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

2. 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 Joint Powers Authority 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.

3. CONSENT CALENDAR
   a. Approve Minutes from October 22, 2020, JPA Board meeting
   b. Approve Calendar Year 2021 Meeting Schedule
   c. Accept a cash donation of $1,290 to the Santa Clara County Library District
   d. Accept a cash donation of $1,000 to the Los Altos Library
   e. Accept a cash donation of $5,000 to the Los Altos Library
   f. Accept a cash donation of $37,000 to the Los Altos Library
   g. Approve 2020-2021 Legislative Policy Agenda
   h. Ratify Santa Clara County Library District Foundation Board Member Appointments for Calendar Year 2021
   i. Approve a $510,000 contribution to the Campbell Library Building project
   j. Approve the elimination of vacant janitorial positions at Cupertino Library
   k. Receive Three-Year Technology Replacement and Improvement Plan Fiscal Years 2019/20 - 2021/22 Annual Update
4. **NEW BUSINESS**
   a. Ratify Finance Committee Appointments
   b. Approve the Ten-Year Capital Maintenance Plan
   c. Accept the Five-Year Financial Forecast for Fiscal Years 2020-2021 to 2024-2025 for the Library District

5. **REPORTS / COMMENTS**
   a. County Librarian
   b. JPA Board Members

6. **ADJOURN**
   To the next Joint Powers Authority Board meeting on April 29, 2021 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)
President, 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
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joe.simitian@bos.sccgov.org

Susan M. Landry, Council Member
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70 N. First Street
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(408) 866-2125
susaml@campbellca.gov

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

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

Vacant
Town of Los Altos Hills
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Los Altos Hills, CA 94022

Evelyn Chua, Council Member
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ehua@ci.milpitas.ca.gov

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

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

Rishi Kumar, Council Member
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13777 Fruitvale Avenue
Saratoga, CA 95070
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rkumar@saratoga.ca.us
Otto Lee, Supervisor (Alternate)
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Susan Ellenberg, Supervisor (Alternate)
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Paul Resnikoff, Council Member (Alternate)
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Hung Wei, Council Member (Alternate)
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Fred Tovar, Council Member (Alternate)
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Anita Enander, Vice Mayor (Alternate)
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Vacant (Alternate)
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Milpitas, CA 95035

Javed Ellahie, Mayor Pro Tempore (Alternate)
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Morgan Hill, CA 95037

Tina Walia, Vice Mayor (Alternate)
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twallia@saratoga.ca.us
JOINT POWERS AUTHORITY BOARD
MINUTES
Thursday, October 22, 2020 at 12:00 PM

Pursuant to the provisions of California Governor’s Executive order N-29-20, issued on March 17, 2020, this meeting held by teleconference only.

<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>
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<tr>
<td>Lynette Lee Eng</td>
<td>Vice Chair</td>
<td>Los Altos</td>
<td>Present</td>
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<tr>
<td>Joe Simitian</td>
<td>Board Member</td>
<td>Board of Supervisors</td>
<td>Present</td>
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<tr>
<td>Rich Waterman</td>
<td>Board Member</td>
<td>Campbell</td>
<td>Present</td>
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<tr>
<td>Darcy Paul</td>
<td>Board Member</td>
<td>Cupertino</td>
<td>Present</td>
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<tr>
<td>Dion Bracco</td>
<td>Board Member</td>
<td>Gilroy</td>
<td>Present</td>
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<tr>
<td>Courtenay C. Corrigan</td>
<td>Board Member</td>
<td>Los Altos Hills</td>
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<td>Carmen Montano</td>
<td>Board Member</td>
<td>Milpitas</td>
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<td>Shawn Leuthold</td>
<td>Board Member</td>
<td>Monte Sereno</td>
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<td>Rich Constantine</td>
<td>Board Member</td>
<td>Morgan Hill</td>
<td>Present</td>
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<tr>
<td>Rishi Kumar</td>
<td>Board Member</td>
<td>Saratoga</td>
<td>Present</td>
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1. **CALL TO ORDER/ROLL CALL**

Chair Wasserman called the meeting to order at 12:01 p.m. A quorum was present. There were no deletions, deferrals or corrections to the agenda.

Vice Chair Lee Eng and Board Members Waterman and Corrigan joined the meeting at 12:04 p.m.

2. **PRESENTATIONS**

2.a Recognition of Library Employee Excellence Award Recipients

- Viet Dinh, IT Field Specialist
- Bryant Bao, Supervising Librarian, Woodland Library
- Joseph Chow, Library Page, Gilroy Library
- Kelly Brennan Young, Supervising Librarian, Gilroy Library

2.b Recognition of Outgoing Board Members. Certificates of appreciation presented virtually:

- Courtenay C. Corrigan, Los Altos Hills, Council Member served on the JPA Board since January 2013 and served as Vice Chair for years 2017, 2018 and 2019.
- Rich Waterman, Campbell, Council Member, served on the JPA Board since April 2018 and as Alternate for years 2011, 2012, 2013 and 2014.
3. **ORAL COMMUNICATION**
   None.

4. **CONSENT CALENDAR**
   4.a Approve Minutes from June 25, 2020, Joint Powers Authority Board
   4.b Accept Santa Clara County Library District Semi-Annual Gift Report: January 1 - June 30, 2020
   4.c Accept cash donation of $2,771.37 to the Santa Clara County Library District
   4.d Accept cash donation of $104,000 for the Saratoga Library
   4.e Accept a cash donation of $1,001 to the Saratoga Library
   4.f Accept cash donation of $1,000 for the Saratoga Library

No public comment.

