



Joint Powers Authority Operations Committee

George Rodericks, Atherton (Chair)
Afshin Oskoui, Belmont
Jeremy Dennis, Brisbane
Melvin Gaines, East Palo Alto
Stefan Chatwin, Foster City
Matthew Chidester, Half Moon Bay

Hannah Moran, Millbrae
Kevin Woodhouse, Pacifica (Vice Chair)
Mark Linder, Portola Valley
Crystal Mui, San Carlos
Justin Mates, San Mateo County
Kevin Bryant, Woodside

**San Mateo County Library Joint Powers Authority
Operations Committee Agenda
January 28, 2025, 1:30 p.m.**

Meetings of the Joint Powers Authority Operations Committee will be held in-person and by teleconference pursuant to Government Code Section 54953(b). Members of the public are able to join this hybrid meeting remotely via the Zoom platform by using the link below or in person at a meeting location identified below.

<https://SMCL.zoom.us/j/93526016493?pwd=ySpZoxD8Gajol2bXAWo955R6rleYTM.1>

Or Telephone: +1 669 900 6833 Meeting ID: 935 2601 6493 Password: 570042

Meeting Location:

Library Administration, 125 Lessingia Court, San Mateo, CA 94402

Members of the public may email written public comments in advance of the meeting to Priscilla Bermudez at bermudez@smcl.org. Your email should include the specific agenda item on which you are commenting or note that your comment concerns an item not on the agenda. The Committee will make reasonable efforts to read into the record all emails received before the meeting. All emailed written comments, regardless of when received, will be included in the administrative record.

In compliance with Title II of the Americans with Disabilities Act, the County will provide reasonable accommodations for persons with disabilities. If possible, please give three (3) business days advance notice of any accommodation needs by contacting Priscilla Bermudez at (650) 339-2247 and/or bermudez@smcl.org or call the California Relay Service (711).

If you believe the County has not met your rights under Title II of the Americans with Disabilities Act, please contact Anne-Marie Despain at (650) 312-5245 and/or despain@smcl.org or call the California Relay Service (711).

I. Call to Order	Action
II. Public Comments	Information
III. Consent Agenda	Action
A. Approval of the October 29, 2024 Minutes	
B. Unapproved Minutes of November 4, 2024 Governing Board Meeting	
C. Financial Audit Report for FY 2023-24	
D. Director's Report	
IV. Strategic Plan 2025-2030 Report	Action
V. Bookmobile Purchase Approval	Action
VI. FY 2024-25 Mid-Year Report	Action
VII. Operations Committee Members Announcements	Information
VIII. Adjournment	Action

2025 Operations Committee Meetings: May 13, June 10, September 9, October 28

2025 Governing Board Meetings: February 3, May 19, June 16, September 15, November 3



San Mateo County Libraries Joint Powers Authority
Operations Committee Meeting
Minutes of October 29, 2024

Board Members Present:

George Rodericks, Atherton (Chair)
Afshin Oskoui, Belmont
Jeremy Dennis, Brisbane
Melvin Gaines, East Palo Alto
Stefan Chatwin, Foster City
Matthew Chidester, Half Moon Bay
Kevin Woodhouse, Pacifica (Vice Chair)
Crystal Mui, San Carlos
Justin Mates, San Mateo County
Kevin Bryant, Woodside

Staff Present:

Anne-Marie Despain
Carine Risley
Lindsey Freeland
Danae Ramirez
Priscilla Bermudez
Katie Woods

-
- I. Call to Order. The meeting was called to order at 1:30 p.m. by Chair Rodericks.
 - II. Public Comments. None.
 - III. Consent Agenda. The Consent Agenda included the Approval of the September 10, 2024 Minutes, the Unapproved Minutes of the September 16, 2024 Governing Board Meeting, the Approval of Response to Grand Jury Report: "Assessing and Reporting Internal Controls in San Mateo County Agencies and School Districts", the Approval of the Regular Operations Committee Meeting Schedule for 2025 and the Director's Report.

Motion: Approve the Consent Agenda without changes. Passed (MSP: Bryant/Woodhouse).
 - IV. Approval of Library Policies. Director Despain briefly introduced two policies recommended for approval. Member Mui inquired about the reason for revising the Exhibit and Display policy. Director Despain clarified that the revisions were part of a routine review and not prompted by any specific incident or activity.

Motion: Approve the Exhibit and Display Policy and Procurement Policy. Passed (MSP: Chatwin/Chidester).
 - V. Draft 2025-2030 Strategic Plan. Deputy Director Risley presented an update on our strategic plan process as well as an overview of the Draft 2025-2030 Strategic Plan. Member Chidester noted the high-level nature of the goals and inquired about plans for identifying specific annual priorities and the committee's role in that process.

Director Despain explained that annual priorities are developed through the budgeting process, involving systemwide collaboration across divisions and libraries. Member Oskoui emphasized the importance of incorporating measurable, sustainable objectives, such as SMART goals, into the plan and its presentation. Director Despain acknowledged the need to reestablish performance measures post-pandemic and shared that developing specific action plans and goals will be part of implementation plans and next steps. Member Woodhouse asked about plans to promote the mission, vision, and goals at each library, and Director Despain shared details about a public awareness campaign tied to the strategic plan launch. Member Mates commended the plan's aspirational and adaptable nature, and committee members agreed providing minor suggestions to improve clarity.

Motion: Accept the Draft 2025-2030 Strategic Plan. Passed (MSP: Mates/Gaines).

- VI. Operations Committee Members Announcements. Member Bryant announced that he will be retiring as Woodside Town Manager in May 2025.
- VII. Adjournment. The meeting adjourned at 1:49 p.m.



San Mateo County Libraries Joint Powers Authority
Governing Board Meeting
Minutes of November 4, 2024

Board Members Present:

Rick DeGolia, Atherton
Julia Mates, Belmont (Vice Chair)
Karen Cunninghame (Chair)
Art Kiesel, Foster City
Deborah Penrose, Half Moon Bay
Tygarjas Bigstycck, Pacifica
Sarah Wernikoff, Portola Valley
Warren Slocum, San Mateo County
Dick Brown, Woodside

Staff Present:

Anne-Marie Despain
Carine Risley
Lindsey Freeland
Mary Abler
Danae Ramirez
Priscilla Bermudez
Katie Woods

-
- I. Call to Order. The meeting was called to order at 8:19 a.m. by Chair Cunningham.
 - II. Public Comments. None.
 - III. Consent Agenda. The Consent Agenda included the Approval of the September 16, 2024 Minutes, the Approval of Response to Grand Jury Report: "Assessing and Reporting Internal Controls in San Mateo County Agencies and School Districts", the Approval of the Regular Governing Board Meeting Schedule for 2025 and the Director's Report. Member Bigstycck commented on the FY 2024-25 Quarter 1 Data Update in the Director's Report, requesting a comparison to pre-pandemic levels. Director Despain clarified that typically 5 years of data are included in the report but that she would be happy to share more data with the Board.

Motion: Approve the Consent Agenda without changes. Passed (MSP: Mates/Penrose).

- IV. Approval of Library Policies. Director Despain briefly introduced two policies recommended for approval. Member Bigstycck asked about whether future changes to the mission and vision would impact library policies. Director Despain clarified that the mission and vision will evolve over time, and the policies will always align with the strategic plan. Members raised technical questions about the documentation and competitive quote processes outlined in the Procurement Policy, which Financial Services Manager Freeland addressed in more detail.


Motion: Approve the Exhibit and Display Policy and Procurement Policy. Passed (MSP: Bigstycck/DeGolia).

- V. Draft 2025-2030 Strategic Plan. Deputy Director Risley presented an update on our strategic plan process as well as an overview of the Draft 2025-2030 Strategic Plan. Members expressed support for the strategic plan, emphasizing the importance of deeper community engagement. Member Brown suggested expanding communication efforts to raise awareness about programs and community participation and asked if there is a baseline database to track progress before and after implementation. Director Despain noted ongoing discussions about performance and impact measurement, with goals set at both the system-wide and local levels. He also commended the library's communication initiatives, while Director Despain highlighted the innovative marketing strategies in place. Member Penrose shared her experiences with traditional library services and offered feedback for improving the user experience. Member Kiesel recommended that Library staff involve Board Members to help share messages and promote services during City Council meetings.

Motion: Accept the Draft 2025-2030 Strategic Plan. (MSP: Penrose/Brown).

- VI. Governing Board Member Announcements. Chair Cunningham recognized outgoing members Pacifica Councilmember Tygarjas Bigstyk, Portola Valley Mayor Sarah Wernikoff, East Palo Alto Mayor Antonio López, and San Mateo County Board President Warren Slocum. Chair Cunningham thanked each outgoing member and shared their accomplishments and impact, members shared remarks and gratitude, and Director Despain presented each with a Certificate of Appreciation commemorating their years of service on the Board.
- VII. Adjournment. The meeting adjourned at 9:00 a.m.



To: JPA Operations Committee
From: Anne-Marie Despain, Director of Library Services 
Lindsey Freeland, Financial Services Manager
Date: January 22, 2025
Meeting: January 28, 2025
Re: Financial Audit Report for FY 2023-24

Background

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

Discussion

JJACPA, Inc., has completed the audit for the Library's basic financial statements for the year ended June 30, 2024. Attached are their following reports: 1) Communication with those Charged with Governance and Communication of Internal Control Related Matters and 2) Basic Financial Statements for the Year Ended June 30, 2024.

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

- There were no matters uncovered which would require reporting under professional accounting standards about 1) the methods used to account for significant unusual transactions and 2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance.
- There were no identified deficiencies in internal controls considered to be material weaknesses. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.
- As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, tests performed of its legal and regulatory compliance disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Highlights of the Basic Financial Statements for the Year Ended June 30, 2024, are noted below:

- The financial statements of the Library have been prepared in conformity with accounting principles generally accepted in the United States. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In accordance with GASB Statement No. 34, the Library has selected the single governmental fund (General Fund) presentation since this reflects the most concise and easily readable presentation for the Library's operations.
- At June 30, 2024, the Library's net position increased to \$49,025,212 from \$44,150,830 in 2023, as shown in the Governmental Funds Balance Sheet/Statement of Net Position on Page 12.
- Operating expenses increased \$4,651,183, primarily due to a one-time transfer of \$1.8 million to the city of East Palo Alto to support the purchase of the land for a new library as well as significant one-time projects including building a new Makerspace at the Millbrae Library.
- General revenues increased by \$4,304,531 principally from increases to secured property taxes, including Excess ERAF. Program revenues increased by \$558,759 due to a higher loan repayment from the Town of Atherton than the previous year.
- Additionally, the year was marked with a number of significant accomplishments and system improvements reflecting the Library's values and priorities and highlighted on pages 3-5 of the report.

Fiscal Impact

There is no fiscal impact associated with accepting this report.

Recommendation

Recommend Library JPA Operations Committee accept the Financial Audit Report for FY 2023-24.

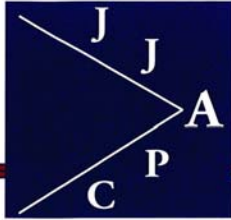
Attachments

1. Communication with Those Charged with Governance and Communication of Internal Control Related Matters, June 30, 2024
2. Basic Financial Statements for the Year Ended June 30, 2024

SAN MATEO COUNTY LIBRARY JPA

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AND
COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS**

JUNE 30, 2024



JJACPA, Inc.

A Professional Accounting Services Corp.

January 7, 2025

To the Governing Board
San Mateo County Library
San Mateo, California

We have audited the basic financial statements of the San Mateo County Library as of and for the year ended June 30, 2024, and have issued our report thereon dated January 7, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated August 13, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the San Mateo County Library solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by San Mateo County Library is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023-24. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are useful lives of capital assets ("useful lives").

Management's estimate of the useful lives is based on experience with and observation of capital assets, by category (e.g. infrastructure) as well as industry standards, when applicable (i.e. buildings). We evaluated the key factors and assumptions used to develop the useful lives and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the San Mateo County Library's financial statements relate to commitments and contingencies.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the San Mateo County Library's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter January 7, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with the San Mateo County Library, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the San Mateo County Library, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

Communication of Internal Control Related Matters

In planning and performing our audit of the financial statements of San Mateo County Library as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered San Mateo County Library's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of San Mateo County Library's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

These communications are intended solely for the information and use of the Governing Board and management of the San Mateo County Library and are not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Joseph J. Arch, CPA

JOSEPH J. ARCH, CPA
President/CEO
JJACPA, INC.

SAN MATEO COUNTY LIBRARY
JOINT POWERS AUTHORITY
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024

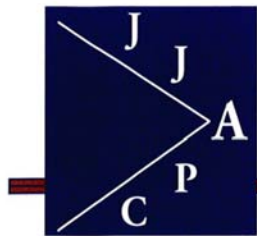
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San Mateo County Library Joint Powers Authority
Basic Financial Statements
For the year ended June 30, 2024

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the San Mateo County Library Joint Powers Authority (Library), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Library, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–11 and 26 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2025 on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

January 7, 2025

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

San Mateo County Library Joint Powers Authority Management’s Discussion and Analysis, Continued For the year ended June 30, 2024

Management’s Discussion and Analysis

This section of the San Mateo County Library Joint Powers Authority’s (Library) basic financial statements presents management’s discussion and analysis of the Library’s financial performance during the fiscal year ended June 30, 2024. Since this management’s discussion and analysis is designed to focus on current activities, resulting change, and current known facts, please read it in conjunction with the Library’s basic financial statements (pages 12 and 13) and the footnotes (pages 15 - 25).

Financial Highlights & Accomplishments

At June 30, 2024, the Library’s net position increased to \$49,025,212 from \$44,150,830 in 2023, which includes additions of \$632,235 and deletions of \$48,552 in capital assets, all shown in the Governmental Funds Balance Sheet/Statement of Net Position on Page 12. Additionally, changes to net position resulted from the following items shown in the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balances/Statement of Activities on Page 13:

- Operating expenses increased by \$4,651,183, primarily due to a one-time transfer of \$1.8 million to the city of East Palo Alto to support the purchase of the land for a new library as well as significant one-time projects including building a new makerspace at the Millbrae Library.
- Program revenues increased by \$558,759 primarily due to a higher loan repayment from the Town of Atherton’s than the previous year. General revenues increased by \$4,304,531 principally from increases to secured property taxes including Excess ERAF.

