San Mateo County Libraries

Agenda Item IV.

To: JPA Governing Board

From: Anne-Marie Despain, Director of Library Services
Lindsey Freeland, Director of Finance and Performance

Date: June 10, 2025

Meeting: June 16, 2025

Re: Adoption of the FY 2025-26 Recommended Budget

Background

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

The San Mateo County Libraries budget process involves the distribution of resources and services that meet performance objectives as identified by library staff, the Operations Committee and the Governing Board. Funds are appropriated on an annual basis as adopted by the Library JPA Governing Board. The budget serves as the annual financial plan, an operations guide, and a communications tool which strives to provide the best and most relevant information in an easily understandable format.

The table below outlines activities associated with the budget process:

Budget Process Key Dates	
December	Budget Development Begins
February	Mid-Year Report is Submitted to the JPA Governing Board
May	Recommended Budget is Submitted to the JPA Governing Board
June	Recommended Budget is Adopted by the JPA Governing Board
September	Final Adopted Budget is Approved by the JPA Governing Board
September	Final Adopted Budget is Accepted by the County Board of Supervisors

The FY 2025-26 Recommended Budget was presented to the Operations Committee and distributed to the Governing Board on May 13. The presentation provided an overview of significant current year accomplishments and performance data, and detailed proposed revenues and expenditures designed to achieve budget priorities and projects that are aligned with Strategic Plan goals. The Library JPA meetings in June seek adoption of the FY 2025-26 Recommended Budget.

Discussion

FY 2025-26 Budget Overview

The proposed FY 2025-26 Recommended Budget is balanced and demonstrates that our libraries are well positioned to operate within available resources now and into the foreseeable future.

Total Sources and Total Requirements in the FY 2025-26 Recommended Budget are $92,163,562. Total Revenue is $46,178,540 and Net Appropriations, or the total operating budget, is $54,270,419. Salaries and benefits comprise our largest expense and total $29,500,704, representing 54% of the total operating budget. The budget sets Operating Reserves at $5,863,392 and Capital Reserves at $32,029,751, in compliance with the JPA Fund Balance Policy.

FY 2025-26 Recommended Budget Priorities

Following the completion of our new Strategic Plan 2025-2030, the Recommended Budget works to set priorities and provide allocations responsive to the feedback and input we received during our community engagement efforts. The Recommended Budget also continues to reflect many of the investments made in recent years to increase and expand our services and programs.

The following priorities will be continued and implemented this year:

- Implement our new strategic plan and respond to the priorities identified through community and stakeholder outreach and engagement efforts.
- Reach more community members through intentional outreach and marketing efforts.
- Prioritize cultural programming in our libraries to ensure everyone feels welcome and represented in our spaces.
- Elevate adult and youth literacy efforts and develop responsive programs to empower and cultivate a community of learners.
- Establish new and deepen existing community partnerships to expand and enhance supportive services.
- Increase access to technology and hands-on learning to advance digital literacy.

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

- Develop and implement performance metrics and system targets to track progress and inform ongoing improvements.

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

Key projects for FY 2025-26 include constructing a new makerspace at the San Carlos Library; purchasing assets to enhance outreach efforts; installing privacy pods in our libraries; exploring artificial intelligence service applications; establishing digital literacy hubs; and providing reading tutoring and homework help. Nine new positions are also recommended. These new positions will bolster our ability to implement our new strategic plan goals by providing strategic leadership overseeing partnerships and outreach, supporting expanded projects and upkeep at library facilities, strengthening public service operations, and increasing our capacity to support expanding human resources and business needs.

Fiscal Impact

The proposed budget for FY 2025-26 is $92,163,562. Net Appropriations total $54,270,419. Reserves total $37,893,143 and are in compliance with the Fund Balance Policy.

Recommendation

Recommend JPA Governing Board approve the FY 2025-26 Recommended Budget and Fund Balance Policy. Operations Committee members present at the June 10, 2025 meeting concurred with this recommendation.

Attachment

1. Fiscal Year 2025-2026 Recommended Budget

2. Fund Balance Policy

San Mateo County Libraries

Fiscal Year 2025-2026

Recommended Budget

Overview

San Mateo County Libraries are incomparable destinations for learning and growth. Each of our 13 libraries is part of a larger family offering worlds of discovery. Through innovative outreach and mobile services, enriching experiences are also delivered beyond our library buildings.

We host thousands of events each year, curating programming that provides high-quality learning experiences. We are readers and educators at our core, a library tradition we will always embrace as champions of literacy and exploration at every stage of life.

Our physical and digital collections are always growing. We are proud to connect our communities to a robust collection of books, music, and movies as well as online resources, classes and technology.

As one of the largest providers of free Internet access in the county, all our libraries offer wireless service, WiFi hotspots and laptops for checkout, and hundreds of public computers available for use.

San Mateo County Libraries Strategic Plan 2025-2030, developed through a year-long effort to ensure robust, thorough, and broad-based community engagement, reflects our commitment to evolving alongside our communities, building on existing strengths while identifying areas for growth.

Our Vision: Where community grows and thrives

Our Mission: Together, we build meaningful connections and inspire lifelong curiosity

History and Governance

San Mateo County Libraries was established by the Board of Supervisors in 1912 under the authority of the California County Free Library Law of 1911. The underlying legislation supporting County Free Public Libraries explicitly provides for participation in the levy of a tax for library purposes. Approximately 273,000 people live within the boundaries of our legal taxing district which covers 351 square miles.

In 1999, the Library Joint Powers Authority was established. The Library JPA is a separate, independent entity with its own Governing Board, consisting of elected officials from each member. An Operations Committee composed of city and county leaders from each member also provides guidance.

The Library JPA is comprised of the cities of Atherton, Belmont, Brisbane, East Palo Alto, Foster City, Half Moon Bay, Millbrae, Pacifica, Portola Valley, San Carlos, Woodside and the unincorporated areas of the county.

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

San Mateo County Libraries has a long and rich history of providing vital library services to our communities and a commitment to exceptional public services which endures to this day.

Demographics

Our communities comprise a rich diversity of individuals that our services and collections embrace and support. Our talented staff and wonderful volunteers create a welcoming atmosphere that inspires and includes all.

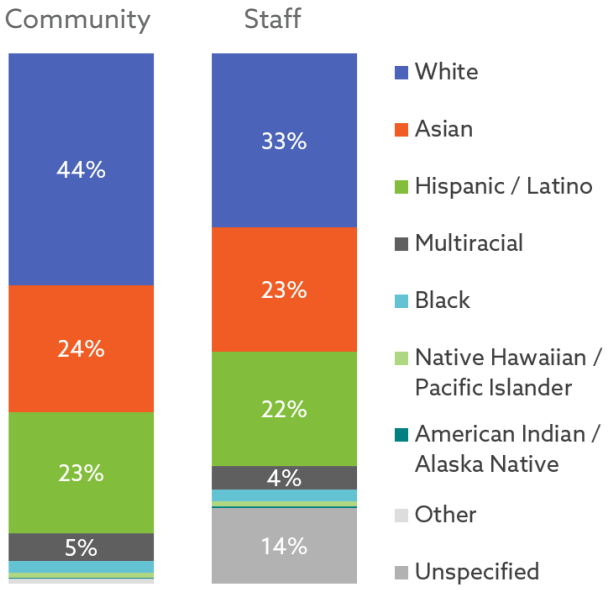
273,370 people live in our service area

23% are enrolled in school, **44%** of whom are in grades K-8

32% are 55 or older, **18%** are 65 or older

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

245,111 people have library cards



Service area demographics from U.S. Census Bureau and California State Library

Strategic Plan

Shaped through community engagement, our new 2025-2030 Strategic Plan is designed to meet evolving community needs and create lasting impact.

Vision

Where community grows and thrives

Mission

Together, we build meaningful connections and inspire lifelong curiosity

Strategic Goals

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

- 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

We connect people and build partnerships to achieve shared goals

- 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

We champion a culture of continuous growth and discovery for all

- 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

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

- 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

Accomplishments

Our achievements this year reflect a shared commitment to the communities that inspire and drive our work.

Strategic Outreach

- Shaped by extensive community and stakeholder input, our new 2025-2030 Strategic Plan was completed. Developed over the course of the year and informed by 3,500 community surveys, 195 staff participants, 30 stakeholder interviews and five focus groups, the plan reflects a shared vision grounded in our core goals to listen, connect, discover and engage. Some key findings from our community engagement efforts include a high interest in more cultural programming, technology classes, especially for Spanish speakers, and additional educational supports for youth. This exciting new plan for the future not only guides the organization's work but also strengthens our connection with the people we serve.

