

Budget Review 2025-26

Multnomah County Library



BUDGET HIGHLIGHTS

- The overall budget for FY 2025-26 is \$234.1 million, increasing by \$3.5 million or 1.5%.
- The district's budgeted fund balance has grown significantly in recent years. This trend continues with this budget's beginning fund balance reaching \$111.9 million. The majority of this is \$71 million in the district's Capital Fund to support infrastructure-related expenses.
- The district, with the help of an external consultant, has developed a staffing plan to reassign staff and realign service coordination. This resulted in 542 FTE, up from 539 FTE.
- Transfers decreased from \$16 million to \$5 million as the General Fund transferred fewer dollars to the Capital Projects fund for future infrastructure needs.
- The expenditure-only (not including transfers, contingency, or fund balance) budget is \$126.8 million, increasing by \$4.8 million, attributed to an increase in the amount sent to Multnomah County for IGA and the Special Projects sub-fund.
 - Personnel Services will increase by 4% from \$74.9 million to \$77.9 million in FY26.
 - Internal Service Charges will increase by 11% or \$2.7 million.
- The Library District will pass \$5.9 million to the Library Special Projects program in the Multnomah County budget. This will allow the district to:
 - Support several time-limited operating projects and limited duration positions.
 - Assist the library in navigating temporary space, technology expenses, and other needs arising from bond projects.
- The district will not increase the tax rate with this budget. It will remain at \$1.22 per \$1,000 AV.

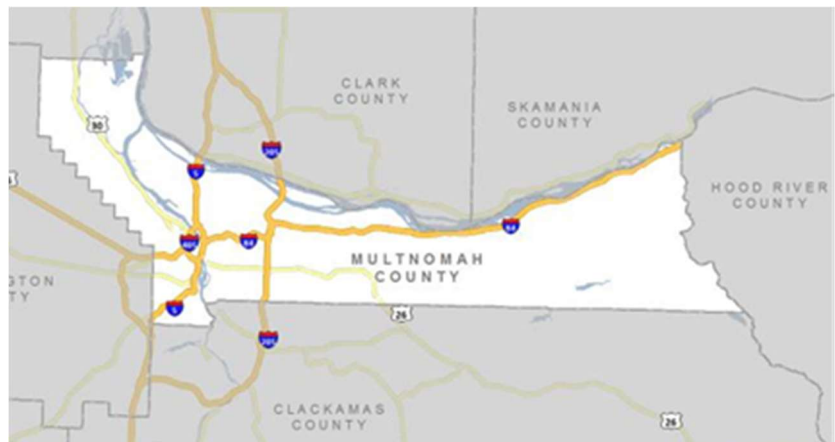
INTRODUCTION & BACKGROUND

The Multnomah County Library District's boundaries are the same as the Multnomah County's boundaries.

Voters approved a permanent Library District at the General Election on November 6, 2012.

Until the passage of the 2012 measure, voters supported the library with property tax dollars from dedicated temporary levies and Multnomah County's General Fund.

The Board of County Commissioners governs the district as the Multnomah County Library District Board. In addition, a volunteer Library Advisory Board meets monthly to monitor library activities and advise the Library District Board and staff on library issues.



The district contracts with Multnomah County to operate the Library District. The detailed expenditures are in the Multnomah County Budget's Library Fund, and the renovation and construction are recorded in the county's Library Capital Construction Fund. Disbursements of these funds are explained in the requirement section of this review.

The district developed a Strategic Plan in 2025. Here are the Mission, Vision and Values, as well as goals and priorities, included in that plan:

Mission, Vision, and Values

Multnomah County Library's Mission: Empowering our community to learn and create

Values — The deeply held beliefs at the heart of the library

- The library works in relationship and partnership, centering communities furthest from opportunity in order to create equitable access to library resources and information.
- The library acknowledges and honors the resilience, wisdom and knowledge of our community members and staff most impacted by the living legacy of racism and oppression. The collective wisdom of these communities is at the heart of the library's journey toward a more equitable library system.
- To facilitate and inspire learning, the library invests in specialized, culturally and linguistically relevant expertise and support to build active, trusting relationships with learners of all ages, from birth through adulthood.
- The library serves as a leading advocate for reading in Multnomah County, centering communities that experience the greatest barriers in literacy support, in order to support lifelong learning for the entire community.

