



Joint Powers Authority Operations Committee

George Rodericks, Atherton

Greg Scoles, Belmont (Chair)

Clay Holstine, Brisbane

Carlos Martinez, East Palo Alto

Jeff Moneda, Foster City

Matthew Chidester, Half Moon Bay

Angela Louis, Millbrae

Kevin Woodhouse, Pacifica

Jeremy Dennis, Portola Valley (Vice Chair)

Crystal Mui, San Carlos

Peggy Jensen, San Mateo County

Kevin Bryant, Woodside

San Mateo County Library Joint Powers Authority

Operations Committee Agenda

September 11, 2018, 1:30 p.m.

Half Moon Bay Library, 620 Correas Street, Half Moon Bay

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| I. Call to Order | Action |
| II. Public Comments | Information |
| III. Consent Agenda | Action |
| A. Approval of the June 5, 2018, Minutes | |
| B. Unapproved Minutes of the Governing Board Meeting of June 11, 2018 | |
| C. Investment Report for FY 2017-18 | |
| D. Grant Activities Report for FY 2017-18 | |
| E. Director's Report | |
| IV. Advance of Funds for the Proposed New Atherton Library | Action |
| V. Recommendation for Fine-Free Policy | Action |
| VI. Approval of the Final Adopted Budget | Action |
| VII. Operations Committee Members Announcements | Information |
| VIII. Adjournment | Action |
| IX. Convene Closed Session: Public Employee Performance Evaluation | Information |
| Closed Session pursuant to Government Code Section 54957 | |
| (Director of Library Services) | |
| X. Reconvene Regular Meeting | Action |
| XI. Adjournment and Optional Tour of the new Half Moon Bay Library | Action |

2018 Governing Board Meetings: September 17, November 5

2018 Operations Committee Meetings: October 30



San Mateo County Libraries Joint Powers Authority
Operations Committee Meeting
Minutes of June 5, 2018

Board Members Present:

Greg Scoles, Belmont (Chair)
Jeremy Dennis, Portola Valley (Vice Chair)
Carlos Martinez, East Palo Alto
Jeff Moneda, Foster City
Matthew Chidester, Half Moon Bay
Angela Louis, Millbrae
Kevin Woodhouse, Pacifica
Crystal Mui, San Carlos
Kevin Bryant, Woodside

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 1:31 p.m.
 - II. Public Comments. None.
 - III. Approval of the January 23, 2018 Minutes. Meeting minutes approved without changes (MSP: Dennis/Martinez).
 - IV. Unapproved Minutes of the Governing Board Meeting of May 21, 2018. Information item only.
 - V. The Big Lift Inspiring Summers 2017 Program Evaluation. Deputy Director Pasini provided a brief overview of the Inspiring Summers Program and introduced Hannah Pickar and Jessica Manta-Meyer from Public Profit who provided a presentation of the evaluation and answered questions. Members praised the program, library staff and the strong program evaluation. Member Martinez asked whether we will be meeting the goals by 2020. We are working towards that goal. Member Woodhouse asked how the participating locations are decided upon. Communities applied and were selected by The Big Lift. Member Mui asked about the recruitment process for students. Participant selection is based on family income, and school districts recruit locally to enroll children; there is no recruitment at the libraries. Member Dennis asked if BELL or the districts are doing a similar evaluation for the morning session. BELL is using the STAR assessment on student performance as opposed to program quality assessment.

- VI. Adoption of the FY 2018-18 Recommended Budget. Director Despain introduced the FY 2017-18 Recommended Budget and provided an overview of the system and Strategic Goals. Deputy Director Pasini highlighted major accomplishments and the current year's performance data. Financial Services Manager Ramirez gave an overview of the proposed FY 2018-19 Recommended Budget. The Recommended Budget totals \$48,712,680. Total Revenue increased by \$357,446 to \$30,024,931. The total operating budget or Net Appropriations is \$35,477,094. Director Despain thanked the Committee for their ongoing support and guidance. A discussion ensued. Financial Services Manager Ramirez said that property tax forecast is the same as last year, staying conservative at 5%; and that the Library is conservatively spending down Capital Reserves (per Board direction) on one-time projects. Financial Services Manager Ramirez stated that the Library's retirement contribution is estimated at \$2.8M; and the SamCERA funded status is 84.3%. Permanent staffing has not increased. Director Despain indicated that a long-term forecast wasn't included due to unknowns associated with the labor contract currently under negotiations.

Motion: Recommend JPA Operations Committee adopt the FY 2018-19 Recommended Budget. Passed (MSP: Bryant/Chidester).

- VII. Approval of FY 2018-19 Proposed Uses of Library Donor Funds. Director Despain provided an overview of the FY 2018-19 Proposed Uses of Library Donor Funds report. Requests for uses of Library revenue in FY 2018-19 total \$4,996,198. Funds are in place to offset the requested amounts. Director Despain also provided an update on the amended JPA Agreement; the cities of Brisbane, East Palo Alto and San Carlos have approved the amended JPA Agreement.

Motion: Recommend JPA Operations Committee approve the FY 2018-19 Proposed Uses of Library Donor Funds. Passed (MSP: Woodhouse/Martinez).

- VIII. Director's Report. Director Despain said that the new Half Moon Bay Library will open on August 18. Member Chidester offered tours of the library and said that support for the library is unanimous in the community. A link to the County's Open Data portal has been provided to give additional access to the Library's financial data. Lastly, Director Despain introduced Katie Woods, the new Communications Manager.

- IX. Election of Library JPA Operations Committee Officers. Member Bryant nominated Chair Scoles to Chair and Vice Chair Dennis to Vice Chair. No other nominations were received. Motion passed unanimously (MSP: Bryant/Martinez).

- X. Operations Committee Members Announcements. Chair Scoles welcomed new member Jeff Moneda from Foster City.

- XI. Adjournment. The meeting adjourned at 2:37 p.m.



