

NLS Executive Committee Special Meeting

Monday, February 26, 2018

12:00 p.m. – 1:00 p.m.

Conference Call

Phone: 1-877-216-1555

Guest Code: 907394

1. Welcome and Roll Call Lightbody, Chair
2. Public Invited to Comment Lightbody
3. Adoption of Agenda **(Action Item)** Lightbody
4. Approve Minutes of 2/06/2018 **(Action Item)** Brinkley Attachment 1
5. Old Business
 - A. Five-minute presentation from Library Systems & Services (LS&S) regarding their RFP response for NLS Fiscal Administrative Services
 - B. Five-minute presentation from Pacific Library Partnership (PLP) regarding their RFP response for NLS Fiscal Administrative Services Frost
 - C. The NLS ad hoc Committee recommends awarding the contract for NLS Fiscal and Administrative Services to Pacific Library Partnership in the amount of \$124,000 **(Action Item)** Lightbody Attachment 2
 - D. LINK+ Delivery Study
 - 1) Approve Scope of Work for LINK+ Delivery Contract **(Action Item)** Frost Attachment 3
 - 2) Approve Recommendation to contract with Galecia Group not to exceed \$20,000 **(Action Item)** Frost Attachment 4
6. New Business
 - A. Authorize NLS Chair to sign Final Joint Letter of Nine Cooperative Systems' Chairs to State Librarian (to be distributed prior to meeting) **(Action Item)** Lightbody
7. Adjournment

Brown Act: The legislative body of a local agency may use teleconferencing in connection with any meeting or proceeding authorized by law. Cal. Gov't Code § 54953(b)(1). A "teleconference" is "a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both." Cal. Gov't Code § 54953(b)(4). A local agency may provide the public with additional teleconference locations. Cal. Gov't Code § 54953(b)(4).

The teleconferenced meeting must meet the following requirements:

- (1) it must comply with all of the Act's requirements applicable to other meetings;
- (2) all votes must be taken by roll call;
- (3) agendas must be posted at all teleconference locations and the meeting must be conducted in a manner that protects the statutory and constitutional rights of the parties or public appearing before the body;
- (4) each teleconference location must be identified in the notice and agenda and each location must be accessible to the public;
- (5) during the teleconferenced meeting, at least a quorum of the members of the legislative body must participate from locations within the boundaries of the body's jurisdiction; and
- (6) the agenda must provide the public with an opportunity to address the legislative body at each teleconference location. Cal. Gov't Code § 54953(b).

Meeting Locations

NLS Admin office, 2471 Flores Street, San Mateo, CA 94403
Benicia Public Library, 150 East L Street, Benicia, CA 94510
Butte County Library, 110 Oak Grove Parkway, Oroville, CA 95966
Colusa County Library, 738 Market Street, Colusa, CA 95932
Lincoln Public Library, 485 Twelve Bridges Drive, Lincoln, CA 95648
Mono County Free Library, 400 Sierra Park Road, Mammoth Lakes, CA 93546
Solano County Library, 1150 Kentucky Street, Fairfield, CA 94533
Sutter County Library, 750 Forbes Avenue, Yuba City, CA 95991
Tehama County Library, 545 Diamond Avenue, Red Bluff, CA 96080
1748 Ellen Avenue, San Jose, CA 95125

Conference Information

Phone: 1-877-216-1555
Guest Code: 907394



2471 Flores Street, San Mateo, CA 94403
650-349-5538 Fax: 650-349-5089

www.northnetlibs.org

DRAFT MINUTES

NLS Executive Committee Meeting

February 6, 2018

1. **Welcome and Roll Call** – Vice Chair Todd Deck, Tehama County, called the meeting to order at 10:02 a.m. Also present were NLS Executive Committee members Mel Lightbody, Butte County, David Dodd, Benicia, Ana Danielson, Mono County, Suzanne Olawski, Solano County Library, James Ochsner, Sutter County Library, and Kathryn Hunt, Lincoln Public Library. Also attending, Carol Frost and Andrew Yon, Pacific Library Partnership, and Jacquie Brinkley, NorthNet System Coordinator.
2. **Public Invited to Comment** – None in attendance.
3. **Motion to adopt Agenda.** Ochsner moved; Olawski seconded. Motion carried.
4. **Motion to Approve Minutes of 11/15/2017 Executive Committee Meeting.** Olawski moved; Hunt seconded. Dodd abstained. Motion carried.
5. **Old Business**
 - A. Lightbody reported that two proposals had been submitted in response to the NLS Request for Proposal for the NLS fiscal and administrative management contract. The RFP Committee requested to extend their review timeline and to provide a recommendation of contract award at an NLS Special Executive Committee meeting to be set for approximately 2 weeks from today's meeting date. No Action at this time.
 - B. Frost notified the Committee that Tricor has provided a quote for approximately \$332,000 for delivery for all NLS libraries for Link+. The Tricor quote used a "hub and spoke" model for their delivery model (one main delivery point per library, with branches being serviced by local delivery service), and no delivery was quoted for some of the more remote libraries within NLS. Although NLS now has the full cost for joining Link+ (the product and the delivery), it is clear that further study and negotiation would need to be done regarding delivery, which is beyond the LINK+ Scope of Work with consultant, Tom Jacobson from Third Chapter. This delivery study was offered as a "potential add-on" with Jacobson, but was not enacted upon and his work is now complete within the contracted scope of services he was to provide. Jacobson is no longer available to continue working on the NLS LINK+ study. Frost recommended that because of the large scope of determining a cost effective delivery model for NLS, that the NLS Executive Committee consider hiring another consultant for this segment of the continued LINK+ study. Based on the contract for the completed comprehensive LINK+ cost/benefit study completed to date (\$19,500), Frost suggested that allocating \$15,000 would be ample to contract for a LINK+ delivery cost and implementation analysis. NLS has allocated \$314,593 of CLSA funds towards Link+, and the additional study may come from this allocation. At the last Executive Committee meeting, it

was agreed that a survey would be developed for NLS members once the full cost was determined to gauge interest of members in joining LINK+. Ochsner agreed that the survey should be issued when accurate costs for all expenses related to LINK+ and delivery costs are fully identified. Items which the consultant may include in the scope of work are developing a delivery model or options which may include individual library vs hub and spoke models; delivery maybe once a week vs daily;; the survey; and a proposed solution on how to fairly distribute the Link+ costs between existing Link+ libraries and the new ones so that no current library pays more than their current costs. It was suggested by Dodd that a possible allocation would be to use the current Link+ costs for libraries as a baseline and spread the remainder of costs to other participating libraries. The Committee also discussed if costs are contingent on all NLS members joining, if there will be an “opt in-opt out” option, and to determine the cost differentials for both circumstances. Olawski and Dodd questioned how existing LINK+ libraries would be absorbed into a new NLS contract without incurring costs already paid under their individual membership structure. Frost reported that Innovative had factored those libraries into the quote they provided (which includes all NLS libraries). This quote would need to be renegotiated if it turns out that only partial NLS membership is interesting in joining.

NLS has a precedent of using sole-source contracting for selected services and this continued study on LINK+ could be done without issuing an RFP (NLS used sole-source to contract for CalPERS legal research) . Frost suggested the Committee direct staff to reach out to consultants, such as The Galecia Group or the Quipu Group regarding a contract for LINK+ delivery analysis, and that this be included on the next Executive Committee agenda as an Action Item. Hunt expressed agreement with this proposal and recommended moving forward with Action Item for Executive Committee to approve at next meeting.

- C. Hunt reported that the Bylaws Review Committee has obtained copies of seven of the nine CLSA System Bylaws for the purposes of reviewing language regarding membership. The NLS Bylaws Review Committee has completed a first draft of recommendations to address directive from Administrative Council at meeting of January 19, 2018 to address the following:
- a. Path to NLS system membership for new libraries
 - b. Maintaining system membership for current NLS libraries
 - c. Change in terms of service for NLS Chair and Vice Chair (from one-year to two-year terms)
 - d. NLS Membership dues tied to annual Consumer Price Index

Hunt reported that the Committee will present recommendations at the next Executive Committee meeting and for recommendation to the Administrative Council for approval at Annual Meeting, June 15, 2018.

Deck acknowledged and thanked Hunt on her presentation at the Administrative Council meeting in January for Dodd and Hunt's work on this task.

- D. Brinkley reported on CalPERS research to date and the status of the NLS budget for the contracted research. The original scope of work has been completed and the budget has been nearly expended in full. There are now additional questions from the Administrative Council regarding systems' and library obligations. Staff recommends allocating an additional \$5,000 to amend contract with Best, Best and Kreiger to include the additional questions as noted on Attachment 2.

Motion to approve staff recommendation to amend Best, Best and Kreiger contract for \$5,000 for research on additional questions as noted in Attachment 2. Olawski moved; Deck seconded. Motion carried.

6. NEW BUSINESS

- A. Brinkley reported on research that was conducted to determine allowable and past use of CLSA funds for payment of systems' CalPERS obligations. Staff found that other CLSA systems had made the same inquiry and the ruling from the California State Library was that use of CLSA funds to pay former employee retirement obligations is not an allowable cost of CLSA funds.

- B. Brinkley presented FY 2017/18 funding request from the Zinio/RBDigital consortium and their CLSA available funds. Staff recommended approval of request of \$15,000 for additional Zinio content in FY 2017/18, and \$30,000 to the FY 2018/19 Zinio subscription. Zinio Committee requested that balance of Zinio CLSA funds be redistributed to the Library to Go/OverDrive Committee for additional content to OverDrive subscription.

Motion to approve Zinio/RBDigital Committee request of CLSA funds for FY 2017/18 in amount of \$15,000, and for FY 2018/19 in amount of \$30,000, and balance of funds in amount of \$55,000 to redirect to Library to Go Committee for additional content. Hunt moved; Olawski seconded. Motion carried.

- C. Brinkley presented Library to Go/OverDrive Committee request of CLSA funds for FY 2017/18 in amount of \$42,250, and for FY 2018/19 in amount of \$40,750 to be used for additional OverDrive content.

Hunt noted that the Library to Go Committee will need to submit to the Executive Committee a request to accept the funds redirected from Zinio for FY 2018/19. Staff noted this and will include in FY 2018/19 Executive Committee agenda.

Motion to approve Library to Go/OverDrive Committee request for CLSA funds for FY 2017/18 in amount of \$42,250, and for FY 2018/19 in amount of \$40,750 to be used for additional OverDrive content. Deck moved; Ochsner seconded. Motion carried.

- D. Brinkley reviewed Executive Committee member rotation and requested volunteers for a Nominating Committee for FY 2018/19 NLS officers. Brinkley reported that three Executive Committee positions will be vacant, as well as the Vice Chair position. Discussion of existing NLS Bylaws that read Executive Committee members cannot serve more than two consecutive terms. Discussion ensued and members agreed that Chair and Vice Chair positions would benefit from having Executive Committee members with two terms of service and that the Chair and Vice Chair positions should not be included in the two-term

limit language. Hunt will review this Bylaw language and include in Bylaw Committee report. Deck commented on the value of length of service of Executive Committee members and what that experience would bring to Chair and Vice Chair leadership. Hunt recommended to move forward with allowing the second term Executive Committee members to be eligible for Vice Chair nomination.

Administrative Council member, Lori Easterwood, Folsom Public Library had volunteered for the Nominating Committee. Executive Committee members Dodd and Ochsner also volunteered. Staff will work with Nominating Committee to secure recommendations for next Executive Committee meeting and for recommending approval at the Annual Meeting, June 15, 2018.

Motion to approve Nominating Committee for FY 2018/19 NLS Executive Committee – Lori Easterwood, David Dodd, and James Ochsner. Olawski moved; Hunt seconded. Motion carried.

E. Brinkley asked for suggestions of professional development or other workshop ideas for the Annual NLS Administrative Council Meeting. Discussion of several ideas and recommendations including Aspen Institute and recently released report and use of social media in library marketing. Staff will follow-up on suggestions and report back via email communications. Hunt requested that the meeting utilize the value of NLS members coming together and having the opportunity to hear from other systems.

7. Chair Lightbody reported that the CLSA System Chairs and Vice Chairs met on February 2, 2018, at the Stockton Library. As an outcome of that meeting, it was agreed that CLSA Systems want to build an effective relationship with the California State Librarian and the California Library Services Board. CLSA Systems will draft a letter to the State Librarian. Upon receiving draft of this letter, Lightbody will present to the NLS Executive Committee for their review and approval. Frost added that the CLSA Systems agreed that they want to be more involved at the State level. Dodd requested that staff have State Library staff liaison attend the next Annual meeting. Staff will follow up on this request.
8. Discussion ensued of required upcoming Executive Committee meeting dates and business that needs to be addressed before the Annual Meeting. The priority at this time is for the RFP Committee to recommend their selection to the Executive Committee for the FY 2018/19 Fiscal and Administration Services contractor and award the contract. Hunt reported that the RFP Committee will meet within 1- 2 weeks and be ready to meet in a Special Executive Committee meeting at that time (2 weeks). Frost reminded the Executive Committee of the RFP time-line and time required to transfer records, etc. should another contractor (other than PLP) receive the award.

In addition to the Special Executive Committee meeting for the RFP decision, another Executive Committee meeting will be scheduled in May and will include review and approval of NLS Annual Plan of Service, Annual Budget, Executive Committee nominations, Bylaws Committee recommendations, and LINK+ Delivery Study scope of work and contract recommendations. Staff will send a Doodle Poll to determine date for this May meeting.

Meeting Adjourned at 11:30 a.m.



