



LIBRARY JOINT POWERS AUTHORITY BOARD
FINANCE SUBCOMMITTEE

Monday August 24, 2015
Downtown Branch Meeting Room
224 Church Street, Santa Cruz, CA 95060

4:00 PM PUBLIC MEETING

1. ROLL CALL
2. APPROVE AGENDA OF AUGUST 24, 2015
3. APPROVE MINUTES OF FEBRUARY 23 (corrected) AND MAY 18, 2015 (PG.2-8)
4. ORAL COMMUNICATIONS
5. STAFF REPORTS
 - a. Monthly Financial Report - July 2015 (available at the meeting)
 - b. Library Facilities Financing Authority (LFFA) Update (PG.9-10)
6. WRITTEN COMMUNICATIONS
7. FUTURE AGENDA ITEMS
8. FINANCE COMMITTEE MEETING CALENDAR
 - a. The Finance Committee will consider its current meeting schedule and may revise it as necessary.
9. NEXT MEETING

ADJOURN

The Library Joint Powers Authority Board Finance Subcommittee will adjourn from the regularly scheduled meeting of Monday August 24, 2015

SANTA CRUZ PUBLIC LIBRARIES
A CITY-COUNTY SYSTEM

LIBRARY JOINT POWERS BOARD
FINANCE SUBCOMMITTEE

MINUTES

Downtown Branch Meeting Room
224 Church Street, Santa Cruz, CA 95060

February 23, 2015

4:00 PM PUBLIC MEETING

I. ROLL CALL

Present: Councilmember Termini, Citizen Member Dexter

Absent: Councilmember Mathews

Staff: Finance Director Marcus Pimentel, Library Director Teresa Landers

II. APPROVAL OF MEETING AGENDA OF FEBRUARY 23, 2015

Citizen Member Dexter moved, seconded by Councilmember Termini

That the Finance Subcommittee approve the agenda of February 23, 2015

UNAN

Absent: Mathews

III. APPROVAL OF MINUTES OF JUNE 23, 2014

Citizen Member Dexter moved, seconded by Councilmember Termini

That the Finance Subcommittee approve the minutes of June 23, 2014

UNAN

Absent: Mathews

IV. ORAL COMMUNICATIONS

None

V. STAFF REPORTS

a. Monthly Financial Reports – January 2015

The Subcommittee members reviewed the reports and Finance Director Pimentel responded to a number of questions. Revenues are on target. Expenditures are right on the mark. 65% have been spent of the book budget. Even though payroll is larger than normal due to a third pay period in January expenditures are still in range. Excess cash is \$60,000 above reserve target. Library fines are at 88%.

b. Update on administrative service charge paid to the City of Santa Cruz

Finance Director Pimentel discussed the 5.5% administrative service charge. The 5.5% is a flat rate. Cost allocation data should be available in March. The Subcommittee members asked a number of questions for clarification.

Comparisons to other library systems were discussed and the Subcommittee members suggested that additional information could be helpful. However, the new Board will be charged with this issue.

The Subcommittee members accepted the report and expect additional information on the topics presented. Refinement specifically in regards to legal services is required.

c. Update on FY 15/16 proposed budget

Director Landers summarized her report and pointed out that minimal staffing changes are requested. Finance Director Pimentel explained the upcoming changes in PERS. Major changes are expected in 2017.

The Subcommittee members discussed the staffing portion of the report. They acknowledged the major reduction in staffing requests based on the 3 year projection. The model for the 5 year projection is still being fine tuned.

The reduction of fines to \$0.25 was accepted and seen as a small price to pay for the goodwill that is generated.