San Mateo County Libraries Joint Powers Authority
Governing Board Meeting
Minutes of June 11, 2018

Board Members Present:

Anne Kasten, Woodside (Chair)
Charles Stone, Belmont (Vice Chair)
Elizabeth Lewis, Atherton
Karen Cunningham, Brisbane
Reuben Holoher, Millbrae
Sue Vaterlaus, 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 8:15 a.m.
 - II. Public Comments. None.
 - III. Approval of the May 21, 2018 Minutes. Meeting minutes approved without changes. (MSP: Stone/Cunningham).
 - IV. Adoption of the FY 2018-19 Recommended Budget. Financial Services Manager Ramirez provided a recap of the FY 2017-18 Recommended Budget and provided the additional information requested on the San Mateo County Libraries Retirement Contribution. The Library is part of the County of San Mateo and, therefore, pays its respective share each year. In FY 2013-14, the County initiated an Unfunded Liability prepayment plan to reduce unfunded pension liabilities. An initial lump sum contribution was made in FY 2013-14 and additional supplemental lump sum contributions will be made annually through FY 2022-23. For FY 2018-19, the Library's contribution is estimated at \$2,819,003.

Motion: Recommend JPA Governing Board adopt the FY 2018-19 Recommended Budget. Passed (MSP: Stone/Derwin).

- V. Approval of FY 2018-19 Proposed Uses of Library Donor Funds. Director Despain provided an overview of the FY 2018-19 Proposed Uses of Library Donor Funds report. Requests for uses of Library revenue in FY 2018-19 total \$4,996,198. Funds are in place to offset the requested amounts. Member Holober asked about the new 50/50 split of donor funds; the split of funds will not take place until the Amended JPA Agreement is approved and the new Atherton Library is completed (approximately FY 2021-22). Director Despain informed the Board that the Amended JPA Agreement has been approved by the cities of Brisbane, East Palo Alto and San Carlos; and the cities of Belmont, Foster City and Millbrae have it on their agendas this month.

Motion: Recommend JPA Governing Board approve the FY 2018-19 Proposed Uses of Library Donor Funds. Passed (MSP: Lewis/Stone).

- VI. Director's Report. Director Despain provided an overview of the report. The Atherton Civic Center and Library Project received two bids that were widely disparate and rejected. Brisbane will break ground soon on its new library; and the grand opening of the Half Moon Bay library is scheduled for August 18. Director Despain mentioned that the Big Lift program received a national Pacesetter Honors from the Campaign for Grade-Level Reading, and the Library's Inspiring Summers program won a Bright Spots award. Members congratulated Supervisor Groom on this significant achievement.
- VII. Election of Library JPA Governing Board Officers. Chair Kasten nominated Vice Chair Stone to Chair. No other nomination was received. Motion passed unanimously (MSP: Kasten/Derwin). Chair Kasten nominated Member DeGolia to Vice Chair. No other nomination was received. Motion passed unanimously (MSP: Kasten/Stone).
- VIII. Governing Board Announcements. Members thanked outgoing Chair Kasten for her service on the Board.
- IX. Adjournment. The meeting adjourned at 8:33 a.m.



To: JPA Operations Committee
From: Anne-Marie Despain, Director of Library Services
Danae Ramirez, Financial Services Manager
Date: September 5, 2018
Meeting: September 11, 2018
Re: Investment Report for FY 2017-18

Background

In September 2009, the JPA Governing Board adopted the Library JPA Investment Policy. The purpose of the investment policy is to provide guidance and protection to the San Mateo County Library Joint Powers Authority's (Library JPA) cash and investments and promote prudent financial stewardship. It is also the policy of the Library JPA to diversify its investment portfolio to ensure the maximum safety of Library JPA assets. The Library JPA shall have funds not required for immediate expenditure invested in compliance with state law and this policy.

The criteria for selecting investments in order of priority are:

- Safety of Principal
- Liquidity
- Yield

In order to minimize risk, the Library JPA's portfolio includes:

- The San Mateo County Investment Pool (SMCIP)
- The State of California Local Agency Investment Fund (LAIF)

As outlined in the Library JPA Investment Policy, the Library Director shall submit an annual investment report to the JPA Governing Board on the status of the Library JPA's investment portfolio. The report will provide information as to the types of investment, the amount of money invested within the two investment instruments, maturity dates, and interest rate yield on investments in accordance with the Government Code. The report shall also state if the Library JPA investments are in compliance with this policy and able to meet its cash flow obligation. The investment policy is reviewed annually and was last approved by the JPA Governing Board on November 6, 2017.

Discussion

The Library JPA is a voluntary participant in the San Mateo County Investment Pool which is regulated by California Government Code Section §53600 under the oversight of the County Treasurer. Included in SMCIP's investment portfolio as outlined in its Investment Policy

<http://www.sanmateocountytreasurer.org/investmentpolicies/Investment%20Policy%202017.pdf> are: U.S. Treasury Securities, U.S. Government Agency/Government Sponsored Enterprises, Commercial Paper, Negotiable Certificates of Deposit, Bankers Acceptances, Collateralized Certificates of Deposit, Mortgage and Asset Backed Securities, US Instrumentalities, CA Municipal Obligations, Repurchase Agreements, Local Agency Investment Fund, Mutual Funds and Local Government Investment Pools.

In FY 2017-18, Library JPA funds averaging \$25.4 million were invested with the San Mateo County Investment Pool producing an average yield of 1.4%. Interest earnings in FY 2017-18 totaled \$292,186.

The Library JPA is a voluntary participant in the Local Agency Investment Fund, which is regulated by California Government Code Section §16429 under the oversight of the Treasury of the State of California. Included in LAIF's investment portfolio as outlined in its Investment Policy (<http://www.treasurer.ca.gov/pmia-laif/answer/policy.pdf>) are: U.S. Treasury Securities, Federal and Supranational Agency Securities, Bankers Acceptances-Domestic/Foreign, Certificates of Deposit, Collateralized Time Deposits, Commercial Paper, Corporate Bonds/Notes, Repurchases and Reverse Repurchases, and Negotiable Orders of Withdrawal.

In FY 2017-18, Library JPA funds averaging \$2 million were invested with the Local Agency Investment Fund producing an annual average yield of 1.3%. Interest earnings totaled \$29,392.