**MOTION** moved by Corrigan and seconded by Wasserman to approve the consent calendar items 4a-4f. **The motion passed unanimously by the following vote:**

Ayes: Wasserman, Lee Eng, Simitian, Waterman, Paul, Bracco, Corrigan, Montano, Constantine, Leuthold, and Kumar

Abstain: None

Noes: None

5. **NEW BUSINESS**
   5.a Accept Fiscal Year 2019-20 Year-End Fiscal Report
   Staff report. Chuck Griffen, Financial and Administrative Services Manager.
   Chair Wasserman, reported that on October 14, 2020, the JPA Finance Committee discussed the report and unanimously voted for acceptance and approval, forwarding the report to the JPA Board.

Mr. Griffen reported that revenues exceeded estimates and that there were savings in most categories except for eBook materials, as there was an increased demand due to closed library spaces. As a result of this operating surplus, the Library District’s net fund equity remains healthy.

No public comment.

**MOTION** moved by Lee Eng and seconded by Constantine to accept Fiscal Year 2019-20 Year-End Fiscal Report. **The motion passed unanimously by the following vote:**

Ayes: Wasserman, Lee Eng, Simitian, Waterman, Paul, Bracco, Corrigan, Montano, Constantine, Leuthold, and Kumar

Abstain: None

Noes: None
5.b Budget Update for Fiscal Year 2020-21  
Staff report. Chuck Griffen, Financial and Administrative Services Manager.
The Finance Committee received an update at their meeting on October 14, 2020, on the Fiscal Year 2020-21 Budget potential impacts.

The Library budget includes designated reserves of over $59 million in net equity built up since FY2015, when the Library began to receive large ERAF reimbursements. Included in the $59 million is the $17 million Reserve for Economic Uncertainty established by the Board to withstand an economic downturn to continue to provide library services when needed most. However, there remains a looming potential State impact to ongoing ERAF reimbursements, which could include all or part of $9.37 million received in June 2020 and all or part of $4.7 million expected to be received in FY2021.

Library Administration will follow this State action closely and update the Board in January or April once the information is available. To mitigate these impacts, the Board will then be presented with a combination of proposed strategies, including budget reductions and the use of the Economic Uncertainty Reserve.

No public comment.

Chair Wasserman, reported that the Finance Committee reviewed the Budget update and recommended approval by the JPA.

**MOTION** moved by Bracco and seconded by Montano to receive the budget update for Fiscal Year 2020-21. The motion passed unanimously by the following vote:
Ayes: Wasserman, Lee Eng, Simitian, Waterman, Paul, Bracco, Corrigan, Montano, Constantine, Leuthold, Kumar
Abstain: None
Noes: None

5.c Approve Elimination of Overdue Fines  
Staff report. Jennifer Weeks, County Librarian.
The Finance Committee reviewed this at their meeting on October 14, 2020 and approved forwarding it the JPA Board.

Eliminating overdue fines fulfills the Library’s core mission to provide free and equal access to information and library services. Late fines do not affect everyone equally and may negatively affect those who need library services the most. A fine free Library provides a more positive and fair patron experience versus a punitive model. This move also aligns the Library District with the American Library Association’s (ALA) 2019 Mission Statement calling for all public libraries and their governing boards to support the mission of free access to library materials by removing barriers created by imposing fines. Because of Measure A and the healthy reserves that are in place, the Library District is able to move forward with eliminating fines with very little financial impact. There is parity with this action as well since online resources do not incur fines. SCCLD would be
joining a number of other local library systems who have gone fine free. Staff is recommending that the JPA Board approve the elimination of overdue fines.

No public comment.

**MOTION** was moved by Constantine and seconded by Lee Eng to approve the elimination of overdue fines. **The motion passed unanimously by the following vote:**

- Ayes: Wasserman, Lee Eng, Simitian, Waterman, Paul, Bracco, Corrigan, Montano, Constantine, Leuthold, Kumar
- Abstain: None
- Noes: None

5.d  Election of Officers 2021

Chair Wasserman recommended that the JPA Board review the Nominating Committee’s slate of candidates for Chair and Vice Chair. The Nominating Committee members were Chair Mike Wasserman, Vice Chair Lynette Lee Eng, and Board Members Darcy Paul and Courtenay C. Corrigan. The Nominating Committee recommended Mike Wasserman for Chair and Lynette Lee Eng for Vice Chair. Chair Wasserman asked for any nominations from the floor. There were no nominations.

No public comment.

**MOTION** was moved by Simitian and seconded by Constantine to approve the recommendation of the Nominating Committee for election of officers for calendar 2021, nominating Mike Wasserman for Chair and Lynette Lee Eng for Vice Chair. **The motion passed unanimously by the following vote:**

- Ayes: Wasserman, Lee Eng, Simitian, Waterman, Paul, Bracco, Corrigan, Montano, Constantine, Leuthold, Kumar
- Abstain: None
- Noes: None

5.e  Accept Fiscal Year 2019-2020 Year-End Service Report

Staff report. Diane Roche, Director of Library Communications and Marketing. The Fiscal Year 2019-2020 Year-End Service Report was presented highlighting service excellence and resilience. This was a very unique year. In March, when the pandemic hit, the Library had to close its doors to the public and move to all remote and virtual services. In June, when some restrictions lifted, the Library began offering contactless curbside services for returns and pick-up of materials.

Some of the highlights were:
- Patron satisfaction survey offered every 3 years. Some 7,000 patrons participated and 85% highly recommend the Library and 91% visited the website in the last 12 months. 97% agreed that staff were friendly and approachable.
- Distinguished Author Series. The Library hosted three authors and offered these programs in community venues drawing over 900 attendees.
• Redesign of Library website in January 2020, included a new function, an eCard online application platform. From March through June 2020, the Library added over 7,600 new library cardholders.
• In March, staff pivoted from offering in person programming to virtual programming services.
• Reference and account services provided by chat, email and phone.
• Digital holdings were increased which resulted in 80% increased circulation of eMaterials.
• Partnerships with school districts continued for Lunch at the Library.
• Free Wi-Fi installed at each library in the parking lot.
• The Library served as emergency cooling and evacuation centers
• Up to 20% of library staff designated as Disaster Service Workers including Contact Tracers for COVID-19 response.
• 75% of residents are Library District cardholders.

