



Multnomah County Library District FY 2027 Approved Budget

Presented to the
Multnomah County
Library District Board

Multnomah County
May 20, 2026

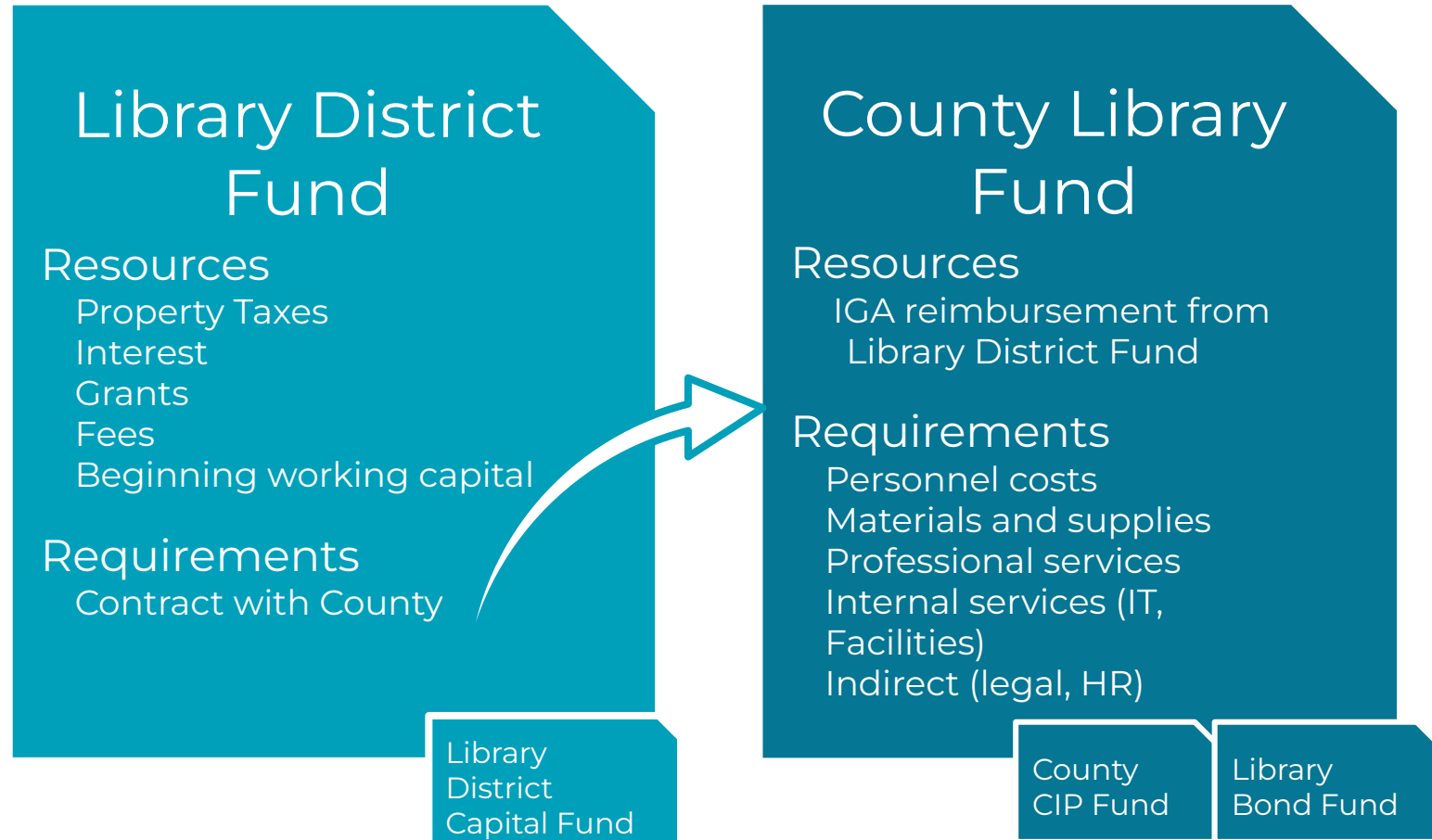
Located at multco.us/budget

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
- Library is adjusting to significantly increased operating costs just as revenues are slowing.
- New operating and staffing plans likely to require adjustment during the year.
- FY 2027 total property tax revenues increasing by about 4%

Financial Outlook

- Structural operating deficit inherent in funding model.
- District forecast showing second consecutive year of operating deficit.
 - Property values, urban renewal areas and development cycle
 - Internal service costs
 - Personnel costs
- Levy rate is anticipated to be increased to its maximum in FY 2028.
- Fund balance is robust, though growth anticipated to slow in coming years.



