



Joint Powers Authority Operations Committee

George Rodericks, Atherton
Greg Scoles, Belmont (Vice Chair)
Clay Holstine, Brisbane
Carlos Martinez, East Palo Alto
Kevin Miller, Foster City
Magda Gonzalez, Half Moon Bay

Angela Louis, Millbrae
Keith Breskin, Pacifica
Jeremy Dennis, Portola Valley
Crystal Mui, San Carlos
Peggy Jensen, San Mateo County (Chair)
Kevin Bryant, Woodside

**San Mateo County Library Joint Powers Authority
Operations Committee Agenda
June 6, 2017, 1:30 p.m.
Library Administration, 125 Lessingia Court, San Mateo**

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|--|-------------|
| I. Call To Order | Action |
| II. Public Comments | Information |
| III. Approval of the May 16, 2017 Minutes | Action |
| IV. Unapproved Minutes of the Governing Board Meeting of May 22, 2017 | Information |
| V. Financial Audit Report for FY 2015-16 | Action |
| VI. Approval of FY 2017-18 Proposed Uses of Library Donor Funds and Library Donor Funds Subcommittee Recommendation | Action |
| VII. Adoption of the FY 2017-18 Recommended Budget | Action |
| VIII. Director's Report | Information |
| IX. Election of Library JPA Operations Committee Officers | Action |
| X. Operations Committee Members Announcements | Information |
| XI. Adjournment | Action |

**2017 Operations Committee Meetings: September 12, October 31
2017 Governing Board Meetings: June 12, September 18, November 6**

If you need special assistance to participate in this meeting, please contact the Library JPA Secretary at (650) 312-8822 at least three working days in advance of the meeting. The Agenda Packet is available online at smcl.org.



San Mateo County Libraries Joint Powers Authority
Operations Committee Meeting
Minutes of May 16, 2017

Board Members Present:

Peggy Jensen, San Mateo County (Chair)
Greg Scoles, Belmont (Vice Chair)
George Rodericks, Atherton
Clay Holstine, Brisbane
Kevin Miller, Foster City
Angela Louis, Millbrae
Crystal Mui, San Carlos
Kevin Bryant, Woodside

Staff Present:

Anne-Marie Despain
Nicole Pasini
Carine Risley
Danae Ramirez
Karina Labrenz

-
- I. Call to Order. The meeting was called to order at 1:33 p.m.
 - II. Public Comments. None.
 - III. Approval of the January 31, 2017 Minutes. Meeting minutes approved without changes (MSP: Bryant/Scoles).
 - IV. Unapproved Minutes of the Governing Board Meeting of February 6, 2017. Information item only.
 - V. Introduction to the Recommended Budget FY 2017-18. Director Despain provided an overview of the FY 2017-18 Recommended Budget and major accomplishments of FY 2016-17. Deputy Director Pasini highlighted the current year's performance data and priorities for FY 2017-18. Financial Services Manager Ramirez gave an overview of the proposed Recommended Budget. The FY 2017-18 Adopted Budget totals \$45,057,251; Expenditures total \$34.7 million and Reserves \$10.3 million. Revenue from property taxes is estimated to increase by approximately 5%. A discussion ensued. Member Rodericks asked about the community conversations grant program and recommended that library staff work with Town staff on the programs. Member Holstine asked for statistics of new libraries to see the impact new facilities make in circulation, visits, etc. Chair Jensen pointed out that not only will children not lose three months of learning over the summer, but now they are also gaining one month of learning due to the summer camps. Member Scoles inquired about anticipated final budget numbers and asked that they be included in the budget document. This is an information item; approval of the Recommended Budget will be on the June agenda.
 - VI. Operations Committee Members Announcements. Chair Jensen encouraged members to check out the real-time webcam of the Half Moon Bay Library construction project. Member Holstine mentioned that public art will be included for the new Brisbane Library, a RFP was recently conducted and a final artist was selected.
 - VII. Adjournment. The meeting adjourned at 2:16 p.m.



San Mateo County Libraries Joint Powers Authority
Governing Board Meeting
Minutes of May 22, 2017

Board Members Present:

Anne Kasten, Woodside (Chair)
Charles Stone, Belmont (Vice Chair)
Elizabeth Lewis, Atherton
Lori Liu, Brisbane
Donna Rutherford, East Palo Alto
Rick Kowalczyk, Half Moon Bay
Reuben Holober, Millbrae
Mike O'Neill, Pacifica
Maryann Derwin, Portola Valley
Cameron Johnson, San Carlos
Carole Groom, San Mateo County

Staff Present:

Anne-Marie Despain
Nicole Pasini
Danae Ramirez
Karina Labrenz

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- I. Call to Order. The meeting was called to order at 8:18 a.m.
 - II. Public Comments. None.
 - III. Approval of the February 6, 2017 Minutes. Meeting minutes approved without changes (MSP: O'Neill/Holober).
 - IV. Introduction to the Recommended Budget FY 2017-18. Director Despain provided an overview of the FY 2017-18 Recommended Budget and major accomplishments of FY 2016-17. Deputy Director Pasini highlighted the current year's performance data and priorities for FY 2017-18. Financial Services Manager Ramirez gave an overview of the proposed Recommended Budget. The FY 2017-18 Adopted Budget totals \$45,057,251; Expenditures total \$34.7 million and Reserves \$10.3 million. Revenue from property taxes is estimated to increase by approximately 5%. A discussion ensued. Alternate Member Lewis said that the Town of Atherton is using a conservative 3.4% for overall secured property tax forecast vs 5%; staff responded that the Library is using the County's guidelines for property tax forecasts which have been consistently accurate. Member Johnson inquired what the growth rate is for eBook checkout and why some funds remain unspent in digital materials. Limitations include those from the consortium and vendors. The Library is pursuing a single app option for eBooks (developed by the New York Public Library). Member Johnson suggested that the budget reflect the increasing use and popularity of library electronic resources. Member Derwin inquired about the Home Delivery Program and asked about the elimination of Big Lift funding. The latter will not effect this year's budget; future funding is unknown at this time. Member O'Neill suggested expanding

looking at home delivery partnerships with Meals on Wheels which is currently staffed with volunteers. Member Holober asked whether there is an increase on unreturned books due to the new no-fine policy; this has not been the case but staff will report if this changes. Member Johnson inquired about the costs of the new Maker Space Program. Currently, a placeholder of \$900K has been included in the Recommended Budget for equipment, facilities and fixed assets; a master plan is in development and will be presented to the Board along with updated costs at the September meeting. Member O'Neill suggested to have a demonstration session for the Board to gain a better understanding of the Maker Program, and for the Library to partner with various institutions, like high school districts and large employers. Director Despain reminded the Board that this is an information item; approval of the Recommended Budget will be on the June agenda.

V. Board Members Announcements. None.

VI. Adjournment. The meeting adjourned at 9:09 a.m.



To: JPA Operations Committee
From: Anne-Marie Despain, Director of Library Services
Danae Ramirez, Financial Services Manager
Date: May 31, 2017
Meeting: June 6, 2017
Re: Financial Audit Report for FY 2015-16

Background

San Mateo County Libraries contracts with a qualified independent Certified Public Accountant to annually audit the financial statements from the prior year. An audit of financial statements includes testing of internal controls as well as identification of matters relevant to the Library's responsibility in overseeing financial procedures and reporting.

Discussion

JJACPA, Inc. has completed the audit for the Library's basic financial statements for the year ended June 30, 2016. Attached are their following reports: 1) Communication of Internal Control Related Matters and 2) Basic Financial Statements for the Year Ended June 30, 2016.

Highlights of the Communication of Internal Control Related Matters are noted below:

- There were no matters uncovered which would require reporting under professional accounting standards about 1) the methods used to account for significant unusual transactions and 2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance.
- There were no identified deficiencies in internal controls considered to be material weaknesses. A material weakness is a deficiency, or a 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.
- As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, tests performed of its legal and regulatory compliance disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Highlights of the Basic Financial Statements for the Year Ended June 30, 2016 are noted below:

- The financial statements of the Library have been prepared in conformity with accounting principles generally accepted in the United States. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In accordance with GASB Statement No. 34, the Library has selected the single governmental fund (General Fund) presentation since this reflects the most concise and easily readable presentation for the Library's operations.
- At June 30, 2016, the Library's net position increased to \$21,595,908 from \$20,703,032 in 2015, all shown in the Governmental Funds Balance Sheet/Statement of Net Position on Page 14 of the Basic Financial Statements report.
- Operating expenses increased by \$3,643,979 principally from increases associated with personnel costs including negotiated COLA's and benefits and one-time extra-help project support, increases in services associated with one-time enhancements of technology, library materials, re-branding, outreach, programs and supplies, increase in furniture and equipment related to the Woodside Library Improvement Project, increases in donor set asides; offset by one-time County Measure K supported summer learning programs and facility improvement projects.
- Program revenues increased by \$227,079 principally from revenue associated with the dissolution of Redevelopment Agencies, revenue from fines, and grants supporting literacy services. General revenues increased by \$3,174,502 principally from property tax revenue and one-time support from donor funds to support the Woodside Library Improvement Project, County Measure K funds and donations.
- Additionally, the year was marked with a number of significant accomplishments and system improvements reflecting the Library's values and priorities and highlighted on pages 3-7 of the report.

Fiscal Impact

There is no fiscal impact associated with accepting this report.

Recommendation

Recommend JPA Operations Committee accept the Financial Audit Report for FY 2015-16.

Attachments

1. Basic Financial Statements for the Year Ended June 30, 2016
2. Communication of Internal Control Related Matters

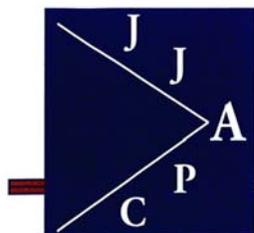
SAN MATEO COUNTY LIBRARY
JOINT POWERS AUTHORITY
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2016

San Mateo County Library Joint Powers Authority
Basic Financial Statements
For the year ended June 30, 2016

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

To the Governing Board of the
San Mateo County Library Joint Powers Authority
San Mateo, California

Report on the Financial Statements

We have audited the accompanying basic financial statements of the San Mateo County Library Joint Powers Authority (Library) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents. The prior year summarized comparative information has been derived from the Library's June 30, 2015, financial statements in which an unqualified opinion was expressed on those financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and the budgetary comparison information of the Library, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2017 on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

May 5, 2017

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

San Mateo County Library Joint Powers Authority Management's Discussion and Analysis, Continued For the year ended June 30, 2016

Management's Discussion and Analysis

This section of the San Mateo County Library Joint Powers Authority's (Library) basic financial statements presents management's discussion and analysis of the Library's financial performance during the fiscal year ended June 30, 2016. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and current known facts, please read it in conjunction with the Library's basic financial statements (pages 14 and 15) and the footnotes (pages 16 - 25).

Financial Highlights & Accomplishments

At June 30, 2016, the Library's net position increased to \$21,595,908 from \$20,703,032 in 2015, which includes additions of \$1,729,718 in capital asset purchases, all shown in the Governmental Funds Balance Sheet/Statement of Net Position on Page 14. Additionally, changes to net position resulted from the following items shown in the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balances/Statement of Activities on Page 15:

- Operating expenses increased \$3,643,979 principally from increases associated with personnel costs including negotiated COLA's and benefits and one-time extra-help project support, increases in services associated with one-time enhancements of technology, library materials, re-branding, outreach, programs and supplies, increase in furniture and equipment related to the Woodside Library Improvement Project, increases in donor set asides; offset by one-time County Measure A supported summer learning programs and facility improvement projects.
- Program revenues decreased by \$227,079 principally from revenue associated with the dissolution of Redevelopment Agencies, revenue from fines, and grants supporting literacy services. General revenues increased by \$3,174,502 principally from property tax revenue and one-time support from donor funds to support the Woodside Library Improvement Project, County Measure A funds and donations.

The year was marked with a number of significant accomplishments and system improvements reflecting the Library's values and priorities. Some of these include:

Supporting Family Literacy and Lifelong Learning

- Addressed achievement gaps and summer learning loss through Summer Learning programs:
 - Led public libraries throughout the county in engaging an unprecedented 58,719 youth during summer 2015 and connecting them with high quality learning and literacy experiences. San Mateo County Libraries offered 1,520 high quality learning and literacy programs to children and youth in summer 2015 (849 more programs to children and youth than in 2014), a 127% increase.
 - Expanded Summer Learning Camps from five locations to seven, delivering 178 hours of high quality learning experiences to struggling readers throughout the county. 100% of campers avoided the "summer slide" and either increased or maintained their reading skills over the summer.
 - Achieved federal certification to become a summer meals sponsor and secured funding to expand meal programs to feed adults as well as children, enabling us to serve 24,991 healthy meals to families and community members of all ages.

