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MARTÍN J. GÓMEZ  
CITY LIBRARIAN

April 22, 2010

The Honorable Bernard C. Parks, Chair  
City Council Budget and Finance Committee  
c/o Lauraine Braithwaite  
City Clerk  
Room 395, City Hall  
Los Angeles, CA 90012

## MAYOR'S PROPOSED BUDGET FOR FISCAL YEAR 2010-11

Dear Councilmember Parks:

In response to your request, I am submitting the following information about the most critical items in the Mayor's Proposed 2010-11 Budget and their impact on library services.

- BUDGET ITEM:** Deletion of 328 FTE positions, a 28% reduction to the workforce:

94	Vacancies
107	Early Retirement Incentive Program (ERIP)
3	Offset for Restoration of Some ERIP Positions
100	Layoffs
<u>24</u>	Deleted Resolution Authorities (22 positions are filled)
<b>328</b>	<b>Total</b>

The Library currently has 1,156 authorized positions. The proposed budget reduces the authority to 828 positions. This loss of 328 FTE positions reduces (net) the Library's salary account by \$8.7 million. In addition, there is a corresponding reduction to the General Fund for employee-related costs of \$7.5 million. The total savings to the General Fund is \$16.2 million.

The impact of a reduction of this size will require the library to reduce service hours from 6 days a week to 5 days a week at all 73 libraries citywide.



Reducing service to 5 days per week will limit the public's access to the library's collection, public access computers, specialized programs and other services. With reduced staffing the library will also limit its outreach to schools and community events.

In order to sustain a 6-day service program, \$7.8 million (\$5.5 million for salaries; \$2.3 million for indirect costs) would need to be restored to the department to retain 124 position authorities that have been identified for elimination (layoffs and resolution authorities). Funding could be restored by decreasing the Library's reimbursement to the General Fund by \$7.8 million.

**2. BUDGET ITEM:** Reimburse the General Fund \$21.9 million.

The proposed budget increases the reimbursement to the General Fund (for retirement and employee benefit costs) by \$10 million. (*see attachment*)

In addition, the Library will pay \$11.9 million towards its custodial, security, building maintenance, gas, fuel and fleet costs. Until FY 2008/09 these costs were paid by the General Fund and have increased each subsequent year.

Although the Library's total proposed budget of \$82.8 million shows an increase of \$293,125 from last year, 29% of the budget is now earmarked for retirement, employee benefits, utility costs and ERIP payouts.

The proposed budget will result in a \$32.5-million net reduction to the Library's current operating budget, as a result of: reimbursing the General Fund for utilities and employee benefits of \$10 million; the \$8.7 million net reduction to the Library's salary account due to the elimination of 328 FTE positions; and paying the first year of the two-year plan of ERIP payouts of \$1.9 million.

**ADDITIONAL COMMENTS**

The Library Department's 5-day service plan was initially based on an expected loss of 304 FTE. The loss of an additional 24 positions (resolution authority) may hinder our ability to maintain a consistent 5-day service program. One way to minimize this problem would be to lift the hiring freeze for all Librarian and Clerical series positions for FY 2010-11. Continuation of this blanket unfreeze authority would be subject to monitoring of the Library's salary accounts by the City Administrative Officer and reporting during the monthly Financial Status Reports. The blanket unfreeze authority will allow the Library to maintain staffing levels sufficient to keep libraries open on a continuous basis.

The Honorable Bernard C. Parks

April 22, 2010

Page 3 of 3

I appreciate your continued support for Library services throughout the city, especially during these difficult economic times. If you have questions or would like additional information please contact me or Assistant General Managers Patricia Kiefer or Kris Morita at (213) 228-7515.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Gómez', written in a cursive style.

Martín Gómez  
City Librarian

Attachment

cc: Honorable City Councilmembers  
Board of Library Commissioners  
Rev. Jeff Carr, Chief of Staff, Mayor's Office  
Miriam Scott Long, Deputy Mayor of Children, Youth and Families  
Ben Ceja, Deputy Mayor of Budget & Finance  
Matthew Rudnick, Budget Analyst, Office of the Mayor  
Gerry Miller, Chief Legislative Analyst  
Sharon Tso, Executive Officer, Chief Legislative Analyst  
Miguel Santana, City Administrative Officer  
Jacqueline Wagner, Sr. Administrative Analyst II, CAO

**LIBRARY DEPARTMENT  
BUDGET COMPARISON  
2007 - 2011**

	FY 2007-08	FY 2008-09	FY 2009-10	Proposed FY 2010-11
<b>EXPENDITURES AND APPROPRIATIONS</b>				
Salaries*	\$59,079,920	\$61,931,186	\$57,861,015	\$47,979,369
Expenses & Equipment	4,355,260	4,224,852	3,726,329	3,428,729
Library Materials	9,829,111	9,679,111	6,823,265	6,823,265
<b>Subtotal - Library Operating Budget</b>	<b>\$73,264,291</b>	<b>\$75,835,149</b>	<b>\$68,410,609</b>	<b>\$58,231,363</b>
Early Retirement Incentive Program Payout	0	0	0	1,943,209
General Fund Cost Reimbursement - retirement/health	0	0	0	10,093,348
General Fund Cost Reimbursement - utilities, etc.	0	3,171,994	14,104,317	11,946,000
<b>Total - Library Budget</b>	<b>\$73,264,291</b>	<b>\$79,007,143</b>	<b>\$82,514,926</b>	<b>\$82,213,920</b>

**SOURCES OF FUNDS**

Charter-required Appropriation	\$63,770,780	\$70,122,143	\$75,463,926	\$75,902,051
Additional Charter Appropriation	1,754,932	1,450,000	0	0
Library Revenue	7,738,579	7,435,000	7,051,000	6,906,000
<b>Total Sources of Funds</b>	<b>\$73,264,291</b>	<b>\$79,007,143</b>	<b>\$82,514,926</b>	<b>\$82,808,051</b>

**POSITIONS AND LIBRARIES**

<b>Number of Positions:</b>				
- Regular Position Authorities	1,133	1,136	1,132	828
- Resolution Position Authorities	53	45	24	0
<b>Total Positions</b>	<b>1,186</b>	<b>1,181</b>	<b>1,156</b>	<b>828</b>
 <b>Total Number of Libraries</b>	 <b>71</b>	 <b>71</b>	 <b>72</b>	 <b>73</b>

*\*The reduction of 328 positions from the Library's FY 2010-11 budget resulted in a \$7.5 million savings to the City's General Fund for related costs which is not reflected in this chart.*