

M E M O R A N D U M

TO: Jeff Cogen, County Chair

FROM: Library Advisory Board

DATE: March 5, 2013

SUBJECT: Library Budget for FY14

INTRODUCTION

We believe that your leadership and that of the Board of County Commissioners was instrumental in the passage of the library district measure last November. This historic achievement, your historic achievement, established, at long last, a stable funding mechanism for an institution that is not only loved by county residents, but is also a significant component of what makes Multnomah County a great place in which to live. With 64% voter approval, the community confirmed your belief that they are willing to financially support our nationally-recognized library program even during hard economic times.

If this had not been the case, our report to you would have been about going even further in reducing library services in the upcoming year. Instead, we have an opportunity to assist you on a budget that restores hours and collection materials and helps establish a basis and strategy for the long-term sustainability of a library district. We are collectively grateful for this opportunity.

Despite the budget cuts that were necessary for FY13, the library staff has performed well over the past year. They have been able to provide a level of service that, though disappointing due to the reduced hours and a smaller materials budget, was acceptable to the community. Likewise, we have found their performance on helping you phase in and transition to a library district to be creative and responsible. While we make some recommendations below, please know of our strong support for the requested budget and the work of the library staff.

PROCESS

With the creation of the library district, we are uncertain as to the long-term role of the Library Advisory Board and its relationship to the county's Citizen Budget Advisory Committee. However, with an understanding of the phased transition to a library district and the short-term arrangement by which the county will continue to provide staff and service to the district, we undertook our review of the FY14 budget much as in the past. So, in accordance with chapter 19 of the county code, the Library Advisory Board continued to serve as the Citizen Budget Advisory Committee for the library. Your

17-member Library Advisory Board, with several newly appointed members, held monthly meetings throughout the year and remained well-educated on library operations, programs, policies, priorities, and the library's budget, as well as issues facing public libraries in general.

A subcommittee of the Library Advisory Board, the Finance Committee, conducted an in-depth review of the library's budget. The Finance Committee met five times over the winter and has reported to the Library Advisory Board on a monthly basis. Library Director Vailey Oehlke and Deputy Director Becky Cobb attended these meetings and provided information, reports, and budget briefings for the committee's review.

In addition, the Finance Committee met with Economist and Deputy Budget Director Mike Jaspin to better understand the forecast revenues for the library district. It reviewed the Director's priorities, program offers, performance measures, internal service rates, cost center analyses, past budget-to-actual figures by program offer, and information provided by the Central Citizen Budget Advisory Committee. Finally, in evaluating the proposed budget, the Finance Committee reviewed the results of the library's recent survey of patrons and noted that the results of that survey were considered during the decision making process for the restoration of library hours and materials. This work has resulted in the Finance Committee's assessment of the proposed library budget.

The Library Advisory Board has reviewed, approved, and accepted the Finance Committee's recommendations which serve as the basis of this report.

MAJOR CHANGES

With the passage of the library district funding, it is a pleasure to discuss the major changes that are now possible. Specifically, the library will be able to restore library hours to seven days of service with 53-57 hours per week (depending on location). The Finance Committee was impressed with the library leadership's effort to involve the community in deciding what hours that library locations could be open beginning July 1st. The increase in hours requires a restoration of library staff. The 8% reduction in union-represented staff and the 14% reduction in management positions that was needed for the FY13 budget will be restored in FY14 with a 16% restoration of union-represented staff and a 5% restoration of management positions. This reflects an emphasis on frontline service, and support of the materials-handling staff that is needed to make the library provide efficient and seamless service for its patrons, which we support. Staffing increases will also be targeted to enhance key programs critical to the library of the future, such as Readers Advisory, Bilingual Outreach, Teen Support, Volunteer Services, Youth Outreach, and Community Outreach.

An additional major change is the proposed designation of the Belmont Library from a neighborhood library to a regional library. This means that the Belmont Library would be open 57 hours per week and have added staff support. Although it is not a larger facility like the other regional libraries, we support this change because the Belmont Library has such a sustained, high volume of use that the designation as a regional library will better serve that community.

Finally, we support the proposed budget restoration of \$1 million to the library books and materials cost element. Not only will this allow the library to be able to better provide a full scope of current materials, including materials that support national common core standards for education and early education, but it will also shorten the time needed for holds to be filled which had noticeably increased for some patrons over the past year.

RECOMMENDATIONS

We recommend that the Board accept and adopt the proposed budget of \$66.5 million and 511 FTE of staff. In particular, we find that the submitted FY14 budget lines up with projected resources available, the Director's priorities, and the needs of library patrons. In particular, the restoration of hours, staff, and services, as well as collections are critical goals for this budget which we support. We also appreciate the emphasis on getting the materials movement staffing model to better reflect the level of work demanded by patrons for book deliveries to the branches.

As we discussed our recommendations to you, the following key elements came up and were agreed on for moving forward with this and future budgeting:

- keep a focus on accountability and transparency with the new library district funding stream backing it up with regular, independent audits;
- allow a measured transition to the library district that maintains flexibility for sound library management and patron satisfaction;
- establish good, long-term goals for the library district that reflect an emphasis on both financial and programmatic sustainability;
- aim to bring long-term expenditure growth for the library district as close to the rate of projected growth of assessed property values as possible;
- establish as close to a 10% reserve fund as feasible for long-term district stability and sound fiscal policy while protecting core services;
- continue to enhance programs that help the underserved and vulnerable segments of the community for whom the range of options is limited;
- remain at the forefront of understanding and planning for technology investments related to digital content and efficient delivery of materials; and
- enhance programs where a relatively small investment benefits a lot of people such as materials movement, the website, Lucky Day, Everybody Reads, public access computers, book and DVD acquisitions, access to music downloads, and acquisitions based on patron requests.

EMERGING ISSUES

Many challenges lie in the future for the library as it is determined how to transition to a library district in an effective and thoughtful manner. We look forward to working with you and helping determine how this happens. As the library district makes it possible for sustained support of a critical community

institution, it also locks the library into a funding rate range that needs to be carefully managed in order to support the library priorities and the needs of the community. While we strongly support the creation of a budgetary reserve for the library to allow for whatever may arise in the future, we also recognize that this need must be balanced against providing the effective and important services that have made this library system so instrumental to the community.

In addition to the decisions that must be made in terms of the transition to a library district, the library faces a number of other emerging issues addressed in our recommendations. The continued growth in electronic content and the challenges that exist with effectively providing this content to patrons will be a critical emerging issue facing this library, as well as other libraries nationwide. Another concern more particular to our library system is the homogenous age class of facilities. As the library buildings and assets age together, we face a future bubble in preventive maintenance and eventual renovation that has the potential to overwhelm available resources. We are confident in the library staff and their ability to take on these and other challenges and provide you and the patrons with continued excellent service.

Respectfully submitted,

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