**San Mateo County Library Joint Powers Authority
Management's Discussion and Analysis, Continued
For the year ended June 30, 2016**

Financial Highlights & Accomplishments – continued

- Piloted a youth development internship program, hiring and training high school and early college youth to support the program and work in their communities. Forty-two interns of diverse backgrounds modeled a love of reading and learning as well as effectively connected youth and their families to the library.
- Inspired 48 English and Spanish-speaking families this year with the Talk Read Sing program, using its community-building curriculum and groundbreaking technology that works to develop parents' skills in interacting with babies and increase conversational turn taking and reading. 97% of the families completed the program, and 70% of parents increased the number of words spoken to their child.
- Engaged parents and children – many of them first-generation Americans – in the Library's grant funded, 24-week Toyota Family Learning program. Families learned from each other while engaging in enriching community service projects, workshops, mentoring and technology.
- Enhanced the thousands of storytime programs to include early literacy elements and instruction for parents and caregivers. Additionally, in an effort to make it easy for families to continue learning at home, read and play storytime kits were developed to promote early literacy and learning experiences for children 2-5 years old, to ensure children are ready to learn to read when they enter school.
- Established a small business and entrepreneurial support program through CO.STARTERS. The nine-week program helps communities grow local businesses and equips aspiring entrepreneurs with the tools needed to turn business ideas into action.
- Offered a wealth of cultural programming including a fun and educational SFJAZZ Family Matinee concert that was streamed live using our new lightning fast 1GBps network.
- Increased world language library collections and created supportive environments for adult learners by offering welcoming and respectful language conversation clubs.
- Provided support to adults in transforming their lives by working towards earning a high school diploma with the Career Online High School program, which is supported by a grant from the California State Library.

Supporting the Mobile and Digital Needs of Library Users

- Transformed how San Mateo County Libraries provide internet access by lending WiFi hotspots. Rather than limiting patrons to using the internet at a physical library facility during a once-a-day, 2-hour time slot, this service is providing 24/7 access to patrons, allowing hundreds of households to engage in education, exploration, and the many practical tasks of daily life that require internet access. This popular program was expanded to add an additional 150 WiFi hotspots this year.
- Provided students who have limited access to technology with engaging hands-on technology education and enriched out-of-school time through Mouse Squad. Funded partially through the County Human Services Agency, the curriculum strives to bridge the economic divide and diversify the technology workforce by offering all students access to quality STEM education.

San Mateo County Library Joint Powers Authority Management's Discussion and Analysis, Continued For the year ended June 30, 2016

Financial Highlights & Accomplishments – continued

- Introduced our communities to the boundless opportunities available using 3D printing technology. This year, residents were invited to library 3D printing programs, our first Print-a-Thon featuring all twelve library printers, and a new personal appointment service to connect with a trained staff member for assistance with this technology.
- Continued to grow our digital collections. New additions this year have included in-depth online technology courses, ranging from basic Word to advanced Java, through Lynda.com, and expanded eMagazine collections with the addition of two new products, Flipster and TotalBoox.
- Initiated a pilot of Laptop Anytime, a vendor based solution that offers convenient self-service laptop checkout as a response to public demand for increased availability and flexibility of computers.
- Implemented a portable charging system that will enable patrons to check out chargers and power up laptops, phones and other mobile devices anywhere in the library.
- Implemented a new computer time management solution that will provide a more stable environment for users and will allow us to expand wireless printing to include mobile devices.
- Developed a new website which will replace the current site in June. The new eLibrary will provide a seamless, updated online experience for library users, with responsive design, improved events calendar, and multiple pathways to discovery.

Creating Welcoming and Well-Equipped Facilities

- Reopened the newly renovated Woodside Library in April, introducing a beautiful, updated space to the community. The new interior features reconfigured and enhanced spaces for children and teens, a learning center/meeting room, and a more efficient layout for programs and collections. Larger restrooms, improved disability access and seismic retrofitting are a few of the other facility upgrades. The \$3 million project was supported with Library Donor Funds.
- Assisted members in their efforts to build new libraries. Planning is underway in Atherton, Brisbane, East Palo Alto, Half Moon Bay and Pacifica to transform our libraries into welcoming spaces that enable inspiring experiences.
- Completed initial planning efforts to explore the addition of maker and co-working spaces in libraries and worked with the SF Exploratorium on completing designs for a mobile outdoor learning landscape exhibit to increase use of library outdoor space and improve access to interactive learning opportunities for the community.
- Introduced the exciting new San Mateo County Libraries brand to the public on May 9th. The new branding is energizing our spaces and communicating the boundless opportunities available at our libraries. The consistent use of our new brand will help us communicate our story of impact as well as contribute to welcoming spaces.

**San Mateo County Library Joint Powers Authority
Management's Discussion and Analysis, Continued
For the year ended June 30, 2016**

Financial Highlights & Accomplishments – continued

Promoting Partnerships and Building Awareness of the Library

- Continued to grow our partnership with Stanford University addressing critical community needs. Their Flu Crew visited three libraries and vaccinated nearly 400 children and adults, and the Ready4K! texting program developed by their educational researchers was piloted in libraries to support early learning by texting parents fun facts and easy tips to help prepare children for kindergarten.
- Partnered with the San Mateo County Elections Office and National Voter Registration Day to register community members to exercise their most basic right: the right to vote. All libraries held events, and staff helped 120 people register to vote.
- Established a new partnership with the San Mateo County Department of Housing to reach families facing the most significant socioeconomic barriers; and support their success through enhanced library services, read and play kits in Housing Authority waiting rooms, and books to help grow home libraries.
- Improved veteran services in partnership with the California State Library and the California Department of Veterans Affairs in order to positively impact the quality of life for veterans and their families. Enhancements include a resource center, work-study and volunteer programs for veterans.
- Led ten other Bay Area Library jurisdictions in order to raise the visibility of libraries, early learning, and the importance of reading together, through the financial support of the Super Bowl 50 Host Committee's Re(a)d Zone. This Read for the Record program resulted in 11,837 children engaging in the world's largest shared reading experience.
- Participated in Outside the Lines, a week-long national campaign designed to promote creativity and innovation of libraries. Staff surprised community members with "pop-up" libraries in unexpected places, spontaneous programs and free book giveaways at local areas in the community, ranging from BART to the beach!
- Launched San Mateo County Libraries' first Book Bike, with five more coming! The Book Bike provides a delightful library experience in surprising places in order to reach community members who may not come to a physical library.
- Promoted the library at the county's biggest events, the County Fair and Maker Faire. Employees from throughout the system helped staff the library's booth and connected with fair participants of all ages. We facilitated maker activities and promoted libraries as welcoming community spaces that offer exciting play and hands-on learning experiences. With over 100,000 people attending each event, we were in a wonderful place to build awareness.
- Designed and completed a community engagement process that focused on understanding user needs and community priorities, as well as current use and awareness of library services. Over 7,500 community members, volunteers, Friends and staff provided input.

San Mateo County Library Joint Powers Authority Management's Discussion and Analysis, Continued For the year ended June 30, 2016

Financial Highlights & Accomplishments – continued

- Developed a five-year Strategic Plan utilizing the key findings and opportunities gained from community engagement feedback, peer best practices, and data and professional research. The plan identifies important areas of focus and establishes clearly stated guiding principles that will shape the San Mateo County Libraries into the future and be responsive to the dynamic environment in which the system operates.
- San Mateo County Libraries received a number of significant recognition awards this year that highlighted our programs and services:
 - Summer Learning Camps received a San Mateo County STARS award, which recognizes exceptional County programs that demonstrate innovation, collaboration and improved program outcomes.
 - San Mateo County Libraries was recognized by the Urban Libraries Council (ULC) as one of its Top Innovators in 2015. We received the Honorable Mention award in the “Collections” category for FindIt!, our word-based classification system. Top Innovator Awards honor organizations who demonstrate creative new approaches and practices, and inspire new ways of thinking and working to benefit people and communities.
 - In recognition of our commitment to innovation in closing the digital divide, San Mateo County Libraries was selected as the Connect15 honoree at the annual technology and government conference. The Connect Award recognizes individuals and organizations that have used technology to enhance and improve how government functions to be more responsive and better address constituent needs, and that demonstrate vision, leadership and results.
 - San Mateo County Libraries was again named a 4-Star library by Library Journal. The annual Library Journal Index of Public Library Service is a measurement tool that compares U.S. public libraries with their spending peers based on four per capita output measures: circulation, library visits, program attendance, and public internet computer use. This year 7,663 public libraries were rated, and 261 qualified as star libraries. We retained our four star status for the eighth year in a row, and currently rank 2nd in California and 18th nationwide.
 - San Mateo County Libraries was selected by the Institute of Museum and Library Services as one of 30 finalists for the 2016 National Medal for Museum and Library Service. The National Medal is the nation's highest honor given to museums and libraries for service to the community.

Using This Report

In December 1998, the Governmental Accounting Standards Board (GASB) released statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, which revised the reporting of property tax revenue. In June 1999, GASB released Statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments*. Changes in Statement No. 34 require a comprehensive presentation for the entity as a whole and conversion of fund based information to this entity wide perspective. The major reconciling items necessary were capitalization and depreciation of capital assets and recording of long-term compensated absences. The Library has selected the single governmental fund (General Fund) presentation since this reflects the most concise and easily readable presentation for the Library's operations.

**San Mateo County Library Joint Powers Authority
Management's Discussion and Analysis, Continued
For the year ended June 30, 2016**

Financial Highlights & Accomplishments – continued

The annual financial statements include the Independent Auditor's Report, this management's discussion and analysis, the basic financial statements, and notes to basic financial statements and required supplementary information.

Financial Analysis of the Library as a Whole

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Assets:				
Current assets	\$ 31,216,669	\$ 28,761,361	\$ 2,455,308	8.5%
Non-current assets	<u>1,729,718</u>	<u>659,295</u>	<u>1,070,423</u>	162.4%
Total assets	<u>32,946,387</u>	<u>29,420,656</u>	<u>3,525,731</u>	12.0%
Liabilities				
Current liabilities	10,951,265	8,293,167	2,658,098	32.1%
Non-current liabilities	<u>399,214</u>	<u>424,457</u>	<u>(25,243)</u>	-5.9%
Total liabilities	<u>11,350,479</u>	<u>8,717,624</u>	<u>2,632,855</u>	30.2%
Net position:				
Net investment in capital assets	1,729,718	659,295	1,070,423	162.4%
Unrestricted	<u>19,866,190</u>	<u>20,043,737</u>	<u>(177,547)</u>	-0.9%
Total net position	<u>\$ 21,595,908</u>	<u>\$ 20,703,032</u>	<u>\$ 892,876</u>	4.3%

This schedule is prepared from the Library's Statement of Net Position (page 14), which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

Net position at June 30, 2016, increased to \$21,595,908 from \$20,703,032 in 2015 primarily due to increases in capital assets. The Library has compensated absences of \$399,214 at year-end. Current liabilities consisted of accounts payable with the accompanying sales tax payable as well as accrued payroll for contracted salaries and benefits.

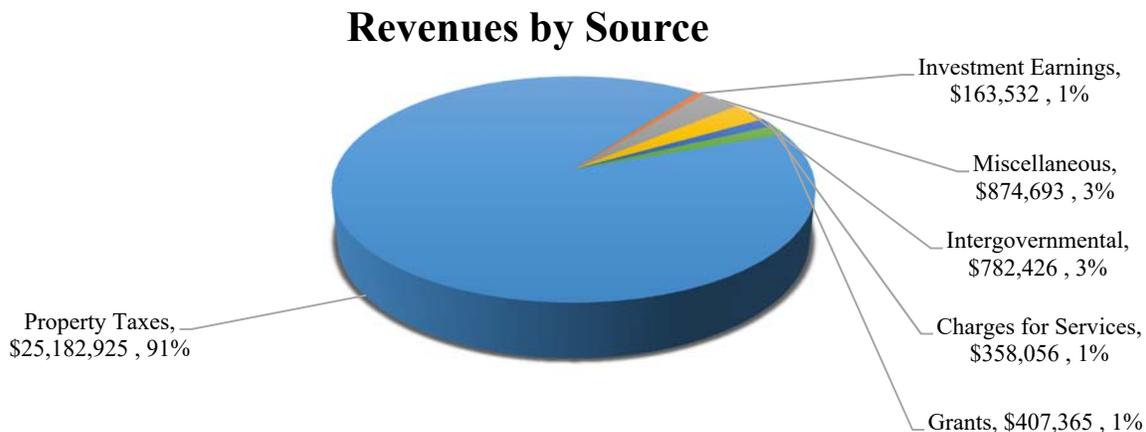
**San Mateo County Library Joint Powers Authority
Management's Discussion and Analysis, Continued
For the year ended June 30, 2016**

Financial Analysis of the Library as a Whole – continued

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating expenses	\$ 26,876,121	\$ 23,232,142	\$ 3,643,979	15.7%
Program revenue:				
Intergovernmental	782,426	949,253	(166,827)	-17.6%
Grants	407,365	405,545	1,820	0.4%
Charges for services	358,056	420,128	(62,072)	-14.8%
Total program revenue	<u>1,547,847</u>	<u>1,774,926</u>	<u>(227,079)</u>	-12.8%
Net operating expenses	<u>25,328,274</u>	<u>21,457,216</u>	<u>3,871,058</u>	18.0%
General revenue:				
Property taxes	25,182,925	22,649,557	2,533,368	11.2%
Investment earnings	163,532	138,679	24,853	17.9%
Miscellaneous	874,693	258,412	616,281	238.5%
Total general revenue	<u>26,221,150</u>	<u>23,046,648</u>	<u>3,174,502</u>	13.8%
Increase in net position	892,876	1,589,432	(696,556)	-43.8%
Other financing sources (uses):				
Loss on disposal of assets	-	(668)	668	
Total other financing sources (uses):	<u>-</u>	<u>(668)</u>	<u>668</u>	
Net position:				
Beginning of the year	20,703,032	19,114,268	1,588,764	8.3%
End of the year	<u>\$ 21,595,908</u>	<u>\$ 20,703,032</u>	<u>\$ 892,876</u>	4.3%

Program revenues decreased by \$227,079 principally from revenue associated with the dissolution of Redevelopment Agencies, revenue from fines, and grants supporting literacy services. General revenues increased by \$3,174,502 principally from property tax revenue and one-time support from donor funds to support the Woodside Library Improvement Project, County Measure A funds and donations.

