San Mateo County Libraries

Agenda Item V.

To: JPA Governing Board

From: Anne-Marie Despain, Director of Library Services
Lindsey Freeland, Financial Services Manager
Katie Woods, Communications Manager

Date: May 10, 2022

Meeting: May 16, 2022

Re: Introduction to the Recommended Budget FY 2022-23

Background

San Mateo County Libraries is a Joint Powers Authority governed by a board consisting of representatives from each member entity, including the cities of Atherton, Belmont, Brisbane, East Palo Alto, Foster City, Half Moon Bay, Millbrae, Pacifica, Portola Valley, San Carlos, Woodside, and the unincorporated areas of the County. Oversight responsibility, the ability to conduct independent financial affairs, approve budgets, sign contracts, and otherwise influence operations and account for fiscal matters are exercised by the JPA Governing Board. The budget is legally enacted through passage of a motion during a JPA Governing Board meeting, followed by approval from the San Mateo County Board of Supervisors.

Budget Process

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

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

Discussion

FY 2021-22 Accomplishments and Performance

Our communities have faced another year of profound change. Through ongoing recovery efforts, San Mateo County Libraries has continued to adapt physical and virtual services to meet critical needs and never wavered in our commitment to provide equitable resources, programs, and services. From the moment we were able to reopen and expand hours at our libraries, we focused our efforts on deepening community impact and connections, providing vital support and inspiring spaces, and boundless opportunities for exploration and growth.

San Mateo County Libraries is uniquely positioned to see the broader county service area while at the same time understanding each community we serve. With a renewed focus on partnerships and relationships, we continue to provide award-winning services and seek every opportunity to uplift and support our diverse communities.

FY 2022-23 Recommended Budget Priorities

The Recommended Budget prioritizes and distributes resources to support goals that are in line with our Strategic Plan. Resource allocation in FY 2022-23 focuses on investment in innovative services, technology, and new approaches to learning and fostering partnerships and collaborations. The following priorities will be continued and implemented this year:

- Reach more community members through intentional outreach strategies to expand access to library resources
- Apply an equity lens to our collections, programming, spaces, policies, and practices to respond to community needs and reflect the diversity of our residents
- Provide mental health and social service supports for community members through innovative programs and services
- Expand our impact in building literacy skills for youth and adults and develop responsive programs to cultivate a community of learners
- Increase digital equity through access to technology and skill building to accelerate learning and employment opportunities
- Support the well-being and growth of our library champions and amplify their talents to strengthen our communities
- Update libraries to include vibrant, welcoming spaces that inspire creativity, collaboration, and exploration
- Prioritize sustainability in our procurement, resource management, and operational practices

FY 2022-23 Recommended Budget Highlights

The proposed FY 2022-23 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 2022-23 Recommended Budget are $72,141,002. Total Revenue is $39,128,684 and Net Appropriations, or the total operating budget, is $47,664,658. Salaries and benefits comprise our largest expense and represent 49% of the total operating budget. The budget sets Operating Reserves at $4,392,600 and Capital Reserves at $20,083,744, in compliance with the JPA Fund Balance Policy.

The pandemic has intensified the need for public libraries to address community challenges accelerated in the past few years, including mental and social-emotional wellness; access to information, education and skills-building; the technology gap and digital divide; economic disparities in access to food, healthcare, and housing; intellectual freedom; open and welcoming gathering spaces; and critical community conversations and actions that address inclusivity, equality, and anti-racism. Our mission to strengthen our communities through transformative services has never been more important.

Key projects for FY 2022-23 include continuing consistent and expanded hours of service at all locations; enhancing library collections with a focus on diversity and equity; increased outreach efforts that include the launch of our makermobile, library lending hubs, and procuring a new bookmobile; providing mental health supports and training for the public and staff; increasing community learning with a focus on adult literacy efforts; constructing new makerspaces; and updating facilities, including replacing furniture and shelving.

To support our ongoing Strategic Plan goals and FY 2022-23 budget priorities, there are a number of new positions that have been recommended and incorporated into the proposed budget. Investing ongoing revenue in our most important asset, our library champions, will allow us to support the increased needs of our communities, engage in more outreach efforts, maintain consistent and community focused library hours, and build back and enhance our well-regarded services and programs.

Fiscal Impact

There is no fiscal impact associated with the Introduction of the FY 2022-23 Recommended Budget.

Recommendation

No action is required at this introductory stage of the budget process.

Attachment

FY 2022-23 Recommended Budget

San Mateo County Libraries

Fiscal Year 2022–2023

Recommended Budget

Overview

At San Mateo County Libraries, we're champions of learning, sharing and exploration – of open minds, new ideas and bright futures. Our 13 libraries are welcoming, inclusive places that provide essential tools and engaging events to inspire curiosity and support community connection.

Through ongoing recovery efforts, we became experts at adapting physical and virtual services to meet critical needs and never wavered in our commitment to provide equitable resources, programs and services. Our mission to strengthen our communities through transformative services has never been more important.

Covering 351 square miles, our service area is comprised of the unincorporated areas of the county including North Fair Oaks and the cities of Atherton, Belmont, Brisbane, East Palo Alto, Foster City, Half Moon Bay, Millbrae, Pacifica, Portola Valley, San Carlos and Woodside.

With a renewed focus on partnerships and relationships, San Mateo County Libraries continues to provide award-winning services and seeks every opportunity to uplift and support our diverse communities.

History and Governance

For the 14th consecutive year, San Mateo County Libraries was named a Star Library, ranking first in the state and third nationwide among peer libraries.

This year also marks the 110th anniversary of the San Mateo County Free Public Library, established by the Board of Supervisors in 1912.

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 12 elected officials representing each member . An Operations Committee composed of city and county representatives from each member agency also provides guidance.

We are able to deliver high-quality library services in a cost-effective manner through the careful distribution of resources. Internal economies of scale are achieved because support activities are centralized and shared. This reduces duplication and enables resources to be maximized and directed to services for the public.

Demographics

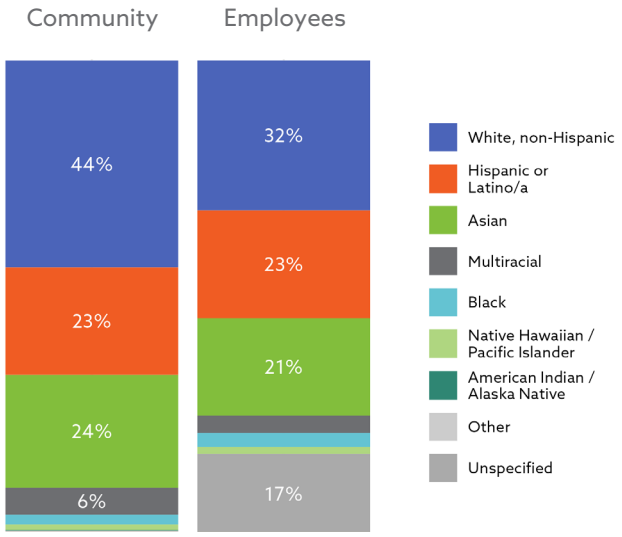
283,022 people live in our service area

74% of our service population have a library card

Households in our service area are **78%** suburban, **15%** urban and **7%** rural

25% are enrolled in school, **45%** of whom are in grades K-8

At home, **16%** of our community speak Spanish, **8%** speak Chinese and another **15%** speak another language other than English.