Goals — What the district wants to accomplish with focused effort

The library will:

- Create public, popular, and personal opportunities and access to life-long learning and contribute to improved learning outcomes for all communities.
- Adapt library services and materials so the organization can grow with, and be responsive to, our shared communities.
- Help people access and learn to use computers, internet and other technology to remove digital barriers.
- Create welcoming spaces that reflect our diverse and multicultural community.
- Support the practice of democracy and self-determination with services, spaces and resources.
- Ensure positive experiences for community members with library staff, spaces, materials, and services.
- Collaborate with communities to create flexible buildings and spaces that can adapt to the changes in community needs and hopes.

Service Priorities:

The library allocates staffing and funding resources to ensure the public can reliably access the following four service areas listed in priority order:

- Library spaces with accompanying collections, technology and direct customer services
- Information and referral services
- A library website and public access catalog

- Programs and activities that foster:
 - a. Literacy development and interest
 - b. Create awareness of library services or information resources
 - c. Or provide opportunities for creativity and learning

The district operates 19 libraries and a mobile library:

- Central Library in downtown Portland;
- Five regional libraries (Belmont, Gresham; Hillsdale, Hollywood and Midland); and
- Thirteen neighborhood libraries.

| Multnomah County Library | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|-------------------------------------|--------------|--------------|--------------|--------------|
| Assessed Value in Billions | \$85.289 | \$89.181 | \$96.475 | \$100.172 |
| Real Market Value (M-5) in Billions | \$194.226 | \$208.981 | \$210.677 | \$206.698 |
| Property Tax Rate Extended: | \$1.2200 | \$1.2200 | \$1.2200 | \$1.2200 |
| Measure 5 Impact | \$-4,059,918 | \$-3,807,245 | \$-3,887,388 | \$-4,748,263 |
| Number of Employees (FTE's) | | | | |
| County Employees in Library Fund | 537 | 545 | 549 | 539 |

The Library District is in a transitional period, with the expansion and modernizing of many library spaces brought about by the \$387 million voter-approved bond levy. These dollars are collected and tracked in the Multnomah County budget.

MIDLAND LIBRARY



(Photo taken from the library's website)

The expanded Midland Library went from 24,400 square feet to 30,000 square feet on the existing site. Midland Library is one of the highest usages of any of the library location in the county. TSCC held the Local Budget Law Training in this facility in January 2025.

BUDGET OVERVIEW

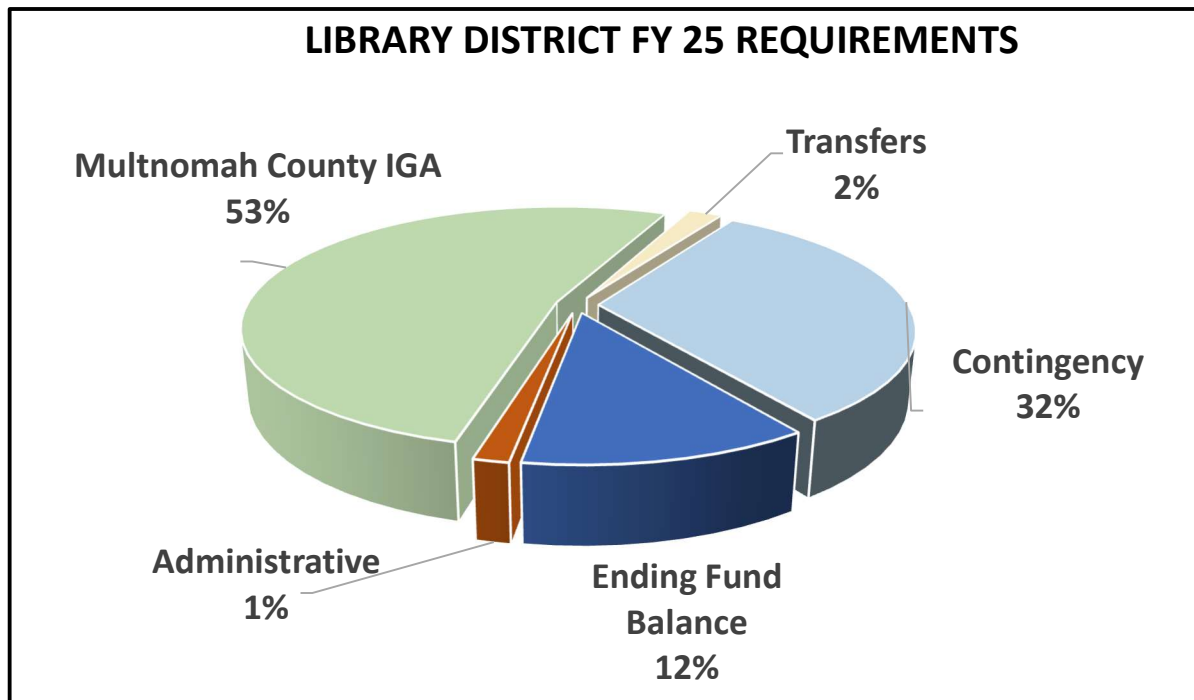
The Library District's budget is based on an intergovernmental agreement between Multnomah County and the Library District. The FY26 budget is \$234.1 million, increasing by \$3.5 million (1.5%). The beginning fund balance increased by \$14.7 million as the district continues to build a fund balance in the Capital fund.

