



SANTA CRUZ
PUBLIC LIBRARIES

LIBRARY JOINT POWERS AUTHORITY BOARD
FINANCE SUBCOMMITTEE

Monday, January 30, 2012
Downtown Branch Community Meeting Room
224 Church Street, Santa Cruz

6:00 PM PUBLIC MEETING

1. ROLL CALL
2. APPROVE AGENDA OF JANUARY 30, 2012
3. APPROVE MINUTES OF NOVEMBER 28, 2011
4. ORAL COMMUNICATIONS
5. STAFF REPORTS
 - a. Mid Year Status report
 - i. Financial reports through December 2011 (p.5-14)
 - a) Consolidated balance sheet showing assets and liabilities (p.5-6)
 - b) Summary page showing fund balances for fiduciary and contingency funds (p.7)
 - c) Revenue and Expense report (Financial Status Balances) including encumbrances (p.8-10)
 - d) Interagency labor charges (52149) broken out into detail showing payroll costs and specific benefit costs; (p.11-13)
 - e) Month End Cash Balances (p.14)
 - b. Draft Revised budget FY11/12 (p.15-17)
 - c. Draft Budget priorities FY12/13 (p.18)

6. NEXT MEETING

The next regularly scheduled meeting is February 27, 2012

January 30, 2012

ADJOURN

The Library Joint Powers Authority Board Finance Subcommittee will adjourn from the regularly scheduled meeting of January 30, 2012 to the next regularly scheduled public meeting on February 6, 2012 at 6:30 pm in the Community Meeting Room of the Downtown Branch Library.

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

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SANTA CRUZ PUBLIC LIBRARIES
A CITY-COUNTY SYSTEM

LIBRARY JOINT POWERS BOARD
FINANCE COMMITTEE

MINUTES

November 28, 2011

Downtown Branch Meeting Room
224 Church Street, Santa Cruz

5:00 PM PUBLIC MEETING

I. ROLL CALL

Present: Citizenmember Gorson, Councilmember Storey and Councilmember Terrazas

Staff: Teresa Landers, Library Director; Jack Dilles, Finance Director

II. APPROVAL OF MEETING AGENDA OF NOVEMBER 28, 2011

Citizen Gorson moved, seconded by Councilmember Storey

that the Board approve the agenda of November 28, 2011.

UNAN

III. APPROVAL OF MINUTES OF AUGUST 22, 2011

Councilmember Storey moved, seconded by Citizen Gorson

that the Board approve the minutes of August 22, 2011.

UNAN

IV. ORAL COMMUNICATIONS

None

V. STAFF REPORTS

A. Mid Year Budget Review and Financial Reports through October

Director Landers reported that revenues are slightly up, and expenditures are right where they should be. Combined fund balance is \$1.6 mil.
The Finance Subcommittee discussed different formats of recording and presenting the budget.

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Councilmember Terrazas moved, seconded by Councilmember Storey

that the Finance Subcommittee recommend to the Library Joint Powers Board that no changes be made to the 2011/12 budget at this time.

UNAN

B. Library Audit

Finance Director Jack Dilles discussed the Independent Auditor's Report for the year ended June 30, 2011. The numbers are consistent with the Library Director's Budget Review. The auditors did not see any problems.

C. PERS rate projections

Finance Director Jack Dilles discussed the PERS rate projections and explained possible implications for the future. Santa Cruz will soon have more retirees than active employees in the miscellaneous unit (Public Safety already does), which causes a problem since not enough money has been set aside and the risk is borne by the employer.

VI. NEXT MEETING

The next regularly scheduled meeting will be held Monday, January 23, 2012 at 6:00 p.m. in the Downtown Branch Library meeting room.

VII. ADJOURN

The regular meeting adjourned at 6:05 p.m.

