

**Minutes of the Board of Commissioners  
Multnomah Building, Board Room 100  
501 SE Hawthorne Blvd., Portland, Oregon  
Thursday, May 17, 2018**

**BUDGET WORK SESSION #11**

Chair Deborah Kafoury called the meeting to order at 11:24 a.m. with Vice-Chair Lori Stegmann and Commissioners Sharon Meieran and Jessica Vega Pederson present. Commissioner Loretta Smith was excused.

Also attending were Jenny M. Madkour, County Attorney, and Marina Baker, Board Clerk.

**BWS-11a    Library**

Chair Kafoury: WE ARE READY TO RECONVENE AND THIS MORNING, WE HAVE WITH US FOR OUR BUDGET WORK SESSION THE FABULOUS AWARD WINNING, BEST IN THE ENTIRE WORLD MULTNOMAH COUNTY LIBRARY! [APPLAUSE]

Vailey Oehlke: THANK YOU SO MUCH AND I'M HAPPY THERE WAS A LITTLE BIT OF A BREAK THERE THAT LAST PRESENTATION WAS REALLY TOUCHING AND VERY MEANINGFUL. SO AS YOU KNOW, CHAIR KAFOURY AND COMMISSIONERS I'M THE DIRECTOR OF LIBRARIES, VERY HAPPY TO BE WITH YOU ALL AGAIN. I HAVE WITH ME SEVERAL FABULOUS PEOPLE. TO MY RIGHT, MY ASSISTANT AND TODAY, SHE'S OUR VANA. TO MY LEFT, OUR DIRECTOR OF OPERATIONS AND JACK WHOM YOU'LL BE HEARING FROM SHORTLY. HE IS THE CHAIR OF THE LIBRARY ADVISORY BOARD FINANCE SUBCOMMITTEE, WHICH SERVES AS OUR CBAC. AND I WOULD ALSO LIKE TO JUST ACKNOWLEDGE THAT IN THE AUDIENCE TODAY IS THE CHAIR OF OUR LIBRARY ADVISORY BOARD, LIZ HAWTHORNE. THANK YOU FOR BEING HERE LIZ.

I ALMOST THOUGHT SHE WAS THE ONLY PERSON IN THE WHOLE AUDIENCE UNTIL I LOOKED OVER MY RIGHT SHOULDER. [LAUGHTER] SO OUR AGENDA, WHICH IN GENERAL IS FAIRLY FAMILIAR TO ALL OF YOU, I WON'T GO OVER IT BLOW BY BLOW, BUT I WILL THEN MOVE ON TO OUR MISSION. AS YOU ALL KNOW, IT'S EMPOWERING OUR COMMUNITY TO LEARN AND CREATE. WE HAVE THREE WHAT WE CALL IMMUTABLE PILLARS. THESE ARE INTENDED TO NEVER CHANGE, ALTHOUGH AS MY PARTNER POINTED OUT LAST NIGHT, WE JUST CHANGED THEM BECAUSE WE ADDED A FOURTH PILLAR, WHICH IS A CHAMPION FOR EQUITY AND INCLUSION TO EMPHASIZE OUR ONGOING COMMITMENT TO THOSE ISSUES. AND THEN OUR PRIORITIES AS I THINK YOU KNOW, WE CHANGE UP EVERY THREE YEARS AND WE WERE REALLY EXCITED THIS YEAR BECAUSE WE LAUNCHED A YEAR-LONG COMMUNITY ENGAGEMENT EFFORT THAT INFORMED THE NEXT ROUND OF PRIORITIES FOR US THAT ARE BRAND-NEW WITH THIS BUDGET PRESENTATION AND THEY'RE LISTED BELOW.

Vailey Oehlke: MAKING CONNECTIONS FOR A STRONGER COMMUNITY, REMOVING BARRIERS, HELPING MEET BASIC NEEDS AND HONORING THE PAST, EMBRACING THE FUTURE AND THOSE ALL SOUND MAYBE A LITTLE VAGUE. THEY'RE SORT OF INTENTIONALLY VAGUE, BUT THEY'RE ALSO INTENDED TO REALLY CENTER THE LIBRARY AS A CRITICAL ASSET TO THE HEALTH AND SUCCESS OF PEOPLE IN THIS COMMUNITY. AND LIBRARIES AS YOU ALL KNOW ARE NO LONGER JUST A PLACE FOR PEOPLE TO CHECK OUT BOOKS. THEY'RE PLACES WHERE PEOPLE TRANSFORM THEIR LIVES AND WE'RE WANTING TO DEMONSTRATE THAT IN HOW WE TALK ABOUT OUR PRIORITIES. SO THESE WILL BE WHAT WE TALK ABOUT OVER THE COURSE OF THE NEXT THREE YEARS. NOW, I WOULD LIKE TO TURN IT OVER TO JACK TO TALK ABOUT THE WORK OF OUR CBAC.

Jack MacNichol: GOOD MORNING, EVERYBODY. SO THE FINANCE COMMITTEE SERVES AS THE CBAC FOR THE LIBRARY DEPARTMENT AND WE MET SEVERAL TIMES THIS SPRING AS WE DO EVERY YEAR WITH LIBRARY STAFF AND WE CONTINUE TO ENJOY A REALLY THOUGHTFUL TRANSPARENT PARTNERSHIP WITH LIBRARY STAFF AND REALLY APPRECIATE THAT. WE FULLY SUPPORT THE BUDGET AS PROPOSED. WE THINK THERE ARE SOME REALLY THOUGHTFUL ADDITIONS AND CHANGES. AND WE'RE VERY HAPPY WITH HOW THIS PROCESS TURNED OUT. THE BIGGEST CHANGE WE SEE IS THE INCREASE IN THE PROPERTY TAX RATE FROM \$1.18 TO \$1.20. THAT TAX RATE CAN GO UP TO \$1.24, BUT HAS BEEN BELOW THAT POINT SINCE THE LIBRARY DISTRICT'S CREATION IN 2012. AT THE TIME, THAT THE DISTRICT WAS CREATED, INCREASING THE RATE EVENTUALLY WAS PART OF THE FINANCIAL MODELING AND IT'S NOW SORT OF HAPPENING AND IT FEELS LIKE A PRUDENT MOVE TO INCREASE IT 2 CENTS THIS YEAR.

WE ARE AWARE, HOWEVER, THAT INCREASES TO THAT RATE ARE LIMITED. THERE ARE ONLY 4 CENTS TO GO AND THAT ALONE WILL NOT ALLEVIATE THE LONG-TERM CHALLENGES OF COSTS THAT ARE RISING MUCH MORE QUICKLY THAN CURRENTLY PROJECTED PROPERTY TAX REVENUE FOR THE DISTRICT. WE'RE ALSO PLEASED WITH THE INCREASE IN SECURITY. WHILE IT'S UNFORTUNATE THAT THERE ARE INCREASING SECURITY NEEDS IN LIBRARY SPACES WE FEEL THAT MAKING SURE THOSE SPACES REMAIN SAFE AND ACCESSIBLE FOR EVERYONE IS AN ESSENTIAL PIECE OF WHAT THE LIBRARY DOES SO WE'RE PLEASED TO SEE THAT THE BUDGET IS INCREASING TO MEET THAT NEED. THE OTHER BIG CHANGE THAT IS INCLUDED IN THIS THIS YEAR'S BUDGET IS THE INTRODUCTION OF THE NEW INTEGRATED LIBRARY SYSTEM, WHICH IS THE DATABASE THAT IS THE BACK END OF EVERYTHING THE LIBRARY DOES. IT'S HOW WE TRACK ALL THE BOOKS, HOLDS, CHECKOUTS ALL THAT BUSINESS, SIGNS, OTHER THINGS. LOTS OF STUFF HAPPENS IN THAT DATABASE AND WE'RE MOVING TO A NEW ONE THAT IS MORE MODERN AND EFFICIENT, WHICH WILL LEAD TO SOME ONE TIME TRAINING AND IMPLEMENTATION COSTS THAT WILL ULTIMATELY SAVE THE DISTRICT MONEY

DIRECTLY THROUGH THE LOWER SUBSCRIPTION RATE AND WILL BE VASTLY MORE EFFICIENT THAN OUR CURRENT SYSTEM.