Service area demographics from U.S. Census Bureau, U.S. Department of Housing and Urban Development

Strategic Plan

Our Strategic Plan is not only visionary, but flexible and able to respond to environmental changes

Vision

We ignite growth through transformative experiences

Mission

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

Strategic Goals

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

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 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

Accomplishments

In alignment with our Strategic Plan, the following summary highlights this year's significant accomplishments

Accomplishments

Vital Support

- We welcomed more of our community back and responded to the need for greater access by expanding hours in March 2022. Our expanded weekend and evening hours at all locations provided more in-person opportunities and equitable access to library services.

"Wow! Excellent news! Thank you SMCL for your exemplary service to the community!" - Library Patron

- When demand for COVID-19 test kits surged following the holiday season, we quickly began distributing county provided masks and at-home test kits to families in need. In seven weeks time, we successfully supplied our communities with over 25,000 test kits and 10,000 masks.

- We expanded our free meals service to North Fair Oaks Library, increasing the number of meals delivered and people supported with this essential service. As of March this fiscal year, close to 6,000 meals have been served in the North Fair Oaks community and over 25,000 meals have been distributed systemwide.

"SMCL offers a lot of programs for someone like myself who became unemployed." - Library Patron

- Thanks to a State Library program, we were able to increase job resource offerings this year. Unemployed or underemployed Californians are disproportionately women, people of color, under the age of 25 and hold less than a bachelor's degree. Taking these demographics and other workforce development needs into account, the new eResources provide access to thousands of work and business-related educational courses and tips on how to build a resume, job seek, interview and more.

- To help our communities mitigate anxiety and stress, we launched a dedicated mental health awareness webpage to highlight our free mental health resources. Our online and in-person offerings including yoga, meditation and tai chi support the public and our library champions in helping make their wellbeing a priority. As the first public library to partner with Calm, a mindfulness app, we are providing a free, accessible way to practice meditation and mindfulness right at home.

- In collaboration with the County of San Mateo, we have worked diligently to assist in efforts to ensure consistently reliable, up-to-date COVID-19 safety and support information is disseminated to our community members. We helped provide the public with important information about rental assistance, small business grants, COVID-19 testing and more – amplifying the County's efforts to support residents during the pandemic and ongoing recovery efforts.

Community Impact

- We rang in the new year celebrating a breakthrough accomplishment – being named a 5-Star Library for the first time. For over a decade, we carried the honor of being named a 4-Star Library, but at the end of 2021, we received the highest national award by Library Journal. Being named a 5-Star Library acknowledges our success and commitment to serving our patrons, and the value our communities place on our library services.

- Our expertise and experience with making was recognized this fall when we were selected to be a Charter Member of the New Face of Library Makerspaces Collective, a national initiative. This effort prioritizes diverse and inclusive community-building and helps mentor and support libraries across the nation to create makerspaces and programs.

"The library has evolved from a place for books, music, and movies to a place of learning in so many forms." - Library Patron

- In partnership with the County's Office of Equity and Social Justice we created a new impactful program series titled Equity Through Art. This series set out to highlight the complex relationship Black, Indigenous, People of Color have had living and trying to thrive in San Mateo County. As our county reckons with the issue of racial equity, it's critical to understand the history that got us to where we are today. This series was an avenue for community members to share stories and experiences through the lens of art.

"The session was inspiring, heartwarming and the stories filled me with pride of my immigrant and farmworker family who came here in the 80s from Cuernavaca, Mexico." - Attendee of Equity Through Art

- A new Empower Card was launched to simplify and expand student access to library resources. Empower Cards seamlessly connect students of all ages to powerful learning tools for use in the classroom or at home. These ready-to-use library cards are delivered directly to students, making equitable access easier than ever.

- We prioritize programming that reflects the diverse backgrounds, interests and experiences of the people we serve. Over the past year, we've continued to strengthen partnerships with community groups such as the San Mateo Pride Center and the Center for Independence of Individuals with Disabilities, picked up new programs such as Jazz & Friends Community Readings supporting trans and nonbinary youth, and honored celebrations from many cultures including Lunar New Year, Juneteenth, Día De Los Muertos, Holi and more.

- We launched a new mobile app, enhancing the digital San Mateo County Libraries experience. The new app allows patrons to check out and return books themselves using personal mobile devices, giving them even more flexibility, privacy and autonomy. The new app also provides users easy access to view their checkouts and holds, upcoming library events, latest releases and more.

Exploration and Growth

- This spring, we began offering California State Parks passes for checkout as part of a statewide program. Our libraries offer the passes inside backpacks outfitted with other useful hiking items including binoculars, a magnifying glass, identification guides and hiking books. Having these passes available for checkout for free opens opportunities for families who otherwise might not be able to afford a State Parks pass or who felt they didn't know where to begin with exploring our beautiful state parks.

"San Mateo County Libraries offer great activities, special events and resources for families." - Library Patron

- Advancing literacy remains at the heart of our work. Our adult literacy tutoring supports community members in reaching personal goals such as reading a book, working on a high school diploma or taking the citizenship test. We also offer English as a second language (ESL) classes, conversation clubs and book clubs for people looking to improve their English skills. This year, we expanded our in-person ESL conversation club and LEAMOS learning circle, a program that supports Spanish-speakers in learning to read and write in their native language, to the North Fair Oaks Library.

"You could just see the change in her—how much fun she had being here every day, she would actually wake up on time, get ready, go to school. There's a new confidence in her." - BLIS Parent

- The Big Lift Inspiring Summers program helps prevent the loss in learning that can happen over summer break. In summer 2021, 976 rising K-3rd graders in seven school districts participated in the program. Inspiring Summers focuses on building early literacy and social-emotional skills, providing participants a reliable, supportive environment for learning and discovery. New program evaluation findings this year, demonstrated strong positive academic gains in literacy and math assessments across the overall initiative, as well as at the district and school site level. Youth, on average, gained between 1.5 months in literacy and half a month in math. The literacy gain is equal to our highest gains in the history of the program – remarkably achieved in a pandemic context.

- In response to families craving more safe, in-person offerings for their children over a year into the pandemic, staff took action to develop age-appropriate STEAM (science, technology, engineering, arts and math) curriculum. Packed with fun, educational activities, the programs were replicated across our libraries. In a matter of weeks, the STEAM program grew from an idea to a successful launch celebrated by local families eager for in-person offerings.

"The library has been the most important part of my kids' education and well being- amazing, rising to the challenge of providing services during pandemic, a forward thinking leader in the county/state." - Library Patron

- Through a unique partnership and Friends funding, middle school students were invited to free Saturday field trips focused on environmentalism with hands-on activities. The free outings provided many children an alternative to the traditional outdoor education trips they may have missed due to the pandemic. Offered in partnership with the Sustainable Future Outdoor Academy, the trips brought students to local parks and farms, including Pie Ranch, to take part in hiking, pie-making and other fun opportunities for learning.