Both SMCIP and LAIF maintain a large percentage of their investments in U.S. Treasury Securities representing obligations issued by the U.S. Government for which the full faith and credit of the United States is pledged for the payment of principal and interest. Neither SMCIP nor LAIF invest in derivative products. In order to minimize risk, the average length of maturity of the funds with the pools (duration a financial asset is held) is limited and outlined in their respective Investment Policies. As a participant in both SMCIP and LAIF, Library JPA funds are always liquid and available.

On an ongoing basis, cash flow requirements are reviewed to ensure that the investment portfolio remains sufficiently liquid to enable the Library JPA to meet all reasonably anticipated operating requirements. Library JPA investments are in compliance with the Library JPA Investment Policy, and the portfolio contains enough liquidity to meet expected expenditures.

Fiscal Impact

Combined SMCIP and LAIF interest earnings for FY 2017-18 totaled \$321,578. Library JPA investments are in compliance with the Library JPA Investment Policy, and the portfolio contains enough liquidity to meet expected expenditures.

Recommendation

Recommend Library JPA Governing Board accept the Investment Report for FY 2017-18.



To: JPA Operations Committee
From: Anne-Marie Despain, Director of Library Services
Raquel España, Development Manager
Date: September 5, 2018
Meeting: September 11, 2018
Re: Grant Activities Report for FY 2017-18

Background

On February 6, 2006, the JPA Governing Board authorized the Library Director to approve the acceptance of grants as stated in Article II of the Bylaws for the San Mateo County Library Joint Powers Authority (Library JPA). This bylaw states that the JPA shall:

Authorize the submission of applications for federal, state, local and private grants and approve acceptance of such grants as are received and allow for the delegation of this responsibility to the Library Director.

An annual report is provided to the Library JPA Operations Committee and Governing Board summarizing grants accepted during the fiscal year.

Discussion

Grant opportunities present themselves throughout the year and range from small grants designed to support activities at one library, to larger grants that support system-wide initiatives. While we actively seek grant support for existing and approved major initiatives, as a matter of practice, the organization does not apply for grants that establish new programs that will require ongoing funding requirements.

During the period of July 1, 2017 – June 30, 2018, the Library JPA received six grants.

- \$250,000 from the California State Library to support Accessibility and Inclusion in Bay Area libraries, a program led by San Mateo County Libraries in collaboration with San Jose Public Library and San Francisco Public Library. This program's goals are to provide welcoming, accessible spaces and ensure equitable access of library resources and services to the diverse populations we serve. The project enables all three systems to better understand the needs of people with disabilities and to provide responsive, relevant programming and outreach.
- \$53,126 from the California State Library to support ongoing adult literacy efforts in the East Palo Alto and Half Moon Bay Libraries. The literacy program recruits, trains and supports literacy volunteers, providing learner-centered one-on-one or small group

tutoring. In addition, the adult literacy program meets community needs by offering English conversation groups for English learners.

- \$30,000 from the California State Library to support technology upgrades in library spaces. This project supports our systemwide technology efforts to increase WiFi speed to expand and enrich programs and services. Increased WiFi speed allows us to grow programs and services, including public WiFi networks, laptop loans for in-library use, early learning stations, and makerspace programming.
- \$15,000 from Pacific Library Partnership to create a third-grade Dot & Dash robot curriculum for Big Lift Inspiring Summer (BLIS) camps. The curriculum will support the expansion of BLIS into the third grade and once developed, it will be used during the year in libraries for STEM based after school program activities.
- \$5,000 from the Palo Alto Weekly Fund to support the Quest Afterschool Learning Program at the East Palo Alto Library. Quest has been a grant recipient of this community Fund since 2010, making FY 2017-18 our seventh consecutive year as a grantee. The grant extends services to families through parent workshops during the school year. These professional workshops support our families to develop parenting skills in assisting their children with academics and will enable parents to effectively communicate with teachers and school administrators regarding their child's needs.

The total grant revenue received in FY 2017-18 was \$369,640. For comparison, in FY 2016-17 we received \$154,600, and in FY 2015-16 we received \$160,889.

In addition to state and foundation grants, our Friends of the Library groups provided a total of \$201,000 to support local library programs and services. Programs included musical concerts, youth afterschool programs, special events and family activities. The generosity of our Friends allows us to expand popular programs and pilot new creative ideas.

In FY 2018-19, the Foundation for San Mateo County Libraries will launch. Over the past six months, a founding Board of Directors has been recruited, and the Foundation is in the process of becoming a 501(c)3 nonprofit. Once formally established, the Foundation will begin to raise funds for systemwide initiatives, including activities associated with the Makerspace Master Plan and summer learning programs with an emphasis on Big Lift Inspiring Summers camps.

Fiscal Impact

There is no fiscal impact associated with accepting this report.

Recommendation

Recommend Library JPA Governing Board accept the Grant Activities Report for FY 2017-18.



To: JPA Operations Committee
From: Anne-Marie Despain, Director of Library Services
Date: September 5, 2018
Meeting: September 11, 2018
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.

Atherton Library Project

At the August 17 Town Council meeting, approval was given for city staff to move forward with preparing a bid package to demolish and abate the current Atherton Library prior to contracting with a General Contractor to perform the remainder of the library project work. Demolition of the library is anticipated to take place during the month of November. In preparation of this work, the library will close on Saturday, October 13, 2018, at 5pm and reopen in the new temporary space on Monday, October 22, 2018, at 10am. Library staff will move out of the library and into a 2,880 sq. ft. modular building that sits onsite. The temporary library will offer public access computers, bestselling fiction and DVDs, a small children's collection, and patron reserves. Library programming and events will take place at schools, Holbrook Palmer Park and other venues in Town.

Brisbane Library Project

A festive Groundbreaking event for the new Brisbane Library took place on Saturday, July 14, 2018, at the new location of 163 Visitacion Avenue. Attendees gave the count down and the shovels hit the dirt, signaling the official start of this wonderful milestone. The new Brisbane Library is scheduled to open in the Fall of 2019 just in time for the new school year.

East Palo Alto Project

Following the completion of a needs assessment report last year, the Library, in partnership with the City and County, is working with WHY Architecture of Los Angeles to verify the building program, explore the feasibility of the Goldman Foundation site, and prepare a concept design for a proposed new library adjacent to the EPACENTER ARTS Center. We are excited to be moving this project along and collaborating with WHY and EPACENTER ARTS to explore potential partnerships. This work will culminate in late 2018, with a concept design and cost model that will assist with next steps, including project development, site acquisition, and a funding plan.