"The library is the heart of the community—from voting to free snacks after school, to the makerspace, the sewing room and the children's story hours. I love how much the library staff care and all the community events hosted there."
– Library Patron

- We teamed up with the San Francisco Giants and the Foundation for San Mateo County Libraries to host our first Library Night at Oracle Park, giving out 220 limited edition Giants-themed library cards to new and existing patrons. Alongside fellow Bay Area libraries, we co-hosted a free pre-game community festival that brought together baseball and library fans. More than 400 attendees explored our Makermobile, browsed eBooks and enjoyed hands-on maker demos and giveaways—all celebrating the power of curiosity, learning and community. Our public service announcement about all that libraries offer played in front of more than 30,000 fans during the game's second inning.

"I love my library because it's always fun."
– Library Patron

"I recently spotted the Bookmobile on the coast—super that this exists."
– Library Patron

- Our impact reaches far beyond library walls. Through outreach at partner organizations, farmers markets, schools, and community events, we connect with residents across San Mateo County—building meaningful relationships and expanding access to library resources. Our Makermobile brings hands-on technology like 3D printing and robotics to students, making 40 visits and traveling over 500 miles so far this fiscal year. Our library outreach vehicles—the Bookmobile and book vans—further strengthen our ability to connect with our rural coastal communities. Between July 2024 and March 2025, these vehicles logged approximately 3,600 miles, supporting 69 school stops, 143 community stops and 16 special events. Together, these efforts ensure that no matter where people live, they can connect to learning, creativity and opportunity.

"Learning, community, the excitement of discovery. I could go on and on. Excellent library system—way to go, County of San Mateo!"
– Library Patron

- To raise awareness of all we offer, we launched an exciting multilingual advertising campaign. Bold, colorful ads in English, Spanish and Mandarin appeared online, on buses and in local stores, showcasing everything from beloved classic library services to our most innovative offerings. In just three months, the campaign drew more than 30,000 visits to our Welcome webpage, where visitors signed up for library cards, discovered our programs and accessed valuable resources.

"I was blown away by the incredible collection...it's a paradise for readers, elders as well as kids. Keep it up!"
– Library Patron

Imaginative Programs

"The library is my favorite place to be."
– Library Patron

- We continue to strengthen our programs for older adults, offering enriching opportunities for learning, wellness, and connections. This year, more than 3,800 adults participated in 392 workshops, classes and field trips designed to support cognitive health and social engagement for our 55+ community. Both in-library events and community outings highlight our role as a welcoming organization that fosters belonging and combats loneliness. We remain dedicated to expanding programs that promote well-being and empower older adults to stay curious, connected and thriving.

"I'm recently retired, and the many library activities have helped me try new things and meet lots of nice people."
– Library Patron

"Your summer challenge (with prizes!) motivated my 8-year-old granddaughter to learn to read, and by the time school started, she had caught up with her class and was a voracious book lover!"
– Library Patron

- Last summer, we launched My Summer Adventure, a learning initiative that invited residents to explore, learn and create through more than 650 events. Participants used custom journals, featuring artwork by local author and illustrator Shawn Harris, to record their adventures, from park visits and bike rides to creative projects and much more. We celebrated our summer adventures with limited-edition library cards, tote bags, pins and stickers also designed by Harris. Youth participants had the chance to win a $1,000 college scholarship or a County Parks pass to keep the adventure going.

"Reading opens up a world of possibilities and knowledge."
– Library Patron

- Adult Learning has welcomed over 1,500 community members through a growing list of classes and workshops. Compared to last year, we've expanded our English classes to unincorporated areas of the county and online. We've added new computer classes, initiated numeracy literacy, established digital literacy partnerships, and increased our citizenship and immigration support offerings.

"Volunteering has been such a delightful experience, as I am privileged to be a part of an organization that not only helps our members with their English-speaking skills but also cultivates in them a sense of friendship and community."
– Library Volunteer

- Literacy remains at the heart of our vision to build a strong foundation for a healthy, thriving community. This year, we launched Dolly Parton's Imagination Library, an early literacy program made possible with the generous support of the Foundation and our Friends groups. Through this program, families with children ages 0–5 receive a new book each month, helping to build rich home libraries and inspire a lifelong love of reading. Since launching in August 2024, we have registered 5,675 children and mailed 14,732 books.

- We added video games and consoles to our library collections. Patrons can now check out a variety of games and game consoles. This new collection offers a fun and affordable way for our community to explore stories, build connections and improve problem-solving skills. Video games can also help build literacy, critical thinking, and social skills, making them a great addition to our libraries. Over 4,000 games have been checked out.

- Fixit Clinics are a regular maker offering, with quarterly events held across our libraries. These workshops invite neighbors to bring in broken items for disassembly and repair alongside our volunteer Fixit Coaches. Involving attendees in the fixing process empowers them to learn by doing and promotes sustainability by nurturing a culture of reducing waste.

"Wonderful place to learn new skills and make new friends."
– Library Patron

Transformative Spaces

- In July, we unveiled our first Library Outpost in Pacifica. Located at the Sanchez Library, this new service offers 24/7 access to materials, curated and refreshed regularly to reflect community interests. With sustainable outdoor seating and free WiFi, the space invites neighbors to read, relax, and connect any time of day. Since its opening, the Library Outpost has seen strong engagement, with over 5,000 items circulated in the first three quarters of this fiscal year, highlighting the community's enthusiasm for this new service.

  "It has all the books of my choice. They also help immediately and give recommendations."
  – Library Patron

- Working closely with the city, we have temporarily closed the Belmont Library for an exciting refresh. Improvements include new interior and exterior painting, new flooring, upgraded shelving and furniture, and enhanced meeting room technology. Additionally, with support from the Friends of the Belmont Library, the makerspace will be completed to better support creativity and hands-on learning. We're excited for these updates to support us continuing to meet the evolving needs of the community.

  "The libraries have been a gift for my kids."
  – Library Patron

- We are excited to have final plans for a new children's play garden at the Atherton Library, developed in partnership with the Town and Miller Company landscape architects. Shaped by community engagement and input from the Friends of the Atherton Library, the 6,500-square-foot space will spark imagination and play through natural design elements like a whimsical willow hut, boulder mound, log tunnel and an accessible treehouse. The Atherton Town Council approved the final design and cost plans in early 2025.

- In partnership with the City and Friends of the San Carlos Library, design plans for a new makerspace on the second floor of the library have been completed. The makerspace will be a vibrant hub for creativity featuring a large creative work area and cutting-edge technology. Collaboration will be encouraged through cozy lounge areas, a writable wall and a digital screen for brainstorming and instruction. The project is currently moving into construction planning and permitting.

"I love going to makerspaces! I bring my mom to do crafts and reading. Sewing and 3D printing, plus laser printing! So much fun and so many things to learn."
– Library Patron

- Excitement continues to build for a new East Palo Alto Library. Noll & Tam Architects, has worked closely with the community, library and city to create an exciting two-story design. The result is an inspiring design that reflects the community's vision for a vibrant, inclusive space. The City Council approved the updated design and cost estimate, marking a major milestone in the journey toward a more modern, welcoming library for everyone.

"I am grateful for the meeting room spaces in our libraries with WiFi availability when network connectivity at home is broken or while I travel."
– Library Patron

- San Mateo County Libraries is updating technology in meeting spaces at all libraries. Public meeting spaces at Belmont, Half Moon Bay, Millbrae, and the Administration building will be completed this fiscal year. Improvements include upgraded interactive displays and microphones in large meeting rooms enhancing patron engagement in virtual meetings and presentations. Small study rooms will be equipped with new displays, facilitating collaborative online study sessions and access to digital library resources like homework help services. This investment will improve accessibility and the diverse patron needs of both individual and group work.

"Absolutely amazing staff and facilities. So supportive of students and community members."
– Library Patron

Fostering Wellness

"The library is a multi-faceted resource in our community"
– Library Champion

- This year, we introduced blood pressure monitor kits to our collection, now available for checkout at all library locations. These easy-to-use kits provide adults with a convenient way to check and track their blood pressure at home. Launched as a pilot program, this new offering reflects our ongoing commitment to supporting community wellness. By providing accessible health tools and resources, we're helping individuals and families stay informed, monitor their well-being, and take simple steps toward better health.

- We partnered with local urban forestry nonprofit Canopy to bring hands-on, climate-focused events to our community. Together, we hosted bilingual gardening workshops, tree walks, climate justice presentations and listening sessions led by local environmental experts. These programs invited community members to step outside and explore green spaces, while gaining valuable knowledge on how to protect our environment. Participants strengthened their connection to nature, each other, and the place they call home.

- Library spaces, programs, and community outreach continue to flourish thanks to the support of our dedicated volunteers, whom we proudly celebrated during National Volunteer Week for the many ways they help our libraries grow and thrive. Since the start of the fiscal year, we have welcomed 105 new volunteers and seen an increase in both total volunteer hours and active participants. From July 2024 through March 2025, 461 volunteers contributed 17,123 hours of service.

