JOINT POWERS AUTHORITY BOARD
AGENDA
Thursday, April 30, 2020 at 12 noon
Virtual Teleconference Only

Pursuant to the provisions of California Governor’s Executive Order N-29-20, issued on March 17, 2020, this meeting will be held by teleconference only. Instructions for accessing the teleconference will be posted online at www.sccld.org/jpa

In accordance with the Ralph M. Brown Open Meeting Act; this agenda was posted Friday, April 24, 2020 on the Library’s website at www.sccld.org. Items with an asterisk (*) in front of the number are on the consent calendar and may be voted on in one motion at the beginning of the meeting. If you wish to discuss any of these items, please request this item be removed from the consent calendar.

CALL TO ORDER/ROLL CALL
Deletions, deferrals or corrections to the agenda.

ORAL COMMUNICATION
The Joint Powers Authority Board may take other actions relating to the issues, as may be determined following consideration of the matter and discussion of the recommended actions. This portion of the meeting is reserved for persons desiring to address the Joint Powers Authority Board on any matter not on the agenda. Please limit your comments to three minutes. All statements that require a response will be answered in writing or status of response will be reported on the agenda for the next regular meeting of the JPA Board. NOTE: If you wish to speak on an item of business listed on the agenda, the Chair will call upon you at the time the Board considers the item.

CONSENT CALENDAR ACTION
*2. Accept follow-up report to Patron Satisfaction Survey results

NEW BUSINESS
3. Approve the updated Library Building Policy
4. Consider and discuss the FY2020-2021 Preliminary Budget for the Santa Clara County Library District

REPORTS/COMMENTS INFORMATION
5. County Librarian
6. JPA Board Members

ADJOURN
To the next Joint Powers Authority Board meeting on Thursday, June 25, 2020 at 12:00 p.m. at the Santa Clara County Library District Services and Support Center, 1370 Dell Avenue, Campbell, CA 95008.

In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the County Librarian’s Office 24 hours prior to the meeting at (408) 293-2326 x3090, TDD (408) 364-1528.
Mike Wasserman, Supervisor (Chair)
Santa Clara County Board of Supervisors Dist. 1
70 W. Hedding Street
San Jose, CA 95110
(408) 299-5010
mike.wasserman@bos.sccgov.org

Lynette Lee Eng, Council Member (Vice Chair)
City of Los Altos
1 North San Antonio Road
Los Altos, CA 94022
(650) 947-2720
lleeeng@losaltosca.gov

Joe Simitian, Supervisor
Santa Clara County Board of Supervisors Dist. 5
70 W. Hedding Street
San Jose, CA 95110
(408) 299-5050
joe.simitian@bos.sccgov.org

Rich Waterman, Council Member
City of Campbell
70 N. First Street
Campbell, CA 95008
(408) 866-2125
richw@cityofcampbell.com

Darcy Paul, Vice Mayor
City of Cupertino
10300 Torre Avenue
Cupertino, CA 95014
(408) 617-0802
dpaul@cupertino.org

Dion Bracco, Council Member
City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020
(408) 422-1734
dion.bracco@ci.gilroy.ca.us

Courtenay C. Corrigan, Council Member
Town of Los Altos Hills
26379 Fremont Road
Los Altos Hills, CA 94022
(650) 248-9018
cccorrigan@losaltoshills.ca.gov

Carmen Montano, Council Member
City of Milpitas
455 E. Calaveras Boulevard
Milpitas CA 95035
(408) 707-0440
cmontano@ci.milpitas.ca.gov

Shawn Leuthold, Mayor Pro Tempore
City of Monte Sereno
18041 Saratoga-Los Gatos Road
Monte Sereno, CA 95030
(408) 924-0132
sleuthold@cityofmontesereno.org

Rich Constantine, Mayor
City of Morgan Hill
17555 Peak Avenue
Morgan Hill, CA 95037
(408) 313-3305
rich.constantine@morganhill.ca.gov

Rishi Kumar, Council Member
City of Saratoga
13777 Fruitvale Avenue
Saratoga, CA 95070
(408) 805-5993
rkumar@saratoga.ca.us

City of Gilroy
7351 Rosanna Street
Gilroy, CA 95020
(408) 422-1734
dion.bracco@ci.gilroy.ca.us
CALL TO ORDER/ROLL CALL

Chair Wasserman called the meeting to order at 12:08 p.m. A quorum was present. There were no deletions, deferrals or corrections to the agenda.

<table>
<thead>
<tr>
<th>Board Member</th>
<th>Title</th>
<th>Representing</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mike Wasserman</td>
<td>Chair</td>
<td>Board of Supervisors</td>
<td>Present</td>
</tr>
<tr>
<td>Lynette Lee Eng</td>
<td>Vice Chair</td>
<td>Los Altos</td>
<td>Present</td>
</tr>
<tr>
<td>Joe Simitian</td>
<td>Board Member</td>
<td>Board of Supervisors</td>
<td>Present</td>
</tr>
<tr>
<td>Rich Waterman</td>
<td>Board Member</td>
<td>Campbell</td>
<td>Absent</td>
</tr>
<tr>
<td>Darcy Paul</td>
<td>Board Member</td>
<td>Cupertino</td>
<td>Present</td>
</tr>
<tr>
<td>Dion Bracco</td>
<td>Board Member</td>
<td>Gilroy</td>
<td>Present</td>
</tr>
<tr>
<td>Courtenay C. Corrigan</td>
<td>Board Member</td>
<td>Los Altos Hills</td>
<td>Present</td>
</tr>
<tr>
<td>Carmen Montano</td>
<td>Board Member</td>
<td>Milpitas</td>
<td>Absent</td>
</tr>
<tr>
<td>Shawn Leuthold</td>
<td>Board Member</td>
<td>Monte Sereno</td>
<td>Present</td>
</tr>
<tr>
<td>Rich Constantine</td>
<td>Board Member</td>
<td>Morgan Hill</td>
<td>Absent</td>
</tr>
<tr>
<td>Rishi Kumar</td>
<td>Board Member</td>
<td>Saratoga</td>
<td>Present</td>
</tr>
</tbody>
</table>

ORAL COMMUNICATION

One individual addressed the Board.

TIME CERTAIN NO EARLIER THAN 12:00 NOON PRESENTATIONS

The 2019 Award and Patron Survey results were presented.

A. Presentation of Award from Susan Benton, President and CEO, Urban Libraries Council: 2019 Award for Top Innovator: Lending Mindfulness: A Mental Health App Pilot,
B. Presentation of 2019 Patron Survey Results, Theo Leenman, Research Consultant, Harder+Co.

Board Member Paul took his seat at 12:33 p.m.

Board Member Kumar asked for specific feedback on questions that were in the patron survey related to service enhancements, digital resources and homelessness. Board Member Simitian asked staff to
verify if percentages were correct on the Facilities slide, i.e., computers operate efficiently (which was corrected) as well as for clarification on the condition of materials and usage of DVDs. County Librarian Howe advised the Board that staff would provide a report addressing the questions at the next JPA meeting on April 30, 2020.

CONSENT CALENDAR
*1. Approve Minutes from October 24, 2019, Joint Powers Authority Board Meeting.
*2. Accept the following cash gifts:
   a. Cash donation of $1,958.91 to the Santa Clara County Library District and augment the budget for library materials.
   b. Cash donation of $1,500 to the Cupertino Library and augment the budget for courtyard furniture.
   c. Cash donation of $10,000 to the Gilroy Library and augment the budget for programming.
   d. Cash donation of $6,000 to the Los Altos Library and augment the budget for 3D Printing Project.
   e. Cash donation of $6,666.37 to the Los Altos Library and augment the budget for installation of divider panels.
   f. Cash donation of $1,032.19 to the Milpitas Library and augment the budget for display stand.
   g. Cash donation of $2,000 to the Milpitas Library and augment the budget for library materials.
   h. Cash donation of $10,000 to the Morgan Hill Library and augment the budget for Best Seller collection.
   i. Cash donation of $1,000 to the Woodland Library and augment the budget for programming and library materials.
*3. Accept the following grants
   a. Family Literacy Award Grant in the amount of $50,000 from the California State Library.
*4. Approve Calendar Year 2020 Meeting Schedule.
*6. Ratify SCCLD Foundation Board Member Appointments.
*7. Accept payment of $59,000 from First 5 Santa Clara County.
*8. Add one full-time Janitor, one full-time Librarian and one full-time Buyer positions, with the deletion of one vacant part-time Janitor, one vacant part-time Librarian, and one vacant full-time Library Technician positions.
*9. Add one full-time Library Clerk and one part-time Library Circulation Aide positions, with the deletion of two vacant part-time Library Clerk and one vacant part-time Library Page positions.
*10. Approve 2019-2020 Legislative Agenda Policy.