Jack MacNichol: THEN LOOKING BEYOND THIS YEAR'S BUDGET, THE LIBRARY ADVISORY BOARD CONTINUES TO BE VERY FOCUSED ON THE CAPITAL PLANNING FOR THE LIBRARY. WE'RE VERY AWARE THAT THE PHYSICAL SPACES WE HAVE A PROFOUND IMPACT ON THE WAY THE LIBRARY CAN DELIVER SERVICES AND HAVE A PROFOUND IMPACT ON THE OPERATING BUDGET OF THE LIBRARY ADDING THE MASSIVE EXPANSION OF PHYSICAL SPACE THAT THE PLAN CALLED FOR WILL BE A BIG CHANGE IN HOW OUR OPERATING BUDGET LOOKS AS WELL SO WE CONTINUE TO TALK A LOT ABOUT THAT WITH LIBRARY STAFF AND BE VERY EXCITED ABOUT THE PROSPECTS OF IMPLEMENTING THAT FRAMEWORK. ANYTHING ELSE? ANY QUESTIONS?

Chair Kafoury: QUESTIONS OR COMMENTS FOR JACK?

Commissioner Meieran: JUST A COMMENT. NO QUESTIONS, WHICH IS GOOD. I JUST WANTED TO SAY HOW MUCH I APPRECIATE YOUR SERVICE AND ALSO YOUR SERVICE. IT TAKES SO MUCH OF A DIFFERENCE TO HAVE PEOPLE ON THE CBAC WHO HAVE SUCH AN UNDERSTANDING AND CLEARLY, A DEEP CARING ABOUT OUR LIBRARY SYSTEM AND REALLY THE WORK THAT YOU DO IS INTEGRAL TO THE WORK THAT WE DO AND IT IS APPROXIMATELY BECAUSE I KNOW IT IS NO SMALL AMOUNT OF WORK. SO THANK YOU FOR YOUR TIME AND YOUR ENERGY.

Vice-Chair Stegmann: THANK YOU CHAIR. I JUST WANTED TO ECHO THAT. THANK YOU SO MUCH JACK AND TO THE ENTIRE BUDGET ADVISORY COMMITTEE FOR YOUR WORK. WE REALLY APPRECIATE IT AND IT SHOWS WE HAVE JUST AN AMAZING LIBRARY SYSTEM, AND IT'S IN LARGE PART DUE TO VOLUNTEERS LIKE YOU.

Commissioner Vega Pederson: HELLO, I GET TO SAY SOMETHING NOW. IT'S GOOD TO SEE YOU. I HAVE THE PLEASURE OF JOINING THE LIBRARY ADVISORY BOARD ONCE A MONTH AT 7:30 AND IT'S GREAT. THIS IS LIKE AN INCREDIBLY DEDICATED GROUP OF INDIVIDUALS WHO HAVE A DEEP LOVE FOR OUR LIBRARY AND HAVE A LOT OF CONCERN ABOUT ITS WELFARE, AND I THINK THERE'S A LOT OF THEM THAT DO THE SUBCOMMITTEE WORK, YOU KNOW, WITH THE FINANCE COMMITTEE BEING ONE OF THOSE, BUT ALSO LIKE THE TECHNOLOGY COMMITTEE AND A LOT OF OTHER THINGS SO THESE ARE PEOPLE WHO ARE REALLY ENGAGED IN WHAT'S GOING ON AND HOW TO HELP GUIDE OUR LIBRARY AND SO I JUST APPRECIATE THE TIME AND DEDICATION THAT YOU PUT FORTH, ESPECIALLY AS WE ARE LOOKING AT, YOU KNOW, REALLY HAVING A DEEP CONVERSATION ABOUT WHAT THE FUTURE OF THE LIBRARY IS AND THE DIRECTION WE GO. IT'S WONDERFUL TO HAVE YOUR VOICES AND EXPERTISE AT THE TABLE. SO THANK YOU.

Chair Kafoury: THANK YOU. ALL RIGHT.

Jack MacNichol: I'VE GOT TO BOUNCE BACK TO WORK, BUT HAVE FUN.

Vailey Oehlke: WE BENEFIT SO GREATLY NOT JUST FROM THE MEMBERS OF THE ADVISORY BOARD WHO GIVE CRAZY TIME AND I DON'T THINK YOU SPECIFIED COMMISSIONER VEGA PEDERSON, THAT'S 7:30 A.M. THE SECOND TUESDAY OF EVERY MONTH. BUT INDEED, WE REALLY ARE SO FORTUNATE THAT WE HAVE SO MANY PEOPLE IN THIS COMMUNITY WILLING TO GIVE OF THEIR TIME. WE'RE VERY GRATEFUL FOR THAT AND ESPECIALLY FOR JACK BECAUSE, AS YOU KNOW, SERVING ON THAT BUDGET FINANCE COMMITTEE TAKES A LOT OF TIME AND ENERGY AND HE'S SERVED US VERY WELL IN THE LEADERSHIP ROLE THERE.

Chair Kafoury: YAY JACK.

Vailey Oehlke: BYE JACK, GET BACK TO WORK. SO A COUPLE OF QUICK HIGHLIGHTS, WHAT WE'RE PRESENTING IS ESSENTIALLY AGAIN, A CURRENT SERVICES LEVEL BUDGET WITH A COUPLE OF STRATEGIC ADDS AND I EXPECT THAT'S WHAT WE'RE GOING TO BE LOOKING AT FOR YEARS TO COME AND REALLY MANAGING WITH WHAT WE HAVE IN TERMS OF THE RESOURCES THAT WE'LL HAVE AND THE CHANGES WE'RE NEEDING TO MAKE. THE HIGHLIGHTS, NEW TECHNOLOGY ALWAYS, I COULD OPEN EVERY CONVERSATION WITH YOU ALL ABOUT THE NEW TECHNOLOGY AND HOW IT'S IMPACTING OUR WORK AND WHAT WE DO AND HOW WE DO IT IN THE DIGITAL SHIFT AND THE IMPLICATIONS OF THAT IN TERMS OF WHAT PEOPLE EXPECT FROM US AND HOW THEY INTERFACE WITH US. THAT CONTINUES TO BE THE CASE FOR US AND HAS VERY REAL IMPACTS ON WHAT THE LIBRARY DOES AND WHAT IT LOOKS LIKE. SAFETY AND SECURITY, OF COURSE, CONTINUES TO BE A PRIMARY CONCERN FOR US AND OUR 19 LOCATIONS, VERY, VERY PUBLIC LOCATIONS, WE OFTEN SAY, AND I THINK IT'S ACCURATE THAT WE ARE THE MOST PUBLIC BUILDINGS IN OUR COMMUNITIES SO WHAT HAPPENS OUT IN THE WORLD IN OUR COMMUNITY HAPPENS IN OUR SPACES EVERY DAY SO WE HAVE MADE THAT A PRIORITY AND THAT IS REFLECTED IN THIS BUDGET AND WE'LL TALK A LITTLE BIT MORE ABOUT THAT IN DETAIL SHORTLY.