In FY23, the Library District established a five-year plan to spend a portion of this fund balance on special projects. These resources are placed in a Multnomah County's Library Fund sub-fund. Of the district's \$123.2 million passed to Multnomah County, \$5.9 million will be spent on these projects and reported in a program in the Multnomah County Library sub-fund. This sub-fund was established to distribute one-time resources to help navigate temporary space, technology, and other needs arising from the capital bond program. This is explained in more detail later in this review, under Library Fund 1510, Department Administration.

RESOURCES

The district's maximum permanent tax rate is \$1.2400 per \$1,000 assessed value. When the district was created in 2012, it levied \$1.1800. Since then, the levy rate has increased incrementally to \$1.2200. Multiple years of sustained inflation has the district closely watching the financial forecast. Per the district's budget message, "The Multnomah County Budget Office forecast showed a deficit for the Library District at this rate next fiscal year, but multiple years of forecasted deficits due to slowing property tax revenue growth and uncertainty about the library's post-bond expense landscape warrant a cautious approach to raising the levy rate to its maximum level". This budget indicates a growth in property taxes of 2% over the current year's revised budget. Other revenue sources total \$1.9 million, including fines and fees, grants and gifts, and interest earned on investments.

REQUIREMENTS



The Library District's expenditures total \$126.8 million. The district will pay \$117.3 million to satisfy the IGA with Multnomah County and \$5.9 million to the special projects fund to support several time limited operating projects and limited duration positions. The district will pay \$3.5 million in FY 26 to the Multnomah County Library Capital Construction Fund to augment specific projects related to the bond work. The Library District does not pay for these expenditures directly from the Library District Capital Fund. Instead, it will pass the resources to the Library Capital Construction Fund in the county's budget to administer these projects. The Library District's Capital Fund budgets everything but these pass-through dollars in contingency (\$73.2 million).

GENERAL FUND

For FY26, the General Fund budget total is \$157.4 million, decreasing by just over a million dollars, or less than one percent. driven by the decrease of \$2.3 million in the other income (grants and donations). Of the \$123 million in pass-through dollars to Multnomah County, \$117.3 million will cover the cost of the IGA, and \$5.9 million will allow the district to maintain continuity within the library system during large capital construction projects over the next few years. These resources will help cover the cost of operational needs driven by the bond project disruptions, such as creating time-limited pop-up spaces to maintain an interim space for libraries being shut down during the capital bond project. The district will transfer \$4.9 million to the Capital Fund. This transfer is considerably less than the \$16.1 million transferred in the current year.

GENERAL FUND RESOURCES

At a \$1.2200 per thousand AV rate, property taxes will generate \$114 million. The tax rate is unchanged from the current year. The district will be monitoring the ratio of revenue to expenses carefully in future years to be sure the rate is sufficient for the district's needs. When combined with other revenues, the district anticipates receiving \$116.0 million in FY 26, over \$7.2 million less than budgeted operating expenditures of \$123.2 million. This would not be sustainable over a long period of time. However, for FY 26 this will not present a problem as the district is well positioned to meet these challenges caused by slow revenue growth and rising costs.

