



Multnomah County Library District FY 2026 Approved Budget

Presented to the
Multnomah County
Library District Board

Multnomah County
May 29, 2025

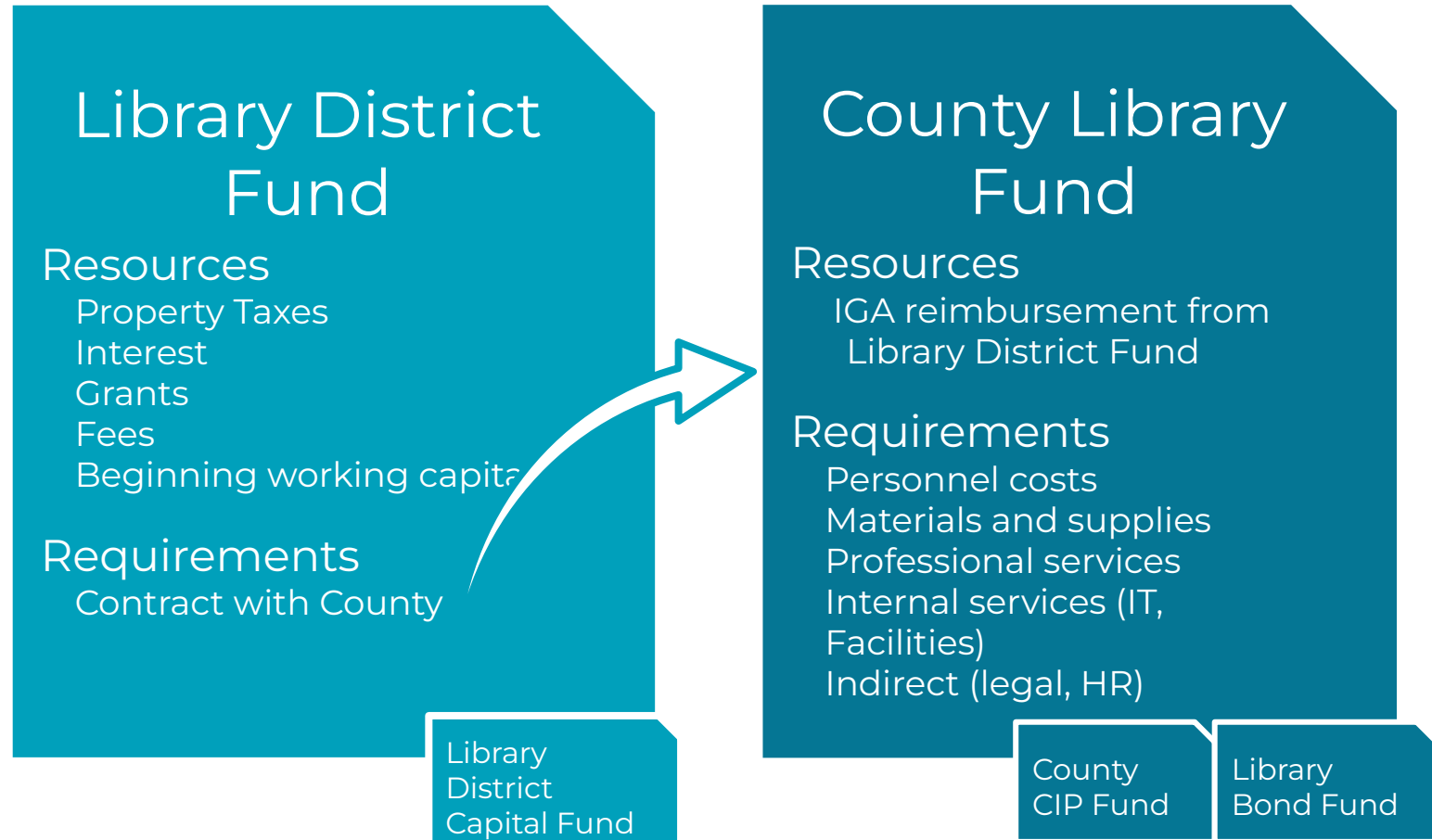
Located at multco.us/budget

Governance and Operations

- Governed by the Board of County Commissioners sitting as Multnomah County Library District Board.
- The Library District contracts with Multnomah County for library services through an Intergovernmental Agreement (IGA), and District resources can only be spent on library services.
- Library District financial policies are distinct, but largely follow County practice.



Library District Fund Structure



Budget Highlights



- Continuation of District levy rate at \$1.22 per \$1,000 of Assessed Value
 - Maximum levy rate is \$1.24
- Multiple years of operating deficits on the horizon
- FY 2026 total property tax revenues increasing by just 2%
- Post-bond operating expenses are coming into clearer focus, but new models will not be stress-tested until FY 2027
- Smart use of fund balance can help navigate this period of transition and transformation.