"A real hub for the community, it offers many engaging activities for people of all ages."
– Library Patron

- Our Library Champions are at the heart of what we do and we are committed to their growth and wellbeing. As of March, staff had completed more than 2,300 hours of training in areas ranging from Mental Health First Aid to customer service and AI. Nearly 200 staff joined our annual Staff Development Day to shape our Strategic Plan, celebrate each other, connect through fun activities, and team building. In this year's county-wide employee engagement survey staff shared that they feel proud to work here, value the relationships they have with their teams and believe in the quality of service we provide to our communities. Participation in the survey rose by over 50%, earning recognition from the County Engagement Committee as having one of the most improved year-over-year response rates County-wide.

- We were honored to be recognized as a Top Innovator by the Urban Libraries Council for our efforts to prevent domestic violence before it begins. The award highlighted our pioneering partnership with the nonprofit Community Overcoming Relationship Abuse (CORA). Through this partnership, we delivered an eight-week program that helped 250 families with young children build strong, healthy relationships. By focusing on prevention and care, we connected families to vital resources including food, diapers and parenting support, helping to strengthen bonds and build safer communities.

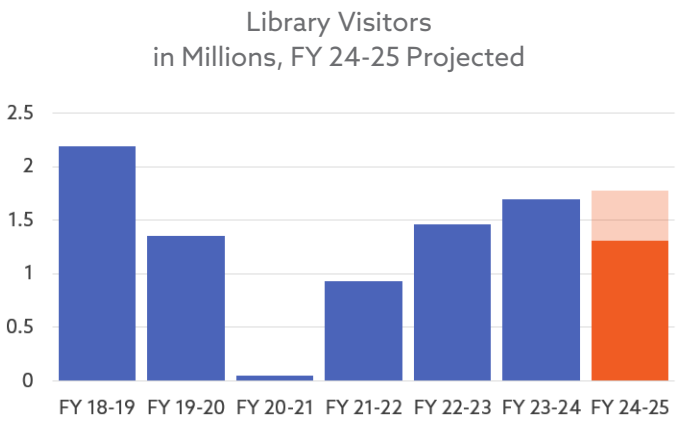
"The amount of resources provided to all members of our community and across the county, the way we are able to reach and include everyone... these employees go above and beyond. They include and support everyone regardless of race, gender, disability, home status, financial status—someone is there to help you... Thank you for all you do!"
– Library Patron

Performance

Our careful data collection gives us the opportunity to evaluate our accomplishments and growth points in measurable ways.

Performance

Library Visits



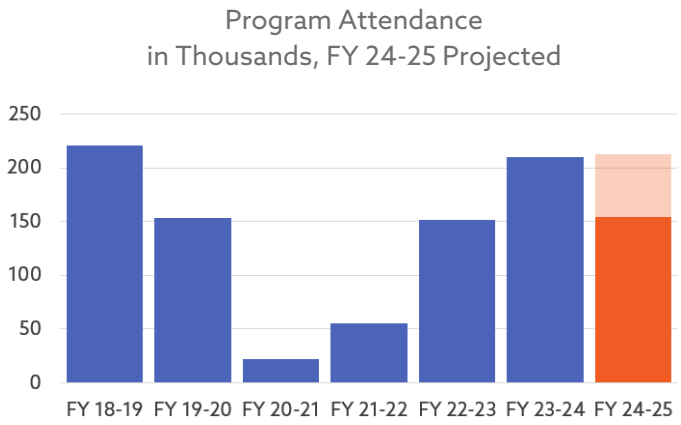
We have welcomed a growing number of library visitors, with over 1.3 million visits across all community libraries in the first three quarters of this fiscal year. Visitors are 5% higher than at this point last fiscal year. By year-end, we anticipate reaching 81% of FY 2018-19 visitors.

While it is useful to have FY 2018-19 as a reference point for service levels before the pandemic, as we continue to move forward, it is also important to recognize that the makeup and needs of our community have also shifted. For example, our service area population has declined 4% since FY 2018-19, and we continue to see a growing demand for digital services and engagement outside of our library spaces.

We continue to offer dynamic experiences to draw patrons through our doors, including Power Up Afternoons, FixIt Clinics, storytimes, technology classes, and expanded offerings for residents 55 and over. In addition, through a robust Public Awareness Campaign, we are actively working to increase community awareness of our services.

Programs and Events

Library program attendance has seen a strong return to nearly pre-pandemic levels. By year-end, we anticipate reaching 96% of FY 2018-19 attendance. As of the end of March, 153,988 people have attended our programs.

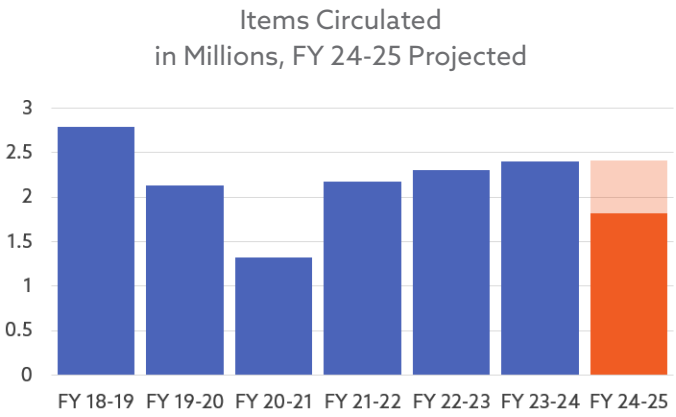


We continue to offer a growing number of diverse programs. Staff have organized 6,939 programs so far this year, 16% have been offered in languages other than English, including Spanish, Mandarin, Cantonese, Hindi, and Tagalog. Our most popular program so far this year was a virtual author event with Raul the Third with 3,550 attendees.

Library Champions have also continued to increase engagement through intentional outreach outside of library spaces. Through 1,326 outreach events, we have interacted with around 67,497 community members this year, a 5% increase over last fiscal year.

Staff have shared library resources and meaningful experiences at schools, public events, and through Makermobile and Bookmobile visits—bringing learning, creativity, and connection into the heart of the community.

Circulation



Library users have checked out over 1.8 million items from our physical collection as of the end of March, which is at a similar level to this point last fiscal year. We anticipate reaching 86% of FY 2018-19 circulation levels by the end of the year.

Circulation of physical world language materials continues to be a key system priority. We have worked to expand both the variety of materials available across all libraries and the number of languages represented, which now includes Spanish, Chinese, Japanese, Korean, Hindi, Tagalog, and Russian.

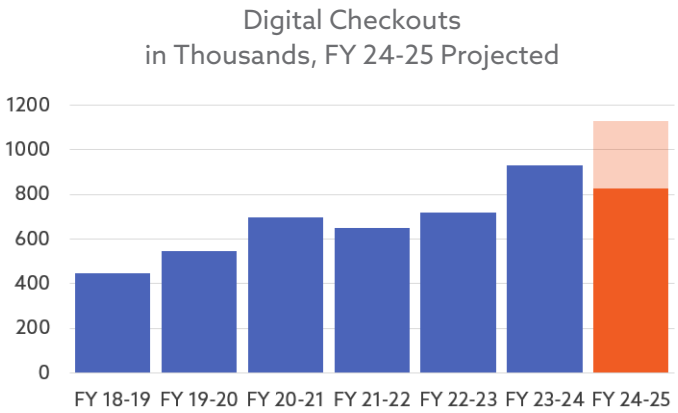
Our Library of Things collection, with offerings from puzzles to ukeleles to karaoke machines, continues to be popular. The community was particularly excited by the launch of video game collections in September. Patrons can now choose from over 500 videos games and 40 gaming consoles. These new materials have already exceeded 4,000 circulations.

"Staff is wonderful and helpful. Love the access to so many wonderful things!"
– Library Patron

Digital Circulation

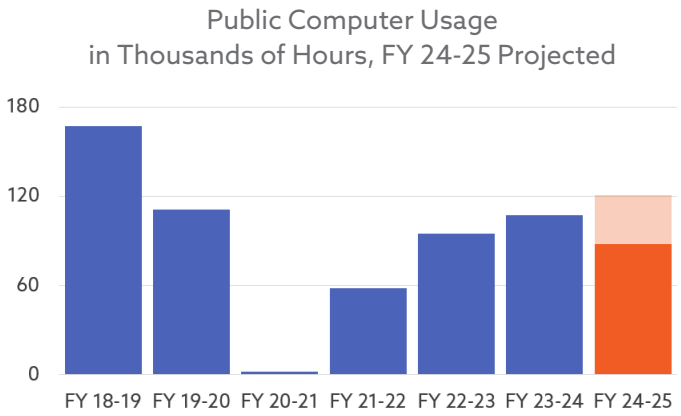
Digital materials are more popular than ever, and we're on track for another record-setting year—projected to reach the highest circulation since tracking began in FY 2015–16. With 825,256 digital checkouts of resources like eBooks, audiobooks, movies, and music so far, usage is up 21% compared to the same point last fiscal year.