GENERAL FUND REQUIREMENTS

In addition to the \$117 million pass-through expenditure for the IGA Multnomah County and \$5.9 million to supplement the cost of maintaining continuity within the library systems, the district will carry a \$1,000,000 contingency. The Library District has earmarked \$6.2 million for future expenditures, which is \$2 million above the current reserved amount. The \$28 million in ending fund balance exceeds the policy to maintain ten percent of current property taxes to carry into the following year.

All expenditures are classified as **materials and services** since the contract with Multnomah County is the only expenditure. In the FY26 Approved Budget, the contracted services will cost \$117,315,331, and the sub-fund for special projects will realize \$5,932,198.

OTHER SIGNIFICANT BUDGET AREAS

OTHER LIBRARY DISTRICT FUNDS

The district has one fund in addition to the General Fund. It is the **Capital Projects Fund**. According to district policy, this fund is used only for expenditures associated with capital-related activities. The only source of revenue is a transfer from the General Fund. The district will does not spend directly out of this fund. It is be used to augment the Multnomah County Library Capital Construction fund for operational needs related to the bond projects. The Library District will send \$3.5 million to this fund in FY26 and hold \$73.1 million in contingency.

MULTNOMAH COUNTY LIBRARY OPERATING BUDGET FUND 1510

As mentioned, the Library District pays Multnomah County to operate its library system. In FY26, this expenditure will grow from \$118.7 to \$123.3 million. The detailed library expenditure budget is in the Multnomah County Budget's Library Fund 1510. The amount received from the Library District increased by 3.9% over the current year. The following paragraphs and chart will refer to the program within the county's budget to explain how the county uses the revenue received to benefit the district.

| LIBRARY FUND 1510 BUDGET TRENDS | | | | | |
|--|-------------------|-------------------|--------------------|--------------------|---------------|
| | FY 23 | FY 24 | FY 25 | FY 26 | |
| | Actual | Actuals | Adopted | Approved | Change |
| Personnel Services | 59,037,499 | 60,828,948 | 74,928,868 | 77,929,043 | 4.0% |
| Contractual Services | 1,360,718 | 2,412,809 | 4,788,237 | 5,651,692 | 18.0% |
| Materials & Supplies | 12,277,876 | 12,754,932 | 13,999,520 | 12,021,893 | -14.1% |
| Internal Services | 20,407,725 | 21,097,695 | 24,991,290 | 27,679,901 | 10.8% |
| Capital Expenditures | 20,054 | 8,165 | 0 | 0 | 0.0% |
| Total Expenditures | 93,103,872 | 97,102,549 | 118,707,915 | 123,282,529 | 3.9% |
| Staffing FTE | 545 | 549 | 539 | 542 | 3 |

(information from this chart was found on www.multco.us/Budget-Library page 10)

Consistent with historical trends, the most significant portion of these funds are used for personnel services to operate the libraries (63%), contractual services for library operations (5%), internal services provided by Multnomah County (22%), and materials and services (10%) to keep the libraries clean, safe, secure and with up-to-date materials.

Another breakdown of these expenditures is by division. The resources will be distributed to the two divisions within the Library Fund. They are:

- 1) Department Administration (\$36.7 million) and
- 2) Public Service (\$86.5 million).

The **Department Administration** provides executive leadership and a strategic vision for the library. There are 64 FTE positions in this division. This fund's development and administration will help improve communications and transparency around planned spending within the Library District. It also contains the Library Special Projects sub-fund. These resources will mitigate the service-level impacts to the public as a result of bond-related closures by funding discrete operating projects and other one-time-only expenditures that is not considered part of the library's regular ongoing operating budget. In FY26 the projects will include:

- Interim space needs during bond-related closures
- Implementation of the Continuity of Library Services project
- Temporary storage of collections
- Resources to support opening day celebrations for major bond projects
- Limited duration positions for short-term projects and workload spikes
- Planning for staff technology needs in new, larger buildings

The **Public Services Division** includes 19 libraries and the Mobile Library. This division is accountable for the following programs:

- Community Information (\$2.0 million)
 - In-person and virtual programming
 - Phone, email, text and chat
- Library Events and Reader Services (\$3.0 million)
 - Adult literacy
 - Digital literacy and technology classes
 - Creative learning spaces
- Community Engagement (\$2.4 million)
 - Provide services to people with limited or no access to library services
 - Provide services to those with disabilities
 - Public training programs
- Youth Development (\$1.5 million)
 - Summer reading
 - Storytime coordination and training
 - Library Connect
- Integrated Library Services (\$16.6 million)
 - Buys, catalogs, curates, and processes print and electronic/digital resources
 - Manages inter-library loans, periodical subscriptions, databases, and online resources
 - Supports the movement of library materials
 - Oversees Library's security program
- Public Services Division Management (\$9.6 million)
 - Project management
 - Data management & analysis
 - Evaluation design
 - Oversee Library Security

The total budget for the Public Services division is \$86.5 million and includes 478 FTE positions.

A new staffing plan, supported by an external consultant and informed by the library's service statement and priorities will serve as the library's guide for ensuring adequate staffing and optimal library services for the new library spaces. It adds four new positions to the library, reassigns some staff members to realign services coordination. The plan emphasizes safety and security in the library spaces and will establish a pool of regular represented staff who are available to cover last-minute absences and other needs. Further adjustments are anticipated as the efficiencies gained from automated materials handling and new materials management software come into focus.

MULTNOMAH COUNTY LIBRARY BOND MEASURE

This bond measure and projects are not a part of the Library District's budget but are reported on in this review because the capital projects benefit the libraries in Multnomah County and are essential to the district's story. The majority of the funding from the bond is held in the Department of County Assets (DCA) program offers. The Library District is working with DCA to estimate expected ongoing increases in facilities and IT costs when new spaces open.

Voters approved a \$387 million bond measure in November 2020 to build, rebuild and renovate library facilities. The bond includes a "flagship" library in East Multnomah County; upgrades or replacement of seven

existing libraries; an upgrade to internet service speed where needed; and creates central materials handling and distribution center to increase efficiency and cost-effectiveness. The funding and project costs are all accounted for in the Multnomah County budget:

**In Fiscal Year 2026 and in the coming years, the library will take steps to mitigate the impact of increased costs with fiscal restraint and by carefully aligning positions and services with community needs. MCL's Service Statement and Priorities informed the implementation of a new staffing plan and will launch fully in FY 2026 as the library clarifies new workflows and roles.*

FY 2026 will be a year of progress and celebration for the library, as all 2020 capital bond projects are nearing completion. The Library will open several new and expanded locations in 2025 and 2026:

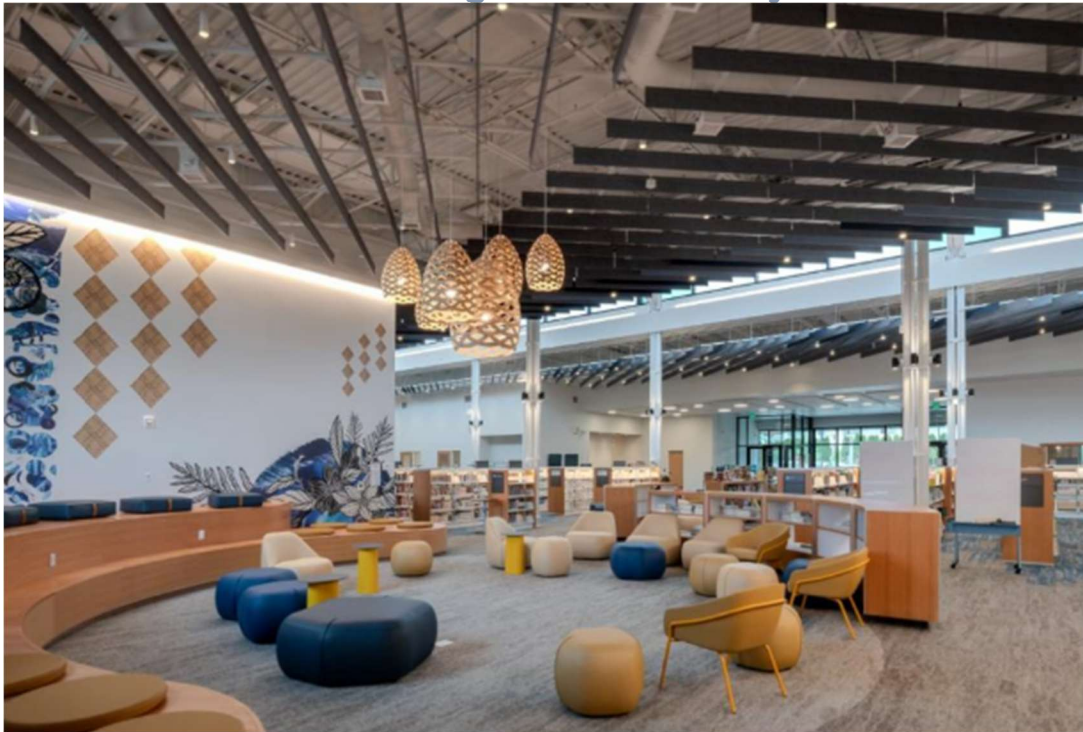
- *Albina Library, with 30,000 square feet of space that preserves and expands the historic Carnegie building, will open in summer 2025.*
- *Northwest Library will open winter 2025-2026 with 11,000 square feet in a new location.*
- *Belmont Library is planned to open in summer 2026, expanding to 15,000 square feet while preserving the historic building.*
- *St. Johns Library will open in spring 2026, expanding to 8,500 square feet.*
- *Also in spring 2026, the 95,000 square foot East County Library will open. This new construction will be a regional asset comparable in size and offerings to Central Library.*

In addition to these major construction projects, each library at MCL is receiving upgrades and renovations through the capital bond project, and several refresh projects were completed in FY 2025. In FY 2026 Hollywood, Kenton, Rockwood, Sellwood-Moreland and Woodstock libraries will all be refreshed with new paint, carpet, shelving, furnishings, and technology.

All of this work will modernize and transform library spaces, adding new spaces to meet, gather and relax; children's play and learning spaces; dedicated teen spaces with technology; flexible programming and community rooms; modern technology and internet; outdoor plazas, and new art that represents the community¹.

¹ This was taken from www.multco/budget-Library

Centering the Community



(Photo and the following information were taken for the library's website)

The district heard from the community through focus groups, public meetings, surveys, workshops and more. Midland Library supports one of the most culturally diverse areas in the region. Community input should reflect that diversity. That's why the library and design team worked with the Community Design Advocates as part of a paid program. Their mission was to connect with the communities about how this library can respect them.

These are some of the groups they worked with:

- *Latinx Families*
- *Chinese Community*
- *Black parents and youth*
- *Vietnamese community*
- *Slavic communities*
- *Indigenous communities*
- *People experiencing homelessness*
- *Disability community*
- *Seniors*

For teen spaces, they gathered some exciting ideas and updates through a four-week -long paid teen program in partnership with Your Street Your Voice. Teens shared what matters most to them in the space, with areas for hanging out, technology access and creative expression.²

² The photo and information were taken from the Library District's website

DEBT STATUS

The Library District has no outstanding debt. As explained above, Multnomah County maintains the General Obligation Debt for the Library District's capital projects.

BUDGET PROCESS & COMPLIANCE

| Yes | No | Compliance Issue |
|-----|----|---|
| x | | Did the district meet publication requirements? |
| x | | Do resources equal requirements in every fund? |
| x | | Are contingencies shown only in operating funds? |
| x | | Did the budget committee approve the budget? |
| x | | Did the budget committee set the levy? |
| x | | Does the audit show the district was in compliance with Local Budget Law? |

LOCAL BUDGET LAW COMPLIANCE

The FY 2025-26 budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purposes shown.

The audit report for fiscal year FY 2023-24 notes no exceptions.

CERTIFICATION LETTER RECOMMENDATIONS AND OBJECTIONS

TSCC staff notes no deficiencies in the district's FY 2025-26 budget development process, and we recommend the Certification Letter contain no recommendations or objections.