No public comment.

Comments and questions received from Board Members.

MOTION was moved by Montano and seconded by Wasserman to accept Fiscal Year 2019-2020 Year-End Service Report. The motion passed unanimously by the following vote:
Ayes: Wasserman, Lee Eng, Simitian, Waterman, Paul, Bracco, Corrigan, Montano, Constantine, Leuthold, Kumar
Abstain: None
Noes: None

6. REPORTS /COMMENTS
6.a County Librarian Jennifer Weeks.
When library buildings closed in March 2020, due to COVID-19, library services went online. Although the spaces were closed to the public, libraries served as cooling centers, evacuation resource centers and clean air centers throughout the summer. When restrictions lifted in the summer, Libraries began to offer contactless curbside services for physical material checkouts. In October, the Library is safely reopening more of the building by offering limited lobby service for holds pickup, to browse materials and use of computers. Virtual homework help pods were launched for students. The Library continues to offer a robust digital collection and online programs for patrons. Additionally, the Service and Support Center, and Milpitas Library will be Voting Centers beginning October 31, 2020.

6.b JPA Board Members
No additional comments.
ADJOURN
With no further business, Chair Wasserman adjourned the meeting at 12:50 p.m., to the next Joint Powers Authority Board meeting on January 28, 2021, at 12:00 p.m., at the Santa Clara County Library District Services and Support Center, 1370 Dell Avenue, Campbell, CA 95008.

Respectfully submitted,

Cynthia Rios Garcia, Secretary
Santa Clara County Library District Joint Powers Authority
JOINT POWERS AUTHORITY
BOARD TRANSMITTAL

DATE: January 28, 2021

TO: Joint Powers Authority Board

FROM: Jennifer Weeks, County Librarian

SUBJECT: Approve Calendar Year 2021 Meeting Schedule

RECOMMENDED ACTIONS

It is recommended the Library Joint Powers Authority Board approve the following meeting schedule for 2021. All meetings will take place at the Services and Support Center, 1370 Dell Avenue, Campbell.

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thursday, April 29, 2021</td>
<td>12:00 p.m.</td>
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<tr>
<td>Thursday, June 3, 2021</td>
<td>12:00 p.m.</td>
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<tr>
<td>Thursday, October 28, 2021</td>
<td>12:00 p.m.</td>
</tr>
<tr>
<td>Thursday, January 27, 2022</td>
<td>12:00 p.m.</td>
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BACKGROUND/REASONS FOR RECOMMENDATION

The proposed meeting schedule for the Library Joint Powers Authority Board is recommended for approval. The June JPA meeting is customarily set at the first Thursday to enable the JPA to approve the Library budget in advance of the County budget hearings, thereby sending an approved budget to the Board of Supervisors for inclusion in the County’s final budget.
DATE: January 28, 2021

TO: Joint Powers Authority Board

FROM: Jennifer Weeks, County Librarian

SUBJECT: Accept a cash donation of $1,290 to the Santa Clara County Library District

RECOMMENDED ACTIONS

It is recommended the Board accept a cash donation in the amount of $1,290 made to the Santa Clara County Library District from various donors for library materials.

BACKGROUND/REASONS FOR RECOMMENDATION

The Santa Clara County Library has received cash donations from various donors, which are to be appropriated for library materials.

FISCAL IMPLICATIONS

There are no fiscal implications to the approved Library Budget. The budget for purchases will increase commensurately with the amount of the cash donation.

STEPS FOLLOWING APPROVAL

The Library budget will be augmented to reflect this donation. The County Librarian will acknowledge these gifts.
DATE: January 28, 2021

TO: Joint Powers Authority Board

FROM: Jennifer Weeks, County Librarian

SUBJECT: Accept a cash donation of $1,000 to the Los Altos Library

RECOMMENDED ACTIONS

It is recommended the Board accept a cash donation in the amount of $1,000 for library materials, in memory of Jonathan Drew Hess.

BACKGROUND/REASONS FOR RECOMMENDATION

D.H. Hunt has presented the Library with a cash donation, which is to be appropriated for library materials.

FISCAL IMPLICATIONS

There are no fiscal implications to the approved Library Budget. The budget for purchases will increase commensurately with the amount of the cash donation.

STEPS FOLLOWING APPROVAL

The Library budget will be augmented to reflect this donation. The County Librarian will acknowledge this gift.
DATE: January 28, 2021

TO: Joint Powers Authority Board

FROM: Jennifer Weeks, County Librarian

SUBJECT: Accept a cash donation of $5,000 to the Los Altos Library

RECOMMENDED ACTIONS

It is recommended the Board accept a cash donation in the amount of $5,000 for library materials from Ms. Laura Clemmensen in memory of Lee Sampson.

BACKGROUND/REASONS FOR RECOMMENDATION
Ms. Laura Clemmensen has presented the Library with a cash donation, which is to be appropriated for library materials.

FISCAL IMPLICATIONS
There are no fiscal implications to the approved Library Budget. The budget for purchases will increase commensurately with the amount of the cash donation.

STEPS FOLLOWING APPROVAL
The Library budget will be augmented to reflect this donation. The County Librarian will acknowledge this gift.
DATE: January 28, 2021

TO: Joint Powers Authority Board

FROM: Jennifer Weeks, County Librarian

SUBJECT: Accept a cash donation of $37,000 to the Los Altos Library

RECOMMENDED ACTIONS

It is recommended the Board accept a cash donation of $37,000 for library materials (Science and Technology and Virginia Whipple Collection) from Los Altos Library Endowment.