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 2027:

Labor Costs (Change in rates)	4.96%	
COLA	3.30%	
Step/Merit/Market Adjustment	1.85%	Dependent on Unit Demographics
Medical/Dental	5.00%	
PERS	0.56%	
Retiree Medical	-0.50%	
Liability/Unemployment/TriMet	0.01%	Includes TriMet
Materials and Services	3.30%	
Contractual Services	3.30%	
Internal Services	8.19%	Library specific

Five-year Forecast

	FY27	FY28*	FY29	FY30	FY31
Ongoing Revenues	\$123.8	\$129.7	\$134.2	\$138.7	\$143.1
Ongoing Expense	\$125.9	\$130.5	\$135.8	\$143.1	\$145.0
<i>Additive ISR Impact</i>		<i>TBD</i>			
Surplus/Deficit	(\$2.0)	(\$0.8)	(\$1.6)	(\$4.5)	(\$2.0)
After FY 2027 Balancing		\$1.3	\$0.6	(\$2.2)	\$0.4

All figures noted in millions.

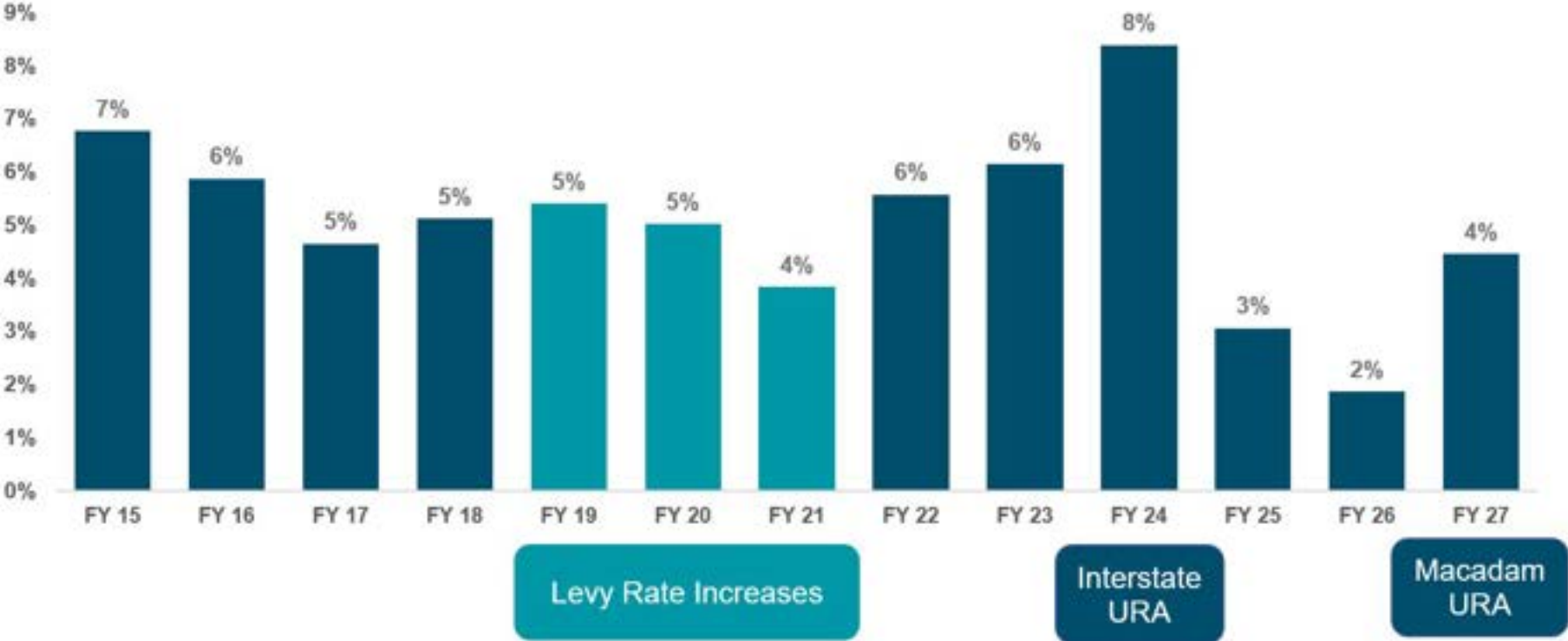
Forecast incorporates assumptions for The Library Foundation resources that will be added via amendment.

