San Mateo County Libraries

Agenda Item IV.

To: JPA Governing Board

From: Anne-Marie Despain, Director of Library Services
Danae Ramirez, Deputy Director of Library Services
Lindsey Freeland, Financial Services Manager

Date: June 8, 2021

Meeting: June 14, 2021

Re: Adoption of the FY 2021-22 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.

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 JPA Governing Board
May	Recommended Budget is Submitted to the JPA Governing Board
June	Recommended Budget is Adopted by the JPA Governing Board
September	Final Adopted Budget is Approved by the JPA Governing Board
September	Final Adopted Budget is Approved by the County Board of Supervisors

The FY 2021-22 Recommended Budget was presented to the Operations Committee on May 11 and to the Governing Board on May 17. The presentation detailed significant current year achievements, performance data illustrating productivity and progress, and a breakdown of budgeted revenues and expenditures designed to achieve the goals included in the Strategic Plan. The Library JPA meetings in June seek adoption of the FY 2021-22 Recommended Budget.

Discussion

FY 2021-22 Budget Priorities

The Recommended Budget prioritizes and distributes resources to support goals that are in line with our Strategic Plan. We continue to support programs and services tied to best practices and measurable results to ensure that the public receives excellent services. Our FY 2021-22 priorities include:

- Build and update libraries that include vibrant and welcoming spaces that inspire exploration, creativity, and collaboration
- Increase digital equity through access to technology and skill building to accelerate learning and employment opportunities
- Expand our impact in building foundational literacy skills and supporting social emotional growth
- Develop responsive programs that support critical out of school hours and engage kids and teens
- Increase equity through inclusive data strategies and implementing equity action plans to improve community outcomes
- Cultivate and grow a community of learners by building new makerspaces and providing mobile events
- Amplify the talents and passion of our library champions to strengthen our communities
- Protect and nurture the environment when conducting business and develop staff into stewards of our environment

FY 2021-22 Budget Highlights

The proposed FY 2021-22 Recommended Budget is balanced and demonstrates that our libraries are well positioned to operate within available resources now and into the foreseeable future.

Total Sources and Total Requirements in the FY 2021-22 Recommended Budget are $64,956,218. Total Revenue is $37,144,907 and Net Appropriations total $40,285,752. Salaries and benefits comprise our largest expense and represent $21,923,337, or 54%, of the total operating budget. Operating Reserves are budgeted at $4,464,763 and Capital Reserves are budgeted at $20,205,703.

The FY 2021-22 budget sets ambitious goals to foster continued leadership in our communities. San Mateo County Libraries take pride in developing a budget that aligns with system strategies and ensures a strong foundation for future budgets.

Fiscal Impact

The proposed budget for FY 2021-22 is $64,956,218. General Operations total $40,285,752. Operating and Capital Reserves total $24,670,466 and are in compliance with the Fund Balance Policy.

Recommendation

Recommend Operations Committee approval of the FY 2021-22 Recommended Budget. Operations Committee members present at the June 8, 2021, meeting concurred with this recommendation.

Attachment

FY 2021-22 Recommended Budget

San Mateo County Libraries

Fiscal Year 2021-22

Recommended Budget

Overview

San Mateo County Libraries are exciting destinations where everyone is welcome to explore, learn and create. Each of our thirteen libraries is part of a larger family offering worlds of discovery.

People – the unique diversity and complexity of those we serve – inspire and drive our services. We continually assess the needs of our users, responding with thoughtfully designed programs and services that enrich lives and uplift the community.

Despite our challenges this year, we proved to be a nimble organization full of innovative thinkers who are dedicated to providing unmatched services to our community.

History and Governance

Originally established by the San Mateo County Board of Supervisors in 1912 as a County Free Public Library, the San Mateo County Library Joint Powers Authority (JPA) was established in 1999.

The JPA is a separate, independent entity with its own Governing Board, consisting of elected officials from each member. An Operations Committee composed of city and county representatives from each member agency also provides guidance.

Our service area covers 351 square miles and is comprised of the unincorporated areas of the County and the cities of Atherton, Belmont, Brisbane, East Palo Alto, Foster City, Half Moon Bay, Millbrae, Pacifica, Portola Valley, San Carlos, and Woodside.