BACKGROUND/REASONS FOR RECOMMENDATION

Los Altos Library Endowment has presented the Library with a cash donation, which is to be appropriated for library materials (Science and Technology and Virginia Whipple Collection).

FISCAL IMPLICATIONS

There are no fiscal implications to the approved Library Budget. The budget for purchases will increase commensurately with the amount of the cash donation.

STEPS FOLLOWING APPROVAL

The Library Budget will be augmented to reflect this donation. The County Librarian will acknowledge this gift.
DATE: January 28, 2021

TO: Joint Powers Authority Board

FROM: Jennifer Weeks, County Librarian

SUBJECT: Approve 2020-2021 Legislative Policy Agenda

RECOMMENDED ACTIONS

It is recommended that the JPA approve the following legislative policy agenda for 2020-2021. The policy agenda will be updated and approved annually.

BACKGROUND/REASONS FOR RECOMMENDATION

The Santa Clara County Library District (SCCLD) may choose to advocate for legislation and governmental regulations that benefit and strengthen public libraries. The legislative policy agenda will be approved annually and be consistent with the mission and core values of SCCLD and the American Library Association’s Bill of Rights.

For time sensitive issues, the County Librarian may authorize support positions on matters consistent with the Legislative Policy Agenda. The JPA will be informed of such positions.

Any new issue not covered by the Legislative Policy Agenda must be approved by the JPA before a position can be taken.

LEGISLATIVE POLICY AGENDA, 2020-2021

1. SCCLD supports Intellectual Freedom, patron privacy, open access consistent with current library policies, values and the American Library Association Bill of Rights.
2. SCCLD supports authorization of the Institute for Library and Museum Services (ILMS) and increased funding for the Federal Library Services and Technology Act.
3. SCCLD supports restoring the protections of Net Neutrality to allow the library patron free and unbiased access to the internet content which is a vital platform for free speech and intellectual expression for all.
4. SCCLD supports public access to information technology including every library having easy and affordable access to a high quality, high bandwidth telecommunications network including the
e-rate program.
5. SCCLD supports State funding of high-speed broadband in California public libraries.
6. SCCLD supports legislation to mitigate the negative effect of ERAF funding on public libraries in California.
7. SCCLD supports state funding of the California Library Services Act, including matching funds for literacy programs for all ages to increase literacy rates.
8. SCCLD supports legislation to reduce the passage of public library operating and bond measures to the 55% level. Currently, a two-thirds vote is needed for passage.
9. SCCLD supports the freedom to read and opposes embargoes and other unfair and anti-competitive practices by publishers and others that limit libraries’ ability to meet their users’ reading and information needs.
10. SCCLD supports the full inclusion and participation of public libraries in the local consortia coordinating the implementation of AB 86, and enhanced organizational collaboration to better serve the educational needs of adults.
DATE: January 28, 2021

TO: Joint Powers Authority Board

FROM: Jennifer Weeks, County Librarian

SUBJECT: Ratify Santa Clara County Library District Foundation Board Member Appointments for Calendar Year 2021

RECOMMENDED ACTIONS

It is recommended that the Board ratify the following appointments to the Board of Directors of the Santa Clara County Library District Foundation:

- Terrie Creamer, President
- Seetha Lakshmi, Treasurer
- Rose Grymes
- Vicky Reader
- Lenelle Smith

BACKGROUND/REASONS FOR RECOMMENDATION

The JPA approved the formation of the Santa Clara County Library District Foundation as a non-profit public benefit corporation organized for the exclusive support of the Santa Clara County Library District. The Foundation's purpose is to enhance library services through funding district-wide services such as the Reading Program and the Bookmobile, service innovations and pilot projects; and programs to meet emerging needs. JPA members cannot serve on the Foundation Board.
DATE: January 28, 2021
TO: Joint Powers Authority Board
FROM: Jennifer Weeks, County Librarian
SUBJECT: Approve a $510,000 contribution to the Campbell Library Building project

RECOMMENDED ACTIONS

The Finance Committee recommends JPA Board approval of a $510,000 contribution to the Campbell Library Building project.

BACKGROUND/REASONS FOR RECOMMENDATION

On April 30, 2020, the Board approved an update to the Joint Powers Authority Library Building Policy. One of the approved amendments provides that 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 a Library rebuild or renovation, upon approval by the JPA Finance Committee and JPA Board.

FISCAL IMPLICATIONS

No budget action is necessary as the contribution amount is already set aside in the Fiscal Year 2020-21 budget line item for “Maintenance-Structures” for Campbell Library maintenance projects that would have been necessary if the Campbell Library Building project was not on the horizon.
DATE: January 28, 2021

TO: Joint Powers Authority Board

FROM: Jennifer Weeks, County Librarian

SUBJECT: Approve the elimination of vacant janitorial positions at Cupertino Library

RECOMMENDED ACTIONS

The Finance Committee recommends JPA Board approval to eliminate 2.5 FTE (two full-time and one half-time) vacant Janitor positions from Cupertino Community Library.

BACKGROUND/REASONS FOR RECOMMENDATION

The City of Cupertino will continue to use their own facility maintenance staff, including janitorial staff, for the Cupertino Community Library and adjacent City facilities.

FISCAL IMPLICATIONS

There are no fiscal implications, as the budget for these positions will still be necessary to reimburse the City of Cupertino for the cost of their janitorial staff.
DATE: January 28, 2021

TO: Joint Powers Authority Board

FROM: Jennifer Weeks, County Librarian

SUBJECT: Receive Three-Year Technology Replacement and Improvement Plan Fiscal Years 2019/20 - 2021/22 Annual Update

RECOMMENDED ACTIONS

The Finance Committee recommends that the JPA Board review the Technology Replacement and Improvement Plan Annual Update.