Financial Outlook

- Year 13 of the Library District
- Structural operating deficit inherent in funding model
- District forecast showing multiple years of operating deficits
 - Property values, urban renewal areas and development cycle
 - Personnel costs
 - Internal service costs
- Post-bond planning happening against backdrop of rising costs and slowing revenues



Library Forecast Drivers

Property tax forecast

- Development cycle
- Downtown property values
- MULTE expansion
- Tax Increment financing districts

Expense forecast

Personnel costs

- COLA, PERS, bargaining

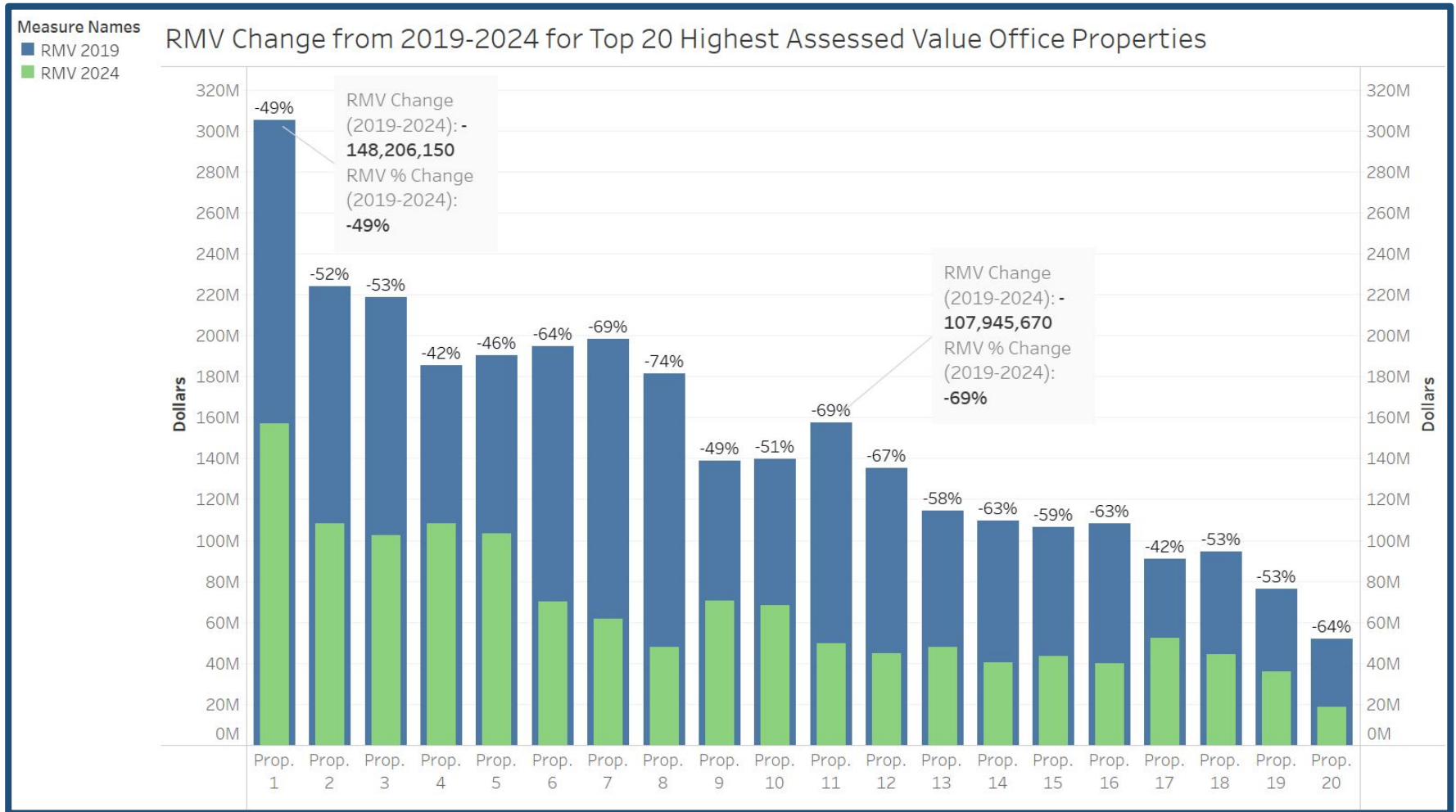
Internal service rate costs

- Model changes
- Wage-driven

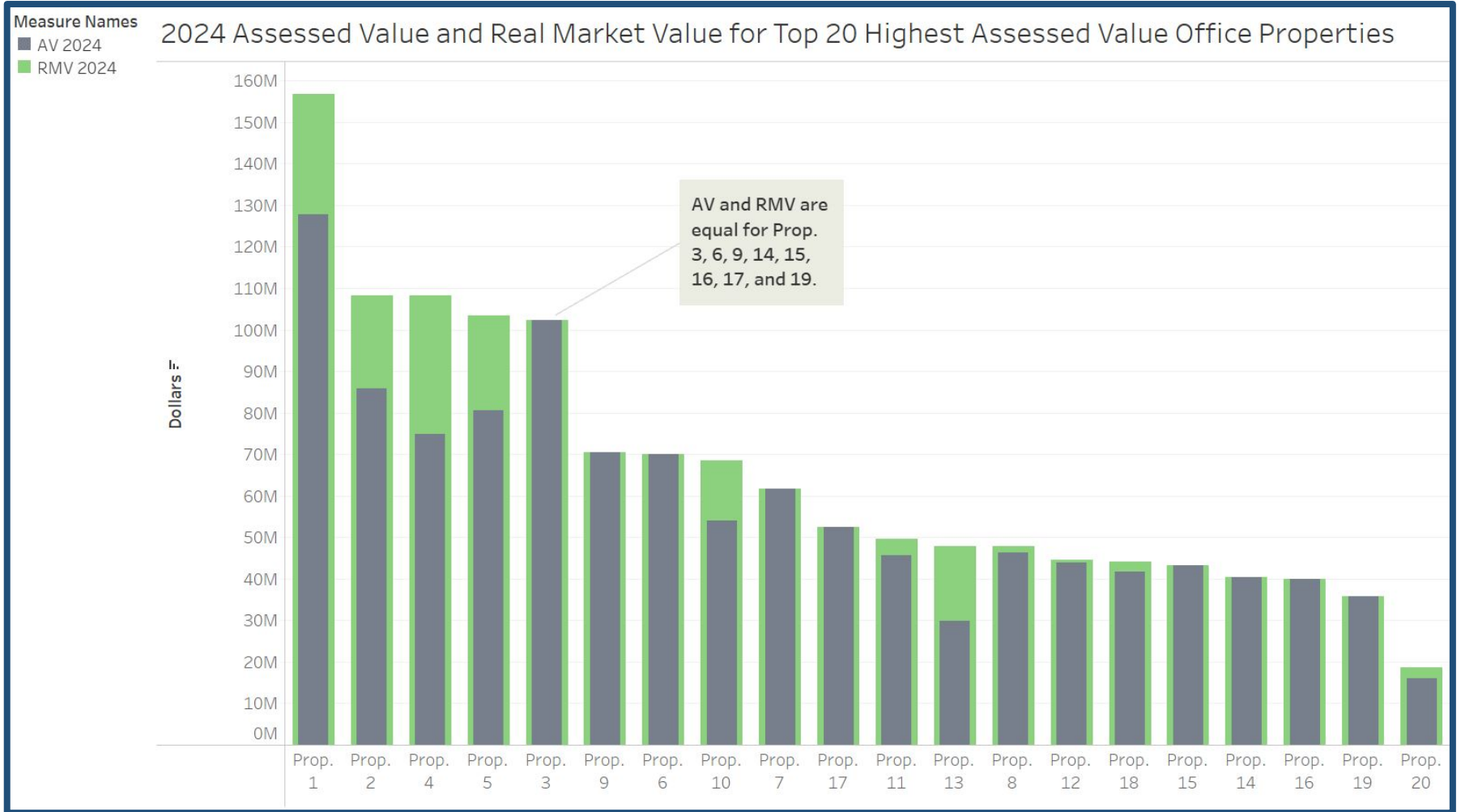
Library Cost Drivers for FY 2026:

Labor Costs (Change in rates)	5.20%	
COLA	2.40%	
Step/Merit/Market Adjustment	1.65%	Dependent on Unit Demographics
Medical/Dental	5.00%	Was assumed to increase by 7.00%
PERS	2.46%	
Retiree Medical	0.00%	
Liability/Unemployment/TriMet	-0.39%	Includes TriMet and Worker's Comp, Retiree Medical
Materials and Services	2.70%	
Contractual Services	2.70%	
Internal Services	5.79%	Countywide, not Library specific