FY 2023-24 Accomplishments

The fiscal year 2023-24 was marked with a number of significant accomplishments and system improvements reflecting the Library’s values and priorities. Some of these include:

Engaging Connections

- Embarked on a strategic planning process prioritizing deep community engagement, including, among other strategies, surveying 3,500 community members to inform our new Strategic Plan.
- Through a partnership with California State Parks, provided free field trips to fourth graders and their families through our Adventure Pass program.
- Provided 13 virtual school author visits reaching 14,000 students across the county.
- Established a new partnership with La-Honda Pescadero schools to engage families with young children in an intensive, 10-week early literacy class to get children preschool ready.
- Added board games, puzzles, and karaoke machines to our popular Library of Things collection for checkout at all libraries.

**San Mateo County Library Joint Powers Authority
Management's Discussion and Analysis, Continued
For the year ended June 30, 2024**

Financial Highlights & Accomplishments – continued

Dynamic Services

- Served as a community resource center for many of our communities following severe weather and power outages in partnership with the Department of Emergency Services, Red Cross, and PG&E.
- Celebrated eight students that received their high school diplomas through our Carrer Online High School program.
- In partnership with Community Overcoming Relationship Abuse (CORA), connected 125 families from historically under-resourced communities with fun, educational, and engaging activities to complete at home to create stronger family bonds.
- Collaborated with County Behavioral Health to offer workshops on suicide prevention to adults and teens.
- Distributed 2,100 diaper kits to community members through a \$50,000 County of San Mateo Measure K grant.
- Created a non-partisan voter resource website page and many of our libraries hosted secure ballot boxes to encourage civic engagement.

Innovative Environments

- Opened a new Makerspace at the Millbrae Library, featuring a laser cutter, podcasting tools, 3D printers, sewing machines, virtual reality equipment and more.
- Updated interior and exterior furniture in our library spaces to be both visually and physically inviting.
- Completed significant facility updates at the East Palo Alto library, including new carpet, updated lighting, and an air conditioning system.
- Increased access to technology and art opportunities through makerspace programming, including visits by our Makermobile throughout our service area.
- Enhanced outreach efforts with over 121 outreach events engaging over 22,000 community members.

Lifelong Learning

- Provided wellness programming for older adults, including Tai Chi, Qigong, yoga writing and art and also brought services and programming to senior centers, including the VA Mobile Clinic, social safety net providers, and a popular AARP safe driver course.
- Provided a variety of online and in-person ESL programs to support English language learning.
- Welcomed over 200 attendees to our Indie Author Fest, celebrating local literature and creators.
- Provided over 15,000 eclipse glasses for our communities to view the total solar eclipse.

**San Mateo County Library Joint Powers Authority
Management's Discussion and Analysis, Continued
For the year ended June 30, 2024**

Financial Highlights & Accomplishments – continued

Lifelong Learning, continued

- Seven of our volunteers received the President's Volunteer Service Award, a national award for outstanding commitment to service.
- Created growth opportunities for our library champions, with 14 staff members graduating from our inaugural Leadership, Education, and Development program.

**San Mateo County Library Joint Powers Authority
Management’s Discussion and Analysis, Continued
For the year ended June 30, 2024**

Using This Report

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

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

Financial Analysis of the Library as a Whole

	Net Position		Increase (Decrease)	Percent Change
	As of June 30, 2024 and 2023			
	2024	2023		
Assets:				
Current assets	\$ 65,325,840	\$ 61,136,325	\$ 4,189,515	6.9%
Non-current assets	2,380,983	2,163,550	217,433	10.0%
Total assets	67,706,823	63,299,875	4,406,948	7.0%
Liabilities				
Current liabilities	18,016,378	18,495,880	(479,502)	-2.6%
Non-current liabilities	665,233	653,165	12,068	1.8%
Total liabilities	18,681,611	19,149,045	(467,434)	-2.4%
Net position:				
Net investment in capital assets	2,380,983	2,163,550	217,433	10.0%
Unrestricted	46,644,229	41,987,280	4,656,949	11.1%
Total net position	<u>\$ 49,025,212</u>	<u>\$ 44,150,830</u>	<u>\$ 4,874,382</u>	11.0%

This schedule is prepared from the Library’s Statement of Net Position (page 12), which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

Net position at June 30, 2024, increased to \$49,025,212 from \$44,150,830 primarily due to increases in secured property tax funds, including Excess ERAF. The Library had compensated absences of \$665,233 at year-end. Current liabilities are primarily due to restricted excess funds held by the Library.

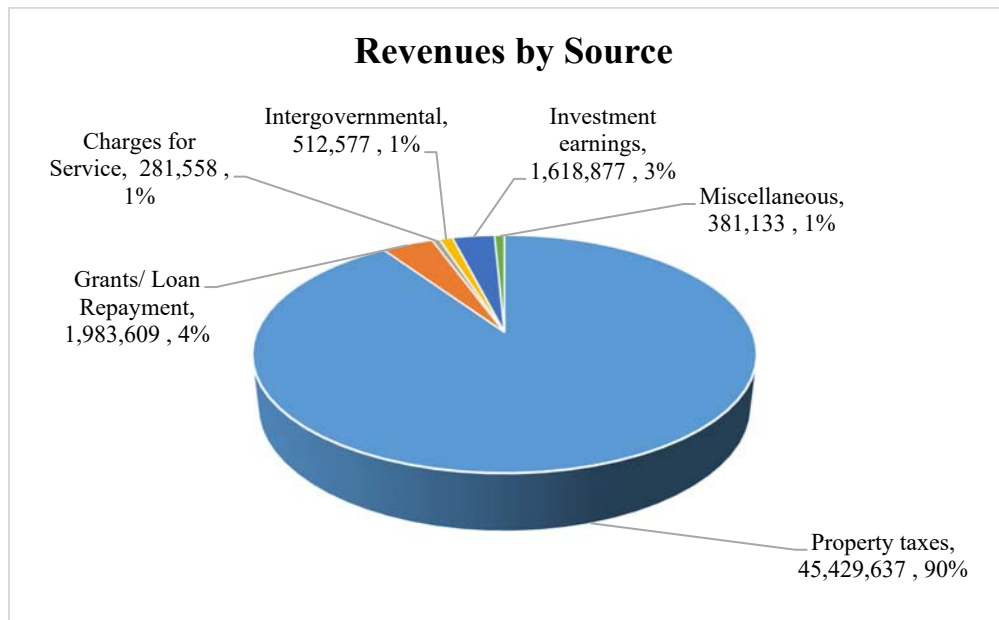
**San Mateo County Library Joint Powers Authority
Management’s Discussion and Analysis, Continued
For the year ended June 30, 2024**

Financial Analysis of the Library as a Whole – continued

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating expenses	\$ 45,333,009	\$ 40,681,826	\$ 4,651,183	11.4%
Program revenue:				
Intergovernmental	512,577	495,578	16,999	3.4%
Grants/ Loan Repayment	1,983,609	1,460,352	523,257	35.8%
Charges for services	281,558	263,055	18,503	7.0%
Total program revenue	<u>2,777,744</u>	<u>2,218,985</u>	<u>558,759</u>	25.2%
Net operating expenses	<u>42,555,265</u>	<u>38,462,841</u>	<u>4,092,424</u>	10.6%
General revenue:				
Property taxes	45,429,637	41,834,144	3,595,493	8.6%
Investment earnings	1,618,877	947,266	671,611	70.9%
Miscellaneous	381,133	343,706	37,427	10.9%
Total general revenue	<u>47,429,647</u>	<u>43,125,116</u>	<u>4,304,531</u>	10.0%
Increase in net position	4,874,382	4,662,275	212,107	4.5%
Net position:				
Beginning of the year	<u>44,150,830</u>	<u>39,488,555</u>	<u>4,662,275</u>	11.8%
End of the year	<u>\$ 49,025,212</u>	<u>\$ 44,150,830</u>	<u>\$ 4,874,382</u>	11.0%

Program revenues increased by \$558,759 primarily due to a higher loan repayment from the Town of Atherton than the previous year. General revenues increased by \$4,304,531 principally from increases to secured property taxes including Excess ERAF.

The following is a graphic illustration of revenues by source for the year ended June 30, 2024:



**San Mateo County Library Joint Powers Authority
Management’s Discussion and Analysis, Continued
For the year ended June 30, 2024**

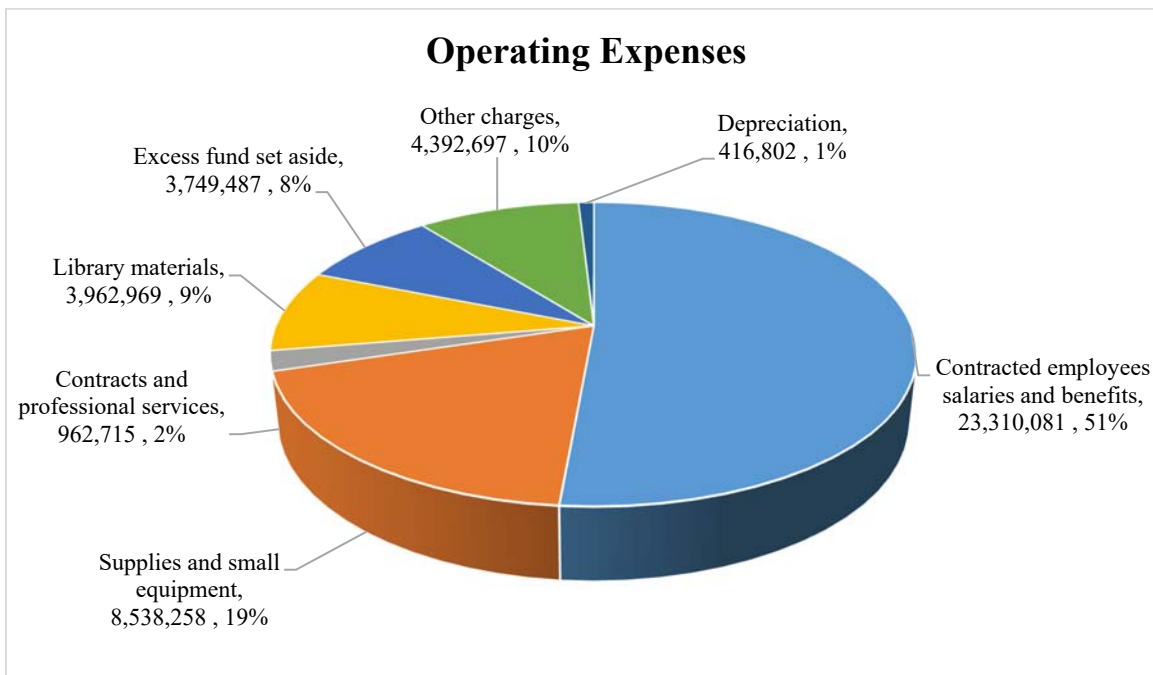
Financial Analysis of the Library as a Whole – continued

**Operating Expenses
For the years ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating expense:				
Contracted employees salaries and benefits	\$ 23,310,081	\$ 22,094,270	\$ 1,215,811	5.5%
Supplies and small equipment	8,538,258	7,967,399	570,859	7.2%
Contracts and professional services	962,715	520,386	442,329	85.0%
Library materials	3,962,969	3,672,568	290,401	7.9%
Excess fund set aside	3,749,487	4,319,680	(570,193)	-13.2%
Other charges	4,392,697	1,779,409	2,613,288	146.9%
Depreciation	416,802	328,114	88,688	27.0%
Total operating expenses	<u>\$ 45,333,009</u>	<u>\$ 40,681,826</u>	<u>\$ 4,651,183</u>	11.4%
Net investment in capital assets	<u>\$ 2,380,983</u>	<u>\$ 2,163,550</u>	<u>\$ 217,433</u>	10.0%

Operating expenses increased by \$4,651,183, primarily due to a one-time transfer of \$1.8 million to the city of East Palo Alto to support the purchase of the land for a new library as well as significant one-time projects, including building a new Makerspace at the Millbrae Library.

The following is a graphic illustration of operating expenses for June 30, 2024:



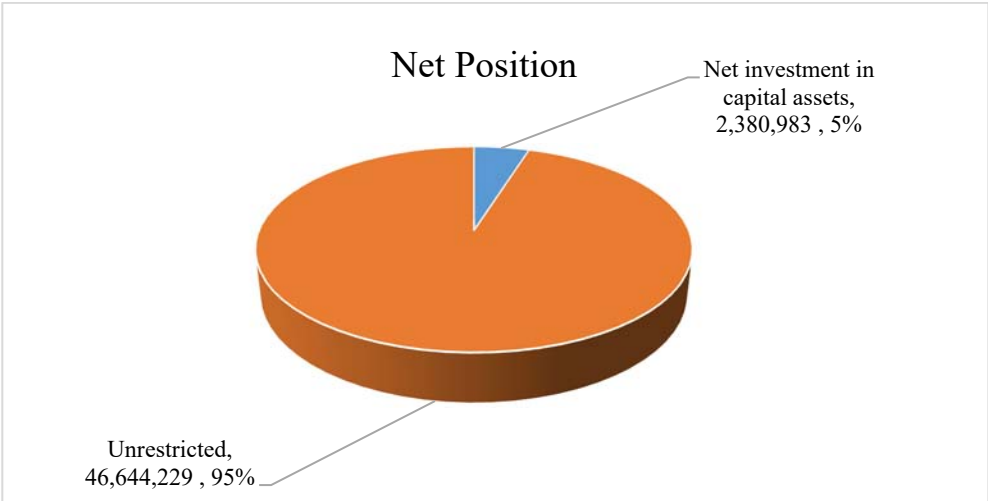
**San Mateo County Library Joint Powers Authority
 Management’s Discussion and Analysis, Continued
 For the year ended June 30, 2024**

Financial Analysis of the Library as a Whole – continued

Analysis of Net Position As of June 30, 2024 and 2023				
	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Net Position:				
Net investment in capital assets	\$ 2,380,983	\$ 2,163,550	\$ 217,433	10.0%
Unrestricted	46,644,229	41,987,280	4,656,949	11.1%
Total	<u>\$ 49,025,212</u>	<u>\$ 44,150,830</u>	<u>\$ 4,874,382</u>	11.0%

The \$4,874,382 increase in net position is primarily due to increases in secured property taxes, including Excess ERAF.