EQUITY, INCLUSION, ALSO A PRIORITY FOR US. IN A VERY ONGOING WAY AND MORE AND MORE FORMALLY AND IN A MORE OPERATIONALIZED WAY IN TERMS OF WHAT WE'RE HIRING. THIS YEAR WE RELEASED OUR FIRST-EVER ANNUAL EQUITY REPORT, WHICH WE'RE REALLY EXCITED ABOUT AND WE WILL JUST CONTINUE TO MAKE THAT A PRIORITY FOR HOW WE DESIGN SERVICES AND HOW WE ENGAGE WITH OUR STAFF. JACK MENTIONED OUR NEW INTEGRATED LIBRARY SYSTEM. THIS IS HUGE FOR US. IT'S SORT OF AKIN TO THE ERP FOR THE COUNTY. THIS IS THE BACKBONE OF HOW WE DO OUR WORK. THAT TRANSITION WILL TOUCH EVERY EMPLOYEE IN THE LIBRARY IN SOME FASHION SO WE'RE PLANNING WITH THIS BUDGET -- WE'RE PLANNING

A LOT AROUND NOT JUST THE PURCHASE OF THAT SOFTWARE, BUT THE TRAINING IT'S GOING TO REQUIRE AND ALL OF THE LEARNING THAT OUR STAFF AND OUR PUBLIC WILL EXPERIENCE AS A RESULT OF THAT TRANSITION, AND THEN OUR PHYSICAL INFRASTRUCTURE, BOTH JACK AND A COUPLE OF YOU MENTIONED THE CAPITAL PLANNING FRAMEWORK AND THE THINKING WE'RE GIVING TO WHAT SPACES LOOK LIKE IN THE 21ST CENTURY GOING FORWARD FOR LIBRARIES. HOW THEY NEED TO EVOLVE AND THEN ALSO JUST ONGOING MAINTENANCE COSTS, ENSURING THAT OUR BUILDINGS MEET THE STANDARDS THAT OUR PUBLIC EXPECTS. THEY GET A LOT OF WEAR AND TEAR AS YOU ALL KNOW.

Vailey Oehlke: JUST A COUPLE OF POINTS ABOUT WHO WE SERVE AND WHAT WE DO. THESE ARE ALL FROM PHYSICAL YEAR 18. WE PROVIDED \$1.6 MILLION WI-FI SESSIONS LAST YEAR. THAT NUMBER JUST GOES UP AND UP AND UP. WHILE I'M REALLY, REALLY PROUD OF THAT, IDEALLY THAT NUMBER WOULD BE ZERO BECAUSE EVERYONE IN THIS COMMUNITY SHOULD HAVE ACCESS TO FREE, ROBUST, RELIABLE BROADBAND INTERNET ACCESS AT HOME AND THEY SHOULD HAVE A HOME IN WHICH TO HAVE THAT ACCESS. SO WHILE WE'RE VERY HAPPY TO BE THE LARGEST PROVIDER OF FREE ACCESS TO THE INTERNET IN THE STATE OF OREGON, WE RECOGNIZE THAT REALLY SHOULDN'T BE NECESSARY IN TRUTH. BUT WE'LL CONTINUE TO PROVIDE IT. OUR DIGITAL CHECKOUTS CONTINUE TO CLIMB YEAR OVER YEAR AND AGAIN, THAT'S GETTING BACK TO THAT DIGITAL SHIFT THAT I TALKED ABOUT EARLIER. WE'RE UP TO 2.1 MILLION.

THIS YEAR I EXPECT THAT THAT WILL CONTINUE TO INCREASE AS PEOPLE EXPECT TO BE ABLE TO EXPERIENCE THEIR BOOKS AND THEIR MUSIC AND THEIR VIDEOS DIGITALLY FOR FREE THROUGH THEIR PUBLIC LIBRARY. AND THEN GIVEN WHAT WE JUST TALKED ABOUT WITH JACK, I WANTED TO HIGHLIGHT THAT A NUMBER OF VOLUNTEER HOURS THAT WE GET, IT'S REALLY QUITE INCREDIBLE AND YOU'LL HEAR SOME ADDITIONAL DATA POINTS AROUND THAT, BUT 2,100 VOLUNTEERS IN FISCAL YEAR 18 WHO GAVE 64,000 HOURS OF THEIR TIME TO THE LIBRARY. IT'S REALLY QUITE AMAZING AND WHILE WE CERTAINLY BENEFIT FROM THEIR TIME, I KNOW THAT A LOT OF PEOPLE REALLY LOVE GIVING BACK TO THE COMMUNITY IN THIS WAY SO WE'RE REALLY PLEASED TO BE ABLE TO CREATE THOSE OPPORTUNITIES FOR MEMBERS OF OUR COMMUNITY. SO I'LL TURN IT OVER TO DON NOW TO DO SOME NUMBERS AND DETAILS FOR YOU.

Don Allgeier: GOOD MORNING. I'M GOING TO START WITH THE ORGANIZATIONAL CHART. IT MAY LOOK FAMILIAR TO YOU FROM LAST YEAR. THERE'S ONLY ONE REAL CHANGE WITH THIS. WE HAD TWO DIVISIONS THAT MADE UP NEIGHBORHOOD LIBRARIES WHICH WERE ALL OF OUR PUBLIC SERVICES OUT OF OUR BUILDINGS, AND THEN ALSO PROGRAMMING AND OUTREACH DIVISION AND WE COLLAPSED THEM INTO ONE DIVISION. THEY ALL WORK TOGETHER TO PROVIDE LIBRARY SERVICES THROUGHOUT OUR COMMUNITY,

WHETHER THEY'RE IN OUR BUILDINGS OR OUTSIDE OF OUR BUILDINGS. SO THAT IS THE ONE CHANGE WITH THIS ORGANIZATIONAL CHART. YOU WILL SEE THE DIRECTORS OFFICE AND DEPARTMENT ADMINISTRATION, IT ALSO HAS TO DO WITH STRATEGIC INITIATIVES, EQUITY, THE OPERATIONS DIVISION, WHICH HAS INTERNAL SUPPORT FOR OUR LOCATIONS AND THEN CONTENT STRATEGIES WHICH HAS PHYSICAL AND DIGITAL OFFERINGS THAT ALL COME FROM THAT DIVISION.

Don Allgeier: LOOKING AT THE NEXT PAGE, YOU WILL SEE EXPENDITURES AND FTE BY FUND. ONE KEY THING TO KNOW IS THAT THE FY18 ADOPTED IS WITH THE LIBRARY FOUNDATION AMENDMENT. SO IT'S SLIGHTLY DIFFERENT THAN LOOKING AT THE FY18 PROPOSED. WHEN YOU SKIP THAT AMENDMENT, THAT'S AN ADDITIONAL 3.25 FTE AND THEN ALSO .8 MILLION DOLLARS THAT WILL BE ADDED INTO THAT NUMBER IF APPROVED. THE BUDGET BY FUNDING SOURCE IS MOSTLY AN IGA TRANSFER FROM MULTCO LIBRARY DISTRICT, 83 MILLION DOLLARS MOSTLY MADE UP OF PROPERTY TAXES AND THEN THERE'S A SMALL AMOUNT THAT'S AN INTERNAL SERVICE REIMBURSEMENT FOR JAIL SERVICES FROM THE SHERIFF'S DEPARTMENT. AND THIS YEAR, MUCH LIKE THE PAST YEARS, WE HAVE NO COUNTY GENERAL FUND.

THEN LOOKING AT OUR BUDGET BY CATEGORY, YOU CAN SEE THAT WE CONTINUE TO HAVE ALMOST TWO THIRDS OF OUR BUDGET IS PERSONNEL COSTS, MAKES UP THE LARGEST DRIVER OF COSTS FOR US, BUT, YOU KNOW, IT'S OUR BIGGEST INVESTMENT IN THE PEOPLE THAT SERVE THE COMMUNITY AND OUR LIBRARIES EVERY DAY. THE NEXT LARGEST COST IS INTERNAL SERVICES. IT'S ABOUT 19%. THAT INCLUDES I.T. AND FACILITIES COSTS AS THE MAJOR DRIVERS FOR THAT EXPENDITURE. BOOKS AND MATERIALS WILL TAKE UP 9% AGAIN AND THAT'S BOTH OUR PHYSICAL AND DIGITAL OFFERINGS THAT MAKE UP THAT BOOKS AND MATERIALS. CONTRACTUAL SERVICES MAKE UP 2%, AND THEN WE HAVE THE TINIEST .02% FOR CAPITAL, WHICH I BELIEVE IS MOSTLY DUE TO AN AGING FORKLIFT.

