CALL TO ORDER/ROLL CALL

Committee members present: Mike Wasserman, BOS District 1, Richi Waterman, Campbell (2:07pm), Dion Bracco, Gilroy, Courtenay C. Corrigan, Los Altos Hills and Carl Cahill, Los Altos Hills Town Manager

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

Chair Wasserman called the meeting to order at 2:02 p.m. There were no deletions, deferrals or corrections to the agenda.

ORAL COMMUNICATION
None.

CONSENT CALENDAR
*1. Approve Minutes from January 9, 2019, Finance Committee meeting.
*2. Recommend to the JPA to accept the Santa Clara County Library semi-annual gift report: July 1, 2018-December 31, 2018.
*3. Recommend to the JPA to accept the following cash gifts:
   a. Cash donation of $9,631.11 to the Santa Clara County Library District and augment the budget for library materials.
   b. Cash donation of $1,317.50 to the Santa Clara County Library District and augment the budget for Reading Program and the Rise Up Program
   c. Cash donation of $13,572.73 to the Cupertino Library and augment the budget for furniture.
   d. Cash donation of $15,000 to the Gilroy Library and augment the budget for programming and supplies.
   e. Cash donation of $2,000 to the Los Altos Library and augment the budget for collaborative spaces.
   f. Cash donation of $7,627.23 to the Milpitas Library and augment the budget for furniture.
   g. Cash donation of $10,000 to the Milpitas Library and augment the budget for enhancing library services.
*4. Recommend to the JPA to add 2.5 FTE Janitor positions at the Cupertino Library
*5. Recommend to the JPA to add 1.0 Buyer position to the Services and Support Center
*6. Recommend to the JPA to delete one half-time Media Program Specialist and add one full-time Media Program Specialist

Committee Member Corrigan requested supplementary information for items #4 and #5. Mr. Griffen spoke to items #4 and #5, the addition of 2.5 FTE Janitor positions at the Cupertino Library and the addition of 1.0 FTE Buyer position. The City of Cupertino has historically provided janitorial services for the library through maintenance contracts. The City recently informed the Library that they will not be renewing their contract and have asked the Library to take over janitorial services. Therefore, the Library will use internal janitors who are County employees to provide janitorial services at the library. The Library also has two contracts in place to cover vacations and sick leave of janitorial staff.

Staff is recommending adding a Buyer position to support the Procurement Unit that was brought in-house in 1997 to assist with contracts, service agreements, and license agreements including privacy and insurance criteria to ensure compliance with legal obligations.

MOTION was moved by Corrigan and seconded by Bracco to approve the Consent Calendar items 1 - 6. The motion passed unanimously by the following vote:
Ayes: Wasserman, Bracco, Cahill, and Corrigan
Noes: None

NEW BUSINESS
Item #8 was heard before item #7. Committee Member Waterman took his seat at 2:07 p.m.

8. Receive and recommend to the JPA to receive Passport Update and Recommended Expansion

Staff report. Deputy County Librarian Chris Brown reported that since launching Passport Services in April 2018 at the Cupertino and Milpitas Libraries, over 4,200 passports were issued and over $170,000 in revenue was generated, covering the cost of staff that perform the passport functions. In addition, the libraries are registering on an average 24 new cardholders each month due to their visit to the library for passport services. The community is very satisfied with the service. Staff are reviewing the feasibility of implementing Passport Services to South County in the near future.

Staff is recommending the addition of a full-time Library Clerk to expand Passport Services to the Los Altos Library. The library has identified space for the Passport office and is working with a design firm. Once staff training and facility modifications are complete, the service should begin in September 2019.