The following is a graphic illustration of revenues by source for the year ended June 30, 2016:



**San Mateo County Library Joint Powers Authority
Management’s Discussion and Analysis, Continued
For the year ended June 30, 2016**

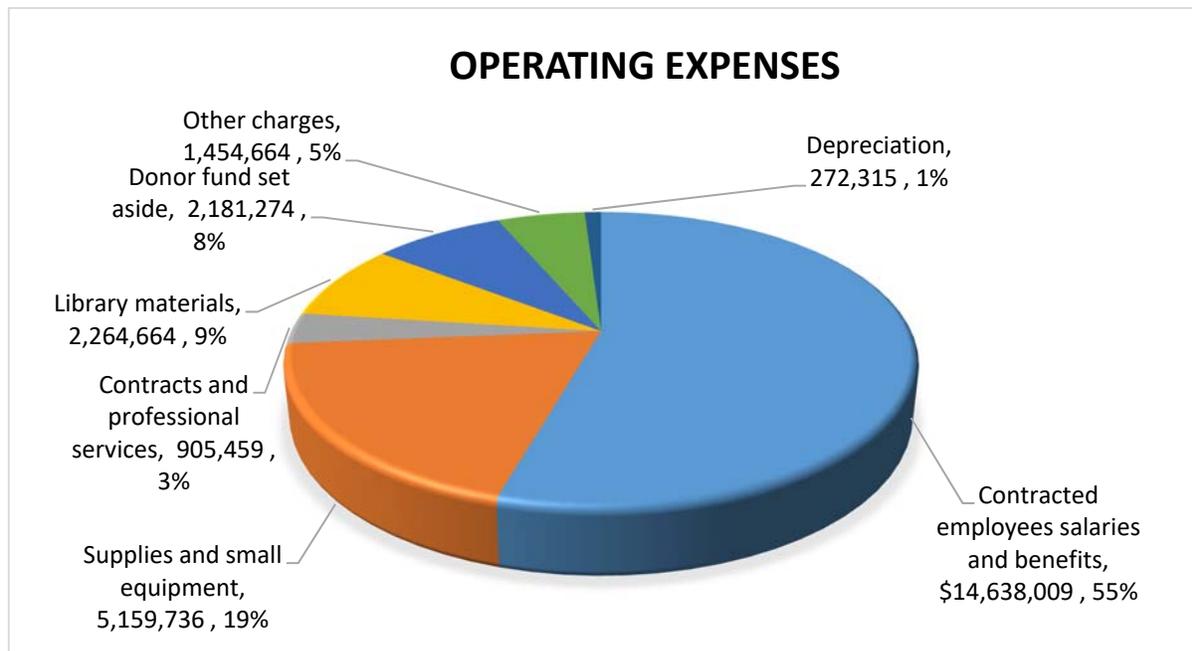
Financial Analysis of the Library as a Whole – continued

**Operating Expenses
For the years ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating expense:				
Contracted employees salaries and benefits	\$ 14,638,009	\$ 13,516,018	\$ 1,121,991	8.3%
Supplies and small equipment	5,159,736	2,348,460	2,811,276	119.7%
Contracts and professional services	905,459	1,828,267	(922,808)	-50.5%
Library materials	2,264,664	2,158,024	106,640	4.9%
Donor fund set aside	2,181,274	1,929,087	252,187	13.1%
Other charges	1,454,664	1,312,961	141,703	10.8%
Depreciation	272,315	139,325	132,990	95.5%
Total operating expenses	<u>\$ 26,876,121</u>	<u>\$ 23,232,142</u>	<u>\$ 3,643,979</u>	15.7%
Net investment in capital assets	<u>\$ 1,729,718</u>	<u>\$ 659,295</u>	<u>\$ 1,070,423</u>	162.4%

Operating expenses increased \$3,643,979 or 15% principally from increases associated with personnel costs including negotiated COLA’s and benefits and one-time extra-help project support, increases in services associated with one-time enhancements of technology, library materials, re-branding, outreach, programs and supplies, increase in furniture and equipment related to the Woodside Library Improvement Project, increases in donor set asides; offset by one-time County Measure A supported summer learning programs and facility improvement projects.

The following is a graphic illustration of operating expenses for June 30, 2016:



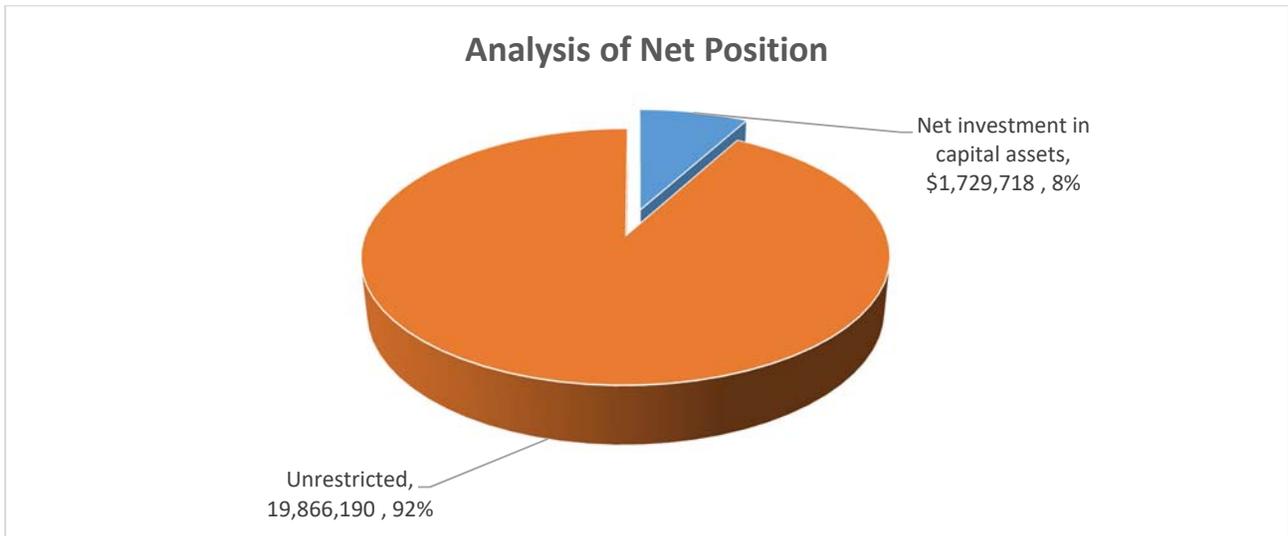
**San Mateo County Library Joint Powers Authority
Management’s Discussion and Analysis, Continued
For the year ended June 30, 2016**

Financial Analysis of the Library as a Whole – continued

	Analysis of Net Position As of June 30, 2016 and 2015		Increase (Decrease)	Percent Change
	2016	2015		
Net Position:				
Net investment in capital assets	\$ 1,729,718	\$ 659,295	\$ 1,070,423	162.4%
Unrestricted	19,866,190	20,043,737	(177,547)	(0.9)%
Total	<u>\$ 21,595,908</u>	<u>\$ 20,703,032</u>	<u>\$ 892,876</u>	4.3%

The \$892,876 increase in net position is primarily due to increases in property taxes and program revenues.

The following is a graphic illustration of net position as of June 30, 2016:



ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

In considering the Library budget for fiscal year 2016-2017, the Governing Board and management used the following criteria:

The key assumptions in the revenue forecast were:

1. Property tax revenues are expected to increase at a rate of perhaps 5% based on actual receipts in the current year and growth in prices and appraised property values. Library revenue from secured property taxes (taxes assessed against real property) is estimated at \$18.9 million, and unsecured taxes (taxes on aircraft and commercial equipment largely generated from businesses at San Francisco International Airport) are estimated at \$960,000.
2. Continued State transfer of excess Educational Revenue Augmentation Fund (ERAF) revenue is estimated at \$3,100,000.

**San Mateo County Library Joint Powers Authority
Management's Discussion and Analysis, Continued
For the year ended June 30, 2016**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES – continued

The adopted budget for the new fiscal year 2016-2017 was \$33,837,645 and is summarized as follows:

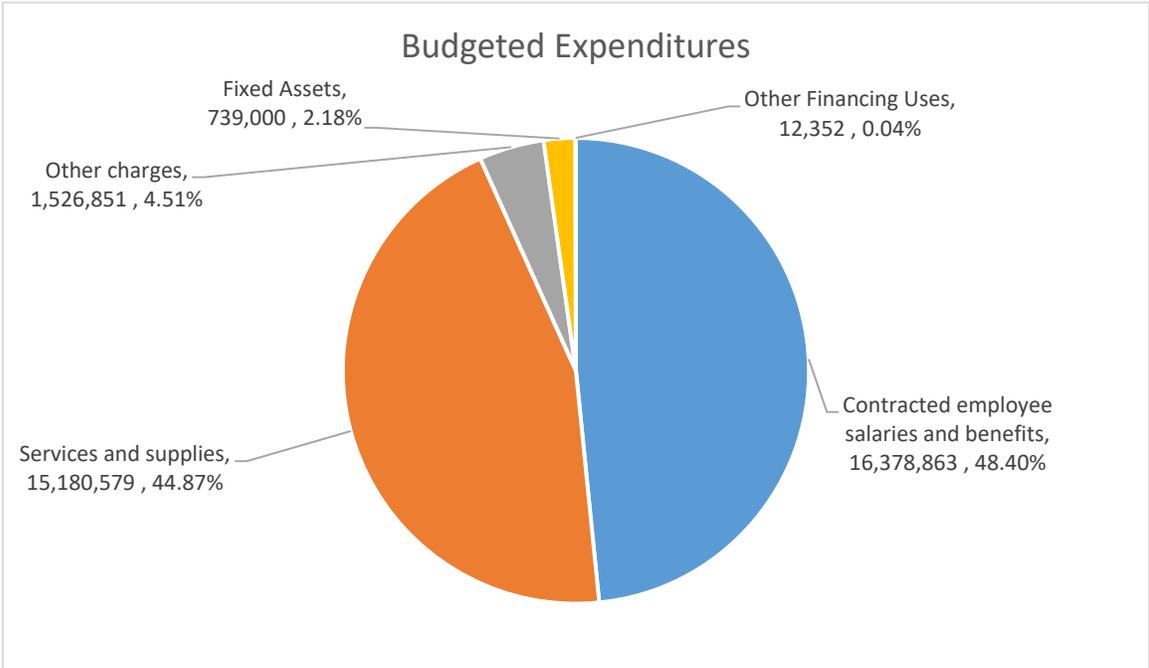
	FY 2016-17	FY 2015-16	Increase (Decrease)	Percentage change
Contracted employees salaries and benefits	\$ 16,378,863	\$ 15,027,158	\$ 1,351,705	9.0%
Services and Supplies	15,180,579	13,861,640	1,318,939	9.5%
Other charges	1,526,851	1,421,559	105,292	7.4%
Fixed Assets	739,000	1,160,000	(421,000)	-36.3%
Other Financing Uses	12,352	-	12,352	100.0%
Total budget	\$ 33,837,645	\$ 31,470,357	\$ 2,367,288	7.5%

1. Contracted employee's salaries and benefits – Shows an increase of 9.0% and is primarily due to negotiated cost of living adjustments, merit increases, benefit adjustments, and additional support for the use of extra help staff.
2. Services and Supplies – Shows an increase of 9.5% and is primarily due to one-time enhancements associated with facility and space projects, the purchase of information technology, outreach and literacy support, library materials, communications and marketing efforts, and staff support for special projects such as summer learning and camps.
3. Other charges – Shows an increase of 7.4% and is primarily due to adjustments to accurately capture phone and computer network costs, vehicle charges, and human resources and payroll support.
4. Fixed Assets – Shows a decrease of 36.3% and is due to the elimination of purchased tangible assets valued at \$5,000 or greater including outreach and delivery vehicles, and interactive learning exhibits.
5. Other Financing Uses- shows an increase of 100% which is associated with charges associated with the facility planning at the East Palo Alto Library.

**San Mateo County Library Joint Powers Authority
Management’s Discussion and Analysis, Continued
For the year ended June 30, 2016**

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES – continued

The following is a graphic illustration of appropriations for fiscal year 2016-17:



Contacting the Library

This financial report is designed to provide customers and creditors with a general overview of the Library’s finances and to demonstrate the Library’s accountability for the money it receives and is allocated to it. For questions about this report, contact the San Mateo County Library Joint Powers Authority, 125 Lessingia Court, San Mateo, CA 94402, telephone number (650) 312-5236.

