

# **AGENDA**

## ***BOARD OF LAW LIBRARY TRUSTEES of the LOS ANGELES COUNTY LAW LIBRARY***

### **REGULAR BOARD MEETING**

***Wednesday, May 23, 2018***

***12:15 PM***

***MILDRED L. LILLIE BUILDING***

***TRAINING CENTER***

***301 WEST FIRST STREET***

***LOS ANGELES, CA 90012-3140***

### **ACCOMMODATIONS**

A person with a disability may contact the Board Secretary's office at (213) 785-2511 at least 24 hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

### **AGENDA DESCRIPTIONS**

The agenda descriptions are intended to give notice to members of the public of a brief general description of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Board may take any action that it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action. The President reserves the right to discuss the items listed on the agenda in any order.

### **REQUESTS AND PROCEDURES TO ADDRESS THE BOARD**

A member of the public has the right to address the Board on agenda items or on items of interest which are not on the agenda and which are within the subject matter jurisdiction of the Board. All requests to address the Board must be submitted in person to the Board President prior to the start of the meeting. Public comments will be taken at the beginning of each meeting as Agenda Item 1.0. A member of the public will be allowed to address the Board for a total of three (3) minutes for a single item or a maximum of five (5) minutes for all items unless the President grants more or less time based on the number of people requesting to speak and the business of the Board. When members of the public address the Board on agenda items, the President determines the order in which speakers will be called. Persons addressing the Board shall not make impertinent, slanderous or profane remarks to the Board, any member of the Board, staff or general public, nor utter loud, threatening, personal or abusive language, nor engage in any other disorderly conduct that disrupts or disturbs the orderly conduct of any Board Meeting. The President may order the removal of any person who disrupts or disturbs the orderly conduct of any Board Meeting.

### **AGENDA MATERIALS**

Unless otherwise exempt from disclosure, all materials relating to items on the agenda distributed to all, or a majority of the members of the Board less than 72 hours prior to the meeting shall be made available for public inspection at the time the writing is distributed in the Executive Office of the Law Library.

**CALL TO ORDER**

**1.0 PUBLIC COMMENT**

**2.0 PRESIDENT'S REPORT**

**3.0 CONSENT CALENDAR**

- 3.1 Approval of Minutes of the April 25, 2018, Regular Board Meeting
- 3.2 Review of March Financials and List of April Checks and Warrants
- 3.3 Platinum Program Update for the Month of April
- 3.4 Approval of Revised Job Description: Library Clerk, Circulation
- 3.5 Confirmation of Continuing Need to Undertake Emergency Repair of Steam Leak in Boiler Room

**4.0 DISCUSSION ITEMS**

- 4.1 Discussion and Approval of 2018-19 Property & Liability Insurance Renewal
- 4.2 Award of Contract for Financial Audit
- 4.3 Review of Proposed Operating Budget, FY18-19

**5.0 CLOSED SESSION**

- 5.1 Conference with Labor Negotiator (G.C. 54957.6). *Library Negotiator:* Executive Director, Sandra J. Levin; *Employee Organization:* SEIU Local 721.

**6.0 AGENDA BUILDING**

Items not on the posted agenda may be presented by a Trustee and, if requested, may be referred to staff or placed on the agenda for consideration at a future meeting of the Board.

**7.0 EXECUTIVE DIRECTOR REPORT**

**8.0 ADJOURNMENT**

The next Regular Meeting of the Board of Law Library Trustees is scheduled for Wednesday, June 27, 2018.

POSTED THURSDAY, MAY 17, 2018 @ 3:30 P.M.

POSTED BY ANN MARIE GAMEZ



# AGENDA ITEM 3

## CONSENT CALENDAR

- 3.1 Approval of Minutes of the April 25, 2018, Regular Board Meeting
- 3.2 Review of March Financials and List of April Checks and Warrants
- 3.3 Platinum Program Update for the Month of April
- 3.4 Approval of Revised Job Description Library Clerk, Circulation
- 3.5 Confirmation of Continuing Need to Undertake Emergency Repair of Steam Leak in Boiler Room



**MINUTES OF THE REGULAR BOARD MEETING  
OF THE BOARD OF LAW LIBRARY TRUSTEES OF  
LOS ANGELES COUNTY**

**A California Independent Public Agency Under  
Business & Professions Code Section 6300 et sq.**

**April 25, 2018**

The Regular Meeting of the Board of Law Library Trustees of Los Angeles County was held on Wednesday, April 25, 2018 at 12:15 p.m., at the Los Angeles County Law Library Mildred L. Lillie Main Library Building at 301 West First Street, Los Angeles, California 90012 for the purposes of considering reports of the affairs to the Library, and transacting such other business as might properly come before the Board of Trustees.

**ROLL CALL/QUORUM**

**Trustees Present:** Judge Mark Juhas  
Judge Michelle Williams Court  
Kenneth Klein, Esquire  
Judge Dennis Landin  
Judge Richard Rico  
Judge Michael Stern

**Trustees Absent:** Susan Steinhauser, Esquire

**Senior Staff Present:** Sandra J. Levin, Executive Director

**Also Present:** Marcelino Juarez, Finance Manager  
Ann Marie Gamez, Executive Assistant

President Juhas determined a quorum to be present, convened the meeting at 12:18 p.m. and thereafter presided. Trustee Court arrived to the meeting at 12:19pm. Executive Director, Sandra J. Levin recorded the Minutes.

**2.0 PRESIDENT'S REPORT (taken out of order)**

President Juhas thanked LALL staff for a successful 2018 Gala. It was extremely well attended. ED Levin also introduced LALL's newest Library Associate, Stephanie Osorio.

**1.0 PUBLIC COMMENT**

A woman who chose not be identified by name appeared a second time before the board commenting again that she had lost funds from her copier card. She explained her personal hardship and the difficulty in rearranging her schedule only to have another opportunity to come before the board. She also noted her disappointment with a fellow

patron, LALL senior management and security guards throughout her ongoing request to be reimbursed the lost funds.

### **3.0 CONSENT CALENDAR**

- 3.1 Approval of Minutes of the March 28, 2018 Regular Board Meeting.
- 3.2 Review of February Financials & List of March Checks and Warrants.
- 3.3 Receipt of FY17-18 Quarter 3 Statistics
- 3.4 Receipt of Platinum Membership Monthly Report
- 3.5 Confirmation of Continuing Need to Undertake Emergency Repair of Steam Leak in Boiler Room

President Juhas requested to pull item 3.3 to offer comment.

President Juhas requested a motion to approve the Consent Calendar Items 3.1, 3.2, 3.4 and 3.5. So moved by Trustee Court, seconded by Trustee Rico. The motion was unanimously approved, 6-0.

President Juhas asked if usage at the library was going down. ED Levin replied that usage is going up but the nature of the usage has changed, e.g. people are taking pictures instead of making copies. ED Levin added that reference may have fewer walk-ins due to the possibility of attending classes, where they would otherwise be going to Reference. ED Levin answered questions regarding classes and workshops. President Juhas requested a motion to approve Consent Item 3.3. So moved by Trustee Court, seconded by Trustee Landin. The motion was unanimously approved, 6-0.

### **4.0 DISCUSSION ITEMS**

- 4.1 Approval of Smoke-Free Property Policy

ED Levin provided a brief explanation as to the need of a Smoke-Free Property policy adding that outside and around the property, there is an ongoing problem of people smoking, leaving behind cigarette butts and sometimes smoking too close to the entrance door causing cigarette smoke to enter the building. Trustee Stern asked if there would be signs placed around the building. ED Levin replied yes, there would be signs and security would make more rounds outside.

President Juhas requested a motion to approve the policy as presented. So moved by Trustee Landin, seconded by Trustee Juhas. The motion was unanimously approved, 6-0.

### **5.0 CLOSED SESSION**

- 5.1 Conference with Labor Negotiator (G.C. 54957.6). *Library Negotiator*.  
Executive Director, Sandra J. Levin; *Employee Organization*: SEIU Local 721.

No reportable action was taken.

### **6.0 AGENDA BUILDING**

There were no items for agenda building.

**7.0 EXECUTIVE DIRECTOR REPORT**

ED Levin made a brief comment that the Budget Subcommittee Hearing on April 19, 2018 in Sacramento was both positive and supportive.

**8.0 ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 1:12 p.m. The next Regular Meeting of the Board of Law Library Trustees is scheduled for Wednesday, May 23, 2018 at 12:15 pm.

---

Sandra J. Levin, Executive Director and Secretary  
Los Angeles County Law Library Board of Trustees





# Los Angeles County Law Library

Balance Sheet

As of March 31, 2018

(Provisional and subject to year-end audit adjustments)

|  | 6/30/2017         | 3/31/2018         | Change         |
|--|-------------------|-------------------|----------------|
| <b>Assets</b>  |                   |                   |                |
| Current assets   |                   |                   |                |
| Cash and cash equivalents  | 3,309,242         | 4,373,097         | 1,063,855      |
| Accounts receivable  | 1,324,088         | 1,294,603         | (29,485)       |
| Prepaid expenses   | 284,031           | 283,572           | (460)          |
| Total current assets   | 4,917,361         | 5,951,272         | 1,033,911      |
| Noncurrent assets  |                   |                   |                |
| Restricted cash and cash equivalents                                 | 318,470           | 318,470           | -              |
| Investments  | 4,577,287         | 4,560,270         | (17,016)       |
| Capital assets, not being depreciated                                | 586,433           | 598,122           | 11,689         |
| Capital assets, being depreciated - net                              | 18,093,973        | 17,346,216        | (747,757)      |
| Total noncurrent assets  | 23,576,162        | 22,823,078        | (753,085)      |
| Total assets   | 28,493,523        | 28,774,350        | 280,826        |
| <b>Deferred Outflows of Resources</b>                                |                   |                   |                |
| Deffered Outflows of Resources                                       | 1,124,866         | 1,124,866         | -              |
| Total assets and deferred outflows of resources                      | <b>29,618,389</b> | <b>29,899,215</b> | <b>280,826</b> |
| <b>Liabilities</b>   |                   |                   |                |
| Current Liabilities  |                   |                   |                |
| Accounts payable   | 114,171           | 243,047           | 128,876        |
| Other current liabilities  | -                 | -                 | -              |
| Payroll liabilities  | 8,319             | 5,969             | (2,350)        |
| Total current liabilities  | 122,490           | 249,017           | 126,526        |
| Noncurrent Liabilities   |                   |                   |                |
| Accrued sick and vacation liability                                  | 304,753           | 268,701           | (36,052)       |
| Borrowers' deposit   | 292,828           | 313,522           | 20,694         |
| OPEB liability   | 2,457,252         | 2,539,755         | 82,503         |
| Net pension liability  | 2,683,917         | 2,683,917         | -              |
| Total noncurrent liabilities   | 5,738,749         | 5,805,895         | 67,146         |
| Total liabilities  | 5,861,239         | 6,054,912         | 193,672        |
| <b>Deferred Inflows of Resources</b>                                 |                   |                   |                |
| Deffered Inflows of Resources  | 531,502           | 531,502           | -              |
| Total liabilities and Deffered inflows of resources                  | 6,392,741         | 6,586,414         | 193,672        |
| <b>Net Position</b>  |                   |                   |                |
| Invested in capital assets   | 18,680,406        | 17,944,337        | (736,068)      |
| Unrestricted   | 4,545,242         | 5,368,464         | 823,222        |
| Total net position   | 23,225,648        | 23,312,802        | 87,154         |
| Total liabilities and Deffered inflows of resources and net position | <b>29,618,389</b> | <b>29,899,215</b> | <b>280,826</b> |

**Los Angeles County Law Library**  
Income Statement for the Period Ending March 31, 2018  
(Provisional and subject to year-end audit adjustments)

| Mar 17<br>Actual | Mar 2018  |           |                 |                |
|------------------|-----------|-----------|-----------------|----------------|
|                  | Budget    | Actual    | \$ Fav<br>(Unf) | % Fav<br>(Unf) |
| 518,177          | 538,548   | 556,944   | 18,396          | 3.4%           |
| 2,866            | 6,418     | 5,367     | (1,051)         | -16.4%         |
| 66,053           | 52,989    | 61,085    | 8,096           | 15.3%          |
| 47,116           | 75,075    | 62,940    | (12,135)        | -16.2%         |
| 634,212          | 673,030   | 686,336   | 13,306          | 2.0%           |
| 362,431          | 406,268   | 398,807   | 7,461           | 1.8%           |
| 88,602           | 63,928    | 50,546    | 13,382          | 20.9%          |
| 199,509          | 149,212   | 144,777   | 4,435           | 3.0%           |
| (199,509)        | (149,212) | (144,777) | (4,435)         | 3.0%           |
|                  |           | 0         |                 |                |
| 69,485           | 74,374    | 70,964    | 3,410           | 4.6%           |
| 12,753           | 12,658    | 10,267    | 2,391           | 18.9%          |
| 4,082            | 9,601     | 6,392     | 3,208           | 33.4%          |
| 121              | 1,590     | 62        | 1,528           | 96.1%          |
| 0                | (57)      | 0         | (57)            | 100.0%         |
| 298              | 5         | 15        | (10)            | -197.7%        |
| 5,624            | 2,519     | 1,406     | 1,113           | 44.2%          |
| 226,627          | 221,626   | 226,061   | (4,434)         | -2.0%          |
| 770,023          | 792,512   | 764,521   | (27,991)        | -3.5%          |
| (135,811)        | (119,482) | (78,184)  | 41,297          | -34.6%         |
| 1,931            | 667       | 21,574    | 20,907          | 3133.0%        |
| 0                | 0         | 0         | 0               | 0.0%           |
| 0                | 0         | 0         | 0               | 0.0%           |
| (133,880)        | (118,814) | (56,610)  | 62,204          | -52.4%         |
| 0                | (200,000) | 0         | (200,000)       | 100.0%         |

**Summary:**

**Income**

|                          | FY 2016-17<br>YTD Actual | FY 2017-18 YTD |           |                 |                |
|--------------------------|--------------------------|----------------|-----------|-----------------|----------------|
|                          |                          | Budget         | Actual    | \$ Fav<br>(Unf) | % Fav<br>(Unf) |
| L.A. Superior Court Fees | 5,071,869                | 5,057,731      | 5,270,879 | 213,148         | 4.2%           |
| Interest                 | 21,901                   | 34,121         | 41,219    | 7,097           | 20.8%          |
| Parking                  | 520,559                  | 498,966        | 484,940   | (14,026)        | -2.8%          |
| Library Services         | 467,202                  | 513,037        | 527,333   | 14,297          | 2.8%           |
| Total Income             | 6,081,531                | 6,103,855      | 6,324,371 | 220,516         | 3.6%           |

**Expense**

|  |             |             |             |           |       |
|--|-------------|-------------|-------------|-----------|-------|
| Staff (payroll + benefits)                 | 2,812,320   | 2,999,129   | 2,844,726   | 154,403   | 5.1%  |
| Electronic Resource Subscriptions          | 498,122     | 490,440     | 477,712     | 12,728    | 2.6%  |
| Library Materials                          | 1,401,765   | 1,424,273   | 1,310,794   | 113,478   | 8.0%  |
| Library Materials Transferred to<br>Assets | (1,401,765) | (1,424,273) | (1,310,794) | (113,478) | 8.0%  |
| Facilities                                 | 630,057     | 678,287     | 614,465     | 63,822    | 9.4%  |
| Technology & Data                          | 99,266      | 109,308     | 102,172     | 7,137     | 6.5%  |
| General                                    | 48,613      | 53,537      | 50,391      | 3,421     | 6.4%  |
| Professional Development                   | 14,347      | 17,594      | 16,573      | 1,021     | 5.8%  |
| Communications & Marketing                 | 2,455       | 5,943       | 4,693       | 1,250     | 21.0% |
| Travel & Entertainment                     | 2,326       | 1,383       | 490         | 892       | 64.5% |
| Professional Services                      | 42,976      | 55,040      | 50,428      | 4,612     | 8.4%  |
| Depreciation                               | 2,134,235   | 2,066,662   | 2,058,552   | 8,110     | 0.4%  |
| Total Expenses                             | 6,284,715   | 6,477,324   | 6,220,201   | 257,123   | 4.0%  |

**Net Income (Loss)**

|  |           |           |          |          |         |
|--|-----------|-----------|----------|----------|---------|
|  | (203,184) | (373,469) | 104,170  | 477,639  | -127.9% |
| Investment Gain (Loss) <sup>1</sup>      | (74,203)  | 19,502    | (17,016) | (36,518) | -187.3% |
| Extraordinary Income                     | 55,000    | 0         | 0        | 0        | 0.0%    |
| Extraordinary Expense                    | 0         | 0         | 0        | 0        | 0.0%    |
| Net Income Including Extraordinary Items | (222,387) | (353,967) | 87,154   | 441,121  | -124.6% |

**Capitalized Expenditures**

|  |       |         |   |         |        |
|--|-------|---------|---|---------|--------|
|  | 6,480 | 530,000 | 0 | 530,000 | 100.0% |
|--|-------|---------|---|---------|--------|

Comments





**Los Angeles County Law Library**  
Income Statement for the Period Ending March 31, 2018  
(Provisional and subject to year-end audit adjustments)

| Mar 17<br>Actual | Mar 2018  |          |                 |                | FY 2016-17<br>YTD Actual              | FY 2017-18 YTD                           |           |                 |                | Comments |         |   |
|------------------|-----------|----------|-----------------|----------------|---------------------------------------|--|-----------|-----------------|----------------|----------|---------|---|
|                  | Budget    | Actual   | \$ Fav<br>(Unf) | % Fav<br>(Unf) |                                       | Budget                                   | Actual    | \$ Fav<br>(Unf) | % Fav<br>(Unf) |          |         |   |
| 12,753           | 12,658    | 10,267   | 2,391           | 18.9%          |                                       |  |           |                 |                |          |         |   |
|                  |           |          |                 |                | Subtotal                              |  |           |                 |                |          |         |   |
|                  |           |          |                 |                | 99,266                                | 109,308                                  | 102,172   | 7,137           | 6.5%           |          |         |   |
|                  |           |          |                 |                | General:                              |  |           |                 |                |          |         |   |
| 516              | 679       | 667      | 12              | 1.8%           | 15 FIN 801310                         | Bank Charges                             | 4,996     | 6,036           | 5,768          | 268      | 4.4%    |   |
| 785              | 815       | 813      | 2               | 0.3%           | 35 CMS 801315                         | Bibliographical Services                 | 7,066     | 7,305           | 7,313          | (8)      | -0.1%   |   |
| 0                | 0         | 0        | 0               | 0.0%           | 35 CMS 801320                         | Binding                                  | 0         | 0               | 0              | 0        | 0.0%    |   |
| 66               | 38        | 66       | (28)            | -72.2%         | 17 EXEC 801325                        | Board Expense                            | 568       | 614             | 521            | 94       | 15.2%   | July & August Board meeting cancellations.                      |
| 0                | (32)      | 539      | (571)           | 1766.9%        | 37 COM 801330                         | Staff meals & events                     | 2,313     | 2,803           | 2,477          | 326      | 11.6%   | Timing variance.  |
| 1,771            | 2,027     | 1,513    | 514             | 25.4%          | 15 FIN 801335                         | Supplies - Office                        | 9,595     | 12,580          | 13,907         | (1,327)  | -10.5%  | Increased toner usage/purchase.                                 |
| (0)              | 2,395     | 1,922    | 473             | 19.8%          | 35 CMS 801337                         | Supplies - Library materials             | 5,445     | 6,584           | 6,089          | 495      | 7.5%    |   |
| 0                | 240       | 0        | 240             | 100.0%         | 37 COM 801340                         | Stationery, business cards, etc.         | 919       | 521             | 541            | (21)     | -3.9%   |   |
| 0                | 0         | 0        | 0               | 0.0%           | 25 PS 801365                          | Grant Application Expenses               | 0         | 0               | 0              | 0        | 0.0%    |   |
| 943              | 3,054     | 480      | 2,573           | 84.3%          | 27 CIRC 801370                        | Copy Center Expense                      | 13,524    | 16,461          | 12,217         | 4,244    | 25.8%   | Reduced usage as reflected by copy center income.               |
| 0                | 169       | 0        | 169             | 100.0%         | 15 FIN 801375                         | General - Misc                           | 3,513     | 506             | 1,012          | (506)    | -100.0% | Includes prior year student parking invoice.                    |
| 0                | (8)       | 0        | (8)             | 100.0%         | 25 PS 801390                          | Course Registration                      | 547       | 125             | 0              | 125      | 100.0%  |   |
| 0                | 225       | 394      | (168)           | -74.6%         | 17 EXEC 801395                        | Friends of Law Library                   | 127       | 276             | 546            | (270)    | -97.7%  |   |
| 4,082            | 9,601     | 6,392    | 3,208           | 33.4%          |                                       | Subtotal                                 |           |                 |                |          |         |   |
|                  |           |          |                 |                | 48,613                                | 53,537                                   | 50,391    | 3,421           | 6.4%           |          |         |   |
|                  |           |          |                 |                | Professional Development:             |  |           |                 |                |          |         |   |
| 196              | 859       | 0        | 859             | 100.0%         | ALL 803105                            | Travel                                   | 4,265     | 7,014           | 5,532          | 1,482    | 21.1%   | Timing variance.  |
| 0                | (14)      | 62       | (76)            | 538.3%         | ALL 803110                            | Meals                                    | 0         | 78              | 107            | (30)     | -38.0%  |   |
| 0                | 13        | 0        | 13              | 100.0%         | ALL 803113                            | Incidental and miscellaneous             | 0         | 38              | 75             | (38)     | -100.0% |   |
| 0                | 4         | 0        | 4               | 100.0%         | ALL 803115                            | Membership dues                          | 6,180     | 6,193           | 6,695          | (502)    | -8.1%   |   |
| (75)             | 728       | 0        | 728             | 100.0%         | ALL 803120                            | Registration fees                        | 3,902     | 4,273           | 3,667          | 606      | 14.2%   |   |
| 0                | 0         | 0        | 0               | 0.0%           | ALL 803125                            | Educational materials                    | 0         | 0               | 497            | (497)    | 0.0%    |   |
| 121              | 1,590     | 62       | 1,528           | 96.1%          |                                       | Subtotal                                 |           |                 |                |          |         |   |
|                  |           |          |                 |                | 14,347                                | 17,594                                   | 16,573    | 1,021           | 5.8%           |          |         |   |
|                  |           |          |                 |                | Communications & Marketing:           |  |           |                 |                |          |         |   |
| 0                | 0         | 0        | 0               | 0.0%           | 37 COM 803205                         | Services                                 | 0         | 1,800           | 0              | 1,800    | 100.0%  | Payment expected Mar 2018.                                      |
| 0                | (10)      | 0        | (10)            | 100.0%         | 37 COM 803210                         | Collateral materials                     | 317       | 2,221           | 2,152          | 69       | 3.1%    |   |
| 0                | (281)     | 0        | (281)           | 100.0%         | 37 COM 803215                         | Advertising                              | 2,138     | 1,623           | 2,542          | (919)    | -56.6%  | Timing variance.  |
| 0                | 233       | 0        | 233             | 100.0%         | 37 COM 803220                         | Trade shows & Outreach                   | 0         | 300             | 0              | 300      | 100.0%  | Budgeted event not attended. No further expenses expected.      |
| 0                | (57)      | 0        | (57)            | 100.0%         |                                       | Subtotal                                 |           |                 |                |          |         |   |
|                  |           |          |                 |                | 2,455                                 | 5,943                                    | 4,693     | 1,250           | 21.0%          |          |         |   |
|                  |           |          |                 |                | Travel & Entertainment                |  |           |                 |                |          |         |   |
| 0                | 0         | 0        | 0               | 0.0%           | ALL 803305                            | Travel                                   | 711       | 0               | 0              | 0        | 0.0%    |   |
| 149              | 0         | 0        | 0               | 0.0%           | ALL 803310                            | Meals                                    | 149       | 0               | 0              | 0        | 0.0%    |   |
| 0                | 0         | 0        | 0               | 0.0%           | ALL 803315                            | Entertainment                            | 0         | 0               | 0              | 0        | 0.0%    |   |
| 149              | 5         | 15       | (10)            | -197.7%        | ALL 803320                            | Ground transportation & mileage reimb.   | 1,466     | 1,383           | 490            | 892      | 64.5%   |   |
| 0                | 0         | 0        | 0               | 0.0%           | ALL 803325                            | Incidental travel expenses               | 0         | 0               | 0              | 0        | 0.0%    |   |
| 298              | 5         | 15       | (10)            | -197.7%        |                                       | Subtotal                                 |           |                 |                |          |         |   |
|                  |           |          |                 |                | 2,326                                 | 1,383                                    | 490       | 892             | 64.5%          |          |         |   |
|                  |           |          |                 |                | Professional Services                 |  |           |                 |                |          |         |   |
| 0                | 198       | 0        | 198             | 100.0%         | 15 FIN 804005                         | Accounting                               | 18,078    | 23,326          | 23,721         | (395)    | -1.7%   |   |
| 5,624            | 2,443     | 1,406    | 1,037           | 42.5%          | 17 EXEC 804008                        | Consulting Services                      | 24,898    | 24,201          | 23,966         | 235      | 1.0%    |   |
| 0                | 0         | 0        | 0               | 0.0%           | 17 EXEC 804010                        | Legal                                    | 0         | 5,000           | 595            | 4,405    | 88.1%   |   |
| 0                | (122)     | 0        | (122)           | 100.0%         | 15 FIN 804015                         | Other                                    | 0         | 2,513           | 2,146          | 367      | 14.6%   | Cost savings.   |
| 5,624            | 2,519     | 1,406    | 1,113           | 44.2%          |                                       | Subtotal                                 |           |                 |                |          |         |   |
|                  |           |          |                 |                | 42,976                                | 55,040                                   | 50,428    | 4,612           | 8.4%           |          |         |   |
|                  |           |          |                 |                | Depreciation:                         |  |           |                 |                |          |         |   |
| 201,404          | 200,293   | 201,747  | (1,453)         | -0.7%          | 15 FIN 806105                         | Depreciation - Library Materials         | 1,906,277 | 1,829,423       | 1,836,112      | (6,690)  | -0.4%   |   |
| 25,223           | 21,333    | 24,314   | (2,981)         | -14.0%         | 15 FIN 806110                         | Depreciation Exp - FF&E                  | 227,958   | 237,240         | 222,440        | 14,800   | 6.2%    |   |
| 226,627          | 221,626   | 226,061  | (4,434)         | -2.0%          |                                       | Subtotal                                 |           |                 |                |          |         |   |
| 770,023          | 792,512   | 764,521  | 27,991          | 3.5%           |                                       | 2,134,235                                | 2,066,662 | 2,058,552       | 8,110          | 0.4%     |         |   |
| (135,811)        | (119,482) | (78,184) | 41,297          | -34.6%         |                                       | Total Expense                            |           |                 |                |          |         |   |
|                  |           |          |                 |                | 6,284,715                             | 6,477,324                                | 6,220,201 | 257,123         | 4.0%           |          |         |   |
|                  |           |          |                 |                | Net Income Before Extraordinary Items |  |           |                 |                |          |         |   |
|                  |           |          |                 |                | (203,184)                             | (373,469)                                | 104,170   | 477,639         | -127.9%        |          |         |   |
| 1,931            | 667       | 21,574   | 20,907          | 3133.0%        | 15 FIN 321000                         | Investment Gain (Loss) <sup>1</sup>      | (74,203)  | 19,502          | (17,016)       | (36,518) | -187.3% | Reflects loss/gain if sold at time of report (before maturity). |
| 0                | 0         | 0        | 0               | 0.0%           | 17 EXEC 401000                        | Extraordinary Income                     | 55,000    | 0               | 0              | 0        | 0.0%    |   |
| 0                | 0         | 0        | 0               | 0.0%           | 17 EXEC 901000                        | Extraordinary Expense                    | 0         | 0               | 0              | 0        | 0.0%    |   |
| (133,880)        | (118,814) | (56,610) | 62,204          | -52.4%         |                                       | Net Income Including Extraordinary Items |           |                 |                |          |         |   |
|                  |           |          |                 |                | (222,387)                             | (353,967)                                | 87,154    | 441,121         | -124.6%        |          |         |   |