MOTION was moved by Bracco and seconded by Corrigan to receive Passport Services report and approve the addition of one full-time Library Clerk. The motion passed unanimously by the following vote:
Ayes: Wasserman, Waterman, Bracco, Cahill, and Corrigan
Noes: None
7. Receive and recommend to the JPA to receive the Independent Audit Report for Fiscal Year 2017-2018

Benjamin Lau, Director of MGO, external auditor for the Library District JPA, presented the Independent Audit Report of the Library’s Financial Statement for FY2018 and Management Letter. The Library audit received an unmodified opinion indicating that it was a clean report and materially stated. One significant item was the implementation of Governmental Accounting Standards Board (GASB) Statement 75, OPEB Standard. Finally, during the audit no exceptions, significant deficiencies, or material weaknesses in internal control were found. The auditor communicated his due diligence in carrying out the audit and presenting its findings to the Board. In addition, during the course of the audit, Library management had adequately performed their work and no exceptions or adjustments were identified.

Committee Member Waterman requested to add two columns for prior period/multiple year’s comparison to the balance sheet. Mr. Lau said the additional columns could be implemented to the Independent Audit Report for Fiscal Year 2018-2019.

Motion was moved by Waterman and seconded by Wasserman to add two columns for prior period/multiple year’s comparison to the balance sheet for the Internal Audit Report for Fiscal Year 2018-2019. The Finance Committee received the Independent Audit Report for the year ending June 30, 2018 and recommended acceptance by the JPA Board. The motion passed unanimously by the following vote: The motion passed unanimously by the following vote:

Ayes: Wasserman, Waterman, Bracco, Cahill and Corrigan

Noes: None

9. Consider the FY2019-2020 Preliminary Budget for the Santa Clara County Library District

Staff report. Chuck Griffen, Financial and Administrative Services Manager. Mr. Griffen presented a summary of the FY2020 Preliminary Budget, which is stable, balanced and sustainable to meet the demands of the Library District residents. Over the next five years, it is estimated there will be continuing operating surpluses reflecting a conservative budget for personnel costs. The estimated revenues of $62,435,280 includes funds transferred from the Technology and Capital Maintenance reserves in the amount of $2.9 million, and $2 million in unfinished projects rolled over to FY2020; the requested expenditures are calculated at $60,902,127, with a safeguard for cost increases related to labor negotiations and personnel changes.

In FY2018, the Library received $3.4 million in ERAF reimbursements. For FY2019, the Library is expecting $6.4 million in June, and the projection for FY2020 is $8 million. ERAF reimbursements are not a guaranteed source of revenue -- reimbursements have increased year after year but could end at any time. Therefore, $4 million will be added to the economic uncertainty reserve, for mitigating any impact due to an economic downturn. An additional $6 million will be available after FY2019 as that amount was allocated for one-time projects.

In addition, County Librarian Howe described how the budget includes exploration of offering library services to the incarcerated on a cost recovery basis. Additionally, the Library will develop homework help services for children, initially in the communities of Campbell, Gilroy,
Milpitas and Morgan Hill where there is the greatest need. Another important factor of this budget is a proposal to prepare the Library District’s workforce by adding a dedicated team of staff that will focus on Staff Development.

The Finance Committee considered and discussed the FY2019-20 Preliminary Budget for the Library and forwarded to the full Board for consideration at their April 25, 2019.

REPORTS/COMMMENTS
10. County Librarian
   - Santa Clara County Library District is the first Library in the country to offer Headspace to patrons. Headspace is a guided meditation and mindfulness app.
   - The Library is collaborating with Second Harvest Food Bank and offering for a second time, Food for Fines. Since the food drive began on April 1, 2019, 60 barrels of food have been collected.

11. Financial & Administrative Services Manager
    No further reports.

12. Finance Committee Members
    No reports.

ADJOURN
With no further business, Chair Wasserman adjourned the meeting at 3:08 p.m., to the next Finance Committee meeting on Wednesday, May 22, 2019 at 2:00 p.m. at the Library Services and Support Center, 1370 Dell Avenue, Campbell, CA 95008.

Respectfully submitted,

Cynthia Rios Garcia, Secretary
Santa Clara County Library District Joint Powers Authority