



TO: North County Library Authority (NCLA) Commission

FROM: Marcie Scott, Liaison

DATE: May 10, 2021

SUBJECT: Consideration and Adoption of FY 2021-2022 NCLA Operating Budget
Consideration and Adoption of Resolution 2021-01 Setting a Special Tax
Levy Rate
Consideration and Adoption of Resolution 2021-02 Setting the FY 21/22 Gann
Spending Limit Calculation

SUMMARY

Each year in the Regular May meeting, the NCLA Commission considers the annual operating budget for the coming fiscal year. One component of the NCLA budget adoption process includes adopting resolutions to affirm the Special Tax Rate of \$76 per parcel for Library Services and setting the GANN spending limit. The action before the Commission tonight is to adopt the annual budget for next Fiscal Year 2021-22, and two resolutions as required by the County and State.

NCLA Budget FY 21/22

The current fiscal year has been like no other due to COVID-19; the libraries closed in March 2020 based on State and local public health emergency orders and more recently are operating only in a limited capacity.

Expenditures – The primary expenditure is the NCLA’s funding paid to the Santa Clara County Library District for 17 additional operational hours per week at the Los Altos Library and 25 additional operational hours per week at the Woodland Branch Library. The County has not billed NCLA for extra hours during FY 20-21 due to the closure and limited operations. County staff have expressed optimism the library system will return to more regular and consistent operations near the beginning of the new fiscal year. This budget proposes funding an extra 42 hours per week for the full year, and reflects an increase of 3.99% compared to last year’s projected costs.

The County is passing along cost savings of \$335,361 next year resulting from additional revenue, which includes ERAF funds refunded by the State. Further, the County will provide a credit of \$72,459 for costs paid by NCLA in the final quarter of FY 19-20 when the County libraries unexpectedly shut down at the start of the pandemic. This results in an expected expenditure for the full schedule of extra hours next year of \$406,202.

Administrative costs are expected to continue next fiscal year at a similar level, with a cost of living increase factored into the NBS parcel audit contract costs. Legal services are budgeted at \$10,000, but expenditures for costs as defined in Section 12 of JPA Agreement are expected to be reimbursed by the two Member Entities.

Revenues – The parcel tax continues to be the primary source of revenue for NCLA. Based on the audit report from NBS last Fall, parcel tax collections will be nearly the same as the previous year.

Revenues from interest earned were not budgeted in the current fiscal year due to uncertainty around the economy. It is recommended to continue this practice for the same reason, as well as the fact that NCLA funds are still split between two organizations. The actual interest earned will be reported in future budgets once all funds are held by the County.

Resolution 2021-01 Setting a Special Tax Levy Rate

As a special tax district, the NCLA is funded by a parcel tax approved by the voters in June 2010. As such, the Authority is authorized to levy a qualified special tax of \$76 per parcel per year. This special tax will be levied for 20 consecutive fiscal years, beginning July 1, 2010 and ending June 30, 2030. The attached Resolution 2021-01 affirms the action by the NCLA governing body to set the parcel tax rate at its annual amount of \$76 per parcel. This administrative action is taken to accommodate the County filing process and documents this annual act. [Attachment D]

Resolution 2021-02 Setting the FY 21/22 Gann Spending Limit Calculation

Resolution No. 2021-02 is an annually required update of the State appropriation limit to be adopted along with the budget. [Attachment E] This year's calculation is an estimation as the data points required are not available yet. The annual spending limit is based on County-wide population change factors, a technique used in building the historical values and applied for consistency. An estimated calculation is provided, however it is recommended the Commission approve the following motion to allow correction of the spending limit if needed:

Motion: Move approval of 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.