**Los Angeles County Law Library**  
Statement of Cash Flows  
As of March 31, 2018  
(Provisional and subject to year-end audit adjustments)

|   | 3/31/2018        | YTD                |
|---|------------------|--------------------|
| <b>Cash flows from operating activities</b>                                     |                  |                    |
| L.A. Superior court fees  | 556,944          | 5,270,879          |
| Parking fees  | 61,085           | 484,940            |
| Library services  | 62,940           | 382,333            |
| (Increase) decrease in accounts receivable                                      | 30,975           | 29,485             |
| Increase (decrease) in borrowers' deposit                                       | 3,559            | 20,694             |
| <b>Cash received from filing fees and services</b>                              | <b>715,503</b>   | <b>6,188,332</b>   |
| Facilities  | (70,964)         | (614,465)          |
| Technology  | (10,267)         | (102,172)          |
| General   | (6,392)          | (50,391)           |
| Professional development  | (62)             | (16,573)           |
| Communications & marketing  | -                | (4,693)            |
| Travel & entertainment  | (15)             | (490)              |
| Professional services   | (1,406)          | (50,428)           |
| Electronic Resource Subscriptions (ERS)   | (50,546)         | (477,712)          |
| (Increase) decrease in prepaid expenses   | 23,948           | 460                |
| Increase (decrease) in accounts payable   | 25,088           | 128,876            |
| Increase (decrease) in other liabilities  | -                | -                  |
| <b>Cash payments to suppliers for goods and services</b>                        | <b>(90,616)</b>  | <b>(1,187,588)</b> |
| Staff (payroll + benefits)  | (398,807)        | (2,844,726)        |
| Increase (decrease) in payroll liabilities                                      | (2,808)          | (2,350)            |
| Increase (decrease) in accrued sick and vacation liability                      | (1,125)          | (36,052)           |
| Increase (decrease) in OPEB liability   | 9,167            | 82,503             |
| Net impact of GASB 68 adjustments   | -                | -                  |
| Net effect of prior period adjustments  | -                | -                  |
| <b>Cash payments to employees for services</b>                                  | <b>(393,573)</b> | <b>(2,800,624)</b> |
| Contributions received  | -                | 145,000            |
| Net cash from operating activities  | 231,313          | 2,345,120          |
| <b>Cash flow from capital and related financing activities</b>                  |                  |                    |
| Library materials   | (144,777)        | (1,310,794)        |
| Fixed assets  | -                | -                  |
| Capital - Work in Progress (WIP)  | (2,989)          | (11,689)           |
| <b>Cash flows from investing activities</b>                                     |                  |                    |
| Investment  | -                | -                  |
| Investment earnings   | 5,367            | 41,219             |
| <b>Net cash increase (decrease) in cash and cash equivalents</b>                | <b>88,914</b>    | <b>1,063,855</b>   |
| Cash and cash equivalents, at beginning of period                               | 4,602,653        | 3,627,712          |
| Cash and cash equivalents, at end of period                                     | 4,691,567        | 4,691,567          |
| <b>Reconciliation of Operating Income to Net Cash from Operating Activities</b> |                  |                    |
| Operating income  | (83,551)         | 62,951             |
| Adjustments for noncash effects:  |                  |                    |
| Depreciation  | 226,061          | 2,058,552          |
| Extraordinary expense: book write-off   |                  |                    |
| Changes in operating assets and liabilities:                                    |                  |                    |
| (Increase) decrease in accounts receivable                                      | 30,975           | 29,485             |
| (Increase) decrease in prepaid expenses   | 23,948           | 460                |
| Increase (decrease) in accounts payable   | 25,088           | 128,876            |
| Increase (decrease) in other liabilities  | -                | -                  |
| Increase (decrease) in payroll liabilities                                      | (2,808)          | (2,350)            |
| Increase (decrease) in accrued sick and vacation liability                      | (1,125)          | (36,052)           |
| Increase (decrease) in borrowers' deposit                                       | 3,559            | 20,694             |
| Increase (decrease) in OPEB liability   | 9,167            | 82,503             |
| Net impact of GASB 68 adjustments   |                  |                    |
| Net cash from operating activities  | 231,313          | 2,345,120          |

**LOS ANGELES COUNTY LAW LIBRARY**  
**April 1, 2018 - April 30, 2018 (CHECKS)**  
**Account No.: 108000**

| DATE     | PAYEE                               | FOR               | AMOUNT   | CHECK NO. |
|----------|-------------------------------------|-------------------|----------|-----------|
| April 3  | COUNTY OF LOS ANGELES               | BANK CHARGES      | 72.20    | 030254    |
|          | GUARDIAN                            | PREPAID EXP       | 7,408.29 | 030255    |
|          | SANDRA J LEVIN                      | MEMBERSHIP        | 490.00   | 030256    |
|          | LIEBERT CASSIDY WHITMORE            | LEGAL             | 245.00   | 030257    |
|          | MANAGE EASE INCORPORATED            | CONSULTING        | 1,405.95 | 030258    |
|          | ROMERO MAINTENANCE LLC              | JANITORIAL SVCS   | 8,674.17 | 030259    |
|          | METROLINK                           | TMP               | 1,036.00 | 030260    |
|          | CASALINI LIBRI                      | BOOKS             | 681.98   | 030261    |
| April 5  | FRANCES NOLAN                       | TRAVEL            | 10.33    | 030262    |
| April 6  | JIYOUNG KYM                         | REFUND            | 32.00    | 030263    |
|          | AHMED SHARIF                        | REFUND            | 140.00   | 030264    |
| April 13 | LEXISNEXIS CANADA BUTTERWORTHS CANA | BOOKS             | 559.11   | 030265    |
|          | STATE BAR OF CALIFORNIA OFF OF PROF | BOOKS             | 160.00   | 030266    |
|          | GAUNT                               | BOOKS             | 130.71   | 030267    |
|          | MARY MARTIN BOOKSELLERS             | BOOKS             | 1,565.00 | 030268    |
|          | WILLIAM S HEIN & CO                 | BOOKS             | 1,117.10 | 030269    |
|          | CALIBER ELEVATOR                    | ELEVATOR MAINT    | 966.00   | 030270    |
|          | COUNTY OF LOS ANGELES               | HEATING/COOLING   | 1,801.28 | 030271    |
|          | MANAGE EASE INCORPORATED            | CONSULTING        | 1,405.95 | 030272    |
| April 25 | AT&T                                | TELECOM           | 465.90   | 030273    |
|          | STATE BOARD OF EQUALIZATION         | USE TAX           | 2,378.00 | 030274    |
|          | COUNTY OF LOS ANGELES               | BANK CHARGES      | 78.72    | 030275    |
|          | ESTHER EASTMAN                      | MILEAGE           | 14.72    | 030276    |
|          | GUARDIAN                            | PREPAID EXP       | 7,430.99 | 030277    |
|          | LINDA J HEICHMAN                    | REGISTRATION      | 30.00    | 030278    |
|          | MANAGE EASE INCORPORATED            | CONSULTING        | 1,405.95 | 030279    |
|          | METROLINK                           | TMP               | 1,036.00 | 030280    |
|          | PARKING CONCEPTS INC                | COURSE REGISTRAT  | 408.00   | 030281    |
|          | PACIFIC COAST BUSINESS INT          | FURINTURE & APPLI | 2,997.00 | 030282    |
| April 27 | SYNCB AMAZON                        | BOOKS             | 1,703.67 | 030284    |
|          | ALFRED CHACON                       | MILEAGE           | 19.78    | 030285    |
|          | OTTO HARRASSOWITZ                   | BOOKS             | 223.16   | 030286    |
|          | LIBROS CENTROAMERICANOS             | BOOKS             | 119.25   | 030287    |
|          | LUDWIG MAYER LTD                    | BOOKS             | 615.00   | 030288    |
|          | GERAD BEAUREGARD III CHANDLER       | REFUND            | 140.00   | 030289    |
|          | BERNARD P DRACHLIS                  | REFUND            | 125.00   | 030290    |
|          | GORDON KING ENG                     | REFUND            | 125.00   | 030291    |
|          | LEONARD M FRIEDMAN                  | REFUND            | 140.00   | 030292    |
|          | ALBERT S GOLBERT                    | REFUND            | 140.00   | 030293    |

47,622.21



LOS ANGELES COUNTY LAW LIBRARY  
 April 1, 2018 - April 30, 2018 (CHECKS)  
 Account No.: 108000

| DATE | PAYEE                     | FOR    | AMOUNT | CHECK NO. |
|------|---------------------------|--------|--------|-----------|
|      | MICHAEL HARRIS            | REFUND | 125.00 | 030294    |
|      | NADINE HAYS               | REFUND | 125.00 | 030295    |
|      | STEVEN CARL JACKSON       | REFUND | 140.00 | 030296    |
|      | MICHAEL B KARDOS          | REFUND | 125.00 | 030297    |
|      | IGNACIO J LAZO            | REFUND | 125.00 | 030298    |
|      | CONCEPCION E LICHTENSTEIN | REFUND | 138.00 | 030299    |
|      | VERA GRETCHYN MARINO      | REFUND | 140.00 | 030300    |
|      | BOBBY POUYA               | REFUND | 140.00 | 030301    |
|      | RICHARD W RAYNOR          | REFUND | 140.00 | 030302    |
|      | STEVEN DAVID VALENTINE    | REFUND | 125.00 | 030303    |
|      | DAVID BRIAN SHAPIRO       | REFUND | 140.00 | 030304    |
|      | ROVEE PRUNA               | REFUND | 140.00 | 030305    |
|      | JEFFREY R DOHODA          | REFUND | 128.00 | 030306    |

49,228.21

**LOS ANGELES COUNTY LAW LIBRARY**  
**April 1, 2018 - April 30, 2018 (CHECKS)**  
**Account No.: 102001**

| DATE     | PAYEE                               | FOR               | AMOUNT    | CHECK NO. |
|----------|-------------------------------------|-------------------|-----------|-----------|
| April 3  | AT&T MOBILITY                       | TELECOM           | 16.24     | V003115   |
|          | DATA2 INC                           | SUPPLIES-OFFICE   | 26.56     | V003116   |
|          | ENVISIONWARE, INC.                  | SOFTWARE/HARDW    | 4,534.65  | V003117   |
|          | EX LIBRIS (USA) INC.                | ILS               | 12,943.38 | V003118   |
|          | GOLDEN STATE OVERNIGHT              | DELIVERY & POSTAG | 8.93      | V003119   |
|          | KONICA MINOLTA BUSINESS             | COPY CENTER       | 29.28     | V003120   |
|          | OFFICE DEPOT                        | SUPPLIES-OFFICE   | 351.37    | V003121   |
|          | SECURITAS SECURITY                  | SECURITY          | 5,700.40  | V003122   |
|          | AMERICAN BAR ASSOCIATION            | BOOKS             | 2,814.45  | V003123   |
|          | CAROLINA ACADEMIC PRESS             | BOOKS             | 938.40    | V003124   |
|          | CONTINUING EDUCATION OF THE BAR CAL | BOOKS             | 1,560.81  | V003125   |
|          | PROQUEST LLC COUTTS INFORMATION SER | BOOKS             | 167.36    | V003126   |
|          | INGRAM LIBRARY SERVICES             | BOOKS             | 46.11     | V003127   |
|          | JURIS PUBLISHING INC                | BOOKS             | 143.49    | V003128   |
|          | JURISNET LLC                        | BOOKS             | 315.93    | V003129   |
|          | PRACTISING LAW INSTITUTE            | BOOKS             | 350.89    | V003130   |
|          | ROWMAN & LITTLEFIELD PUBLISHING     | BOOKS             | 176.26    | V003131   |
|          | STATE BAR OF TEXAS                  | BOOKS             | 243.00    | V003132   |
|          | UNITED NATIONS PUBLICATIONS         | BOOKS             | 217.29    | V003133   |
|          | WEST ACADEMIC                       | BOOKS             | 49.27     | V003134   |
|          | THOMSON REUTERS                     | BOOKS             | 64,278.97 | V003135   |
|          | WILLIAM S HEIN & CO                 | BOOKS             | 1,166.24  | V003136   |
|          | LEXISNEXIS MATTHEW BENDER           | BOOKS             | 2,294.67  | V003137   |
| April 4  | LA CAFE                             | FLACLL            | 26.47     | V003142   |
| April 5  | OFFICE DEPOT                        | SUPPLIES-OFFICE   | 767.66    | V003143   |
|          | PEOPLEG2                            | RECRUITMENT       | 662.91    | V003144   |
|          | STATE COMPENSATION                  | WORKERS COMP      | 5,261.58  | V003145   |
| April 9  | YOURMEMBERSHIP.COM                  | RECRUITMENT       | 698.00    | V003173   |
| April 11 | AMERICAN IMMIGRATION LAWYERS ASSOCI | BOOKS             | 1,134.00  | V003146   |
|          | AMERICAN LEGAL PUBLISHING CORPORATI | BOOKS             | 26.43     | V003147   |
|          | WOLTERS KLUWER LAW & BUSINESS       | BOOKS             | 83.22     | V003148   |
|          | CCH INCORPORATED                    | BOOKS             | 332.61    | V003149   |
|          | CONTINUING EDUCATION OF THE BAR CAL | BOOKS             | 1,265.23  | V003150   |
|          | BUSINESS MANAGEMENT DAILY ALEXANDER | BOOKS             | 34.75     | V003151   |
|          | DAILY JOURNAL CORPORATION           | BOOKS             | 278.00    | V003152   |
|          | JAMES PUBLISHING INC                | BOOKS             | 268.28    | V003153   |
|          | JURIS PUBLISHING INC                | BOOKS             | 315.86    | V003154   |
|          | KNOWLES PUBLISHING INC              | BOOKS             | 40.00     | V003155   |
|          | LAW JOURNAL PRESS                   | BOOKS             | 2,970.10  | V003156   |
|          | LAWPRESS CORPORATION                | BOOKS             | 604.55    | V003157   |

127,996.60

**LOS ANGELES COUNTY LAW LIBRARY**  
**April 1, 2018 - April 30, 2018 (CHECKS)**  
**Account No.: 102001**

| DATE     | PAYEE                               | FOR               | AMOUNT            | CHECK NO. |
|----------|-------------------------------------|-------------------|-------------------|-----------|
| April 12 | LEXISNEXIS ONLINE SERVICES          | BOOKS             | 14,853.00         | V003158   |
|          | MUNICIPAL CODE CORPORATION          | BOOKS             | 1,562.00          | V003159   |
|          | OCONNORS                            | BOOKS             | 219.00            | V003160   |
|          | PRACTISING LAW INSTITUTE            | BOOKS             | 446.98            | V003161   |
|          | JOHN WILEY & SONS INC               | BOOKS             | 237.41            | V003162   |
| April 13 | STAMPS.COM                          | DELIVERY & POSTAG | 300.00            | V003174   |
| April 18 | BLOOMBERG BNA                       | BOOKS             | 409.95            | V003163   |
|          | CONTINUING EDUCATION OF THE BAR CAL | BOOKS             | 1,203.56          | V003164   |
|          | PROQUEST LLC COUTTS INFORMATION SER | BOOKS             | 276.69            | V003165   |
|          | JAMES PUBLISHING INC                | BOOKS             | 222.00            | V003166   |
|          | INSTITUTE OF CONTINUING LEGAL EDUCA | BOOKS             | 108.50            | V003167   |
|          | OXFORD UNIVERSITY PRESS             | BOOKS             | 323.69            | V003168   |
|          | SUPREME COURT HISTORICAL SOCIETY    | BOOKS             | 100.00            | V003169   |
|          | UNITED NATIONS PUBLICATIONS         | BOOKS             | 128.67            | V003170   |
|          | WEST ACADEMIC                       | BOOKS             | 49.27             | V003171   |
|          | THOMSON REUTERS                     | BOOKS             | 13,112.00         | V003172   |
|          | ALTA FOODCRAFT                      | KITCHEN SUPPLIES  | 146.13            | V003175   |
|          | LEXISNEXIS MATTHEW BENDER           | BOOKS             | 31,974.05         | V003176   |
|          | BRIGHTVIEW                          | LANDSCAPING       | 1,250.00          | V003177   |
|          | BULBS.COM                           | CIP INTERIOR      | 4,297.48          | V003178   |
|          | NASA SERVICES                       | BLDG SVCS         | 451.34            | V003179   |
|          | OCLC INC                            | BIBLIOGRAPHICAL S | 725.50            | V003180   |
|          | OFFICE DEPOT                        | SUPPLIES-OFFICE   | 940.82            | V003181   |
|          | PAN AMERICAN PEST CONTROL CO        | BLDG SVCS         | 98.00             | V003182   |
|          | SUPPLYWORKS                         | CLEANING SUPPLIES | 2,024.23          | V003183   |
|          | April 20                            | STAMPS.COM        | DELIVERY & POSTAG | 300.00    |
| April 25 | AMERICAN BAR ASSOCIATION            | BOOKS             | 178.84            | V003184   |
|          | AMERICAN LAWYER MEDIA L P RECORDER  | BOOKS             | 449.24            | V003185   |
|          | CONTINUING EDUCATION OF THE BAR CAL | BOOKS             | 412.95            | V003186   |
|          | PROQUEST LLC COUTTS INFORMATION SER | BOOKS             | 3,864.10          | V003187   |
|          | INGRAM LIBRARY SERVICES             | BOOKS             | 182.31            | V003188   |
|          | JAMES PUBLISHING INC                | BOOKS             | 222.00            | V003189   |
|          | LAWDABLE PRESS                      | BOOKS             | 1,093.05          | V003190   |
|          | LAWPRESS CORPORATION                | BOOKS             | 318.51            | V003191   |
|          | OCONNORS                            | BOOKS             | 235.00            | V003192   |
|          | MICHAEL SULLIVAN & ASSOCIATES LLP   | BOOKS             | 570.61            | V003193   |
|          | WILLIAM S HEIN & CO                 | BOOKS             | 106.63            | V003194   |
| April 25 | AT&T MOBILITY                       | TELECOM           | 16.24             | V003196   |
|          | GTT COMMUNICATIONS                  | TELCOM            | 71.47             | V003197   |
|          | INFINISOURCE INC                    | PAYROLL/HR BENEFI | 75.00             | V003198   |

197,110.25

**LOS ANGELES COUNTY LAW LIBRARY**  
**April 1, 2018 - April 30, 2018 (CHECKS)**  
**Account No.: 102001**

| DATE     | PAYEE                               | FOR              | AMOUNT    | CHECK NO. |
|----------|-------------------------------------|------------------|-----------|-----------|
| April 27 | KONICA MINOLTA BUSINESS             | COPY CENTER      | 410.43    | V003199   |
|          | OFFICE DEPOT                        | SUPPLIES-OFFICE  | 3.26      | V003200   |
|          | PRINT MANAGER                       | SOFTWARE         | 360.00    | V003201   |
|          | SECURITAS SECURITY                  | SECURITY         | 11,410.50 | V003202   |
|          | SPECTRUM                            | TELCOM           | 1,106.72  | V003203   |
|          | TYCO INTEGRATED SECURITY LLC        | SECURITY         | 14,154.68 | V003204   |
|          | UPS                                 | DELIVERY/POSTAGE | 12.38     | V003205   |
|          | LA CAFE                             | BOARD EXPENSE    | 85.40     | V003224   |
|          | WOLTERS KLUWER LAW & BUSINESS       | BOOKS            | 216.10    | V003206   |
|          | BLUE 360 MEDIA LLC                  | BOOKS            | 84.87     | V003207   |
|          | LEXISNEXIS MATTHEW BENDER           | BOOKS            | 272.39    | V003208   |
|          | BLOOMBERG BNA                       | BOOKS            | 89.38     | V003209   |
|          | CONTINUING EDUCATION OF THE BAR CAL | BOOKS            | 4,492.57  | V003210   |
|          | PROQUEST LLC COUTTS INFORMATION SER | BOOKS            | 708.32    | V003211   |
|          | JAMES PUBLISHING INC                | BOOKS            | 228.86    | V003212   |
|          | JURIS PUBLISHING INC                | BOOKS            | 92.93     | V003213   |
|          | KANSAS JUDICIAL COUNCIL             | BOOKS            | 85.00     | V003214   |
|          | PRACTISING LAW INSTITUTE            | BOOKS            | 421.52    | V003215   |
|          | QUESTYME USA INC                    | HARDWARE MAINTE  | 11,671.37 | V003216   |
|          | STATE BAR OF TEXAS                  | BOOKS            | 98.00     | V003217   |
|          | THOMSON REUTERS TAX & ACCOUNTING    | BOOKS            | 4,576.63  | V003218   |
|          | WEST ACADEMIC                       | BOOKS            | 98.56     | V003219   |
|          | THOMSON REUTERS                     | BOOKS            | 71,279.22 | V003220   |
|          | JOHN WILEY & SONS INC               | BOOKS            | 377.57    | V003221   |
|          | WILLIAM S HEIN & CO                 | BOOKS            | 292.48    | V003222   |
|          | GOBI LIBRARY SOLUTIONS              | BOOKS            | 489.29    | V003223   |

319,818.25

LOS ANGELES COUNTY LAW LIBRARY  
April 1, 2018 - April 30, 2018 (CHECKS)  
Account No.: 102004

Page 1

| DATE     | PAYEE                  | FOR         | AMOUNT   | CHECK NO. |
|----------|------------------------|-------------|----------|-----------|
| April 25 | L A DEPT WATER & POWER | WATER/SEWER | 9,441.73 | V000011   |

9,441.73

LOS ANGELES COUNTY LAW LIBRARY  
April 1, 2018 - April 30, 2018 (CHECKS)  
Account No.: 103000

| DATE | PAYEE | FOR | AMOUNT | CHECK NO. |
|------|-------|-----|--------|-----------|
|------|-------|-----|--------|-----------|

April 25

|                |              |          |        |
|----------------|--------------|----------|--------|
| SEIU LOCAL 721 | UNION DUES   | 1,475.33 | 001610 |
| SEIU LOCAL 721 | UNION DENTAL | 80.88    | 001611 |

1,556.21

LOS ANGELES COUNTY LAW LIBRARY  
April 1, 2018 - April 30, 2018 (WARRANTS)  
Account No.: 102000

| DATE     | PAYEE   | FOR         | AMOUNT    | CHECK NO.   |
|----------|---------|-------------|-----------|-------------|
| April 9  | CALPERS | PREPAID EXP | 49,556.31 | 1001052922  |
| April 20 | CALPERS | PREPAID EXP | 48,911.49 | 20180420003 |

98,467.80





**MEMORANDUM**

**DATE:** May 23, 2018

**TO:** Board of Law Library Trustees

**FROM:** Sandra Levin, Executive Director  
Malinda Muller, Director, Patron Services  
Austin Stoub, Senior Librarian, Reference & Research

**RE:** Platinum Program Update for the Month of April

**INTRODUCTION**

At the December 2017 Board of Trustees meeting, the Board approved a plan to allow LA Law Library to offer a Platinum level members program. At the time of approving the plan, the Board also requested monthly updates on the status of the Platinum Members program. This is our fifth report, for the May 2018 board meeting, reporting Platinum Member services for April of 2018.

This report is informational only; no action is requested or required.

**ANALYSIS**

In the month of April we responded to 30 edelivery requests, with a total of 99 documents delivered across these requests. Our average response time to deliver the requested items was 22 minutes. The document requests filled were generally case or statute pulls from subscription databases, though there were requests for secondary sources and requests for scans from our print collection.

All requests were filled by staff assigned to the Platinum Members program, without any negative impact on public services or programs. Staff assigned to the Platinum Members program made productive use of time not spent serving Platinum Members to work on other Law Library tasks or assist with public service at the reference desk.

Staff is available to answer any questions the Board of Trustees may have.





**MEMORANDUM**

**DATE:** May 23, 2018

**TO:** Board of Law Library Trustees

**FROM:** Sandra J. Levin, Executive Director

**RE:** Approval of Revised Job Description for Library Clerk, Circulation

**INTRODUCTION AND SUMMARY**

The Library Clerk for Circulation retired in April, 2018 after 32 years of employment. A recruitment is underway. Before filling the position, Staff would like to make minor changes to update the job description, mostly in the area of the required and preferred position qualifications. The changes are consistent with the actual duties performed, the required expertise and experience and also the current job description for the other Library Clerk position in the Circulation Department (Copy Center).

The attached job description reflects these proposed changes, in redline format. Once a job description is approved, the Law Library will complete recruitment for the position.

**RECOMMENDATION**

Staff recommends that the Board approve the attached updated job description.





## LA LAW LIBRARY JOB DESCRIPTION

|                                |                                       |
|--------------------------------|---------------------------------------|
| <b>Title:</b>                  | <b>Library Clerk</b>                  |
| <b>Department:</b>             | <b>Patron Services</b>                |
| <b>Focus:</b>                  | <b>Circulation</b>                    |
| <b>Reports to:</b>             | <b>Circulation Support Supervisor</b> |
| <b>Position(s) Supervised:</b> | <b>None</b>                           |
| <b>FLSA Status:</b>            | <b>Nonexempt</b>                      |
| <b>Salary Grade:</b>           | <b>2</b>                              |
| <b>Union Status:</b>           | <b>Eligible for Representation</b>    |
| <b>Effective Date:</b>         |                                       |

### **Position Summary**

The purpose of this position is to maintain accurate records by being a direct contact with Library users and providing excellent customer service to library users whether in person, via telephone, facsimile, or e-mail.

### **Responsibilities and Duties**

Under general supervision, the following activities are within the responsibilities of the Library Clerk – Circulation Records:

- Initiation and maintenance of Library user records
- Registers new borrowers including review of completed application, collection of appropriate deposit and annual fees, and current proxy list based on established process and procedures.
- Closes out borrower accounts due to refund or library-initiated closure based on established process and procedures.
- Maintains information on non-borrowers who use library services per specified formats.
- Maintains information on overdue items and initiates Missing Book Reports process when needed.
- Responds to internal and external communications regarding borrower and non-borrower contact information, circulation proxy lists, and current circulation of materials per established guidelines and procedures.
- Maintains updated and accurate Voyager and print patron files.
- Organizes and drafts circulation related pamphlets and outgoing information as directed.
- Prepares or completes various forms, reports, and correspondence,
- Identifies and resolves routine problems associated with the Circulation Desk.
- Add items to item record and create on-the-fly records as needed.
- Assist as back-up for circulation aides.

- Back-up e-delivery, copy-center, and members program.
- Enter and update Member and Borrower information into Navision for use of Accounting Department.
- Process special promotion Borrower accounts.
- Assists Administrative Clerk with counting and verification of cash payments on a daily basis.
- Maintains statistics relating to patron groups.
- Maintain a back-up list of all borrowers.
- Explain policies and procedures to users and staff regarding rules, fines, replacements, and processing charges.
- Suspend borrower accounts per Accounting Department lists.

#### Acts as initial customer services contact for Library users

- Provides assistance with Circulation desk operations as needed;
- Assists staff and users in efficiently finding appropriate materials and using library resources such as library computers and other equipment;
- Performs general tasks related to library operations, which may include opening and closing library facilities or safe deposit box each day, turning equipment on/off, loading/unloading or moving book carts;
- Explains policies and procedures to staff and users;
- Assists/back up other Member/User Services staff as needed.

#### Participation in achievement of divisional and departmental goals

- May be requested to provide input on changes in policies and procedures;
- Assists ~~Outreach Services to help create~~ in creating borrower initiatives packages;
- May be requested to provide input to divisional staff to increase borrower base through new services and non-borrower usage;
- Communicates with supervisor, employees, and other individuals as needed to coordinate work activities, review status of work, exchange information, or resolve problems;
- Contributes to Library newsletter.

### Position Qualifications

#### Required:

- Ability to think and work independently and be a self-starter; able to understand and follow-through with job tasks as assigned, complete tasks despite continuous interruptions, and organize workload according to established priorities to ensure timely completion of jobs.
- Ability to gather information and develop solutions for solving circulation problems in an effective manner.
- Ability to concentrate and pay close attention to detail in order to ensure accuracy when handling paperwork, materials, money and files of all types. Ability to provide quality customer service through effective oral and written communication and interpersonal skills which demonstrate ordinary courtesy, respect, and tact.
- Ability to work on team projects when appropriate.

- Must be able to communicate and be understood to maintain all aspects of borrower and non-borrower records; oversee initial registration and sign-up of registered borrowers; update borrower and non-borrower associated files as needed; When appropriate, close out borrower accounts and initiate refund or forfeiture of deposit; participate in departmental projects; other related work.
- Proficient in the ability to operate/utilize general office equipment, library equipment, personal computer and software programs typically associated with library operations.
- Must be able to read and understand written and oral instructions to assist users effectively. Ability to understand, retain, and recall instructions.
- Ability to concentrate and pay close attention to detail in order to ensure accuracy when handling paperwork, materials, money, and files of all types.
- Excellent verbal and written communication skills.
- Ability to perform mathematical calculations and manage basic spreadsheets.
- Previous library experience and knowledge of Circulations processes and procedures.
- 2+ years experience in a Library, office environment, or customer service environment.
- High school diploma or GED.
- Associate's degree with coursework emphasis in Library Technology or related field or any equivalent combination of education, training and experience.

Preferred:

- Previous library experience and knowledge of Circulations processes and procedures.
- Bachelor's degree with coursework emphasis in Library Technology or related field or any equivalent combination of education, training and experience.
- Reading, writing and/or speaking knowledge of a foreign language.

### Work Environment

Will be working in a busy office environment.

### Physical Abilities Required

- Requires the ability to lift, push, pull up to 50 lbs.
- May require bending, stooping, reaching, twisting and crawling.
- Must be able to move from one job location to another.
- Some exposure to adverse environmental conditions such as dust and/or odors.

### Approvals

|                                      |                      |                                    |                      |
|--------------------------------------|----------------------|------------------------------------|----------------------|
| _____<br><b>Immediate Supervisor</b> | _____<br><b>Date</b> | _____<br><b>Senior Director</b>    | _____<br><b>Date</b> |
| _____<br><b>Human Resources</b>      | _____<br><b>Date</b> | _____<br><b>Executive Director</b> | _____<br><b>Date</b> |



**Statement of Employee**

I understand the position and its responsibilities and expectations as described above. The above statements describe the level of work performed in general terms. The statements are not intended to list all the responsibilities, duties and/or skills required of employees so classified. The content herein is subject to change, with or without due notice.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_

Distribution: Original - Human Resources, Copies - Supervisor, Employee



**MEMORANDUM**

**DATE:** May 23, 2018

**TO:** Board of Law Library Trustees

**FROM:** Sandra Levin, Executive Director  
Jaye Steinbrick, Senior Director

**RE:** Confirmation of Continuing Need to Undertake Emergency Repair of Steam Leak in Boiler Room

**INTRODUCTION**

The Board is asked to confirm (by a four-fifths vote) that there is an ongoing need to complete the emergency repair of the steam leak in the boiler room as determined at the March 28, 2018 meeting.