The following is a graphic illustration of net position as of June 30, 2024:



ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

In considering the Library budget for fiscal year 2024-2025, the Governing Board and management used the following criteria:

The key assumptions in the revenue forecast were:

Secured property tax revenues expected to increase at a rate of 4% based on actual receipts in the current year and growth in prices and appraised property values. Library revenue from secured property taxes (taxes assessed against real property) was estimated at \$31.6 million, and unsecured taxes (taxes on aircraft and commercial equipment largely generated from businesses at San Francisco International Airport) was estimated at \$1.2 million.

Continued State transfer of excess Educational Revenue Augmentation Fund (ERAF) revenue was estimated at \$5.0 million.

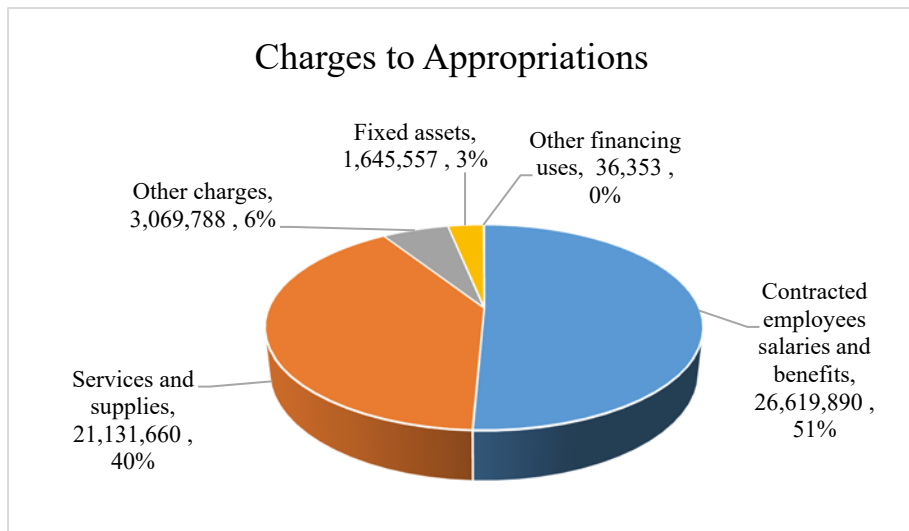
**San Mateo County Library Joint Powers Authority
Management’s Discussion and Analysis, Continued
For the year ended June 30, 2024**

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

The adopted budget for the new fiscal year 2024-25 was \$89,834,096, including reserves of \$37,330,848. The \$52,503,248 in anticipated expenditures are summarized as follows:

	FY 2024-25	FY 2023-24	Increase (Decrease)	Percentage change
Contracted employees salaries and benefits	\$ 26,619,890	\$ 26,154,609	\$ 465,281	1.8%
Services and Supplies	21,131,660	21,079,060	52,600	0.2%
Other charges	3,069,788	6,261,943	(3,192,155)	-51.0%
Fixed Assets	1,645,557	2,753,362	(1,107,805)	-40.2%
Other Financing Uses	36,353	33,218	3,135	9.4%
Total budget	\$ 52,503,248	\$ 56,282,192	\$ (3,778,944)	-6.7%

1. Contracted employee’s salaries and benefits – Shows an increase of 1.8% primarily due to modest benefit increases and reclassification of two vacant positions.
2. Services and Supplies – Shows an increase of 0.2% primarily due to continuing allocations for one-time projects, including furniture and shelving updates for facilities from the prior year as well as holding on new significant initiatives until we have a new strategic plan in place.
3. Other charges – Shows a decrease of 51% due to removing the one-time allocation of \$1.8 million to the City of East Palo Alto to support the land purchase for a new library and removing allocations for one-time project transfers to other agencies from the prior year.
4. Fixed Assets – Shows a decrease of 40.2% due to projects being completed or removed from the prior year.
5. Other Financing Uses – Shows an increase of 9.4% due to adjustments in County facility charges.



**San Mateo County Library Joint Powers Authority
Management's Discussion and Analysis, Continued
For the year ended June 30, 2024**

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

Contacting the Library

This financial report is designed to provide customers and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives and is allocated to it. For questions about this report, contact Lindsey Freeland, Financial Services Manager with San Mateo County Libraries, freeland@smcl.org, (650) 312-5236. Inquiries by mail can be sent to the San Mateo County Library Joint Powers Authority, Attention Finance, 125 Lessingia Court, San Mateo, CA 94402.

San Mateo County Library Joint Powers Authority
Governmental Funds Balance Sheet/Statement of Net Position
June 30, 2024

(With comparative totals for June 30, 2023)

	<u>General Fund</u>	<u>Adjustments (Note 5)</u>	<u>Statement of Net Position</u>	<u>2023</u>
ASSETS				
Cash and investments	\$ 52,191,145	\$ -	\$ 52,191,145	\$ 48,062,101
Cash and investments - restricted	12,651,364	-	12,651,364	12,665,023
Interest receivable	481,742	-	481,742	358,778
Other receivables	1,589	-	1,589	-
Capital assets, net of accumulated depreciation	-	2,380,983	2,380,983	2,163,550
Total assets	<u>\$ 65,325,840</u>	<u>\$ 2,380,983</u>	<u>\$ 67,706,823</u>	<u>\$ 63,249,452</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts and sales tax payable	\$ 1,143,677	\$ -	\$ 1,143,677	\$ 1,184,493
Other current liabilities	3,749,487	-	3,749,487	4,136,837
Eligible excess fund set aside	12,651,364	-	12,651,364	12,665,023
Accrued payroll	471,850	-	471,850	459,104
Compensated absences	-	665,233	665,233	653,165
Total liabilities	<u>18,016,378</u>	<u>665,233</u>	<u>18,681,611</u>	<u>19,098,622</u>
Fund balances/Net position:				
Nonspendable	-	-	-	-
Committed	47,309,462	(47,309,462)	-	-
Total fund balances	<u>47,309,462</u>	<u>(47,309,462)</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 65,325,840</u>			
NET POSITION				
Net investment in capital assets		2,380,983	2,380,983	2,163,550
Unrestricted		46,644,229	46,644,229	41,987,280
Total net position		<u>\$ 49,025,212</u>	<u>49,025,212</u>	<u>44,150,830</u>
Total liabilities and net position			<u>\$ 67,706,823</u>	<u>\$ 63,249,452</u>

The accompanying notes are an integral part of these financial statements

San Mateo County Library Joint Powers Authority
Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances/Statement of Activities
For the year ended June 30, 2024
(With comparative totals for the year ended June 30, 2023)

	<u>General Fund</u>	<u>Adjustments (Note 6)</u>	<u>Statement of Activities</u>	<u>2023</u>
EXPENDITURES/EXPENSES:				
Contracted employees salaries and benefits	\$ 23,298,013	\$ 12,068	\$ 23,310,081	22,094,270
Supplies and small equipment	8,538,258	-	8,538,258	7,967,399
Contracts and professional services	962,715	-	962,715	520,386
Library materials	3,962,969	-	3,962,969	3,672,568
Excess fund set aside	3,749,487	-	3,749,487	4,319,680
Other charges	4,392,697	-	4,392,697	1,779,409
Capital outlay	634,235	(634,235)	-	-
Depreciation	-	416,802	416,802	328,114
Total expenditures/expenses	<u>45,538,374</u>	<u>(205,365)</u>	<u>45,333,009</u>	<u>40,681,826</u>
REVENUES:				
Program revenues:				
Intergovernmental	512,577	-	512,577	495,578
Grants	1,983,609	-	1,983,609	1,460,352
Charges for services	281,558	-	281,558	263,055
Total program revenues	<u>2,777,744</u>	<u>-</u>	<u>2,777,744</u>	<u>2,218,985</u>
Net program expenses	<u>42,760,630</u>	<u>(205,365)</u>	<u>42,555,265</u>	<u>38,462,841</u>
General revenues:				
Property taxes	45,429,637	-	45,429,637	41,834,144
Investment earnings	1,618,877	-	1,618,877	947,266
Miscellaneous	381,133	-	381,133	343,706
Total general revenues	<u>47,429,647</u>	<u>-</u>	<u>47,429,647</u>	<u>43,125,116</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>4,669,017</u>			
CHANGE IN NET POSITION		<u>205,365</u>	<u>4,874,382</u>	<u>4,662,275</u>
FUND BALANCES/NET POSITION:				
Beginning of the year	<u>42,640,445</u>	<u>1,510,385</u>	<u>44,150,830</u>	<u>39,488,555</u>
End of the year	<u>\$ 47,309,462</u>	<u>\$ 1,715,750</u>	<u>\$ 49,025,212</u>	<u>\$ 44,150,830</u>

The accompanying notes are an integral part of these financial statements

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements
For the year ended June 30, 2024

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The San Mateo County Library Joint Powers Authority (Library) is a Joint Exercise of Powers Agency, which is a library service organization comprised of the cities of Atherton, Belmont, Brisbane, East Palo Alto, Foster City, Half Moon Bay, Millbrae, Pacifica, Portola Valley, San Carlos, and Woodside and the County of San Mateo. The Library was formed on January 11, 1999, under Government Code Section 6500 et. seq. A restated Joint Powers Agreement was approved by the Governing Board and its member agencies and took effect as of May 31, 2004, to clarify various administrative, property, and service issues, which were not included in the original agreement. The agreement was updated again in December 2018 to reflect changes pertaining to the manner in which County tax revenues are allocated to the JPA members.

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

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

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

A. Reporting Entity

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

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. Basis of Accounting

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

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

C. Budgets

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

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

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

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

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Budgets – continued

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

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

D. Property Taxes

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

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

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

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

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

50%	remitted on December 14
40%	remitted on April 16
10%	remitted on June 28

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

E. Cash and Investments

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

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

F. Net Investment in Capital Assets

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

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

Furniture and equipment – 5 to 10 years

2. CASH AND INVESTMENTS

The Library had the following cash and investments at June 30, 2024:

	Not rated	Fair Value
San Mateo County Treasury	\$ 49,842,469	\$ 49,842,469
San Mateo County Treasury- restricted	12,654,364	12,654,364
California Local Agency Investment Fund (LAIF)	2,348,676	2,348,676
Total	\$ 64,845,509	\$ 64,845,509
Presentation in Statement of Net Position:		
Cash and investments	\$ 52,191,145	
Cash and investments- restricted	12,651,364	
	\$ 64,842,509	

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

2. CASH AND INVESTMENTS - continued

A. Cash Deposits

The Library pools cash from all sources. The Library invests excess cash in the San Mateo County Treasury and LAIF investment pools, which at June 30, 2024, approximated fair value of \$52,191,145. The restricted cash and investments balance represents the amount held under the excess fund provision.

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

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

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

B. Investments

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

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

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

2. CASH AND INVESTMENTS - continued

B. Investments – continued

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

Fair value of investments. The Library measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund. Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs. Securities classified as Level 3 have limited trade information, these securities are priced or using the last trade price or estimated using recent trade prices.

C. Investments in External Investment Pools

The Library's investments with the County at June 30, 2024, included a portion of the pool funds invested in structured notes and asset backed securities and similar transactions. These investments may include the following:

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

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

As of June 30, 2024, the Library had \$2,348,676 invested directly in LAIF. The LAIF investment pool consisted of derivative products in the form of asset-backed securities in the amount of \$2,849.069 million and \$2,250.000 million in Structured Notes, each of these investment types representing 1.4% and 1.6% of the total LAIF investment pool, respectively. The current average life of the LAIF portfolio as of June 30, 2024 was 217 days.

As of June 30, 2024, the Library also had \$49,842,469 invested directly in the County investment pool. The County investment pool currently holds \$26,908,142 in asset-backed securities, representing 0.32% the total County investment pool. The current average maturity of the portfolio is 1.64 years with an average duration of 1.49 years.

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

3. CAPITAL ASSETS

Changes in capital assets were as follows:

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2024</u>
Furniture and equipment	\$ 3,628,861	\$ 634,235	\$ (48,552)	\$ 4,214,544
Accumulated depreciation	<u>(1,465,310)</u>	<u>(416,803)</u>	<u>48,552</u>	<u>(1,833,561)</u>
Total fixed assets	<u>\$ 1,435,225</u>	<u>\$ 217,432</u>	<u>\$ -</u>	<u>\$ 2,380,983</u>

During the fiscal year, the Library added \$634,235 in equipment.

