



STAFF REPORT

AGENDA: July 28, 2016
DATE: July 14, 2016
TO: Board of Directors
FROM: LFFA Interim Executive Director
SUBJECT: Reimbursement to Libraries JPA from LFFA

RECOMMENDATION

Consider the information in the staff report and provide direction. Such direction may include:

1. Identify the specific amount to reimburse the Libraries JPA.
2. Request more clarifying information regarding reimbursement.
3. Request options for determining a method to capture Libraries JPA indirect costs for reimbursement.
4. Direct staff to prepare a cash flow analysis to structure a reimbursement schedule for Board review.
5. Provide other direction.

BACKGROUND

During the budget hearings in June, the Board approved a four month budget for the Libraries JPA, and gave direction to the Interim Executive Director of the LFFA to present information on costs contracted for or paid by the Libraries JPA that benefit the LFFA, understand that those costs may be reimbursed to the Libraries JPA.

DISCUSSION

Below is a chart detailing the LFFA contract and staff costs paid by the Libraries JPA. The large majority of these costs relate to the planning and preparation for the recent special tax election. There are also staff expenses that have been identified. Not included in the recommended reimbursement are indirect costs such as, administrative support (accounting, payroll, payables, materials, etc.) and cost of the clerk.

The total minimum recommended reimbursement to the Libraries JPA is estimated at \$561,596.50. These are costs that were incurred from FY 2014/15 through June 30, 2016. The Board may wish to consider whether any indirect costs should be reimbursed. The method and manner of reimbursement will likely depend upon the gross amount approved by the Board and the cash flow of the Libraries JPA and the LFFA. LFFA cash flow in turn depends upon the needs of the JPA member agencies in relation to the planning, design and construction of their Library Facilities, including prospective bond issues.

Consider the chart below:

TOTAL LFFA CONTRACT EXPENSES PAID OR TO BE PAID BY LIBRARY JPA THROUGH JUNE 30, 2016				
Contractor	Date	Amount Paid	Amount to be Paid	Comments
Bregman	FY 2007/08	\$21,000.00		1 Survey
"	FY 2013/14	\$45,000.00		2 Surveys
"	FY 2014/15	\$36,000.00		2 Surveys
"	FY 2015/16	\$20,000.00		2 Surveys
Total Bregman		\$122,000.00		
NBS	FY 2013/14	\$20,752.50		PO established in FY2013 payments made through March 2015
"	FY 2015/16	\$34,339.60	\$3,660.40	PO 50-16009
"	FY 2015/16		\$29,952.50	PO 50-16015
Total NBS		\$55,092.10	\$33,612.90	
TBWB	FY 2015/16	\$51,734.00		PO 50-16011 Drafting, Printing and Mailing Fliers and Ballot Language
Total TBWB		\$51,734.00		
Jones Hall	FY 2015/16		\$11,000.00	Non contingent Bond Counsel services
Total Jones Hall			\$11,000.00	
Harrell Co.	FY 2015/16		\$6,500.00	Non contingent Financial Advisor services
Total Harrell Co.			\$6,500.00	
ABC Law	FY 2015/16		\$3,500.00	Authority Counsel
Total ABC Law			\$3,500.00	
Election Costs	FY 2015/16		\$350,000.00	To Santa Cruz County
Total Election Costs			\$350,000.00	
Grand Total Contracts	FY 2013/14 - 2015/16	\$228,826.10	\$404,612.90	total dollar commitments = \$633,439

CONTRACT COSTS BY FISCAL YEAR TOTALS			
Fiscal Year	Amount Spent	Cum. Total	
FY 2015/16	\$510,686.50	\$510,686.50	
FY 2014/15	\$36,000.00	\$546,686.50	Recommended
FY 2013/14	\$65,752.50	\$612,439.00	
FY 2007/08	\$21,000.00	\$633,439.00	Not Recom.

LFFA Personell Cost through June 30, 2016 =	\$14,910.00	Recommended	Estimated and Adjusted for Cost Allocation work
---	-------------	-------------	---

Total Recommended LFFA Reimbursement to Library JPA through June 3, 2016 = \$561,596.50
--

Prepared and approved by:

Richard Hill
Interim LFFA Executive Director