New Half Moon Bay Library

San Mateo County Libraries along with our partners, the City of Half Moon Bay and County of San Mateo, opened the new two-story 22,000 square foot Half Moon Bay Library on Saturday, August 18. The new library will serve the entire coastal community, transforming lives and offering a spectacular community gathering space and an environment for learning for generations to come.

New features of the Half Moon Bay Library include:

- An expanded collection of materials, from bilingual books and DVDs, to streaming movies and WiFi hotspots
- A collaborative makerspace that includes 3D printers, a high-performance laser cutter, GoPro camera kits, and sewing, quilting, and embroidery machines
- Ample access to technology, including 24 desktop computers and 42 laptops
- An expansive children's room with a special children's entry and four interactive play columns that reflect forces in nature in the sky, land, and sea that are the heartbeat of the community
- A quiet reading room that is acoustically separated and designed for reading and individual work
- A dedicated and flexible teen room that has direct access to the makerspace
- Several small study rooms and a large Community Room that accommodates over 100 people
- Indoor/outdoor connections with large windows, and doors to the library courtyard and gardens
- The building is LEED Silver and is projected to be net-zero energy

Makerspace

The new Half Moon Bay Library opened with our first fully equipped makerspace. Library patrons can come learn to hem a pair of pants or try custom embroidery on specialized sewing machines. With a dedicated virtual reality station, our community can explore alternate realities or create digital art pieces. An array of 3D printers and a laser cutter enable design and manufacture of physical objects in a wide variety of materials, including wood, plastics, acrylic, and leather. Over 15 robots will help us teach coding and programming concepts to everyone from toddlers to seniors. A classroom set of powerful laptops come loaded with the full suite of Adobe Creative Cloud applications, including Photoshop and Premiere, for industry leading photo and video editing capabilities. At San Mateo County Libraries, we believe Everyone is a Maker, and this new makerspace supports that philosophy by aligning with our Makerspace Master Plan and hosting a diverse set of tools and equipment for all ages and abilities.

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

Talk, Read, Sing: Year Three Results

Our award-winning Talk Read Sing program continues to show performance gains amongst family participants as well as increased reach and collaboration with community partners. The program utilizes a voice recording technology to promote early literacy by training

families to increase interactive talk and conversation with babies and toddlers, methods that research shows accelerate brain growth and language acquisition.

This year we served 276 families, in five English and five Spanish cohorts. Our graduates demonstrated significant increases in words spoken and conversations, particularly amongst "lower-talk" families (those that begin the program below average compared with control groups). In addition, participants report increased shared book reading time by over one and a half times, and language development surveys showed children gaining over one and a half months of developmental skill for every month of participation. We also engaged in exciting new partnerships with The Primary School in East Palo Alto and continued to develop and leverage existing relationships with Ravenswood Family Health Clinic as well as partners in the Half Moon Bay and Brisbane communities. New cohorts in all of these locations as well as a renewed collaboration with the Housing Authority are set to begin in September.

Big Lift Inspiring Summers

In 2018, the Big Lift Inspiring Summers program continued to work to end summer learning loss and to inspire kids to engage in STEAM subjects, serving approximately 1,300 rising kindergartners through second graders. This full-day, four-week Inspiring Summers program is funded by County Measure K funds and free to participating families. Mornings are dedicated to literacy instruction, and in the afternoons students work on exciting, experiential learning activities in science, art, technology and math. Parents surveyed provided positive feedback and noted improvement in their child's preparedness as they entered a new school year. 94% of the parents of Big Lift Inspiring Summers scholars would recommend this program to other families. One parent commented, "I love my child's enthusiasm and willingness to attend school." Another said their child "became more independent and takes the initiative on grabbing a book to read. She's become a lot more creative." The Inspiring Summers program has shown impressive results - children who participated in 2017 experienced a one-and-a-half-month reading advantage instead of the typical two-month summer loss, for a net gain of three-and-a-half months, as shown by STAR test results. A final report that includes 2018 program results will be forthcoming.

We are proud to be a partner of The Big Lift and excited that the program received a Pacesetter Honor from the Campaign for Grade-Level Reading. This award recognizes communities across the nation that report measurable progress on key indicators of early school and represent models of innovation and impact for other communities. Additionally, The Big Lift Inspiring Summers program also received a "Bright Spot" award. A glimpse inside The Big Lift: <https://www.youtube.com/watch?v=OymAPmDeCj0> and <https://www.youtube.com/watch?v=OOFebXRI7mo>

Summer Youth Employment Program

Our summer programs benefited from the continued success of the Summer Youth Employment Program. We hired 131 college interns to work at our Big Lift Inspiring Summers sites; 68 (52%) were returning for their second or third summer. At the end of the program, one returning intern shared, "Another summer well spent with awesome scholars! It's a very good program for kids during summer. I love my job!" Our new hires enjoyed the internship also. One new facilitator said, "I loved this work experience! I came into it unsure if I wanted to pursue a career in education, and now I'm feeling very

motivated and inspired to get more classroom experience and pursue a teaching credential." 85% of the interns said that they would likely return next summer, while 98% said they would recommend the internship to a friend. We also hired 55 college and high school interns to support outreach and programming for the Summer Learning Challenge. The interns received a variety of training, real work experience, and we were able to provide additional summer learning experiences for children throughout the County.

Poet Laureate

In 2013, the San Mateo County Board of Supervisors approved the establishment of the post of San Mateo County Poet Laureate to elevate and celebrate the literary arts and their roles in public life. Current Poet Laureate Lisa Rosenberg will complete her term this year. During her tenure as Poet Laureate, Rosenberg created the Spoken Art project as a way to increase recognition for the county's poets and visual artists alike. Spoken Art offers a springboard for new writings from San Mateo County's vibrant artistic community.

The San Mateo County Poet Laureate Advisory Committee, co-chaired by San Mateo County Supervisors Carole Groom and Warren Slocum, are currently seeking the next Poet Laureate. The San Mateo County Poet Laureate serves as an ambassador and advocate for poetry, literature and the arts; contributes to San Mateo County's poetry and literary legacy through public readings and participation in civic events; and leads a community project to make poetry more accessible to people in their everyday lives.

