
MINUTES
MEETING OF THE NORTH COUNTY LIBRARY AUTHORITY

June 1, 2011 - 5:30 P.M.
Neutra House
181 Hillview Ave, Los Altos, California 94022

CALL TO ORDER

Meeting was called to order at 5:35 P.M. by President Mordo

ROLL CALL

Members present: Jean Mordo (President)
Ron Packard (Vice President)
Jim Lai (Secretary)
Val Carpenter
Lenelle Smith

Members absent None

Staff /Representatives present: Russell Morreale/Liaison/Treasurer
Jolie Houston/Legal Counsel
Derek Wolfgram/Deputy County Librarian

PUBLIC COMMENT

None

CONSENT CALENDAR

1) Minutes From The Meeting of January 18, 2011

The minutes for January 18, 2011 were approved with a motion from Vice President Packard and a second by Secretary Lai. The motion passed unanimously

DISCUSSION

2) Financial Status Report For Fiscal Year Ended June 30, 2010

Liaison Morreale presented a draft of the 2010 fiscal year end Comprehensive Annual Financial Report (CAFR) to all members providing highlights of the operating year. Morreale informed the group that NCLA attained an Unqualified or "Clean" audit opinion and met budget and financial projections. Vice President Packard asked staff to look into the possibility of adding the multi-year forecast information to the audit package for future reference.

3) FY2011-2012 Budget Adoption & GANN Limit

Liaison Morreale presented the FY 2011-2012 budget for adoption. Deputy Director of the County Library, Mr. Wolfgram, provided a presentation of the County components of the budget made up of staffing and book resources. Mr. Wolfgram also provided background as to how such numbers are developed.

The proposed Budget was presented by Liaison Morreale and discussed. A motion was made by President Mordo to augment the proposed budget with \$10,000 in contingency funding to address emerging matters with special mention of the recent County non-resident fee - a matter under much discussion in both NCLA communities. The motion was seconded by Vice President Packard. The motion passed 4 to 1 with a no vote from member Carpenter. The budget, as updated and adopted is presented as **Exhibit A** to these minutes.

As part of the budget – Liaison Morreale also presented the GANN Appropriations limit for FY2011-2012. Once presented the GANN limit was motioned for approval by Vice President Packard with a second from Member Lai – the motion passed unanimously. The GANN limit as adopted is presented as **Exhibit B** to these minutes.

4) Discussion of Professional Service Contracts

This item involved the discussion of two potential contract services to be considered as NCLA moves into FY2011-2012. The first being investment management services where Carlos Oblites, of PFM LLC, spoke to the possibility of providing services to NCLA in building an investment portfolio. In brief, Mr. Oblites indicated that the natures of the NCLA reserve balances would make investment management and time diversification a challenge given the relatively small volume experienced by NCLA. Mr. Oblites noted that liquid pools, such as LAIF, may be the optimal model. Another possibility would be to join forces with the existing City of Los Altos contract – something that Liaison Morreale would investigate. No decision was made on investment services beyond the discussion held.

Liaison Morreale also indicated his request to engage professional services for annual County parcel tax levy filing and tracking. Morreale indicated that funding was included in the proposed budget and he would advise using the same vendor, NBS, currently used by the City for similar tasks. This would save staff time and provide as comprehensive reporting package and data base. This was approved unanimously per a motion from Vice President Packard and second from member Lai.

5) Parcel Tax Levy Ordinance

Liaison Morreale submitted Ordinance 12-02 setting the Special Tax Rate for FY11-12 at the voter approved level of \$76 per household. This was being submitted as a formality for County record keeping purposes. Vice President Packard motioned approval with a second from Member Carpenter. The motion passed unanimously.

COMMISSION REPORTS AND DIRECTIONS ON FUTURE AGENDA ITEMS

A next meeting date was set for Wednesday September 7th. Items put forth for discussion include the following:

- The County Non-Resident Library Card Fee Issue
- Investments Follow up Discussion
- Annexation of unincorporated areas into the JPA
- Exploring alternative Library Services

ADJOURNMENT

President Mordo adjourned the meeting at approximately 7:15PM and all members concurred