*This model assumes a tax levy rate of \$1.24 in FY 2028 and beyond.

Property Tax Collection Trends



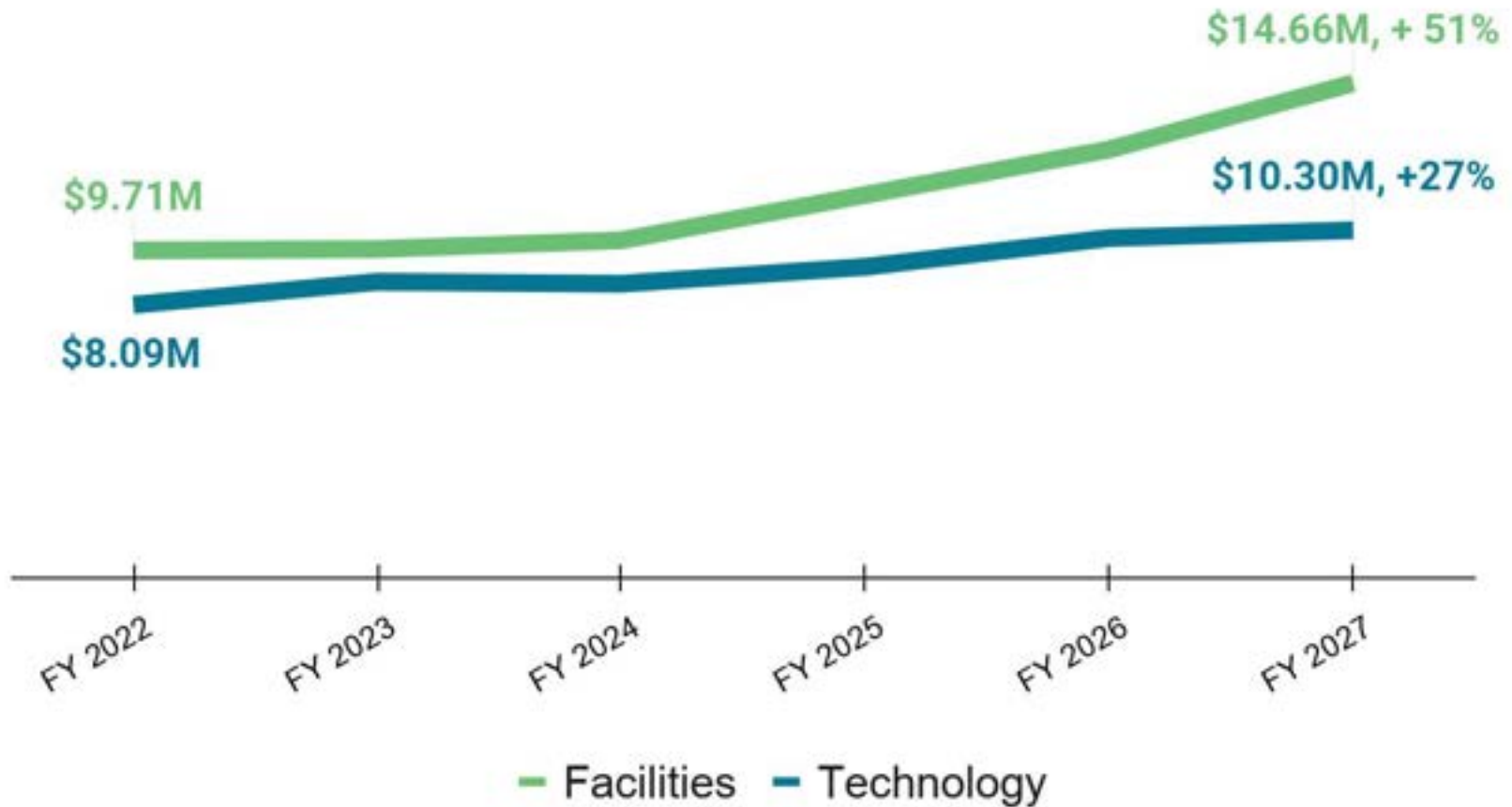
Property Tax Growth Rates Over Time



Budgeted Median Wage



Internal Services Expense Trends



Library District Fund Budget: \$166.5M

Resources

- \$43.7M beginning working capital
- **122.7M in forecasted revenues**
 - \$120.5M in property tax revenue + \$2.2M in other revenues