SO THE BUDGET BY DIVISION, THIS IS BREAKING THE BUDGET DOWN BY EACH DIVISION. WE TALKED ABOUT PUBLIC SERVICES BEING THE LARGEST DIVISION IN TERMS OF EXPENDITURES. IT'S \$49.3 MILLION THIS NEXT YEAR. THAT INCLUDES OUR CENTRAL LIBRARY, ALL OF THE NEIGHBORHOOD LIBRARIES, THE CONTACT CENTER WHERE PEOPLE GET THEIR FIRST POINT OF RESPONSE OVER THE PHONE OR DIGITALLY. PROGRAMMING AND OUTREACH WHERE WE DELIVER LIBRARY SERVICE NO MATTER WHERE PEOPLE ARE WITHIN THE COMMUNITY. IT COVERS ALL OF THE STAFF FOR ALL OF THAT WORK AS WELL AS THE BUILDINGS THAT HOUSE THAT WORK. THE CONTENT STRATEGIES IS THE NEXT DIVISION IN TERMS OF COSTS. IT'S \$22.3 MILLION. ABOUT A THIRD OF THAT ENDS UP BEING MATERIALS FOR THE LIBRARY SYSTEM, ABOUT A THIRD OF THAT ENDS UP BEING I.T. COSTS FOR THE LIBRARY SYSTEM.

Don Allgeier: THE OPERATIONS DIVISION MAKES UP 12% OF THE BUDGET. ABOUT \$9.6 MILLION AND THAT INCLUDES OUR SECURITY AND OUR FACILITIES COSTS AND OUR HUMAN RESOURCES WORK ALONG WITH A BUDDING RESEARCH GROUP. THE DEPARTMENT ADMINISTRATION, DIRECTOR'S OFFICE ENCOMPASSES AGAIN, EQUITY AS WELL AS STRATEGIC INITIATIVES, SUCH AS OVERSEEING THE TRANSITION WITH INTEGRATED LIBRARY SYSTEM THAT JACK TALKED ABOUT. THAT'S ABOUT \$2.1 MILLION OR 3% OF THE BUDGET.

Vailey Oehlke: THE NEXT SLIDE IS DEPARTMENT ADMINISTRATION, WHICH IS MY OFFICE AND I THINK DON SUFFICIENTLY COVERED THAT. THERE ARE NO MAJOR CHANGES FOR THE BUDGET IN THAT DIVISION. THAT IS WHERE A LARGE CHUNK OF THE MONEY FOR THE NEW I.L.S. WILL BE, IS, WILL BE, AND IS. JUST A COUPLE OF HIGHLIGHTS ABOUT THAT THAT YOU'VE ALREADY HEARD. I FEEL REALLY GREAT ABOUT OUR NEW EQUITY AND INCLUSION MANAGER, SHE'S REALLY TAKEN TO TASK HER RESPONSIBILITIES IN THAT AREA AND HAS DONE A FABULOUS JOB OF GETTING TO KNOW THE LIBRARY, THE CULTURE, THE PEOPLE WHO ARE WORKING THERE AND I THINK REALLY SETTING US ON A GOOD, SOLID COURSE AROUND H.R. AND BUDGET AND BUSINESS SERVICES, WE'RE REALLY GRATEFUL FOR HIS LEADERSHIP.

THIS IS HIS FIRST FULL YEAR IN THAT ROLE AND SO FAR, SO GOOD. THE MAJOR CHANGES, THEY HAVE TO DO WITH OUR LIBRARY SECURITY PERSONNEL AND A LOT OF THAT IS REFLECTIVE OF THE TRANSITION TO LIBRARY SECURITY OFFICERS, AND THEN ADDITIONAL PERSONNEL THERE, AS WELL. AND THOSE ARE SOME OF THE HIGHLIGHTS THAT WE DISCUSSED. I THINK, YOU KNOW, THAT NUMBER, 227,000 CRATES OF MATERIAL JUST OUT THERE IN THE WORLD ISN'T TERRIBLY MEANINGFUL BUT BASICALLY KNOW THAT WE'RE MOVING A LOT OF STUFF AROUND THIS COUNTY EVERY DAY, IT'S QUITE AMAZING PEOPLE CONTINUE TO CHECK THINGS OUT FROM THE LIBRARY. AND THERE'S THAT FTE NUMBER FOR VOLUNTEERS, IT'S THE EQUIVALENT TO THE WORK OF 30 FTE. EVERY TIME I SEE THAT I'M AMAZED. IT'S REALLY INCREDIBLE. I HAVE TO CREDIT OUR VOLUNTEER SERVICES DEPARTMENT. THEY DO A WONDERFUL JOB OF MATCHING PEOPLE WITH THE SORTS OF THINGS WE WOULD LIKE TO SEE HAPPEN. THAT INCLUDES THE SUMMER WORKS VOLUNTEERS, IT INCLUDES INTERNS, IT INCLUDES ALL OF OUR SUMMER READING VOLUNTEERS WHO ARE AS YOUNG AS I THINK 11 OR 12. SO IT'S REALLY A WONDERFUL PROGRAM AND WE HAVE SOME FABULOUS PEOPLE LEADING THAT ON OUR BEHALF.

THE CONTENT STRATEGY DIVISION AS YOU HEARD FROM DON, WE'RE REALLY ENCOURAGING OURSELVES AND OTHERS TO THINK ABOUT CONTENT, NOT JUST AS OUR PHYSICAL MATERIALS, BUT AS DIGITAL MATERIALS AND THAT OUR COLLECTION WRIT LARGE IS BOTH OF THOSE THINGS. OUR COLLECTION IS NOT JUST BOOKS, IT'S ALSO ALL THE STREAMING VIDEOS AND ALL THE STREAMING CONTENT WE HAVE AND ALL THE SORTS OF WAYS, THE EBOOKS IN WHICH PEOPLE ARE ENGAGING IN NEW AND DIFFERENT WAYS AT THE

LIBRARY. ONE OF THE THINGS THAT I WOULD HIGHLIGHT THERE AGAIN AS I MENTIONED EARLIER, 26% INCREASE IN DIGITAL CHECKOUTS FROM LAST YEAR. THAT'S JUST IN ONE YEAR. AND THAT NUMBER JUST KEEPS CLIMBING. THAT HAS AS I MENTIONED EARLIER IMPLICATIONS FOR US AND WE'RE PAYING VERY CLOSE ATTENTION TO THAT IN TERMS OF NOT JUST OUR BUDGET BUT OUR SPACES AND HOW WE USE THAT SPACE AND WHAT KIND OF OPPORTUNITIES WE MIGHT HAVE AS THERE'S A SHIFT IN PHYSICAL MATERIALS VERSUS DIGITAL.

Vailey Oehlke: PUBLIC SERVICES IS THE BIGGEST CHUNK AS YOU HEARD FROM DON OF OUR BUDGET. NOTHING REALLY MORE TO SAY THERE OTHER THAN THAT INCLUDES THE TRAINING EXPENSES THAT ARE ASSOCIATED WITH THAT TRANSITION TO OUR IOS SO THAT WILL BE A NEW EXPENSE THERE. ONE OF THE THINGS I LIKE TO REMIND PEOPLE IS THIS YEAR WE HAD 4.3 MILLION VISITS TO THE LIBRARY, THAT'S KIND OF INSANE. AT ONE POINT WE LOOKED AT HOW THAT COMPARED TO LIKE MODA, AND IT'S PRETTY INCREDIBLE. WE KICKED THEIR BEHIND. AND THAT'S THE EQUIVALENT OF FIVE VISITS TO THE LIBRARY THIS YEAR FOR EVERY PERSON IN MULTNOMAH COUNTY. THAT'S KIND OF INCREDIBLE. ESPECIALLY IF YOU REALIZE THAT, I DON'T UNDERSTAND WHY, BUT NOT EVERYBODY GOES TO THE LIBRARY SO THAT MEANS A LOT OF PEOPLE ARE GOING MANY, MANY TIMES. I THINK THAT CONTEXT IS REALLY KIND OF REMARKABLE, AND THEN I ALSO WANT TO JUST HIGHLIGHT YOU KNOW WE'VE PUT A LOT OF RESOURCES AND ENERGY INTO SERVING PEOPLE FROM COMMUNITIES WHO SPEAK LANGUAGES OTHER THAN ENGLISH.

