

March 26, 2019

MEMORANDUM

To: Members of the Select Committee on the Library Levy
From: Asha Venkataraman, Council Central Staff
Subject: Overview of the 2019 Library Levy Renewal Proposal

This memorandum provides information about the 2019 Seattle Public Library (SPL) Levy renewal proposal (“Libraries for All”) for 2020-2026. Specifically, the memo provides:

- Background on SPL bond and levy funding.
- Details of the 2019 Libraries for All levy renewal proposal.
- A description of Library governance, budgeting authority, and supporting organizations.
- The anticipated schedule for the Select Committee on the Library Levy (“Select Committee”).

Background on SPL Bond and Levy Funding

In 1998, voters approved the \$196.4 million “Libraries for All” bond measure supporting (1) the construction of four branch libraries in City communities without library services, (2) renovation or replacement of the 22 existing library branches at the time, and (3) development of the new downtown Central Library. All the work was completed in 2008, increasing access and services provided by the levy and contributing to large growth in Library usage in the following years. Visits increased 57 percent between 2000 and 2009, with a high of nearly 7.3 million patrons in 2009. However, the economic downturn in 2008 produced significant constraint on City revenues. By 2012, the City’s General Fund (GF) supported 95 percent of the Library’s operating budget, with the remainder backed by other, limited revenue sources generated from the Library itself, such as fines and fees, printing and copying, and private donations. Because the Library’s funding was tied closely to the decreasing support from the GF, starting in 2009, the SPL system was subject to week-long closures, with employees taking unpaid week-long furloughs and closing of additional branches several days of the week, along with reductions to amounts budgeted for collections. As a result, the City began to look at other sources of potential funding to add to the existing GF and Real Estate Excise Tax (REET) support to enable the Library to maintain core services.

Council passed [Ordinance 123851](#) to place a seven-year \$122.6 million levy on the ballot in 2012, which voters approved. Based on input from the community, the Library levy was created to support four major categories of spending: (1) Open Hours and Access; (2) Collections; (3) Technology; and (4) Regular and Major Maintenance. The levy funding would cover about 25 percent of the Library’s budget by 2019.

Like the 2012 process, the Library sought community input both through surveys and “Community Conversations” to determine which areas to prioritize for funding. The proposed levy renewal is based on this community input, the Library’s needs, and an equity analysis.

2019 Library Levy Renewal Proposal for 2020-2026: “Libraries for All”

The Library has proposed to renew the levy, collecting \$213.3 million over seven years. This amount includes \$167.4 million to retain the core services in the four major spending categories of the 2012 levy (adjustment for inflation resulting in a \$44.8 million change) and an additional \$45.9 million to enhance and improve services through further investment. The proposed use of funds in the four categories are described below.

1. Open Hours and Access

Preserving the core services funded in 2012 will now cost \$61.7 million over seven years after accounting for inflation. Currently, the Library is open a total of 1,377 hours per week across all locations as follows:

- The Central Library is open seven days a week, 62 hours a week;
- 13 branches are open seven days a week, each for 60 hours a week;
- Four branches are open seven days a week, each for 46 hours a week; and
- Nine branches are open six days a week, each open for 39 hours a week.

In addition, without needing any additional levy funding, the Library has decided to shift staffing workload so that each of the 26 branches will be able to stay open one additional hour on Sundays.

The additional \$5.8 million proposed to improve levy-funded services would be divided into: (1) \$4.0 million to add morning and evening hours to three libraries: High Point, South Park, and Chinatown-International District; and (2) \$1.8 million to add Friday hours to four libraries currently only open the other six days of the week: Delridge, Green Lake, New Holly, and Wallingford.

2. Collections

Accounting for inflation, preserving the same level of collections services as funded in 2012 will cost \$45.3 million. Currently, levy funds support collections investments such as increased access by acquiring more paper materials and e-materials, the Peak Picks program, obtaining more materials in many languages, including those of interest to underrepresented communities, more curation and digitization of local history resources, expanding digital collections such as e-audiobooks, and adding streaming services and online trainings.

