

**Overview and Initial Issues Identification  
THE SEATTLE PUBLIC LIBRARY**

Staff: Sara Belz and Patricia Lee  
Date Prepared: October 14, 2010

*Expenditures/Revenues*

	2009 Actuals	2010 Adopted Budget	2011 Proposed Budget	% Change 2010 to 2011	2012 Proposed Budget	% Change 2011 to 2012
<b>Expenditures by BCL</b>						
Administrative Services	\$8,274,000	\$8,436,000	\$9,072,000	7.5%	\$9,338,000	2.9%
City Librarian's Office	\$1,291,000	\$1,286,000	\$986,000	-23.3%	\$1,017,000	3.1%
Human Resources	\$1,118,000	\$1,195,000	\$1,018,000	-14.8%	\$1,031,000	1.3%
Information Technology	\$2,539,000	\$3,288,000	\$3,220,000	-2.1%	\$3,216,000	-0.1%
Library Services	\$37,248,000	\$36,765,000	\$35,857,000	-2.5%	\$36,790,000	2.6%
<b>Total Expenditures</b>	<b>\$50,470,000</b>	<b>\$50,970,000</b>	<b>\$50,153,000</b>	<b>-1.6%</b>	<b>\$51,392,000</b>	<b>2.5%</b>
<b>Total FTEs</b>	<b>533.61</b>	<b>527.05</b>	<b>505.6</b>	<b>-4.1%</b>	<b>504.6</b>	<b>-0.2%</b>
<b>Revenues</b>						
General Subfund	\$48,164,000	\$49,205,000	\$47,299,000	-3.9%	\$48,630,000	2.8%
Other Revenue Sources						
Copy Services / Pay for Print	\$177,000	\$159,000	\$234,000	47.2%	\$234,000	0.0%
Fines and Fees	\$1,112,000	\$982,000	\$1,674,000	70.5%	\$1,570,000	-6.2%
Parking Revenue	\$298,000	\$377,000	\$300,000	-20.4%	\$300,000	0.0%
Space Rentals**	\$0	\$0	\$400,000		\$412,000	3.0%
Cable Franchise Fees	\$150,000	\$190,000	\$190,000	0.0%	\$190,000	0.0%
Other	\$71,000	\$56,000	\$56,000	0.0%	\$56,000	0.0%
<b>Total Revenues</b>	<b>\$49,972,000*</b>	<b>\$50,970,000</b>	<b>\$50,153,000</b>	<b>-1.6%</b>	<b>\$51,392,000</b>	<b>2.5%</b>

\*Revenues exceed expenditures in 2009 due to a carry forward from the 2008 materials budget and the use of fund balance to meet a mid-year spending reduction target.

\*\* Revenue from Central Library space rentals is not shown prior to 2011 as this was a pilot project launched when the Central Library opened so the fee revenue and staffing costs were not included

in the Library operating fund. It is now a well-established program and therefore added to SPL's operation plan. This is a cost neutral change to SPL's budget.

**Introduction:**

The Seattle Public Library (SPL) is unique among City Departments in that the City Charter and Washington Administrative Code grant the Library Board the ultimate authority over how SPL's annual General Subfund appropriation is expended. After the City Council approves SPL's annual allocation of General Subfund support, the Library Board adopts SPL's annual Operation Plan. SPL then provides the Council with a copy of the Operation Plan together with a memorandum that identifies any substantive changes made by the Library Board compared to the previous year's budget.

The 2011 Proposed Budget for SPL is \$50.1 million and reflects a 1.6% reduction (\$817,000) from the 2010 Adopted Budget. This level of funding is close to what SPL received in 2009 (\$49.9 million). SPL's 2012 Proposed Budget is \$51.4 million and reflects a 2.5% increase (\$1.2 million) over the 2011 Proposed Budget. This increase is the result of projected adjustments to labor and other operating expenses, fee revenue increases and \$3.7 million in reductions to the Library's 2011-2012 baseline budgets. No new costs or programs are assumed.