Digital circulation on OverDrive, one of our most utilized digital content providers, has risen 25% over this point last fiscal year and 188% since FY 2018-19, demonstrating the strong and sustained growth in demand for these services.



Patrons also have access to a wide variety of digital databases that are available without a loan period or wait time. Through one of our most popular digital databases, PressReader, patrons have opened 236,916 newspaper and magazine articles so far this year, which is 124% higher than at this time last fiscal year. Kono Magazine, which provides digital magazines in Japanese, Chinese, Korean, and more, has been used 31,026 times.

Technology Access



We continue to see a return to the use of Internet access within library spaces. Library visitors have logged nearly 88,000 hours on library computers so far this year, up 13% from the same period in FY 2023-24.

Unique WiFi users as of March are up 20% over last year. This year we have also updated the wireless access points in all of our libraries, enhancing the patron experience and providing better, more reliable Internet access.

Mobile WiFi remains one of our most in-demand services, with 13,243 checkouts of hotspots and laptops with hotspots so far this fiscal year. We have also expanded the number of WiFi hotspots available for use by 22% and now have 2,700 devices available for checkout, enhancing connectivity for our community. In addition, we are working to upgrade many of our WiFi hotspots to a 5G network, delivering faster and more reliable service.

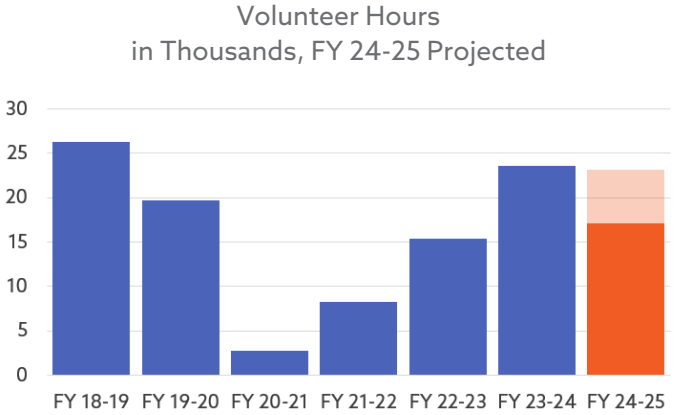
"What a friendly place with good staff and programs, very spacious, plenty of computers."
– Library Patron

Library Champions

Library staff are at the core of everything we do. Over the last several years, thanks to the continued strong growth in property taxes, we have been able to add more permanent library staff to support expanding services and community needs. Currently, we have 156 permanent employees. We remain committed to growth and development, with 23 staff promotions so far this year.

This year 263 permanent and part-time staff participated in an employee engagement survey. We were excited to see that 93% of staff reported that they are proud of and enjoy their work and 86% reported that they think of their work as more than just a job. The amazing services and experiences we provide would not be possible without their commitment.

As of the end of March, staff have provided exceptional service through 26,786 library hours, delivered dynamic in-library programs and outreach to community members, and answered 16,103 Customer Care calls. Volunteers continue to offer incredible support and enrichment in our library spaces, with 17,123 volunteer hours logged through the end of March.



Recommended Budget

Our annual budget provides insights into our financial plans, operations guide and communication strategies.

Budget Background

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

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

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

Following the completion of our new Strategic Plan 2025-30, the Recommended Budget works to set priorities and provide allocations responsive to the feedback and input we received during our community engagement efforts.

The Recommended Budget continues to reflect many of the investments made in recent years to increase and expand our services and programs.

FY 2025-26 Priorities

The following priorities will be continued and implemented this year:

- Implement our new strategic plan and respond to the priorities identified through community and stakeholder outreach and engagement efforts.
- Reach more community members through intentional outreach and marketing efforts.
- Prioritize cultural programming in our libraries to ensure everyone feels welcome and represented in our spaces.
- Elevate adult and youth literacy efforts and develop responsive programs to empower and cultivate a community of learners.
- Establish new and deepen existing community partnerships to expand and enhance supportive services.
- Increase access to technology and hands-on learning to advance digital literacy.
- Create and update libraries to include vibrant, welcoming spaces that inspire creativity, collaboration, and exploration.
- Develop and implement performance metrics and system targets to track progress and inform ongoing improvements.
- Support the well-being and growth of our library champions and amplify their talents.

Revenues Summary

Recommended Revenues total $46.2 million. Our main source of revenue is derived from taxes ($44.7 million). San Mateo County Libraries is entitled to receive a small portion of property taxes collected within the boundaries of our service area.

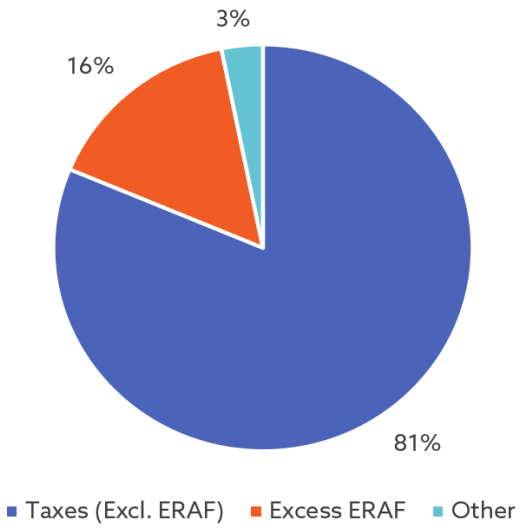
Revenue from secured property taxes (taxes assessed against real property) is estimated to increase to $33.4 million. Revenue from unsecured taxes (taxes on aircraft and commercial equipment largely generated from businesses at San Francisco International Airport) is estimated at $1.2 million.

Other sources of significant ongoing revenue include a projected $1 million from the dissolution of redevelopment agencies (RDA), $560,000 from taxes resulting from secured and unsecured Supplemental Assessments (taxes derived from properties that have changed ownership or have been reassessed due to new construction), and $440,842 for a service agreement with Redwood City to support services at the North Fair Oaks Library.

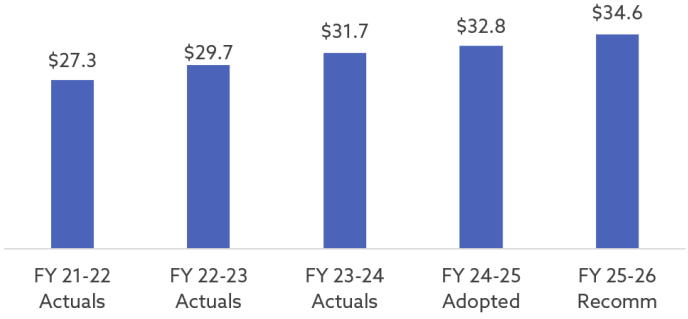
Another significant revenue source is $7.2 million in excess Educational Revenue Augmentation Funds. Excess ERAF is the amount of property tax generated in a year which exceeds the amount due to the State to offset support for education. The Recommended Budget adopts a new practice of allocating up to 50% of anticipated excess ERAF toward ongoing expenses.

Measure K funds in the amount of $1.2 million are also budgeted to support The Big Lift Summer Program and Raising a Reader.