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

San Mateo County Fair

The Bookmobile held its biggest outreach event of the year at the San Mateo County Fair, June 9-17. Over nine days at the San Mateo County Event Center, 49 staff members offered 82 hours of summer learning, hands on activities, engaging performers, tactile play and family fun. Our wonderful staff signed up 3,549 summer learners, offered 14 individual programs, led 16 class visits and welcomed over 9,935 visitors to the Book Bike, Bookmobile and Imagination Playground. It was magic!

Library Commuter Campaign

September 1, 2018, marked the beginning of the Peninsula Library System's year-long Commuter Campaign promoting the use of Overdrive digital materials via their new app. The primary goals of the campaign are to reach new library users and increase eBook and eAudiobook usage by targeting commuters who live in San Mateo County specifically. As part of this campaign, we enabled the "Instant Digital Card" feature for a seamless user experience, ensuring new users can register for an Overdrive account and download eBooks or eAudiobooks right away.

Various advertising venues in high traffic areas have been obtained throughout the year to make potential users in San Mateo County aware of the new service, including: SamTrans and Caltrain ad cards, bus shelter posters, digital billboards, Peninsula Library System delivery truck wraps, and social media posts. The Commuter Campaign's success will be measured by the number of "Instant Digital Card" registrations each month and the conversion rate to a library card. Overall, this marketing campaign and new service enables

us to connect with people in unexpected places, deliver services beyond our buildings, and raise awareness of all the resources that our libraries have to offer.

Accessibility and Inclusion Grant

San Mateo County Libraries were recently awarded a \$250,000 LSTA grant as the lead agency in partnership with San Jose Public Library and San Francisco Public Library, to improve access and inclusion in Bay Area libraries for people with disabilities. According to the U.S. Census Bureau, 61,974 people in San Mateo County, or 8% of the population have a disability of some kind, and nearly 11% of California's population live with a disability. We are currently working with various nonprofits and organizations, as well as members of the public in community forums at all of our locations, to make our communities more accessible and inclusive. Feedback from these discussions will transform targeted outreach and both new and updated programming for people with disabilities.

Starting this month, staff will be trained on topics such as disability awareness and inclusive customer service, with a goal of training 90% of employees. Our collections will be enhanced to include more diverse representation of people with disabilities and to offer additional resources for people with disabilities. An example is inclusive kits made up of themed books, music, fidget and developmental toys, and usage tips for families of children with disabilities. We are also increasing public awareness around disability by hosting a traveling exhibit and Superfest film screenings to showcase disability through a diverse, complex, and engaging lens. We are excited about realizing an environment where every community member feels welcomed and engaged in transformative experiences at our libraries.

Performance Management Pilot Award

San Mateo County Libraries were recently named as one of 10 Top Innovators by the Urban Libraries Council. A panel of expert judges selected our performance management pilot program from 220 submissions in 10 categories that demonstrate the value and impact of public library service. Award winners were recognized for their innovative programs, services and operating practices.

Our new performance management system uses frequent check-ins, continuous feedback and open communication to build understanding, communicate expectations, and support the development of staff. The pilot has been successful, well-received, and data rich with over 80% of library staff routinely participating in weekly surveys, 84% of supervisors holding weekly meetings with staff, 92% of staff feeling comfortable asking for check-ins when needed, and 93% of employees feeling valued at work. This new approach creates a high-performance culture that stimulates growth and development which is key to improving services for our communities

Fingerprinting Volunteers and Staff

Our libraries thrive because of the amazing contributions of our Friends and volunteers, and we couldn't be successful without these partnerships. Each year hundreds of volunteers provide support for our growing services and programs. Friends are often included when we talk about volunteers and Library Champions because of the significant hours that many contribute to our libraries.

As the number of volunteers has grown over the last year, we have been striving to bring best practices to our volunteer program at San Mateo County Libraries. A staff workgroup in collaboration with the County's Risk Management Division recently recommended improvements. Recent changes included ensuring that all volunteers complete a background check and volunteer application, and track their time. As a condition of employment, San Mateo County requires background checks for all employees regardless of classification.

These changes were implemented this summer due to the increase in the number of volunteers we are managing as well as the large number of programs and services we offer children and other vulnerable populations. As staff has rolled out these changes, we've heard concerns about fingerprinting, specifically privacy and data security. An FAQ was developed and distributed to provide some background and answers to those concerns. Additionally, for those Friends members who are not comfortable being fingerprinted, we are working with the County to establish a waiver.

Labor Negotiations

All non-management permanent staff, extra help and term employees are represented by SEIU Local 521, the County's second largest union. The current MOU, set to expire this year, contains annual cost of living increases that range from 2-4% per year. Negotiations are underway, and a new MOU is currently anticipated to be complete by October 2018.

Library Personnel News

I am pleased to make the following personnel announcements:

Three employees were honored by the County for their completed years of service: Kayla Figard, Librarian at the Belmont Library; Evie Diaz, Library Assistant at the Foster City Library; and Karen Choy, Librarian at the Half Moon Bay Library (10 years each). Congratulations to Kayla, Evie and Karen for their many years of service and numerous contributions to the San Mateo County Libraries!

Nicole Fernandez has promoted to the position of Librarian in Brisbane. Nicole has an undergraduate degree in History from San Francisco State and recently completed her MLIS at San Jose State. Previously, she worked at S.F. State's Center for Modern Greek Studies as an Oral History Coordinator and Archivist. Nicole joined San Mateo County Libraries as a Library Assistant in November 2015. Nicole has taken on many challenging projects such as helping coordinate our Summer Learning efforts.

Nancy Vander Lans recently retired in early September. Nancy worked as a Librarian at Access Services. She has been with San Mateo County Libraries since 1981, a career spanning 37 years! She was hired as a Woodside Library Branch Manager where she assisted in refurbishing the interior of the library. She later worked at various branches before moving into Access Services as selector of our adult print materials; her awareness of current trends and interests enhanced her ability to provide the quality materials that all value and enjoy.

