department head status under the City of Santa Cruz's personnel system. The Director serves as staff to the Library Joint Powers Authority Board.

AGREE

3. Although the JPA Board governs the library, the staff are Santa Cruz City employees.

AGREE

4. The Joint Powers Board consists of nine members:
 - Two members appointed by the Santa Cruz City Council from among its members;

¹ Santa Cruz Public Libraries, The Santa Cruz Library System Facilities Master Plan, 2001/02 – 2005/06, September 2001. Library Headquarters and System Services
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- Two members appointed by the Santa Cruz County Board of Supervisors from among its members;
- One member appointed by the Capitola City Council from among its members;
- One member appointed by the Scotts Valley City Council from among its members; and
- Three at-large citizens are appointed by majority vote of the board from the qualified electors of the Library Service Area and represent the geographic diversity of the county.

NO RESPONSE REQUIRED

5. The JPA Board oversees the operations of the Santa Cruz City-County Library System. It oversees the library budget, adopts and oversees enforcement of rules, regulations and policies necessary for the administration of the library system; sets hours and levels of service for operation of the library system and evaluates the quality of library service. The JPA Board does not concern itself with the day-to-day functioning of the library or the details of the library budget. It relies heavily on staff input to make decisions. The JPA Board duties include conferring with "the City Manager concerning the job performance of the Director of Libraries and any modification or renewal of the contract of the Director of Libraries."²

AGREE

6. The City Manager consults with other administrative heads of member jurisdictions for the director's personnel reviews (County Administrative Officer, City Manager of Scotts Valley, City Manager of Capitola).

AGREE

7. The Director of Libraries was last reviewed in 1999 and initiated a self-review in 2002-2003.

DISAGREE

The Director of Libraries was appraised by the City Manager in 2002-03, based upon a self-appraisal filed by the Director of Libraries.

8. JPA Board members and Santa Cruz City staff could not recollect when the JPA Board was last asked for advice on the performance of the Director of Libraries.

DISAGREE

The Minutes of the September 9, 2002 reporting a Closed Session include the following: "The Board then conducted a performance appraisal discussion with the Director and agreed upon the content of a letter to the City Manager commenting on the Director's performance."

² Joint Powers Agreement between the City of Santa Cruz and the County of Santa Cruz and the Cities of Capitola and Scotts Valley Relating to Library Services, May 1996. Library Joint Powers Board Bylaws, Article II, g.

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Measure B

9. Measure B, passed by voters in 1996, was a new library tax in the form of a quarter-cent sales tax. Polling data showed that the public valued services to children and seniors, increased open hours and an expanded collection.

AGREE

10. The sales tax went into effect March 1997 with funds becoming available in the fiscal year beginning July 1, 1997. The ordinance terminates on April 1, 2013.³

AGREE

11. When people voted on Measure B, its purpose was for more open hours and some capital expenditures to expand places like Scotts Valley and Felton branches and to renovate and build when necessary. Measure B did not expressly call for renting additional administrative space

PARTIALLY DISAGREE

The purpose of Measure B was to improve library services throughout Santa Cruz County by increasing open hours, expanding services, and strengthening the collections. Measure B did not expressly call for any specific services except those mentioned. Renting System Services space was necessitated by the implementation of the above improvements.

12. Measure B commitments included:⁴

Commitments accomplished:

- Youth Service (YS) staff added and collections expanded;
- Mobile YS Librarian added;
- First 5 Commission Read to Me Grant received;
- Bookmobile purchased, staff hired;
- Outreach staff for seniors hired and programs developed;
- Library Book and Materials budget increased 44 percent in Fiscal Year 97-99, but declined starting after January 2002;
- Open hours expanded;
- Reopened Live Oak Branch in 1998, County RDA began construction of new facility in 2004;
- Scotts Valley Branch doubled in size, homework center added;
- Deferred maintenance accomplished at various branches; and

³ "Text of Measure B (1996 November)," <http://www.santacruzpl.org/libraryadmin/btext.shtml>.

