

DIXON PUBLIC LIBRARY DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended
June 30, 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Assets, Liabilities and Equity

Deposits and Investments

The District is authorized to maintain cash in banks and revolving funds that are insured to \$250,000 by the Federal Depository Insurance Corporation (FDIC). The District has adopted an investment policy to deposit all District funds with the Solano County Treasurer, pursuant to Education Code Section 18493, except for funds identified in Education Code Section 18494. The funds maintained by the County are either secured by the FDIC or are collateralized. Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

Prepaid Expenses/Expenditures

Payments made to vendors for goods or services that will benefit periods beyond the fiscal year ended, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which goods or services are consumed. Prepaid expenses are equally offset by a net assets reserve, which indicates that this amount is not "available for appropriation and expenditure" even though it is a component of net assets.

Capital Assets

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized, if they meet the District's definition of a capital asset and meet the various threshold amounts for capitalization. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Buildings and improvements	10-40
Computer equipment	3-7
Office equipment	3-7

DIXON PUBLIC LIBRARY DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended
June 30, 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Assets, Liabilities and Equity - continued

Compensated Absences

All vacation pay is accrued when incurred in the government-wide financial statements. Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken, since such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Pension Obligation

The cumulative difference between the District's annual pension cost, as determined by the annual CalPERS Actuarial Valuation, and the annual pension cost contributed is the net pension obligation.

Fund Balances

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The allowable classifications used in the governmental fund financial statements are as follows:

Nonspendable Fund Balance consists of funds that cannot be spent due to their form (e.g. prepaid expenses) or funds that legally or contractually must be maintained intact.

Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision making authority (Board of Trustees). Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned Fund Balance consists of funds that are set aside with the intent to be used for a specific purpose by the District's highest level of decision making authority or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance.

DIXON PUBLIC LIBRARY DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended
June 30, 2014

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Assets, Liabilities and Equity

Unassigned Fund Balance includes amounts that are available for any purpose. They are residual positive net resources of the general fund in excess of what can properly be classified in one of the other four categories. There are some reserves that do not meet the requirements of the aforementioned components of fund balance. For financial statement reporting purposes these reserves are included in unassigned fund balance.

The District considers restricted fund balances to have been spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

Revenue Limit/Property Tax

The County of Solano is responsible for assessing, collecting and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding January 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (January 1), and become delinquent if unpaid by August 31.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternative method of distribution prescribed by Section 4705 of the California *Revenue and Taxation Code*. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll, approximately October 1 of each year.

Gann Appropriations Limit

Article XIII B of the California Constitution provides exceptions for some special districts for establishing an appropriations limit. As per Article XIII B, The District is not subject to the appropriations limit because the District's tax levy for fiscal year 1977-78 was below 12 ½ cents per \$100 of assessed valuation.

DIXON PUBLIC LIBRARY DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended
June 30, 2014

NOTE 2: DEPOSITS AND INVESTMENTS

Deposits and investments as of June 30, 2014 consist of the following:

	2014
Cash in revolving fund	\$ 700
County pool investments	1,090,832
Total Deposits and Investments	\$ 1,091,532

Cash in Revolving Fund

Cash in revolving fund consists of all cash maintained on hand and in commercial bank accounts that are used as revolving funds.

County Pool Investments

County pool investments consist of District cash held by the Solano County Treasury that is invested in the county investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts that are based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio).

General Authorization

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the following schedule:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%

DIXON PUBLIC LIBRARY DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended
June 30, 2014

NOTE 2: DEPOSITS AND INVESTMENTS - CONTINUED

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. Generally, as the length of the maturity of an investment increases, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury that purchases a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Segmented Time Distribution

Information about the sensitivity of the fair value of the District's investment to market interest rate fluctuations is provided by the following schedules that show the distribution of the District's investment by maturity:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>More Than 1 Year</u>
County pool investments	\$ 1,090,832	\$ 1,090,832	\$ 1,090,832	\$ -

DIXON PUBLIC LIBRARY DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended
June 30, 2014

NOTE 2: DEPOSITS AND INVESTMENTS - CONTINUED

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2014 the District had no bank balance that is exposed to custodial credit risk.

Custodial Credit Risk – Investments

This is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The District does not have a policy limiting the amount of securities that can be held by counterparties. As of June 30, 2014, the District does not have any investments that are held by counterparties.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. However, the District does not hold any investments in any one issuer, at year-end, that represents five percent or more of the total investments held by the District.

Derivative Investments

The District does not directly invest in any derivative investments. Information relating to the use of derivative investments by the Solano County Treasury was not available.

DIXON PUBLIC LIBRARY DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended
June 30, 2014

NOTE 3: CAPITAL ASSETS AND DEPRECIATION

Governmental Activities capital asset activity for the year ended June 30, 2014, was as follows:

	Balances June 30, 2013	Additions	Deletions	Balances June 30, 2014
Non-depreciable assets:				
Land	\$ 1,602,064	\$ -	-	\$ 1,602,064
Work-in-progress	-	-	-	-
Total non-depreciable assets	<u>1,602,064</u>	<u>-</u>	<u>-</u>	<u>1,602,064</u>
Depreciable assets:				
Buildings and improvements	1,065,201	17,632	-	1,082,833
Furniture and equipment	251,468	8,393	-	259,861
Total depreciable assets	<u>1,316,669</u>	<u>26,025</u>	<u>-</u>	<u>1,342,694</u>
Less: Accumulated depreciation:	<u>(1,139,101)</u>	<u>(18,871)</u>	<u>-</u>	<u>(1,157,972)</u>
Net depreciable assets	<u>177,568</u>	<u>(18,871)</u>	<u>-</u>	<u>184,722</u>
Capital Assets, Net	<u>\$ 1,779,632</u>	<u>\$ 7,154</u>	<u>-</u>	<u>\$ 1,786,786</u>

Depreciation expense of \$18,871 and was charged to the library services programs during the year ended June 30, 2014.

