

Library CBAC

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

FROM: Library Advisory Board

DATE: March 10, 2020; Updated April 14, 2020

SUBJECT: Budget Advisory Committee (CBAC) Report & Recommendations

EXECUTIVE SUMMARY

The Library Advisory Board (LAB) fully supports the Multnomah County Library (MCL)'s proposed budget, which supports the library's strategic priorities and which we believe will allow MCL to serve the community well. We support the proposed increase in the property tax rate from \$1.21 to \$1.22. We also support the thoughtful and strategic changes to the library's budget, particularly additional investment in facilities. In the longer term, the LAB understands the library's need to provide library spaces that better serve our growing population, in ways that meet current and future needs, and we strongly support the space planning efforts needed to make this a reality. While we appreciate the prudence reflected in the proposed budget, the LAB is well aware that MCL's costs, like those of the county as a whole, are rising much faster than property tax revenues can sustain. We are concerned about what that may mean in the years to come. Overall, the LAB is proud to support the library in its continuing efforts to meet ever-evolving community needs, produce innovative programming, and put equity at the center of its work. We appreciate the thorough work of library staff in preparing this budget, and we encourage the Library District Board to adopt the budget as presented.

(UPDATE): The LAB completed our review of MCL's proposed budget and prepared this memorandum prior to the physical closure of the library system in an effort to slow the spread of COVID-19. During the closure, MCL leadership and staff continue to play a vital role in providing online library services, as well as contributing in myriad ways to the County's efforts to respond to the crisis and ensure the health of county residents. At this time, MCL does not anticipate any changes to the proposed budget as a result of the public health crisis, and the LAB's analysis and recommendations regarding the budget, detailed below, remain unchanged.

PROCESS

In accordance with Chapter 19 of County Code, LAB continues to serve as the Citizen Budget Advisory Committee for MCL. The Library Advisory Board holds monthly meetings throughout the year and is kept up to date on library operations, programs, policies, priorities, and budget.

The Finance Committee of the Library Advisory Board conducted a review of the library's proposed Fiscal Year 2021 budget. The Finance Committee met four times in February and March and has reported to

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the full LAB on its findings. 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 a Library District Revenue Forecast from County Economist Jeff Renfro, and additional information about IT costs from Content Strategy Director Jon Worona. The Library Advisory Board has reviewed, approved, and accepted the Finance Committee's recommendations, which serve as the basis of this report.

EMERGING ISSUES & CHANGES

Overall, the proposed library budget does not include significant change compared to recent years. Current services levels and hours are being maintained, and there have been some modest reductions along with some strategic new investments. The proposed reductions have been carefully considered, particularly in terms of equity, and will have little impact on the services the library provides for our most vulnerable community members.

The proposed budget is based on an increase in the Library District property tax rate for the second time, now from \$1.21 to \$1.22. This new rate is still less than the \$1.24 maximum district rate approved by the voters. The increase is in line with the financial models created when the library district was formed, and the LAB feels this is a prudent choice. We are aware, however, that increases in this tax rate are limited, and that increasing the rate will not provide long-term financial stability. This budget reflects a 1% constraint from the forecasted growth in spending and includes a reduction of 3 FTEs whilst maintaining library services. Like the county as a whole, the library recognizes that its expenses continue to grow faster than current property tax revenues can sustain.

Multnomah County Library system has less physical space than any other public system in the US serving similarly sized populations, and these constrained spaces are increasingly challenged to meet the demand for services. With specific attention to the development of automated materials handling and exploring different models of library staffing, this budget reflects the library's efforts to plan for future staffing needs. If the library's physical footprint increases, these changes will lay essential groundwork for maintaining services within available resources.

We are pleased to see that the library is planning for the increasing costs and increasing demand for digital content. Collections currently account for 9% of the total library budget, and as the costs of digital content increases, it will likely create limits on the library's ability to acquire and maintain physical (i.e. non-digital) content within the overall materials budget. The models for procuring digital content are changing as the industry develops, and these changes are largely outside of the control of MCL. This library has been a leading advocate for building a more sustainable model for libraries around the country to acquire digital content, and we hope to see these efforts continue.

The library's commitment to advancing equity in its work has significantly informed the creation of the budget. This year's budget continues investments in training, staffing, and outreach efforts to support this effort. Each program offer contains an equity statement with a measurable outcome. This will allow equity efforts to be assessed and improved, a key step in improving library services for all communities.

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Over the next decade, technology and facilities will continue to be key factors in MCL's budget and operations, and the LAB supports the library's intentional planning around these issues. We expect investment in spaces and systems will be a primary topic of future budget reports.

RECOMMENDATIONS

We recommend that the Library District Board adopt the proposed budget of \$91.3million and 528.5 FTE. The LAB feels the proposed changes are appropriately focused on supporting ongoing operational stability. We appreciate the library leadership's thoughtful attention to the sustainability of the institution and its commitment to working within the constraints of the district's property tax rate limitation. We also strongly recommend that the library continue its work to create more equitable and efficient facilities in the future.

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 work of library staff, and particularly Director of Operations Don Allgeier, who provides excellent support for the work of the committee.

Library Advisory Board Members: Quinn MacNichol* – Chair, Lois Leveen – Vice-Chair, Sandra Acosta Casillas, Chester Ching, Erin Cooper*, Thomas Dwyer, Rob Edmiston, Brendan Gallagher, Svetlana Karpe*, Willow Kelleigh*, Lizzie Martinez, Bethel Sishu, Cynthia Tseng , Clare Wilkinson*, Elliot Zais
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Library Staff: Vailey Oehlke – Director of Libraries, Don Allgeier – Director of Operations and Maddelyn High - Director's Assistant