



NORTH COUNTY LIBRARY AUTHORITY - SPECIAL MEETING AGENDA

5:00 PM - Monday, October 03, 2022

Videoconference

Please Note: Per California Executive Order N-29-20, the North County Library Authority will meet via Telephone/Video Conference only.

Telephone: 1-669-444-9171 / Webinar ID: 878 6112 5504

<https://losaltosca.gov.zoom.us/j/87861125504?pwd=RExLWU5ISDZXEjgrL2krWU5XSvIjUT09>

Passcode: 154570

TO PARTICIPATE VIA VIDEO: Follow the link above. Members of the public will need to have a working microphone on their device and must have the latest version of ZOOM installed (available at <https://zoom.us/download>). To request to speak, please use the "Raise hand" feature located at the bottom of the screen.

TO PARTICPATE VIA TELEPHONE: Members of the public may also participate via telephone by calling the number listed above. To request to speak, press *9 on your telephone.

TO SUBMIT WRITTEN COMMENTS: Prior to the meeting, comments on matters listed on the agenda may be emailed to arodriguez@losaltosca.gov. Emails sent to this email address are sent to/received immediately by the Authority. Please include a subject line in the following format:

PUBLIC COMMENT AGENDA ITEM ## - MEETING DATE

Correspondence submitted in hard copy/paper must be received by 2:00 PM on the day of the meeting to ensure distribution prior to the meeting. Correspondence received prior to the meeting will be included in the public record. Please follow this link for more information on submitting written comments: <https://www.losaltosca.gov/cityclerk/page/public-comments>.

Public testimony will be taken at the direction of the President, and members of the public may only comment during times allotted for public comments.

ESTABLISH QUORUM

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Members of the audience may bring to the Authority's attention any item that is not on the agenda. Please complete a "Request to Speak" form and submit it to the Staff Liaison. Speakers are generally given two or three minutes, at the discretion of the President. Please be advised that, by law, the Authority is unable to discuss or take action on issues presented during the Public

Comment Period. According to State Law (also known as “the Brown Act”) items must first be noticed on the agenda before any discussion or action.

CONSENT CALENDAR

1. **Minutes:** Approve Minutes of the NCLA Special Meeting of July 18, 2022
2. **Minutes:** Approve Minutes of the NCLA Special Meeting of September 9, 2022

ITEMS FOR CONSIDERATION/ACTION

3. **Review of invoices:** Review and approval of new invoices; status on payment (received or paid) on previously approved invoices
4. **Declaration of Local Health Emergency – Necessitating Hosting Virtual Commission Meeting;** Adoption of Resolution 2023-05
5. **Consider and Approve:** Capital investment in Library to uphold the level of service
6. **Consider and Adopt:** NCLA FY 20/21 Audit
7. **Review and Prepare:** Audit FY21-22

INFORMATIONAL ITEMS

8. Report from County and Los Altos Librarian
9. Report from the County Investment Fund

MEMBER/STAFF REPORTS AND COMMENTS AND POTENTIAL FUTURE AGENDA ITEMS

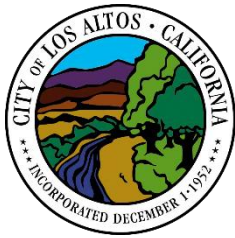
ADJOURNMENT

SPECIAL NOTICES TO PUBLIC

In compliance with the Americans with Disabilities Act and California Law, it is the policy of the City of Los Altos to offer its programs, services and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation, please contact department staff. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility. The City ADA Coordinator can be reached at (650) 947-2607 or by email: ada@losaltosca.gov.

Agendas, Staff Reports and some associated documents for the North County Library Authority items may be viewed on the Internet at <https://www.losaltosca.gov/nclibraryauthority>.

If you wish to provide written materials, please provide the Staff Liaison with **10 copies** of any document that you would like to submit to the Authority 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.



NORTH COUNTY LIBRARY AUTHORITY
MINUTES
5:00 PM – Thursday, July 18, 2022
via Videoconference



CALL MEETING TO ORDER

At 5:02 p.m. Secretary Epstein called the meeting to order.

ESTABLISH QUORUM

PRESENT: Commissioner Meadows, Vice President Schmidt, Secretary Epstein, President Hill
ABSENT: Commissioner Fligor

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

None provided comments.

PLEDGE OF ALLEGIANCE

Staff liaison Rodriguez lead the pledge of allegiance.

PUBLIC COMMENTS

There were none.