In 2014, the District was able to hire a new management team. Based on the new management team's analysis, the costs captured in the construction in progress at June 30, 2011 of \$646,571 no longer provided future economic benefit. As a result, the District has removed the amount from the government wide financial statements and recorded this as a prior period adjustment.

In addition, based on Management's review of detail asset records that were received from their predecessors, it was determined that the District does not have an accurate accounting of the assets owned and in possession of the District for the periods noted above. As a result of the above, balances were estimated based on the available information but may not provide an accurate representation of the available assets. The District anticipates performing a detailed inventory for future year's financial reporting purposes.

DIXON PUBLIC LIBRARY DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended
June 30, 2014

NOTE 4: DEFINED BENEFIT PENSION PLAN

Plan Description

The District contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public agencies within the State of California. Benefit provisions and all other requirements are established by state statutes. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

Active plan members are required to contribute 7.0% of their annual covered salary. The District makes these contributions required of District employees on their behalf and for their account. In addition, the District is required to contribute an actuarially determined rate necessary to fund the benefits for its members. The required employer contribution rate for fiscal year 2011/12 was 14.65% and for 2012/13 was 15.83%. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The contribution requirements of the plan members are established by state statute and the employer contribution rate is established and may be amended by CalPERS.

Pension Obligation

On an annual basis, CalPERS prepares and issues to the District an actuarial valuation report of their pension plan. Since the District's pension plan had less than 100 active members and at least one valuation since June 30, 2003, it is required to participate in a risk pool. The District's pension plan is part of the Miscellaneous 2% at 55 Risk Pool, a cost-sharing multiple-employer defined benefit plan. The District's pension cost for fiscal year 2011/12 was \$ 73,656 and 2012/13 was \$ 57,690. The required contribution was determined as part of the June 30, 2010 valuation report using the entry age actuarial cost method with the contribution determined as a level percent of payroll.

The actuarial assumptions utilized a 7.75% discount rate (net of administrative expenses), projected salary increases ranging from 3.25% to 14.45% depending on age, service, and type of employment, payroll growth of 3.25%, and inflation of 3%.

DIXON PUBLIC LIBRARY DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended
June 30, 2014

NOTE 4: DEFINED BENEFIT PENSION PLAN - CONTINUED

The District's annual pension cost, percentage of annual pension cost contributed to the plan, and net pension obligation for the last three fiscal years are presented in the following table:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2013			
June 30, 2012			
June 30, 2011	\$ 81,470	86.6%	\$ 29,116
June 30, 2010	96,907	91.8%	18,177

NOTE 5: FUND BALANCES

There are no restrictions or assignments of fund balances.

NOTE 6: PRIOR PERIOD ADJUSTMENT

The District had recorded a pension liability related to difference between the actuarial cost and the required contribution. Management has determined that this was an incorrect methodology.

DIXON PUBLIC LIBRARY DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended

June 30, 2014

NOTE 7: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District, as a member of the Special District Risk Management Authority (SDRMA), has purchased various insurance policies for property and liability. SDRMA's purpose is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

The District maintains workers' compensation coverage and employer's liability coverage in accordance with the statutory requirements of the State of California.

NOTE 8: CONTINGENCIES

A. State Awards and Grants

The District has received state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

B. Litigation

The District is subject to various legal proceedings and claims. In the opinion of management, the ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

NOTE 9: ECONOMIC DEPENDENCY

During the 2012 and 2013 fiscal years, the District received \$573,481 and \$506,860 of Measure B sales tax revenue that is subject to voter approval. Measure B was approved on June 2, 1998, and imposed a transactions and use tax at a rate of one-eighth of one percent (0.125%) for a maximum of 16 years, to provide funding for public library operations, programs and acquisitions. Measure B expires on October 1, 2014.

On June 5, 2012, the qualified voters of Solano County voted to approve Measure L to extend Measure B. Measure L extends the current transactions and use tax at a rate of one-eighth of one percent (0.125%) for a maximum of 16 years, to provide funding for public library operations, programs and acquisitions through 2030.

DIXON PUBLIC LIBRARY DISTRICT
Notes to the Basic Financial Statements
For the Fiscal Year Ended
June 30, 2014

NOTE 10: SUBSEQUENT EVENTS

In January 2012, the Board of Trustees took action to dissolve the Library Commission effective June 30, 2012, pursuant to Education Code Section 18452.

The District has evaluated subsequent events through August 4, 2017, the date the financial statements were available to be released.

