



County of Los Angeles Public Library ■ www.colapublib.org
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Margaret Donnellan Todd
County Librarian

May 20, 2015

To: Board of Supervisors

From: Margaret Donnellan Todd
County Librarian

LIBRARY SPECIAL TAX FISCAL YEAR (FY) 2015-2016 – BOARD AGENDA ITEM 36 - MAY 12, 2015 AGENDA

On May 12, 2015, Mayor Antonovich held the Voter-Approved Library Special Tax Item No. 36 requesting additional information from the Library as to how these funds would be used. If approved, the resolution will increase the parcel tax levy from the FY 2014-15 rate of \$29.31 to \$29.90 in FY 2015-16 and increase the Library's special tax operating revenues by \$236,000.

If approved, the \$236,000 in increased revenue will be used to cover the increased cost to maintain the services currently provided by the Special Tax. The community libraries participating in the Special Tax receive additional books and materials and/or additional open hours.

In 2014-15, the estimated operating revenue from the special tax was about \$11,733,000. If approved, the FY 2015-16 operating revenues will be \$11,969,000. However, the cost of providing these enhanced library services has continued to rise—often beyond the 2% increase per year as allowed. As a special fund department, the Library is sensitive to cost increases because it is not made whole from the County when there are mandatory cost increases. For example, employee salary and cost-of-living adjustments, health care expenses such as medical and dental, temporary and retiree health benefit increases are funded by Library and these costs have typically risen at a rate above the consumer price index. Increases in books and materials (including e-content), contracts such as custodial, building, landscape and other mandatory services costs must be absorbed by the Department as well. The combination of all these categories of expenditures typically exceeds the maximum allowable special tax increment per year, and at minimum the special tax allowable rate increase is required to offset costs.

The special tax rate change is calculated based on the lower of 2% or the California Consumer Price Index (CCPI). The rate for FY 2015-16 is 1.998%. In 1997-1998, voters in eleven (11) cities and the unincorporated areas approved the special tax which provided for an enhanced level of library services, including an additional day of service, staffing, and books and materials. There now remains, ten (10) special tax cities after the withdrawal of the City of Santa Clarita from the County's Library District.

<u>Supervisorial District</u>	<u>Cities</u>
First	Cudahy, El Monte, Maywood
Second	Culver City, Lynwood
Third	West Hollywood
Fourth	Lakewood, Lomita
Fifth	Duarte, La Canada

Fund Balance

Approximately 90% of the Library's fund balance is committed for special projects, largely in part to building and renovation projects that require a carryover of funds until project completion. The remaining fund balance amount is used as a revenue source to balance the operating budget. For that reason, fund balance is not available to cover the increased cost of enhanced service.

I am available to provide any additional information as it relates to this request and can be reached at 562-940-8400.

MDT:YDR:sm

c: Jill Jones, County Counsel