

LOS ANGELES PUBLIC LIBRARY  
BOARD REPORT

September 23, 2021

TO: Board of Library Commissioners

FROM: John F. Szabo, City Librarian

SUBJECT: **APPROPRIATION OF FUNDS FROM THE UNRESERVED AND UNDESIGNATED FUND BALANCE (UUFB), APPROVAL FOR RESIDUAL FUNDS, AND ACCEPTANCE OF MITIGATION FEES AND DONATION IN FUND 831**

A. **RECOMMENDATIONS:**

THAT the Board of Library Commissioners ("Board"):

1. Approve an appropriation of \$14,440,000 from the Library's Unreserved and Undesignated Fund Balance (UUFB), Fund 300, Department 44, Account 2539, to the accounts listed below in Fund 300, Department 44:

<u>Account</u>	<u>Amount</u>
From: Fund 300; UUFB, Account 2539	\$ 14,440,000
To: 1090 – Salaries, Overtime	\$ 1,000,000
3040 – Contractual Services	10,915,000
6010 – Office and Administrative	300,000
7300 – Furniture, Office and Tech Equipment	1,325,000
9510 – Various Special	900,000
TOTAL:	<u>\$ 14,440,000</u>

2. Approve an appropriation of \$3,000,000 from the Unreserved and Undesignated Fund Balance (UUFB), Fund 300, Department 44, Account 2539, to the Library Budget Reserve Fund (LBRF), Department 44, Fund Number 58N.

<u>Account</u>	<u>Amount</u>
From: Fund 300; UUFB, Account 2539	\$ 3,000,000
To: Fund 58N; LBRF	\$ 3,000,000

3. Authorize the Chief Accounting employee to create sub-account 800 in Fund 831 to transfer residual funds of one-hundred dollars (\$100) or less; authorize continued authority to transfer residuals funds to the new sub-account; and authorize the expenditure of the funds as approved by the City Librarian or designee.

4. Approve and accept mitigation fees in the amount of \$129,290 for the Wilshire Branch Library, the Pio Pico Koreatown Library, and the Felipe de Neve Branch Library; authorize the Chief Accounting employee to create sub-account 328 in Fund 831 to receive fees; and authorize the expenditures of the funds for library materials, equipment or alterations and repairs.
5. Approve and accept a donation in the amount of \$50,000 from Melissa Mathison to sub-account 342 in Fund 831.
6. Authorize the City Librarian and City Attorney to make technical corrections as deemed necessary.
7. Adopt the attached Resolution regarding the appropriation in the amount of \$17,440,000 from the UUFB to the Library's FY 2021-22 operating budget, the approval to create and expend funds from sub-accounts in Fund 831, the acceptance of mitigation fees and the acceptance of a donation, all as listed in this report.

**B. FINDINGS:**

1. The Unreserved and Undesignated Fund Balance (UUFB) consists of prior year funds that were unspent and unappropriated at the end of the fiscal year. Funds in the UUFB are used for current year appropriations, unplanned events and for projects previously funded which could not be completed in the prior fiscal year.
2. The funds are a result of projects that were delayed, services which could not be completed due to the COVID-19 pandemic and salary savings from vacant positions which could not be filled during the last 12 months.
3. Funds in the amount of \$3,000,000 are requested to be appropriated from the UUFB for the Library Budget Reserve Fund (LBRF). The LBRF was established by the Board on September 24, 2015, to set aside funds to be drawn upon to stabilize revenue during economic downturns, address unforeseen circumstances, and provide for any necessary capital improvements.
4. Funds in the amount of \$14,440,000 are requested to be appropriated from the UUFB for the Library's FY 2021-22 operating budget, as follows:
  - a. Library Salaries Overtime (\$1,000,000) to use for staff to fill vacancies when there are staff shortages due to employee illness, vacation or jury duty. The Library is experiencing staffing challenges as we seek to re-engage on-call staff and work to fill vacancies; therefore, full-time staff have been working overtime to provide services to patrons and to maintain pre-pandemic operating hours.