**BACKGROUND**

Unfortunately, the Law Library developed a significant and increasing leak in the steam piping that provides heat to the main HVAC systems. Accordingly, the Executive Director made the determination, and on March 28 the Board confirmed by a four-fifths vote, that an emergency existed that required the repair of the steam leak without formal competitive bidding.

The Law Library retained ISD to complete the emergency repair. The majority of the work, including removal of the hazardous material and repair of the leaking piping, has been completed and there is no more leakage. However, all that remains is for ISD to install new gauges and re-wrap the piping that was uncovered during the abatement. We will update the Board once the entire project is completed.

**RECOMMENDATION**

Staff recommends that the Board reconfirm by a four-fifths vote its prior determination that: 1) an emergency exists that requires the immediate expenditure of public money to safeguard life, health, or property; and 2) there is a need to continue the repair of the steam leak.





# AGENDA ITEM 4

## DISCUSSION ITEMS

- 4.1 Discussion and Approval of 2018-19 Property & Liability Insurance Renewal
- 4.2 Award of Contract for Financial Audit
- 4.3 Review of operating Budget, FY18-19



**MEMORANDUM**

**DATE:** May 23, 2018

**TO:** Board of Law Library Trustees

**FROM:** Sandra Levin, Executive Director  
Marcelino Juarez, Finance Manager

**RE:** Discussion and Approval of 2018-19 Property & Liability Insurance Renewal

**SUMMARY**

Keenan & Associates is the Library’s insurance broker for its property & liability insurance program. Our policies are subject to annual renewal and are scheduled to renew on July 1, 2018. This coverage is currently provided through 5 different carriers and it includes: 1) Package Program, 2) Excess Liability, 3) Difference in Conditions (DIC), and 4) Cyber Liability.

Due to favorable incumbent carrier responses, staff and broker opted not to market to other carriers. The result is an overall small increase with a minimal increase in the DIC and Package Program.

**DISCUSSION**

A “2018-19 Renewal Table” summarizing the premium changes for all lines of coverage is attached.

**PACKAGE PROGRAM & EXCESS LIABILITY (ADDITIONAL)**

The Library’s package program includes coverage for Property, Equipment Breakdown, General Liability, Employee Benefits, Public Officials, Employment Practices, Automobile and Excess Liability.

Costs and coverage remain relatively steady for the Program Package. From 2012 to 7/1/2018, the cost of this program decreased from \$95.8K to \$66.6K. The 7/1/2018-19 renewal quote anticipates a 6.15% increase over expiring premium. The rate increase continues to reflect long term “tail” liabilities facing public agencies as well as fewer carriers wanting to underwrite public agencies in California.



To ensure the Library and staff are adequately covered from third party liability losses; the Library has also secured additional excess liability coverage. This layer of coverage provides an additional \$5M limit to the existing \$10M underlying limit included in the package program. From 2012 to 7/1/2018 the cost of this line of coverage decreased from \$11.2K to \$6.6K. The 7/1/2018-19 renewal quote anticipates a flat renewal.

#### **DIFFERENCE IN CONDITIONS (DIC)**

The DIC program provides coverage to the main Library building from excess physical damage resulting from an earthquake or flood.

From 2011 to 7/1/2018, the cost of this program decreased from \$250K to \$113K. The 7/1/2018-19 renewal quote anticipates approximately a 1% increase over expiring premiums, however, our brokers are still working to negotiate a flat renewal. Please note, the renewal quote assumes a 10% of TIV deductible and \$30M limit as adopted last renewal cycle. The \$30M limit is fully supported by the Library's earthquake risk analysis (see attached) which projects the probability of losses in the U.S.

#### **CYBER LIABILITY**

Cyber liability provides coverage for technology based liabilities resulting from third-party security breaches, hacking, cyber extortion, and cyber business interruption. It also provides protection for privacy and multimedia claims. The cost of this coverage remains flat. From 2013 to 7/1/2018, the cost of this program decreased from \$6.7K to \$5.3K. The 7/1/2018-19 renewal quote anticipates a flat renewal.

#### **OPTIONS**

- A. Authorize Keenan to bind coverage effective July 1, 2018 with a 10%/50K DIC deductible, with a layered limit up to \$30M, for a total premium not to exceed \$241,000.
- B. Request that Keenan pursue obtaining quotes on different terms or from different carriers and continue this item until the June 2017 meeting.

#### **RECOMMENDATION**

Staff recommends that the Board authorize Keenan to bind coverage effective July 1, 2018 with a 10%/50K DIC deductible, layered limit up to \$30M, for a total premium not to exceed \$241,000 (Option A above).

Attached

1. 2017-18 P&L Insurance Renewal Table
2. Keenan's 2017-18 Insurance Renewal Proposal (Full Details)
3. LACLL's Earthquake Risk Analysis





**LA LAW LIBRARY**  
2018-19 P&L Insurance Renewal Table

| Difference in Conditions (DIC) |                              |                     |                                    |             |                 |                  |                 |                 |              |                  |
|--------------------------------|------------------------------|---------------------|------------------------------------|-------------|-----------------|------------------|-----------------|-----------------|--------------|------------------|
|                                | Carriers                     | Limit               | Deductible                         | DIC Premium | Package Premium | Excess Liability | Cyber Liability | Total Premiums* | Broker's Fee | Total Cost       |
| <b>Proposal*</b>               | Westchester/Lloyds of London | Layered up to \$30M | 10% of TIV subject to \$50K for EQ | \$114,445   | \$70,729        | \$6,689          | \$5,391         | \$197,253       | \$43,500     | <b>\$240,753</b> |
| <b>Expiring</b>                | Westchester/Lloyds of London | Layered up to \$30M | 10% of TIV subject to \$50K for EQ | \$113,330   | \$66,633        | \$6,689          | \$5,391         | \$192,043       | \$43,500     | <b>\$235,543</b> |
|                                |                              |                     | Change (\$)                        | \$1,115     | \$4,096         | \$0              | \$0             | \$5,211         |              |                  |
|                                |                              |                     | Change (%)                         | 0.98%       | 6.15%           | 0.00%            | 0.00%           | 2.71%           |              |                  |

\* The excess layer quote for DIC has not been finalized. While expected to come in flat, this proposal indicates a 3% increase to provide a worst-case scenario.



# Los Angeles Law Library

Renewal Proposal  
2018-2019  
Program Year

May 14, 2018

**Presented By:**

Vanessa Pena  
Account Executive  
4204 Riverwalk Parkway, Suite 400  
Riverside, CA 92505  
Phone: (951) 715-0190, ext. 1169  
Fax: (951) 715-0166  
E-mail: [vpena@keenan.com](mailto:vpena@keenan.com)

## TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>EXECUTIVE SUMMARY .....</b>              | <b>1</b>  |
| <b>YOUR KEENAN TEAM .....</b>               | <b>4</b>  |
| <b>PREMIUM SUMMARY .....</b>                | <b>5</b>  |
| <b>EXCESS LIABILITY.....</b>                | <b>6</b>  |
| <b>PUBLIC ENTITY PACKAGE.....</b>           | <b>7</b>  |
| <b>PROPERTY DIC.....</b>                    | <b>10</b> |
| <b>CYBER LIABILITY .....</b>                | <b>12</b> |
| <b>KEENAN PROFILE.....</b>                  | <b>15</b> |
| <b>RISK MANAGEMENT SERVICES .....</b>       | <b>16</b> |
| <b>CLAIMS ADMINISTRATION SERVICES .....</b> | <b>19</b> |
| <b>KEENAN DISCLOSURE STATEMENT .....</b>    | <b>20</b> |

## EXECUTIVE SUMMARY

May 14, 2018

Marcelino Juarez  
**LA County Law Library**  
301 W. 1st Street  
Los Angeles, CA 90012

RE: 2018-2019 Property & Casualty Renewal Proposal

Dear Marcelino,

We are pleased to present the Law Library's 2018-2019 Property & Casualty renewal proposal. Following is an overview of the insurance market and summary of the various coverage quotations.

### **Insurance Marketplace Overview**

The past year has been the costliest in insurance history. The triple blow of hurricanes Harvey, Irma and Maria, along with the California wildfires resulted in \$150-\$175 billion of insured losses. This made 2017 the most expensive catastrophe loss year ever recorded as the insurance industry lost 14% of overall surplus. This is on top of 2016 when there were 315 natural catastrophes that combined to cause economic losses of \$210 billion, of which \$54 billion were insured. Catastrophes are trending higher each year while many in the industry believe this is attributed to global warming and not slowing down.

Fortunately, the insurance industry has benefited from a low interest rate environment industry as insurers deployed their capital, also known as surplus, in an effort to earn better returns. This was in the form of reinsurance, catastrophe bonds and other insurance type vehicles. Currently, interest rates are normalizing, losses are increasing, catastrophe bonds are exiting and surplus has severely diminished. Claims from sexual abuse, transportation, law enforcement liability, employment and airport/aircraft related matters are adversely impacting results, all of which are hardening insurance industry rates.

Despite all of these challenges, the Property market continues to have capacity. Rate increases for catastrophe exposed areas such as the Gulf States are 40-60%, yet Property rates for non-catastrophe exposed areas are only increasing 5% for agencies with excellent claims experience; increases will be higher for those with poor claims experience. The Liability market is hardening for public agencies due to the long tail exposures of concussions and abuse as well as auto related claims. In addition, "full service" cities face further challenges as

carriers are pulling out of the public agency market due to law enforcement, auto and long-term “tail” risk concerns.

California Workers’ Compensation overall claims frequency is moderating, though cumulative trauma claim frequency continues to increase. The average indemnity claim cost is increasing due to SB863 and wage growth while average medical costs increased significantly in 2016 after several years of decreases. While California Workers’ Compensation reform has been very favorable, rising medical costs continue to outpace frequency improvements, which is increasing the cost of claims.

The insurance industry’s overall losses have made this a very challenging renewal. We have marketed the program and have structured a fair and competitively priced program. The overall insurance program premium is increasing 2.71% (\$5,210.56) compared to expiring, which given the hardening market conditions, is better than we initially forecasted. Following is a summary of the renewals by line of coverage.

### **Quotation Summary**

**Public Entity Package Program** –The Law Library’s current Public Entity Package program with Argonaut includes General Liability, Automobile Liability, Public Officials Liability, Employment Practices Liability, Excess Liability, Property and Equipment Breakdown coverage. One of the items that we work to achieve is to build a partnership between the carrier and the Law Library in order to obtain comprehensive coverage with the most favorable terms which has been very beneficial coupled with the Law Library’s claims experience with very few claims activity. The overall renewal premium for the Public Entity Package Program is \$70,729 inclusive of all applicable taxes and fees, which is an increase of \$4,096 or 6% from expiring premium.

**Difference in Conditions (DIC)** – The DIC coverage including Earthquake and Flood for the Law Library’s main downtown location is provided by Westchester, Lloyds of London, and Safety Specialty. The Law Library’s program structure consists of two layers of coverage with each carrier participating at a specified layer providing limits up to \$30,000,000. The renewal rates with all incumbents have not yet been finalized as we continue to negotiate for the most competitive rates however, we project the renewal to come in at no more than a 3% increase from expiring which with the hardening property market is a terrific result.

**Excess Liability** – Submission was made to the incumbent RSUI Indemnity Company who’s offered a flat renewal quote with no changes to the expiring terms and conditions and same annual premium of \$6,689.

**Cyber Liability / Data Breach:** As we’ve discussed in the past, public agencies are beginning to experience cyber and data breach losses with extortion becoming an evolving risk. This is now impacting rates and insurers views of public agencies. The cyber market is firming up, but nothing too severe and the renewal premium remains flat at \$5,390.52.

In spite of current market conditions, overall losses, the California Worker's Compensation market and emerging Liability challenges, we are very pleased with this year's results. The Law Library can essentially maintain the current levels of coverage with a minimal increase of no more than 2.71% or \$5,210.56 in program cost from expiring. The Law Library's program is very competitively priced and we look forward to discussing the proposal in more detail.

On behalf of Keenan & Associates, it is truly a privilege and honor to serve the Law Library and we appreciate all your support and confidence in our services.

Sincerely,

*Vanessa Pena*

Vanessa Pena  
Account Executive

*This insurance document is furnished to you as a matter of information for your convenience. It only summarizes the listed proposed policies and is not intended to reflect all the terms and conditions or exclusions of such proposed policies. Moreover, the information contained in this document reflects proposed coverage as of the effective date(s) of the proposed policies and does not include subsequent changes. This document is not an insurance policy and does not amend, alter or extend the coverage afforded by the listed proposed policies. The insurance afforded by the listed proposed policies is subject to all the terms, conditions and exclusions of such policies.*

## YOUR KEENAN TEAM

### Office Locations and Telephone Numbers

**Riverside Office:**

Keenan & Associates  
 4204 Riverwalk Parkway, Suite 400  
 Riverside, CA 92505

Phone (Main): (951) 788-0330  
 Phone (Toll Free): (800) 654-8347  
 Main Fax: (951) 715-0166

**Corporate Office:**

Keenan & Associates  
 2355 Crenshaw Blvd., Suite 200  
 Torrance, CA 90501

(310) 212-3344  
 (800) 654-8102  
 (310) 212-0300

Web Site: [www.keenan.com](http://www.keenan.com)

Corporate License No. 0451271

### Service Team Members

| Name   | Role                                       | Key Responsibilities   | Telephone  | E-mail   |
|--|--|--|--|--|
| <b>Doug McKibbin</b><br>Sr. Vice President,<br>P&C Public Agency | Practice<br>Leader                         | Practice Leader for<br>Property & Casualty Public<br>Agency Division   | <b>Office:</b><br>(800) 338-5247<br>Ext. 5120<br><b>Cell:</b><br>(949) 444-3076<br><b>Fax:</b><br>(949) 369-0324 | <a href="mailto:dmckibbin@keenand.com">dmckibbin@keenand.com</a> |
| <b>Vanessa Pena</b><br>Account Executive                         | Team Leader                                | Responsible for account<br>management including<br>global risk management<br>strategies.   | <b>Office:</b><br>(951) 715-0190<br>Ext. 1169<br><b>Cell:</b><br>(909) 815-3744<br><b>Fax:</b><br>(951) 715-0166 | <a href="mailto:vpenna@keenand.com">vpenna@keenand.com</a>       |
| <b>Monica Mojarro</b><br>Account Manager                         | Day-to-day<br>service/<br>Policy<br>Admin. | Responsible for overall<br>account servicing including<br>coverage questions, change<br>requests, invoicing,<br>renewal submission<br>preparation, and contract<br>insurance requirements<br>review. | <b>Office:</b><br>(310) 212-0363<br>Ext. 2607<br><b>Cell:</b><br>(310) 218-2560<br><b>Fax:</b><br>(310) 212-0300 | <a href="mailto:mmojarro@keenand.com">mmojarro@keenand.com</a>   |



## PREMIUM SUMMARY

|                              | <b>Expiring Program<br/>7/1/17-18</b> | <b>Renewal Program<br/>7/1/18-19</b> | <b>% Change</b> |
|------------------------------|---------------------------------------|--------------------------------------|-----------------|
| <b>Excess Liability</b>      | <b>\$6,689.00</b>                     | <b>6,689.00</b>                      | <b>0.00%</b>    |
| <b>Public Entity Package</b> | <b>\$66,633.00</b>                    | <b>\$70,729.00</b>                   | <b>6.15%</b>    |
| <b>Property - DIC</b>        | <b>\$113,330.11</b>                   | <b>\$114,444.67</b>                  | <b>0.98%</b>    |
| Total Insurable Values (TIV) | \$55,631,079                          | \$55,631,079                         | 0.00%           |
| Rate per \$100 TIV           | 0.20                                  | 0.21                                 | 0.98%           |
| <b>Cyber Liability</b>       | <b>\$5,390.52</b>                     | <b>\$5,390.52</b>                    | <b>0.00%</b>    |
| <b>Total</b>                 | <b>\$192,042.63</b>                   | <b>\$197,253.19</b>                  | <b>2.71%</b>    |

Above premiums are based upon the best rates achieved for a renewing program with similar limits, terms and conditions as the expiring program. Premiums will vary depending upon the City's final selection as the City may choose optional quotations or choose to waive certain coverages found in the following sections.

All quotes and/or indications are subject to all terms and conditions included in other sections of this proposal and actual policies. This proposal provides a summary of coverages and estimated premiums. In the event of a discrepancy, the actual terms, conditions, limitations and exclusions of the policy shall prevail.

# EXCESS LIABILITY

**Excess Liability**  
 2018-2019 Renewal Proposal

|                           | Expiring  | Proposed  |
|---------------------------|---|---|
| <b>Carrier</b>            | RSUI Indemnity Company  | RSUI Indemnity Company  |
| AM Best Rating            | A+  | A+  |
| California Status         | XIV   | XIV   |
|                           | Admitted  | Admitted  |
| <b>Coverage</b>           | Excess Liability  | Excess Liability  |
| <b>Policy Term</b>        | July 1, 2017 to July 1, 2018  | July 1, 2018 to July 1, 2019  |
| <b>Limit of Liability</b> | \$5,000,000   | \$5,000,000   |
| <b>Underlying</b>         | \$10,000,000  | \$10,000,000  |
| <b>Premium</b>            | <b>\$6,689</b>  | <b>\$6,689</b>  |
| <b>Commission</b>         | <b>0%</b>   | <b>0%</b>   |
| <b>Major Exclusions</b>   | Employment Related Practices Liability<br>Pollution, War Liability<br>Uninsured/Underinsured Motorist | Employment Related Practices Liability<br>Pollution, War Liability<br>Uninsured/Underinsured Motorist |

## PUBLIC ENTITY PACKAGE

**Public Entity Package**  
 2018-2019 Renewal Proposal

|  | <b>Expiring</b>  | <b>Proposed</b>  |
|--|--|--|
| <b>Carrier</b><br>AM Best Rating<br>California Status  | Argonaut Insurance Company<br>A Excellent<br>Financial Size Category XIII (\$2B or greater)<br>Admitted  | Argonaut Insurance Company<br>A Excellent<br>Financial Size Category XIII (\$2B or greater)<br>Admitted  |
| <b>Coverage</b>  | Package policy, including:<br>Property, Equipment Breakdown<br>General Liability<br>Automobile Liability<br>Employment Practices Liability<br>Public Officials Liability   | Package policy, including:<br>Property, Equipment Breakdown<br>General Liability<br>Automobile Liability<br>Employment Practices Liability<br>Public Officials Liability   |
| <b>Policy Term</b>   | July 1, 2017 to July 1, 2018   | July 1, 2018 to July 1, 2019   |
| <b>Limits</b><br>Property<br>Equipment Breakdown<br>General Liability (including Employee Benefits)<br>Public Officials Each Occurrence<br>Employment Practices each Occurrence<br>Excess Liability  | \$51,481,700<br>\$51,481,700<br>\$1,000,000 per occurrence/\$3,000,000 annual agg.<br>\$1,000,000 per occurrence/\$3,000,000 annual agg.<br>\$1,000,000 per occurrence/\$3,000,000 annual agg.<br>\$10,000,000 per occurrence/\$10,000,000 annual agg. | \$51,481,700<br>\$51,481,700<br>\$1,000,000 per occurrence/\$3,000,000 annual agg.<br>\$1,000,000 per occurrence/\$3,000,000 annual agg.<br>\$1,000,000 per occurrence/\$3,000,000 annual agg.<br>\$10,000,000 per occurrence/\$10,000,000 annual agg. |
| <b>SubLimits Property – (see quote for full details)</b><br>Accounts Receivable<br>Building Ordinance or Law A & B<br>Building Ordinance Increased Construction<br>Extra Expense and Business Income<br>Money and Securities<br>Newly Acquired or Constructed Property | \$250,000 on Premises / \$10,000 in Transit<br>\$350,000<br>10% of Building Value<br>\$2,700,000 Extra Expense / \$100,000 Business Income<br>\$25,000<br>\$1,000,000  | \$250,000 on Premises / \$10,000 in Transit<br>\$350,001<br>10% of Building Value<br>\$2,700,000 Extra Expense / \$100,000 Business Income<br>\$25,000<br>\$1,000,000  |

**Public Entity Package**

2018-2019 Renewal Proposal

|  |   |   |
|--|---|---|
| Newly Acquired or Constructed Property -Contents                           | \$500,000   | \$500,000   |
| Personal Computers, Communication Equipment, EDP, Electronic Data or Media | \$1,449,429 on premises, \$10,000 in transit  | \$1,449,429 on premises, \$10,000 in transit  |
| Unnamed Locations  | \$250,000   | \$250,000   |
| Valuable Papers and Records  | \$250,000 On Premises / \$50,000 Away from Premises   | \$250,000 On Premises / \$50,000 Away from Premises   |
| <b>General Liability</b>   |   |   |
| Hired and Non-owned Auto Liability   | \$1,000,000   | \$1,000,000   |
| Personal and Advertising Injury  | \$1,000,000   | \$1,000,000   |
| Damage to Premises Rented (Fire Damage)                                    | \$100,000   | \$100,000   |
| Products Completed Operations  | \$1,000,000 / \$3,000,000   | \$1,000,000 / \$3,000,000   |
| <b>Retention</b>   |   |   |
| Property   | \$50,000  | \$50,000  |
| Equipment Breakdown  | \$5,000   | \$5,000   |
| All Other Coverages  | \$50,000  | \$50,000  |
| <b>Premium</b>   |   |   |
| Annual Premium   | \$65,166  | \$69,185  |
| Terrorism elected in expiring  | \$1,467   | \$1,544   |
| <b>Total Cost</b>  | \$66,633  | \$70,729  |
| <b>Commission</b>  |   |   |
| Keenan & Associates  | 0%  | 0%  |
| <b>Major Exclusions</b>  |   |   |
| General  | Asbestos, Lead, Silica, Nuclear, Nuclear Hazard, Pollution, Fungi/Bacteria, Electromagnetic, War, Nuclear Device Detonation, Pathogenic or Poisonous Biological or Chemical Materials   | Asbestos, Lead, Silica, Nuclear, Nuclear Hazard, Pollution, Fungi/Bacteria, Electromagnetic, War, Nuclear Device Detonation, Pathogenic or Poisonous Biological or Chemical Materials   |
| Property / IM  | Exclusions as stated on Property/IM/Crime coverage forms Mold, Fungus, Rot, Bacteria, Nuclear, War, Military Action, Electronic Vandalism, Pathogenic or Poisonous Biological or Chemical Materials, Booms, Dams/Retaining Walls, Earthquake and Flood. | Exclusions as stated on Property/IM/Crime coverage forms Mold, Fungus, Rot, Bacteria, Nuclear, War, Military Action, Electronic Vandalism, Pathogenic or Poisonous Biological or Chemical Materials, Booms, Dams/Retaining Walls, Earthquake and Flood. |

**Public Entity Package**  
 2018-2019 Renewal Proposal

|  |  |  |
|--|--|--|
| <p>General Liability</p>   | <p>Exclusions as stated on the GI coverage form including but not limited to Mold, Pollution, Asbestos, Nuclear, Contamination, silica, Electronic Data / E-commerce, Law Enforcement, Underground Storage Tanks, Land Subsidence</p>  | <p>Exclusions as stated on the GI coverage form including but not limited to Mold, Pollution, Asbestos, Nuclear, Contamination, silica, Electronic Data / E-commerce, Law Enforcement, Underground Storage Tanks, Land Subsidence</p>  |
| <p>Public Officials</p>  | <p>Exclusions as stated on the POL Coverage Form including but not limited to: Eminent Domain/Inverse Condemnation, Employment Practices, Failure to Maintain Insurance, Law Enforcement, Fraudulent Acts, Labor Disputes, Non-Monetary relief (exception for defense), Prior Pending Legal Action or Litigation</p> | <p>Exclusions as stated on the POL Coverage Form including but not limited to: Eminent Domain/Inverse Condemnation, Employment Practices, Failure to Maintain Insurance, Law Enforcement, Fraudulent Acts, Labor Disputes, Non-Monetary relief (exception for defense), Prior Pending Legal Action or Litigation</p> |
| <p>Employment Practices Liability</p>                                    | <p>Exclusions as stated on the EPL Coverage form including but not limited to: Failure to Maintain Insurance, Violation of Laws, Non-Monetary relief (exception for defense), Prior Pending Legal Action or Litigation</p>   | <p>Exclusions as stated on the EPL Coverage form including but not limited to: Failure to Maintain Insurance, Violation of Laws, Non-Monetary relief (exception for defense), Prior Pending Legal Action or Litigation</p>   |
| <p>Excess</p> <p><i>(see policy for complete list of exclusions)</i></p> | <p>Exclusions in Underlying coverage above &amp; the Excess Coverage including but not limited to: ERISA, UM/UIM, Pollution, Silica, Asbestos, Lead, and sublimited coverages on underlying are excluded in the excess</p>   | <p>Exclusions in Underlying coverage above &amp; the Excess Coverage including but not limited to: ERISA, UM/UIM, Pollution, Silica, Asbestos, Lead, and sublimited coverages on underlying are excluded in the excess</p>   |

## PROPERTY DIC

|  | Expiring  | Proposed  |
|--|---|---|
| <b>Carrier</b><br><br>AM Best Rating<br><br>California Status  | Primary: Westchester Surplus Lines<br>Primary: Best's A++<br>Primary: Financial Size or Category XV<br>Excess: Underwriters at Lloyd's / Safety Specialty<br>Excess: Best's A / A+<br>Financial Size Category XV / XIV (\$2 Billion or greater)<br>Non-Admitted | Primary: Westchester Surplus Lines<br>Primary: Best's A++<br>Primary: Financial Size or Category XV<br>Excess: Underwriters at Lloyd's / Safety Specialty<br>Excess: Best's A / A+<br>Financial Size Category XV / XIV (\$2 Billion or greater)<br>Non-Admitted |
| <b>Coverage</b>  | Direct Physical Loss or Damage for the perils of Earth Movement / Earth Movement Sprinkler leakage and Flood Buildings, Personal Property, Business Income Including Extra Expense, EDP   | Direct Physical Loss or Damage for the perils of Earth Movement / Earth Movement Sprinkler leakage and Flood Buildings, Personal Property, Business Income Including Extra Expense, EDP   |
| <b>Policy Term</b>   | July 1, 2017 to July 1, 2018  | July 1, 2018 to July 1, 2019  |
| <b>Limit of Liability</b>  | \$30,000,000  | \$30,000,000  |
| <b>Sublimits</b><br>Civil Authority<br>Extended Period of Indemnity<br>Ingress / Egress<br>Ordinance or Law Coverage A<br>Ordinance or Law B+C | 30 Days<br>180 Days<br>30 Days<br>Included<br>\$5,000,000   | 30 Days<br>180 Days<br>30 Days<br>Included<br>\$5,000,001   |
| <b>Retention</b>   | Earth Movement-10% of total insured value at time of loss per location per unit insured subject to a minimum of \$50,000 per occurrence<br>Flood: \$25,000 per occurrence<br>All Other Perils \$25,000 per occurrence   | Earth Movement-10% of total insured value at time of loss per location per unit insured subject to a minimum of \$50,000 per occurrence<br>Flood: \$25,000 per occurrence<br>All Other Perils \$25,000 per occurrence   |

|  |  |   |
|--|--|---|
| <b>Total Insurable Values</b>  | \$55,631,079   | \$55,631,079  |
| Building   | \$44,984,500   | \$44,984,500  |
| Business Personal Property   | \$6,497,150  | \$6,497,150   |
| EDP  | \$1,449,429  | \$1,449,429   |
| Extra Expense  | \$2,700,000  | \$2,700,000   |
| <b>Premium Primary</b>   |  |   |
| Annual Premium   | \$73,316.00  | \$73,316.00   |
| Catastrophe Fee  | \$500.00   | \$500.00  |
| Surplus Lines Tax 3.2%   | \$2,346.11   | \$2,346.11  |
| <b>Total Cost</b>  | <b>\$75,662.11</b>   | <b>\$75,662.11</b>  |
| <b>Premium Excess</b>  |  |   |
| Annual Premium   | \$36,000.00  | \$37,080.00   |
| Catastrophe Fee  | \$500.00   | \$500.00  |
| Surplus Lines Tax 3.2%   | \$1,168.00   | \$1,202.56  |
| <b>Excess Cost</b>   | <b>\$37,668.00</b>   | <b>\$38,782.56</b>  |
| <b>Total Cost</b>  | <b>\$113,330.11</b>  | <b>\$114,444.67</b>   |
| <b>Commission</b>  |  |   |
| Keenan & Associates  | 0%   | 0%  |
| Intermediary Broker  | 8%   | 8%  |
| <b>Major Exclusions</b>  | Flood in 100-year zones, A, V or Shaded X<br>Pollution & Contamination, Asbestos, Electronic Data/Cyber<br>Mold/Fungus, Nuclear Biological, Chemical & Radiological<br><i>(see policy for complete list of exclusions)</i> | Flood in 100-year zones, A, V or Shaded X<br>Pollution & Contamination, Asbestos, Electronic Data/Cyber<br>Mold/Fungus, Nuclear Biological, Chemical & Radiological |
| <b>Notes</b>   |  |   |
| The excess quote has not been finalized. While expected to come in flat, this proposal indicates a 3% increase to provide a worst-case scenario. |  |   |