- Storytime is a well-loved community tradition and families were elated to see it return in 2021 with the introduction of outdoor storytimes. Outdoor storytimes offered a safer way for little ones to reconnect in person. Through storytelling, song and dance, our storytimes help children with listening skills while allowing them to move their bodies and have fun. Families quickly adapted with us, ready to take in stories in our beautiful outdoor spaces and nearby neighborhood parks.

Inspiring Spaces

- We celebrated the opening of the new Brisbane Library with a special all-day event in October. Our newest library packs a lot into 7,670 square feet of space including a Makerspace and Community Room, dedicated Children's Room and Garden, Teen Space, Quiet Room and History Room. This beautiful building just won a AIASF People's Choice Design Award.

- The new 9,600 square-foot Atherton Library will open its doors very soon. Excited and eager community members are marking their calendars for a June 4th Grand Opening Celebration. With its dedicated children's, teen and adult areas, makerspace, digital lab and Willie Mays room, the library was created with every age in mind. The expansive and elegant layout, large picture windows and inviting spaces are the perfect location for any community member to enjoy a variety of programs.

- Our library champions work hard to strengthen relationships and bridge new connections in all our communities. On top of our onsite programming, we show up and reach out by hosting a booth at community street fairs, participating in cherished community traditions and important resource events, and participating in other local events in connection with schools, nonprofits and more.

"The libraries are light and bright and wonderful spaces for adults and children!" - Library Patron

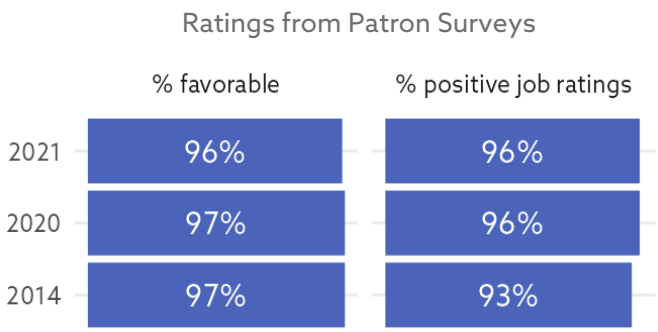
Performance

We evaluate data to assess performance, see measurable outcomes and identify opportunities for growth

Performance

Library Champions

Throughout rapidly changing public health guidance and significant changes to library services, library staff have continued to serve and uplift our communities – reflected in high patron ratings.



Residents recognize the work of our library champions specifically: in a 2020 survey of service area residents, 82% said that the phrase "has friendly staff that provide the information and help I need" describes San Mateo County Libraries well – ahead of nearly every other positive description tested in the survey.

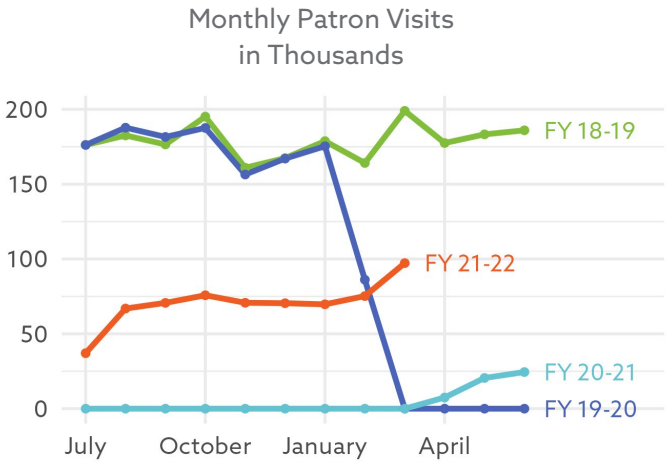
"An excellent and valued community resource that has proved of even greater value during these strained times for me and my family. thank you." - Library Patron

Library Visits

Over the last year, we have thoughtfully reopened our doors and welcomed our communities back into our libraries. After a full year of closures, we began offering modified in-library services in April 2021, expanded services and hours in August 2021 and recently returned to 7-day-a-week service in most locations in March 2022 –each of these corresponding with a rise in library visits.

In total, we have recorded nearly 634,000 visits this fiscal year, 48% of totals from the same period in FY 2019-20, and 40% of totals from the same period in FY 2018-19.

As people explore the new Atherton Library soon and summer programming comes into full swing, we look forward to welcoming even more visitors back.

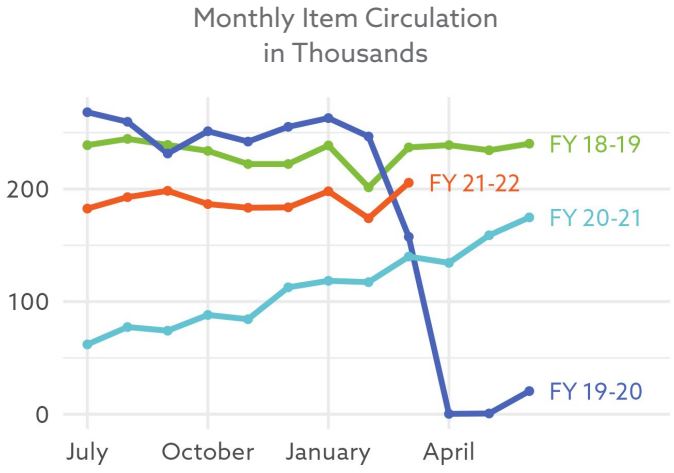


Circulation

Usage of our physical collections has seen a strong recovery throughout our initial, rapid transition to Curbside and Walkup Services and subsequent return to in-library services.

Monthly checkouts and renewals of items have risen to over 200,000 as of March 2022, coinciding with the rollout of expanded hours. Monthly item circulation in March was the highest circulation we have seen in two years.

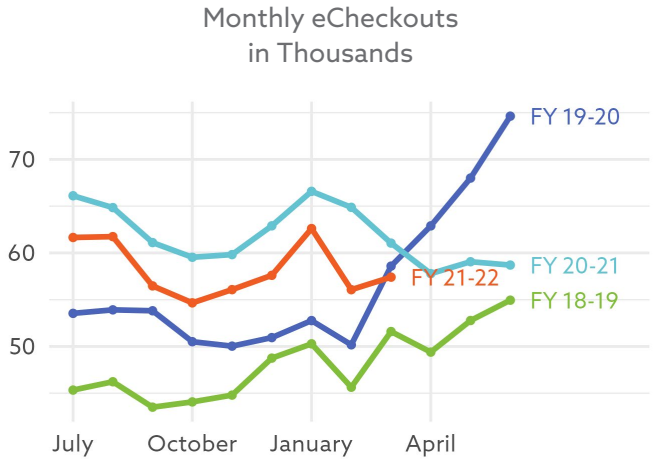
Looking back a few more months, fiscal-year-to-date circulation totals through March represent a 95% increase over usage in the same period in FY 2020-21, during which our doors were mostly closed, and have recovered to about 79% of the same period in FY 2019-20.



Digital Circulation

Even as our community members return to our physical spaces and collections, usage of our digital resources remains well above pre-pandemic levels.

