

**LOS ANGELES PUBLIC LIBRARY
BOARD REPORT**

August 13, 2020

TO: Board of Library Commissioners

FROM: John F. Szabo, City Librarian

SUBJECT: **ADOPTION OF FISCAL YEAR 2020-21 BUDGET**

RECOMMENDATIONS

That the Board of Library Commissioners:

1. Adopt the Library Department's operating budget for Fiscal Year (FY) 2020-21 in the amount of \$205,334,363, as approved by the Mayor; and
2. Approve the transfer of funds in the amount of \$2 million within the Special Account 9510 from LAPD Security Services to a newly created line item to be titled as "Reimagining Safety Initiative" within the Library's FY 2020-21 budget, Fund 300, Department 44; and
3. Per direction from the Board of Library Commissioners at the June 25, 2020 meeting staff will develop a plan: a) to use the \$2 million for the Reimagining Safety Initiative to identify alternate approaches to supporting safe and welcoming library environments that do not rely on law enforcement, and b) to appropriate any unused portion of the \$2 million to the Library Materials budget; and
4. Appropriate \$278,817 of non-designated funds in the Library budget to the Contractual Services Account 3040, Fund 300, Department 44, for Central Library Alterations and Improvements; and
5. Appropriate \$75,001 of non-designated funds in the Various Special Account 9510 to the Contractual Services Account 3040, Fund 300, Department 44, for Central Library Alterations and Improvements; and
6. Adopt the attached Resolution regarding the Library Department's FY 2020-21 Budget in the amount of \$205,334,363, as approved by the Mayor.

FINDINGS

LAPL Budget

1. The total operating Library Department Budget for FY 2020-21, as approved by the Mayor, is \$205,334,363. The Library's Charter-mandated appropriation increased by \$13,403,277 in FY 2020-21 from the previous fiscal year.
2. The proposed Library Budget for FY 2020-21, as submitted to the City Council, is comprised of \$205,334,363 in revenue and \$205,055,546 in expenditures, resulting in \$278,817 of undesignated funds. The Library requests that this unappropriated amount be appropriated to Contractual Services Account 3040 for Central Library Alterations and Improvements.
3. The proposed Library Budget for FY 2020-21, as submitted to the City Council, is comprised of a total of \$79,799,897 in appropriations and \$79,724,896 in expenditures in the Various Special Account 9510 for related costs, resulting in \$75,001 of undesignated funds. The Library requests that this unappropriated amount be appropriated to the Contractual Services Account 3040 for Central Library Alterations and Improvements.
4. The budget for Library Materials has increased by \$1 million from \$16,242,375 to \$17,242,375. Thus, the materials expenditures per capita will increase from \$3.36 in FY 2019-20 to \$3.61 in FY 2020-21.
5. The attached Adjustments to Related Costs table itemizes the direct and indirect costs, which comprise the Library's related costs. The total related costs for FY 2020-21 is \$79,724,896 and represents 38.86% of the total Library budget.
6. The adopted budget includes funds for critical initiatives, increased print and electronic materials, robust and innovative technology, and increased opportunities for civic engagement. The adopted budget will also advance the Library's key priorities, including:
 - a. Support the Library Strategic Plan's six goals, including outreach and promotion to enhance public awareness of the Library's services and programs.
 - b. Strengthen and enhance the Library's information technology (IT) infrastructure, and provide new IT equipment for the benefit of Library patrons.

- c. Add funds for alterations and improvements at branch library locations, including replacement of air conditioning units to provide more dependable cooling for the public during periods of extreme heat.
 - d. Continue the implementation of the Library's public relations and marketing plan.
7. The adopted budget includes an additional six (6) positions to enhance operational and administrative support for international and digital collections, engagement and learning, security and emergency preparedness, contract administration and purchasing, and warehouse operations.

Reimagining Safety Initiative

8. A team led by Kren Malone, Director of Central Library Services, will develop a plan for the Reimagining Safety Initiative (RSI). This team will identify alternate approaches to supporting safe and welcoming library environments that do not rely on law enforcement. They are conducting research and developing a plan that includes training for staff, mental health and public health support and resources, cultivation of community partners, community outreach, facility improvements, and other areas. In addition, the team is discussing what the outcomes of the project should be and how to evaluate the success of the RSI. The Library will report to the Board about the plan and the proposed use of the \$2 million.