San Mateo County Library Joint Powers Authority
Governmental Funds Balance Sheet/Statement of Net Position
June 30, 2016

(With comparative totals for June 30, 2015)

	<u>General Fund</u>	<u>Adjustments (Note 5)</u>	<u>Statement of Net Position</u>	<u>2015</u>
ASSETS				
Cash and investments	\$ 24,363,171	\$ -	\$ 24,363,171	\$ 23,260,270
Cash and investments- restricted	6,803,149	-	6,803,149	5,463,284
Interest receivable	50,349	-	50,349	37,807
Other receivables	-	-	-	
Capital assets, net of accumulated depreciation	-	1,729,718	1,729,718	659,295
Total assets	<u>\$ 31,216,669</u>	<u>\$ 1,729,718</u>	<u>\$ 32,946,387</u>	<u>\$ 29,420,656</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and sales tax payable	\$ 1,724,442	\$ -	\$ 1,724,442	\$ 519,346
Other current liabilities	1,778,768	-	1,778,768	1,929,087
Eligible donor fund set aside	6,803,149	-	6,803,149	5,463,284
Accrued payroll	644,906	-	644,906	381,450
Compensated absences	-	399,214	399,214	424,457
Total liabilities	<u>10,951,265</u>	<u>399,214</u>	<u>11,350,479</u>	<u>8,717,624</u>
Fund balances/Net position:				
Nonspendable	2,070	(2,070)	-	-
Committed	20,263,334	(20,263,334)	-	-
Total fund balances	<u>20,265,404</u>	<u>(20,265,404)</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 31,216,669</u>			
NET POSITION				
Net investment in capital assets		1,729,718	1,729,718	659,295
Unrestricted		19,866,190	19,866,190	20,043,737
Total net position		<u>\$ 21,595,908</u>	<u>21,595,908</u>	<u>20,703,032</u>
Total liabilities and net position			<u>\$ 32,946,387</u>	<u>\$ 29,420,656</u>

The accompanying notes are an integral part of these financial statements

San Mateo County Library Joint Powers Authority
Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances/Statement of Activities
For the year ended June 30, 2016
(With comparative totals for the year ended June 30, 2015)

	<u>General Fund</u>	<u>Adjustments (Note 6)</u>	<u>Statement of Activities</u>	<u>2015</u>
EXPENDITURES/EXPENSES:				
Contracted employees salaries and benefits	\$ 14,663,252	\$ (25,243)	\$ 14,638,009	\$ 13,516,018
Supplies and small equipment	5,917,869	(758,133)	5,159,736	3,115,481
Contracts and professional services	905,459	-	905,459	1,060,536
Library materials	2,264,664	-	2,264,664	2,158,734
Donor fund set aside	2,181,274	-	2,181,274	1,929,087
Other charges	1,454,664	-	1,454,664	1,312,961
Capital outlay	584,605	(584,605)	-	-
Depreciation	-	272,315	272,315	139,325
Total expenditures/expenses	<u>27,971,787</u>	<u>(1,095,666)</u>	<u>26,876,121</u>	<u>23,232,142</u>
REVENUES:				
Program revenues:				
Intergovernmental	782,426	-	782,426	949,253
Grants	407,365	-	407,365	405,545
Charges for services	358,056	-	358,056	420,128
Total program revenues	<u>1,547,847</u>	<u>-</u>	<u>1,547,847</u>	<u>1,774,926</u>
Net program expense	<u>26,423,940</u>	<u>(1,095,666)</u>	<u>25,328,274</u>	<u>21,457,216</u>
General revenues:				
Property taxes	25,182,925	-	25,182,925	22,649,557
Investment earnings	163,532	-	163,532	138,679
Miscellaneous	874,693	-	874,693	258,412
Total general revenues	<u>26,221,150</u>	<u>-</u>	<u>26,221,150</u>	<u>23,046,648</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(202,790)</u>			
OTHER FINANCING SOURCES (USES):				
Loss on disposal of assets	-	-	-	(668)
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>(668)</u>
CHANGE IN NET POSITION		<u>1,095,666</u>	<u>892,876</u>	<u>1,588,764</u>
FUND BALANCES/NET POSITION:				
Beginning of the year	20,468,194	234,838	20,703,032	19,114,268
End of the year	<u>\$ 20,265,404</u>	<u>\$ 1,330,504</u>	<u>\$ 21,595,908</u>	<u>\$ 20,703,032</u>

The accompanying notes are an integral part of these financial statements

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements
For the year ended June 30, 2016

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The San Mateo County Library Joint Powers Authority (Library) is a Joint Exercise of Powers Agency, which is a library service organization comprised of the cities of Atherton, Belmont, Brisbane, East Palo Alto, Foster City, Half Moon Bay, Millbrae, Pacifica, Portola Valley, San Carlos, and Woodside and the County of San Mateo. The Library was formed on January 11, 1999, under Government Code Section 6500 et. seq. A restated Joint Powers Agreement was approved by the Governing Board and its member agencies and took effect as of May 31, 2004, to clarify various administrative, property, and service issues, which were not included in the original agreement.

The Library is governed by a Board consisting of representatives from each member entity. Oversight responsibility, the ability to conduct independent financial affairs, issue debt instruments, approve budgets, sign contracts, and otherwise influence operations and account for fiscal matters is exercised by the Library's governing board. The Library is a separate reporting entity for financial reporting purposes and the accompanying financial statements reflect the assets, liabilities, fund balances/net position, revenues, and expenditures/expenses of the Library only.

The financial statements of the Library have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. When applicable, certain prior year amounts have been reclassified to conform to current year presentation. The following is a summary of the more significant policies:

In accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* the Library has selected the single governmental fund (General Fund) presentation since this reflects the most concise and easily readable presentation for the Library's operations.

A. Reporting Entity

As defined by GASB Statement No. 39, *The Financial Reporting Entity*, the Library is not financially accountable for any other entity other than itself, nor are there any other entities for which the nature and significance of their relationship with the Library are such that exclusion would cause the Library's financial statements to be misleading or incomplete. In addition, based upon the above criteria, the Library is not aware of any entity which would be financially accountable for the Library which would result in the Library being considered a component of the entity.

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Basis of Accounting

The fund-based financial statement columns (General Fund column) on Pages 12 and 13 are accounted for using the modified accrual basis of accounting. These fund revenues are recognized when they become measurable and available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter (generally sixty days) to be used to pay liabilities of the current period. Amounts, which could not be measured or were not available, were not accrued as revenue in the current fiscal year. The Statements of Net Position and Activities columns on Pages 12 and 13 have been prepared on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

C. Budgets

Budgets are prepared on the modified accrual basis of accounting in which capital assets acquired are recorded as expenditures and depreciation is not recorded.

The legal budget is the same as the operating budget in total. Total expenditures may not exceed the budgeted expenditures without approval of the Library's Governing Board. The budget lapses at the end of each fiscal year.

Estimated revenues and recommended appropriations are shown and supported by detailed documentation at each administrative level within the Library. The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

- By June 30, the Operations Committee reviews and recommends to the Governing Board a proposed operating budget for the year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- The budget is legally enacted through passage of a motion during a Governing Board meeting prior to year-end.
- The Operations Committee reviews all budget transfers and revisions, which are then approved by the Governing Board.

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Budgets – continued

- Formal budgeting is employed as a management control device during the year for the Library’s single fund the General Fund.
- Budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

Budgeted amounts are as originally adopted or as amended by the Governing Board. Individual amendments were not material in relation to the original appropriations.

D. Property Taxes

The State of California (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent (1%) of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be adjusted by no more than two percent (2%) per year unless the property is sold, transferred, or improved. The State Legislature has determined the method of distribution of receipts from a one percent (1%) tax levy among the counties, cities, school districts, and other districts.

San Mateo County assesses, bills for, and collects property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Lien dates	March 1	March 1
Levy dates	July 1	July 1
Due dates	50% on November 1 and 50% on March 1	July 1
Delinquent as of	December 10 (for November) and April 10 (for March)	August 31

The term “unsecured” refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed.

Property taxes levied are recorded as revenue when received in the fiscal year of levy because of the adoption of the “alternate method of property tax distribution,” known as the Teeter Plan, by the Library and the County of San Mateo (County). The Teeter Plan authorizes the Controller of the County to allocate 100% of the secured property taxes billed, but not yet paid. The County remits tax monies to the Library in three installments, as follows:

55%	remitted on December 15
40%	remitted on April 15
5%	remitted on June 15

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Cash and Investments

The Library pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.

The Library participates directly in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

F. Net Investment in Capital Assets

Capital assets are carried at cost or estimated cost if actual cost was not available. Donated assets are valued at their estimated fair value on the date donated.

Depreciation is calculated on a straight line basis using the following useful life schedule:

Furniture and equipment – 5 to 10 years

2. CASH AND INVESTMENTS

The Library had the following cash and investments at June 30, 2016:

	Not rated	Fair Value
San Mateo County Treasury	\$ 22,321,278	\$ 22,321,278
San Mateo County Treasury- restricted	6,803,149	6,803,149
California Local Agency Investment Fund (LAIF)	2,039,823	2,039,823
Petty Cash/Change funds	2,070	2,070
Total	\$ 31,166,320	\$ 31,166,320
Presentation in Statement of Net Position:		
Cash and investments	\$ 24,363,171	
Cash and investments- restricted	6,803,149	
	\$ 31,166,320	

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

2. CASH AND INVESTMENTS - continued

A. Cash Deposits

The Library pools cash from all sources. The Library invests excess cash in the San Mateo County Treasury and LAIF investment pools, which at June 30, 2016, approximated fair value of \$31,166,320. The Library maintains a petty cash fund at the central administration offices of \$500 and change funds at all of the branches for a combined total of \$1,570 or a range of \$10 to \$150 per branch and a total of \$2,070 overall. The restricted cash and investments balance represents the amount held under the donor city provision.

The California Government Code requires California banks and savings and loan associations to secure government cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral is considered to be held in the government's name.

According to California law, the market value of pledged securities with banking institutions must equal at least 110% of the government's cash deposits. California law also allows institutions to secure government deposits by pledging first trust deed mortgage notes having a value of 150% of the government's total cash deposits. The government can waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The County has waived these collateralization requirements.

The County Treasurer maintains a cash and investment pool, on behalf of the Library, as their custodian, which includes cash balances and authorized investments for all Library funds, which is invested to enhance interest earnings. The pooled interest earned is allocated quarterly to the Library based on average daily cash and investment balance.

B. Investments

The Library is authorized by State statutes and Governing Board action to invest in the following:

- United States Treasury notes, bonds, bills or certificates of indebtedness.
- Registered state warrants or treasury notes or bonds of the State of California.
- Bonds, notes, warrants or other evidences of indebtedness of any local agency within the State of California.
- Obligations issued by banks and guaranteed by federal agency or United States government-sponsored enterprise.
- Negotiable certificates of deposit or time deposits placed with commercial banks and/or savings and loan companies.
- Banker's acceptances.
- Commercial paper.

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

2. CASH AND INVESTMENTS - continued

B. Investments – continued

- California Local Agency Investment Fund (LAIF).
- San Mateo County Treasury

The Library's practice has been to limit investments to LAIF and the San Mateo County Treasury, an unrated investment pool, which limits the exposure of Library funds to interest rate and credit risk by treating all balances as current.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method, which includes any adjustments recorded in interest/investment income.

C. Investments in External Investment Pools

The Library's investments with the County at June 30, 2016, included a portion of the pool funds invested in structured notes and asset backed securities and similar transactions. These investments may include the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depends on one or more indices and/or that have embedded forwards or options.

Asset-backed Securities, the bulk of which are mortgage-backed securities, entitle their purchaser to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMOs) or credit card receivables

As of June 30, 2016, the Library had \$2,039,823 invested directly in LAIF. The LAIF investment pool consisted of derivative products in the form of asset-backed securities in the amount of \$59,658,123 and \$800,000,000 in floating rate securities, each of these investment types representing 0.13% and 1.01% of the total LAIF investment pool, respectively. The current average life of the LAIF portfolio as of June 30, 2016 was 167 days.

As of June 30, 2016, the Library also had \$29,124,427 invested directly in the County investment pool. The County investment pool currently holds derivative products in the form of asset-backed securities in the amount of \$1,022,550,000, \$333,750,000 in repurchase agreements, and \$157,000,000 in floating rate securities, each of these investment types representing 22.6%, 7.3%, and 6.9%, of the total County investment pool, respectively. The current average maturity of the portfolio is 1.06 years with an average duration of 1.03 years.

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

3. CAPITAL ASSETS

Changes in capital assets were as follows:

	<u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2016</u>
Furniture and equipment	\$ 1,521,707	\$ 1,364,139	\$ (48,513)	\$ 2,837,333
Accumulated depreciation	<u>(862,412)</u>	<u>(272,315)</u>	<u>27,112</u>	<u>(1,107,615)</u>
Total fixed assets	<u>\$ 659,295</u>	<u>\$ 1,091,824</u>	<u>\$ (21,401)</u>	<u>\$ 1,729,718</u>

During the fiscal year, the Library added \$880,339 of 3M Self Check R-Series Table and \$375,000 of Exploratorim Learning Landscape Lookmobile and Fog Bike as well as other miscellaneous equipment.

4. FUND BALANCES/NET POSITION

Fund Balances consist of the following: Nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance consists of investments that will not convert to cash soon enough to affect the current period. Restricted fund balance consists of resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government. Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of the Library's highest level of decision-making authority. Assigned fund balance consists of amounts where intent is expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned amounts represent deficits in fund balance as reflected by the necessity to show nonspendable and restricted balances in an amount greater than total fund balance. Currently, the Library uses only the nonspendable and committed categories.

Nonspendable		\$ 2,070
Committed for:		
Capital Reserves	15,933,777	
Operating Reserves	<u>4,329,557</u>	<u>20,263,334</u>
		<u>\$ 20,265,404</u>

- *Nonspendable*: Represents amounts set aside for petty cash and change funds.
- *Capital Reserves*: Represents amounts set aside for future capital purchases.
- *Operating Reserves*: Represents remaining amounts set aside by the Library's Governing Board to be used in the event of sudden, unanticipated revenue loss or expenditure requirements.