BACKGROUND/REASONS FOR RECOMMENDATION

The JPA approved the Three-Year Technology Replacement and Improvement Plan, Fiscal Years 2019/20 -2021/22 at the January 24, 2019 meeting. The purpose of this report is to provide a progress report of major projects.

Completed

- Website redesign, user testing, and enhancements.
- Laptop lending units in every Community Library.
- Wi-Fi access point upgrade inside and outside all Community Libraries.
- Security gate and self-check machine replacement.
- Updated audiovisual equipment for each community room. Milpitas Community Room and Children's Program Room, Saratoga's Community Room and Children's Program Room, and new Morgan Hill Children's Program Room have been completed. Morgan Hill Community Room will be next. Campbell's Community Room can be moved to next 3-year Tech Plan Budget for installation in fully renovated library.
- Migrated ILS to cloud for improved security and accessibility.
- Digitization project for digital archive of newspapers on microfiche.

In Progress

- Phone system upgrade.
- Network enhancements.
FISCAL IMPLICATIONS

The proposed technology expenditures are presented in the Proposed Budget for the JPA Board’s action. This report is for informational purposes only.
RECOMMENDED ACTIONS

It is recommended that the Board ratify the following Finance Committee appointments made by Chair Mike Wasserman:

- Mike Wasserman (Chair)
- Lynette Lee Eng (Vice Chair)
- Dion Bracco (Member at Large)
- Carl Cahill (City Manager)
- Member at Large: to be presented at meeting
- Alternate: to be presented at meeting

BACKGROUND/REASONS FOR RECOMMENDATION

The Bylaws for the Santa Clara County Library District Joint Powers Authority includes the following section for the Finance Committee:

"The JPA Board shall establish a standing Finance Committee which shall oversee all matters pertaining to the financial structure of the Agency and review and make recommendations to the JPA Board. It reviews all financial matters pending before the JPA Board. The Finance Committee will be composed of five members with one JPA voting representative designated as an alternate. Membership includes Chair, Vice Chair, Past Chair and a City Manager. The Chair, with consent and approval of the JPA Board appoints members to the Finance Committee. A quorum of three is necessary to conduct business. A majority affirmative vote of those present is necessary for action to be taken."
DATE: January 28, 2021

TO: Joint Powers Authority Board

FROM: Jennifer Weeks, County Librarian

SUBJECT: Approve the Ten-Year Capital Maintenance Plan

RECOMMENDED ACTIONS

The Finance Committee recommends JPA Board approval of the Ten-Year Capital Maintenance Plan with an associated $1,141,000 transfer from Fund Balance to fully fund the designated Capital Maintenance Reserve.

BACKGROUND/REASONS FOR RECOMMENDATION

On October 24, 2013, the Board approved the Ten-Year Capital Maintenance Plan ("CMP") from fiscal year 2014-2015 through fiscal year 2023-2024. The CMP includes all capital maintenance related projects in excess of $25,000 that are anticipated over the next ten years. This reserve differs from regular, annual maintenance projects that are included in the annual operating budget (included, but not limited to HVAC maintenance, plumbing, electrical, elevator maintenance, carpet and upholstery cleaning, pest management, window and door repair, fire sprinkler testing and maintenance, roofing inspections and repairs, alarm system monitoring and repairs, etc.). The CMP does not constitute an approval to expend funds; instead, this plan provides the basis for the establishment of a capital maintenance reserve based on estimated needs anticipated throughout the County Library system. Actual approval for expenditure of these reserved funds occurs during the acceptance of the annual budget in June. The CMP is generally updated every five years. Until that time, the CMP is reviewed annually.

Budget and Reserves

Upon adoption of the Fiscal Year 2020-21 operating budget, the amount in the Building Reserve designated for the CMP was $6,678,000. A transfer from Fund Balance in the amount of $1,141,000 will increase this reserve to $7,819,000 to fully fund the projects listed herein, while reducing the undesignated fund balance to $15,426,838.
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DATE: January 28, 2021

TO: Joint Powers Authority Board

FROM: Jennifer Weeks, County Librarian

SUBJECT: Accept the Five-Year Financial Forecast for Fiscal Years 2020-2021 to 2024-2025 for the Library District

RECOMMENDED ACTIONS

The Finance Committee recommends JPA Board acceptance of the report on the five-year financial forecast for the Santa Clara County Library District.

BACKGROUND/REASONS FOR RECOMMENDATION

An annual five-year financial forecast is prepared covering Library resources and expenditure obligations. This document is intended as general guidance to the Board concerning the current and future financial challenges, with review by the Finance Committee prior to Board consideration.
Santa Clara County Library District
Five-year Financial Forecast
Fiscal Years 2020-21 to 2024-2025

Introduction

This forecast is presented as a financial planning tool to assist the Joint Powers Authority Board in understanding the potential long-term effects of expenditure decisions on the Library’s financial position over the next five fiscal years. It is not the budget document, nor will acceptance of this report constitute a budgetary approval.

The reliability of any financial forecast is limited by the ability to predict future costs and resources based upon historical reference. For the purposes of preparing this five-year forecast a set of assumptions was selected based upon experience of the last five years and a limited number of known cost escalation/reduction factors. Library staff acknowledges that unpredictable forces such as significant state budget action, fluctuation of the local real estate market, economic conditions in general, and the powers of the state legislature to take away revenue sources could dramatically change this forecast. Accordingly, the forecast becomes increasingly less reliable in later years.