CONSENT CALENDAR

1. **Minutes:** Approve Minutes of the NCLA Special Meeting of January 31, 2022
2. **Minutes:** Approve Minutes of the NCLA Special Meeting of March 2, 2022
3. **Minutes:** Approve Minutes of the NCLA Special Meeting of April 6, 2022
4. **Minutes:** Approve Minutes of the NCLA Special Meeting of May 9, 2022
5. **Minutes:** Approve Minutes of the NCLA Special Meeting of July 7, 2022

Vice President Schmidt and Commissioner Meadows commented on corrections needed.

A motion by Commissioner Meadows, seconded by Vice President Epstein, to approve the Consent Calendar as amended was passed with the following roll call vote:

AYES: Vice President Schmidt, Secretary Epstein, Commissioner Meadows, President Hill,
NOES: None
ABSENT: Commissioner Fligor
ABSTAIN: None

ITEMS FOR CONSIDERATION/ACTION

6. **Audit Contract Award:** Consider and Approve Audit Contract from Chavan & Associates for FY 21/22, FY 22/23, & FY 23/24

President Hill asked Secretary Epstein to present the item. Secretary Epstein introduced the firm for consideration, Chavan & Associates.

Sheldon Chavan, with Chavan & Associates, presented to the Authority.

After Authority discussion, a motion made by Secretary Epstein, seconded by Vice President Meadows, to award the audit contract as presented passed by the following roll call vote:

AYES: Vice President Schmidt, Secretary Epstein, Commissioner Meadows, President Hill
 NOES: None
 ABSENT: Commissioner Fligor
 ABSTAIN: None

7. **Consider and Adopt:** NCLA FY 19/20 Audit

Secretary Epstein called out an inconsistency in the provided audit.

After Authority discussion, a motion was made by Secretary Epstein, seconded by Vice President **Schmidt**, to adopt the 19/20 audit as amended. Motion passed with the following roll call vote:

AYES: Vice President Schmidt, Secretary Epstein, Commissioner Meadows, President Hill
 NOES: None
 ABSENT: Commissioner Fligor
 ABSTAIN: None

8. **Consider and Adopt:** NCLA Annual Budget FY 2022-23

President Hill asked Secretary Epstein to present the item. Secretary Epstein introduced Chuck Griffen with Santa Clara County Library and he spoke to this item.

The Authority engaged in discussion regarding the need for additional administrative support needed for the Authority. Commissioner Meadows moved to expand the scope of the Finance Subcommittee to meet with the Los Altos City Manager to inquire on additional support for NCLA. Vice President Schmidt offered a friendly amendment to have the Los Altos City Manager attend a NCLA meeting and report out to the Authority the outcome of the subcommittee's discussion, which was accepted by Commissioner Meadows. After a second by Vice President Schmidt, the motioned passed with the following rollcall vote:

AYES: Vice President Schmidt, Secretary Epstein, Commissioner Meadows, President Hill
 NOES: None
 ABSENT: Commissioner Fligor
 ABSTAIN: None

A motion by Secretary Epstein, seconded by Commissioner Meadows, to adopt the FY 22/23 budget as presented passed with the following roll call vote:

AYES: Vice President Schmidt, Secretary Epstein, Commissioner Meadows, President Hill
 NOES: None
 ABSENT: Commissioner Fligor
 ABSTAIN: None

9. **Adopt Resolution 2023-01: Annual Gann Limit Resolution**

President Hill and Secretary Epstein presented the item.

A motion by Secretary Epstein, seconded by Commissioner Meadows, to adopt the Resolution 2023-01 passed with the following roll call vote:

AYES: Vice President Schmidt, Secretary Epstein, Commissioner Meadows, President Hill
 NOES: None
 ABSENT: Commissioner Fligor
 ABSTAIN: None

10. **Adopt Resolution 2023-02: Annual Levy Resolution**

Secretary Epstein presented the item.

A motion by Vice President Schmidt, seconded by Secretary Epstein, to adopt the Annual Levy Resolution 2023-02 passed with the following roll call vote:

AYES: Vice President Schmidt, Secretary Epstein, Commissioner Meadows, President Hill
 NOES: None
 ABSENT: Commissioner Fligor
 ABSTAIN: None

11. **Consider and Approve: Capital investment in Library to uphold the level of service**

Secretary Epstein presented the item. Bryant Bao, with SCC Library, addressed the Authority.

The Authority engaged in discussion.

The following members of the public provide comments: Pierre Bedard.

The Authority requested legal counsel review of the language of the Joint Powers Authority to allow for capital investments in the Los Altos Library. Claire Lai, with the law firm Meyers Nave, addresses some of their comments and proposed that she present this back to the Authority via a report.

The Authority agreed to Ms. Lai suggestions.