Checkouts of digital resources like eBooks, audiobooks, music and movies are 25% higher than in the first three quarters of FY 2018-19, 11% higher than in the same period in FY 2019-20, and just 8% lower than in the same period in FY 2020-21.



Usage of eDatabases, including newspaper collections, learning materials and language acquisition programs, also remains high. Fiscal year usage through March is 309% higher than in the same period in FY 2018-19.

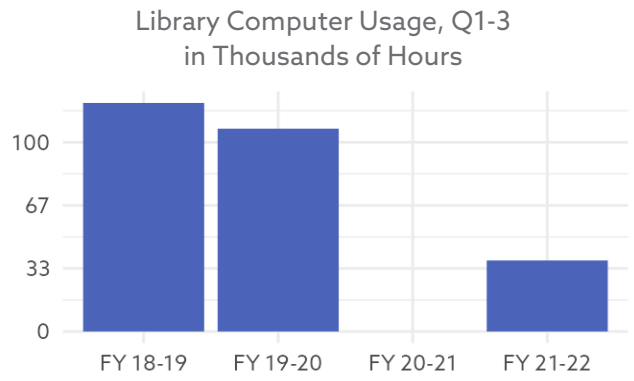
"I am 82 years old and read a lot. Now I do all my reading on eBooks from the library."
- Library Patron

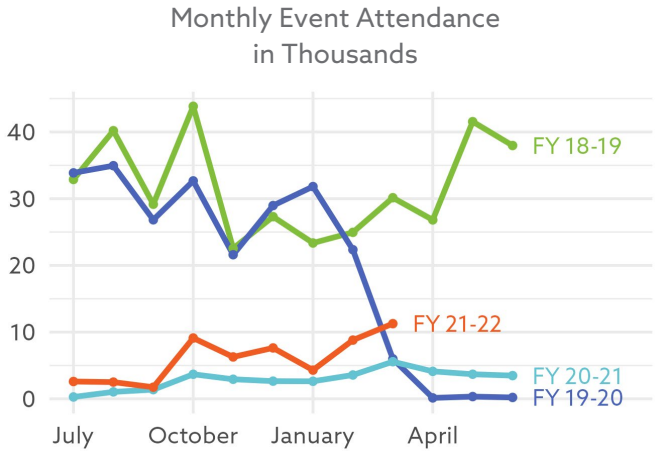
Digital Access

As library visits have increased, use of in-library wireless internet access and our computers have both risen. We have served 2.4 million WiFi sessions through February, up 64% from the same period in FY 2020-21 and down 14% from the same period in FY 2019-20. Patrons have logged 38,000 hours on library computers through March, up from near zero in the same period in FY 2020-21 and at 35% of usage in the same period in FY 2019-20.

Last year's expansion of WiFi access to our outdoor spaces and increase in WiFi hotspots continues to offer digital access to our communities. Usage of outdoor WiFi is trending upward: the 3-month rolling average in February was 91 thousand sessions, up from 28 thousand in March 2021.

"SMCL always surprises me with how much is offered to the community. We are so grateful for the variety in services and the role the library plays in our community." - Library Patron





Programs and Events

We have resumed in-library programming and in-person outreach (55% of all events by attendance) while continuing to offer virtual events (45% of all events by attendance).

Total event attendance this fiscal year is over 54,000 up 128% over the first three quarters of FY 2020-21. However, attendance this fiscal year is just 20% of total attendance in the first three quarters of FY 2018-19, though increased events in the last quarter brought March attendance up to 37% of that of March 2019.

Our storytimes, which returned in fall 2021, have seen average attendance rise 71% from 28 attendees per event in September to 47 in March. We expect expanded hours to create more opportunities to attend in-person events like author talks, Paws for Tales, workshops and STEAM Team.

"Valuable resource, excellent programs, essential community resource!" - Library Patron

Recommended Budget

Our annual budget serves as a financial plan, operations guide and communications tool

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 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.

FY 2022-23 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:

- Reach more community members through intentional outreach strategies to expand access to library resources
- Apply an equity lens to our collections, programming, spaces, policies, and practices to respond to community needs and reflect the diversity of our residents
- Provide mental health and social service supports for community members through innovative programs and services
- Expand our impact in building literacy skills for youth and adults and develop responsive programs to cultivate a community of learners
- Increase digital equity through access to technology and skill building to accelerate learning and employment opportunities
- Support the well-being and growth of our library champions and amplify their talents to strengthen our communities
- Update libraries to include vibrant, welcoming spaces that inspire creativity, collaboration, and exploration
- Prioritize sustainability in our procurement, resource management, and operational practices

Revenues Summary

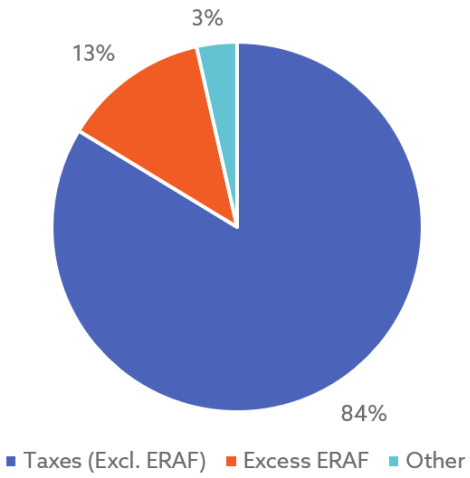
Recommended Revenues total $39.1 million. Our main source of revenue is derived from taxes ($37.8 million). Designated as a special district, San Mateo County Libraries is entitled to receive a small portion of property taxes collected within the boundaries of our service area.

Revenue from secured property taxes (taxes assessed against real property) is estimated to increase to $27.1 million in FY 2022-23. Revenue from unsecured taxes (taxes on aircraft and commercial equipment largely generated from businesses at San Francisco International Airport) is estimated at $1.2 million.

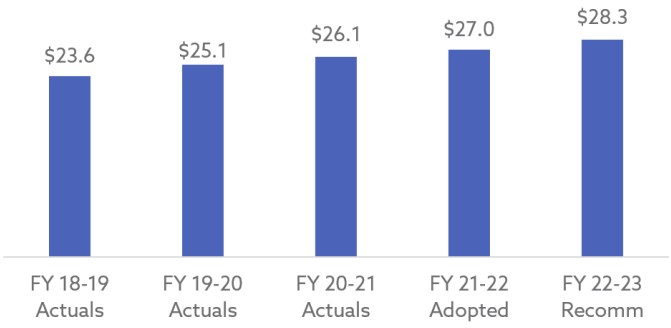
Other sources of significant ongoing revenue include a projected $1 million from the dissolution of redevelopment agencies (RDA), $560,000 from taxes resulting from secured and unsecured Supplemental Assessments (taxes derived from properties that have changed ownership or have been reassessed due to new construction), and $400,000 for a service agreement with Redwood City to support services at the North Fair Oaks Library.

Significant one-time revenues include $5 million in excess Educational Revenue Augmentation Funds (ERAF) and $2.7 million in Measure K funds to support The Big Lift Summer Program, the Summer Learning Challenge, Raising a Reader, and planning for a new East Palo Alto Library.

