

Library CBAC

TO: Chair Deborah Kafoury and County Board of Commissioners (3) pages

FROM: Library Advisory Board

DATE: March 12, 2019

SUBJECT: Budget Advisory Committee (CBAC) Report & Recommendations

EXECUTIVE SUMMARY

The Library Advisory Board (LAB) fully supports the Multnomah County Library (MCL)'s proposed budget, which supports the Library's strategic priorities and which we believe will allow MCL to serve the community well. We support the proposed increase in the property tax rate from \$1.20 to \$1.21. We also support the thoughtful and strategic changes to the library's budget, particularly additional investment in facilities. In the longer term, the LAB understands the library's need to provide library spaces that better serve our growing population in ways that meet current and future needs, and we strongly support the space planning efforts needed to make this a reality. While we appreciate the prudence reflected in the proposed budget, the LAB is well aware that MCL's costs, like those of the County as a whole, are rising much faster than property tax revenues can sustain. We are concerned about what that may mean in the years to come. Overall, the LAB is proud to support the library in its continuing efforts to meet ever-evolving community needs, produce innovative programming, and put equity at the center of its work. We appreciate the thorough work of library staff in preparing this budget, and we encourage the Library District Board to adopt the budget as presented.

PROCESS

In accordance with Chapter 19 of the County Code, the LAB continues to serve as the Community Budget Advisory Committee for MCL. The 17-member Library Advisory Board holds monthly meetings throughout the year and is kept up to date on library operations, programs, policies, priorities, and budget.

The Finance Committee of the Library Advisory Board conducted a review of the library's proposed Fiscal Year 2020 budget. The Finance Committee met four times in February and March and has reported to the full LAB on its findings. Library Director Vailey Oehlke and Director of Operations Don Allgeier attended these meetings and provided information, reports, and budget briefings for the committee's review. In addition, the committee received a Library District Revenue Forecast from County Economist Jeff Renfro, and additional information about IT costs from Content Strategy Director Jon Worona. The Library Advisory

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Board has reviewed, approved, and accepted the Finance Committee's recommendations, which serve as the basis of this report.

EMERGING ISSUES & CHANGES

Overall, the proposed Library budget includes little change compared to recent years. Current services levels and hours are being maintained, and there have been some modest reductions along with some strategic new investments. The proposed reductions have been carefully considered, particularly in terms of equity, and will have little impact on the services the library provides for our most vulnerable community members.

The proposed budget increases the Library District property tax rate for the second time from \$1.20 to \$1.21. This new rate is still less than the \$1.24 maximum district rate approved by the voters. The increase is in line with the financial models created when the library district was formed, and the LAB feels this is a prudent choice. We are aware, however, that increases in this tax rate are limited, and that increasing the rate will not provide long-term financial stability. Like the county as a whole, the library recognizes that its expenses continue to grow faster than current property tax revenues can sustain.

Although the overall budget represents a reduction in growth from past years, there is an increase in the funds allocated for facilities management and upkeep. This includes additional funding for projects to upkeep and upgrade existing facilities. These funds have been identified as necessary due to the age of library buildings, and are intended to prevent unexpected maintenance needs that would disrupt library services. The addition of a Facilities Manager position and funds for cost management will provide appropriate oversight in managing the needs of the entire system. The LAB supports this expenditure as a necessary investment for the long-term sustainability of the Library.

The library's commitment to advancing equity in its work has significantly informed the creation of the budget. This year's budget continues to invest in training, staffing, and outreach efforts to support this effort. In previous budgets, the library submitted a specific program offer for Equity and Inclusion work - in this year's budget, that work has been rolled into the Director's Office program offer (#80010).

Over the next decade, technology and facilities will continue to be key factors in MCL's budget and operations, and the LAB supports the Library's intentional planning around these issues. We expect investment in spaces and systems will be a primary topic of future budget reports.

RECOMMENDATIONS

We recommend that the Library District Board adopt the proposed budget of \$87.2million and 532.50 FTE. The LAB feels the proposed changes are appropriately focused on supporting ongoing operational stability. We appreciate the library leadership's thoughtful attention to the sustainability of the institution and their commitment to working within the constraints of the district's property tax rate limitation. We also strongly recommend that the Library continue its

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work to create more equitable and efficient facilities in the future, as outlined in [Framework for Future Library Spaces](#).

ACKNOWLEDGEMENTS

The Library Advisory Board wishes to thank the members of its Finance Committee who led the creation of this report. We also wish to acknowledge the work of Library staff, and particularly Director of Operations Don Allgeier who provides excellent support for the work of the committee

Library Advisory Board Members: Elizabeth Hawthorne – Chair, Jack Quinn MacNichol* – Vice-Chair, Marc Alifanz, Chester Ching, Erin Cooper*, Thomas Dwyer*, Rob Edmiston, Brendan Gallagher, Willow Kelleigh*, Lois Leveen, Lizzie Martinez, P.K. Runkles Pearson, Bethel Sishu, Cynthia Tseng, Clare Wilkinson, Brian Wilson*, Elliot Zais* (**Finance Committee Members*)

Library Staff: Vailey Oehlke – Director of Libraries, Don Allgeier – Director of Operations