Chair Wasserman pulled item #5 Ratify Finance Committee Appointments to vote on separately.
Motion was moved by Kumar and seconded by Bracco to approve Consent Calendar items 1-4 and 6-10. The motion passed unanimously by the following vote:
Ayes: Wasserman, Lee Eng, Simitian, Paul, Bracco, Corrigan, Leuthold and Kumar
Absent: Waterman, Montano and Constantine

*5. Ratify Finance Committee Appointments

Chair Wasserman noted that prior to ratifying the Finance Committee appointments, an Alternate needed to be appointed. Board Member Corrigan volunteered to be the Alternate. There were no other volunteers from the floor.

Motion was moved by Lee Eng and seconded by Bracco to appoint Courtenay C. Corrigan as the Alternate on the Finance Committee. The motion passed unanimously by the following vote:
Ayes: Wasserman, Lee Eng, Simitian, Paul, Bracco, Corrigan, Leuthold and Kumar
Absent: Waterman, Montano and Constantine

Now that the Finance Committee membership was whole with Board Member Corrigan as the Alternate, the Finance Committee could be ratified.

Motion was moved by Lee Eng and seconded by Leuthold to ratify Finance Committee appointments as presented. The motion passed unanimously by the following vote:
Ayes: Wasserman, Lee Eng, Simitian, Paul, Bracco, Corrigan, Leuthold and Kumar
Absent: Waterman, Montano and Constantine

OLD BUSINESS
11. Adopt revised Behavior Policy

Motion was moved by Kumar and seconded by Paul to adopt the revised Behavior Policy. The motion passed unanimously by the following vote:
Ayes: Wasserman, Lee Eng, Simitian, Paul, Bracco, Corrigan, Leuthold and Kumar
Absent: Waterman, Montano and Constantine

NEW BUSINESS
12. Accept the Five-Year Financial Forecast for Fiscal Years 2019-2020 to 2023-2024 for the Library District

Staff report. Chuck Griffen, Financial and Administrative Services Manager. This report is an annual review of the Library’s finances and is a forecast only. It is a snapshot of projected revenues and expenditures. It also demonstrates to the Board that the Library is planning for the future in a financially responsible fashion. One of the major points of the report is that the Library is expecting a softening of property taxes in the next few years. The Library has been receiving large increases of property taxes for the last 8 years and now property tax revenue is expected to slow
down significantly. The Library is preparing for the slowdown and the revenues do reflect that. The Library does have a significant reserve for economic uncertainty that can be used if necessary to keep the library open with no negative impact to patrons.

The Finance Committee discussed at length the Five-Year Financial Forecast at their meeting on January 8, 2020 and unanimously recommended acceptance by the full board.

**Motion was moved by Lee Eng and seconded by Bracco to accept the Five-Year Financial Forecast for Fiscal Years 2019-2020 to 2023-2024 for the Library District.**

The motion passed unanimously by the following vote:

**Ayes:** Wasserman, Lee Eng, Simitian, Paul, Bracco, Corrigan, Leuthold and Kumar

**Absent:** Waterman, Montano and Constantine

### REPORTS/COMMENTS

13. **County Librarian**

   - Silicon Valley Reads kicks off on January 23, at 7:30 p.m., at De Anza College presenting the female venture capitalists who helped create Silicon Valley and whose stories are featured in the book, *Alpha Girls*, by author Julian Guthrie.
   - County Librarian Howe thanked board members who will be reading to children as celebrity guest readers in the months of February and March.
   - The 17th Annual Library Forum is on Saturday, February 1, 2020. All board members are invited to attend alongside library volunteers to learn about library issues and services.
   - County Librarian Howe announced that this was her last JPA meeting and that she would be retiring March 27, 2020.
   - County Librarian Howe commended the JPA members for their leadership and collaborative work to create one of the best libraries in the United States.

14. **SCCLD Foundation**

   - Terrie Creamer, President of the Santa Clara County Library District Foundation.
   - It has been 4 years since the Foundation received 501 (c) (3) status and during this past year has received four grants from various Library Friends groups and community organizations.
   - The Foundation has granted $37,000 to the Library to support programs, e.g., Bookmobile, Reading Program, Rise Up Program, Silicon Valley Reads and Distinguish Author Series.
   - Ms. Creamer thanked the JPA for their financial and staff support.
   - Ms. Creamer thanked County Librarian Howe for her vision and support of the Foundation.
   - Presented their new brochure and mission statement.

15. **JPA Board Members**

   - Board Member Simitian commended County Librarian Howe for being an extraordinary public servant. He has enjoyed working with Ms. Howe for the last 7 years.
PRESENTATION
Chair Wasserman presented a proposal from Milpitas Library Commissioner Dana Arbaugh to name the largest conference room the Howe Room in the new building at 1344 Dell Avenue in honor of County Librarian Nancy Howe. The proposal to was reviewed and approved by County Counsel and required a vote.

Motion was moved by Wasserman and seconded by Corrigan to name the largest conference room in the new building at 1344 Dell Avenue the Howe Room.
The motion passed unanimously by the following vote:
Ayes: Wasserman, Lee Eng, Simitian, Paul, Bracco, Corrigan, Leuthold and Kumar
Absent: Waterman, Montano and Constantine

Next, Chair Wasserman presented a certificate of appreciation to County Librarian Nancy Howe for her 25 years of service to the Santa Clara County Library District.

Then, Board Member Corrigan presented a proclamation from the City Council and the Town of Los Altos Hills to Nancy Howe, County Librarian.

ADJOURN
With no further business, motion was moved by Chair Wasserman and seconded by Lee Eng to adjourn the meeting at 1:06 p.m. to the next Joint Powers Authority Board meeting on Thursday, April 30, 2020 at 12:00 p.m. at the Santa Clara County Library District Services and Support Center, 1370 Dell Avenue, Campbell, CA 95008.
The motion passed unanimously by the following vote:
Ayes: Wasserman, Lee Eng, Simitian, Paul, Bracco, Corrigan, Leuthold and Kumar
Absent: Waterman, Montano and Constantine

Respectfully submitted,

Cynthia Rios Garcia, Secretary
Library District Joint Powers Authority Board
JOINT POWERS AUTHORITY
BOARD TRANSMITTAL

DATE: April 30, 2020

TO: Joint Powers Authority Board

FROM: Jennifer Weeks, Acting County Librarian

SUBJECT: FOLLOW-UP TO 2019 PATRON SATISFACTION SURVEY RESULTS REPORT

RECOMMENDED ACTION

It is recommended that the JPA Board accept the following report, which responds to the January 23, 2020 Board discussion of the Santa Clara County Library District’s (SCCLD) 2019 Patron Satisfaction Survey Results report.

FISCAL IMPLICATIONS
This report is for information only.

BACKGROUND/REASONS FOR RECOMMENDATION

At the January 23, 2020 JPA Board meeting Harder+Company presented the 2019 Patron Satisfaction Survey Results, which the Board discussed. This report is a response to the Board’s request for clarifying and follow-up information, including a response to questions about library circulation across various formats, e.g. how DVD use compares with book borrowing in light of digital streaming, and how the District’s general performance as a library system compares with the industry.

During the presentation, the Board noticed an inconsistency on the “Facilities” section of the report (see Fig. 1), which read that 95% of participants reported library computers to be operating effectively “most of the time” or “always or almost always” (Key Findings, 5). However, the corresponding bar chart did not match that figure, as seen in the figure below. Library staff subsequently verified with Harder+Company that this was due to a formatting error, and that the 95% figure is correct. The formatting has been corrected, and the final report added to the website.

