



# **Multnomah County Library District**

FY 2024 Proposed Budget

Presented to the  
Multnomah County Library  
District Board

Multnomah County  
May 25th, 2023

Located at [www.multco.us/budget](http://www.multco.us/budget)

# Governance and operations

- Governed by Board of County Commissioners sitting as Multnomah County Library District Board
- Operating under an Intergovernmental Agreement (IGA) with Multnomah County
- Library district financial policies



# Budget highlights

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- Budget proposed at rate of \$1.22 per \$1,000 of Assessed Value (full rate is \$1.24)
- Sustains hours and services detailed in County Library budget
- Establishes clear fund balance priorities, with a focus on long term fiscal health of the district



# Financial outlook

- Year 11 of the District
- Library financial condition: Property taxes vs. personnel cost growth
  - URAs and development cycle
  - Inflation/COLA/PERS
- Increasing surpluses and fund balance
- Cost of operating new space and wage study



# FY 2023 property tax revenues

## Multnomah County Library District's FY23 Property Tax Estimates

	Budget/Plan	'Actual' Based on Tax Roll	Difference	% Change
AV	88,316,953,172	89,180,859,281	\$ 863,906,109	0.98%
Extended Taxes	107,746,683	108,839,213	\$ 1,092,530	1.01%
Compression	4,525,361	3,807,245	\$ (718,116)	(15.87%)
Imposed Taxes	103,221,322	105,031,968	\$ 1,810,646	1.75%
Discount/Delinq	5,573,951	4,726,439	\$ (847,512)	(15.20%)
<b>Current Year Taxes</b>	<b>97,647,371</b>	<b>100,305,529</b>	<b>2,658,158</b>	<b>2.72%</b>
Prior Year Taxes	980,232	980,232	\$ -	0.00%
Interest	233,474	233,474	\$ -	0.00%
<b>Total Property Taxes</b>	<b>\$ 1,213,706</b>	<b>\$ 1,213,706</b>	<b>\$ -</b>	<b>0.00%</b>

- Notes:
1. Compression actual was 3.50% vs. forecast of 4.20%.
  2. AV growth actual was 4.56% vs. forecast of 3.55%.
  3. Budgeted discount/delinquency remains reduced from 5.50% to 4.50%