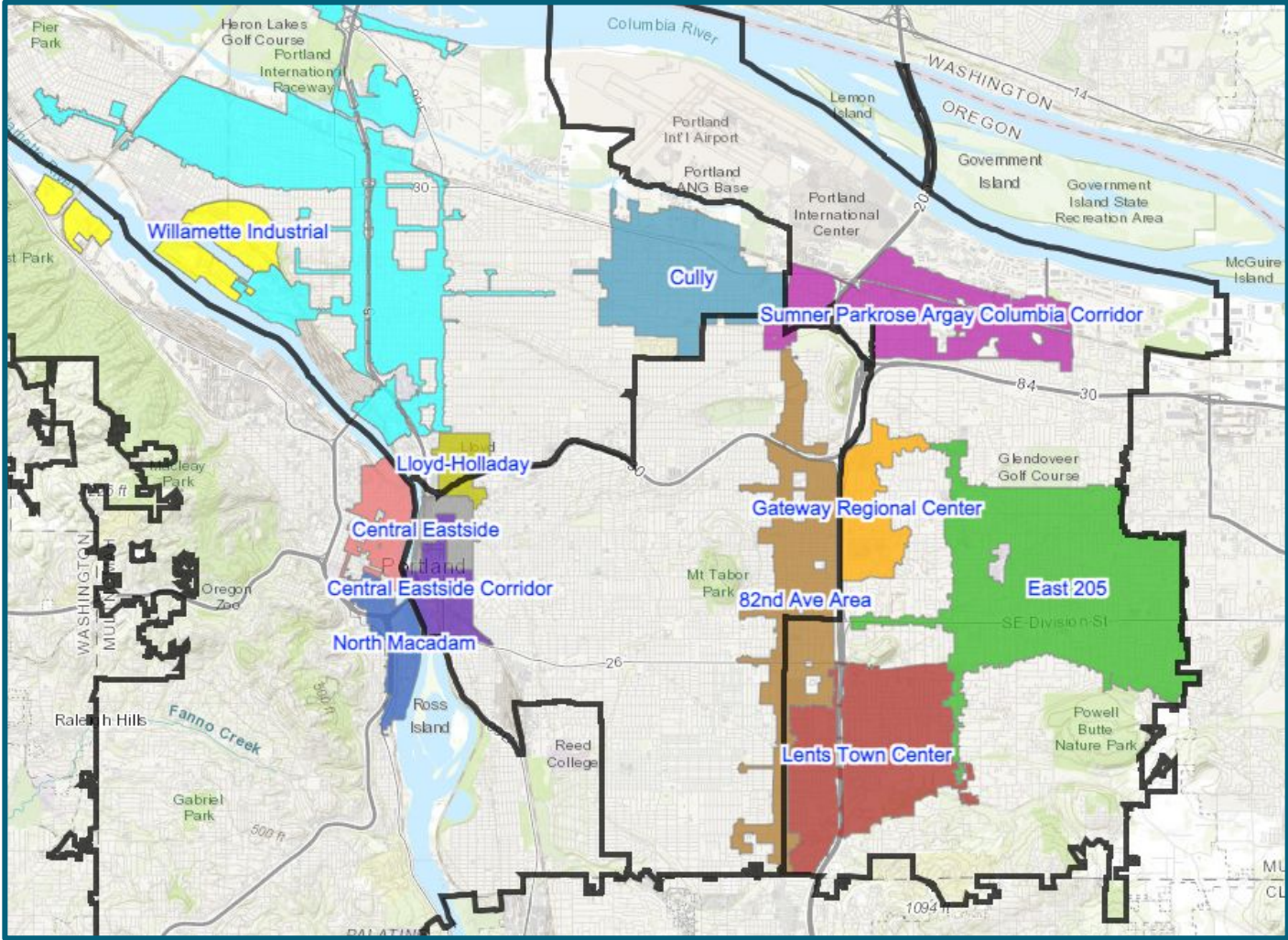
Declining Property Values Impacting Library Forecast