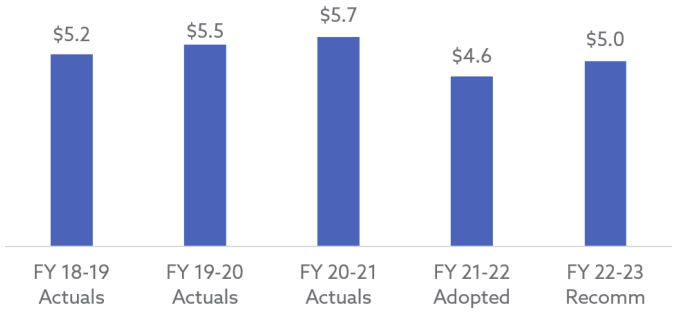
FY 2022-23 Budgeted Revenue



Total Property Tax Revenue in Millions



Total Excess ERAF in Millions

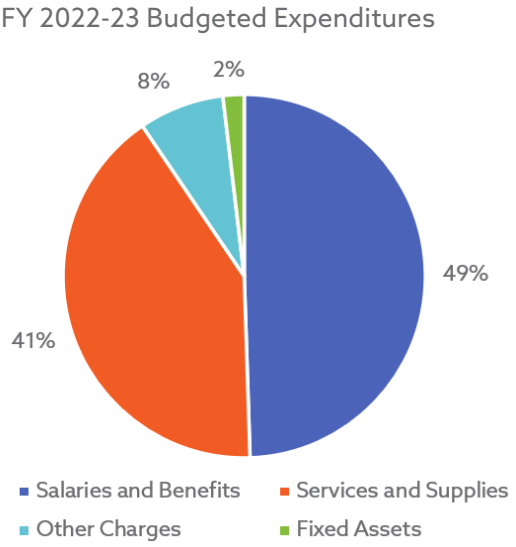


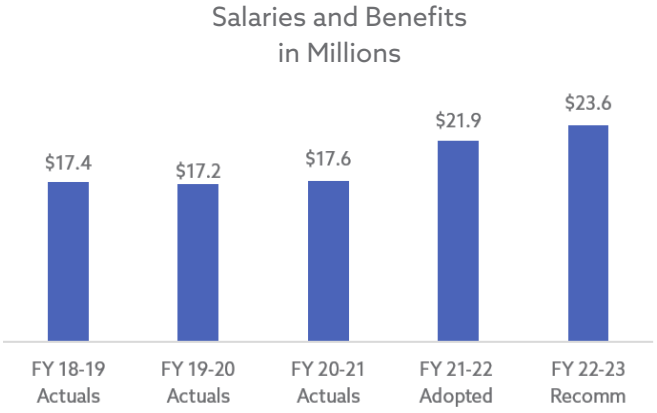
Expenditures Summary

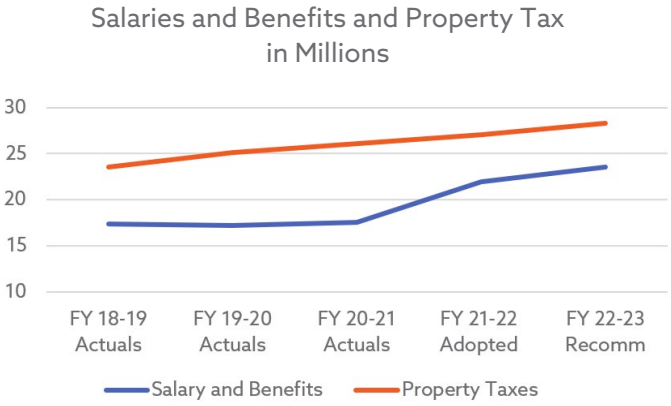
Recommended Expenditures total $47.7 million. Salaries and Benefits are the largest contributor to ongoing costs, representing 49% of all expenditures. All San Mateo County Libraries staff are employees of the County of San Mateo. The Recommended Budget estimates labor costs of $23.6 million, an overall increase of 8%, mostly due to the addition of permanent positions.

Other significant operational expenses fall under Services and Supplies at $19.5 million and include $4.7 million for furniture and equipment replacement and facility upgrades; $3.8 million for library collections; $2.5 million for computer equipment, software, and maintenance agreements; an estimated $2 million in excess library property taxes; $1.8 million for services provided by the Peninsula Library System; and $1.6 million to support library programs, including initiatives in the summer.

Other Charges total $3.6 million and include $1.8 million for County Measure K and Library JPA funds to support the planning of a new library in East Palo Alto; $1.5 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.







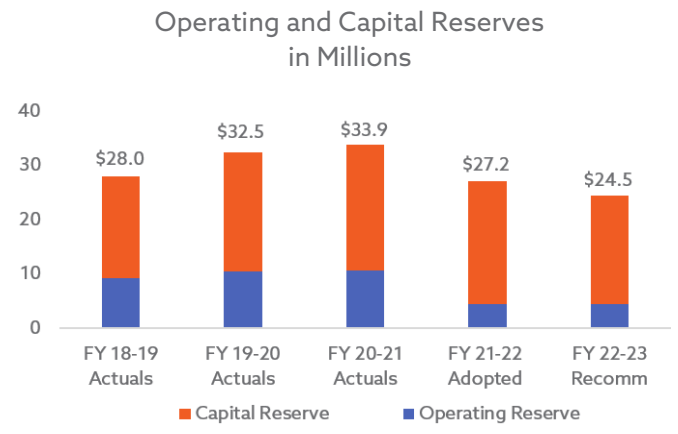
Reserves Summary

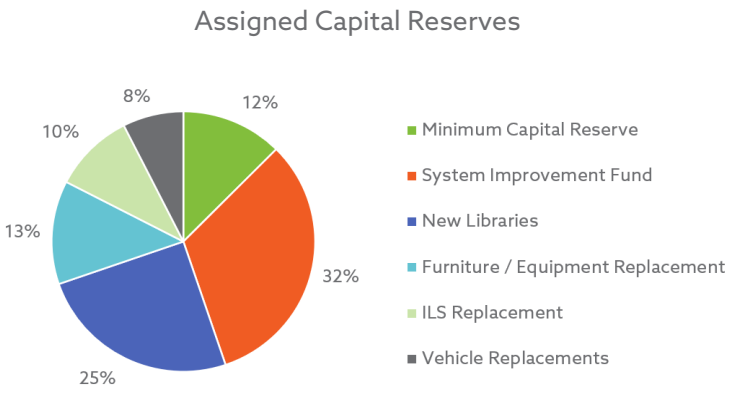
Recommended Operating and Capital Reserves total $24.5 million. The Fund Balance Policy requires that Operating Reserves be maintained at 15% of adopted general operations (Net Appropriations excluding one-time activities). These funds are maintained in the event of emergencies, unanticipated funding losses, and one-time needs to stabilize current operations. The Recommended Budget meets the requirement established for Operating Reserves by setting aside $4.4 million.

Additionally, the Fund Balance Policy requires us to maintain Capital Reserves in an amount equal to but not less than $2.5 million. The Recommended Budget meets this requirement, setting aside $20.1 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. The Governing Board has authorized the use of Excess ERAF for significant one-time projects and services 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 Highlights

Budget Highlights provide a summary of allocations for recommended major initiatives.