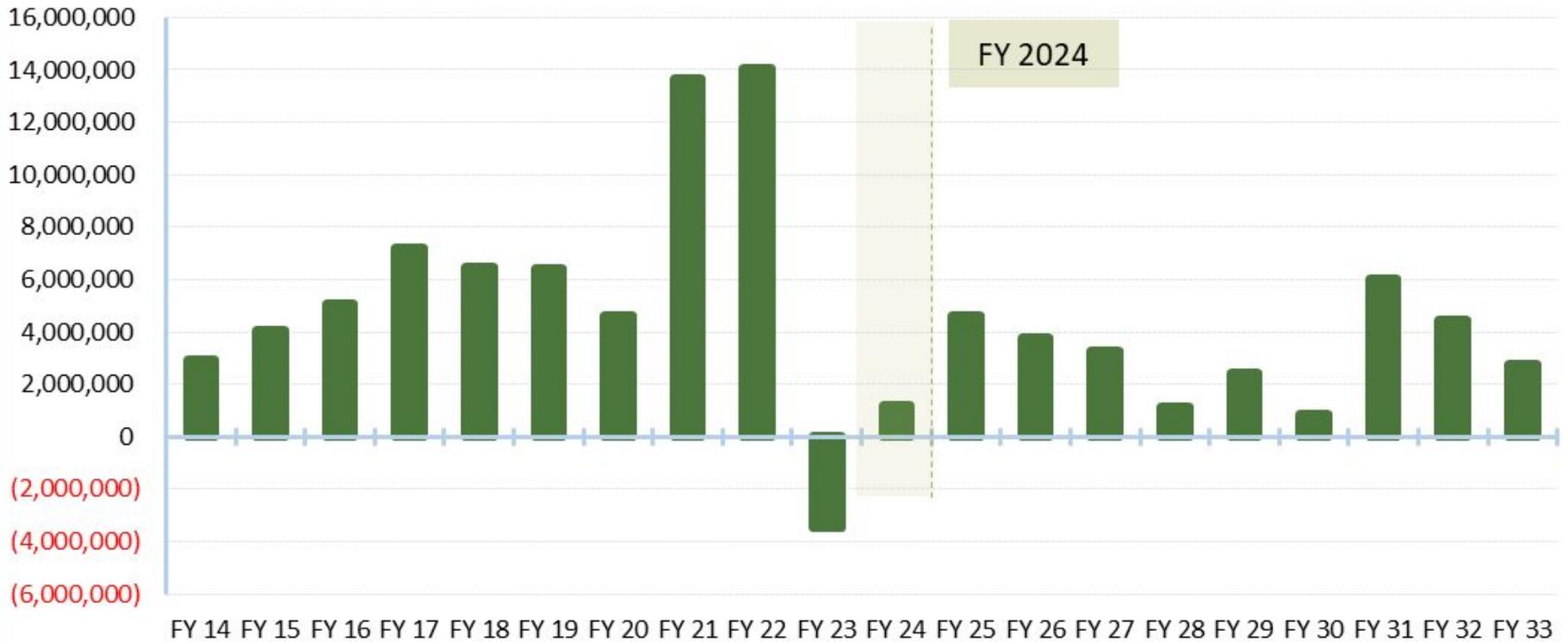
# Assumptions

		Library Levy/District Rate	AV Growth	Compression	Cost Change
FY 12-13		\$0.89	2.85%	37.56%	3.76%
FY 13-14	Year 1	\$1.18	3.31%	7.81%	4.38%
FY 14-15	Year 2	\$1.18	4.78%	6.00%	2.19%
FY 15-16	Year 3	\$1.18	4.13%	4.52%	2.81%
FY 16-17	Year 4	\$1.18	4.07%	3.79%	2.68%
FY 17-18	Year 5	\$1.18	4.76%	3.87%	5.94%
FY 18-19	Year 6	\$1.20	3.15%	3.66%	4.89%
FY 19-20	Year 7	\$1.21	4.34%	3.78%	6.20%
FY 20-21	Year 8	\$1.22	4.55%	4.07%	-6.31%
FY 21-22	Year 9	\$1.22	5.11%	3.90%	5.19%
FY 22-23	Year 10	\$1.22	4.56%	3.50%	26.64%
FY 23-24	Year 11	\$1.22	4.45%	4.10%	-0.67%
FY 24-25	Year 12	\$1.22	8.20%	4.25%	4.72%
FY 25-26	Year 13	\$1.22	3.10%	4.25%	3.95%
FY 26-27	Year 14	\$1.22	3.25%	4.25%	3.73%
FY 27-28	Year 15	\$1.22	3.25%	4.25%	5.08%
FY 28-29	Year 16	\$1.22	4.75%	4.25%	4.50%
FY 29-30	Year 17	\$1.22	3.25%	4.25%	4.50%
FY 30-31	Year 18	\$1.22	3.75%	4.25%	0.00%
FY 31-32	Year 19	\$1.22	3.25%	4.25%	4.50%
FY 32-33	Year 19	\$1.22	3.25%	4.25%	4.50%