12. **NCLA Billing: Review and approve invoices for payments**

Secretary Epstein presented the item. A motion by Secretary Epstein, seconded by Commissioner Meadows, to approve payments passed with the following roll call vote:

AYES: Vice President Schmidt, Secretary Epstein, Commissioner Meadows, President Hill
 NOES: None
 ABSENT: Commissioner Fligor
 ABSTAIN: None

13. Approve Annual Billing: Authorize annual billing to member entities per JPA contract

Secretary Epstein presented the item. A motion by Secretary Epstein, seconded by Vice President Schmidt, to approve payments passed with the following roll call vote:

AYES: Vice President Schmidt, Secretary Epstein, Commissioner Meadows, President Hill
 NOES: None
 ABSENT: Commissioner Fligor
 ABSTAIN: None

INFORMATIONAL ITEMS

14. Library Redevelopment Task Force: Presentation from the Library Commission Subcommittee

Nelvin Gee presented to the Authority followed by Authority discussion with Mr. Gee.

15. County Update: County Staff to provide updates

Chuck Griffen with the Santa Clara County Library provided updates to the Authority. Bryant Bao, Los Altos Interim Librarian, also provided updated to the Authority.

16. NBS Annual Report: Expected income from Parcel Tax 889

Secretary Epstein presented the item to the Authority.

17. Santa Clara County Investment Fund: NCLA Account Statement and Required Signature Card

Secretary Epstein presented the item and informed the Authority of this requirement.

18. Staff Updates: Review information from Staff

Staff Liaison Rodriguez informed the Authority that Suzanne Niederhofer is the new Interim Finance Director for the City of Los Altos.

MEMBER/STAFF REPORTS AND COMMENTS

Commissioner Meadows thanked her colleagues for getting this meeting together. Vice President Schmidt appreciated all the information shared at this meeting.

President Hill thanked Secretary Epstein for her work with this meeting.

Secretary Epstein acknowledged scheduling difficulties and requested the Authority schedule their upcoming meetings.

Upcoming NCLA meetings will be held on Mondays with a 5:00 p.m. start time at the following dates:

- October 3, 2022
- November 7, 2022
- January 30, 2022

FUTURE AGENDA ITEMS

The Authority requested Library Expansion Proposal be an ongoing topic of discussion.

ADJOURNMENT

7:22 pm meeting was adjourned by President Hill.

SPECIAL NOTICES

1. **Declaration of Local Health Emergency – Necessitating Hosting Virtual Commission Meeting;** Adoption of Resolution 2022-05

After Authority discussion, and upon motion by Commissioner Meadows, seconded by Vice President Schmidt, the Declaration of Local Health Emergency, Resolution 2022-03, was passed with the following roll call vote:

AYES: **Vice President Schmidt, Secretary Epstein, Commissioner Meadows**
NOES: None
ABSENT: President Hill, Commissioner Fligor
ABSTAIN: None

INFORMATIONAL ITEMS

None

MEMBER/STAFF REPORTS AND COMMENTS AND POTENTIAL FUTURE AGENDA ITEMS

Secretary Epstein provided an update to the Authority regarding the NCLA budget and a potential auditor for the Authority.

Secretary Epstein further shared that the Authority needed to pass the Annual Levy as well as the Annual Gann Limit.

Commissioner Fligor joined to meeting at 4:10 p.m.

Vice President Schmidt requested to have Council present at the next NCLA meeting. Commissioners expressed the need to meet as soon as possible to address pending items.

ADJOURNMENT

Secretary Epstein adjourned the meeting at 4:19 pm.

Suzanne Epstein, Secretary

ATTEST:

Angel Rodriguez, Interim City Clerk

DRAFT



NORTH COUNTY LIBRARY AUTHORITY
MINUTES
3:00 PM – Friday, September 9, 2022
via Videoconference



CALL MEETING TO ORDER

At 3:31 p.m. President Hill called the meeting to order.

ESTABLISH QUORUM

PRESENT: Commissioner Meadows, Vice President Schmidt, President Hill
ABSENT: Commissioner Fligor, Secretary Epstein

PLEDGE OF ALLEGIANCE

Staff liaison Rodriguez lead the pledge of allegiance.

PUBLIC COMMENTS

There were none.

ITEMS FOR CONSIDERATION/ACTION

- 1. Declaration of Local Health Emergency – Necessitating Hosting Virtual Commission Meeting; Adoption of Resolution 2023-04

Upon motion by Vice President Schmidt, seconded by Commissioner Meadows, the Declaration of Local Health Emergency, Resolution 2023-04, was passed with the following roll call vote:

AYES: Commissioner Meadows, Commissioner Fligor, President Hill
NOES: None
ABSENT: Vice President Schmidt, Secretary Epstein
ABSTAIN: None

ADJOURNMENT

President Hill adjourned the meeting at 3:34 pm.