⁴ Director of Libraries, "Measure B Promises and Accomplishments", December 21, 2004.

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- Multiple improvements made in automation and internet access.

Items accomplished, not part of original commitment:⁵

- Opened new branch in Capitola;
- Asbestos abatement at Central Branch, new carpet, painting and HVAC repair;
- System Services staff moved to 1543 Pacific Avenue in downtown Santa Cruz; and
- Bathrooms and other basic facilities added to Garfield Park Branch.

Commitments not accomplished:⁶

- Construct 2,900 square foot addition to the Central Branch (based on further study, library staff states that 32,000 square feet are needed);
- Renovate historic structure occupied by Felton Branch (renovation proved to be impractical and expensive); and
- Install one-stop kiosk-type information centers with public access computers throughout county – unworkable without 24/7 staffing.

AGREE

Lease Negotiations

13. With the passage of Measure B, the library system increased services, added to its collection and hired additional staff, necessitating more space. As a result of overcrowding due to expansion, Administrative Services, Technical Services and Outreach moved to 1543 Pacific Avenue in October 1997.

AGREE

14. The JPA Board directed the Director of Libraries to recommend rental space, including possible location, budget and timeline, to accommodate overflow from the Central Branch.

AGREE

15. To accommodate the newly hired staff (due to the passage of Measure B) by October 1997, prompt location of space and timely execution of a lease was necessary. Since the Santa Cruz City Council did not meet in August 1997, library and City of Santa Cruz Redevelopment Agency (RDA) staff requested that the Santa Cruz City Manager be authorized to approve a lease agreement. The lease was subject to the approval of the Santa Cruz City Attorney and the JPA Board.

AGREE

⁵ Director of Libraries, "Measure B Promises and Accomplishments", December 21, 2004.

⁶ Director of Libraries, "Measure B Promises and Accomplishments", December 21, 2004.

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16. The recommendation from the Director of Libraries and the Santa Cruz City Director of Redevelopment stated that the new space should be located conveniently to the main branch of the library, should comprise approximately 10,000 square feet and should have a parking area adequate for loading, unloading and parking of book vans. One of the objectives of having library headquarters downtown was to contribute to the city's recovery from the 1989 earthquake. The building at 1543 Pacific Avenue met the above criteria.

AGREE

17. Alternative sites were not considered since there were no other available sites that met the above criteria. City Redevelopment Agency staff recollects that the library director identified this site as meeting the specification.

PARTIALLY DISAGREE

With the assistance of the Redevelopment Agency, library staff examined several other spaces, but none were large enough.

18. The lease approval process began with negotiation between the City of Santa Cruz Redevelopment Agency staff and the landlord. The Santa Cruz City Council approved the basic lease terms but was not involved in the details. They relied on the background material prepared by RDA staff.

AGREE

19. The original lease, executed in Santa Cruz on September 8, 1997 between Penak J. Ltd. and the Santa Cruz City-County Library System, was signed by the Santa Cruz City Manager. The lease had a five-year term with an additional five-year renewal option.

AGREE

20. The JPA Board approved the Director of Libraries' recommendation that the JPA Board adopt a resolution to renew the lease between the library system and Penak J. Ltd. for Library administrative headquarters at 1543 Pacific Avenue for an additional five-year term that ends September 30, 2007.

AGREE

But please note that although the space at 1543 Pacific Avenue has been referred to by all parties as the "library administrative headquarters," it would be more accurate to call it "library system services" since three components of the Library operation are housed there which serve all branches and programs.

21. The lease of library administrative headquarters has cost Santa Cruz County residents millions of dollars. In the eight years leading up to 2005, the cost has been \$1,936,006. That cost increases annually. By the end of the second five-year lease term, more than \$2.5 million will have been spent on administrative headquarters.

