

# Agenda Report

**TO:** CITY COUNCIL  
**THROUGH:** FINANCE COMMITTEE

**DATE:** NOVEMBER 13, 2006

**FROM:** CITY MANAGER

**SUBJECT:** LIBRARY SPECIAL TAX

## RECOMMENDATION:

It is recommended that the City Council adopt the recommendation of the Pasadena Public Library Future Funding Taskforce with the modification that the minimum General Fund contribution be \$9.1 million in fiscal year 2009 and that this amount be indexed by an amount equal to the change in the consumers price index thereafter for the duration of the Library Special Tax.

## BACKGROUND

The Pasadena Public Library Future Funding Taskforce has submitted its recommendation regarding the funding of the city's library system. As described in detail in the Taskforce report, its work involved a careful review of the Information Services Department's past, current and expected future level of service; an analysis of historic and future projected revenues and expenses, and consideration of alternative means of funding such as, a sales tax or benefit assessment district.

Based on this work the Taskforce has concluded that the City of Pasadena and its citizens would be best served through an extension of the current funding mechanism which combines a parcel tax and a required minimum contribution from the city's General Fund to the Library Services Fund. Staff concurs with this approach as well as the Taskforce's commitment to ensure that the current level of library services is maintained including number of branch libraries and hours of operation.

The staff is recommending one variation to the Taskforce's recommendation. This is the guaranteed minimum General Fund contribution. The variation in no

way effects the funding available to Pasadena Libraries, but instead reflects the way Pasadena budgets funds that remain unspent in any fiscal year.

Staff is recommending that the minimum General Fund contribution in fiscal year 2009 be increased to \$9.1 million rather than \$9.4 recommended by the Taskforce. Based on a 98% expenditure rate, a 3.2% annual increase in CPI and current projections regarding growth of the Information Services' budget this amount coupled with the proposed increase in parcel tax revenue, would be sufficient to cover the expenditures over the life of the proposed special tax and would maintain the ratio of revenues provided by the General Fund and parcel tax thereby not shifting any greater burden of library funding on the parcel tax.

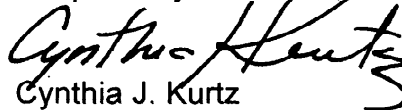
At any time the City Council could appropriate additional resources to the Information Services Department.

### FISCAL IMPACT

The Taskforce proposal as modified by the staff recommendation is expected to fund the Information Services Department for the term of the proposed Library Special Tax.

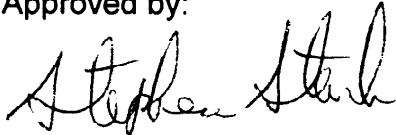
The General Fund five year financial plan currently estimates contributions to the Library Services Fund in the amount of \$8.9 million in fiscal year 2009. As part of the City Manager's recommended operating budget for fiscal year 2009 additional appropriations will be made to fully fund the Information Services Department at a level recommended by the Taskforce.

Respectfully submitted,



Cynthia J. Kurtz  
City Manager

Approved by:



Stephen Stark  
Director of Finance

Prepared by:



Steve Mermell  
Deputy Finance Director