The Seattle Public Library

MEMORANDUM

Date: December 13, 2017

To: The Seattle Public Library Board of Trustees

From: Marcellus Turner, Executive Director and Chief Librarian
Chris Ruffini, Director of Administrative Services
Nicholas Merkner, Finance and Operations Manager
Jan Oscherwitz, Library Levy Administrator
Jay Donahue, Capital Finance Manager

Subject: **Proposed 2018 Operations Plan**

The Revised Code of Washington (RCW 27.12.240) and the City Charter (Article XII, Section 5) grant the Board of Trustees "exclusive control of library expenditures for library purposes." The Library Board adopts an annual operations plan in December after the City Council approves the Library's operating and capital budget appropriations. On November 20, 2017, the Council approved the City's 2018 budget including $74.9 million operating and $7.5 million capital budget appropriations for the Library. The appropriations included $16.6 million in operating support and $4.1 million in capital funding provided by the 2012 Library Levy.

We reviewed the framework and a preliminary draft of the 2017 Operations Plan at your October and November finance and operations committees. The enclosed proposed 2018 Operations Plan reflects your feedback and comments. In addition to providing detailed information about revenues, personnel and planned expenditures for 2018, the financial plan highlights the Strategic Direction for the Library in 2018 with information on the Program of Service, Areas of Impact, and the Business Model.

The Operations Plan also summarizes 2018 grant awards provided by The Seattle Public Library Foundation and Friends of the Library, as well as Library gift funds that enhance our ability to provide high quality innovative Library program and service for Seattle residents.

Enclosure: Proposed 2018 Operations Plan

Action Required/Requested: Library Board approval of 2018 Operations Plan at December 13, 2017 Library Board meeting. Comments or feedback welcome.

The Seattle Public Library

2018 Operations Plan

December 13, 2017

The Seattle Public Library's 2018 Operations Plan reflects the second year of the City's biennial 2017 - 2018 budget cycle and the sixth year of a seven-year, voter approved, $123 million Library levy. The plan summarizes information about ongoing Library operations, while also highlighting the impact of the Library's Strategic Direction. The Strategic Direction is guiding our work through 2019.

To provide a comprehensive picture of the Library's 2018 planned spending, the Operations Plan combines funding resources appropriated through the City's 2018 Adopted Budget (General Fund and Real Estate Excise Tax revenues, Levy funds and Library-generated income) with funding resources from Library gift funds and from grant awards provided by The Seattle Public Library Foundation and Friends of The Seattle Public Library. The City of Seattle's Race and Social Justice Initiative—a commitment to eliminate racial disparities and achieve racial equity—guides the use of these funds and all aspects of Library operations, with a particular emphasis on ensuring Programs and Services equitably serve communities of color.

The Library Board is responsible for monitoring Library funds appropriated through the City's budget. In 2018, staff will continue to review monthly revenue and expenditure reports for the Operating Fund with the Library board of trustees, as well as provide quarterly in-depth review of the Operations Plan's performance. This allows the board to closely monitor changing financial realities and the Library's planned response.

Overview of the 2018 Operations Plan relative to the Adopted 2017 Plan

The 2018 Operating Budget for the Library is $74.9 million, which is $4.2 million higher than the prior year (a 6% increase). The Capital Budget, which totals $7.5 million, is $1.9 million higher than 2017 (a 34% increase). Key incremental changes within the Strategic Direction are identified below, with greater detail showing budget and personnel changes provided as Attachments 1 and 2.

Strategic Direction and the Operations Plan

In the spring of 2017, Library leadership established a Strategic Direction to create a vision and focus for our work for the next three years. With guidance from the board of trustees and input received through forums such as Community Conversations, Community Listening, Service Priority Advisory Committees, and staff discussions, the Strategic Direction seeks to move our thinking toward creating lasting impacts for individuals and our community, in addition to building the organizational infrastructure to support this work. The Strategic Direction is shaping our efforts across three areas: Program of Service, Areas of Impact, and the Business Model.

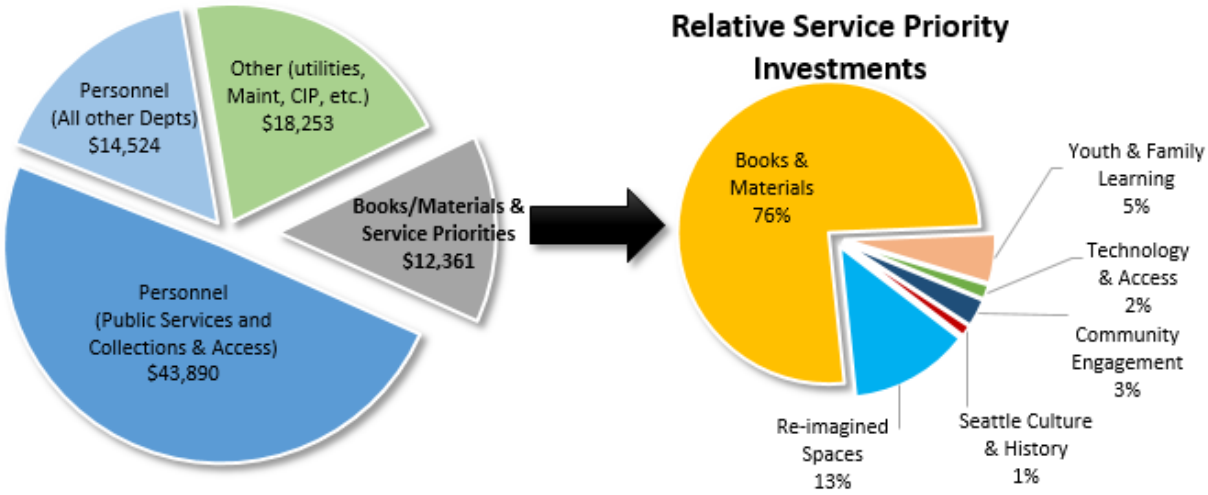
When considering relative levels of investment related to the Strategic Direction, it is important to consider the different elements that comprise Library services. The largest of these pieces is related to personnel, $58.4 million, which represents 65% of the overall budget. The work of Library