Requirements

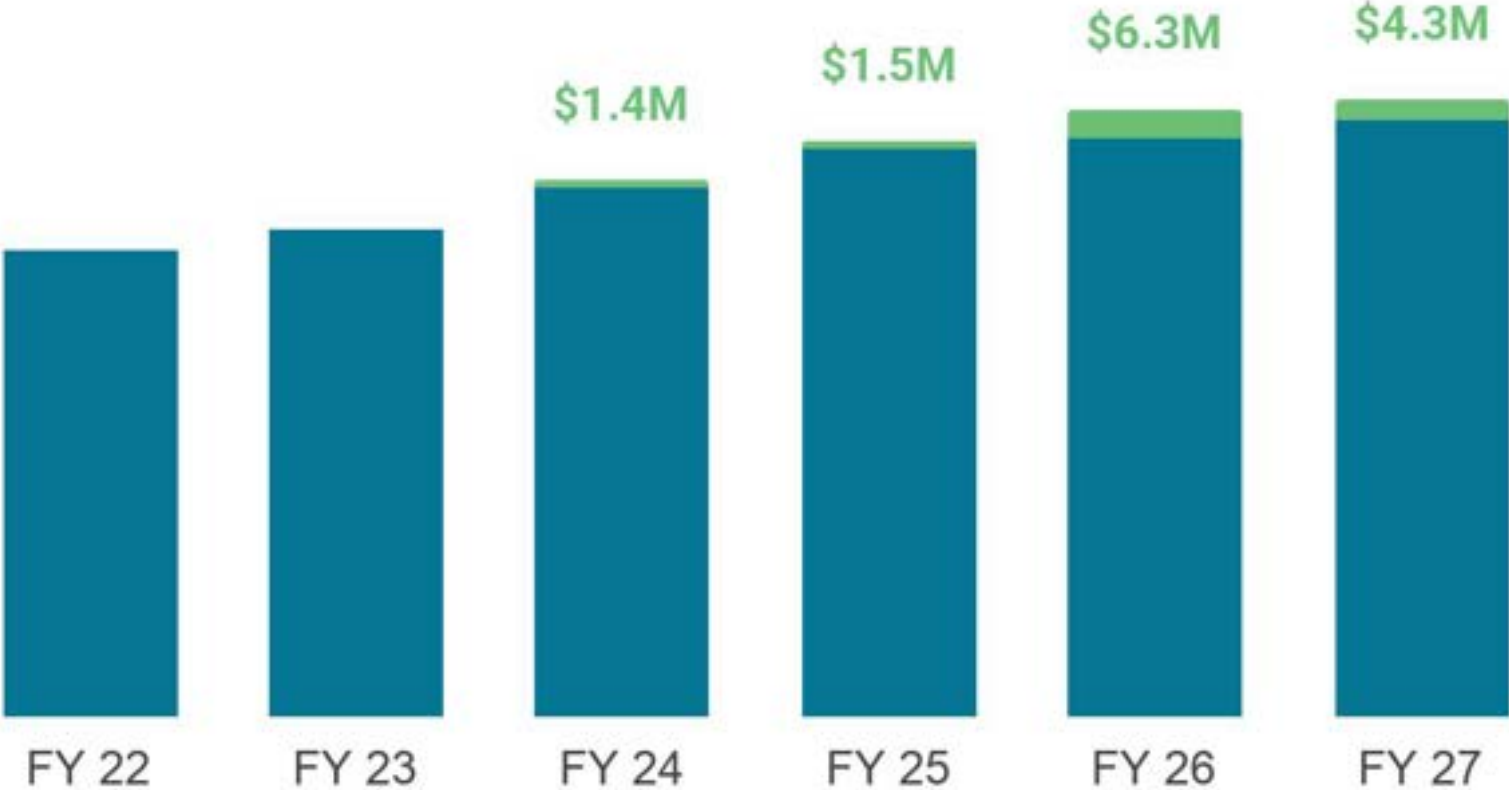
Operating Budget:

- **\$122.7M contract with County for library services operating budget**
- \$4.3M contract with County for one-time-only spending
- \$1.0M contingency

Non-Operating Budget:

- \$6.1M set aside for planned Library Special Projects FY 2028–FY 2031
- \$19.1 million operating reserve
- \$13.2M transfer to District Capital Fund for long term infrastructure needs