Demographics

283,997 people live in our service area

37% of total county population

6% population growth since 2012

Age Distribution

Under 15	18%
15-24	11%
25-34	13%
35-44	14%
45-54	15%
55-64	14%
65+	16%

25% are enrolled in school

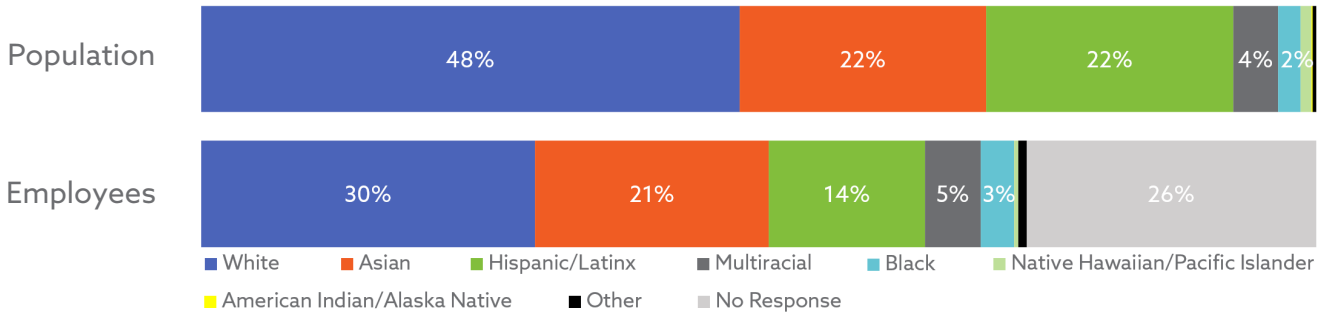
46% are in grades K-8

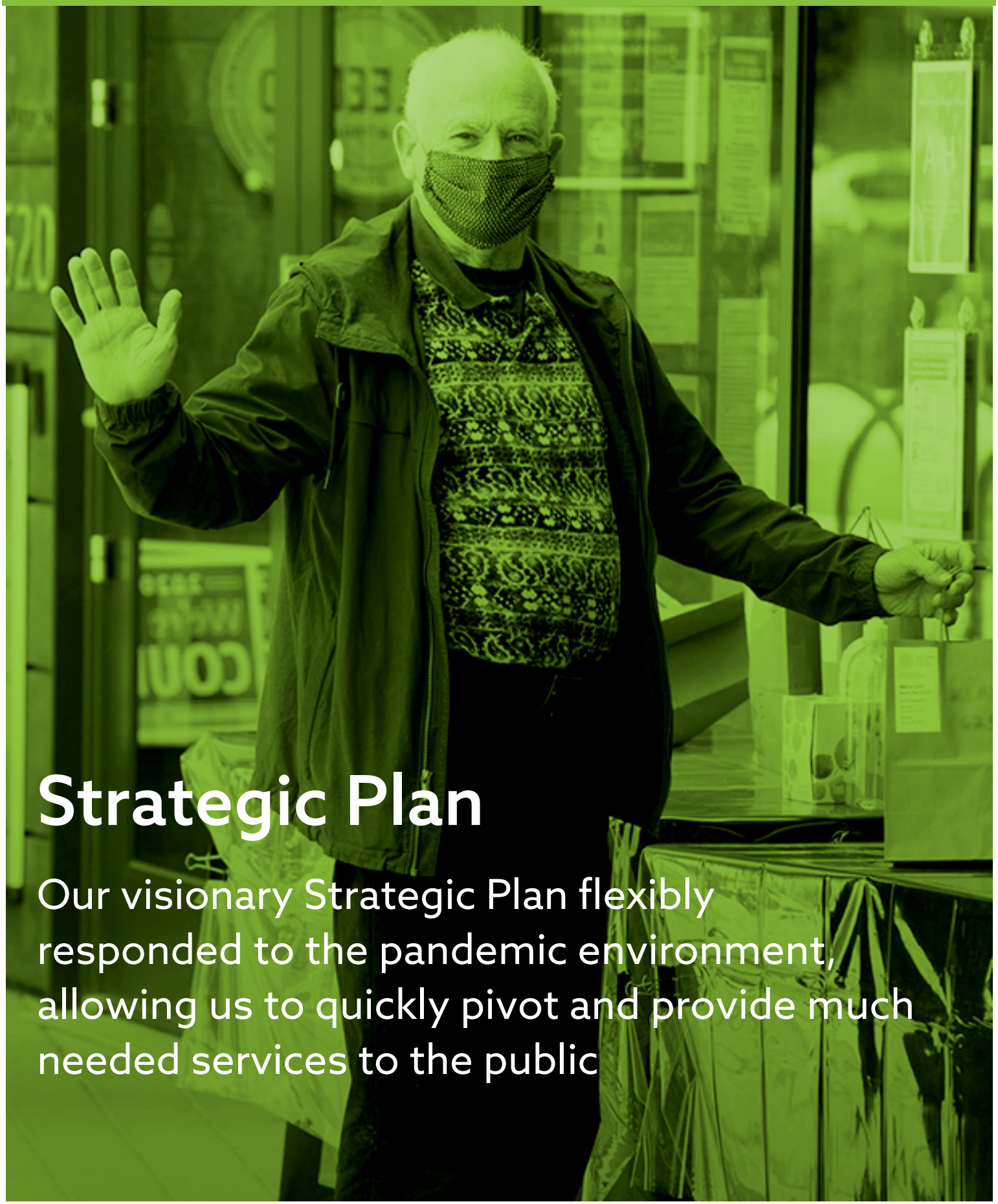
Languages Spoken at Home

61%	17%	8%	3%	11%
English	Spanish	Mandarin or Cantonese	Tagalog	Other

Data derived from 5-year population estimates from the 2019 American Community Survey.

Race & Ethnicity





Strategic Plan

Our visionary Strategic Plan flexibly responded to the pandemic environment, allowing us to quickly pivot and provide much needed services to the public

Vision

San Mateo County Libraries ignite growth through transformative experiences

Mission

We strengthen our community by creating an inclusive sense of place and environment for learning

Our Goals

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

This means we will:

- Build and update facilities to create inviting and flexible spaces
- Spot opportunities to deliver services beyond buildings
- Deliver an easily accessible and rich online experience

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

This means we will:

- Engage children and families in high quality, research-based learning experiences
- Bridge the digital divide by building skills and providing access to technology
- Develop creative programs and services that have measurable results
- Grow a culture of learning and participation

We understand needs and promote meaningful library services as solutions.

This means we will:

- Understand and align with community goals
- Communicate an inspiring vision and the library's story of impact
- Cultivate library champions who reflect the dynamic environment

  Employ new ways to ensure equitable access

Accomplishments

Staff ingenuity and thoughtful mobilization resulted in many new and reimagined services

Accomplishments

Community Impact

- This year, we expanded curbside services to five days a week and began providing Walkup services later in the year. As of March 2021, 897,865 checkouts were fulfilled using our Walkup and Curbside Pickup services.

- On April 22, 2021, we enthusiastically reopened our doors to the public after over a year of library closures due to the pandemic. Express Service allowed patrons to enter our buildings, access technology, and browse for books again.

- To help our community navigate the mental health challenges that can arise in these uncertain times, we were proud to be the first public library to partner with Calm, a mindfulness app, to provide resources for adults and children.

- Our popular Grab & Go bundles were introduced to allow patrons to pick up staff-curated bundles or to request personalized bundles in advance. The bundles include picture books, children's nonfiction, easy readers, teen books, adult fiction, and world languages. This service has put 129,967 books into the hands of our community members. Our early reader bundles have been enthusiastically received, representing approximately 89% of all bundles.

  "Grab & Go is the best idea ever! It's magical because we end up reading things we would have never read. I hope it continues once the pandemic is over. Thank you!" - Library patron

- We are committed to making our libraries equitable for all. Staff participated in a 21-Day Racial and Social Equity Challenge and managers completed a series of three equity trainings. We also engaged a consultant, The Justice Collective, for an organizational equity lens assessment to identify opportunities for growth and action moving forward.

- We hosted one the world's leading experts on unconscious bias, Dr. Jennifer Eberhardt. Over 1,000 community members registered for the event. Additional equity author series programs feature four authors discussing redlining, immigration, education, and the LGBTQIA+ community. Each is followed by a community conversation to promote dialogue and understanding.

- Food insecurity is a sobering issue, and we are proud of our ongoing community meal programs in East Palo Alto and Half Moon Bay, offered during the pandemic as a to-go service. We have provided 23,346 meals to our community members this fiscal year.

- Transitioning to virtual spaces has allowed us to work with more adult learners countywide. To meet demand, we expanded our online ESL services and are now offering more English Conversation Clubs each week. As of March 2021, 1,802 adult learners have been engaged in learning experiences.

  "You always give me interesting topics that I can learn not only English but also what is happening in the world. They are so exciting to me. Thank you again!"
  – Adult learner

- We have been active in our community, holding 232 school outreach events with 7,919 participants. At one event, 854 students watched author Shawn Harris read his book *Her Right Foot* and show how he uses collage techniques to create the artwork for his books.

Exploration and Growth

- The Big Lift 2020 Summer Program adapted to the pandemic environment to provide a half-day, in-person camp to 605 rising kindergarten through 3rd grade students. The STEAM portion of the program was reimagined so families could do activities together from home. Over 850 students were provided with a STEAM kit, including materials and instructions in English and Spanish.

- Take and Make kits have been a popular new addition to our services. 8,458 kits have been offered to our community as a way to engage young minds. Recent kits have included activities with yarn, puppet making, and even catapult construction.

- We incorporated Raising A Reader, a national evidence-based early literacy and parent engagement program into our collection of services. The program, which is aimed at sustaining literacy routines at home, was born at San Mateo County Libraries decades ago and is currently serving over 4,000 students in 205 classrooms throughout the county.

- Our Summer Learning Challenge continues to flourish. Libraries across the county reached 54,170 youth. In collaboration with community partners, 82,909 books were given away.

- A new collaboration with Genentech led to the launch of a virtual afterschool engineering program, GeneAcademy, for 100 students throughout the county. Students participate biweekly and build literacy skills while also learning about various STEAM topics through live hands-on activities. The program is offered to 3rd-5th grade students, targeting youth from the highest need and Big Lift partner schools.

"Today my tower worked! It was made out pipe cleaners, tape, straws, and a paper clip. The only problem was that it broke so I can't show you a photo."
– GeneAcademy participant

- The Student Success Project is an effort to ensure every school age child has a library card. This year, we successfully worked with the La Honda-Pescadero and San Carlos School Districts to provide students with active cards. Expanding access to our educational and online resources was more important than ever as schools continued in distance-learning environments. We are actively working with additional school districts and look forward to adding new partnerships.