- i. 3 year budget projections
 - a.) Review of staffing and other priorities
 - b.) Fines and fees potential reduction
- ii. Cost of increasing open hours

The Subcommittee members discussed open hours:

- The most important thing to determine is why people are asking for more open hours. Is it so they will find it easier to pick up their holds? Is it for computer access? Is it to browse physical titles? Is it to attend programs? Once we know this, we can figure out what the best solution is- is it a holds kiosk? Limited lobby service? After/before hours programs? More open hours?
- New and renovated buildings will give us more opportunities to find the best solution to a clearly defined need.
- We should give the public additional hours at at least one branch before the ballot measure as a demonstration of commitment.
- We should open an additional day and not try to add hours to this or that branch on an already existing open day.
- Adding hours is a structural change that will have wide-ranging budget implications in years to come. We need to carefully weigh hours against the balance of all library services (i.e., what do we lose if we add hours) and also determine the impact of the fully-implemented facilities master plan.

VI. OTHER BUSINESS

- a. Election of Chair and Vice Chair

The Subcommittee members decided not to change the present Chair (Councilmember Termini) and Vice Chair (Citizen Member Dexter).

VII. WRITTEN COMMUNICATIONS

None

VIII. FUTURE AGENDA ITEMS

None

IX. FINANCE COMMITTEE MEETING CALENDAR

ADJOURN

The regular meeting adjourned at 5:17 p.m.

The Library Joint Powers Authority Board Finance Subcommittee will adjourn from the regularly scheduled meeting of Monday February 23, 2015 to the next regularly scheduled public meeting on Monday May 18, 2015 at 4:00 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.

SANTA CRUZ PUBLIC LIBRARIES
A CITY-COUNTY SYSTEM

LIBRARY JOINT POWERS BOARD
FINANCE SUBCOMMITTEE

MINUTES

Downtown Branch Meeting Room
224 Church Street, Santa Cruz, CA 95060

May 18, 2015

4:00 PM PUBLIC MEETING

I. ROLL CALL

Present: Councilmember Mathews, Citizen Member Dexter

Absent: Councilmember Termini

Staff: Finance Director Marcus Pimentel, Interim Library Director Janis O'Driscoll

II. APPROVAL OF MEETING AGENDA OF MAY 18, 2015

Councilmember Mathews moved, seconded by Citizen Member Dexter

That the Finance Subcommittee approve the agenda of May 18, 2015

UNAN

Absent: Termini

III. APPROVAL OF MINUTES OF FEBRUARY 23, 2015

A correction to the minutes of February 23 is needed. In Item VI. Other Business, Councilmember Mathews was mistakenly listed as Vice Chair. The correction will be made and approval of the minutes will occur at the next meeting on August 24th.

IV. ORAL COMMUNICATIONS

None

V. STAFF REPORTS

a. Monthly Financial Reports – April 2015

The Subcommittee members reviewed the reports and Finance Director Pimentel summarized the report for further clarification. Preliminary results for April are positive. Expenditures are below budget, revenues are slightly ahead.

b. Update on City of Santa Cruz Cost Allocation Study

Finance Director Pimentel presented a conceptual administrative cost allocation model per the Subcommittee's previous request. In summary it can be concluded that the current City of Santa Cruz administrative support fee formula generates an overall reasonable allocation charge and would likely be higher if a pure allocation model were used. The conceptual model provided supports this statement.

The Subcommittee members discussed the report and accepted it with minor suggestions for clarification.

c. Update on FY 15/16 proposed budget

Interim Director O'Driscoll presented the draft of the staff report to the Subcommittee. The Subcommittee members reviewed the report and accepted it as presented.

Councilmember Mathews moved, seconded by Citizen Member Dexter

That the Finance Subcommittee approve presentation of the FY15/16 proposed Library Budget to the LJPB.

UNAN

Absent: Termini

VI. WRITTEN COMMUNICATIONS

None

VII. FUTURE AGENDA ITEMS

Pending contract for the new bookmobile. The main focus shall be centered on transition planning.

VIII. FINANCE COMMITTEE MEETING CALENDAR

The next meeting shall be rescheduled from August 17th to August 24th.

ADJOURN

The regular meeting adjourned at 4:22 p.m.

The Library Joint Powers Authority Board Finance Subcommittee will adjourn from the regularly scheduled meeting of Monday May 18, 2015 to the next regularly scheduled public meeting on Monday August 24th, 2015 at 4:00 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.