Respectfully submitted,

Helga Smith
Clerk of the Board

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

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LIBRARY JOINT POWERS AUTHORITY	
COMBINED BALANCE SHEET	
JPA FUND AND ACCOUNT GROUPS	
DECEMBER 2011	
	JPA
	Total
Assets	
Pooled cash	1,083,487
Pooled cash interest receivable	2,428
Other interest receivable	371
Taxes receivable - current	612,305
Accounts receivable	428,530
Internal investment & loan receivable	8,952
Infrastructure	579,683
Accumulated depreciation - infrastructure	(217,892)
Lease improvements - buildings	2,018,032
Accumulated depreciation - lease imp-buildings	(1,134,479)
Machinery and equipment	1,648,085
Accumulated depreciation - machinery & equip	(1,515,684)
Software	3,983
Accumulated depreciation-software	(3,983)
Construction in progress	71,354
Total Assets	3,585,172
Liabilities	
Accounts payable	86,127
Sales tax payable	1,241
Deferred grant revenue - unearned	3,098
Unclaimed funds	596
Payable to the County - noncurrent	80,586
Other intergovernmental payable-noncurrent	350,179
Total Liabilities	521,827
Equities	
Unreserved, undesignated fund balance	1,549,082
Committed - cash flow/unexpected expenditures	495,929
Investment in capital assets - Library	1,449,099
Reserved for long-term debt	(430,765)
Total Equities	3,063,345
Total Liabilities and Equities	3,585,172

000005

LIBRARY JOINT POWERS AUTHORITY COMBINED BALANCE SHEET TRUST FUNDS DECEMBER 2011										
Fund #	Fund Description	931 McCaskill Loc His	932 McCaskill Vis Imp	933 Finkelday	934 Whalen	935 Leet-Corday	935 Morley	935 Hale	Trust Funds Total	
	Assets									
	Pooled cash	254,650	235,460	9,316	144,085	89,095	12,283	70,035	814,924	
	Pooled cash interest receivable	535	495	20	303	187	9	21	1,570	
	Internal investment and loan receivable	2,317	2,191	85	1,257	737	-	-	6,587	
	Total Assets	257,502	238,146	9,421	145,645	90,019	12,292	70,056	823,081	
	Equities									
	Net assets held in trust-library prog	257,502	238,146	9,421	145,645	90,019	12,292	70,056	823,081	
	Total Equities	257,502	238,146	9,421	145,645	90,019	12,292	70,056	823,081	

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LIBRARY JOINT POWERS AUTHORITY									
COMBINED BALANCE SHEET									
SPECIAL FUNDS									
DECEMBER 2011									
	Fund #	955	956	957	960	961	Spec Funds		
Fund Description		Contingency	Technology	Projects	Felton	Vehicle Replacement	Total		
Assets									
Pooled cash		-	4,770	-	1,134	-	5,904		
Pooled cash interest receivable		-	10	-	2	-	12		
Internal investment and loan receivable		-	43	-	10	-	53		
Total Assets		-	4,823	-	1,146	-	5,969		
Equities									
Unreserved, undesignated fund balance		-	4,823	-	1,146	-	5,969		
Total Equities		-	4,823	-	1,146	-	5,969		

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Expenditure Status Report
 Library Personnel Costs
 CITY OF SANTA CRUZ
 12/1/2011 through 12/31/2011

expstat.rpt
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 Periods: 6 through 6

951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Sb % Prct Used
951-51000 PERSONNEL SERVICES						
Total Regular full time	4,219,805.00	294,153.14	1,950,496.05	0.00	2,269,308.95	46.22
Total Regular part time	747,294.00	57,399.18	362,200.98	0.00	385,093.02	48.47
Total Overtime	3,000.00	268.49	1,519.04	0.00	1,480.96	50.63
Total Termination pay	0.00	25,293.07	59,095.68	0.00	-59,095.68	0.00
Total Temporary	555,298.00	50,401.01	271,462.67	0.00	283,835.33	48.89
Total Other pay	0.00	534.18	1,058.13	0.00	-1,058.13	0.00
Total Special vacation pay	4,400.00	874.18	11,133.05	0.00	-6,733.05	253.02
Total Special sick leave pay	0.00	0.00	0.00	0.00	0.00	0.00
Total Vehicle-phone-data allowance	1,800.00	35.00	970.00	0.00	830.00	53.89
Total Salary savings	0.00	0.00	0.00	0.00	0.00	0.00
Total Retirement contribution	754,846.00	54,231.68	355,863.69	0.00	398,982.31	47.14
Total F.I.C.A.	0.00	2,489.19	13,596.03	0.00	-13,596.03	0.00
Total Group health insurance	1,119,068.00	42,940.69	503,760.27	0.00	615,307.73	45.02
Total Group dental insurance	107,422.00	3,961.61	47,016.02	0.00	60,405.98	43.77
Total Vision insurance	18,242.00	663.03	7,928.37	0.00	10,313.63	43.46
Total Medicare insurance	64,309.00	5,757.14	35,099.96	0.00	29,209.04	54.58
Total Group life insurance	2,744.00	106.51	1,291.23	0.00	1,452.77	47.06
Total Disability insurance	73,078.00	2,891.90	19,231.72	0.00	53,846.28	26.32
Total Unemployment insurance	23,622.00	2,092.20	12,765.97	0.00	10,856.03	54.04
Total Workers' compensation	208,640.00	16,871.33	108,761.52	0.00	99,878.48	52.13
Total Intrafund labor - credit	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	7,903,568.00	560,963.53	3,763,250.38	0.00	4,140,317.62	47.61