- Creativity at the libraries continues to thrive, especially with our virtual 3-D printing service. Since the re-launch of 3D printing services in November, we have had 281 projects submitted online for pick up through Curbside. One patron printed a missing dial to an ice cream maker in order to enjoy a cool treat at home.

- Virtual author visits have become widely popular within our school outreach efforts and adult programming. From January-March this year, we hosted 17 youth authors in schools throughout the county, serving over 3,533 students and giving away over 2,665 books to classrooms. To accompany our adult and equity author series, we have given away 3,770 featured titles at our curbside locations. We have also connected our community to the best works of Bay Area storytellers. So far this year, we have featured 10 exciting local authors reading 12 original works.

Vital Support

- Throughout the pandemic, our library champions have supported critical community needs. Staff have served as contact tracers, meal providers, and vaccine distribution workers. Staff provided 10,320 hours contact tracing to curb the spread of COVID-19.

- We have increased the number of hotspots available to over 1,500 and have worked with schools and community partners to ensure those most in need have distance learning support. One partnership with the Sequoia District Adult School enabled us to loan 50 WiFi-Hotspots to their students for the school term. Exterior wireless access points were also installed at all locations.

- In addition to providing more access to tools, we are also invested in increasing digital literacy. Staff began providing 45-mintue, one-on-one, tech support through Zoom. Since May, we have provided 573 sessions.

- Tech Café is a staff led program providing resources and demos to patrons to help increase digital literacy. A range of topics including Library Tools for Students, Using Zoom, and Career Online High School has drawn a dozen participants per session.

  "Really enjoying these Tech Café sessions. I always learn something new, and it's a great place to ask questions as well."
  – Library patron

- Being able to stay connected with our communities and support access to our services was of high importance throughout the pandemic. Our new Customer Care service was utilized 27,309 times to connect with residents through email, text, and phone, including providing support in Spanish and Mandarin.

- Since September 2020, patrons have had access to our public printers through our Print Anywhere service. Over 12,000 print jobs have been fulfilled. Patrons have printed forms for essential programs, schoolwork, and creative projects.

  "Thanks a million! PrintAnywhere saves me an extra trip! Thank you for all you do to make my life a little brighter in this challenging time!" – Library patron

- A partnership with and $20,000 grant from the County Office of Community Affairs allowed us the resources to assist with coronavirus outreach efforts. Library staff worked to spread important and vital information to the community through programming and events, and digital and print materials.

- Our workforce development programs have reached over 500 people through 44 sessions this year, including a new partnership with the Employment Development Department that provides one-on-one resume assistance. These programs provide critical support given the job losses that followed the COVID-19 outbreak.

Inspiring Spaces

- The new light-filled Brisbane Library opened to the public in April 2021! The new building meets LEED Silver standards and is designed to be a Zero Net Energy building. The beautiful 7,670 square foot library provides a 50% increase in collection size, and includes new dedicated areas, such as a collaborative makerspace, Community Room, children's space, and History Room.

- The much-anticipated Atherton Library is almost complete. The library will open later this summer and include a new one-story, 9,600 square-foot building and the restored historic Town Hall, increasing the total footprint to just under 11,000 square feet. Exciting new services include a digital lab, makerspace, café, and outdoor patios.

- We were thrilled to have the North Fair Oaks Library join our system in March. Staff have been busy expanding hours of operation and increasing services. The transfer followed approval of a new cost-sharing agreement between the JPA and Redwood City. Getting to know this community has been a joy, and we look forward to working together with them to continue to expand our presence and design services for the community in the coming year.

- We have expanded our workspaces beyond our buildings offering telework to nearly all employees. Telework and the resulting reduction in traffic has moved us toward our sustainability goal to reduce our carbon footprint by conducting more online meetings and providing telework opportunities to staff that do not need to be onsite.

- In recognition that our community needed virtual spaces to gather, we began offering a Library sponsored Zoom room for personal use. To date, 45 virtual meetings have been booked through this service.

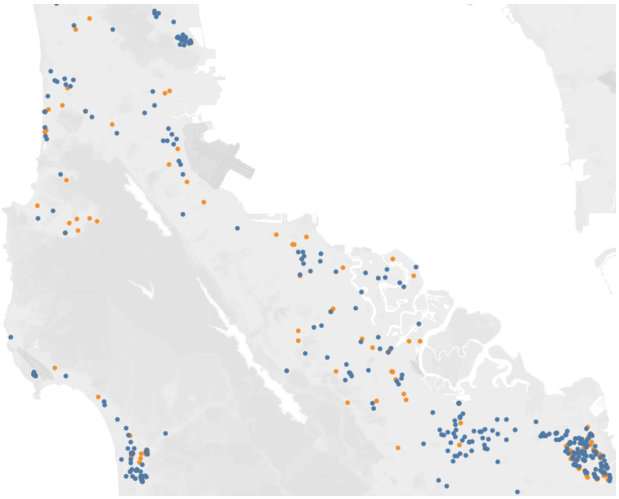
Performance

We are proud to share our performance and the positive impact we have had on our communities during an unprecedented year

Performance

Digital Access

Snapshot of Location of Checked Out Wi-Fi Hotspots and Combos in 2021



We continue to work to bridge the digital divide and have increased the number of Wi-Fi hotspots and combos available for checkout from 776 at the end of FY 2020, to 1,526 as of March 2021. We have also added 250 Chromebooks to the tech tools we offer to support school learners.

We expanded wireless access points from 49 at the beginning of the pandemic, to 82. As of March, there have been 1,919,745 wireless connections, with 13,271 unique users.

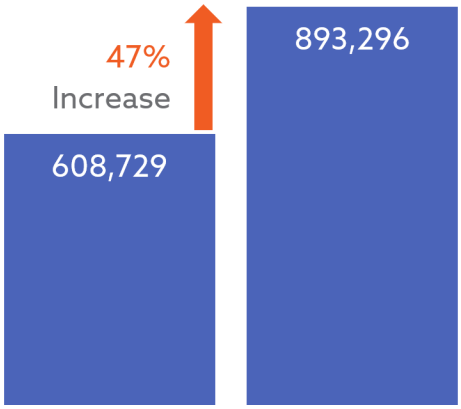
97% Increase in Hotspots Available for Checkout

67% Increase in Wireless Access Points

Digital Circulation

Demand for our digital materials has accelerated in the COVID-19 environment. Digital circulation was 47% higher as of March 2021 this fiscal year than in March 2020 of the prior fiscal year. Based on current year-end projections, we expect to see a 284% increase in digital circulation in the last three years, from FY 2017-18 to FY 2020-21.

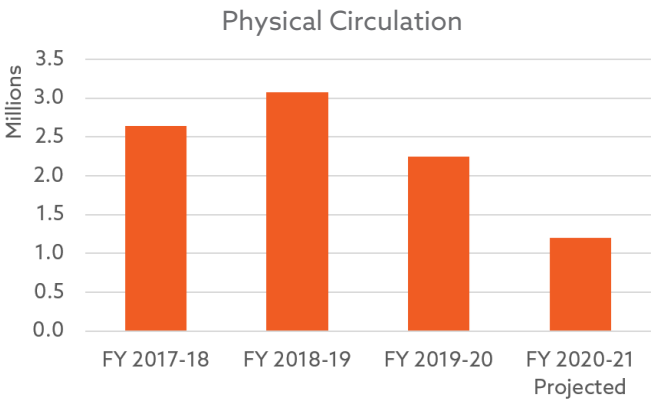
Digital Circulation Growth



Digital collections include eCheckouts (eBooks, audiobooks, music, and movies) and eDatabases (language acquisition programs, newspaper collections, and more), which have increased 18% and 147% respectively when compared to March of last fiscal year.