Administrative and Fiscal
Services Proposal
For
NorthNet Library System

February 2, 2018

Contents

1. EXECUTIVE SUMMARY	2
Background.....	2
2. CONTRACTOR	3
3. EXPERIENCE AND TECHNICAL COMPETENCE	3
4. REFERENCES	3
5. PROPOSED METHOD.....	4
Administrative	5
Fiscal	5
6. PROJECT ORGANIZATION AND KEY PERSONNEL.....	6
7. COST DETAIL	7
8. SUBCONTRACTORS.....	9
APPENDIX A	10
RESUMES.....	11
RECOGNITION LETTER FROM THE STATE LIBRARY.....	17
ORGANIZATION CHART.....	18
PLP FY 2015/16 AUDIT REPORTS.....	19

1. EXECUTIVE SUMMARY

In 2012, the Peninsula Library System (PLS) was awarded the Administrative and Fiscal Agent contract for the NorthNet Library System (NLS). PLS and PLP are closely aligned, and in 2015, the Pacific Library Partnership (PLP) was awarded the Administrative and Fiscal Agent contract for NLS which is expiring in June 2018. PLP is pleased to respond to NLS's RFP for the Administrative and Fiscal Agent contract from July 1, 2018 through June 30, 2020.

Background

PLP, like NLS, is a complex cooperative library system formed in 2006 by the merger of four CLSA legacy systems into a single JPA. The administration of PLP is provided by contract with the Peninsula Library System (PLS), one of the four legacy systems of PLP. The link to the website is www.plpinfo.org.

PLP is uniquely qualified to administer the NLS contract. PLP and NLS are the only two of the nine cooperative library systems in California which have legacy systems. NLS is a complex partnership of its three legacy systems which represent the regional needs of the large geographic area of NLS. These legacy systems require attention, and their governance and priorities must be balanced with the administration of NLS as a whole.

For the past three years, the Peninsula Library System contracted with PLP to provide these services and maintain the administrative and financial infrastructure for NLS. When PLP took over the administration of NLS in 2015, the financial and administrative infrastructure remained in place and provided continuity in these core services. A significant enhancement which occurred with the contract with PLP was the addition of a System Coordinator, Jacquie Brinkley, who lives in the NLS system geographical area. Jacquie, along with the PLP CEO, has been the main point of contact for system libraries and members.

These five years of stability have benefitted both PLP and NLS in the ability to advocate collectively for CLSA funds and initiatives. During the last few years, NLS and PLP have received LSTA grants for the Libraries Lead the Way Training and the Student Success Initiative. NLS successfully received the grant award to administer the \$1M Zip Book expansion, and most recently, the PLP CEO and the NLS Chair collaboratively pitched an idea to the State Librarian for fiscal support for NLS regarding start-up costs for a Link+ implementation, which has been incorporated into Governor Brown's preliminary budget for FY 2018/19. During the last year, with the assistance of the PLP CEO, the NLS Chair and the PLP Board President worked on letters of support for keeping CLSA language regarding contiguous borders, and the PLP President attended the California Library Services Board meeting and advocated on behalf of NLS and PLP for keeping the existing language. This type of synergy benefits both organizations. Finally, the fiscal standards which PLP adheres to do not go unrecognized: At the October CLSB meeting, PLP and NLS were recognized by the California State Librarian as having sound fiscal discipline and accounting practices, which were recommended to be emulated by other cooperative systems.

PLP proposes to provide administrative and fiscal services as specified in the RFP including:

Preparing the NLS Annual Budget, Plan of Service, and Annual Report for the California State Library, coordinating Executive Committee and Council meetings, advocating for the System regionally and statewide, and providing the day-to-day administrative and fiscal services

enumerated in the RFP. Staff will also provide members with updates and communications about the statewide CENIC initiative and other grant and programmatic opportunities.

The cost of the services for 2018/19 is \$124,133.

2. CONTRACTOR

Pacific Library Partnership
2471 Flores Street, San Mateo, CA 94403

CONTACTS

Carol Frost, Chief Executive Officer, 650-349-5538, Ext: 3040

Andrew Yon, Controller, 650-349-5538, Ext: 3039

Jacquie Brinkley, System Coordinator, 650-349-5538

Wendy Cao, Office Manager, 650-349-5538, Ext: 3042

3. EXPERIENCE AND TECHNICAL COMPETENCE

Carol Frost and Andrew Yon will provide oversight of the System Coordinator, Office Manager, and Secretary for the provision of management and financial services. Jacquie Brinkley will be the day-to-day System Coordinator for NLS. She lives in the NLS service area and has a long-standing relationship with the NLS libraries. Together, this winning team brings over 40 years of collective experience and familiarity of working with CLSA and other public library services. Staff currently manage federal and statewide grants for NLS, PLP, Califa, and PLS. Other administrative staff in the PLS/PLP office will provide back-up assistance to the System Coordinator and Office Manager as necessary.

4. REFERENCES

Barclay Ogden, Director for Library Preservation, University of California Berkeley, 510-642-4946, bogden@berkeley.edu. PLP has worked with Barclay on several CSL and IMLS grants, including the California Preservation Program, the California Audio-Visual Preservation Program, WESTPAS and California Light and Sound.

Janet Coles, Assistant Bureau Chief, California State Library, 916-651-0981, janet.coles@library.ca.gov. PLP has worked with the California State Library on many statewide grants, including Immigration, Metrics, Veterans Connect, Rural Initiatives, Networking, Literacy Initiatives, and the California Preservation Program.

Jane Chisaki, Alameda City Free Library Director, 510-747-7747, jchisaki@alamedaca.gov. Jane is the immediate past PLP Board President.

5. PROPOSED METHOD

Over the last five years, PLP (PLS) staff have developed a working knowledge of NLS members, their challenges and opportunities. PLP believes it can build on the working relationship we have had to support NLS as proactively as possible.

The proposed scope of work from NLS varies from some of the other RFPs from other cooperative systems in that it includes a broader scope than the basic CLSA activities required for a system. Specifically, it includes support for the legacy systems, as well as support for broad NLS initiatives and for CalPERS.

Based on our review of NLS support services for the past years, PLP proposes to meet all the administrative and fiscal requirements outlined in the Request for Proposal, which are outlined below. In addition, PLP's proposal includes the following specific support:

- NLS and legacy system meetings. On average, PLP annually provided meeting and committee support for 25 meetings over the last two years. Those meetings include the NLS Executive Committee and Administrative Council; MVLS, NBCLS, NSCLS Councils; and the Library-to-Go and Zinio Steering Committees. Support includes securing the Zoom call-in number, preparation and posting of agendas, memos, documents and minutes per the Brown Act, and distribution of materials. This includes posting and maintaining documents on NLS website as well as electronically.
- Contracts. On average over the last several years, 6-8 contracts have been negotiated, prepared and handled annually for NLS. During the FY 2016/17 and FY 2017/18 years, examples include the delivery contracts for MVLS and NBCLS, contracts regarding the Zip Books CLSA grant, the contract for the System Coordinator, contracts with vendors such as the CalPERS attorney and the Link+ initiative consultant, and contracts with some individual libraries in order for them to pay the NLS dues and fees.
- Accounts receivable/payable. PLP handles the invoicing, collections, and bill payments for NLS, which includes membership dues, staff development disbursements, CLSA disbursements, CalPERS payments for the legacy systems, and vendor invoices such as OCLC, delivery and Overdrive. On average, there are 100 accounts payable invoices and 410 accounts receivable payments annually made on behalf of NLS.
- Grant Administration. Each year, NLS receives the PLSEP grant. In addition, NLS averages 1-2 additional grants per year which require fiscal and reporting support.
- Secure and maintain Directors and officers Liability insurance with \$1M limit.

Administrative

1. Prepare Plan of Service and Annual Report in compliance with the requirements of CLSA as administered by the California State Library.
2. Maintain and report records in compliance with CLSA and other applicable State and Federal requirements.
3. Coordinate Council of Librarians and Executive Committee meetings and maintain regular communications with NLS Chair and Executive Committee. These meetings may be in person or via conference call.
4. Coordinate and schedule legacy systems meetings.
5. Prepare and distribute Council agenda packets and minutes. Make arrangements for Council meetings.
6. Provide staff support for Council, Executive Committee, and Legacy System meetings.
7. Distribute legislative, CLSA, and other State Library correspondence.
8. Respond to communications and requests from members.
9. Track California Public Employees Retirement System (CalPERS) information, communicate with legacy systems as needed. Communicate with the CalPERS regarding NLS legacy system employees.
10. Administer and evaluate system contracts.
11. Maintain all rosters, listservs, directories, electronic records and archives.
12. Maintain NLS website.
13. Pursue new funding opportunities.
14. Represent and advocate for NLS regionally and statewide.
15. Negotiate necessary purchasing/contracting opportunities with vendors, consultants, other systems or regions including services authorized and funded by CLSA.
16. Support special projects and activities not mandated by CLSA as determined by NLS Council.
17. Prepare, distribute and compile Statement of Economic Interests (CA State Form 700).
18. For additional fees as negotiated Administrative or Fiscal services contractor offer program, grant development or other services for sub-groups of member libraries or for individual members.
19. Provide coordination between member libraries and CENIC (Corporation for Education Network Initiatives in California) as appropriate. Communicate regularly with member libraries and CENIC.
20. Provide coordination between member libraries, NorthNet Library System, and other organizations as needed for system initiatives.

Fiscal

1. Prepare the System Uniform Budget, Annual Report and Expenditure Report.
2. Act as System's fiscal agent in establishing separate accounts for managing all NLS funds.
3. Develop an annual budget in collaboration with NLS Executive Committee and present to the Council of Librarians for approval for programs or services to be provided in the subsequent fiscal year.
4. Monitor budget and prepare monthly status reports.
5. Arrange for the receipt and deposit of State funds, member fee funds and other fees or revenues whether by grant application, invoice or other means.
6. Prepare claim forms for member libraries to submit and process payment.
7. Prepare quarterly budget updates showing revenues, expenditures and reserves to be submitted to Council of Librarians.
8. Prepare and execute payments on behalf of NLS to approved vendors, contractors, consultants, member libraries and others for services rendered, in compliance with budget.
9. Invoice members and other customers for services.
10. Prepare 1099s for contractors.

11. Provide comprehensive revenue expenditure and reserve financial reports in accordance with requirements of CLSA or other State Library legislation and generally accepted accounting principles.
12. Maintain fiscal files and records as required by State and Federal laws and retention policies.
13. Prepare annual reports for Special Districts to State Controller.
14. Arrange for annual independent financial audit.
15. Prepare annual statements of LAIF (Local Agency Investment Fund) interest earned.

6. PROJECT ORGANIZATION AND KEY PERSONNEL

Carol Frost is the Chief Executive Officer of Pacific Library Partnership, as well as the Executive Director of the Peninsula Library System. Her role in the NLS project will be to provide oversight for the overall process including working with the System Chair, and planning and directing communications between staff and member libraries. Carol will be performing advocacy for NorthNet at the state and national levels, and will work with the Executive Committee and Council to ensure projects are completed and the all reporting is completed and submitted. Carol will also share information from other cooperative systems as well as the State Library. Carol received her Bachelor of Arts, with a major in English from Sonoma State University and her Masters of Library Science from San Jose State University. She has worked for the San Bruno Public Library, San Jose Public Library, and Santa Clara County Library District. Carol is currently a member of the California Library Association's Advocacy and Legislation Committee.

Andrew Yon is the Controller of Pacific Library Partnership, PLS, and Califa Group. He will manage all aspects of finance for NLS including: prepare and monitor budget; maintain and analyze system financial reports for Federal, State and local agencies; and prepare audit paperwork. He received his B.S. degree in Accounting from Golden Gate University and has 30 years of extensive experience in governmental fund accounting and manages Federal, State and local grants for PLP, PLS and Califa.

Jacquie Brinkley is the System Coordinator for NLS and, with Carol, will coordinate with the NLS System Chair. Jacquie is familiar with California libraries and their structure, will be responsible for the day-to-day interaction with member issues, and work cooperatively with PLP staff to provide seamless service to NLS members and their libraries.

Wendy Cao is the Office Manager of the Peninsula Library System as well as the Pacific Library Partnership and Califa. She provides the day-to-day oversight of the Administration office. She has worked extensively on the IMLS "Librarians for the 21st Century," the LSTA "Get Involved: Powered by Your Library," and the NSF "Pushing the Limits" grants, planning their conferences and managing arrangements. She worked with a public library for ten years.

Secretary prepares system contracts, opens mail, processes ILL materials, coordinates Form 700s.

Database Manager prepares CalPERS reports, prepares documents for liability insurance, assists with statistics for reporting to state.

7. COST DETAIL

The scope of work detailed in NLS RFP for fiscal and administrative services can be seen as the baseline of service for NLS. When PLP previously bid for these services, the proposed budget included only the baseline services. In the last two years, the cost for the annual contract with NLS has included funds to support activities above and beyond the baseline services. Those activities have included:

- Working extensively with the North State Cooperative Library System regarding its unpaid CalPERS obligations. Staff spent extensive time with CalPERS and were able to successfully prevent CalPERS from taking legal action against NSCLS. We also worked extensively with the NSCLS Chair and their Council of Librarians to help members who were not contributing to establish a mechanism to pay their back dues and develop a plan to stay current with their contributions.
- Conducting the work of the NLS Link+ study, including an RFP, working with the consultant, and issuing questionnaires to NLS libraries.
- Working with the Mountain Valley Library System regarding the Loomis library leaving the Placer County Library and Loomis' establishment as a city library. Staff have spent hours researching California law on requirements which MVLS and NLS must follow for Loomis to join and have been continuing the communication with the State Library and others. This has resulted in the study of the NLS Bylaws.