*Figure 1. Facilities Satisfaction Formatting Error*
Changing Popularity of Library Material by Format

In response to the question about the popularity of DVDs versus books, DVDs are the District’s second most popular physical format (see Fig. 2), making up 19% of all physical material borrowed, while books constitute 75%. At the same time, DVD circulation has decreased by 8% over the past three years (see Fig. 3) along with CD audiobooks and CD music, which decreased by 19% and 24% respectively, while the circulation of physical books has increased over the past three years by 9% along with a 13% increase in library hours, as well as a move to 7 days a week service.

*Figure 2. Physical Material Circulation by Percentage*

<table>
<thead>
<tr>
<th>TOTAL PHYSICAL MATERIAL CIRCULATION</th>
<th>AUDIO BOOKS</th>
<th>MUSIC</th>
<th>DVD-VIDEO</th>
<th>INTERACTIVE MEDIA</th>
<th>PER</th>
<th>BOOKS, ETC.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>2.0%</td>
<td>1.9%</td>
<td>18.7%</td>
<td>0.9%</td>
<td>1.4%</td>
<td>75.2%</td>
</tr>
<tr>
<td>2018</td>
<td>2.3%</td>
<td>2.1%</td>
<td>20.0%</td>
<td>0.9%</td>
<td>1.4%</td>
<td>73.4%</td>
</tr>
<tr>
<td>2017</td>
<td>2.6%</td>
<td>2.5%</td>
<td>21.0%</td>
<td>0.9%</td>
<td>1.5%</td>
<td>71.6%</td>
</tr>
</tbody>
</table>

*Figure 3. Physical Material Circulation by Count and Change from 2017-2019*

<table>
<thead>
<tr>
<th>TOTAL PHYSICAL MATERIAL CIRCULATION</th>
<th>AUDIO BOOKS</th>
<th>MUSIC</th>
<th>DVD-VIDEO</th>
<th>INTERACTIVE MEDIA</th>
<th>PER</th>
<th>BOOKS, ETC.</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>175,718</td>
<td>162,808</td>
<td>1,642,033</td>
<td>76,692</td>
<td>121,976</td>
<td>6,615,226</td>
<td>8,794,453</td>
</tr>
<tr>
<td>2018</td>
<td>199,231</td>
<td>184,256</td>
<td>1,741,321</td>
<td>74,819</td>
<td>122,202</td>
<td>6,406,010</td>
<td>8,727,839</td>
</tr>
<tr>
<td>2017</td>
<td>218,262</td>
<td>213,369</td>
<td>1,778,660</td>
<td>74,799</td>
<td>126,153</td>
<td>6,076,894</td>
<td>8,488,137</td>
</tr>
<tr>
<td>Inc/Dec 2017-2019</td>
<td>-19%</td>
<td>-24%</td>
<td>-8%</td>
<td>3%</td>
<td>-3%</td>
<td>9%</td>
<td>4%</td>
</tr>
</tbody>
</table>

While the use of CD audiobooks, CD music, and DVDs has decreased, the use of their digital counterparts have substantially increased (see Fig. 4). Over the past three years, circulation of digital audiobooks has increased by 130%, Overdrive audiobooks by 190%, digital music by 270%, and streaming video by 703%.
While SCCLD has seen a drop in CD and DVD use, these collections do make up 21% of our physical circulation, and of all patrons who currently have materials checked-out, 20% have at least one physical library DVD. Though streaming services Netflix, Hulu, Amazon, and Disney+, along with library streaming platforms, are indeed popular, CDs and DVDs still have a rightful place in the library collection, ensuring that all patrons have choices for library access.

**Library Key Performance Indicators: Comparing SCCLD with National and Local Libraries**

*Library Journal* has awarded SCCLD a Star rating since the award’s inception 12 years ago. Based on data submitted by more than 6,000 libraries throughout the nation, SCCLD is one of only 4 libraries--in the expenditure category exceeding $30M+--to achieve that Star rating all 12 years.* Annually, SCCLD staff reviews key performance indicators, submitted by the roughly 60 libraries represented in this expenditure category, comparing per capita use in circulation, e-material circulation, library visits, program attendance, public internet use, and Wi-Fi sessions.

Across these key performance indicators, SCCLD compares favorably to peers, as evidenced by the Star rating. Out of 60 libraries in our expenditure category, SCCLD stands 4th in both circulation and visits per capita, 6th in Wi-Fi sessions, 16th in program attendance, and 22nd in public computer usage. However, in the category of e-material circulation per capita, SCCLD falls surprisingly short with a ranking of 33rd given our location in the heart of Silicon Valley. At the time of the last award in 2019 e-material circulation was only 6% of SCCLD’s total circulation, with the average e-material circulation in our expenditure category close to 15%.

Seeing an opportunity to provide our patrons with expanded inventory, SCCLD systematically increased the e-material budget, from $550K to $1.8M, a 228% growth over the previous two budget cycles. This has resulted in a significant increase in available materials and overall usage, as e-material circulation is now roughly 14% of SCCLD’s total circulation (see Fig. 5), an 8% increase, and more in keeping with the peer expenditure category average.
*Library Journal* calculates rankings based on the Institute of Museum and Library Services’ Public Library Survey stats, which are collected on a state by state basis by each state library for all public libraries in their state. Due to the size and scope of this annual data survey, the Star rankings are based on data two years prior to the award year, meaning the 2019 rankings were based on 2017 SCCLD data.

On a local level, SCCLD is the only library system to note percentage increases in circulation, hours, and visitors (see Fig. 6) when compared to neighboring libraries during the period of 2017-2019.

*Figure 6. Comparison of Local Changes in Circulation, Hours, and Visitors*

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>San Jose Public Library</td>
<td>-15%</td>
<td>4%</td>
<td>-8%</td>
</tr>
<tr>
<td>Santa Clara County Library</td>
<td>12%</td>
<td>9%</td>
<td>4%</td>
</tr>
<tr>
<td>Sunnyvale Public Library</td>
<td>-9%</td>
<td>0%</td>
<td>-9%</td>
</tr>
<tr>
<td>Santa Clara City Library</td>
<td>-8%</td>
<td>11%</td>
<td>0%</td>
</tr>
<tr>
<td>Mountain View Public Library</td>
<td>-7%</td>
<td>-2%</td>
<td>-7%</td>
</tr>
<tr>
<td>Palo Alto City Library</td>
<td>-4%</td>
<td>0%</td>
<td>-2%</td>
</tr>
<tr>
<td>Los Gatos Public Library</td>
<td>-2%</td>
<td>0%</td>
<td>-12%</td>
</tr>
</tbody>
</table>
JOINT POWERS AUTHORITY
BOARD TRANSMITTAL

DATE: April 30, 2020

TO: Joint Powers Authority Board

FROM: Jennifer Weeks, Acting County Librarian

SUBJECT: UPDATED LIBRARY BUILDING POLICY

RECOMMENDED ACTIONS
The JPA Finance Committee recommends that the JPA Board approve the updated Library Building Policy to clarify roles and responsibilities of member cities and the Santa Clara County Library District.

BACKGROUND/REASONS FOR RECOMMENDATION
The Joint Powers Authority Library Building Policy was established by the JPA in 1999 and amended in January 2019. Currently, new construction or renovation is being considered for five library buildings, generating questions by member cities regarding responsibilities and financing.

The key tenets of the 1999 policy are still valid today given the financial condition of SCCLD. These are:

- Construction and renovation of the library buildings are the responsibility of the city as owner of the building.
- The priority for SCCLD revenue is operation of the libraries.
- Three cities – Gilroy, Milpitas, and Morgan Hill – qualified for additional library space under the 1999 policy and thus the Library District continues to make payments as part of those associated lease agreements.
- Library District financial contributions to expansions or new construction of Community Library or Library Branch facilities end at the conclusion of these three remaining lease payment obligations.