Cindy Hill, President

ATTEST:

Angel Rodriguez, Interim City Clerk

Bill and Payment Report

Last Payment (12/21/2021) Item 3. 3

North County Library Authority / General Counsel Services (1579-003)

07/15/2022

Invoice Matter	Matter Description	Type	Date	Time	Cost	Total	Balance	Status	Check No.	Check Date	Payor	Email
178115 003	General Counsel Services	Invoice	06/14/2021	542.50	27.13	569.63	569.63	Paid				
178115 003	General Counsel Services	Payment	12/21/2021	-542.50	-27.13	-569.63	0.00		EFT	12/21/2021	Santa Clara County	
180412 003	General Counsel Services	Invoice	09/15/2021	2,100.00	105.00	2,205.00	2,205.00	Paid				
180412 003	General Counsel Services	Payment	12/21/2021	-2,100.00	-105.00	-2,205.00	0.00		EFT	12/21/2021	Santa Clara County	
184061 003	General Counsel Services	Invoice	10/27/2021	220.50	11.03	231.53	231.53	Open				
185446 003	General Counsel Services	Invoice	11/23/2021	4,595.50	229.78	4,825.28	5,056.81	Open				
190413 003	General Counsel Services	Invoice	03/18/2022	385.00	19.25	404.25	5,461.06	Open				
191537 003	General Counsel Services	Invoice	04/14/2022	280.00	14.00	294.00	5,755.06	Open				
192587 003	General Counsel Services	Invoice	05/16/2022	196.00	9.80	205.80	5,960.86	Open				
194219 003	General Counsel Services	Invoice	06/13/2022	140.00	7.00	147.00	6,107.86	Open				
Report Totals:				5,817.00	290.86	6,107.86						



RESOLUTION NO. 23-05
A RESOLUTION OF THE NORTH COUNTY LIBRARY
AUTHORITY DECLARING THE CONTINUED EXISTENCE OF A LOCAL
EMERGENCY DUE TO THE COVID-19 PANDEMIC AND THE CONTINUING
NEED TO CONDUCT REMOTE MEETINGS AND MAKING RELATED
FINDINGS

WHEREAS, on March 4, 2020, the Governor issued a proclamation of a state of emergency relating to the respiratory illness known as COVID-19, which is caused by the novel corona virus SARS-CoV-2; and

WHEREAS, on March 11, 2020, the World Health Organization declared the existence of a pandemic due to the global spread of COVID-19; and

WHEREAS, on March 16, 2020, the Santa Clara County Health Officer issued the first of successive orders requiring all individuals residing in the County to shelter in their places of residence as specified, to socially distance, and to take other measures to prevent community spread of COVID-19; and

WHEREAS, on March 19, 2020, the Governor issued a statewide shelter-in-place order; and on August 28, 2020, the Governor announced a “Blueprint for a Safer Economy,” which provided protocols for slowly reopening the state’s economy following the initial shelter-in-place mandate; and

WHEREAS, the Governor lifted the Blueprint for a Safer Economy on June 15, 2021, and local health restrictions were lifted due to sharp declines in COVID-19 case counts since vaccines first became available; and

WHEREAS, despite progress in addressing the pandemic, not all eligible individuals are fully vaccinated, and new, more virulent variants of the SARS-CoV-2 virus are spreading in California and throughout the world; and

WHEREAS, according to the California Department of Public Health, by July 21, 2021, nearly 85 percent of new COVID-19 cases in California were caused by the highly contagious “Delta” variant; and

WHEREAS, due to the spread of the Delta variant and because not all eligible persons are vaccinated yet, the incidence of COVID-19 infection is again on the rise in Santa Clara County; and



WHEREAS, as a result of rising case counts, on August 2, 2021, the Santa Clara County Health Officer issued a new health order requiring the use of face coverings indoors by all persons; and

WHEREAS, by the beginning of October 2021, over 1,800 Santa Clara County residents had died of COVID-19; and

WHEREAS, in addition to the Delta variant, the “Omicron” variant has spread across the Bay Area, the state and nationwide, causing an additional spike in COVID-19 cases and creating significantly higher risks of infection and hospitalization;

WHEREAS, despite significant progress, COVID-19 remains a threat to public health and safety in the Los Altos and Los Altos Hills communities; and

WHEREAS, because of the rise in cases due to the Delta and Omicron variants, the State continues to strongly recommend face coverings in areas such as public transit, high-risk locations and indoor public settings; similarly, the County Health Department continues to require full vaccination in high-risk settings and workplaces and recommends face coverings in various public settings, and the Centers for Disease Control and Prevention (“CDC”) continues to recommend physical distancing of at least six feet (6’) from others outside of the household; and