WE HAVE A WHOLE GROUP OF AFRICAN AMERICAN CULTURALLY COMPETENT STAFF THAT IS GROWING AND GETTING MORE AND MORE EFFECTIVE. WE NOW HAVE, ACTUALLY THIS NUMBER IS A LITTLE LOW, OVER 100 STAFF REPRESENTING INDIVIDUALS WHO ARE SPECIFICALLY FOCUSED ON SERVING PEOPLE'S NEEDS IN THOSE LANGUAGE GROUPS AND CULTURES. THAT'S REALLY IMPORTANT AND IMPACTFUL WORK THAT THE LIBRARY DOES. YOU'VE PROBABLY HEARD OF THE SEWING PROGRAM IN THE SOMALI COMMUNITY OUT AT THE CAPITOL HILL LIBRARY. PEOPLE COME IN AND LEARN HOW TO SEW ON MACHINES THAT THE LIBRARY IS PROVIDING. THEY'RE ABLE TO SEW CLOTHES THAT THEY CANNOT BUY HERE. I JUST THINK THAT'S INCREDIBLE AND MAKES ME VERY HAPPY. I THINK IT BLOWS YOUR MIND IN TERMS OF WHAT THE LIBRARY DOES IN THE COMMUNITY. I'M REALLY PROUD OF THAT WORK. SO IN SUMMARY, NO REAL LEGISLATIVE IMPACTS FOR US. WE ARE LOCAL, LOCAL, LOCAL. IN TERMS OF POLICY AT A NATIONAL LEVEL I'M GRATEFUL TO ALL OF YOU FOR YOUR SUPPORT RELATED TO ISSUES AROUND NET NEUTRALITY AND DIGITAL EQUITY AND THOSE SORTS OF THINGS THAT ARE REALLY IMPORTANT NOT JUST TO THE LIBRARY AND OUR WORK AROUND DIGITAL INCLUSION BUT ALSO TO THIS COMMUNITY AND THEIR SUCCESS SO THANK YOU FOR THAT SUPPORT, AND THEN JUST WHAT YOU'LL SEE IN FY 19 ARE THESE CONTINUED AREAS OF FOCUS.

Vailey Oehlke: I WOULD DEFINITELY LIKE TO EMPHASIZE THE NOTION OF FUTURE PROOFING LIBRARIES AND ENSURING THAT WE CONTINUE TO BE RELEVANT TO THIS COMMUNITY BECAUSE THAT WILL TAKE SOME CHANGE AND CHANGE CAN BE CHALLENGING FOR ALL OF US. I THINK WE'RE PAYING CLOSE ATTENTION AND WE ARE LEADING WITH THE NEEDS OF OUR COMMUNITY AND ARE MAKING EVERY EFFORT THAT WE RESPOND TO THOSE NEEDS IN A WAY THAT IS HELPFUL AND MAKES SENSE, AND THEN AGAIN WORK AROUND OUR SPACES AND THINKING THROUGH WHAT THOSE SPACES NEED TO LOOK LIKE GOING FORWARD IN TERMS OF THE WAY THE POPULATION IS CHANGING IN MULTNOMAH COUNTY, THE GROWING SIZE OF THE POPULATION, AND THE NEEDS OF THE COMMUNITY. DO YOU HAVE ANY QUESTIONS FOR ME ABOUT THAT PART OF OUR PRESENTATION?

Vice-Chair Stegmann: THANK YOU CHAIR, THANK YOU SO MUCH. I APPRECIATE THE REPORT. I HAVE A COUPLE OF QUESTIONS. THERE'S A GENTLEMAN WHO OFTEN TESTIFIES ABOUT THE PURGING OF SOME OF THE LIBRARY SO I'M WONDERING -- CAN YOU TALK IN GENERAL ABOUT WHAT THAT PROCESS IS?

Vailey Oehlke: FOR STARTERS, HONESTLY I'VE MANAGED TO NOT BE IN THE SPACE WHEN HE'S TESTIFIED TO YOU ALL. I DON'T KNOW -- LAST TIME I THINK I RAN TO THE RESTROOM AND I DIDN'T KNOW HE WAS SPEAKING SO MY APOLOGIES FOR THAT. YOU KNOW, A COUPLE OF THINGS. WE HAVEN'T MADE ANY MAJOR PURGES OF OUR MUSIC COLLECTION OF LATE. I'VE CHECKED IN WITH OUR COLLECTIONS MANAGER ABOUT THAT. AND I'VE ALSO OFFERED TO HAVE HIM SPEAK WITH THAT GENTLEMAN AND I SPOKE WITH HIM MYSELF. AND I GET IT, YOU KNOW, PEOPLE GET VERY ATTACHED TO OUR PHYSICAL COLLECTION IN PARTICULAR AND WE DO HAVE AN INCREDIBLY RICH MUSIC COLLECTION, SHEET MUSIC COLLECTION AT THE LIBRARY AND I KNOW FOR A FACT THAT THERE ARE A LOT OF LOCAL MUSICIANS WHO RELY ON THAT. I'VE HEARD THAT FROM YOUR BUSKER ON THE STREET TO PEOPLE WHO ARE TEACHING MUSIC IN OUR LOCAL UNIVERSITIES.

WE THINK OF THE COLLECTION AS SORT OF A GARDEN. IT REQUIRES REGULAR MAINTENANCE AND CARE AND WE HAVE A WHOLE -- AS YOU CAN IMAGINE, THE LIBRARY, A WHOLE PROCESS FOR MANAGING THAT COLLECTION IN TERMS OF MAKING SURE THAT WHAT'S THERE IS RELEVANT TO THE COMMUNITY AND ITS NEEDS AND THAT OFTEN MEANS REMOVING THINGS IN ORDER TO MAKE SPACE FOR OTHER THINGS AND AS YOU KNOW, OUR SPACE IS SO LIMITED THAT WE HAVE TO BE A LITTLE BIT AGGRESSIVE AROUND THAT. BUT WE ALSO HAVE A VERY, VERY ROBUST PATRON DRIVEN COLLECTION POLICY, AND IT'S SUPER EASY TO CONTACT THE LIBRARY AND MAKE A REQUEST FOR A TITLE, IF IT HAPPENS THAT IT'S NOT IN OUR COLLECTION. AND FOR THE MOST PART, WE JUST AUTOMATICALLY PURCHASE THOSE SUGGESTIONS, UNLESS, OF COURSE, THEY'RE SO ESOTERIC OR SO IMPOSSIBLE TO FIND. BUT WE REALLY RELY ON THE

COMMUNITY TO HELP US ENSURE THAT OUR COLLECTION REFLECTS THE INTERESTS OF THE COMMUNITY.

Vice-Chair Stegmann: GREAT THANK YOU. THE OTHER QUESTION I HAD IS AROUND THE DIGITAL EQUITY AND THERE'S A BROADBAND INITIATIVE AS YOU'RE WELL AWARE AND I'M WONDERING LIKE HOW DOES THE LIBRARY FIT INTO THAT CONVERSATION?

Vailey Oehlke: I HAVE A LOT OF OPINIONS ABOUT IT. I SHARED SOME GREAT CONVERSATIONS I THINK WITH SEVERAL OF YOU ABOUT IT. YOU KNOW, I FEEL REALLY STRONGLY. AS I MENTIONED EARLIER WE'RE PROUD THAT WE'RE A RESOURCE FOR PEOPLE WHO DON'T HAVE THAT ACCESS. I JUST LEARNED THE OTHER DAY THAT THE COUNTRY OF ESTONIA HAS DECLARED THAT ACCESS TO THE INTERNET IS A HALF-COURT. I REALLY BELIEVE. THINK ABOUT IT, AT MULTNOMAH COUNTY YOU CAN'T APPLY FOR A JOB WITH A PIECE OF PAPER. YOU HAVE TO HAVE ACCESS TO THE COMPUTER AND UNDERSTAND HOW TO USE IT. WE HAVE PEOPLE COMING INTO THE LIBRARY WHO DON'T KNOW HOW TO USE A MOUSE, WHO DON'T HAVE E-MAIL ACCOUNTS. SO IT IS NOT JUST A NICE THING TO HAVE ANYMORE. IT'S AN ABSOLUTE NECESSITY TO ENSURE THAT WE HAVE A SUCCESSFUL, HAPPY, THRIVING LIFE IN THIS WORLD AND TO US, IT'S SORT OF A BASIC NEED AND IT HITS THAT PRIORITY OF OURS AROUND MEETING THE BASIC NEEDS OF THIS COMMUNITY SO WE FEEL REALLY STRONGLY ABOUT OUR ROLE IN THAT.