OverDrive is our most popular digital resource, with 311,716 uses so far this fiscal year, a 34% increase compared to March of last fiscal year. Brainfuse HelpNow, which provides on-demand homework help, experienced an 86% increase compared to March of last fiscal year.

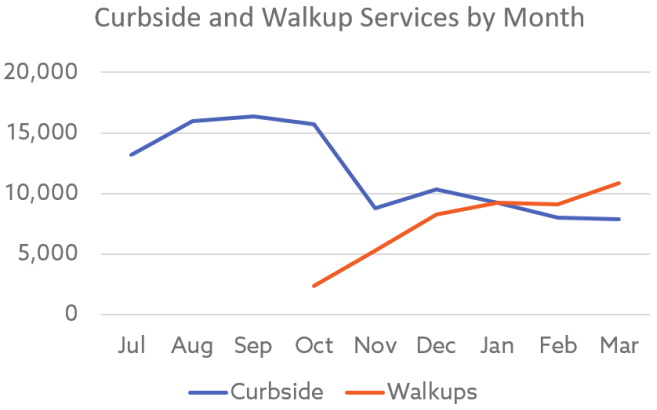
Physical Circulation



Being unable to welcome visitors into our buildings for most of the year impacted our physical circulation and required us to reimagine services to continue to reach our communities.

105,508	45,057	150,565
Curbside	Walkup	Total Served

Curbside and Walkup Services provide access to materials outside of our buildings. Walkup Services began in October and have recently become the most utilized service.



Programs & Events

773	22,765
Virtual Events	Attendees

We continue to offer transformative experiences through our high-quality, virtual programs. Staff offered 232 school outreach events, 123 English development sessions, 106 book-related programs, and 93 early literacy & play experiences as of March this fiscal year. Our presence on YouTube also continues to grow. This fiscal year, 636 videos have received 19,775 views and staff have added 316 new videos.

Our staff's language skills have enabled us to provide 94 events and 157 videos in multiple languages or in a language other than English.

Content Provided in a Language Other than English or in Multiple Languages

12%	25%
Virtual Events	Videos

Library Champions

This past year we have face unprecedented challenges and we have strived to prioritize wellness and connection for our staff.

98% of staff believe their work is important to the overall success of the organization

96% of staff report that their teams encourage and support their best work

In an effort to promote our staff's wellbeing, we provided 12 sessions with specialists on a range of topics such as coping with anxiety, meditation, managing change, and developing a growth mindset.

"Spending a part of my workday learning how to better manage my anxiety was incredibly helpful, especially during a time when everything has felt overwhelming."
– Library employee

Another way we have worked to maintain connection is through a weekly update and regular all staff conversations. In addition to important updates on the pandemic, it also gave us an opportunity to highlight "Bright Spots" and celebrate all our tremendous accomplishments.

Our library champion's talents continue to inspire others. A winning Pitch-It idea, Sew & Go, has added sewing machines to all locations and has become a popular resource during the pandemic, with 92 checkouts so far this year.

Staff's strong support for one another throughout the year was award worthy. We received a Tiny Pulse award for the highest number of "cheers" per capita for 2020 in the government and non-profit industry group. Cheers for Peers is a feature of our employee engagement tool that encourages employees to send virtual "cheers" to each other to recognize good work. Our Cheers per capita was 15.06, which Tiny Pulse noted as an incredible number for our industry!

Recommended Budget

Through the careful distribution of resources, we deliver high-quality library services in a collaborative and cost-effective manner

Budget Background

The annual budget details the operations, projects, and initiatives for San Mateo County Libraries and distributes resources designed to meet performance and service objectives. Input is sought from staff, JPA members, and community stakeholders in order to respond to community needs and optimize resources with the goal of providing meaningful services.

The budget is prepared on the modified accrual basis of accounting in which revenue is recognized when it is both measurable and available, and expenditures are recorded when they are incurred. Total expenditures may not exceed the budgeted expenditures, and the budget lapses at the end of each fiscal year. The fiscal year begins July 1 and ends June 30.

Approval of the annual budget is the responsibility of the Library JPA Governing Board. The budget is legally enacted through passage of a motion during a Board meeting, followed by approval from the San Mateo County Board of Supervisors.

2021-22 Priorities

Through the budget process we establish ambitious initiatives that align with our Strategic Plan. The following priorities will be continued and implemented this year:

- Build and update libraries that include vibrant and welcoming spaces that inspire exploration, creativity, and collaboration
- Increase digital equity through access to technology and skill building to accelerate learning and employment opportunities
- Expand our impact in building foundational literacy skills and supporting social emotional growth
- Develop responsive programs that support critical out of school hours and engage kids and teens
- Increase equity through inclusive data strategies and implementing equity action plans to improve community outcomes
- Cultivate and grow a community of learners by building new makerspaces and providing mobile events
- Amplify the talents and passion of our library champions to strengthen our communities
- Protect and nurture the environment when conducting business and develop staff into stewards of our environment

Revenues Summary

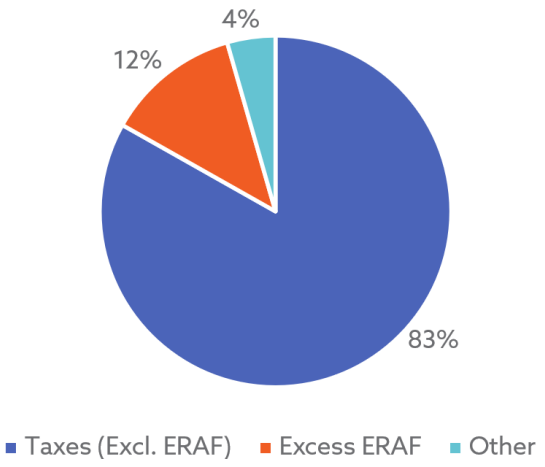
Recommended Revenues total $37.1 million. Our main source of revenue is derived from taxes ($35.5 million). Designated as a special district, San Mateo County Libraries is entitled to receive a portion of property taxes collected within the boundaries of our service area, which are our primary source of ongoing revenue.

Revenue from secured property taxes (taxes assessed against real property) is estimated to increase to $25.8 million. Revenue from unsecured taxes (taxes on aircraft and commercial equipment largely generated from businesses at San Francisco International Airport) is estimated to increase to $1.2 million.

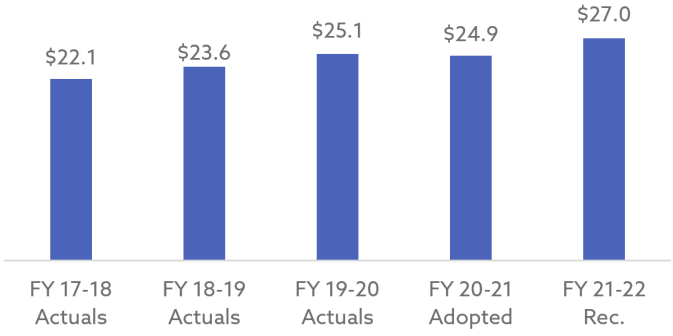
Other sources of significant ongoing revenue include a projected $1 million from the dissolution of redevelopment agencies (RDA) and $560,000 from taxes resulting from secured and unsecured Supplemental Assessments (taxes derived from properties that have changed ownership or have been reassessed due to new construction).

Significant one-time revenues include $4.6 million in excess Educational Revenue Augmentation Funds (ERAF) and $2.1 million in Measure K funds to support The Big Lift Summer Program, the Summer Learning Challenge, Raising a Reader, and a new East Palo Alto Library.