Facility Improvements: $2,500,000
Significant funding to update our current library facilities is included in the budget. This funding will support updates to shelving and furniture as well as other interior and exterior enhancements.

New Makerspaces: $1,690,000
This allocation will support construction of three new makerspaces at Foster City Library, Millbrae Library, and Belmont Library, as well as Memory Labs throughout the system, where patrons will be able to digitize analog media formats. These funds will go toward facility updates, furniture, construction documents, equipment, and additional makerspace programming.

Collection Enhancement: $959,876
Based on a consultant assessment of our collection and staff recommendations, additional funds are added for children and adult print materials ($326,000), digital materials ($233,876), and materials in a language other than English ($400,000). Together, these enhancements represent a 34% increase to the total collections budget and will allow us to offer more diverse language selections at all our library locations.

Library Outposts: $750,000
Funding to purchase and install three library lending machines is rolled over, including $100,000 for site work. We were unable to purchase these machines in the current year due to supply chain delays, but we look forward to moving forward with this project in the coming fiscal year.

Expanded Hours: $569,694
Staff recommends continuing 61 hours at all libraries in FY 2022-23, except for 77 hours across two locations in Pacifica. There are current discussions with the Town of Portola Valley regarding expanded hours beginning in July. The primary mechanism to support the expansion of hours is the addition of two positions at the Woodside Library, one position at the Brisbane Library, and one position at the North Fair Oaks Library. Extra Help allocations are also shifted internally to ensure sufficient allocations to support expanded hours. For most libraries, the expansion of hours is minimal and associated costs will be absorbed in existing allocations.

New Bookmobile: $250,000
Our existing bookmobile is past its useful life. This allocation will support the procurement of a new energy efficient and flexible vehicle to allow us to continue to provide outreach and access to library services in harder to reach communities.

Mental Health Supports: $175,000
$125,000 is allocated to pilot providing social service supports in our libraries. The mechanism to support this work is being identified, but will likely involve contracting with local organizations to provide in-library support hours. In addition, $50,000 is added to enhance staff training and support. This will include a Mental Health First Aid skill-based training course for staff, that teaches participants how to identify, understand, and respond to signs of a mental health or substance use conditions or crises.

Adult Literacy Programming: $120,000
This enhancement to Adult Literacy programming is roughly three times the amount of support currently received from the State Library Adult Literacy grant and will allow us to expand the reach and impact of these services.

Budget Overview

The Budget Overview highlights significant changes from the FY 2021-22 Adopted Budget to the FY 2022-23 Recommended Budget by major classification category for both revenue (Total Sources) and expenditures (Total Requirements).

Total Sources

- Taxes ($36,100,144 to $37,752,120): There is an increase of $1,651,976 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 ($395,542 to $371,216): There is a decrease of $24,326 to anticipated rent received from PLS due to County adjustments to Central Administration building charges.

- Charges for Service ($24,000 to $0): There is a decrease of $24,000 to remove the former payment from the City of Brisbane for expanded hours to align with the staff recommendation to continue expanded hours across the system in FY 2022-23.

- Interfund Revenue ($466,853 to $647,457): There is an increase of $180,604 primarily due to the addition of Redwood City's contribution to the North Fair Oaks Library ($400,000) offset by removing reimbursement for Woodside's excess fund maintenance payment, which is now paid directly from Woodside's Library trust ($170,000).

- Miscellaneous Revenue ($1,012,332 to $173,391): There is a decrease of $838,941 due to removing one-time grants and current year estimates for Friends contributions. Estimates for FY 2022-23 Friends revenue will be updated during September Revisions.

- Fund Balance ($33,876,245 to $33,012,318): There is a decrease of $863,927 in this funding source to align with FY 2021-22 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, 2022, a final reconciliation will be completed to account for actual revenue and expenditures, and final Fund Balance for FY 2022-23 will be adjusted during September Revisions.

Total Requirements

- Salaries and Benefits ($21,923,337 to $23,574,975): There is an increase of $1,651,638 primarily due the addition of 11 new positions ($1,416,173). There is sufficient ongoing revenue to support these positions due to the steady growth in property tax revenue over the past decade, which has consistently resulted in budget surpluses.

  Staff recommend using our ongoing revenue to invest in our most important organizational asset, our library champions. Increasing our permanent staff will allow us to engage in more outreach efforts, maintain consistent and community focused library hours, respond to vital and essential community needs, and build back and enhance our well-regarded services and programs.

Nine positions are recommended for community libraries to support expanded hours, community outreach efforts, makerspaces and maker programs, and other supportive services. The positions are distributed as follows:

1 Community Program Specialist is recommended for the following libraries (7 total positions) Belmont, Brisbane, Foster City, Half Moon Bay, Millbrae, San Carlos, and Woodside; 1 Branch Manager is recommended for North Fair Oaks; and 1 Library Assistant is recommended for Woodside.

Two positions are recommended to support system services, including 1 Community Program Specialist to increase systemwide communications and 1 Librarian to support enhancements to the collection.

All non-management permanent staff, Extra Help, and limited term employees are represented by the Service Employees International Union (SEIU). The County reached a new agreement with SEIU in April after the Recommended Budget was completed. Therefore, the following salary and benefit increases will be added to the budget during September Revisions: 3% on April 17, 2022 and 3% on October 2, 2022. The agreement also includes a final 4% increase on October 1, 2023, which will impact FY 2023-24. In addition, all SEIU employees will receive a one-time lump sum of $2,000, which will be paid out in the current fiscal year. Ongoing revenue has been set aside in the Recommended Budget to accommodate these increases.

The County also negotiates an agreement for SEIU Extra Help and limited term employees. The current agreement expired in January 2022 and a new agreement will be negotiated in the coming months. Extra help allocations will be updated, if necessary, in September Revisions.

The total number of library positions is 146 and the total full-time equivalent (FTE) is 132.90. Extra Help and limited term staff are not reflected in total FTE or position count.

- Services and Supplies ($17,636,402 to $19,534,126): There is an increase of $1,897,724 in this expenditure category. Significant changes and allocations include:

  Collection allocations increased by $959,876 to a total of $3,781,800 (accounts 5931-5939) for print, language, audio, video, and digital library materials (e.g., eBooks, eAudiobooks, eMagazines, eMusic, and eVideos).

  Computer equipment and software costs (accounts 5212 and 5215) total $2,371,350 These accounts include funding for staff and public computers, wireless services, software licenses, and makerspace equipment.

  Furniture and Equipment costs total $4,649,000 (account 5234). These funds will be used to build new makerspaces and to update shelving, furniture, and other needs at existing library facilities.

The estimated excess library property taxes to be set aside in Library Trust accounts totals $2,040,000 (account 5184) and includes: $1,440,000 for Atherton, $300,000 for Woodside, and $300,000 for San Carlos. These estimates assume the budget will be fully expended and the 50:50 split provision in the Library JPA Agreement is effective in FY 2022-23.

Professional Contracts costs total $972,900 (account 5858), which includes allocations for attorney and auditor services, makerspace design support, and a pilot to provide social services in our libraries.

Peninsula Library System costs total $1,819,748 (account 5875) and support services such as delivery, the shared online library catalog, and network management.