employees cuts across several components of the Strategic Direction. As such, it can be difficult to quantify the full level of investment associated with any one element. All personnel costs are separately reported when considering relative levels of funding. Additionally, $18.3 million, or 21% of all resources support Library operations and keep our facilities open, clean, and welcoming. Some examples of costs included with this category include utilities, maintenance, capital improvement projects, and other major infrastructure projects.

This leaves $12.4 million, or 14%, dedicated to support the collection of books and materials, in addition to specific Service Priorities at the Library. The design and development of all budgetary issues related to collections, programs and services require the articulation of equity impacts, as they relate to the City's Race and Social Justice Initiative. Additional information related to incremental changes in the 2018 budget, and how they relate back to the Strategic Direction, can be found on the following pages.

2018 Library-wide Proposed Budget

**Amounts in $1,000s*



Amounts in $1,000s	2018 Proposed	% of Total
Personnel		
Public Services, Collections & Access	43,890	
All Other Departments	14,524	
Sub-Total	**58,414**	**65%**
Other		
Utilities, Maintenance, CIP, etc.	18,253	
Sub-Total	**18,253**	**21%**
Books/Materials & Service Priorities		
Books & Materials	9,396	
Youth & Family Learning	655	
Technology & Access	192	
Community Engagement	369	
Seattle Culture & History	149	
Re-Imagined Spaces	1,600	
Sub-Total	**12,361**	**14%**
Total	**$89,028**	

Program of Service

The Library's Program of Service focuses on delivering core Library services to meet the needs of individual patrons on a daily basis with an equitable approach. The Library's work in this area includes providing a robust collection; welcoming and comfortable spaces; effective information assistance; compelling educational, civic and cultural programs; and a wide range of technology resources.

In 2018, we are targeting our investments to provide opportunities for patrons' individual growth in *Access*, *Civic Engagement*, *Cultural Enrichment and Literacy*, and *Learning and Achievement*. Key 2018 incremental investments and programmatic emphasis—by fund source shown in parentheses—include:

> **+$110,000** for *Civic Engagement* – support for a Community Resource Specialist to help provide access to a number of social services, including services to the insecurely housed (General Fund)
>
> **+$300,000** for *Access* – to provide patrons faster access to popular materials by expanding the Peak Picks Collection system wide (Levy)
>
> **+$50,000** for *Access* – to continue Kanopy streaming movie collection launched in November 2017 (Levy)
>
> **+$450,000** for *Access* – one-time, non-renewable funding to respond to existing Library digital materials funding gap (Private). As a result of emergent needs citywide (ex. homelessness), General Fund resources are not available to fund this differential.
>
> **+$500,000** for *Access* – to support Central Library Cabling Project (accelerated from 2019 CIP) to provide better data connections and capacity for future technology improvements (Levy)

Additionally, there are a number of initiatives related to our Program of Service that will occur during 2018. Further information is provided in Attachment 3 on the following efforts:

- The Peak Picks Collection
- Collection Plan
- Reimagining Virtual Reference Services

Areas of Impact

Another key component of the Strategic Direction is Areas of Impact, which uses the Library's existing Service Priorities and an equity lens to create lasting community impacts in our city. These include *Youth and Family Learning*, *Technology and Access*, *Re-imagined Spaces*, *Seattle Culture and History*, and *Community Engagement*. Key 2018 service priority investments and programmatic emphasis—by fund source shown in parentheses—include:

> **+$51,750** for *Technology and Access* – to increase the number of general circulation Wi-Fi hotspots by 100 devices (General Fund)
>
> **+$15,000** for *Seattle Culture and History* – to support the Beyond the Frame: To Be Native project, a multi-institutional, multi-disciplinary effort to celebrate the 150th anniversary of the birth of the photographer Edward Curtis (Private)

+$52,750 for *Seattle Culture and History* – designated in various gift funds dedicated to purchasing ethnic history materials for the Seattle Room (Private)

+ $90,000 for *Seattle Culture and History* – for an overhead scanner to digitize local history materials (Levy)

While there are a number of Service Priority efforts that will create significant community impacts, two merit highlighting, and are covered in more detail in Attachment 3:

- Beyond the Frame: To Be Native
- Community and Civic Engagement Programming

The Business Model

The final component of our Strategic Direction develops and builds the critical internal infrastructure to enable institutional success. By doing so, the Library will have the tools and resources required to make impactful decisions and more nimbly respond to community needs. Areas of focus include *Work Force Capacity and Development*, *Data and Metrics*, *Long Term Sustainability*, *Race and Social Justice*, and *Strategic Communications*. Specific investments—by fund source shown in parentheses—include:

