

Memorandum

**TO: Library Commission
as the Citizen Oversight Committee
for the Library Bond Program**

FROM: Richard Desmond

SUBJECT: See Below

DATE: 09-15-08

SUBJECT: ANNUAL 2007-08 STATUS REPORT ON THE BRANCH LIBRARY BOND PROJECTS

RECOMMENDATION

Staff recommends that the Committee accept this report on the library bond projects.

BACKGROUND

After overwhelming voter approval of the Branch Library Bond Measure in November 2000, the City Council appointed the Library Commission as the Citizen Oversight Committee to conduct an annual public hearing and prepare an annual report informing the Council and public of the appropriateness of bond expenditures, the progress of the various projects, and the results of the annual audit on or before December 31st of each year.

This staff report to the Citizen Oversight Committee provides an update on the status of the branch library bond projects at the end of our seventh full fiscal year (2007-08).

PROJECT STATUS

During FY 07-08, construction was completed on the Edenvale, Joyce Ellington, Pearl Avenue, and Willow Glen branches. The Edenvale Branch is a new branch serving neighborhoods that typically used the Pearl Avenue, Santa Teresa, and Seven Trees branches. The Joyce Ellington, Pearl Avenue, and Willow Glen branches replaced smaller branches on the same sites. Both Edenvale and Pearl Avenue were completed with significant project savings and Joyce Ellington and Willow Glen were completed on budget. Grand opening celebrations were held for the Edenvale Branch on November 3rd and the Joyce Ellington Branch on June 28th. The grand openings of Pearl Avenue and Willow Glen were held August 9th and August 23rd, respectively.

Groundbreakings for two branches and two joint use facilities were also held: East San Jose Carnegie Branch on December 15th; Santa Teresa on January 12th; and the Seven Trees and Bascom joint use facilities on May 31st and June 14th, respectively. As of June 30th, construction was underway on East San Jose Carnegie, Santa Teresa, and Seven Trees. Construction of Bascom is expected to begin in October and this joint use facility will serve a large population that has never had its own library or community center.

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Design continued on the Calabazas and Educational Park branches. Both are expected to go out to bid in spring 2009. Site selection for the Southeast Branch Library is underway. Several sites are under consideration.

The Fall 2008 Branch Library Development Update providing more detailed information on activities for the projects underway is attached. In addition, details and updates on each project can be found at the Branch Library Development website: www.newsanjoselibraries.com.

PROJECT FINANCING AND EXPENDITURES

During the preparation of the 2009-2013 Capital Improvement Program, the budgets of the Calabazas and East San Jose Carnegie branches were increased due to changes in the project scopes and schedules. The primary source of funding used to increase these budgets was interest earnings on bond proceeds.

	Adopted 2008-12	Adopted 2009-13	Increase
Calabazas	\$6,767,000	\$7,258,000	\$491,000
East San Jose Carnegie	\$9,248,000	\$9,493,000	\$245,000

A total of \$205.9 million in General Obligation Bonds have been issued to fund library projects through FY 08-09. In addition to the \$205.9 million in bond revenue, interest earned totaled \$17.2 million through June 2008 for total revenue of \$223.1 million. Through June 2008, approximately \$177.9 million of these bond funds had been expended or encumbered. The balance of the unexpended funds will primarily be used for a design contract for the Southeast branch, and for construction contracts for the Bascom joint facility and the Educational Park and Calabazas branch libraries.

The table below shows the total revenues, expenditures and encumbrances through June 30, 2008 for library projects.

Fiscal Year	Bond Proceeds/Interest	Expend/Encumb
2000-01	\$ 31,048,612	\$ 405,815
2001-02	1,058,668	5,194,484
2002-03	31,723,931	12,902,627
2003-04	815,110	21,590,068
2004-05	81,121,412	33,306,411
2005-06	62,441,310	31,370,830
2006-07	6,049,360	24,619,231
2007-08	8,836,248	48,548,686
Total	\$223,094,651	\$177,938,152

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A representative from the Finance Department will attend the Committee meeting to answer any specific questions regarding the audit and financial statements.

CONCLUSION

As of June 2008, thirteen branch library projects had been completed, four were in the award/construction phase and two in design.

RICHARD DESMOND
Director, Branch Library
Development Team

Attachments