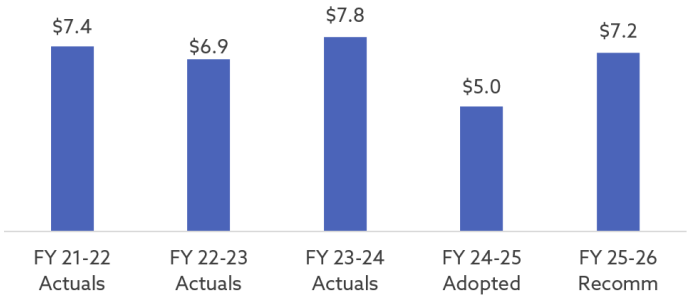
FY 2025-26 Budgeted Revenue



Property Tax Revenue
in Millions



Excess ERAF
in Millions

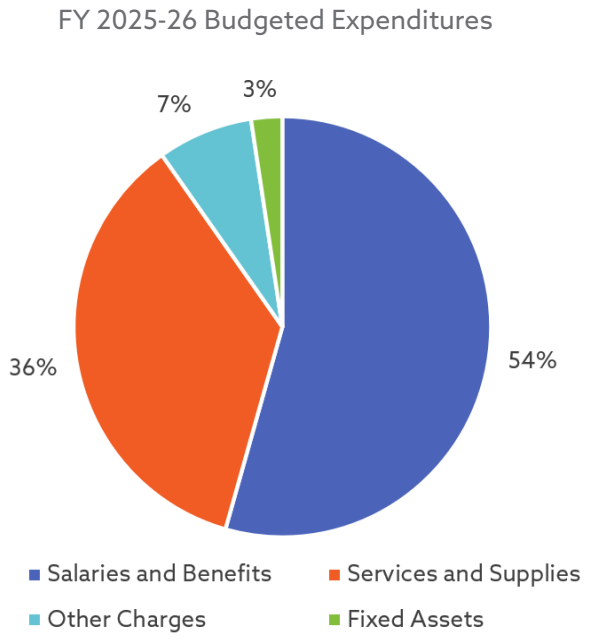


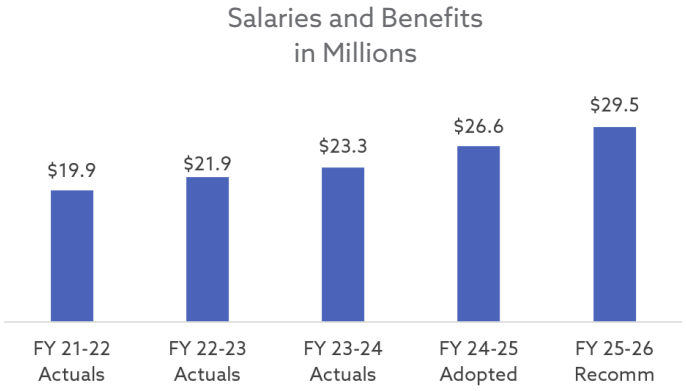
Expenditures Summary

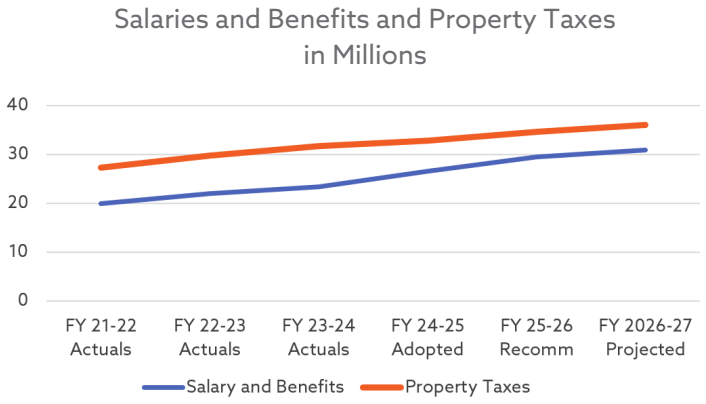
Recommended Expenditures total $54.3 million. Salaries and Benefits are the largest contributor to costs, representing 54% of all expenditures. All San Mateo County Libraries staff are employees of the County of San Mateo. The Recommended Budget estimates labor costs of $29.5 million. This estimate includes the cost-of-living adjustments included in current County labor agreements. The next increase of 5% for all employees goes into effect in October 2025.

Other significant operational expenses fall under Services and Supplies at $19.4 million and include $4.2 million for library collections; $3.5 million for furniture replacement and facility upgrades; $2.8 million for computer equipment, software, and maintenance agreements; $2.7 million to support library programs, including initiatives in the summer; $1.9 million for services provided by the Peninsula Library System; and an estimated $1.2 million in excess library property taxes.

Other Charges total $4 million, including $2.7 million for direct and indirect services provided by the County; $800,000 to support a new makerspace at the San Carlos Library; and $400,000 for the service agreement with Daly City to provide services to Colma and Broadmoor. Fixed Assets total $1.3 million to fund equipment replacements, additional outreach vehicles, and privacy pods for our libraries. Other Financing Uses account for the remaining expenditures.







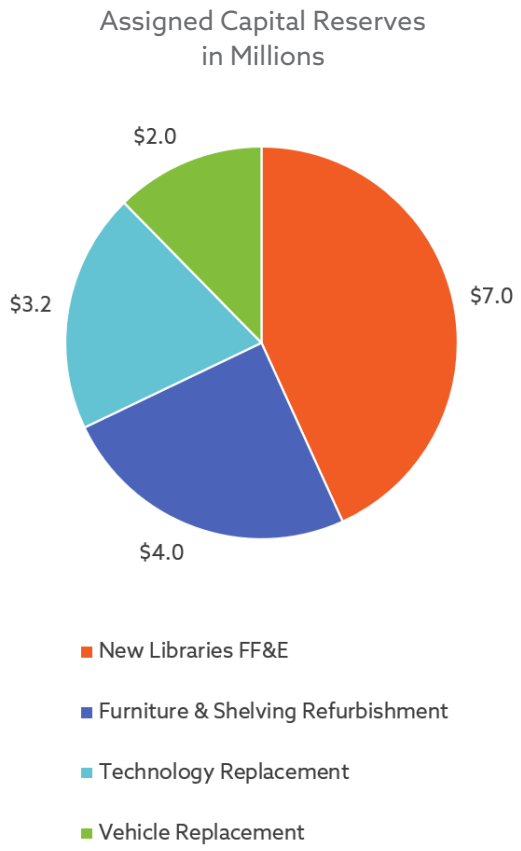
Reserves Summary

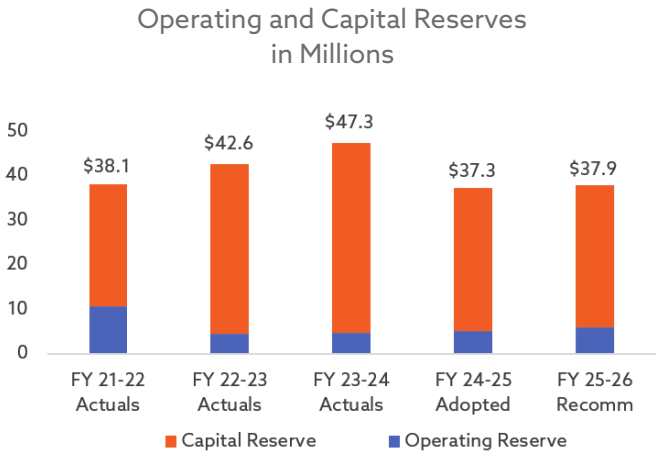
Recommended Operating and Capital Reserves total $37.9 million. The Fund Balance Policy requires that Operating Reserves be maintained at 15% of adopted general operations (Net Appropriations excluding one-time activities). These funds are maintained in the event of emergencies or unanticipated funding losses. The Recommended Budget meets the requirement established for Operating Reserves by setting aside $5.9 million for ongoing expenditures of $39.1 million.

Additionally, the Fund Balance Policy requires us to maintain Capital Reserves in an amount equal to but not less than $2.5 million. The Recommended Budget meets this requirement, setting aside $32 million in Capital Reserves. These funds may be used for innovative opportunities related to operational improvements and asset replacement needs as approved by the Governing Board.

Capital Reserves are assigned to anticipated projects that are financially significant. Currently, $16.2 million are assigned, including $7 million for furniture, fixtures, and equipment (FF&E) for future new libraries in East Palo Alto ($2.5 million), North Fair Oaks ($1.5 million), and Pacifica ($3 million). Future refinement of these assignments may occur to ensure sound fiscal management and responsiveness to evolving service needs.

Our strong reserves can be primarily attributed to the growth of excess ERAF revenue. The Governing Board previously authorized the use of excess ERAF for one-time purposes or to be set aside in reserves. Moving forward, a new practice of utilizing 50% of anticipated excess ERAF for ongoing purposes will allow us to more effectively utilize this funding source and reduce the accumulation of reserves.





Budget Highlights

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

Library Staffing Support: $1,250,979
To effectively respond to community feedback and our new strategic plan goals, nine new permanent positions are recommended.

The importance of continuing to build community partnerships and bolstering our efforts to engage harder to reach communities were key priorities identified from our strategic planning efforts. A new Library Services Manager to oversee these areas is recommended, along with three part-time Library Assistants, to increase our public services staff's capacity to support this important work.

Community members expressed a desire to feel at-home in our physical spaces. To better prioritize the enhancement and ongoing improvements of our spaces, the addition of one Facilities Project Coordinator and one Facilities Support Assistant are recommended.

A key priority in implementing our new strategic plan is ensuring that our Library Champions are supported and have the resources they need to grow and thrive. Two Program Coordinators are recommended to lead efforts in volunteer management, staff training, security and safety, and customer care. Finally, a Contract Administrator is recommended to provide procurement support for expanded services.

Makerspace Construction: $1,046,000
Funds are allocated to design, construct, and furnish a new makerspace at the San Carlos Library. This includes an $800,000 transfer to the City of San Carlos to support the construction of the innovative space, which will be housed on the second floor of the library.

