

**Item #3**

**TO:** North County Library Authority (NCLA) Commission

**FROM:** Russell J. Morreale, Staff Liaison

**SUBJECT:** Adoption of the Budget for Fiscal Year 2013/14

**RECOMMENDATION:**

- a. Presentation of the County NCLA Budget Detail and Service Levels
- b. Presentation and Adoption of the FY2013/14 Proposed Budget
- c. Adopt Resolution No. 14-02 setting FY2013/14 GANN Spending Limit Calculation

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**BACKGROUND:**

On annual basis, in line with the NCAL norms, the budget is to be adopted by June 30<sup>th</sup> preceding any one fiscal year.

**DISCUSSION**

The attached resolutions serve to adopt the NCLA budget for fiscal year 2013/14 and the related and annually required GANN spending limit.

In so far as the bulk of the NCLA budget is made up of staffing support costs past through from the from the Santa Clara County Library system, this discussion is initiated with the presentation of the County budget detail. This information, presented as Attachment 1, highlights the staffing and hours of service proposed for the 2013/14 fiscal year. This same report highlights changes from the prior year noting that the County budget reflects an 8.2% increase in labor costs, or an increase of \$36,371.

The personnel costs have been incorporated into Attachment 2, the proposed operating NCLA budget for fiscal year 2013/14. A review of the budget reveals the following highlights: - The County personnel costs have increased by 8.2% - Services of operations remain unchanged - Revenue projections have been netted to reflect County administration fees – and \$65,000 in book support is again included. Should the proposed budget be adopted, Los Altos City staff will proceed to file with the County as part of the 2013/14 property tax roll.

Resolution No. 14-02 is an annually required update of the State appropriations limit to be adopted along with the budget adoption. This year's calculation includes a modification of the 2012/13 limit to reflect the use of Santa Clara wide population change factors, a technique used in building the historical values and reverted back to for consistency.

Attachment 1: Santa Clara County NCLA Budget Request

Attachment 2: FY2013/14 Proposed Budget

Attachment 3: Resolution No. 14-02

**Date:** May 10, 2013  
**To:** Russell Morreale, Finance Director, City of Los Altos  
**From:** Derek Wolfgram, Deputy County Librarian, Santa Clara County Library District   
**Subject:** NCLA Request for Fiscal Year 2013-14

### Personnel Budget

The total Santa Clara County Library District budget for personnel for the Los Altos Library and the Woodland Branch for FY 2013-14 is \$2,837,400, an increase of 2.8% from FY 2012-13.

For the district as a whole, salary and benefit costs are projected to increase approximately 4% above 2012-13 levels in the attached calculations, primarily resulting from increased retiree healthcare costs and the presumed elimination of furloughs in the labor contract currently being negotiated. Some minor reductions to extra help staffing levels account for the difference between the 4% increase in the cost of doing business and the 2.8% increase in the Los Altos Library budget.

NCLA's anticipated portion of the personnel budget is \$480,011, an increase of 8.2% from the approved FY 2012-13 NCLA budget. The larger increase in NCLA's personnel budget results from the fact that FY 2012-13 costs were underestimated, based on the preliminary benefit rates available at the time the budget was developed. While the actual costs for FY 2012-13 are likely to exceed the budgeted amount, the County Library District will absorb any costs that exceed the budgeted personnel figure. NCLA will not be charged for any expenses above the budgeted amount.

To put the current budget request in context, the personnel expenses for NCLA over the last five fiscal years have been as follows:

- 2012-13 (first six months): \$231,300
- 2011-12: \$464,272
- 2010-11: \$473,730
- 2009-10: \$459,559
- 2008-09: \$503,105

The proposed budget represents staffing for a total of 66 hours per week at Los Altos Library (12 hours funded by NCLA) plus 39 hours per week at Woodland Branch (19 hours funded by NCLA).

### Materials Budget

The NCLA Board has set the ongoing improvement of the collection as a high priority. It is requested that NCLA continue the \$65,000 augmentation of the book budget to reflect this policy.

### Total Request

\$480,011 for personnel + \$65,000 for books and other materials = \$545,011

**Cc:** Nancy Howe, County Librarian, Santa Clara County Library District  
Jane Cronkhite, Los Altos Community Librarian

## North County Library Personnel Budget Request for FY 2013-14

ESTIMATED 2013/14 COSTS NCLA Extra Hours	Type of Staff	Salary & Benefit Cost/Hr	Hours per week	# of Staff	Cost per week	Weeks per year	Annual Cost
Librarian II	Coded	\$ 55.66	12	4	\$ 2,671.78	52	\$138,932
Senior Clerk	Coded	\$ 46.33	12	1	\$ 555.98	52	\$28,911
Library Clerk II	Coded	\$ 37.14	12	4	\$ 1,782.55	52	\$92,693
Library Page	Coded	\$ 27.82	12	4	\$ 1,335.23	52	\$69,432
Extra Help Lib. Page	Extra Help	\$ 12.12	12	4	\$ 581.74	52	\$30,250
Janitor	Coded	\$ 36.65	12	1	\$ 439.74	52	\$22,867
<b>Los Altos Subtotal</b>							<b>\$383,085</b>
Librarian II	Coded	\$ 55.66	19	1	\$ 1,057.58	52	\$54,994
Library Clerk II	Coded	\$ 37.14	19	1	\$ 705.59	52	\$36,691
Library Page	Coded	\$ 27.82	19	1.5	\$ 792.79	52	\$41,225
Janitor	Coded	\$ 36.65	19	0.5	\$ 348.13	52	\$18,103
<b>Woodland Subtotal*</b>							<b>\$151,013</b>
<b>GRAND TOTAL</b>							<b>\$534,098</b>
Total service population						41,711	
Non-NCLA residents						4,224	
NCLA City residents						37,487	
% funded by NCLA						89.9%	
<b>Total NCLA Funding Request (Total cost x % NCLA residents)</b>							<b>\$480,011</b>