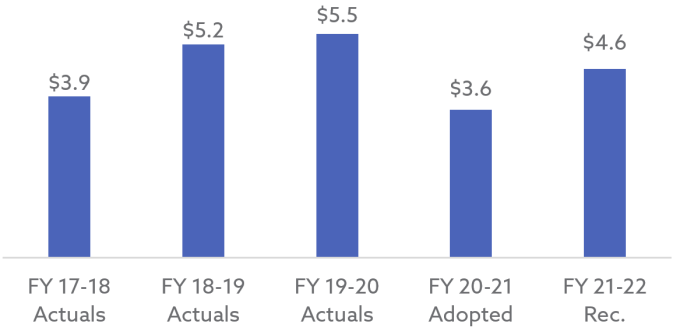
FY 2021-22 Budgeted Revenue



Total Property Tax Revenue
in Millions



Total Excess ERAF
in Millions

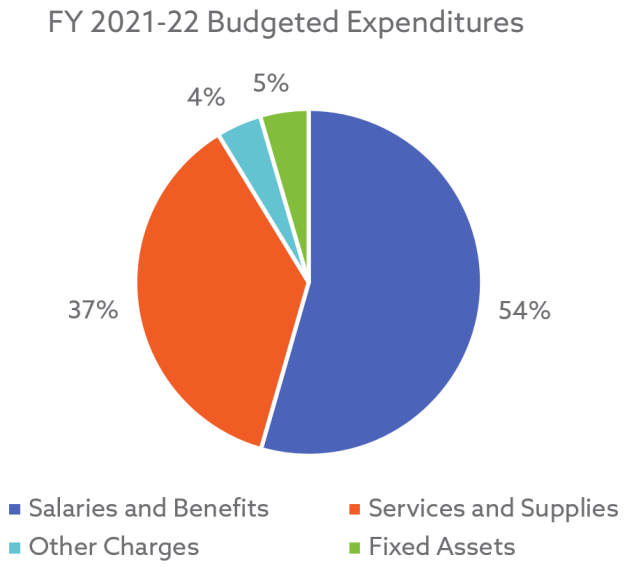


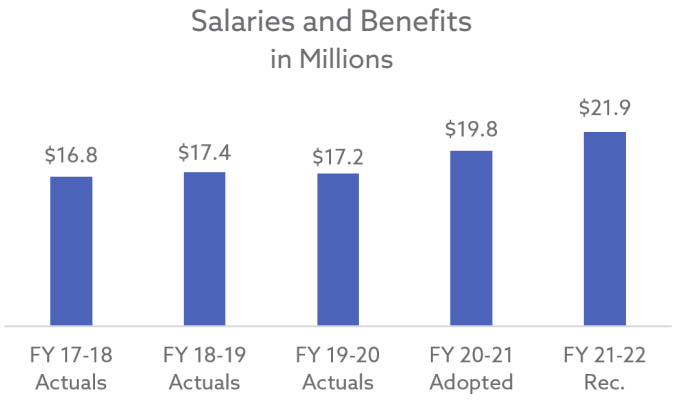
Expenditures Summary

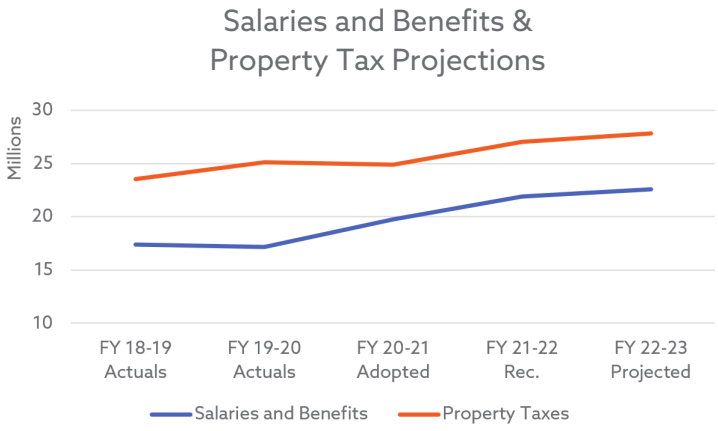
Recommended Expenditures total $40.3 million. Salaries and Benefits are the largest contributor to ongoing costs, representing 54% of all expenditures. All San Mateo County Libraries staff are employees of the County of San Mateo. In FY 2021-22, labor costs will be approximately $21.9 million, an overall increase of 11%, mostly due to the addition of 12 positions.

Other significant operational expenses fall under Services and Supplies at $14.8 million and include $2.8 million for computer equipment, software, and maintenance agreements; $2.7 million for library collections; $1.6 million to support library programs, including initiatives in the summer; an estimated $1.2 million in excess library property taxes set aside for library use in Atherton, Woodside, Portola Valley, and San Carlos; $1.7 million for furniture and equipment replacement and upgrades; and $1.5 million for services provided by the Peninsula Library System.

Other Charges total $1.7 million and include $1.2 million for direct and indirect services provided by the County and $350,000 for service agreements with Daly City (to provide services to Colma and Broadmoor). Fixed Assets and Other Financing Uses account for the remaining expenditures.







Reserves Summary

The FY 2021-22 Recommended Budget sets aside a total of $24.7 million in Operating and Capital Reserves.

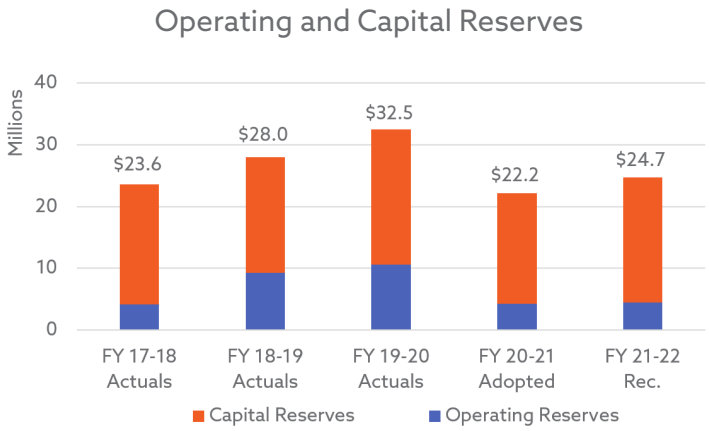
The Fund Balance Policy requires that Operating Reserves be maintained at 15% of adopted general operations (Net Appropriations excluding one-time activities). These funds are maintained in the event of emergencies, unanticipated funding losses, and one-time needs to stabilize current operations. The FY 2021-22 Recommended Budget meets the requirement established for Operating Reserves by setting aside $4.5 million.

Additionally, the Policy requires us to maintain Capital Reserves in an amount equal to but not less than $2.5 million. The FY 2021-22 Recommended Budget meets this requirement, setting aside $20.2 million in Capital Reserves. These funds may be used for innovative opportunities related to operational improvements and asset replacement needs as approved by the Governing Board.

Capital Reserves not called out in the Fund Balance Policy are assigned to ensure sufficient funding for anticipated projects and activities that are financially significant. Refinement of these assignments may take place over time to ensure sound fiscal management, to be responsive to evolving service needs, and to recognize potential fluctuations in the availability of revenue.

Our strong reserves can be primarily attributed to the growth of Excess ERAF revenue. Due to the potential unpredictability of ERAF funding, the Governing Board has authorized the use of Excess ERAF for one-time purposes or to be set aside in reserves.

Given our reliance on property taxes, the accumulation of reserves also provides a safety net in lean fiscal years.