To provide an integrated system of library services for the whole city with reduced revenues in 2011 and 2012 SPL used the following principles:

- Preserve current operating hours
- Make reductions that are sustainable
- Look for internal efficiencies
- Reduce the library's dependence on the general subfund
- Be cognizant of the race and social justice impacts of their decisions

The 2011-2012 Proposed Budget does not call for any reductions to branch library operating hours. For 2010, the Council added \$860,000 to SPL's budget in order to restore operating hours at six branch libraries. This funding is sustained in the 2011-2012 Proposed Budget. Additional information on operating hours is under Section III Continuing Challenges in this memo.

SPL has provided a comprehensive set of materials that are behind Tab 21 in your notebooks. This memo highlights: I. Major Changes in SPL's 2011-2012 Proposed Budget, II. Savings in Labor Costs, and III. Continuing Challenges SPL faces.

**I. Major Changes in SPL's 2011-2012 Proposed Budget**

To continue to provide an integrated system of library services with reduced revenues, SPL proposes the following changes.

***1) Restructure Branch Library Management and the Delivery of Branch, Mobile and Web Library Services***

Currently all 26 branch libraries are staffed by a team of 13 branch librarians and 13 assistant managers with each team managing two branches. Management of the branches is overseen by three regional managers.

In 2011 the staffing will be reorganized. The branch library manager classification will be eliminated. Three additional regional managers will be added and these six regional managers will now oversee 4-5 branches in a region. Six positions will be added, and one will be transferred from the Central Library, to provide a total of 20 assistant managers. Two assistant managing librarians will be added at the Central Library to help with system-wide services and programming.

Which staff are physically at the branches will change; however it is the intent of SPL that the same level of management and administrative support will be maintained. Fourteen branches will be staffed by a full time assistant manager, and 12 will be staffed by an assistant manager and lead clerical staff person. The assistant manager is responsible for the physical operation of the branch, e.g. opening and closing the facility, responding to facility maintenance issues, overseeing staffing, and is the “go to “ decision maker in the building. The assistant managers and the other clerical branch staff will assist patrons with basic library services such as obtaining a library card, accessing the computers and finding library materials.

Eight of the branches will no longer have librarians assigned to their physical location. Librarians at branches provide collections maintenance, programming and research assistance. Those eight branches are Delridge, Fremont, International District/Chinatown, Madrona-Sally Goldmark, Montlake, New Holly, South Park and Wallingford.

While they will not have a librarian physically assigned to these branches, librarian services and research assistance will still be available. Librarians will continue to provide programming at these branches. Librarians at the Central Library will provide research and in-depth collections assistance through phone calls or email from patrons at these branch libraries. Volunteers will continue to provide after school tutoring and homework assistance. SPL expects its new service model to streamline branch management without a significant diminution of services to library patrons.

GSF funding reduction: \$1,683,000 in 2011 and \$1,806,867 in 2012  
FTE reductions: 18.4 FTE in 2011 and 19.79 FTE in 2012

SPL will also restructure its Mobile and Web Services to achieve cost efficiencies. These internal operation changes, while improving service delivery, will be invisible to the public.

In addition, SPL will sustain the staffing reductions implemented in mid-year 2010. The continuation of mid-year reductions in public services, technology, janitorial and human resources staffing total \$691,000 in 2011 and 712,000 in 2012 and 8.15 FTE.

2) ***Reduce SPL’s collections budget and abrogate positions associated with the management of the collection.***

The SPL collections budget will be reduced by \$882,000 in 2011 and \$1,099,000 in 2012. This 11.5% reduction will leave a collections budget of \$5.3 million in 2011 and \$5.1 million in 2012. These reductions include elimination of 3.0 FTE collections processing staff. A review of the collections budget is in Section III Continuing Challenges in this memo.