Assets for Outreach: $716,205
The Governing Board previously approved the purchase of a new Bookmobile at $639,282. With tax, the final total is $702,411. The Recommended Budget includes the final 50% payment of $351,205. In addition, $255,000 is rolled over from FY 2024-25 for five outreach vehicles that will arrive next fiscal year. Finally, $110,00 is budgeted to purchase two cargo vans to support community engagement.

Privacy Pods: $570,000
In response to community feedback desiring flexible spaces and more meeting rooms, the budget supports the purchase of six to eight additional privacy pods as well as allocations for design costs and electrical for installation.

Artificial Intelligence Applications: $200,000
Funds are allocated to engage a consultant to assess the current Artificial Intelligence landscape and how other library systems are leveraging emerging technologies to improve services. Funds are also included to purchase and implement identified applications.

Digital Literacy Hubs: $180,000
Through engagement efforts, we learned that community members, especially those that speak Spanish, desire more technology classes and support. The budget proposes establishing digital literacy hubs at library and community locations, in partnership with a service provider, to provide digital literacy services, with an emphasis on providing 40% of services in a language other than English.

Reading Tutoring & Homework Help: $140,000
Focus groups with parents and Spanish speakers, revealed a strong desire for increased educational support. To address this need, funding is allocated to work in partnership with a service provider to establish reading tutoring as well as support for more general homework help.

Budget Overview

The Budget Overview highlights significant changes from the FY 2024-25 Adopted Budget to the FY 2025-26 Recommended Budget for both revenue (Total Sources) and expenditures (Total Requirements).

Total Sources

- 1000 - Taxes ($41,084,616 to $44,707,104): There is an increase of $3,622,488 in this funding source due to an increase to secured property taxes to reflect recent actuals and estimates from the County and budgeting excess ERAF at the average amount received over the last five fiscal years. These additions are offset by the removal of County Measure K funds for the Summer Learning program.

- 1600 - Intergovernmental Revenues ($768,510 to $778,842): There is an increase of $10,332 for the CPI increase to the annual contribution from the City of Redwood City to support operations at the North Fair Oaks Library.

- 2500 - Interfund Revenue ($295,292 to $316,378): There is an increase of $21,086 to account for the County's reimbursement of rent and facility service charges for the East Palo Alto and North Fair Oaks Libraries.

- 333 - Fund Balance ($47,309,462 to $45,985,022): There is a decrease of $1,324,440 in this funding source to align with mid-year estimates of year-end fund balance. Fund balance reflects the carry forward of reserves, unanticipated revenues, and unspent appropriations projected at the close of the current fiscal year. After June 30, a final reconciliation will be completed to account for actual revenue and expenditures, and final fund balance will be adjusted during September Revisions.

Total Requirements

- 4000 - Salaries and Benefits ($26,619,890 to $29,500,704): There is an increase of $2,880,814 primarily due to County-negotiated labor agreements. All non-management permanent, extra help, and limited term employees are represented by the Service Employees International Union (SEIU). The current agreement with SEIU includes the following cost-of-living adjustments: 5% October 2025; and 4-5% October 2026. Management employees receive the same increases.

  In addition, nine new positions are recommended, including two Program Coordinators; one Contract Administrator; one Facilities Project Coordinator, one Facilities Support Assistant, one Library Services Manager, and three part-time Library Assistants ($1.3 million).

  These new positions will bolster our ability to implement our new strategic plan goals by providing strategic leadership overseeing partnerships and outreach, supporting expanded projects and upkeep at library facilities, strengthening public service operations, and increasing our capacity to meet the growing demands in human resources and business operations.

  There is sufficient ongoing revenue to support these positions due to the steady growth in property tax revenue over the past decade. The total number of library positions would increase to 165 and the total full-time equivalent (FTE) is 150. Extra help and limited term staff are not reflected in FTE or position count.

- 5000 - Services and Supplies ($21,131,660 to $19,414,090): There is an overall decrease of $1,717,570 in this expenditure category. Significant changes and allocations include:

  Collection allocations total $4,202,000 (accounts 5931-5939) for print, language, audio, video, and digital library materials (e.g., eBooks, eAudiobooks, eMusic, and eVideos). The overall collections budget has increased by 66% since FY 2018-19, with the allocation for digital library materials specifically increasing by 86% over the same period, in alignment with the growth in demand for digital offerings.

  Computer Equipment and Software (accounts 5212 and 5215) total $2,702,247. This amount includes funds to service our WiFi hotspots, explore service applications for artificial intelligence, and to refresh and update equipment, including emergency backup power, public and staff laptops.

  Furniture and Equipment costs total $3,470,000 (account 5234), which includes $2 million for adding air conditioning to our administrative building in collaboration with the County Department of Public Works. The remaining funds will be used to update shelving and interior and exterior furniture at community libraries.

  Program Activities Expense total $1,674,017 (account 5927) and support our wide-ranging programming and outreach efforts. We continue to expand our offerings, including new initiatives for teens, additional makerspace programming, and a variety of learning opportunities for English language learners. In response to our strategic plan survey findings, we will be making a concerted effort to expand the variety and quality of cultural programming in our library spaces.

  The estimated excess library property taxes to be set aside in Library Trust accounts totals $1,200,000 (account 5184). As outlined in the Library JPA Agreement 50:50 split provision, fifty% of any excess funds not set aside for approved uses by the Governing Board will be returned to the Library JPA.

  Professional Contracts costs total $1,458,000 (account 5858), which includes design and electrical services for installing privacy pods, contracts with community partners to provide social service supports, and a new allocation to develop digital literacy hubs in collaboration with an external service provider. This category also includes allocations for attorney and auditor services.

  Peninsula Library System costs total $1,920,325 (account 5875) and support services such as materials delivery, the shared online library catalog, and network management.

  Current year allocations of $418,742 for Donations and Friends Funded Services are removed (accounts 5198 & 5199). Any rollover realized at the end of the current fiscal year will be added during September Revisions.

- 6000 - Other Charges ($3,069,788 to $4,007,356): There is an overall increase of $937,568 in this expenditure category, which reflects costs associated with services provided by the County, including HR, financial systems, building and vehicle maintenance, and liability insurance (accounts 6712-6821). It also captures payments to other agencies (account 6263), including $400,000 to Daly City for services provided to residents of unincorporated Broadmoor and Colma. The increase is primarily due to budgeting $800,000 as an anticipated transfer to the City of San Carlos to support the construction of a new makerspace.

- 7000 - Fixed Assets ($1,645,557 to $1,306,205): Fixed assets are tangible assets valued at $5,000 or greater. There is an overall decrease of $339,352 (account 7311). As outlined in the Library JPA Procurement Policy, estimated costs for individuals fixed assets of $200,001 or above are to be listed in the annual budget. If the actual cost once bid is 20% or more higher than originally estimated in the budget, JPA Governing Board pre-approval of the new cost will be required.

  The only individual fixed asset that meets this threshold is the new Bookmobile. The Governing Board has previously approved the purchase of a new Bookmobile at $639,282. With tax, the final total is $702,411. The Recommended Budget includes the final 50% payment of $351,205.

  Other budgeted fixed assets include rolling over $255,00 from FY 2024-25 for five new outreach vehicles. The vehicles have been ordered but will not arrive until next fiscal year. In addition, $110,00 is budgeted to add two cargo vans to support community engagement.

  Finally, $250,000 is budgeted for automated material handling equipment and the purchase of additional smart returns, and $340,000 is budgeted to purchase six to eight privacy pods to be installed at libraries.

- 8500 - Operating Reserves ($5,100,464 to $5,863,392): There is an increase of $762,928 in Operating Reserves (account 8611) to meet the Library JPA Fund Balance Policy. As detailed in the policy, the balance of Operating Reserves represents 15% of Net Appropriations (less one-time items). Ongoing expenditures in the Recommended Budget total $39,089,281. This contingency is maintained in the event of emergencies or unanticipated funding losses.

- 8700 - Capital Reserves ($32,230,384 to $32,029,751): There is a decrease of $200,633 in Capital Reserves (account 8811) due to updating fund balance to reflect FY mid-year, year-end estimates and allocating fund balance to one-time activities. After year-end close, a final reconciliation will be completed to account for actual revenue and expenditures, which may result in adjustments to both fund balance and reserves during September Revisions. The current amount exceeds the Library JPA Fund Balance Policy requirement of maintaining a minimum of $2,500,000 in Capital Reserves.