Net position consists of restricted and unrestricted amounts. Restricted amounts reflect balances which cannot be influenced by Library Governing Board action, such as the net investment in capital assets. Unrestricted amounts reflect balances available for current operations.

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

4. FUND BALANCES/NET POSITION - continued

	<u>Net Position</u>
Net investment in capital assets	\$ 1,729,718
Unrestricted	<u>19,866,190</u>
Total	<u><u>\$ 21,595,908</u></u>

5. EXPLANATION OF DIFFERENCES BETWEEN THE GENERAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION

“Total fund balances” of the Library’s General fund (\$20,265,404) differs from “net position” of governmental activities (\$21,595,908) reported in the Statement of Net Position on page 14. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the General fund balance sheet. The effect of the difference is illustrated below:

Balance Sheet/Statement of Net Position

	<u>General Fund</u>	<u>Reclassifications and Eliminations ¹</u>	<u>Statement of Net Position</u>
Assets:			
Cash and investments	\$ 24,363,171	\$ -	\$ 24,363,171
Cash and investments- restricted	6,803,149	-	6,803,149
Interest receivable	50,349	-	50,349
Capital assets	<u>1,729,718</u>	<u>1,729,718</u>	<u>1,729,718</u>
Total assets	<u><u>\$ 31,216,669</u></u>	<u><u>\$ 1,729,718</u></u>	<u><u>\$ 32,946,387</u></u>
Liabilities:			
Accounts payable	\$ 1,724,442	\$ -	\$ 1,724,442
Other current liabilities	1,778,768	-	1,778,768
Eligible donor fund set aside	6,803,149	-	6,803,149
Accrued payroll	644,906	-	644,906
Compensated absences	<u>-</u>	<u>399,214</u>	<u>399,214</u>
Total liabilities	<u>10,951,265</u>	<u>399,214</u>	<u>11,350,479</u>
Fund Balances/Net Position:			
Total fund balances/net position	<u>20,265,404</u>	<u>1,330,504</u>	<u>21,595,908</u>
Total liabilities and fund balances/net position	<u><u>\$ 31,216,669</u></u>	<u><u>\$ 1,729,718</u></u>	<u><u>\$ 32,946,387</u></u>

¹ When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported in expenditures in governmental funds. However, the statement of net position includes these capital assets among the assets of the Library as a whole. Long-term liabilities such as compensated absences are not due and payable in the current period and therefore they are not reported in the government's fund balance sheets.

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

6. EXPLANATION OF DIFFERENCES BETWEEN GENERAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES

The “net change in fund balances” for the General fund \$(202,790) differs from the “change in net position” for governmental activities \$892,876 reported in the Statement of Activities on page 15. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the General fund. The effect of the difference is illustrated below:

	General Fund	Reclassifications and Eliminations ¹	Statement of Activities
EXPENDITURES/EXPENSES:			
Contracted employees salaries and benefits	\$ 14,663,252	\$ (25,243)	\$ 14,638,009
Supplies and small equipment	5,917,869	(731,021)	5,186,848
Contracts and professional services	905,459	-	905,459
Library materials	2,264,664	-	2,264,664
Donor fund set aside	2,181,274	-	2,181,274
Other charges	1,454,664	-	1,454,664
Capital outlay	584,605	(584,605)	-
Depreciation	-	245,203	245,203
Total expenditures/expenses	27,971,787	(1,095,666)	26,876,121
REVENUES:			
Program revenues:			
Intergovernmental	782,426	-	782,426
Grants	407,365	-	407,365
Charges for services	358,056	-	358,056
Total program revenues	1,547,847	-	1,547,847
Net program expense	26,423,940	(1,095,666)	25,328,274
General revenues:			
Property taxes	25,182,925	-	25,182,925
Investment earnings	163,532	-	163,532
Miscellaneous	874,693	-	874,693
Total general revenues	26,221,150	-	26,221,150
REVENUES OVER (UNDER)			
EXPENDITURES	(202,790)		
OTHER FINANCING SOURCES (USES):			
Loss on disposal of assets	-	-	-
Total other financing sources (uses):	-	-	-
CHANGE IN NET POSITION		1,095,666	892,876
FUND BALANCES/NET POSITION:			
Beginning of the year	20,468,194	234,838	20,703,032
End of the year	\$ 20,265,404	\$ 1,330,504	\$ 21,595,908

¹ Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The changes to capital outlay reflect the capitalization of these assets. Additionally, governmental funds report compensated absences as expenditures while governmental activities recognize the long-term nature as a liability, the change to contracted salaries and benefits reflects the change in the long-term compensated absences liability from the prior year.

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

7. RELATED PARTY TRANSACTIONS

The Library contracts with the County of San Mateo (County) to provide some administrative, accounting, personnel, and facilities maintenance services. Under these arrangements, the Library pays the County the cost of services performed. During the year ended June 30, 2016, the Library paid the County \$846,714; (\$533,587) for administrative and support services, (\$181,714) for insurance and (\$130,857) for facilities rent and security.

Section VI. D. of the San Mateo County Library JPA Agreement states the following, "In the event that the allocated library service revenue exceeds the amount required to maintain the minimum library service for each city as described in this Agreement, such excess funds shall be spent on library related activities within that city (hereinafter, "Donor City") including, but not limited to, facility maintenance, facility remodeling or expansion, increased service hours, or increased book purchases, as mutually agreed by the Library JPA and the city council of the affected Donor City." In accordance with the donor city provision, and as approved by the Library JPA Governing Board, at the end of each fiscal year, funds in excess of the amount required to operate a branch are distributed and held by the Library in separate library accounts or Trust Funds. The funds are segregated from the Library's general operating budget where they accrue interest. As of June 30, 2016, these amounts are as follows: Atherton Library \$1,234,287, Woodside Library \$439,212, and Portola Valley Library \$105,269 representing a combined total of \$1,778,768 as shown as a charge to Donor Fund set aside on the statement of revenues, expenditures and changes in fund balance/statement of activities. As of June 30, 2016, the total held by the Library in the Donor City Trust Funds for FY15/16 was \$6,400,644. The amounts by City were Atherton Library \$4,966,014, Woodside Library \$1,031,753, and Portola Valley Library \$402,877. As of June 30, 2016, the total held by the Towns for FY15/16 was \$6,147,508. The amounts by City were Atherton Library \$5,826,719, Woodside Library \$(47,408), and Portola Valley Library \$368,197. As of June 30, 2016, excess County Free Library property taxes had a combined balance of \$12,548,152. Amounts held by each donor city are depleted first before accessing any funds held in the Library's Donor City Trust Funds.

In order to secure agreement by the Library JPA, member cities that qualify as a Donor City and are interested in utilizing excess County Free Library property taxes to support public library related activities, provide information to the JPA Governing Board in order to obtain approval for the proposed uses of this revenue for the upcoming fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

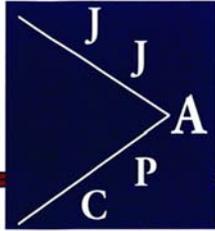
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San Mateo County Library Joint Powers Authority
Required Supplementary Information
For the year ended June 30, 2016

Budgetary Comparison Schedule
General Fund
For the year ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1, 2016	\$ 20,468,194	\$ 20,468,194	\$ 20,468,194	\$ -
Resources (inflows):				
Intergovernmental	180,572	180,572	105,003	(75,569)
Grants	501,396	501,396	407,365	(94,031)
Charges for services	333,000	333,000	358,056	25,056
Property taxes	24,089,164	24,089,164	25,860,348	1,771,184
Use of money and property	99,800	99,800	163,532	63,732
Miscellaneous	382,425	382,425	874,693	492,268
Total revenues	<u>25,586,357</u>	<u>25,586,357</u>	<u>27,768,997</u>	<u>2,182,640</u>
Amounts available for appropriation	<u>46,054,551</u>	<u>46,054,551</u>	<u>48,237,191</u>	<u>2,182,640</u>
Charges to appropriations (outflows):				
Contracted employees salaries and benefits	15,027,158	15,027,158	14,663,252	363,906
Supplies and small equipment	7,657,675	7,657,675	5,917,869	1,739,806
Contracts and professional services	1,978,965	1,978,965	905,459	1,073,506
Library materials	2,200,000	2,200,000	2,264,664	(64,664)
Donor fund set aside	2,025,000	2,025,000	2,181,274	(156,274)
Other charges	1,421,559	1,421,559	1,454,664	(33,105)
Capital outlay	1,160,000	1,160,000	584,605	575,395
Total charges to appropriations	<u>31,470,357</u>	<u>31,470,357</u>	<u>27,971,787</u>	<u>3,498,570</u>
Budgetary fund balance, June 30, 2016	<u>\$ 14,584,194</u>	<u>\$ 14,584,194</u>	<u>\$ 20,265,404</u>	<u>\$ 5,681,210</u>

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JJACPA, Inc.

A Professional Accounting Services Corp.

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

To the Governing Board of the
San Mateo County Library Joint Powers Authority
San Mateo, California

We have audited, in accordance with the auditing standard 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, the financial statements of San Mateo County Library Joint Powers Authority (Library) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated May 5, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

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. 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.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that we have not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

May 5, 2017

JJACPA, Inc.

**JJACPA, Inc.
Dublin, CA**



To: JPA Operations Committee
From: Anne-Marie Despain, Director of Library Services
Danae Ramirez, Financial Services Manager
Date: May 31, 2017
Meeting: June 6, 2017
Re: Approval of FY 2017-18 Proposed Uses of Library Donor Funds and
Library Donor Funds Subcommittee Recommendation

Background

Section VI. D. of the San Mateo County Library JPA Agreement states the following, "In the event that the allocated library service revenue exceeds the amount required to maintain the minimum library service for each city as described in this Agreement, such excess funds shall be spent on library related activities within that city including, but not limited to, facility maintenance, facility remodeling or expansion, increased service hours, or increased book purchases, as mutually agreed by the Library JPA and the city council of the affected Donor City."

In accordance with this provision and as approved by the Library JPA Governing Board, at the end of each fiscal year, funds in excess of the amount required to operate a community library are distributed and held by San Mateo County Libraries in separate trust funds. For FY 2015-16, amounts totaling \$1,234,287 were set aside in the Atherton Library Trust Fund, \$439,212 in the Woodside Library Trust Fund, and \$105,269 in the Portola Valley Library Trust Fund. As of June 30, 2016, restricted Library property taxes identified as Donor Revenue and set aside in Library and Town held trust funds totaled \$12,548,152.

In May 2014, the Library JPA Governing Board approved the establishment of a Donor Funds Subcommittee to examine the issues and challenges associated with the established Donor Funds provisions and seek solutions that focus on the Board's values as a County Library system. The Subcommittee was tasked with developing recommendations for the Governing Board to consider regarding changes to Donor Fund provisions.

Discussion

FY 2017-18 Proposed Uses of Library Donor Funds

In order to secure agreement by the Library JPA, member cities that qualify as a donor city and are interested in utilizing library funds, provide information to the JPA Operations Committee and Governing Board in order to obtain approval for the proposed uses of this revenue for the upcoming fiscal year. The Library also details any proposed uses of these funds.

Proposed uses of Library Donor Revenue in FY 2017-18 are detailed below:

Atherton Library

Total Atherton Library Donor Fund Revenue as of June 30, 2016: \$10,792,733; (\$5,826,719 held by the Town of Atherton and \$4,966,014 held by the Library).

The Town of Atherton proposes to utilize donor fund revenue in an amount estimated at \$5,904,600 as detailed below.

Type/Category	Description	Proposed FY 2017-18 Appropriation
Facility Repair & Maintenance	Scheduled maintenance and repairs, building security, and vector control	\$2,900
Contract Custodial Services	Janitorial services	\$9,000
Utilities	Electricity, gas and water	\$18,200
Advertising & Noticing	Public Notice, mass mailings	\$2,500
Maintenance Services	Maintenance for HVAC, electrical, roof, landscape services	\$22,000
Other Contract Services	Library allocation portion design for Civic Center	\$5,850,000
Total Expenditures		\$5,904,600

The amount of library property tax currently generated from this community also enables the Atherton Library to operate 17 additional hours above the minimum required per the JPA Agreement and be open a total of 57 hours per week.

Portola Valley Library

Total Portola Valley Library Donor Fund Revenue as of June 30, 2016: \$771,074; (\$368,197 held by the Town of Portola Valley and \$402,877 held by the Library).

The Town of Portola Valley proposes to utilize donor fund revenue in an amount estimated at \$79,603 as detailed below.

Type/Category	Description	Proposed FY 2017-18 Appropriation
Facility Repair & Maintenance	Scheduled contracted mechanical/electrical maintenance and repair	\$21,500
Custodial/Janitorial Services & Supplies	Portion of Town janitorial contract and deep cleaning	\$22,500
Utilities	Electricity, gas, water and sewer	\$20,603
Planning	Town Center Master Planning allowance	\$5,000
Overhead Allocation	Allocation of indirect costs	\$10,000
Total Expenditures		\$79,603

The amount of library property tax currently generated from this community also enables the Portola Valley Library to operate four additional hours above the minimum required per the JPA Agreement and be open a total of 44 hours per week.

Woodside Library

Total Woodside Library Donor Fund Revenue as of June 30, 2016: \$984,345; (\$-47,408 held by the Town of Woodside and \$1,031,753 held by the Library).

The Town of Woodside proposes to utilize SMCL donor fund revenue in an amount estimated at \$132,300 as detailed below.