Please join us in congratulating Nicole and Nancy!



To: JPA Operations Committee
From: Anne-Marie Despain, Director of Library Services
Date: September 5, 2018
Meeting: September 11, 2018
Re: Advance of Funds for the Proposed New Atherton Library

Background

The Town of Atherton has been a member of the San Mateo County Library Joint Powers Authority since it formed in 1999. In 2004, members of the Library JPA entered into the First Restated Agreement which provides that all capital improvements to new and existing library facilities are the responsibility of the facility owner, or pursuant to an agreement approved by the Library JPA Governing Board and the facility owner.

The JPA Agreement also states that in the event library district property tax revenue exceeds the cost to maintain the minimum library service for each member, these excess funds will be restricted and held by the Library JPA to be spent on library related activities within that member city. The funds are segregated from the Library's general operating budget where they accrue interest. The total amount held in the Atherton Library Trust funds as of June 30, 2018, is \$13,136,230 (\$8,045,604 held by the Library and \$5,090,626 held by the Town).

The Library JPA encourages and supports members in their community efforts to build new library facilities. Over the last several years, the Town has been working with the library and community, and is preparing to construct a new library facility on the site of the existing Library, located at 2 Dinkelspiel Station Lane. Library staff has actively participated in these efforts by providing staff representation on the Civic Center Advisory Committee and expertise associated with the planning and operations of today's library spaces. Additionally, the Governing Board has approved requests by the Town to utilize excess funds to support the planning and design of the new library for the past several years.

The 11,180 square foot Library and Civic Center project was placed out to bid this summer. The reality of the construction market was realized as the budget estimates were significantly below the current market climate. The Town rejected the bids and has worked with a Project Management Team to value-engineer the projects, however, even with the suggested reductions in scope, the basic facility needs are currently more than the available budget.

Discussion

At its meeting on August 17, 2018, the Town Council approved the Project Team's recommended design changes and value engineering options for the library. The intent is to rebid the project in early 2019, with an anticipated open date in the fall of 2021. The current anticipated library project budget is estimated at \$22.3 million. The Town is relying on the Atherton Library Trust funds as the primary funding source for the new library. It is estimated that the "project years" will include FY 2018-19 through FY 2021-22.

For FY 2017-18 a total of \$1,450,400 was set aside in the Atherton Library Trust Fund. The total amount held in the Atherton Library Trust funds as of June 30, 2018, is \$13,136,230. It is projected that a similar amount (\$1.45 million) will be set aside in future years and at project completion total \$18,936,230, leaving a gap of approximately \$3.4 million.

Fiscal Year	Estimated Annual Excess Funds	Projected Total Atherton Library Trust Funds
FY 2018-19	\$1,450,000	\$14,586,230
FY 2019-20	\$1,450,000	\$16,036,230
FY 2020-21	\$1,450,000	\$17,486,230
FY 2021-22	\$1,450,000	\$18,936,230
FY 2022-23	\$1,450,000	\$20,386,230
FY 2023-24	\$1,450,000	\$21,836,230
FY 2024-25	\$1,450,000	\$23,286,230

The Town of Atherton is requesting an advancement of up to three years of Library Trust Funds to be utilized for the construction of the new Atherton Library. Library Reserves can cover this advance and upon completion of the new library, annual excess funds would be retained by the Library JPA until the total amount is reimbursed.

Fiscal Impact

A funding agreement between the Library JPA and the Town of Atherton would advance funds to be received after the project years of approximately \$3.4 million to ensure completion of the new library; loaned funds would be repaid to the Library JPA by retaining excess funds currently set aside in the Atherton Trust Fund account. Capital Reserves currently total \$13,450,771 and are available to advance funds for the project.

Recommendation

Recommend Library JPA Governing Board direct staff to negotiate a funding agreement with the Town of Atherton to advance funds to ensure the timely completion of the new Atherton Library project.

Attachment

Legal Memorandum

LEGAL MEMORANDUM

From: John Shupe

To: Anne-Marie Despain

Re: Whether JPA has authority to loan money to member City to fund construction of a new library facility in that City

INTRODUCTION

You have asked whether the Library JPA has the power to loan some of its reserves to a member City to temporarily offset the member's cost of constructing a new library facility in that City. For the reasons expressed below I believe that the JPA does have that authority.

DISCUSSION

The powers of the JPA are primarily derived from the provisions of the Government Code which authorize its formation, from the agreement by which it was formed, and from its Bylaws. I have reviewed each for authorization to engage in the described act, as well as for any prohibition.

Government Code sections 6500-6539, known as the Joint Exercise of Powers Act, authorizes the formation of joint powers agencies to accomplish the goals and exercise the powers common to member agencies. Section 6504 provides that the "parties to the agreement may provide that (a) contributions from the treasuries may be made for the purpose set forth in the agreement, (b) payments of public funds may be made to defray the cost of such purpose, (c) advances of public funds may be made for the purpose set forth in the agreement, such advances to be repaid as provided in said agreement, or (d) personnel, equipment or property of one or more of the parties to

2.

the agreement may be used in lieu of other contributions or advances. The funds may be paid to and disbursed by the agency or entity agreed upon, which may include a nonprofit corporation designated by the agreement to administer or execute the agreement for the parties to the agreement.”

Because the proposed Second Amended JPA Agreement has not yet been adopted by all the members, the version of your JPA Agreement which I reviewed is the 2003 Amended Agreement. It contains the following pertinent language:

“III. C. Powers of Governing Board

1. The Library JPA, through its Governing Board, may acquire, purchase, lease, own or dispose of property and equipment, and make and enter into contracts, as may be required to meet the purposes of this Agreement. It may employ agents and employees, operate public works improvements and facilities, sue and be sued in its own name, incur debt, and invest surplus funds...”.

Also:

“VII. Property

B. Maintenance, repair and *all capital improvements to new* and existing city library facilities shall be the responsibility of the facility owner, *or pursuant to an agreement approved by the Governing Board and the facility owner.*” (Emphasis added)

I have also reviewed the version of the Bylaws accompanying the 2003 JPA Agreement. Neither it, nor the Joint Exercise of Powers Act or any other statute of which I am aware, nor the

2003 version of the JPA Agreement prohibit the Library JPA from lending its funds to a member city for the described purpose. To the contrary, the 2003 Agreement, at section VII. B., explicitly contemplates the possibility of JPA participation in the funding of a member's new library facility. It should be noted that such participation must be through an agreement negotiated between the JPA and the member city and approved by the JPA Board and the member's city council.