## CYBER LIABILITY

### Cyber Liability 2018-2019 Renewal Proposal

|  | Expiring  | Proposed  |
|--|---|---|
| <b>Carrier</b>                                     | Hiscox  | Hiscox  |
| AM Best Rating                                     | A Excellent   | A Excellent   |
| California Status                                  | Financial Size Category XV (\$2B or Greater)<br>Non-Admitted  | Financial Size Category XIV (\$2B or Greater)<br>Non-Admitted |
| <b>Coverage</b>                                    | Hiscox USA Technology, Privacy and Cyber Protection Portfolio | Hiscox USA Technology, Privacy and Cyber Protection Portfolio |
| <b>Policy Term</b>                                 | July 1, 2017 to July 1, 2018                                  | July 1, 2018 to July 1, 2019                                  |
| <b>Limit of Liability</b>                          |   |   |
| Policy Aggregate                                   | <b>\$1,000,000</b>  | <b>\$1,000,000</b>  |
| Breach Costs- First Party                          | \$1,000,000   | \$1,000,000   |
| Privacy Protection - First Party                   | \$1,000,000   | \$1,000,000   |
| Multimedia Protection - First Party                | \$1,000,000   | \$1,000,000   |
| Hacker Damage - First Party                        | \$1,000,000   | \$1,000,000   |
| Cyber Business Interruption - First Party          | \$1,000,000   | \$1,000,000   |
| Cyber Extortion - First Party                      | \$1,000,000   | \$1,000,000   |
| <b>Policy Sublimits</b>                            |   |   |
| Breach Costs - Computer Forensic Costs             | \$1,000,000   | \$1,000,000   |
| Breach Costs - Notification Costs                  | \$1,000,000   | \$1,000,000   |
| Breach Costs - Credit or Identity Protection       | \$1,000,000   | \$1,000,000   |
| Breach Costs - Crisis Management and PR Costs      | \$50,000  | \$50,000  |
| Privacy Protection - Regulatory Action             | \$100,000   | \$100,000   |
| Privacy Protection - Regulatory Compensatory Award | \$1,000,000   | \$1,000,000   |
| Privacy Protection - PCI Fines / Penalties         | \$25,000  | \$25,000  |



**Cyber Liability**

2018-2019 Renewal Proposal

|  |   |   |
|--|---|---|
| Hacker Damage- Consulting Costs  | \$50,000  | \$50,000  |
| Cyber Business Interruption - Consulting Costs                                 | \$50,000  | \$50,000  |
| Cyber Business Interruption - Loss Amt. Sublimit per hour                      | \$10,000  | \$10,000  |
| <b>Retention</b>   |   |   |
| Breach Costs- First Party  | \$10,000  | \$10,000  |
| Privacy Protection - First Party   | \$10,000  | \$10,000  |
| Multimedia Protection - First Party  | \$10,000  | \$10,000  |
| Hacker Damage - First Party  | \$10,000  | \$10,000  |
| Cyber Business Interruption - First Party                                      | 10 Hours  | 10 Hours  |
| Cyber Extortion - First Party  | \$10,000  | \$10,000  |
| <b>Services Available</b>  | Access to BreachProtection™ which provides comprehensive risk management tools and subject-matter specialists to help answer questions. Including: Online compliance materials, procedures and sample forms, workforce training, and data breach response notification law summaries. | Access to BreachProtection™ which provides comprehensive risk management tools and subject-matter specialists to help answer questions. Including: Online compliance materials, procedures and sample forms, workforce training, and data breach response notification law summaries. |
| <b>Major Exclusions</b><br><i>(see policy for complete list of exclusions)</i> | Fraudulent/Criminal Acts<br>Bodily Injury, or Property Damage<br>Intentional or knowing violation of the law<br>Pollutants, Insured vs. Insured,<br>Employer Liability<br>Pending Prior Litigation<br>Fund Transfer Exclusion   | Fraudulent/Criminal Acts<br>Bodily Injury, or Property Damage<br>Intentional or knowing violation of the law<br>Pollutants, Insured vs. Insured,<br>Employer Liability<br>Pending Prior Litigation<br>Fund Transfer Exclusion   |
| <b>Premium</b>   |   |   |
| Annual Premium   | \$4,860.00  | \$4,860.00  |
| Surplus Lines Taxes and Fees   | \$155.52  | \$155.52  |
| Wholesaler Fee   | \$375.00  | \$375.00  |
| <b>Total Cost</b>  | <b>\$5,390.52</b>   | <b>\$5,390.52</b>   |

**Cyber Liability**  
2018-2019 Renewal Proposal

|   |    |    |
|---|----|----|
| <b>Commission</b><br>Keenan & Associates  | 0% | 0% |
| <b>Notes</b>  |    |    |
| Qualified for automatic renewal.  |    |    |
| <b>Subject To</b>   |    |    |
| Renewal subject to: No increase or decrease in annual revenues of 35%, no merger, acquisition, divestiture, or change in ownership or control, no known potential claim |    |    |

## KEENAN PROFILE

### OVERVIEW OF KEENAN

Founded in 1972, Keenan has experience consulting to cities, counties, special districts, community colleges, and public school districts. Statewide, Keenan provides services to more than 950 public sector entities including 65 trusts and joint power authority programs (JPAs). Because of Keenan's niche focus on the unique requirements of public sector entities, we bring a comprehensive understanding of the customers and markets we serve.

In April 2017 Keenan joined the AssuredPartners, Inc. family of companies. AssuredPartners, Inc. acquires and invests in insurance brokerages across the United States, Canada and London. Since AssuredPartners' founding in March 2011, it has grown to over 180 offices in 30 states and is currently ranked 13<sup>th</sup> largest U.S. Brokerage.

Keenan is AssuredPartners public entity leader providing national partners with public entity expertise. By joining AssuredPartners, Keenan has access to additional capital and a national footprint that will enable us to continue to negotiate the most favorable coverage terms and conditions for our clients, and allow us to provide an even broader spectrum of public entity risk management support services.

### KEENAN PUBLIC AGENCY DIVISION

Keenan's Public Agency Division provides high quality, innovative products and services that add value, increase reliability and provide financial security for our clients' property and liability, workers' compensation, and employee benefits programs. As an organization, we place insurance covering more than \$80 billion of insured property values and more than \$50 billion in covered payroll.

We believe an integrated approach allows us to provide our clients with the highest level of consultation. To do so, we have developed a wide range of services, including

- Risk Management Consultation
- Claims Administration
- Full Range of Insurance Brokerage
- JPA Management and Consulting
- Loss Control Consultation and Services
- Financial Analysis and Planning for Creative Funding Options

### KEENAN OFFICES AND STAFFING

Keenan has nine (9) offices throughout California, with more than 750 employees. This enables us to provide immediate service to our clients. It also gives us an understanding of California's public agencies statewide.

## RISK MANAGEMENT SERVICES

### INTEGRATED SERVICE TEAM

Our clients' programs are only as good as the service team's delivery on our commitments. Our commitment to customer service epitomizes the Keenan brand. Whether its prompt response in coverage analysis, effective claims oversight or results-oriented loss control service, our fully integrated business model with internal access to all necessary resources will either provide or oversee quality delivery of value added service to the City.

### LOSS CONTROL SERVICES

Loss Control Services comprise a special blend of knowledge and expertise that can only be acquired by specialization. Our Loss Control Services personnel are specialists trained to identify and analyze loss exposure factors, develop necessary loss controls, recommend appropriate remedial actions and provide necessary services, including employee training, to help reduce the frequency and severity of your claims.

Addressing employee injuries and safety concerns is a critical component to achieving a strong safety culture. A strong safety culture is essential to the success of your Risk Management program and ultimately the success of maintaining low claim numbers. Our trainings and assessment services have been provided to thousands of employees across California, and continue to be requested year after year from our clients. Minimal financial investments like this can result in tremendous benefits across a wide span of the City's resources.

Keenan offers its complete Loss Control Service Schedule as an option for the City to augment loss control and safety training not otherwise provided by the carrier.

Partnering with an experienced, stable and flexible safety and loss control team is critical for customer satisfaction, consistency in service delivery and the execution of the City's safety objectives. Our safety professionals average over 14 years of California Public Agency experience and possess the distinction of assisting clients in achieving significant reduction in claims and incidents. Their individual and collective expertise provide California Public Agencies with all the assessment, program development and training needs required of environmental and Cal/OSHA regulations. In our Public Agency book of business, Keenan Safety and Loss Control experts have achieved a consistent record of loss reduction (36% frequency rate drop over the last four years). Additionally, the Keenan team is noted to have specialized experts who possess the following certifications:

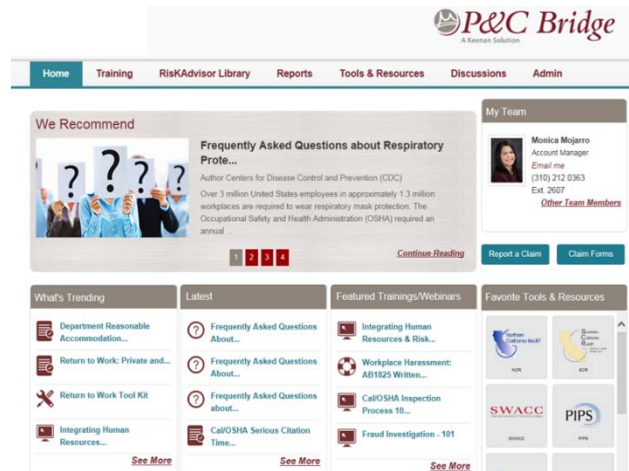
- Certified Safety Professionals (CSP)
- Certified Ergonomists (CPE)
- Registered Environmental Assessors (REA)
- Certified Playground Inspectors (CPSI)
- Certified Forklift Trainers
- Hazardous Materials First Responders
- Associates in Risk Management (ARM)
- Certified Aerial Lift Trainers

## P&C BRIDGE

P&C Bridge is a web-based portal Keenan designed to allow our clients 24/7 access to the tools necessary to manage their Property, Liability and Workers' Compensation programs. P&C Bridge enables you to bridge Training, Compliance, Communication and Risk Management in one secure platform. P&C Bridge was built with the help of Risk Managers, Chief Business Officials, and Human Resources professionals as they told us specifically what they needed to bring safety, accountability and efficiencies to their organizations.

### P&C Bridge Features:

- Keenan SafePersonnel Dashboard, online training can help public agencies comply with regulatory compliance and increase the safety of their employees.
- Claim Related Alerts. How are you managing your workers' compensation program? P&C Bridge claim related alerts offer more options to assist your agency in managing important claim milestones.
- What's Trending? Stay on top of issues important to your peers. Quickly see content, training and other resources your peers are in and viewing.
- Follow Content Important to You. Personalize your account to follow topics that are most interesting to you and have the option to receive an email notification when new content on that topic is posted to P&C Bridge
- Keep Track of Important Meetings, Trainings and Events. Use the calendar tool to easily see meetings, trainings and events that are coming up and add them to your personal calendar. Customize your calendar view to only see events that matter most to you and your agency
- User Friendly Format. The design of P&C Bridge makes it easy to find what you are looking for.



## KEENAN SAFEPERSONNEL

### Keenan SafePersonnel – Web Based Online Training

Built on technology extensively proven in public agencies and recognized with a 2013 *Business Insurance* Innovation Award, Keenan SafePersonnel has an established track record with over 500,000 course completions.

The Keenan SafePersonnel courses have been specifically designed for California cities, counties, transit agencies and special districts. The content is newly updated and regularly reviewed to remain current.

Keenan SafePersonnel develops a strong safety culture for the City:

- Fosters a safe, healthy environment for agency employees and helps protect your community.
- Cost effectively delivers training online with far less disruption to work schedules and reduced travel expense.
- Courses align with your exposures, loss history and reinforce targeted prevention strategies.
- Interactive, visually-pleasing content engages employees with short, manageable modules.
- Centralized, automated record of training for Cal/OSHA and risk management documentation.

| Author | Length  | Available In Spanish |
|--------|---------|----------------------|
|        | 29 mins |                      |
|        | 12 mins |                      |
|        | 29 mins |                      |
|        | Length  | Available In Spanish |
|        | 11 mins |                      |

| Author | Length  | Available In Spanish |
|--------|---------|----------------------|
|        | 24 mins |                      |
|        | 29 mins |                      |
|        | 18 mins |                      |
|        | 24 mins |                      |
|        | 27 mins |                      |
|        | 27 mins |                      |
|        | 25 mins |                      |
|        | 2 hours |                      |
|        | 22 mins |                      |
|        | 19 mins |                      |

| Author                            | Length          | Available In Spanish |
|-----------------------------------|-----------------|----------------------|
| Active Shooter: Admin             | Dorn & Nguyen   | 43 mins              |
| Active Shooter: Staff             | Dorn & Nguyen   | 36 mins              |
| Emergency & Disaster Preparedness | Dorn & Shepherd | 34 mins              |
| NIMS IS-200.b                     | FEMA            | 180 mins             |
| NIMS IS-700.A                     | FEMA            | 180 mins             |
| NIMS IS-800.B                     | FEMA            | 180 mins             |

| Author  | Length            | Available In Spanish |
|---|-------------------|----------------------|
| Conducting Job Interviews                         | Catherine Mattice | 24 mins              |
| Discrimination: Avoiding Discriminatory Practices | Catherine Mattice | 29 mins              |
| Managing Difficult Behaviors                      | Catherine Mattice | 18 mins              |
| Performance Evaluations                           | Catherine Mattice | 24 mins              |
| Reasonable Suspicion for Drugs/Alcohol            | Patrick Hancock   | 27 mins              |
| Retaliation: Liability                            | Catherine Mattice | 27 mins              |
| Sensitivity Awareness                             | Catherine Mattice | 25 mins              |
| Sexual Harassment: Policy & Prev (AB 1825)        | Wendy Armstrong   | 2 hours              |
| Termination: Practice & Procedure                 | Patrick Hughes    | 22 mins              |
| Working Alone: Policy & Practices                 | R. Joy Jackson    | 19 mins              |

| Author   | Length            | Available In Spanish |
|--|-------------------|----------------------|
| Accident Investigation (Supervisors)             | Jeremy Norton     | 26 mins              |
| Aerial Lift Safety Awareness                     | Jeremy Norton     | 19 mins              |
| Asbestos Awareness                               | Dr. Joseph Guth   | 29 mins              |
| Back Injury & Lifting (Eng/Spanish)              | Vaughan & Sommer  | 14 mins              |
| Back Injury & Lifting: Maintenance (Eng/Spanish) | Vaughan & Sommer  | 14 mins              |
| Chemical Spills Overview                         | Linda Stroud      | 23 mins              |
| Commercial Mower Safety                          | Scenario Learning | 23 mins              |
| Compressed Gas Safety                            | Mike Peteman      | 13 mins              |
| Confined Space Awareness (Eng/Spanish)           | Bryan Vischer     | 29 mins              |
| Electrical Safety: Complete                      | Bryan Vischer     | 24 mins              |
| Eye & Face Protection (Eng/Spanish)              | Jim Vaughan       | 12 mins              |
| Facility Emergencies                             | Bryan Vischer     | 22 mins              |
| Fall Protection                                  | Bryan Vischer     | 22 mins              |
| Fire & Explosion Hazards                         | John Sinder       | 25 mins              |
| Fire Extinguisher Safety (Eng/Spanish)           | Mike Peteman      | 13 mins              |

## CLAIMS ADMINISTRATION SERVICES

### THE KEENAN ADVANTAGE

Keenan is a full-service, multi-faceted Third Party Administration (TPA) whose experience working with public agencies organizations is unmatched in the industry. Our TPA services for California public agencies, has yielded long-term fiscally sustainable solutions, which set the standard that other TPAs strive to achieve.

- **Commitment:** Founded in 1972, Keenan was the first insurance brokerage firm in California to specialize in workers' compensation for public agencies.
- **Partnership:** As California's largest privately held brokerage firm and third party administrator for schools, we offer you economy-of-scale savings no other firm can match.
- **Innovation:** We offer unparalleled experience in providing unique solutions to meet the dynamic changes within the workers' compensation insurance market. Our "P&C Bridge" web portal is just the most recent example.
- **Client Centered:** We combine our statewide resources and experience with local offices and personalized attention to meet each client's individual needs.
- **High Quality:** We constantly strive to make our established "best practices" even better. As a result, the most recently published State of California Division of Workers' Compensation PAR audit findings (2006) rank Keenan as #4 in the State – the highest ranking Third Party Administrator on the list!
- **Cost Effective:** Our proprietary programs deliver savings that can't be matched. In 2008, our medical cost containment program, PRIME, alone delivered savings of over \$55 million to our clients.

Keenan's expertise in workers' compensation has allowed us to create and implement solutions for public agencies that are high quality, innovative, cost-efficient and comprehensive. Keenan & Associates maintains experienced claim processors and customer service representatives to provide prompt, efficient and accurate claim services.

#### Keenan's Workers' Compensation Claims department provides clients with:

- Medical cost containment
- Legal cost containment
- Fraud reduction efforts
- Automated injury reporting
- Accurate forecasting
- Quality control
- Medical Panels





## KEENAN DISCLOSURE STATEMENT

### Nature of Our Services

As your broker, Keenan will act as your advisor and consultant, but you will remain the ultimate decision maker. We will assist you in evaluating the information presented so that you can make an informed decision. You will, at all times, retain the right and responsibility to determine whether to accept or implement any information, recommendation, or suggestion presented by Keenan.

Keenan does not provide legal, tax, or accounting service, advice, or opinion, and our services are not to be interpreted as representing any such service, advice, or opinion. Clients are expected to consult their own counsel and their tax/accounting experts on all legal, tax, and accounting matters relating to their insurance programs.

### Needs Assessment and Marketing Plan

Keenan will work with you to assess and address your insurance needs. During this phase we will gather important information from you that will help us to develop a marketing plan and present your organization to prospective carriers. It is important that any information you provide us – or that someone else provides on your behalf – is accurate and complete. Prospective carriers will rely on this information as they develop their quotes.

After we develop a marketing plan, Keenan will contact those markets that it has determined most likely to meet the needs you have identified. We will not, however, contact every available market for the particular coverage being sought. In so far as practical, Keenan will honor requests to contact specific markets, but Keenan will not present a client to any carrier that we have determined will not provide a competitive quote. Keenan cannot guarantee the availability or price of insurance products, and cannot be responsible for fluctuations in the premiums charged by insurers.

### Use of Intermediaries

We generally prefer to approach markets directly wherever possible. Upon occasion, however, we may use intermediaries, including but not limited to co-brokers, sub-brokers, managing general agents/managing general underwriters, wholesale brokers, or reinsurance brokers if we believe it is necessary or appropriate.

### Marketing Results and Review of Options

Keenan will report to you in summary format, information concerning all markets and carriers approached. The summary shall include, as applicable: name of carriers approached, limits, premium, and deductible. The summary shall also include the names of any carriers who declined to provide a quote. We will also present a comparison summary highlighting the significant terms and/or differences among the various coverages quoted. The summary is provided **for convenience only**. It is not a comprehensive review of all policy terms and conditions. It is your responsibility to ask questions and to request any additional information that you deem necessary to make an informed decision regarding your insurance or self-insurance program.

Keenan cannot guarantee the solvency of any carrier with which we place business. Clients are encouraged to review all publicly available information and to contact us regarding any questions they may have. Ultimately, it remains the client's decision whether or not to accept a particular insurance carrier.

### Binding Coverage

Once you have made your decision, Keenan will communicate your decision to the selected carrier so that coverage can be bound on your behalf. It is your responsibility to carefully review all documents we give you, including binders, policies and endorsements, and to advise us immediately if you find any mistakes, or believe the materials do not properly reflect your needs or instructions.



### **Compensation**

Our service agreement with you will outline the specific terms of Keenan's compensation. Brokers often receive commissions from insurance carriers based on the insurance products sold. Commissions that are directly related to the insurance coverage purchased may impact the pricing that Keenan is able to obtain for such coverage.

It is possible that Keenan may also provide services to other entities that also provide services to our clients. They may include administrative, underwriting, marketing, loss control, and/or reinsurance related services. To the extent that any such services are provided, Keenan will be separately compensated by the recipient of those services.

Consistent with industry practices, insurers may also pay insurance brokers, such as Keenan, indirect compensation based upon volume efficiencies, client renewals, marketing services, product development, technology investments and other additional services. Keenan seeks written assurances from insurers that any such indirect compensation will not adversely impact the pricing or coverage terms that Keenan is able to obtain for its clients.

Keenan complies with all applicable state and/or federal laws and regulations regarding disclosure of compensation. We embrace industry efforts for transparency and believe it is important that clients have access to information that may be relevant to their choice of insurance products, including the cost of such insurance and services, and, the compensation that may be directly or indirectly paid to Keenan in connection with the products or services that are selected. If you have questions regarding any of these items or desire additional information, you may contact your Keenan account representative to discuss this matter in more detail.

# United States Risk Assessment

Perils and Risk Attributes:

## **Earthquake Risk Analysis**

Earthquake Hazard Data

Enhanced Flood Zone Data

Prepared By: RT Specialty

Prepared For: Cyndi Marty

Account Name: L A County Law Library - 10%

April 6, 2017

# Table of Contents

---

The list of pages provided in this report are based on the user's selection of risks to be analyzed and hazard data to be viewed.

| Page # | Page Title                      |
|--------|---------------------------------|
| 1      | Title                           |
| 2      | Table of Contents               |
| 3      | Disclaimer                      |
| 4      | Executive Summary               |
| 5      | Data Summary                    |
| 6      | Policy and Deductible Summary   |
| 7      | EP-Key Return Periods - EQ US   |
| 8      | ExpSum State - EQ US            |
| 9      | ExpSum County - EQ US           |
| 10     | ExpSum Occupancy - EQ US        |
| 11     | ExpSum Construction - EQ US     |
| 12     | ExpSum Geocoding - EQ US        |
| 13     | ExpSum Stories - EQ US          |
| 14     | ExpSum YearBuilt - EQ US        |
| 15     | ExpSum Coverage                 |
| 16     | ExpSum PML Zone                 |
| 17     | ExpSum Enhanced FEMA Flood Zone |
| 18     | AAL by Location - EQ US         |
| 19     | Enhanced FEMA Flood Hazard      |
| 20     | ExpSum 100yr RMS FL Zone        |
| 21     | ExpSum 500yr RMS FL Zone        |
| 22     | ExpSum Defended RMS Flood RP    |
| 23     | ExpSum Undefended RMS Flood RP  |
| 24     | Enhanced FEMA Flood Definition  |
| 25     | Top 5 Stochastic EQ US Events   |
| 26     | Earthquake - US Hazard          |
| 28     | Earthquake Hazard Legend        |
| 29     | Analysis Methodology            |
| 30     | Glossary of Terms               |

## Disclaimer

---

The technology and data used in providing this information is based on the scientific data, mathematical and empirical models, and encoded experience of earthquake engineers, wind engineers, structural engineers, geologists, seismologists, meteorologists and geotechnical specialists. As with any model of complex physical systems, particularly those with low frequencies of occurrence and potentially high severity outcomes, the actual losses from catastrophic events may differ from the results of simulation analyses. Furthermore, the accuracy of predictions depends largely on the accuracy and quality of the data input by the user.

This information is being provided under license to RT Specialty from Risk Management Solutions, Inc., is considered confidential to Risk Management Solutions, Inc., and may not be shared with any third party without the prior written consent of both RT Specialty and Risk Management Solutions, Inc. Furthermore, this information may only be used for the specific business application specified by RT Specialty and for no other purpose and may not be used under any circumstances to support the development or calibration of a new or existing product or service offering that competes with Risk Management Solutions, Inc.

THIS INFORMATION IS PROVIDED "AS IS", AND BOTH RT SPECIALTY AND RISK MANAGEMENT SOLUTIONS, INC. DISCLAIM ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE INFORMATION, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL EITHER RT SPECIALTY OR RISK MANAGEMENT SOLUTIONS, INC. BE LIABLE FOR DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND ARISING FROM ANY USE OF THIS INFORMATION.

RMS does not directly participate in the business of insurance, reinsurance or related industries, and the contents of this report are not intended to constitute professional advice as to any particular situation. RMS specifically disclaims any and all responsibilities and obligations with respect to any decisions or advice made or given as a result of the contents of this report or the reader's use thereof.

# Executive Summary

---

RT Specialty conducted an analysis of L A County Law Library - 10% for the potential loss due to the peril(s) of earthquake. Based on this analysis, RT Specialty concludes the following:

## **Exposure Summary**

The L A County Law Library - 10% account contains 3 properties with a total insured value (TIV) of \$55,631,079. Building values account for approximately 80.86% of the portfolio's TIV. Contents and Business Interruption values account for approximately 14.28% and 4.86% of the portfolio's TIV, respectively.

## **Loss Summary**

For the earthquake - us peril, there is a 0.2% chance of one or more events causing at least \$8,780,523 in ground up loss in any given year. This corresponds to a 500 year return period.

On a long-term average annual basis, the L A County Law Library - 10% account is expected to sustain \$78,627 in ground up loss due to the peril of earthquake - us.

# Data Summary

---

Cyndi Marty provided RT Specialty with data detailing its locations exposed to the peril(s) of earthquake. A summary of that data is provided below.

## Summary of Data Provided to RT Specialty

| <b>Data</b>          | <b>Analyzed by RT Specialty</b>              |
|----------------------|--|
| Number of Locations  | 3  |
| Aggregate Values     | \$55,631,079                                 |
| Coverage Types       | Building, Contents, Business Interruption    |
| Occupancy Scheme     | ATC scheme(s) provided for analysis          |
| Construction Scheme  | RMS scheme(s) provided for analysis          |
| Year of Construction | 100% of locations have a 'Year Built' listed |

## Policy and Deductible Summary

L A County Law Library - 10% was modeled using the following policy and deductible structures as provided below. Other factors such as special deductibles on specific locations could have also been used, which are not shown in this report.

### Policy Coverage Detail

Applies only to the selected coverage type. Applies to that coverage for every location associated with the policy.

| Policy Details |    |    |                |           |        |                  |                 |                  |                |         |                 |                  |                    |                    |            |           |
|----------------|----|----|----------------|-----------|--------|------------------|-----------------|------------------|----------------|---------|-----------------|------------------|--------------------|--------------------|------------|-----------|
| EQ             | WS | TO | Policy Number* | Structure | Status | Line of Business | Inception Date* | Expiration Date* | Blanket Limit* | Part Of | Blanket Premium | Attachment Point | Minimum Deductible | Maximum Deductible | Deductible | Currency* |
| X              |    |    | tbd            | Standard  |        |                  | 7/1/2017        | 7/1/2018         | 0              | 0       | 0               | 0                | 0                  | 0                  |            | US Dollar |

### Location Deductible Detail

Applies to the location (site) as a whole, independent of coverage deductible. Operates as a minimum site deductible if coverage deductibles are also selected. Does not cap coverage specific deductibles.

| Earthquake Deductibles                                   |                 |                               |          |    |
|--|-----------------|-------------------------------|----------|----|
| EQ Regions   | Site Deductible | Location Coverage Deductibles |          |    |
|  |                 | Buildings                     | Contents | BI |
| <input checked="" type="checkbox"/> Single EQ Deductible | 10.00%          | 0                             | 0        | 0  |
|  |                 |                               |          |    |

## Exceedance Probability Analysis - Earthquake - US

The table below illustrates the probability of ground up losses exceeding various amounts due to one or multiple events in a given year, as described by the Occurrence Exceedance Probability (OEP) and Aggregated Exceedance Probability (AEP), respectively. There is a 0.2% chance that one or more events will cause at least \$8,780,523 in ground up loss in any given year. On a long-term average annual basis, the L A County Law Library - 10% account is expected to sustain \$78,627 in ground up loss. The variability of this amount, noted below as the standard deviation, is representative of the uncertainty in the magnitude of losses caused by an occurring event.

