



TO: North County Library Authority (NCLA) Commission

FROM: Marcie Scott, Liaison

DATE: August 30, 2021

SUBJECT: Consideration and Adoption of Revised FY 2021-2022 NCLA Operating Budget

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### **SUMMARY**

At the Regular NCLA meeting on May 10, 2021 the NCLA Commission adopted the annual budget to comply with the June 30<sup>th</sup> deadline for adoption. Discussion occurred during the May meeting about the unused ERAF and other credits from FY 19/20 and FY 20/21 and the allocation of said offsets in the Santa Clara County Library District FY 21/22 staffing budget. Secretary Epstein and Liaison Marcie Scott were asked to meet with County Library System Administrative Services Manager Chuck Griffen for continued discussion and resolution, reporting back to the Commission any changes in the County's staffing budget request from NCLA. The Ad Hoc Committee met on June 3, 2021. Based on the outcome of that meeting, a proposed Revised Budget is recommended for consideration and adoption by the Commission.

### **DISCUSSION**

The County accepted Secretary Epstein's analysis and adjusted the credit due NCLA for FY 19/20 to the amount of \$215,403, an increase in credit of \$143,000. Both the Woodland and Main Library were closed in March 2020 under order of the County Public Health Officer, which eliminated the need for the additional NCLA-funded hours (and all hours) worked for the remainder of FY 19/20. In the fourth quarter of 2019/20, though, it was unclear what the duration of the impact of COVID-19 would be, so the semi-annual NCLA bill presented from the County was paid at the regular rate of funding 42 hours per week for the two Los Altos libraries. The additional credit derived from this overpayment.

For the past two fiscal years (2019/20 and 2020/21) the County has provided a credit to the Los Altos libraries in the amount \$448,689 each year, based on the additional and unanticipated ERAF funding the County Library District received and distributed to each of its libraries. In the Ad Hoc Meeting June 3<sup>rd</sup>, the County explained it was withholding 25% of the ERAF credit from FY20/21 to factor in the future uncertainties of the State potentially retracting some ERAF funds. The State proposed legislation that could 'ask for money back' from the ERAF payments distributed to the Counties and Cities. The County gave assurance that should the funds not be withdrawn by the State, additional credit will be applied to a future NCLA Budget.

The proposed Revised Budget for this fiscal year (FY21/22) includes the adjusted credit for a total credit of \$550,764 (\$215,403 for FY19/20 plus \$335,361 from FY20/21) reflecting the combined credit from both years.

The County also noted that there was no longer a need for an Emergency Funding allocation from NCLA. This line item was originally added by the Commission in Spring 2020, at the initial shutdown of the libraries, when the anticipation of increased funding for online books, media and programs was a possibility. The County Library District has an emergency reserve totaling over \$19 million to apply toward future emergency needs and therefore can guarantee it will not request emergency funds from NCLA.

As a final comment, the NCLA budget for FY 2021/22 reflects funding for the same level of extra hours, 42 hours per week, as occurred prior to COVID-19. The County has not been able to staff at their full operational level yet due to the continuing impacts of the pandemic, and has therefore not begun to use NCLA funding for extra hours to date. A savings in this line item will therefore be recognized in FY 21/22.

**Proposed Motion:** Move approval of Revised NCLA annual budget for Fiscal Year 2021-22.

Attachments:

- A. Proposed Revised Budget FY 2021/22
- B. Email summary of Ad Hoc Committee meeting dated 6/3/21
- C. Revised County Personnel Budget Request for FY 2021/22
- D. Adopted Budget FY 21/22 approved 5/10/21