SUPPLEMENTARY INFORMATION SECTION

DIXON PUBLIC LIBRARY DISTRICT

Board of Trustees/Library Commission
For the Fiscal Year Ended June 30, 2014

BOARD OF TRUSTEES

<u>Name</u>	<u>Office</u>
John Gabby	President
Andrew Bloom	Vice President
Guy Garcia	Clerk
Caitlin O'Halloran	Member
Joe Dipaola	Member

**DIXON PUBLIC LIBRARY DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues</u>				
Property taxes	\$ -	\$ -	\$ 367,045	\$ 367,045
Sales and use taxes	-	-	562,430	562,430
State revenue	-	-	-	-
Other local revenue	-	-	94,240	94,240
Total Revenues	<u>-</u>	<u>-</u>	<u>1,023,715</u>	<u>1,023,715</u>
<u>Expenditures</u>				
Salary and benefits	-	-	468,830	468,830
Library related materials and supplies	-	-	65,404	65,404
Utilities	-	-	33,830	33,830
Insurance	-	-	25,912	25,912
Maintenance and supplies	-	-	33,835	33,835
Memberships	-	-	4,991	4,991
Office related	-	-	17,172	17,172
Professional and specialized services	-	-	179,939	179,939
Facilities acquisition and construction	-	-	6,491	6,491
Rents and leases	-	-	4,995	4,995
Other outgo	-	-	36,059	36,059
Total Expenditures	<u>-</u>	<u>-</u>	<u>877,458</u>	<u>877,458</u>
Net Change in Fund Balances	-	-	<u>146,257</u>	146,257
Fund balances - June 30, 2012	<u>767,972</u>	<u>767,972</u>	<u>767,972</u>	
Fund balances - June 30, 2013	<u>\$ 767,972</u>	<u>\$ 767,972</u>	<u>\$ 914,229</u>	

View accompanying footnote

**DIXON PUBLIC LIBRARY DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SPECIAL FUND
For the Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<u>Revenues</u>				
Other local revenue		-	129,335	129,335
Total Revenues	-	-	129,335	129,335
<u>Expenditures</u>				
Professional and specialized services		-	-	-
Facilities acquisition and construction		-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	129,335	129,335
Fund balances - June 30, 2012	133,645	133,645	133,645	
Fund balances - June 30, 2013	\$ 133,645	\$ 133,645	\$ 262,980	

View accompanying footnote

DIXON PUBLIC LIBRARY SYTEM

Notes to the Supplementary Information
For the Year Ended June 30, 2014

NOTE 1: PURPOSE OF STATEMENTS AND SCHEDULES

A. Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, the District is required to present a Schedule of Revenues, Expenditures, and Changes in Fund Balance budgetary comparison for the General Fund and each Major Special Revenue Fund that has an adopted budget. This schedule presents the original adopted budget, final adopted budget, and the actual revenues and expenditures of each of these funds by object.

OTHER INDEPENDENT AUDITOR'S REPORTS SECTION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees
Dixon Public Library District
Dixon, California

We have audited the financial statements of the governmental activities and each major fund of the Dixon Public Library District, as of and for the years ended June 30, 2014, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 4, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses, and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses, as noted on pages 32-36.

Board of Trustees
Dixon Public Library District

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies, as noted on pages 32-36.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the District's Board of Trustees, management, California State Controller's Office, and Solano County Auditor's Office, and is not intended to be and should not be used by anyone other than these specified parties.

Fechter & Company,
Certified Public Accountants



Sacramento, California
August 4, 2017

FINDINGS AND QUESTIONED COSTS SECTION

DIXON PUBLIC LIBRARY DISTRICT

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Qualified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies identified not considered To be material weaknesses?	Yes
Noncompliance material to financial statements noted?	Yes

DIXON PUBLIC LIBRARY DISTRICT

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

AVAILABLE RESERVES

Criteria:

All districts should maintain an adequate reserve to provide the necessary resources that are occasionally needed to cope with unforeseen events or emergencies.

Condition:

From 2011 through 2009 the District incurred deficits of \$322,699, \$114,169, and \$538,595 during fiscal years 2010-11, 2009-10, and 2008-09, respectively. In 2012 and 2013 the District implemented cost controls and stopped development of the library construction. As a result, the fund balance of the District's General Fund decreased from \$1,469,789 at June 30, 2008 to \$634,326 at June 30, 2013 or a 56.8% decrease.

Questioned Costs:

None.

Context:

The District has implemented cost controls and changes that have resulted in a reversal of previously noted trends.

Cause:

The District expended \$938,669 in previous fiscal year for construction related expenditures related to the new library facility. Subsequent to June 30, 2013, The District has decided that the development of a new library facility will cease until adequate reserves can be accumulated-as-a result these costs accumulated have been written off of the government wide statements, this adjustment has no effect on the fund statements.

Recommendation:

The District should continue the program reductions and cost saving plans to ensure that the District maintains adequate reserves to cope with unforeseen events or emergencies.

District Response:

The District suspended plans to develop a new facility in 2012 following the departure of the previous District Librarian. Reserves have been built up since that time after reaching a low of \$42 in 2011. As of June 30, 2014, the District posted positive growth in reserves as it continues to closely monitor financial position and budgetary controls to constrain expenses.

DIXON PUBLIC LIBRARY DISTRICT

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

MATERIAL WEAKNESS

FINANCIAL REPORTING

Criteria:

The District Librarian is responsible for reporting complete and accurate financial information to the Board of Trustees on an annual basis. Accordingly, the District should have an effective system of internal control over financial reporting that will ensure that the information contained in the financial report is free of material misstatement.