In 2019, the JPA Board added an amendment to the policy allowing funding for design work for new, expanded, and/or significantly remodeled library buildings subject to JPA Board approval on a case-by-case basis.
RECOMMENDED POLICY REVISIONS

It is recommended that the following should be added to the policy to ensure equity and responsible budget decisions. The recommendations below are based on past practice and alignment with the existing policy:

1. Lease agreements exist between the city owning the library building and the Library District. New lease agreements must be approved by the JPA and will not include a provision for rental payments. In addition to library hours and operations, the responsibility of the Library District shall include all interior maintenance, janitorial services, interior and exterior paint, utility payments, emergency alarm systems, building security systems, pest management, interior design, furnishings and fixtures, technology infrastructure, roofing, and HVAC systems.

2. The JPA will annually review the Library District’s Capital Maintenance Plan, which will address and reserve funding for significant maintenance expenditures expected at each library facility in the ensuing ten years.

3. If a city chooses to rebuild or renovate its library building, the Library District may contribute financially to design (as noted in the 2019 Library Building Policy amendment); furniture, fixtures, and equipment (“FF&E”); and interior soft costs. Also, the Library may contribute capital maintenance project dollars that are budgeted or set aside in the next three years of the Capital Maintenance Plan for areas related to the Library rebuild or renovation.

4. The Library District shall budget from time to time for interior space design and construction in order to keep the library buildings welcoming and designed for contemporary library services.

5. Cities will be responsible for any library building structural work necessary to maintain compliance with ADA regulations.

6. During library building construction, the city shall provide a temporary facility for continued library hours and operations. The Library District shall be responsible for moving costs, storage, and interior FF&E for library operations.

FISCAL IMPLICATIONS

As before, costs associated with these recommendations will be reviewed by the JPA Finance Committee and JPA Board as each body reviews and approves the annual operating budget, the annual capital maintenance plan review, and an annual review of the library district’s technology plan; any significant one-time costs and/or significant deviations from these annual reviews will also be reviewed by both entities on an ad hoc basis. These above recommendations will ensure that ongoing library revenue will continue to provide for a robust library system with operating hours and services that meet the evolving needs of all Library District residents.
JOINT POWERS AUTHORITY
BOARD TRANSMITTAL

DATE: April 30, 2020

TO: Joint Powers Authority Board

FROM: Jennifer Weeks, Acting County Librarian

SUBJECT: CONSIDER THE FISCAL YEAR 2020-21 PRELIMINARY BUDGET

RECOMMENDED ACTION

The Finance Committee recommends that the JPA Board consider and discuss the Fiscal Year 2019-2020 Preliminary Budget.

BACKGROUND/REASONS FOR RECOMMENDATION

The COVID-19 crisis creates a great deal of uncertainty related to the Library District’s revenue streams, 96% of which are related to various property tax streams. It is impossible to know at this point in time the extent of any such reductions going forward, and the length that these reductions could continue.

Thankfully, the Library Joint Powers Authority Board (“Board”) established an “Economic Uncertainty Reserve” to mitigate this type of circumstance; and due to additional allocations over the years, this reserve has increased to $17,000,000. Nevertheless, rather than dipping into these reserves at this time, Library staff recommends rolling over Fiscal Year 2019-20 budget savings into Fiscal Year 2020-21 to shore up any funding gaps expected at this time, and to save the Economic Uncertainty Reserve for any further reductions in revenue.

The current expected funding gap is principally a result of a $4.1 million (8.0%) reduction in property tax revenue (based on the latest information from the County Controller’s office before this crisis began) and a $2.8 million (7.7%) increase in Salaries and Benefits due to the expected conclusion of union contract negotiations. Again, these figures remain very fluid as the current COVID-19 picture changes weekly, daily, and hourly. Nevertheless, the Library District’s budget goal is to ensure fiscal sustainability; and to that end, fiscal staff will remain ever vigilant, freezing positions and limiting expenditures where possible, and forestalling any new programs or services until the economic picture becomes clearer. As necessary, the Committee and Board can consider additional adjustments to this budget as each body
The Library District considers adoption of the budget at the May 20, 2020 and June 25, 2020 meetings, respectively.

As mentioned on page 11 of this budget document, the Library District will continue to reserve the following amounts for future use:

- $6,678,000 Capital Maintenance Reserve (for major capital maintenance needs expected over the next ten years.
- $1,230,000 Technology Reserve (for the remaining funding in the JPA adopted Three Year Technology Plan)
- $17,000,000 Economic Uncertainty Reserve
- $7,800,000 1344 Dell Avenue Capital Program

As a result, the Library District remains well-positioned to confront this uncertain future with prudently planned fiscal resources.
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Estimated Revenue:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>47,343,720</td>
</tr>
<tr>
<td>State Sources</td>
<td>53,523</td>
</tr>
<tr>
<td>Special Tax</td>
<td>5,996,705</td>
</tr>
<tr>
<td>City/County Contribution</td>
<td>618,458</td>
</tr>
<tr>
<td>Fines &amp; Fees</td>
<td>550,000</td>
</tr>
<tr>
<td>Other</td>
<td>1,264,716</td>
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<tr>
<td><strong>TOTAL Current Revenue</strong></td>
<td>55,827,122</td>
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</table>

Requested Expenditures:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Personnel</td>
<td>39,788,096</td>
</tr>
<tr>
<td>Books and Materials</td>
<td>7,927,451</td>
</tr>
<tr>
<td>Facilities</td>
<td>5,616,311</td>
</tr>
<tr>
<td>Services and Supplies</td>
<td>9,481,098</td>
</tr>
<tr>
<td><strong>TOTAL Operating Budget</strong></td>
<td>62,812,957</td>
</tr>
</tbody>
</table>

Transfer from Cap. & IT Res. 5,944,000
2019-20 Budget Rollover 5,563,971

**TOTAL** 67,335,093

**Four-Year Expenditure Trend**
Fiscal Year 2020-2021 Library Revenue

- Property Taxes, 47,343,720 (85%)
- State Grants, $53,523 (<1%)
- Special Tax, 5,996,705 (11%)
- City & County Contribution, 618,458 (1%)
- Fines & Fees, 550,000 (<1%)
- Other, 1,264,000...
- Other, 1,264,000...

Fiscal Year 2020-2021 Library Expenditures

- Personnel, 39,788,096 (59%)
- Fixed Assets, 4,552,136 (7%)
- Services & Supplies, 9,481,098 (14%)
- Facilities, 5,616,311 (8%)
- Books and Materials, 7,927,451 (12%)
## Santa Clara County Library Budget
### Fiscal Year 2020 - 2021
### Four-Year Recap of Revenue & Expenses

<table>
<thead>
<tr>
<th></th>
<th>FY 17-18 Actual</th>
<th>FY 18-19 Actual</th>
<th>FY 19-20 Approved</th>
<th>FY 19-20 Estimated</th>
<th>FY 20-21 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>40,852,344</td>
<td>46,805,141</td>
<td>49,355,136</td>
<td>51,459,074</td>
<td>47,343,720</td>
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<td>180,635</td>
<td>53,523</td>
<td>53,523</td>
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<td>5,855,190</td>
<td>5,895,434</td>
<td>5,895,434</td>
<td>5,996,705</td>
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<td>City &amp; County Contribution</td>
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<td>1,999,495</td>
<td>618,458</td>
<td>618,458</td>
<td>618,458</td>
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<td>Fines &amp; Fees</td>
<td>526,435</td>
<td>575,570</td>
<td>482,000</td>
<td>550,000</td>
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<td>Other</td>
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<td>1,716,483</td>
<td>990,728</td>
<td>1,238,470</td>
<td>1,264,716</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>50,714,808</td>
<td>57,132,513</td>
<td>57,395,279</td>
<td>59,814,959</td>
<td>55,827,122</td>
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<tr>
<td>Transfer from Cap. &amp; IT Reserves</td>
<td>0</td>
<td>0</td>
<td>2,095,000</td>
<td>2,095,000</td>
<td>5,944,000</td>
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<tr>
<td>Transfer from Prior Year</td>
<td>0</td>
<td>0</td>
<td>2,945,000</td>
<td>2,945,000</td>
<td>5,563,971</td>
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<tr>
<td><strong>TOTAL FINANCING AVAILABLE</strong></td>
<td>50,714,808</td>
<td>57,132,513</td>
<td>62,435,279</td>
<td>64,854,959</td>
<td>67,335,093</td>
</tr>
</tbody>
</table>

|                      |                 |                 |                   |                    |                 |
| **EXPENSES**         |                 |                 |                   |                    |                 |
| Personnel            | 30,257,567      | 32,128,919      | 36,958,430        | 36,958,430         | 39,788,096      |
| Books and Materials  | 6,614,473       | 7,406,012       | 7,661,386         | 7,661,385          | 7,927,451       |
| Facilities           | 3,060,989       | 2,960,093       | 5,857,898         | 4,444,838          | 5,616,311       |
| Services and Supplies| 5,892,548       | 5,815,801       | 9,894,412         | 9,477,560          | 9,481,098       |
| Fixed Assets & Vehicles| 394,306        | 62,706          | 1,592,294         | 720,294            | 4,522,136       |
| **TOTAL**            | 46,219,883      | 48,373,531      | 61,964,420        | 59,262,506         | 67,335,093      |
## Fiscal Year 2020-2021