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CALENDAR YEAR	RENT ⁷	NNN ⁸ + UTILITIES	TOTAL RENT	ELEVATOR CONTRACT	HVAC CONTRACT	ANNUAL COST
1997-1998 ^{9 10}	150,888	33,096	183,984	-0-	-0-	183,984
1999	174,108	35,292	209,400	-0-	-0-	209,400
2000 ¹¹	182,232	41,712	223,944	-0-	-0-	223,944
2001	190,800	52,884	243,684	3,000	-0-	246,684
2002	199,392	57,768	257,160	3,166	5,040	265,366
2003	202,044	58,152	260,196	5,040	5,040	270,276
2004	204,060	55,416	259,476	5,040	5,040	269,556
2005	201,576	55,140	256,716	5,040	5,040	266,796
TOTAL	1,505,100	389,460	1,894,560	21,286	20,160	1,936,006

Table 1. Library Administrative Headquarters Rent and Cost History

Sources: Lease for 1543 Pacific Avenue dated 8 September 1997
Renewal of Library Administration Building Lease dated 10 April 2002

PARTIALLY DISAGREE

The Grand Jury inclusion of the Elevator and HVAC contracts in the total rent inflates the cost of the facility. Any building with an elevator requires an elevator service contract and all buildings require HVAC maintenance. Similarly, all facilities must pay for utilities, taxes, etc., whether directly or via Triple Net charges on the rent. For comparative purposes, only the accrued rent of \$1,505,100 should be considered.

The Library would have had to rent space somewhere for the System Services staff. Based upon study of the County rental market outside of Downtown Santa Cruz, we can calculate that the price for such space would range from \$0.88/square foot in 1997-98 to \$1.10/square foot in 2005, compared to the Pacific Avenue range of \$1.07 to \$1.36 in the same time period. Were the

⁷ In 2005, rent was reduced by \$379 per month.

⁸ Triple net. See Appendix: Definitions.

⁹ Dates are from October 1997 through December 1998.

¹⁰ A memo confirming the area of the premises was signed on June 25, 1998. The original square footage stated in the lease was 11,770 square feet. In this memo, the area was confirmed actually to be 11,190 square feet. Rents are based on square footage. Adjustments were made to compensate for the overpayment of rent.

¹¹ On May 17, 2000, the library system added another 1,123 square feet of rental space, for a total of 12,313 square feet.

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Library System to have rented 10,536 square feet (the most efficient package required) rent would total \$1,012,915.

So the cost of the space in Downtown Santa Cruz for the period 1997-98 through 2005 is \$492,915 more than it would have been elsewhere and that is the net cost of the facility.

An important question is whether the Library System should be renting space at all. Would it not be more cost effective to build a facility in which the Library can make a long term investment of taxpayer dollars with eventual ownership?

22. The Administrative Unit occupies 3,500 square feet in the Pacific Avenue Suite and includes offices, a conference room and an automation training room. Space is adequate but will not sustain growth. It would be hard to add staff for a grant program or special project. Foreseeable future needs would be met by 4,500 square feet.¹²

AGREE

23. Technical Services occupies 5,500 square feet. Sixty percent is devoted to staff work areas including routing for daily delivery to all branches and the balance to shelving for books and other materials being processed. Seven thousand square feet is required to meet current and future needs.¹³

DISAGREE

The Technical Services division occupies 4,409 square feet.

24. The Outreach Program occupies 856 square feet on Pacific Avenue. Sixty percent of the space is devoted to shelving the library materials and other supplies. The Outreach Program staff workspace of 343 square feet for six people, even workers who are in and out of the building, does not meet library standards. "Conditions are absurdly overcrowded."¹⁴

AGREE

25. The Outreach Program requires at least 1,500 square feet for workspace and shelving. If staff moved to a stand-alone facility, a bathroom, break room and storage space would be needed. Access to a loading dock and vehicle parking is required. The space could be located elsewhere in the county near major thoroughfares.¹⁵

AGREE

¹² Santa Cruz Public Libraries, The Santa Cruz Library System Facilities Master Plan, 2001/02 – 2005/06, September 2001.

¹³ Santa Cruz Public Libraries, The Santa Cruz Library System Facilities Master Plan, 2001/02 – 2005/06, September 2001.