Respectfully submitted,

Russell J. Morreale
Liaison to NCLA

Exhibit A
Adopted Budget FY11-12

**NCLA Adopted Operating Budget
Fiscal Year 2011- 2012**

	2008-09 Actual	2009-10 Adopted	2009-10 Actual	2010-11 Adopted	2010-11 Projected	2011-12 Proposed	Change
Rate per Parcel	\$ 52.00	\$ 52.00	\$ 52.00	\$ 76.00	\$ 76.00	\$ 76.00	
OPERATING EXPENDITURES							
Service Costs							
County Staffing	530,698	499,562	466,059	475,256	480,000	484,979	9,723
Administrative Costs	3,060	11,000	27,170	11,000	25,000	25,000	14,000
Election Expenses	0	272,500	43,732	87,000	-		(87,000)
Contingency Funding						10,000	10,000
Book Costs	<u>65,000</u>	6,500	-	65,000	<u>65,000</u>	65,000	0
Total Operating Expenditures	598,758	789,562	536,961	638,256	570,000	584,979	(53,277)
REVENUES							
Tax Revenue	702,496	700,000	706,047	1,026,000	1,040,000	1,040,000	14,000
Interest Income	<u>29,791</u>	<u>15,000</u>	<u>8,541</u>	<u>12,812</u>	8,474	6,355	(6,457)
Total Revenues	732,287	715,000	714,588	1,038,812	1,048,474	1,046,355	7,544
OPERATING SURPLUS/(DEFICIT)	133,529	(74,562)	177,627	400,556	478,474	461,376	
Debt Payments	<u>331,470</u>	<u>365,412</u>	<u>333,587</u>	<u>316,044</u>	<u>316,044</u>	338,662	
Pre-Payment				<u>338,662</u>			
Activity Balance	(197,941)	(439,974)	(155,960)	(254,150)	162,430	122,714	
FUND BALANCE as of June 30	<u>\$ 919,090</u>		<u>\$ 763,130</u>		\$ 925,560	\$ 1,048,274	
Reserve/Final Debt Service Pymnt	347,325		\$ 339,013		\$ -		
Reserve for Service Levels	\$ 571,765		\$ 424,117		\$ 925,560	\$ 1,048,274	

Exhibit B
GANN Appropriations Limit FY11-12

RESOLUTION NO. 12-01

**A RESOLUTION OF THE NORTH COUNTY
LIBRARY AUTHORITY
SETTING THE FY2011-2012 APPROPRIATIONS LIMIT**

WHEREAS, California Constitutional Article 13B limits the total annual appropriations of cities; and

WHEREAS, it is the desire of the North County Library Authority to establish its appropriations limit pursuant to Article 13B;

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of the North County Library Authority that said body hereby determines that said City's appropriations limit (as presented in calculation format in Exhibit A), pursuant to Article 13B of the California Constitution using the annual percent change in population for Santa Clara County and the percent change in California for per capita personal income, is as follows:

FY2011-2012 \$2,306,932

I HEREBY CERTIFY that the foregoing resolution was adopted by the Board of the North County Library Authority at a meeting of said Body held on the 1st day of June 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____/S/
Jean Mordo, President

Attest:

_____/S/
Lee Price, MMC CITY CLERK

**North County Library Authority
Appropriation Limit Analysis
June 2011**

Fiscal Year	Original Maximum Tax Collection	Proposed Appropriation Limit	Appropriation Limit Growth Factors		Change in Pers. Inc. Or CPI
			Annual Combined Escalator	County Change	
1992-93	\$ 642,000	\$ 642,000			
			1.044765	1.0171	1.0272
1993-94	\$ 642,000	\$ 670,739	1.023214	1.0160	1.0071
1994-95	\$ 642,000	\$ 686,309	1.065002	1.0170	1.0472
1995-96	\$ 642,000	\$ 730,921	1.058528	1.0113	1.0467
1996-97	\$ 642,000	\$ 773,700	1.069309	1.0216	1.0467
1997-98	\$ 642,000	\$ 827,325	1.063580	1.0212	1.0415
1998-99	\$ 642,000	\$ 879,926	1.063384	1.0173	1.0453
1999-00	\$ 642,000	\$ 935,699	1.066200	1.0163	1.0491
2000-01	\$ 642,000	\$ 997,642	1.139776	1.0571	1.0782
2001-02	\$ 642,000	\$ 1,137,089	1.149132	1.0954	1.0491
2002-03	\$ 642,000	\$ 1,306,665	1.081830	1.0035	1.0781
2003-04	\$ 642,000	\$ 1,413,589	1.021668	1.0348	0.9873
2004-05	\$ 642,000	\$ 1,444,219	1.067697	1.0436	1.0231
2005-06	\$ 642,000	\$ 1,541,988	1.100366	1.0654	1.0328
2006-07	\$ 642,000	\$ 1,696,751	1.093961	1.0523	1.0396
2007-08	\$ 642,000	\$ 1,856,179	1.108523	1.0616	1.0442
2008-09	\$ 642,000	\$ 2,057,616	1.060838	1.0172	1.0429
2009-10	\$ 642,000	\$ 2,182,797	1.021897	1.0156	1.0062
2010-11	\$ 1,026,000	\$ 2,230,593	1.034223	1.0251	1.0089
2011-12	\$ 1,026,000	\$ 2,306,932			