



SANTA CRUZ
PUBLIC LIBRARIES

LIBRARY JOINT POWERS AUTHORITY BOARD
FINANCE SUBCOMMITTEE

Monday December 10, 2012
Downtown Branch Community Meeting Room
224 Church Street, Santa Cruz

6:30 PM PUBLIC MEETING

1. ROLL CALL
2. APPROVE AGENDA OF DECEMBER 10, 2012
3. APPROVE MINUTES OF OCTOBER 30, 2012
4. ORAL COMMUNICATIONS
5. STAFF REPORTS
 - a. Monthly Financial Reports- October 2012
 - b. Update on cash reserve policy
6. OTHER BUSINESS
 - a. Vice-Chair election
7. WRITTEN COMMUNICATIONS
 - a. Trust funds
 - b. Library Sales Tax and Property Tax Revenue
8. FINANCE COMMITTEE MEETING CALENDAR

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

9. NEXT MEETING

The next regularly scheduled meeting is Tuesday January 29, 2013 at 6:30 p.m. at the Downtown Branch Library

ADJOURN

The Library Joint Powers Authority Board Finance Subcommittee will adjourn from the regularly scheduled meeting of December 10, 2012 to the next regularly scheduled public meeting on January 29, 2013 at 6:30 pm in the Community Meeting Room of the Downtown Branch Library.

SANTA CRUZ PUBLIC LIBRARIES
A CITY-COUNTY SYSTEM

LIBRARY JOINT POWERS BOARD
FINANCE SUBCOMMITTEE

MINUTES

October 30, 2012

Downtown Branch Meeting Room
224 Church Street, Santa Cruz

6:30 PM PUBLIC MEETING

I. ROLL CALL

Present: Citizen English, Councilmember Terrazas

Absent: Councilmember Storey

Staff: Director Landers, Finance Director Pimentel

II. APPROVAL OF MEETING AGENDA OF OCTOBER 30, 2012

Citizen English moved, seconded by Councilmember Terrazas

that the Finance Subcommittee approve the agenda of October 30, 2012

UNAN

Absent: Storey

III. APPROVAL OF MINUTES OF SEPTEMBER 20, 2012

Citizen English moved, seconded by Councilmember Terrazas

that the Finance Subcommittee approve the minutes of September 20, 2012

UNAN

Absent: Storey

IV. ORAL COMMUNICATIONS

None

V. STAFF REPORTS

- a. Monthly Financial Reports – September
The Finance Subcommittee reviewed the September reports. Finance Director Pimentel discussed the September Snapshot report and responded to several questions by the Finance Subcommittee members. Line item: “Payable to the County – noncurrent” (Watsonville Debt) has been paid in full in August 2012. Director Landers reported that e-rate is being credited.

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- b. Year end FY 11/12 draft report. Director Pimentel reported that the year ended very well. The audit report will be available in December with a report to the Board in January.
- c. Update on Library debt. The Finance Subcommittee discussed the various aspects of the Library debt. Director Landers suggested postponing any decisions until the completion of the Facilities Master Plan.

VI. OTHER BUSINESS

None

VII. WRITTEN COMMUNCIATONS

None

VIII. FINANCE COMMITTEE MEETING CALENDAR

No changes

IX. ADJOURN

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

The Library Joint Powers Authority Board Finance Subcommittee will adjourn from the regularly scheduled meeting of October 30, 2012 to the next regularly scheduled public meeting on December 10, 2012 at 6:30 pm in the Community Meeting Room of the Downtown Branch Library.

Respectfully submitted,

Helga Smith
Clerk of the Board

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

LIBRARY JOINT POWERS AUTHORITY		
COMBINED BALANCE SHEET		
JPA FUND AND ACCOUNT GROUPS		UNAUDITED
OCTOBER 2012		
		JPA
		Total
Assets		
Pooled cash		2,663,536.56
Pooled cash interest receivable		3,655.30
Other interest receivable		-
Taxes receivable - current		-
Accounts receivable		-
Grants receivable		-
Internal investment & loan receivable		8,757.08
Infrastructure		579,683.02
Accumulated depreciation - infrastructure		(244,414.20)
Lease improvements - buildings		2,018,031.67
Accumulated depreciation - lease imp-buildings		(1,235,458.94)
Machinery and equipment		1,648,085.10
Accumulated depreciation - machinery & equip		(1,554,564.05)
Software		3,983.14
Accumulated depreciation-software		(3,983.14)
Construction in progress		71,353.85
Total Assets		3,958,665.39
Liabilities		
Accounts payable		150,835.78
Sales tax payable		556.92
Deferred grant revenue - unearned		3,097.84
Unclaimed funds		595.75
Payable to the County - noncurrent		40,293.04
Other intergovernmental payable-noncurrent		307,170.11
Total Liabilities		502,549.44
Equities		
Unreserved, undesignated fund balance		2,079,608.65
Committed - cash flow/unexpected expenditures		441,254.00
Investment in capital assets - Library		1,282,716.45
Reserved for long-term debt		(347,463.15)
Total Equities		3,456,115.95
Total Liabilities and Equities		3,958,665.39