Budget Overview

The Budget Overview highlights significant changes from the FY 2020-21 Adopted Budget to the FY 2021-22 Recommended Budget by major classification category for both revenue (Total Sources) and expenditures (Total Requirements).

Total Sources

- Taxes ($32,914,656 to $35,495,986): There is an increase of $2,581,330 in this funding source primarily due to projected increases to secured property taxes and adjusting excess ERAF to reflect recent actuals and estimates from the County Controller.

- Use of Money and Property ($155,042 to $395,542): There is an increase of $240,500 due to adjusting interest expectations to reflect recent actuals.

- Intergovernmental Revenue ($367,925 to $178,000): There is a decrease of $189,925 in this funding source due to the removal of one-time grants from the prior year. We are closely following developments around the American Rescue Plan Act and other potential funding opportunities for libraries and will adjust this account in September Revisions if needed.

- Interfund Revenue ($315,570 to $808,841): There is an increase of $493,271 primarily due to the anticipated return of Town of Atherton excess funds to continue to repay the one-time advancement from FY 2020-21.

- Miscellaneous Revenue ($158,000 to $242,538): There is a slight increase of $84,538 in this funding category due to an allocation for purchasing Summer Learning books. This increase is offset by the removal of a one-time grant from the prior year. This allocation includes an anticipated donation of $100,000 from the Foundation to support The Big Lift Summer and Raising a Reader programs. Friends donations are not projected in the budget.

- Fund Balance ($32,484,732 to $27,811,311): There is a decrease of $4,673,421 in this funding source to align with FY 2020-21 mid-year estimates of year-end Fund Balance. Fund Balance reflects the carry forward of Reserves, unanticipated revenues, and unspent appropriations projected at the close of the current fiscal year. After June 30, 2021, a final reconciliation will be completed to account for actual revenue and expenditures, and final Fund Balance for FY 2021-22 will be adjusted during September Revisions.

Total Requirements

- Salaries and Benefits ($19,790,444 to $21,923,337): There is an increase of $2,132,893 in this expenditure category primarily due the addition of 12 new positions supported by ongoing revenue (1.4M):

  - Six positions were added to support the North Fair Oaks Library (3 Library Assistants, 1 Community Program Specialist, 1 Librarian, and 1 Senior Librarian). Additional revenue resulting from a recently approved agreement with Redwood City will offset the cost of these positions beginning in FY 2022-23.
  - Three positions were added to support the expanded hours and the new, larger Atherton Library (1 Library Assistant, 1 Librarian, and 1 Branch Manager).
  - One Librarian was added to support The Big Lift Summer and Raising a Reader programs. Additional Measure K revenue of $100,000 will offset the cost of this position.
  - One Communications position was added to address an ongoing and expanded need for online and mobile communications support.
  - One Office Assistant position was added to support Administration systemwide activities.

In addition, extra help allocations that were previously reduced due to services impacts of COVID-19 have been reinstated ($323,042) and additional extra help dollars have been added to support efforts to combat COVID-19 educational impacts through an expanded Big Lift Summers program and new Library Explorers summer camps ($332,254).

All non-management permanent staff, Extra Help, and limited term employees are represented by the Service Employees International Union (SEIU). The County will negotiate a new agreement with SEIU as the current agreement expires on October 2, 2021. The last adjustment in the current agreement of 3% went into effect on October 4, 2020. There are no future, estimated salary inflations projected at this time.

The County also negotiates an agreement for SEIU Extra Help and limited term employees. The current agreement expires on January 22, 2022. The current SEIU Extra Help agreement provides the same salary increases and effective dates as those provided to permanent employees.

The total number of library positions is 135 and the total full-time equivalent (FTE) is 120.2. Extra Help and limited term staff are not reflected in total FTE or position count.

- Services and Supplies ($20,554,885 to $14,825,095): There is a decrease of ($5,729,790) in this expenditure category, primarily due to the removal of the prior year allocation for the one-time advancement of excess funds to the Town of Atherton.

  Other significant changes in Services and Supplies include:

- Collections costs total $2,734,551 (accounts 5931-5939) for print, audio, video, and digital materials (e.g., eBooks, eAudiobooks, eMagazines, eMusic, and eVideos).

- Computer equipment and software costs (accounts 5212 and 5215) total $2,759,310. These accounts include funding for staff and public computers, printing, wireless services, and includes costs for software licenses. This allocation includes equipment purchases for the new Atherton library.

- Furniture and Equipment costs total $1,669,000 (account 5234). These funds will be used to purchase furniture for the forthcoming Atherton library, as well as for shelving and indoor and outdoor furniture enhancements at other libraries.

- The estimated excess library property taxes set aside in Library Trust accounts totals $1,237,494 (account 5184) and includes: $437,494 for Atherton Library, $100,000 for Portola Valley Library, $500,000 for Woodside Library, and $200,00 for San Carlos Library. Atherton's expected excess funds are reduced due to anticipated expenditures for furniture and equipment for the new library.

- Professional Contracts is decreased by $1,132,305 to $1,343,605 (account 5858). This is due to removing the FY 2020-21 Measure K allocation for the East Palo Alto Library ($1,184,610), leaving $459,305 budgeted as the FY 2021-22 allocation. Any Measure K rollover will be added during September Revisions. The remaining $884,300 includes allocations for attorney and auditor services, translation and ASL services, and makerspaces construction and administration support.

- Peninsula Library System costs total $1,469,944 (account 5875) and support services such as delivery, the shared online library catalog, and network management services. These costs also reflect the addition of services for the North Fair Oaks Library.

- Emergency Assistance Expense, that was budgeted for the first time in FY 2020-21, is maintained at $350,000 (account 5925).

- Unspent Friends Donation revenue of $208,279 is removed from Friends Funded Services (account 5199). Any rollover of Friends Donation at the end of the current fiscal year will be added to the budget during September Revisions.

- Unspent Donations Funded Services of $117,157 (account 5198) is removed. This reduction is offset by the addition of $15,000 for the North Fair Oaks Library.

- Other Library Expenses is increased by $208,120 to $693,743. This increase is primarily due to allocating the purchase of Summer Learning books for our system (account 5942).

- Other Charges ($2,162,685 to $1,699,662): There is a decrease of $463,023 in this expenditure category largely attributable to the removal of the $400,000 payment to Redwood City, which is no longer necessary now that we have taken responsibility for the North Fair Oaks Library. This expenditure category also reflects costs associated with services provided by the County, including human resources, financial systems, building and vehicle maintenance, and liability insurance (accounts 6712-6821). This category also captures $520,000 for payments to other agencies (account 6263), including $350,000 to Daly City for services provided on behalf of residents of unincorporated Broadmoor and Colma and $170,000 to the Town of Woodside for support of maintenance costs at the Woodside Library.

- Fixed Assets ($1,733,396 to $1,821,506): Fixed assets are tangible assets valued at $5,000 or greater. There is an increase of $88,110 in this category (account 7311). The allocation includes projected rollover for the purchase of Library Lending Vending Machines ($750,000), replacement of self-check stations ($291,000), and a final payment for the new Makermobile ($60,000). New allocations include $500,000 to add an HVAC system to the central administrative building and $220,506 for North Fair Oaks and Atherton equipment.

- Operating Reserves ($4,264,763 to $4,464,763): There is an increase of $200,000 in Operating Reserves (account 8611) to meet the Library JPA Fund Balance Policy. As detailed in the policy, the balance of Operating Reserves represents 15% of Net Appropriations (less one-time items). This contingency is maintained in the event of economic uncertainties, emergencies, and unanticipated funding losses.