4. FUND BALANCES/NET POSITION

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

Nonspendable		\$ -
Committed for:		
Capital Projects	42,309,462	
Contingencies - Stabilization	<u>5,000,000</u>	<u>47,309,462</u>
		<u>\$ 47,309,462</u>

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

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

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

4. FUND BALANCES/NET POSITION - continued

	<u>Net Position</u>
Net investment in capital assets	\$ 2,380,983
Unrestricted	<u>46,644,229</u>
Total	<u><u>\$ 49,025,212</u></u>

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

“Total fund balances” of the Library’s General fund (\$47,309,462) differs from “net position” of governmental activities (\$49,025,212) reported in the Statement of Net Position on page 12. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the General fund balance sheet. The effect of the difference is illustrated below:

Balance Sheet/Statement of Net Position

	<u>General Fund</u>	<u>Reclassifications and Eliminations ¹</u>	<u>Statement of Net Position</u>
Assets:			
Cash and investments	\$ 52,191,145	\$ -	\$ 52,191,145
Cash and investments- restricted	12,651,364	-	12,651,364
Interest receivable	481,742	-	481,742
Other receivables	1,589	-	1,589
Capital assets	-	2,380,983	2,380,983
Total assets	<u>\$ 65,325,840</u>	<u>\$ 2,380,983</u>	<u>\$ 67,706,823</u>
Liabilities:			
Accounts and sales tax payable	\$ 1,143,677	\$ -	\$ 1,143,677
Other current liabilities	3,749,487	-	3,749,487
Eligible excess fund set aside	12,651,364	-	12,651,364
Accrued payroll	471,850	-	471,850
Compensated absences	-	665,233	665,233
Total liabilities	<u>18,016,378</u>	<u>665,233</u>	<u>18,681,611</u>
Fund Balances/Net Position:			
Total fund balances/net position	<u>47,309,462</u>	<u>1,715,750</u>	<u>49,025,212</u>
Total liabilities and fund balances/net position	<u>\$ 65,325,840</u>	<u>\$ 2,380,983</u>	<u>\$ 67,706,823</u>

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

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

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

The “net change in fund balances” for the General fund \$4,669,017 differs from the “change in net position” for governmental activities \$4,874,382 reported in the Statement of Activities on page 13. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the General fund. The effect of the difference is illustrated below:

	General Fund	Reclassifications and Eliminations ¹	Statement of Activities
EXPENDITURES/EXPENSES:			
Contracted employees salaries and benefits	\$ 23,298,013	\$ 12,068	\$ 23,310,081
Supplies and small equipment	8,538,258	-	8,538,258
Contracts and professional services	962,715	-	962,715
Library materials	3,962,969	-	3,962,969
Excess fund set aside	3,749,487	-	3,749,487
Other charges	4,392,697	-	4,392,697
Capital outlay	634,235	(634,235)	-
Depreciation	-	416,802	416,802
Total expenditures/expenses	45,538,374	(205,365)	45,333,009
REVENUES:			
Program revenues:			
Intergovernmental	512,577	-	512,577
Grants	1,983,609	-	1,983,609
Charges for services	281,558	-	281,558
Total program revenues	2,777,744	-	2,777,744
Net program expense	42,760,630	(205,365)	42,555,265
General revenues:			
Property taxes	45,429,637	-	45,429,637
Investment earnings	1,618,877	-	1,618,877
Miscellaneous	381,133	-	381,133
Total general revenues	47,429,647	-	47,429,647
REVENUES OVER (UNDER)			
EXPENDITURES	4,669,017		
CHANGE IN NET POSITION		205,365	4,874,382
FUND BALANCES/NET POSITION:			
Beginning of the year	42,640,445	1,364,489	44,150,830
End of the year	<u>\$ 47,309,462</u>	<u>\$ 1,569,854</u>	<u>\$ 49,025,212</u>

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

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

7. RELATED PARTY TRANSACTIONS

The Library contracts with the County of San Mateo (County) to provide some administrative, accounting, personnel, and facilities maintenance services. Under these arrangements, the Library pays the County the cost of services provided. During the year ended June 30, 2024, the Library paid the County \$1,875,525 in services charges, including \$156,426 for administrative and support services, \$602,627 for insurance and \$382,383 for facilities maintenance services.

Section VI. D. of the San Mateo County Library JPA Agreement states the following, "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." In accordance with the excess fund provision, and as approved by the Library JPA Governing Board, at the end of each fiscal year, funds in excess of the amount required to operate a branch are distributed and held by the Library in separate library accounts or Trust Funds. The funds are segregated from the Library's general operating budget where they accrue interest.

As of June 30, 2024, the amounts transferred for set aside are as follows: Atherton Library \$1,791,379, San Carlos Library \$1,043,882, and Woodside Library \$914,226, representing a combined total of \$3,749,487.

As of June 30, 2024, the balance held by the Library in Trust are as follows: Atherton Library \$2,162,099, Foster City \$193,177, Portola Valley Library \$1,349,014, San Carlos Library \$2,629,220, and Woodside Library \$6,317,854, representing a combined total of \$12,651,364 as shown as a charge to excess fund payments on the statement of revenues, expenditures and changes in net position/statement of activities.

As of June 30, 2024 excess County Free Library property taxes with a combined balance of \$1,875,965 remain in accounts currently held by each excess fund city and are to be depleted first before accessing any funds held in the Library's Trust Funds. These amounts are as follows: Atherton Library \$250,992, Woodside Library \$43,024, Portola Valley Library \$6,010 and San Carlos Library \$1,575,939.

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

8. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 99, "*Omnibus 2022*." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The implementation of this statement did not have an effect on the financial statements.

San Mateo County Library Joint Powers Authority
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

8. NEW ACCOUNTING PRONOUNCEMENTS, Continued

The GASB has issued Statement No. 100, "*Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62.*" The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The implementation of this statement did not have an effect on the financial statements.

The GASB has issued Statement No. 101, "*Compensated Absences.*" The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024.

The GASB has issued Statement No. 102, "*Certain Risk Disclosures.*" The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025.

The GASB has issued Statement No. 103, "*Financial Reporting Model Improvements.*" The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2026.

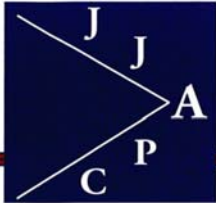
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REQUIRED SUPPLEMENTARY INFORMATION

**San Mateo County Library Joint Powers Authority
Required Supplementary Information
For the year ended June 30, 2024**

**Budgetary Comparison Schedule
General Fund
For the year ended June 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2023	\$ 42,640,445	\$ 42,640,445	\$ 42,640,445	\$ -
Resources (inflows):				
Intergovernmental revenue	693,774	693,774	2,496,186	311,078
Interfund revenue	251,549	251,549	267,163	807,059
Charges for services	-	-	14,395	263,055
Taxes	40,285,502	40,285,502	45,429,637	4,082,024
Use of money and property	371,216	371,216	1,618,877	576,050
Miscellaneous revenue	209,979	209,979	381,133	(389,279)
Total revenues	41,812,020	41,812,020	50,207,391	5,649,987
Amounts available for appropriation	84,452,465	84,452,465	92,847,836	5,649,987
Charges to appropriations (outflows):				
Salaries and benefits	26,154,609	26,154,609	23,422,134	2,619,526
Supplies and small equipment	21,079,060	21,079,060	8,427,814	3,227,235
Other charges	6,295,161	6,295,161	13,054,191	1,889,086
Capital outlay	2,753,362	2,753,362	634,235	1,459,362
Total charges to appropriations	56,282,192	56,282,192	45,538,374	9,195,209
Budgetary fund balance, June 30, 2024	\$ 28,170,273	\$ 28,170,273	\$ 47,309,462	\$ 14,845,196



JJACPA, Inc.

A Professional Accounting Services Corp.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of San Mateo County Library as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated January 7, 2025.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

January 7, 2025

JJACPA, Inc.

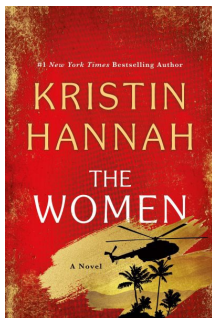
**JJACPA, Inc.
Dublin, CA**



To: JPA Operations Committee
 From: Anne-Marie Despain, Director of Library Services
 Date: January 22, 2025
 Meeting: January 28, 2025
 Re: Director's Report

This report summarizes significant library operations and program activities that have occurred since the last meeting of the Operations Committee. Services and activities are aligned with our Strategic Plan 2025-2030 Goals.

We listen to our community and create responsive services and spaces where everyone belongs.

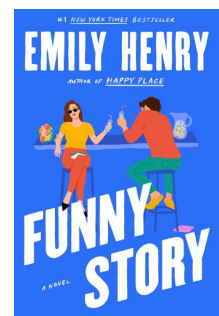


Trending New Print Titles

As we welcome the new year, we're excited to reflect on the top checked-out titles from San Mateo County Libraries for 2024. Our most popular adult book was [The Women](#) by Kristin Hannah, a captivating historical novel. [One Piece, Volume 1](#) by Eiichiro Oda topped the teen category and [The Scarlet Shedder](#) by Dav Pilkey was the highest circulating children's fiction title. Our Library of Things collection remains a favorite, with WiFi hotspots and California State Parks passes leading the way.

Top Circulating eBook and eAudio Titles

Our digital collections engage readers with their preferred reading format, connecting them with the power of stories. Digital checkouts have soared, with adult fiction leading the charge. [Funny Story](#), a romance by Emily Henry, was the most popular eBook and eAudiobook this year. [The Women](#) by Kristen Hannah was also a favorite in both formats. Following closely behind was [First Lie Wins](#), a widely enjoyed thriller in both formats.



New York Times Expanded Access

San Mateo County Libraries cardholders now have online access to three additional New York Times publications: [New York Times Cooking](#), [New York Times Games](#), and [The Athletic](#). Library cardholders can access a tremendous library of recipes with *New York Times Cooking*, can enjoy playing Wordle and Connections with *New York Times Games*, or browse the latest sports exclusives with *The Athletic*. Each online access pass lasts 24 hours and can be renewed an unlimited number of times. Since the launch of these resources in July, library cardholders have viewed 1,993 recipes and played 13,587 games.

Video Games

Our video game collection officially launched to the public in September, generating tremendous excitement and enthusiasm. Patrons are able to choose from over 500 Nintendo Switch, PlayStation 5 and Xbox Series X games, available for checkout along with more than 40 consoles to meet initial demand. One patron expressed their appreciation, saying, "I just wanted to say that I think its super cool of you to offer video game rentals. I really do hope you're able to reach a lot of people with this program!" A senior patron who is homebound added, "I'd love to try to play games. I've never played video games before." The popular collection has already circulated 2,046 times and brought a new way of exploring learning, fun and connection into many homes.

We engage our communities through meaningful outreach and expanded access to resources.

Senior Services

We are proud to offer meaningful programs that reflect the interests and priorities of our residents, especially those aged 55 and older. In 2024, we hosted four AARP Driver Safety Courses, helping older adults enhance their defensive driving skills, reduce crash risks, and navigate the various driving challenges that may arise with age. With registration capped at 15 participants per session, a total of 52 participants completed the course. Feedback was overwhelmingly positive, with attendees appreciating the engaging presentations and thanking the library for offering this valuable resource. Inspired by this success, we're excited to continue providing these courses.



This fall, the Atherton and Portola Valley Libraries hosted four-week California Mahjong courses, welcoming eight participants at each location. Along with mastering the mechanics of the game, attendees discovered its cognitive benefits and enjoyed the opportunity to connect with others. Following the sessions, participants were encouraged to keep playing at the library, fostering new friendships and a sense of community.

In December 2024, we introduced our fall prevention workshop series at Atherton Library, in collaboration with Dignity Health. The workshop offered practical tips on balance exercises, home safety, vision care, and health assessments. One attendee described it as the "most comprehensive and useful" fall prevention workshop they had ever attended. On January 16, we partnered with the Town of Woodside to host a Senior Safety Workshop focused on fall prevention and fire safety. The event had 25 in-person attendees and 10 joining via Zoom. Attendees expressed gratitude for the valuable resources and thorough presentations, and plans are already underway for future workshops, including a focus on emergency preparedness.

As we look to the future, we remain committed to expanding programs and resources that empower older adults, support their well-being, and strengthen our community connections.

WiFi Hotspot Improvements

Mobile WiFi remains one of our most in-demand services, with 8,609 checkouts of hotspots and laptops with hotspots between July and December 2024. To keep up with demand, we're excited to share that we've expanded our WiFi hotspot collection from 2,200 to 2,700 devices, enhancing connectivity for our community. We are currently working to upgrade many to a 5G network, delivering faster and more reliable service across our area.



Enhanced Internet Access

The library is working with the Peninsula Library System to replace all end-of-life network switches and wireless access points in our libraries. The new equipment will provide an enhanced connection to the Internet and offer better performance. The new wireless access points will provide a stable connection to our WiFi and will allow users to effortlessly connect from any of our libraries. This project is estimated to be completed by the end of January 2025.

We connect people and build partnerships to achieve shared goals.

Familias Unidas Library Partnership

San Mateo County Libraries proudly partners with Familias Unidas to support families in North Fair Oaks and East Palo Alto, where nearly 95% of third graders are not meeting grade-level reading standards. This partnership emphasizes meaningful family engagement as a cornerstone of children's academic success. Through workshops tailored for Spanish-speaking families with 120 children from preschool to 12th grade, the program achieved remarkable results. Before the workshops, only 15% of families engaged in reading activities at home 4-7 days a week. After participating, that number soared to 85%.



Library staff actively participated each week, sharing information about library programs and adult literacy services. As a result, 92% of families joined My Summer Adventure, 69% attended three or more library events during the series, and 92% had at least one library card. By addressing barriers and building strong connections, staff empowered families to fully utilize library services. One participant expressed, "Now I know all the services offered by the library and can ask for help without shame or fear. I understand the importance of reading for myself and my family."



Reach Out and Read

We are proud partners of Reach Out and Read, a national nonprofit organization that connects us with pediatric offices to provide training, support, and high-quality books to distribute during wellness visits for children. San Mateo County Libraries supports county clinics in Half Moon Bay and North Fair Oaks, as well as the Ravenswood Health Center in East Palo Alto.

In 2024 we shared 3,617 books in English and Spanish with our clinics. In each annual wellness visit, clinicians gift a book to the family and promote literacy as part of the healthy growth of a child. In East Palo Alto and Half Moon Bay, over 98% of the children receiving this support receive insurance through Medicaid. In addition to books, library staff provide regular support to the clinics through resources such as library card signups, adult literacy information, and citizenship resources. These incredible connections create valuable opportunities to reach community members where they are and promote literacy for the entire family.

Dolly Parton's Imagination Library

Access to books and building a home library are key components in engaging families in early literacy. We are proud to continue advancing this effort by partnering with the Dolly Parton Imagination Library to provide high-quality books to all youth ages 0-5 in San Mateo County. Since launching the program in August 2024, we have enrolled over 5,000 children, over 12% of the total kids under five in the county, to receive a free book in the mail each month. Local outreach efforts by library staff, support from partners, and articles in local newspapers have boosted signups. Books are available in Spanish and English and include literacy tips to support caregivers in reading with their child. This amazing program is only possible through the generous financial support and fundraising efforts of the Friends of the Library groups and leadership from the Foundation for San Mateo County Libraries.



We champion a culture of continuous growth and discovery for all.