Use of District Fund Balance



Library Special Projects Library Fund

District Fund Balance Priorities

Preserve core library services into the future

Maintain sufficient reserves as a buffer against revenue fluctuations and structural operating deficit (\$19.1M)

Bond-adjacent needs and opportunities

Funding to meet near-term bond-adjacent needs and opportunities (flex space, temp locations)

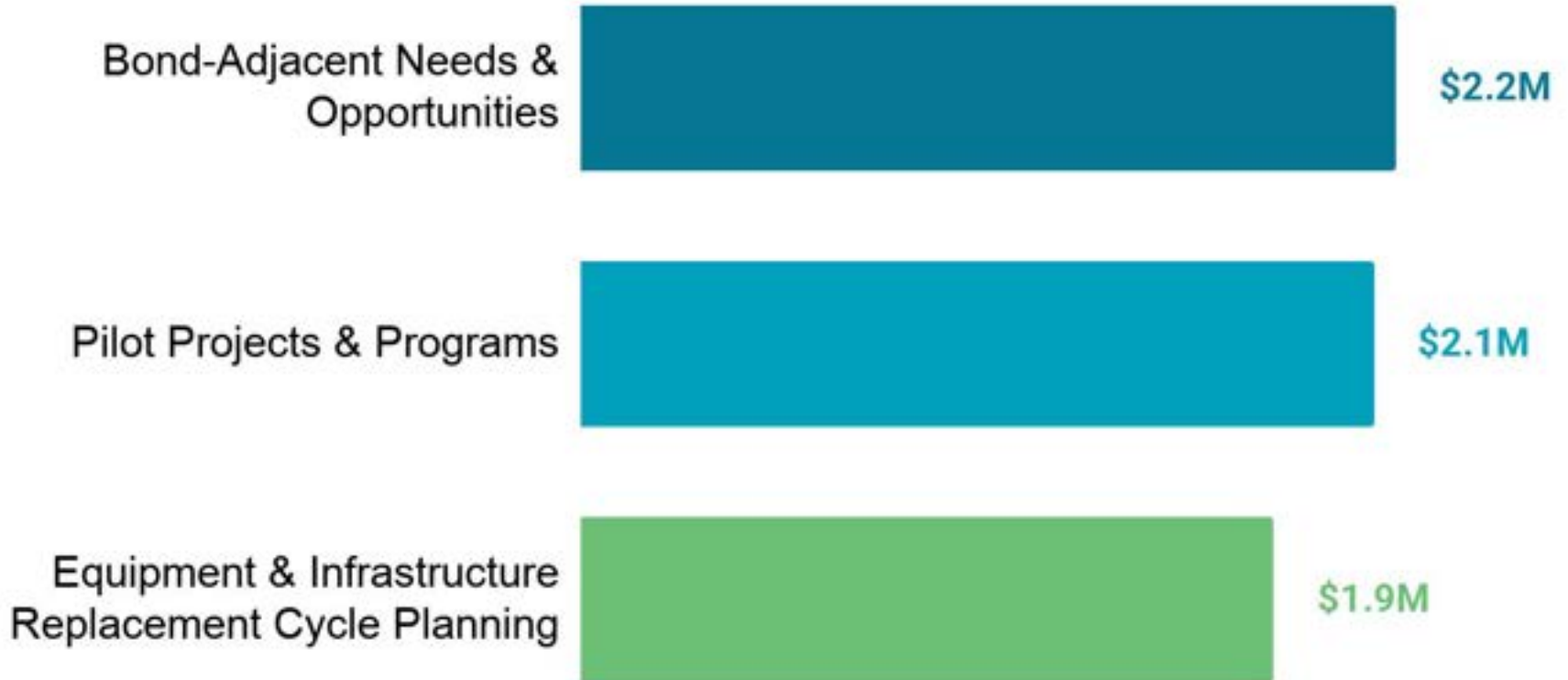
Maintain buildings and physical infrastructure