I COULD GO ON AND ON. I SPENT ALL LAST WEEK PARTICIPATING IN THE DIGITAL INCLUSION SUMMIT THAT HAPPENED HERE IN PORTLAND AND THEN ALSO SPOKE, I WAS THE KEYNOTE AT THE TECHNOLOGY ASSOCIATION OF OREGON'S ANNUAL AWARDS BANQUET, SPECIFICALLY BECAUSE THEY UNDERSTOOD THAT THE LIBRARY IS REALLY INVESTED IN DIGITAL INCLUSION, WHICH IS WHY THEY ASKED ME TO SPEAK AND THAT'S WHAT I TALKED ABOUT AND WHY IT'S IMPORTANT TO THEM AS ENTREPRENEURS AND BUSINESS OWNERS IN THIS COMMUNITY TO ENSURE THAT THEY HAVE PEOPLE WHO KNOW HOW TO USE THEIR PRODUCTS. SO WE FEEL VERY STRONGLY ABOUT THAT ACCESS AND NOT JUST THAT THERE'S ACCESS, BUT THAT IT'S QUALITY, AND IT'S RELIABLE AND YOUR STATION IN LIFE, THE RESOURCES YOU HAVE DON'T DETERMINE WHAT KIND OF ACCESS YOU GET, WHICH IS WHY THE NET NEUTRALITY ISSUE IS SO IMPORTANT.

Vice-Chair Stegmann: THANK YOU AND I WANTED TO HIGHLIGHT A COUPLE OF THINGS. I HAD THE OPPORTUNITY TO TOUR THE JUVENILE DETENTION CENTER ONCE AGAIN AND GOT TO SEE YOUR LIBRARY PROGRAM. IT'S JUST GREAT TO SEE HOW YOU'RE SPRINKLED THROUGHOUT THE COUNTY AND THOSE PROGRAMS ARE SO MEANINGFUL TO THOSE KIDS AND THOSE YOUTH. AND THEN JUST REALLY LOOKING FORWARD TO THAT FLAGSHIP EAST COUNTY LIBRARY.

Vailey Oehlke: LET'S GET TO IT. THANK YOU, COMMISSIONER, APPRECIATE THAT.

Commissioner Vega Pederson: SO I DON'T HAVE VERY MANY QUESTIONS. I WOULD JUST LIKE TO SAY THAT I THINK OUR AVERAGE LIKE ANNUAL LIBRARY VISIT FOR MY FAMILY IS PROBABLY LIKE 18 TIMES A YEAR. I THINK WE'RE LIKE PUSHING THAT UP. AND ALSO LIKE MY DAUGHTER LOST HER LIBRARY CARD TWICE LAST YEAR SO ALSO SOME OF THOSE LIKE 53,000 NEW CARDS LAST YEAR, SOME OF THOSE WERE HERS. I APPRECIATE THE WORK, AND I KNOW THAT THERE WAS A LOT OF DISCUSSION AND TALK ABOUT THE NEED TO BUMP UP THE PROPERTY TAX RATE YEAR, THAT IT WAS A PLANNED BUMP, RIGHT? YOU WERE ANTICIPATING IT, BUT THAT THIS IS PART OF JUST THE ONGOING EXPENSES THAT YOU'RE DEALING WITH AT THE LIBRARY. WE DEAL WITH THAT ALSO HERE AT THE COUNTY AND, YOU KNOW, JUST IN LOOKING AT SOME OF YOUR BUDGET ITEMS, YOU CAN SEE THE INCREASE IN PERSONNEL COSTS, EVEN THOUGH THERE ISN'T THAT FTE INCREASE JUST BECAUSE OF THE ONGOING EXPENSES OF BENEFITS AND SALARY AND THAT SO APPRECIATE THE THOUGHTFULNESS THAT YOU'VE GIVEN TO THAT PROCESS.

Vailey Oehlke: THANK YOU VERY MUCH. WE'RE TRYING TO BE VERY THOUGHTFUL ABOUT HOW WE USE THE RESOURCES AND HAVE GIVEN A LOT OF THOUGHT TO SHIFTING WHERE THE NEEDS ARE AND THEN BEING VERY INTENTIONAL ABOUT THAT SO THANK YOU COMMISSIONER, I APPRECIATE THAT.

Commissioner Meieran: THANK YOU FOR THE PRESENTATION. FABULOUS. AND I ALSO APPRECIATE YOUR COMMENTS ABOUT DIGITAL EQUITY AND INCLUSION AND THAT IMPORTANCE AND I WOULD LOVE TO HAVE A CONVERSATION WITH YOU MORE ABOUT THAT. I HAD ONE QUICK QUESTION THAT A CONSTITUENT OF MINE HAD BROUGHT UP AND IT WAS HOW LIBRARY HOURS ARE SET. SHE HAD TALKED ABOUT, YOU KNOW, PEOPLE GETTING OUT OF SHELTERS EARLY IN THE MORNING AND THEN ACTUALLY USING -- AND REALLY DO RELY ON SOME OF THOSE SERVICES THAT ARE AT THE LIBRARY AND WHETHER THAT'S A PURE BUDGET DECISION OR WHETHER MORE GOES INTO THAT.

Vailey Oehlke: IT'S EXCEPTIONALLY COMPLICATED. I AM HAPPY TO DO MY BEST IN THIS ENVIRONMENT. CHAIR KAFOURY HAS BEEN THROUGH THIS WITH US. ONE OF THE CONSTANT CONCERNS WE HEAR FROM THE COMMUNITY IS DEMAND FOR MORE HOURS, WHICH THAT'S A WONDERFUL PROBLEM TO HAVE. AND AT ITS MOST FUNDAMENTAL IT'S JUST A RESOURCE ISSUE. SORT OF SPREADING OUT BASICALLY THE FTE ACROSS THOSE OPEN HOURS TO ENSURE THAT WE'RE ABLE TO STAFF THEM IN A WAY THAT IS HELPFUL. AND WE'VE DONE THINGS LIKE STAGGERED HOURS ACROSS BUILDINGS THINKING WELL IF YOU COULDN'T GET TO ONE BECAUSE IT WASN'T OPEN YOU CAN GET TO ANOTHER AND MORE OFTEN THAN NOT IT JUST CONFUSES ME AND IT CONFUSES THE PUBLIC. SO WE REVISIT EVERY NOW, AND THEN I AM

IMAGINING THAT IN A FEW YEARS WE'LL PROBABLY LOOK AT IT AGAIN. WE CHANGED THEM UP THREE OR FOUR YEARS AGO.

