

# Agenda Report

TO: CITY COUNCIL

DATE: October 27, 2003

THROUGH: FINANCE COMMITTEE

FROM: CITY MANAGER

SUBJECT: REVIEW OF LIBRARY SPECIAL TAX ORDINANCE

RECOMMENDATION:

It is recommended that the City Council approve the continuation of the Library Special Tax, as enacted, through June 30, 2008.

LIBRARY COMMISSION RECOMMENDATION:

The Library Commission recommends that the City Council approve the continuation of the Library Special Tax, as enacted, through June 30, 2008.

EXECUTIVE SUMMARY:

In determining whether the Library "can be fully funded by the general fund at the level set forth in the chapter," the key factor considered was whether the City is in the position to fund an additional amount totaling approximately \$1.7 million annually to replace the loss of the Library Special Tax. It appears that pressure on general fund obligations are currently as great as in 1996 due to the ongoing State budget crisis. At the same time, State funding for public libraries across California has eroded over the last five years. For example, the Public Library Fund allocation for Pasadena dropped from a high of \$240,079 in FY2000 to the current low of \$63,027. This represents a 74% decrease in funding over a five-year period. Therefore, staff recommends that the Library Special Tax be maintained as currently enacted.

## BACKGROUND:

The enacting ordinance for the extension of the tax (PMC Chapter 4.109) includes the provision that "The City Council shall re-evaluate the Library Special Tax no later than 2003 for the purpose of determining whether the Library can be fully funded by the general fund at the level of service set forth in the chapter" (Section 4.109.180 D.)

The ordinance set a baseline for library service equal to the level of service existing in 1989. In terms of operations, the 1989 baseline can generally be described as seven-day-a-week service at the Central Library with morning hours on weekdays, five-day-a-week service at branch libraries, restoration of budgets for acquisitions and preservation of the library collections, and restoration of programs such as literacy, outreach services, children's story hours and author series. The cost of providing this level of service was \$7.1 million for the first year, increased by the cumulative consumer price index (CPI) for each year. Both the general fund and the Library Special Tax rate are increased at the same inflation rate. (Section 4.109.150 B).

The current FY2004 Operating Budget for the Library is \$9,958,227. The City's General Fund provides \$7,583,626 (76%), while the Library Special Tax covers \$1,614,163 or 16% of the total operating budget. Other revenue sources make up the remaining seven percent. At the same time, as a result of the State fiscal crisis, funding support has severely eroded during the last five years. Considering the current fiscal climate, staff recommends that the Library Special Tax continue as enacted through 2008.

It should be noted that the level of service has increased since the 1998 extension of the Library Special Tax. Specifically, the hours of service have increased at branches from five-day-a-week to six-day-a-week service. Additionally, two of the libraries (Hastings and La Pintoresca) are open seven days a week. Library services have also been enhanced through the provision of computers and electronic databases for the public. These include Technology Learning Centers at three libraries and public access computers at all nine libraries of the Pasadena Public Library System.

## HISTORY:

On June 22, 1993, the citizens of Pasadena, through a special election, approved the Library Special Tax ordinance to supplement the General Fund support of the Library for a 5-year period. The percentage of votes in favor of the tax was 79.8%. The action was the result of the recommendation of a Citizen's Task Force on Alternative Funding and action taken by the City Council on March 23, 1993. This special tax was scheduled to expire on July 1, 1998. Therefore, the Library Commission, with approval by the City Council, appointed a Library

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Future Funding Task Force to review the Library Special Tax and to make recommendations for funding of the Library after the expiration of the tax in 1998.


The Library Future Funding Task Force prepared a report dated November 20, 1996 that contained an analysis of funding alternatives. After a review of these alternatives, the Task Force recommended that the Library Special Tax be extended for another ten years. The Library Commission recommended at the November 25, 1996 City Council meeting that the City Council place the extension of the tax on the March 4, 1997 election ballot. The City Council approved that recommendation and the extension of the Library Special Tax was voted on in that election and passed with an 86% margin. The extended tax will expire on July 1, 2008.

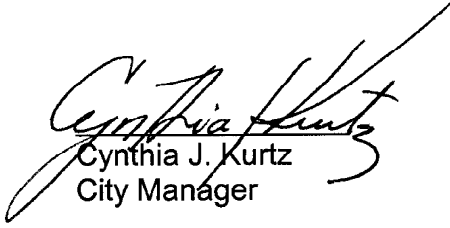
FISCAL IMPACT:

Expiration of the Library Special Tax will require an additional General Fund appropriation totaling approximately \$1.6 annually or a substantial service level reduction.


Approved by:

Respectfully submitted:

  
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Concurrence:

  
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