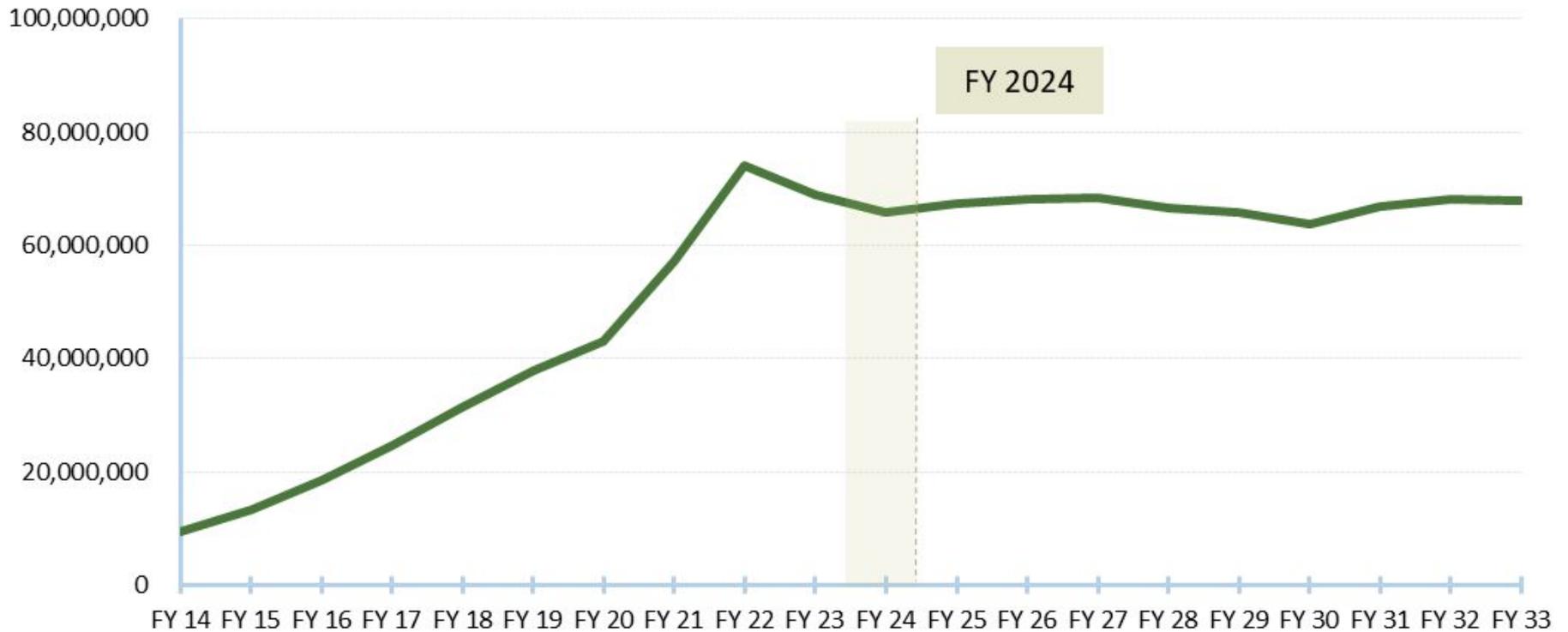
# Operating balance

## District Operating Balance



# Fund balance at end of fiscal year

## District Fund Balance at End of Fiscal Year

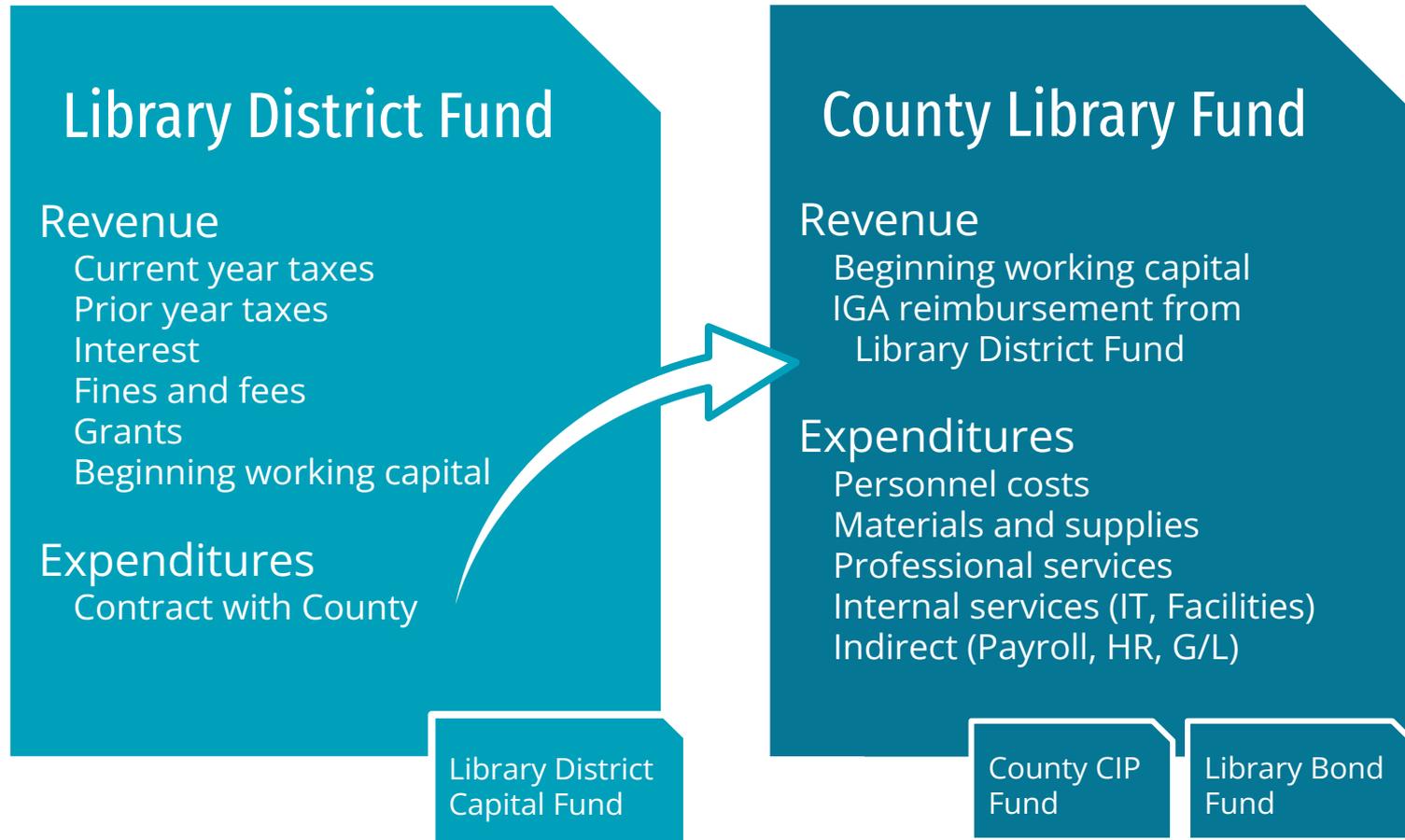


# Planning for a post-bond operating budget

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# Library District Fund structure



# District Fund balance priorities

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## **Preservation of core library services into the future**

Establish a structural operating deficit reserve as a revenue-smoothing buffer for future decision makers (\$18.7M)

## **Bond-adjacent needs and opportunities**

Establish funding for Library Special Projects to meet near-term needs (\$1.4M), and plan transfers to the Bond Program where opportunities or efficiencies arise (\$1.0M)

## **Maintaining buildings and physical infrastructure**

Augment pay-as-you-go CIP funding where needed; plan for replacement costs not captured in County replacement cycles; maintain long-term reserve to address future infrastructure needs

## **Innovation and evolution through pilot projects**

Utilize fund balance for pilot projects and programming; evaluate prior to dedicating ongoing funding