- Capital Reserves ($17,898,622 to $20,205,703): There is an increase of $2,307,081 in Capital Reserves (account 8811).The current amount exceeds the policy requirement to maintain a minimum of $2,500,000 in Capital Reserves.

Project Highlights

Project Highlights provide a summary of allocations for major initiatives.

Addressing COVID-19 Educational Impacts
Under the leadership of the JPA Board, we have identified innovative ways to address COVID-19 educational impacts. The FY 2021-22 Recommended Budget adds $891,798 to support the following initiatives:

- Enhancements to The Big Lift Summer Program**:** In addition to the $1,188,012 Measure K allocation for the Big Lift Summer and Raising a Reader (RAR) programs, an additional enhancement of $611,798 is budgeted. This enhancement will enable the Summer program to serve more students and expand the program by one week. It will also help support a Librarian position which will focus on partnerships with preschools to encourage reading at home.

- Library Explorers: $135,000 is allocated toward the creation of Library Explorers, a new summer camp program to be held in our library locations throughout the summer for Rising K – 5th Graders.

- Partner Programs: $100,000 is allocated to support partnerships with city libraries, parks and recreation departments, and select community partners. Planning is underway.

- Families CREATE**:** $45,000 is allocated toward virtual programs and STEAM and Maker kit giveaways.

Decreasing the Digital Divide
The Recommended Budget allocates $1,630,000 for the service costs for 1,526 Wi-Fi Hotspots ($880,000) and the acquisition of four Library Lending Vending Machines ($750,000). The Library Lending Vending Machines will enable us to provide 24/7 outside access to library materials.

Building New Makerspaces
We are excited to build new Makerspaces in the coming year. The Recommended Budget allocates $810,000 dollars, which includes costs for planning, construction, furniture, software, hardware, and programming.

Opening the New Atherton Library
The Recommended Budget allocates $1,067,506 for furnishings and equipment for the new Atherton Library. This includes $942,506 in furniture, shelving, and technology and $100,000 for the Opening Day Collection.

Welcoming North Fair Oaks Library
The Recommended Budget allocates $774,178 for the new North Fair Oaks Library. This cost includes the addition of six positions, IT equipment, rent, and supplies.

Budget Summary

		FY 2019-20 Actuals	FY 2020-21 Adopted	Change	FY 2021-22 Recommended
Sources					
1000	Taxes	34,252,271	32,914,656	2,581,330	35,495,986
1500	Use of Money and Property	555,759	155,042	240,500	395,542
1600	Intergovernmental Revenues	475,325	367,925	(189,925)	178,000
2000	Charges for Services	94,281	24,000	0	24,000
2500	Interfund Revenue	342,900	315,570	493,271	808,841
2600	Miscellaneous Revenue	572,807	158,000	84,538	242,538
	Total Revenue	36,293,342	33,935,193	3,209,714	37,144,907
333	Fund Balance	27,859,743	32,484,732	(4,673,421)	27,811,311
	TOTAL SOURCES	**64,153,086**	**66,419,925**	**(1,463,707)**	**64,956,218**
Requirements					
4000	Salaries and Benefits	17,181,680	19,790,444	2,132,893	21,923,337
5000	Services and Supplies	26,181,062	20,554,885	(5,729,790)	14,825,095
6000	Other Charges	2,009,647	2,162,685	(463,023)	1,699,662
7000	Fixed Assets	687,750	1,733,396	88,110	1,821,506
7500	Other Financing Uses	13,566	15,130	1,022	16,152
	Gross Appropriations	**46,073,706**	**44,256,540**	**(3,970,788)**	**40,285,752**
8000	Intrafund Transfers	(14,405,352)	0	0	0
	Net Appropriations	**31,668,354**	**44,256,540**	**(3,970,788)**	**40,285,752**
8500	Operating Reserves	10,550,540	4,264,763	200,000	4,464,763
8700	Capital Reserves	21,934,192	17,898,622	2,307,081	20,205,703
	Total Reserves	**32,484,732**	**22,163,385**	**2,507,081**	**24,670,466**
	TOTAL REQUIREMENTS	**64,153,086**	**66,419,925**	**(1,463,707)**	**64,956,218**

Personnel Summary

	FY 2020-21 Current	Change	FY 2021-22 Recommended
Administration	6	1	7
Access Services	8	0	8
Communications	2	1	3
Finance and Human Resources	5	0	5
Information Technology	4	1	5
Programming and Outreach	5	(1)	4
Youth and Families	3	1	4
Community Libraries:			
Atherton Library	6	3	9
Belmont Library	10	0	10
Brisbane Library	6	0	6
East Palo Alto Library	9	0	9
Foster City Library	10	0	10
Half Moon Bay Library	10	0	10
Millbrae Library	10	0	10
North Fair Oaks Library	0	6	6
Pacifica Library	9	0	9
Portola Valley Library	5	0	5
San Carlos Library	10	0	10
Woodside Library	5	0	5
Total Employee Count	**123**	**12**	**135**
Total FTE*			**120.2**

*FTE: A full-time equivalent position is equal to 2,080 hours a year (40 hours/week x 52 weeks). Extra Help and limited term staff are not reflected in the Total FTE nor Position Count (approximately 150 staff).

Budget Detail

		FY 2019-20 Actuals	FY 2020-21 Adopted	Change	FY 2021-22 Recommended
Sources					
1021	Current Yr Secured	23,932,757	23,815,230	2,028,319	25,843,549
1024	PY Secured Redemption	34,511	7,000	0	7,000
1031	Current Yr Unsecured	1,187,395	1,100,000	100,000	1,200,000
1033	Prior Yr Unsecured	(12,689)	0	0	0
1041	CY SB 813 Sec Supplemental	678,482	550,000	0	550,000
1042	CY SB 813 Unsec Supplemental	4,094	5,000	0	5,000
1043	PY SB 813 Redemption	7,526	5,000	0	5,000
1045	PY SB 813 Unsec Supplemental	1,645	0	0	0
1046	ERAF Rebate	5,456,815	3,600,000	1,000,000	4,600,000
1047	Former RDA -Residuals	1,025,467	600,000	0	600,000
1058	Former RDA Passthrough	806,946	400,000	0	400,000
1129	Property Tax In-Lieu of VLF	183,164	183,164	0	183,164
1135	Sales & Use Tax -Measure K	946,157	2,649,262	(546,989)	2,102,273
1000	**Taxes**	**34,252,271**	**32,914,656**	**2,581,330**	**35,495,986**
1521	County Pool Interest Earned	548,422	110,000	240,000	350,000
1525	LAIF Interest Earned	7,337	10,000	0	10,000
1556	PLS Building/Rent	0	35,042	500	35,542
1500	**Use of Money and Property**	**555,759**	**155,042**	**240,500**	**395,542**
1661	Highway Property Tax Rental	1,237	600	0	600
1831	Homeowner Tax Relief	95,430	105,000	0	105,000
1868	Timber Tax Yield	3,151	2,000	0	2,000
1871	State Aid/Grants	375,096	259,925	(189,925)	70,000
1971	Other In-Lieu Taxes	411	400	0	400
1600	**Intergovernmental Revenues**	**475,324**	**367,925**	**(189,925)**	**178,000**