3) ***Increase various fines and fees.***

SPL will raise fines for overdue books, and copying services and will seek to collect outstanding fines. They anticipate they will raise an additional \$766,297 in 2011 and \$662,809 in 2012 above the amounts projected for 2010.

<b>Revenue Source</b>	<b>09 Actuals</b>	<b>10 Adopted</b>	<b>11 Proposed</b>	<b>12 Proposed</b>
Copy Services	76,103	60,000	75,000	75,000
Pay for Print	101,237	99,000	159,000	159,000
Fines and Fees	1,112,011	982,432	1,673,729	1,570,241
<b>Total:</b>	<b>\$1,289,351</b>	<b>\$1,141,432</b>	<b>\$1,907,729</b>	<b>\$1,804,241</b>

**II. Savings in Labor Costs**

***Close the entire SPL system for one week and reduce the COLA for all employees from 2.0% to 0.6%.***

In 2009 SPL staff took a one-week furlough; with the exception of four senior management staff who did not receive the 4.5% COLA increase in lieu of taking the one week furlough. In 2010 all SPL staff took a one-week furlough.

Under the 2011-2012 Proposed Budget, all SPL staff will take a one-week furlough in each of the next two years. In addition, represented employees have been asked to consider accepting the actual COLA of .6% in 2011 and 100% of the Consumer Price Index (CPI-W) in 2012 and forego their negotiated COLA minimum of 2%.

SPL operates its own personnel system and these proposed changes must be negotiated and voted on by the Washington State Council of County and City Employees, AFSCME, AFL-CIO Local 2083 and Local 2083 – Security who represent SPL employees. All non-represented employees would take the same furloughs and reduction in COLA.

The continued furloughs and proposed COLA reduction are expected to produce a cost savings of about \$1.1 million per year in 2011 and 2012.

**III. Continuing Challenges:**

1) ***Capital Improvement Program (CIP).***

SPL's Proposed CIP for 2011 is comprised of \$830,000 for Library Major Maintenance. This is \$200,000 less than SPL's overall capital budget for 2010. For 2012, the Proposed CIP calls for SPL's capital resources to be further reduced to \$600,000. Although many of SPL's 27 buildings were recently built or renovated with proceeds from the Libraries for All ballot measure and remain in good repair, ongoing reductions to SPL's capital budget will eventually impact the City's ability to keep its Central Library and branch libraries in safe working order. SPL's Proposed CIP for 2011 and 2012 may provide a temporary solution to current City budget

challenges but the proposed levels of funding are not sufficient to maintain SPL’s 27 buildings over the long-term.

SPL has several maintenance and small-scale capital projects that could be completed in 2011 with additional one-time funding. Carrying out some of these projects in the near-term could help to mitigate the risks associated with even lower CIP funding in 2012 and a possible accumulation of deferred maintenance projects in 2013 and beyond. These one time small scale capital projects are primarily at SPL’s landmark buildings, where LFA projects updated many, but not all, building components. With \$220,000 in additional resources SPL could address some building systems work, such as replacing the Green Lake branch boiler and updating lighting fixtures at three branches to improve energy efficiency and lighting effectiveness. With an additional \$165,000 SPL could also complete roof, building envelope, walkway and parking lot repairs at four of the Carnegie branches.

2) ***Collections budget.***

The maintenance of SPL’s collections budget has long been a concern of the Council’s and, for the past several years, the Council has added General Subfund support to SPL’s budget to enhance collections. The table below shows annual General Subfund allocations to SPL’s collections budget since 2005. It also includes SPL’s ideal collections budget, which is a figure that SPL staff update and provide to the Council on an annual basis.