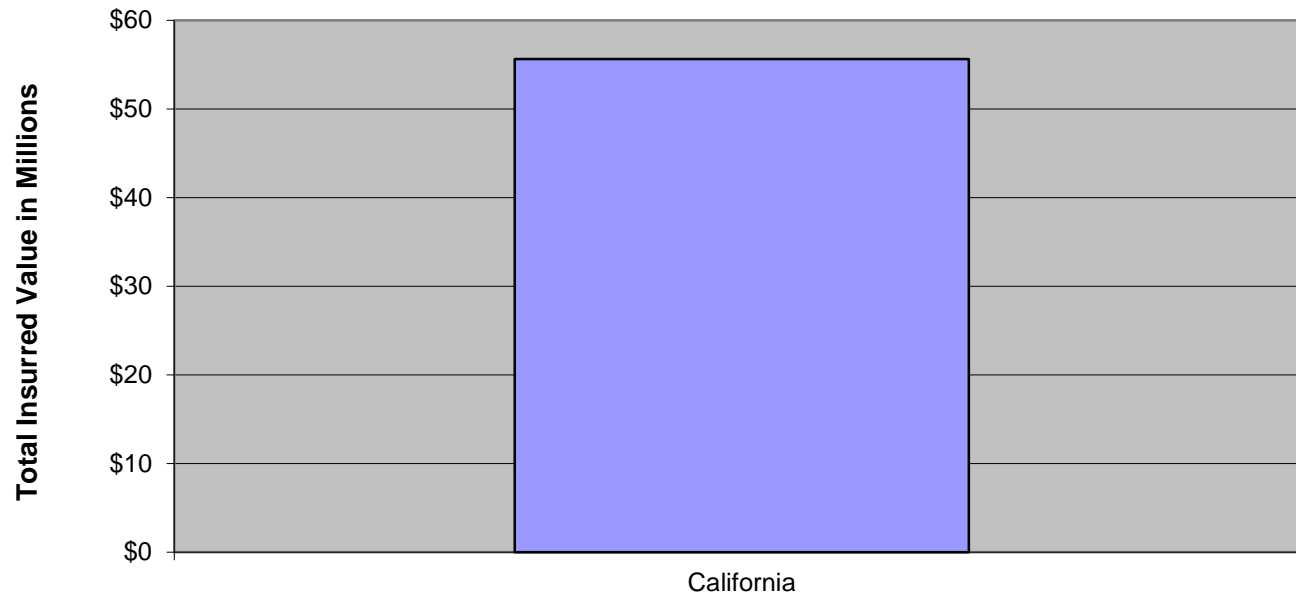
### Key Return Period Losses - U.S. - Earthquake - US

| Critical Probability     | Return Period (years) | Aggregate Exceedance Probability |              |             | Occurrence Exceedance Probability |              |             |
|--------------------------|-----------------------|----------------------------------|--------------|-------------|-----------------------------------|--------------|-------------|
|                          |                       | Ground Up Loss                   | Gross Loss   | Client Loss | Ground Up Loss                    | Gross Loss   | Client Loss |
| 0.010%                   | 10,000                | \$37,861,110                     | \$31,899,637 | \$5,809,309 | \$37,760,395                      | \$31,898,530 | \$5,561,825 |
| 0.020%                   | 5,000                 | \$31,005,283                     | \$25,226,533 | \$5,571,147 | \$30,918,164                      | \$25,202,358 | \$5,561,651 |
| 0.100%                   | 1,000                 | \$14,528,945                     | \$8,882,199  | \$5,561,367 | \$14,469,298                      | \$8,779,579  | \$5,561,313 |
| 0.200%                   | 500                   | \$8,780,523                      | \$3,121,666  | \$5,561,137 | \$8,733,895                       | \$3,120,539  | \$5,561,105 |
| 0.400%                   | 250                   | \$4,688,965                      | \$0          | \$4,649,176 | \$4,657,625                       | \$0          | \$4,628,161 |
| 1.000%                   | 100                   | \$1,607,475                      | \$0          | \$1,601,688 | \$1,594,594                       | \$0          | \$1,590,890 |
| 2.000%                   | 50                    | \$496,534                        | \$0          | \$497,228   | \$492,394                         | \$0          | \$492,601   |
| 4.000%                   | 25                    | \$62,479                         | \$0          | \$62,480    | \$62,054                          | \$0          | \$62,015    |
| 10.000%                  | 10                    | \$288                            | \$0          | \$55        | \$6                               | \$0          | \$54        |
| 20.000%                  | 5                     | \$0                              | \$0          | \$0         | \$0                               | \$0          | \$0         |
| Average Annual Loss      |                       |                                  |              |             | \$78,627                          | \$26,196     | \$52,431    |
| Standard Deviation       |                       |                                  |              |             | \$973,868                         | \$690,718    | \$424,218   |
| Coefficient of Variation |                       |                                  |              |             | 12                                | 26           | 8           |



## Exposure Summary - Earthquake - US

Exposure by State and Peril



**Peril Type:**

**Earthquake - US**

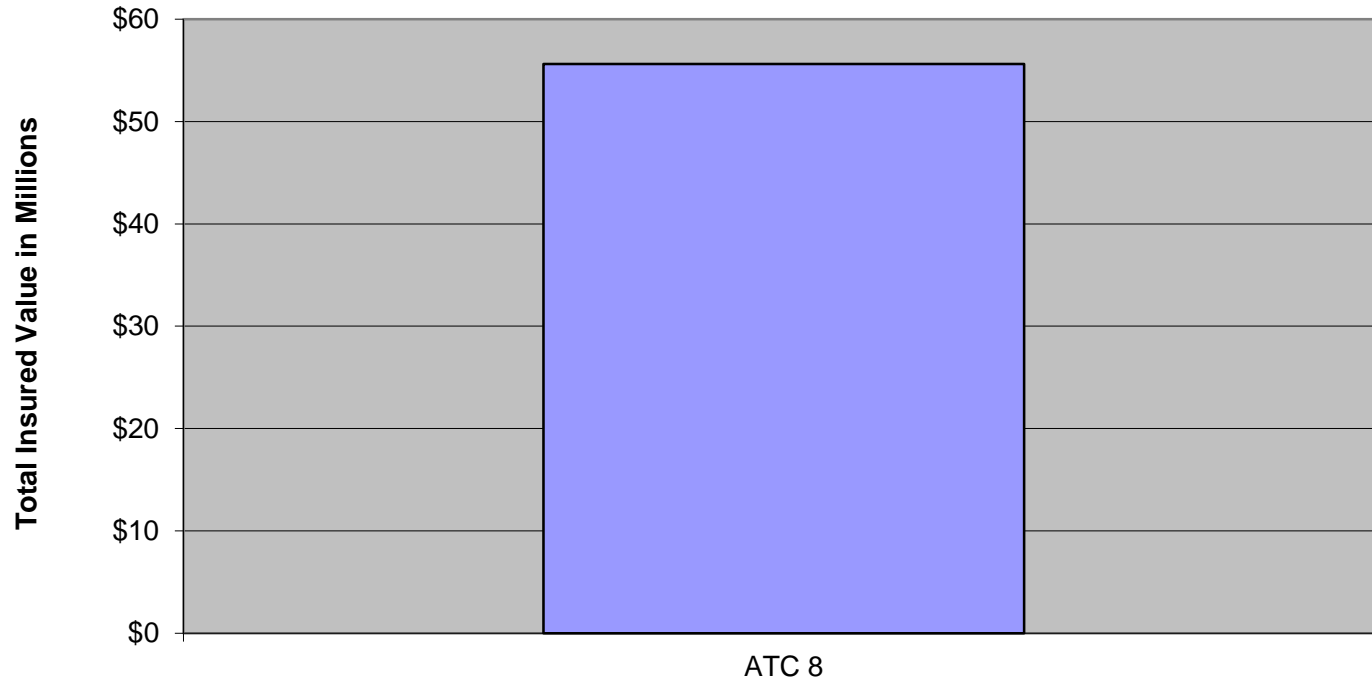
| State        | Total Insured Value | Locations | % of Total    |
|--------------|---------------------|-----------|---------------|
| California   | \$55,631,079        | 3         | 100.0%        |
| <b>Total</b> | <b>\$55,631,079</b> | <b>3</b>  | <b>100.0%</b> |

# Exposure Summary -- Value by County - Earthquake - US

| State      | County             | Total Insured Value | Locations |
|------------|--------------------|---------------------|-----------|
| California | Los Angeles County | \$55,631,079        | 3         |

# Exposure Summary - Earthquake - US

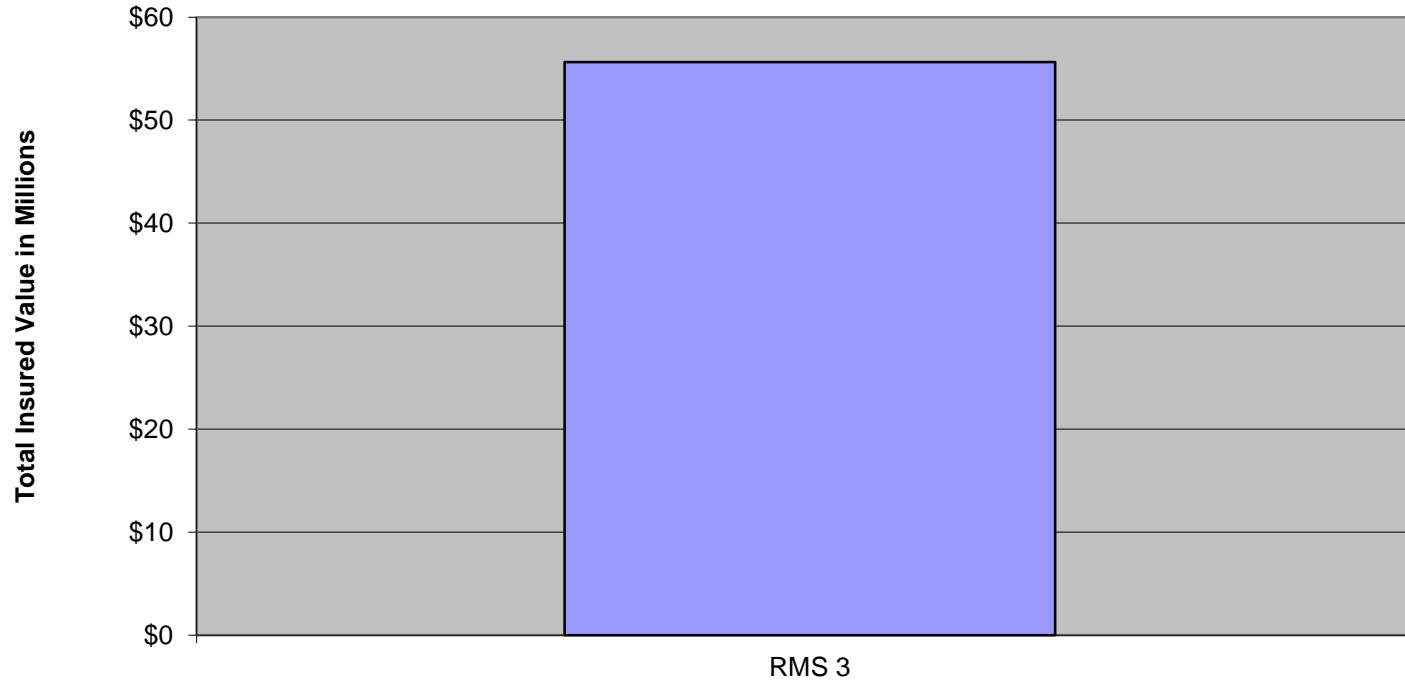
**Exposure by Occupancy Type & Peril**



| <b>Peril Type: Earthquake - US</b> |   |                            |                  |                   |
|------------------------------------|---|----------------------------|------------------|-------------------|
| <b>Occupancy Code</b>              | <b>Occupancy Description</b>                  | <b>Total Insured Value</b> | <b>Locations</b> | <b>% of Total</b> |
| ATC 8                              | Professional, Technical And Business Services | \$55,631,079               | 3                | 100.0%            |
| <b>Total</b>                       |   | <b>\$55,631,079</b>        | <b>3</b>         | <b>100.0%</b>     |

# Exposure Summary - Earthquake - US

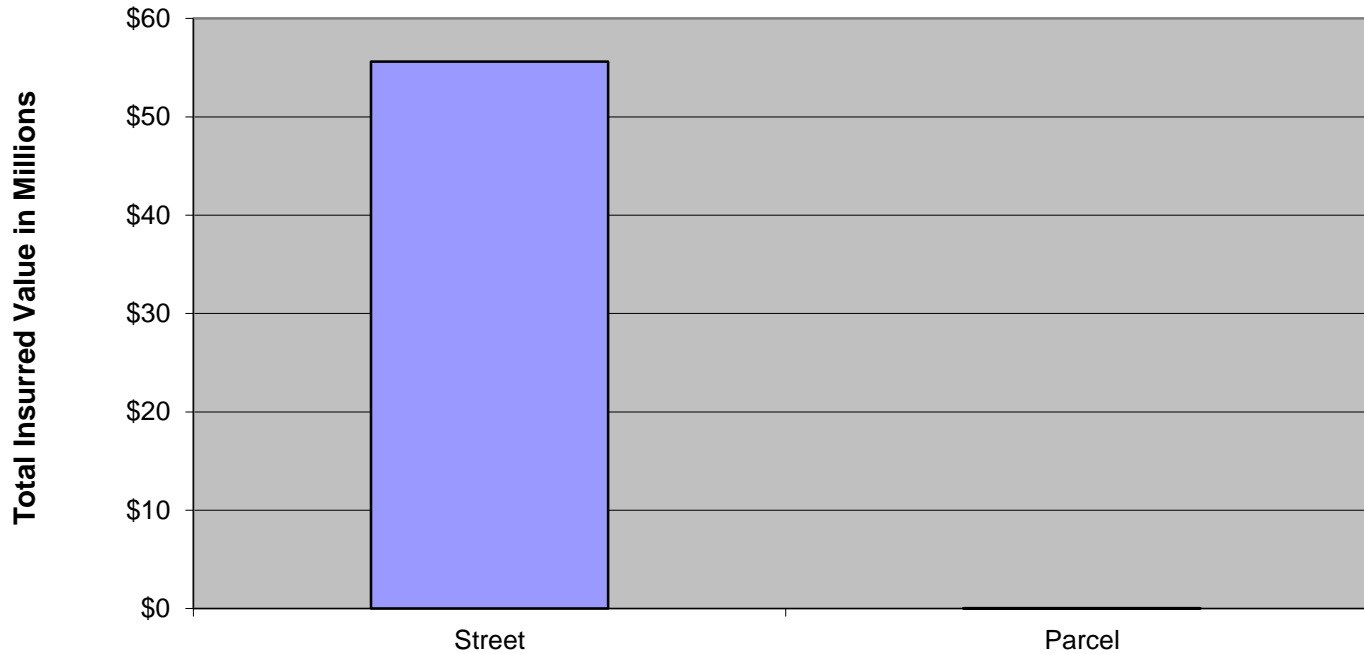
**Exposure by Construction Type & Peril**



| <b>Peril Type: Earthquake - US</b> |                             |                            |                  |                   |
|------------------------------------|-----------------------------|----------------------------|------------------|-------------------|
| <b>Building Code</b>               | <b>Building Description</b> | <b>Total Insured Value</b> | <b>Locations</b> | <b>% of Total</b> |
| RMS 3                              | Reinforced Concrete         | \$55,631,079               | 3                | 100.0%            |
| <b>Total</b>                       |                             | <b>\$55,631,079</b>        | <b>3</b>         | <b>100.0%</b>     |

# Exposure Summary - Earthquake - US

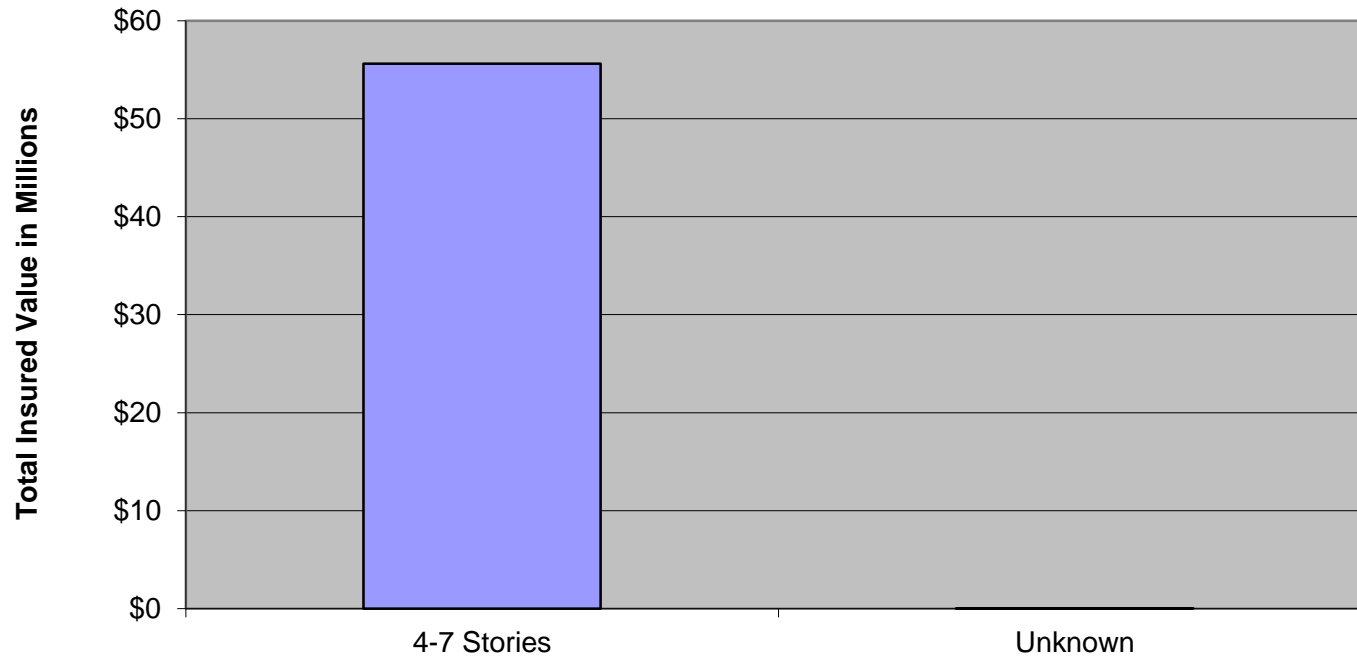
**Exposure by Geocoding and Peril**



| <b>Peril Type: Earthquake - US</b> |                            |                  |                   |
|------------------------------------|----------------------------|------------------|-------------------|
| <b>Geocoding Resolution</b>        | <b>Total Insured Value</b> | <b>Locations</b> | <b>% of Total</b> |
| Street                             | \$55,621,079               | 2                | 100.0%            |
| Parcel                             | \$10,000                   | 1                | < 0.1%            |
| <b>Total</b>                       | <b>\$55,631,079</b>        | <b>3</b>         | <b>100.0%</b>     |

## Exposure Summary - Earthquake - US

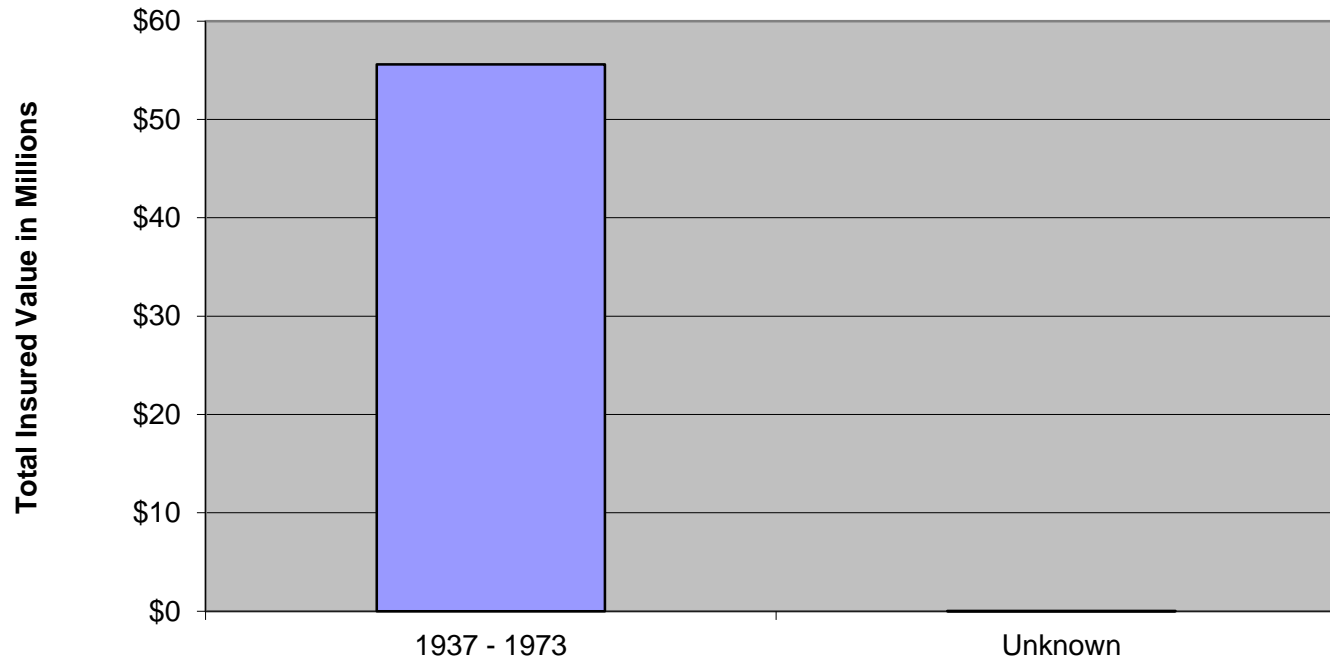
**Exposure by Number of Stories**



| <b>Peril Type: Earthquake - US</b> |                            |                  |                   |  |
|------------------------------------|----------------------------|------------------|-------------------|--|
| <b>Number of Stories</b>           | <b>Total Insured Value</b> | <b>Locations</b> | <b>% of Total</b> |  |
| 4-7 Stories                        | \$55,611,079               | 1                | 100.0%            |  |
| Unknown                            | \$20,000                   | 2                | < 0.1%            |  |
| <b>Total</b>                       | <b>\$55,631,079</b>        | <b>3</b>         | <b>100.0%</b>     |  |

## Exposure Summary - Earthquake - US

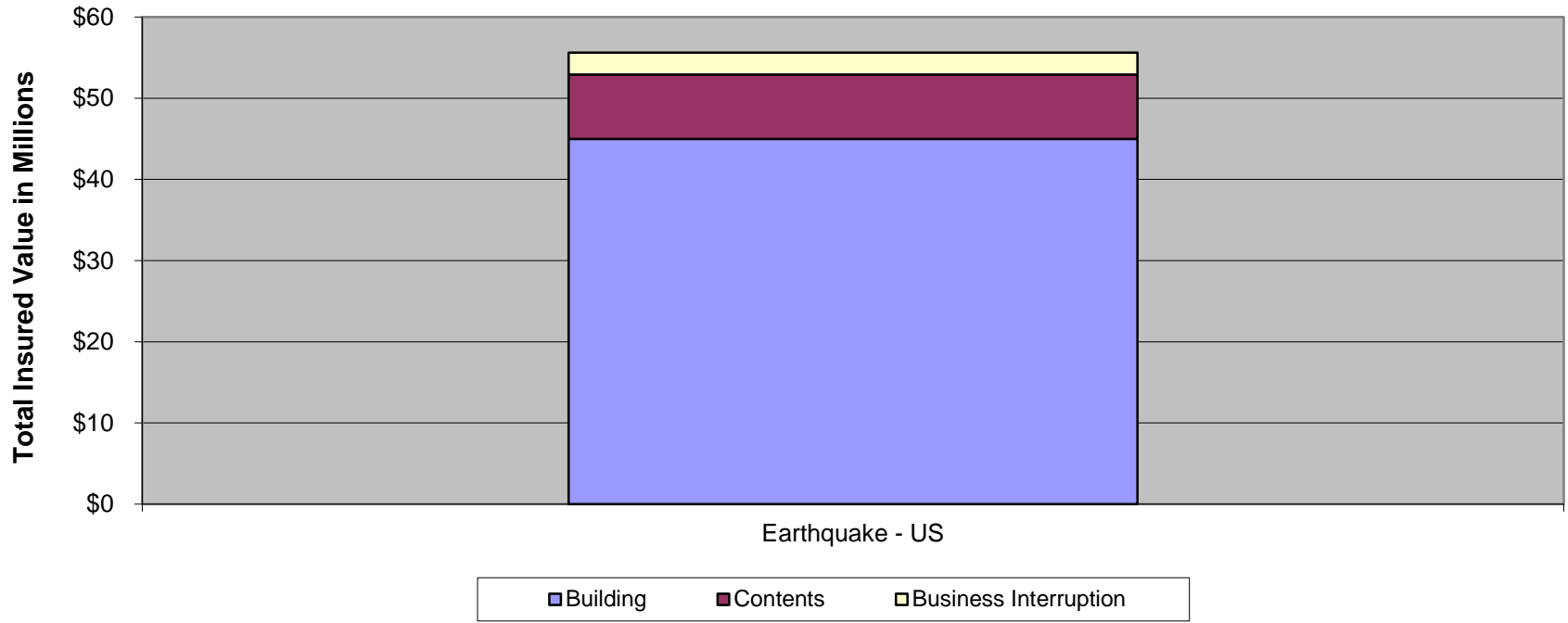
**Exposure by Year Built**



| <b>Peril Type: Earthquake - US</b> |                            |                  |                   |  |
|------------------------------------|----------------------------|------------------|-------------------|--|
| <b>Year Built</b>                  | <b>Total Insured Value</b> | <b>Locations</b> | <b>% of Total</b> |  |
| 1937 - 1973                        | \$55,611,079               | 1                | 100.0%            |  |
| Unknown                            | \$20,000                   | 2                | < 0.1%            |  |
| <b>Total</b>                       | <b>\$55,631,079</b>        | <b>3</b>         | <b>100.0%</b>     |  |

# Exposure Summary

**Exposure by Peril and Coverage**



| Peril           | Locations | Building            | Contents           | Business Interruption | Total Value         |
|-----------------|-----------|---------------------|--------------------|-----------------------|---------------------|
| Earthquake - US | 3         | \$44,984,500        | \$7,946,579        | \$2,700,000           | \$55,631,079        |
| <b>Total</b>    | <b>3</b>  | <b>\$44,984,500</b> | <b>\$7,946,579</b> | <b>\$2,700,000</b>    | <b>\$55,631,079</b> |



Exposure Summary -- Value by PML Zone

---

| PML Zone | Total Insured Value | Locations |
|----------|---------------------|-----------|
| B1       | \$55,621,079        | 2         |
| B2       | \$10,000            | 1         |

# Exposure Summary -- Value by Flood Zone

---

| Flood Zone | Total Insured Value | Locations |
|------------|---------------------|-----------|
| X          | \$55,631,079        | 3         |

## Average Annual Loss (AAL) By Location For Earthquake - US

3 earthquake - us exposed locations in the L A County Law Library - 10% account contribute to its Average Annual Loss (AAL) of \$78,627.

### Ground Up Financial Perspective

| Location Name           | City        | State | Average Annual Loss | % Average Annual Loss | Total Exposure      | % of Total     | Mean Damage Ratio |
|-------------------------|-------------|-------|---------------------|-----------------------|---------------------|----------------|-------------------|
| Mildren L Lillie Bldg   | Los Angeles | CA    | \$78,615            | 99.98%                | \$55,611,079        | 99.96%         | 0.14%             |
| Van Nuys Branch Library | Van Nuys    | CA    | \$7                 | 0.01%                 | \$10,000            | 0.02%          | 0.07%             |
| Torrance Courthouse     | Torrance    | CA    | \$5                 | 0.01%                 | \$10,000            | 0.02%          | 0.05%             |
| <b>Total</b>            |             |       | <b>\$78,627</b>     | <b>100.00%</b>        | <b>\$55,631,079</b> | <b>100.00%</b> |                   |

## Enhanced Flood Zone Data

---

| <b>Location Name</b>    | <b>Flood Zone</b> | <b>Other Flood Zones</b> |
|-------------------------|-------------------|--------------------------|
| Mildren L Lillie Bldg   | X                 | N/A                      |
| Torrance Courthouse     | X                 | N/A                      |
| Van Nuys Branch Library | X                 | N/A                      |

Exposure Summary -- Value by 100yr RMS Flood Zone

| Flood Zone | Total Insured Value | Locations |
|------------|---------------------|-----------|
| Yes        | \$0                 | 0         |
| No         | \$0                 | 0         |
| None       | \$0                 | 0         |

# Exposure Summary -- Value by 500yr RMS Flood Zone

| Flood Zone | Total Insured Value | Locations |
|------------|---------------------|-----------|
| Yes        | \$0                 | 0         |
| No         | \$0                 | 0         |
| None       | \$0                 | 0         |

# Exposure Summary -- Value by Defended Flood Return Period

[100] Year Return Period

| <b>Flood Depth</b> | <b>Total Insured Value</b> | <b>Locations</b> |
|--------------------|----------------------------|------------------|
| None               | \$55,631,079               | 3                |

[250] Year Return Period

# Exposure Summary -- Value by UnDefended Flood Return Period

[100] Year Return Period

| <b>Flood Depth</b> | <b>Total Insured Value</b> | <b>Locations</b> |
|--------------------|----------------------------|------------------|
| None               | \$55,631,079               | 3                |

[250] Year Return Period



## Flood Zone Definitions

| RMS Designation                              | Description   |
|--|---|
| A  | Subject to 100-year flood. <sup>1</sup> Base flood elevation undetermined.  |
| AExxxx <sup>2</sup><br>Anxxxx <sup>3</sup>   | Both AE and An represent areas subject to 100-year flood with base flood elevation determined.  |
| AHxxxx <sup>4</sup>                          | Subject to 100-year shallow flooding (usually areas of ponding) with average depth of 1-3 feet. Base flood elevation determined.  |
| AO   | Subject to 100-year shallow flooding (usually sheet flow on sloping terrain) with average depth of 1-3 feet. Base flood elevation undetermined.   |
| A99  | Subject to 100-year flood, with federal flood protection system (levee/dam) under construction. Base flood elevation undetermined.  |
| AR   | Previously accredited flood protection system has been decertified and is in the process of being restored to provide a 100-year or greater level of flood protection.  |
| V  | Subject to 100-year flood and additional hazard associated with coastal storm waves. Base flood elevation undetermined.   |
| Vexxxx <sup>4</sup><br>Vnxxxx <sup>3</sup>   | Both VE and V1-V30 represent areas subject to 100-year flood and additional hazard associated with coastal storm waves. Base flood elevation determined.  |
| B<br>SHX                                     | Both B and SHX represent areas between the limits of the 100-year and 500-year flood; or certain areas subject to 100-year flood with average depths less than 1 foot or where the contributing drainage area is less than 1 square mile; or areas protected by levees from the 100-year flood.                                       |
| C <sup>5</sup><br>X                          | Both C and X represent areas outside the 500-year flood plain.  |
| D  | Unstudied areas. Flood hazards are undetermined.  |
| AEFxxxx <sup>4</sup><br>AnFxxxx <sup>3</sup> | Floodway: an "F" can accompany zone designations AE and A1-A30 to represent areas in these zones that fall in the floodway.   |
| UB1, UB2, UB3,<br>UB31, UB4, UB5,<br>UB51    | Undeveloped Coastal Barriers: Areas adjacent to the Atlantic or Pacific Oceans or the Great Lakes, where flood insurance will not be available for substantially improved new construction or structures. These areas are protected by law to discourage development in an attempt to preserve dunes, beaches, and wildlife habitats. |
| WTR/DFP                                      | Areas falling under sea, ocean, bay, lake, or other body of water.  |
| DFP  | Different Flood Panel: area within a FEMA flood map panel for which official flood zone information is included on a different map panel.   |
| UMP/DFP                                      | Unmarked Polygons: areas on a FEMA flood map panel for which the zone label cannot be ascertained.  |
| NMA  | Not Mapped by FEMA.   |

<sup>1</sup> 1% or greater annual probability of flooding.