WHEREAS, the North County Library Authority (“Authority”) previously adopted resolutions declaring the existence of a local health emergency and declaring the continuing needs to conduct its meetings via teleconference for the protection of public health and safety; and

WHEREAS, the Authority has again reconsidered the circumstances of the Governor’s state of emergency proclamation pursuant to Government Code section 8625, which remains active; and

WHEREAS, the circumstances described under previously adopted resolutions continue to exist and the Authority continues to be concerned about the health and safety of all individuals who intend to attend legislative body meetings; and

WHEREAS, in view of the ongoing health crisis, the Authority now desires to affirm it is safer for the community and members of the Commission to continue with remote meetings at this time.

NOW THEREFORE, BE IT RESOLVED by the North County Library Authority that:

1. The above recitals are true and correct, and incorporated into this Resolution.



2. The Authority has reconsidered the circumstances of the state of emergency and reviewed local and State public health guidance, and data and information from the Santa Clara County Health Department, which support the continuance of measures including hosting virtual meetings to protect the community due to COVID-19, and finds, based on substantial evidence:
 - a. that the state of emergency continues to impact the ability of the members to meet safely in person;
 - b. state and local officials continue to impose or recommend measures to promote social distancing; and
 - c. the Authority continues to need to be able to meet remotely due to present imminent risks to the health or safety of attendees.
3. The Authority continues to authorize teleconference meetings for its legislative body(s) in order to better ensure the health and safety of the public.
4. The Liaison is hereby directed to report to the Authority within thirty (30) days on the need for further continue teleconference meeting.

I HEREBY CERTIFY that the foregoing is a true and correct copy of a Resolution passed and adopted by the North County Library Authority at a meeting thereof on the 3rd day of October 2022 by the following vote:

AYES:
 NOES:
 ABSENT:
 ABSTAIN:

 Cindy Hill, PRESIDENT

Attest:

 Angel Rodriguez
 Interim City Clerk, City of Los Altos



TO: North County Library Authority (NCLA) Commission

FROM: Claire Lai, Commission Attorney

DATE: October 3, 2022

SUBJECT: Consideration of Use of NCLA Funds Relating to Los Altos Library

Summary

At the July 18, 2022 meeting, the Commission considered a proposal for potential capital expenditures at the Los Altos Library to uphold services. The Commission attorney received direction to review the text of the Measure L Parcel Tax ballot measure to determine whether the proposed expenditure would be permitted pursuant to the spending limitations established by said measure.

Discussion

In 2010, voters in the City of Los Altos and the Town of Los Altos Hills approved Measure L to levy a \$76 special parcel tax for 20 consecutive fiscal years. 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.

NCLA’s expenditure of Measure L funds is subject to the parameters set forth by the ballot measure. Under California law, the revenue collected from Measure L parcel tax may only be spent for specific purposes as it is a “special tax”. The stated purposes under Measure L, for which tax proceeds may be used, are as follows:

- (1) **Maintain library hours.** Funds may be spent on maintaining specified number of hours at Los Altos and Woodland library locations.
- (2) **Purchase books and materials.** Funds may be used to supplement the Santa County Library system to purchase books and materials tailored to specific community needs and interests.
- (3) **Support library programs.** Money may also be used to support and maintain the level of programs that is currently provided for all age groups.

- (4) **General purposes.** Funds may be used for any other expenditure necessary to uphold the level of service, including expenses related to a future election when the parcel tax expires.

Tax proceeds may not be spent on items outside of the specified purposes above.

As presented to the Commission at its July 18 meeting, NCLA's latest Fund Balance Project in 2018 has projected 2030 Fund Balance at \$4,546,582 and the Authority has continued to incur savings while collecting approximately \$1,051,500 per year. It has come to the Authority's attention that the existing Los Altos Library has been experiencing certain changes due to the relocation of the Friends of the Los Altos library ("FLAL") entity into the library building. As a result of this move, it was reported to the Commission that 14,000 books would be discarded, a quiet reading/study area would be eliminated, and the overall space for library patron usage would be diminished. In addition, the demand for certain services (such as bookings for private and small group meeting space) and the need for large spaces to maintain social distancing have increased since the COVID-19 pandemic. The issue presented before the Commission was whether NCLA funds could be used to address these issues and needs presented at the Los Altos Library, including a potential expansion of the library building, in light of the spending limitations imposed by Measure L. For ease of reference, the initial proposal is set forth under Attachment 1 to this report.