Condition:

For the periods under audit, the District Librarian was not available during the audit. For these periods, the District's financial reports included misstatements that we consider to be material to the District's annual financial statements. Accordingly, it appears that internal control over financial reporting was inadequate in the areas where the audit adjustments were required.

Questioned Costs:

None.

Context:

During 2014, the District hired a new management team and charged them with improving the District's overall operations including the financial reporting. However, many source documents, corporate memory and accounting records were either poorly maintained or completely unavailable. During the 2014 audit, the District's documentation improved greatly as of the date that the new management team took over operations.

Effect:

When an effective system of internal control over financial reporting is not in place, there is a reasonable possibility that material misstatements of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Cause:

The District did not appear to have the necessary records to base a formal comprehensive financial reporting review of the information that is presented in the financial reports.

DIXON PUBLIC LIBRARY DISTRICT

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2014**

Recommendation:

The District should continue their implementation of a comprehensive financial reporting checklist, which can be used by staff during the year-end closing process, to prevent material misstatements from occurring in the future.

District Response:

District's current management has implemented a complete review of all aspects of the District's operations including a financial close process.

DIXON PUBLIC LIBRARY DISTRICT

Status of Prior Year Recommendations
For the Years Ended June 30, 2013 and 2012

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCY

CASH DISBURSEMENTS

Criteria:

Internal control procedures over cash disbursements should ensure that authorization for payment is obtained, documented, and maintained prior to forwarding the invoices to the Solano County Auditor for processing.

Condition:

The District is required to prepare and submit an authorization sheet along with the related invoices to the Solano County Auditor as authorization to process the invoices for payment. The authorization sheet is used to document that the Librarian reviewed and approved the invoices for payment. The District however, did not maintain any copies of the authorization sheets used during fiscal year 2010-11 and from 2012 through 2013 many transactions were not substantiated.

Questioned Cost:

None. It does not appear that this internal control weakness resulted in any improper use of District funds.

Context:

The condition was first noted during the fiscal year 2010-11 audit. It appears that this condition continued through June 30, 2013.

Effect:

Employees may commit the District to paying for goods or services that have not been properly approved.

Cause:

The significant turnover in the District's management may be the prime cause of this situation.

Recommendation:

The District should maintain copies of all authorization sheets submitted to the Solano County Auditor.

District Response:

During the 2012 and 13 years addressed by this audit, there was a series of District Librarians and no accounting staff. The District maintained all authorization sheets submitted to Solano County. The vast majority of authorization sheets were found for the auditors, however, some were not. Since 2014, significant changes have been made in library administrative procedures, resulting in improved documentation and recordkeeping.

RESOLUTION NO. _____

**RESOLUTION OF THE LIBRARY BOARD OF THE DIXON PUBLIC LIBRARY
DISTRICT AUTHORIZING THE FORMATION OF
A LIBRARY ADVISORY COMMITTEE**

BE IT RESOLVED by the Library Board ("Board") of the Dixon Public Library District ("District") as follows:

The Board shall organize and appoint a Library Advisory Committee ("LAC"), which shall continue in accordance with the provisions of this resolution.

1.0 PURPOSE

- 1.1 This resolution sets forth the purpose, activities, and membership guidelines of the LAC.
- 1.2 The LAC shall not serve in the capacity of a library commission under Education Code section 18440, and shall not have the authority to vote or take action on behalf of the Board.
- 1.3. The LAC shall serve strictly in an advisory capacity to the Board by making recommendations on issues of local interest and concern for the benefit of the community and the local library, including, but not limited to, policy review, annual budget, library resources and services, projects, and properties and facilities. The LAC shall not participate in any capacity in local library personnel matters.
- 1.4 The Board shall be authorized to dissolve the LAC at any time it determines it no longer requires the advice of the LAC.

2.0 MEMBERSHIP

- 2.1 The Board shall organize and appoint a Library Advisory Committee ("LAC") consisting of five (5) members, age 18 or older, including one (1) member of the library staff, and four (4) members who reside or do business, as determined by the Board, within the city of Dixon. The Board may also allow one (1) high school student to serve as an additional member of the LAC.
- 2.2 LAC members shall serve on a voluntary and unpaid basis.
- 2.3 LAC members shall serve a two-year renewable term that begins upon appointment, or January 1 if a renewed appointment, and expires on December 31 of the year following appointment. Term of office for LAC members who are

appointed mid-year shall begin upon appointment and run through December 31 of the year following appointment.