LIBRARY JOINT POWERS AUTHORITY						
COMBINED BALANCE SHEET						
SPECIAL FUNDS						
OCTOBER 2012						
	Fund #	956	960	961	Spec Funds	UNAUDITED
Fund Description		Technology	Felton	Vehicle Replacement		Total
Assets						
Pooled cash		4,792.70	1,139.62	73,913.50		79,845.82
Pooled cash interest receivable		8.73	2.08	134.69		145.50
Internal investment and loan receivable		41.24	9.80	-		51.04
Total Assets		4,842.67	1,151.50	74,048.19		80,042.36
Equities						
Unreserved, undesignated fund balance		4,842.67	1,151.50	74,048.19		80,042.36
Total Equities		4,842.67	1,151.50	74,048.19		80,042.36

LIBRARY JOINT POWERS AUTHORITY										
COMBINED BALANCE SHEET										
TRUST FUNDS										
OCTOBER 2012										
Fund #	931	932	933	934	935	936	937	UNAUDITED		
Fund Description	McCaskill Loc His	McCaskill Vis Imp	Finkeldey	Whalen	Leet-Corday	Morley	Hale	Trust Funds	Total	
Assets										
Pooled cash	258,115.95	238,713.54	9,443.06	101,245.34	90,234.30	12,337.10	63,561.32			773,650.61
Pooled cash interest receivable	466.48	431.33	17.06	267.11	163.19	22.48	127.98			1,495.63
Internal investment and loan receivable	-	-	-	-	-	-	-			-
Total Assets	258,582.43	239,144.87	9,460.12	101,512.45	90,397.49	12,359.58	63,689.30			775,146.24
Equities										
Net assets held in trust-library prog	258,582.43	239,144.87	9,460.12	101,512.45	90,397.49	12,359.58	63,689.30			775,146.24
Total Equities	258,582.43	239,144.87	9,460.12	101,512.45	90,397.49	12,359.58	63,689.30			775,146.24

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Account Number	Library Joint Powers Authority	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prct Rcvd
951-41000	TAXES					
951-00-00-0000-41211	Sales and use tax	5,991,473.00	466,386.66	2,067,711.03	3,923,761.97	34.51
Total	TAXES	5,991,473.00	466,386.66	2,067,711.03	3,923,761.97	34.51
951-43000	INTERGOVERNMENTAL					
951-36-00-0000-43310	Local operating grants and contributions	0.00	2,000.00	2,000.00	-2,000.00	0.00
951-36-00-0000-43311	Maintenance of effort contributions	5,149,416.00	425,075.69	1,700,302.76	3,449,113.24	33.02
951-36-55-3560-43190	Federal grants - other	3,000.00	0.00	0.00	3,000.00	0.00
Total	INTERGOVERNMENTAL	5,152,416.00	427,075.69	1,702,302.76	3,450,113.24	33.04
951-44000	CHARGES FOR SERVICES					
951-36-00-0000-44613	Internet use fee	4,100.00	279.00	877.31	3,222.69	21.40
951-36-00-0000-44630	Room rentals-library JPA	2,500.00	325.00	713.76	1,786.24	28.55
951-36-00-0000-44901	Photocopy fee	7,000.00	1,208.80	3,743.87	3,256.13	53.48
Total	CHARGES FOR SERVICES	13,600.00	1,813.80	5,334.94	8,265.06	39.23
951-45000	FINES AND FORFEITS					
951-36-00-0000-45131	Library fines	200,000.00	20,259.00	66,293.43	133,706.57	33.15
951-36-00-0000-45132	Lost library items	25,000.00	1,167.01	5,744.65	19,255.35	22.98
Total	FINES AND FORFEITS	225,000.00	21,426.01	72,038.08	152,961.92	32.02
951-46000	MISCELLANEOUS REVENUES					
951-00-00-0000-46110	Pooled cash and investment interest	9,267.00	0.00	0.00	9,267.00	0.00