¹⁴ Santa Cruz Public Libraries, The Santa Cruz Library System Facilities Master Plan, 2001/02 – 2005/06, September 2001.

¹⁵ Santa Cruz Public Libraries, The Santa Cruz Library System Facilities Master Plan, 2001/02 – 2005/06, September 2001.

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26. Library staff reported that the heating system does not work well; the boiler is very old, and some offices are often cold. The fire exit from the basement is through The Velvet Underground, a neighboring business. The door was locked in the past, but this has been remedied.

AGREE

27. Library staff says that the elevators are small, old, and break down frequently. Since the library system pays for elevator servicing and repair costs, this adds to the expense of leasing administrative headquarters.

DISAGREE

The Headquarters facility has two elevators, only one of which is "small, old, and break(s) down frequently." The other is eight years old. We have four-hour service response to infrequent problems related to the need to periodically reset the elevator computer. The older elevator is used only for accessing the basement, where various items are stored and the boiler is located. Only a few designated staff are allowed to use this elevator.

28. Loading docks for Outreach and Routing/Receiving as well as limited staff parking are available. The building meets the load-bearing requirement for books.¹⁶

AGREE

29. In Outreach, three people shared a desk designed for one. Crates of books were stacked at the end of aisles on the first floor. In contrast to other rooms, one room had empty shelves.

PARTIALLY DISAGREE

Two people, who work different schedules, share a desk in the Outreach offices. Books and other items are swapped in and out of available shelving; on any day there may be empty shelves or all shelves may be full. "Crates of books stacked at the end of aisles on the first floor" probably were waiting for staff shelving.

30. In June 2004, the JPA Board appointed a subcommittee to consider the cost and relocation of library administrative headquarters. No action was taken.¹⁷

AGREE

Location of Library Headquarters

31. The library system employs 117.98 full time employees. Forty-two people work at administrative headquarters. Twenty-two of them work two four-hour shifts per week on public desks at the Central Branch, and one senior manager works one four-hour shift. This is the equivalent of 2.4 full-time equivalency (FTE) positions on the Central Branch circulation desk and 2.1 FTE positions at Central Reference

¹⁶ Memo from Director of Libraries to Library Joint Powers Authority Board regarding Headquarters Space, 26 January 2004.

¹⁷ Memo from Director of Libraries to Library Joint Powers Authority Board regarding Headquarters Space, 26 January 2004.

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and Youth Services. Library system administration believes that administrative headquarters must be located within easy walking distance to the Central Branch.

PARTIALLY DISAGREE

Effective July 1, 2005 the Library System will employ 115.35 FTE staff, 36 of whom work at System Services Headquarters, plus 2 FTE grant staff.

32. Locating administrative staff close to Santa Cruz City Hall and the County Building is convenient. Administrative staff workers make daily trips to Santa Cruz City Hall that save mail/delivery time and maintain personal contacts with colleagues in the Finance and Human Resources Departments.¹⁸

AGREE

33. As many staff as possible work on public desks to preserve their contact with the public. Library management believes that keeping in touch with the public allows Technical Services staff and management to do better jobs. Working on a public desk gives the staff involved a sense of the impact of their work on the public and other staff.¹⁹

AGREE

34. Rotation of shifts was instituted to relieve staff from long hours "on desk" where repetitive motion could lead to stress injury.

AGREE

35. According to some staff members, rotation is inconvenient because the worker stops one job in the middle of the day and goes to another. Because staff fill in at branches other than Central, rotation involves travel time. Staff must acclimatize themselves to different and changing work situations if they fill in sporadically.

DISAGREE

No staff assigned to either HQ or the Central Branch "fill in at branches other than Central." Shifts on the Central Circulation Desk are limited to four or five hours in order to promote worker safety and decrease worker stress. Three of the four Library Clerks assigned to Central Circulation are Regular Part Time employees (20 hours per week) for this reason.

Perhaps the "inconvenience" of rotation refers to the possibility of relocating Technical Services staff to a site that would involve greater travel time. Or the Grand Jury member could have interviewed an On-Call Substitute employee. Substitutes do indeed work at any branch required.