In reviewing the ballot language, we have concluded that NCLA would be permitted to use Measure L proceeds to fund said library improvements as such expenditures likely qualify as upholding the level of library service. As noted above, the text of Measure L sets forth several specific spending purposes and includes a "catch-all" provision allowing special tax proceeds to be used for "any other expenditure necessary to uphold the level of service." This includes expenses to conduct a future election when the new parcel tax expires. Based on a plain reading of this language, it appears to us that the intent of the text is to maintain the current level of service and the status quo (i.e. services presently provided and the future opportunity to maintain a parcel tax funding source), rather than supporting new infrastructure or facilities that are intended to expand the level of service.

As the ballot measure text do not further define this phrase, it is appropriate to review each proposed expenditure to determine whether the purpose of the spending is to uphold existing services or to create new/different services or programs. In this case, the changes occurring at Los Altos Library would appear to decrease the level and quality of services provided to patrons and spending Measure L proceeds to address the decrease in level of service is within the intended purpose of the ballot measure.

To illustrate, we understand that due to the relocation of FLAL operations into the library's physical space, patrons will not be able to utilize previously available browsing space or meeting rooms. The library's collections also had to be reduced to accommodate the relocation and patrons would no longer be able to access the part of the collection that has been discarded. Additional books, materials, equipment (i.e. including display and/or book shelves), browsing spaces, and meeting rooms or areas would be required to be added in order to restore the level of service to previously existing level. This may include building an extension to the existing



library as necessary to restore said service level. Additionally, the purchase of books or materials in response to the change in circumstances would be another specifically permitted purpose under the ballot measure. Further, as the Commission is aware, Section 5 of the NCLA’s Joint Exercise of Powers Agreement (JPA) grants the NCLA with the “power and authority to plan, support, acquire, construct, maintain and operate programs and facilities for augmentation of public library services”, which provides NCLA with the authority to utilize funds upholding the level of service within the scope set by the ballot measure.

Therefore, in light of the changes in services and circumstances as we understand them, it appears that the proposed expenditure as presented to the Commission on July 18, 2022 would be appropriate under the ballot measure language. The Commission should be clear that capital expenditures, such as expanding the library’s building or physical space, must be for the purpose of restoring the reduction in space and services that were previously available to library patrons in order to be considered justifiable based on the ballot measure text. Constructing new spaces or facilities which are not related to such purposes would unlikely qualify as “upholding” the level of services as their purpose is not to maintain the status quo as intended by the measure based on our reading of that language. If the Commission desires to proceed with the project through utilization of Measure L funds, the foregoing limitations should also be clearly described in the project’s scope of work.

Recommendation

It is recommended the Commission review the information presented in this report and provide direction to staff regarding next steps.

Attachments:

- 1- Proposed Use of Funds as presented to Commission at the July 18, 2022 meeting
- 2- Parcel Tax Measure Language

5201759.1

Proposed by Commissioner Suzanne Epstein

Proposal to use \$6-7 million of NCLA funds to uphold services at the Los Altos Library.

The NCLA Board, consisting of five appointed Commissioners, is the citizen's oversight board established to provide oversight and accountability on the services funded by the Measure L Library parcel tax to ensure that said funds are spent for the specific purposes set forth in the parcel tax language approved by the voters. The amount of a parcel tax was established so as to cover the defined purposes for the stipulated duration. At the end of the period, the remaining funds should be close to zero. Our current parcel tax is for the twenty year period from 2010-2030. It is a set rate of \$78/year. Though the NCLA Board in 2009 engaged a financial consultant to calculate the annual amount necessary to be collected for twenty years in order to maintain the Library's extra hours until 2030, it now appears the annual \$76 fee was higher than necessary. In NCLA's latest Fund Balance Projection, dated March 7, 2018, the projected 2030 Ending Fund Balance was \$4,546,582. Since that date, NCLA has experienced further savings, yet has continued to collect approximately \$1,051,500/yr. The COVID shut down was the principal cause for lack of spending. That and the windfall ERAF funds, and other government credits, have resulted in virtually no NCLA library staffing expenditures for two years and again for an anticipated third year in FY23.

NCLA has previously looked at how excess funds could be used for library purposes. We are restricted by the parcel tax language, which does not allow for our supporting the goal of building a brand new library.

Measure L Parcel Tax money can be used for limited and specific purposes, namely to maintain library hours, to purchase books and materials, to support library programs, and for "**general purposes necessary to uphold the level of service**". We suddenly have been presented with a golden opportunity to utilize the excess NCLA funds. This month the Friends of the Los Altos Library moved into the existing Los Altos Library. To make possible the Library's accommodation of having the entire Friends of the Los Altos Library operation move inside the Library, **valuable patron space was lost, 14,000 books were discarded, a quiet reading/study area will disappear, and spacious patron browsing opportunity was diminished. In addition, due to the lifestyle and work-life changes wrought from the COVID pandemic, the demand for certain services has increased (including more requests for private and small-group meeting areas) and the need for more 'roomy' program areas so attendees are not forced to sit close together.** This presents a unique and immediate opportunity to use NCLA funds to expand the existing library to restore services, **if we can move fast enough for the expansion to qualify as "upholding services"** as specified in the ballot measure language.