Attachments:

- A. NBS parcel tax audit dated January 2021
- B. Santa Clara County investment fund report dated 4/8/21
- C. Proposed Budget FY 2021/22
- D. Resolution 2021-01 Setting a Special Tax Levy Rate
- E. Resolution 2021-02 Setting the FY 21/22 Gann Spending Limit Calculation
- F. Gann Spending Calculation Table

NORTH COUNTY LIBRARY AUTHORITY

Fiscal Year 2020/21 Annual Report for:

Measure L (Library Parcel Tax)

January 2021

Prepared by:



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1. DISTRICT SUMMARY

1.1 District

The North County Library Authority (“NCLA”) was formed through a joint powers agreement between the City of Los Altos and the Town of Los Altos Hills. The purpose of the NCLA is to create an agency which will plan, support, acquire, maintain and operate programs and facilities for the extension of public library services for the benefit of the inhabitants within the collective boundaries of the City of Los Altos and Town of Los Altos Hills.

Voters within the City of Los Altos and the Town of Los Altos Hills approved Measure L by 78% in June of 2010. Measure L authorizes NCLA to levy a \$76 special parcel tax upon parcels within the NCLA. The special parcel tax may be levied for 20 years beginning with Fiscal Year 2010/11 and ending after Fiscal Year 2029/30.

Measure L replaced a \$52 special parcel tax that was established in 1990 to finance the Los Altos Library expansion, supplement the book budget, and fund library hours. The purpose of Measure L special parcel tax is to maintain Los Altos and Woodland library hours, purchase books and materials, support library programs, and for general purposes of the NCLA.

1.2 Levy

The special parcel tax is levied at \$76 per parcel on all developed parcels. For Fiscal Year 2020/21, 13,976 parcels were levied a total of \$1,062,176.00. Of the 13,976 levied parcels, 11,005 are in the City of Los Altos and 2,971 are in the Town of Los Altos Hills.

1.3 Exemptions

Measure L allows for a low income senior exemption from the parcel tax. For Fiscal Year 2020/21, there are 11 senior exempt parcels. Parking lots and parcels containing railroad tracks or energy transformers are not considered developed for purposes of the parcel tax.

1.4 Special Parcel Tax Summary

The following table provides a summary of the Fiscal Year 2020/21 special parcel tax levy.

Parcel Type	Number of Parcels	Fiscal Year 2020/21 Levy
Developed	13,976	\$1,062,176.00
Exempt – Undeveloped	269	0
Exempt – Senior	11	0
Exempt – Public Property ⁽¹⁾	259	0
Totals	14,515	\$1,062,176.00

(1) Includes 25 properties listed as Parking Lots

1.5 Historical Summary of Levied Parcels

The following table provs a historical summary of levied parcels.

Fiscal Year	City of Los Altos	Town of Los Altos Hills	Total Levied Parcels	Net Change in Parcels Levied	Total Levy Amount
2010/11	N/A	N/A	13,626	-	\$1,035,576.00
2011/12	10,836	2,852	13,688	62	\$1,040,288.00
2012/13	10,805	2,889	13,694	6	\$1,040,744.00
2013/14	10,894	2,921	13,815	121	\$1,049,940.00
2014/15	10,932	2,922	13,854	39	\$1,052,904.00
2015/16	10,961	2,946	13,907	53	\$1,056,932.00
2016/17	10,990	2,948	13,938	31	\$1,059,288.00
2017/18	10,993	2,955	13,948	10	\$1,060,048.00
2018/19	10,986	2,952	13,938	(10)	\$1,059,288.00
2019/20	11,013	2,961	13,974	36	\$1,062,024.00
2020/21	11,005	2,971	13,976	2	\$1,062,176.00

1.6 Delinquencies

NBS does not perform delinquency management functions for the District. NBS recommends that the District closely monitor the Special Tax revenue apportionments from the Counties.

NBS

Adina McCargo, Project Manager

Tim Seufert, Client Services Director

APPENDIX A: RESOLUTION

The following page contains a Resolution of the North County Library Authority Setting A Special Tax Rate for Library Services for Fiscal Year 2020/21.