Account Number	Library Joint Powers Authority	Adjusted Estimate	Revenues	Year-to-date Revenues	Balance	Prct Rcvd
951-00-00-0000-46190	Interest earnings - other	3,360.00	114.85	571.55	2,788.45	17.01
951-00-00-0000-46620	Internal investment & loan int receipts	253.00	0.00	0.00	253.00	0.00
951-00-00-0000-46910	Miscellaneous operating revenue	0.00	0.00	2,145.50	-2,145.50	0.00
951-00-00-0000-46990	Miscellaneous non-operating revenue	0.00	24.50	41.00	-41.00	0.00
951-36-00-0000-46303	Donations - library	12,000.00	-1,105.00	895.00	11,105.00	7.46
951-36-00-0000-46309	Donations - library - Friends of the Lib	70,000.00	4,964.77	6,942.90	63,057.10	9.92
951-36-00-0000-46910	Miscellaneous operating revenue	0.00	883.00	883.00	-883.00	0.00
951-36-00-0000-46916	Cash over/short	0.00	-13.98	1,399.10	-1,399.10	0.00
Total	MISCELLANEOUS REVENUES	94,880.00	4,868.14	12,878.05	82,001.95	13.57
951-49000	OTHER FINANCING SOURCES					
951-00-00-0000-49122	From Library Private Trust Fund	10,221.75	0.00	0.00	10,221.75	0.00
Total	OTHER FINANCING SOURCES	10,221.75	0.00	0.00	10,221.75	0.00
Total	Library Joint Powers Authority	11,487,590.75	921,570.30	3,860,264.86	7,627,325.89	33.60
	Grand Total	11,487,590.75	921,570.30	3,860,264.86	7,627,325.89	33.60

Expenditure Status Report
 Library Expenditure Report
 CITY OF SANTA CRUZ
 10/1/2012 through 10/31/2012

951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Pct Used
951-52000						
	SERVICES					
951-36-50-3510-52135	7,800.00	0.00	0.00	7,880.00	-80.00	101.03
951-36-50-3510-52199	168,500.00	23,637.32	44,870.99	121,536.36	2,092.65	98.76
951-36-50-3510-52240	4,020.00	594.82	967.73	0.00	3,052.27	24.07
951-36-50-3510-52302	4,000.00	0.00	0.00	0.00	4,000.00	0.00
951-36-50-3510-52304	28,975.00	5,590.08	11,964.08	5,000.00	12,010.92	58.55
951-36-50-3510-52403	0.00	203.38	1,163.38	0.00	-1,163.38	0.00
951-36-50-3510-52933	14,800.00	0.00	10,565.00	0.00	4,235.00	71.39
951-36-50-3510-52961	26,841.00	-5.00	19,771.00	0.00	7,070.00	73.66
951-36-50-3510-52971	100.00	2.37	4.15	0.00	95.85	4.15
951-36-50-3510-52972	4,150.00	0.00	0.00	0.00	4,150.00	0.00
951-36-50-3540-52135	570,000.00	0.00	134,791.10	0.00	435,208.90	23.65
951-36-51-3520-52131	17,000.00	1,128.86	8,432.76	9,067.24	-500.00	102.94
951-36-51-3520-52244	2,500.00	790.85	790.85	0.00	1,709.15	31.63
951-36-51-3520-52248	37,535.00	339.65	5,906.45	0.00	31,628.55	15.74
951-36-51-3520-52302	250.00	37.50	37.50	0.00	212.50	15.00
951-36-51-3520-52972	2,000.00	0.00	0.00	0.00	2,000.00	0.00
951-36-52-3530-52139	0.00	1,106.00	1,106.00	0.00	-1,106.00	0.00
951-36-52-3530-52240	800.00	0.00	141.23	0.00	658.77	17.85
951-36-52-3530-52244	1,000.00	0.00	0.00	0.00	1,000.00	0.00
951-36-52-3530-52302	980.00	180.38	247.54	0.00	732.46	25.26
951-36-52-3530-52972	0.00	520.80	520.80	0.00	-520.80	0.00
951-36-53-3515-52201	59,465.00	11,807.92	21,363.98	0.00	38,101.02	35.93
951-36-53-3515-52211	117,097.00	9,664.00	32,285.00	0.00	84,812.00	27.57
951-36-53-3515-52223	114,613.00	0.00	3,769.90	0.00	110,843.10	3.29
951-36-53-3515-52226	0.00	0.00	2,537.53	0.00	-2,537.53	0.00
951-36-53-3515-52227	0.00	0.00	2,562.38	0.00	-2,562.38	0.00
951-36-53-3515-52246	154,752.00	15,532.43	42,368.85	14,921.01	97,462.14	37.02
951-36-53-3515-52261	16,645.00	790.00	2,141.65	4,720.00	9,783.35	41.22
951-36-53-3515-52302	312,409.00	25,933.77	105,267.08	12,950.00	194,191.92	37.84
951-36-53-3515-52932	150.00	0.00	0.00	0.00	150.00	0.00
951-36-53-3515-52932	17,050.00	1,420.83	5,683.32	0.00	11,366.68	33.33