+$50,000 for *Long Term Sustainability*– to support a community assessment of current and future library programs and services (Levy)

+$50,000 for *Strategic Communications* – to support additional enhancements to the Library website (Levy)

+$36,000 for *Workforce Capacity and Professional Development* – to reclassify Public Service Technicians into the existing Library Associate IV class – this change allows the Library to be more flexible and help meet emergent needs throughout the Central Library (General Fund)

+$90,000 for *Workforce Capacity and Professional Development* – to help Library transition to the City's new financial system in 2018 (General Fund)

+$35,000 for *Workforce Capacity and Professional Development* – engage in a study to better understand the future of the Library and Library staff in Seattle (Private)

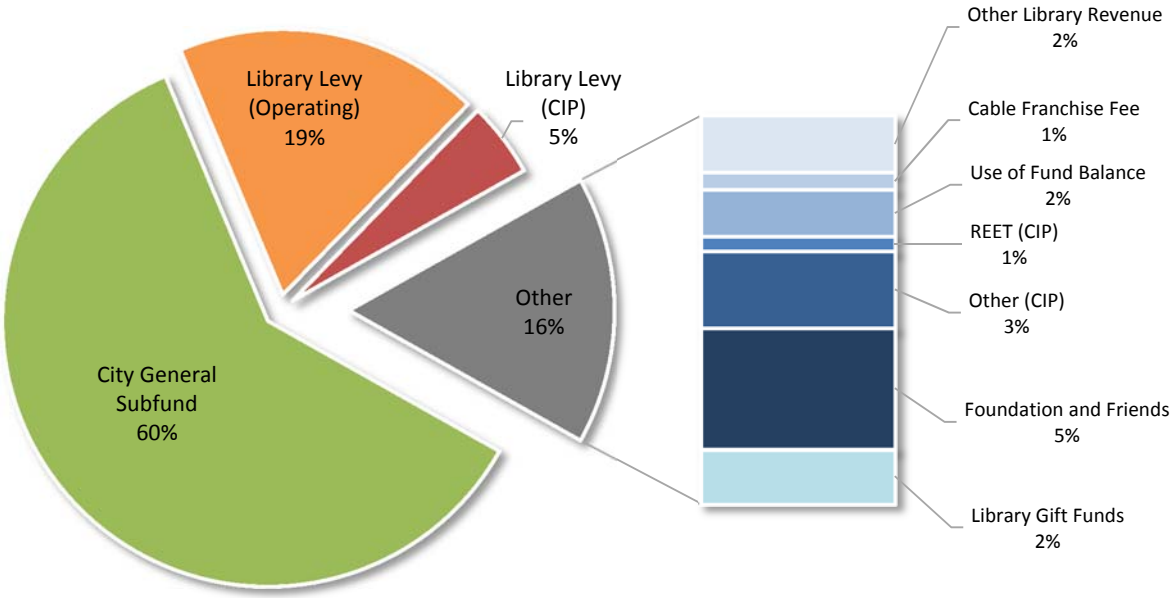
+$18,330 for *Race and Social Justice* – to support the Library's Race and Social Justice Initiative Change Team's efforts to address institutionalized racism and promote multiculturalism in City government (Private)

There are several key initiatives scheduled for 2018 that will advance the Library's Business Model work. These key initiatives include:

- Launching a new and enhanced public facing website
- Continuing work on long term, sustainable funding solutions
- Leveraging the Library's enhanced data warehouse for reporting, refinement and analysis
- Focusing on measureable outcomes to determine the impact of Library services on community
- Continuing support for the City's Race and Social Justice Initiative to eliminate racial disparities and achieve racial equity in Seattle
- Continuing participation as a pilot department in the citywide performance management process (E3)

2018 Operations Plan Budget at a Glance

Operations Plan by Funding Source



Amounts in $1,000s	2017 Adopted	2018 Proposed	% Change
Operating Fund			
City General Subfund	52,322	53,912	3%
Levy (Operating)	15,442	16,561	7%
Other Library Revenue	2,204	2,127	-3%
Cable Television Franchise Subfund	640	642	0%
Youth Voice, Youth Choice	165	-	-
Unrestricted Fund Balance	156	1,745	10%
CBO Beginning Balance Adjustment	(133)	(11)	-
Operating Fund Sub-Total	**70,796**	**74,976**	**6%**
CIP			
Levy (CIP)	3,673	4,072	11%
REET (CIP)	1,884	550	-70%
Other (CIP)^	-	2,855	100%
CIP Sub-Total	**5,557**	**7,477**	**35%**
Gifts and Grants			
Foundation and Friends*	4,033	4,540	13%
Gift Funds (Balch, Bunn, other)	756	2,015	170%
Gifts and Grants Sub-Total	**4,789**	**6,575**	**37%**
Total	**$81,142**	**$89,028**	**10%**

** Grant awards approved by The Seattle Public Library Foundation and Friends of the Library*
^ Appropriation of existing Library Capital Subfund revenues

Operations Plan by Department

The 2018 Operations Plan assigns costs on a departmental basis for Operating Fund resources, while also providing information on the spending plan for other funding sources. For a comparison between the 2017 Adopted and 2018 Operations Plan, please see Attachment 1.