36. The library system has an existing courier service that delivers library materials throughout the 10-branch system, including administrative headquarters.

AGREE

¹⁸ Memo to the Joint Powers Authority Board from Director of Libraries regarding Headquarters Space, 26 January 2004.

¹⁹ Memo to the Joint Powers Authority Board from Director of Libraries regarding Headquarters Space, 26 January 2004.

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Funding

37. Library funding comes from the following sources:

- County Library Fund - Property tax, designated for library service, collected in the unincorporated areas and in the cities of Capitola and Scotts Valley;
- Member contributions – The cities of Santa Cruz and Watsonville contribute money from their general funds;
- Measure B – a quarter-cent sales tax (approved by voters in 1996);
- Library fee and fine revenue;
- State of California Public Library Fund grant; and
- Income from library bequests and trusts.

AGREE

38. According to library staff, Measure B sales tax originally generated sufficient money for library operations but not enough for capital projects. The library has enough revenue to operate the city-county library system. It does not have enough money for updating facilities.

AGREE

39. The library budget has been hit by:

- Higher expenses for employee benefits such as workers' compensation;
- A recession that reduced sales-tax revenues; and
- A state government that took local tax revenues to narrow its budget gap.

AGREE

40. In response to a projected \$700,000 budget deficit, the JPA Board:²⁰

- increased the library system's schedule of fees and charges;
- shortened hours;
- eliminated a cumulative total of 9.13 positions since June 2003;
- accepted early retirements from staff;
- cut library materials budget by \$350,000; and
- cut Supplies and Services budget – training, staff travel to conferences, supplies for materials processing.

AGREE

²⁰ Director of Libraries, "The Library Budget Deficit: What's Going On?" 10 November 2003, <http://www.santacruzpl.org/libraryadmin/deficit.shtml>.

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41. The Director of Libraries estimated the anticipated library system budget deficit for FY 2005-2006 to be \$200,384.²¹ In May 2005 that figure was revised to \$173,000.²² This figure may look insignificant when looking at Fiscal Year 2004-05 expected expenditures of \$10.8 million,²³ but it was enough for the library system to consider closing a branch.

AGREE**Outcomes**

42. The JPA Board has discussed going to the voters for a bond issue and how to otherwise fund long-term capital needs. There is no contingency plan if a bond issue doesn't pass. If it doesn't pass, money may continue to be spent the same way it is spent now. The cost of library administrative headquarters is \$266,796 this year and will increase each year.

AGREE

43. A minimum of \$16.8 million is required for capital improvement. If Scotts Valley and Capitola are included the figure goes up to \$24.2 million.²⁴

AGREE

44. A bond issue on the ballot would request voters throughout the county to approve a 30-year general obligation bond measure on the order of \$20 million to support expansion or replacement of the Central Branch, construction of a new branch at Felton, expansion of the Aptos parking lot, upgrading the automation system and installing new materials handling and security technology. The cost would be roughly \$6.30 per \$100,000 of assessed valuation, or \$30 annually for the typical property taxpayer.

AGREE

45. The earliest a bond proposal could be ready for placement on a ballot is 2006.²⁵

AGREE

46. Some JPA members feel a bond measure would have difficulty passing. They have stated that if a bond issue is proposed, the public should be polled to see if they would vote for it.

AGREE

47. JPA Board members say that administrative headquarters rent is high, but holding a bond election is expensive, and the JPA would probably be responsible for that cost.

²¹ Memo from Director of Libraries to Library Joint Powers Authority Board regarding FY 2005-06 Budget Increases and Revenues, 30 March 2005.

²² Santa Cruz Sentinel, "Library chief's apology falls short for supervisor," 4 May 2005.

²³ Santa Cruz Public Libraries, the Library System's Revenue and Budget: FY 2004-2005, <http://www.santacruzpl.org/libraryadmin/04-05bud.shtml>.

²⁴ Director of Libraries, Library Capital Improvement Program, 1 September 2004.