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Expenditure Status Report

Library Expenditure Report

CITY OF SANTA CRUZ

10/1/2012 through 10/31/2012

951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
951-36-53-3515-52933	36,506.00	0.00	26,839.00	0.00	9,667.00	73.52
951-36-54-3550-52199	98,000.00	9,112.75	16,568.75	15,385.25	66,046.00	32.61
951-36-54-3550-52248	75,678.00	14,217.44	25,043.80	4,959.00	45,675.40	39.65
951-36-54-3550-52249	134,671.15	19,918.45	24,830.70	7,250.00	102,930.45	23.82
951-36-54-3550-52302	1,400.00	298.27	491.72	0.00	908.28	35.12
951-36-54-3550-52403	69,574.00	11,695.02	42,654.31	28,178.68	-1,258.99	101.81
951-36-55-3560-52199	4,000.00	0.00	0.00	0.00	4,000.00	0.00
951-36-55-3560-52248	704.00	0.00	0.00	0.00	704.00	0.00
951-36-55-3560-52302	6,450.00	65.11	422.53	0.00	6,027.47	6.55
951-36-55-3560-52304	0.00	304.22	1,088.97	0.00	-1,088.97	0.00
951-36-55-3560-52306	12,000.00	0.00	0.00	0.00	12,000.00	0.00
951-36-55-3560-52960	5,000.00	0.00	1,470.89	0.00	3,529.11	29.42
951-36-55-3560-52972	10,500.00	321.18	1,650.49	0.00	8,849.51	15.72
Total SERVICES	2,137,915.15	155,208.40	600,321.21	231,847.54	1,305,746.40	38.92
951-53000						
SUPPLIES						
951-36-50-3510-53101	4,500.00	95.07	436.05	0.00	4,063.95	9.69
951-36-50-3510-53102	2,800.00	474.89	1,786.36	0.00	1,013.64	63.80
951-36-51-3520-53106	839,826.00	125,984.22	389,394.71	0.00	450,431.29	46.37
951-36-51-3520-53107	70,000.00	1,546.55	3,624.32	0.00	66,375.68	5.18
951-36-51-3520-53112	188,500.00	5,659.06	12,123.74	0.00	176,376.26	6.43
951-36-52-3530-53102	12,700.00	3,939.77	5,610.67	0.00	7,089.33	44.18
951-36-52-3530-53109	7,150.00	475.00	979.95	0.00	6,170.05	13.71
951-36-53-3515-53108	4,710.00	51.79	412.20	0.00	4,297.80	8.75
951-36-53-3515-53113	18,500.00	957.20	5,555.88	0.00	12,944.32	30.03
951-36-53-3515-53311	173,400.00	24,418.70	74,664.58	0.00	98,735.42	43.06
951-36-53-3515-53312	29,200.00	809.95	2,333.68	0.00	26,866.32	7.99
951-36-54-3550-53110	24,000.00	1,499.87	2,462.13	0.00	21,537.87	10.26
951-36-55-3560-53102	3,000.00	0.00	0.00	0.00	3,000.00	0.00
Total SUPPLIES	1,378,286.00	165,912.07	499,384.07	0.00	878,901.93	36.23
951-54000						
OTHER MATERIALS AND SERVICES						
951-36-50-3510-54990	9,057.00	0.00	697.05	0.00	8,359.95	7.70

Expenditure Status Report
Library Expenditure Report
CITY OF SANTA CRUZ
10/1/2012 through 10/31/2012