Library Outposts

San Mateo County Libraries' first Library Outpost is making a significant impact since its opening at the Pacifica Sanchez Library in July. This 24-hour automated library hub features a curated collection of over 300 books and media, providing patrons with a convenient way to browse our collection and pick up their holds anytime. Since its launch, 2,655 items have been checked out using the Outpost. On average, 34 items are on the hold shelf at any given time and hold checkouts make up about half of the total circulation. Our Library Outpost patrons love to check out graphic novels for kids, new fiction titles for adults, and books on cooking, gardening, and traveling. We expect our numbers to keep growing as more people discover and utilize this innovative service.

Belmont Improvement Project

We are excited to announce that the Belmont Library has an upcoming improvement project that will take place this spring. Belmont City Council approved the project at their November 26th meeting. Renovation activities for the 20,000 sq ft. facility will include new exterior and interior painting, new flooring, meeting room enhancements with new equipment, updated ergonomic staff workstations and some additional new furniture and shelving. The work associated with this project is expected to begin sometime in March and will require the library to close for approximately three to four months. During the closure, popular programs and services will be offered at alternative community locations, or at the San Carlos Library. In partnership with the City of Belmont, and with generous funding from the Friend of the Belmont Library, San Mateo County Libraries is excited about reinvigorating this wonderful library destination.



San Carlos Makerspace

The San Carlos Makerspace Task Force, comprised of city and library staff as well as members of the Friends of the San Carlos Library, have finalized the design for the makerspace. Located on the second floor of the library, this innovative space will feature modern furniture, ample storage, a creative work counter, and cutting-edge technology. Collaboration is encouraged through cozy lounge areas, a writable wall and a digital screen for brainstorming and instruction. This new

space will be a wonderful hub of innovation and creativity, blending functionality with aesthetic appeal. WRNS Studio, the architectural firm responsible for the design, has incorporated elements of light inspired by the dome in the building's rotunda. Next steps include, developing the construction documents and getting the project approved and permitted. We are thrilled about the progress on this project and look forward to the construction phase.

East Palo Alto Library Update

Last year, the City awarded a design services contract to Noll & Tam Architects to continue the development of a new library. As part of the project outreach, seven interviews with community leaders were conducted, two focus groups were held (one in English focus and one in Spanish), and one open community meeting took place. Additionally, following the community meeting, an online survey was set up to collect additional feedback to refine the design. Informed by the community and following the completion of the summer community outreach campaign, Noll & Tam Architects, library and city staff have been refining the conceptual design and cost model for the new two-story library facility. Excitement continues to grow, and the updated design and cost estimate will be presented to the City Council for approval on February 4, 2025.

Atherton Library Children's Garden

Library and Town staff are finalizing construction design plans for the children's garden with landscape architects, Miller Company. Through public engagement and collaboration with the Friends of the Atherton Library stakeholder group, the design team has created a plan that embodies the community's aspirations. The 6,500 square foot garden will complement the existing redwood trees and feature a whimsical willow hut, boulder mound, natural branch tunnel, and an accessible treehouse. These elements will foster exploration and imaginative play in an outdoor natural setting. The final design and cost model will be shared with the Atherton Town Council for approval on February 19, 2025.



Employee Service Awards

In December, the County celebrated Pacifica Libraries Librarian Ashley Larsen for an incredible milestone: 20 years of dedicated service. Congratulations to Ashley for her remarkable contributions and commitment to San Mateo County Libraries!

Personnel Updates

We're excited to share the following personnel announcements:

Alejandra Aguirre has accepted the position of Community Program Specialist at the Pacifica Library. Alejandra joins us from the VA Palo Alto Healthcare System where she worked as a graduate social work intern. Alejandra holds a bachelor's degree in social work and a master's degree of social work from San Jose State University.

Karla Barreiro has accepted a promotion to Community Program Specialist at the Atherton Library. Karla previously served as a Library Assistant at the Foster City Library. Karla holds a bachelor's degree in anthropology from the University of California, Los Angeles and is bilingual in Spanish.

Ismael Betancourt has accepted a promotion to Senior Librarian at the Half Moon Bay Library. Ismael previously served as a Librarian at the Belmont Library. He has worked for SMCL for almost 8 years, holding varied positions including Library Assistant and Community Technology Specialist. Ismael holds an MLIS from San Jose State University and a bachelor's degree in digital media, also from SJSU. Ismael is bilingual in Spanish.

Mellie Coddling has accepted a promotion to Community Program Specialist at Portola Valley. Mellie previously served as a Library Assistant at the North Fair Oaks Library. She holds a bachelor's degree in 2D Animation from Pratt Institute.

Richard Moala has accepted the position of Human Resources Manager. Richard joins us from California State University, East Bay where he has over ten years of experience working for the university which includes extensive HR experience in staffing, recruitment, performance management, collective bargaining, and professional development and training. In his recent role as Academic Programs and Special Sessions Manager, he is responsible for providing performance and process improvements based on data analysis, that maximize enrollment while maintaining fiscal responsibility. Richard holds a Bachelor of Science and MBA in Human Resources and Organizational Behavior from Cal State East Bay.

Kelly Reinaker has accepted a transfer to Senior Librarian at the Atherton Library. She previously served as a Senior Librarian at the Half Moon Bay Library. Kelly has worked for SMCL for over 9 years, starting at the East Palo Alto Library as a Librarian. Kelly holds an MLIS from Kent State University and a bachelor's degree in Spanish from The Ohio State University.

David Vargas has accepted a promotion to Senior Librarian at the Belmont Library. David has worked for SMCL for nearly 9 years, previously serving as a Librarian and Community Technology Specialist at the Belmont Library. He holds a MLIS from San Jose State University, and a bachelor's degree in sociology from San Diego State University.

Susan Verlander has accepted the position of Library Assistant in Administration. She previously worked as an Extra Help Library Assistant in Access Services. Susan holds a bachelor's degree in Studio Art from the University of Texas at Austin.

Dorian Wu has been promoted to Library Assistant at the Belmont Library. Dorian previously served as a Library Aide at the San Carlos Library. They hold an associate degree in music from Drew University.

Welcome and congratulations to all our Library Champions!

Approval of Tentative Agreement with SEIU

The San Mateo County Board of Supervisors approved a new three-year agreement with the Service Employees International Union (SEIU) on December 3rd. There are some new items to highlight that became effective following the Board of Supervisor's approval.

Cost of Living Adjustments (COLA):

- 5% COLA increase effective December 8, 2024.
- 5% COLA increase effective on October 12, 2025.
- 4-5% COLA increase effective on October 11, 2026.

Bilingual Pay: The biweekly bilingual differential will increase from \$70 to \$90.

Wellness Days: Effective December 8, 2024, employees received two Wellness Days (16 hours) to use this fiscal year (June 30), that will serve as floating holidays for employees to use as additional time off. Employees will receive 16 hours of Wellness Days at the beginning of each fiscal year, to be used only during that fiscal year.

New Holiday: The County has added an additional paid holiday to honor Cesar Chavez Day on March 31 each year. Based on current County holidays and operational hours, 2025 holiday and closure have been updated to include closures on March 30 and 31 below:

2025

Wednesday, January 1	New Year's Day Holiday
Sunday, January 19	Library Closure
Monday, January 20	Martin Luther King, Jr., Holiday
Sunday, February 16	Library Closure
Monday, February 17	Presidents' Day Holiday
Sunday, March 30	Library Closure
Monday, March 31	Cesar Chavez Holiday
Sunday, April 20	Library Closure
Sunday, May 11	Library Closure
Sunday, May 25	Library Closure
Monday, May 26	Memorial Day Holiday
Sunday, June 15	Library Closure
Thursday, June 19	Juneteenth Holiday
Friday, July 4	Independence Day Holiday
Sunday, August 31	Library Closure
Monday, September 1	Labor Day Holiday
Sunday, October 12	Library Closure
Monday, October 13	Indigenous Peoples' Day Holiday
Tuesday, November 11	Veterans Day Holiday
Wednesday, November 26	Libraries close at 5 PM
Thursday, November 27	Thanksgiving Day Holiday
Friday, November 28	Day after Thanksgiving Holiday
Wednesday December 24	Libraries close at 5 PM
Thursday, December 25	Christmas Day Holiday
Wednesday, December 31	Libraries close at 5 PM

Libraries in the News

- [Free Books for Your Baby? Here's Where to Get Them](#) (Today's Parent)
- [Fable, a Book App, Makes Changes After Offensive A.I. Messages](#) (New York Times)
- [Fire victims find help with federal aid at LA County libraries](#) (Los Angeles Daily News)
- [LA County Library Foundation and Altadena Library Foundation launch Connected Wellness campaign to support Los Angeles fire victims](#) (LA County Library)
- [2024 ULC Library Insights Report](#) highlights a strong post-pandemic recovery in urban libraries, with increases in e-resource usage, meeting space demand, programming, and facility improvements
- *Queer Eye's* latest season features [Billy Allen, a Las Vegas-Clark County Library Branch Manager](#), celebrating his work and the transformative role of public libraries
- Brooklyn Public Library launched the *Borrowed and Banned* [podcast](#), which explores the history of book banning in the U.S. The series, which was nominated for a Peabody Award, features students, librarians, teachers, and authors impacted by book bans
- The California Library Association has released its [2025 Legislative Priorities](#)

FY 2024-25 Invoices Over \$50,000

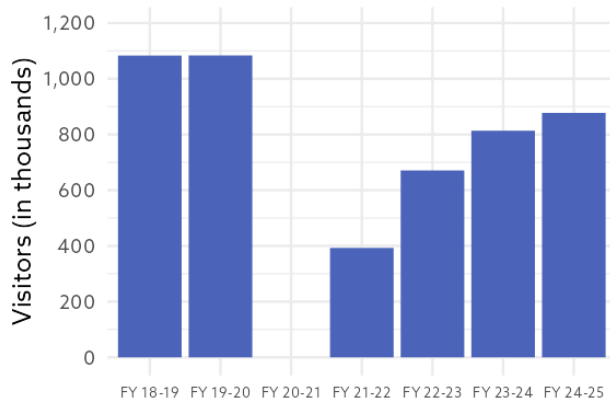
The [County's Open Data Portal](https://checkbook.smcgov.org) (checkbook.smcgov.org) continues to provide an easily accessible view of Library expenditures and activity data to both the public and policymakers and a list of invoices with a total amount of \$50,000 or more that were paid between July 1, 2024 and December 31, 2024 is provided below.

Vendor	Amount	Description
Bibliocommons	55,395	Website Software Annual Fee
Carahsoft	105,811	Zoom Licenses and Phones Annual Fee
CDW Government	86,962	Annual Adobe Licenses Purchase
Dell	128,120	Annual Laptop Replacement
InterEthnica	61,237	Strategic Plan Consultant Final Payment
Kanopy	75,000	Digital Stream Resources Annual Fee
Peninsula Library System	620,638	Annual Automated Network Charges
	423,967	Library Deliveries Annual Fee
	274,338	Overdrive Annual Fee
	60,643	Automated Material Handling Services

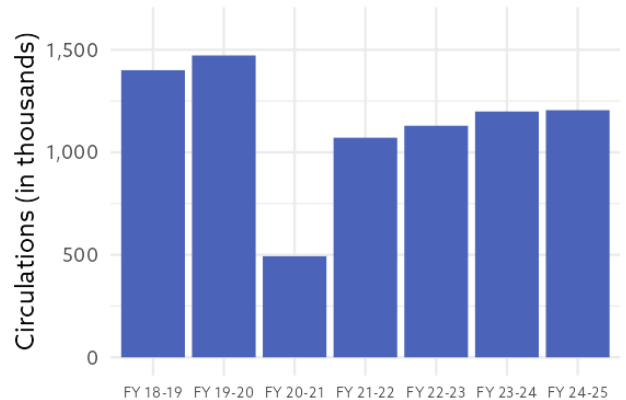
Mid-Year Data Update

The following charts summarize systemwide totals through the second quarter for key library services from FY 2019-20 through the current year.

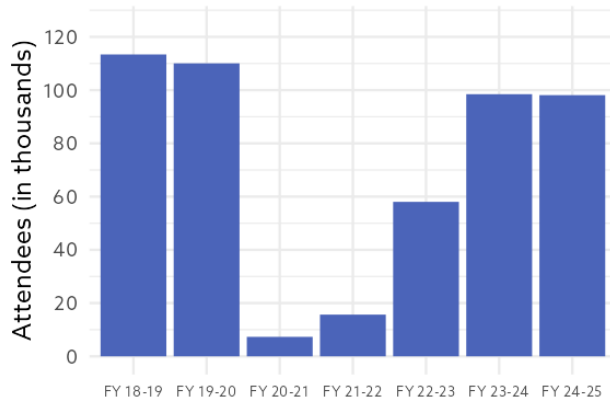
MID-YEAR LIBRARY VISITORS



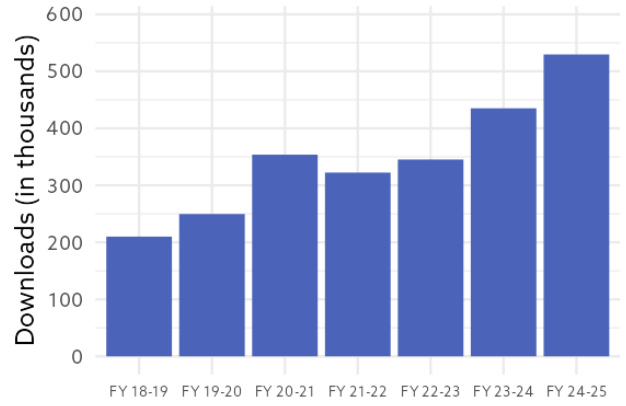
MID-YEAR ITEMS CIRCULATED



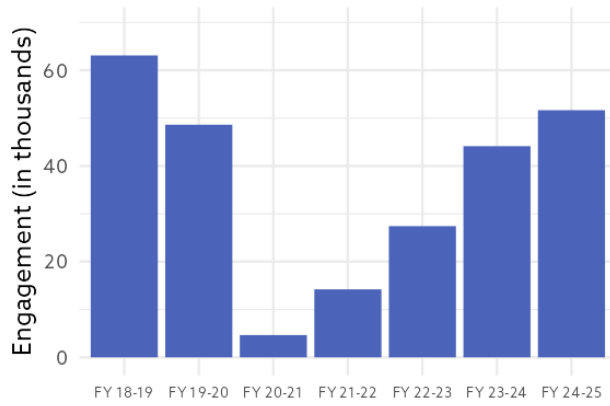
MID-YEAR PROGRAM ATTENDANCE




MID-YEAR DIGITAL DOWNLOADS



MID-YEAR OUTREACH ENGAGEMENT





To: JPA Operations Committee
From: Anne-Marie Despain, Director 
Date: January 22, 2025
Meeting: January 28, 2025
Re: Strategic Plan 2025-2030 Report

Background

The current FY 2024-25 budget included the priority to complete robust strategic planning work to develop a new vision, mission and strategic goals for the future. Working collaboratively with our consultants, stakeholders and communities, strategic planning efforts began in early 2024. Our draft five-year strategic plan was presented to the Operations Committee in October and Governing Board in November for review and input.

