



**Date:** July 11, 2011

**From:** Anne-Marie Despain, Director of Library Services

**Re:** Background Related to the Operations and Governance of the San Mateo County Library

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### **System Overview**

The purpose of this memo is to provide background related to the operations and governance of the San Mateo County Library. The San Mateo County Library (SMCL or Library JPA) offers an array of services. The 12 branches, bookmobile, and eBranch are a source of books, periodicals, newspapers, and information in multiple languages. The libraries provide access to computers and the Internet, online databases, music, business resources, and educational research. The eBranch provides access to a wealth of information and is accessible in each branch library or from a resident's personal computer at home, work, or school.

The San Mateo County Library also responds to the informational, educational and cultural needs of the community by offering a broad range of programs for children, teens and adults including author readings, lectures, films, exhibits, dance and musical performances. Outreach services include book club readings provided to incarcerated youth, and programs offered in settings such as schools, low-income clinics and shelters. Educational programming includes homework help assistance, computer training, and literacy services for children, families and adults.

### **Formation of the San Mateo County Free Public Library**

The San Mateo County Free Public Library was established by the San Mateo County Board of Supervisors in 1912, under the authority of the County Library Law of 1911. The underlying legislation supporting County Free Public Libraries explicitly provides for participation in the levy of a tax specifically dedicated and restricted for library purposes. The San Mateo County Library is classified as a dependent district. The property taxes collected for the district are allocated directly to the entity (SMCL) to provide library services within an established geographic area. Existing member cities joined the San Mateo County Free Public Library at the time of incorporation, virtually automatically, because the County Library tax levy already overlaid the properties within the new city.

The portion of dedicated property tax attributed to the San Mateo County Library is a portion of the general tax (equal to 1% of the assessed value of a property). Tax rates are based on the percent of taxes the library system received prior to Proposition 13. The passage of Proposition 13 in 1978 and subsequent legal determinations put the State in charge of the allocation of local property taxes and set in place the basic tax rate based on a proportionate sharing of the tax in place. Proposition 13 established limitations on increases in assessed value and set the maximum general property tax rate at 1%. The SMCL now has a fixed percentage of the property tax, and this cannot be effectively reallocated due to the constitutional provisions in place. The average tax rate for San Mateo County Library is .032. This means that for every \$100 of assessed value of a property, the San Mateo County Library tax is approximately 3.2 cents. The primary source of revenue for the San Mateo County Library is property taxes. Approximately 90% of operating revenues are derived from these taxes dedicated for library purposes.

## **Formation of the San Mateo County Library Joint Powers Authority**

In 1999, the San Mateo County Library Joint Powers Authority (Library JPA) was established. 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. A total of 286,569 people live within the boundaries of the SMCL legal taxing district which covers 351 square miles.

The Library JPA structure approved in 1999 overlays the San Mateo County Library but does not replace it. As detailed in the Library JPA Agreement, the Library JPA shall operate under and be governed by the rules and regulations, legal restrictions and requirements applicable to County Free Library Law. Maintaining the designation as a County Free Public Library allows the system to remain a taxing entity and provide the Library JPA with its primary source of funding.

## **Purpose of the Library JPA**

The Library JPA is charged with the governance of the San Mateo County Free Public Library system pursuant to the Library JPA Agreement. The Library JPA is governed by a Board consisting of representatives from each member entity. Oversight responsibility, the ability to conduct independent financial affairs, approve budgets, sign contracts, and otherwise influence operations and account for fiscal matters is exercised by the Library JPA Governing Board. As outlined in the San Mateo County Library JPA Agreement, the Library JPA is responsible for the following:

- Provide policy direction and governance for the Library System.
- Carry out the functions as required in the JPA Agreement.
- Approve the budget and disposition of revenues for Library System Services.
- Approve and oversee the services and programs of the Library System.

All policies relating to the provision of library services shall be determined by the Library JPA Governing Board. The San Mateo County Board of Supervisors, acting on the recommendation of the Library JPA Governing Board, adopts by July 1st of each year an annual operating budget for the Library JPA.