951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
951-36-52-3530-54990 Miscellaneous supplies and services	0.00	368.00	771.00	0.00	-771.00	0.00
951-36-53-3515-54108 Bldg repairs-Library	67,875.00	0.00	0.00	0.00	67,875.00	0.00
951-36-55-3560-54990 Miscellaneous supplies and services	27,036.73	1,123.51	10,363.83	0.00	16,674.90	38.33
Total OTHER MATERIALS AND SERVICES	103,970.73	1,491.51	11,831.88	0.00	92,138.85	11.38
951-56000 OTHER CHARGES						
951-36-52-3530-56995 Refunded fees and fines	2,000.00	168.49	443.99	0.00	1,556.01	22.20
Total OTHER CHARGES	2,000.00	168.49	443.99	0.00	1,556.01	22.20
951-57000 CAPITAL OUTLAY						
951-36-50-3510-57401 Office furniture/equipment	28,221.75	15,000.00	17,865.09	0.00	10,356.66	63.30
951-36-52-3530-57401 Office furniture/equipment	35,000.00	0.00	0.00	0.00	35,000.00	0.00
951-36-54-3550-57409 Computer equipment	75,000.00	0.00	0.00	0.00	75,000.00	0.00
Total CAPITAL OUTLAY	138,221.75	15,000.00	17,865.09	0.00	120,356.66	12.92
951-58000 DEBT SERVICE						
951-36-50-3540-58140 Loan principal	45,160.00	0.00	0.00	0.00	45,160.00	0.00
951-36-50-3540-58190 Other debt principal	40,293.00	0.00	40,293.04	0.00	-0.04	100.00
951-36-50-3540-58240 Loan interest	15,359.00	0.00	0.00	0.00	15,359.00	0.00
951-36-50-3540-58290 Other debt interest	159.00	0.00	158.35	0.00	0.65	99.59
Total DEBT SERVICE	100,971.00	0.00	40,451.39	0.00	60,519.61	40.06
951-59000 OTHER FINANCING USES						
Total OTHER FINANCING USES	0.00	0.00	0.00	0.00	0.00	0.00
Total Library Joint Powers Authority	3,851,364.63	337,780.47	1,170,297.63	231,847.54	2,459,219.46	36.31
Grand Total	3,851,364.63	337,780.47	1,170,297.63	231,847.54	2,459,219.46	36.31

Expenditure Status Report
 Library Salary Status Report
 CITY OF SANTA CRUZ
 10/1/2012 through 10/31/2012

951 Library Joint Powers Authority

Account Number	Adjusted Appropriation	Expenditures	Year-to-date Expenditures	Year-to-date Encumbrances	Balance	Prct Used
951-51000	PERSONNEL SERVICES					
Total	3,476,383.00	286,589.18	1,175,181.37	0.00	2,301,201.63	33.80
Total	1,202,045.00	62,280.39	275,206.84	0.00	926,838.16	22.89
Total	0.00	342.73	2,453.16	0.00	-2,453.16	0.00
Total	0.00	1,262.42	2,664.41	0.00	-2,664.41	0.00
Total	692,000.00	54,874.50	240,476.58	0.00	451,523.42	34.75
Total	0.00	0.00	353.14	0.00	-353.14	0.00
Total	9,700.00	0.00	0.00	0.00	9,700.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00
Total	1,860.00	155.00	671.60	0.00	1,188.40	36.11
Total	0.00	0.00	0.00	0.00	0.00	0.00
Total	621,270.00	50,775.06	207,063.83	0.00	414,206.17	33.33
Total	75,039.00	2,449.31	10,870.66	0.00	64,168.34	14.49
Total	1,031,454.00	74,544.49	308,514.47	0.00	722,939.53	29.91
Total	91,512.00	6,935.04	28,307.13	0.00	63,204.87	30.93
Total	14,948.00	1,131.00	4,606.93	0.00	10,341.07	30.82
Total	61,120.00	5,386.75	22,356.18	0.00	38,763.82	36.58
Total	0.00	0.00	0.00	0.00	0.00	0.00
Total	2,319.00	184.97	759.71	0.00	1,559.29	32.76
Total	76,323.00	2,925.41	12,106.18	0.00	64,216.82	15.86
Total	24,705.00	2,118.44	8,774.19	0.00	15,930.81	35.52
Total	194,310.00	17,019.56	71,000.30	0.00	123,309.70	36.54
Total	0.00	0.00	0.00	0.00	0.00	0.00
Total	7,574,988.00	570,974.25	2,371,366.68	0.00	5,203,621.32	31.31