Amounts in $1,000s	Operating Fund	Other Funds	Total	% of Total
Chief Librarian's Office	520	227	$747	1%
Institutional and Strategic Advancement				
Institutional and Strategic Advancement	239	65	$304	0%
Communications Office	352	128	$480	1%
Marketing and Online Services	1,040	292	$1,332	1%
Community Partnerships and Gov. Relations	-	142	$142	0%
Human Resources	1,584	99	$1,683	2%
Administrative Services				
Finance/Business Office/Admin	1,714	178	$1,892	2%
Event Services	482	-	$482	1%
Facilities and Security Services	9,141	-	$9,141	10%
Capital Improvement Program	-	8,527	$8,527	9%
Library Programs and Services				
Public Services	36,915	2,333	$39,248	43%
Collections and Access	18,499	1,840	$20,339	23%
Information Technology	5,957	221	$6,178	7%
Projected Budget Savings	(1,467)	-	($1,467)	-
Total	**$74,976**	**$14,052**	**$89,028**	

Operations Plan Highlights by Funding Source

Ongoing Library operations are supported by three main funding sources: the City's annual appropriation to the Library from the General Fund, the annual allocation from the 7-year, voter-approved Library levy, and the annual grant award from The Seattle Public Library Foundation. While the Library has been able to add necessary and significant resources to support core and enhanced operations through the 2012 Library Levy and continued Foundation support, the Library is still largely supported by the City's General Fund. With 60% of 2018 Library resources supplied by the General Fund, the Library's financial well-being is closely tied to performance of both the local and national economy.

General Fund

While modest revenue growth is projected going into 2018, emergent City issues and priorities – such as federal funding and homelessness – continue to place expenditure pressure on General Fund resources. While a reduction to the Library database budget (-$72,500) was required as part of this deliberative process, the Library did not need to make any further modifications to the level of service provided to the public. The 2018 Adopted Budget includes $53,912,040 in General Fund allocations for the Library, a 3% increase from 2017.

The City's Adopted 2018 Budget provides ongoing support for a Community Resources Specialist position (+$110,000). The program's success is an example of a pilot project that received start-up

funding from The Seattle Public Library Foundation, which the Library was able to successfully appeal for baseline funding from the City. Ongoing General Fund additions are challenging to achieve, and the addition of this program speaks to the value received by the community and the excellent work provided by staff to support the success of this program. The Library also received a baseline increase related to a reclassification that will allow for greater flexibility to staff the Central Library (+$36,000) and for the addition of 100 general circulation Wi-Fi hotspot devices (+$51,750). The budget also provides funding to support the Library's involvement in the citywide Summit Reimplementation project through April 2018 (+$90,000).

The Operations Plan includes a budget-neutral realignment for three Library Technician II positions. Since the work of these positions is closely tied to acquisitions and Technical and Collection Service functions, this change stands to offer operations benefits through more direct alignment, coordination, and communication. In addition, it is necessary the Library increase data security and protection against ransomware. Therefore, the Library will use anticipated 2018 budget savings to support an increase in software costs for 2018 (+$32,000).

It was requested the Library achieve a mid-year underspend target for 2017. Underspend, or mid-year baseline reduction targets have occurred every year since 2009, with the exception of 2016. We anticipate the Library will be asked to achieve a mid-year request in 2018. The Finance team will closely monitor accrued savings with Library leadership and will help manage the budget in a manner that allows the agency to respond to an anticipated underspend request in a way that does not impact business continuity or ongoing operations. Keeping in mind past history, it is critically important for the Library to continue to monitor this risk for future budget periods.

Library Levy

In 2012, Seattle voters improved access to critical educational and literacy resources for every resident by passing a 7-year, $123 million Library Levy. The Levy helps restore core services drastically cut during the prolonged recession. It supports better Library hours, collections, technology and building maintenance, as well as the Library's Service Priorities. In 2018, its sixth year, the Levy provides $20.6 million in funding for the Library. This includes $16.6 million to the Operating Fund, a 7% increase over the amount of levy funding provided in 2017, and $4 million to the Capital Fund, an 11% increase over the 2017 Adopted Budget. Levy resources to the Operating Fund include $1.2 million of unspent prior year Levy budget authority that has been re-assigned to support 2018 Operations.

Amounts in $1,000s	2017 Adopted	2018 Proposed	% Change
Preserve Core Services	4,695	4,828	3%
Hours and Access	4,281	4,478	5%
Collections	3,117	3,445	11%
Routine Maintenance	1,433	1,984	23%
Technology and Online Services	1,617	1,506	5%
Levy Administration	299	320	7%
Total	**$15,442**	**$16,561**	**7%**

Levy – Operating Fund

Levy funding in 2018 supports the systemwide expansion of the highly popular Peak Picks program, the addition of a new online streaming movie service, purchase of an overhead scanner to allow digitization of oversized local history materials, additional funds to support website enhancement after launch of the new site, and funding to support a community assessment of current and future Library program and service needs. In addition, we've accelerated $500,000 in Levy funding from the 2019 CIP and transferred it to the 2018 Operating Budget to support upgrading the cabling infrastructure in the Central Library. These dollars are reflected in the Technology and Online Services Levy category.

Levy – Capital Improvement Program

The overriding priority of the Library's capital program is to extend the useful life of Library buildings for as long as possible while adapting libraries to the way communities want to use them. Work is prioritized based on ensuring safety for the public and staff, preserving building integrity, supporting core library building functions, achieving operational efficiency gains (both economic and environmental), and taking advantage of opportunities to improve or preserve service to the public. For details on levy-funded elements of the 2018 CIP work program, please see Attachment 5.