August 19, 2015

LIBRARY JOINT POWERS BOARD
117 UNION STREET
SANTA CRUZ, CA 95060

SUBJECT: Library Facilities Financing Authority (LFFA) Update

As you may be aware, the Library Facilities Financing Authority (LFFA) met on August 6, 2015 to discuss a number of issues concerning the operation of the library system. In an effort to keep all stakeholders informed, we have prepared this letter to update you on these discussions and on the activities that are planned for the months ahead. The three main topics discussed were:

- (1) The timing of a possible ballot measure to address facility issues, including a desired June 2016 election timeline;
- (2) Governance changes; and
- (3) Director recruitment.

June 2016 election timing and meeting schedule. The LFFA, after careful consideration, believes it is still a top priority to target the June 7, 2016 Presidential Primary for a Library facilities financing ballot measure. A consideration for a June 2016 election was the considerable competition and congestion that is likely to be on the November 2016 ballot and the higher costs associated with conducting an off-cycle, special election. We recognize there are many challenges which will need to be overcome to address the compressed timeline that faces the LFFA and the Library JPA to reach a successful ballot measure.

In order to address the work at hand, the LFFA has set the following meetings:

Date	Potential primary focus	Time	Location
Aug 27 (Thur)	Tax rate study session	9am	Main branch meeting room
Sept 10 (Thur)	Final direction on tax rates and consideration of new poll content	9am	Main branch meeting room
Oct 1 (Thur)	Review poll results	9am	Main branch meeting room
Oct 15 (Thur)	Follow up	9am	Main branch meeting room

The LFFA welcomes participation at all of the meetings including the upcoming August 27th study session to help formulate potential tax rate structures and methods of applying tax rates. Given all the timing considerations, it is critical the LFFA provide direction by September 10th to allow for new polling and for completion of the comprehensive report on the rate and methodology of the tax apportionment.

Polling. The LFFA authorized that a new poll be conducted by approximately late September based on the outcomes of the August 27th and September 10th meetings. This poll and the associated funding was already contemplated and included in the FY2016 Library (SCPL) budget.

Governance. To meet this timeline, the associated member agencies will soon be asked to consider final amendments to the SCPL JPA to establish the new board structure and funding arrangements along with other related amendments. We would hope to conclude this multi-agency approval process in September. You recall, each agency was previously provided a working draft which is now being finalized to incorporate the proposed amendments incorporating comments from member agencies.

In addition, the LFFA's JPA will also require amendment by each of the jurisdictional entities to reflect the bond allocation amounts that will be finalized in the coming month.

Recruitment of SCPL Director. During the LFFA's update on the status of the SCPL Library Director's recruitment, it was agreed that the Interim Library Director (or LFFA Executive Director) would (1) engage with a recruiter to start the Director's recruitment as soon as feasible and (2) contact the prior Library Director recruiter (June Garcia) about leading the current vacancy to expedite a recruitment or arrange for another recruiter as if appropriate. This process and funding was already contemplated and included in the FY2016 SCPL budget.


Overview of Library JPA and new LFFA. The newly created LFFA will develop a recommendation for a ballot measure for considerations by the Board of Supervisors and City Councils that, if approved, would then have the LFFA collect and remit to member agencies the funding to implement their respective portions of the SCPL Facilities Master Plan.


As you know, one of the current proposed amendments to the SCPL JPA would modify the SCPL board to match the current LFFA board. As such, the current board members of the SCPL are anticipating that their last meeting will be on October 15, 2015. After that date, the new board would be seated as the SCPL.

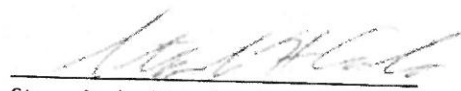
In closing, we want to thank you for your active participation that has brought us closer to a brighter future for our Library system. We welcome your participation and that of our community during our upcoming discussions as we all move ahead together.

Sincerely,


Susan Mauriello, Chair


Jamie Goldstein, Member


Martin Bernal, Member


Steve Ando, Member

LIBRARY FACILITIES FINANCING AUTHORITY