The NorthNet Executive Committee has, within the last year and a half, directed staff to increase the budget for System Coordinator from 8 hours per week to 14 hours per week, which is reflected in the current FY 2017/18 contract (along with slight increases in other staff support), which more closely reflects the actual work performed for NLS.

It is anticipated that in FY 2018/19, NLS will continue to have activities which are beyond the baseline services described in the Scope of Work. In examining the other cooperative library systems, it has been determined that a regular practice would be for the fiscal agent to negotiate with the cooperative system for the cost for providing those additional services. Therefore, the cost detail below is for the Scope of Work, which includes 8 hours of the System Coordinator and should PLP receive this contract, it would be expected that staff discuss with the Executive Committee the work which NLS foresees in FY 2018/19 which is beyond the baseline and negotiate additional costs for that work.

The cost for printing, supplies and other incidental costs are included in the overhead. The cost below is for Year 1, it would be anticipated that Year 2 contract cost would increase 3% to reflect a Consumer Price Index (CPI) adjustment.

PLP / NorthNet Contract FY 2018-2020

<u>Staff</u>	<u>FTE</u>		<u>Total</u>
<u>Administration</u>			
CEO	0.05	2 hours/week at \$113.50/hour	\$11,804
Office Manager	0.20	8 hours/week @ 60.50/hour <i>manage website, listservs and rosters. Point of contact for System Delivery and PLSEP grant. Prepare and distribute agenda packets and minutes, manage UPS accounts, set up conference calls for committees.</i>	\$25,168
Secretary	0.04	1.50 hours/week @52.50/hour <i>prepare system contracts, open mails, mail ILL materials coordinate Form 700s, annual summer reading program</i>	\$4,095
Database Manager	0.05	2 hours/week @60.50/hour <i>prepare CalPERS reports, prepare document for liability insurance</i>	\$6,292
Subtotal - Administration	0.34		\$47,359
<u>Fiscal Accounting</u>			
Controller	0.10	4 hours/week @ \$91.50 <i>prepare/monitor budget, authorize and approve payments prepare reports/paperwork for audit, prepare financial reports for State and local government. Coordinate database renewal, review delivery contracts/services</i>	\$19,032
Account Clerk	0.08	3 hours/week at \$44.75 <i>Process payables weekly, prepare invoices, prepare deposits,</i>	\$6,981
Accountant	0.04	1.5 hours/week at \$ 53.70 <i>Prepare invoices and deposits, reconcile bank statements</i>	\$4,189
Administrative Assistant	0.10	4 hours/week at \$17.75/hour <i>Filing, prepare Holiday Schedule, mail Summer reading materials, mail checks and invoices</i>	\$3,692
Subtotal - Fiscal Acctg	0.31		\$33,894
Total Administration/Fiscal Accounting			\$81,253
Coordinator	0.20	8 hours/week at \$75/hour <i>Distribute legislative, CLSA and other State Library Correspondence, prepare agenda together with Executive Council committee, take Council and Executive minutes, work with CalPERS related issues Prepare plan of service and annual reports</i>	\$31,200
			\$112,453
Mileage			\$396
3 round trips @242 mile@ 54.5 cents per mile			
Total			\$112,848
10% Overhead			\$11,285
Total FTE	0.85	Grand Total	\$124,133

8. SUBCONTRACTORS

As noted above, PLP does not have any employees. PLP has a contract with PLS, and those staff perform the work for PLP. For this proposal, the System Coordinator will be the only subcontractor on this project, and that contract is handled through PLP.

APPENDIX A

Pacific Library Partnership Member Libraries

Peninsula Library System (PLS)

Burlingame Public Library	San Mateo County Library
Daly City Public Library	San Mateo Public Library
Menlo Park Public Library	South San Francisco Public Library
Redwood City Public Library	San Mateo County Community College District
San Bruno Public Library	

Bay Area Library and Information System (BALIS)

Alameda County Library	Oakland Public Library
Alameda Free Library	Pleasanton Public Library
Berkeley Public Library	Richmond Public Library
Contra Costa County Library	San Francisco Public Library
Livermore Public Library	

Silicon Valley Library System (SVLS)

Los Gatos Public Library	Santa Clara City Library
Mountain View Public Library	Santa Clara County Library District
Palo Alto City Library	Sunnyvale Public Library
San Jose Public Library	

Monterey Bay Area Cooperative Library System (MOBAC)

Cabrillo College Library
California State University Monterey Bay Library
Defense Language Institute Foreign Language Center
Gavilan College Library
Harrison Memorial Library
Hartnell College Library
Middlebury Institute of International Studies at Monterey, William Tell Coleman Library
Monterey County Free Libraries
Monterey Peninsula College Library
Monterey Public Library
Naval Postgraduate School, Dudley Knox Library
Pacific Grove Public Library
Salinas Public Library
San Benito County Free Library
San Juan Bautista–Carl Martin Luck Memorial Library
Santa Cruz City-County Library System
UC Santa Cruz University Library
Watsonville Public Library

Carol Frost
1748 Ellen Avenue
San Jose, CA 95125
408.250.5302
carol.frost@gmail.com

Professional Experience

CEO, Pacific Library Partnership, January 2016-present. Oversee the work of the library cooperative system, including advocacy, allocation of state funds, and innovative initiatives. Liaison with the state library and other cooperatives.

Executive Director, Peninsula Library System, January 2016-present. Oversee the administration of the fiscal and technology components which support this consortium of libraries.

Deputy County Librarian, Santa Clara County Library District, December 2012-March 2016.

As part of core management team, oversee approximately \$39 million budget for library district serving nine cities and the unincorporated areas of the county. Oversee five functional areas: collection development, circulation, cataloging, information technology, and virtual services. Participate in budget preparation, and development and implementation of policies. Governed by a Joint Powers of Authority, write and present updates on technology to the Board. Participate in renewal of Community Facilities District assessment special tax in 2013. With consultants, develop Return on Investment study. Participate in civic improvement project for the City of Campbell.

Division Manager, San Jose Public Library, April 2006-December 2012.

As part of core management team, oversee approximately \$34 million budget and library system of 18 branches and the Dr. Martin Luther King, Jr. library, a joint library with San Jose State University. Oversee technical services unit, information technology, web and digital services, system-wide reference, and co-manage King library units with San Jose State University counterparts, managing four direct reports. Create opportunities for continuous improvement and new initiatives through technology and programs. For four years, oversee nine branch libraries, adult literacy, early literacy, and youth services, including eleven direct reports. Participate in budget preparation, and develop and implement library policies. Interface with city departments, City Council, Council committees and Library Commission and vendors, and write and present reports to various entities. Create and maintain community partnerships. Participate in personnel management including recruitment, hiring, mentoring, labor relations. Oversee grants at local, state and federal level. Participate in library bond branch development of four new libraries, including architectural review, selection of furniture, collections and staff. Received two community awards for partnerships.

Senior Librarian, Access Services, San Jose Public Library, January - April 2006.

Manage Access Services department, overseeing system-wide circulation and staff of 76 employees, including four direct reports. As part of management team, act as system liaison to 23 branches. Co-lead with university manager in a shared public/university library.

Information Technology Manager, Peninsula Library System, San Mateo, CA. 2003-2005.

Manager of Information Technology department for a consortium of 34 libraries in San Mateo County with annual circulation of 6.5 million and 450,000 patrons. Manage a staff of 6. Track and expend technology annual budget of \$800,000. Manage frame relay over ATM wide area network. Negotiate, purchase and install new technologies such as RFID, wireless networks, print management software, and self check units. Purchase, configure and maintain servers and network infrastructure. Work closely with ten libraries on building projects.

Computer Operations Coordinator, Peninsula Library System, San Mateo, CA. 2000-2002.

Support the 700 staff members of the PLS consortium with networking needs. Negotiate consortium-wide purchases for library cards, software, network equipment, etc. Configure and install new servers and applications.

Technical Services and Support Librarian, San Bruno Public Library. 1995-2000.

As sole cataloger, perform original and copy cataloging, provide reference. Oversee technology budget; negotiate. Supervise two library technical assistants. Create library web page. Assist City of San Bruno in developing IT department, city-wide technology users group and city website.

Carol Frost

Carol Frost
1748 Ellen Avenue
San Jose, CA 95125
408.250.5302
carol.frost@gmail.com

Education

San Jose State University, San Jose, CA. Master of Library and Information Science
Sonoma State University, Rohnert Park, CA. Bachelor of Arts. Major: English
University of Nebraska, Lincoln. Major: English

Professional Organizations

Member, California Library Association
California Library Association Conference Planning Committee 2008
California Library Association Conference Planning Committee 2012
California Library Association Conference Program Planning Committee 2014
Member, American Library Association

Awards

"Collaborative Services Partner." May 6, 2008. California Council for Adult Education Mid-Peninsula Chapter

"Honor for Generous support of Community Children and Head Start and Early Start Programs." June 4, 2008. Santa Clara County Office of Education

Publications and Presentations

"Radicalize Your Catalog with eBooks Your Patrons Keep Forever," November, 2014, with Lori Ayre, Megan Wong and Heekyung Wilhelmi. Presented at California Library Association Conference, Oakland, California

"From Japan With Love, LEANing Your Operations," November 3, 2012, with Ruth Barefoot, Kelly Hubbard and Trish Sylvie. Presented at California Library Association Conference, San Jose, California

"Transcending the Catalog: Encore Synergy in a Merged Academic/Public Library," November 3, 2012, with John Wenzler and Sandra Stewart. Presented at California Library Association Conference, San Jose, California

"Team Up – Shared Libraries and Merged City Departments," October 5, 2011, with Derrick DeMay and Sean Reinhart. Presented at The Future of Libraries 7.0: Navigating Scarcity, Presented by The Pacific Library Partnership Staff Development Committee, San Francisco, California

"¡Bienvenido a Tu Biblioteca! Welcoming Latinos to the Public Library," November 2010, with Judith Gregg, Janice Garcia, Madeline Walton-Hadlock and Elizabeth Munoz-Rosas. Presented at California Library Association Conference, Sacramento, California

"Working Together to Help Students Pass the California High School Exit Exam."
Clarion, April 2010

"Creating a Successful Family Learning Center at Your Library," November 2009, with Candice Tran and Mana Tominaga. Presented at California Library Association Conference, Pasadena, California

References available upon request.

Andrew Yon

P.O. Box 22531 | San Francisco, CA 94122

Cell (415) 793-6558 | Email: yonni181@hotmail.com

SUMMARY OF QUALIFICATIONS

- 28+ years of extensive, progressive, administrative and governmental accounting and finance experience
- Results oriented leader, with proven problem-solving, interpersonal, communication, and analytical/technical skills in a diverse and demanding work environment
- Ability to work independently and as a team player
- Can adapt immediately to new challenges and changes
- Manage workloads effectively and efficiently

EDUCATION

Golden Gate University • San Francisco, CA • 1987

B.S., Accounting

COMPUTER SKILLS – Proficient and Highly Competent

- Microsoft Office 2016: Excel, Word, Access, Publisher, and PowerPoint
- SAP (ERP): Proficient in system's budgeting, financial, personnel, payroll, procurement, capital projects, grants, and reporting
- Tyler Munis: Proficient in budgeting, A/P, A/R, financial reporting, procurement, capital projects ledger, and grants tracking and reporting
- Various Systems: County Property Tax System- TAPIS

PROFESSIONAL EXPERIENCE

The Marin County Free Library comprised of 10 branches throughout County of Marin and two outreach Bookmobiles. The Marin County Free Library serves 140,000 library patrons.