**NCLA**  
**Operating Budget/Proposed Revision 8/30/21**  
**Fiscal Year 2021/22**

	2017/18	2018/19	2019/20	2020/21	2021/2022
	Actual	Unofficial Actl	Budget	Budget	Budget
<b>Rate per Parcel</b>	\$76	\$76	\$76	\$76	\$76
<b>OPERATING EXPENDITURES</b>					
Service Costs					
County Staffing	665,653	723,670	738,523	779,880	814,022
(minus ERAF/other credit)			(448,689)	(448,689)	(550,764)
Administrative Costs*	12,369	29,445	32,450	17,400	31,300
Emergency Resource Fund	0	0	0	50,000	50,000
<b>Total Operating Expenditure</b>	<b>678,022</b>	<b>753,115</b>	<b>322,284</b>	<b>348,591</b>	<b>344,558</b>
<b>REVENUES</b>					
Tax Revenue (actual)	1,049,447	1,048,695	1,051,404	1,051,404	1,051,554
Interest Income	10,461				
Interest Received-LAIF		7,609	6,500		
<b>Total Revenues</b>	<b>1,059,908</b>	<b>1,056,304</b>	<b>1,057,904</b>	<b>1,051,404</b>	<b>1,051,554</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>381,886</b>	<b>303,189</b>	<b>735,620</b>	<b>702,813</b>	<b>706,996</b>
<b>LIBRARY REDEVELOPMENT PROJECT</b>					
Vendors, Consultants, other cost	17,000	29,750	82,000	0	0
Election Filing Fee			0	0	0
<b>Total Library Project</b>			<b>82,000</b>	<b>0</b>	<b>0</b>
<b>FUND BALANCE as of 6/30</b>	<b>\$3,938,712</b>	<b>\$4,212,151</b>	<b>\$4,865,771</b>	<b>\$5,568,583</b>	<b>\$6,275,579</b>

\*Administrative costs include: NBS parcel audit (7,000); MRG Liaison (10,800); Legal support (10,000), financial audit (3,500) *Some costs will be reimbursed by Member Entities per JPA language*

\*\*Emergency Resource Fund: to be used at discretion of NCLA Board for urgent or emergency needs

[Proposed Revision 8/30/21]

# Recap Wednesday's meeting

Suzanne Epstein <suzanneeps@gmail.com>

Thu 6/3/2021 3:28 PM

To: Chuck Griffen <CGriffen@sccl.org>;

Cc: Marcie Scott <msscott@solutions-mrg.com>;

Hi Chuck - To recap the results of our NCLA financial review meeting yesterday, the outcomes were:

1. The offset (credit) due NCLA from overpayment in FY19/20 is \$215,403.
2. The offset carried forward for NCLA from FY20/21 is \$335,361. It is acknowledged this is approximately 75% of the original FY20/21 offset, \$448,689, with the understanding that, among other actions, a certain percent was intentionally kept back as a reserve in the event the State adjusts downward the ERAF credits previously provided. If this return-of-ERAF-funds-to-the-State does not occur and/or if additional offsets are provided from State or County, future fiscal year offsets given to NCLA can be anticipated.
3. The total offset for FY21/22 is \$550,764 (\$215,403 + \$335,361).
4. The staffing request remains the same, namely \$814,022, based on the library being fully open 'normal' hours for the entire fiscal year, though it was acknowledged this would not be happening by July 1, 2021, and, hence, the entire budgeted \$814,022 will not be used.
5. In the future, offsets for NCLA expenses will be applied FIRST, before any additional billings to NCLA are made.
6. The \$50,000 emergency funding can be removed from the NCLA budget, as there is no circumstance under which the County would request emergency funding from NCLA for the Los Altos libraries. The County Library District has an emergency reserve totalling over \$19 million to apply toward future emergency needs.
7. In the future, as the County Library District is able to provide funds for longer open hours at all the County libraries, requests for funding for additional extended open hours at the Los Altos libraries from NCLA can be anticipated to decrease.

Thank you again for the meeting, and Marcie and I look forward to receiving the updated NCLA Personnel Budget Request for FY21/22 from you soon.