Forecast Summary and Conclusions

Since the Library is extraordinarily reliant upon property tax proceeds to fund operations, any significant change in real estate transactions and value results in a corresponding impact on Library revenue. Using projections from the County’s consulting economist, we expect a much slower growth of property tax revenues than in previous years. Additionally, the impact of the State’s recalculation of ERAF reimbursements is still unknown; nevertheless, a significant drop in this category is forecasted for the next fiscal year.

On the expenditure side of the finance equation, it is expected that the combined salary and benefit costs will increase 4.5% per year; while this includes estimate contractual increases in pay, retirement, and medical costs for the two union organizations representing library employees, this is a slight decrease from prior years, partially due to savings from the new tier of retirement benefits for new employees hired on or after December 31, 2012.

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<td>2024-25</td>
<td>61,485,280</td>
<td>64,130,906</td>
<td>(2,645,626)</td>
</tr>
</tbody>
</table>
Using the following set of assumptions, the above Chart 1 summarizes the Library’s financial status over the next five years.

**Forecast Assumptions/ Methodology**

- Property tax proceeds from all sources are estimated to continue growing, albeit at a slower pace with each passing year due to an assumed softening of the economy. This forecast includes continued revenue from Educational Revenue Augmentation Fund (“ERAF”) reimbursements from the State, though at a reduced amount. Should these ERAF reimbursements decline further, the JPA-approved Economic Uncertainty Reserve will provide a buffer before the Library District needs to consider reducing operations. Furthermore, we will continue to see gradual increases in secured property tax receipts over and above the expected growth in the real estate sector due to the continued dissolution of former Redevelopment Agencies in three of the Library District’s cities. In other words, the Library District is well-prepared for the next economic downturn, preserving funding for continued library hours and operations at a time when the pandemic outlook improves.

- As the Special Tax is calculated at a fixed rate, the growth is limited to the increase in housing stock, changes in land use designations, and the annexations of parcels in and out of Library District boundaries. Growth is estimated at 9/10 of 1% annually. While this is a historical estimate, any revenue associated with increases over and above this estimate (for example, due to more recent significant increases in housing stock) will be netted out due to commensurate increases in individual community library staffing and materials budgets.

- Salary and employee benefit total costs will grow 4.5% annually in the out years for salary and benefit cost adjustments. For the purposes of this forecast, pre-pandemic service levels are assumed.

- Funding for books/library materials acquisition will be held between 12-15% of operating revenues each year with additional increases based upon contributions.

- Projected revenues represent all recurring revenue sources expected to be received and there is no reliance on possible one-time “windfall” gifts or donations.

- The inflationary costs of services and supplies will not exceed 2% annually.

- Facilities cost increases will not exceed 1% annually.

**REVENUE REVIEW**

The components of each major revenue category have been analyzed to develop a separate inflator factor. (See Chart 2) Property Tax is the most important revenue category, constituting nearly 85% of the Library’s total revenue. This important revenue source shows no discernible trend line with annual change ranging from 5.12% to 10.67% over the last five years. The task of projecting property tax revenue is made difficult by the fact that it has nine constituent parts that are calculated differently and respond differently to changes in the real estate market. For example, the supplemental roll component has no base number: in FY 2019 the amount exceeded $1 million but in a year with few real estate transactions the proceeds could drop below $400,000. The future total projected revenue is shown in Chart 4.
State funding support has eroded from a high of $3.98 million in FY 2002 to $137,738 last fiscal year, currently consisting only of grants as the State support for Public Library Foundation (PLF) Transaction Based Reimbursements (TBR) were eliminated in 2012. This loss over time has been filled by robust property tax growth.

EXPENDITURE REVIEW

The expenditure forecast does not assume any significant new programs or service level enhancements; and with the exception of positions that will be deleted this fiscal year as part of the County’s Voluntary Separation Incentive Program, it holds current staffing levels as the base. Due to the continued pandemic, we will likely see additional staff savings in Fiscal Year 2021-22; nevertheless, a pre-pandemic staffing model was assumed. Expenditure history was analyzed in the component parts to develop inflators for future years. Salary and benefit costs, which make up over 59% of the Library expenditures, have risen historically in the range of 10.87% to less than 2% annually. These historical increases have resulted from negotiated labor agreements as well as the addition of new positions.

Expenditure analysis has been performed on annual recurring operating costs (see Chart 3). Future increases represent the cost to keep the Library functioning with the same number of staff, open hours, library materials and supplies. It is assumed that fixed assets will either be purchased from reserve funds or one-time “wind-fall” revenue sources. The future projected costs are summarized in Chart 5.

Conclusion

While this forecast seems to suggest potential deficit spending in years 3-5 based on the revenue and cost increases assumed herein, please note that the goal of the Library District has always and will continue to be to live within its means. The Board will continue to be presented with balanced budgets based on staff recommendations and Board input, and the Library is fortunate to have set aside ample reserves for capital maintenance and technological improvements, as well as the Board’s adopted Reserve for Economic Uncertainty for any sudden unexpected needs. Library district staff will watch these trends closely to ensure sufficient cash reserves balanced with fulfillment of community expectations of library services.