CONCLUSION

In my opinion the Act, the 2003 JPA Agreement and the 2003 version of the Bylaws authorize the Library JPA to participate in the funding of a member's new library facility, through an agreement negotiated between the JPA and the member city.



To: JPA Operations Committee
From: Anne-Marie Despain, Director of Library Services
Nicole Pasini, Deputy Director of Library Services
Date: September 5, 2018
Meeting: September 11, 2018
Re: Recommendation for Fine-Free Policy

Background

Libraries have historically charged fines for the late return of materials in an effort to incentivize timely return of materials and to raise revenue. Currently, San Mateo County Libraries fines for materials for adult patrons are assessed at \$0.25 per day, limited to a maximum late charge of \$8 per item, or the equivalent of 32 days late. When patron accounts owe more than \$15, the patron is blocked from checking out library materials.

In July 2016, San Mateo County Libraries introduced fine-free library cards for children and teens, and the first year brought great results. Children's circulation increased by 28% in the first year and another 18% in the second year, and registration for new library cards increased by 70% in year one and 12% in year two. Building on the success of fine-free youth cards and recognizing that late fines can be a significant barrier to library access particularly among individuals with low or fixed incomes or who have transportation issues, the Library implemented fine-free library cards for seniors age 62 and older beginning in January 2018. Currently, we have 20,000 patrons registered for senior cards and have seen an 8% increase in circulation in the first six months of the program.

Many public libraries across the nation are increasingly eliminating overdue fines in recognition that fines serve no positive purpose, instead acting as a significant and inequitable barrier to service. There is an increasing body of research and direct experience that supports the elimination of fines. Libraries that have moved to a more customer-focused policy have reported these key findings:

- Fines negatively impact library use, particularly by lower income people.
- Fines do not effectively incentivize on-time return of materials.
- Fine revenue is less than the cost of the staff time to collect fines.
- Elimination of fines results in higher use, increased customer satisfaction and improved staff morale.

These findings and the recent success of our fine-free youth and senior cards lead the Library to recommend the elimination of fines for late return of material.

Discussion

Unequal Impact

Our patrons are not unique in the unequal impact of fines on low-income communities. Both the Berkeley Public Library and Baltimore's Enoch Pratt Free Library reported that, prior to eliminating late fines, the majority of the residents blocked from using the library were from the poorest neighborhoods in their cities. Colorado State Library issued a White Paper in 2016 entitled, *Removing Barriers To Access*, that explored the impact of fines and fees on access to library services for children. This comprehensive study concluded that fines are punitive, not educational incentives, and the threat of accumulating fines for overdue materials is keeping low-income families away from libraries, or from checking out items to take home. Additionally, based on the research, fine-free policies are more user-friendly and will bring more community members into the library, especially low-income populations who need library services the most.

Late fines are a regressive penalty that more negatively impact lower income communities. 19% of East Palo Alto patrons and 13% of Bookmobile patrons, who largely live in unincorporated areas, had blocked accounts for fines above \$15, which exceed the 8% overall average for San Mateo County Libraries. Additionally, it is notable that in the last fiscal year, patrons from the East Palo Alto Library, Half Moon Bay Library and Bookmobile accounted for less than 11% of our circulation but accounted for approximately 45% of total money owed.

Incentivizing Returns

Library fines have not proven to be an effective deterrent to returning items late. In Columbus, Ohio, the library board eliminated overdue fines starting on January 1, 2017, when their data showed that fines did nothing to encourage the timely return of materials. The Colorado study agrees, finding that the profession has little empirical evidence that charging fines results in greater circulation of library materials or the return of items in a timely manner. Conversely, Vermont's Milton Public Library found that after doing away with fines, more people returned books on time and Illinois' Vernon Area Public Library noted that the average number of days items are overdue dropped 42 percent after eliminating fines. Six months after fines were eliminated at Colorado's High Plains Library District, 95% of materials were returned within a week of the due date.

Behavioral Economist Uri Gneezy at the University of California, San Diego, found that library fines are too small to be an effective deterrent, and without money in the mix, readers would be more likely to return books on time because they would feel it's the right thing to do. The vast majority of our patrons already return library materials in a timely manner. In a snapshot of our cardholders in July 2018, 74% of patrons owed no fines.

Revenue or Cost

Library material fees and fines are not a significant revenue source for San Mateo County Libraries and are declining with the increasing use of digital materials, and implementation

of automatic renewals and fine-free youth and senior cards. Revenue from this source in FY 2017-18 was \$189,446, amounting to only 0.6% of total revenue. Current revenue estimates included in this year's budget are \$99,000. Even if fines are eliminated, we would still maintain our current practice of billing patrons for lost or damaged items that are not returned 30 days after the due date and removing the bill from the patron's account when the items are returned.

Revenue attributed to overdue fines is small, but the staff time involved in collecting and depositing small amounts of fines is significant for libraries. San Rafael Public Library analyzed fine transactions and determined that each transaction requires approximately ten minutes of staff time when factoring in all the collecting, tracking and accounting of overdue fines. San Diego Public Library eliminated late fees in April after finding that it costs \$1,000,000 in staff time to collect an average of \$700,000 in fees each year. The Colorado study concluded that the administrative costs, including equipment and staff time, often equal or exceed the revenue earned from library fines and fees. San Mateo County Libraries have a strong history of maximizing and aligning staff resources towards high-impact, meaningful work that positively engages our community and promotes library resources and facilities; time spent collecting fines is not in alignment with these values.

Return on Investment

The return on investment for eliminating fines is high. Like San Mateo County Libraries, the Salt Lake City Public Library reported that when they eliminated fines, the library lost less than 1% of its budget in exchange for significant increases in use, including an 11% increase in circulation, an 11% increase in borrowers and a 4% increase in new card registrations. Every library contacted that eliminated late fines reported overwhelmingly positive responses from patrons, and most reported that people who stopped using the library for financial reasons returned.