RESOLUTION NO. 2020-02

**A RESOLUTION OF THE NORTH COUNTY LIBRARY AUTHORITY
SETTING A SPECIAL TAX RATE FOR LIBRARY SERVICES**

The Board members of the North County Library Authority hereby ordain as follow:

Section 1: Special Tax Levy

A Special Tax, of exactly \$76 (Seventy Six Dollars) in hereby levied and imposed on each improved parcel situated within the North County Library Authority, for the Fiscal Year 2020/21.

* * * * *

The above and foregoing resolution was duly and regularly introduced and adopted at a meeting of Board of the North County Library Authority held on the 11th day of May 2020, by the following vote:

AYES: Corrigan, Epstein, Fligor, Hill, Pepper
NOES: None
ABSENT: None
ABSTAIN: None



Jan Pepper, PRESIDENT

ATTEST:



Jon Maginot, AUTHORITY CLERK

APPENDIX B: FISCAL YEAR 2020/21 FINAL BUDGET

The following page shows the Final Budget for Fiscal Year 2020/21.

North County Library Authority
Measure L - Library Parcel Tax
Final Budget for Fiscal Year 2020/21

Category/Item	FY 2020/21	FY 2019/20	Increase / (Decrease)
Miscellaneous	\$1,062,176.00	\$1,062,024.00	\$152.00
Grand Total:	\$1,062,176.00	\$1,062,024.00	\$152.00
Total Accounts:	13,988	13,988	0

The County Of Santa Clara
 Trial Balance: Full Accrual By Fund Within Fund Group

Account	Beg Balanc	Debit	Credit	End Balanc	YTD Debit	YTD Credit
1100000 Cash-Clearing	4,227,010.36	718,462.66	6,662.97-	4,938,810.05	718,462.66	6,662.97-
* Unrestricted	4,227,010.36	718,462.66	6,662.97-	4,938,810.05	718,462.66	6,662.97-
** Cash & Investments	4,227,010.36	718,462.66	6,662.97-	4,938,810.05	718,462.66	6,662.97-
1121500 Interest Rec-Accrual	15,759.73	15,759.73-			15,759.73-	
** Receivables	15,759.73	15,759.73-			15,759.73-	
*** Current Assets	4,242,770.09	702,702.93	6,662.97-	4,938,810.05	702,702.93	6,662.97-
**** Total Assets-Full	4,242,770.09	702,702.93	6,662.97-	4,938,810.05	702,702.93	6,662.97-
2100000 A/P Reconciliation		6,662.97	6,662.97-		6,662.97	6,662.97-
** Accounts Payable		6,662.97	6,662.97-		6,662.97	6,662.97-
*** Current Liabilities		6,662.97	6,662.97-		6,662.97	6,662.97-
**** Total Liabilities		6,662.97	6,662.97-		6,662.97	6,662.97-
3400000 Fund Bal/Retain Earn	4,242,770.09-			4,242,770.09-		
*** Fund Balance-Full	4,242,770.09-			4,242,770.09-		
**** Total Equities-Full	4,242,770.09-			4,242,770.09-		
4301100 Interest-Deposits			26,193.05-	26,193.05-		26,193.05-
** Investment Income			26,193.05-	26,193.05-		26,193.05-
*** Revenue From The Use of Money & P			26,193.05-	26,193.05-		26,193.05-
4980010 Trust Funds-Receipts			39,878.69-	39,878.69-		39,878.69-
4980350 Trust-Direct Assess			636,631.19-	636,631.19-		636,631.19-
** Non-Budgeted Accounts			676,509.88-	676,509.88-		676,509.88-
*** Other Financing Sources - Full			676,509.88-	676,509.88-		676,509.88-
**** Total Revenues-Full			702,702.93-	702,702.93-		702,702.93-
5800010 Trust Fds-Disburseme		6,662.97		6,662.97	6,662.97	
*** Non-Budgetary Expenditures		6,662.97		6,662.97	6,662.97	
**** Total Expenditures-Full		6,662.97		6,662.97	6,662.97	
***** 8210 N Cty Library Author		716,028.87	716,028.87-		716,028.87	716,028.87-
***** FUND TOTAL		716,028.87	716,028.87-		716,028.87	716,028.87-
* Net Revenue & Expens		6,662.97	702,702.93-	696,039.96-	6,662.97	702,702.93-
* Total Liabilities		6,662.97	6,662.97-		6,662.97	6,662.97-
* Total Equities	4,242,770.09-			4,242,770.09-		
* Total Assets	4,242,770.09	702,702.93	6,662.97-	4,938,810.05	702,702.93	6,662.97-