Budget Summary

		FY 2023-24 Actuals	FY 2024-25 Adopted	Change	FY 2025-26 Recommended
Sources					
1000	Taxes	45,429,636	41,084,616	3,622,488	44,707,104
1500	Use of Money and Property	1,618,877	371,216	-	371,216
1600	Intergovernmental Revenues	2,071,370	768,510	10,332	778,842
2000	Charges for Services	14,395	-	-	-
2500	Interfund Revenue	270,515	295,292	21,086	316,378
2600	Miscellaneous Revenue	802,597	5,000	-	5,000
	Total Revenue	**50,207,391**	**42,524,634**	**3,653,906**	**46,178,540**
333	Fund Balance	42,640,445	47,309,462	(1,324,440)	45,985,022
	TOTAL SOURCES	**92,847,836**	**89,834,096**	**2,329,466**	**92,163,562**
Requirements					
4000	Salaries and Benefits	23,298,014	26,619,890	2,880,814	29,500,704
5000	Services and Supplies	17,213,432	21,131,660	(1,717,570)	19,414,090
6000	Other Charges	4,359,475	3,069,788	937,568	4,007,356
7000	Fixed Assets	634,235	1,645,557	(339,352)	1,306,205
7500	Other Financing Uses	33,218	36,353	5,711	42,064
	Gross Appropriations	**45,538,373**	**52,503,248**	**1,767,171**	**54,270,419**
8000	Intrafund Transfers	-	-	-	-
	Net Appropriations	**45,538,373**	**52,503,248**	**1,767,171**	**54,270,419**
8500	Operating Reserves	4,709,726	5,100,464	762,928	5,863,392
8700	Capital Reserves	42,599,737	32,230,384	(200,633)	32,029,751
	Total Reserves	**47,309,463**	**37,330,848**	**562,295**	**37,893,143**
	TOTAL REQUIREMENTS	**92,847,836**	**89,834,096**	**2,329,466**	**92,163,562**

Personnel Summary

	FY 2024-25 Current Position Count	Change	FY 2025-26 Recommended Position Count	FY 2025-26 Recommended FTE*
Administration	9	-	9	8.50
Adult Programs & Literacy	6	(2)	4	4.00
Collections and Access	8	-	8	8.00
Communications and Marketing	4	-	4	4.00
Finance and Performance	4	2	6	5.50
Human Resources	3	1	4	4.00
Information Technology	7	-	7	7.00
Library Facilities and Fleet	2	2	4	4.00
Partnerships and Outreach	-	3	3	3.00
Youth and Families	4	-	4	4.00
Community Libraries:				
Atherton Library	9	-	9	8.25
Belmont Library	11	1	12	10.25
Brisbane Library	7	-	7	6.00
East Palo Alto Library	9	-	9	8.00
Foster City Library	11	1	12	10.00
Half Moon Bay Library	11	1	12	10.00
Millbrae Library	11	-	11	10.25
North Fair Oaks Library	7	-	7	6.50
Pacifica Libraries	10	-	10	8.50
Portola Valley Library	6	-	6	5.00
San Carlos Library	11	-	11	10.25
Woodside Library	6	-	6	5.00
Total	156	9	165	150.00

*FTE: A full-time equivalent position is equal to 2,080 hours a year (40 hours/week x 52 weeks). Extra Help and limited term staff are not reflected in the FTE nor Position Count (approximately 150 staff). Limited Term positions for next year include: 1 position to support adult literacy partnerships, 1 position to support public awareness efforts, and 1 position to implement emerging technology.

Organizational Chart

Anne-Marie Despain
Director

Priscilla Bermudez
Administrative Assistant

Lindsey Freeland
Director of Finance and Performance

Katie Woods
Director of Communications and Marketing

Danae Ramirez
Deputy Director

Richard Moala
HR and Employee Experience Manager

Silvia Urena
IT and Innovations Manager

Rachel McDonnell
Project and Facilities Manager

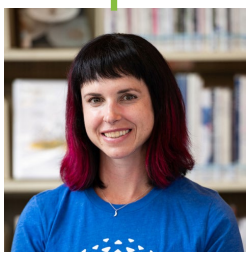
Carine Risley
Deputy Director

Nicole Cuadra
Adult, Literacy and Outreach Services Manager

Elise Staples
Youth and Family Services Manager

Vacant
Collections and Access Services Manager

Mary Abler
Deputy Director



Ginny Mies
Atherton Library Manager

Chris Lu
Belmont Library Manager

Cary Mossing
Brisbane Library Manager

Vacant
East Palo Alto Library Manager

Stephanie Saba
Foster City Library Manager

Annie Malley
Half Moon Bay Library Manager

Vacant
Millbrae Library Manager

Gina Feil
North Fair Oaks Library Manager

Julie Smith
Pacifica Libraries Manager

Francis Hébert
San Carlos Library Manager

Carmen Letona-Adams
Portola Valley and Woodside Library Manager

Budget Detail

		FY 2023-24 Actuals	FY 2024-25 Adopted	Change	FY 2025-26 Recommended
Sources					
1021	Current Year Secured	30,410,351	31,558,151	1,854,089	33,412,240
1024	PY Secured Redemption	11,519	7,000	-	7,000
1031	Current Year Unsecured	1,250,080	1,200,000	-	1,200,000
1033	Prior Year Unsecured	(15,632)	-	-	-
1041	CY SB 813 Sec Supplemental	825,363	550,000	-	550,000
1042	CY SB 813 Unsec Supplemental	9,816	5,000	-	5,000
1043	PY SB 813 Redemption	30,496	5,000	-	5,000
1045	PY SB 813 Unsec Supplemental	5,183	-	-	-
1046	Excess ERAF	7,797,711	5,000,000	2,156,688	7,156,688
1047	Former RDA - Residuals	1,238,138	600,000	-	600,000
1058	Former RDA - Passthrough	1,394,198	400,000	-	400,000
1129	Property Tax In-Lieu of VLF	183,164	183,164	-	183,164
1135	Sales & Use Tax - Measure K	2,289,250	1,576,301	(388,289)	1,188,012
1000	**Taxes**	**45,429,636**	**41,084,616**	**3,622,488**	**44,707,104**
1521	County Pool Interest Earned	1,512,454	350,000	-	350,000
1525	LAIF Interest Earned	92,811	10,000	-	10,000
1556	PLS Rent	13,612	11,216	-	11,216
1500	**Use of Money and Property**	**1,618,877**	**371,216**	**-**	**371,216**
1661	Highway Property Tax Rental	1,045	600	-	600
1831	Homeowner Tax Relief	89,055	105,000	-	105,000
1868	Timber Tax Yield	2,389	2,000	-	2,000
1871	State Aid/Grants	208,326	230,000	-	230,000
1971	Other In-Lieu Taxes	488	400	-	400
1985	Loan Repayments	1,350,467	-	-	-
1986	Redwood City Contribution	419,600	430,510	10,332	440,842
1600	**Intergovernmental Revenues**	**2,071,370**	**768,510**	**10,332**	**778,842**

		FY 2023-24 Actuals	FY 2024-25 Adopted	Change	FY 2025-26 Recommended
2291	Library Fees & Fines	14,395	-	-	-
2000	**Charges for Services**	**14,395**	**-**	**-**	**-**
2521	County GF Contribution	267,163	295,292	21,086	316,378
2545	Other Interfund Revenue	3,352	-	-	-
2500	**Interfund Revenue**	**270,515**	**295,292**	**21,086**	**316,378**
2644	Comp Insurance Refunds	29,370	-	-	-
2645	SDI Payments	64,615	5,000	-	5,000
2646	Gifts & Donations	2,963	-	-	-
2647	Friends Donations	421,853	-	-	-
2655	Foundation Grants	283,796	-	-	-
2658	All Other Misc. Revenue	29,370	-	-	-
2600	**Miscellaneous Revenue**	**802,597**	**5,000**	**-**	**5,000**
	Total Revenue	**50,207,391**	**42,524,634**	**3,653,906**	**46,178,540**
333	Fund Balance	42,640,445	47,309,462	(1,324,440)	45,985,022
	TOTAL SOURCES	**92,847,836**	**89,834,096**	**2,329,466**	**92,163,562**

Requirements

4111	Permanent Salaries	14,854,628	15,942,567	2,599,272	18,541,839
4160	Extra Help Salaries and Benefits	3,046,457	4,392,402	(513,440)	3,878,962
4321	Retirement Contributions	2,858,812	3,274,096	541,772	3,815,868
4400	Benefits	2,171,646	2,633,736	253,799	2,887,535
4450	Workers Comp/Unemployment	366,471	377,089	(589)	376,500
4000	**Salaries and Benefits**	**23,298,014**	**26,619,890**	**2,880,814**	**29,500,704**