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

Innovation and evolution

Funding for pilot projects and programming

Library Special Projects: FY 2028–FY 2031



Library District Capital Fund Budget: \$94.8M

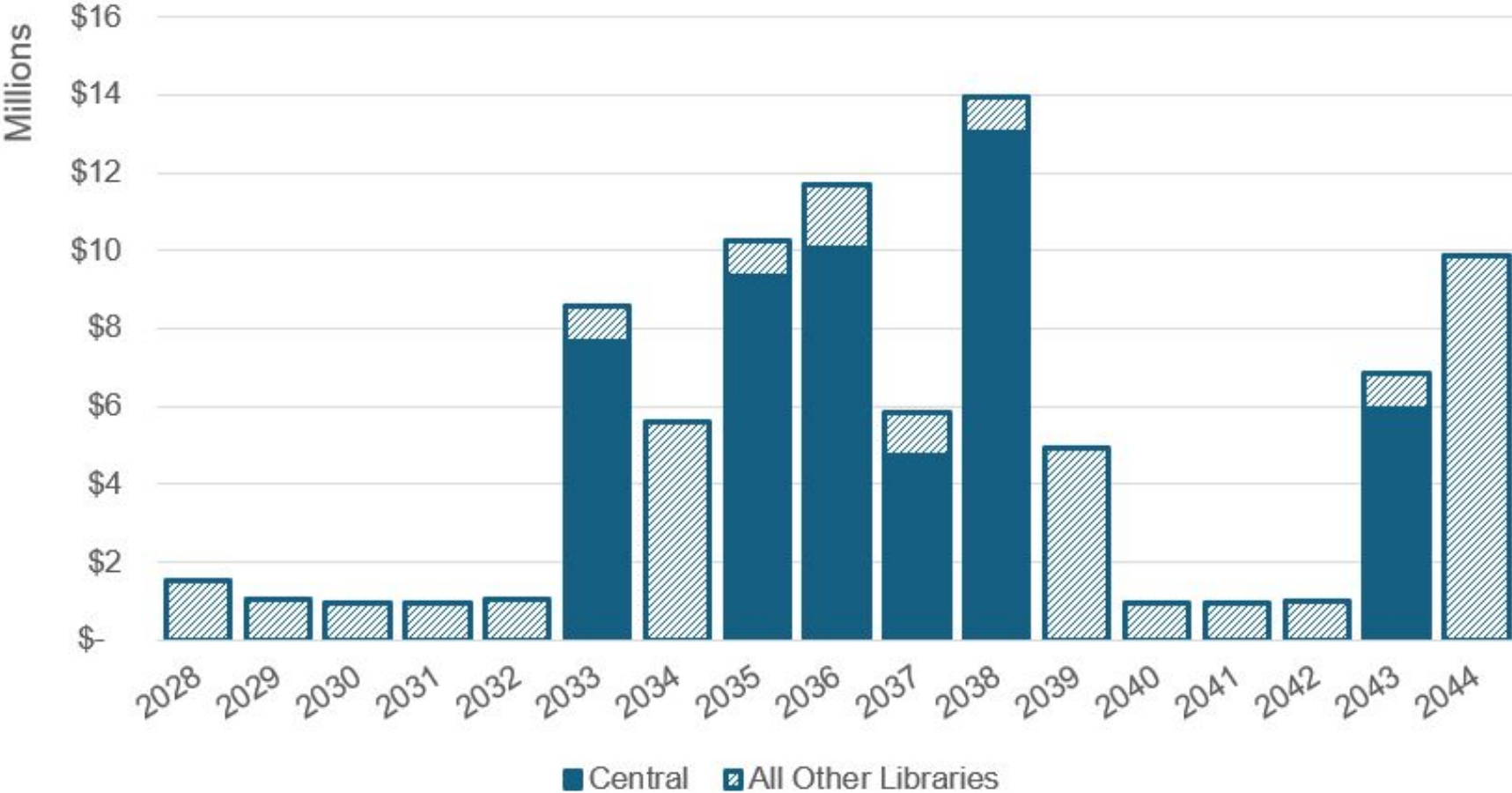
Resources

- \$76.6M beginning working capital
- \$13.2M transfer from Library District Fund
- \$5M return payment from County Library Capital Bond Fund

Requirements

- \$94.8M reserved for future expenditure; long-term reserve that will help address future infrastructure needs

Long-term Capital Planning



Looking Ahead

- Revenue and expense pressures will continue to create challenges as we head into the first year operating with all major 2020 bond projects complete.
- Continued evaluation needed to assess post-bond operating costs, and further adjustments may be needed over the course of the coming year.
- Realigning resources will help meet key service priorities and maintain focus on the long-term financial health of the District.
- Fund balance is robust, and can help with future infrastructure costs and other one-time only expenses in alignment with financial policy.





Questions?