- 2.4 Board appointed LAC members shall be held over until they are reappointed or successors are appointed by the Board.
- 2.5 The officers of the LAC shall be a Chairperson, Vice-Chairperson, and Clerk, all of whom shall be members of the LAC. The officers shall be appointed by the LAC, subject to approval of the Board, for a term of one year commencing on January 1 and ending on December 31 and for no more than two consecutive terms. The LAC shall appoint its officers at the first meeting of the calendar year. All officers shall hold over in their respective offices after their term of office has expired until their successors have been appointed and have assumed office.
- 2.6 The Chairperson shall have the following authority and duties:
 - (a) Preside at all meetings of the LAC;
 - (b) Facilitate productive meetings in accordance with the posted Agenda and the Ralph M. Brown Act;
 - (c) Add items to the committee agenda;
 - (d) Facilitate communication of LAC comments, requests, and recommendations to the Board; and
 - (e) Report to the LAC on decisions of the Board which impact the LAC's activities.
- 2.7 The Vice-Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson. In the case of an unexpected vacancy of the Chairperson, the Vice-Chairperson shall perform such duties as are imposed upon the Chairperson until such time a new Chairperson is appointed by the Board.
- 2.8 The Clerk shall be responsible for preparing minutes of LAC meetings and maintaining minutes and exhibits for permanent record of LAC actions; researching and interpreting various reports and activities; preparing agendas for LAC meetings and gathering information for meeting agenda packets; and assuring that legally required notices and operational processes and procedures are followed for LAC meetings.
- 2.9 Should the office of any officer become vacant during the term of such office, the LAC shall appoint a successor from the its membership, subject to approval of the Board, at the earliest meeting at which such appointment would be practicable and such appointment shall be for the unexpired term of such office.

- 2.10 Should the Chairperson and Vice-Chairperson know in advance that they will both be absent from a meeting, the Chairperson may appoint a Chairperson Pro-tempore to preside over that meeting. In the event of an unanticipated absence of both the Chairperson and Vice-Chairperson, the LAC may elect a Chairperson Pro-tempore to preside over the meeting in their absence.

3.0 DUTIES

- 3.1 The specific duties of the LAC are to:
 - 3.1.1 Facilitate communication between Board members, LAC members, and the local library community.
 - 3.1.2 Obtain the views of the local community on library needs by engaging in public outreach to solicit feedback and opinions, and report these views directly to the Board.
 - 3.1.3 Provide input to the Board on specific findings, issues, problems, and concerns related to the local library.
 - 3.1.4 Provide input and recommendations to the Board on specific programs.
 - 3.1.5 Provide regular reports to the Board at regularly scheduled Board meetings.

4.0 MEETINGS

- 4.1 The LAC shall conduct and facilitate open and public meetings in accordance with the Ralph M. Brown Act under Government Code section 54950 *et seq.*, and such meetings shall be held at [INSERT LOCATION] or such other place and time within the city of Dixon as the Board may designate.
- 4.2 The LAC may call and conduct special meetings in accordance with Section 54956 of the Government Code.
- 4.3 The LAC shall provide notice of each meeting, together with an agenda, the draft minutes of the preceding meeting, and supporting meeting materials, to its members no less than ten (10) days in advance.
 - 4.3.1 Any and all requests for a copy of the agenda, or a copy of all the documents constituting the agenda packet, to be mailed to the requestor, shall be in writing and shall be directed to the Library Director or the Library Board President.

4.3.2 Any and all requests for access to other public records are governed by the California Public Records Act [Gov. Code § 6250 *et. seq.*], and shall be directed to the Library Director or the Library Board President.

4.4 A majority of the appointed members of the LAC is required to constitute a quorum for the purposes of conducting its business and exercising its duties. If the Clerk of the LAC, or his/her designated representative, has been notified at least two (2) business days in advance of a scheduled meeting that a quorum will not be present, the Clerk will cancel the meeting and notice the membership of the cancellation.

4.5 In the event that a LAC meeting is cancelled due to the lack of a quorum, the LAC meeting may be re-scheduled or re-convened to a specified date, time, and place.

4.6 The LAC may adjourn any regular or special meeting to a time and place specified in the order of adjournment.

The foregoing Resolution was considered, passed, and adopted by the Library Board of the Dixon Public Library District on the _____ day of _____, 2017 by the following vote:

AYES: _____

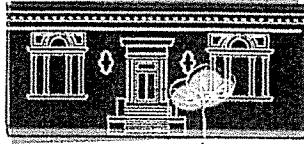
NOES: _____

ABSENT: _____

President, Library Board
Dixon Public Library District

I, _____, Clerk of the Library Board of the Dixon Public Library District, do certify that the foregoing Resolution was regularly introduced, passed and adopted by the Library Board at its Board Meeting held on _____, 2017.

Clerk, Library Board
Dixon Public Library District



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Dixon Public Library District Library Impact Fee Report

In accordance with Government Code section 66006(b)(1) and (2), the Dixon Public Library District (the "District") provides the following report on the District's FY2016/17 library impact fee (the "Fee") to the Solano County Board of Supervisors to review and accept.

A. BRIEF DISCRIPTION OF THE TYPE OF FEE

New development in the District increases the demand for library services. The library impact fee is used for the expansion of facilities and capital improvement to accommodate this growth, which includes expanding library buildings and book holdings.