²⁵ The Mid-County Post, "Library Expansion," October 5, 2004-October 18, 2004.

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AGREE

48. In the City of Salinas, voters rejected a ballot measure on November 2, 2004 to boost sales tax to preserve city services.²⁶

AGREE

49. The Salinas City Council voted on December 14, 2004 to permanently close all three of the city's libraries.²⁷

AGREE

50. Santa Clara County's library tax (\$33.66 per year for a single home, comprising 20 percent of its operating budget) expires in June 2005. Efforts by its Joint Exercise of Powers Authority to pass a measure to renew and increase the tax failed last year. In May 2005, a mail-in ballot offering two options will be sent out. Measure A will renew the tax at the same amount and will avoid service cuts for the coming year. Measure B will increase the amount by \$12 per year per single home to restore some cuts in hours and services. The Santa Clara library district has spent at least \$80,000 on an opinion poll. The cost of running the election will be \$1.8 million (a third of the \$5.4 million the tax would raise annually).

AGREE

51. Voters in San Luis Obispo rejected a proposed quarter-cent sales tax hike on November 2, 2004, which would have kept their libraries solvent, necessitating reduced hours and staff layoffs.²⁸

AGREE

52. Voters in Berkeley defeated Measure L, a library parcel tax, in November 2004. Supporters of the measure had hoped it would forestall staff layoffs and reduced hours.²⁹

AGREE

53. Libraries in 41 states have absorbed more than \$50 million in funding cuts last year. At least 10 cities have considered closures.³⁰

AGREE

54. At the Santa Cruz City-County Library System JPA Board meeting on May 2, 2005, a proposal was put forth to close the Felton branch to reduce the upcoming fiscal year 2005-06 budget shortfall of \$173,000 by \$156,355.³¹ The community strongly opposed the closing, and the JPA Board voted to keep the branch open.

PARTIALLY DISAGREE

²⁶ Santa Cruz Sentinel, "Cash-strapped Salinas set to close libraries," 26 December 2004.

²⁷ Santa Cruz Sentinel, "Cash-strapped Salinas set to close libraries," 26 December 2004.

²⁸ "Library Funding, California", www.ala.org.

²⁹ Berkeley Daily Planet, "Too Many Tax Measures Spells Defeat at the Polls," 3 January 2005.

³⁰ Santa Cruz Sentinel, "Cash-strapped Salinas set to close libraries," 26 December 2004.

³¹ Santa Cruz Sentinel, "Supervisor Rips Library Chief over Library Closing," 29 April 2005.

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The anticipated budget shortfall was created by diminished sales tax revenue, added employee benefit costs, and the opening of a Tier II Branch at Live Oak in January 2006. Closing the Felton Branch was only one part of a larger group of recommendations that included adding needed staff at Scotts Valley and downgrading the Branciforte Branch. The Library Joint Powers Board unanimously rejected the branch closure proposal. Subsequently the Library Financing Authority announced greater revenue projections for the coming fiscal year, so less additional funding was needed.

Conclusions

Respondents are not asked to comment upon the Conclusions. However, the media and others have focused on these more than any other section of the report. Therefore the Library Joint Powers Authority Board comments as follows on each.

Library Administration

1. The JPA Board represents a diversity of interests in Santa Cruz County and includes elected officials. Many factors, including political considerations, contribute to making decisions for the library system.

AGREE

2. Although the Library Services Joint Powers Agreement requires the Santa Cruz City Manager to "periodically" evaluate the Director of Libraries and seek written comments from the JPA Board, a review has not taken place for five years.

DISAGREE

The Director of Libraries was last appraised by the City Manager and the Board three years ago; see responses to FINDINGS 7 and 8.

3. The JPA Board does not have direct authority over the Director of Libraries' employment. Because the JPA Board is not regularly consulted about the Director of Libraries' performance, the position's accountability to the board is reduced.

AGREE

Library Administrative Headquarters

4. The headquarters lease will expire in September 2007. This leaves only slightly more than two years to search and plan for an alternative to the expensive location at 1543 Pacific Avenue. Lack of timely planning may necessitate renewal of the lease as it did in 2002.