## **Library JPA Member Responsibilities**

As outlined in the Library JPA Agreement maintenance, repair and all capital improvements to new and existing library facilities shall be the responsibility of the facility owner, or pursuant to an agreement approved by the Library JPA Governing Board and the facility owner. In summary, these responsibilities and associated costs include facility construction and/or renovation, utilities, custodial services, landscaping, and general maintenance tied directly to the library facility. The Atherton Library is a facility owned by the Town of Atherton.

## **Library JPA Member Withdrawal**

The summary below outlines terms related to the withdrawal of a member of the Library JPA as described in the Library JPA Agreement. An individual Party may withdraw from the Agreement upon the giving of written notice by July 1<sup>st</sup> of its intent to withdraw from the Library JPA effective July 1<sup>st</sup> of the following fiscal year. If a Party withdraws from the Agreement, such Party shall not be entitled to the return of any funds contributed to the Library JPA. Such Party shall take on the obligation to provide all library services to its residents. In this eventuality the County shall pay to the withdrawing agency all subsequent library property tax proceeds collected in the withdrawing Party's jurisdiction. The use of these funds would continue to be bound by the legal restrictions and requirements applicable to County Free Library Law and restricted to library purposes only. At the time of the withdrawal, the Parties may agree to allow the withdrawing party to retain books and other library materials, furniture and equipment obtained by the Library JPA, on the condition that such property and materials will be used for public library purposes and available to all residents of San Mateo County at no charge. Since its inception in 1999, no members have withdrawn from the Library JPA.

## Donor City Provisions

Section VI. D. of the Library JPA Agreement states the following: In the event that the allocated library service revenue (San Mateo County Free Public Library property taxes attributed to parcels located within member city boundaries) exceeds the amount required to maintain the minimum library service for each city as described in this Agreement, such excess funds shall be spent on library related activities within that city library (hereinafter, "Donor City") including, but not limited to, facility maintenance, facility remodeling or expansion, increased service hours, or increased book purchases, as mutually agreed by the Library JPA and the city council of the affected Donor City and consistent with requirements applicable to County Free Library Law. In accordance with the donor city provision, at the end of each fiscal year, funds in excess of the amount required to operate a branch are distributed and held in a separate library account by the member city.

There are currently three member cities designated as "Donor Cities" including the Towns of Woodside, Portola Valley, and Atherton. San Mateo County Library property taxes attributed to parcels located within these member city boundaries exceeds the cost to operate these libraries resulting in the designation as a "Donor City."

The amount of San Mateo County Library revenue designated as "Donor City" funds and held by the Town of Atherton in a separate library account was \$4,914,208 on June 30, 2010, as reported in the Town of Atherton's Fiscal Year 2009-10 Basic Financial Statements presented to the Town of Atherton on December 15, 2010.

The amount of new revenue set aside in FY 2010-11 is \$784,143. Revenue in this amount was transferred by San Mateo County Library to the Town of Atherton in June 2011. This calculation is based on the amount of San Mateo County Free Public Library property taxes attributed to parcels located within the member city boundary, less the cost to operate the branch in that year. Assuming that property taxes within the member city boundary continue to grow as a similar rate as compared to the cost to operate, the conditions which generate "Donor City" revenue will continue. For purposes of recent history, the amounts set aside in FY 2009-10 and FY 2008-09 were \$900,000 and \$846,846 respectively.

The use of these funds proposed by the Town of Atherton and approved by the Library JPA Governing Board on May 2, 2011 for FY 2011-12 include \$40,779 to offset facility costs incurred by the Town related to general maintenance, utilities, custodial services, landscaping services, and associated supplies for the library building. Additionally, an appropriation estimated at \$282,050 has been included to capture costs related to the new library building project including contracted services associated with architectural and environmental review work, and other planning and legal assistance.