B. THE AMOUNT OF THE IMPACT FEE

The impact fee collected is as follows:

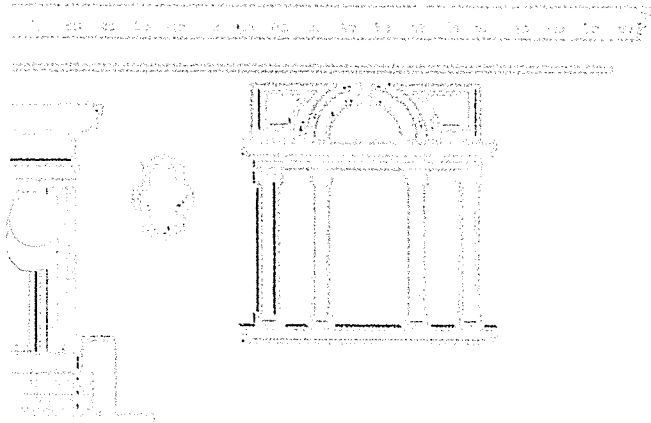
Land Use Category	Fee
Single Family Dwelling	\$968
Multi-Family Dwelling	875
Second Dwelling Unit	341
Retail (per 1,000 sq ft)	67
Office (per 1,000 sq ft)	112
Industrial (per 1,000 sq ft)	47
Warehouse (per 1,000 sq ft)	14

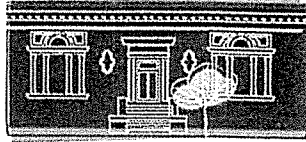
C. THE BEGINNING AND ENDING OF THE ACCOUNT OR FUND

See Exhibit A (attached).

D. THE AMOUNT OF FEES COLLECTED AND INTEREST EARNED

See Exhibit A (attached).





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Dixon Public Library District Library Impact Fee Report

E. IDENTIFICATION OF EACH PUBLIC IMPROVEMENT ON WHICH FEES WERE EXPENDED; THE AMOUNT OF EXPENDITURES FOR EACH IMPROVEMENT AND TOTAL PERCENTAGE OF THE COST OF THE PUBLIC IMPROVEMENT THAT WAS FUNDED WITH THE REPORTABLE FEE

See Exhibit B (attached).

F. IDENTIFICATION OF INCOMPLETE PROJECTS

The Dixon Public Library owns an adjoining building which is in the process of being assessed for the suitability of relocating or expanding portions of the library.

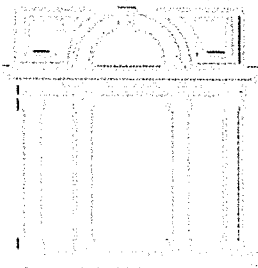
Population of the city of Dixon and the number of people served by the library continues to grow and the library needs to expand to better serve the population growth. Past and future population estimates are as follows:

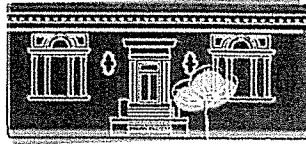
1990 census (City of Dixon)	10,630
2000 census (City of Dixon)	16,135
2010 census (City of Dixon)	18,413
2015 estimate * of total service population	26,350
2040 estimate * of total service population	27,890

The district selected an architectural firm to help it determine what the estimated costs for remodeling the building would be. The building has already gone through a structural evaluation, environmental analysis and assessment for earthquake safety. If the cost seems reasonable, the library will prepare an RFP and proceed with the renovation of the building within the next several years. Potential uses for the building would include an expansion of office space, the construction of a programming room, a reading room, or relocation of the library archives.

The firm is also helping the library come up with an estimated cost for the potential expansion of the existing library onto a vacant lot. This area would be used as either an expanded children's department or a multi-purpose programming room.

* estimates based on 2015 Wildan Report and California Department of Finance





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Dixon Public Library District Library Impact Fee Report

G. INTERFUND TRANSFER OR LOANS

There were no interfund transfers or loans from the account.

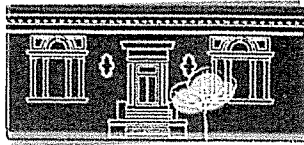
H. REFUNDS

There were no refunds to the current record owner (s) any unexpended fee revenues by direct payment, or temporary suspension of fee collection.

The Dixon Public Library District Board of Directors received and accepted this report at their October 12, 2017 meeting.

Melissa Maseda, President
Dixon Public Library District - Governing Board of Library Trustees

Date



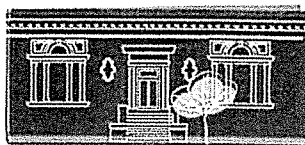
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Dixon Public Library District Library Impact Fee Report

EXHIBIT A

Fund 428: Account Balances

Fiscal Year:	FY16/17
Beginning Fund Balance	561,097
Transfer-in of prior year fee collection	52,562
Interest Income less Treasury Fee	5,026
Less Disbursements	4,690
Balance Forward	613,994



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Dixon Public Library District Library Impact Fee Report

EXHIBIT B

FY2016/17

Fund 428: Public Improvement Identification:

	Total Project Cost	Estimated PFF Budgeted for Project	PFF Expended as of 6/30/15	% of PFF Expended to Total Cost
Property Acquisition				
125 East B Street / 200 N. First Street	500,763	500,763	500,763	100.00%
193 East B Street	664,286	664,286	664,286	100.00%
235 N. Second Street	7,500	7,500	7,500	100.00%
255 N. Second Street	2,500	2,500	2,500	100.00%
	<u>1,175,049</u>		<u>1,175,049</u>	
Consulting costs related to the potential	0	55,000	6,890	12.53%
Other costs related to purchasing, maintaining & improving the above properties	0	0	0	0.00%
Legal fees	0	0	0	0.00%

Minutes—Draft
DIXON PUBLIC LIBRARY DISTRICT
GOVERNING BOARD OF LIBRARY TRUSTEES
7:00 P. M., Thursday, September 14, 2017
REGULAR MEETING

MEETING LOCATION
DIXON CITY COUNCIL CHAMBERS
600 EAST A STREET, DIXON, CA 95620

1. Call to Order

Ms. Maseda called the meeting to order at 7 pm. There were no announcements to be made following the closed session.