Expenditure Status Report

Library Salary Status Report

CITY OF SANTA CRUZ

10/1/2012 through 10/31/2012

7,574,988.00	570,974.25	2,371,366.68	0.00	5,203,621.32	31.31
Grand Total					

Library - Fund 951
 Month-End Cash Balances

	July	August	September	October	November	December	January	February	March	April	May	June
FY 2013 Pooled cash	1,681,487.77	1,376,663.37	1,509,642.89	2,663,536.56								
FY 2012 Pooled cash	894,190.39	994,042.19	759,933.36	925,760.72	911,230.93	1,083,486.87	1,323,144.44	2,379,377.39	2,211,047.06	2,273,893.52	1,543,373.20	1,479,502.27
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	(1,023,955.46)	(397,327.61)	(356,999.20)	252,949.44	(714,416.36)	(711,714.61)	(812,054.05)	(669,015.42)	(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

TO: Finance Committee- Library Joint Powers Authority Board
 FROM: Marc Pimentel, Finance Director
 DATE: October 29, 2012
 RE: Monthly Dashboard Report: Library's October 2012 financials



Contained herein is the October 2012 Dashboard summary report. Please note that we are still in the course of our annual financial audit and that the amounts below could still be adjusted due to year end adjusting entries. Nevertheless, revenues are slightly ahead of budget and expenditures are under-budget. This has resulted in a year-to-date net operating gain of \$318,601.

This "dashboard" summary includes only major revenue and expenditure lines items that are key to monitoring operating trends. For example, the "Other expenditures" grouping below includes contractually obligated line items such as debt service, software licensing fees, and admin support (management, personnel, accounting, budgeting, payroll, etc.).

	(1) Actual Results				(2) Percent of Budget Comparison		
	August	September	October	YTD	YTD	Months completed	Positive / (negative)
					Annual Budget FY 2012/13	Actuals	
Net operations (Major accounts)							
Revenue:							
Sales Tax	\$ 568,866	\$ 588,457	\$ 466,387	\$ 2,067,711	\$ 5,991,473	34.5%	33.3%
MOE- Member Contributions	425,076	425,076	425,076	1,700,303	5,149,416	33.0%	33.3%
Library Fines	18,344	16,562	20,259	66,293	200,000	33.1%	33.3%
Donations- Friends	1,316	430	4,965	6,943	70,000	9.9%	33.3%
Other Revenue	7,950	3,593	4,884	19,015	96,745	19.7%	33.3%
TOTAL REVENUE	\$ 1,021,552	\$ 1,034,118	\$ 921,570	\$ 3,860,265	\$ 11,507,634	33.5%	33.3%
Expenditures:							
(3) Payroll	826,817	576,948	570,974	\$ 2,371,367	7,574,988	31.3%	33.3%
Books	162,592	100,818	125,984	389,395	839,826	46.4%	33.3%
Janitorial Services	11,617	11,004	9,664	32,285	117,097	27.6%	33.3%
Building & Facility O&M	15,979	7,723	15,532	42,369	154,752	27.4%	33.3%
Rent (Equip, Building, Land)	25,934	25,934	25,934	105,267	312,409	33.7%	33.3%
Utilities	27,808	29,441	48,731	137,690	312,410	44.1%	33.3%
Other expenditures	181,533	95,899	111,935	463,292	2,121,359	21.8%	33.3%
(2) TOTAL EXPENDITURES	\$ 1,252,281	\$ 847,767	\$ 908,755	\$ 3,541,664	\$ 11,432,841	31.0%	33.3%
Net Gain / (Loss)	\$ (230,729)	\$ 186,351	\$ 12,816	\$ 318,601	\$ 74,793		
				YTD	Annual Budget		(2)

Key Balance Sheet Items	Key Operating Indicators			Status
	August	September	October	
Cash	\$ 1,376,563	\$ 1,509,643	\$ 2,663,537	17.3
Total Current Assets	2,383,152	2,535,805	2,675,949	8.7
Long Term Debt (City of SC)	307,169	307,169	307,170	

- Notes:**
- (1) July actuals include routine, year-end accounting accruals that were not reflected in the initial report to the board (increase of \$3,092 and \$3,721).
 - (2) Budgeted expenditures increased by \$291,107 from the Adopted Budget for prior year project carry-overs.
 - (3) August payroll costs are accurate but artificially higher due to timing differences. August costs included a portion of July's payroll due to the calendar pay periods. However, when combined, the July and August payrolls were \$1.22 Million. Per the budget, 2 months payroll should average \$1.26 Million.

STAFF REPORT

DATE: December 6, 2012
TO: Finance Subcommittee
FROM: Teresa Landers, Director of Libraries
RE: Reserve Policy

RECOMMENDATION: No action required. For information only.