		FY 2019-20 Actuals	FY 2020-21 Adopted	Change	FY 2021-22 Recommended
2291	Library Fees & Fines	65,995	0	0	0
2293	Lost/Damaged Book Charges	3,527	0	0	0
2451	Misc. Services to Cities	24,759	24,000	0	24,000
2000	**Charges for Services**	**94,281**	**24,000**	**0**	**24,000**
2521	IFR - General Fund	222,309	145,570	55,777	201,347
2538	IFR - Library Donor Fund	114,500	170,000	437,494	607,494
2545	SBOE Reconciliation	6,091	0	0	0
2500	**Interfund Revenue**	**342,900**	**315,570**	**493,271**	**808,841**
2631	Sale of Literature	0	3,000	0	3,000
2644	Insurance Refunds	8,303	0	0	0
2645	SDI Payments	7,227	5,000	0	5,000
2646	Gifts & Donations	3,006	0	0	0
2647	Friends Donations	108,810	0	0	0
2655	Foundation Grants	0	150,000	(50,000)	100,000
2658	All Other Misc. Revenue	445,461	0	134,538	134,538
2600	**Miscellaneous Revenue**	**572,807**	**158,000**	**84,538**	**242,538**
	Total Revenue	**36,293,342**	**33,935,193**	**3,209,714**	**37,144,907**
333	Fund Balance	27,859,743	32,484,732	(4,673,421)	27,811,311
	TOTAL SOURCES	**64,153,086**	**66,419,925**	**(1,463,707)**	**64,956,218**
Requirements					
4111	Permanent Salaries	10,575,684	11,415,962	897,295	12,313,257
4160	Extra Help Salaries and Benefits	2,090,918	2,991,968	655,296	3,647,264
4321	Retirement Contribution	2,669,093	3,366,567	339,660	3,706,227
4400	Benefits	1,679,189	1,857,413	167,789	2,025,202
4450	Wkr Comp/Unemployment	166,797	158,534	72,853	231,387
4000	**Salaries and Benefits**	**17,181,680**	**19,790,444**	**2,132,893**	**21,923,337**

		FY 2019-20 Actuals	FY 2020-21 Adopted	Change	FY 2021-22 Recommended
5132	ISD Phones	16,032	0	20,000	20,000
5184	Revenue Set Aside -Excess Funds	3,178,621	6,351,554	(5,114,060)	1,237,494
5188	SBOE Payments	3,916	0	0	0
5193	Office Expenses	140,367	244,000	28,000	272,000
5196	Photocopy Lease/Usage	27,707	150,402	(79,614)	70,788
5197	Mail	17,667	14,000	0	14,000
5198	Donations Funded Services	9,091	147,157	(117,157)	30,000
5199	Friends Funded Services	95,559	208,279	(208,279)	0
5212	Computer Equipment	1,081,444	1,717,000	193,000	1,910,000
5215	Software and Maintenance	381,164	710,360	138,950	849,310
5234	Furniture and Equipment	476,776	1,850,000	(181,000)	1,669,000
5331	Memberships	39,076	40,000	11,000	51,000
5343	Advertising and Publicity	7,675	10,000	0	10,000
5426	Equipment Maintenance	9,524	5,000	0	5,000
5455	Facilities Maintenance	12,776	25,000	0	25,000
5459	Misc. Other Maintenance	13,593	64,000	0	64,000
5483	Custodial	31,455	35,000	0	35,000
5631	Utilities	23,623	35,000	0	35,000
5634	Recycling	7,772	10,000	0	10,000
5635	Water Service	7,752	15,000	0	15,000
5712	Mileage Allowance	12,104	12,100	0	12,100
5721	Meetings and Conferences	122,762	200,000	0	200,000
5722	Employee Reimbursement	18,210	25,000	0	25,000
5731	Employee Training	1,250	2,000	0	2,000
5854	Contract Library Services	89,603	50,000	0	50,000
5856	Promotional Materials	109,957	227,500	0	227,500
5858	Professional Contracts	327,819	2,475,910	(1,132,305)	1,343,605

		FY 2019-20 Actuals	FY 2020-21 Adopted	Change	FY 2021-22 Recommended
5866	Fingerprinting	13,521	61,025	5,079	66,104
5872	Cost Applied Support Charges	14,405,432	0	0	0
5875	Interagency Agreements-PLS	1,252,849	1,202,411	267,533	1,469,944
5876	Programming Services	7,561	10,000	0	10,000
5925	Emergency Assistance Expense	0	350,000	0	350,000
5926	Alcohol/Drug Testing	141	500	0	500
5927	Program Activities Expense	538,229	709,873	152,627	862,500
5931	Books -Adult	478,802	352,000	0	352,000
5932	Books -Children	402,052	472,000	0	472,000
5933	Videos –Children	16,119	59,000	0	59,000
5934	Books -Serials	149,945	149,000	(49,000)	100,000
5936	Audio Materials	83,648	95,800	0	95,800
5937	Videos -Adult	137,994	169,000	0	169,000
5938	Digital Materials	1,245,887	1,179,751	49,000	1,228,751
5939	World Language Materials	209,099	258,000	0	258,000
5942	Other Library Expense	970,787	485,623	208,120	693,743
5969	Summer Learning –Measure K	5,700	376,640	78,316	454,956
5000	**Services and Supplies**	**26,181,062**	**20,554,885**	**(5,729,790)**	**14,825,095**
6263	Agreements – Daly City/Other	780,886	920,000	(400,000)	520,000
6712	Telephone Service Charges	53,347	55,189	5,703	60,892
6713	County IT Charges	79,102	48,603	15,882	64,485
6714	County Facility Rental Charges	140,641	158,384	15,577	173,961
6717	Motor Vehicle Mileage Charges	54,531	84,425	(26,722)	57,703
6724	Auto Liability Insurance	3,001	3,698	1,577	5,275
6725	General Liability Insurance	123,738	137,192	3,684	140,876
6727	Official Bond Insurance	3,743	3,923	86	4,009

		FY 2019-20 Actuals	FY 2020-21 Adopted	Change	FY 2021-22 Recommended
6728	County Property Insurance	42,432	57,284	24,059	81,343
6732	County Counsel Services	17,216	25,000	0	25,000
6733	Human Resources Services	4,240	4,274	(34)	4,240
6734	Motor Vehicle Replace Charge	0	3,862	(3,862)	0
6738	Countywide Security Services	33,640	47,669	748	48,417
6739	Card Key Public Works	14,444	14,445	(1,909)	12,536
6814	County IT/Okta Charge	13,446	12,300	700	13,000
6821	A-87 Expense	645,240	586,437	(98,512)	487,925
6000	**Other Charges**	**2,009,647**	**2,162,685**	**(463,023)**	**1,699,662**
7331	Fixed Assets -Equipment	687,750	1,733,396	88,110	1,821,506
7000	**Fixed Assets**	**687,750**	**1,733,396**	**88,110**	**1,821,506**
7548	Facility Maintenance Charge	13,566	15,130	1,022	16,152
7500	**Other Financing Uses**	**13,566**	**15,130**	**1,022**	**16,152**
	Gross Appropriations	**46,073,706**	**44,256,540**	**(3,970,788)**	**40,285,752**
8142	Intrafund Transfers	(14,405,352)	0	0	0
8000	**Intrafund Transfers**	**(14,405,352)**	**0**	**0**	**0**
	Net Appropriations	**31,668,354**	**44,256,540**	**(3,970,788)**	**40,285,752**
8611	Operating Reserves	10,550,540	4,264,763	200,000	4,464,763
8811	Capital Reserves	21,934,192	17,898,622	2,307,081	20,205,703
	Total Reserves	**32,484,732**	**22,163,385**	**2,507,081**	**24,670,466**
	TOTAL REQUIREMENTS	**64,153,086**	**66,419,925**	**(1,463,707)**	**64,956,218**