Attachments

Chart 2: Five year revenue history
Chart 3: Five year expenditure history
Chart 4: Future projected revenue
Chart 5: Future projected operating expenditures
Chart 6: Summary of five year forecast
### Santa Clara County Library

#### 5 Year Revenue History

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>TAX</th>
<th>Change %</th>
<th>Special Tax</th>
<th>Change %</th>
<th>STATE FUNDS</th>
<th>Change %</th>
<th>FINES &amp; FEES</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17</td>
<td>37,401,559</td>
<td>0.00%</td>
<td>5,857,783</td>
<td>0.00%</td>
<td>83,203</td>
<td>0.00%</td>
<td>548,507</td>
<td>0.00%</td>
</tr>
<tr>
<td>2017-18</td>
<td>40,852,344</td>
<td>9.23%</td>
<td>5,824,984</td>
<td>-0.56%</td>
<td>81,383</td>
<td>-2.19%</td>
<td>526,435</td>
<td>-4.02%</td>
</tr>
<tr>
<td>2018-19</td>
<td>46,805,139</td>
<td>14.57%</td>
<td>5,855,190</td>
<td>0.52%</td>
<td>180,635</td>
<td>121.96%</td>
<td>575,570</td>
<td>9.33%</td>
</tr>
<tr>
<td>2019-20</td>
<td>51,828,991</td>
<td>10.73%</td>
<td>5,942,468</td>
<td>1.49%</td>
<td>137,738</td>
<td>-23.75%</td>
<td>405,817</td>
<td>-29.49%</td>
</tr>
<tr>
<td>2020-21 Proj</td>
<td>51,917,853</td>
<td>0.17%</td>
<td>5,996,705</td>
<td>0.91%</td>
<td>53,523</td>
<td>-61.14%</td>
<td>15,000</td>
<td>-96.30%</td>
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</table>

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>CITIES</th>
<th>Change %</th>
<th>COUNTY</th>
<th>Change %</th>
<th>OTHER</th>
<th>Change %</th>
<th>TOTAL REVENUE</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17</td>
<td>1,273,699</td>
<td>0.00%</td>
<td>51,000</td>
<td>0.00%</td>
<td>1,996,620</td>
<td>0.00%</td>
<td>47,212,371</td>
<td>0.00%</td>
</tr>
<tr>
<td>2017-18</td>
<td>1,584,993</td>
<td>24.44%</td>
<td>101,000</td>
<td>98.04%</td>
<td>1,743,679</td>
<td>-12.67%</td>
<td>50,714,818</td>
<td>7.42%</td>
</tr>
<tr>
<td>2018-19</td>
<td>1,718,082</td>
<td>8.40%</td>
<td>101,000</td>
<td>0.00%</td>
<td>1,896,895</td>
<td>8.79%</td>
<td>57,132,510</td>
<td>12.65%</td>
</tr>
<tr>
<td>2019-20</td>
<td>567,458</td>
<td>-66.97%</td>
<td>51,000</td>
<td>-49.50%</td>
<td>1,982,738</td>
<td>4.53%</td>
<td>60,916,210</td>
<td>6.62%</td>
</tr>
<tr>
<td>2020-21 Proj</td>
<td>0</td>
<td>-100.00%</td>
<td>51,000</td>
<td>0.00%</td>
<td>1,048,882</td>
<td>-47.10%</td>
<td>59,082,963</td>
<td>-3.01%</td>
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</table>
## Santa Clara County Library
### 5 Year Expenditure History

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Salaries &amp; Benefits</th>
<th>% Change</th>
<th>Services &amp; Supplies</th>
<th>% Change</th>
<th>Books &amp; Materials</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17</td>
<td>27,697,581</td>
<td></td>
<td>6,364,115</td>
<td></td>
<td>5,535,253</td>
<td></td>
</tr>
<tr>
<td>2017-18</td>
<td>30,257,567</td>
<td>9.24%</td>
<td>5,892,548</td>
<td>-7.41%</td>
<td>6,614,473</td>
<td>19.50%</td>
</tr>
<tr>
<td>2018-19</td>
<td>32,128,919</td>
<td>6.18%</td>
<td>5,815,801</td>
<td>-1.30%</td>
<td>7,406,012</td>
<td>11.97%</td>
</tr>
<tr>
<td>2019-20</td>
<td>34,408,901</td>
<td>7.10%</td>
<td>6,946,748</td>
<td>19.45%</td>
<td>8,322,228</td>
<td>12.37%</td>
</tr>
<tr>
<td>2020-21 Proj</td>
<td>35,388,096</td>
<td>2.85%</td>
<td>9,481,098</td>
<td>36.48%</td>
<td>7,661,385</td>
<td>-7.94%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Facilities</th>
<th>% Change</th>
<th>Operating Subtotal</th>
<th>% Change</th>
<th>Fixed Assets</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17</td>
<td>2,943,795</td>
<td>-1.83%</td>
<td>$42,540,744</td>
<td>9.01%</td>
<td>2,626,774</td>
<td>65%</td>
</tr>
<tr>
<td>2017-18</td>
<td>3,060,989</td>
<td>3.98%</td>
<td>$45,825,577</td>
<td>7.72%</td>
<td>394,306</td>
<td>66%</td>
</tr>
<tr>
<td>2018-19</td>
<td>2,960,093</td>
<td>-3.30%</td>
<td>$48,310,825</td>
<td>5.42%</td>
<td>62,706</td>
<td>67%</td>
</tr>
<tr>
<td>2019-20</td>
<td>3,476,351</td>
<td>17.44%</td>
<td>$53,154,228</td>
<td>10.03%</td>
<td>45,388</td>
<td>65%</td>
</tr>
<tr>
<td>2020-21 Proj</td>
<td>5,616,311</td>
<td>61.56%</td>
<td>$58,146,890</td>
<td>9.39%</td>
<td>4,522,136</td>
<td>61%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Expenditures</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17</td>
<td>$45,167,518</td>
<td></td>
</tr>
<tr>
<td>2017-18</td>
<td>$46,219,883</td>
<td>2.33%</td>
</tr>
<tr>
<td>2018-19</td>
<td>$48,373,532</td>
<td>4.66%</td>
</tr>
<tr>
<td>2019-20</td>
<td>$53,199,616</td>
<td>9.98%</td>
</tr>
<tr>
<td>2020-21 Proj</td>
<td>$62,669,026</td>
<td>17.80%</td>
</tr>
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</table>
# Santa Clara County Library