		FY 2023-24 Actuals	FY 2024-25 Adopted	Change	FY 2025-26 Recommended
5132	ISD Phones	57,144	93,857	(36,882)	56,975
5184	Revenue Set Aside - Excess Funds	3,749,487	1,500,000	(300,000)	1,200,000
5193	Office Expenses	202,151	202,000	-	202,000
5196	Photocopy Lease/Usage	59,076	145,000	(60,000)	85,000
5197	Mail	21,105	29,000	-	29,000
5198	Donations Funded Services	-	123,306	(123,306)	-
5199	Friends Funded Services	-	295,436	(295,436)	-
5212	Computer Equipment	2,470,831	3,485,400	(1,965,400)	1,520,000
5215	Software and Maintenance	842,407	981,890	200,357	1,182,247
5234	Furniture and Equipment	423,000	1,800,000	1,670,000	3,470,000
5331	Professional Memberships	53,259	51,000	4,000	55,000
5343	Advertising and Publicity	7,337	10,000	-	10,000
5459	Misc. Other Maintenance	68,980	163,000	(50,000)	113,000
5631	Utilities	38,423	35,000	-	35,000
5634	Recycling	8,590	10,000	-	10,000
5712	Mileage Allowance	12,012	12,100	-	12,100
5714	Employee Reimbursement	25,328	25,000	-	25,000
5721	Meetings and Conferences	172,362	289,240	7,760	297,000
5731	Employee Training	1,174	2,000	-	2,000
5833	Contract Security Services	108,032	100,800	-	100,800
5854	Contract Library Services	184,305	135,000	50,000	185,000
5856	Promotional Materials	247,182	227,500	-	227,500
5858	Professional Contracts	530,508	1,984,203	(526,203)	1,458,000
5866	Fingerprinting	38,371	61,440	560	62,000
5875	Peninsula Library System Fees	1,445,541	1,973,000	(52,675)	1,920,325
5876	Programming Services	5,526	10,000	-	10,000
5925	Emergency Assistance Expense	15,538	500,000	(250,000)	250,000
5926	Alcohol/Drug Testing	97	500	-	500
5927	Program Activities Expense	1,280,574	1,674,017	-	1,674,017

		FY 2023-24 Actuals	FY 2024-25 Adopted	Change	FY 2025-26 Recommended
5931	Books - Adult	720,717	550,000	-	550,000
5932	Books - Children	687,009	683,000	42,000	725,000
5933	Videos - Children	5,180	50,000	(40,000)	10,000
5934	Books - Serials	167,011	130,000	40,000	170,000
5936	Audio Materials	37,359	75,000	(25,000)	50,000
5937	Videos - Adult	88,478	150,000	(50,000)	100,000
5938	Digital Materials	1,630,455	1,840,000	33,000	1,873,000
5939	World Language Materials	626,760	724,000	-	724,000
5942	Other Library Expense	789,781	1,009,971	9,655	1,019,626
5969	Summer Learning - Measure K	392,339	-	-	-
5000	**Services and Supplies**	**17,213,432**	**21,131,660**	**(1,717,570)**	**19,414,090**
6263	Agreements - Daly City/Other	2,517,172	506,174	800,000	1,306,174
6712	Telephone Service Charges	-	-	8,889	8,889
6713	County IT - Automation Services	80,961	114,305	(4,311)	109,994
6714	County Facility Rental Charges	349,165	389,098	83,118	472,216
6717	Motor Vehicle Mileage Charges	35,179	33,711	12,270	45,981
6724	Auto Liability Insurance	8,123	7,244	(2,320)	4,924
6725	General Liability Insurance	470,619	734,857	175,094	909,951
6727	Official Bond Insurance	9,679	11,269	1,012	12,281
6728	County Property Insurance	114,206	187,298	(128,341)	58,957
6732	County Counsel Services	-	25,000	-	25,000
6733	Human Resources Services	9,439	10,875	960	11,835
6734	Motor Vehicle Replace Charge	6,317	-	-	-
6738	Countywide Security Services	10,849	13,228	1,507	14,735
6739	All Other Service Charges	4,317	7,464	(1,817)	5,647
6751	Card Key Public Works	9,360	12,308	(3,220)	9,088
6752	County IT - All Other	-	-	24,785	24,785
6821	County Allocation Plan	734,089	1,016,957	(30,058)	986,899
6000	**Other Charges**	**4,359,475**	**3,069,788**	**937,568**	**4,007,356**

		FY 2023-24 Actuals	FY 2024-25 Adopted	Change	FY 2025-26 Recommended
7331	Fixed Assets - Equipment	634,235	1,645,557	(339,352)	1,306,205
7000	**Fixed Assets**	**634,235**	**1,645,557**	**(339,352)**	**1,306,205**
7548	Facility Maintenance Charge	33,218	36,353	5,711	42,064
7500	**Other Financing Uses**	**33,218**	**36,353**	**5,711**	**42,064**
	Gross Appropriations	**45,538,373**	**52,503,248**	**1,767,171**	**54,270,419**
8142	Intrafund Transfers	-	-	-	-
8000	**Intrafund Transfers**	**-**	**-**	**-**	**-**
	Net Appropriations	**45,538,373**	**52,503,248**	**1,767,171**	**54,270,419**
8611	Operating Reserves	4,709,726	5,100,464	762,928	5,863,392
8811	Capital Reserves	42,599,737	32,230,384	(200,633)	32,029,751
	Total Reserves	**47,309,463**	**37,330,848**	**562,295**	**37,893,143**
	TOTAL REQUIREMENTS	**92,847,836**	**89,834,096**	**2,329,466**	**92,163,562**

FUND BALANCE POLICY

I. Purpose

Prudent financial management suggests that all governmental entities should establish fund balance policies to provide the required resources when responding to unforeseen events and meeting operating needs. The purpose of this Fund Balance Policy is to establish reasonable guidelines tailored to the needs of the San Mateo County Library Joint Powers Authority (Library) which ensure that adequate funds are available to:

- Mitigate significant economic downturns or revenue shortfalls
- Cover future innovative opportunities related to system improvements
- Provide for future projects

Fund Balance is generally defined as the difference between fund assets and fund liabilities remaining at year-end. For budgetary purposes, this represents the sum of over-realized or unanticipated revenues and unspent appropriations or reserves at the end of each fiscal year.

The Policy aligns with the reporting standards outlined in GASB 54 (the Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions). GASB Statement 54 established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

II. Fund Balance Goals

The following individual items shall constitute the Library Fund Balance.

<u>Committed Fund Balance:</u>
Committed Fund Balance consists of amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, in this case, the Governing Board. Commitments may be changed or lifted only by the Governing Board taking the same formal action that imposed the constraint originally. The Library has established two primary categories of Committed Fund Balance as follows:

- Stabilization Commitments, referred to in this policy as Operating Reserves, and
- Capital Project Commitments, referred to in this policy as Capital Reserves

<u>Operating Reserves:</u>
Governments often establish "rainy day funds" to provide a financial cushion against unanticipated adverse financial or economic circumstances. The Library is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted one-time expenditures. Operating Reserves may be used to address temporary cash flow shortages, emergencies, unanticipated economic downturns, and one-time opportunities to stabilize current operations.

The Library shall maintain amounts equal to no less than fifteen percent (15%) of adopted general fund operating appropriations in the category identified as Operating Reserves (net appropriations exclusive of one-time activities).

There is no nationally uniform standard regarding the appropriate level of unrestricted fund balance (i.e. the amounts reported as committed) local governments should maintain. However, the Government Finance Officers Association (GFOA) recommends that…"general purpose governments maintain ***at a minimum*** *an unrestricted fund balance of no less than two (2) months or 16.7% of regular general fund operating revenues or regular general fund operating expenditures. The adequacy of unreserved fund balance in the general fund should be assessed based upon a government's own circumstances. Furthermore, such measures should be applied within the context of long-term forecasting, thereby avoiding the risk of placing too much emphasis upon the level of unreserved fund balance in the general fund at any one time."*

Capital Reserves:
Capital Reserves may be used to address innovative opportunities related to operational improvements and asset replacement needs as approved by the Governing Board. Activities such as major equipment purchases, facility renovations, and system-wide projects are not specified in this policy statement, but are identified by the Library, as part of the annual budget development process.

The Library shall maintain amounts equal to no less than two million five hundred thousand ($2,500,000) in the category identified as Capital Reserves.

III. Minimum Fund Balance Requirements

In the event funds are not available to maintain minimum required balances as detailed under Section II Fund Balance Goals; Committed Fund Balance, the Governing Board must approve and adopt a plan to restore this balance to the target level by adding an amount to the budget to cover the deficiency over a period not to exceed five (5) fiscal years. If restoration of the commitment cannot be accomplished within such period without severe hardship to the Library, then the Governing Board will establish a different time period or change the committed amount requirement.

IV. Utilization of Fund Balance

Appropriation of the Committed Fund Balance shall require the approval of the Governing Board and shall be only for one-time uses and not for ongoing expenditures unless a viable revenue plan designated to sustain the expenditures is adopted.

V. Annual Review

Compliance with the provisions of this policy shall be reviewed as part of the annual budget adoption process.