Declining Property Values Impacting Library Forecast

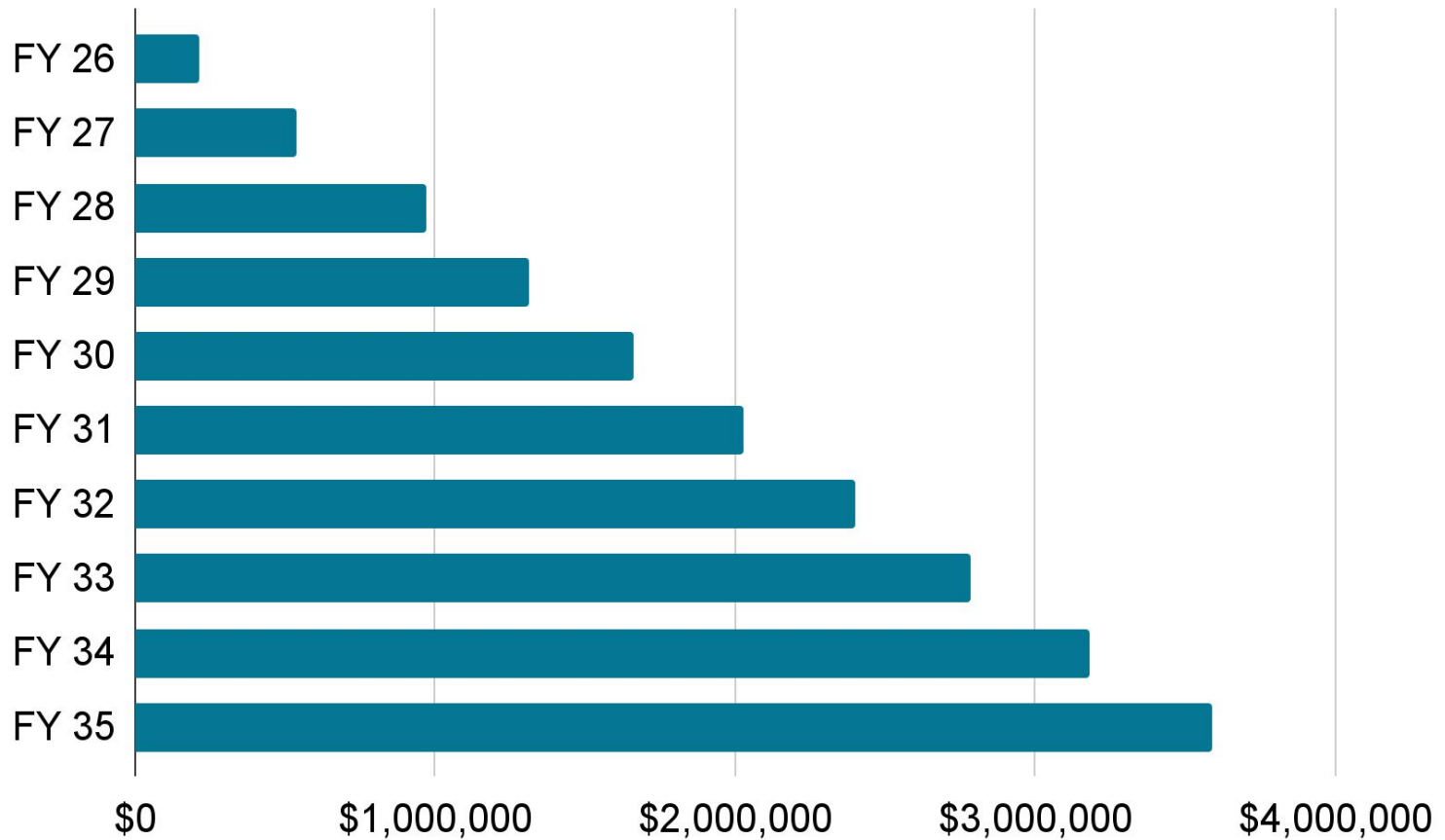


City of Portland Urban Renewal Areas (URAs)