Additional funds of about \$13 million would support \$5 million in funding to cover e-materials, which are higher-cost than traditional paper materials. It would also include \$8 million to cover the policy decision to eliminate fines for overdue materials.

3. Technology and Online Services

Adjusting for inflation, preserving the same core technology services as funded in the 2012 levy will cost \$16.2 million. Currently, levy funds support replacing and upgrading equipment at the end of its life, providing and supporting laptops, tablets, and mobile hotspots for use within the building and for check-out, and maintaining Americans with Disabilities Act (ADA) and language accessibility for the SPL website.

Additional funds of about \$13.2 million supports three sets of improvements. The first is \$4.0 million to replace the library operating system, which the Library has determined to be at the end of its useful life. This software/hardware manages materials, check-ins and checkouts, and allows patrons digital access. The Library's assessment of the system is that if it fails, SPL will not be able to operate.

The second is \$4.0 million to replace infrastructure that provides internet access at all library locations. This would fund both replacement for systems at the end of their useful life and provide capacity to handle expanded use of bandwidth-intensive materials by patrons.

The last is \$5.3 million to replace digital equity investments such as desktops, software, printers, and mobile hotspots. These expenditures have traditionally been supported by cable franchise fee revenue, which has been declining over the past several years.

4. Maintenance and Seismic Retrofits

After inflation, preserving the same core services as funded in 2012 will cost \$41.9 million. Currently, levy funds support both regular and preventative maintenance, such as custodial support carpet and upholstery cleaning, maintaining building components such as roofs, floors, HVAC and mechanical systems.

An additional \$13.8 million is proposed to fund ADA barrier removal, major maintenance, and unreinforced masonry (URM) seismic retrofitting at three branches: Columbia City, Green Lake, and University. The Seattle Department of Construction and Inspections (SDCI) issued a study in 2016 that identified seven branches at risk of injury and loss of life if an earthquake were to occur. The study identified the three branches named above as high-vulnerability locations. These three branches would be retrofitted to provide resistance to collapse and decrease damage to building systems. The Library estimates the amount of levy funds needed for these improvements are \$5.9 million for Columbia City, \$4.0 million for Green Lake, and \$3.9 million for the University branch.

A summary of the proposed use of levy revenues over seven years is provided in Table 1. Table 2 provides a more detailed breakdown of costs of improvement for each spending category.¹ Appendix A includes a summary of average annual costs, a breakdown of annual and monthly costs for baseline renewal and including improvement investments, and the City Budget Office's seven-year financial plan. The levy assumes a one percent under-recovery rate per year.

Table 1: Levy Renewal Costs Over 2020-2026 (in millions)

Investment Category	2012 Levy	A: Baseline Renewal	B: Improvements	(A + B) = 2019 Total Levy Costs
Open Hours and Access	\$44.0	\$61.7	\$5.8	\$67.5
Collections	\$33.0	\$45.3	\$12.9	\$58.3
Technology and Online Services	\$11.6	\$16.2	\$13.2	\$29.4
Maintenance/Seismic	\$32.5	\$41.9	\$13.8	\$55.7
Levy Administration	\$1.4	\$2.2	\$.2	\$2.4
Total	\$122.6	\$167.4	\$45.9	\$213.3

Table 2: Detailed Breakdown of Levy Renewal Improvement Costs for 2020-2026 (in Millions)