<sup>2</sup> 0.2% or greater annual probability of flooding; these areas are particularly vulnerable to flooding if local drainage systems fail.

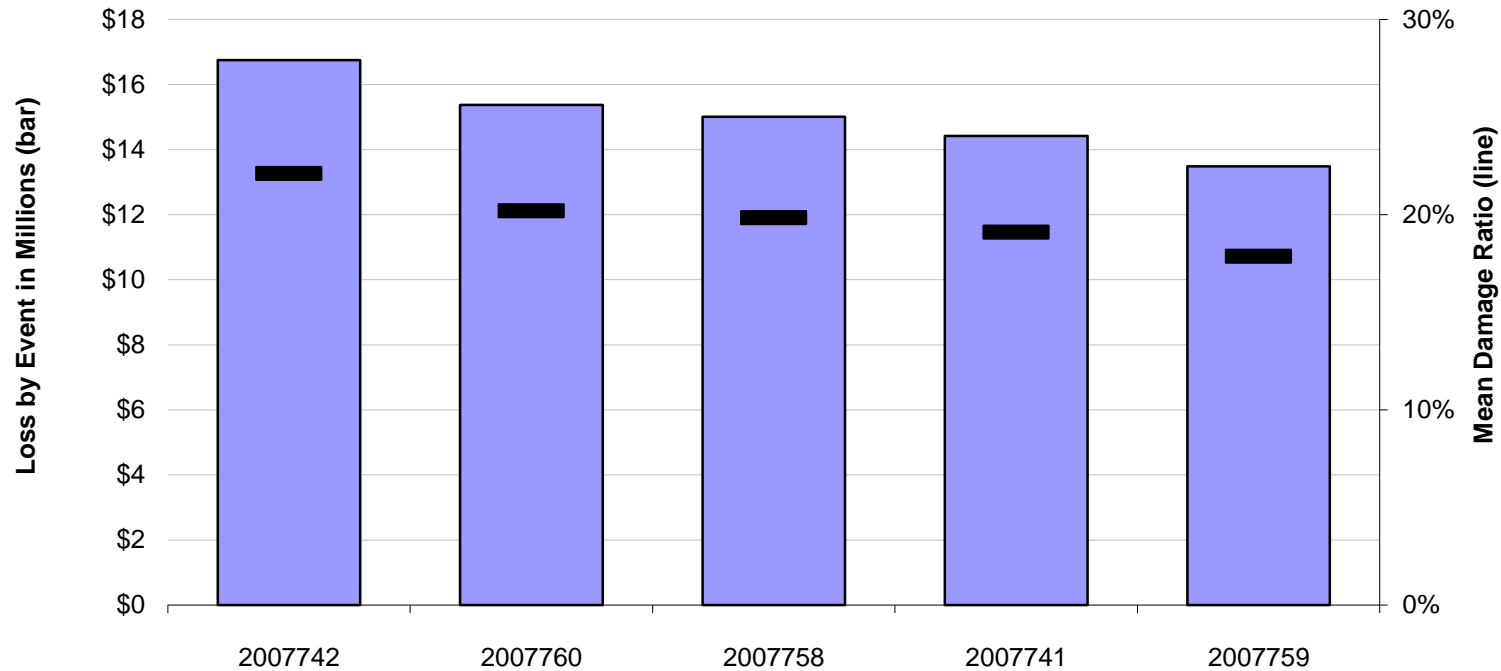
<sup>3</sup> value of n ranges from 1-30, and value of xxxx indicates BFE—e.g. 0880.

<sup>4</sup> value of xxxx indicates Base Flood Elevation—e.g. 0880.

<sup>5</sup> less than 0.2% annual probability of flooding.

# Top 5 Loss Causing Stochastic Events for Earthquake - US Peril

## Ground Up Financial Perspective



| Event ID | Event Description   | Magnitude | Ground Up Loss | Exposed Value | Mean Damage Ratio |
|----------|---|-----------|----------------|---------------|-------------------|
| 2007742  | Crustal Fault B-Type, California, Southern California, Fault Segment Seg.1 M 7.20         | 7.2       | \$16,755,902   | \$75,794,801  | 22.1%             |
| 2007760  | Crustal Fault B-Type, California, Southern California, Multi-Segment Cascade Seg.1 M 7.30 | 7.3       | \$15,376,464   | \$76,156,442  | 20.2%             |
| 2007758  | Crustal Fault B-Type, California, Southern California, Multi-Segment Cascade Seg.1 M 7.30 | 7.3       | \$15,014,874   | \$75,690,406  | 19.8%             |
| 2007741  | Crustal Fault B-Type, California, Southern California, Fault Segment Seg.1 M 7.20         | 7.2       | \$14,423,242   | \$75,528,949  | 19.1%             |

## Earthquake - US Hazard Data by Location

---

3 earthquake exposed locations in the L A County Law Library - 10% contribute to its Average Annual Loss (AAL) of \$78,627. Below is location specific hazard information for each location within the account which affects the loss estimates.

---

| <b>Location Name</b>    | <b>Landslide</b> | <b>Liquefaction</b> | <b>Soil Type</b> | <b>Distance to Fault</b> | <b>MMI - Groundshaking Intensity - 250 Year</b> |
|-------------------------|------------------|---------------------|------------------|--------------------------|---|
| Mildren L Lillie Bldg   | Very Low         | Low                 | Soft Rock        | 0.03                     | 8.0   |
| Torrance Courthouse     | Very Low         | Very Low            | Stiff Soil       | 2.10                     | 7.6   |
| Van Nuys Branch Library | Very Low         | Moderate            | Stiff Soil       | 0.09                     | 8.2   |

---

**%Contents Below Grade**

---

0.0  
0.0  
0.0

# Earthquake Hazard Field Values

---

## Landslide

---

|                  |             |
|------------------|-------------|
| Unknown          | 0 - 1       |
| Very Low         | 1 - 1.25    |
| Very Low / Low   | 1.26 - 1.75 |
| Low              | 1.76 - 2.25 |
| Low / Moderate   | 2.26 - 2.75 |
| Moderate         | 2.76 - 3.25 |
| Moderate / High  | 3.26 - 3.75 |
| High             | 3.76 - 4.25 |
| High / Very High | 4.26 - 4.75 |
| Very High        | 4.76 - 5    |

## Liquefaction

---

|                  |             |
|------------------|-------------|
| Unknown          | 0 - 1       |
| Very Low         | 1 - 1.25    |
| Very Low / Low   | 1.26 - 1.75 |
| Low              | 1.76 - 2.25 |
| Low / Moderate   | 2.26 - 2.75 |
| Moderate         | 2.76 - 3.25 |
| Moderate / High  | 3.26 - 3.75 |
| High             | 3.76 - 4.25 |
| High / Very High | 4.26 - 4.75 |
| Very High        | 4.76 - 5    |

## Soil Type

---

|                        |             |
|------------------------|-------------|
| Unknown                | 0 - 1       |
| Rock                   | 1 - 1.25    |
| Rock / Soft Rock       | 1.26 - 1.75 |
| Soft Rock              | 1.76 - 2.25 |
| Soft Rock / Stiff Soil | 2.26 - 2.75 |
| Stiff Soil             | 2.76 - 3.25 |
| Stiff / Soft Soil      | 3.26 - 3.75 |
| Soft Soil              | 3.76 - 4    |

## Analysis Methodology

---

### Exceedance Probability Analysis

An exceedance probability (EP) analysis represents a comprehensive analysis of possible seismic, windstorm, or tornado and hail events. In these analyses, thousands of events, each with its own corresponding rate of occurrence, are computed against an insured's exposure in order to estimate the mean loss and standard deviation of loss for each event.

Based on the results of this analysis, we compute two types of EP curves:

- Occurrence exceedance probability curve (OEP), and
- Aggregate exceedance probability curve (AEP)

The OEP represents the probability that the single largest occurrence in a year will cause losses greater than a certain amount. The AEP represents the probability that the combination of one or more occurrences in a year will, in aggregate, cause losses greater than a certain amount.

The EP curves are created based on two distributions: the distribution of the number of event occurrences in a year (also known as frequency distribution) and the distribution of the size of losses, given that an event has occurred (also known as severity distribution). All the information needed to generate these two distributions can be found in the Event Loss Table (ELT). To illustrate the process of creating the EP curves we will use a simple example, beginning with a five-event ELT, as shown in the table below.

| Event | Rate | Expected Loss | Standard Deviation | Exposure   |
|-------|------|---------------|--------------------|------------|
| 1     | 0.01 | 1,500,000     | 800,000            | 5,500,000  |
| 2     | 0.01 | 3,000,000     | 2,000,000          | 15,000,000 |
| 3     | 0.02 | 6,500,000     | 5,000,000          | 50,000,000 |
| 4     | 0.03 | 8,000,000     | 6,000,000          | 90,000,000 |
| 5     | 0.03 | 10,000,000    | 7,000,000          | 95,000,000 |

We assume that the frequency distribution follows a Poisson process, and that the occurrence of each specific event is completely independent of the occurrence of any other specific event. The parameter  $\lambda$  of the Poisson distribution is just the sum of the annual rates of all events that may hit a given exposure. In our case, the Poisson parameter  $\lambda$  will be equal to  $0.01 + 0.02 + 0.03 + 0.03 = 0.1$

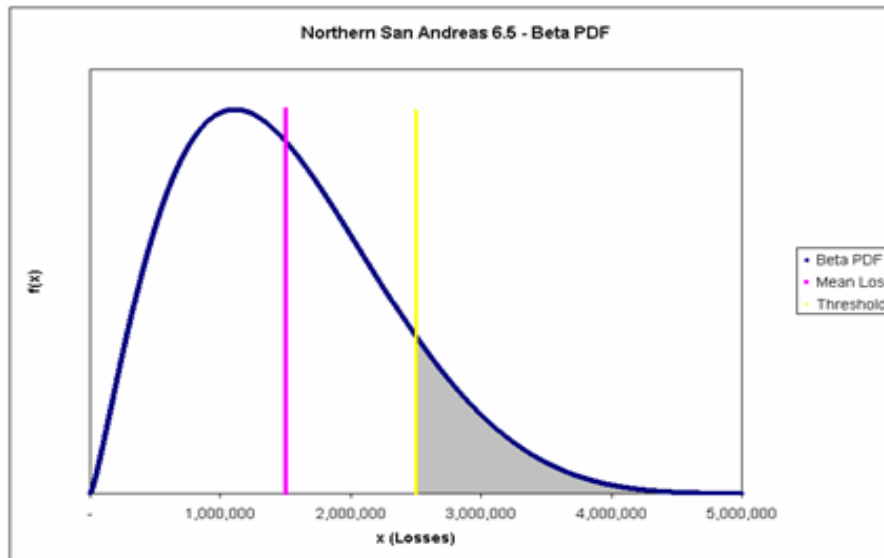
To model the severity distribution we use a discrete distribution consisting of 8192 loss thresholds; for each threshold we compute the probability that it will be exceeded, given that an event has occurred. We call this the Condition Exceedance Probability (CEP); the CEP of a given loss threshold  $l$  is defined as:

$$CEP(l) = \frac{\sum_{Events} rate_i \times Pr(L_i > l)}{\sum_{Events} rate_i}$$

where:

- $CEP(l)$  represents the conditional exceedance probability of loss threshold  $l$
- $rate_i$  represents the rate of the  $i$ th event in the ELT
- $L_i$  is the random loss of the  $i$ th event in the ELT

The  $Pr(L_i > l)$  term is calculated based on the assumption that the size of the losses of each individual event, expressed as a percentage of its exposure, follows a beta distribution. To illustrate this, take the first event from our sample ELT and analyze it respective to a loss threshold of 2.5M.



The figure above shows a blue curve representing the beta Probability Density Function (PDF) corresponding to the severity distribution followed by the losses caused by event 1. The pink vertical line indicates the expected value of the event losses (1.5 million), while the yellow vertical line represents the loss threshold being analyzed (2.5 million). If event 1 occurs, the gray shaded area to the right of the yellow vertical line represents the conditional probability that the losses from that event equal or exceed 2.5 million, conditional on this particular event occurring; in other words, it represents  $\Pr(L_1 > 2.5M)$ . This area can be calculated based on the fact that  $L_1$  follows a beta distribution by using its corresponding cumulative distribution function, giving a result of 12.179%. This means that 12.179% of the times event 1 occurs, the losses will exceed 2.5M.

The severity distribution is the final result of doing this exercise for all events and for all loss thresholds; a sample five-loss threshold severity distribution resulting from the computation of the CEP formula using our sample ELT is shown below.

| Loss Thresholds | Conditional Exceedance Probability (CEP) |
|-----------------|--|
| 0               | 1  |
| 2,500,000       | 0.73726                                  |
| 5,000,000       | 0.52652                                  |
| 7,500,000       | 0.37105                                  |
| 10,000,000      | 0.25633                                  |

We can interpret these numbers by saying that given that one event (out of the five listed in the sample ELT) has occurred, the probability of having losses greater than 2.5M is 0.73726.

Using the fact that the number of event occurrences in a year follows a Poisson distribution, we can create the OEP curve directly from the severity distribution. In general, the occurrence exceedance probability (OEP) of a given loss threshold  $l$  is defined as:

$$OEP(l) = 1 - e^{-\lambda \times CEP(l)}$$

where:

- $OEP(l)$  is the occurrence exceedance probability for threshold  $l$
- $\lambda$  is the Poisson parameter for the overall frequency distribution
- $CEP(l)$  is the conditional exceedance probability

Using a Poisson parameter of 0.1, we can compute the OEP curve for our illustrative example:

| Loss Thresholds | CEP     | OEP  |
|-----------------|---------|--|
| 0               | 1       | $1 - e^{-(0.1 \times 1)} = 1 - e^{-0.1} = 0.09516$           |
| 2,500,000       | 0.34677 | $1 - e^{-(0.1 \times 0.34677)} = 1 - e^{-0.03467} = 0.03408$ |
| 5,000,000       | 0.11762 | $1 - e^{-(0.1 \times 0.11762)} = 1 - e^{-0.01176} = 0.01169$ |
| 7,500,000       | 0.04644 | $1 - e^{-(0.1 \times 0.04644)} = 1 - e^{-0.00464} = 0.00463$ |
| 10,000,000      | 0.02216 | $1 - e^{-(0.1 \times 0.02216)} = 1 - e^{-0.00222} = 0.00221$ |



To generate the AEP curve, we must convolve our severity distribution as many times as occurrences may happen in a year. All the convolutions needed are computed using the Fast Fourier Transform (FFT) algorithm; this is a methodology that allows us to efficiently perform an analytical calculation of the convolutions. The resulting AEP curve for our illustrative example is shown below.

| Loss Threshold | CEP     | OEP     | AEP     |
|----------------|---------|---------|---------|
| 0              | 1       | 0.09516 | 0.09516 |
| 2,500,000      | 0.73726 | 0.07107 | 0.07123 |
| 5,000,000      | 0.52652 | 0.05129 | 0.05175 |
| 7,500,000      | 0.37105 | 0.03643 | 0.03714 |
| 10,000,000     | 0.25633 | 0.02531 | 0.02618 |

Since the EP analysis considers all events, it is the cornerstone analysis for understanding the probability of various levels of overall portfolio loss. Using this analysis, we can establish the probability of exceeding a specific amount of loss or the level of loss associated with a specific probability.

**Average Annual Loss Analysis**

The Average Annual Loss analysis calculates a single loss number for the portfolio that reflects the average amount of loss that can be expected annually based on all possible hurricane events that could impact the portfolio. Average annual loss is calculated by weighting all potential losses by their associated annual probabilities.

## Glossary of Terms

---

|   |   |
|---|---|
| Aggregate Exceedance Probability (AEP)  | AEP measures the probability that one or more occurrences will combine in a year to exceed the threshold.   |
| Average Annual Loss (AAL)               | The expected annual loss on a long-term average basis. Mathematically, it is the expected value of the aggregate loss distribution, or alternatively, the area under the AEP curve.   |
| Coefficient Variation (CV)              | The spread of loss around the mean is represented by the coefficient variation, and reflects the secondary uncertainty in the size of loss.   |
| Exceedance Probability (EP)             | Also known as "exceeding probability" or "EP", it is the probability of exceeding specified loss thresholds. In risk analysis, this probability relationship is commonly represented as a curve (the EP curve) which defines the probability of various levels. |
| Exposure Value                          | The total reported values at risk potentially subject to a peril or event against which it is insured.  |
| Ground-Up Loss                          | Total amount of loss sustained before deductions, underlying coverages and reinsurance are applied.   |
| Gross Loss                              | The insurer's or cedant's loss after deductibles, attachment point(s), and limits are applied, but before any reinsurance.  |
| Mean Damage Ratio                       | The ratio of the expected loss to the replacement value of exposed properties.  |
| Occurrence Exceedance Probability (OEP) | OEP measures the probability that a single occurrence will exceed a certain threshold.  |

**MEMORANDUM**

**DATE:** May 23, 2018

**TO:** Board of Law Library Trustees

**FROM:** Sandra Levin, Executive Director  
Marcelino Juarez, Finance Manager

**RE:** Award of Contract for Financial Audit

**BACKGROUND**

Since it has been a number of years since proposals and bids were collected for the Law Library's annual audit services, staff conducted a Request for Proposals. It is recommended that Vasquez & Company, LLP be selected as the Library's auditors for fiscal year 2018 at a cost not to exceed \$19,015.

The RFP was posted publicly and 13 firms were specifically invited to bid. Three qualified proposers responded. Attached is a matrix that evaluates each firm on the categories set forth in the RFP proposal. Each firm is rated on a scale of 1 to 5 (1 being the least descriptive/comprehensive and 5 being the most descriptive/comprehensive). A second matrix is provided comparing the costs for each proposer.

Staff believes that all of the responding firms have sufficient experience and are qualified to conduct the Library's financial audit. As a result, Staff recommends awarding the contract to Vasquez & Company, LLP as they offer a lower fee.

Copies of all proposals are available at:  
<http://www.lalawlibrary.org/pdfs/AuditProposals052018.PDF>

**RECOMMENDATION**

It is recommended that Vasquez & Company, LLP be selected as the Library's auditors for fiscal year 2018 at a cost not to exceed \$19,015.



### Proposal Evaluation Matrix for 2018 Audit RFP

| Section   | Category Weight | Relative Weight   | Category  | Vasquez & Company, LLP                | Moss, Levy & Hartzheim, LLP | BCA Watson Rice, LLP |  |
|---|-----------------|---|---|---------------------------------------|-----------------------------|----------------------|--|
| Part A: Statement of Work                           | 5               |   | <b>Company Organization and Contact Information</b>   |                                       |                             |                      |  |
|   |                 | 30  | Identify the name, address, telephone, fax numbers.   | 5                                     | 5                           | 5                    |  |
|   |                 | 30  | If established, provide the address of the company web site.  | 5                                     | 5                           | 5                    |  |
|   |                 | 40  | Provide the name, title, telephone number and email address of the person or persons authorized to represent the company in the proposal process.<br>If different from your response in number 3, provide the name, title, telephone number and email address of the person designated as the company contact <b>(Not Applicable)</b> .   | 5                                     | 5                           | 5                    |  |
|   |                 | 100   | <i>Subtotal</i>   | 5.0                                   | 5.0                         | 5.0                  |  |
|   |                 | 40  |   |                                       |                             |                      |  |
|   |                 |   |   | <b>Minimum Mandatory Requirements</b> |                             |                      |  |
|   |                 | 50  | A statement of the company's background and experience providing auditing, tax and management consulting services for government organizations and or non-profit organizations.   | 5                                     | 4                           | 4                    |  |
|   |                 | 25  | References for similar work performed for other government or non-profit organizations.   | 5                                     | 5                           | 5                    |  |
|   |                 | 5   | Identify appropriate, current licenses.   | 5                                     | 5                           | 5                    |  |
|   |                 | 20  | A statement identifying the <u>lead person(s)</u> for this project and provide a description of their background, particularly noting similar assignments, specialized expertise or experience with government organizations.   | 5                                     | 5                           | 5                    |  |
|   |                 |   | A statement identifying <u>all key personnel</u> assigned to this project, their names and participation level. Provide a summary of each person's background, particularly noting similar assignments, specialized expertise or experience with government organizations <b>(Not Applicable)</b> .<br>If applicable, a statement identifying all subcontractors who will be used and the work to be performed by them. Provide a summary of each person's background, particularly noting similar assignments, specialized expertise or experience with government organizations <b>(Not Applicable)</b> . | 0                                     | 0                           | 0                    |  |
|   |                 | 100   | <i>Subtotal</i>   | 5.0                                   | 4.5                         | 4.5                  |  |
|   |                 | 40  |   |                                       |                             |                      |  |
|   |                 |   |   | <b>Work To Be Performed</b>           |                             |                      |  |
|   | 30              | Identify the phases and work performed within each phase.                                   | 5   | 4                                     | 5                           |                      |  |
|   | 30              | Identify each milestone.  | 5   | 4                                     | 5                           |                      |  |
|   | 10              | Identify each person involved in each phase and the level and type of work to be performed. | 5   | 5                                     | 5                           |                      |  |
|   | 30              | Provide the approximate amount of time required to complete each phase.                     | 4   | 5                                     | 5                           |                      |  |
|   | 100             | <i>Subtotal</i>   | 4.7   | 4.4                                   | 5.0                         |                      |  |
| Part B: Costs Associated with the Statement of Work | 15              |   | <b>Financial Audit &amp; Management Letter</b>  |                                       |                             |                      |  |
|   |                 |   | Labor: For each person assigned to the project, identify the approximate number of hours they will devote to the project and their hourly rate.   | 5                                     | 5                           | 5                    |  |
|   |                 |   | Subcontractor Costs: Identify subcontractors by name, list their cost per hour or per day, and the number of hours or days their services will be used <b>(Not Applicable)</b> .  | 0                                     | 0                           | 0                    |  |
|   |                 | 60  | Travel Costs: The Library will not reimburse travel costs <b>(Not Applicable)</b> .   | 0                                     | 0                           | 0                    |  |
|   |                 |   | Miscellaneous Costs: Identify any miscellaneous costs or expenses that will be charged to the project. Any applied discounts or surcharges must be clearly identified <b>(Not Applicable)</b> .   | 0                                     | 0                           | 0                    |  |
|   |                 | 20  | Summary: Summarize the total number of hours, subcontractor costs and miscellaneous costs.  | 5                                     | 5                           | 5                    |  |
|   |                 | 20  | Maximum Fee: A maximum fee amount (not to exceed amount) must be clearly stated.  | 5                                     | 5                           | 5                    |  |
|   | 100             | <i>Subtotal</i>   | 5.0   | 5.0                                   | 5.0                         |                      |  |
|   | 100             |   | <b>Overall Scores</b>   | 48.8                                  | 45.6                        | 48.0                 |  |

# Financial Audit RFP Cost Review

| Firm                        | FY 2017<br>Cost | FY 2018<br>Proposal | FY 2019<br>Proposal | FY 2020<br>Proposal |
|-----------------------------|-----------------|---------------------|---------------------|---------------------|
| Vasquez & Company, LLP      | 19,601          | 19,015              | 19,750              | 20,507              |
| Moss, Levy & Hartzheim, LLP |                 | 19,571              | 20,071              | 20,571              |
| BCA Watson Rice LLP         |                 | 19,850              | 20,446              | 21,059              |



**MEMORANDUM**

**DATE:** May 23, 2018

**TO:** Board of Trustees

**FROM:** Sandra Levin, Executive Director  
Marcelino Juarez, Finance Manager

**RE:** Review of Operating Budget FY 18-19

**SUMMARY AND BACKGROUND INFORMATION**

The Fiscal Year 2019 Budget and Financial Planning Subcommittee met to review and discuss the preliminary FY2019 Budget information compiled by staff. Information presented included Income and Expense Operations Summary, Cash Flow, Alternative Options for possible additional cuts and future opportunities, and a listing of proposed capital expenditures. On April 26, 2018 the Committee discussed each of these items and the overall budget, as well as the short-term and long-term financial picture for the Law Library and recommended approval of the budget as now presented (attached).

The recommendation is based upon a few key underlying principles:

1. The proposed operating budget, although resulting in a deficit in accounting terms, does not significantly drain cash or reserves.
  - a. The operating budget generates positive cash flow of approximately \$553K.
  - b. The proposed capital budget anticipates spending \$1,752K from reserves, resulting in an overall negative cash flow of \$1,179,709 for FY2019. However, the capital budget includes more than \$1,625,000 deferred from fiscal years 2014 through 2018.
  - c. Total reserves have improved, forecasted to increase over FY2013 by approximately \$2.4M in FY2018. However, as proposed FY2019 would see a decrease of approximately \$1.2M in total reserves primarily due to deferred capital projects.
2. The proposed budget incorporates and completes implementation of significant cuts made in prior fiscal years. Annual cash expenditures have been reduced by more than \$2,000,000 as compared to FY2012 operations.
3. Although additional minor cuts are included in the proposed budget, Staff and the Financial Planning Committee recommend that further cuts continue to be implemented slowly over time (e.g., through attrition and voluntary personnel transitions, collection reductions upon expiration of existing contracts, etc).



4. Service is excellent in many areas, but there are still substantial areas of need (geographically, demographically and otherwise) that cannot be addressed without additional funding.
5. The proposed budget incorporates an assumption that court fees have stabilized. However, it also incorporates significant cost increases that are beyond our control.

Attached for your consideration are:

1. the proposed FY2018 budget, including capital costs;
2. the projected FY2018 cash flows;
3. a memorandum regarding Cuts, Costs and Options describing changes that are included in the proposed budget, alternatives not adopted and prospects for future savings and revenue generation;

A brief summary of significant items follows here:

#### **BUDGET PROCESS AND OVERVIEW**

The budgeted FY 2019 Net Income before Extraordinary Income (NIBEI) and Expense is presented at a net loss of \$516,054 and a cash gain of approximately \$553,000, which is an improvement as compared to last year's NIBEI net loss of \$694,230 and projected cash gain of approximately \$144,000. The improvement is largely due to 1) a more stable L.A. Superior Court Filing Fee revenue stream; 2) the closing of the time lag in cuts to the collection appearing as savings in the income statement due to depreciation rules; 3) departmental restructures; and 4) frugal spending.

Changes in Expenditures: As part of the budgeting process, each of the operating departments was requested to evaluate trends and developments affecting departmental budgets, propose expenditure reductions and predict any changes in expenses. All proposed reductions were discussed and evaluated. Except as noted in the attached Memorandum regarding Cuts, Costs and Options, no material budget augmentations were approved.

Cost Increases: Each year the Law Library experiences increased costs beyond our control. This year, those rising costs include health insurance, retirement costs, utilities, security costs and collection costs due to inflation. Details of these expenses can be found in the attached memo regarding Cuts, Costs and Options.

