



**MINUTES OF THE REGULAR MEETING
OF THE NORTH COUNTY LIBRARY AUTHORITY HELD ON
MONDAY, MAY 10, 2021, AT 5:30 P.M.
Virtual Meeting, recorded on Zoom**

ESTABLISHED QUORUM AT 5:31 P.M.

Quorum was established at 5:31 pm and the meeting was called to order. All five Commission members were present for roll call. Commissioner Schmidt reported she must leave the meeting at 6 pm.

PUBLIC COMMENT

None

ITEMS FOR CONSIDERATION/ACTION

1. Adoption of Annual Budget for FY 21/22

The Liaison provided a brief overview. This has been a very unusual year with the libraries closed due to COVID-19. The proposed budget anticipates a full year of operation, which may or may not be achieved. Two resolutions are before the Commission; these are approved annually and required by the state in one case and the County in the other.

Motion made by Commissioner Epstein to adopt Resolution 2021-01 Setting a Special Tax Levy Rate and seconded by Vice President Hill. The motion passed 5-0.

AYES: Epstein, Fligor, Hill, Meadows, Schmidt

NOES: None

ABSTAIN: None

ABSENT: None

Motion by Secretary Epstein and seconded by President Fligor to approve Resolution 2021-02 Setting the FY 21/22 Gann Spending Limit Calculation with the understanding the estimated calculation will be corrected based on City of Los Altos calculation provided when the data becomes available. The motion passed 5-0.

AYES: Epstein, Fligor, Hill, Meadows, Schmidt

NOES: None

ABSTAIN: None

ABSENT: None

Chuck Griffen, County Library District Administrative Services Director, reported efforts are under way to reopen Woodland Branch Library. He reported the County hiring freeze has been lifted but it

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takes time to fill vacancies, plus some library staff are still working on vaccination efforts. The proposed personnel estimate is higher than actual costs will be, as the estimate assumes full staffing and operations starting July 1. The hours billed will ultimately reflect what is worked. Questions have been raised about how the discount has been calculated in FY 19/20 and FY 20/21.

The Library District pays expenses, and revenues remaining go through a funding formula based on various factors including population, circulation, etc. Funds are distributed through the Library District based on that calculation. Property tax continues to outperform expectations, which along with excess ERAF, generate additional revenue. Some property tax is taken off the top to make sure schools are fully funded, but too much has been taken, so some is being refunded to local agencies. Previously the County offered NCLA several options to use excess ERAF and the Commission asked for a credit since NCLA already pays for extra hours. ERAF continues to be potentially volatile, only 5 counties receive excess ERAF. The State has made it a legislative priority to take back some ERAF, \$11 million per year in funding may be in jeopardy.

In FY 2019/20 the libraries closed for the final quarter of the year so the remaining portion of that year's revenues were refunded. Because of funding formula, still a credit coming to NCLA. Instead of \$814,000 charged in 21/22, another \$335,000 offset will be credited, along with \$72,000 for the quarter of the year the libraries were closed.

Secretary Epstein has discussed previously with Mr. Griffen different approaches for allocation of credits. Secretary Epstein emailed information to the Commissioners shortly before this meeting with further information (see attachment). Secretary Epstein stated NCLA funds are in addition to the funding formula, and that, as general accounting practices, credits should be applied before costs.

Mr. Griffen clarified NCLA is not part of the funding formula but the Los Altos libraries are. He acknowledged some NCLA funds should be returned due to the closure, approximately \$72,000. Secretary Epstein reported \$215,403 is due back to NCLA as an overpayment in FY 2019/20.

[Commissioner Schmidt left the meeting.]

President Fligor suggested a continuing follow up discussion between Mr. Griffen, Secretary Epstein and Liaison Scott.

Secretary Epstein requested modifications on the proposed FY 21-22 budget before consideration for adoption: show the full County Personnel Budget Request, then the ERAF/credits and delete the Emergency Fund line item for \$50,000 as it will not be needed.

Motion made to adopt NCLA Annual Budget FY 21/22 with modifications described above by Secretary Epstein, seconded by President Fligor.

Public Comment: Pierre Bedard, speaking as a Los Altos citizen, stated the emergency fund of \$50,000 should not be removed as it could be used at Woodland Branch to help address the COVID situation.

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Commissioner Meadows stated she has not had the opportunity to read the memo from Secretary Epstein and needs additional time to consider. Vice President Hill echoed the need for additional time to review and absorb the information provided. President Fligor stated we can return the next meeting to modify the budget as needed.