## Recent Activities Related to Building a New Atherton Library

The activities below represent standard library practice related to renovation, expansion or replacement of library buildings. A brief status update is also included.

### 1. Conduct a Building and Site Evaluation

An important first step is an evaluation of the facility by a structural engineer. An assessment includes information regarding current architectural, structural, mechanical, electrical and plumbing deficiencies.

*Status: The Town of Atherton contracted with Crosby Group and prepared two reports including ASCA 31-03 Structural Evaluation Report dated 2/11/09, and FEMA 356 Life Safety Building Performance Evaluation and Probable Maximum Loss (PML) Analysis dated 9/24/09.*

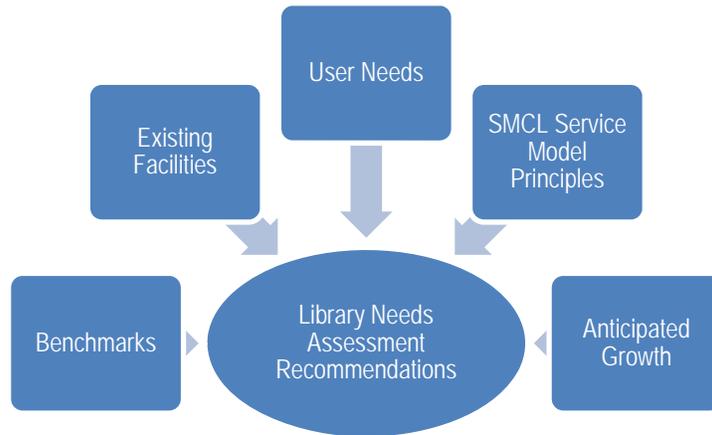
### 2. Complete a Library Needs Assessment

A library needs assessment is an essential part of the planning process. The assessment determines how well the library is currently meeting the needs of the community and identifies other types of resources and services to consider providing in the future. A Library Needs Assessment examines numerous sources of information and influences as they pertain to the delivery of library services. The process of a needs assessment begins by gathering data through a combination of quantitative and qualitative methods, including:

- Benchmarks: Peer library benchmarking
- Existing Facilities: Facilities assessment

- User Needs: Input and analysis to gain community insight through surveys, questionnaires, interviews, focus groups, and onsite observations
- SMCL Service Model Principles
- Anticipated Growth: Community background and demographics

### Library Needs Assessment Overview



Service needs are then identified and translated into space requirements for collections, user seating, meeting and study rooms, staffing levels, and computer resources. A needs assessment also involves determining the shortcomings of the library as related to current space limitations and building deficiencies. Once the data has been gathered, it is analyzed and a needs assessment report is prepared.

*Status: San Mateo County Library contracted with Anderson Brulé Architects (ABA) to complete the Atherton Library Needs Assessment. The report was completed in 2010 and accepted by the Town of Atherton in February 2010, and the San Mateo County Library JPA in March 2010.*

*The report can be found at: <http://www.smcl.org/sites/www.smcl.org/files/file/Organization/JPA/03292010/Atherton-Library-Needs-Assessment-Memo-and-Report.pdf>*

### 3. Develop a Conceptual Plan and Cost Estimate

Based on findings from the structural engineer and the needs assessment, an architectural design firm outlines project goals and a process and schedule by which to achieve those goals. This will serve to identify existing conditions, opportunities, and design options for the Atherton Library. Conceptual cost estimates of several alternatives are also determined.

*Status: The Town of Atherton has contracted with Group 4 Architecture, Research + Planning, Inc. to complete conceptual plans and cost estimates. This work is in progress and will continue as the preferred site and building program is refined. Based on a recommendation by the Town of Atherton in June 2010, the Atherton Library Building Steering Committee was established and tasked with engaging the community in the planning and design process, making recommendations, as well as acting as an advisory group to the City Council regarding the new library. Members include staff from the Town of Atherton, San Mateo County Library, Friends of the Library, and other key stakeholders.*