Best wishes,  
Suzanne

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

(Received 6/4/21)

<b>ESTIMATED 2021/22 COSTS NCLA Extra Hours</b>	<b>Times</b>	<b>Salary &amp; Benefit Cost/Hr</b>	<b>Hours per week</b>	<b># of Staff</b>	<b>Cost per week</b>	<b>Weeks per year</b>	<b>Annual Cost</b>
<b>Librarian II</b>	M-W 10-1	\$ 73.19	9	4.5	\$ 2,964.13	52	\$154,135
<b>Senior Clerk</b>	M-W 10-1	\$ 60.76	9	1	\$ 546.88	52	\$28,438
<b>Library Clerk II</b>	M-W 10-1	\$ 51.35	9	3	\$ 1,386.37	52	\$72,091
<b>Library Page</b>	M-W 10-1	\$ 42.48	9	3	\$ 1,146.83	52	\$59,635
<b>Janitor (Prorated)</b>	M-W 10-1	\$ 31.84	9	1	\$ 286.52	52	\$14,899
<b>Librarian II</b>	Th 6-9	\$ 73.19	3	2	\$ 439.13	52	\$22,835
<b>Senior Clerk</b>	Th 6-9	\$ 60.76	3	1	\$ 182.29	52	\$9,479
<b>Library Clerk II</b>	Th 6-9	\$ 51.35	3	1	\$ 154.04	52	\$8,010
<b>Library Page</b>	Th 6-9	\$ 42.48	3	2	\$ 254.85	52	\$13,252
<b>Janitor (Prorated)</b>	Th 6-9	\$ 31.84	3	1	\$ 95.51	52	\$4,966
<b>Librarian II</b>	Fri-Sun 6-7	\$ 73.19	3	2	\$ 439.13	52	\$22,835
<b>Senior Clerk</b>	Fri-Sun 6-7	\$ 60.76	3	1	\$ 182.29	52	\$9,479
<b>Library Clerk II</b>	Fri-Sun 6-7	\$ 51.35	3	1	\$ 154.04	52	\$8,010
<b>Library Page</b>	Fri-Sun 6-7	\$ 42.48	3	2	\$ 254.85	52	\$13,252
<b>Janitor (Prorated)</b>	Fri-Sun 6-7	\$ 31.84	3	1	\$ 95.51	52	\$4,966
<b>Librarian II</b>	Sun 10-12	\$ 73.19	2	2	\$ 292.75	52	\$15,223
<b>Senior Clerk</b>	Sun 10-12	\$ 60.76	2	1	\$ 121.53	52	\$6,320
<b>Library Clerk II</b>	Sun 10-12	\$ 51.35	2	1	\$ 102.69	52	\$5,340
<b>Library Page</b>	Sun 10-12	\$ 42.48	2	1	\$ 84.95	52	\$4,417
<b>Janitor (Prorated)</b>	Sun 10-12	\$ 31.84	2	1	\$ 63.67	52	\$3,311
<b>Los Altos Subtotal</b>							<b>\$480,895</b>
<b>Librarian II</b>		\$ 73.19	25	1	\$ 1,829.71	52	\$95,145
<b>Senior Clerk</b>		\$ 60.76	19	1	\$ 1,154.53	52	\$60,036
<b>Library Clerk II</b>		\$ 51.35	25	1	\$ 1,283.68	52	\$66,751
<b>Library Clerk II</b>		\$ 51.35	5	1	\$ 256.74	52	\$13,350
<b>Library Page</b>		\$ 42.48	25	1.5	\$ 1,592.81	52	\$82,826
<b>Janitor (Prorated)</b>		\$ 12.56	23	1	\$ 288.82	52	\$15,019
<b>Woodland Subtotal</b>							<b>\$333,127</b>
<b>GRAND TOTAL</b>							<b>\$814,022</b>
<b>2021-22 ADDITIONAL AVAILABLE FUNDING</b>							<b>(\$335,361)</b>
<b>REVISED TOTAL</b>							<b>\$478,661</b>
<b>REVISED CREDIT FOR LAST QUARTER OF 2019-2020</b>							<b>(\$215,403)</b>
<b>FINAL REQUEST FOR FISCAL YEAR 2021-2022</b>							<b>\$263,258</b>

**NCLA  
Operating Budget  
Fiscal Year 2021/22**

Adopted 5/10/21

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