The Library plans to use $4.07 million of levy funds in 2018, with the largest work programs scheduled to include:

- $1 million for roof, building envelope and window restoration at the Queen Anne branch, with additional exterior work at Columbia and Montlake branches, as well as access improvements at the Douglass-Truth branch, contingent upon remaining funds
- $1.4 million for major maintenance work related to Reimagining projects at the Lake City and South Park branches
- $1 million for upgrading or replacing HVAC, mechanical, electrical, plumbing systems at multiple branches, as well as upgrading the Green Lake branch elevator
- $200,000 for safety and security improvements at the Capitol Hill branch (exterior lighting) and Special Collections (Central Library, Level 10)
- $130,000 for mechanical systems upgrades/replacement at the Central library (freight/staff elevator and parking garage door)
- $370,000 for miscellaneous smaller projects (minor repair/replacement, electrical, finishes/casework, patch/paint) or unforeseen needs at branches and the Central library

Capital projects are often multi-year by nature and may have carryforward that spans multiple fiscal years. Long-term capital fund expenditures are based on the Library's annual submittal of the long term Capital Improvement Program to the City of Seattle (for current plan, please see Attachment 6). Levy CIP funding concludes in 2019 at the end of the current Levy term.

Real Estate Excise Tax (REET) – Capital Improvement Program

The 2018 Operations Plan includes a total of $550,000 in REET funding, which is tax revenue generated from property sales in Seattle. These funds will be used to support new uses of libraries as places for community engagement and learning, which is an Area of Impact within the Library Strategic Direction, Re-Imagined Spaces. Re-imagining projects for 2018 include the Lake City and

South Park branches. For details on REET-funded elements of the 2018 CIP work program, please see Attachment 6.

Library Capital Subfund (Other) – Capital Improvement Program
One of the Library's long-term goals has been to consolidate the maintenance shop, storage and vehicle fleet parking at one location to maximize operational efficiencies. Proceeds from property sales during the Libraries for All construction program were reserved in a special fund – the Library Capital Subfund – for this purpose. Revenue from the sale of the Library's former storage location (Queen Anne Storage) was also designated for this purpose by a 2015 Library Board resolution. The $2.855 million Library Capital Subfund is being converted into a CIP project to allow expenditure of these funds as directed by the Library Board.

The Seattle Public Library Foundation and Friends of The Seattle Public Library
The Seattle Public Library Foundation helps the Library enhance its collections, offers activities for all ages, and enriches our program of service for our community. It supports the Library by securing and managing donations from individuals, businesses and other foundations to enhance levels of Library service beyond what public funding alone is able to provide. The award amount is at the discretion of The Seattle Public Library Foundation Board of Directors.

Amounts in $1,000s	2017 Adopted	2018 Proposed	% Change
Youth & Family Learning	1,100	1,111	1%
Technology & Access	325	328	1%
Community Engagement	856	813	-5%
Seattle Culture & History	108	59	-45%
Re-imagined Spaces	200	550	175%
Collections	1,099	1,357	23%
Other Infrastructure	345	321	-7%
Total	**$4,033**	**$4,539**	**13%**

In terms of long-term resource management, The Seattle Public Library Foundation has determined that its ongoing capacity for the annual award to the Library is approximately $4,000,000. While actual funding may vary slightly from year to year, and additional awards to fund capital projects are possible, an annual award of $4,000,000 is expected to help ensure long-term predictable and sustainable Foundation support for the Library. A total of $4,539,500 in grant funding has been approved for 2018.

The Foundation serves as the fiscal agent for the Friends of the Library and resources made available to the Library from the Friends are included in the total Foundation annual grant award. In 2018, the Friends of the Library is providing $52,500 in support of the following activities:

Amounts in $1,000s	2018 Proposed
Expand World Language Collection	23
Expand Uncatalogued Collection for Children & Teens	15
Fund the Book Group Collection	10
Sponsor 2018 Booktoberfest Coasters	5
Total	**$53**

Library Gift Funds

The Library receives interest earnings from two main trusts, the Robert C. Bunn Fund and the Albert S. Balch Fund, which are used to enhance Library services and support new initiatives. The allocation and approval for spending authority of all Library gift funds occurs as part of the annual Operations Plan process.

Robert C. Bunn Fund

The Bunn Fund is an unrestricted trust used to enhance the Library's program of service and support new initiatives and other emergent priorities. The 2018 Operations Plan includes a total of $1.4 million in distributed earnings from the Bunn Trust, which includes support for 3.0 FTE positions. A detailed listing of 2018 Bunn Fund projects can be found on Attachment 7.

Amounts in $1,000s	2017 Budget	2018 Proposed	% Change
Chief Librarian's Office	163	179	10%
Institutional & Strategic Advancement	536	517	-4%
Human Resources	107	35	-67%
Administrative Services	19	500	163%
Library Programs & Services	34	150	341%
Total	**$859**	**$1,381**	**61%**

Albert S. Balch Fund

The Balch Fund provides restricted funding that helps to fund a Special Collections Librarian position.