County of Marin, Marin County Free Library Administration Office • San Rafael, CA

1997 to Present, Administrative Services Manager, Fiscal Administration

- Assist the Director of County Library in providing day- to-day administrative oversight of the Library's department and act as the professional expert in areas of fiscal/financial activities of the entire department.
- Oversee the biennial budget planning, developing, organizing, directing, administering, and managing the Marin County Free Library's 19 budget operations totaling \$18 million including a Capital Outlay budget totaling \$3 million.
- Assist in the development of department's biennial budget's Managing for Results plan consisting of anticipated goals & objectives, accomplishments, and workload indicators.
- Prepare various budget, financial & cash flow projections (3YR, 5YR, 10YR) as well as annual budget reduction scenarios for library leadership team.
- Perform analysis of complex State legislation fiscal impacts and prepare fiscal outlook projections.
- Supervise, plan, organize, train, and direct the work of the Library Accounting Office staff

- consisting of one Administrative Service Office and three staff accountants.
- Oversee the departmental fiscal services including payroll, personnel, Accounts Receivable, Accounts Payable, Federal and State grants, facilities capital projects, fixed assets inventory, purchasing, professional services contracts, vendors cost negotiation (capitalized equipment, facilities supplies, maintenance & delivery services.)
 - Oversee the administration of the Library's new 2010 "Measure A" Special Parcel Tax assessments (\$2.5 million); worked with finance campaign consultants on Measure A public financial background brief; developed jointly with County Counsel, election ballot measure language and required Board resolution; implemented the new Measure A overall parcel tax processes (authorizing the tax assessment on property tax bills to revenue collection); developed departmental policy and procedures to manage and grant senior and contiguous parcel tax exemptions.
 - Administer the Marin County Library's 1997 Special Parcel Tax assessments (\$1.8 million) assessments encompassing three taxing areas) including taxpayers disputes and legal claims. Represent the County library in Court on legal litigation pertaining to library parcel tax assessment dispute.
 - Manage library's seven commercial real estate leases & monthly rent payments and work with County Real Estate staff in new commercial lease negotiations and renewals including facilities leasehold capital improvement projects management.
 - Oversee the Library's personnel management (110 FTEs) including positions control, salary savings, position conversions, merit step increases, HR policies and bargaining agreements compliance, employee payroll pay discrepancy, employees' benefits entitlement and integration, etc. Participate in HR's policy review meetings as department's representative on HR policy amendments, additions, and deletions as well as provide feedbacks as needed.
 - Administer the library delinquent patron collections including in-house collection efforts.
 - Serve as department's safety officer ensuring health and safety concerns are addressed promptly. Work closely with County Risk Management Office on employees' worker's compensation claims and to address and/or mitigate workplace ergonomic issues.
 - Ensure departmental compliance with all County regulations and policies & procedures including Federal/State labor laws.
 - Serve as department's liaison to Library Commission and Commission's budget subcommittee in presenting and discussing the proposed biennial library budget.
 - Assist the Director in the development of library department's budget presentation to the Board of Supervisors.
 - Serve as department's Records Management coordinator. Participated in the County Records Management committee in the development of department's records retention schedules. Ensure department's retention records are 100% compliant with Board of Supervisors approved County Retention Requirements.
 - Represents the Library Department in the IT team (ATOM) in seeking a new replacement for the existing County Enterprise Resources Planning system (SAP). Participated in blueprinting and Request for Proposal processes of County's legacy system SAP; served as department's SAP transition coordinator and SAP problem-solver for the system's modules related to procurement, accounts payable, receivable, cash receipt, grants, capital projects, payroll, and personnel.
 - Serve as department's ATOM (Administrative Technology of Marin) project lead on implementing and configuring the new Tyler-MUNIS financial system. Worked with

members of the ATOM team in the development of the Library's Munis' Financial Organization Structure including the Orgs and Objects list to populate the Library's 19 operating program budgets in preparation of Munis "go-live" scheduled for 7/1/16. Keep library's stakeholders updated with Munis implementation progress. Presently working with ATOM team members to change the coding/script of the Library's existing 3rd party system's interface program to be compatible with Munis invoice payment requirements which will enable salary savings of 2.0 FTE library staff not needed to process invoices.

County of Marin, Department of Finance • San Rafael, CA

1992 to 1997, Accountant II, Accounting Division

- Responsibilities included reviewing 25 County departments' financial transactions and posting to General Ledger
- Worked with departments in establishing new departmental and grant budgets
- Analyzed various county agencies' cash flows and operational budgets reports for fiscal issues
- Directed, coordinated, prepared, and filed the State of California mandated County's Annual Cost Allocation report per State's OMB-87; worked with State's auditors and County departments regarding indirect cost rates issues
- Prepared quarterly and annual State Health & Welfare Realignment Sales Tax and Vehicle License Fee reports on behalf of County's Health & Human Services Department
- Advised departmental fiscal managers and key accounting staff of County Auditor-Controller's policies & procedures
- Served on the implementation team of the County's new administrative/accounting system MARS (Marin Accounting Resources System); worked with IT programmers to develop various interface programs linking MARS and departments third-party systems; analyzed new system reports; developed new user-friendly financial system reports; established new system documentation processes and procedures; conducted departmental users training

County of Marin, Auditor-Controller's Office (DOF) • San Rafael, CA

1988 to 1992, Auditor I, Audit Division & Property Tax Division

- Auditing responsibilities included the annual audit of the County Retirement's operation; performed annual audit of County departments' petty cash and reported on findings; reviewed and audited Special Districts financial statements; conducted examination of Special Districts financial documents to assure compliance with GAAP & GASB
- Administered the County Unsecured property tax assessments and issue Unsecured tax bills
- Reconciled unsecured and secured property tax collections and appropriate taxes to County and taxing districts

JACQUIE BRINKLEY

1041 VALLEJO WAY, SACRAMENTO, CA 95818 | 916-873-2640
BRINKLEY@PLPINFO.ORG

OBJECTIVE | Working with libraries to identify and build on assets they bring to their communities through system wide collaboration and community partners.

SKILLS & ABILITIES

- Strong motivational, collaborative and leadership skills in cultivating excellent customer service
- Effective communication and writing skills

EXPERIENCE

SYSTEM COORDINATOR, NORTHNET LIBRARY SYSTEM

JULY 2015 TO PRESENT

Provide support to 41 NLS member libraries through effective and timely communications; prepare Plan of Service and Annual Reports as required by California Library Services Act (CLSA); coordinate Council of Librarians and Executive Committee meetings and maintain regular communications with NLS Chair and Executive Committee; prepare and distribute Council and Executive Committee agenda packets and minutes; coordinate with PLP to research and administer new projects; work with PLP fiscal and administrative staff on all operations supporting NLS activities; work with system members on delivery schedules and other system services; Distribute legislative, CLSA and other relevant correspondence; work with NLS members to identify grant opportunities, new services and programming opportunities; support special projects and activities as deemed by NLS Council; and, with PLP Executive Director, represent and advocate for NLS programs and service needs.

LIBRARY PROJECT ADVISOR, PACIFIC LIBRARY PARTNERSHIP

NOVEMBER 2012 - PRESENT

Co-manage statewide LSTA multi-site project - Veterans Connect @ the Library- develop and maintain statewide partnerships with veteran service organizations to direct library project goals; provide support, training, budget oversight and community development for project libraries. Monitor and support LSTA competitive grants and provide training to libraries in developing grant applications and implementing and evaluating LSTA grant projects; Liaison to the CA State Library and team administrator for 7 PLP Project Advisors who provide training and grant support to 40+ libraries through the annual LSTA grant cycle.

LIBRARY PROGRAMS CONSULTANT CALIFORNIA STATE LIBRARY

SEPTEMBER 2005 – NOVEMBER 2012

Co-managed statewide library literacy multi-site program providing technical, administrative and training support to 100+ libraries with adult and family literacy services; Developed and managed statewide LSTA initiatives; Provided technical and grant management support to multiple LSTA project libraries; State Library liaison to the SERRA Library System; Created and implemented systems to improve library program impact and create outcome evaluation; Worked on multiple statewide projects with public library colleagues to improve library services and to identify and meet community needs.

EDUCATION

SAN DIEGO STATE UNIVERSITY, SAN DIEGO, CA, 1997
MASTER OF PUBLIC ADMINISTRATION

CALIFORNIA STATE UNIVERSITY SAN LUIS OBISPO, 1979
BACHELOR OF SCIENCE, AGRICULTURAL BUSINESS MANAGEMENT

PROFESSIONAL AFFILIATIONS

AMERICAN LIBRARY ASSOCIATION/PUBLIC LIBRARY ASSOCIATION, Member
CALIFORNIA LIBRARY ASSOCIATION, Member since 2005



California
STATE LIBRARY
FOUNDED 1850
PRESERVING OUR HERITAGE, SHAPING OUR FUTURE

April 16, 2009

Linda Crowe, Executive Director
Peninsula Library System
2471 Flores Street
San Mateo, CA 94403-2273

Dear Linda,

The California Library Services Act, Education Code Section 18700 et seq., is administered by the State Librarian, at the policy direction of the Library of California Board. Specific program requirements adopted by the Board are found in the State Administrative Code, Title 5, Sec. 20100 et seq. Program grants are awarded to eligible library systems on an annual schedule and administered locally by the System Administrative Council. Over the past few years the California State Library has encouraged and supported the consolidation efforts of cooperative library systems throughout the state to achieve efficiencies and realize further economies of scale.

To recognize the eligibility of the Pacific Library Partnership to apply for CLSA funds the Board approved on August 7, 2008 the joint notice of intent submitted on behalf of the Bay Area Library & Information System, Monterey Bay Area Cooperative Library System, Peninsula Library System, and Silicon Valley Library System to consolidate its operations and services into a single Cooperative Library System, contingent upon all 4 necessary local System consolidation agreements and by-laws being approved and in force by June 1, 2009.

To assist in budget allocations, the Board also approved on August 7, 2008 the policy for allocation of CLSA System-level funding for Reference, Communications & Delivery, and Advisory Boards for the 2009/10 fiscal year that allows two or more CLSA Cooperative Library Systems to consolidate and retain the same funding level by simply adding together the allocations for each System.

We look forward to seeing the very first System Plan of Service for the Pacific Library Partnership and remain ready to assist you in any way we can to assure future success.

Sincerely,

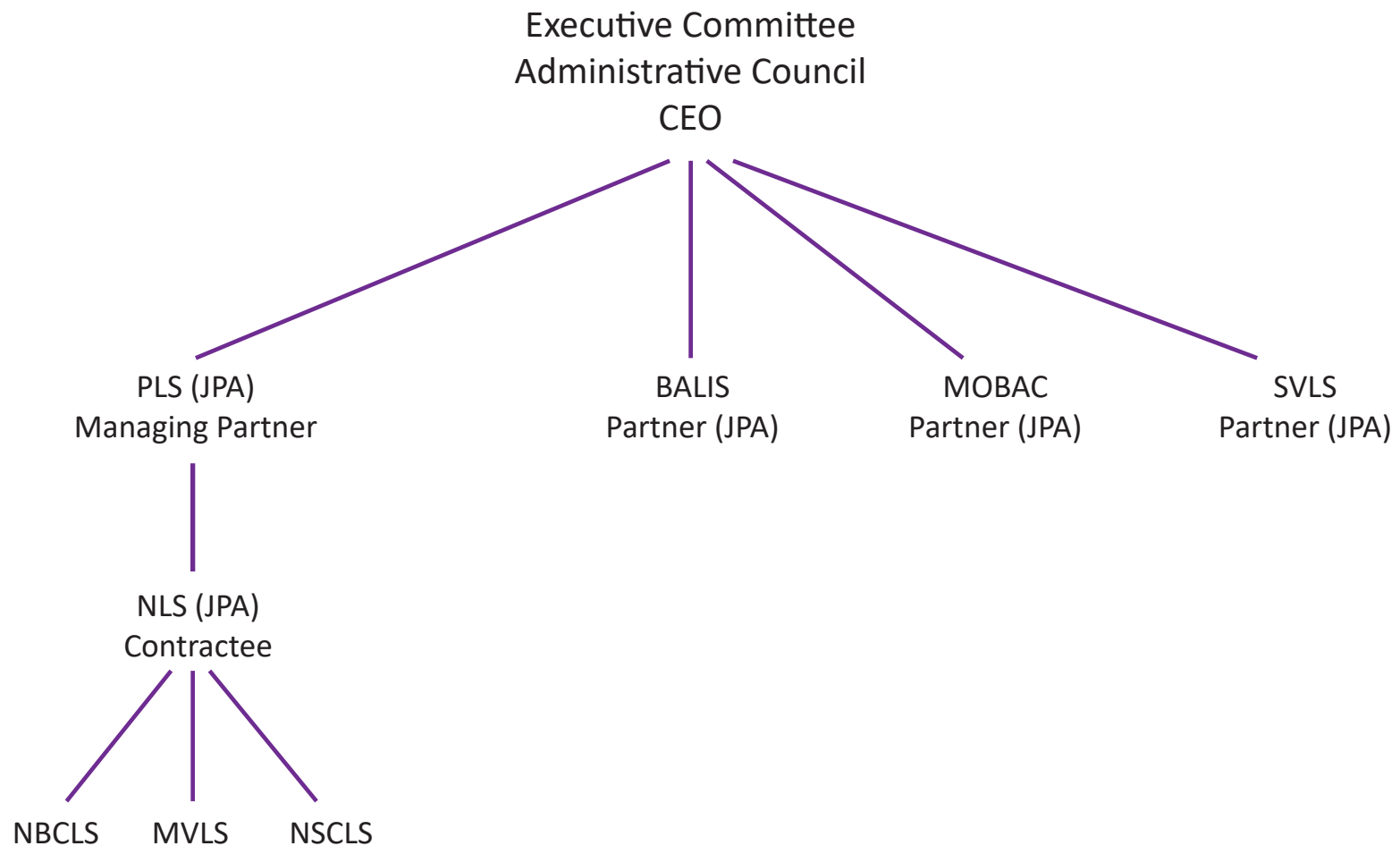
Gerald Maginnity, Chief
Library Development Services Bureau

Organizational and Governance Description

Pacific Library Partnership



Established under CLSA as a JPA in 2009



PLS provides administration and all staff support in order to fulfill contractual obligations to PLP, BALIS, MOBAC, SVLS, and NorthNet, (all CLSA Library Systems); CALIFA; and other entities such as the California State Library and Infopeople.

PACIFIC LIBRARY PARTNERSHIP
BASIC FINANCIAL STATEMENTS
AND SINGLE AUDIT REPORTS
FOR THE YEAR ENDED JUNE 30, 2016

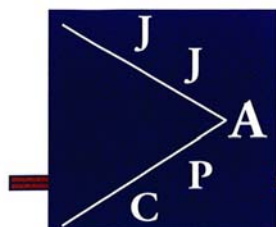
This page intentionally left blank.

Pacific Library Partnership
Basic Financial Statements and Single Audit Reports
For the year ended June 30, 2016

Table of Contents

	<u>Page(s)</u>
 <u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-9
Basic Financial Statements:	
Governmental Funds Balance Sheet/Statement of Net Position.....	12
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balances/Statement of Activities.....	13
Notes to Basic Financial Statements.....	15-23
Required Supplementary Information	26
 <u>FEDERAL SUPPLEMENTARY REPORTS</u>	
Schedule of Expenditures of Federal Awards	28
Notes to Schedule of Expenditures of Federal Awards.....	29
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	31-32
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	33-34
Schedule of Findings and Questioned Costs	35-36

This page intentionally left blank.



JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

To the Administrative Council of the
Pacific Library Partnership
San Mateo, California

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Pacific Library Partnership (PLP) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise PLP's basic financial statements as listed in the table of contents. The prior-year comparative total information presented has been derived from the PLP's 2015 basic financial statements and, in our report dated March 3, 2016 we expressed an unqualified opinion on the those financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and the budgetary comparison information of PLP, as of June 30, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 3-9 and 26 be presented to supplement the basic financial statements. Such information, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the PLP's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2017 on our consideration of PLP'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 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 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 PLP's internal control over financial reporting and compliance.

March 24, 2017

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

**Pacific Library Partnership
Management's Discussion and Analysis
For the year ended June 30, 2016**

Management's Discussion and Analysis

This section of the Pacific Library Partnership's (PLP) basic financial statements presents management's discussion and analysis of PLP's financial performance during the fiscal year ended June 30, 2016. 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 PLP's basic financial statements (pages 12 and 13) as well as the footnotes to the financial statements (pages 15 - 23).

Financial Highlights

At June 30, 2016, the fourth year of full operation for PLP, net position ended the year at \$1,106,442 which includes capitalization of \$4,400 in capital assets as shown in note 9 as reclassifications and eliminations on page 22.

Using This Report

In June 1999, the Governmental Accounting Standards Board (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 one-line look at the entity as a whole and capitalization of assets and depreciation. The major reconciling items necessary were capitalization and depreciation of capital assets and inclusion of long-term liabilities. PLP has selected the single governmental fund (General Fund) presentation since this reflects the most concise and easily readable presentation for PLP'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.

Pacific Library Partnership
Management's Discussion and Analysis, Continued
For the year ended June 30, 2016

Financial Analysis of PLP as a Whole

	Net Position			
	As of June 30, 2016 and 2015			
	2016	2015	Increase (Decrease)	Percent Change
Assets:				
Current Assets	\$ 2,290,360	\$ 2,482,141	\$ (191,781)	-7.7%
Non-current Assets	4,400	1,276	3,124	244.8%
Total Assets	2,294,760	2,483,417	(188,657)	-7.6%
Liabilities:				
Current Liabilities	1,188,318	1,427,593	(239,275)	-16.8%
Total Liabilities	1,188,318	1,427,593	(239,275)	-16.8%
Net Position:				
Net Investment in Capital Assets	4,400	1,276	3,124	244.8%
Unrestricted	1,102,042	1,054,548	47,494	4.5%
Total Net Position	1,106,442	1,055,824	50,618	4.8%
Total Liabilities and Net Position	\$ 2,294,760	\$ 2,483,417	\$ (188,657)	-7.6%

This schedule is prepared from PLP's Statement of Net Position, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

Net position of \$1,106,442 at June 30, 2016 consisted of \$1,102,442 unrestricted amount available for operations and \$4,400 for net investment in capital assets.

Pacific Library Partnership
Management's Discussion and Analysis, Continued
For the year ended June 30, 2016

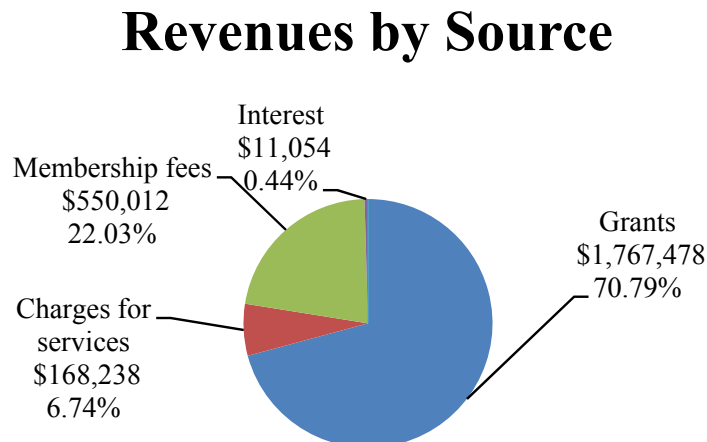
Financial Analysis of PLP as a Whole, Continued

Operating Results
For the year ended June 30, 2016 and 2015

	2016	2015	Increase (Decrease)	Percent Change
Operating Expenses:	\$ 2,446,164	\$ 2,740,047	\$ (293,883)	-10.7%
Program Revenue:				
Grants	1,767,478	2,110,963	(343,485)	-16.3%
Charges for services	168,238	18,497	149,741	809.5%
Total program revenue	1,935,716	2,129,460	(193,744)	-9.1%
Net Operating Expenses	510,448	610,587	(100,139)	-16.4%
General Revenue:				
Membership fees	550,012	569,915	(19,903)	-3.5%
Interest	11,054	6,848	4,206	61.4%
Reimbursements	-	161,551	(161,551)	-100.0%
Total general revenue	561,066	738,314	(177,248)	-24.0%
Increase in net position	50,618	127,727	(77,109)	-60.4%
Net Position:				
Beginning of year	1,055,824	928,097	127,727	13.8%
End of year	\$ 1,106,442	\$ 1,055,824	\$ 50,618	4.8%

In FY2015-16, program revenues were primarily from grants, which consisted of \$1,767,478. General revenues were primarily membership fees and reimbursements from services provided to members.

The following is a graphic illustration of revenues by source for the year ended June 30, 2016:



Pacific Library Partnership
Management's Discussion and Analysis, Continued
For the year ended June 30, 2016

Financial Analysis of PLP as a Whole, Continued

Operating Expenses
For the year ended June 30, 2016 and 2015

	2016	2015	Increase (Decrease)	Percent Change
Operating Expenses:				
Administration	\$ 652,002	\$ 462,030	\$ 189,972	41.1%
Delivery	258,082	442,932	(184,850)	-41.7%
System operation	275,385	349,203	(73,818)	-21.1%
Networking California Library 13/14	-	5,200	(5,200)	-100.0%
Literacy Initiatives 13/14	-	40,067	(40,067)	-100.0%
Veteran Grant 13/14	-	61,834	(61,834)	-100.0%
Americorp in Libraries Veteran 13/14	-	17,613	(17,613)	-100.0%
California Preservation 14/15	-	512,517	(512,517)	-100.0%
Literacy Initiatives 14/15	-	195,682	(195,682)	-100.0%
PLSEP 14/15	-	57,979	(57,979)	-100.0%
DPLA Service Hub 14/15	63,303	105,050	(41,747)	-39.7%
Veterans Connect 14/15	9,755	234,342	(224,587)	-95.8%
Granstsmanship Center 14/15	-	58,142	(58,142)	-100.0%
Networking California Library 14/15	9,513	181,561	(172,048)	-94.8%
Get Involved 14/15	-	14,879	(14,879)	-100.0%
Veteran Connect FY 15/16	290,287	-	290,287	100.0%
Literacy Initiatives FY 15/16	195,270	-	195,270	100.0%
PLSEP 15/16	71,881	-	71,881	100.0%
Preservation 15/16	169,440	-	169,440	100.0%
CAVPP Audio Preservation 15/16	280,400	-	280,400	100.0%
CA Library Metrics 15/16	125,475	-	125,475	100.0%
Get Involved 15/16	1,841	-	1,841	100.0%
Read Zone 2015	42,651	-	42,651	100.0%
Depreciation	879	1,016	(137)	-13.5%
	<u>\$ 2,446,164</u>	<u>\$ 2,740,047</u>	<u>\$ (293,883)</u>	-10.7%

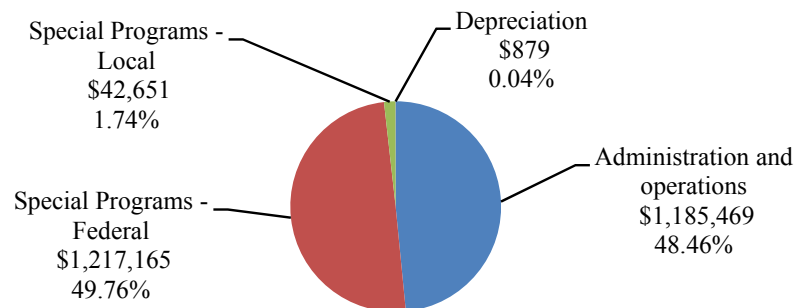
Operating expenses in the amount of \$2,446,164 were split amongst three major categories; administration and operations, special programs and depreciation.

**Pacific Library Partnership
Management's Discussion and Analysis, Continued
For the year ended June 30, 2016**

Financial Analysis of PLP as a Whole, Continued

The following is a graphic illustration of operating expenses for the year ended June 30, 2016:

Operating Expenses



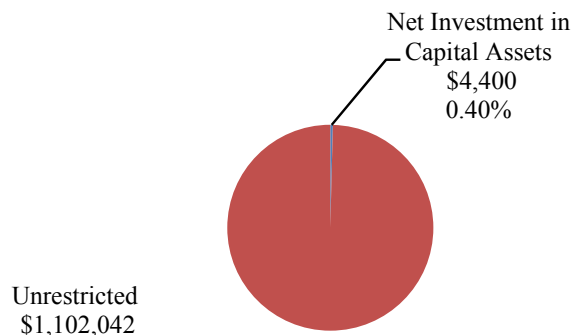
**Analysis of Net Position
For the year ended June 30, 2016 and 2015**

	2016	2015	Increase (Decrease)	Percent Change
Net Position				
Net Investment in Capital Assets	\$ 4,400	\$ 1,276	\$ 3,124	244.8%
Unrestricted	1,102,042	1,054,548	47,494	4.5%
Total Net Position	<u>\$ 1,106,442</u>	<u>\$ 1,055,824</u>	<u>\$ 50,618</u>	4.8%

The change in net position of \$50,618 is primarily due to general revenues exceeding the net program expense for the year.

The following is a graphic illustration of net position for June 30, 2016:

Analysis of Net Position



**Pacific Library Partnership
Management's Discussion and Analysis, Continued
For the year ended June 30, 2016**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering PLP's Budget for FY2016-17, the Administrative Council and management used the following criteria:

The key assumptions in our revenue forecast were:

1. Interest earnings should be approximately the same.
2. State library and membership fees are expected to be approximately the same.

Continuing items specifically addressed in the budget were:

1. Concern over possible State budget reductions, especially in the CLSA and LSTA category, and avoiding further excesses of service costs over revenues.

The adopted budget for the new FY2016-17 was \$1,253,531 and is summarized as follows:

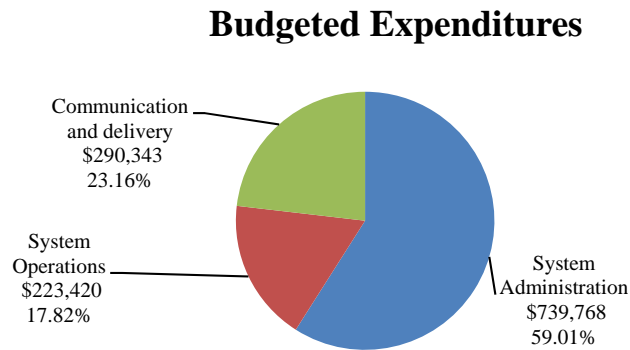
	<u>FY 2016-17</u>	<u>FY 2015-16</u>	<u>Percentage Change</u>
Administration			
System administration	\$ 739,768	\$ 620,943	19.14%
System operations	223,420	461,127	-51.55%
Total Administration	<u>963,188</u>	<u>1,082,070</u>	-10.99%
Membership services			
Communications and delivery	290,343	290,010	0.11%
Total Membership Services	<u>290,343</u>	<u>290,010</u>	0.11%
Total Budget	<u><u>\$ 1,253,531</u></u>	<u><u>\$ 1,372,080</u></u>	-8.64%

1. Administration - Shows a combined decrease of approximately 10.99%, which is due to a decrease in reimbursable from members costs.
2. Membership services – Shows a combined increase of approximately 0.11% due to an addition in services as a result of an increase in CLSA funding.

**Pacific Library Partnership
Management's Discussion and Analysis, Continued
For the year ended June 30, 2016**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES, CONTINUED

The following is a graphic illustration of appropriations for FY2016-17.



Contacting PLP

This financial report is designed to provide our customers and creditors a general overview of PLP's finances and to demonstrate PLP's accountability for the money it receives and is allocated to it. If you have questions about this report, contact the Pacific Library Partnership, 2471 Flores Street, San Mateo, CA 94403, telephone number (650) 349 5538.

