
MINUTES
MEETING OF THE NORTH COUNTY LIBRARY AUTHORITY
THE NEUTRA HOUSE
181 HILLVIEW AVE, LOS ALTOS, CALIFORNIA 94022
NOVEMBER 4, 2009

1. CALL TO ORDER

Meeting was called to order at 6:30PM by Chair Lai

2. ROLL CALL

Members present:

Jim Lai
Roy Lave
Jean Mordo
Megan Satterlee

Members absent

Ron Packard

Staff present:

Russell Morreale, NCLA Liaison, Treasurer
Jolie Houston, Los Altos City Attorney
Melinda Cervantes, County Librarian
Derek Wolfgram, Deputy County Librarian
Paul Miller, Community Librarian

3. PUBLIC COMMENT

No public comments were made.

4. APPROVAL OF MINUTES

August 5th Minutes - After an initial motion and approval of the August 5th minutes, the item was reopened given suggested changes of clarification raised by member Satterlee. Liaison Morreale received the modifications and agreed to return revised minutes to the December 9th meeting for reaffirmation.

October 21st Minutes - Member Mordo inquired as to if a motion to include senior exemptions was approved on October 21st. Liaison Morreale advised that, although this item was discussed on the 21st, the board asked for more information about the discount program before making a decision. That information will be provided this evening.

5. DISCUSSION

a) Parcel Tax – Logistics For a June 2010 Election:

- i. Timeline
- ii. Process
- iii. Public Comment

Liaison Morreale introduced special counsel Scott Ferguson of Jones Hall to present this item. Ferguson covered the pertinent dates indicating that a critical date to keep in focus was March 12, 2010, the deadline for the authority to hold a public hearing and adopt an election resolution. Before that time, the authority will need to make decisions on: final election timing (already approved as June 2010), terms and structure of the tax, ballot language, and set a public hearing. Arguments are due to the County by March 17, 2010 and an impartial analysis by March 24, 2010. The June election is slated for June 8, 2010. Scott advised all involved to remain on task and remain well ahead of the deadlines.

Liaison Morreale reminded the Board of the following key decisions made by the Board at their October 21st meeting:

- The Parcel Tax will be structured as a fixed rate
- The Parcel Tax will be structured over a term of twenty years
- That the purpose of the parcel tax includes: Staffing Hours, Books and Other Library materials.

Ferguson also advised that law from the 1990s now dictates that the City Attorney shall prepare the impartial analysis.

b) Parcel Tax Scenarios:

- i. Present Rates
- ii. Approval of Rates, Terms & Structure
- iii. Public Comment

Liaison Morreale next presented the various parcel tax rate scenarios for a June 2010 election. This analysis was updated for the latest information provided by the County of Santa Clara administrative staff as presented at the last NCLA meeting. Liaison Morreale summarized the results as follows:

- Two rate structures were analyzed, a flat tax and an inflationary tax. The analysis was based on a variety of assumptions:
 - 20 year term beginning FY 2011-2012
 - Maintaining a \$500K balance at the end of year 20 to seed election costs
 - Maintaining staffing and books at normal levels FY11-12 and forward
 - Factors in long term staffing costs COLA as provided by the County
 - No construction/improvement bond financing factored in
- The Inflationary rate came in at a range of \$52 to \$107 at term end
- The Flat rate came in at \$76

Morreale advised that under the flat tax scenario, we should expect sizable surplus cushions in the early years as the rate is front-loaded to provide for out year cost escalations. Under this scenario, it is important for the board and the public to understand that the propriety of the fiscal projection is based on maintaining a set service and costs levels throughout full time frame of the tax. Increases in service levels beyond initial assumptions will necessarily reduce reserves and require additional funding. Liaison Morreale and Financial Advisor Craig Hill of Northcross, Hill, Ach illustrated this graphically through the presentation of twenty year trend charts for each scenario.

The board also discussed the nature of the low Income Senior exemption which is included in the current parcel tax. Additionally, it was clarified that the current tax also provided for the funding of bonded capital improvements, something that is not anticipated in the proposed new tax measure or fiscal analysis.

After some discussion, member Packard motioned to approve a \$76 fixed rate for the agreed upon twenty year term including a low income senior exemption but excluding specific provisions for capital improvements. This was seconded by Lave. The motion passed unanimously.

c) Parcel Tax Ballot Wording

- i. Logistics - Timeline – Process
- ii. Scope:
 - 1. Staffing – Books – Improvements – Sr. Exemption
- iii. Ballot Language
- iv. Public Comment

After some discussion and review of past and current proposed ballot language elements, member Mordo Packard motioned to appoint members Packard and Satterlee to a subcommittee to develop proposed ballot language wording for the entire Board to consider at the next meeting. The entire group concurred unanimously.

6. ACTIVITY REPORT

None

7. ADJOURNMENT

Member Lai adjourned the meeting at 9:00 PM.

Respectfully submitted,

Russell J. Morreale
Liaison to NCLA