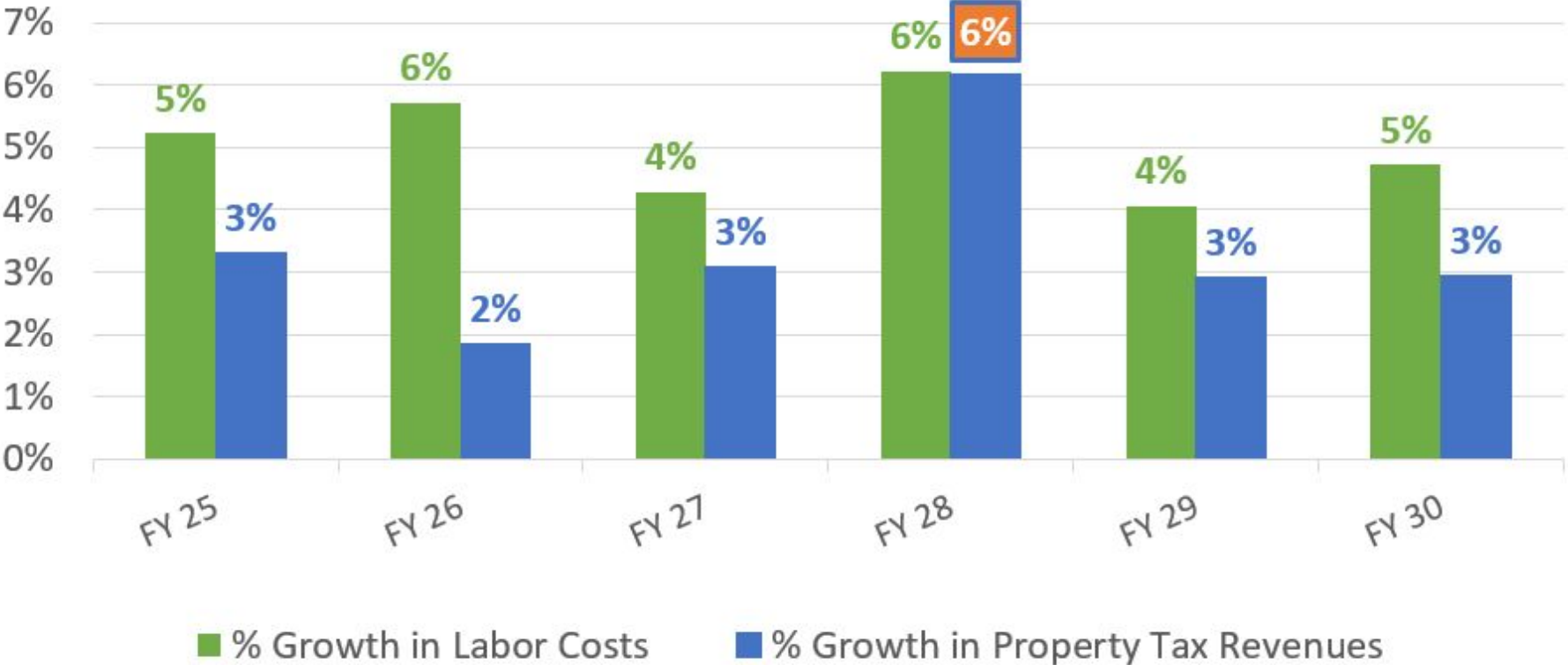
Library District Impacts from New URAs

Foregone Property Tax Revenues Increase Over Time

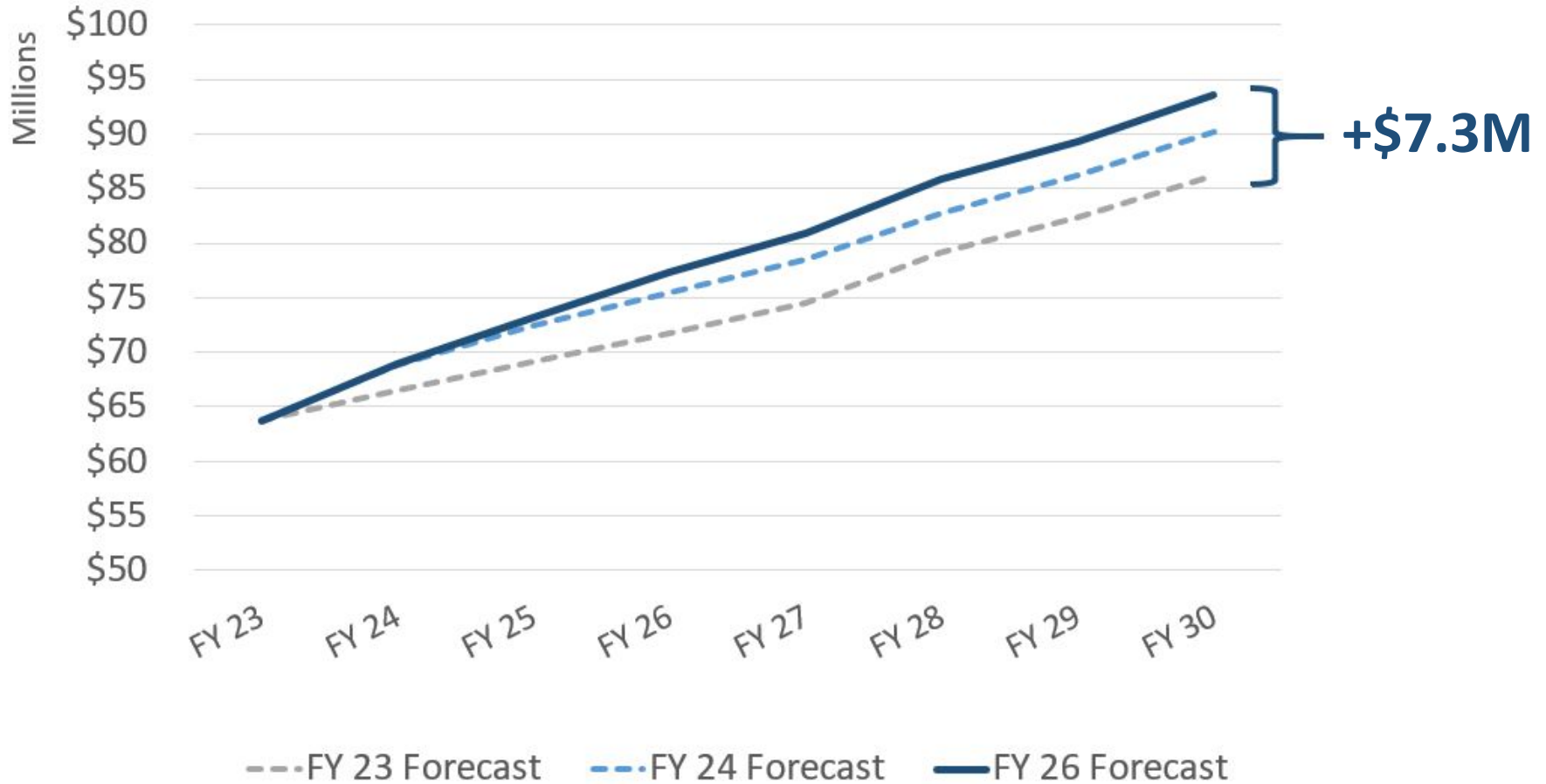


Forecasted Expenses Are Rising Faster Than Revenues

Through FY 2030, library revenues are forecasted to grow 16%, compared to 21% growth in labor costs



Personnel Cost Forecast Changes Since FY 2023



Library District Five-Year Forecast (in millions)