Discussion

Our new mission and vision statements establish the guiding principles that will ignite and define our organizational future, serving as the foundation for the 2025 –2030 Strategic Plan. The vision is aspirational, while the mission defines our purpose. Our strategic goals outline what we aim to achieve in the next five years, providing a framework to measure success and track long-term outcomes, shaped by input from stakeholders and community members.

A commitment to information-gathering and data-driven decision-making throughout the implementation process will enable us to continuously assess the effectiveness of our efforts in advancing toward our goals. This approach includes not only annual evaluations but also assessments of our sustained and incremental progress year over year.

With Governing Board approval, we are excited to share our new Strategic Plan 2025-2030 with our communities and partners. A key priority in developing this plan was to ensure that our vision and mission are clear, compelling and easily understood by all. We are eager to share the plan in multiple languages and to reach as many community members as possible through a dynamic multimedia campaign.

The new plan not only shapes the future of San Mateo County Libraries but is also a vital tool to deepen our understanding and connection to those we serve.

Fiscal Impact

There is no fiscal impact associated with accepting this report.

Recommendation

Recommend the Library JPA Operations Committee approve the final Strategic Plan 2025-2030 and recommend approval to the Governing Board.

Attachment

Strategic Plan 2025-2030 Report



San Mateo
County
Libraries



Strategic Plan 2025-2030



Director's Message

We are thrilled to unveil our new five-year strategic plan. Created with extensive community input, this plan is both responsive and adaptable, ensuring we inspire lifelong curiosity and meet the diverse needs of our county.

Grounded in our core values of Belonging, Connection, Growth, Access, Compassion, and Creativity, the plan reaffirms our promise to each other and the communities we serve.

Our updated vision, mission, and goals reaffirm San Mateo County Libraries as a welcoming place that celebrates diversity, fosters belonging, and strengthens community connections. Guided by our commitment to inclusivity and removing barriers, it ensures that we remain a vibrant, relevant, and essential resource for all.

While this plan provides a clear path forward, we know that the ongoing engagement, insights, and contributions of our communities will be key to our success. We invite you to join us on this exciting journey as we shape the future of our libraries!

Anne-Marie Despain
Director



Our Vision

Where community grows and thrives

Our Mission

Together, we build meaningful connections and inspire lifelong curiosity

Our Process

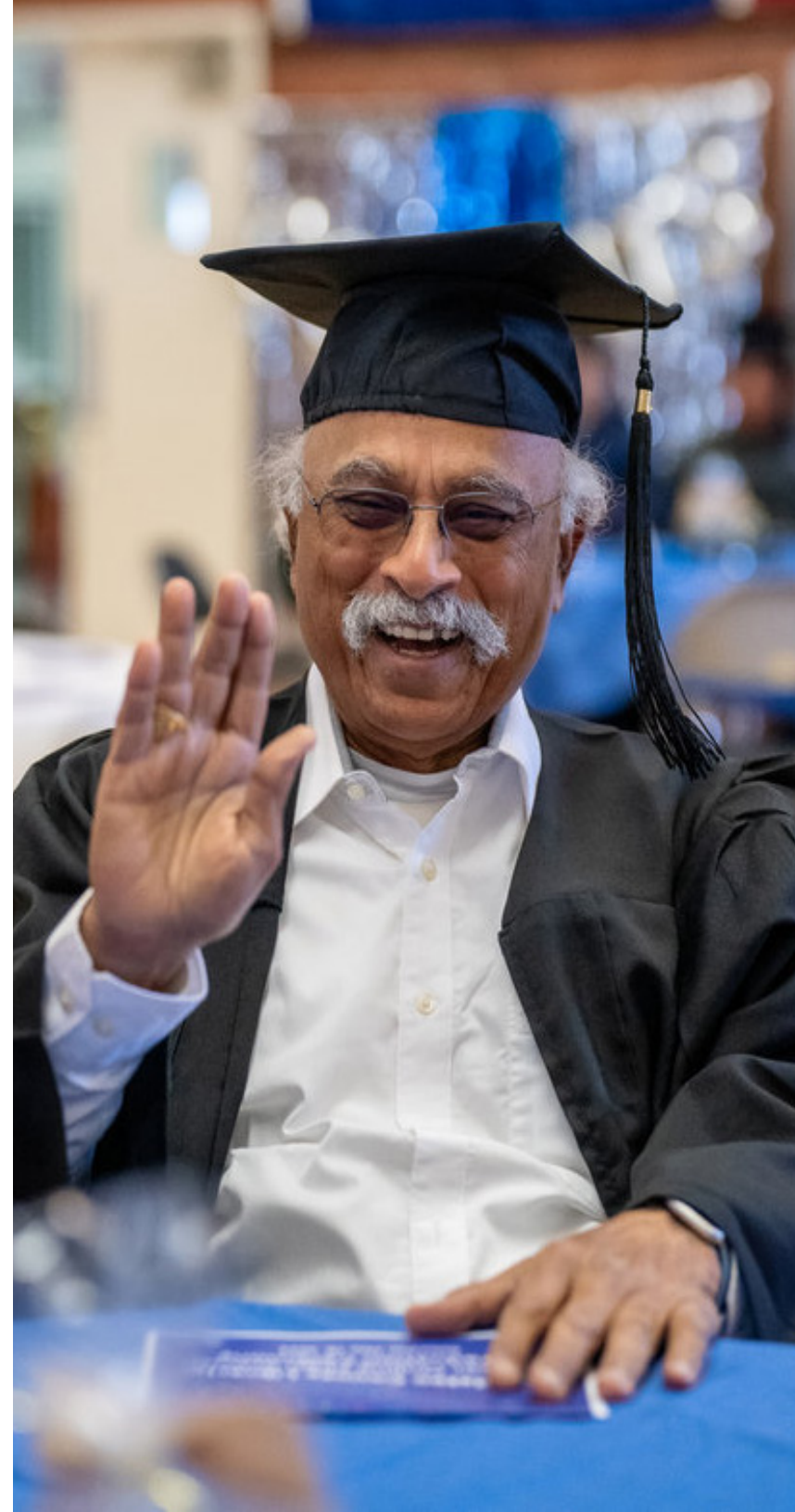
The development of San Mateo County Libraries Strategic Plan 2025-2030 reflects our commitment to evolving alongside our communities, building on existing strengths while identifying areas for growth.

Developed over a year-long effort, our goals were to:

- Deepen our understanding of our communities
- Engage harder-to-reach populations
- Foster shared ownership with staff and stakeholders
- Set equity-focused, ambitious goals
- Inspire and guide our work into the future

Research and Discovery

Our process followed a phased, inclusive, and data-driven approach. We began by updating a demographic analysis of our service area to help identify gaps in reach and researched current and emerging trends in library science, public service, technology, and community interests. Key insights were analyzed to identify opportunities to strengthen current work or expand into new areas.



Engagement and Insight

Several strategies were used to ensure robust, thorough, and broad-based community engagement. A multilingual survey completed by 3,500 residents established community priorities, with 1,000 responses gathered through in-person street interviews at grocery stores, laundromats, and other community centers, to obtain extensive, multicultural engagement.

Five focus groups with parents, seniors, teens, Spanish speakers, and Chinese speakers provided deeper insights. Additionally, one-on-one interviews with nonprofits and other community-based organizations informed our understanding of the library's role and our impact on the community.

Through these efforts, we were able to hear from active library users, non-users, and underrepresented groups across the county.

Staff engagement, including workgroup discussions and interviews, highlighted staff priorities and operational improvement areas. Collaborative sessions with key internal stakeholders, including the Governing Board, Operations Committee, and Friends and Foundation Presidents, also contributed valuable input and strategic guidance.



“The library is an excellent destination for families during extreme weather, such as rainy days or heatwaves. It’s accessible to people of all income levels, as there’s no admission fee.”

- Focus Group Participant

Listening and Learning

The strategic plan is a thoughtful balance of building on existing strengths while identifying areas for growth. By listening to residents, stakeholders, and staff, the plan reflects a shared vision that is inclusive, innovative, and responsive to the needs of our communities.

- Our role as a trusted and accessible “third place” remains a key strength.
- Community members value us as a safe, welcoming place to foster lifelong learning and connection.
- While our libraries have made strides in outreach, expanding bilingual resources could further strengthen connections.
- Participants want flexible library spaces that balance quiet study areas with lively zones for social and creative activities.
- Digital equity emerged as a significant opportunity to expand the library’s impact.
- Another area of focus involves the library’s growing role in supporting community well-being.
- Residents suggested enhancements to cultural programming. Most participants rated cultural events as a priority.
- Using libraries in person is still the preference of most at 40%, with 32% preferring online.
- Over 90% of respondents had a favorable opinion of our libraries.

Strategy and Implementation

San Mateo County Libraries is poised to continue its legacy as a trusted and important community resource. Our five-year strategic plan builds on our strengths, allowing us to adapt and innovate while honoring the traditions that have made us a cornerstone of community life.

At the core of our work is equity, which guides every aspect of our mission and operations. It is embedded in our priorities and will shape our decisions, ensuring that under-resourced communities receive the support they need to thrive. The plan reaffirms our commitment to uplifting all members of our community.

To ensure successful implementation, we will set internal benchmarks and targets, tracking our progress toward larger goals. An ongoing focus on information-gathering and data-driven decision-making will help us evaluate the effectiveness of our actions, course correct when needed, and continuously work toward advancing our strategic plan over the next five years.

With targeted investments in spaces, services, and staff, this plan is both a response to present needs and a vision for a future that grows alongside our communities.



Our Goals



Listen

We listen to our community and create responsive services and spaces where everyone belongs

Strategies:

- Actively reach out to our communities to ensure they are heard
- Prioritize culturally relevant, community-focused, and intergenerational programming
- Ensure staff, collections, programs, and library spaces reflect our communities
- Enhance and update facilities to create inviting and flexible spaces
- Offer fun, free, and joyful opportunities that inspire and uplift

Connect

We connect people and build partnerships to achieve shared goals

Strategies:

- Align our efforts with the needs and aspirations of our communities
- Build partnerships that bridge community needs and library offerings
- Create opportunities to bring people together to strengthen connections
- Leverage resources in inventive ways to help our communities flourish
- Communicate an inspiring vision and the library's story of impact



Our Goals



Discover

We champion a culture of continuous growth and discovery for all

Strategies:

- Engage children, teens, adults, and seniors in high-quality, research-informed experiences
- Sustain our strong literacy initiatives with a dedicated focus on low literacy and English-language learners
- Prioritize digital literacy by ensuring our communities have access to a variety of technologies, reliable internet, and essential digital skills
- Champion the freedom to read and explore a rich diversity of information, ideas, and perspectives
- Support the growth and well-being of our staff

Engage

We engage our communities through meaningful outreach and expanded access to resources

Strategies:

- Strengthen organizational capacity and prioritize our work and resources to enhance outreach efforts
- Connect community members to library experiences in ways that best meet their needs
- Provide a wide range of services and access points that extend beyond our buildings
- Utilize a variety of communication platforms, including multimedia and language resources, to share library programs and services



"San Mateo County Libraries is doing a good job of closing the digital divide by providing access to technology for diverse groups, from children to newcomers."

- Community Survey Participant

Our Story

Our 13 libraries are incomparable destinations for inspiring lifelong curiosity. With caring staff and innovative services, San Mateo County Libraries strives to meet the needs of the community's ever-changing landscape.

Covering 351 square miles, the Library Joint Powers Authority's service area is comprised of all 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.

Open seven days a week, our libraries offer worlds of discovery. Through active outreach and mobile services, we connect with our communities beyond our libraries.

Serving approximately 280,000 people, our residents comprise a diverse collection of individuals that our programs and services reflect. We host thousands of events each year, creating experiences that have a lasting impact on our community members.

We're champions of learning, sharing, and exploration — of open minds, new ideas, and bright futures. Our talented staff and wonderful volunteers create a welcoming atmosphere that inspires community and includes all.

San Mateo County Libraries provides unmatched service to our community members, and we are consistently ranked as one of the best libraries in the nation.