AGREE

5. When the original lease was signed, library administration and the JPA Board had not done any advance planning for additional staff hired under Measure B. Lack of action forced hasty consideration of this site because the library needed to house already employed new staff within three months (July to October 1.)

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DISAGREE

This conclusion is 20-20 hindsight by the Grand Jury. Money from Measure B was not available until April 1, 1997. The Library System's top priority was adding staff so that open hours could be substantially increased on July 1, 1997. The Library System could have taken an opposite course of action: solved the internal staff space needs of Administration and Technical Services first, and later added open hours to serve the public. But the Board and library administration agreed that the public deserved an immediate and visible symbol (more open hours) of the new library era.

Finance rules prevented the Library from recruiting new staff until the funds were technically available (April 1st). Securing a bridge loan from the County on that date, the Library was able to begin recruitment and training. 30 new employees were recruited and trained between April 1st and June 30th, and deployed to the Branches in time to increase open hours 41% on July 1st.

The next task was to recruit and hire staff for added services such as Outreach and to handle a major increase in the materials acquisition budget, which was accomplished during the summer months.

Beginning in June Library staff began looking for ways to solve the increasing space problem at the Central Branch. After consultation with an architect regarding options for expanding the existing Central Branch, it was agreed that renting space was a better option. The space at 1543 Pacific Avenue was in the process of being renovated and appropriate lease documents were signed.

6. Upon inspection, Grand Jury members found administrative headquarters to be inefficiently laid out and crowded.

AGREE

7. The library system is paying a premium price for the location of the building at 1543 Pacific Avenue, which is currently crowded and will not sustain future growth.

PARTIALLY DISAGREE.

Office rental space on Pacific Avenue ranges from \$1.90 to \$2.60 plus triple net. The current rent is hardly a "premium price." We agree that the space will not sustain future growth, which is why we believe seeking a permanent building solution is sensible.

8. Outreach and Technical Services do not have to be located in the same building as the Administrative Unit.

AGREE

9. Shifts at public desks could be scheduled so that staff does not have to travel between administrative headquarters and the Central Branch during the workday.

PARTIALLY AGREE

Staff is studying the matter of shifts at the Central Branch. But it is important to understand that the length and number of shifts are driven by worker health

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issues as much as efficiency of staff deployment. Circulation Desk work is psychologically stressful as well as physically repetitive. Reference Desk work is also psychologically stressful. We have found that most staff work better when assigned only one four or five hour shift on a public desk per day.

10. Having staff work shifts at Circulation and Reference at the Central Branch benefits both staff and the library system so the practice should continue.

AGREE

Funding Improvements

11. The extensive capital improvements envisioned by library officials will require a major funding source such as a bond issue.

PARTIALLY AGREE

However, a bond issue is only one option for capital improvement funding.

12. Even though Santa Cruz County residents passed Measure B in 1996, passage of a capital improvements bond involving property tax increases is not assured.

AGREE

13. The library system will not be able to update or expand facilities if the proposed bond measure fails.

PARTIALLY DISAGREE

The Library System is seeking partnerships with other public and private entities to construct facilities.

14. Unless changes are made in the library's current budget, or a major funding source is found, capital improvement and expansion plans will have to be scaled back or abandoned.

PARTIALLY DISAGREE

The Library System has no choice but to pursue capital improvement plans and thus is actively seeking other options.

15. Other library systems that have faced budget deficits have been forced to close facilities or cut back services. The Santa Cruz City-County library system depends on Measure B sales tax revenue for daily operating expenses. If this revenue source expires on April 1, 2013 without a replacement measure, and if a bond measure to fund capital improvements and expansion is not approved by voters, the system will not have the money it needs to operate.

AGREE

16. The difference between the amount of rent and related expenses for administrative headquarters and a less expensive alternative since 1997 could have made a significant contribution toward improving facilities, and funding daily operations and acquisitions.

