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04/19/17

JOINT POWERS AUTHORITY BOARD

FINANCE COMMITTEE MINUTES

Wednesday, January 11, 2017 at 3:00 p.m.

APPROVED

ACCEPTED

PENDING

DENIED

PRESENTED

MODIFIED

BY THE SANTA CLARA COUNTY LIBRARY
DISTRICT JOINT POWERS AUTHORITY

BY: Cynthia Rios Garcia

DATE: 04/19/2017
SECRETARY

CALL TO ORDER/ROLL CALL

Committee members present: Mike Wasserman, BOS District 1, Burton Craig, Monte Sereno, Emily Lo, Saratoga and Steve Tate, Morgan Hill.

Committee member absent: Courtenay C. Corrigan, Los Altos Hills

Staff in attendance: Nancy Howe, County Librarian, Chris Brown, Deputy County Librarian, Chuck Griffen, Financial and Administrative Services Manager, and Cynthia Rios Garcia, Secretary.

Chair Wasserman called the meeting to order at 3:05 p.m. There were no deletions, deferrals or corrections to the agenda.

ORAL COMMUNICATION

None.

CONSENT CALENDAR

- *1. Approve Minutes from October 11, 2016, Finance Committee meeting.
- *2. Recommend to the JPA to accept the following cash gifts:
 - a. Cash donation of \$2,956.72 to the Santa Clara County Library District and augment the budget for library materials.
 - b. Cash donation of \$8,000 and augment the budget for library materials and special programs and services for the Gilroy Library.
 - c. Cash donation of \$36,894.94 and augment the budget for library materials and furniture acquisitions for the Los Altos Library.
- *3. Approve Calendar Year 2017 Meeting Schedule.

MOTION was moved by **Tate** and seconded by **Craig** to approve Consent Calendar items #1 through #3. **The motion passed unanimously by the following vote:**

Ayes: Wasserman, Craig, Lo and Tate

Noes: None

NEW BUSINESS

4. Recommend to the JPA to receive the Five-Year Financial Forecast for Fiscal Years 2016-2017 to 2020-2021 for the Library District.

Staff report. Chuck Griffen, Financial and Administrative Services Manager. Mr. Griffen summarized the financial forecast for fiscal years 2017-2021. It was noted while the report

indicated a deficit for the current fiscal year 2017, this was due to prior year funds of \$3.5 million carried over to current fiscal year to fund large projects. For fiscal years 2018- 2021, the Library projects surpluses each year. The economic uncertainty reserve will be funded at \$13 million, which should be sufficient to take the Library through the next economic downturn. The financial forecast is conservative. This is a forecast only and does not take the place of the Library's budget. Presentation of the FY2018 Library Budget to the Finance Committee and JPA Board occurs in April and June for review and adoption.

Major assumptions include a modest growth in property tax revenues 4.9%, (which averaged over the last 5 years) due to moderate increases of property taxes and the dissolution of the Redevelopment Agencies. All other revenues remain flat. Expenditure projections for the next 5 years show an increase of 5.6% in Salary and Benefits. In addition, the Library's goal every year is to allocate between 10% and 15% in revenue for books and materials; going forward the allocation remains fixed at 13%.

The substantial increase of 101% in the Services and Supplies budget includes the one time expenditure of \$4 million from the 3-Year Tech Plan Reserve to purchase staff and public PCs and related software including full Adobe Suite for the public to launch in March. Likewise, the report reflected expenditures for recently added positions for extended hours at the Los Altos and Milpitas Libraries funded by North County Library Authority and City of Milpitas, respectively.

The Finance Committee reviewed the information presented and asked questions of staff.

MOTION was moved by **Craig** and seconded by **Tate** to receive the Five-Year Financial Forecast for Fiscal Years 2016-2017 to 2020-2021 Report for the Library District and recommends the JPA to receive the report. **The motion passed unanimously by the following vote:**

Ayes: Wasserman, Craig, Lo and Tate

Noes: None

5. Recommend to the JPA to approve the revised Beneficiary Funds Policy Staff report. Chuck Griffen. Staff recommended revising the Library Beneficiary Funds Policy originally approved by the JPA on October 26, 2006. The proposed revisions clarify the purpose, timing and length of reporting requirements of the Beneficiary Fund Committee.

MOTION was moved by **Lo** and seconded by **Tate** to approve the revised Beneficiary Funds Policy and recommend the JPA to approve the revised Beneficiary Funds Policy. **The motion passed unanimously by the following vote:**

Ayes: Wasserman, Craig, Lo and Tate

Noes: None

6. Recommend to the JPA to accept a cash gift from Corinne A. Oberlin Trust. Staff report. Chuck Griffen. The Corinne Oberlin Trust willed \$500,000 to the Santa Clara County Library District for the benefit of the Los Altos Library. Ms. Oberlin was a resident of Los Altos Hills. Staff recommended that funds be held by the JPA for the restricted use of the Los Altos Library for future capital maintenance needs. An acknowledgment letter was sent to Corinne Oberlin Trust for the gift. Written communication was received from Bob Simon, LALE, regarding the Oberlin donation.

The Finance Committee reviewed the information presented and took the following action:

MOTION was moved by **Craig** and seconded by **Tate** for JPA to accept cash gift from Corinne A. Oberlin Trust and recommend that it be reserved for future capital maintenance at Los Altos Library. **The motion passed unanimously by the following vote:**

Ayes: Wasserman, Craig, Lo and Tate

Noes: None

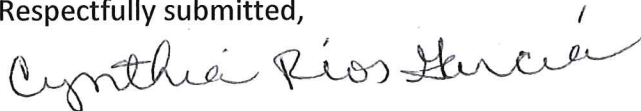
REPORTS/COMMENTS

7. County Librarian
 - ✚ Milpitas and Los Altos Libraries began offering extra hours effective January 3, 2017.
8. Financial & Administrative Services Manager
 - ✚ Update on American Legion Post 99 Lease. Mr. Griffen reached out to Post 99's Board of Directors regarding their anticipated space and rent needs that the JPA Board requested at their meeting in October 2016. This information was requested to assist them with their transition due to the lease expiring on March 20, 2018. Mr. Griffen learned that the Legion had not yet commenced a search for another facility.
9. Finance Committee Members
 - ✚ Committee Member Emily Lo will be storytelling at the Chinese New Year Celebration at the Saratoga Library on January 25, 2017.

ADJOURN

Chair Wasserman adjourned the Finance Committee meeting at 3:35p.m. to the next Finance Committee meeting on Wednesday, April 19, 2017 at 10:00 a.m. at the Library Services and Support Center, 1370 Dell Avenue, Campbell, CA 95008.

Respectfully submitted,



Cynthia Rios Garcia, Secretary
Library District Joint Powers Authority