### REVENUE PROJECTION

<table>
<thead>
<tr>
<th>REVENUE SOURCE</th>
<th>FY 18-19 Actual</th>
<th>FY 19-20 Budget</th>
<th>FY 19-20 Projected</th>
<th>FY 20-21 Budget</th>
<th>Variance from Approved</th>
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<tbody>
<tr>
<td>Supplemental Roll</td>
<td>$1,310,964</td>
<td>$753,502</td>
<td>$950,445</td>
<td>$824,445</td>
<td>$70,943</td>
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<td>Property Tax - Current Secured</td>
<td>29,742,754</td>
<td>31,118,653</td>
<td>31,380,691</td>
<td>31,847,691</td>
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<td>Property Tax - RDA Distribution</td>
<td>1,530,950</td>
<td>1,471,000</td>
<td>1,662,178</td>
<td>1,662,178</td>
<td>191,178</td>
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<tr>
<td>Property Tax - Current Unsecured</td>
<td>2,358,889</td>
<td>2,312,130</td>
<td>2,263,100</td>
<td>2,220,300</td>
<td>-91,830</td>
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<tr>
<td>ERAF Reimbursements</td>
<td>6,411,965</td>
<td>8,071,000</td>
<td>9,334,000</td>
<td>4,667,000</td>
<td>-3,404,000</td>
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<tr>
<td>Property Tax - Unitary Roll</td>
<td>913,559</td>
<td>873,851</td>
<td>885,106</td>
<td>885,106</td>
<td>11,255</td>
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<tr>
<td>Property Tax- VLF in lieu</td>
<td>3,498,239</td>
<td>3,696,000</td>
<td>3,735,554</td>
<td>3,989,000</td>
<td>293,000</td>
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<tr>
<td>RDA- Property Tax Pass-thru</td>
<td>1,037,821</td>
<td>1,059,000</td>
<td>1,248,000</td>
<td>1,248,000</td>
<td>189,000</td>
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<tr>
<td>Subtotal All Property Tax</td>
<td>$46,805,141</td>
<td>$49,355,136</td>
<td>$51,459,074</td>
<td>$47,343,720</td>
<td>-$2,011,416</td>
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<td>Library Fees and Charges</td>
<td>$264,023</td>
<td>$232,000</td>
<td>$250,000</td>
<td>$250,000</td>
<td>$18,000</td>
</tr>
<tr>
<td>Library Overdue Fines</td>
<td>311,547</td>
<td>250,000</td>
<td>300,000</td>
<td>300,000</td>
<td>50,000</td>
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<tr>
<td>Interest Earnings</td>
<td>778,414</td>
<td>500,000</td>
<td>750,000</td>
<td>750,000</td>
<td>250,000</td>
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<td>Homeowner Prop. Tax Relief</td>
<td>142,483</td>
<td>142,768</td>
<td>140,510</td>
<td>139,222</td>
<td>(3,546)</td>
</tr>
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<td>State LSCA</td>
<td>98,791</td>
<td>53,523</td>
<td>53,523</td>
<td>53,523</td>
<td>0</td>
</tr>
<tr>
<td>Other State Grants</td>
<td>81,844</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Contributions from Cities</td>
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<td>567,458</td>
<td>567,458</td>
<td>567,458</td>
<td>0</td>
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<tr>
<td>Special Tax - CFD</td>
<td>5,856,190</td>
<td>5,895,434</td>
<td>5,895,434</td>
<td>5,996,705</td>
<td>101,271</td>
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<td>Other Library Services</td>
<td>34,981</td>
<td>21,250</td>
<td>21,250</td>
<td>21,250</td>
<td>0</td>
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<tr>
<td>Contributions &amp; Donations</td>
<td>437,620</td>
<td>0</td>
<td>0</td>
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<td>0</td>
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<td>Passport Fees</td>
<td>191,976</td>
<td>286,710</td>
<td>286,710</td>
<td>314,244</td>
<td>27,534</td>
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<tr>
<td>Misc. Income</td>
<td>94,583</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>0</td>
</tr>
<tr>
<td>Transfer from County</td>
<td>281,413</td>
<td>51,000</td>
<td>51,000</td>
<td>51,000</td>
<td>0</td>
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<tr>
<td>Federal Medicare Credit</td>
<td>36,426</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
<td>0</td>
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<tr>
<td>Subtotal All Other Sources</td>
<td>$10,327,372</td>
<td>$8,040,143</td>
<td>$8,355,885</td>
<td>$8,483,402</td>
<td>$443,259</td>
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<tr>
<td>TOTAL</td>
<td>$57,132,513</td>
<td>$57,395,279</td>
<td>$59,814,959</td>
<td>$55,827,122</td>
<td>-$1,568,157</td>
</tr>
</tbody>
</table>

| Budget Rollover from Prior Year       | $0              | $2,095,000     | $2,095,000        | $5,563,971     | $3,468,971             |

| Transfer from Cap. & IT Reserves      | $0              | $2,945,000     | $2,945,000        | $5,944,000     | $2,999,000             |

| GRAND TOTAL                           | $57,132,513     | $62,435,279    | $64,854,959       | $67,335,093    | $4,899,814             |

Overall property taxes in FY 2020-2021 are forecasted to decrease 8% from the projected FY 2019-2020 amounts based on estimates from the County Controller's Office, primarily due to an expected 50% decrease in ERAF reimbursements. All other revenue sources remain relatively flat, with the exception of interest earnings, which have increased due in part to the increased amounts in the Library District's designated reserves. The "Budget Rollover from Prior Year" represents specific projects budgeted in 2019-20 that will not be accomplished until 2020-21, as well as an additional $3 million in overall savings. The "Transfer from Reserves" represents FY 2019-2020 projects for which funding was set aside by the JPA Board in its approval of the Technology and Capital Maintenance Plans.
The proposed personnel budget of $39,958,430 reflects a $2.8 million increase from the original JPA-approved Fiscal Year 2019-20 personnel budget associated with the following personnel actions:

- A 4.15% increase ($1.5 million) in combined salary and benefit increases
- $849,000 for the establishment of the new Library Circulation Aide positions (approved by the JPA Board on October 24, 2019)
- $447,000 in living wage increases for Library clerical positions

No new positions are being added at this time.
## Expenditure & Revenue Recap

<table>
<thead>
<tr>
<th>2020-21</th>
<th>Traditional</th>
<th>CFD</th>
<th>Local/Gifts</th>
<th>Passport</th>
<th>Transfer</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$48,948,715</td>
<td>$5,996,705</td>
<td>$567,458</td>
<td>$314,244</td>
<td>$11,507,971</td>
<td>$67,335,093</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>$8,039,438.49</td>
<td></td>
<td>$7,057,971</td>
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<td>$15,097,409</td>
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<tr>
<td>Capital</td>
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<td>$4,450,000</td>
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<td>$4,522,136</td>
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<tr>
<td>Books, Etc</td>
<td>$6,728,110</td>
<td>$1,199,341</td>
<td></td>
<td>$7,927,451</td>
<td></td>
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<tr>
<td>Personnel</td>
<td>$34,109,030</td>
<td>$6,728,110</td>
<td>$1,199,341</td>
<td></td>
<td>$39,788,093</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$48,948,715</td>
<td>$5,996,705</td>
<td>$567,458</td>
<td>$314,244</td>
<td>$11,507,971</td>
<td>$67,335,093</td>
</tr>
</tbody>
</table>