Attachments

Prepared by: Madeleine M. Rackley, Business Manager

Reviewed by: Susan Broman, Assistant City Librarian

RESOLUTION

August 13, 2020

LIBRARY RESOLUTION NO. 2020-XX (C-XX)

WHEREAS, the Los Angeles City Charter provides that the Board of Library Commissioners shall control, appropriate, and expend all Library Funds for the purposes of the Department; and

WHEREAS, the Board of Library Commissioners approved the Library Department Proposed Budget for Fiscal Year 2020-21 on December 12, 2019, in the amount of \$205,334,363 (Library Resolution Number 2019-52 [C-40]); and

WHEREAS, the Library recommends the adoption of the Library Department Budget for Fiscal Year 2020-21 as approved by the Mayor; and

WHEREAS, the Library recommends the appropriation of non-designated funds in the amount of \$278,817 included in the Fiscal Year 2020-21 Adopted Budget to the Contractual Services Account 3040, Fund 300, Department 44, for Central Library Alterations and Improvements; and

WHEREAS, the Library recommends the appropriation of non-designated funds in the amount of \$75,001 included in the Various Special Account 9510 to the Contractual Services Account 3040, Fund 300, Department 44, for Central Library Alterations and Improvements; and

WHEREAS, the Library recommends the transfer of funds in the amount of \$2 million within the Various Special Account 9510 from LAPD Security Services to a newly created line item to be titled as "Reimagining Safety Initiative" within the Fiscal Year 2020-21 budget, Fund 300, Department 44:

THEREFORE, RESOLVED, that the Board of Library Commissioners hereby adopts and certifies the Adopted Library Department Budget for Fiscal Year 2020-21 in the amount of \$205,334,363, as approved by the Mayor; and

FURTHER RESOLVED, that the Board of Library Commissioners hereby approves the appropriation of \$278,817 of non-designed funds included in the Fiscal Year 2020-21 Adopted Budget to the Contractual Services Account 3040, Fund 300, Department 44, for Central Library Alterations and Improvements; and

FURTHER RESOLVED, that the Board of Library Commissioners hereby approves the appropriation of \$75,001 of non-designed funds included in the Various Special Account 9510 to the Contractual Services Account 3040, Fund 300, Department 44, for Central Library Alterations and Improvements; and

FURTHER RESOLVED, that the Board of Library Commissioners hereby approves the transfer of funds in the amount of \$2 million within the Various Special Account 9510 from LAPD Security Services to a newly created line item to be titled as "Reimagining Safety Initiative" within the Library's Fiscal Year 2020-21 Budget Fund 300, Department 44.

This is a true copy:

Raquel M. Borden
Board Executive Assistant
Adopted by the following votes:

AYES:

NOES:

ABSENT:

LIBRARY DEPARTMENT
Proposed Budget - Financial Summary

	Adopted Budget 2018-19	Adopted Budget 2019-20	FY 2020-21 Adjustments	Adopted Budget 2020-21
APPROPRIATIONS				
Mayor-Council Appropriation (Measure L).....	\$ 178,533,355	\$ 191,531,086	\$ 13,403,277	\$ 204,934,363
Total Appropriations.....	\$ 178,533,355	\$ 191,531,086	\$ 13,403,277	\$ 204,934,363
OTHER REVENUE				
Fines and Fees.....	\$ 1,500,000	\$ 500,000	\$ (500,000)	\$ --
Other Receipts.....	400,000	400,000	--	400,000
Unspent Prior Year Funds from UUFB.....	2,500,000	2,000,000	(2,000,000)	-
Total Other Revenue.....	\$ 4,400,000	\$ 2,900,000	\$ (2,500,000)	\$ 400,000
Total Revenue.....	\$ 182,933,355	\$ 194,431,086	\$ 10,903,277	\$ 205,334,363
EXPENDITURES				
SALARIES				
General.....	\$ 74,596,482	\$ 80,168,446	\$ (87,563)	\$ 80,080,883
As Needed.....	3,146,682	3,396,682	639,341	4,036,023
Overtime.....	85,423	135,423	18,000	153,423
Total Salaries.....	\$ 77,828,587	\$ 83,700,551	\$ 569,778	\$ 84,270,329
EXPENSE				
Office Equipment	\$ 30,462	\$ 30,462	\$ --	\$ 30,462
Printing and Binding.....	572,000	372,000	--	372,000
Contractual Services.....	8,890,108	10,184,434	5,850,360	16,034,794
Transportation	97,463	97,463	--	97,463
Library Book Repairs.....	77,796	77,796	(77,796)	-
Office and Administrative	5,219,525	4,642,737	2,267,921	6,910,658
Operating Supplies.....	264,265	370,486	230,900	601,386
Total Expense.....	\$ 15,151,619	\$ 15,775,378	\$ 8,271,385	\$ 24,046,763
EQUIPMENT				
Furniture, Office and Technical Eqpt.....	\$ 1,384,743	\$ --	\$ --	\$ --
Transportation Equipment.....	\$ --	\$ --	\$ 50,000	\$ 50,000
Other Operating Equipment.....	-	82,000	(82,000)	-
Total Equipment.....	\$ 1,384,743	\$ 82,000	\$ (32,000)	\$ 50,000
SPECIAL				
Library Materials.....	\$ 15,296,029	\$ 16,242,375	\$ 1,000,000	\$ 17,242,375
Direct and Indirect Related Costs.....	73,272,377	78,630,782	1,094,114	79,724,896
Total Special.....	\$ 88,568,406	\$ 94,873,157	\$ 2,094,114	\$ 96,967,271
Total Library.....	\$ 182,933,355	\$ 194,431,086	\$ 10,903,277	\$ 205,334,363