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

Pacific Library Partnership
Governmental Funds Balance Sheet/Statement of Net Position
June 30, 2016

	<u>Governmental Funds</u>	<u>Adjustments (Note 9)</u>	<u>Statement of Net Position</u>	<u>2015</u>
ASSETS				
<u>Current</u>				
Cash and investments:				
Available for operations	\$ 2,229,734	\$ -	\$ 2,229,734	\$ 2,385,467
Accounts receivable	57,689	-	57,689	95,188
Interest receivable	2,937	-	2,937	1,486
Total current assets	<u>2,290,360</u>	<u>-</u>	<u>2,290,360</u>	<u>2,482,141</u>
<u>Noncurrent</u>				
Capital assets, net of accumulated depreciation	-	4,400	4,400	1,276
Total assets	<u>\$ 2,290,360</u>	<u>\$ 4,400</u>	<u>\$ 2,294,760</u>	<u>\$ 2,483,417</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
<u>Current</u>				
Accounts payable and accrued liabilities	\$ 212,075	\$ -	\$ 212,075	\$ 322,362
Unearned revenue	-	976,243	976,243	1,105,231
Total current liabilities	<u>212,075</u>	<u>976,243</u>	<u>1,188,318</u>	<u>1,427,593</u>
Deferred Inflow:				
Unavailable revenue	976,243	(976,243)	-	-
Total liabilities and deferred inflows	<u>1,188,318</u>	<u>-</u>	<u>1,188,318</u>	<u>1,427,593</u>
Fund balances/Net position:				
Unassigned, reported in:				
General fund	1,102,042	(1,102,042)	-	-
Total fund balances	<u>1,102,042</u>	<u>(1,102,042)</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,290,360</u>			
NET POSITION				
Net investment in capital assets		4,400	4,400	1,276
Unrestricted		1,102,042	1,102,042	1,054,548
Total net position		<u>\$ 1,106,442</u>	<u>1,106,442</u>	<u>1,055,824</u>
Total liabilities and net position			<u>\$ 2,294,760</u>	<u>\$ 2,483,417</u>

The accompanying notes are an integral part of these basic financial statements

Pacific Library Partnership
Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances/Statement of Activities
For the year ended June 30, 2016

	Governmental Funds	Adjustments (Note 10)	Statement of Activities	2015
EXPENDITURES/EXPENSES:				
Administration and operations	\$ 1,189,472	\$ (4,003)	\$ 1,185,469	\$ 1,254,165
Member services	-	-	-	-
Special programs:				
Federal	1,217,165	-	1,217,165	1,467,253
Local	42,651	-	42,651	17,613
Depreciation	-	879	879	1,016
Total expenditures/expenses	2,449,288	(3,124)	2,446,164	2,740,047
REVENUES:				
Program revenues:				
Grants	1,767,478	-	1,767,478	2,110,963
Charges for services	168,238	-	168,238	18,497
Total program revenues	1,935,716	-	1,935,716	2,129,460
Net program expense	513,572	(3,124)	510,448	610,587
General revenues:				
Membership fees	550,012	-	550,012	569,915
Interest	11,054	-	11,054	6,848
Reimbursements	-	-	-	161,551
Total general revenues	561,066	-	561,066	738,314
REVENUES OVER (UNDER)				
EXPENDITURES	47,494			
CHANGE IN NET POSITION		3,124	50,618	127,727
FUND BALANCES/NET POSITION:				
Beginning of the year	1,054,548	1,276	1,055,824	928,097
End of the year	<u>\$ 1,102,042</u>	<u>\$ 4,400</u>	<u>\$ 1,106,442</u>	<u>\$ 1,055,824</u>

The accompanying notes are an integral part of these basic financial statements

This page intentionally left blank.

Pacific Library Partnership
Notes to Basic Financial Statements
For the year ended June 30, 2016

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Pacific Library Partnership (“PLP”) is a Joint Powers Agency under Government Code Section 6500 *et. seq.* established on January 9, 2009 which began operations on July 1, 2009 by the Bay Area Library and Information System, Silicon Valley Library System, Monterey Bay Area Cooperative Library System and the Peninsula Library System. PLP is a library services organization which has the powers necessary to establish, improve and extend library services held by its members and those powers designated in Government Code Section 6508. No single member controls PLP. PLP also delivers library materials to members, provides research services and general education workshops, and training seminars for its members.

PLP is governed by an Administrative Council composed of all of the library directors of library agencies therein. Oversight responsibility, the ability to conduct independent financial affairs, issue debt instruments, approve budgets, and otherwise influence operations and account for fiscal matters is exercised by PLP's Administrative Council. PLP is a separate reporting entity for financial reporting purposes and the accompanying basic financial statements reflect the assets, liabilities, fund balances/net position, revenues, and expenditures/expenses of PLP only.

The Peninsula Library System (PLS) acts as fiscal agent and Treasurer/Controller for PLP and acts as the depository and has custody of the money of PLP and performs those duties required by Government Code sections 6505 and 6505.5. More information regarding the contract with PLS is located in Note 5.

The financial statements of PLP 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. The following is a summary of the more significant policies:

In June 1999, the GASB released Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. PLP has selected the single governmental fund (General Fund) presentation since this reflects the most concise and easily readable presentation for PLP’s operations.

A. Reporting Entity

As defined by GASB Statement No.39, *The Financial Reporting Entity*, PLP 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 PLP are such that exclusion would cause PLP’s financial statements to be misleading or incomplete.

In addition, based upon the above criteria, PLP is not aware of any entity which would be financially accountable for PLP which would result in PLP being considered a component of the entity.

Pacific Library Partnership
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
Continued

B. Basis of Accounting

The fund-based financial statement columns (Governmental Funds column) on Pages 12 and 13 are accounted for using the modified accrual basis of accounting and reflect balances for PLP's General Fund and Federal Grant Special Revenue Fund. These funds 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.

C. Use of Estimates

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.

D. 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.

PLP follows these procedures in establishing the budgetary data reflected in the financial statements:

- By June 30, the Finance Committee reviews and recommends to the Administrative Council 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 an Administrative Council meeting prior to year-end.
- The Finance Committee reviews all budget transfers and revisions, which are then approved by the Chair of the Administrative Council and the Chair of the Finance Committee.
- Formal budgeting is employed as a management control device during the year for the general and special revenue funds.

Pacific Library Partnership
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Budgets, continued

- Budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The legal level of a budgetary control, the amount to which budget should not be exceeded, is the program level.

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

E. Cash and Investments

PLP 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.

PLP indirectly participates 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. 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 fixtures	5 to 10 years
Automobiles	5 years
Office equipment	5 to 10 years
Computer equipment	5 to 10 years

Pacific Library Partnership
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

2. CASH AND INVESTMENTS

The System had the following cash and investments at June 30, 2016:

	FDIC/ SIPC insured	Not rated	Fair Value
Local Agency Investment Fund (LAIF)	\$ -	\$ 1,817,873	\$ 1,817,873
Cash deposits	73	-	73
Certificate of Deposit	411,538	-	411,538
Petty cash	-	250	250
Total	<u>\$ 411,611</u>	<u>\$ 1,818,123</u>	<u>\$ 2,229,734</u>

A. Cash Deposits

PLP pools cash from all sources. PLP invests excess cash in LAIF. PLP maintains a petty cash fund of \$250.

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.

B. Investments

PLP is authorized by State statutes and Administrative Council 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.

Pacific Library Partnership
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

2. CASH AND INVESTMENTS, Continued

B. Investments, Continued

- California Local Agency Investment Fund (LAIF)

PLP invests in LAIF, an unrated pool, which limits the exposure of Partnership funds to interest rate and credit risk by treating all balances as current.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value using the aggregate method, which includes any adjustments recorded in interest/investment income.

C. Investments in External Investment Pools

PLP's investments with LAIF at June 30, 2016, 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, 2016, LAIF had invested 1.55% of its funds in structured notes and asset-backed securities and similar transactions.

3. CAPITAL ASSETS

Changes in capital assets were as follows:

	Balance July 1, 2015	Additions	Adjustments/ Deletions	Balance June 30, 2016
Computer equipment	\$ 16,658	\$ 4,950	\$ (1,642)	\$ 19,966
Total capital assets	16,658	4,950	(1,642)	19,966
Accumulated depreciation	(15,382)	(879)	695	(15,566)
Net capital assets	<u>\$ 1,276</u>	<u>\$ 4,071</u>	<u>\$ (947)</u>	<u>\$ 4,400</u>

Pacific Library Partnership
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

4. UNEARNED REVENUE

PLP records payments for services not yet rendered as unearned revenue. PLP expects to recognize \$6,76,243 unearned revenue as earned during FY2015-16.

5. RELATED PARTY TRANSACTIONS

PLP contracts with the Peninsula Library System (PLS), as its fiscal agent, for administrative services and/or materials. In compensation for services provided, PLP paid \$462,393 to PLS for the year ended June 30, 2016. These amounts were reported as administration expenses in the Statement of Activities.

6. 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 PLP'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 PLP uses only the unassigned categories.

<u>Fund Balance</u>	<u>June 30, 2016</u>
Unassigned	<u>\$ 1,102,042</u>
Total Fund Balance	<u><u>\$ 1,102,042</u></u>

Net position consists of restricted and unrestricted amounts. Restricted amounts reflect balances which cannot be influenced by PLP Administrative Council action, such as the investment in capital assets net of any related debt. Unrestricted amounts reflect balances available for current operations.

<u>Net Position</u>	<u>June 30, 2016</u>
Net Investment in Capital Assets	\$ 4,400
Unrestricted	<u>1,102,042</u>
Total	<u><u>\$ 1,106,442</u></u>

Pacific Library Partnership
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

7. INSURANCE

PLP purchases several insurance policies to protect against catastrophic loss: (1) General Liability and Automobile Liability with \$1,000,000 limit per occurrence and a \$500 deductible. (2) A Master Property Insurance Policy covers PLP's real and personal property on a replacement cost basis with a \$3,705,500 limit and a \$500 deductible.

8. CONTINGENT LIABILITIES

PLP participates in several federal and state grant programs. These programs have been audited by PLP's independent auditor in accordance with the provisions of the federal Single Audit Act and applicable state requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time. PLP expects such amounts, if any, to be immaterial.

Pacific Library Partnership
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

9. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEETS AND THE STATEMENTS OF NET POSITION

“Total fund balances” of PLP’s Governmental funds of \$1,102,042 differs from “net position” of governmental activities of \$1,106,442, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the Governmental funds balance sheets. The effect of the difference is illustrated below:

Balance Sheet / Statement of Net Position

	Governmental Funds	Reclassifications and Eliminations¹	Statement of Net Position
Assets:			
Cash and investments:	\$ 2,229,734	\$ -	\$ 2,229,734
Accounts receivable	57,689	-	57,689
Interest receivable	2,937	-	2,937
Capital assets	-	4,400	4,400
Total assets	2,290,360	4,400	2,294,760
Liabilities:			
Accounts payable and accrued liabilities	212,075	-	212,075
Unearned revenue	-	976,243	976,243
Total liabilities	212,075	976,243	1,188,318
Deferred inflows:			
Unavailable revenue	976,243	(976,243)	-
Total deferred inflows:	976,243	(976,243)	-
Fund balances/Net position:			
Total fund balances/net position	1,102,042	4,400	1,106,442
Total liabilities, deferred inflows and fund balances/net position	\$ 2,290,360	\$ 4,400	\$ 2,294,760

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 PLP 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 sheet.

Pacific Library Partnership
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

10. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES

The “net change in fund balances” for Governmental funds \$47,494 differs from the “change in net position” for governmental activities of \$50,618 reported in the Statement of Activities. 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:

**Statement of Revenues, Expenditures, and Changes in
Fund Balances/Statement of Activities**

	Governmental Funds	Reclassifications and Eliminations¹	Statement of Activities
EXPENDITURES/EXPENSES:			
Administration	\$ 1,189,472	\$ (4,003)	\$ 1,185,469
Special programs:	1,259,816		1,259,816
Depreciation	-	879	879
Total expenditures/expenses	2,449,288	(3,124)	2,446,164
REVENUES:			
Program revenues:			
Grants	1,767,478	-	1,767,478
Charges for services	168,238	-	168,238
Total program revenues	1,935,716	-	1,935,716
Net program expense	513,572	(3,124)	510,448
General revenues:			
Membership fees	550,012	-	550,012
Interest	11,054	-	11,054
Reimbursements	-	-	-
Total general revenues	561,066	-	561,066
REVENUES OVER (UNDER) EXPENDITURES	47,494		
CHANGE IN NET POSITION		3,124	50,618
FUND BALANCES/NET POSITION:			
Beginning of the year	1,054,548	1,276	1,055,824
End of the year	\$ 1,102,042	\$ 4,400	\$ 1,106,442

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 other charges and gifts and donations 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.

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

**Pacific Library Partnership
Required Supplementary Information
For the year ended June 30, 2016**

**Budgetary Comparison Schedule
General Fund
For the year ended June 30, 2016**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	with Final Budget Positive (Negative)
Budgetary Fund Balance, July 1, 2015	\$ 1,054,546	\$ 1,054,546	\$ 1,054,546	\$ -
Resources (inflows):				
Grants:				
State Library	360,013	360,013	360,102	(89)
Federal	137,664	137,664	147,561	(9,897)
Charges for services:				
Workshop fees	8,000	8,000	7,500	500
Other agencies	134,641	134,641	160,738	(26,097)
Membership fees	550,762	550,762	550,012	750
Interest	6,000	6,000	11,054	(5,054)
Reimbursements	175,000	175,000	-	175,000
Amounts available for appropriation	<u>2,426,626</u>	<u>2,426,626</u>	<u>2,291,513</u>	<u>135,113</u>
Changes to appropriations (outflows):				
Administration and operations:				
System administration	620,943	620,943	656,005	(35,062)
System operations	461,127	461,127	275,385	185,742
Membership services:				
Communications and delivery	290,010	290,010	258,082	31,928
Total charges to appropriations	<u>1,372,080</u>	<u>1,372,080</u>	<u>1,189,472</u>	<u>182,608</u>
Budgetary fund balance, June 30, 2016	<u>\$ 1,054,546</u>	<u>\$ 1,054,546</u>	<u>\$ 1,102,041</u>	<u>\$ (47,495)</u>

FEDERAL SUPPLEMENTARY REPORTS

Pacific Library Partnership
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2016

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identification Number	Federal Expenditures
National Foundation on the Arts and the Humanities			
<i>Pass-through programs from the California State Library - State Library Program:</i>			
DPLA Service Hub 14/15	45.310	40-8382	63,303
Veterans Connect FY 14/15	45.310	40-8375	9,755
Networking CA Library	45.310	40-8460	9,513
Veteran Connect FY 15/16	45.310	40-8549	290,287
Literacy Initiatives FY 15/16	45.310	40-8548	195,270
PLSEP 15/16	45.310	40-8557	71,881
Preservation 15/16	45.310	40-8619	169,440
CAVPP Audio Preservation 15/16	45.310	40-8618	280,400
CA Library Metrics 15/16	45.310	40-8620	125,475
Total National Foundation on the Arts and the Humanities			1,215,324
Institute of Museum and Library Services			
<i>Direct Program:</i>			
Get Involved	45.312		1,841
Total Institute of Museum and Library Services			1,841
Total Federal Expenditures			\$ 1,217,165

The accompanying notes to the Schedule of Expenditures of Federal Awards
are an integral part of this supplementary information.