Current year allocations of $986,017 for expending realized or anticipated revenue for Donations and Friends Funded Services are removed (accounts 5198 & 5199). Any rollover of Friends or Donations Funded Services realized at the end of the current fiscal year will be added to the budget during September Revisions.

- Other Charges ($3,618,604 to $3,627,950): There is an increase of $9,346 in Other Charges. This expenditure category 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 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 $1.8 million in rolled over Measure K and Library JPA funds to support planning for a new library in East Palo Alto. Woodside's excess fund maintenance payment is removed as it will now be paid from the Woodside Library Trust ($170,000).

- Fixed Assets ($1,691,506 to $900,000): Fixed assets are tangible assets valued at $5,000 or greater. There is a decrease of $791,506 in this category (account 7311). The allocation includes projected rollover for the purchase of three Library Lending Machines ($650,000) and an allocation to purchase a new bookmobile ($250,000).

- Operating Reserves ($4,464,763 to $4,392,600): There is a decrease of $72,163 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 ($29,284,002). This contingency is maintained in the event of economic uncertainties, emergencies, and unanticipated funding losses.

- Capital Reserves ($22,687,517 to $20,083,744): There is a decrease of $2,603,773 in Capital Reserves (account 8811). The current amount exceeds the Library JPA Fund Balance Policy requirement of maintaining a minimum of $2,500,000 in Capital Reserves.

Budget Summary

		FY 2020-21 Actuals	FY 2021-22 Adopted	Change	FY 2022-23 Recommended
Sources					
1000	Taxes	35,868,573	36,100,144	1,651,976	37,752,120
1500	Use of Money and Property	462,309	395,542	(24,326)	371,216
1600	Intergovernmental Revenues	2,280,703	178,000	6,500	184,500
2000	Charges for Services	5,542	24,000	(24,000)	-
2500	Interfund Revenue	334,114	466,853	180,604	647,457
2600	Miscellaneous Revenue	732,213	1,012,332	(838,941)	173,391
	Total Revenue	**39,683,454**	**38,176,871**	**951,813**	**39,128,684**
333	Fund Balance	32,484,732	33,876,245	(863,927)	33,012,318
	TOTAL SOURCES	**72,168,186**	**72,053,116**	**87,886**	**72,141,002**
Requirements					
4000	Salaries and Benefits	17,553,706	21,923,337	1,651,638	23,574,975
5000	Services and Supplies	13,181,156	17,636,402	1,897,724	19,534,126
6000	Other Charges	7,273,663	3,618,604	9,346	3,627,950
7000	Fixed Assets	267,104	1,691,506	(791,506)	900,000
7500	Other Financing Uses	16,313	30,987	(3,380)	27,607
	Gross Appropriations	**38,291,942**	**44,900,836**	**2,763,822**	**47,664,658**
8000	Intrafund Transfers	-	-	-	-
	Net Appropriations	**38,291,942**	**44,900,836**	**2,763,822**	**47,664,658**
8500	Operating Reserves	10,569,050	4,464,763	(72,163)	4,392,600
8700	Capital Reserves	23,307,195	22,687,517	(2,603,773)	20,083,744
	Total Reserves	**33,876,245**	**27,152,280**	**(2,675,936)**	**24,476,344**
	TOTAL REQUIREMENTS	**72,168,186**	**72,053,116**	**87,886**	**72,141,002**

Personnel Summary

	FY 2021-22 Current Position Count	Change to Position Count	FY 2022-23 Recommended Position Count	FY 2022-23 Recommended FTE*
Administration	7	-	7	7.00
Access Services	7	1	8	8.50
Communications	3	1	4	4.00
Finance and Human Resources	5	-	5	5.00
Information Technology	5	-	5	5.00
Programming and Outreach	4	-	4	4.00
Youth and Families	4	-	4	4.00
Community Libraries:				
Atherton Library	9	-	9	8.25
Belmont Library	10	1	11	9.50
Brisbane Library	6	1	7	6.00
East Palo Alto Library	9	-	9	8.50
Foster City Library	10	1	11	9.60
Half Moon Bay Library	10	1	11	9.50
Millbrae Library	10	1	11	9.50
North Fair Oaks Library	6	1	7	6.50
Pacifica Library	10	-	10	8.50
Portola Valley Library	5	-	5	4.00
San Carlos Library	10	1	11	9.55
Woodside Library	5	2	7	6.00
Total	**135**	**11**	**146**	**132.90**

*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 FTE nor Position Count (approximately 150 staff). While individual positions are counted in one unit, there are instances where a position's FTE is split between two units, resulting in the FTE exceeding position count.

Budget Detail

		FY 2020-21 Actuals	FY 2021-22 Adopted	Change	FY 2022-23 Recommended
Sources					
1021	Current Yr Secured	25,003,592	25,843,549	1,251,976	27,095,525
1024	PY Secured Redemption	2,516	7,000	-	7,000
1031	Current Yr Unsecured	1,125,651	1,200,000	-	1,200,000
1033	Prior Yr Unsecured	(17,977)	-	-	-
1041	CY SB 813 Sec Supplemental	895,570	550,000	-	550,000
1042	CY SB 813 Unsec Supplemental	1,863	5,000	-	5,000
1043	PY SB 813 Redemption	10,186	5,000	-	5,000
1045	PY SB 813 Unsec Supplemental	-	-	-	-
1046	ERAF Rebate	5,650,724	4,600,000	400,000	5,000,000
1047	Former RDA -Residuals	1,063,315	600,000	-	600,000
1058	Former RDA Passthrough	1,049,016	400,000	-	400,000
1129	Property Tax In-Lieu of VLF	183,164	183,164	-	183,164
1135	Sales & Use Tax -Measure K	900,954	2,706,431	-	2,706,431
1000	**Taxes**	**35,868,573**	**36,100,144**	**1,651,976**	**37,752,120**
1521	County Pool Interest Earned	377,977	350,000	-	350,000
1525	LAIF Interest Earned	49,290	10,000	-	10,000
1556	PLS Building/Rent	35,042	35,542	(24,326)	11,216
1500	**Use of Money and Property**	**462,309**	**395,542**	**(24,326)**	**371,216**
1661	Highway Property Tax Rental	1,602	600	-	600
1831	Homeowner Tax Relief	94,085	105,000	-	105,000
1868	Timber Tax Yield	834	2,000	-	2,000
1871	State Aid/Grants	232,340	70,000	6,500	76,500
1971	Other In-Lieu Taxes	418	400	-	400
1985	Repayment of Loan	1,951,424	-	-	-
1600	**Intergovernmental Revenues**	**2,280,703**	**178,000**	**6,500**	**184,500**

