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**MINUTES**  
**MEETING OF THE NORTH COUNTY LIBRARY AUTHORITY**  
**THE NEUTRA HOUSE**  
**181 HILLVIEW AVE, LOS ALTOS, CALIFORNIA 94022**  
**AUGUST 5, 2009**

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**1. CALL TO ORDER**

Meeting was called to order at 5:40pm by Chair Lai

**2. ROLL CALL**

**Members present:**

**Jim Lai**  
**Roy Lave**  
**Jean Mordo**  
**Megan Satterlee**  
**Ron Packard**

**Members absent**

**None**

**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**

Minutes from the meeting of July 2, 2009 were approved unanimously with a motion from member Lave and a second from member Mordo.

**5. DISCUSSION**

▪ **Adopt Resolution 09-01 Authorizing Investment of monies in the Local Agency Investment Fund (LAIF) (Item 5(C) of the August 5<sup>th</sup> agenda was reordered as the first item of discussion):**

- Liaison Morreale presented the need to authorize LAIF Resolution 09-01 updating authorizing officers to the current staffing assignments. This will allow for LAIF fund transfers necessary as we approach the end of the current parcel tax term. Member Lave motioned to approved resolution 09-01, with a second from member Mordo – all unanimously approved.

- **NCLA Parcel Tax :**
  - **Subcommittee Report:**
    - **Retaining Election Professional Services**
      - **Special Legal Counsel**
      - **Public Information & Education Services**
      - **Financial Advisory**
    - **Ballot Decisions:**
      - **Parcel Tax Rate & Structure**
        - **Term & Scenarios**
      - **Timing of Election**
- Liaison Morreale presented a discussion of two items: A need to engage professional services in the planning and execution of an upcoming parcel tax election; and possible parcel tax rate **levels structure, and timing.**
- On the matter of professional services, Morreale requested that the Commission consider the services of special election bond counsel, public information and education consultants, and financial advisory services. After some discussion, member Packard motioned to approve the engagement of professional services for special election bond counsel based upon the submitted quote and for financial services on an hourly basis. Services for Public education and information services were not approved. This motion was seconded by member Mordo and unanimously approved.
- Liaison Morreale went on to present a parcel tax rate analysis in seeking guidance on the term, structure, timing, and level of the tax.
- Morreale summarized the estimated costs of an election, indicating that June 2010 and November 2010 estimates were the most affordable coming in at \$147,000 and \$138,100 respectively. **These costs were significantly lower than the June 2010 election costs estimated at \$300,000.** Morreale also presented a quarterly cash-flow analysis illustrating the sensitive nature of NCLA cash flow as reserves are spent down to fund the upcoming election. In a nutshell, Morreale reported that, although funding a June 2010 election would come close to exhausting available reserves, cash flows remain positive assuming **County Registrar** cost estimates hold. Morreale indicated that the cash flow analysis assumed **County Registrar** provided election costs and the maintenance of current NCLA budget levels. Furthermore, the analysis assumed a modification of the **Santa Clara County Library** payment cycle, from a quarterly calendar to a semiannual basis, aligned with property tax receipts. Lastly, Morreale indicated that the analysis revealed that NCLA fiscally would benefit from making an early final bond principle payment in 2010-2011 resulting in \$16, 000 of interest savings.
- Morreale also presented the tax rates that resulted for an assumed June 2010 election. Using an inflationary model, the rate analysis revealed a twenty year rate range of \$52 for FY 11-12 to \$89 at the end of the twenty year term. This first model assumed a

4% **Santa Clara County Library** cost of living increase over the entire term and maintained book contributions at the expected \$65,000 level. No reductions in staffing levels were assumed. Morreale next presented a fixed rate model which placed the twenty year rate at \$68 with the same growth factors assumed.

- Upon hearing the presentation, a series of motions and actions were taken:
  - Member Packard placed a motion to select an election date in June 2010 (as opposed to a previous March 2010 date) for the election given the updated cash flow forecasts. This motion was seconded by member Lave and was unanimously passed.
  - Member Packard made a motion to authorize staff to approach the **Santa Clara County Library** to discuss the possibility of changing quarterly payment terms to a semi-annual basis in line with the City's property tax receipt cycle. Member Mordo seconded and the motion passed unanimously.

**▪ Set a meeting date to adopt a ballot resolution & set an election date**

- Members agreed to set a next meeting date on November 16<sup>th</sup> at which time they would re-affirm the rate projections and move towards a final decision on rate structure and levels and discuss the ballot filing and wording process.

## 6. **ACTIVITY REPORT**

None

## 7. **ADJOURNMENT**

Member Lai adjourned the meeting at 7:30 PM.

Respectfully submitted,

Russell J. Morreale  
Liaison to NCLA