Our Values



Our Thanks

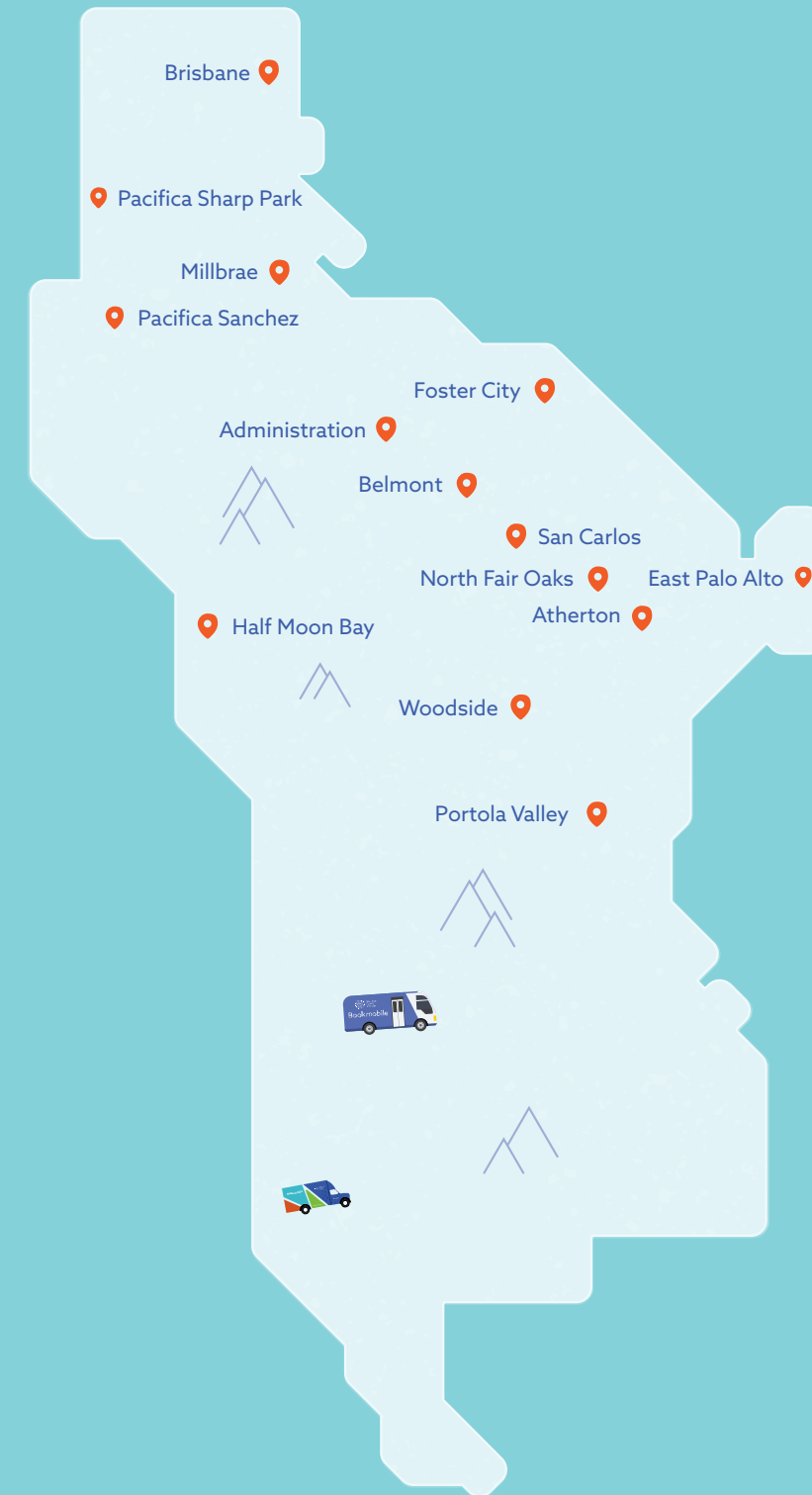
San Mateo County Libraries extends our sincerest thanks to the many individuals that contributed to the work of this plan.

Special thanks to our project consultants InterEthnica, Construction Disruption, and EMC Marketing whose efforts stewarded a robust and inclusive engagement and planning process.

Our work would not be possible without the leadership, support, and dedication of our Library JPA Governing Board and Operations Committee, Friends of the Library boards, Foundation for San Mateo County Libraries, and community partners. We extend our deepest gratitude for your invaluable contributions.

To our valued patrons and community members, thank you for sharing your honest and thoughtful ideas, opinions, and insights throughout the strategic planning process. Your input plays a crucial role in shaping the future of our library and ensuring it meets the needs of our community.

We look forward to realizing the goals of the 2025-2030 Strategic Plan and creating a bright future together where community grows and thrives.



5
Outreach Vehicles

230,000
Active Cardholders

351
Square Miles in Service Area

13
Community Libraries

1
Library Outpost

We honor and affirm the rights of the Ohlone and the other Indigenous Peoples who call the unceded territories of the San Francisco Bay Area their traditional homeland. They are the descendants of the village sites that are seen and unseen. We pay respect to the Ancestors, Elders, and Relatives of Indigenous Peoples for their historic and current contributions to San Mateo County.

Select photos by Anna Hoch-Kenney/Embarcadero Media



San Mateo
County
Libraries

Always open for exploration at smcl.org



To: JPA Operations Committee

From: Anne-Marie Despain, Director of Library Services 
Carine Risley, Deputy Director Library Services

Date: January 22, 2025

Meeting: January 28, 2025

Re: Bookmobile Purchase Approval

Background

San Mateo County Libraries has provided bookmobile services to our communities since 1953. With a large and geographically diverse service area that includes coastal, mountain, rural, and suburban regions, the Bookmobile plays a crucial role in delivering essential library programs and services to residents who may not have convenient access to a physical library. It regularly visits schools and other neighborhood gathering places and makes special stops at local fairs and festivals.

Over 47,000 individuals visited the Bookmobile at its 230 annual stops prior to the pandemic, despite regular maintenance issues putting the vehicle out of service. An overwhelming 92% of survey respondents reported that Bookmobile service meets or exceeds their needs. Staff prioritize regular stops that bring library services to communities that do not have easy local access to a physical library, and most patrons using the Bookmobile rely on it as their primary public library service.

The existing bookmobile, purchased in 2010 for a cost of \$274,000, has exceeded its expected 10-year service life and is experiencing persistent mechanical issues which have significantly impacted operations. Currently, the Bookmobile is functioning without necessary parts, as some components are no longer manufactured due to the vehicle's age. The Governing Board approved the estimated amount of \$250,000 for the purchase of a new bookmobile as part of the FY 2020-21 Budget. The pandemic delayed the project, and funds were approved in the FY 2022-23 and FY 2023-24 budgets.

In September 2023, an RFP was released to purchase an all-electric vehicle. Two vendors submitted proposals, both quoting costs significantly exceeding the budgeted and approved amount in the FY 2023-24 budget. In early 2024, staff recommended that LDV be awarded the contract for a new all-electric bookmobile for a total cost of \$652,750.

The Operations Committee members present at the January 30, 2024 meeting concurred with this recommendation and directed staff to pursue grant funds to offset the costs. Board members at their February 5, 2024 meeting discussed the high costs, advantages and disadvantages of electric, gas and hybrid vehicles and requested that further research and investigation into additional options be conducted by staff.

Discussion

Staff gathered and reviewed additional information on electric vehicles, including safety, lifetime costs and reliability. We also engaged a bookmobile expert as a consultant to assist and contribute additional expertise. Working closely with the consultant and our County Public Works vehicle manager, staff closely weighed factors that include proven vehicle reliability, suitability to the grade changes and driving conditions in the county, drivability for staff, interior options and quality of products.

Overall, there are valid arguments for both electric and diesel/gas-powered bookmobiles. However, when comparing options in terms of capability and reliability, there is currently no electric alternative that matches the performance of diesel or diesel-hybrid models in this size category. Electric bookmobiles are still new, and in this size category, largely untested. Staff are aware of challenges with recently built EV bookmobiles, even at a smaller scale. Additionally, EV charging infrastructure throughout the county is still in the early stages of development, particularly in more rural areas where the bookmobile would regularly operate.

While we value innovation as an organization, in this circumstance and bearing in mind the particulars of our service area, the priority would be reliability and consistency. Given the current limitations in both technology and infrastructure, a diesel or diesel-hybrid bookmobile offers a proven, practical solution to meet the needs of our community, ensuring uninterrupted service and dependability.

With this in mind, staff released a revised RFP in September 2024, that heavily prioritized both reliability and sustainability features, such as solar panels and a cleaner on-board power system. The RFP invited companies to propose gas, diesel and hybrid vehicles, to allow staff the opportunity to review all options without limiting the scope to electric vehicles only. Three proposals were received and have been reviewed by library staff, our consultant and County Public Works staff, with a recommendation to contract TechOps Specialty Vehicles for the purchase of a diesel M2 bookmobile with a hybrid option.

TechOps is a market leader within the Specialty Vehicle industry, known for their excellence in the field, quality of products, options and high level of detail and customization. TechOps built units are currently fielded and in service across the country and operate in a variety of robust and dynamic work environments.

The California Air Resources Board has proposed the Advanced Clean Fleet Rule, which aims to phase out vehicles with a gross vehicle weight rating of 8,500 lbs. and above in favor of alternative-fueled options, such as electric, starting January 1, 2027. (However, recent developments and potential federal opposition have introduced uncertainty regarding the rule's implementation.) Until that date, municipalities are allowed to purchase vehicles with internal combustion engines including diesels. The County regularly continues to purchase diesel vehicles and does not recommend a gas-powered vehicle of this weight category for the coastal terrain that would be a routine bookmobile route. A diesel engine provides more low-end torque, due to its high compression ratio resulting in more power delivery at low RPMs. When traveling over elevation changes like Hwy 92, a diesel engine provides power to maintain a safe speed while going over the mountain.

The recommended TechOps M2 vehicle is available in both diesel and diesel hybrid options and strikes a balance of being reliable, sized so that staff do not need specialty licensing and large enough that community members can comfortably browse and spend time on the bus. The diesel option is quoted at \$526,260 and includes a solar panel which provides some power to assist the operation of the diesel generator. The diesel-hybrid option, quoted at \$639,850, achieves a higher level of sustainability with several notable advantages:

- Eliminates the need to run a diesel generator at stops, thereby removing the need for oil changes and associated maintenance.
- Provides a quieter customer service experience without the noise of a generator.
- Reduces overall fuel usage by approximately 50%, with no fuel required for generator operation.
- Features telematics for remote system connection and troubleshooting.
- May qualify for an HVIP tax credit, though eligibility is pending recent changes at the federal level.

Recent bookmobile projects supported by the California State Library include a similarly sized bookmobile for the City of Richmond, projected at \$700,000, and a completed bookmobile for the City of Woodland, which cost \$650,000.

Staff recommends the hybrid diesel option, which offers tested environmental advantages without sacrificing reliability. This recommendation aligns with our strategic goal to engage our communities through meaningful outreach and expanded access to resources.

San Mateo County Libraries popular bookmobile service allows us to deliver our brand of warm and welcoming services and experiences to places our communities already gather; serve residents without convenient access to physical libraries; raise awareness and visibility of the library and its services; strengthen partnerships; and surprises and delight community members who are not yet library users.

Fiscal Impact

The current quoted cost for the diesel vehicle is \$526,260 and diesel hybrid is \$639,850. There are sufficient funds in the current budget to support the purchase of a diesel or diesel hybrid vehicle. We anticipate that, if approved to move forward, a 50% deposit will be paid in the current fiscal year with final costs included in the FY 2025-26 Recommended Budget.

Recommendation

Recommend Library JPA Operations Committee approve the purchase of a new hybrid diesel bookmobile through TechOps Specialty Vehicles and recommend approval to the Governing Board.



To: JPA Operations Committee

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

Date: January 22, 2025

Meeting: January 28, 2025

Re: FY 2024-25 Mid-Year Report

Background

The FY 2024-25 Mid-Year Report provides the JPA Governing Board and Operations Committee with information about the status of the financial condition of San Mateo County Libraries for the current year. The report includes highlights and progress on current year priorities, year-end estimates, discussion of significant factors that will impact the upcoming budget, and budget development recommendations for FY 2025-26.

Discussion

The FY 2024-25 Adopted Budget, approved in September 2024, totals \$89,834,096 and distributes resources designed to meet performance and service objectives. Expenditures in the budget contain all operational functions including ongoing operations and one-time projects totaling \$52.5 million and reserves of \$37.3 million. Due to the leadership provided by the JPA Governing Board and Operations Committee and sound fiscal stewardship, our financial condition continues to be strong.

Mid-Year Financial Status

Using historical trends, projections, and actual activity in the current fiscal year, the Library is estimated to realize 108% of projected revenue and spend 90% of budgeted expenditures. The change in revenue of \$3,431,554 is primarily due to secured property taxes and excess ERAF, which are expected to exceed budgeted amounts.

Expenditure savings are estimated to be \$5,222,620, primarily attributable to salary and benefit savings due to staff vacancies, and savings in service and supplies and fixed assets due to project delays.

The FY 2024-25 Adopted Budget anticipated \$37,330,848 million in reserves to carry over to FY 2025-26 fund balance. At mid-year, we now estimate a year-end fund balance of \$45,985,022 representing excess revenue, expenditure savings, and budgeted reserves.

The following table provides a breakdown of projected year-end revenues and expenditures.

FY 2024-25 Mid-Year Estimate Summary

	FY 2024-25 Adopted Budget	FY 2024-25 Year-End Estimate	FY 2024-25 Year-End Variance	% of Budget Realized/ Spent
Revenues				
Taxes	41,084,616	43,721,159	2,636,543	106%
Use of Money and Property	371,216	878,058	506,842	237%
Intergovernmental Revenue	768,510	768,510	-	100%
Charges for Services	-	-	-	-%
Interfund Revenue	295,292	583,461	288,169	198%
Miscellaneous Revenue	5,000	5,000	-	100%
Total Revenue	42,524,634	45,963,448	3,431,554	108%
Fund Balance	47,309,462	47,309,462	-	
Total Sources	89,834,096	93,272,910	3,431,554	
Expenditures				
Salaries and Benefits	26,619,890	24,515,227	(2,104,663)	92%
Services and Supplies	21,131,660	18,810,260	(2,321,400)	89%
Other Charges	3,069,788	3,069,788	-	100%
Fixed Assets	1,645,557	849,000	(796,557)	52%
Other Financing Uses	36,353	36,353	-	100%
Net Appropriations	52,503,248	47,280,628	(5,222,620)	90%
Operating Reserves	5,100,464	5,100,464	-	
Capital Reserves	32,230,384	32,230,384	-	
Total Reserves	37,330,848	37,330,848	-	
Total Requirements	89,834,096	84,611,476	5,222,620	

FY 2024-25 Year-End Fund Balance Estimate: \$45,985,022
(FY 2024-25 Budgeted Reserves + Estimated FY 2024-25 Year-End Variance)

Mid-Year Priorities Update

The budget prioritizes and distributes resources to support goals that are in line with our Strategic Plan. Progress on FY 2024-25 priorities are listed below:

Complete robust strategic planning work to develop a new vision, mission and strategic goals for the future. Implement our new Strategic Plan to ensure our work responds to the priorities identified through community and stakeholder outreach and engagement efforts.

Developed through extensive community and stakeholder input, a draft strategic plan was presented at the last Operations Committee and Governing Board meetings for feedback. Library staff have further refined the language of the plan, and the final Strategic Plan 2025-2030 Report is included as a separate agenda item. The new Strategic Plan not only shapes the future of San Mateo County Libraries but will also be a vital tool to deepen our understanding and connection to those we serve.