Pacific Library Partnership
Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 2016

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Partnership and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the Basic financial statements.

2. DESCRIPTION OF MAJOR PROGRAMS

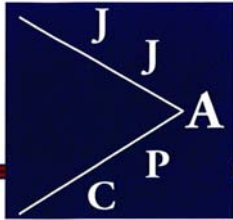
State Library Program – (CFDA #45.310)

As authorized by the Library Services and Technology Act; Museum and Library Services Act of 1996, Title II, Public Law 104-208, to consolidate Federal library services programs; to stimulate excellence and promote access to learning and information resources in all types of libraries for individuals of all ages; to promote library services that provide all users access to information through State, regional, and international electronic networks; to provide linkages among and between libraries; and to promote targeted library services to people of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to people with limited functional literacy or information skills.

3. INDIRECT COST ELECTION

PLP has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

This page intentionally left blank



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 Administrative Council of the
Pacific Library Partnership
San Mateo, California

We have audited, in accordance with the auditing standard 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 Pacific Library Partnership (PLP) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise PLP's basic financial statements, and have issued our report thereon dated March 24, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered PLP's internal control over financial reporting (internal control) to determine the audit 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 internal control of PLP's internal control. Accordingly, we do not express an opinion on the effectiveness of PLP'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 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 the 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 considered to be material weaknesses. However, material weaknesses may exist that we have not identified.

Compliance and Other Matters

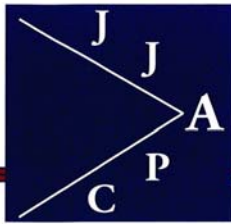
As part of obtaining reasonable assurance about whether PLP's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 result 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.

March 24, 2017

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA



JJACPA, Inc.

A Professional Accounting Services Corp.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

Administrative Council
Pacific Library Partnership
San Mateo, California

Report on Compliance for Each Major Federal Program

We have audited the Pacific Library Partnership's (PLP) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of PLP's major federal programs for the year ended June 30, 2016. PLP's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each PLP's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about PLP's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of PLP's compliance.

Opinion on Each Major Federal Program

In our opinion, PLP complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of PLP is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered PLP's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of PLP's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

March 24, 2017

JJACPA, Inc.

**JJACPA, Inc.
Dublin, CA**

Pacific Library Partnership
Schedule of Findings and Questioned Costs
For the year ended June 30, 2016

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) indentified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major programs:	

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
45.310	State Library Program

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Pacific Library Partnership
Schedule of Findings and Questioned Costs, continued
For the year ended June 30, 2016

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No current year findings or questioned costs.

Section IV – Status of Prior Year Audit Findings

There were no prior year audit findings.

Section V – Corrective Action Plan

There were neither current year findings nor questioned costs (see Section III above).

Proposal for Fiscal and Administrative Library Services

prepared for



February 2, 2018



lsslibraries.com
2600 Tower Oaks Blvd.
Suite 510
Rockville, MD 20852
800.638.8725

February 2, 2018

NorthNet Library System
Attn: Mel Lightbody
Chair Butte County Library Administration
1820 Mitchell Ave
Oroville, CA 95966

Dear Ms. Lightbody,

Thank you for the opportunity to propose the providing of library administrative and fiscal services to the NorthNet Library System. Library Systems & Services (LS&S) was founded in 1981 by passionate library professionals dedicated to improving service to library patrons through access, education, enrichment, technology and sound management. Over the past three decades, LS&S has grown to manage 83 thriving libraries nationwide and provides a full range of library consultant and management services.

Over 30 years the LS&S commitment has not wavered: Support public libraries as they provide critical, free access to books, materials, technology and programs to promote lifelong learning. LS&S professionals are librarians, information technology experts, accountants, human resources specialists, marketers and general managers working together to support healthy libraries and thriving communities.

The enclosed proposal details how LS&S will apply its expertise, knowledge, and understanding of public library administrative and fiscal functionality to act as the cooperative's agent to the NorthNet System. With twenty public library systems under operation, LS&S has deep experience providing fiscal and administrative services that are well funded and meet community needs. LS&S consultants are experts in library management and will bring knowledge and experience services to the NorthNet Library System.

The LS&S team of library professionals slated to work on this project includes Steve Coffman, Vice President for Library Support Services, Barbara Howison, Regional Director of Operations, Deborah Joy, Library Marketing Director and Cullen Donohoe, Financial Analysis Manager. The LS&S team has extensive experience in regional library systems and have worked helped four California library systems move from county to independent city libraries.

LS&S's expertise and exclusive focus on libraries provides a deep understanding and appreciation for the NorthNet System's mission, vision, values and challenges. LS&S combines a spirit of openness and collaboration with optimized library management practices. This combination will be thoughtfully applied to the NorthNet Library Cooperative Administrative/Fiscal Service project, enabling our team to deliver a final product that will best serve the citizens of NorthNet member municipalities. LS&S professionals take pride in forming collaborative partnerships we form with clients and would value the opportunity to work alongside your team.

Sincerely,

Tom Poure

Tom Poure
Senior Account Executive
3660 University Avenue
Riverside, California 92501
Cell 760-505-4260
tom.poure@lsslibraries.com

Executive Summary

LS&S believes in the importance of the public library. Public libraries serve as community anchors and play a major role in raising literacy rates, contributing to economic development, bringing communities together and improving quality of life. Proper management of these public assets is a critical function. LS&S proposes to work with the NorthNet Library System to serve as the fiscal and administrative agent and stands ready to provide services of the highest quality to California's largest cooperative library system.

As contractor for administrative and fiscal services, LS&S will maintain and improve service standards, assign and hire qualified staff, control costs and provide excellent service. LS&S will support the NorthNet Library System's mission "to improve the services of its constituent member libraries by ensuring that libraries are best positioned to respond to demographic, economic, and cultural changes through innovative and collaborative approaches to programming and services and the enhancement of collective resource building and sharing."

LS&S understands member libraries participate fully in all aspects of NorthNet services and programs and that NorthNet policies and financial matters are controlled by a Council of Librarians consisting of the director (or delegated representative) of each member library. An Executive Committee is responsible for policy and oversight in between meetings of the Council of Librarians. LS&S professionals will be responsive to the Council and will report directly to the Chair of the NorthNet Council of Librarians.

As contractor, LS&S will help the NorthNet System reach its goal of achieving economies of scale by investing in a set of shared resources in programs and services that will benefit people served by the three systems. LS&S and NorthNet share a dedication to serving library patrons through customer service and stewardship of resources.

LS&S Contact Information

LS&S Primary Point of Contact

Tom Poure
Senior Account Executive
3660 University Avenue
Riverside, California 92501
Cell 760-505-4260
tom.poure@lsslibraries.com

LS&S Headquarters

2600 Tower Oaks Boulevard
Suite 510
Rockville, MD 20852
800-638-8725

LS&S West Region Offices

3660 University Avenue
Riverside, California 92501
800-638-8725

Experience and Technical Competence

Public libraries have long been the heart and soul of communities, and as operator of 83 libraries across the United States, LS&S is on the forefront of library growth, vitality and patron service.

LS&S partners with libraries to provide access to information, technology and education and shares the commitment to supporting and preserving libraries with an emphasis on lifelong learning. Providing a full range of library operation and management services, LS&S is leading the charge in library excellence to better reach, engage and serve patrons and communities. Leveraging insight into the most effective and service-oriented methods to run libraries has resulted in increased operating hours and patron usage, more programs and materials and reduced operating cost at every LS&S-operated library.

More than three decades ago, LS&S introduced a new set of operational methods that enhanced library capability to serve patrons. LS&S continues to innovate and keeps libraries on the leading edge of information science. Demand for public library services is constantly evolving as patron expectations grow and change. LS&S rises to meet this challenge every day, channeling insight and expertise to create a new paradigm for libraries—resources not just for literacy, education and enrichment but springboards for economic and workforce development and neighborhood unity.

LS&S employs more than 1,000 people, including substantial operations in California. More than 14 percent of these employees are professional librarians with MLS degrees from ALA-accredited library schools. LS&S brings expertise and insight to guide, assist, and perform any library automation and processing task including:

- Planning
- Budgeting
- Automation
- Facilities development and management
- Space utilization
- Programming
- Service delivery
- Collection assessments
- Grant-writing
- Advocacy

LS&S consultants take an analytical approach when assessing the library and technology needs of a community. LS&S works to understand the technological, educational, and civic goals of the community and uses that knowledge as a framework for developing plans and programs that advance priorities.

In 1997, LS&S won a contract to operate and manage the Riverside County, California Library System, consisting of 24 library branches and one bookmobile. LS&S continues to operate this system today; the Riverside County system now has 35 branches, 2 bookmobiles, and a museum. LS&S operates five county-wide library systems, including: Shasta County, California; Finney County, Kansas; Osceola County, Florida; Sumter County, Florida; and Jackson County, Oregon.

In addition, LS&S operates individual libraries for the following cities:

- Germantown, Tennessee
- Arlington, Tennessee
- Millington, Tennessee
- Collegedale, Tennessee
- Red Oak, Texas
- Leander, Texas
- Farmers Branch, Texas
- Camarillo, California
- Escondido, California
- Moorpark, California
- Moreno Valley, California
- Palmdale, California
- Santa Clarita, California
- Simi Valley, California
- Upland, California

References

RIVERSIDE COUNTY LIBRARY SYSTEM

Suzanne Holland, Assistant Director
County of Riverside Economic Development
3403 10th Street
Riverside, California 92501
951-955-6685
SHOLLAND@rivcoeda.org

CAMARILLO PUBLIC LIBRARY

Richard Petropulos
Director of Administrative Services
City of Camarillo
601 Carmen Drive
Camarillo, California 93010
805-383-5633
rpetropulos@cityofcamarillo.org

MORENO VALLEY PUBLIC LIBRARY

Tom DeSantis, Assistant City Manager
City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92553
951-413-3020
tomd@moval.org

Proposed Methodology

LS&S has experience administering libraries and library systems of all sizes, including the Inland Library and Wolf River Library consortia. This experience makes LS&S uniquely well equipped to provide administrative and fiscal management services to the NorthNet Library System.

Proposed Methodology:

1. LS&S will hire a dedicated System Administrator for the NorthNet Library System. This person will be experienced in managing regional library systems. LS&S will give particular preference to candidates with experience in California regional systems. The System Administrator candidate will be subject to the approval of and serve at the pleasure of the NorthNet Library Council.
2. The NorthNet System Administrator will collaborate with a team of LS&S administrative and support staff available to assist in a wide variety of functions including data analysis, surveys, report preparation, fiscal management, event management, and any other services NorthNet may require.
3. The System Administrator will be responsible for managing all of the administrative duties outlined in the NorthNet RFP, including:
 - Preparing the Annual Plan of Service and Annual Report in accordance with the requirements of the California Library Services Act as administered by the California State Library.
 - Maintaining and reporting records in accordance with the California Library Services Act and other State and Federal requirements.
 - Coordinating Council of Librarians and Executive Committee meetings and maintaining regular communications with NLS Chair and Executive Committee. These meeting may be in person or via conference call.
 - Coordinating and scheduling legacy systems meetings.
 - Preparing and distributing Council agenda packets and minutes. Making arrangements for Council meetings.
 - Providing staff support for Council, Executive Committee, and Legacy System meetings.
 - Distributing legislative, CLSA, and other State Library correspondence.
 - Responding to communications and requests from members.
 - Tracking CalPERS information, communicating with legacy systems as needed. Communicating with the California Public Employees Retirement System (CalPERS) regarding NorthNet Library System legacy system employees.
 - Administering and evaluating system contracts.
 - Maintaining all rosters, listservs, directories, electronic records and archives.
 - Maintaining the NorthNet Library System website.
 - Pursuing new funding opportunities.
 - Representing and advocating for NorthNet Library System regionally and statewide.

- Supporting special projects and activities not mandated by California Library Systems Act as determined by NorthNet Library Council.
 - Negotiating necessary purchasing/contracting opportunities with vendors, consultants, other systems or regions including services authorized and funded by California Library Services Act.
 - Preparing, distributing and compiling Statement of Economic Interests (CA State Form 700).
 - Offering special program, grant development or other services for sub-groups of member libraries or for individual members for additional fees as negotiated.
 - Providing coordination between member libraries and CENIC (Corporation for Education Network Initiatives in California) as appropriate. Communicating regularly with member libraries and CENIC.
 - Providing coordination between member libraries, NorthNet Library System, and other organizations as needed for system initiatives.
4. Additionally, the LS&S Accounting and Administrative Support Units will provide complete fiscal management services for the NorthNet Library System, under the direction of the NorthNet System Administrator.