Other Library Gift Funds

No new gift funds have been received by the Library since October 2016 when the Library and The Seattle Public Library Foundation established a master agreement that clarifies how gifts and grants are handled by the two organizations. Prior to the adoption of this agreement, the Library has accrued several gifts and bequests, some of which are carrying a balance from as far back as 1951. Most of the remaining gifts are restricted in purpose to be used either on the books and materials collection, or on a specific aspect of the collection. A detailed listing of 2018 other gift fund projects can be found on Attachment 7, with a long term spending plan on Attachment 8.

Amounts in $1,000s	2018 Proposed
Library Programs & Services	
Collections & Access	412
Total	**$412**

Other Library Earned Revenue

There are additional revenue streams that are used to help support core library operations. Proposed revenue figures categorized by type are detailed below.

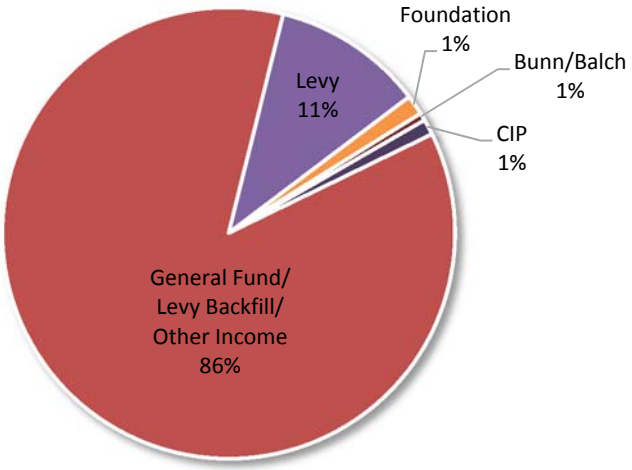
Amounts in $1,000s	2017 Adopted	2018 Proposed	% Change
Fines and Fees	1,336	1,288	-4%
Cable Television Franchise Subfund	640	642	0%
Central Library Parking Garage Fees	380	365	-4%
Copy Services/Pay for Print	230	228	-1%
Space Rental	198	185	-6%
FOL Book Sales	55	55	0%
Miscellaneous Revenue	6	6	0%
Total	**$2,845**	**$2,769**	**-3%**

The projected decline in Fines and Fees revenue is discussed in further detail on page 12 under the Potential Risks Section. Central Library Parking Garage Fees are projected to decline slightly in 2018. This is due to updated revenue projections driven by the latest addition of a neighboring, 480 stall parking garage recently opened. While this large increase in supply will eventually be offset when the building (Madison Centre) is filled with occupants, there will be an excess supply of parking, thereby driving down Library garage revenues in the near-term. The long-term impacts on the Central Library garage will be analyzed once more data is available.

Staffing Levels by Funding Source

The 2018 Library Budget contains 695 positions (586.1 FTE), which are funded via six different sources. A 2% salary savings assumption is included as part of the 2018 operating budget. Actual savings and expenditures will be closely monitored to ensure the Library's appropriation authority is not over-expended.

	FTE's
GF/Levy Backfill/Other Revenue	504.3
Library Levy (Direct)	63.6
Foundation (Direct)	7.9
Gift Funds (Bunn & Balch)	3.7
Capital Improvement Program	6.6
Total	**586.1**



Long-Term Financial Plans

Beginning with the 2013-2014 biennial budget, the City Budget Office asked departments to prepare long-term financial plans for City funds and has included these plans in the City's Budget Book. Producing these plans assists the Library and the City in ensuring each fund is on a sustainable path. The Library submitted plans for both the Library operating fund and for the Library Levy fund in the Mayor's Proposed Budget. These plans have been updated to reflect assumptions in the Operations Plan as shown in Attachment 9 and 10.

Potential Risks

In any given year, the Library is faced with risks that can range from changing economic conditions to shifts in renewing service agreements. Some of these potential risks have been analyzed as part of the Operations Plan and are covered as part of this section.

Levy funding expires in 2019

As the budget currently stands, the levy supplies 24% of the Library's total funding. If the levy is not renewed it would leave a massive gap in its wake and would require system-wide changes to the way the Library operates. With the levy anticipated to go before voters for renewal in 2019, it is critically important for the Library to continue to achieve the outcomes promised in the current levy and engage in conversations with key stakeholders regarding this issue.

While this is a risk for the entire Library budget, it would be acutely felt on the capital side. The Levy funds the vast majority of the Library's major maintenance program, aside from substantial, high-cost infrastructure projects (such as the Central Level 3 floor replacement) and Reimagining Spaces projects, neither of which were intended to be funded via the Levy. If the levy is not renewed, the Library's capital program would be scaled back significantly and would likely result in a sizable backlog of maintenance projects.

Reductions in fines and fees

Although overall circulation of material has remained relatively stable, use of the Library's physical collection is steadily declining, while use of the Library's digital collection continues to increase. Since digital materials do not have fines or fees associated with their use, this shift toward digital materials has created a growing gap in the Library's baseline operating budget. This is something that will need to be managed and addressed in a future period, as the Library has very limited ways to generate new revenue. In addition, efforts to institutionalize equity via waiver guidelines and forgiveness programs may result in greater revenue impacts. Detail showing year to year budget impacts is shown below, with more information on circulation trends found in Attachment 4.

