

Multnomah County
FY 2026 Budget Work Session Follow Up

Library and Library District
May 29, 2025



Chair Vega Pederson (Chair) - What is the Library District's Reserve Policy and what percentage of revenue/expenses does that represent?

Response:

The Library District Financial and Budget Policies, adopted by the Multnomah County Library District Board, outline the District reserve policy as follows:

Budgeted Library District Fund Reserves

Using all available ongoing revenue each year to pay for ongoing programs can result in fluctuations in program levels as revenues vary from one year to the next. Adding programs in one year (based on positive short term receipts) can cause the same or other programs to be cut in the next year if costs outpace revenues. This has a detrimental effect on service delivery over time, reducing efficiency and causing budgetary and political problems that can be avoided if program decisions are made in the context of the Library's long-term financial capacity. The Library District Fund is supported by property tax revenue that makes up more than 95% of total resources. Because the revenue stream is not very diverse, and the major source of Library District Fund revenue is limited by the Oregon Constitution, it is critical that the Library maintain an appropriate level of reserves.

A generally accepted benchmark for the unrestricted fund balance is a dollar amount equal to 10%-15% of actual revenues. In light of the known structural operating deficit the District will eventually face, the Board understands that holding higher reserves will help aid future decision-makers in addressing this fiscal concern.

Policy Statement

The Board understands that to avoid financial instability, continuing requirements should be insulated from temporary fluctuations in revenues.

It is the goal of the Board to fund and maintain a Library District Fund budgeted reserve, designated as unappropriated fund balance and funded at an amount equivalent to four years of forecasted expense increases. The purpose of this reserve is to serve as a revenue-smoothing buffer to address future structural operating deficit issues. For fiscal year 2026, the reserve amount is set at \$22 million, and is budgeted as unappropriated fund balance.

The budgeted reserve account in the Library District Fund may also be used when annual actual revenues fall below budgeted estimates. In years when revenues fall below budgeted estimates, the Board will reduce the unappropriated fund balance to continue high priority services that could not otherwise be funded by current revenues. If the reserve account is used to maintain fiscal integrity, a reserve restoration plan will be included in the adopted budget following the fiscal year in which the reserve fell below the policy level.

Where relevant, the Board will also retain ‘reserves for future expenditure’ to align with known one-time spending commitments in outyears. These reserves will align with five year project plans.

For FY 2026, the Library District operating reserve is set at \$22M, which is equivalent to four years of forecasted operating expense increases. This dollar amount represents 17.6% of the \$125.2M Library operating budget for FY 2026.

In addition to this operating reserve, the District Budget also includes a \$1M contingency, and \$6.25M ‘reserved for future expenditure’ that aligns with planned one-time spending in the Library Special Projects program offer for FY 2027 - FY 2030.

Commissioner Moyer (District 1) - The current GO Bond expires at the end of 2028. When would we need to move forward with planning for the next Bond?

Response:

In 2017, the Multnomah County Library District Board adopted the findings of the Framework for Future Library Spaces, and directed the development of models, timelines, and project staging to implement the recommendations in the framework (Resolution number 2017-057).

- Based on initial cost estimates, paired with voter polling data on tax rate affordability and advice from independent bond counsel, library and county leadership determined that a series of three phased bond packages would likely be needed to fully

accomplish the goals and scope set forth in the Framework for Future Library Spaces.

- Members of a Blue Ribbon Committee, made up of business and community leaders who evaluated and advised on the scope of the initial bond package, also supported this phased approach.

Major design and planning milestones for the 2020 Bond are complete, and Bond closeout will be finalized over the next 1-2 years. The Library is already in the very early stages of assessing the possibility of a phased second bond to continue implementation of the recommendations from the Framework for Future Library Spaces.

Here are the steps currently planned for the next year:

- Revisit the goals of the 2017 Framework for Future Library Spaces to assess what work remains to be done, and what factors have changed since its initial development
 - Evaluation of leased vs. owned library spaces
 - Reassessment of network of libraries (small, medium, large) through the lens of equitable access (geographic and per capita)
- Engage contracted expertise for cost estimation support and broad project scoping
- Conduct community engagement and early polling to understand viability and support for a second bond

This initial evaluation process is estimated to take about a year to complete, and will also include a careful assessment of the Library's operating budget and staff capacity to support additional footprint expansions.

If the results from this exploratory evaluation indicate that a second bond may be viable, the following high level steps would also be undertaken, working backward from a May 2028 or November 2028 election date:

- Deeper scoping of a suite of projects and financing strategies
- Community engagement aligned with more detailed project scoping
- Additional polling and stakeholder engagement
- Board briefings, based on the above information, to assess interest in measure referral, and overall alignment with County bond strategy
- Final project costing, financing strategy, and resolution language set in conjunction with CFO and bond counsel

If the Board determines that a second bond referral to voters should move forward, groups like The Library Foundation and Friends of the Library will be engaged to help with communications and campaign support.

Commissioner Moyer (District 1) - Please break out the positions and responsibilities of the FTE in the Library's Human Resources Program Offer.

Response:

The Library Human Resources Program Offer includes three related business lines:

Library Human Resources is a team of 8.00 FTE that manages the employment life cycle to recruit and retain highly qualified, diverse staff. This team provides expert human resources business partner support and consultation for library managers and library staff. With an overall employee base of 660 employees, this team provides systemwide coordination for workforce issues like performance management, recruitment, retention and other workplace issues. Library Human Resources also partners with the County's Central Human Resources Department and with Labor Relations to ensure the union contract and personnel rules are enforced appropriately.

Learning & Organizational Development is a team of 6.00 FTE responsible for coordination and training across the Library system, including training for all new hires and ongoing training for safety and security. This team supports organizational growth through targeted development programs, work unit planning and team-building support. This team also provides change management and strategic support for high-impact, cross-functional projects that are implemented systemwide. Recent examples include the Library Patron Service strategy, and ongoing support for the Future Staffing Plan.

Volunteer Services is a team of 3.75 FTE. This team oversees the life cycle and support of volunteers, including recruitment, placement, and supporting staff who manage volunteers, in addition to developing policies and recognizing volunteers for their contributions. Volunteers range from elementary school students to octogenarians and they bring an array of skills, abilities and life experiences. Volunteers provide vital support to the library from

materials handling, to preparation of outreach materials, to Summer Reading support and more. In FY 2024, the Library team supported the work of 1,158 individual volunteers who collectively worked 24,503 hours across the Library.

Commissioner Singleton (District 2) - Please provide demographic information for members of the Library's Community Budget Advisory Committee (CBAC).

Response:

The Library's CBAC member demographic info is as follows*:

- Chinese, she/her, age 26-40
- White, she/her, age 25-40
- White, she/her, age 40-55
- White, she/her, age 40-55
- White, he/him, age 40-55, identifies as member of disability community
- Biracial (Korean/White), they/them, age 18-25

Because the Library CBAC membership is comprised of Library Advisory Board (LAB) members, rather than as a stand-alone CBAC, the procedures that govern recruitment are somewhat unique in comparison to other department CBACs.

LAB is responsible for its own membership development (albeit with strong support from the Library team), and has a standing Recruitment Subcommittee. LAB is actively recruiting to replace two members who are terming out this spring, and has placed a strong emphasis on demographic and geographic diversity.

**demographic information for youth members has been excluded.*