San Mateo County Libraries

Agenda Item VI.

To: JPA Governing Board

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

Date: September 13, 2022

Meeting: September 19, 2022

Re: Proposed Uses of Restricted Library Funds

Background

Section VI. D. of the San Mateo County Library JPA Agreement states the following:

1. *Notwithstanding any other provision of this Agreement, for each fiscal year the Library service revenue allocated to libraries in each member city shall not be less than the estimated library property tax revenue attributable to property located in that city. Subject to paragraph 2, below, in the event that the allocated library service revenue for a member city exceeds the amount required to maintain the minimum library service for that member, such excess funds shall, after deduction of any activities approved by the Governing Board for library related expenditures within that city, be restricted and held by the JPA for library related activities within that member city including but are not limited to, facility maintenance, facility remodeling or expansion, increased service hours, or increased material and equipment purchases, as mutually agreed by the Library JPA and the city council of that member city.*

2. *In the fiscal year following the completion and opening of the new Atherton Library, excess funds, after deduction of any activities approved by the Governing Board for library related expenditures within a member city, shall be split 50%-50% between the Library JPA and the member city to which those excess funds are attributable.*

In accordance with this provision and as approved by the Library JPA Governing Board, at the end of each fiscal year, Library property tax funds in excess of the amount required to operate a community library, are distributed and held by the Library JPA in separate trust funds. FY 2022-23 will be the first year the 50%-50% provision is in effect.

Discussion

For FY 2021-22, amounts totaling $4,256,412 were set aside in the Atherton Library Trust Fund ($1,545,233), in a new Foster City Library Trust Fund ($182,843), in the Portola Valley Library Trust Fund ($160,735), in the San Carlos Trust Fund ($1,373,647), and in the Woodside Library Trust Fund ($993,954).

Restricted Library property taxes currently held in trust accounts by the Library JPA and members total $10,947,802.

Member cities that qualify and are interested in using restricted Library funds to support community library related activities in the upcoming fiscal year, must provide the proposed use of library funds to the Library JPA and obtain Governing Board approval. Proposed uses in FY 2022-23 are detailed below.

Atherton Library

Atherton Library Trust Funds as of June 30, 2022 total $2,065,653 ($509,679 held by the Town of Atherton and $1,555,974 held by the Library). The amount held by Town is earmarked for final items for their new library, which have been previously approved by the JPA Governing Board. In addition, the Town of Atherton proposes to utilize restricted Library excess funds in an amount estimated at $624,050 as detailed below:

Type/Category	Description	Proposed Use FY 2022-23
Facility Repair & Maintenance	Maintenance, repairs, vector control, locks, and landscaping	107,050
Custodial Services	Contract janitorial services	75,000
Utilities	Electricity and water	142,000
Facility Replacements	Further development of spaces	300,000
	Total Expenditures	$624,050

If approved, funds in this amount will be retained in the Atherton Library Trust Fund. The remaining Library held funds of $931,924 will be returned to the Library JPA to continue paying back the one-time advancement to the Town of Atherton, which will result in a remaining balance of $2,508,377.

Foster City Library

Foster City Library Excess Funds as of June 30, 2022 total $182,843 and have been set aside in a new library trust. Foster City had excess funds for the first time in FY 2020-21 in the amount of $110,160, which the city allocated toward a new makerspace.

Portola Valley Library

Portola Valley Library Trust Funds as of June 30, 2022 total $1,471,651 ($126,628 held by the Town of Portola Valley and $1,345,023 held by the Library). The Town of Portola Valley proposes to utilize Library excess fund revenue in an amount estimated at $129,711 as detailed below:

Type/Category	Description	Proposed Use FY 2022-23
Facility Repair & Maintenance	Maintenance and repairs	$18,936
Custodial Services	Contract janitorial services	31,560

Utilities	Electricity, gas, water, sewer	35,000
Facility Improvements	Cabinetry, flooring, etc.	32,115
Overhead Allocation	Annual Town staff support	12,100
	Total Expenditures	$129,711

San Carlos Library

San Carlos Library Trust Funds as of June 30, 2022, total $2,750,417 ($820,317 held by the City of San Carlos and $1,930,100 held by the Library). An update to the FY 2020-21 San Carlos excess fund led to an additional transfer of $359,829 to the San Carlos Trust in FY 2021-22. The City of San Carlos proposes to utilize Library excess fund revenue in an amount estimated at $600,000 as detailed below:

Type/Category	Description	Proposed Use FY 2022-23
Emergency Power	Emergency backup power generator	600,000
	Total Expenditures	$600,000

Woodside Library

Woodside Library Trust Funds as of June 30, 2022, total $4,477,238 ($30,001 held by the Town of Woodside and $4,447,237 held by the Library). The Town of Woodside proposes to utilize Library excess fund revenue in an amount estimated at $137,725 as detailed below:

Type/Category	Description	Proposed Use FY 2022-23
Utilities	Water, gas, sewer	21,500
Maintenance	Janitorial services and landscaping	40,550
Overhead Allocation	Salaries & benefits for Town staff support and liability insurance	75,675
	Total Expenditures	$137,725

Fiscal Impact

Requests for uses of Restricted Library Funds in FY 2022-23 total $1,491,486. There are sufficient excess funds available to cover all requests.

Recommendation

Recommend JPA Governing Board approve the Proposed Uses of Restricted Library Funds. Operations Committee members present for the September 13, 2022 meeting concurred with this recommendation.