# Library District Fund budget: \$134.8M

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## Resources

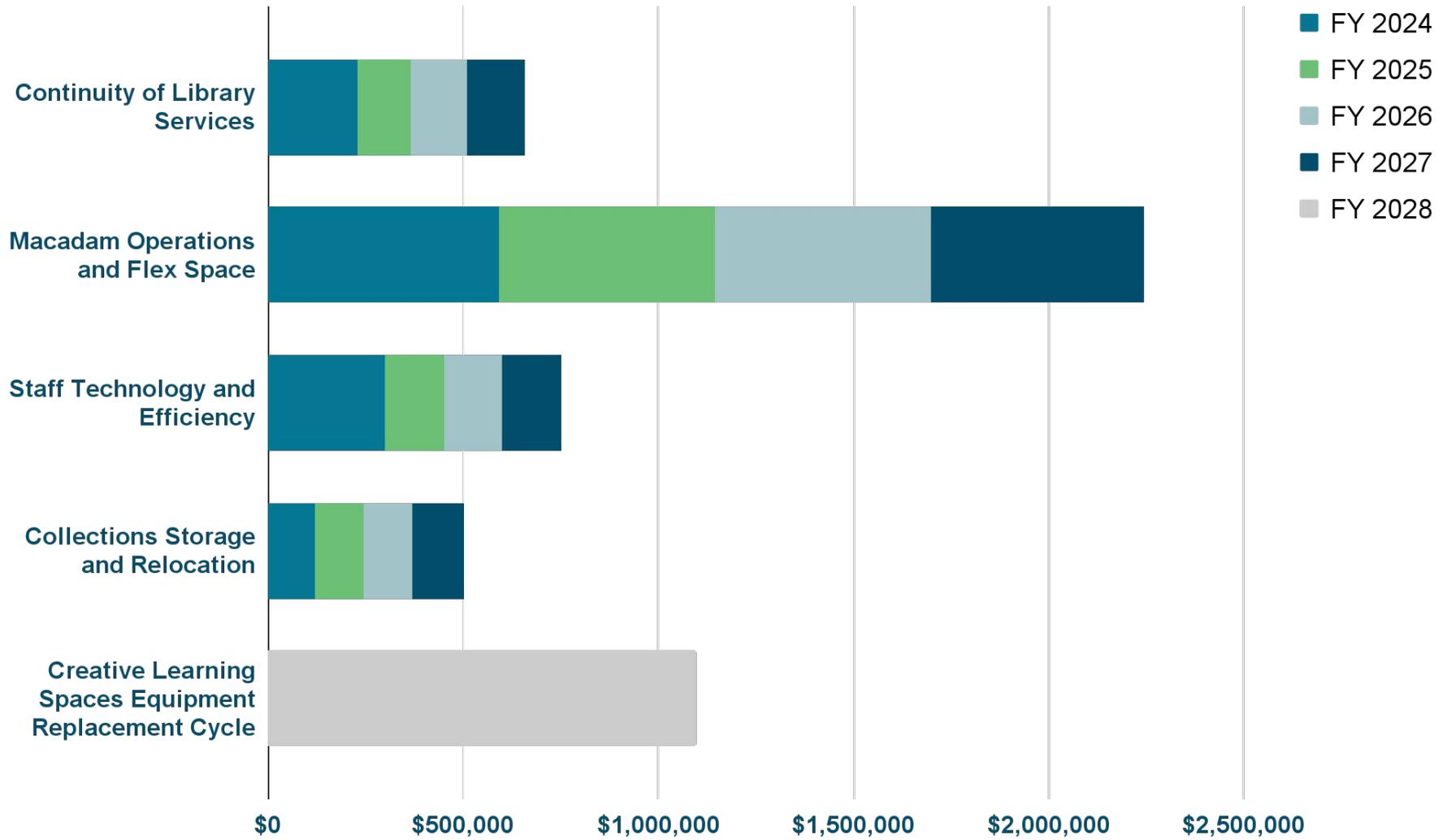
- \$24.7M beginning working capital
- \$107.4M in annual property taxes
- \$1.3M prior year taxes to be received
- \$1.4M in other revenues (grants, interest, fees, sales)

## Requirements

- \$108.1M contract with Multnomah County for library services
  - \$105.5M for FY 24 regular operating budget (**ongoing**)
  - \$1.3M for FY 24 retention bonuses (**OTO**)
  - \$1.4M for FY 24 Library Special Projects (**OTO**)
- \$4.6M set aside for Library Special Projects FY 25 – FY 28
- \$18.7 million reserve to address future structural operating deficit
- \$1M in operating contingency
- \$2.3M transfer to Library District Capital Fund