Recommended conditions for authorization of this expenditure could include:

1. LALE contributes \$3-3.5 million, and the Friends of the Library contribute \$1 million in addition to the NCLA funds.
2. The City of Los Altos contributes by covering their own charges for permits, inspections and personnel. The City is the beneficiary of the newly expanded City building.
3. The County provides some funding toward initial architectural design.

4. A Committee is formed for oversight and planning. Suggested: The Committee consists of one member appointed by NCLA, one member appointed by Friends of the Library, one member appointed by LALE, one member appointed by the Library Commission, the Los Altos Librarian, ___ members appointed by the County, and ___ from the City of Los Altos.
5. The City of Los Altos has final approval over the architectural plan and oversight of construction.
6. Construction begins within two years to qualify for NCLA funds.

If NCLA wishes to proceed with this, time is of the essence.

EXHIBIT A

**BALLOT MEASURE
FULL TEXT OF MEASURE**

To maintain Los Altos and Woodland library hours, purchase books and materials, support library programs, and for general purposes, shall the North County Library Authority, a joint powers authority between Los Altos and Los Altos Hills, continue a tax for 20 years, with annual oversight, at the fixed rate of \$76 per year on each developed parcel of land within Los Altos and Los Altos Hills and allowing an exemption for low-income senior households, and establish an appropriations limit?

PARCEL TAX AUTHORIZATION

By approval of this proposition by at least two-thirds of the registered voters voting on the proposition, the Authority will be authorized to levy a qualified special tax of \$76 per parcel per year, subject to all the accountability requirements specified below. If approved, the special tax will be levied for 20 consecutive fiscal years, starting in the fiscal year that begins on July 1, 2010, and ending in the fiscal year that begins on July 1, 2029.

EXEMPTIONS FROM PARCEL TAX

The Authority has provided an exemption from the special tax will be available to households made up of low-income persons who are 65 years or older and own and occupy a parcel as their principal residence, and who apply to the Authority for such exemption pursuant to guidelines established by the Authority.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this proposition in order that the voters and taxpayers in the Authority may be assured that their money will be spent wisely. As required by the laws of the State of California, the proceeds of the qualified special tax will be deposited into a special account established by the Authority and will be applied only to the specific purposes identified below. The Authority has covenanted to have on file with its governing board no later than January 1 of each year a report stating the amount of the funds collected and expended and the status of any project authorized to be funded.

APPROPRIATIONS LIMIT

The California Constitution restricts governmental spending by setting an annual appropriations limit, which is the maximum amount a public entity may spend in a given fiscal year. The Constitution authorizes a public entity to establish or change its appropriations limit upon approval of a majority of voters voting on the measure. This ballot measure establishes

the appropriations limit for the Authority at \$2 million for the fiscal year that begins on July 1, 2010, as it may be adjusted annually thereafter in accordance with California law.

STATEMENT OF PURPOSES

The statement shown below is a part of the ballot proposition and must be reproduced in any official document required to contain the full statement of the proposition.

The current parcel tax of \$52 was established in 1990 to finance an expansion of the library and supplement the operating hours and book budget. In time, and with inflation taking its toll, the parcel tax has come to pay for a significant portion of the operating hours. Since the current parcel tax is scheduled to expire in tax year 2011-2012, a new parcel tax is necessary if the Los Altos Library is to continue the current level of service. Successful passage of the new parcel tax will require the Authority to terminate the current existing tax.

Maintain Library hours. The Main Library in Los Altos is currently open **7 days a week** for a total of 66 hours. Funding from the Santa Clara County Library system pays for 53 hours. The NCLA parcel tax pays for the additional 13 hours which currently cover all day Monday and Tuesday morning.

The Woodland Branch is currently open 6 days a week. Funding from the Santa Clara Library system pays for 20 hours of the 39 hours that the Branch is open. Absent the renewal of this parcel tax, Woodland Branch hours will be reduced by approximately 49%.

Purchase Books and Materials. The proceeds of the parcel tax will also be used to supplement the ability of the Santa Clara County Library system to purchase books and materials tailored to our Community's specific interests, such as its Science and Technology Collection.