## Community Facilities District Recap

<table>
<thead>
<tr>
<th>CFD REVENUES</th>
<th>Personnel</th>
<th>Books</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campbell</td>
<td>581,559</td>
<td>$465,248</td>
</tr>
<tr>
<td>Cupertino</td>
<td>761,892</td>
<td>$609,513</td>
</tr>
<tr>
<td>Gilroy</td>
<td>73,636</td>
<td>$585,309</td>
</tr>
<tr>
<td>Los Altos/Wo</td>
<td>505,332</td>
<td>$404,266</td>
</tr>
<tr>
<td>Milpitas</td>
<td>1,110,090</td>
<td>$888,072</td>
</tr>
<tr>
<td>Morgan Hill</td>
<td>624,978</td>
<td>$499,983</td>
</tr>
<tr>
<td>Saratoga/MS</td>
<td>437,386</td>
<td>$349,909</td>
</tr>
<tr>
<td>Subtotal</td>
<td>4,752,874</td>
<td>$3,802,299</td>
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<tr>
<td>Bookmobile*</td>
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<td>$566,963</td>
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<tr>
<td>Unincorporated*</td>
<td>1,243,832</td>
<td>$428,102</td>
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<tr>
<td><strong>Total</strong></td>
<td>$5,996,705</td>
<td>$4,797,364</td>
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## Salary and Benefit Recap

<table>
<thead>
<tr>
<th>PERSONNEL</th>
<th>Formula Share</th>
<th>Traditional by Platform</th>
<th>Remainder by Formula</th>
<th>100% CFD Return</th>
<th>Unincorp CFD by formula</th>
<th>Passport Fees</th>
<th>Specific Place $ (City/NCLA)</th>
<th>FY21 TOTAL</th>
<th>FY20 Budgeted</th>
<th>Change from FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campbell</td>
<td>11.04%</td>
<td>$1,446,381</td>
<td>$1,143,219</td>
<td>$465,248</td>
<td>$47,265</td>
<td>$3,102,113</td>
<td>$2,874,067</td>
<td>$2,634,267</td>
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<td></td>
</tr>
<tr>
<td>Cupertino</td>
<td>21.78%</td>
<td>$2,338,463</td>
<td>$2,254,843</td>
<td>$609,513</td>
<td>$63,224</td>
<td>$2,391,744</td>
<td>$2,226,043</td>
<td>$2,037,467</td>
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<tr>
<td>Gilroy</td>
<td>10.38%</td>
<td>$1,222,655</td>
<td>$1,074,324</td>
<td>$585,309</td>
<td>$44,117</td>
<td>$1,626,847</td>
<td>$1,486,769</td>
<td>$1,406,948</td>
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<tr>
<td>Los Altos/Woodland</td>
<td>16.22%</td>
<td>$1,987,321</td>
<td>$1,680,001</td>
<td>$404,266</td>
<td>$69,458</td>
<td>$104,748</td>
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<td>$348,024</td>
<td>$336,000</td>
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<tr>
<td>Milpitas</td>
<td>18.14%</td>
<td>$1,922,875</td>
<td>$1,878,840</td>
<td>$998,072</td>
<td>$77,679</td>
<td>$1,883,008</td>
<td>$1,845,748</td>
<td>$1,787,748</td>
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<tr>
<td>Morgan Hill</td>
<td>9.86%</td>
<td>$1,282,523</td>
<td>$1,021,081</td>
<td>$499,983</td>
<td>$42,216</td>
<td>$1,266,803</td>
<td>$1,216,985</td>
<td>$1,196,985</td>
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<tr>
<td>Saratoga</td>
<td>12.58%</td>
<td>$1,625,846</td>
<td>$1,302,336</td>
<td>$349,909</td>
<td>$53,844</td>
<td>$1,333,745</td>
<td>$1,296,940</td>
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<tr>
<td><strong>Sub-Total Libraries</strong></td>
<td>100%</td>
<td>$11,826,062</td>
<td>$10,354,644</td>
<td>$3,802,299</td>
<td>$314,244</td>
<td>$567,458</td>
<td>$27,292,811</td>
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<td>Headquarters</td>
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<td></td>
<td>$11,504,882</td>
<td>$10,707,597</td>
<td>$797,285</td>
<td>$794,163</td>
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<td>The Reading Program</td>
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<td>$423,437</td>
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<td>$39,788,093</td>
<td>$36,958,426</td>
<td>$2,829,667</td>
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Santa Clara County Library District
FTE from FY 2010-2011 to FY 2020-2021

The following totals included benefited positions, extra help positions and allocations of extra hours for part-time employees:

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<td>20.0%</td>
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<td>5.0</td>
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<td>38.8</td>
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<td>28.8</td>
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<td>30.6</td>
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<td>Saratoga</td>
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<td>23.9</td>
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<td>25.2</td>
<td>25.7</td>
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<td><strong>Subtotal</strong></td>
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<td>Percent of total</td>
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<td>80.5%</td>
<td>80.4%</td>
<td>80.0%</td>
<td>80.1%</td>
<td>80.0%</td>
<td>80.1%</td>
<td>80.2%</td>
<td>80.1%</td>
<td>80.0%</td>
<td>80.1%</td>
</tr>
</tbody>
</table>

| **Total FTE**  | 266.8   | 253.6   | 255.2   | 250.1   | 251.5   | 259.5   | 268.0   | 286.0   | 295.3   | 331.6   | 342.8   |

<table>
<thead>
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<th>2019/20</th>
<th>2020/21</th>
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<tr>
<td>Benefited FTE:</td>
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<td>Extra Help FTE:</td>
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<td>Extra Hours FTE:</td>
<td>24.1</td>
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<td><strong>TOTAL:</strong></td>
<td>331.6</td>
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## Fiscal Year 2020-2021 Facilities, Services and Supplies Request

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<tr>
<th>EXPENDITURE CATEGORY</th>
<th>FY 18-19 ACTUAL</th>
<th>FY 19-20 Budget (Adj)</th>
<th>FY 19-20 Projected</th>
<th>FY 20-21 Proposed Budget</th>
<th>Change</th>
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<td>Safety Shoes</td>
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<td>Communications &amp; Phone</td>
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<td>565,750</td>
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<td>7,987</td>
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<td>95,383</td>
<td>81,206</td>
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<tr>
<td>Maintenance- Equipment</td>
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<td>978,534</td>
<td>730,000</td>
<td>922,984</td>
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<td>Maintenance- Structures</td>
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<td>3,477,161</td>
<td>1,872,161</td>
<td>2,886,390</td>
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<td>Membership Dues &amp; Fees</td>
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<td>Postage Expense- Internal</td>
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<td>Workshops, Conf. &amp; Seminars</td>
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<td>Data Proc. Servc.- External</td>
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<td>31,858</td>
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<td>Lease- Equipment- Other</td>
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<td>253,495</td>
<td>253,495</td>
<td>218,000</td>
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<td>Rent &amp; Lease Building &amp; Improve.</td>
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<td>365,355</td>
<td>365,355</td>
<td>367,119</td>
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<td>Small Tools &amp; Instru.</td>
<td>111,850</td>
<td>145,000</td>
<td>145,000</td>
<td>173,750</td>
<td>28,750</td>
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<td>431,988</td>
<td>561,459</td>
<td>561,459</td>
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<td>PC Hardware</td>
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<td>2,035,235</td>
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<td>10,000</td>
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<td>Incentives and Promotions</td>
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<td>59,829</td>
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<td>45,000</td>
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<td>1,258,000</td>
<td>1,521,000</td>
<td>263,000</td>
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<td>12,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$16,181,907</strong></td>
<td><strong>$25,003,755</strong></td>
<td><strong>$21,583,783</strong></td>
<td><strong>$23,024,861</strong></td>
<td>(1,988,894)</td>
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### Facilities, Services and Supplies Summary:

The most dramatic increases from the prior year include $262,190 in "Communications & Phone" for VoIP maintenance, $247,234 in "PC Software" for online catalog and website subscriptions, $271,066 in "Library Materials" for increased e-book and electronic materials purchases, and $263,000 for anticipated utility cost increases. All major reductions are associated with one-time projects complete in 2019-20.
## Expenditure & Revenue Recap

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<tr>
<th>2020-21</th>
<th>Traditional</th>
<th>CFD</th>
<th>Local/Gifts</th>
<th>Passports</th>
<th>Transfer</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>REVENUES</td>
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<td>$5,996,705</td>
<td>$567,458</td>
<td>$314,244</td>
<td>$11,507,971</td>
<td>$67,335,093</td>
</tr>
<tr>
<td>EXPENDITURES</td>
<td></td>
<td></td>
<td></td>
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<td>Operating</td>
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<td>$0</td>
<td>$0</td>
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<td>$0</td>
<td>$0</td>
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<td>Books, Etc.</td>
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<td>$0</td>
<td>$0</td>
<td>$7,927,451</td>
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<tr>
<td>Personnel</td>
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<td>$4,797,364</td>
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<td>$314,244</td>
<td>$0</td>
<td>$39,788,096</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$48,948,714</td>
<td>$5,996,705</td>
<td>$567,458</td>
<td>$314,244</td>
<td>$11,507,971</td>
<td>$67,335,093</td>
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</tbody>
</table>

## Community Facilities District Recap

<table>
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<tr>
<th>CFD REVENUES</th>
<th>Personnel</th>
<th>Books</th>
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</thead>
<tbody>
<tr>
<td>Campbell</td>
<td>$581,559</td>
<td>$465,246</td>
</tr>
<tr>
<td>Cupertino</td>
<td>$761,892</td>
<td>$609,513</td>
</tr>
<tr>
<td>Gilroy</td>
<td>$731,636</td>
<td>$585,309</td>
</tr>
<tr>
<td>Los Altos/Wo</td>
<td>$505,332</td>
<td>$404,266</td>
</tr>
<tr>
<td>Milpitas</td>
<td>$1,110,090</td>
<td>$888,072</td>
</tr>
<tr>
<td>Morgan Hill</td>
<td>$624,978</td>
<td>$499,983</td>
</tr>
<tr>
<td>Saratoga/MS</td>
<td>$437,386</td>
<td>$349,909</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$4,752,874</td>
<td>$3,802,299</td>
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<tr>
<td>Bookmobile</td>
<td>$0</td>
<td>$566,963</td>
</tr>
<tr>
<td>Unincorporated*</td>
<td>$1,243,832</td>
<td>$428,102</td>
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<tr>
<td>Total</td>
<td>$5,996,705</td>
<td>$4,797,364</td>
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</tbody>
</table>

*Bookmobile expenses are deducted from the Unincorporated Revenues before applying formula to Unincorporated CFD

## Books and Materials Recap

<table>
<thead>
<tr>
<th>MATERIALS**</th>
<th>Formula Share</th>
<th>Traditional by Formula</th>
<th>CFD Return</th>
<th>Unincorp CFD by formula</th>
<th>Specific Place $ (City/NCLA)</th>
<th>FY21 TOTAL</th>
<th>FY20 Budgeted</th>
<th>Change from FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campbell</td>
<td>11.04%</td>
<td>$725,382</td>
<td>$116,312</td>
<td>$19,737</td>
<td>$681,431</td>
<td>$822,813</td>
<td>$36,618</td>
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</tr>
<tr>
<td>Cupertino</td>
<td>21.78%</td>
<td>$1,430,717</td>
<td>$152,378</td>
<td>$38,928</td>
<td>$1,622,024</td>
<td>$1,569,494</td>
<td>$32,530</td>
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</tr>
<tr>
<td>Gilroy</td>
<td>10.38%</td>
<td>$681,668</td>
<td>$146,327</td>
<td>$18,548</td>
<td>$646,430</td>
<td>$820,631</td>
<td>$25,712</td>
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</tr>
<tr>
<td>Los Altos/Wo</td>
<td>16.22%</td>
<td>$1,065,975</td>
<td>$101,066</td>
<td>$29,004</td>
<td>$1,196,045</td>
<td>$1,159,041</td>
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</tr>
<tr>
<td>Milpitas</td>
<td>18.14%</td>
<td>$1,192,140</td>
<td>$222,018</td>
<td>$32,437</td>
<td>$1,446,595</td>
<td>$1,340,969</td>
<td>$105,626</td>
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<tr>
<td>Morgan Hill</td>
<td>9.86%</td>
<td>$647,884</td>
<td>$124,996</td>
<td>$17,628</td>
<td>$790,508</td>
<td>$787,118</td>
<td>$3,390</td>
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<tr>
<td>Saratoga</td>
<td>12.58%</td>
<td>$826,343</td>
<td>$87,477</td>
<td>$22,484</td>
<td>$936,304</td>
<td>$913,117</td>
<td>$23,187</td>
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<tr>
<td>Sub-Total Libraries</td>
<td>100%</td>
<td>$6,570,108</td>
<td>$950,575</td>
<td>$178,766</td>
<td>$0</td>
<td>$7,699,451</td>
<td>$7,433,383</td>
<td>$266,068</td>
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<tr>
<td>Bookmobile</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$70,000</td>
<td>$70,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Headquarters</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$158,000</td>
<td>$158,000</td>
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<tr>
<td>GRAND TOTAL</td>
<td></td>
<td>$6,728,108</td>
<td>$950,575</td>
<td>$248,766</td>
<td>$0</td>
<td>$7,927,451</td>
<td></td>
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</tr>
</tbody>
</table>

*Bookmobile expenses are deducted from the Unincorporated Revenues before applying formula to Unincorporated CFD
Fixed Assets

The following fixed asset requests will be funded with unspent funding from FY 2019-20 ($72,136) and a transfer from the Technology Reserve ($4,450,000):

Automated Material Handling System $4,000,000
This funding replacement of the automated materials handling machines throughout the library district.

Book Lending Services $300,000
This funding will be used to pilot book lending services for the library system.

Smart Devices for Public Use $150,000
This funding supports the loaning of “smart” devices to respond to patron needs.

Outreach Vehicle $72,136
This funding will be used to purchase a gas-powered outreach vehicle for the library system.

Total Fixed Asset Request: $4,522,136
BUDGETED RESERVES
Fiscal Year 2020-2021

Capital Maintenance (Building) Reserve
The designated Building Reserve serves to identify funding for future significant building repair and maintenance obligations. The amount requested to be transferred from this reserve in Fiscal Year 2020-21 is $619,000 for the following projects:

- Cupertino Carpet Replacement: $300,000
- Cupertino Front Door/Lobby Upgrade: $85,000
- Saratoga Audio-Visual Equipment: $55,000
- Cupertino Energy Audit Upgrades: $50,000
- Morgan Hill Audio-Visual Equipment: $50,000
- Miscellaneous Emergency Work: $50,000
- Saratoga Flat Roof Coating: $29,000

The current balance in this reserve: $7,297,000

Reserve for Future Operation (Technology)
The Board established this designated reserve to accrue financing for large, costly computer system upgrades and equipment replacement. In January 2019, the JPA Board considered the three-year comprehensive plan for technology replacement and upgrade and designated funds for technology improvements through 2022. The amount requested to be transferred from this reserve in Fiscal Year 2020-21 is $5,325,000. It is needed to pay for the items detailed in the Fixed Asset request and certain Services and Supplies items.

The current balance in this reserve: $6,555,000

Reserves Recap: The estimated status of reserves/fund balance, following adoption of the FY 2020-21 Budget, is as follows.