Report: ZGLR001
 Userid: BATCH_ADM
 System: PRD / 777

Santa Clara County
 General Ledger Account Analysis (ZGLTRIALBAL)
 Report Period 09 FY 2021

Date: 04/08/2021
 Time: 01:30:26
 Page: 1

FUND 8210 N County Library Authority Pool Deposit

F U L L A C C R U A L

GL Acct	Document No.	DT	Post Date	Cost Cntr	Internal Order	WBS Element	Doc Header Text	Reference	Line Text	Debit Amount	Credit Amount
A S S E T S											
1100000	Cash-Clearing								Beginning Balance	4,910,270.71	
	103535220	SA	03/15/21				*RECLASS 3/15/21 DEPOSIT	1200515311-03/15		28,539.34	
									Doc Type Subtotal	28,539.34	0.00
									Total Period Activity	28,539.34	0.00
1100000	Cash-Clearing								Ending Balance	4,938,810.05	
E Q U I T Y											
3400000	Fund Balance / Retained Earnings								Beginning Balance		4,242,770.09-
									Total Period Activity	0.00	0.00
3400000	Fund Balance / Retained Earnings								Ending Balance		4,242,770.09-
R E V E N U E S											
4301100	Interest - Deposits and Investments								Beginning Balance		26,193.05-
									Total Period Activity	0.00	0.00
4301100	Interest - Deposits and Investments								Ending Balance		26,193.05-
4980010	Trust Funds-Receipts								Beginning Balance		11,339.35-
	103535220	SA	03/15/21	T8210	00999999		*RECLASS 3/15/21 DEPOSIT	1200515311-03/15	CITY OF LOS ALTOS CK 165059	28,539.34-	
									Doc Type Subtotal	0.00	28,539.34-
									Total Period Activity	0.00	28,539.34-
4980010	Trust Funds-Receipts								Ending Balance		39,878.69-
4980350	Trust Funds-Direct Assessments								Beginning Balance		636,631.19-
									Total Period Activity	0.00	0.00
4980350	Trust Funds-Direct Assessments								Ending Balance		636,631.19-
E X P E N D I T U R E S											
5800010	Trust Funds-Disbursements								Beginning Balance	6,662.97	

Report: ZGLR001
 Userid: BATCH_ADM
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Santa Clara County
 General Ledger Account Analysis (ZGLTRIALBAL)
 Report Period 09 FY 2021

Date: 04/08/2021
 Time: 01:30:26
 Page: 2

FUND 8210 N County Library Authority Pool Deposit

F U L L A C C R U A L

GL Acct	Document No.	DT	Post Date	Cost Cntr	Internal Order	WBS Element	Doc Header Text	Reference	Line Text	Debit Amount	Credit Amount
									Total Period Activity	0.00	0.00
5800010	Trust Funds-Disbursements								Ending Balance	6,662.97	
*TOTAL FUND	N County Library Authority Pool Deposit								Ending Balance	0.00	0.00