Support Library Programs. Last fiscal year, our Library presented a total of 501 programs for all age groups: Toddler and Pre-School, Elementary and Middle School, Teens, Adults and Family. Programs were well attended and the number of participants increased by 9% over the prior fiscal year. While NCLA does not currently pay for programs directly, a reduction of service hours would negatively impact the Library's capability to deliver the current level of programs.

General Purposes. Any other expenditure necessary to uphold the level of service, including expenses related to a future election when the new parcel tax expires.

Page : 1 / 1 Date : 09/30/2022 Time : 14:54:46
 1SCC Special Ledger Report Group :ZSL1 — Report : ZSLP001
 Fiscal Year :2023 Period From : 1 To : 3
 Fund/Group : 8210 N Cty Library Author

Client Name :Production
 Client # :777
 Created By :ALVAREZM02

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

Account	Beg Balance	Debit	Credit	End Balance	YTD Debit	YTD Credit
1100000 Cash-Clearing	7,282,849.18	17,310.04		7,300,159.22	17,310.04	
* Unrestricted	7,282,849.18	17,310.04		7,300,159.22	17,310.04	
** Cash & Investments	7,282,849.18	17,310.04		7,300,159.22	17,310.04	
1121500 Interest Rec-Accrual	17,310.04	17,310.04-			17,310.04-	
** Receivables	17,310.04	17,310.04-			17,310.04-	
*** Current Assets	7,300,159.22			7,300,159.22		
**** Total Assets	7,300,159.22			7,300,159.22		
3400000 Fund Bal/Retain Earn	7,300,159.22-			7,300,159.22-		
*** Fund Balance	7,300,159.22-			7,300,159.22-		
**** Total Equities	7,300,159.22-			7,300,159.22-		
***** FUND TOTAL						
* Total Equities	7,300,159.22-			7,300,159.22-		
* Total Assets	7,300,159.22			7,300,159.22		

Item 9.

FUND 8210 N County Library Authority Pool Deposit MODIFIED ACCRUAL

GL Acct	Document No.	Post DT	Cost Date	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	7,282,849.18	
	104270577	SA	08/01/22			Int Alloc-FY22 Qtr 4 Adva			13,690.45	
	104281386	SA	08/01/22			Int Alloc-FY22 Qtr 4 Fina			3,619.59	
								Doc Type Subtotal	17,310.04	0.00
								Total Period Activity	17,310.04	0.00
1100000	Cash-Clearing							Ending Balance	7,300,159.22	
1121500	Interest Receivable-Accrual							Beginning Balance	17,310.04	
	104253760	SA	07/01/22			Int Alloc-FY22 Qtr 4 Accr		Int Alloc - FY 2022 QTR 4 Accrual	17,310.04-	
								Doc Type Subtotal	17,310.04-	0.00
								Total Period Activity	17,310.04-	0.00
1121500	Interest Receivable-Accrual							Ending Balance	0.00	
E Q U I T Y										
3400000	Fund Balance / Retained Earnings							Beginning Balance		7,300,159.22-
								Total Period Activity	0.00	0.00
3400000	Fund Balance / Retained Earnings							Ending Balance		7,300,159.22-
R E V E N U E S										
4301100	Interest - Deposits and Investments							Beginning Balance	0.00	
	104253760	SA	07/01/22	T8210		Int Alloc-FY22 Qtr 4 Accr		Int Alloc - FY 2022 QTR 4 Accrual		17,310.04
	104270577	SA	08/01/22	T8210		Int Alloc-FY22 Qtr 4 Adva		8210 Int Alloc - FY 2022 QTR 4 Advance		13,690.45-
	104281386	SA	08/01/22	T8210		Int Alloc-FY22 Qtr 4 Fina		8210 Int Alloc - FY 2022 QTR 4 Final		3,619.59-
								Doc Type Subtotal	0.00	0.00
								Total Period Activity	0.00	0.00
4301100	Interest - Deposits and Investments							Ending Balance	0.00	
*TOTAL FUND	N County Library Authority Pool Deposit							Ending Balance	0.00	0.00

GL Acct	Document No.	DT	Post Date	Cost Cntr	Internal Order	WBS Element	Doc Header Text	Reference	Line Text	Debit Amount	Credit Amount
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Objects for selection screen 1000

Fiscal Year					2023						
From Fiscal Period					001						
To Fiscal Period					003						
Fund Group.											
Fund											
Single Value					8210						
Modified Accrual					X						
Full Accrual											
Print Rev/Exp Transaction Dtl					X						
Summarize Rev/Exp Transactions											
Filename											
Document Types to Summarize											
No selections											
Logical File Path					ZOUTBOUND_NFS						
Source System					OTH						

Invisible selection criteria

*** END OF REPORT ***