Fines and Fees Collected (2016 – 2019 with projections)

	2016 Actual	2017 Adopted	2018 Proposed	2019 Projected
Total	1,365,908	1,336,000	1,288,000	1,242,000
PY Change ($)	-	29,908	-48,000	-46,000
PY Change (%)	-	-2%	-4%	-4%

Network upgrades

Network infrastructure is the most expensive technology in the Library – some individual components cost over half a million dollars. Much of the current network infrastructure was purchased when the Library moved into the Central Library in 2005 and is reaching the end of its useful life. Our technology staff have extended the life of the network by replacing internal parts or upgrading components to meet evolving standards. However, these extensions are no longer cost effective and significant investment in the network is likely in the coming years.

A mid-year cut to the General Fund budget

The City Budget Office (CBO) has requested the Library either achieve an underspend target, or meet a mid-year budget reduction, eight out of the last nine years. As part of the budget development process, the City provides inflationary increases to the General Fund baseline, and

may also provide support for successful Library pilot programs. This pattern of baseline increases and mid-year reductions have elevated the importance of Library-wide budget management. An ongoing priority for the Library is to ensure there are alternatives to achieve reduction requests that do not impact staffing or branch operations.

E-content licensing and pricing

The growing popularity and the costs of e-content puts significant pressure on the Library's collection budget. While each of the five major U.S. publishers license their electronic content to public libraries, these publishers offer e-content pricing models to the library market that either carry a cost four to six times greater than the consumer market, or require licenses that expire after a certain number of circulations or a designated period of time. To complicate matters further, services that offer streaming and downloadable music and movies to libraries often charge based on a pay-per-use model. Unlike a 1-to-1 acquisition model for building physical collections, the models mentioned above require additional diligence and funding to maintain e-content collections that have depth, breadth and timeliness.

Since 2014, the Library has had to supplement its collection budget each year to meet increasing costs and patron demand for electronic content. We have employed a variety of one-time strategies to address the funding gap, including use of the fund balance, requests for additional funds from the Foundation and use of restricted gift funds. Since 2016, we have also added at least $300,000 per year of Levy resources for digital materials, which covers less than half of the funding gap. In 2018, we are again supplementing our e-content budget with one-time funds from the Foundation and resources from restricted gifts. In 2019, without additional funds from the fund balance or other sources, we will once again have inadequate funding available for e-content and will need to re-balance resources between formats to keep up with digital demand.

Aging AMHS infrastructure and pending replacement plan

The automated materials handling system (AMHS) processes, sorts and distributes Library materials for the system from the centralized processing facility in the Central Library. While cutting edge when it was installed in 2004, the mechanical technology has experienced substantial wear and tear and is now outdated and increasingly prone to failure. These failures result in a direct compromise of customer service in the form of increased wait times for materials and inefficient fulfillment logistics, in addition to non-functioning service points, such as the automated book returns at the Central Library. In 2017 a materials movement and handling study was completed and concluded that the Library go out to bid for a new system. As that bid process occurs and a full replacement plan is developed, the Library will continue to rely on the aging equipment, as well as plan for substantial work to dismantle the existing equipment and to install an entirely new system.

Seattle construction market

The high level of construction activity in the Puget Sound area, especially Seattle, creates challenges for the Library to secure qualified contractors and contain construction costs. Increased competition can lead to higher public works bids. The Library has already experienced bids being submitted that are more than double initial estimates. These cost increases can reduce the number of projects that can be implemented using a level of funding that is not keeping pace with local construction inflation.

Summit Reimplementation Project
The Summit Reimplementation Project (SRI) is a City-wide effort to replace the current financial system with a new PeopleSoft Financials 9.2 system. The system is scheduled to go live on January 2, 2018. The SRI project drives standardization of a common accounting structure and business processes related to financial management, accounting, and procurement. This standardization has required the Library make numerous changes to its accounting structure, policies, and procedures. Library employees will notice changes to time entry and purchasing procedures, requiring a higher degree of awareness of the information they enter into timesheets or purchase requisitions. The Library has provided time entry training to help prepare employees for this transition.

Unreinforced masonry in Library facilities
Of the Library's 26 branches, seven are Carnegie-era buildings built roughly a century ago when seismic reinforcement was not required by the building code. These branches were constructed with unreinforced masonry and without steel reinforcement or adequate ties and connections between building elements. Some seismic retrofitting was conducted during the 1980s, though further analysis is required to determine the degree of compliance with current seismic standards. Historically, unreinforced masonry buildings (URMs) have proven to be among the most vulnerable structures in an earthquake. The primary reason for conducting retrofits of URMs is public safety; however, preliminary analysis suggests the cost to do so would be beyond what the Library's major maintenance budget can currently support. The Library is exploring alternate methods to fund this work.

Future Prospects

While the Library is faced with risks each year, we are also faced with different series of opportunities. Several potential future opportunities have been analyzed as part of the Operations Plan and are covered as part of this section.

Service expansion
As the Library considers increasing service points within the city beyond traditional geographic areas, it will be essential to weigh such expansion against existing infrastructure. The public has come to rely upon the high levels of both expertise, and service, they find at the Library. Any expansions will need to consider potential impacts or trade-offs.

Renewed exploration of replacing the current Integrated Library System (ILS)
Toward the end of 2018, the Library will look again at replacing its ILS. In evaluating options, the Library will be seeking a new system that will enable technical and process streamlining and ease the management of electronic content, resulting in a better patron experience. The current ILS has not followed the public's evolving consumption of digital information (online databases, social media, digital content, mobility). As a result, the Library has established a series of third party partnerships to meet patron needs. A new ILS would better meet the challenges to both access and privacy than the Library's current system.