Motion made by President Fligor and seconded by Vice President Hill to adopt annual budget for FY 21/22 as proposed. The motion passed 3-1 and one absent.

AYES: Fligor, Hill, Meadows

NOES: Epstein

ABSTAIN: None

ABSENT: Schmidt

President Fligor requested an Ad Hoc Committee headed by Secretary Epstein with Liaison Scott to review the allocation of credits with Mr. Griffen and report back to the Commission. Motion made by Secretary Epstein and seconded by Vice President Hill. Motion approved 4-0 one absent.

AYES: Epstein, Fligor, Hill, Meadows

NOES: None

ABSTAIN: None

ABSENT: Schmidt

2. Approval of minutes for Special Meeting of 3/25/21

Liaison Scott noted Librarian Rose Baiza's name was inadvertently misspelled and will be corrected. Motion was made by President Fligor to approve the minutes as amended and seconded by Commissioner Meadows. The motion passed 4-0 with Commissioner Schmidt absent.

AYES: Epstein, Fligor, Hill, Meadows

NOES: None

ABSTAIN: None

ABSENT: Schmidt

3. Update from Santa Clara County Library Staff

Los Altos Community Librarian Rose Baiza reported the Los Altos Library is open, they allow browsing among the shelves and the hiring freeze is lifted. In April and March of this year materials checked out have increased 19%, patrons served increased 5% and circulation has increased 44.8%. The current schedule is five hours per day, six days per week. In response to the question of whether the library will expand service, Librarian Baiza stated they don't have enough staff. They are working on opening Woodland Branch. A comment was made that many from South Los Altos are requesting Woodland reopen. In response to a question about library usage data comparisons pre- and post-COVID, Librarian Baiza stated they have not done that but will look into it. The open hours are still fairly limited due to staffing. It was noted there is still a big demand for Sunday open hours. The Distinguished Author Series, sponsored by LALE, reached over 1,200 people.

4. Status of NCLA Fund Transfer from City to County

In March the Ad Hoc Subcommittee sent the presentation slides and analysis to the City regarding the amount due to NCLA as a result of participation in the commingled fund, and the total amount of NCLA funds that should be transferred to the County by June 30, 2021. Secretary Epstein stated NCLA is no further along in consolidating funds than in March. She stated it is concerning and proposed the NCLA attorney send a letter to the City of Los Altos. A consensus developed to give the City until June 30th to transfer the funds to the County. The Ad Hoc Subcommittee was asked to draft a letter to the City asking for a report by June 30th to bring closure to this issue.

Public Comment: Pierre Bedard stated this is a complex issue. He hopes for a resolution that is favorable to both parties and supports the current steps to provide time for the City to take action.

5. New Legal Counsel for NCLA

Since the last meeting, Commissioner Schmidt contacted Town Attorney Steve Mattas to inquire if he would be willing to serve as NCLA Counsel. He indicated interest. Should the Commission decide to move forward President Fligor will negotiate an agreement to take effect immediately. Mr. Mattas introduced himself.

Motion made by Vice President Hill, seconded by Commissioner Meadows. The motion passed 4-0 with Commissioner Schmidt absent.

AYES: Epstein, Fligor, Hill, Meadows

NOES: None

ABSTAIN: None

ABSENT: Schmidt

6. Library Redevelopment Initiative

Over the last several months questions have been raised about the status of the redevelopment initiative and improvements for both Los Altos libraries. LALE still has a building fund separate from operating fund. The Library Commission has created an Infrastructure Subcommittee and is exploring improvements and space changes to Woodland Branch Library. The Library Commission will come to a future NCLA meeting to discuss this issue further. A question was raised about whether the Task Force is changing focus by expanding with review of Woodland. Vice President Hill responded Woodland would be smaller scope and may be able to provide something for that area, while still working on redevelopment of Los Altos Library.

Public Comment: Pierre Bedard stated as a member of the public and Library Commissioner, it is good to hear this discussion. He will learn more about the Library Commission's Subcommittee's work at the meeting this Thursday.

Many Task Force members still care about redevelopment; they are wonderfully energetic and engaged.

INFORMATIONAL ITEMS

Commissioners need to sign a County financial form.

COMMISSIONERS' REPORTS AND COMMENTS

None.

POTENTIAL FUTURE AGENDA ITEMS

Vice President Hill asked to agendize an update on Woodland Library and schedule a presentation by the Library Commission. We will have an update on the budget discussion and next round of billing to the Member Entities. Secretary Epstein suggested further consideration of including unincorporated areas serviced by the Los Altos Library in the next parcel tax effort.