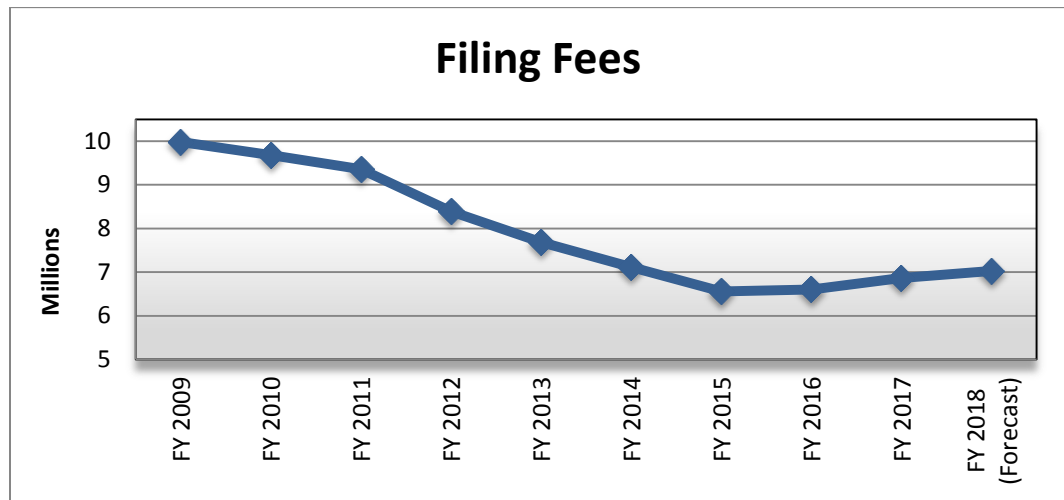
Staff Compensation: Data collection in connection with last year's merit bonuses indicated that many Law Library employees are undercompensated as compared to market. However, due to budget constraints, significant raises have not been provided in recent years and the funding is not available to bring all staff to current market compensation. However, the proposed FY18 budget does include a proposed 1% increase in compensation for represented and unrepresented staff (except for the Executive Director).





### **FILING FEES**

The primary reason for the improved net income is a more stable revenue stream from civil filing fees. From FY 2009, L.A. Superior Court Filing Fees decreased from \$9,978,807 to \$6,560,373 at the end of FY 2015. FY2016 and FY2017's filing fee revenue saw slight increases. For FY2018 we are projecting to be ahead of last year's actuals at \$166K. Accordingly, we are still cautiously optimistic that filing fee revenue will remain stable. This year's court fee revenue was budgeted conservatively at \$7M. The following chart provides a visual of the trend in filing fees since FY2009.



### **ALTERNATIVE OPTIONS**

Additional cuts from the Alternatives list were not recommended by staff or the committee due to the negative impact on service levels (and the ability to achieve a neutral operating cash flow without these cuts). In particular, Staff noted, and the Committee agreed, that in light of the more than \$2 million in cuts already made in recent years, the opportunities to reduce expenses without affecting patron service are minimal. Past efforts to stem financial losses included staffing reductions and layoffs, furloughs, contract cost reductions through RFPs and contract re-negotiations, and in-house legal representation. Past efforts to increase revenue, included new investment strategies, increased room rentals, increased course registrations and revised parking options. These efforts have been significant but cannot compensate for the multi-million dollar loss in filing fee revenue over the past several years.

### **CAPITAL EXPENDITURES**

Proposed capital expenditures were presented totaling \$1,752,466 (see attached) of which \$1,625,000 are carryover projects from prior years. The Committee concurred that the recommended capital expenditures were necessary for health and safety reasons, to sustain existing operations or to complete pending projects.



### **CASH FLOW**

Based on the budget without alternatives, cash and cash equivalents at the end of FY 2019 are projected to be \$3,473,662; a net decrease of \$1,179,709 over the projected FY 2018 (primarily deferred capital projects). In addition to the \$3,473,662, the Library holds a \$2M trust fund with CalPERS CERBT and a \$4M investment with UBS, bringing the total investments, cash and cash equivalents to \$10,043,662. This is approximately \$1.1M more than the total reserves at the end of the 2013 fiscal year.

### **OTHER POST EMPLOYMENT BENEFITS (OPEB)**

FY2019's OPEB expense budget is based on the new GASB75 model. (FY2018's budget was based on the now superseded GASB45 model.) Under GASB75 we are required to report an OPEB liability on the face of our financial statements rather than in the footnotes. It may also result in a corresponding OPEB expense (non-cash) depending on factors such as benefits earned each year, interest on the total OPEB liability, changes in benefit terms, and projected earnings on plan investments. An actuarial valuation is required to determine actual costs, but we believe this to be more in line FY2017's OPEB expense at \$241K.

### **FOLLOW UP**

As always, we will provide monthly reports throughout the fiscal year, as well as a more in depth mid-year budget review.

### **RECOMMENDATION**

With the support of the Budget Committee, Staff recommends that the Board approve: the proposed budget in concept (and schedule the budget, and any implementing documents, for consideration and final approval on the consent calendar at the June meeting).

On the other hand, if the Board would like further discussion or changes that require further analysis or calculation, then Staff will bring back the requested items at the June 2017 Board meeting for discussion and approval.



# Los Angeles County Law Library: Summary

Proposed Budget: Fiscal Year Ending 6/30/19

| GL No.  |                  |                  |                    | Forecast         | Budget           | Budget           | \$ Inc (Dec)       | % Inc (Dec)        | \$ Inc (Dec)         | % Inc (Dec)          |
|---|------------------|------------------|--------------------|------------------|------------------|------------------|--------------------|--------------------|----------------------|----------------------|
|   | 2015             | 2016             | 2017               | 2018             | 2018             | 2019             | relative to Budget | relative to Budget | relative to Forecast | relative to Forecast |
| <b>Summary:</b>                                 |                  |                  |                    |                  |                  |                  |                    |                    |                      |                      |
| <b>Income</b>                                   |                  |                  |                    |                  |                  |                  |                    |                    |                      |                      |
| L.A. Superior Court Fees                        | 6,336,433        | 6,604,626        | 6,863,014          | 7,021,312        | 6,670,000        | 7,000,000        | 330,000            | 5%                 | (21,312)             | -0.3%                |
| Interest  | 19,838           | 23,546           | 35,106             | 59,229           | 30,787           | 36,808           | 6,021              | 20%                | (22,421)             | -37.9%               |
| Parking   | 668,472          | 715,481          | 703,924            | 635,810          | 680,000          | 657,936          | (22,064)           | -3%                | 22,126               | 3.5%                 |
| Library Services                                | 518,932          | 546,513          | 583,942            | 639,915          | 537,448          | 656,399          | 118,951            | 22%                | 16,483               | 2.6%                 |
| <b>Total Income</b>                             | <b>7,543,675</b> | <b>7,890,165</b> | <b>8,185,987</b>   | <b>8,356,266</b> | <b>7,918,234</b> | <b>8,351,143</b> | <b>432,908</b>     | <b>5%</b>          | <b>(5,123)</b>       | <b>-0.1%</b>         |
| <b>Expense</b>                                  |                  |                  |                    |                  |                  |                  |                    |                    |                      |                      |
| Staff   | 3,741,753        | 3,838,897        | 5,165,184          | 3,660,745        | 3,958,550        | 4,290,058        | 331,507            | 8%                 | 629,313              | 17.2%                |
| Library Materials                               | 2,845,151        | 2,063,743        | 1,841,721          | 1,867,614        | 1,955,472        | 1,935,183        | (20,290)           | -1%                | 67,569               | 3.6%                 |
| Library Materials Transferred to Assets         | (2,845,151)      | (2,063,743)      | (1,841,721)        | (1,867,614)      | (1,955,472)      | (1,935,183)      | 20,290             | -1%                | (67,569)             | 3.6%                 |
| Electronic Resource Subscriptions (ERS)         |                  | 629,617          | 702,725            | 682,222          | 597,312          | 617,601          | 20,289             | 3%                 | (64,621)             | -9.5%                |
| Facilities                                      | 839,275          | 871,193          | 843,191            | 899,882          | 908,889          | 901,107          | (7,782)            | -1%                | 1,225                | 0.1%                 |
| Technology & Data                               | 111,770          | 123,551          | 131,381            | 143,079          | 142,793          | 150,770          | 7,977              | 6%                 | 7,691                | 5.4%                 |
| General   | 73,295           | 59,487           | 75,624             | 70,999           | 65,915           | 74,232           | 8,317              | 13%                | 3,233                | 4.6%                 |
| Professional Development                        | 20,775           | 12,948           | 16,146             | 20,511           | 22,865           | 25,289           | 2,424              | 11%                | 4,778                | 23.3%                |
| Communications & Marketing                      | 2,561            | 6,258            | 4,553              | 5,535            | 7,715            | 7,025            | (690)              | -9%                | 1,490                | 26.9%                |
| Travel & Entertainment                          | 1,859            | 2,481            | 2,624              | 1,397            | 2,736            | 1,584            | (1,153)            | -42%               | 186                  | 13.3%                |
| Professional Services                           | 50,345           | 58,613           | 48,664             | 66,173           | 66,160           | 69,506           | 3,346              | 5%                 | 3,333                | 5.0%                 |
| Depreciation                                    | 2,844,276        | 2,952,940        | 2,821,826          | 2,730,298        | 2,839,529        | 2,730,025        | (109,505)          | -4%                | (273)                | 0.0%                 |
| <b>Total Expenses</b>                           | <b>7,685,910</b> | <b>8,555,985</b> | <b>9,811,919</b>   | <b>8,280,842</b> | <b>8,612,465</b> | <b>8,867,196</b> | <b>254,732</b>     | <b>3%</b>          | <b>586,355</b>       | <b>7.1%</b>          |
| <b>Net Income (Loss)</b>                        | <b>(142,235)</b> | <b>(665,820)</b> | <b>(1,625,931)</b> | <b>75,424</b>    | <b>(694,230)</b> | <b>(516,054)</b> | <b>178,176</b>     | <b>-26%</b>        | <b>(591,478)</b>     | <b>-784.2%</b>       |
| Investment Gain (Loss) <sup>1</sup>             | 40,081           | 78,437           | (38,669)           | (35,921)         | 35,000           | 25,000           | (10,000)           | -29%               | 60,921               | -169.6%              |
| Extraordinary Income                            | 21,347           | 0                | 55,000             | 0                | 0                | 0                | 0                  | 0%                 | 0                    | 0.0%                 |
| Extraordinary Expense                           | 572,839          | 0                | 0                  | 0                | 0                | 0                | 0                  | 0%                 | 0                    | 0.0%                 |
| <b>Net Income Including Extraordinary Items</b> | <b>(653,647)</b> | <b>(587,383)</b> | <b>(1,609,600)</b> | <b>39,503</b>    | <b>(659,230)</b> | <b>(491,054)</b> | <b>168,176</b>     | <b>-26%</b>        | <b>(530,557)</b>     | <b>-1343.1%</b>      |
| <b>Capitalized Expenditures</b>                 | <b>48,739</b>    | <b>15,354</b>    | <b>12,768</b>      | <b>45,000</b>    | <b>1,943,000</b> | <b>1,752,466</b> | <b>(190,534)</b>   | <b>-10%</b>        | <b>1,707,466</b>     | <b>3794.4%</b>       |

# Los Angeles County Law Library: Summary

Proposed Budget: Fiscal Year Ending 6/30/19

| GL No.                  |                                |           |           |           | Forecast<br>2018 | Budget<br>2018 | Budget<br>2019 | \$ Inc (Dec)<br>relative to<br>Budget | % Inc (Dec)<br>relative to<br>Budget | \$ Inc (Dec)<br>relative to<br>Forecast | % Inc (Dec)<br>relative to<br>Forecast |
|-------------------------|--------------------------------|-----------|-----------|-----------|------------------|----------------|----------------|---------------------------------------|--------------------------------------|---|--|
|                         |                                | 2015      | 2016      | 2017      |                  |                |                |                                       |                                      |   |  |
| <b>Detailed Budget:</b> |                                |           |           |           |                  |                |                |                                       |                                      |   |  |
| <b>Income:</b>          |                                |           |           |           |                  |                |                |                                       |                                      |   |  |
| 303300                  | L.A. Superior Court Fees       | 6,336,433 | 6,604,626 | 6,863,014 | 7,021,312        | 6,670,000      | 7,000,000      | 330,000                               | 5%                                   | (21,312)                                | -0.3%                                  |
| Interest:               |                                |           |           |           |                  |                |                |                                       |                                      |   |  |
| 311000                  | Interest - LAIF                | 3,486     | 5,684     | 6,310     | 3,887            | 5,787          | 4,308          | (1,479)                               | -26%                                 | 421                                     | 10.8%                                  |
| 312000                  | Interest - General Fund        | 14,314    | 15,546    | 25,465    | 50,835           | 22,000         | 28,600         | 6,600                                 | 30%                                  | (22,235)                                | -43.7%                                 |
| 313000                  | Interest - Deposit Fund        | 2,038     | 2,316     | 3,332     | 4,506            | 3,000          | 3,900          | 900                                   | 30%                                  | (606)                                   | -13.5%                                 |
|                         | Subtotal                       | 19,838    | 23,546    | 35,106    | 59,229           | 30,787         | 36,808         | 6,021                                 | 20%                                  | (22,421)                                | -37.9%                                 |
| Parking:                |                                |           |           |           |                  |                |                |                                       |                                      |   |  |
| 330100                  | Parking                        | 668,472   | 715,481   | 703,924   | 635,810          | 680,000        | 657,936        | (22,064)                              | -3%                                  | 22,126                                  | 3.5%                                   |
|                         | Subtotal                       | 668,472   | 715,481   | 703,924   | 635,810          | 680,000        | 657,936        | (22,064)                              | -3%                                  | 22,126                                  | 3.5%                                   |
| Library Services:       |                                |           |           |           |                  |                |                |                                       |                                      |   |  |
| 330150                  | Annual Designation Fee         | 2,860     | 4,272     | 5,866     | 4,058            | 4,944          | 4,436          | (508)                                 | -10%                                 | 378                                     | 9.3%                                   |
| 330140                  | Annual Members Fee             | 113,185   | 114,996   | 105,618   | 205,189          | 102,011        | 205,816        | 103,805                               | 102%                                 | 628                                     | 0.3%                                   |
| 330340                  | Course Registration            | 30,284    | 26,990    | 20,902    | 23,611           | 22,804         | 23,344         | 540                                   | 2%                                   | (267)                                   | -1.1%                                  |
| 330129                  | Copy Center                    | 59,815    | 60,303    | 49,962    | 39,860           | 56,600         | 40,700         | (15,900)                              | -28%                                 | 840                                     | 2.1%                                   |
| 330205                  | Document Delivery              | 23,862    | 25,074    | 17,466    | 15,755           | 22,150         | 17,600         | (4,550)                               | -21%                                 | 1,845                                   | 11.7%                                  |
| 330210                  | Fines                          | 39,196    | 44,447    | 47,042    | 51,328           | 48,500         | 48,800         | 300                                   | 1%                                   | (2,528)                                 | -4.9%                                  |
| 330310                  | Miscellaneous                  | 60,992    | 59,514    | 65,493    | 59,950           | 89,999         | 91,839         | 1,840                                 | 2%                                   | 31,889                                  | 53.2%                                  |
| 330330                  | Room Rental                    | 53,993    | 62,927    | 65,325    | 52,172           | 50,100         | 68,004         | 17,904                                | 36%                                  | 15,832                                  | 30.3%                                  |
| 330350                  | Book Replacement               | 5,360     | 2,278     | 4,367     | 250              | 2,240          | 560            | (1,680)                               | -75%                                 | 310                                     | 124.0%                                 |
| 330360                  | Forfeited Deposits             | 0         | 13,081    | 31,612    | 30,000           | 7,500          | 0              | (7,500)                               | -100%                                | (30,000)                                | -100.0%                                |
| 330400                  | Friends of Law Library         | 120,000   | 120,000   | 155,000   | 145,000          | 120,000        | 145,000        | 25,000                                | 21%                                  | 0                                       | 0.0%                                   |
| 330420                  | Grants                         | 0         | 0         | 2,289     | 0                | 0              | 0              | 0                                     | 0%                                   | 0                                       | 0.0%                                   |
| 330450                  | Vending                        | 3,171     | 1,164     | 649       | 285              | 600            | 300            | (300)                                 | -50%                                 | 15                                      | 5.3%                                   |
| 330465                  | Special Events Income          | 6,214     | 11,467    | 12,352    | 12,459           | 10,000         | 10,000         | 0                                     | 0%                                   | (2,459)                                 | -19.7%                                 |
|                         | Subtotal                       | 518,932   | 546,513   | 583,942   | 639,915          | 537,448        | 656,399        | 118,951                               | 22%                                  | 16,483                                  | 2.6%                                   |
|                         | Total Income                   | 7,543,675 | 7,890,165 | 8,185,987 | 8,356,266        | 7,918,234      | 8,351,143      | 432,908                               | 5%                                   | (5,123)                                 | -0.1%                                  |
| <b>Expenses:</b>        |                                |           |           |           |                  |                |                |                                       |                                      |   |  |
| Staff:                  |                                |           |           |           |                  |                |                |                                       |                                      |   |  |
| 501000                  | Salaries (FT)                  | 2,422,696 | 2,340,459 | 2,202,791 | 2,289,046        | 2,421,325      | 2,512,633      | 91,308                                | 4%                                   | 223,588                                 | 9.8%                                   |
| 501025                  | Staff Vacancy Offset (FT)      | 0         | 0         | 0         | 0                | (42,875)       | (50,253)       | (7,378)                               | 17%                                  | (50,253)                                | 0.0%                                   |
| 501050                  | Salaries (PT)                  | 241,200   | 233,218   | 255,015   | 259,689          | 265,428        | 271,097        | 5,669                                 | 2%                                   | 11,408                                  | 4.4%                                   |
| 501075                  | Staff Vacancy Offset (PT)      | 0         | 0         | 0         | 0                | (4,696)        | (5,422)        | (726)                                 | 15%                                  | (5,422)                                 | 0.0%                                   |
| 502000                  | Social Security                | 157,273   | 148,269   | 140,382   | 142,145          | 150,433        | 155,499        | 5,066                                 | 3%                                   | 13,354                                  | 9.4%                                   |
| 503000                  | Medicare                       | 37,941    | 35,787    | 34,195    | 35,627           | 36,157         | 37,374         | 1,218                                 | 3%                                   | 1,748                                   | 4.9%                                   |
| 511000                  | Retirement                     | 0         | 0         | 0         | 296,990          | 313,882        | 415,806        | 101,924                               | 32%                                  | 118,816                                 | 40.0%                                  |
| 511050                  | Pension Exp (Actuarial)        | 85,787    | 243,800   | 1,660,664 | 0                | 0              | 0              | 0                                     | 0%                                   | 0                                       | 0.0%                                   |
| 511100                  | Pension Exp (Acctg)            | (87,905)  | 0         | 0         | 0                | 0              | 0              | 0                                     | 0%                                   | 0                                       | 0.0%                                   |
| 512000                  | Health Insurance               | 423,807   | 483,008   | 456,030   | 360,575          | 510,160        | 467,124        | (43,036)                              | -8%                                  | 106,549                                 | 29.5%                                  |
| 513000                  | Disability Insurance           | 5,079     | 4,928     | 4,666     | 5,218            | 4,584          | 5,582          | 998                                   | 22%                                  | 363                                     | 7.0%                                   |
| 514000                  | Dental Insurance               | 60,648    | 59,016    | 56,551    | 60,267           | 64,424         | 71,268         | 6,844                                 | 11%                                  | 11,001                                  | 18.3%                                  |
| 514500                  | Vision Insurance               | 7,322     | 6,963     | 5,662     | 6,586            | 6,875          | 8,033          | 1,157                                 | 17%                                  | 1,447                                   | 22.0%                                  |
| 515000                  | Life Insurance                 | 1,076     | 996       | 771       | 960              | 1,567          | 1,653          | 86                                    | 5%                                   | 693                                     | 72.2%                                  |
| 515500                  | Vacancy Benefits Offset        | 0         | 0         | 0         | 0                | 0              | 0              | 0                                     | 0%                                   | 0                                       | 0.0%                                   |
| 516000                  | Workers Compensation Insurance | 87,747    | 82,462    | 68,154    | 42,860           | 60,825         | 71,596         | 10,771                                | 18%                                  | 28,736                                  | 67.0%                                  |

# Los Angeles County Law Library: Summary

Proposed Budget: Fiscal Year Ending 6/30/19

| GL No. |  |                  |                  |                  | Forecast<br>2018 | Budget<br>2018   | Budget<br>2019   | \$ Inc (Dec)<br>relative to<br>Budget | % Inc (Dec)<br>relative to<br>Budget | \$ Inc (Dec)<br>relative to<br>Forecast | % Inc (Dec)<br>relative to<br>Forecast |
|--------|--|------------------|------------------|------------------|------------------|------------------|------------------|---------------------------------------|--------------------------------------|---|--|
|        |  | 2015             | 2016             | 2017             |                  |                  |                  |                                       |                                      |   |  |
| 517000 | Unemployment Insurance                     | (32)             | (96)             | 12,073           | 3,212            | 5,000            | 5,000            | 0                                     | 0%                                   | 1,788                                   | 55.7%                                  |
| 514010 | Temporary Employment                       | 21,339           | 1,916            | 1,260            | 0                | 3,960            | 18,068           | 14,108                                | 356%                                 | 18,068                                  | 0.0%                                   |
| 514015 | Recruitment                                | 1,333            | 558              | 2,359            | 1,498            | 1,500            | 2,000            | 500                                   | 33%                                  | 502                                     | 33.5%                                  |
| 517500 | Accrued Sick Expense                       | 9,231            | 338              | (23,687)         | 5,000            | 5,000            | 5,000            | 0                                     | 0%                                   | 0                                       | 0.0%                                   |
| 518000 | Accrued Vacation Expense                   | 86,483           | 43,620           | 22,025           | 15,000           | 15,000           | 20,000           | 5,000                                 | 33%                                  | 5,000                                   | 33.3%                                  |
| 518500 | OPEB Expense                               | 153,074          | 129,257          | 241,029          | 110,004          | 110,000          | 250,000          | 140,000                               | 127%                                 | 139,996                                 | 127.3%                                 |
| 518550 | TMP  | 13,864           | 11,372           | 12,263           | 11,616           | 15,000           | 13,000           | (2,000)                               | -13%                                 | 1,384                                   | 11.9%                                  |
| 518560 | Payroll and Benefit Administration         | 13,791           | 13,025           | 12,981           | 14,452           | 15,000           | 15,000           | 0                                     | 0%                                   | 548                                     | 3.8%                                   |
|        | <b>Total - Staff</b>                       | <b>3,741,753</b> | <b>3,838,897</b> | <b>5,165,184</b> | <b>3,660,745</b> | <b>3,958,550</b> | <b>4,290,058</b> | <b>331,507</b>                        | <b>8%</b>                            | <b>629,313</b>                          | <b>17.2%</b>                           |
|        | <b>Library Materials:</b>                  |                  |                  |                  |                  |                  |                  |                                       |                                      |   |  |
| 601999 | American Continuations                     | 2,179,152        | 1,560,426        | 1,440,140        | 1,436,893        | 1,525,017        | 1,485,388        | (39,629)                              | -3%                                  | 48,496                                  | 3.4%                                   |
| 602999 | American New Orders                        | 28,431           | 15,311           | 12,095           | 14,959           | 15,000           | 16,050           | 1,050                                 | 7%                                   | 1,091                                   | 7.3%                                   |
| 609199 | Branch Continuations                       | 35,849           | 48,283           | 45,238           | 23,071           | 23,060           | 17,500           | (5,560)                               | -24%                                 | (5,571)                                 | -24.1%                                 |
| 609299 | Branch New Orders                          | 499              | 0                | 161              | 200              | 200              | 214              | 14                                    | 7%                                   | 14                                      | 7.0%                                   |
| 603999 | Commonwealth Continuations                 | 251,944          | 140,309          | 102,063          | 134,043          | 130,417          | 140,075          | 9,658                                 | 7%                                   | 6,033                                   | 4.5%                                   |
| 604999 | Commonwealth New Orders                    | 87               | 0                | 0                | 1,000            | 1,000            | 1,070            | 70                                    | 7%                                   | 70                                      | 7.0%                                   |
| 605999 | Foreign Continuations                      | 195,562          | 171,727          | 116,731          | 118,887          | 121,967          | 126,953          | 4,986                                 | 4%                                   | 8,066                                   | 6.8%                                   |
| 606999 | Foreign New Orders                         | 1,350            | 670              | 1,019            | 1,000            | 1,000            | 1,070            | 70                                    | 7%                                   | 70                                      | 7.0%                                   |
| 607999 | International Continuations                | 125,356          | 107,931          | 107,686          | 119,518          | 119,517          | 127,289          | 7,772                                 | 7%                                   | 7,770                                   | 6.5%                                   |
| 608999 | International New Orders                   | 500              | 250              | 192              | 250              | 500              | 535              | 35                                    | 7%                                   | 285                                     | 114.0%                                 |
| 609399 | General/Librarianship Continuations        | 26,151           | 18,639           | 16,325           | 17,593           | 17,594           | 18,824           | 1,230                                 | 7%                                   | 1,232                                   | 7.0%                                   |
| 609499 | General/Librarianship New Orders           | 270              | 197              | 72               | 200              | 200              | 214              | 14                                    | 7%                                   | 14                                      | 7.0%                                   |
|        | <b>Subtotal</b>                            | <b>2,845,151</b> | <b>2,063,743</b> | <b>1,841,721</b> | <b>1,867,614</b> | <b>1,955,472</b> | <b>1,935,183</b> | <b>(20,290)</b>                       | <b>-1%</b>                           | <b>67,569</b>                           | <b>3.6%</b>                            |
| 690000 | Library Materials Transferred to<br>Assets | (2,845,151)      | (2,063,743)      | (1,841,721)      | (1,867,614)      | (1,955,472)      | (1,935,183)      | 20,290                                | -1%                                  | (67,569)                                | 3.6%                                   |
| 685000 | Electronic Resource Subscriptions<br>(ERS) | 0                | 629,617          | 702,725          | 682,222          | 597,312          | 617,601          | 20,289                                | 3%                                   | (64,621)                                | -9.5%                                  |
|        | <b>Facilities:</b>                         |                  |                  |                  |                  |                  |                  |                                       |                                      |   |  |
| 801005 | Repair & Maintenance                       | 38,567           | 30,650           | 13,023           | 48,001           | 48,000           | 46,500           | (1,500)                               | -3%                                  | (1,501)                                 | -3.1%                                  |
| 801010 | Building Services                          | 16,145           | 10,595           | 10,792           | 11,736           | 13,200           | 16,659           | 3,459                                 | 26%                                  | 4,923                                   | 41.9%                                  |
| 801015 | Cleaning Supplies                          | 12,944           | 8,976            | 11,675           | 12,575           | 13,200           | 9,969            | (3,231)                               | -24%                                 | (2,606)                                 | -20.7%                                 |
| 801020 | Electricity & Water                        | 119,333          | 118,429          | 116,616          | 126,921          | 129,600          | 123,000          | (6,600)                               | -5%                                  | (3,921)                                 | -3.1%                                  |
| 801025 | Elevator Maintenance                       | 12,889           | 11,592           | 14,157           | 11,769           | 996              | 1,932            | 936                                   | 94%                                  | (9,837)                                 | -83.6%                                 |
| 801030 | Heating & Cooling                          | 33,185           | 38,467           | 39,901           | 42,442           | 39,850           | 43,576           | 3,726                                 | 9%                                   | 1,134                                   | 2.7%                                   |
| 801035 | Insurance                                  | 255,051          | 293,134          | 261,565          | 237,732          | 236,500          | 240,753          | 4,253                                 | 2%                                   | 3,021                                   | 1.3%                                   |
| 801040 | Janitorial Services                        | 104,840          | 104,090          | 104,190          | 113,844          | 116,322          | 107,211          | (9,111)                               | -8%                                  | (6,634)                                 | -5.8%                                  |
| 801045 | Landscaping                                | 13,671           | 13,411           | 15,000           | 18,000           | 18,000           | 18,000           | 0                                     | 0%                                   | 0                                       | 0.0%                                   |
| 801050 | Security                                   | 175,908          | 194,703          | 197,481          | 219,929          | 240,000          | 236,616          | (3,384)                               | -1%                                  | 16,687                                  | 7.6%                                   |
| 801060 | Room Rental Expenses                       | 34,234           | 27,536           | 37,700           | 28,816           | 22,800           | 27,000           | 4,200                                 | 18%                                  | (1,816)                                 | -6.3%                                  |
| 801065 | Special Events Expenses                    | 13,677           | 9,933            | 14,860           | 10,737           | 8,000            | 10,750           | 2,750                                 | 34%                                  | 13                                      | 0.1%                                   |
| 801100 | Furniture & Appliances (<3K)               | 598              | 300              | 0                | 4,321            | 7,396            | 4,200            | (3,196)                               | -43%                                 | (121)                                   | -2.8%                                  |
| 801110 | Equipment (<3K)                            | 1,153            | 1,426            | 1,069            | 4,721            | 4,800            | 3,600            | (1,200)                               | -25%                                 | (1,121)                                 | -23.7%                                 |
| 801115 | Building Alterations (<3K)                 | 0                | 0                | 0                | 2,700            | 2,700            | 2,700            | 0                                     | 0%                                   | 0                                       | 0.0%                                   |
| 801120 | Delivery & Postage                         | 4,280            | 5,931            | 3,488            | 3,217            | 5,300            | 6,242            | 942                                   | 18%                                  | 3,024                                   | 94.0%                                  |
| 801125 | Kitchen supplies                           | 2,800            | 2,020            | 1,675            | 2,422            | 2,225            | 2,400            | 175                                   | 8%                                   | (22)                                    | -0.9%                                  |