SUMMARY

The LJPB confirmed a policy in April 2011 whereby cash reserves would reach 6.8% of revenues or \$795,000 by 2015/16.

BACKGROUND

At the November 5, 2012 LJPB meeting a request was made to research the reserve policy adopted by the LJPB and to present this to the Finance Subcommittee.

Three relevant documents were identified:

1. The Task Force Compromise Model that was adopted in April 2011 states:
 - Development of a cash reserve that reaches 6.8% of revenues or \$795,000 by 2015/16; with a goal of funding to 10% in the following years
 - Cumulative fund balance grows to approximately 5% of revenues by 2015/16. The intention is to ensure funds are available to handle unexpected issues in transitioning to a new model. The Board will determine the best use of the fund balance and any policies for continuing annual budget surpluses going forward.
2. The Task Force Compromise Model 5 year projections (attached) indicate allocating \$100,000 per year for three years starting in FY13/14 for a "cash reserve"
3. On June 1, 2011 the LJPB adopted a fund balance policy (attached). This policy eliminates the reserve fund term that has been used previously and establishes different categories of fund balances: non-spendable, restricted, committed, assigned and unassigned.

DISCUSSION

The fund balance policy defines the Operating Fund as the location for funds to cover cash flow issues (i.e. cash reserves). The Contingency Reserve Fund was deleted since emergency and cash flow reserves were moved to the Operating Fund.

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At this time the Capital Projects Fund was also deleted and the funds were moved to the Operating Fund. The rationale was that funds designate for capital maintenance would be spent annually from the operating fund and the service model did not provide for contributions to capital projects.

Thus, any funds considered "cash reserves" are currently included in the annual operating budget. The goal of 6.8% of revenues as "cash reserve" is \$768,307 in FY12/13 and has been reached. The long term goal of 10% is \$1.13 million and this has also been achieved as the cash on hand for July 2012 was approximately \$1.6 million.

LIBRARY TRUST FUND ACCOUNTS

FINKELDEY TRUST

- Donor: Stella A. H. Finkeldey, a teacher and principal in the Santa Cruz City School System, left her estate to the Santa Cruz Public Library in 1949.
- Terms: "...the net income there from, plus the annual sum of \$100.00 from the principal, [shall] be used and expended solely for the purchase of musical literature for and to be kept in the music department of the Santa Cruz Public Library."
- Amount: On May 24, 1949 the sum of \$11,912.24 was distributed to a trust account for the Library. The management of the trust was subsequently turned over to the City of Santa Cruz.
- Income: Interest earned is added to principal
- Management: It is managed by the City Finance Department. Complete record is reflected in Library budget.

MCCASKILL TRUST – LOCAL HISTORY

- Donor: Annie McCaskill, who died in 1981, named the City of Santa Cruz as one of the two residual legatees for her estate. The other was the First Presbyterian Church. Upon the death of her sister, Francis McCaskill, the City's share of the estate was to be divided into two equal parts: one for local history and the other for providing materials and services to people who are visually impaired. Francis McCaskill died in 1986, and the Library received its distribution during the summer.
- Terms: Half the City's share is to be used "in establishing and maintaining a department in the City of Santa Cruz Public Library System devoted to the preservation of historical documents and objects and promulgation of the local history of the City of Santa Cruz and of the State of California." No limitations on only spending income.
- Amount: The McCaskill Trust for Local History was originally about \$244,000.
- Income: Interest earned is added to principal
- Management: It is managed by the City Finance Department.

MCCASKILL TRUST – VISUALLY IMPAIRED

Donor: See above

Terms: Half the City's share of the McCaskill Trust is to be used "in establishing and maintaining a Braille department in the City of Santa Cruz Public Library System and for the purpose of providing Braille books, materials, records, and tapes for use of persons with defective sight."

Anticipating major cuts in the Library's 1986-87 materials budget, the Library Board agreed in July that \$15,000 in income from this Trust should be used to support the purchase of large print and talking book tapes for adults and children during the current fiscal year. It has been approved that continuing after this, the money could be spent in any way that benefitted the visually impaired and was not limited to the purchase of Braille materials.

Amount: The McCaskill Trust for Local History was originally about \$244,000.

Income: Interest earned is added to principal

Management: It is managed by the City Finance Department.

RICHARDSON TRUST

Donor: Dr. James B. Richardson died in 1979, leaving the Library a Testamentary Trust for book purchases. His other legatees were the Cornell University Veterinary School and a personal friend.