Vailey Oehlke: YOU MAY RECALL THAT AT ONE POINT WE CLOSED ON MONDAYS, WHICH I'M EMBARRASSED TO SAY TWICE I SHOWED UP TO A LIBRARY ON MONDAY AND WE WERE CLOSED. WE TOOK ANOTHER LOOK ACROSS THE SYSTEM, WHAT THEY SHOULD BE AND HAVE WHAT WE HAVE NOW, WHICH IS AROUND 57 A WEEK, 57 HOURS A WEEK. BUT WE DID A LOT OF OUTREACH WITH THE COMMUNITY, SURVEYS GETTING COMMUNITY INPUT WHAT HOURS WOULD BE THE BEST. AND IT'S HIGHLY DEPENDENT ON PEOPLE'S LIFE CIRCUMSTANCES, WHAT MAKES THE MOST SENSE FOR THEM, AND THEN AS CHAIR KAFOURY JUST MENTIONED WE DO A LOT OF OUTREACH AND I WOULD BE REMISS IF I DIDN'T TALK ABOUT OUR DIGITAL PRESENCE. SO YOU CAN BE HOME IN YOUR JAMMIES AT NIGHT, ENGAGING WITH THE LIBRARY REALLY EASILY, INCLUDING LISTENING TO AN ALBUM OR WATCHING A MOVIE. I GET THAT'S NOT THE SAME AS FINDING THE SHELTER OF THE PUBLIC LIBRARY IN THE SPACE, BUT WE'RE DOING OUR BEST AND THAT'S A REASONABLE CONCERN. I CAN APPRECIATE THAT.

Chair Kafoury: I JUST WANTED TO DO A QUICK TIME CHECK. BECAUSE WE CAN ALSO MOVE YOU TO ANOTHER DAY IF WE WANT TO HAVE MORE OF A CONVERSATION. I DON'T KNOW HOW MUCH --

Vailey Oehlke: NOW, IT'S JUST THE DISTRICT PIECE, AND IT'S JUST NUMBERS. UNLESS YOU WANTED A SONG AND DANCE OR SOMETHING.

Chair Kafoury: I JUST WANT TO MAKE SURE WE HAVE ENOUGH TIME. IT'S NOON SO IF WE DON'T --

Vailey Oehlke: CAN WE JUST POWER THROUGH IT REALLY QUICKLY? ARE YOU OKAY WITH THAT?

Chair Kafoury: THANK YOU.

Jeff Renfro: NO ONE LOVES TO EAT LUNCH MORE THAN ME. I WILL GO FAST.

Vailey Oehlke: SO DO YOU ALL -- DO YOU NEED TO GAVEL OUT AND IN? NO? OKAY.

Chair Kafoury: THANK YOU FOR TRYING TO KEEP US ON LEGAL --

### **BWS-11b     Library District**

Vailey Oehlke: TOTALLY AND I WILL JUST TURN IT OVER TO JEFF. I MEAN, YOU'VE BASICALLY HEARD EVERYTHING ABOUT THE BUDGET AS IT STANDS AND JEFF IS GOING TO RUN THROUGH THE DETAILS. OUR BUDGET ANALYST.

Jeff Renfro: SO I'LL START WITH JUST THE BIG PICTURE HERE SO THE LIBRARY IS IN GREAT SHAPE FINANCIALLY, AND IT'S DUE TO A COMBINATION OF FACTORS. REVENUES HAVE BEEN SLIGHTLY HIGHER THAN EXPECTED WHEN THE LIBRARY DISTRICT WAS FORMED AND EXPENSES HAVE BEEN SLIGHTLY LOWER THAN EXPECTED SO THE LIBRARY HAS GOTTEN TO A POSITION WHERE THEY HAVE A RELATIVELY HEALTHY FUND BALANCE THAT'S ALLOWED THEM TO ESTABLISH THE CAPITAL FUND THAT YOU ALL ESTABLISHED LAST YEAR. LOOKING FORWARD, THEY'RE GOING TO FACE THE SAME ISSUES THAT THE COUNTY GENERAL FUND IS FACING, WHICH IS SORT OF FLATTENING REVENUE GROWTH ALONG WITH EXPENSE GROWTH GETTING BACK TO NORMAL. I'LL SAY THE TERM STRUCTURAL DEFICIT SEVERAL TIMES DURING THE PRESENTATION. BUT TO GET INTO THE SPECIFICS OF IT, THIS IS A SUMMARY OF WHERE WE EXPECTED TO BE REVENUE-WISE FOR THE CURRENT YEAR VERSUS WHERE WE ACTUALLY ENDED UP SO THE GOOD NEWS IS WE WERE ONLY OFF BY 0.15%.

Chair Kafoury: HOW COME YOU WERE OFF THAT MUCH? I'M WORRIED.

Jeff Renfro: WE DO EVEN A SMALL AMOUNT, WE DO INVESTIGATE WHY AND IT'S REALLY DUE ALMOST EXCLUSIVELY TO MULTI-FAMILY HOUSING CONTINUING TO GO INTO THE COUNTY. THE POINT OF INTEREST HERE IS THAT WE HAD EXPECTED COMPRESSION TO CONTINUE TO FALL OVER THE NEXT SEVERAL YEARS. ACTUALLY, IT INCREASED BY A VERY SMALL AMOUNT THIS YEAR SO WE'RE INTERPRETING THAT AS COMPRESSION HAS HIT ITS FLOOR AND WE EXPECT IT TO BE AT THIS LEVEL FOR THE FORESEEABLE FUTURE. IF YOU CAN GO TO THE NEXT SLIDE. SO THIS IS A SUMMARY OF THE ASSUMPTIONS WHEN THE LIBRARY DISTRICT WAS FORMED. THE THING I WANT TO HIGHLIGHT HERE IS AS JACK AND VAILEY DISCUSSED, THE PROPOSED BUDGET ASSUMES AN INCREASE IN THE TAX RATE FROM \$1.18 PER \$1,000 OF ASSESSED VALUE TO \$1.20. JUST TO GIVE YOU SOME CONTEXT, FOR THE MEDIAN HOUSE IN MULTNOMAH COUNTY, THAT CORRESPONDS TO ABOUT \$3.60 INCREASE IN THEIR PROPERTY BILL, SO WE'RE NOT TALKING ABOUT A HUGE AMOUNT OF MONEY. FOR EVERY PENNY THAT THE LIBRARY INCREASES, THAT GENERATES \$700,000 IN ADDITIONAL REVENUE.

THIS INCREASE HAS BEEN PLANNED FROM THE BEGINNING. I'LL TALK MORE ABOUT HOW WE DIFFERED FROM OUR ASSUMPTIONS. IF YOU LOOK AT THE COST GROWTH COLUMN, YOU CAN SEE THAT IN THE FIRST FIVE YEARS OF THE LIBRARY DISTRICT, WE EXPECTED ABOUT 4.5% COST GROWTH PER YEAR. THE ACTUAL WOULD BE ABOUT 2-3%, JUST A POSITIVE PART OF THE COST GROWTH BALANCE. THEN WHEN YOU GET DOWN TO THE CURRENT YEAR, YEAR 5 LOOKING FORWARD TO FISCAL YEAR 6 YOU SEE DIFFERENT NUMBERS THERE. THAT IS DRIVEN BY HIGHER COLA, SO WE HAD BUDGETED 3.5%, THE ACTUAL IS 3.6%. THAT ALSO INCORPORATES IMPACTS OF THE LOCAL ADA CONTRACT SETTLEMENT. FOR THE LIBRARY THERE'S LARGER IMPACTS THERE. LOOKING FORWARD WE EXPECT EXPENSES TO HOVER AROUND THE

HISTORICAL NORM IT DROPS TO 3.9%. THAT'S THE ERP COMING OFF. IF WE COULD GO TO THE NEXT SLIDE.

Jeff Renfro: AGAIN, THIS IS OUR SUMMARY OF ASSUMPTIONS BEFORE THE LIBRARY DISTRICT WAS FORMED. THINGS I WANT TO DRAW YOUR ATTENTION TO ARE THE OPERATING BALANCE AND FUND BALANCE. FOR THE OPERATING BALANCE WE EXPECTED THE ANNUAL SURPLUS TO SWITCH INTO A DEFICIT AROUND THIS TIME. THEN TO STAY AT A PRETTY SMALL DEFICIT GOING FORWARD. WE EXPECTED THE FUND BALANCE TO BE STEADY AT FOUR TO \$5 MILLION. IF WE GO TO THE NEXT SLIDE WE'LL COMPARE THAT TO WHAT WE HAVE ACTUALLY SEEN. THE OPERATING BALANCE REMAINS POSITIVE. THE THING THAT IS A SLIGHT WORRY AT THIS POINT IS WHEN WE LOOK OUT TO ABOUT YEAR 10 OR 11 BECAUSE OF THAT STRUCTURAL DEFICIT WE EXPECT THE OPERATING BALANCE TO FLIP FROM A SURPLUS TO A DEFICIT. SOMETHING TO NOTE IS THE OPERATING BALANCE THAT WE EXPECTED WHEN THE DISTRICT WAS FORMED TO WHAT WE EXPECT NOW, IT'S VERY CLOSE EVEN THOUGH WHEN IT'S NEGATIVE, WHEN IT'S POSITIVE, IT'S LESS THAN 1%. LOOKING FORWARD TO YEAR 15 OF OUR FORECAST WE EXPECT THAT OPERATING BALANCE TO BE A DEFICIT OF ABOUT \$8 MILLION.