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Revenue Status Report

Library JPA
CITY OF SANTA CRUZ
12/1/2011 through 12/31/2011

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Periods: 6 through 6

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951 Library Joint Powers Authority

Account Number	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prct Rcvd
951-41000 TAXES					
951-00-00-0000-41211 Sales and use tax	5,501,530.00	612,304.91	3,091,578.67	2,409,951.33	56.19
Total TAXES	5,501,530.00	612,304.91	3,091,578.67	2,409,951.33	56.19
951-43000 INTERGOVERNMENTAL					
951-36-00-0000-43210 State operating grants and contributions	0.00	0.00	5,000.00	-5,000.00	0.00
951-36-00-0000-43310 Local operating grants and contributions	0.00	0.00	14,671.00	-14,671.00	0.00
951-36-00-0000-43311 Maintenance of effort contributions	5,146,100.00	428,530.10	2,571,180.59	2,574,919.41	49.96
951-36-55-3531-43210 State operating grants and contributions	2,500.00	0.00	889.49	1,610.51	35.58
951-36-55-3560-43190 Federal grants - other	9,000.00	3,956.00	3,956.00	5,044.00	43.96
Total INTERGOVERNMENTAL	5,157,600.00	432,486.10	2,595,697.08	2,561,902.92	50.33
951-44000 CHARGES FOR SERVICES					
951-36-00-0000-44613 Internet use fee	4,100.00	288.85	2,255.05	1,844.95	55.00
951-36-00-0000-44630 Room rentals-library JPA	2,500.00	25.00	1,185.00	1,315.00	47.40
951-36-00-0000-44901 Photocopy fee	7,000.00	525.68	3,443.04	3,556.96	49.19
Total CHARGES FOR SERVICES	13,600.00	839.53	6,883.09	6,716.91	50.61
951-45000 FINES AND FORFEITS					
951-36-00-0000-45131 Library fines	200,000.00	10,749.39	87,687.17	112,312.83	43.84
951-36-00-0000-45132 Lost library items	25,000.00	732.00	7,521.30	17,478.70	30.09
Total FINES AND FORFEITS	225,000.00	11,481.39	95,208.47	129,791.53	42.31

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Revenue Status Report
 Library JPA
 CITY OF SANTA CRUZ
 12/1/2011 through 12/31/2011

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 Periods: 6 through 6

Account Number	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prct Rcvd	50%
951	Library Joint Powers Authority					
951-46000	MISCELLANEOUS REVENUES					
951-00-00-0000-46110	Pooled cash and investment interest	1,085.19	5,193.36	-5,193.36	0.00	
951-00-00-0000-46190	Interest earnings - other	370.60	1,458.63	2,637.37	35.61	
951-00-00-0000-46620	Internal investment & loan int receipts	0.00	50.04	-50.04	0.00	
951-00-00-0000-46910	Miscellaneous operating revenue	2,215.00	4,573.64	3,926.36	53.81	
951-00-00-0000-46990	Miscellaneous non-operating revenue	0.00	22,303.44	-22,303.44	0.00	
951-36-00-0000-46303	Donations - library	12,000.00	16,035.50	-4,035.50	133.63	
951-36-00-0000-46309	Donations - library - Friends of the Lib	100,000.00	24,684.10	75,315.90	24.68	
951-36-00-0000-46916	Cash over/short	0.00	172.20	-172.20	0.00	
Total	MISCELLANEOUS REVENUES	124,596.00	74,470.91	50,125.09	59.77	
951-49000	OTHER FINANCING SOURCES					
951-00-00-0000-49122	From Library Private Trust Fund	0.00	15,190.00	0.00	100.00	
951-00-00-0000-49191	Intra-entity fund transfer in	9,959.00	10,036.41	-77.41	100.78	
Total	OTHER FINANCING SOURCES	25,149.00	25,226.41	-77.41	100.31	
Total	Library Joint Powers Authority	1,054,932.92	5,889,064.63	5,158,410.37	53.31	
Grand Total		11,047,475.00	5,889,064.63	5,158,410.37	53.31	