Type/Category	Description	Proposed FY 2017-18 Appropriation
Facility Repair & Maintenance	Maintenance & special projects	\$57,000
Utilities	Water, PG&E, sewer	\$22,300
Contractual Services	Landscape maintenance & janitorial	\$20,000
Overhead Allocation	Allocation of indirect costs	\$33,000
Total Expenditures		\$132,30

The amount of library property tax currently generated from this community also enables the Woodside Library to operate four additional hours above the minimum required per the JPA Agreement and be open a total of 44 hours per week.

Requests from the Towns of Atherton, Portola Valley and Woodside to use Library Donor Fund Revenue in FY 2017-18 total \$6,116,503.

Library Donor Funds Subcommittee Update

The Library Donor Funds Subcommittee has met multiple times to review and discuss the Library’s background, JPA Agreement, and donor funds provisions and policies. Members have thoroughly examined and weighed a number of alternative allocation models and options, and input has been gathered from the community through a number of Council meetings and Friends meetings. Additionally, the Subcommittee provided an update to the Operations Committee and Governing Board in June 2016 and received feedback.

Subcommittee members have worked over the last several years to build consensus for solutions that: (1) support the library system in the improvement and expansion of library services that directly impact community members, and (2) allow the continued utilization of library revenue to support qualifying JPA members’ facility and library related activities.

Based on this work and the feedback received, the Subcommittee is recommending the JPA Operations Committee and Governing Board approve amending the Library JPA Agreement to reflect the following:

- Excess library tax funds or “Donor Funds” are split 50/50 with no cap, after facility maintenance, equipment and other library expenses have been approved by the Governing Board and deducted.
- Use of excess library tax funds or “Donor Funds” and the corresponding provision in the JPA Agreement is reviewed every 3 years.

If approved, the Subcommittee will work with staff to amend the language in Section VI. D., Allocation of Property Tax Dollars, in the Library JPA Agreement. The Subcommittee is also reviewing changes that would clarify and update the Agreement and the Minimum Service Levels provision (Section VI. E.). All amendments, provisions, and language changes would come back to the Operations Committee and Governing Board for approval.

It is estimated that an amended JPA Agreement would be approved in FY 2017-18 and any new provision would be effective the fiscal year following the completion of the new Atherton Library, tentatively FY 2021-22.

Fiscal Impact

Requests for library donor fund revenue in FY 2017-18 total \$6,116,503. Funds are in place to offset the requested amounts.

- Atherton Library: \$5,904,600
- Portola Valley Library: \$79,603
- Woodside Library: \$132,300

Approval of the Donor Fund Subcommittee recommendation would result in an equal split of any excess tax fund set aside in future years. Shifts in property tax revenue, operating costs, and proposed use of these restricted funds by members would influence the amount.

Recommendation

1. Recommend approval of the FY 2017-18 Proposed Uses of Library Donor Fund revenue.
2. Recommend approval of the Donor Funds Subcommittee Recommendation.



To: JPA Operations Committee
 From: Anne-Marie Despain, Director of Library Services
 Danae Ramirez, Financial Services Manager
 Date: May 31, 2017
 Meeting: June 6, 2017
 Re: Adoption of the FY 2017-18 Recommended Budget

Background

The San Mateo County Libraries budget process involves the distribution of resources and services that meet performance objectives as identified by library staff, the JPA Operations Committee, the JPA Governing Board and the community. Funds are appropriated on an annual basis as adopted by the JPA Governing Board. The budget serves as the annual financial plan, an operations guide, and a communications tool which strives to provide the best and most relevant information in an easily understandable format. Information about San Mateo County Libraries accomplishments, performance and priorities is also provided.

The table below outlines activities associated with the budget process:

Budget Process Key Dates	
December	Budget Development Begins
February	Mid-Year Report is Submitted to the Library JPA Governing Board
May	Recommended Budget is Submitted to the Library JPA Governing Board
June	Recommended Budget is Adopted by the Library JPA Governing Board
September	Final Adopted Budget is Approved by the Library JPA Governing Board
September	Final Adopted Budget is Approved by the County Board of Supervisors

The FY 2017-18 Recommended Budget was presented to the JPA Operations Committee on May 16th and to the Governing Board on May 22nd. The presentation detailed significant current year achievements, performance data illustrating productivity and progress, and a breakdown of budgeted revenues and expenditures designed to meet performance and service objectives to achieve the goals included in the Strategic Plan:

- We cultivate an active presence and create spaces that support discovery, enrich lives and uplift the community.

- We are leaders in establishing a foundation for early literacy and supporting exploration and growth at every stage of life.
- We understand community needs and promote meaningful library services as solutions.

The Library JPA meetings in June seek adoption of the FY 2017-18 Recommended Budget.

Discussion

San Mateo County Libraries is well positioned to operate within available resources now and into the foreseeable future. Investment in critical programs and services, decision-making tied to measurable results, and establishment of best practices ensure that we are meeting or exceeding the level and quality of service the public expects.

The budget continues to be balanced and builds upon the successes of the prior year, including investments in innovation, technology, automation, digitization, shared services, strategic partnerships and collaborations.

FY 2017-18 Priorities

In alignment with Strategic Goals, priorities in FY 2017-18 include:

- Implement the Maker Space Master Plan, expanding hands-on STEAM programming throughout the system
- Design and implement two new mobile learning libraries to better connect with community members who are not regular library users
- Expand The Big Lift Inspiring Summers Camps to stop summer learning loss for 2,000 kindergartners through third graders
- Continue to increase participation in the Summer Learning Challenge
- Evaluate out-of-school time programs and develop a consistent model for these services
- Expand successful technology lending programs
- Assess needs and develop a plan to improve assistive technology services to patrons with disabilities
- Explore increasing San Mateo County public WiFi networks in our communities
- Increase digital collections in response to patron demand
- Implement community conversation programs to encourage civil discourse and civic engagement
- Develop a service plan to support community efforts to preserve and share local history
- Establish a Fund Development Plan to increase support for San Mateo County Libraries
- Plan and implement improved outcome evaluation practices in order to share the true impact of library programs and services
- Continue work on building projects in Atherton, Brisbane, East Palo Alto, and Pacifica
- Offer improved library services that better address coastside community needs by completing construction on and celebrating the opening of a new Half Moon Bay Library

Revenues and Expenditures Summary

The primary source of revenues for the San Mateo County Libraries are property taxes. Designated as a special district, the system receives a small portion of the property tax

collected within the boundaries of the service area. Based on receipts in the current year and improvements seen in the growth of home prices and appraised property values, revenue from secured property taxes is estimated to increase by approximately 5%.

Labor costs are the largest contributor to ongoing expenditures. All San Mateo County Libraries staff are employees of the County of San Mateo. All non-management permanent staff, extra help and term employees are represented by SEIU. The current MOU, set to expire in October 2018, provides a 3% negotiated cost of living increase.

The authorized position count for FY 17-18 changed slightly, by one, and now totals 122 positions. Full-time equivalency has increased by .65 which reflects a minor increase in hours of several part-time positions. The following chart demonstrates that Salaries and Benefits continue to grow in line with Property Taxes which are used to cover those costs.



General Operations and One-Time Activities

The proposed Recommended Budget for FY 2017-18 is \$45,057,251. General Operations total \$34,728,444, Salaries and Benefits represent 51% or \$17.8 million of the total operating budget.

The budget also includes recommendations for one-time projects and activities which contribute to improved service delivery and are funded by one-time sources. These enhancements total \$8,600,206 and include:

- Facility and Space Projects (\$2,489,247): The system will continue efforts to improve the appearance and functionality of library spaces that meet current standards and operational needs.
- Outreach, Learning and Literacy Support (\$1,947,000): This allocation will be used to support a variety of early learning and literacy efforts and provide unique opportunities to connect the public with library offerings designed to draw in new segments of the community.

- Information Technology Improvements (\$1,638,075): To ensure that the digital needs of library users are being met, a number of technology improvements are planned.
- Materials and Collections Enhancements (\$1,542,500): Increase print materials in the children, teen and adult collections; and increase digital resources, including downloadable books, music, magazines, videos, world language materials and best-selling titles.
- Staff Support (\$983,384): To support activities included in the FY 2017-18 budget, Extra Help, term employees and paid interns will assist in the implementation of library services, programs and projects.

Reserves and Fund Balance Policy Compliance

Operating and Capital Reserves total \$10,689,925 in the proposed Recommended Budget for FY 2017-18.

On February 8, 2016, the Governing Board reviewed and adopted the revised Fund Balance Policy. The policy states that the Library shall maintain amounts equal to no less than two million five hundred thousand (\$2,500,000) in Capital Reserves and amounts equal to no less than fifteen percent (15%) of adopted general fund operating appropriations in Operating Reserves (net appropriations exclusive of one-time activities). Compliance with the provisions of this policy shall be reviewed as part of the annual budget adoption process.

The FY 2017-18 Recommended Budget is in compliance with the provisions of the Fund Balance Policy.

The FY 2017-18 Recommended Budget sets ambitious but achievable goals that foster the Library's continued leadership in our communities. The Library takes pride in developing a budget that is sustainable, realistic, aligns with the strategic plan, and ensures a strong foundation for future budgets. Finally, the Library JPA Governing Board, Operations Committee and Library staff are to be acknowledged and thanked for their commitment and participation in producing the budget.

Fiscal Impact

The proposed budget for FY 2017-18 is \$45,057,251. General Operations total \$34,728,444 and One-Time Activities total \$8,600,206. Operating Reserves and Capital Reserves total \$10,689,925 and are in compliance with the Fund Balance Policy.

Recommendation

Recommend Operations Committee approval of the FY 2017-18 Recommended Budget.

Attachments

1. FY 2017-18 Recommended Budget Summary View
2. FY 2017-18 Recommended Budget Detail View
3. FY 2016-17 Year End Budget Projections

FY 2017-18 Recommended Budget

Budget Summary View

	FY 2015-16 Actuals	FY 2016-17 Adopted	FY 2017-18 Change	FY 2017-18 Recommended
Sources				
1000 Taxes	25,860,349	25,482,164	1,071,847	26,554,011
1500 Use of Money and Property	159,304	120,800	200	121,000
1600 Intergovernmental Revenues	217,511	168,000	(5,000)	163,000
2000 Charges for Services	221,660	204,000	(80,000)	124,000
2500 Interfund Revenue	136,396	139,898	1,544	141,442
2600 Miscellaneous Revenue	1,169,551	1,574,696	989,336	2,564,032
Total Revenue	27,764,772	27,689,558	1,977,927	29,667,485
333 Fund Balance	20,472,423	20,265,405	(4,875,639)	15,389,766
TOTAL SOURCES	48,237,195	47,954,963	(2,897,712)	45,057,251
Requirements				
4000 Salaries and Benefits	14,663,255	16,415,871	1,365,444	17,781,315
5000 Services and Supplies	23,794,024	33,600,582	(1,677,459)	31,923,123
6000 Other Charges	1,442,613	1,526,851	325,557	1,852,408
7000 Fixed Assets	584,605	739,000	(239,000)	500,000
7500 Other Financing Uses	12,051	12,352	111	12,463
Gross Appropriations	40,496,548	52,294,656	(225,347)	52,069,309
8000 Intrafund Transfers	(12,524,758)	(18,410,680)	1,069,815	(17,340,865)
Net Appropriations	27,971,790	33,883,976	844,468	34,728,444
8500 Operating Reserves	4,329,557	3,381,062	727,425	4,108,487
8700 Capital Reserves	15,935,848	10,689,925	(4,469,605)	6,220,320
TOTAL REQUIREMENTS	48,237,195	47,954,963	(2,897,712)	45,057,251
Position Count	121.00	121.00	1.0	122.00
Funded Full-Time Equivalent (FTE)	110.25	110.25	0.65	110.90

FY 2017-18 Recommended Budget

Budget Detail View

		FY 2015-16 Actuals	FY 2016-17 Adopted	FY 2017-18 Change	FY 2017-18 Recommended
SOURCES					
1021	Current Yr Secured	18,094,676	18,980,000	949,000	19,929,000
1024	PY Secured Redemption	14,761	25,000	(18,000)	7,000
1031	Current Yr Unsecured	955,814	960,000	9,600	969,600
1033	Prior Yr Unsecured	(11,128)	10,000	(10,000)	0
1041	CY SB 813 Secured Supplemental	722,669	440,000	110,000	550,000
1042	CY SB 813 Unsecured Supplemental	9,191	10,000	(5,000)	5,000
1043	PY SB 813 Redemption	8,735	11,000	(6,000)	5,000
1045	PY SB 813 Unsecured Supplemental	0	2,000	(2,000)	0
1046	ERAF Rebate	3,341,940	3,100,000	0	3,100,000
1047	Former RDA-Residuals	677,423	590,000	10,000	600,000
1058	Former RDA-Pass Through Payments	495,702	360,000	40,000	400,000
1129	Property Tax In Lieu of VLF	183,164	183,164	0	183,164
1135	Sales and Use Tax - Measure A	1,367,399	811,000	(5,753)	805,247
1000	Taxes	25,860,349	25,482,164	1,071,847	26,554,011
1521	County Pool Interest Earned	145,899	110,000	0	110,000
1525	LAIF Interest Earned	8,648	6,000	0	6,000
1556	County Land/Buildings Rentals	4,756	4,800	200	5,000
1500	Use of Money and Property	159,304	120,800	200	121,000
1661	Highway Property Tax Rental	720	600	0	600
1831	Homeowners Property Tax Relief	102,497	105,000	0	105,000
1868	Timber Tax Yield Guarantee	1,392	2,000	0	2,000
1871	State Aid	112,506	55,000	0	55,000
1955	Federal Categorical Programs	394	400	0	400
1977	Former RDA - Other Revenues	0	5,000	(5,000)	0
1600	Intergovernmental Revenues	217,511	168,000	(5,000)	163,000
2291	Library Fees & Fines	200,461	180,000	(80,000)	100,000
2451	Misc Services to Cities	21,199	24,000	0	24,000
2000	Charges for Services	221,660	204,000	(80,000)	124,000
2521	IFR - General Fund	136,396	139,898	1,544	141,442
2538	IFR - Library Donor Fund	0	0	0	0
2500	Interfund Revenue	136,396	139,898	1,544	141,442