Terms: The Richardson Will specifies that the Library use the funds "for the purchase of nonfiction books written for the general public, and not to include textbooks, technical or statistical books, or religious or sociological studies."

Amount: The County Bank of Santa Cruz was left the bulk of the estate, to establish a Trust which would provide the Library with \$10,000 per year for book purchases. By the time Dr. Richardson's real estate had been sold, the Trust was producing more than this amount.

Income: In 1981 the Superior Court ruled that all net income be distributed annually, one-fifth to Cornell (for research on dogs) and four-fifths to the Library.

Management: Held by Comerica Bank. Check is received annually in May and that is appropriated into the Library's annual budget.

WHALEN TRUST

Donor: Family Trust of Kenneth H. Whalen and Shirley M. Whalen. Kenneth Whalen died on December 1, 2008, leaving the Felton Branch of the Library a Trust for capital improvements and book purchases.

Terms: The Whalen Trust specifies that the Library use the funds for the Felton Branch "for capital improvements and/or new books".

Amount: Distribution occurred June 20, 2009 in the amount of \$755,266.25.

Income: Interest earned is added to principal

Management: It is managed by the City Finance Department

LEET-CORDAY TRUST

Donor: Robert Leet-Corday

Terms: The Leet-Corday Trust specifies that the Library use the funds for the Downtown (Central) Branch of the Santa Cruz Public Library System for "providing vibrant physical and virtual public spaces".

Amount: The Trust is in the amount of \$ 89,028.88.

Income: Interest earned is added to principal

Management: It is managed by the City Finance Department.

JAMES MORLEY TRUST

- Donor: James Morton Morley died on February 1, 2011, leaving the Library a bequest.
- Terms: The James Morton Morley Trust specifies that the Library use the funds for “improvements or enhancements to the La Selva Beach Library Branch or the Aptos Branch if the La Selva Beach Branch has been or is scheduled to close”.
- Amount: The bequest is in the amount of \$12,269.
- Income: Interest earned is added to principal
- Management: It is managed by the City Finance Department.

DOROTHY A. HALE TRUST

- Donor: Dorothy A. Hale died in 2011 leaving the Library a bequest.
- Terms: The Dorothy A. Hale Trust specifies that the Library use the funds for “the Scotts Valley Branch of the Santa Cruz Public Library System.
- Amount: The bequest is in the amount of about \$ 74,000.
- Income: Interest earned is added to principal
- Management: It is managed by the City Finance Department.



County of Santa Cruz

COUNTY ADMINISTRATIVE OFFICE

701 OCEAN STREET, SUITE 520, SANTA CRUZ, CA 95060-4073

(831) 454-2100 FAX: (831) 454-3420 TDD: (831) 454-2123

SUSAN MAURIELLO, J.D., COUNTY ADMINISTRATIVE OFFICER

November 1, 2012

TO: Each Member of the Board of Directors of the Library Financing Authority

LIBRARY SALES TAX AND PROPERTY TAX REVENUE

Dear Members of the Board of Directors:

The purpose of this letter is to provide an update on the Library Sales Tax actual receipts for the 1st quarter of the 2012-13 fiscal year, and an update on the County Library Fund Maintenance of Effort (MOE) contribution to the Library Financing Authority for 2012-13.

Total Library Sales Tax actual receipts for the 1st quarter were \$2,067,291 which is \$89,681 more than the 1st quarter estimate provided to the Authority in June.

As a result of a reduction in property tax values, the County Library Fund experienced a property tax revenue shortfall of \$22,411 in 2011-12. The 2012-13 Library Fund property tax apportionment increased by \$2,891. The 2011-12 shortfall and revised 2012-13 apportionment result in a 2012-13 County Library Fund MOE contribution of \$4,629,261, a reduction of \$19,520.

In summary, 2012-13 first quarter sales tax is \$89,681 over estimate and the County Library Fund MOE contribution for 2012-13 will be \$19,520 under estimate. These net to a favorable variance of \$70,161 as of September 30, 2012.

This office will provide you with an update in January when the sales tax revenue for the second quarter of 2012-13 is known.

Very truly yours,


Carol D. Kelly
Assistant County Administrative Officer

cc: Director of Libraries, Santa Cruz City/County Library System
Library Director, Watsonville Library
County Administrative Officer
Assistant County Administrative Officer
Santa Cruz City Manager
Watsonville City Manager
Auditor-Controller
Santa Cruz Director of Finance
Administrative Services Director, City of Watsonville

SERVING THE COMMUNITY – WORKING FOR THE FUTURE

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