Liaison will poll Commissioners for future meeting dates.

ADJOURNMENT

The meeting adjourned at 7:05 pm.

SPECIAL NOTICES TO PUBLIC

In compliance with the Americans with Disabilities Act, the City of Los Altos will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk at least 48 hours prior to the meeting at (650) 947-2720.

Agendas, Staff Reports and some associated documents for Financial Commission items may be viewed on the Internet at <http://losaltosca.gov/committees-commissions/nclal/meetings.html>

If you wish to provide written materials, please provide the Commission Liaison with **10 copies** of any document that you would like to submit to the Commissioners in order for it to become part of the public record.

For other questions regarding the meeting proceedings, please contact the City Clerk at (650) 947-2720.

Hi Chuck -

Regarding: Application of ERAF Credits

1. I am aware of and understand SCCLD's policy and practice of transferring unexpended funds, those that had been budgeted for the eight County libraries but unused by June 30 of each fiscal year, to the Library District's general fund balance. But NCLA is not part of the County system and does not benefit from the SCCLD fund balance. The method you used to calculate the amount due from NCLA does not afford NCLA the full benefit of ERAF funds allocated to it. When calculating balances owed, credits are customarily applied first, and I believe that is how it should be handled with the County and therefore am not in agreement with your calculation.

2. Amount owed for FY19/20. The ERAF credit of \$448,689 for FY19/20 should be applied first toward the payment for extra hours at Los Altos and Woodland libraries then, upon its exhaustion, NCLA would be billed for the remaining costs incurred to provide extra hours to the Los Altos and Woodland libraries that year. The library was open 8 1/2 months in FY19/20. From the budget of \$738,523 for the full year, 8 1/2 months would represent \$523,120 of the budget. The County received the ERAF money. $\$523,120 - \$448,689$ ERAF credit = \$74,431 remaining to be paid by NCLA for FY19/20. In February 2020 SCCLD sent NCLA an invoice for \$149,028.45. In June 2020, even though the libraries had been closed for three months, SCCLD sent NCLA an additional invoice for \$140,805.55, the two invoices totaling the exact amount, \$289,834, that had been budgeted from NCLA for the cost of the full twelve-month fiscal year.

The amount NCLA was overcharged for the year was $\$289,834 - \$74,431 = \$215,403$ overpayment.

A credit of overpaid NCLA funds in the amount of \$215,403 for FY19/20 is due NCLA. This is not County money, it is restricted NCLA money that can legally be used for only a few clearly specified purposes, primarily to provide extended hours at the Los Altos libraries. It cannot be placed in SCCLD's fund balance for use for alternative purposes throughout the County Library system.

3. Available ERAF Carry-Forward Credit for FY21/22. The ERAF credit SCCLD provided to NCLA for FY20/21 was \$448,689. Due to an unpredictable and unprecedented pandemic, the Woodland Library remains closed and the Los Altos Library has a greatly reduced schedule which has resulted in no extended hours being possible for FY20/21. The unused ERAF credit from FY20/21 should be carried forward and applied to the FY21/22 budget. These are abnormal times so there is no past precedent to follow. Unused funds which are unused due to situations out of the control of the user, should not be treated as they are treated in a 'normal' year when funds are unused due to the user's lack of action. On your schedule for FY21/22, \$335,361 is shown as the credit to be carried forward from FY20/21, and not the full unused ERAF credit given to NCLA for use at the Los Altos libraries for that year of \$448,689. Please explain why slightly more than 25% of the ERAF credit originally given for the Los Altos libraries is missing.

4. The residents of Los Altos and Los Altos Hills have joined forces and pooled their money in order to provide the extra dollars required to keep the Los Altos and Woodland libraries open for extended hours. This ground swell movement by the public to keep their library open was based on an agreement with the County, anchored in trust and the mutual desire to work together, to achieve the common goal of keeping the Los Altos libraries open longer hours. It is unique. There is no other similar body in the County. The agreement with the County was NCLA would pay for the additional staff hours that were needed in order to open the doors to the public for those extended hours. Hence, NCLA is not charged for otherwise ongoing expenses such as the Head Librarian's salary or County overhead, for example, as these costs would remain if NCLA stopped funding extra hours. The same is true for staff that would be working in the library regardless of whether the doors were open to the public or not. For example, the cost to NCLA would be the cost of additional staff needed M-W 10-1 to have the library open compared to the staff working in the library 10-1 now when the library is closed.