Conclusion

Ample research suggests that fines do not serve their intended purpose of promoting the timely return of materials and instead create significant barriers to library access. Evidence also suggests that the small loss in revenue will most likely be offset by staff savings associated with the management of late fees, and would result in significant increases in library use, customer and staff satisfaction, and benefit to the community. Late fines are in opposition to our strategic goals of ensuring equitable access, creating welcoming experiences, and growing a culture of learning and participation. Based on the evidence and our mission and values, a new fine-free policy is recommended.

Fiscal Impact

Revenue from fines, fees and material replacement payments are currently estimated at \$99,000. A decrease of \$75,000 is included in the FY 2018-19 Final Adopted Budget to account for recent customer service enhancements and this recommended policy change.

Recommendation

Recommend JPA Library Governing Board direct staff to create a policy for approval that eliminates overdue fines for late return of library materials.



To: JPA Operations Committee
From: Anne-Marie Despain, Director of Library Services
Danae Ramirez, Financial Services Manager
Date: September 5, 2018
Meeting: September 11, 2018
Re: Approval of the Final Adopted Budget

Background

The San Mateo County Library JPA Budget serves as the annual financial plan, an operations guide, and a communications tool. On June 11, 2018, the FY 2018-19 Recommended Budget was approved by the JPA Governing Board and included services and activities designed 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 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 Approved 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

Discussion

The FY 2018-19 Recommended Budget approved by the JPA Governing Board was implemented on July 1 and totaled \$48,712,680. Based on fiscal year-end closing activities and availability of updated information, the FY 2018-19 Adopted Budget now totals \$53,569,320.

The following summarizes FY 2018-19 Adopted Budget adjustments:

- Fund Balance (\$18,687,749 to \$23,619,389) - Fund Balance reflects the carry forward of Reserves, unanticipated revenues and unspent appropriations at the close of the fiscal year. There is an increase of \$4,931,640 in this funding source due to \$2.1 million in additional realized revenue (secured and unsecured taxes, ERAF, additional interest earned and interfund revenue); Salary and Benefits savings of \$1 million due to staff turnover and vacancies; and \$1.8 million in delayed and uncompleted projects, including facility and technology projects. A portion of the fund balance has been allocated to support additional service improvements (described below), and the balance has been set aside in Reserves.
- Charges for Services (\$99,000 to \$24,000) - There is a decrease of \$75,000 in this revenue source due to recent customer service enhancements and a recommended policy change to eliminate fines for overdue materials.
- Salaries and Benefits (\$18,265,697 to \$18,190,697) - There is a decrease of \$75,000 in this expenditure category reflecting a reduction to extra help staffing costs to offset the reduction of revenue from fines and fees.
- Services and Supplies (\$34,372,533 to \$35,200,533) - There is an increase of \$828,000 in this expenditure category primarily due to the rollover and purchase of technology equipment and furniture for the new Half Moon Bay Library in this fiscal year. The increase also includes additional donation funds available to libraries for expenditure.
- Reserves (\$13,235,586 to \$17,339,226) - There is an increase of \$4,103,640 in this expenditure category representing remaining unspent Fund Balance. \$112,950 will go into Operating Reserves to meet the JPA Fund Balance policy of 15% of Net Appropriations and the remainder of \$3,990,690 will go into Capital Reserves.

The FY 2018-19 Adopted Budget sets ambitious but achievable goals that foster the Library's continued leadership in our communities. The Library takes great pride in developing a budget that is sustainable and realistic, aligns with system strategies, and ensures a strong foundation for future budgets.

Staff appreciates the assistance and guidance provided by both the JPA Operations Committee and Governing Board in pursuing high quality, innovative library services, and looks forward to implementing the activities funded in the FY 2018-19 Final Adopted Budget.

Fiscal Impact

The proposed Adopted Budget for FY 2018-19 is balanced and totals \$53,569,320 (Total Requirements). Changes from the Recommended Budget approved in June to the proposed Adopted Budget are described above and in the attached FY 2018-19 Adopted Budget Summary.

Recommendation

Recommend Library JPA Governing Board approve the FY 2018-19 Final Adopted Budget.

Attached Document

FY 2018-19 Adopted Budget Summary

**San Mateo County Libraries
FY 2018-19 Adopted Budget Summary**

Sources	FY 2017-18 Actuals	FY 2018-19 Recommended	FY 2018-19 Adjustments	FY 2018-19 Adopted
1000 Taxes	28,715,975	27,953,243	0	27,953,243
1500 Use of Money and Property	321,577	125,000	0	125,000
1600 Intergovernmental Revenues	166,119	160,372	0	160,372
2000 Charges for Services	189,446	99,000	(75,000)	24,000
2500 Interfund Revenue	275,807	145,355	0	145,355
2600 Miscellaneous Revenue	2,317,833	1,541,961	0	1,541,961
Total Revenue	31,986,757	30,024,931	(75,000)	29,949,931
333 Fund Balance	22,188,093	18,687,749	4,931,640	23,619,389
Total Sources	54,174,850	48,712,680	4,856,640	53,569,320

Requirements

4000 Salaries and Benefits	16,816,567	18,265,697	(75,000)	18,190,697
5000 Services and Supplies	25,371,468	34,372,533	828,000	35,200,533
6000 Other Charges	1,824,699	1,804,314	0	1,804,314
7000 Fixed Assets	0	500,000	0	500,000
7500 Other Financing Uses	12,463	12,787	0	12,787
Gross Appropriations	44,025,197	54,955,331	753,000	55,708,331
8000 Intrafund Transfers	(13,469,737)	(19,478,237)	0	(19,478,237)
Net Appropriations	30,555,460	35,477,094	753,000	36,230,094
8500 Operating Reserves	4,119,737	3,775,505	112,950	3,888,455
8700 Capital Reserves	12,330,336	9,460,081	3,990,690	13,450,771
Total Reserves	16,450,073	13,235,586	4,103,640	17,339,226
Total Requirements	47,005,533	48,712,680	4,856,640	53,569,320

Position Count- Salary Resolution	122	122	0	122
Full-Time Equivalent (FTE)	110.25	110.4	0	110.4