***General Subfund Support for SPL’s Collections Budget (in millions) Compared to SPL’s Ideal Collections Budget, 2005-2012***

<b>Year</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2010 Adopted</b>	<b>2011 Proposed</b>	<b>2012 Proposed</b>
<b>General Subfund Allocation</b>	\$4.8	\$6.9	\$5.9	\$6.0*	\$5.3	\$5.1
<b>Ideal Collections Budget</b>	\$7.4	\$7.5	\$7.5	\$7.6	\$7.7	\$7.9
<b>Variation</b>	<b>-\$2.6</b>	<b>-\$0.6</b>	<b>-\$1.6</b>	<b>-\$1.6</b>	<b>-\$2.4</b>	<b>-\$2.8</b>

\*SPL’s 2010 collections budget was cut by \$446,000 as part of the City’s mid-year reduction process.

In September 2010, The Seattle Public Library Foundation (Foundation) announced it had received a \$500,000 pledge from an anonymous donor to support SPL. To collect the donation, the Foundation has set a goal of matching the pledged amount with \$500,000 in other gifts by the end of the 2010 calendar year. If the Foundation is able to achieve that goal, SPL’s collections budget for 2011 will be increased to at least \$6.3 million. The Foundation would likely use this type of gift for one time purchases such as digital archives and they do not anticipate the need for additional staff for this purpose.

However, even assuming a \$1 million infusion of one time funds from the Foundation, SPL’s total budget for collections in 2011 would still be \$1.4 million less than its “ideal” level of support.

If additional funding is provided for collections above \$250,000 an additional 1.0 FTE Library Technician 3 position (\$66,000) would be required in Cataloging Services and if \$500,000 in additional funding were provided a 1.0 FTE Library Technician 2 (\$61,000) in Acquisition/Processing services would also be required, in addition to the position added at the \$250,000 level.

3) ***Operating hours***

In 2010 SPL operating hours were reduced in order to respond to reduced revenues. While Council was able to restore some of the hours, the current operating hours are less than ideal. Currently 11 branches are open seven days a week for 60 hours a week, and 15 branches are open five days a week for 35 hours a week. Individuals with limited transportation options to use an alternative branch are particularly affected by the reduction in operating hours. If changes to operating hours were proposed, SPL would want any proposed changes to be sustainable. SPL has developed staffing models and cost estimates for various add back scenarios as restoring service hours is a Library Board priority.

4) ***Security staffing.***

Providing a safe library environment is important for both staff and patrons. The 2010 Adopted Budget provided \$1,042,125 for Safety and Security Services and SPL will maintain the existing safety and security services at the Central Library and 26 branch libraries. SPL has recently completed an evaluation that includes a review of the additional staffing provided by the city in 2009. This evaluation notes many improvements to the Library's security program in recent years and also describes challenges in maintaining safe environments which welcome over seven million visitors each year.

5) ***Diversification of SPL funding sources and potential ballot measure.***

SPL's heavy reliance on the General Subfund makes it particularly vulnerable to fluctuations in City revenues. Over the past two years, this vulnerability has grown increasingly apparent as competing pressures on the General Subfund have resulted in decreased operating hours at branch libraries and reductions to SPL's collections budget. Last fall, as part of the 2010 budget process, the Council adopted a Statement of Legislative Intent (SLI 95-1-A-1) that called on the City Librarian to work with the Library Board, the Executive, the City Attorney's Office, and Council staff to explore potential new sources of ongoing revenue for SPL. In July 2010, the Council's Regional Development and Sustainability Committee was briefed on the results of this work and the Council moved to file Clerk File 310921, which contains SPL's formal response to the SLI.

After reviewing the financing options described in the City Librarian's SLI response, the Regional Development and Sustainability Committee expressed particular interest in using voter-approved library levies to support a portion of SPL's budget on an ongoing basis. The City's first opportunity to put a library levy before the electorate would likely be in 2012. If approved by the voters, these levy funds could begin to supplant General Subfund support for SPL in 2013.

If the Council remains interested in exploring opportunities for a library levy in 2012, Central Staff could prepare a SLI that would direct the new City Librarian to work with an interdepartmental team to move forward with this work in 2011.