As we are both aware, there is tremendous work done by staff behind the scene to run a library. As the shutdown has shown us, these activities are needed and continue whether the library is open or closed. The Los Altos community LOVES their library. It is the most popular public building in the City open to all equally to enjoy regardless of status or circumstance. The NCLA Board's primary purpose and responsibility is to oversee the 'special tax funds' the residents have entrusted us with to ensure the fund's proper handling and most efficient use toward the purposes outlined in the tax measure language, most predominantly to provide extra open hours for the public use of its library. A budget is made each year with the understanding that only actual staffing costs incurred toward this purpose are billed.

I believe NCLA is due a credit for overpayment in FY19/20 in the amount of \$215,403 and the unused ERAF credit from FY20/21 of \$448,689. This total credit of \$664,092 should be applied to the FY21/22 budget to be used first before billing NCLA for any additional expenses. Please adjust your NCLA Personnel Budget Requests sheet to reflect this.

Thank you.
Sincerely,
Suzanne Epstein

North County Library Authority Personnel Budget Requests for FY 2021-22

ESTIMATED 2021/22 COSTS NCLA Extra Hours	Times	Salary & Benefit Cost/Hr	Hours per week	# of Staff	Cost per week	Weeks per year	Annual Cost
Librarian II	M-W 10-1	\$ 73.19	9	4.5	\$ 2,964.13	52	\$154,135
Senior Clerk	M-W 10-1	\$ 60.76	9	1	\$ 546.88	52	\$28,438
Library Clerk II	M-W 10-1	\$ 51.35	9	3	\$ 1,386.37	52	\$72,091
Library Page	M-W 10-1	\$ 42.48	9	3	\$ 1,146.83	52	\$59,635
Janitor (Prorated)	M-W 10-1	\$ 31.84	9	1	\$ 286.52	52	\$14,899
Librarian II	Th 6-9	\$ 73.19	3	2	\$ 439.13	52	\$22,835
Senior Clerk	Th 6-9	\$ 60.76	3	1	\$ 182.29	52	\$9,479
Library Clerk II	Th 6-9	\$ 51.35	3	1	\$ 154.04	52	\$8,010
Library Page	Th 6-9	\$ 42.48	3	2	\$ 254.85	52	\$13,252
Janitor (Prorated)	Th 6-9	\$ 31.84	3	1	\$ 95.51	52	\$4,966
Librarian II	Fri-Sun 6-7	\$ 73.19	3	2	\$ 439.13	52	\$22,835
Senior Clerk	Fri-Sun 6-7	\$ 60.76	3	1	\$ 182.29	52	\$9,479
Library Clerk II	Fri-Sun 6-7	\$ 51.35	3	1	\$ 154.04	52	\$8,010
Library Page	Fri-Sun 6-7	\$ 42.48	3	2	\$ 254.85	52	\$13,252
Janitor (Prorated)	Fri-Sun 6-7	\$ 31.84	3	1	\$ 95.51	52	\$4,966
Librarian II	Sun 10-12	\$ 73.19	2	2	\$ 292.75	52	\$15,223
Senior Clerk	Sun 10-12	\$ 60.76	2	1	\$ 121.53	52	\$6,320
Library Clerk II	Sun 10-12	\$ 51.35	2	1	\$ 102.69	52	\$5,340
Library Page	Sun 10-12	\$ 42.48	2	1	\$ 84.95	52	\$4,417
Janitor (Prorated)	Sun 10-12	\$ 31.84	2	1	\$ 63.67	52	\$3,311
Los Altos Subtotal							\$480,895
Librarian II		\$ 73.19	25	1	\$ 1,829.71	52	\$95,145
Senior Clerk		\$ 60.76	19	1	\$ 1,154.53	52	\$60,036
Library Clerk II		\$ 51.35	25	1	\$ 1,283.68	52	\$66,751
Library Clerk II		\$ 51.35	5	1	\$ 256.74	52	\$13,350
Library Page		\$ 42.48	25	1.5	\$ 1,592.81	52	\$82,826
Janitor (Prorated)		\$ 12.56	23	1	\$ 288.82	52	\$15,019
Woodland Subtotal							\$333,127
GRAND TOTAL							\$814,022
2021-22 ADDITIONAL AVAILABLE FUNDING							(\$335,361)
REVISED TOTAL							\$478,661
CREDIT FOR LAST QUARTER OF 2019-2020							(\$72,459)
FINAL REQUEST FOR FISCAL YEAR 2021-2022							\$406,202