The services provide by this unit will include, but are not limited to:

- Preparing the System Uniform Budget, Annual report and Expenditure Report.
- Acting as System's financial manager establishing and maintaining separate accounts for all NorthNet Library System funds.
- Developing an annual budget in collaboration with NorthNet Library System Executive Committee and approved by Council of Librarians for programs or services to be provided in the subsequent fiscal year.
- Monitoring budget and prepared monthly status reports.
- Arranging for the receipt and deposit of State funds, member fee funds and other fees or revenues whether by grant application, invoice or other means.
- Preparing claim forms for member libraries to submit.
- Preparing quarterly budget updates showing revenues, expenditures and reserves to be submitted to Council of Librarians.
- Preparing and executing payments on behalf of the NorthNet Library System to approved vendors, contractors, consultants, member libraries and others for services rendered, in compliance with budget.
- Invoicing members and other customers for services.
- Preparing 1099s for contractors.
- Providing comprehensive revenue expenditure and reserve financial reports in accordance with requirements of California Library Services Act or other State Library legislation and generally accepted accounting principles.
- Maintaining fiscal files and records as required by State and Federal laws and retention policies.

- Preparing annual reports for Special Districts to State Controller.
- Arranging for annual independent financial audit.
- Preparing annual statements of LAIF (Local Agency Investment Fund) interest earned.

Cost

Term	Service	Cost
Year 1	Fiscal & Administrative Library Services	\$207,000
Year 2	Fiscal & Administrative Library Services	\$207,000
Optional Renewal Year 1	Fiscal & Administrative Library Services	\$213,210
Optional Renewal Year 2	Fiscal & Administrative Library Services	\$219,606

The cost in the table above is for Fiscal and Administrative services to support the scope of work in the RFP. Our pricing does not include any operational expenses.

Key Personnel

The following LS&S people, among others, will be involved in the management of this services engagement, according to the Methodology presented above. LS&S does not intend to use subcontractors for this project.

Steve Coffman, MLS, Vice President for Library Support Services

Steve is an internationally-recognized expert on innovative approaches to library service. He introduced the Ask-Us-Now live virtual reference service, and is responsible for a variety of innovations at LS&S including centralizing the Integrated Library System, acquisitions, and technical services functions in 83 libraries.

In February 2004 Steve's article *Saving Ourselves: Plural Funding for Public Libraries: Can Libraries Break Their Dependence on Tax Monies by Following NPR's Example?* was published in *American Libraries* magazine. Steve has extensive experience with strategic planning and service design including the Finney County, Kansas Library, the Jackson-Madison County, Tennessee Library, and the Leander, Texas Library.

Steve has extensive experience in electronic access to library services. Steve earned a Master of Library Science from the University of California, Los Angeles and a Bachelor's degree in the Humanities from San Francisco State University.

Barbara Howison, MLS, Regional Director for Western Operations

Barbara holds a bachelor's degree from California State University and an MLS degree from the University of Southern California. She also studied Planning & Design of Public Libraries at the Harvard University Graduate School of Design.

Barbara has managed groups of libraries for LS&S since 1997 and has led strategic planning, budgeting, green design and other activities. She has been involved with 20 library building projects and is an expert in library building trends. She is trained in library building planning software, Libris Design.

Deborah Joy, MLS, Library Marketing Director

Debbie is a library professional with experience in public librarianship (including literacy programs), grant writing, and marketing communications. At LS&S Debbie manages strategic planning and management consulting for library clients as well as grant-seeking and marketing for LS&S libraries.

Debbie brings a strategic, results-driven approach, marketing and grants experience and a deep dedication to the mission of the public library to LS&S consulting engagements. She earned a Master of Library Science from the University of Maryland and a Bachelor of Science in Journalism from the University of Kansas.

Cullen Donohoe, Financial Analysis Manager

Cullen leads LS&S' financial planning and analysis division. Through the years he has managed budgeting and forecasting for 83 libraries, as well as preparing and presenting reports to state and local governing agencies, and boards of directors. Cullen also manages, negotiates and tracks all LS&S vendor contracts. Cullen earned an Economics degree from Clemson University and is currently working on his MBA at the University of Maryland. This education, combined with real-world experience, positions Cullen well to assist in the successful execution of the proposed services.

Full resumes provided upon request

DRAFT Scope of Work

NorthNet Library System - LINK+ Delivery Cost and Implementation Analysis

BACKGROUND

Third Chapter Partners was engaged by NorthNet Library System (NLS) to assist in developing a strategy and plan for bringing as many NorthNet member libraries into the LINK+ resource sharing system as possible. Third Chapter submitted a report that detailed cost benefit of LINK+ for NLS members and suggested implementation strategies. Cost for Link+ was provided in the report, and the cost for Tricor was recently provided to NLS. NLS represents a challenge for Tricor, or any delivery system because of its large geographic region, as well as the remoteness of some of the libraries.

The following recommendations were made by Third Chapter for further study:

- Each individual member library should determine if they are interested and able to participate in the next 12 months (NOTE: if NLS in general moves forward but a library is not able to participate immediately, they can always join at a future time)
- NLS will seek revised pricing from Innovative for LINK+ membership based on the actual number of libraries ready to move immediately
- NLS will work with Innovative and Tricor (the LINK+ courier) to determine cost and feasibility of Tricor meeting all delivery needs
- NLS may need an additional study to review current NLS courier services and to develop local “last mile” courier plan to cover gaps in the Tricor delivery map
- NLS will need to develop a funding formula for distributing cost and monies, including determining if NLS wants to add this service as an option using CLSA funds and if member libraries will look to cancel OCLC contracts and redirect funding to this project
- NLS members will need to determine the level of assistance each will need with the implementation process, and work to develop a plan to provide aid and assistance

These recommendations are the basis for a **LINK+ Delivery Cost and Implementation Analysis**.

SCOPE OF WORK FOR A LINK+ DELIVERY COST AND IMPLEMENTATION ANALYSIS

Consultant will

- Analyze delivery data gathered by the Third Chapter survey, and gather any additional information needed from the NLS libraries regarding delivery.
- Analyze the Tricor deliver response.
- Work with the fiscal agent of NLS, the NLS Executive Committee and NLS libraries to develop a delivery model or options which may include individual library vs hub and spoke models and consider alternatives to daily delivery, i.e. once a week vs daily
- Develop, distribute, analyze, and provide written report
- Draft a proposed solution on how to fairly distribute the Link+ and Delivery costs between existing Link+ libraries and the new ones so that no current library pays more than their current costs

Other factors to be considered will include:

- When considering shared NLS costs for a total solution, the current LINK+ costs for libraries could be a baseline, with the remainder of costs distributed in some way to other participating libraries
- If costs are contingent on all NLS members joining, if there will be an “opt in-opt out” option, and to determine the cost differentials for both circumstances
- How existing LINK+ libraries would be absorbed into a new NLS contract without incurring costs already paid under their individual membership structure

Costs not to exceed \$15,0000

OPTIONAL ADDITIONAL SERVICES

Option 1

A detailed narrative report and an in person presentation.

Cost not to exceed \$20,000

Option 2

As an optional extension to this engagement, the consultant will help the NorthNet Library System implement the decisions made as part of this study. This can include Project Management and help interface with the multiple vendors that will need to participate, including Innovative Interfaces for the INN-Reach system, the LINK+ courier, and the multiple ILS vendors that would be involved.

Pricing for this optional engagement would be proposed at the point NorthNet Library System and its members reach a determination as to the final requirements and scope of work of the implementation phase.

To: NLS Executive Committee

From: Carol Frost

Subject: Contract for LINK+ Delivery Cost & Implementation Analysis

Date: February 26, 2018

With the completion of Third Chapter Partners LINK+ Cost Benefit Analysis and report, NLS now has the full cost for joining LINK+ as a consortium (the LINK+ product subscription and Tricor delivery). NLS represents a challenge for Tricor, or any delivery system because of the large geographic region of NLS, as well as the remoteness of some of the libraries. There is no delivery services beyond mail services for the North State Cooperative Library System, where the other two systems, Mountain Valley Library System and North Bay Cooperative Library System, have shared delivery.

Because of the large scope to determine a cost- effective delivery model for NLS, further study and negotiation are required to complete the original study.

The NLS Executive Committee, at their meeting of February 6, 2018, directed staff to identify one of two suggested consultants to work with NLS on a LINK+ Delivery Cost and Implementation Analysis in order to complete the LINK+ Study. Staff has contacted the Galecia Group and, based on their expertise and recent work on a similar study for another large library jurisdiction, staff is recommending that NLS contract with Galecia Group to develop a LINK+ delivery cost and implementation recommendation for NLS, and to negotiate on behalf of NLS with Tricor courier services, with the assistance of Innovative Interfaces.

NLS has allocated \$314,593 of CLSA funds towards Link+, and the additional study may come from this allocation. Staff recommends that \$15,000 be allocated toward this delivery study. Third Chapter's work was completed at contracted amount of \$19,500.

Motion: Move to approve authorizing the fiscal agent to negotiate a contract with Galecia Group for LINK+ Delivery Cost & Implementation Analysis for NorthNet Library System, as detailed in accompanying draft Scope of Work for amount not to exceed \$20,000.

Greg Lucas
State Librarian
The California State Library
P.O. Box 942837
Sacramento, CA 94237-0001

February 8, 2018

Dear Greg,

At the CLA conference last November and in a subsequent meeting held in February 2018 the Chairs and Vice Chairs of the nine systems represented by the California Library Services Act met to discuss improving communications between one another and to develop some common goals. Since many Directors are new to their positions, we were also motivated to develop a better understanding of CLSA and LSTA and how these programs are administered to member systems.

Our intent is to use our new understanding and common goals as a springboard for improving communication with the State Library and the California Library Services Board. We recognize that we should be playing a more active role, as well as having more of a presence at these important meetings.

We have agreed on a vision of an inclusive, supportive, equitable network that incorporates effective and efficient communication, drives collaboration and innovation and reflects the diversity of all public libraries and systems.

In our view, improvement is needed both in our communication with one another and with the State Library to achieve this vision. We have taken steps to address our relationships with one another, and we feel it is important to have a similar conversation with the State Library.

We have developed three broad goal areas for discussion and we would welcome an opportunity to discuss these with you at your earliest convenience, preferably prior to the CLSB meeting in April 2018. These areas are:

- **Working more effectively with the State Library.**
 - We want to understand how the CSL develops priorities and how these can be created from the ground up with system input based on community needs.
 - We also want to understand the decision-making process for CSL initiatives so that we will be well-informed before agendas for the CLSB are published.
 - We want clarity about our role vis-a-vis the California Library Services Board and the State Library.

- **Improving equity and inclusivity.**
 - We want to focus on what all systems are accomplishing. Large systems tend to receive more attention for their work to the exclusion of their smaller peers.
 - Systems need a seat at the table when CSL is developing plans, strategic priorities, and designing funding opportunities for member libraries.

- **Balancing funding opportunities between all members.**
 - Lack of human resources capacity prevents those with the highest need from seeking grants.
 - In many cases, there are basic services which need support before innovation can take place.
 - We need to design ways for libraries with high need to have more opportunity and less competition with more well-funded systems.

We look forward renewing the line of communication with the State Library and we welcome an opportunity to meet with you to discuss how we can assist in serving the people of California. We have asked John Alita, Community Services Director and head of the Stockton San-Joaquin County Public Library to serve as the liaison for any meeting arrangements. Please contact him at john.alita@stocktonca.gov or 209.937.8373.

Sincerely,

Sarah Bleyl
Chair, Black Gold

Suzy Daveluy
Chair, 49-99

Heidi Murphy
Chair, Pacific Library
Partnership

Genesis Hansen
Chair, Santiago

Mary Leal
Chair, SJVLS

Mel Lightbody
Chair, NorthNet

Donna Ohr
Chair, Serra

Joyce Ryan
Chair, SCLC

Abigail Schellberg
Chair, Inland

DRAFT

Greg Lucas
State Librarian
The California State Library
P.O. Box 942837
Sacramento, CA 94237-0001

February 8, 2018

Dear Greg,

At the CLA conference last November and in a subsequent meeting held in February 2018 the Chairs and Vice Chairs of the nine systems represented by the California Library Services Act met to discuss improving communications between one another and to develop some common goals. Since many Directors are new to their positions, we were also motivated to develop a better understanding of CLSA and LSTA and how these programs are administered to member systems.

Our intent is to use our new understanding and common goals as a springboard for improving communication with the State Library and the California Library Services Board. We recognize that we should be playing a more active role, as well as having more of a presence at these important meetings.

In our view, improvement is needed both in our communication with one another and with the State Library. We have taken steps to address our relationships with one another, and we feel it is important to have a similar conversation with the State Library.

We look forward renewing the line of communication with the State Library and we welcome an opportunity to meet with you to discuss how we can assist in serving the people of California. We have asked John Alita, Community Services Director and head of the Stockton San-Joaquin County Public Library to serve as the liaison for any meeting arrangements. Please contact him at john.alita@stocktonca.gov or 209.937.8373.

Sincerely,

Sarah Bleyl
Chair, Black Gold

Genesis Hansen
Chair, Santiago

Donna Ohr
Chair, Serra

Suzy Daveluy
Chair, 49-99

Mary Leal
Chair, SJVLS

Joyce Ryan
Chair, SCLC

Heidi Murphy
Chair, Pacific Library
Partnership

Mel Lightbody
Chair, NorthNet

Abigail Schellberg
Chair, Inland

DRAFT