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

	2017/18	2018/19	2019/20	2020/21	2021/2022
	Actual	Unofficial Actl	Budget	Budget	Budget
Rate per Parcel	\$76	\$76	\$76	\$76	\$76
OPERATING EXPENDITURES					
Service Costs					
County Staffing	665,653	723,670	738,523	779,880	406,202
(minus ERAF credit)			(448,689)	(448,689)	
Administrative Costs*	12,369	29,445	32,450	17,400	31,300
Emergency Resource Fund	0	0	0	50,000	50,000
Total Operating Expenditure	678,022	753,115	322,284	398,591	487,502
REVENUES					
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		
Total Revenues	1,059,908	1,056,304	1,057,904	1,051,404	1,051,554
OPERATING SURPLUS/(DEFICIT)	381,886	303,189	735,620	652,813	564,052
LIBRARY REDEVELOPMENT PROJECT					
Vendors, Consultants, other cost	17,000	29,750	82,000	0	0
Election Filing Fee			0	0	0
Total Library Project			82,000	0	0
FUND BALANCE as of 6/30	\$3,938,712	\$4,212,151	\$4,865,771	\$5,518,583	\$6,082,635

*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 5/10/21]



RESOLUTION NO. 2021-01

**A RESOLUTION OF THE NORTH COUNTY LIBRARY AUTHORITY
SETTING A SPECIAL TAX RATE FOR LIBRARY SERVICES**

The Commission members of the North County Library Authority hereby ordain as follow:

Section 1: Special Tax Levy

A Special Tax, of exactly \$76 (Seventy Six Dollars) in hereby levied and imposed on each improved parcel situated within the North County Library Authority, for the Fiscal Year 2021/22.

* * * * *

The above and foregoing resolution was duly and regularly introduced and adopted at a meeting of Commission of the North County Library Authority held on the 10th day of May 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Neysa Fligor, PRESIDENT

ATTEST:

Jon Maginot, AUTHORITY CLERK



RESOLUTION NO. 2021-02

**A RESOLUTION OF THE NORTH COUNTY LIBRARY AUTHORITY
SETTING THE FY 2021/22 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 Commission of the North County Library Authority that said body hereby determines that said Authority'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:

FY 2021/22 \$3,641,976

I HEREBY CERTIFY that the foregoing resolution was adopted by the Board of the North County Library Authority at a meeting of said Body held on the 10th day of May 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Neysa Fligor, PRESIDENT

Attest:

Jon Maginot, AUTHORITY CLERK

**North County Library Authority
Appropriation Limit Analysis
2021-22**

5/10/21

Fiscal Year	Original Maximum Tax Collection	Proposed Appropriation Limit	Appropriation Limit Growth Factors		Change in Per Capita Income Or CPI
			Annual Combined Escalator	County Change	
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	1.0251	1.0089
2011-12	\$ 1,026,000	\$ 2,306,932	1.044756	1.0377	1.0068
2012-13	\$ 1,026,000	\$ 2,410,182	1.067704	1.0157	1.0512
2013-14	\$ 1,026,000	\$ 2,587,674	1.007780	1.0150	0.9977
2014-15	\$ 1,026,000	\$ 2,620,448	1.004270	1.0113	1.0382
2015-16	\$ 1,026,000	\$ 2,751,209	1.010670	1.0126	1.0537
2016-17	\$ 1,026,000	\$ 2,935,475	1.045299	1.0081	1.0369
2017-18	\$ 1,026,000	\$ 3,068,449	1.046963	1.0099	1.0367
2018-19	\$ 1,026,000	\$ 3,212,554	1.045146	1.0064	1.0385
2019-20	\$ 1,026,000	\$ 3,357,589	1.041138	1.0037	1.0373
2020-21	\$ 1,026,000	\$ 3,495,713	1.041841	1.0037	1.038
2021-22	\$ 1,026,000	\$ 3,641,976			

	1/1/20	1/1/19		
Los Altos	30,876	30,881	-0.02%	
Los Altos Hills	8,413	8,394	0.23%	
	39,289	39,275	14	0.036%
Population Change both communities				1.04114