<table>
<thead>
<tr>
<th>FUND 0025</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Capital Maintenance Reserve</td>
<td>$6,678,000</td>
</tr>
<tr>
<td>Technology Reserve</td>
<td>1,230,000</td>
</tr>
<tr>
<td>Fund Balance- Economic Uncertainty Designation</td>
<td>17,000,000</td>
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<tr>
<td>1344 Dell Avenue Capital Program</td>
<td>7,800,000</td>
</tr>
<tr>
<td>Undesignated Fund Balance</td>
<td>$6,205,080</td>
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</table>
REBUDGET OF UNSPENT FISCAL YEAR 2019-2020 FUNDS
Fiscal Year 2020-2021

The following projects and purchases, budgeted in Fiscal Year 2019-2020, will not be completed before June 30, 2020 and need to be rebudgeted to Fiscal Year 2020-2021:

- $800,000 for Updated Community Room Audio-Visual Equipment;
- $460,000 for Los Altos Community Library Roof;
- $245,000 for Campbell Community Library Roof;
- $205,000 for Saratoga Community Library Roof Restoration;
- $200,000 for Campbell Library Interior Space;
- $200,000 for Gilroy Community Library Interior Space;
- $200,000 for Morgan Hill Community Library Interior Space;
- $72,136 for Outreach Vehicle;
- $50,000 for Link+ Catalog Subscription;
- $45,000 for Cupertino Library Automatic Doors;
- $35,000 for Morgan Hill Community Library Interior Painting;
- $15,000 for Campbell Library Automatic Doors;

Total amount rebudgeted from Fiscal Year 2019-2020: $2,527,136.
<table>
<thead>
<tr>
<th>Library</th>
<th>Population 1-1-19</th>
<th>Percent</th>
<th>Assessed Valuation</th>
<th>Percent</th>
<th>Circulation</th>
<th>Percent</th>
<th>Formula Share FY 19-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campbell</td>
<td>43,250</td>
<td>11,063,771,091</td>
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<tr>
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<td>8,532</td>
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<td>Redevelopment</td>
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<td></td>
</tr>
<tr>
<td>RDA Pass-thru</td>
<td>1,254,679,897</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>RDA Dissolution</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>51,782</td>
<td>13.263%</td>
<td>13,396,783,827</td>
<td>10.817%</td>
<td>857,166</td>
<td>9.042%</td>
<td>11.04% 10.89%</td>
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<tr>
<td>Cupertino</td>
<td>59,879</td>
<td>26,012,581,858</td>
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<td>686,462,595</td>
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<tr>
<td></td>
<td>63,918</td>
<td>16.371%</td>
<td>26,699,044,453</td>
<td>21.558%</td>
<td>2,597,500</td>
<td>27.399%</td>
<td>21.78% 22.12%</td>
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<tr>
<td>Gilroy</td>
<td>55,928</td>
<td>9,291,636,386</td>
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<td></td>
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<tr>
<td>Unincorporated</td>
<td>7,725</td>
<td>1,621,587,864</td>
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<tr>
<td></td>
<td>63,653</td>
<td>16.303%</td>
<td>10,913,224,250</td>
<td>8.812%</td>
<td>569,811</td>
<td>6.010%</td>
<td>10.38% 10.42%</td>
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<tr>
<td>Los Altos</td>
<td>31,190</td>
<td>16,809,016,557</td>
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<tr>
<td>Los Altos Hills</td>
<td>8,785</td>
<td>8,516,992,968</td>
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<td>Unincorporated</td>
<td>4,323</td>
<td>1,476,614,645</td>
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<td></td>
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<tr>
<td></td>
<td>44,298</td>
<td>11.346%</td>
<td>26,802,624,170</td>
<td>21.642%</td>
<td>1,487,071</td>
<td>15.686%</td>
<td>16.22% 16.27%</td>
</tr>
<tr>
<td>Milpitas</td>
<td>76,231</td>
<td>19,999,026,460</td>
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<tr>
<td>Redevelopment</td>
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<td>RDA Pass-thru</td>
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<td>RDA Dissolution</td>
<td>2,910,301,790</td>
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<td></td>
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<tr>
<td></td>
<td>76,546</td>
<td>19.606%</td>
<td>15,995,358,683</td>
<td>12.916%</td>
<td>2,077,463</td>
<td>21.913%</td>
<td>18.14% 17.37%</td>
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<tr>
<td>Morgan Hill</td>
<td>45,742</td>
<td>10,229,924,020</td>
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<tr>
<td>Unincorporated</td>
<td>7,694</td>
<td>2,549,032,433</td>
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<tr>
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<tr>
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<td></td>
</tr>
<tr>
<td></td>
<td>53,436</td>
<td>13.687%</td>
<td>10,738,188,076</td>
<td>8.671%</td>
<td>685,054</td>
<td>7.226%</td>
<td>9.86% 10.23%</td>
</tr>
<tr>
<td>Saratoga</td>
<td>31,407</td>
<td>16,167,288,519</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monte Sereno</td>
<td>3,787</td>
<td>2,295,001,653</td>
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<tr>
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<td>838,156,427</td>
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<td></td>
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</tr>
<tr>
<td></td>
<td>36,792</td>
<td>9.424%</td>
<td>19,300,446,599</td>
<td>15.584%</td>
<td>1,206,275</td>
<td>12.724%</td>
<td>12.58% 12.70%</td>
</tr>
</tbody>
</table>

Percentages are based on assigned population:

<table>
<thead>
<tr>
<th>Library</th>
<th>Population</th>
<th>Assessed Valuation</th>
<th>Circulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>444,567</td>
<td>139,415,716,133</td>
<td>10,122,079</td>
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<tr>
<td>Assigned</td>
<td>390,424</td>
<td>123,845,670,059</td>
<td>9,480,340</td>
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<tr>
<td>Cities</td>
<td>356,199</td>
<td>120,385,239,512</td>
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</tr>
<tr>
<td>Unincorporated</td>
<td>34,225</td>
<td>9,600,875,455</td>
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</tr>
<tr>
<td>Unassigned</td>
<td>54,143</td>
<td>9,429,601,166</td>
<td>641,739 [Bookmobile, HQ]</td>
</tr>
<tr>
<td>Redevelopment</td>
<td>-6,140,444,909</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Unincorp</td>
<td>88,368</td>
<td>19,030,476,621</td>
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</tr>
</tbody>
</table>
FUNDING FORMULA PARAMETER ADJUSTMENTS
Fiscal Year 2020-2021

At the October 27, 2016 JPA Board meeting, the Board adopted the following funding formula parameters to the existing funding formula, beginning in Fiscal Year 2017-18:

When a community’s relative percentage of assessed valuation and/or “public service transactions”1 exceeds their Community Library’s funding formula share by more than 5%, increase these Community Libraries’ staffing and library materials budgets to an amount that would be realized if these differences were limited to 5%, subject to available annual funding from excess fund balance.

1“Public Service Transactions” include circulation of library materials, program attendance, reference questions, and computer sessions.

<table>
<thead>
<tr>
<th>Test 1: Assessed Valuation</th>
<th>Test 2: Public Service Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessed Valuation</td>
<td>Formula</td>
</tr>
<tr>
<td>Percentage</td>
<td>Percentage</td>
</tr>
<tr>
<td>Campbell</td>
<td>10.817% 11.04% -0.223%</td>
</tr>
<tr>
<td>Cupertino</td>
<td>21.558% 21.78% -0.218%</td>
</tr>
<tr>
<td>Gilroy</td>
<td>8.812% 10.38% -1.563%</td>
</tr>
<tr>
<td>Los Altos</td>
<td>21.642% 16.22% 5.417%</td>
</tr>
<tr>
<td>Milpitas</td>
<td>12.916% 18.14% -5.229%</td>
</tr>
<tr>
<td>Morgan Hill</td>
<td>8.671% 9.86% -1.190%</td>
</tr>
<tr>
<td>Saratoga</td>
<td>15.584% 12.58% 3.007%</td>
</tr>
</tbody>
</table>

In the Fiscal Year 2020-21 Funding Formula, there are two instances in which one-time adjustments could be made.

1) Los Altos’ relative share of assessed valuation is 21.642%, while the formula share is 16.22% -- a difference of 5.417%. If this difference were limited to 5%, Los Altos libraries would receive an additional $45,001 for staffing and $28,166 for materials.

2) Cupertino’s relative share of Public Services Transactions is 27.764%, while the formula share is 21.78% -- a difference of 5.987%. If this difference were limited to 5%, Cupertino Community Library would receive an additional $106,468 for staffing and $66,638 for materials.

Upon approval from the JPA Board, the 2020-21 Personnel Budget and Books & Materials Budget will be adjusted accordingly.