	FY 2026	FY 2027	FY 2028*	FY 2029	FY 2030
Ongoing Revenues	\$117.5	\$121.5	\$129.3	\$133.4	\$137.7
Ongoing Expense	\$118.8	\$123.1	\$129.7	\$134.7	\$140.6
<i>TIF Foregone Revenue</i>	-\$0.2	-\$0.5	-\$1.0	-\$1.3	-\$1.7
<i>Estimated ISR impact</i>	-	\$1.0	-	-	-
Ongoing Surplus / Deficit	-\$1.4	-\$3.1	-\$1.3	-\$2.5	-\$4.5
After FY 2026 Balancing	-	-\$1.6	\$0.2	-\$1.0	-\$2.9

*Table shows FY 2028 increase to maximum levy rate for modeling purposes

**Additional DCA internal service rate charges not carried forward to FY 2028 and beyond

District Fund Balance Priorities

Preservation of core library services into the future

Maintain structural operating deficit reserve as a revenue-smoothing buffer for future decision-makers (\$22M)

Bond-adjacent needs and opportunities

Funding for Library Special Projects to meet near-term needs (\$5.8M), and plan transfers to the Bond Program where opportunities or needs arise (\$3.5M)

Maintaining buildings and physical infrastructure

Augment capital funding as needed; plan for replacement costs not captured in County replacement cycles; maintain long-term reserve to address future infrastructure needs (\$100K)

Innovation and evolution through pilot projects

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

Library District Fund Budget: \$157.4M

Resources

- \$40M beginning working capital
- **117.3M in forecasted revenues**
 - \$115.4M in property tax revenue + \$1.9M in other revenues

Requirements

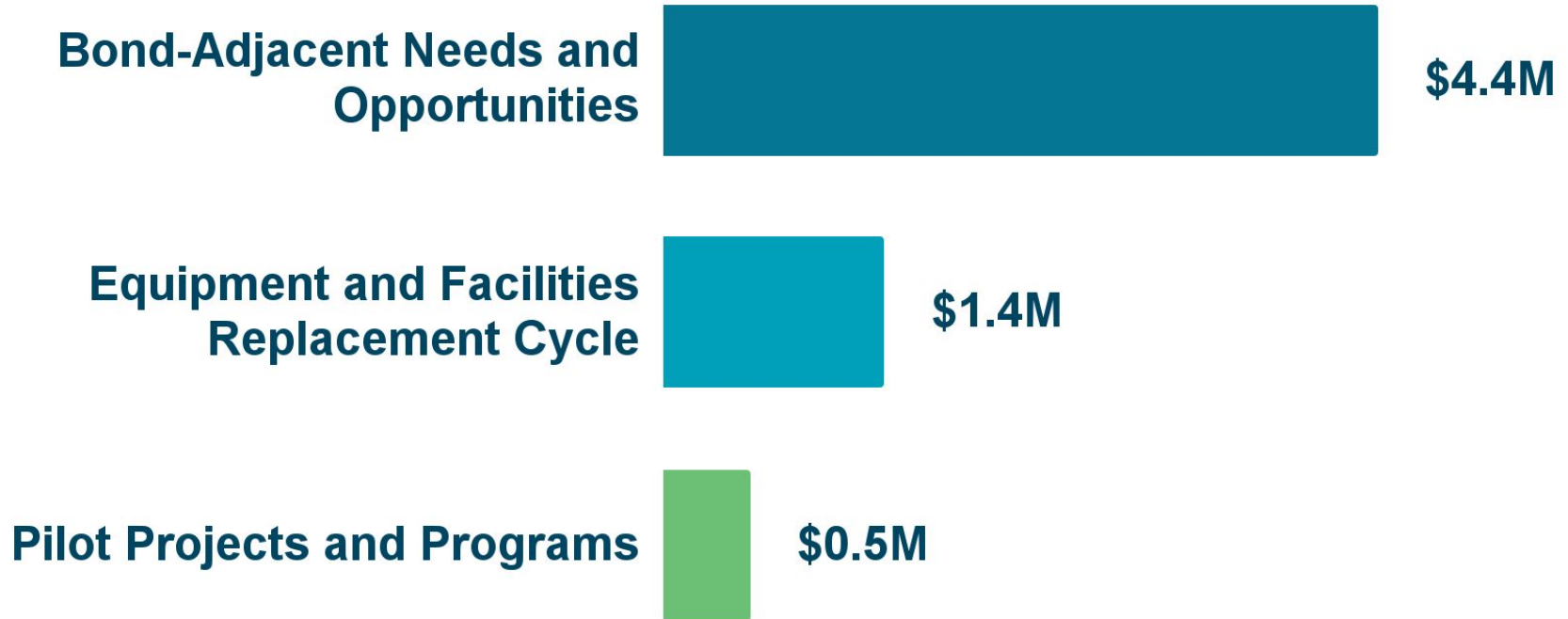
Operating Budget:

- **\$117.3M contract with County for library services operating budget**
- \$5.9M contract with County for one-time-only spending and grant pass-throughs