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PARTIALLY DISAGREE

As stated in the response to FINDING 21, the net added library expenditure for renting space in Downtown Santa Cruz for System services is \$492,915. During the same period the library has spent other funds for operating expenses that could have been reserved for improving facilities. Notably, the Library has spent \$1,721,369 to open and operate an unplanned Capitola Branch.

17. The lease on administrative headquarters will expire in 2007. Finding a less expensive alternative would free money for daily operating expenses. Not finding an affordable space for library administrative headquarters is an unnecessary drain on the library system budget.

AGREE

18. Leasing administrative headquarters was not specified as a goal of Measure B as submitted to voters. Measure B monies became available July 1, 1997 and the lease was signed September 8, 1997. Therefore, before all stated goals were accomplished, over a quarter of a million dollars was committed annually for five years and, in 2002, this commitment was extended for another five years

DISAGREE

See response to FINDING 21. The rent for the Headquarters space has never exceeded \$205,000, nowhere near the "over a quarter of a million dollars" cited by the Grand Jury.

As stated in the Response to FINDING 11, the purpose of Measure B was to improve library services throughout Santa Cruz County by increasing open hours, expanding services, and strengthening the collections. Measure B did not expressly call for any specific services except those mentioned. Renting expanded headquarters space was necessitated by the implementation of the above improvements.

19. Since the library system did not honor all the Measure B commitments, it may face public distrust for any new funding proposals.

DISAGREE

The Library System has honored every MEASURE B commitment that could be honored, and furthermore added services that were not planned.

20. Paying the cost of leasing library administrative headquarters was part of a lack of planning and foresight that contributed to the proposed closure of the Felton branch in order to narrow the upcoming budget gap.

DISAGREE

See response to Conclusion #5 above.

21. Focusing the cuts on the Felton branch rather than spreading the cuts throughout the library system seems drastic. This proposal appears to be calculated to inflame public opinion.

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DISAGREE

Previous budget cuts in FY 2003-04 AND FY 2004-05 have been spread across the Library System. Proposing to close the Felton Branch was part of a strategy for increasing services in Live Oak and Scotts Valley at a time when added benefit costs were seriously impacting the Library budget. This proposal has been rejected by the Library Joint Powers Board, and needs no further discussion.

Recommendations

- 1) The Santa Cruz City Manager should review the Director of Libraries' job performance according to the Library Joint Powers Authority agreement. He should solicit the written advice of the JPA Board for these reviews.

Will be implemented in FY 2005-06.

- 2) The JPA Board should immediately begin to find an alternative to the crowded and inefficient location at 1543 Pacific Avenue.

JPA Board has directed Director of Libraries to return with a plan for seeking alternative space in September 2005. The Board also agrees that other options for constructing System Services and Central Branch space should be actively pursued.

- 3) Library administration should conduct an efficiency study to find reasonable alternatives to the way staff are located within the library system and are rotated in and out of the Central Branch. They should seek professional advice as necessary.

This recommendation will be implemented by January 1, 2006.

- 4) Since the operation of the Santa Cruz City-County Library System depends on Measure B sales tax revenue that will expire in 2013, economy measures and new funding sources must be found to maintain existing levels of service.

The Board will develop a mid-range financial plan during FY 2005-06.

- 5) If a bond measure is passed, the JPA Board must be very careful to use the funds in the manner specified in the measure.

The Board objects to the implication of this recommendation (see Responses to FINDINGS 11 and 20 and CONCLUSION 19).

- 6) The library staff and JPA Board must develop contingency plans for any future capital projects if a bond issue is unsuccessful at the ballot.

The Board will develop a mid-range financial plan during FY 2005-06.

- 7) The library system and City of Santa Cruz staff and administrators should be commended for promptly providing comprehensive information to the Grand Jury.

No response required.

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- 8) Library system staff is to be commended for their expressed desire to provide the best possible library services to the county.

No response required.

- 9) JPA Board members must make decisions for the good of the overall library system rather than focusing on their own constituencies and parochial concerns.

Has been implemented.