SO ONCE THAT OPERATING BALANCE SWITCHES TO A DEFICIT YOU START DRAWING DOWN THAT FUND BALANCE TO SIBS DIES OPERATING EXPENSES. NEXT ONE. THIS IS JUST A GRAPHICAL REPRESENTATION OF WHAT I JUST SHOWED YOU. THE RED LINE IN THE MIDDLE IS OUR EXPECTATION WHEN THE DISTRICT WAS FORMED. VERY SMALL SURPLUSES AND DEFICITS FOR THE FIRST TEN YEARS. THE LIBRARY WAS FORTUNATE ENOUGH TO HAVE HIGHER SURPLUSES, AND SOMETHING I SHOULD NOTE, THE LIBRARY AND RESISTED THE TEMPTATION TO TURN THAT INTO ONGOING COMMITMENTS KNOWING THAT AS WE GET INTO THE FUTURE THAT WE WOULDN'T BE ABLE TOLL SUPPORT THOSE LONGER TERM. IF WE GO TO THE NEXT ONE. SO THE FUND BALANCE RIGHT NOW WE EXPECT TO CONTINUE TO RISE TO LITTLE BIT OVER \$30 MILLION THEN AS THAT DEFICIT STARTS TO GET BIGGER WE EXPECT THAT TO DRAW DOWN GOING FORWARD. I HAVE ONE MORE. THIS JUST SHOWS THE PROPERTY TAX ACTUALS VERSUS OUR EXPECTATION. THE EXPENDITURES VERSUS EXPECTATION. PROPERTY TAXES CONTINUE TO BE A LITTLE BIT HIGHER THAN WE EXPECTED. THEN EXPENDITURES, THE RED LINE WAS THE EXPECTATION OF THE BASE MODEL. THE GREEN LINE IS WHAT WE HAVE SEEN IN THE UPDATED FORECAST. IN YEAR FIVE THOSE ARE CROSSING. WE EXPECT EXPENSES TO BE SLIGHTLY HIGHER THAN WHAT WE HAD INITIALLY FORECASTED GOING FORWARD. THAT IS IT FOR ME. I WOULD BE HAPPY TO ANSWER QUESTIONS NOW OR WHEN WE'RE DONE WITH THE PRESENTATION.

Chair Kafoury: QUESTIONS FOR JEFF? THANK YOU. YOU HAVE A QUESTION?

Vailey Oehlke: THIS IS A FAMILIAR SLIDE YOU'VE ALL SEEN. THIS IS A REPRESENTATION OF THAT TRANSFER FROM THE LIBRARY DISTRICT FUND

WHERE WE RECEIVE THE REVENUE INTO THE COUNTY LIBRARY FUND WHERE WE EXPEND IT. ANY QUESTIONS? THAT'S IT FROM US. THANK YOU VERY MUCH. I REALLY APPRECIATE YOUR CONTINUED SUPPORT. YOU CAN ALWAYS FIND ME LATER IF YOU HAVE OTHER QUESTIONS.

Chair Kafoury: I DID HAVE A COUPLE QUESTIONS. WHEN YOUR FIRST SLIDE POPPED UP, I REMEMBER IT WAS A BIG DEAL WHEN WE CHANGED THE LOGO. HAVE YOU JUST SMOOTHED THE TRANSITION?

Vailey Oehlke: WE'RE GOING TO START SELLING A LITTLE BIT OF SWAG WITH THAT LOGO THAT I THINK PEOPLE WILL LOVE. I'M NOT GOING TO TELL YOU WHAT IT IS. I WANT YOU TO BE SURPRISED

Chair Kafoury: YOU ALSO DID NOT MENTION IN YOUR PRESENTATION THE ROLE THAT YOU PLAY IN OTHER COUNTY SERVICES. A LITTLE BIT YOU TALKED ABOUT WITH PEOPLE EXPERIENCING HOMELESSNESS. PEOPLE WHO DON'T HAVE OTHER PLACES TO GO. BUT YOU DIDN'T TALK ABOUT YOUR ROLE IN OUR ELECTIONS. VERY IMPORTANT ROLE. WE JUST HAD ONE ON TUESDAY. DO WE KNOW HOW MANY DROP OFF, THE PERCENTAGE OF VOTERS WHO DROP OFF THEIR BALLOTS AT THE LIBRARY?

Vailey Oehlke: LAST NUMBER I HAD WAS A COUPLE OF YEARS AGO. IT WAS THE GENERAL ELECTION. WE COLLECTED 25% OF THE BALLOT THAT YEAR, AND I HAVE NO REASON TO DOUBT THAT'S DIFFERENT THIS YEAR. I GOT A LOT OF ANECDOTAL EVIDENCE FROM STAFF TUESDAY NIGHT. MY FAVORITE STORY WAS THE HOLGATE BRANCH, THAT'S ALL IT WAS PEOPLE DROPPING OFF BALLOTS UNTIL 8:00. OUR DEPUTY DIRECTOR WAS THERE SHADOWING AND SHE SAID THERE WAS A GUY WHO CAME RUNNING IN AND THEY HAD THE TAPE. THEY HAVE TO CLOSE IT AT 8:00. THE STAFF HAD THE TAPE READY TO PUT ON THE BOX. HE'S LIKE, NO, NO, NO! I HAVE TO VOTE. HE LITERALLY RUNS INTO THE BRANCH AND DROPPED IT IN 7:59 AND 59 SECONDS. THEN HE SAID, "MY WIFE IS GOING TO KILL ME. I FORGOT HER BALLOT." [LAUGHTER] IT'S A VERY IMPORTANT ROLE. IT'S A BIG DEAL FOR US. PEOPLE CALL OUR STAFF TO GO ABOVE AND BEYOND AND WE'RE HAPPY TO DO T.

Chair Kafoury: VERY IMPORTANT. LASTLY WHENEVER I TELL MY FRIENDS OR NEIGHBORS THAT I'M GOING TO A BUDGET HEARING OR SOMETHING TO DO WITH THE LIBRARY THEY SAY, I SHOULD COME BECAUSE I'M THE NUMBER ONE LIBRARY USER IN MULTNOMAH COUNTY. I HAVE HEARD THAT FROM MANY PEOPLE. EVERYONE THINKS THEY ARE THE NUMBER ONE UTILIZER OF LIBRARY SERVICES.

Vailey Oehlke: WE SHOULD JUST GIVE EVERYBODY A BADGE THAT SAYS THAT. THEY MIGHT GET SUSPICIOUS!

Chair Kafoury: THANK YOU VERY MUCH.

Vailey Oehlke: THANK YOU. ENJOY YOUR LUNCH.

Chair Kafoury: THAT'S IT FOR THIS WEEK OF BUDGET. BUT WE'LL BE BACK NEXT WEEK WITH MORE BUDGET. ALL BUDGET, ALL THE TIME. [GAVEL]

**ADJOURNMENT – 12:10 p.m.**

[CAPTIONS PROVIDED BY LNS CAPTIONING AND MAY INCLUDE INACCURATE WORDS OR PHRASES DUE TO SOUND QUALITY, OTHER TECHNICAL DIFFICULTIES AND/OR SOFTWARE ERRORS.]

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Submitted by:  
Marina Baker, Board Clerk  
Board of County Commissioners  
Multnomah County, Oregon