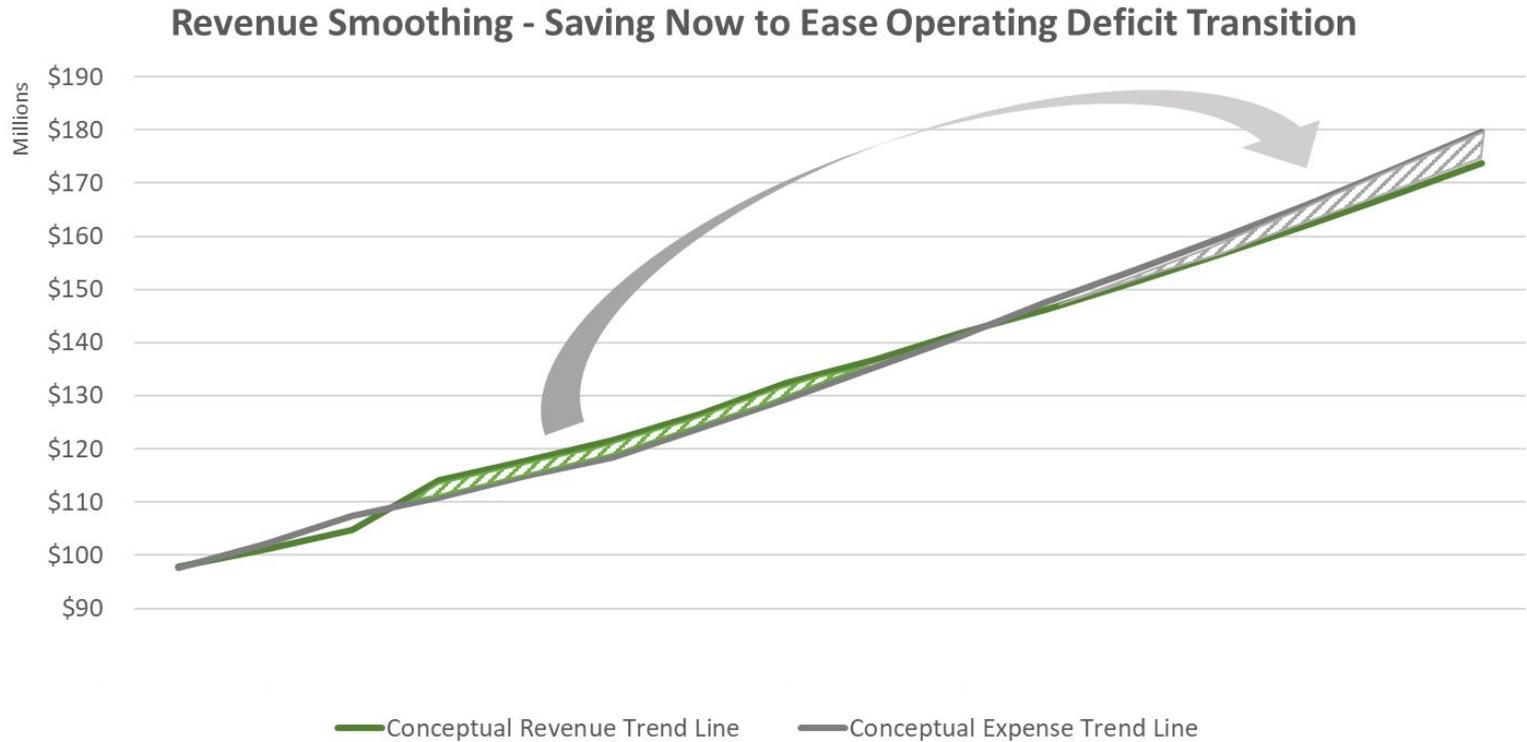


# Key library special projects: FY 2024 – FY 2028



# Structural operating deficit reserve

The reserve equals four years of forecasted operating expense increases. This buffer will provide future decision makers time to address the reality of the operating deficit without immediately making programmatic or staff reductions in response.



# Library District Capital Fund budget: \$62.2M

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## Resources

- \$59.9M beginning working capital
- \$2.3M transfer from Library District Fund

## Requirements

- \$1M transfer to Library Bond Fund
- \$61.1M in contingency; long-term reserve that can help address future infrastructure needs



# Highlights

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- Stable, dedicated funding
- Planning for post-bond operating changes
- Clear fund balance priorities
- Focus on the future



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# Questions