2. Business meeting

a. Pledge of Allegiance

Pledge of Allegiance said

b. Roll Call

Trustees

Melissa Maseda, President—present

John Gabby, Vice President—present

Luke Foster, Clerk—present

Caitlin O'Halloran, Member—present

Guy Garcia, Member—present

Staff

Steve Arozena, Library Director—present

3. Notice to the Public

None

4. Correspondence

None

5. Consent Agenda

None

6. Public Comment

None

7. Guests & Presentations

8. Director's Report

■ Budget discussion

- Gina Dupell, the library's accountant/payroll technician came to answer the Board's questions about the year-end budget and related matters. Mr. Garcia asked if the library has \$881,000 in cash in the account. Ms. Dupell stated that that is true. Ms. Maseda said that she understood that we were under budget on some line items from the last year and asked if that money could be spent on other things later on. Ms. Dupell stated that the unused funds roll over into the funds available balance. Mr. Garcia asked if we were plus \$119,000 for the past year and Ms. Dupell confirmed that was the case. Ms. Dupell said that it is a good fiscal policy to have 3 to 6 months of cash available on hand. Last year we had a budget of \$1.2 million and have \$881,000 on hand, so we are more than the recommended level of cash on hand. She stated that Mr. Arozena has been managing the funds great within the budget. Mr. Garcia asked why there are two different funds with two different figures. Ms. Dupell stated that there are two different funds: 426 for operations and 428 for building improvements. Mr. Garcia asked if the assets reflected the current appraised value of library properties. Discussion confirmed that the appraisal was as of a date in the past. Ms. Maseda asked if the budget report reflected money that would be used for a library expansion. Mr. Gabby said yes the figures are in fund 428. Ms. Dupell said that there are some funds listed as construction-in-progress that are still left over from the previous effort to expand the library. Mr. Garcia said that when the audit is presented that the construction-in-progress should be questioned at that time. Ms. Maseda asked about the figure attached to the land and Mr. Gabby said that the figure probably represents the value of the land and not the building on the land. Ms. O'Halloran said that the value of the land is probably not accurate as of today, but that it represents what it was worth at one time. Mr. Garcia asked about the \$79,000 listed as construction-in-progress in fund 428. Ms. Dupell said that it all represents things done in the past. Mr. Arozena said that he expects the auditing process to address those funds. Ms. O'Halloran asked what the library's monthly budget was in reference to the previous statement that we should have at least 3 months cash on hand. Ms. Dupell said the monthly budget is around \$100,000 per month. Ms. O'Halloran said that she thought we should look at the budget surplus and make sure that we aren't missing items or personnel costs that we should be spending money on. Ms. Dupell said that she believes, as does Mr. Arozena, that the Board should wait to hear the results of the audits. Ms. Maseda said that we should remember that it is taxpayers' money and that we get it to spend it

on improvements and services. Ms. Maseda said she would like to Board to get a list of ways we could spend the money. Mr. Garcia said that we should spend at least \$119,000 of it. He stated that this would be a perfect item for the Library Advisory Committee to look at. Mr. Gabby said that the surplus makes you ask whether the employees are being paid enough. Mr. Garcia said that he believes we had an extremely robust revenue year. Ms. Dupell affirmed that we did very well on the sales tax. Ms. Maseda said that perhaps it should be a topic at the next library staff meeting. Mr. Gabby cautioned that we should wait for the report from the auditor. Ms. Maseda asked Mr. Arozena when the auditor's report would be ready. He said that he is trying to confirm him for the October meeting, but hasn't been able to nail him down for that. Ms. Maseda asked if he had been paid in full. Mr. Arozena said that he has not. Mr. Garcia asked if the library gets a monthly payment from the sales tax. Ms. Dupell confirmed that that is true. Ms. Garcia, looking at the August balance report, noted that for this fiscal year, the library has only received about \$80,000 per month in sales tax. Ms. Dupell said that there are other income sources besides that and to base it on sales tax alone would be a false assumption. Mr. Garcia said that since the property tax and other income comes in less regularly that it is hard to judge how the revenues are coming in. Ms. Dupell agreed and said that the sales tax will vary from month to month as well. The group had no further questions and thanked Ms. Dupell for her attendance.

■ **Library activities**

- Mr. Arozena said that he put together a survey at the Board's request in both English and Spanish. He said that they will be available on the library's website, Facebook, Dixon 411 and in print form at the library. The survey is through SurveyMonkey and will be available through October 31. He said that a press release will be sent to the local papers and that they will go out tomorrow unless the Board has corrections or suggestions.
- Mr. Arozena said that the library now offers wireless printing. Patrons can send print jobs with their home computer, phone or lap top and pick them up at the library.
- Mr. Arozena said that the library is now part of Link+ and that the Board has an FAQ about the service. It allows borrowing from library's throughout the state and includes some academic libraries, so it should fulfill patron's needs. The only caveats are that the books need to be returned to Dixon and that the replacement fees and fines are very expensive. Mr. Garcia asked if there was training on this system. Mr. Arozena said the training is as needed and that the publicity is just now going out about the service. Mr. Foster also asked if there was an extra charge for the wireless printing. Mr. Arozena said there are no additional costs

and that the print jobs go to an electronic queue which is purged at the end of the day. Mr. Foster asked if people need to ask for assistance to get their prints when they come in to the library. Mr. Arozena said it was the same process as picking up in-house print jobs. They will need to enter their pin and pay for the prints at the print release station. They can ask for help, or if they know how to do it, pick it up themselves.