The proposed budget included \$205,334,363 for Revenue and \$205,055,546 for Expenditures which results in \$278,817 in non-designated funds. The Library requests to increase the Contractual Services Account 3040 by an additional \$278,817 to balance the adopted budget. In addition, the Library requests to transfer \$75,001 from the Direct and Indirect Related Costs to the Contractual Services Account 3040.

**LOS ANGELES PUBLIC LIBRARY
FY 2020-21 PROPOSED BUDGET
ADJUSTMENTS TO RELATED COSTS**

Account 9510 / Various Special	FY 2019-20 Adopted	Adjustments	FY 2020-21 Adopted
<u>Indirect Costs (CAP 42)¹</u>			
Employee Retirement	\$ -	\$ 22,494,720	\$ 22,494,720
Fringe Benefits	42,591,010	(23,098,187)	19,492,823
Central Services	10,339,794	854,126	11,193,920
Reconciliation (FY 2018-19 Reimbursement)	(1,452,149)	1,281,707	(170,442)
Sub-Total:	\$ 51,478,655 65.53%	\$ 1,532,366	\$ 53,011,021 66.49%
<u>Direct Costs</u>			
Water	\$ 457,000	\$ -	\$ 457,000
Electricity	4,423,000	-	4,423,000
Natural Gas	239,224	-	239,224
Custodial / GSD	4,900,302	1,123,500	6,023,802
Parking Lot Operations / GSD	266,817	-	266,817
Parking Lot Sweeping / GSD	63,183	-	63,183
Mail / GSD	30,000	-	30,000
Building Maintenance / GSD	4,111,584	8,000	4,119,584
Fleet / GSD	220,000	-	220,000
Fuel / GSD	49,417	-	49,417
Security Services / LAPD ²	8,954,348	(500,000)	8,454,348
Reimagining Safety Initiative ³	-	2,000,000	2,000,000
Refuse Collection / PW Sanitation	110,000	-	110,000
CAO / GO Bond Administration Fees	25,000	-	25,000
MICLA (AV/AT)	2,971,500	(2,971,500)	-
City Sidewalk Repair Program (Willits Act)	-	210,000	210,000
ITA / Human Resources Payroll Project	238,251	(238,251)	-
City Reimbursement Credit Card Fees	17,500	5,000	22,500
Sub-Total:	\$ 27,077,126 34.47%	\$ (363,251)	\$ 26,713,875 33.51%
TOTAL ACCOUNT 9510 / VARIOUS SPECIAL⁴:	\$ 78,555,781	\$ 1,169,115	\$ 79,724,896

1. In FY 2020-21, Employee Retirement has been separated from Fringe Benefits.

2. The proposed budget included an increase of \$1.5 million for Security Services / LAPD.

3. Funds transferred from LAPD Security Services in FY 2020-21.

4. The proposed budget included \$75,001 of unappropriated funds. The Related Costs appropriations for the proposed budget totals \$79,724,896. The line item funds for the account totals \$79,799,897 which results in \$75,001 of non-designated funds. These funds will be transferred to the Contractual Services Account 3040 for CLS A&Is.