FY 2017-18 Recommended Budget

	FY 2015-16 Actuals	FY 2016-17 Adopted	FY 2017-18 Change	FY 2017-18 Recommended
2631 Sale of Literature	2,835	4,000	(1,000)	3,000
2645 SDI Payments	43,753	10,000	0	10,000
2646 Donations	19,112	140,449	278,583	419,032
2647 Friends Donations	176,229	97,856	148,144	246,000
2655 Other Foundation Grants	99,517	52,000	(52,000)	0
2658 All Other Miscellaneous Revenue	828,105	1,270,391	615,609	1,886,000
2600 Miscellaneous Revenue	1,169,551	1,574,696	989,336	2,564,032
Total Revenue	27,764,772	27,689,558	1,977,927	29,667,485
333 Fund Balance	20,472,423	20,265,405	(4,875,639)	15,389,766
TOTAL SOURCES	48,237,195	47,954,963	(2,897,712)	45,057,251

REQUIREMENTS

4111 Permanent Salaries	8,241,813	9,079,027	243,381	9,322,408
4160 Extra Help Salaries and Benefits	1,897,403	2,451,391	798,809	3,250,200
4321 Retirement Contributions	2,384,742	2,403,268	234,992	2,638,260
4410 Employment Insurance	2,015,452	2,347,961	109,303	2,457,264
4451 Unemployment	50,328	44,848	1,280	46,128
Worker Comp Insurance				
4511 Contribution	59,897	58,116	(13)	58,103
4610 Other Benefits	13,620	31,260	(22,308)	8,925
4000 Salaries and Benefits	14,663,255	16,415,871	1,365,444	17,781,315
5184 SMCL Donor Revenue Set Aside	2,181,274	2,140,000	(340,000)	1,800,000
5193 Office Supplies	158,119	124,700	300	125,000
5194 Books and Literature	576	2,000	0	2,000
5196 Photocopy Lease/Usage	20,652	15,000	0	15,000
5197 Mailing	6,566	7,500	0	7,500
5198 Donations Funded Services	51,823	140,449	12,174	152,623
5199 Friends Funded Services	181,232	97,856	148,144	246,000
5212 Computer Equipment	1,172,751	2,112,026	(390,929)	1,721,097
5215 eLibrary License/Maintenance Expense	152,176	88,498	633,252	721,750
5234 Furniture & Equipment	497,372	1,875,000	269,387	2,144,387
5331 Memberships	10,859	12,000	0	12,000
5343 Advertising Expense	4,117	1,000	3,000	4,000
5426 Other General Equipment Maintenance	4,765	8,700	(3,000)	5,700
5455 Facilities Maintenance	8,792	15,000	(5,000)	10,000

FY 2017-18 Recommended Budget

	FY 2015-16 Actuals	FY 2016-17 Adopted	FY 2017-18 Change	FY 2017-18 Recommended
5457 Landscaping	0	5,000	0	5,000
5459 Misc Other Maintenance	4,198	5,000	\$,000	10,000
5483 Custodial	26,280	30,000	0	30,000
5631 Utilities	26,988	27,000	3,000	30,000
5634 Recycling	5,343	5,300	0	5,300
5635 Water Service	6,693	5,000	0	5,000
5712 Mileage Allowance	12,104	12,100	0	12,100
5721 Meetings & Conference Expense	129,799	125,000	25,000	150,000
5722 Employee Expense Reimbursement	31,875	25,000	0	25,000
5854 Contract Library Services	65,876	392,000	(237,000)	155,000
5856 Promotional Materials & Print Costs	365,324	100,000	127,500	227,500
5858 Other Professional Contract Services	447,977	480,000	400,022	880,022
5866 Fingerprinting Processing	36,539	12,000	38,000	50,000
5872 Cost Applied Support Charges	12,524,758	18,420,003	(1,079,049)	17,340,954
5875 Interagency Agreements - PLS Services	1,051,228	937,450	159,340	1,096,790
5876 Centrally Planned Programming	179,766	200,000	(200,000)	0
5926 Alcohol/Drug Testing	190	500	0	500
5927 Program Activities Expense	247,702	827,000	73,000	900,000
5931 Print Materials - Adult	423,293	345,000	100,000	445,000
5932 Print Materials - Children	393,103	460,000	100,000	560,000
5933 Videos - Children	48,269	58,000	0	58,000
5934 Print Materials - Serials	191,743	165,000	0	165,000
5936 Audio Materials	145,884	75,000	0	75,000
5937 Videos - Adult	222,618	166,000	0	166,000
5938 Digital Materials	627,615	1,168,500	(218,500)	950,000
5939 World Language Materials	211,557	220,000	0	220,000
5942 Other Library Expense	419,030	1,134,000	(106,100)	1,027,900
5969 Other Special Dept Expense - Measure A	1,497,178	1,561,000	(1,195,000)	366,000
5000 Services and Supplies	23,794,024	33,600,582	(1,677,459)	31,923,123
6263 Redwood City, Daly City Contributions	596,455	605,000	20,000	625,000
6265 Commute Alternative Incentive	0	1,000	0	1,000
6712 Telephone Service Charges	95,884	75,000	25,000	100,000
6713 Automation Services-ISD	115,665	143,026	(44,307)	98,719
6714 County Facility Rental Charges	124,345	127,546	1,433	128,979
6715 Other Facilities Maintenance Charges	0	5,000	0	5,000
6717 Motor Vehicle Mileage Charges	3,860	64,000	9,812	73,812

FY 2017-18 Recommended Budget

	FY 2015-16 Actuals	FY 2016-17 Adopted	FY 2017-18 Change	FY 2017-18 Recommended
6724 Auto Liability Insurance	1,052	721	1,152	1,873
6725 General Liability Insurance	89,018	89,018	7,121	96,139
6727 Official Bond Insurance	3,108	3,110	246	3,356
6728 County Property Insurance	33,930	33,931	2,760	36,691
6733 Human Resources Services	4,072	4,100	(28)	4,072
6734 Motor Vehicle Replacement Charge	744	744	3,862	4,606
6738 Countywide Security Services	6,511	6,555	24,236	30,791
6814 Misc Other Charges	(56)	0	0	0
6821 A-87 Expense	318,021	368,100	274,270	642,370
6000 Other Charges	1,442,612	1,526,851	325,557	1,852,408
7311 Fixed Assets - Equipment	584,605	739,000	(239,000)	500,000
7000 Fixed Assets	584,605	739,000	(239,000)	500,000
7548 Facility Maintenance Charge	12,051	12,352	111	12,463
7500 Other Financing Uses	12,051	12,352	111	12,463
Gross Appropriations	40,496,547	52,294,656	(225,347)	52,069,309
8142 Intrafund Transfers	(12,524,758)	(18,410,680)	1,069,815	(17,340,865)
8000 Intrafund Transfers	(12,524,758)	(18,410,680)	1,069,815	(17,340,865)
Net Appropriations	27,971,789	33,883,976	844,468	34,728,444
8611 Operating Reserves	4,329,557	3,381,062	727,425	4,108,487
8500 Operating Reserves	4,329,557	3,381,062	727,425	4,108,487
8811 Capital Reserves	15,935,848	10,689,925	(4,469,605)	6,220,320
8700 Capital Reserves	15,935,848	10,689,925	(4,469,605)	6,220,320
TOTAL REQUIREMENTS	48,237,195	47,954,963	(2,897,712)	45,057,251



FY 2016-17 Year End Projection

Using historical trends, projections and actuals as of April 30, 2017, the Library is estimated to realize 100.3% of projected revenue and 90.1% of budgeted expenditures. The change in revenue of \$158,027 is primarily due to an increase in excess ERAF and unrealized Measure K funds associated with the East Palo Alto renovation project which is still in the planning phases. Expenditure savings are estimated to be \$3,370,658 primarily due to the carry-over of costs associated with facility improvements and two mobile outreach vehicles and the sunset of the e-reader program. Additional savings are realized in salaries and benefits due to vacant positions. The table below provides a breakdown of projected year-end revenues and expenditures.

FY 2016-17 Mid-Year Estimate Summary				
	FY 2016-17 Adopted Budget	FY 2016-17 Year-End Estimate	FY 2016-17 Year-End Balance	% of Budget Realized/Spent
Revenue				
Taxes	25,482,164	25,778,602	296,438	101.1%
Use of Money and Property	120,800	131,554	10,754	108.9%
Intergovernmental Revenue	168,000	214,283	46,283	127.5%
Charges for Services	204,000	166,009	(37,991)	81.3%
Interfund Revenue	139,898	140,504	606	100.4%
Miscellaneous Revenue	1,574,696	1,416,633	(158,063)	89.9%
Total Revenue	27,689,558	27,847,585	158,027	100.5%
Fund Balance	20,265,404	20,265,404	0	100%
Total Available Funds	47,954,962	48,112,989	158,027	100.3%
Expenditures				
Salaries and Benefits	16,415,871	14,774,284	1,641,587	90.0%
Services and Supplies	33,600,582	31,971,511	1,629,071	95.1%
Other Charges	1,526,851	1,526,851	0	100%
Fixed Assets	739,000	239,000	500,000	32.3%
Other Financing Uses	12,352	12,352	0	100%
Gross Appropriations	52,294,656	48,523,998	3,770,658	92.8%
Intrafund Transfers	(18,410,680)	(18,010,680)	(400,000)	97.8%
Net Appropriations	33,883,976	30,513,318	3,370,658	90.1%
Capital/Operating Reserves	14,070,987	0	14,070,987	0%
Total Expenditures	47,954,963	30,513,318	17,441,645	63.6%



To: JPA Operations Committee
From: Anne-Marie Despain, Director of Library Services
Date: May 31, 2017
Meeting: June 6, 2017
Re: Director's Report

This report summarizes significant library operations and program activities that have occurred since the last meeting of the Operations Committee. Services and activities are aligned with our Strategic Plan Goals.

We cultivate an active presence and create spaces that support discovery, enrich lives and uplift the community.

2017 John Cotton Dana Public Relations Award

San Mateo County Libraries are one of eight recipients of the American Library Association's highly competitive 2017 John Cotton Dana Award, which is given to libraries for outstanding public relations. We are being recognized for our rebranding campaign, "Open for Exploration", which unified our twelve community libraries into a shared vision and brand, and communicated our positive impact on individuals and communities. The new campaign perfectly conveys the essence of who we are—champions of learning, sharing and exploration—and has been enthusiastically received by our communities. Since the launch of the campaign, monthly visits to the web site increased by 30% and monthly card applications increased by 17% as compared to the same period a year ago. The John Cotton Dana Award is often considered ALA's most prestigious award.

- April 26, ALAnews: [Announcing the 2017 John Cotton Dana Library Public Relations Award winners](#)
- May 17, The Almanac, [National Award for San Mateo County Library System](#)

PR Xchange Award

In May, the American Library Association announced that San Mateo County Libraries were the winners of a PR Xchange Award for our 2015-16 Annual Report. This award honors individual achievements in public relations materials, both print and digital. Our Annual Report will be on display at the ALA Conference in Chicago and recognized at the PR Xchange Award Reception.

New Half Moon Bay Library Project

The City of Half Moon Bay has installed a construction web camera that captures live video, images, and time lapse video as library construction continues. Progress can be viewed at https://app.truelook.com/?u=hl1471377382#tl_live.

New Atherton Library Project

On February 15, 2017, Town Council approved the 100% Design Development Plans and authorized staff to begin Construction Documents. At this stage, Town Staff identified and solicited proposals for critical pre-construction activities which includes: procuring required temporary facilities, equipment, furniture, utilities, IT, phone, parking, movers, and storage to move services for the 24-month construction period. At the March 15, 2017 Town Council Meeting, Council awarded Interwest Consulting the contract to provide these services. Library staff will work with Interwest to coordinate and plan a temporary library at the Civic Center site to continue providing services to the community.

Promoting eLibrary Resources

San Mateo County Libraries offer a wide range of electronic resources, from ebooks to online databases to streaming media. We use a variety of methods to promote the use of our digital collections, from holding small group tutorials to providing flyers with simple instructions in multiple languages. Staff has also created short video tutorials that introduce and walkthrough different online resources. Collections are highlighted and promoted on the eLibrary as well. For example, a recent blog post promoted the availability of the Hamilton soundtrack along with other musical soundtracks.

We are leaders in establishing a foundation for early literacy and supporting exploration and growth at every stage of life.

Book Rich Environments

San Mateo County Libraries latest collaboration with the Housing Authority, Book Rich Environments, successfully engaged the community with its first event on Friday, May 19. Part of a select group of just 35 communities nationwide, we are making a difference in terms of building both equity and home rich environments. Thanks to the support of local and national partners, we were able to host a vibrant, language-rich, bilingual experience for families and children in Half Moon Bay—sending everyone home with high quality, diverse books.