\*Per the Santa Clara County Library JPA Agreement, Woodland Branch is operated a minimum of 20 hours per week (referred to as the "Platform.") Since 1991, NCLA has funded 12 additional hours per week. In FY2008-09, NCLA funded an additional 7 hours per week (Mondays 1-8pm), bringing the total service hours per week to 39, of which 19 are funded by NCLA.

**North County Library Authority (NCLA)  
Proposed Budget FY 2013/14**

	2008-09 Actual	2009-10 Adopted	2009-10 Actual	2010-11 Adopted	2010-11 Actual	2011-12 Budget	2011-12 Actual	2012-13 Budget	2012-13 Projected	2013-14 Proposed	Change
Rate per Parcel	\$ 52.00	\$ 52.00	\$ 52.00	\$ 76.00	\$ 76.00	\$ 76.00	\$ 76.00	\$ 76.00	\$ 76.00	\$ 76.00	
<b>OPERATING EXPENDITURES</b>											
Service Costs											
County Staffing	530,698	499,562	466,059	475,256	473,730	484,979	464,271	443,640	443,640	480,011	36,371
Administrative Costs	3,060	11,000	27,170	11,000	23,687	25,000	21,055	15,000	15,000	15,000	0
Election Expenses	0	<b>272,500</b>	43,732	<b>87,000</b>	4,125		-				0
Contingency Funding						10,000		0		0	0
Book Costs	65,000	6,500	-	65,000	65,000	65,000	65,000	65,000	65,000	65,000	0
Total Operating Expenditures	<b>598,758</b>	<b>789,562</b>	<b>536,961</b>	<b>638,256</b>	<b>566,542</b>	<b>584,979</b>	<b>550,326</b>	<b>523,640</b>	<b>523,640</b>	<b>560,011</b>	<b>36,371</b>
<b>REVENUES</b>											
Tax Revenue	702,496	700,000	706,047	1,026,000	1,034,625	1,040,000	1,029,885	1,040,000	1,029,000	1,029,000	(11,000)
Interest Income	29,791	15,000	8,541	12,812	5,239	6,355	1,423	6,200	4,000	4,116	(2,084)
Total Revenues	<b>732,287</b>	<b>715,000</b>	<b>714,588</b>	<b>1,038,812</b>	<b>1,039,864</b>	<b>1,046,355</b>	<b>1,031,308</b>	<b>1,046,200</b>	<b>1,033,000</b>	<b>1,033,116</b>	<b>(13,084)</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	133,529	(74,562)	177,627	400,556	473,322	461,376	480,982	522,560	509,360	473,105	<b>(36,255)</b>
Debt Payments	<u>331,470</u>	<u>365,412</u>	<u>333,587</u>	<u>316,044</u>	<u>336,205</u>	338,662	<u>338,662</u>	0	0	0	<b>0</b>
Pre-Payment				<u>338,662</u>							
Activity Balance	(197,941)	(439,974)	(155,960)	(254,150)	137,117	122,714	142,320	522,560	509,360	473,105	
<b>FUND BALANCE as of June 30</b>	<u>\$ 919,090</u>		<u>\$ 763,130</u>		<u>\$ 900,247</u>		<u>\$ 1,042,567</u>	<u>\$ 1,565,127</u>	<u>\$ 1,551,927</u>	<u>\$ 2,025,032</u>	
Reserve/Final Debt Service Pymnt	\$ 347,325		\$ 339,013		\$ 338,663		\$ -				
Reserve for Service Levels	\$ 571,765		\$ 424,117		\$ 561,584		\$ 1,042,567	\$ 1,565,127	\$ 1,551,927	\$ 2,025,032	

**RESOLUTION NO. 14-02**

**A RESOLUTION OF THE NORTH COUNTY  
LIBRARY AUTHORITY  
SETTING THE FY 2013/14 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:

**FY2013/14    \$ \$2,587,674**

**I HEREBY CERTIFY** that the foregoing resolution, including a calculation modification of the FY2012/13 appropriation limit, was adopted by the Board of the North County Library Authority at a meeting of said Body held on the 21<sup>st</sup> day of May 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_/S/  
Lenelle Smith, President

Attest:

\_\_\_\_\_/S/  
Jon Maginot, Deputy City Clerk

**North County Library Authority  
Appropriation Limit Analysis  
2013-2014**

Fiscal Year	Original Maximum Tax Collection	Proposed Appropriation Limit	Appropriation Limit Growth Factors		Change in Pers. Inc. Or CPI
			Annual Combined Escalator	County Pop 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	1.0089	1.0251
2011-12	\$ 1,026,000	\$ 2,306,932	1.050567	1.0124	1.0377
2012-13	\$ 1,026,000	\$ 2,423,587	1.067704	1.015700	1.0512
2013-14	\$ 1,026,000	\$ 2,587,674			