## Projected Revenue

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>PROPERTY TAX</th>
<th>% CHANGE</th>
<th>SPECIAL TAX</th>
<th>STATE FUNDS</th>
<th>FINES &amp; FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-21</td>
<td>51,917,853</td>
<td></td>
<td>5,996,705</td>
<td>53,523</td>
<td>15,000</td>
</tr>
<tr>
<td>2021-22</td>
<td>48,372,074</td>
<td>-6.83%</td>
<td>6,050,675</td>
<td>46,000</td>
<td>15,000</td>
</tr>
<tr>
<td>2022-23</td>
<td>48,517,190</td>
<td>0.30%</td>
<td>6,105,131</td>
<td>46,000</td>
<td>15,000</td>
</tr>
<tr>
<td>2023-24</td>
<td>50,215,292</td>
<td>3.50%</td>
<td>6,160,078</td>
<td>46,000</td>
<td>15,000</td>
</tr>
<tr>
<td>2024-25</td>
<td>51,571,105</td>
<td>2.70%</td>
<td>6,215,518</td>
<td>46,000</td>
<td>15,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>CITIES</th>
<th>COUNTY</th>
<th>OTHER</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-21</td>
<td></td>
<td>51,000</td>
<td>1,048,882</td>
<td>59,082,963</td>
</tr>
<tr>
<td>2021-22</td>
<td>1,948,686</td>
<td>51,000</td>
<td>1,362,882</td>
<td>57,846,317</td>
</tr>
<tr>
<td>2022-23</td>
<td>2,036,377</td>
<td>51,000</td>
<td>1,362,882</td>
<td>58,133,581</td>
</tr>
<tr>
<td>2023-24</td>
<td>2,128,014</td>
<td>51,000</td>
<td>1,362,882</td>
<td>59,978,265</td>
</tr>
<tr>
<td>2024-25</td>
<td>2,223,774</td>
<td>51,000</td>
<td>1,362,882</td>
<td>61,485,280</td>
</tr>
</tbody>
</table>
## Santa Clara County Library

### Projected Operating Expenditure

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Salaries &amp; Benefits</th>
<th>% Change</th>
<th>Services &amp; Supplies</th>
<th>% Change</th>
<th>Books &amp; Materials</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-21</td>
<td>35,388,096</td>
<td></td>
<td>9,481,098</td>
<td></td>
<td>7,661,385</td>
<td></td>
</tr>
<tr>
<td>2021-22</td>
<td>40,871,575</td>
<td>13.42%</td>
<td>6,477,579</td>
<td>-46.37%</td>
<td>7,520,021</td>
<td>-1.88%</td>
</tr>
<tr>
<td>2022-23</td>
<td>42,710,796</td>
<td>4.50%</td>
<td>6,607,131</td>
<td>2.00%</td>
<td>7,557,365</td>
<td>0.49%</td>
</tr>
<tr>
<td>2023-24</td>
<td>44,632,782</td>
<td>4.50%</td>
<td>6,739,274</td>
<td>2.00%</td>
<td>7,797,174</td>
<td>3.08%</td>
</tr>
<tr>
<td>2024-25</td>
<td>46,641,257</td>
<td>4.50%</td>
<td>6,874,059</td>
<td>2.00%</td>
<td>7,993,086</td>
<td>2.45%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Facilities</th>
<th>% Change</th>
<th>Operating Total</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-21</td>
<td>5,616,311</td>
<td>38.1%</td>
<td>$58,146,890</td>
<td>9.39%</td>
</tr>
<tr>
<td>2021-22</td>
<td>2,545,377</td>
<td>-120.6%</td>
<td>$57,414,552</td>
<td>-1.26%</td>
</tr>
<tr>
<td>2022-23</td>
<td>2,570,831</td>
<td>1.0%</td>
<td>$59,446,123</td>
<td>3.54%</td>
</tr>
<tr>
<td>2023-24</td>
<td>2,596,539</td>
<td>1.0%</td>
<td>$61,765,769</td>
<td>3.90%</td>
</tr>
<tr>
<td>2024-25</td>
<td>2,622,504</td>
<td>1.0%</td>
<td>$64,130,906</td>
<td>3.83%</td>
</tr>
</tbody>
</table>
## Summary of Five-Year Forecast

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>Projected Revenue</th>
<th>Projected Operating Cost</th>
<th>Net Surplus/(Use of Prior Year Funds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020-21</td>
<td>59,082,963</td>
<td>$58,146,890</td>
<td>936,073</td>
</tr>
<tr>
<td>2021-22</td>
<td>57,846,317</td>
<td>$57,414,552</td>
<td>431,765</td>
</tr>
<tr>
<td>2022-23</td>
<td>58,133,581</td>
<td>$59,446,123</td>
<td>(1,312,542)</td>
</tr>
<tr>
<td>2023-24</td>
<td>59,978,265</td>
<td>$61,765,769</td>
<td>(1,787,504)</td>
</tr>
<tr>
<td>2024-25</td>
<td>61,485,280</td>
<td>$64,130,906</td>
<td>(2,645,626)</td>
</tr>
</tbody>
</table>

Projected Library Fund (0025) Cash and Reserves as of 06/30/2021

<table>
<thead>
<tr>
<th>Reserve</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Maintenance Reserve</td>
<td>7,819,000</td>
</tr>
<tr>
<td>Technology Reserve</td>
<td>1,230,000</td>
</tr>
<tr>
<td>Economic Uncertainty Reserve</td>
<td>17,000,000</td>
</tr>
<tr>
<td>Other Reserves</td>
<td>2,690,091</td>
</tr>
<tr>
<td>Cash</td>
<td>15,426,838</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>44,165,929</td>
</tr>
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</table>