Support the well-being and growth of our library champions and amplify their talents.

We are committed to supporting employee growth and well-being through a variety of initiatives. From July to December, we sponsored 18 professional development opportunities, benefiting 40 library staff members. These programs focused on leadership, innovation, inclusivity, and community engagement, empowering employees with the skills to meet evolving community needs. Additionally, staff completed 2,300 hours of skill development through workshops and training like Mental Health First Aid.

Our Employee Engagement and Wellness Committee also organized team-building activities, including our annual Staff Development Day in October, where 195 staff members gathered to work on our strategic plan and envision the future of our libraries. The event also featured engaging activities like trivia and crafts, Library Olympics, staff well-being, and connection. We look forward to continuing to provide opportunities that keep our Library Champions engaged, valued, and motivated.

Reach more community members through intentional outreach and marketing efforts.

Through the strategic planning process, we have had the opportunity to learn more deeply about our community members and hear directly from them about their needs. The richness of this input has allowed staff to focus on refinement of our efforts in several key areas, older adults, school engagement, and young children and families.

To help boost public awareness, we created a compelling, multilingual, digital, and traditional media campaign in collaboration with our new public relations consultant. Our goal was to elevate the visibility of our diverse services through eye-catching, colorful ads highlighting everything from our beloved traditional offerings to our innovative, new resources. The three-month-long effort successfully attracted 30,000 visits to the

campaign landing page on our website, which directs people to sign up for a library card, learn about our free events, and access helpful resources. A combination of digital media and in-person ads were used, reaching diverse communities across the county in English, Spanish, and Mandarin.

Elevate adult and youth literacy efforts and develop responsive programs to empower and cultivate a community of learners.

Literacy for all ages is foundational for a healthy community that can thrive. Staff have deepened existing efforts and implemented new initiatives to enhance the impact of our programs. Part of empowering our community members is building relationships over time. Whether that is growing our programs to support healthy relationship development or dedicating time in partner facilities, like subsidized preschools, to provide literacy training and share daily home practices with families, staff are responding to the needs of families where they are.

We continue to grow Spanish and English adult learning opportunities, diversifying programs in languages offered, number of available experiences to choose from, and range of topics to explore. Digital literacy and workforce development are areas that we are continuing to build up and customize to the needs of our learners. We are also making progress in pursuing opportunities to enhance literacy opportunities for people experiencing incarceration.

Increase access to technology and hands-on learning in our innovative makerspaces and makermobile to advance digital equity.

Our makerspaces remain vibrant hubs of activity, providing access to innovative technology and experiences that may not be available to patrons at home. In the first half of the year, patrons have attended hundreds of maker programs. Popular equipment includes 3D printers, sewing machines, and digital preservation tools, while our workshops have grown to offer robotics, embroidery, and advanced photo editing tools. By continually providing access to the latest technologies, we are fostering an inclusive environment where residents can come together to explore, create, and prepare for the rapidly evolving digital landscape.

Create and update libraries to include vibrant, welcoming spaces that inspire creativity, collaboration, and exploration.

We are thrilled to announce that conceptual plans for the new East Palo Alto Library are nearing completion. The architects will be presenting the designs for approval at an upcoming council meeting in February, moving us one step closer to making this dream a reality. In addition to this exciting development, we are making great progress on several other key initiatives. The Atherton children's nature play garden is on the horizon, the San Carlos Makerspace plans are almost complete, and we are preparing for significant

improvements at the Belmont Library this spring, including new interior and exterior paint, updated flooring, modern furniture, and cutting-edge meeting room technology—all designed to make the library more inviting and adaptable to our community’s evolving needs.

Finally, as part of our ongoing commitment to creating dynamic and flexible spaces, we are working to introduce meeting pods at the San Carlos Library this year. As our libraries have evolved into active community hubs, the demand for quiet spaces has increased. To further respond to demands for flexible spaces and advanced meeting technologies, we will be rolling out Zoom Rooms at many locations, further enhancing our public meeting spaces.

Prioritize resiliency and sustainability in our facilities and operations to bolster our ability to provide essential services during emergencies.

We have made strides in enhancing our emergency preparedness through a variety of efforts. Each location now has an updated Emergency Booklet, which outlines key procedures, staff roles, and evacuation routes. In addition, first aid kits and emergency supplies kits have been updated at all facilities, equipped with essential items that may be needed in critical situations. To maintain smooth operations, we have enhanced the battery capacity in our network closets to maintain network functionality during power outages. We are also exploring the possibility of providing emergency portable power stations for home use during power disruptions.

Over the next year, we will collaborate closely with the Department of Emergency Management and local fire departments to conduct regular emergency drills including active shooter training for staff. Additionally, we have prioritized Red Cross First Aid and CPR training for all staff. The Communications Division is also taking the lead in building out a comprehensive crisis communications plan to ensure a coordinated, efficient response during any crisis situation.

FY 2025-26 Budget Assumptions

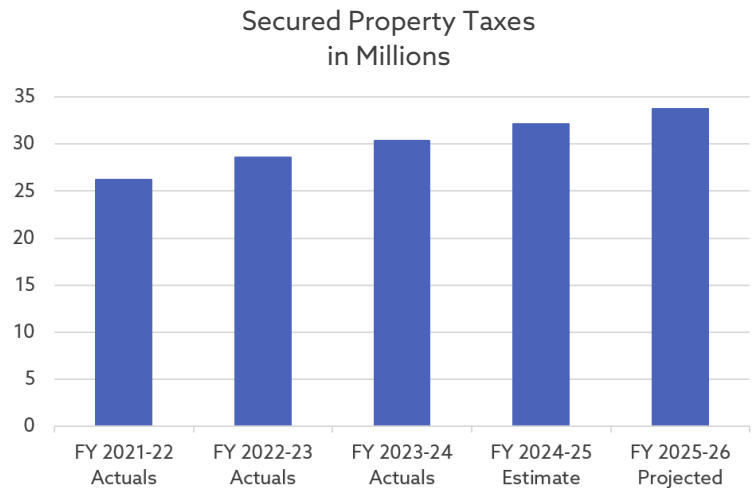
January marks the point at which we begin to evaluate current trends and conditions which may affect the development of the budget. The most significant factors which influence Library JPA operations include property tax revenues and personnel costs. The following revenue and expenditure assumptions are based on current economic indicators, historical trends, negotiated agreements and potential legislative changes which may influence development of the budget. Significant sources of revenue are addressed followed by a summary of major operating costs.

Revenue Assumptions

County Free Library Property Taxes

Property tax revenues are the Library’s primary source of funding. The system is entitled to receive a small portion of the property tax collected within the boundaries of the Library service area. Approximately 280,000 people live within the boundaries of the Library JPA’s legal taxing district, which covers 351 square miles.

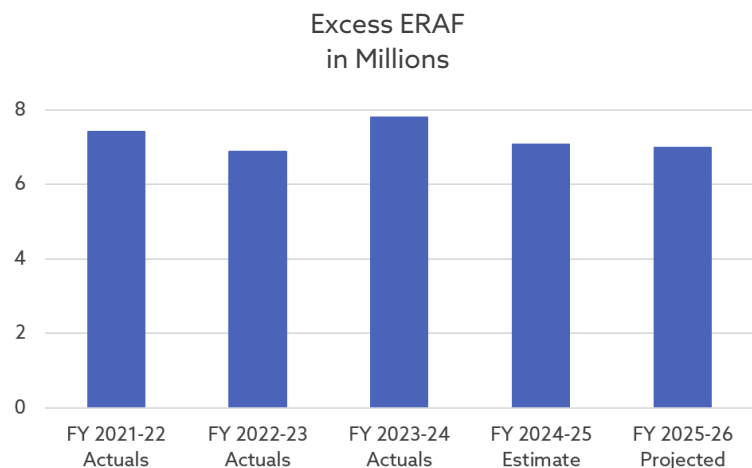
Secured property tax revenues (taxes assessed against real property) have shown strong growth over the past decade and are expected to increase 4% in FY 2025-26. Unsecured property taxes (taxes on aircraft and commercial equipment largely generated from businesses at San Francisco International Airport) are expected to be budgeted at similar levels as FY 2024-25.



Excess Educational Revenue Augmentation Fund (ERAF)

Excess ERAF is the amount of property tax generated in a year which exceeds the amount due to the State to offset support for education. Due to the potential unpredictability of this funding, the Library has used excess ERAF for non-recurring expenditures or to be set aside in reserves. The growth of excess ERAF has been a significant factor in the growth of Library reserves.

Staff recommends considering a new strategy of budgeting 50 percent of anticipated excess ERAF for ongoing purposes. This has been the practice of the County of San Mateo since 2011. While the State has unsuccessfully attempted to reclaim excess ERAF funds in previous years, the Library JPA has sufficient reserves to respond to any unanticipated loss in this funding source in the future.



If this practice is implemented for next year’s budget, we anticipate budgeting \$7 million in excess ERAF, of that amount, \$3.5 million would be utilized for ongoing allocations.

Measure K

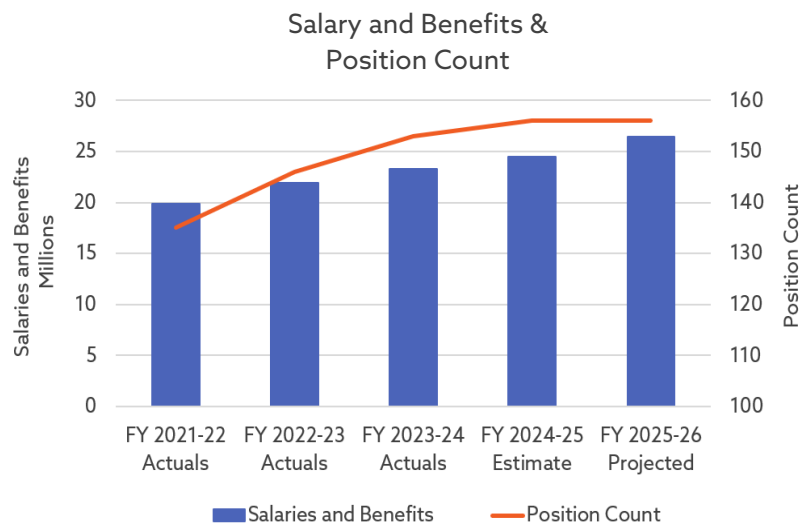
Measure A, a half-cent sales tax designed to support general county services and functions, was approved by voters in November 2012. Measure K, approved by the voters in November 2016, extended the half-cent sales tax for an additional 20 years. We expect to continue to receive an allocation of Measure K funds of approximately \$1.2 million to support Raising a Reader and The Big Lift Inspiring Summers in FY 2025-26.

Expenditure Assumptions

Salaries and Benefits

At FY 2024-25 Mid-Year, the Library estimates that it will spend \$24,515,227 for salaries and benefits. Salaries and benefits represent the most significant ongoing operational cost.

After not adding any new positions for many years, the Library increased position count over the last several years to provide sufficient staff for expanding operations, including assuming operations for the North Fair Oaks Library, opening and expanded hours and spaces in Atherton and Brisbane, and increasing support for priorities including adult literacy, outreach, and technology. The Library currently has 156 permanent positions.



All Library staff are employees of the County of San Mateo. All non-management regular and extra-help employees are represented by SEIU Local 521, the County’s second largest union. A new MOU between SEIU permanent and extra-help employees and the County was finalized in December 2024 and includes the following cost-of-living adjustments (COLA): 1) 5% effective December 2024; 2) 5% effective October 2025; and 3) 4-5% effective October 2026, with the final 1% adjustment dependent on the County receiving confirmation that they will continue to receive VLF repayment from the State and no other State legislation will offset, reduce, or limit other County funding sources. Unrepresented Management employees will receive the same COLAs.

The impact of the COLA in the current year is estimated at \$554,941 and is included in the FY 2024-25 mid-year estimates. The impact of the October 2025 COLA will be included in the FY 2025-26 Recommended Budget. In addition, the new MOU adds a County holiday, Cesar Chavez Day, two employee wellness days each fiscal year, as well as additional County contributions to health benefits.

Services and Supplies

The Library will continue to restrict the use of County Free Library revenue as outlined in the Second Amended JPA Agreement. Preliminary estimates for FY 2025-26 will require that amounts of approximately \$1.5 million be set aside and withheld from general operations. The JPA Agreement includes a provision to split excess funds 50%-50% between the Library JPA and member city.

Costs associated with support provided by the Peninsula Library System, including delivery, management of the shared online library catalog, and costs related to databases and maintenance agreements, are estimated at \$1.8 million.

Other Charges

County service charges for human resources, IT, accounting, facilities, and vehicles are anticipated to increase next fiscal year by 4%. The contribution to Daly City for services provided on behalf of the residents of unincorporated Broadmoor and Colma is estimated at \$415,000.

Reserves

The Library utilizes reserves to support significant one-time projects, often in response to changes and service innovations made in the industry and community needs. Based on service priorities and past direction from the JPA Governing Board, the FY 2025-26 Recommended Budget will continue to include proposals for use of reserves to support one-time purchases and projects in alignment with our new strategic plan.

FY 2025-26 Budget Development Recommendations

Staff recommends moving forward with development of the FY 2025-26 Budget based on the following recommendations:

- Place an emphasis on developing services and programs that support and align with the new Strategic Plan 2025-2030. Allocate resources that support our new strategic goals, priorities, and most impactful programs and services.
- Explore allocating 50 percent of excess ERAF for ongoing purposes.

- Strategically use reserves to advance one-time priorities, innovate, and support exceptional service.
- Develop a balanced budget that accounts for both short-term and long-term financial health.

We look forward to fulfilling our current year priorities and working with the JPA Governing Board and Operations Committee to establish ambitious goals and utilize resources to strengthen our communities in the new year.

Fiscal Impact

There is no fiscal impact associated with accepting this report. JPA Governing Board and Operations Committee input and direction will be used to prepare the FY 2025-26 Recommended Budget.

Recommendation

Recommend Library JPA Operations Committee accept the report and direct staff to move forward with development of the FY 2025-26 Recommended Budget.