# Los Angeles County Law Library: Summary

Proposed Budget: Fiscal Year Ending 6/30/19

| GL No. |                                  |         |         |         | Forecast | Budget  | Budget  | \$ Inc (Dec)       | % Inc (Dec)        | \$ Inc (Dec)         | % Inc (Dec)          |
|--------|----------------------------------|---------|---------|---------|----------|---------|---------|--------------------|--------------------|----------------------|----------------------|
|        |                                  | 2015    | 2016    | 2017    | 2018     | 2018    | 2019    | relative to Budget | relative to Budget | relative to Forecast | relative to Forecast |
|        | Subtotal                         | 839,275 | 871,193 | 843,191 | 899,882  | 908,889 | 901,107 | (7,782)            | -1%                | 1,225                | 0.1%                 |
|        | Technology:                      |         |         |         |          |         |         |                    |                    |                      |                      |
| 801210 | Software Maintenance             | 19,327  | 25,615  | 21,163  | 20,314   | 21,000  | 21,893  | 893                | 4%                 | 1,579                | 7.8%                 |
| 801212 | Hardware Maintenance             | 11,145  | 14,166  | 16,778  | 20,381   | 16,925  | 25,882  | 8,957              | 53%                | 5,500                | 27.0%                |
| 801215 | Software (<\$3k)                 | 1,004   | 1,513   | 3,659   | 9,002    | 9,000   | 7,805   | (1,195)            | -13%               | (1,197)              | -13.3%               |
| 801220 | Hardware (<\$3k)                 | 2,613   | 3,790   | 6,159   | 4,802    | 4,800   | 5,820   | 1,020              | 21%                | 1,018                | 21.2%                |
| 801225 | Computer Supplies                | 391     | 344     | 1,953   | 600      | 600     | 600     | 0                  | 0%                 | 0                    | 0.0%                 |
| 801230 | Integrated Library System        | 45,400  | 47,443  | 49,578  | 50,691   | 48,468  | 53,813  | 5,345              | 11%                | 3,122                | 6.2%                 |
| 801235 | Telecommunications               | 30,445  | 28,156  | 31,274  | 37,133   | 42,000  | 34,957  | (7,043)            | -17%               | (2,176)              | -5.9%                |
| 801245 | Tech & Data - Misc               | 91      | 73      | 65      | 0        | 0       | 0       | 0                  | 0%                 | 0                    | 0.0%                 |
| 801250 | Services                         | 1,355   | 2,451   | 753     | 156      | 0       | 0       | 0                  | 0%                 | (156)                | -100.0%              |
|        | Subtotal                         | 111,770 | 123,551 | 131,381 | 143,079  | 142,793 | 150,770 | 7,977              | 6%                 | 7,691                | 5.4%                 |
|        | General:                         |         |         |         |          |         |         |                    |                    |                      |                      |
| 801310 | Bank Charges                     | 7,835   | 6,307   | 6,886   | 8,074    | 8,000   | 8,000   | 0                  | 0%                 | (74)                 | -0.9%                |
| 801315 | Bibliographical Services         | 7,878   | 9,122   | 9,420   | 9,676    | 9,720   | 10,104  | 384                | 4%                 | 428                  | 4.4%                 |
| 801320 | Binding                          | 0       | 0       | 0       | 0        | 0       | 0       | 0                  | 0%                 | 0                    | 0.0%                 |
| 801325 | Board Expense                    | 2,189   | 859     | 785     | 749      | 1,000   | 1,000   | 0                  | 0%                 | 251                  | 33.5%                |
| 801330 | Staff meals & events             | 1,710   | 1,639   | 2,741   | 2,707    | 3,020   | 3,090   | 70                 | 2%                 | 383                  | 14.2%                |
| 801335 | Supplies - Office                | 14,806  | 10,718  | 13,698  | 18,662   | 13,000  | 19,000  | 6,000              | 46%                | 338                  | 1.8%                 |
| 801337 | Supplies - Library materials     | 6,861   | 7,852   | 8,758   | 8,981    | 9,025   | 9,000   | (25)               | 0%                 | 19                   | 0.2%                 |
| 801340 | Stationery, business cards, etc. | 665     | 71      | 1,118   | 641      | 400     | 1,900   | 1,500              | 375%               | 1,259                | 196.2%               |
| 801365 | Grant Application Expenses       | 0       | 0       | 0       | 0        | 0       | 0       | 0                  | 0%                 | 0                    | 0.0%                 |
| 801370 | Copy Center Expense              | 24,925  | 19,897  | 15,711  | 20,044   | 21,400  | 21,138  | (262)              | -1%                | 1,094                | 5.5%                 |
| 801375 | General - Misc                   | 294     | 956     | 15,161  | 1,012    | 0       | 500     | 500                | 0%                 | (512)                | -50.6%               |
| 801390 | Course Registration              | 4,701   | 564     | 547     | 100      | 150     | 0       | (150)              | -100%              | (100)                | -100.0%              |
| 801395 | Friends of Law Library           | 1,433   | 1,503   | 800     | 352      | 200     | 500     | 300                | 150%               | 148                  | 42.0%                |
|        | Subtotal                         | 73,295  | 59,487  | 75,624  | 70,999   | 65,915  | 74,232  | 8,317              | 13%                | 3,233                | 4.6%                 |
|        | Professional Development:        |         |         |         |          |         |         |                    |                    |                      |                      |
| 803105 | Travel                           | 5,946   | 1,819   | 4,402   | 9,228    | 10,312  | 9,933   | (379)              | -4%                | 705                  | 7.6%                 |
| 803110 | Meals                            | 140     | 0       | 0       | 91       | 180     | 170     | (10)               | -6%                | 79                   | 86.2%                |
| 803113 | Incidental and miscellaneous     | 0       | 0       | 1,225   | 75       | 0       | 500     | 500                | 0%                 | 425                  | 566.7%               |
| 803115 | Membership dues                  | 10,878  | 9,452   | 6,592   | 6,209    | 6,180   | 7,821   | 1,641              | 27%                | 1,612                | 26.0%                |
| 803120 | Registration fees                | 3,547   | 1,678   | 3,927   | 4,908    | 6,193   | 6,865   | 672                | 11%                | 1,957                | 39.9%                |
| 803125 | Educational materials            | 264     | 0       | 0       | 0        | 0       | 0       | 0                  | 0%                 | 0                    | 0.0%                 |
|        | Subtotal                         | 20,775  | 12,948  | 16,146  | 20,511   | 22,865  | 25,289  | 2,424              | 11%                | 4,778                | 23.3%                |
|        | Communications & Marketing:      |         |         |         |          |         |         |                    |                    |                      |                      |
| 803205 | Services                         | 0       | 0       | 0       | 1,800    | 1,800   | 1,800   | 0                  | 0%                 | 0                    | 0.0%                 |
| 803210 | Collateral materials             | 1,099   | 1,550   | 1,714   | 2,152    | 2,250   | 2,500   | 250                | 11%                | 348                  | 16.2%                |
| 803215 | Advertising                      | 104     | 4,684   | 2,839   | 1,280    | 2,965   | 2,435   | (530)              | -18%               | 1,155                | 90.2%                |
| 803220 | Trade shows & Outreach           | 1,359   | 25      | 0       | 303      | 700     | 290     | (410)              | -59%               | (13)                 | -4.4%                |
|        | Subtotal                         | 2,561   | 6,258   | 4,553   | 5,535    | 7,715   | 7,025   | (690)              | -9%                | 1,490                | 26.9%                |



# Los Angeles County Law Library: Summary

Proposed Budget: Fiscal Year Ending 6/30/19

| GL No.                 |   |           |           |             | Forecast  | Budget    | Budget    | \$ Inc (Dec)       | % Inc (Dec)        | \$ Inc (Dec)         | % Inc (Dec)          |
|------------------------|---|-----------|-----------|-------------|-----------|-----------|-----------|--------------------|--------------------|----------------------|----------------------|
|                        |   | 2015      | 2016      | 2017        | 2018      | 2018      | 2019      | relative to Budget | relative to Budget | relative to Forecast | relative to Forecast |
| Travel & Entertainment |   |           |           |             |           |           |           |                    |                    |                      |                      |
| 803305                 | Travel  | 22        | 10        | 583         | 0         | 0         | 0         | 0                  | 0%                 | 0                    | 0.0%                 |
| 803310                 | Meals   | 0         | 0         | 149         | 0         | 0         | 0         | 0                  | 0%                 | 0                    | 0.0%                 |
| 803315                 | Entertainment                                 | 0         | 0         | 0           | 0         | 0         | 0         | 0                  | 0%                 | 0                    | 0.0%                 |
| 803320                 | Ground transportation & mileage reim          | 1,837     | 2,471     | 1,892       | 1,397     | 2,736     | 1,584     | (1,153)            | -42%               | 186                  | 13.3%                |
| 803325                 | Incidental travel expenses                    | 0         | 0         | 0           | 0         | 0         | 0         | 0                  | 0%                 | 0                    | 0.0%                 |
|                        | Subtotal                                      | 1,859     | 2,481     | 2,624       | 1,397     | 2,736     | 1,584     | (1,153)            | -42%               | 186                  | 13.3%                |
| Professional Services  |   |           |           |             |           |           |           |                    |                    |                      |                      |
| 804005                 | Accounting                                    | 17,715    | 21,630    | 18,078      | 25,219    | 24,031    | 25,930    | 1,899              | 8%                 | 711                  | 2.8%                 |
| 804008                 | Consulting Services                           | 32,613    | 36,495    | 30,586      | 33,808    | 34,249    | 34,756    | 507                | 1%                 | 948                  | 2.8%                 |
| 804010                 | Legal   | 18        | 488       | 0           | 5,000     | 5,000     | 5,000     | 0                  | 0%                 | 0                    | 0.0%                 |
| 804015                 | Other   | 0         | 0         | 0           | 2,146     | 2,880     | 3,820     | 940                | 33%                | 1,674                | 78.0%                |
|                        | Subtotal                                      | 50,345    | 58,613    | 48,664      | 66,173    | 66,160    | 69,506    | 3,346              | 5%                 | 3,333                | 5.0%                 |
| Depreciation:          |   |           |           |             |           |           |           |                    |                    |                      |                      |
| 806105                 | Depreciation - Library Materials              | 2,492,718 | 2,619,001 | 2,518,365   | 2,433,124 | 2,441,714 | 2,386,658 | (55,056)           | -2%                | (46,466)             | -1.9%                |
| 806110                 | Depreciation Exp - FF&E                       | 351,558   | 333,939   | 303,461     | 297,174   | 397,816   | 343,367   | (54,449)           | -14%               | 46,193               | 15.5%                |
|                        | Subtotal                                      | 2,844,276 | 2,952,940 | 2,821,826   | 2,730,298 | 2,839,529 | 2,730,025 | (109,505)          | -4%                | (273)                | 0.0%                 |
|                        | Total Expense                                 | 7,685,910 | 8,555,985 | 9,811,919   | 8,280,842 | 8,612,465 | 8,867,196 | 254,732            | 3%                 | 586,355              | 7.1%                 |
|                        | Net Income Before Extraordinary Items         | (142,235) | (665,820) | (1,625,931) | 75,424    | (694,230) | (516,054) | 178,176            | -26%               | (591,478)            | -784.2%              |
| 321000                 | Investment Gain (Loss) <sup>1</sup>           | 40,081    | 78,437    | (38,669)    | (35,921)  | 35,000    | 25,000    | (10,000)           | -29%               | 60,921               | -169.6%              |
| 401000                 | Extraordinary Income                          | 21,347    | 0         | 55,000      | 0         | 0         | 0         | 0                  | 0%                 | 0                    | 0.0%                 |
| 901000                 | Extraordinary Expense                         | 572,839   | 0         | 0           | 0         | 0         | 0         | 0                  | 0%                 | 0                    | 0.0%                 |
|                        | Net Income Including Extraordinary Items      | (653,647) | (587,383) | (1,609,600) | 39,503    | (659,230) | (491,054) | 168,176            | -26%               | (591,478)            | (8)                  |
| Capital Expenditures:  |   |           |           |             |           |           |           |                    |                    |                      |                      |
| 161100                 | Furniture / Appliances (>3k)                  | 44,374    | 3,924     | 0           | 15,000    | 30,000    | 55,300    | 25,300             | 84%                | 40,300               | 268.7%               |
| 161300                 | Electronics / Computer Hardware (>3k)         | 4,364     | 0         | 12,768      | 20,000    | 380,000   | 402,166   | 22,166             | 6%                 | 382,166              | 1910.8%              |
| 164500                 | Exterior Building Repairs/ Improvements (>3k) | 0         | 0         | 0           | 10,000    | 440,000   | 175,000   | (265,000)          | -60%               | 165,000              | 1650.0%              |
| 164000                 | Interior Improvements / Alterations (>3k)     | 0         | 0         | 0           | 0         | 698,000   | 680,000   | (18,000)           | -3%                | 680,000              | 0.0%                 |
| 168000                 | Computer Software                             | 0         | 11,430    | 0           | 0         | 395,000   | 440,000   | 45,000             | 11%                | 440,000              | 0.0%                 |
|                        | Total - Capitalized Expenditures              | 48,739    | 15,354    | 12,768      | 45,000    | 1,943,000 | 1,752,466 | (190,534)          | -10%               | 1,707,466            | 3794.4%              |

<sup>1</sup>UBS interest/dividend income and gains/losses is consolidated into Investment Gain (Loss) for FY 2016. It was also moved to "non-operating income" section of the budget as recommended by outside auditors.

# Los Angeles County Law Library: Capital Purchases

Proposed Budget: Fiscal Year Ending 6/30/19

| Vendor or Description of Item                 | Category of Asset<br>(select from dropdown menu) | Anticipated Completion Month<br>(select from dropdown menu) | Acquisition Cost<br>(including consulting, design, implementation, etc.) | Carryover from prior fiscal year(s)?<br>(select from dropdown menu) | Reason or comment  |
|---|--|---|--|---|--|
| Document Management System                    | Computer Software                                | 2/1/2019  | 45,000   | No  | Storage, retrieval and archiving system for library network data files.  |
| New Accounting System                         | Computer Software                                | 6/1/2019  | 45,000   | Yes   | Cost to bring software to current version including all custom programming.  |
| New ILS System                                | Computer Software                                | 6/1/2019  | 350,000  | Yes   | Upgrade to next generation ILS system. First year maintenance included.  |
| Public Copiers                                | Electronics / Computer Hardware >3K              | 11/1/2018   | 80,000   | Yes   | Replacement of eight existing copiers in the public service areas which are no longer reliable and may not be eligible for service much longer. Already, some parts are no longer available. |
| eBranch Equipment Updates                     | Electronics / Computer Hardware >3K              | 3/1/2018  | 9,000  | No  | Replacement of existing eBranch computers which are failing and non-servicable.  |
| Print Release Project (Torrance & Long Beach) | Electronics / Computer Hardware >3K              | 1/1/2019  | 13,166   | No  | Automating payments at branch locations using library cards -- barcode reader cost PENDING   |
| Vcenter Server Cluster                        | Electronics / Computer Hardware >3K              | 4/1/2019  | 300,000  | Yes   | Replacement of antiquated server array to service all staff and patron virtual workstations.   |
| Landscape                                     | Exterior Building Repairs / Improvements >\$3K   | 9/1/2018  | 5,000  | No  | Replace dead or missing lanscape to mitigate health impacts of overnight homeless encampments.   |
| New Roof - North (1970) Stacks                | Exterior Building Repairs/ Improvement           | 7/1/2018  | 170,000  | Yes   | Existing roof material is failing. 20 year roof material was last replaced in 1980s.   |
| Security Cameras                              | Furniture / Appliances >3K                       | 12/1/2018   | 50,000   | Yes   | Security cameras - Includes all camera hardware and installation of data line.   |
| VeloBind Binding Machine                      | Furniture / Appliances >3K                       | 3/1/2019  | 5,300  | No  | To replace the current aging unit to support increasing volume of in-house binding activities.   |
| Hand Dryers                                   | Interior Improvements / Alterations >\$3K        | 8/1/2018  | 10,000   | No  | Addtion of hand dryers to all restrooms. Will reduce paper supply costs and plumbing repair costs by eliminating paper hand towel dispensors.  |
| Elevator Repair & Upgrade                     | Interior Improvements / Alterations >\$3K        | 9/1/2018  | 500,000  | Yes   | Upgrade all elevators to code per previously approved bid award  |



# Los Angeles County Law Library: Capital Purchases

Proposed Budget: Fiscal Year Ending 6/30/19

| Vendor or Description of Item                | Category of Asset<br>(select from dropdown menu) | Anticipated<br>Completion<br>Month (select<br>from<br>dropdown<br>menu) | Acquisition Cost<br>(including consulting,<br>design,<br>implementation, etc.) | Carryover from<br>prior fiscal year(s)?<br>(select from dropdown<br>menu) | Reason or comment   |
|--|--|---|--|---|---|
| Flooring - CMS Floor                         | Interior Improvements /<br>Alterations >\$3K     | 1/1/2019  | 40,000   | Yes   | Carpet to seal existing tiles (which contain asbestos and cannot be allowed to fragment).                 |
| Flooring - Public Stacks                     | Interior Improvements /<br>Alterations >\$3K     | 1/1/2019  | 40,000   | Yes   | Carpet to seal existing tiles (which contain asbestos and cannot be allowed to fragment).                 |
| LED Lighting                                 | Interior Improvements /<br>Alterations >\$3K     | 2/1/2019  | 50,000   | Yes   | Replace lighting in areas used most frequently with LED equivalents to reduce Electrical costs long term. |
| Public Restroom Reconfiguration &<br>repairs | Interior Improvements /<br>Alterations >\$3K     | 2/1/2019  | 40,000   | No  | Repair/Replacement of certain fixtures and to facilitate improved access in public restrooms.             |
|  |  |   | <b>1,752,466</b>   |   |   |

Total carryover from prior year: 1,625,000

Total new: 118,466

# Los Angeles County Law Library: Capital Purchases

Proposed Budget: Fiscal Year Ending 6/30/19

| Vendor or Description of Item | Category of Asset<br>(select from dropdown menu) | Anticipated<br>Completion<br>Month (select<br>from<br>dropdown<br>menu) | Acquisition Cost<br>(including consulting,<br>design,<br>implementation, etc.) | Carryover from<br>prior fiscal year(s)?<br>(select from dropdown<br>menu) | Reason or comment |
|-------------------------------|--|---|--|---|-------------------|
|-------------------------------|--|---|--|---|-------------------|

## Capital Purchase Guideline:

Capital assets are recorded at cost. Assets, other than books and reference materials, with acquisition cost of \$3,000 or more are capitalized. Books and reference materials are capitalized regardless of the amount.

The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Estimated service lives for the Law Library's capital assets are as follows.

|   |             |
|---|-------------|
| Books and reference materials           | 10 years    |
| Computer equipment                      | 4 years     |
| Furniture, fixtures and other equipment | 4-7 years   |
| Interior Building improvements          | 15 years    |
| Exterior Building Improvements          | 15-50 years |

Los Angeles County Law Library

Statement of Cash Flows

6/30/2013 through 6/30/2019

|   | FY 2013    | FY 2014    | FY 2015    | FY 2016    | FY2017     | FY 2018<br>Forecast | FY 2019<br>Budget |
|---|------------|------------|------------|------------|------------|---------------------|-------------------|
| <b>Cash flows from operating activities</b>                                     |            |            |            |            |            |                     |                   |
| Cash received from filing fees and services                                     | 8,634,796  | 8,160,521  | 7,587,825  | 7,772,176  | 8,002,013  | 8,152,037           | 8,169,335         |
| Cash payments to suppliers for goods and services                               | -2,870,681 | -853,929   | -1,274,535 | -1,109,047 | -1,263,838 | -1,207,578          | -1,229,513        |
| Electronic Resource Subscriptions (ERS) <sup>1</sup>                            |            |            | -523,941   | -666,951   | -702,725   | -682,222            | -617,601          |
| Cash payments to employees for services   | -4,363,664 | -4,084,807 | -3,867,282 | -3,763,250 | -4,114,938 | -3,530,741          | -4,015,058        |
| Contributions received  | 120,000    | 134,961    | 120,000    | 120,000    | 157,289    | 145,000             | 145,000           |
| Net cash from operating activities  | 1,520,451  | 3,356,746  | 2,042,067  | 2,352,928  | 2,077,801  | 2,876,496           | 2,452,163         |
| <b>Cash flows from capital and related financing activities</b>                 |            |            |            |            |            |                     |                   |
| Acquisition of capital assets:  |            |            |            |            |            |                     |                   |
| Books and Reference Materials   | -3,400,719 | -3,025,718 | -2,262,095 | -2,097,247 | -1,841,721 | -1,867,614          | -1,949,118        |
| Fixed Assets - PP&E   | -367,208   | -68,623    | -48,739    | -18,354    | -12,768    | -50,000             | -1,752,466        |
| Prior period adjustment   | 25,436     | -35,885    |            |            |            |                     |                   |
| Net cash from (used in) capital and related financing activities                | -3,742,491 | -3,130,226 | -2,310,834 | -2,115,601 | -1,854,489 | -1,917,614          | -3,701,584        |
| <b>Cash flows from non-capital and related financing activities</b>             |            |            |            |            |            |                     |                   |
| Sales of rare books collection  | 0          | 671,129    | 21,347     | 0          | 0          | 0                   | 0                 |
| Net cash from non-capital and related financing activities                      | 0          | 671,129    | 21,347     | 0          | 0          | 0                   | 0                 |
| <b>Cash flows from investing activities</b>                                     |            |            |            |            |            |                     |                   |
| Investment in money market and government securities <sup>2</sup>               | 0          | -3,997,438 | -40,081    | -78,437    | -500,000   | 15,000              | 25,000            |
| CalPERS CERBT Trust Account <sup>2</sup>  | 0          |            | -2,040,647 |            |            | 0                   | 0                 |
| Investments earnings  | 64,287     | 89,630     | 59,919     | 101,982    | 35,106     | 59,229              | 36,808            |
| Net cash from (used in) investing activities                                    | 64,287     | -3,907,808 | -2,020,809 | 23,545     | -464,894   | 74,229              | 61,808            |
| Net increase in cash and cash equivalents                                       | -2,157,753 | -3,010,159 | -2,268,229 | 260,872    | -241,582   | 1,033,111           | -1,187,613        |
| Cash and cash equivalents, at beginning of year                                 | 11,045,015 | 8,887,262  | 5,877,102  | 3,608,873  | 3,869,745  | 3,628,164           | 4,661,275         |
| Cash and cash equivalents, end of year  | 8,887,262  | 5,877,102  | 3,608,873  | 3,869,745  | 3,628,164  | 4,661,275           | 3,473,662         |
| <b><sup>2</sup> Items accounted for separately:</b>                             |            |            |            |            |            |                     |                   |
| Cash and cash equivalents, end of year  | 8,887,262  | 5,877,102  | 3,608,873  | 3,869,745  | 3,628,164  | 4,661,275           | 3,473,662         |
| CalPERS CERBT Account   | 0          | 0          | 1,973,064  | 2,029,637  | 2,135,363  | 2,094,848           | 2,020,000         |
| UBS money market and government securities                                      | 0          | 3,997,438  | 4,037,519  | 4,115,956  | 4,577,287  | 4,560,270           | 4,550,000         |
| Cash and cash equivalents, end of year including items accounted for separately | 8,887,262  | 9,874,541  | 9,619,456  | 10,015,338 | 10,340,813 | 11,316,394          | 10,043,662        |
| <b>Δ in cash and cash equivalents</b>   |            | 987,279    | -255,085   | 395,882    | 325,475    | 1,301,056           | -1,272,732        |

<sup>1</sup> Following auditors recommendation, subscription fees for licensed access to legal databases historically capitalized as “electronic resources” are now expensed as ERS in accordance with GAAP.

**BUDGET AND FINANCE COMMITTEE  
POTENTIAL ADDITIONAL CUTS, COSTS AND REVENUE OPTIONS FOR FY19 BUDGET**

1. ALREADY INCLUDED IN THE FY19 BUDGET

a. Cost increases not within our control:

| ITEM       | NOTES  | FY17 Actual | FY18 Forecast | FY19 Budget | Change                         |
|------------|--|-------------|---------------|-------------|--------------------------------|
| Retirement |  | 292,226     | 296,990       | 413,308     | 116,318                        |
| Health     |  | 456,030     | 360,575       | 467,124     | 106,549                        |
| Dental     |  | 56,551      | 60,267        | 71,268      | 11,001                         |
| Collection | Inflation is approximately 7% for non-contracted materials and 3% for contracted materials |             |               |             | 102,000 (offset by reductions) |
|            |  |             |               |             |                                |

b. Elective cost increases:

Personnel costs:

\$40,000: 1% raise for all employees (except ED) including benefits.

\$8,500: Part-time assistance in Lancaster. This would provide office hours and services by a branch assistant at the Lancaster Public Library, similar to those provided in Pasadena, Van Nuys and other currently established public library partner locations. Staffing would be for a half day each week. With the rapid population growth in this corner of the county, the paucity of legal services available and the time/distance to downtown, staff believes this is the right time to provide service in the Antelope Valley.

Additional security costs: \$17,000. We were able to avoid additional security costs in the current year, so that the actual FY18 cost is less than what was budgeted. However, we do not expect to be able to avoid these costs in FY19. The increase is needed to cover rate increases and nighttime security patrols to reduce vandalism, and destruction of property occurring during non-library hours.

Additional scan aide: \$18,000. The number of scan aides has dwindled over time, resulting in slower scanning operations and reduced shipments to Google for scanning. In order to take maximum advantage of the existing Google project before their funding ends, we are adding one scan aide. The majority of this cost will be offset by Google revenue.

c. Cuts:

Wolters Kluwer: Due to a renegotiation in FY18, we were able to achieve a cost reduction of more than \$150,000. Only a portion was realized in FY18. A portion of the reduction amounting to approximately \$60,000 in ERS and \$40,000 in print costs will be realized in FY19.

Reductions due to turnover (retirements) replacement with less seniority at lower cost

Library Materials: A \$14,000 reduction was required to maintain spending at the FY18 level. This will be accomplished by limiting print materials within American Continuations in highly-saturated subject areas (such as: corporations, securities law, real property, intellectual property, labor, and tax) especially within the following categories: 1) comparable material exists in the collection from another publisher; 2) the Library has the materials in electronic format; 3) problem vendors that create high soft costs for Library staff; and 4) vendors whose pricing models the Library cannot sustain

d. Additional Revenue:

Civil Filing Fees: We budgeted for the same filing fee revenue as the current year, which has been coming in slightly higher than current year budget or prior year actuals.

Room rentals: We budgeted for slightly higher room rentals in FY19 based upon recent level of demand.

2. ADDITIONAL ITEMS NOT INCLUDED IN THE FY18 BUDGET

a. Additional revenue:

Platinum Level Membership: We will endeavor to find additional platinum level members to increase revenue. Experience indicates that the current Platinum Librarian can cover at least one more platinum member.

b. Additional cuts **not recommended**:

Furlough: One Week Furlough: **\$40-50,000**. The Law Library implemented furloughs for 3 years in a row, but did not impose a furlough in FY17 or FY18 because furloughs are not a long-term solution. If furloughs are allowed to become a regular recurring policy, then they essentially amount to a salary cut. On the other hand, there are some maintenance and upgrade issues that could be more easily addressed during a closure.

Eliminate Lexis Advance: Approximately **\$190,000**. Many patrons prefer Lexis to Westlaw. In addition, the Matthew Bender practice guides are used frequently, have no comparable replacement from another publisher and would be expensive and less useful in print. (Note that the cost savings would be lessened by the need to buy a Westlaw Next license for Lancaster, cost unknown).

Further global law reductions: **\$20,000-100,000**. We looked at a number of options, including eliminating all secondary material from foreign jurisdictions and eliminating primary law from subordinate jurisdictions (states and provinces), but those cuts are not recommended. As discussed previously, global materials have been drastically reduced over the past 6 years. Further cuts would significantly diminish the value and utility of the global collection.

Cuts to the Collection with substantial impact on content: **\$100,000-400,000** Examples of potential options are:

1. Eliminate all Commonwealth content (Australia/New Zealand, Canada, Great Britain) - \$140K
2. Purchase selected non-contracted materials every 2 years instead of annually
3. Eliminate all Global Law Titles (Commonwealth, Foreign, International) - \$400K
4. Eliminate materials from non-CA States - \$225K

These are very rough cost estimates which would require extensive work and negotiations to refine.

CalPERS prepayment of Unfunded Accrued Liability: **Unknown**. In FY18 a \$500,000 additional payment was made to reduce the required UAL payment by approximately \$39,000 and decrease the accrued unfunded liability. An additional prepayment would result in additional savings, but might result in overfunding if CalPERS's investment returns continue to improve, since the estimated accrued liability is heavily dependent on the projected rate of return.

# AGENDA ITEM 5

## CLOSED SESSION

- 5.1 Conference with Labor Negotiator (G.C. 54957.6). *Library Negotiator:*  
Executive Director, Sandra J. Levin; *Employee Organization:* SEIU Local 721.