Expenditure Status Report
 Library JPA
 CITY OF SANTA CRUZ
 12/1/2011 through 12/31/2011

951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
951-36-54-3550-52199	28,000.00	125.00	2,958.00	13,042.00	12,000.00	57.14
951-36-54-3550-52248	169,835.49	1,601.15	57,532.08	11,750.00	100,553.41	40.79
951-36-54-3550-52249	91,700.00	13,973.59	22,764.07	1,005.30	67,930.63	25.92
951-36-54-3550-52302	1,350.00	275.28	552.79	0.00	797.21	40.95
951-36-54-3550-52403	73,234.00	14,319.96	68,468.29	44,225.23	-39,459.52	153.88
951-36-55-3560-52304	36,650.00	241.07	33,922.35	1,478.50	1,249.15	96.59
951-36-55-3560-52306	9,000.00	0.00	0.00	0.00	9,000.00	0.00
951-36-55-3560-52960	3,000.00	0.00	0.00	0.00	3,000.00	0.00
951-36-55-3560-52972	6,500.00	247.91	1,849.17	0.00	4,650.83	28.45
Total SERVICES	2,170,403.49	128,811.28	970,930.73	113,518.60	1,085,954.16	49.97
951-53000						
SUPPLIES						
951-36-50-3510-53101	8,000.00	110.80	2,045.49	0.00	5,954.51	25.57
951-36-50-3510-53102	2,400.00	156.25	1,631.23	0.00	768.77	67.97
951-36-51-3520-53106	769,269.00	67,976.68	351,776.38	0.00	417,492.62	45.73
951-36-51-3520-53107	75,000.00	288.55	6,012.43	0.00	68,987.57	8.02
951-36-51-3520-53112	113,550.00	9,069.04	22,415.74	8,680.39	82,453.87	27.39
951-36-52-3530-53102	12,300.00	475.35	7,745.24	444.26	4,110.50	66.58
951-36-52-3530-53109	6,630.00	0.00	1,558.70	0.00	5,071.30	23.51
951-36-53-3515-53108	2,370.00	0.00	678.87	0.00	1,691.13	28.64
951-36-53-3515-53113	18,360.00	834.05	5,865.14	0.00	12,494.86	31.95
951-36-53-3515-53311	167,748.00	8,352.00	80,834.86	0.00	86,913.14	48.19
951-36-53-3515-53312	26,133.00	2,616.54	5,934.82	0.00	20,198.18	22.71
951-36-54-3550-53110	22,000.00	1,705.27	5,677.96	4,000.00	12,322.04	43.99
Total SUPPLIES	1,223,760.00	91,584.53	492,176.86	13,124.65	718,458.49	41.29
951-54000						
OTHER MATERIALS AND SERVICES						
951-36-50-3510-54990	3,445.00	0.00	584.00	0.00	2,861.00	16.95
951-36-52-3530-54990	7,000.00	47.18	3,135.90	0.00	3,864.10	44.80
951-36-55-3531-54990	0.00	209.00	1,254.00	0.00	-1,254.00	0.00
951-36-55-3560-54990	18,927.52	108.83	13,830.15	0.00	5,097.37	73.07
Total OTHER MATERIALS AND SERVICES	29,372.52	365.01	18,804.05	0.00	10,568.47	64.02
951-56000						
OTHER CHARGES						
951-56000						

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see last month

shelf ready

winter

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Expenditure Status Report
Library JPA
CITY OF SANTA CRUZ
12/1/2011 through 12/31/2011