- Mr. Arozena said that he dropped off the bound volumes of the Dixon Tribune at the microfilming office in Sacramento. This includes the entire year of 1886, and other scattered issues from the 1880s. He said that he plans trips to the State Library and UC Davis to see if he can fill in any other missing issues. He thanked the Historical Society for going through the entire run of the Tribune and listing all the issues we are lacking.
- Mr. Arozena said that the Friends of the Library are having a big book sale October 19-21 to be held inside the Miller Building and that the Historical Society will have a book sale there simultaneously.
- Mr. Arozena said that the maintenance man has repainted the trim on the Carnegie and that he is looking into renting a crane to reach higher on the building.
- Mr. Arozena says that he found plans from the 1990 renovation in the basement and that he has passed them on to our architect to see if they are detailed enough to meet his needs.
- Mr. Arozena stated that he is going to be taking courses on finance and accounting and grant writing in the near future.
- Mr. Arozena said that the audits for the years 2012, 13, and 14 are now complete and that he is waiting for the auditor to commit to making a presentation to the Board. He said that he is looking for another auditor to do the next series of three years to bring the library up to date. He said that he interviewed a potential auditor that morning and is awaiting her proposal.
- Mr. Arozena said that he signed the library up for the Student Success Initiative and that the library was accepted as a pilot site. The grant-funded proposal is designed to get library cards into the hand of children at their schools. Mr. Arozena said that he is waiting for an upcoming webinar to find out the details of how it works. He presented the Board with a copy of last year's proposal and participants. Mr. Arozena said that the results of going to Anderson to try and get applications out to parents weren't as responsive as Gretchen Higgins and that only a few took them home. Jim is trying to set up a date with Tremont to do the same thing there. Mr. Foster suggested that perhaps another visit to Anderson should be planned. Ms. O'Halloran said that perhaps the Student Success Initiative will address the best way to do this. Mr.

Foster asked for a follow-up report about the Student Success Initiative after the webinar.

9. Ongoing Business

- **Ongoing Business**
- **Discussion of Future Governance of Library**
- Mr. Arozena said he had little to add to this segment, but that in the past, it had been the Board's request to keep this as an agenda item. Ms. Maseda asked if this item should appear on future agendas. Ms. O'Halloran stated that it should, until the Library Advisory Committee is in place.
- **Establishment of Library Advisory Committee**
- Mr. Arozena stated that the Board voted to establish a Library Advisory Committee. The Library's attorney suggested that the Board approve an official resolution. A resolution was prepared by the legal staff. Mr. Arozena researched how other library advisory committees were set up and how their by-laws and rules read. He made a list of possible changes and then had a meeting with Mr. Foster and Ms. Maseda. They came up with a list of questions and proposed changes to the resolution. Mr. Arozena presented the Board with the original and updated resolutions. Changes included setting up a minimum age for membership, requiring that members be from Dixon, meetings be held in Dixon, stating that the members would not be compensated along with some other minor changes. The corrected resolution was not received in time to be posted for this meeting, so the vote to approve the resolution cannot take place until October. Ms. O'Halloran suggested that a high school student member be added to the committee. Mr. Foster suggested that language be added to that request with "if possible." Ms. Maseda asked about the section requiring a parent to be on the committee. Mr. Arozena read the attorney's response that it didn't need to be an official part of the resolution, but that the Board could take it into consideration when appointing members. Ms. Maseda asked that things be ready to go as far as seeking members for the committee by the next meeting. Mr. Garcia asked for a copy of the resolution prior to the meeting. Mr. Arozena said that copies will be sent out with the board agenda. Ms. O'Halloran asked if we could put out something about seeking members in the near future.

10. New Business

- **New Business**
- **Revision of Policy Manual**
- Mr. Arozena stated that the current policy manual needs to be revised. The manual was created in 2006. Only the personnel section has been revised. That took place in 2014. Mr. Arozena said that he approached CPS HR Consulting and that they gave him an estimate of \$7900 to rewrite the manual. They have attorneys on staff that check to make sure policies are accurate and up-to-date. He said that the money could come out of the contracted services budget. For comparison, one small segment of the policy dealing with FMLA/Paid Family Leave cost \$5500 for the attorney to revise. It would be cost prohibitive to have them do it. He pointed out that the manual would be available online and be able to be easily edited. Currently updates consist of added pages and sometimes handwritten notes. Mr. Gabby said that if the manual dates from 2006 that he would fully support it being redone. Mr. Foster said that it would be a good project for the committee to work on. Ms. O'Halloran suggested that the approval of the revisions take place in small portions at a time. Mr. Foster asked if the company can supply updates as changes in law take place. Mr. Arozena said he would ask.
- **Approval of Minutes of August 10, 2017**
- Mr. Gabby moved approval. Ms. O'Halloran asked that the minutes be amended to show that she was there and then seconded the motion. The minutes were approved 5-0.
- **Meeting adjourned.**

Melissa Maseda, President

Luke Foster, Clerk