Nearly 250 families and children attended the event at Hatch Elementary, where more than 350 free books were given out to build home libraries. Families were signed up for our 2017 Summer Learning Challenge and Singer Jose Luis Orozco unleashed the energy of everyone in attendance with dancing, songs, and an emphasis on the importance of reading, learning, libraries, and multilingualism.

Next in the Book Rich Environments series will be a luau themed event in East Palo Alto to celebrate Pacific Islander culture on June 29 beginning at 1pm. This resource rich celebration will be targeted towards families living in shelters and public housing in the East Palo Alto and East Menlo Park areas.

Comic Arts Fest

The second annual Comic Arts Fest celebrated the importance of comics, both as an art form and as valid literature, and enabled aspiring artists and readers of all ages through author visits, workshops, and comics-related programs. The month-long celebration this February expanded through partnership with the city libraries of Burlingame, San Bruno, and South San Francisco. Between a panel conversation with the Hernandez brothers, a packed program with Raina Telgemeier, and engaging workshops from the Cartoon Art Museum, Comic Arts Fest reached over 2,000 people throughout the County.

- February 18, Millbrae Community Television Live Stream, [Gilbert, Mario, and Jaime Hernandez at Millbrae Library](#)
- April 26, NBC Bay Area News, [Asian Pacific America with Robert Handa: Kazu Kibuishi](#)

Big Lift Inspiring Summers

The Big Lift Inspiring Summers (BLIS) camps provide kindergarten through second grade students with engaging summer learning activities. This program is a collaboration between San Mateo County Libraries, BELL (Building Educated Leaders for Life), The Big Lift, and seven school districts in San Mateo County -- Cabrillo Unified School District, La Honda-Pescadero Unified School District, Jefferson Elementary School District, South San Francisco Unified School District, Ravenswood City School District, Redwood City School District, and San Bruno Park School District. The camps are a free 5-week, full day program which are designed to serve children who lack access to high-quality learning opportunities outside of school. Our goal this year is to provide high quality summer programming to 1,500 underserved children throughout San Mateo County. New this year, each BLIS participant will receive a library card.

Summer Youth Employment Initiative

In addition to the 200 college-aged interns we will be hiring to work in the Big Lift Inspiring Summers program, San Mateo County Libraries is also continuing the summer youth employment initiative, bringing on 50 high school interns. These interns will support San Mateo County Libraries and our Peninsula Library System partners in engaging over 80,000 children in the Summer Learning Challenge. Interns were recruited from their local communities, and will work with library staff to offer fun hands-on learning experiences inside and outside of our libraries. This effort is supported by County Measure K funds.

We understand community needs and promote meaningful library services as solutions.

Pitch It

Pitch It is San Mateo County Libraries' ongoing effort to support staff creativity and innovation. Staff present ideas for new programs or services for patrons at a fun event, and their coworkers vote on which projects should receive funding and support. This year's Pitch It winners included:

- *Hiking Backbacks* pitched by Paula Teixeira, Chris Vance and Sharon Hagberg from Pacifica Libraries. This is a pilot program that will be available at the Pacifica Libraries. Backpacks for checkout will be equipped with a compass, field guides, trail maps and binoculars to facilitate outdoor learning and healthy lifestyles. Along with the backpacks, we have partnered with San Mateo County Parks to provide ranger guided hikes.
- *Women on the Rise/Mujeres al la Conquista!*, pitched by Martina Tello, Sabrina Nava-Catalan, Tiffany Bradford-Oldham, Cami Del Rio, Ana Marcelo and Ricardo Buzo, from Half Moon Bay Library. This is a Half Moon Bay pilot program series that will focus on enrichment, education and life skills that are necessary for women to succeed in life endeavors.
- *Explore Ukuleles*, pitched by Michele Ng from Belmont Library. This program will add ukuleles and related learning materials at all of our libraries for checkout. We will also offer group ukulele activities that promote shared learning through music exploration.
- *Bind It @ the Library*, pitched by Jenna Varden, Kate Drabek, Wan Fwu from Foster City Library, and Sirisha Palakodaty, from San Carlos Library. This is a pilot program that will test the use of a bookbinding machine that rotates to all libraries. Programs will be designed to support hands-on workshops and enhance creativity by allowing stories, memories, and artwork to be bound.
- *Pop Up Virtual Reality Showroom*, pitched by JC Escalante from Library Administration. A portable virtual reality kit will travel throughout the library system, allowing patrons (and staff) to experience this new technology first hand.

Maker Faire Bay Area 2017

San Mateo County Libraries participated in May for the 5th consecutive year in the Maker Faire Bay Area at the San Mateo County Fairgrounds. Build it @ Your Library was the name of our booth, which featured an iPad photo booth, 3D printing, button making, a looping video of our library maker events, and a book bike. Thanks to our fabulous staff and their playful attitudes, the book bike was awarded a Maker Faire Editor’s Choice Award. Staff interacted with 5,000 people over the three day event to promote making at our libraries.



Free Check-It-Out! Energy and Water Saving Toolkits

Working in partnership with the County of San Mateo Office of Sustainability, the Libraries launched “Check-It-Out!” in April. The toolkit can now be checked out at all public libraries and contain both supplies that users can keep—including an LED light bulb, weather stripping, outlet gaskets and low-flow faucet aerators and showerhead—as well as a variety of tools to measure and correct electricity overuse, heat loss and water leaks. An illustrated user guide provides step-by-step instructions to save energy and water. Over 70 toolkits are available countywide, and the program was announced at the County Board of Supervisors meeting on April 25 in honor of Earth Day. Within two days of the

announcement, thirty toolkits had already been checked out. The toolkits are an initiative of the County of San Mateo Office of Sustainability, in partnership with San Mateo County Libraries, city libraries, and the City/County Association of Governments. The toolkits were funded by California utility payers through their local utility company.

- April 25, InMenlo, [Local Libraries Offer Water and Energy Saving Toolkits](#)

Community Conversations

San Mateo County Libraries has received an LSTA grant for \$22,100 for our Community Conversations project, which focuses on civic engagement and civil discussion. Community Conversations workshops will encourage neighbors with different political beliefs to listen, evaluate, communicate, and generate ideas for creative compromise through insightful presentations and facilitated community dialogue. Presenters will include local leaders from government, nonprofit, education, business and other experts on the discussion topics. Topics will include an overview of the US Constitution, the role of a free press, immigration, health care, education, religion, civil rights, environmental issues, housing and transportation, with a focus on how these issues impact San Mateo County. The series will be facilitated by staff from the Peninsula Conflict Resolution Center who will pose relevant, thought-provoking questions. The project will start in September.

Personnel Updates

I am pleased to make the following personnel announcements:

Dolly Goyal has been appointed Library Services Manager for Youth and Family Services. Dolly received her Bachelor of Science in Criminal Justice and Bachelor of Arts in Journalism from Northeastern University. She received her MLIS from San Jose State University, and worked as a Librarian in youth services and adult services in the Santa Clara County Library District. She became a Teen Services Librarian at the Belmont Library in 2010, and was promoted to Branch Manager of the East Palo Alto Library in 2014. While at San Mateo County Libraries, she chaired the Teen Services Committee, increasing programming and outreach throughout the library system. Dolly became the Director of the Los Gatos Library in 2016, overseeing a budget of \$2.6 million, a staff of 12 FTE, and all operations, programs and services. Dolly is currently the President-Elect of the California Library Association and serves on the CLA Finance Committee.

Nicole Cuadra has accepted the position as Library Services Manager overseeing Mobile and Adult Services. Nicole received her undergraduate degree in Politics from the University of California, Santa Cruz, and her MLIS from San Jose State University. While earning her Master's in 2003, she worked as a Library Aide at the Portola Valley Library. After working as a children's librarian with the Oakland Public Library, Nicole spent almost ten years with the San Francisco Public Library, serving in multiple capacities including branch services, cataloging, international collections, small business, and job and career programming. Since 2014, Nicole has held the position of Patron Services Manager with the South San Francisco Public Library. Prior to her career in libraries, Nicole worked in community foundations and nonprofits.

Raquel España has accepted the position of Development Officer. Raquel earned her Bachelor's in Ethnic Studies at UC Riverside and a Master's in Education from San Francisco State University. She currently works as the Director of National Strategic Partnerships for Raising A Reader. Raquel has experience working as a Manager of Development, Marketing and Communications for the Child Care Coordinating Council of San Mateo County, Community Engagement and Development Coordinator for the College Summit, and Youth and Family Director at the Richmond, San Francisco YMCA. Raquel has many years of experience securing grants and partnerships, advancing and created fundraising plans, and establishing innovative volunteer programs. In addition, she has shared her passion of utilizing multicultural children's books with educators across the state.

Adrienne Gass has accepted the position of Youth Services Librarian at the Foster City Library. She obtained a BA in English and a MLIS from Rutgers University. While in library school, Adrienne was a library intern at the Sports Illustrated Library in New York City. Since completing library school, Adrienne has worked in public libraries in New Jersey, Colorado, and now California. She has been a children's librarian for the past eight years and loves sharing her love of literature with children, parents, caregivers, and teachers.

Marisa Lee joins San Mateo County Libraries as Library Assistant at the Woodside Library. She has worked previously for the National Archives at San Francisco and the Chinese Historical Society of America. She is also a freelance research consultant, most notably for the documentary "The Chinese Exclusion Act", which will air on PBS in Fall 2017. Marisa holds a BA in American Studies and Environmental Studies from UC Santa Cruz.

Shao Mei Gan has been promoted to Library Assistant at San Carlos Library. Shao Mei has an Associate's Degree in English Education from Guangzhou University in China and went to school for Early Childhood Education at Canada College. She has worked for San Mateo County Libraries for 10 years starting as an Library Aide at the San Carlos Library and working her way up to Extra Help Library Assistant. Shao Mei regularly leads English/Mandarin bilingual storytimes and family storytimes.

Sirisha Palakodaty has been promoted to Library Assistant at San Carlos Library. Sirisha started as a volunteer at the Foster City Library in 2003. She has worked the last seven years as a Library Aide. Sirisha has a Master's Degree in Math from India and is trilingual in Hindi, Telugu and English. Sirisha leads baby storytimes and teen cooking classes at the library.

Israel Sanchez De Leon has accepted a position as Library Assistant at the East Palo Alto Library. Israel has worked previously worked at the Millbrae Library; he also worked as a retail store manager, and in sales and customer service for an insurance agency. He has a BS in Criminal Justice Administration and a minor in Sociology from California State University, East Bay. Israel is bilingual in Spanish and English.

Elizabeth Gonzalez has been promoted to Library Assistant at the East Palo Alto Library. Elizabeth has worked as a Library Aide at East Palo Alto since 2006 and also has experience working at the Menlo Park Library. Elizabeth has been a part of programs such as bilingual storytime, Talk Read Sing and Latin heritage month, and has helped with book displays to promote programs at the library. Elizabeth is bilingual in Spanish and English.

Gabriela Barraza has accepted a Library Assistant position at the Millbrae Library. Gabi is a Millbrae resident who started out as a library volunteer while attending Mills High School. She began working as a Library Aide in 2010, and in 2016 graduated from San Francisco State University with a Bachelor's degree in European History before 1500.

Congratulations to Susan Worden who retired recently. Susan began her tenure with San Mateo County Libraries in 1998 and has filled many roles throughout her time here. In addition to her work processing new materials, Susan has issued hundreds of library cards through the online card registration system, handled Link+, supported many projects in Access Services, and delivered excellent customer service while at the libraries. She is a repository of institutional knowledge and we will miss her very much and wish her the best in her new adventures.

Service Awards

Debbie Huey, Community Technology Specialist at the Millbrae Library; Julie Finklang, Manager of the Pacifica Libraries; and Rachel McDonnell, Library Project Manager, were honored by the County for their completed years of service (10 years each). Congratulations to Debbie, Julie and Rachel for their years of service and numerous contributions to the San Mateo County Libraries!



To: JPA Operations Committee
From: Anne-Marie Despain, Director of Library Services
Date: May 31, 2017
Meeting: June 6, 2017
Re: Election of Library JPA Operations Committee Officers

Background

The Bylaws for the San Mateo County Library Joint Powers Authority provide specific guidance regarding the election of officers of the Operations Committee.

Article V. Operations Committee; Officers.

- A. The Operations Committee shall be responsible for advising the Library Director and Library Governing Board on budget and operational issues of the library system.
- B. The Operations Committee shall elect a Chair and Vice Chair from among its members annually.
- C. It shall be the duty of the Chair to preside at the meetings of the Operations Committee, call special meetings and set the agenda in conjunction with the Library Director.
- D. The Vice Chair shall have all the powers and duties of the Chair in his or her absence.
- E. The term of office for the Chair and Vice Chair shall commence on July 1 and be for a period of one year. No person shall hold the same office for more than two consecutive terms.
- F. Nominations for officers shall be made from the floor. Nominations shall be made by members of the Operations Committee only. Nominations and election of the Chair shall precede nominations and election of the Vice Chair.

Discussion

Peggy Jensen, Chair, and Greg Scoles, Vice Chair, have each served two consecutive terms in their positions. As specified in the Bylaws, an election of new officers is required.

Fiscal Impact

There is no fiscal impact associated with the approval of this item.

Recommendation

Invite nominations from the floor for the positions of Operations Committee Chair and Vice Chair, and conduct an election at the June 6, 2017 meeting.