951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
951-36-52-3530-56995 Refunded fees and fines	2,000.00	81.00	916.00	0.00	1,084.00	45.80
Total OTHER CHARGES	2,000.00	81.00	916.00	0.00	1,084.00	45.80
951-57000 CAPITAL OUTLAY						
951-36-55-3560-57401 Office furniture/equipment	25,000.00	0.00	6,972.47	0.00	18,027.53	27.89
Total CAPITAL OUTLAY	25,000.00	0.00	6,972.47	0.00	18,027.53	27.89
951-58000 DEBT SERVICE						
951-36-50-3540-58140 Loan principal	40,961.00	0.00	0.00	0.00	40,961.00	0.00
951-36-50-3540-58190 Other debt principal	40,293.00	0.00	40,293.07	0.00	-0.07	100.00
951-36-50-3540-58240 Loan interest	19,600.00	0.00	0.00	0.00	19,600.00	0.00
951-36-50-3540-58290 Other debt interest	3,500.00	0.00	414.21	0.00	3,085.79	11.83
Total DEBT SERVICE	104,354.00	0.00	40,707.28	0.00	63,646.72	39.01
951-59000 OTHER FINANCING USES						
Total OTHER FINANCING USES	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	3,554,890.01	220,841.82	1,530,507.39	126,643.25	1,897,739.37	46.62

Library - Fund 951
 Month-End Cash Balances

	July	August	September	October	November	December	January	February	March	April	May	June
FY 2012 Pooled cash	894,190.39	994,042.19	759,933.36	925,760.72	911,230.93	1,083,486.87						
FY 2011 Pooled cash	72,541.96	250,794.12	312,607.59	1,397,052.22	604,129.15	539,173.69	1,586,968.17	875,122.12	1,076,342.48	1,227,629.78	1,164,416.13	806,095.53
FY 2010 Pooled cash	(908,343.59)	(797,637.50)	(752,924.76)	(597,787.31)	(558,459.72)	(707,533.76)	290,832.95	(390,345.22)	(62,933.26)	15,984.66	25,912.58	120,299.01
FY 2009 Pooled cash	(1,028,955.46)	(397,327.61)	(356,999.20)	252,949.44	(714,416.36)	(711,714.61)	(812,054.05)	(668,015.42)	(595,048.05)	(543,669.74)	222,502.65	(667,431.15)
FY 2008 Pooled cash	555,177.28	285,993.39	362,222.74	452,678.88	381,688.89	348,644.68	414,873.10	180,026.54	267,117.50	988,379.63	877,239.75	65,274.00
FY 2007 Pooled cash	378,173.37	260,209.81	(47,055.07)	77,967.52	141,276.32	331,082.13	1,134,207.34	1,970,264.04	582,080.73	688,990.25	693,402.17	260,082.00

STAFF REPORT

Date: February 1, 2012

To: Library Joint Powers Board

From: Teresa Landers, Library Director

Subj: FY11/12 Mid Year Budget Projection and Request to Revise Budget

RECOMMENDATION: Adopt the attached resolution to revise the FY12 budget to increase expenditures by \$83,000

SUMMARY

The January 9, 2012 County financial estimates indicate an additional \$230,801 for SCPL for FY11/12. Three areas have been identified as in need of additional support: collection management, capital maintenance, and staff development. All these expenditures are onetime costs and the total requested is \$83,000.

BACKGROUND

Every year the County provides updated year end projections in January. It is based on actual receipts for the first two quarters which indicates an additional \$230,801 for SCPL. No additional revenues are expected for January to June 2012.

The Library has a healthy fund balance. The LJPB has authorized using this fund balance, if necessary, to mitigate negative effects on the staff resulting from the transition to the new staffing plan as well as cover reasonable, yet unknown, expenses related to implementing the new service model.

DISCUSSION

The County provided year end projections of revenue from sales and property taxes. The SCPL share of sales taxes is estimated to be \$287,654 more than originally anticipated and maintenance of effort at \$56,853 less. Interest earnings are projected to be a neutral net increase.

Some revenues seem to be lower than expected and a few slightly higher. For example: revenues from fines and lost books could be as much as \$35,000 lower than expected due to the complications resulting from the migration to the new computer system.

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Pooled cash and investments, however, are projected to be about \$10,000 more than anticipated. This net loss of about \$25,000 is quite manageable but deducted from the \$230,801 increase, there is still a projected net increase of \$205,801.