Multnomah County Library District

Budget Summary

| | 2022 - 2023 | 2023 - 2024 | 2024 - 2025 | 2025 - 2026 | % |
|---|--------------------|--------------------|--------------------|--------------------|--------------|
| | Actual | Actual | Revised | Approved | Change |
| <u>SUMMARY OF ALL FUNDS</u> | | | | | |
| PROPERTY TAX BREAKDOWN: | | | | | |
| Permanent Rate Property Taxes | 100,532,942 | 108,191,772 | 111,659,046 | 114,117,545 | 2.2% |
| Prior Years Property Taxes | 1,277,712 | 1,457,401 | 1,322,431 | 1,275,126 | -3.6% |
| TOTAL PROPERTY TAX | 101,810,654 | 109,649,173 | 112,981,477 | 115,392,671 | 2.1% |
| RESOURCES: | | | | | |
| Beginning Fund Balance | 71,941,836 | 84,013,990 | 97,243,930 | 111,915,307 | 15.1% |
| Property Taxes | 101,810,654 | 109,649,173 | 112,981,477 | 115,392,671 | 2.1% |
| Fees and Charges | 18,073 | 20,369 | 15,000 | 15,000 | 0.0% |
| Other Income | 6,107,459 | 8,374,925 | 4,235,738 | 1,907,660 | -55.0% |
| Transfers In | 18,456,969 | 2,311,202 | 16,141,902 | 4,850,050 | -70.0% |
| TOTAL RESOURCES | 198,334,991 | 204,369,659 | 230,618,047 | 234,080,688 | 1.5% |
| REQUIREMENTS BY OBJECT: | | | | | |
| Personnel Services | 1,041 | 0 | 0 | 0 | 0.0% |
| Materials & Services | 95,855,116 | 97,179,528 | 122,292,915 | 126,777,529 | 3.7% |
| Capital Outlay | 7,875 | 0 | 0 | 0 | 0.0% |
| Fund Transfers | 18,456,969 | 2,311,202 | 16,141,902 | 4,850,050 | -70.0% |
| Contingencies | 0 | 0 | 69,420,410 | 74,161,085 | 6.8% |
| Ending Fund Balance | 84,013,990 | 104,878,929 | 22,762,820 | 28,292,024 | 24.3% |
| TOTAL REQUIREMENTS BY OBJECT | 198,334,991 | 204,369,659 | 230,618,047 | 234,080,688 | 1.5% |
| <u>SUMMARY OF BUDGET - BY FUND</u> | | | | | |
| General Fund | 142,551,365 | 147,268,593 | 158,397,637 | 157,389,603 | -0.6% |
| Capital Projects Fund | 55,783,626 | 57,101,066 | 72,220,410 | 76,691,085 | 6.2% |
| GRAND TOTAL ALL FUNDS | 198,334,991 | 204,369,659 | 230,618,047 | 234,080,688 | 1.5% |
| <u>DETAIL OF GENERAL FUND</u> | | | | | |
| RESOURCES: | | | | | |
| Beginning Fund Balance | 36,995,058 | 31,292,670 | 41,265,422 | 40,074,272 | -2.9% |
| Property Tax | 101,810,654 | 109,649,173 | 112,981,477 | 115,392,671 | 2.1% |
| Fees and Charges | 18,073 | 20,369 | 15,000 | 15,000 | 0.0% |
| Other Income | 3,727,580 | 6,306,381 | 4,135,738 | 1,907,660 | -53.9% |
| Transfers In | 0 | 0 | 0 | 0 | 0.0% |
| TOTAL FUND RESOURCES | 142,551,365 | 147,268,593 | 158,397,637 | 157,389,603 | -0.6% |
| REQUIREMENTS: | | | | | |

| | | | | | |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------|
| Parks, Recreation and Culture | 92,801,726 | 96,109,528 | 118,492,915 | 123,247,529 | 4.0% |
| Transfers Out | 18,456,969 | 2,311,202 | 16,141,902 | 4,850,050 | -70.0% |
| Contingencies | 0 | 0 | 1,000,000 | 1,000,000 | 0.0% |
| Ending Fund Balance | 31,292,670 | 48,847,863 | 22,762,820 | 28,292,024 | 24.3% |
| TOTAL FUND REQUIREMENTS | 142,551,365 | 147,268,593 | 158,397,637 | 157,389,603 | -0.6% |