Investment Category	Cost
Open Hours and Access Subtotal	\$5.8
<i>Add AM/PM hours to 3 of 4 short schedule 7-day branches (subtotal)</i>	\$4.0
High Point	\$1.3
CID	\$1.3
South Park	\$1.3
<i>Add Friday hours to 4 of 9 remaining 6-day branches</i>	\$1.8
Delridge	\$0.45
Greenlake	\$0.45
Wallingford	\$0.45
New Holly	\$0.45
Collections Subtotal	\$12.9
Fine free access	\$8
E-Material budget increase	\$5
Technology and Online Services Subtotal	\$13.2
Replace library operating system	\$4
Internet access - replace core and branch switches	\$4
Digital equity – access to computer hardware, software, mobile hotspots	\$5.3
Maintenance/Seismic Subtotal	\$13.8
Seismic retrofit at Columbia	\$5.9
Seismic retrofit at Green Lake	\$4.0
Seismic retrofit at University	\$3.9
Levy Administration Subtotal	\$0.2
Planning for the Future	\$0.2
Total	\$45.9

¹ Numbers in Tables 1 and 2 may not sum exactly because of rounding.

Library Governance, Budgetary Control, and Supporting Organizations

Washington State law and the City's charter place authority for management and control of the library in a [board of five trustees](#), who are appointed by the Mayor and confirmed by Council "The Library Board").² Each board member serves for a five-year term, without pay, serving no more than two consecutive terms. The Library Board also selects and can remove the Chief Librarian. The Library Board has been in existence and running the Library system since 1901.

The Library Board is to submit their budget to Council, but "[t]he Library Board shall manage and control the public library as provided by State Law and shall alone have authority to expend the Library Fund."³ State law provides the Library Board with "exclusive control of the finances of the library."⁴ Each year after the Council approves the Library's operating and capital budget in the budget process, the Library Board adopts an operations plan using the funding provided.

Two non-profit organizations help fundraise additional funding for programs, services, and projects not covered by the operating budget: [The Friends of the Seattle Public Library](#) and the [Seattle Public Library Foundation](#). The Friends of the Public Library was founded in 1941 and raises money for the library primarily through an annual book sale and operating the [FriendShop](#) at the Central Library. It sponsors programs and initiatives such as expanding the Library's world languages and Book Group collection, and provides volunteers to advocate for, educate about, and raise funds. The Seattle Public Library Foundation was established in 1980 and secures and manages donations from individuals, business and foundations. It has funded programs and services such as bookmobiles, after-school programs, and initiatives with the Seattle Public Schools.

² RCW 27.12.190; SMC Charter Article XII.

³ SMC Charter Article VII Section 5.

⁴ RCW 27.12.210(5); RCW 27.12.240 ("After a library shall have been established or library service contracted for, the legislative body of the governmental unit for which the library was established or the service engaged, shall appropriate money annually for the support of the library. All funds for the library, whether derived from taxation or otherwise, shall be in the custody of the treasurer of the governmental unit, and shall be designated by him or her in some manner for identification, and shall not be used for any but library purposes. The board of trustees shall have the exclusive control of expenditures for library purposes subject to any examination of accounts required by the state and money shall be paid for library purposes only upon vouchers of the board of trustees, without further audit. The board shall not make expenditures or incur indebtedness in any year in excess of the amount of money appropriated and/or available for library purposes.").

Schedule

To meet the King County deadline to put the levy on the August 6, 2019 ballot, the Chair of the Select Committee expects consideration of the levy on the following schedule:

Date	Time	Action	Description
March 28, 2019	2:00 PM	Select Committee meeting	Overview of levy presented by the Mayor's Office and the Library
April 8	10:30 AM (or after Council Briefing)	Select Committee meeting	Central Staff presentation of issue identification
April 11	5:30 PM	Select Committee meeting/public hearing	Obtain public input, potentially discuss amendments
April 17	2:30 PM	Select Committee meeting	Final committee discussion, vote levy out of committee
April 22	2:00 PM	Council meeting	Vote and passage of levy legislation
Between April 22 and May 10	-	Transmittal to Mayor	Signature
May 10	-	Place levy on the August 6 ballot	Last day to file a ballot measure with KC elections

Attachments:

- Appendix A – Summary of Costs and Seven-Year Financial Plan

cc: Kirstan Arestad, Central Staff Director
Erik Sund, Supervising Analyst