Expenditures appear to be on track. We got official notification for the current year's e-rate funding of about \$98,000. This will come in slowly but will offset the current overage on the telecommunications- outside line.

The materials budget is increased this year over what was allocated the past two years. Events have conspired to create a situation where even though we are receiving many new materials we are not able to process them quickly enough and have developed a significant backlog. The first was the implementation of the new ILS. Initial efforts were directed at making the public facing features function as smoothly as possible. Unfortunately, due to limited staff resources, we have only recently started to focus on the back end technical services aspects. Staff have had to learn a whole new system for acquiring, cataloging and processing materials. The new service model assumed certain efficiencies in the collection management function which are not yet being realized due to the need for staff training in their new roles and issues such as automatic interaction with vendors and receiving items shelf ready still being worked on.

The recommendation is, therefore, to provide additional funding through this fiscal year to hire staff on a temporary basis to work on reducing the backlog from the current 6-8 months to an acceptable 2 weeks maximum. The estimated cost for this is about \$20,000. If we catch up sooner, we can discontinue the use of this temporary staff.

Additional recommendations for collection management are the purchase of books for book kits instead of relying solely on donations. This will make more kits available sooner and will allow us to create kits of greater interest to the public than those we currently have. We would also increase the number of read-to-me kits. These are wonderful tools to support early literacy. About \$7,500 is requested for these two items.

We would like to get all our online databases synchronized in terms of renewal to make management of these contracts more efficient. To accomplish this we need to pay in advance for partial renewals for several databases that are off schedule. The estimated cost for this is \$20,000.

We recommend the purchase of about 20 e-book readers. Staff would be able to use these to demonstrate their use to the public while helping staff to be better prepared to assist the public with the growing number of questions we are receiving about such devices. An allocation of \$4,000 is recommended for this project.

This year's budget allocated \$40,000 to start making a dent in the backlog of capital maintenance projects that need to be done. The value of projects listed in the budget document totals \$62,000. The recommendation is to allocate the additional \$22,000 so that this list can be satisfied.

We were fortunate last fiscal year to have a \$40,000 LSTA grant for staff development. We were able to focus our attention on providing staff with the skills to deal effectively with change as well as some specific training for new responsibilities. Our regular "training budget" is about .016% of our payroll while the American Society for Training and Development states that 1-3% is the national average. The new learning systems coordinator has determined that allocating an additional \$9,500 for staff development for the remainder of this year would allow us to take advantage of a variety of training opportunities to support staff in their new roles as well as sending two staff members to the Evergreen Users Conference; our new ILS. The focus of our training will be on customer service including developing a system wide customer service philosophy that reflects the new service model.

The total additional allocation requested is thus:

Collection Management	\$ 51,500
Capital maintenance	\$ 22,000
Staff development	\$ 9,500
TOTAL REQUESTED	\$ 83,000

While a final decision of what to do with the remaining net gain is still a few months, in light of recent discussions regarding facilities improvement planning, it may be time to start considering the establishment of a capital projects fund.

The resolution authorizing this budget revision is attached.

MEMORANDUM

DATE: February 1, 2012
TO: Joint Powers Board
FROM: Teresa Landers, Director of Libraries
SUBJECT: Budget Priorities

RECOMMENDATION: The LJPB affirm these priorities and provide direction for the preparation of the FY12/13 budget.

The Community Service Model provides clear direction for budget priorities for the next few years. The following are priorities to consider for the FY12/13 Budget.

1. Maintaining the cash flow reserve: The early achievement of the cash flow reserve will have a major impact beginning in FY13/14 when the recommended allocation of \$100,000 per year to build the reserve was to have started and will now, most likely, not be necessary. The goal now should be to maintain the reserve we have succeeded in building.
2. Achieving the increase in hours as recommended in the Community Service Model.
 - a. An estimate of the total cost to achieve this increase will be available by the March Board meeting.
 - b. With a budget adoption date of June 4, 2012, it will not be possible to increase the hours on July 1. The most likely implementation date will be September. This is because of the administrative work involved once the new/changed staff positions are funded. Both the Library and the City Council will need to approve the changes and this process takes time.
3. Honoring the other recommendations in the Community Service Model with respect to technology, vehicles, capital maintenance and small capital improvements

With these priorities in mind, work can begin on building the FY12/13 budget.

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