

## MEMORANDUM

DATE: March 12, 2009

TO: County Chair Ted Wheeler  
Citizen Involvement Committee

FROM: Multnomah County Library Advisory Board (LAB)

SUBJECT: Library 09-10 Budget Request

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### PROCESS

In accordance with the ordinance that established the Library Board in 1990, the Library Advisory Board (LAB) acts as the Library's Citizen Budget Advisory Committee (CBAC). A subgroup of the LAB, the Finance Committee, was tasked with conducting an in-depth review of the Library's budget and reporting back to the entire LAB. The Finance Committee has met four times over the winter and has reported to the LAB on a monthly basis. Molly Raphael, Library Director, and Becky Cobb, Budget Manager, attended the meetings and provided information and reports for the Committee's review. The LAB has authorized the Finance Committee to submit this report on its behalf.

### PROGRAM OFFERS AND RECOMMENDATIONS

#### Ongoing Programs

The Library's 09-10 budget request represents the third year of the current five-year operating levy, approved by Multnomah County voters in November 2006. The Library's program offers/services reflect voter decision. The levy language is in bold below.

- ***“Keep libraries open; maintain current hours and services at Central and neighborhood libraries. Maintain free access to information; update books and materials. Open planned libraries in underserved neighborhoods of East County and North Portland.”*** Program offers for the Central Library (80000), Regional Libraries (80001), and Neighborhood Libraries (80002) sustain the current level of services and open hours, as well as provide for the anticipated openings of the two new libraries in Kenton and Troutdale.
- ***“Continue books delivery to homebound seniors and nursing home residents.”*** The Adult Outreach program offer (80005) will continue these services as well as provide services to shelters, transition homes, jails, and adult foster care homes.
- ***“Continue programs for school age children, story hours for babies and toddlers, summer reading, literacy services for children in child care, programs for teens; help teachers and students use library resources; provide homework helpers to assist children with school work.”*** In conjunction with the Central, regional and neighborhood

libraries, the offers that provide these services on an outreach basis are Early Childhood Resources (80006) and School Age Services (80004).

We heartily endorse the above program offers as consistent with the language and intent of the levy, and as strong contributors to the well being of county residents.

### **Budget Reductions**

The Library, as well as other County departments, was given a 12% General Fund constraint for their 2009-10 budget request. The Library chose to make those reductions in the following areas:

- \$41,860 from repairs & maintenance;
- \$108,889 from travel & training;
- \$500,000 from the Library's book budget;
- \$1,362,411 from the Library's carryover balance

We support the choices the Library has made in meeting its constraint target.

### **New Program Offer**

The Library has submitted one new program offer: *Materials Movement Project (80021)*, with funding from the Library's beginning working balance. The Library Advisory Board has been briefed about the lack of space, the volume of use, and the related materials handling issues that are impacting the Library's ability to cope with the ongoing and increasing workload and the ability to provide the self-service options that people expect. We strongly support the inclusion of this program offer in the Library's 09-10 budget, as we believe that implementing RFID technology and self-service equipment will greatly improve the Library's ability to maintain operations now and into the future.

### **CONCLUSION**

We understand the revenue difficulties that the County is facing. However, we are extremely concerned about the 4% reduction in this year's General Fund transfer, the 12% reduction for next year, and the potential of that reduction continuing into years four and five of the current levy. When the current levy rate was set as part of the financial planning for the 2006 levy election, the members of the Levy Committee worked long and hard to establish an agreement with the then-Board of County Commissioners regarding the level of General Fund support. The Levy Committee accepted a reduction in the General Fund at that time with the expectation that the agreed upon level of General Fund support would be maintained throughout the life of the levy. Based on that agreement, the 2006 levy rate was increased 13.5 cents, with 9 cents of that increase being directly attributable to the loss of General Fund revenue.

Now, midway through that levy, the Library faces an additional General Fund loss which, if sustained, will have a dramatic and negative effect on the rate of the next levy and its potential success. With the 12% General Fund loss projected through the life of this levy, the annual operating deficit by FY 2013 (1<sup>st</sup> year of a new levy) is estimated at \$10.6 million. Covering that deficit alone will require an increase in the levy rate of 22 to 25 cents, putting the levy rate well over a dollar (from \$.89 to \$1.11-\$1.14). This is exactly the kind of "levy roulette" situation that

we have been working so diligently to avoid. (“Levy roulette” refers to a set of circumstances ~ higher rate, economic downturn, other competing measures ~ where our good luck runs out and the levy fails to pass).

The Library’s ability to maintain the services promised in the current levy depends on the viability of the financial plan that was mutually agreed to in 2006. The ability of the Library’s stakeholders to plan for and help pass the next levy depends largely on the trust engendered during the levy planning process. The LAB greatly appreciates the Board of County Commissioners’ adherence to the General Fund appropriation in the 2007-08 and 2008-09 budgets.

We do understand the necessity for the large reduction in the 2009-10 budget. But we strongly urge that the Board reinstate the level of funding agreed upon in the plan for the budget years 2010-11 and 2011-12. Without such funding the Library will not be able to continue to provide the quality and scope of services, as outlined in the levy language, and upon which its national recognition is based.

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\*Finance Committee members

Steven Feltz, a former Library Advisory Board member, also served on the Finance Committee.