Non-Operating Budget:

- \$6.3M set aside for planned Library Special Projects FY 2027–FY 2030
- \$1M in operating contingency + \$22 million operating reserve
- \$4.9M transfer to Library District Capital Fund for long term infrastructure needs

Library Special Projects: FY 2027–FY 2030



Library District Capital Fund Budget: \$76.7M

Resources

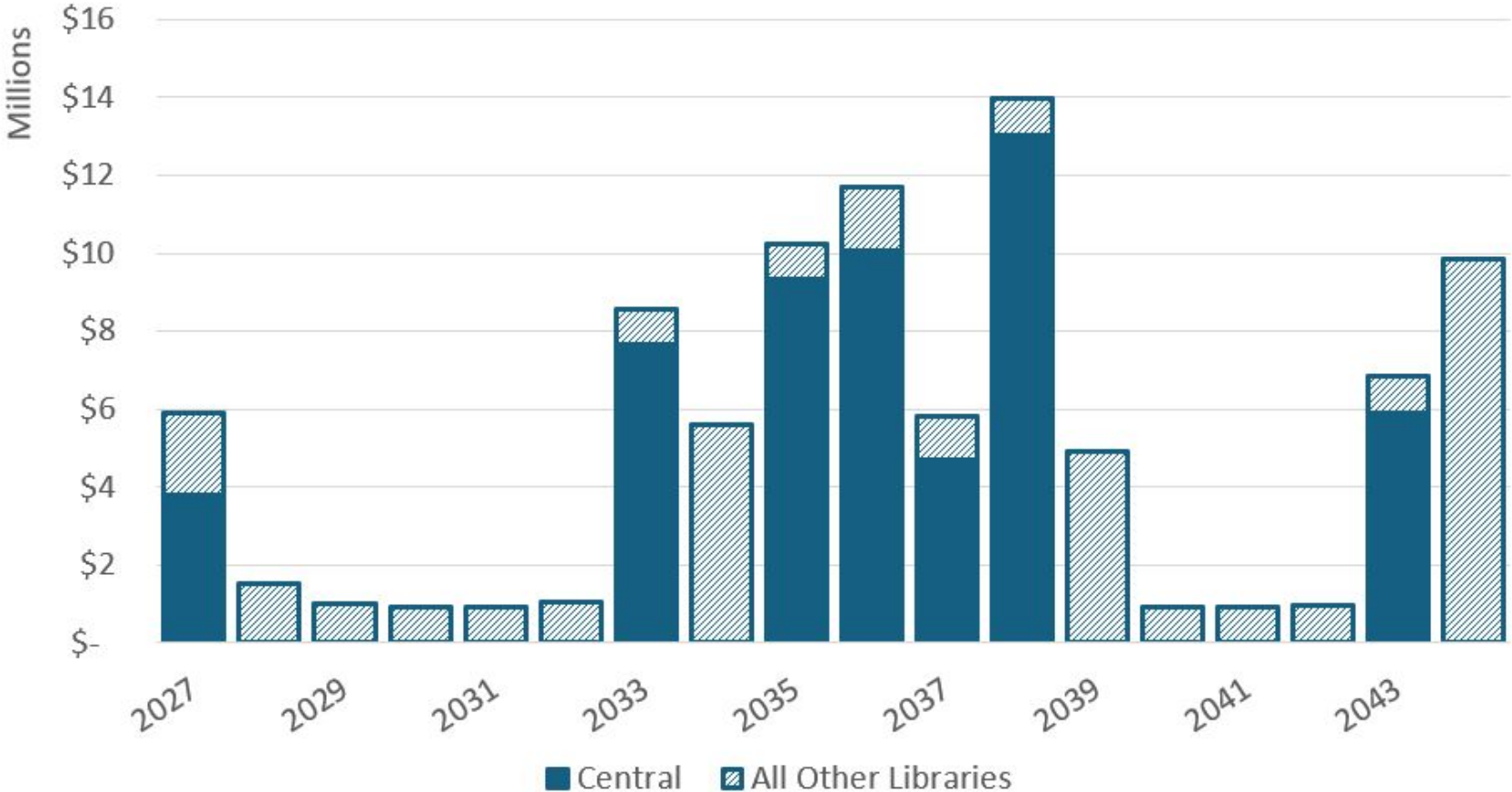
- \$71.8M beginning working capital
- \$4.9M transfer from Library District Fund

Requirements

- \$3.5M transfer to Library Bond Fund
- \$73.2M in contingency; long-term reserve that will help address future infrastructure needs

Long-Term Planning for Sustainable Levels of Service

Library capital investment needs are almost \$100M over 20 years



Highlights

- Efforts to bend down cost curve for expense trendline will need to continue
- Realignment of resources to meet key service priorities and maintain focus on the long-term financial health of the District
- Major bond and library system changes will be operationalized over the next 1–2 years
- Fund support balance can support this transition and future infrastructure needs