		FY 2020-21 Actuals	FY 2021-22 Adopted	Change	FY 2022-23 Recommended
2291	Library Fees & Fines	5,327	-	-	-
2293	Lost/Damaged Book Charges	215	-	-	-
2451	Misc. Services to Cities	-	24,000	(24,000)	-
2000	**Charges for Services**	**5,542**	**24,000**	**(24,000)**	-
2521	IFR - General Fund	193,514	296,853	(49,396)	247,457
2538	IFR - Library Donor Fund	140,600	170,000	230,000	400,000
2500	**Interfund Revenue**	**334,114**	**466,853**	**180,604**	**647,457**
2631	Sale of Literature	2,685	3,000	-	3,000
2645	SDI Payments	44,012	5,000	-	5,000
2646	Gifts & Donations	5,036	-	-	-
2647	Friends Donations	78,001	631,394	(631,394)	-
2655	Foundation Grants	229,960	238,400	(238,400)	-
2658	All Other Misc. Revenue	372,518	134,538	30,853	165,391
2600	**Miscellaneous Revenue**	**732,213**	**1,012,332**	**(838,941)**	**173,391**
	Total Revenue	**39,683,454**	**38,176,871**	**951,813**	**39,128,684**
333	**Fund Balance**	**32,484,732**	**33,876,245**	**(863,927)**	**33,012,318**
	TOTAL SOURCES	**72,168,186**	**72,053,116**	**87,886**	**72,141,002**
<u>Requirements</u>					
4111	Permanent Salaries	11,005,601	12,313,257	1,300,236	13,613,493
4160	Extra Help Salaries and Benefits	1,454,939	3,647,264	(358,293)	3,288,971
4321	Retirement Contribution	3,175,440	3,706,227	281,843	3,988,070
4400	Benefits	1,707,548	2,025,202	343,286	2,368,488
4450	Wkr Comp/Unemployment	210,178	231,387	84,566	315,953
4000	**Salaries and Benefits**	**17,553,706**	**21,923,337**	**1,651,638**	**23,574,975**

		FY 2020-21 Actuals	FY 2021-22 Adopted	Change	FY 2022-23 Recommended
5132	ISD Phones	25,073	20,000	53,432	73,432
5184	Revenue Set Aside -Excess Funds	4,257,571	1,237,494	802,506	2,040,000
5193	Office Expenses	121,773	272,000	-	272,000
5196	Photocopy Lease/Usage	27,328	140,788	(11,000)	129,788
5197	Mail	14,988	14,000	25,000	39,000
5198	Donations Funded Services	14,108	149,442	(149,442)	-
5199	Friends Funded Services	81,599	836,575	(836,575)	-
5212	Computer Equipment	1,167,918	1,915,000	(611,000)	1,304,000
5215	Software and Maintenance	466,415	891,991	175,359	1,067,350
5234	Furniture and Equipment	879,808	3,319,967	1,329,033	4,649,000
5331	Memberships	49,588	51,000	-	51,000
5343	Advertising and Publicity	2,240	10,000	-	10,000
5426	Equipment Maintenance	-	5,000	(5,000)	-
5455	Facilities Maintenance	12,271	-	-	-
5459	Misc. Other Maintenance	22,802	135,593	(5,593)	130,000
5483	Custodial	34,588	-	-	-
5631	Utilities	24,514	35,000	-	35,000
5634	Recycling	7,772	10,000	-	10,000
5635	Water Service	13,933	-	-	-
5712	Mileage Allowance	12,058	12,100	-	12,100
5721	Meetings and Conferences	51,400	200,000	50,000	250,000
5722	Employee Reimbursement	4,424	25,000	-	25,000
5731	Employee Training	100	2,000	-	2,000
5833	Contract Security Services	-	36,856	26,000	62,856
5854	Contract Library Services	95,717	50,000	50,000	100,000
5856	Promotional Materials	91,685	227,500	-	227,500
5858	Professional Contracts	227,709	1,183,480	(210,580)	972,900

		FY 2020-21 Actuals	FY 2021-22 Adopted	Change	FY 2022-23 Recommended
5866	Fingerprinting	19,837	66,104	(1,232)	64,872
5875	Interagency Agreements-PLS	989,514	1,495,889	323,859	1,819,748
5876	Programming Services	4,382	10,000	-	10,000
5925	Emergency Assistance Expense	106,492	350,000	-	350,000
5926	Alcohol/Drug Testing	94	500	-	500
5927	Program Activities Expense	306,965	962,500	(71,500)	891,000
5931	Books -Adult	510,630	352,000	148,000	500,000
5932	Books -Children	482,244	472,000	178,000	650,000
5933	Videos –Children	22,428	59,000	-	59,000
5934	Books -Serials	26,669	100,000	-	100,000
5936	Audio Materials	97,673	95,800	-	95,800
5937	Videos -Adult	149,148	169,000	-	169,000
5938	Digital Materials	1,197,405	1,316,124	233,876	1,550,000
5939	World Language Materials	248,518	258,000	400,000	658,000
5942	Other Library Expense	1,310,874	693,743	4,581	698,324
5969	Summer Learning –Measure K	900	454,956	-	454,956
5000	**Services and Supplies**	**13,181,156**	**17,636,402**	**1,897,724**	**19,534,126**
6263	Agreements – Daly City/Other	714,686	2,333,463	(170,000)	2,163,463
6311	Loans to Other Funds/Agencies	5,391,725	-	-	-
6712	Telephone Service Charges	65,011	60,892	(54,043)	6,849
6713	County IT Charges	78,481	64,485	17,854	82,339
6714	County Facility Rental Charges	169,971	322,310	(31,307)	291,003
6717	Motor Vehicle Mileage Charges	9,559	57,703	149	57,852
6724	Auto Liability Insurance	3,698	5,275	(1,964)	3,311
6725	General Liability Insurance	137,192	140,876	249,528	390,404
6727	Official Bond Insurance	3,923	4,009	5,101	9,110

		FY 2020-21 Actuals	FY 2021-22 Adopted	Change	FY 2022-23 Recommended
6728	County Property Insurance	57,284	81,343	16,269	97,612
6732	County Counsel Services	1,021	25,000	-	25,000
6733	Human Resources Services	4,274	4,240	437	4,677
6738	Countywide Security Services	40,920	18,547	(8,939)	9,608
6739	Card Key Public Works	9,482	12,536	(2,378)	10,158
6821	A-87 Expense	586,437	487,925	(11,361)	476,564
6000	**Other Charges**	**7,273,663**	**3,618,604**	**9,346**	**3,627,950**
7331	Fixed Assets -Equipment	267,104	1,691,506	(791,506)	900,000
7000	**Fixed Assets**	**267,104**	**1,691,506**	**(791,506)**	**900,000**
7548	Facility Maintenance Charge	16,313	30,987	(3,380)	27,607
7500	**Other Financing Uses**	**16,313**	**30,987**	**(3,380)**	**27,607**
	Gross Appropriations	**38,291,942**	**44,900,836**	**2,763,822**	**47,664,658**
8142	Intrafund Transfers	-	-	-	-
8000	**Intrafund Transfers**	-	-	-	-
	Net Appropriations	**38,291,942**	**44,900,836**	**2,763,822**	**47,664,658**
8611	Operating Reserves	10,569,050	4,464,763	(72,163)	4,392,600
8811	Capital Reserves	23,307,195	22,687,517	(2,603,773)	20,083,744
	Total Reserves	**33,876,245**	**27,152,280**	**(2,675,936)**	**24,476,344**
	TOTAL REQUIREMENTS	**72,168,186**	**72,053,116**	**87,886**	**72,141,002**