

# Multnomah County Library Advisory Board



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

FROM: Multnomah County Library Advisory Board

DATE: March 14, 2017

SUBJECT: Library Advisory Board Budget Report & Recommendations

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## EXECUTIVE SUMMARY

The Library Advisory Board fully supports the Multnomah County Library's proposed budget and feels it will serve the community well. The Library Advisory Board is proud to support the library in its continuing efforts to meet ever evolving community needs, produce innovative programming, and focus its work on equity. The additions to the budget proposal have been well thought out and support ongoing operational stability. These prudent cost increases align appropriately with anticipated growth of library district revenue and will serve the county and the department well. While we note some issues for continued consideration below, we strongly support the proposed budget and the thorough work of the library staff.

## PROCESS

In accordance with Chapter 19 of the County Code, the Library Advisory Board continued to serve as the Citizen Budget Advisory Committee for the library. 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 the library's budget.

The Finance Committee of the Library Advisory Board conducted a review of the library's proposed Fiscal Year 2018 budget. The Finance Committee met four times in January and February and has reported to the full Library Advisory Board on its findings. Library Director Vailey Oehlke, Deputy Director Becky Cobb, 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 the following reports from staff:

- February 1 – Jon Worona – Director of Digital Strategies – Overview of IT costs and internal service rates.
- February 7 – Becky Cobb – Deputy Director – Facilities planning and internal service rate review.
- February 14 – Chris Linn – Safety & Security Manager – Update to the Library Advisory Board on Library Security.
- February 15 – Jeff Renfro – Principal Budget Analyst – Library District Revenue Forecast.

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

## **EMERGING ISSUES & CHANGES**

The largest change in the proposed Library budget is a reorganization of internal divisions. The change would reduce the number of divisions from seven to five to improve efficiency and streamline operations. Library leadership has carefully considered these changes and the committee supports the proposed new structure.

Planning for the Library's future facility needs continues to be critically important and the board is excited by the Strategic Capital Planning process the library is currently undertaking. The committee has also begun to discuss the ways in which the library's capital plan will impact the department's long-term operational budget. We look forward to learning more about the outcomes of the capital planning process and expect facilities and capital needs, as well as related changes to the budget, to be a major theme in coming years.

Technology and related services also continue to be key budgetary issues for the library. As the largest provider of free Internet access and media literacy services in the county, the library is uniquely positioned to be a leader in efforts to ensure digital inclusion throughout the region. However, this also means IT services continue to be an important and growing cost for the department. The library's budget for IT services is proposed to increase 24% this year alone, partially due to the cost of the County-wide ERP replacement. The committee strongly supports the ongoing investment that the library is making in technology and expects that IT services will continue to be an important and growing expense.

## **RECOMMENDATIONS**

We recommend that you accept and adopt the proposed budget of \$79.25 million and 536.45 FTE. This budget expansion is well within the growth projected at the formation of the library district. We feel the proposed changes and expansions to the budget are prudent and appropriately focused on supporting on-going operational stability. The additions to the budget have been carefully considered by the library leadership and we are pleased to see the library continuing to grow modestly within the means of the current district tax rate.

The LAB also recommends that the following be considered and reflected in future library budgets:

- Retaining a district rate of \$1.18 for as long as feasible, though the time to reconsider the rate is approaching.
- Sustaining the existing reserve fund at 10% to provide long-term stability and protect

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core services.

- Continuing work on the development and implementation of a long-term capital plan with consideration for how expansion might impact future budgets.
- Continuing to apply a strong equity lens in programs and operations.
- Continuing to work with communities to identify needs and work to meet those emerging needs with innovative materials, programs, and 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 hard work of Library staff and Director Vailey Oehlke, who continue to lead a careful and strategic budgeting process. The board would like to particularly acknowledge the remarkable contributions of Deputy Director Becky Cobb, who has thoughtfully and thoroughly lead the library's budgeting processes for years, and has been an outstanding partner in our work.

*Approved by the Library Advisory Board on Tuesday, March 14, 2014*

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