- b. Library Contractual Services Account (\$10,915,000) to fund alteration and improvement projects at the Central Library and Branch Libraries, a strategic plan consultant, leadership development, website design, and IT infrastructure projects.
  - c. Library Office and Administrative Account (\$300,000) to fund various IT items such as computers, laptops, subscriptions and licenses.
  - d. Library Equipment Account (\$1,325,000) to fund firewall and router replacements.
  - e. Library Various Special Account (\$900,000) for increased custodial services at Central Library and the Branch Libraries.
5. Library staff requests approval to create two (2) new sub-accounts in Fund 831 and authority to expend funds from those accounts:
- a. Approval to create a sub-account to transfer residual funds; authorization for continued authority to transfer residuals funds to the new sub-account; and authorization to expend the funds as approved by the City Librarian or designee. Mitigation fees or donations are sometimes provided to the Library for specific purposes. Residual funds remain after the items are procured or services are performed. Staff requests authority to transfer residual funds of \$100 or less into the new sub-account when the proposed activities have been completed. The City Librarian, or designee, will have authority to approve expenditures from this sub-account.
  - b. Acceptance of mitigation fees received in the amount of \$129,290 and approval to create a sub-account for the fees. Mitigation fees have been received for the Wilshire Branch Library, the Pio Pico Koreatown Library, and the Felipe de Neve Branch Library. The City Librarian, or designee, will have authority to approve expenditures for items directly related to the designated Branch Libraries, such as library materials, equipment or alterations and improvements.
6. Library staff requests that the Board accept a donation in the amount of \$50,000 from Melissa Mathison; authorize the Chief Accounting employee to create a sub-account in Fund 831; and authorize expenditures of the funds. Staff will send a letter of gratitude to the donor upon the acceptance by the Board.

Prepared by: Madeleine M. Rackley, Business Office Manager  
Robert Morales, Senior Management Analyst (Retired)

Reviewed by: Susan Broman, Assistant City Librarian

## RESOLUTION

September 23, 2021

### LIBRARY RESOLUTION NO. 2021-XX (C-XX)

WHEREAS, Funds are available in the Library's Unreserved and Undesignated Fund Balance (UUFB) at the end of Fiscal Year 2020-2021 as a result of projects that were delayed, services which could not be completed due to the COVID-19 pandemic and salary savings from vacant positions which could not be filled; and,

WHEREAS, Library staff requested that the Board of Library Commissioners (Board) approve an appropriation of \$14,440,000 from the UUFB, Fund 300, Department 44, Account 2539, to the accounts in Fund 300, Department 44, as listed on the City Librarian's Board Report; and,

WHEREAS, Library staff requested that the Board approve an appropriation in the amount of \$3,000,000 from the UUFB Fund 300, Department 44, Account 2539, to the Library Budget Reserve Fund (LBRF), Department 44, Fund Number 58N; and,

WHEREAS, Library staff requested that the Board authorize the Chief Accounting employee to create sub-account 800 in Fund 831 to transfer residual funds of one-hundred dollars (\$100) and less, continue the transfer of residual funds to the new sub-account, and expend the funds as approved by the City Librarian or designee; and,

WHEREAS, Library staff requested that the Board approve and accept mitigation fees in the amount of \$129,290 for the Wilshire Branch Library, the Pio Pico Koreatown Library, and the Felipe de Neve Branch Library; authorize the Chief Accounting employee to create sub-account 328 in Fund 831 to receive fees; and authorize the expenditures of the funds for library materials, equipment or alterations and repairs; and,

WHEREAS, Library staff requested that the Board approve and accept a donation in the amount of \$50,000 from Melissa Mathison to sub-account 342 in Fund 831.

THEREFORE, RESOLVED, That the Board of Library Commissioners hereby adopts the recommendations and findings in the City Librarian's Board Report and approves the appropriation of from the Unreserved and Undesignated Fund Balance (UUFB) and approves the residual funds, acceptance of mitigation fees and donation in Fund 831;

THEREFORE, FURTHER RESOLVED, That the Board hereby authorizes the City Librarian and City Attorney to make technical corrections as deemed necessary.

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