Leveraging governmental and community partnerships
By taking the Library to the community in the form of delivering Wi-Fi hotspots and other library services to homeless encampments and Tiny House villages; offering STEM programming at Mary's Place and Brettler Place; offering Library Link cards to Seattle Public School students; engaging with

the City and Seattle Public Schools regarding future downtown expansion; and providing digital literacy training through Goodwill Industries and the Somali Family Safety Task Force, we build partnerships that extend the reach of the Library. These partnerships can also be leveraged to increase the Library's profile and to strengthen the lasting image of libraries as inclusive cradles of democracy.

Opportunities for data-driven decisions
The increased scope of the data warehouse offers opportunities to use data to improve our understanding of our operations and patrons while protecting patron privacy. As we collect and analyze more data, we will be able to measure more library activities, identify correlations between activities, improve programs and services and increase our ability to predict likely outcomes of our investments. The expanded scope of the data collected in our data warehouse will also provide opportunities for appropriate additions to the City's Open Data Initiative.

Content creation/unique local collections
The Self-e, Playback, and Somali board book projects are examples of the Library's efforts to engage and grow the talent of our local creative communities. In doing so, the Library's programs and collections will more accurately reflect the rich, vibrant culture of Seattle, as well as enable the discovery of these unique community voices.

Collective bargaining agreement negotiations
The Library will be entering into contract negotiations with its union, which represents nearly 80% of the Library's 700 current employees in 2018. As part of the negotiations, the Library and Union will be using an interest-based problem solving process to address operational issues and other areas of joint interest. We anticipate coming back to the Library Board in late 2018 to address any cost increases resulting from the Library and Coalition of City Unions' negotiations, including any annual wage increase for Library employees in 2019. In addition to economic items, the Library will be looking at better workforce flexibility and services to increase patron experiences.

Citywide performance management process
The City has undertaken an effort to create an equitable and aligned performance driven culture through the use of E3, an electronic performance management system. E3 will help departments to better align operational goals with individual goals, and also City goals if applicable. This is expected to be cost neutral to the Library and may save time in the future as this will be an electronic system, rather than being paper based. Participation in this program aligns with a citywide standard, but will still allow the Library to utilize our internal organizational values to a large degree. The Library participated in a pilot effort to use the new system in 2017 and will continue its use in 2018.

Closing Summary

Stable funding going into 2018 allows the Library to focus on longer term planning. The Library Levy provides necessary resources to provide ongoing Library programs and services, and although the current Library Levy is set to end in 2019, the strategic planning on how to approach this is already well underway. Considering other large scale projects on the Library's horizon, it will be critical to work collaboratively with City leadership to develop a plan for sustainable funding longer term.

Summary of Attachments

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12	Library Organizational Chart	Page 33

Attachment 1
2018 Operations Plan Compared to 2017 Adopted

OPERATING FUND

	2017 Adopted	FTE	2018 Proposed	FTE	% Change	FTE Change
CHIEF LIBRARIAN'S OFFICE						
Chief Librarian's Office	502,000	3.0	520,000	3.0	4%	-
Chief Librarian's Office Sub-Total	**$502,000**	**3.0**	**$520,000**	**3.0**	**4%**	**0.0**
INSTITUTIONAL AND STRATEGIC ADVANCEMENT						
Institutional and Strategic Advancement Administration	183,000	1.0	239,000	1.0	31%	-
Communications	344,000	2.3	352,000	2.3	2%	-
Marketing and Online Services	932,000	6.0	1,040,000	6.6	12%	0.6
Community Partnerships and Government Relations	58,000	0.5	-	0.0	-100%	(0.5)
Institutional and Strategic Advancement Sub-Total	**$1,517,000**	**9.8**	**$1,631,000**	**9.9**	**8%**	**0.1**
HUMAN RESOURCES	**$1,503,000**	**10.0**	**$1,584,000**	**10.0**	**5%**	**0.0**
ADMINISTRATIVE SERVICES						
Admin Services Administration	659,000	4.2	545,000	3.2	-17%	(1.0)
Levy Administration	195,000	1.0	168,000	1.0	-14%	-
Business Office	714,000	4.2	1,001,000	4.2	40%	-
Facilities and Security Services	8,622,000	69.0	9,141,000	72.0	6%	3.0
Event Services	480,000	5.0	482,000	5.0	0%	-
Administrative Services Sub-Total	**$10,670,000**	**83.4**	**$11,337,000**	**85.4**	**6%**	**2.0**
LIBRARY PROGRAMS AND SERVICES						
LIBRARY PROGRAMS AND SERVICES ADMINISTRATION						
Library Programs and Services Administration	928,000	5.0	1,078,000	6.0	16%	1.0
Sub-Total	**$928,000**	**5.0**	**$1,078,000**	**6.0**	**16%**	**1.0**
PUBLIC SERVICES						
Branch and Central Library Operations	32,105,000	324.8	32,783,000	322.1	2%	(2.7)
Service Units						
Community Engagement Services	1,056,000	9.6	1,222,000	9.6	16%	-
Special Collections	866,000	7.3	924,000	7.0	7%	(0.3)
Virtual and Instruction Services	757,000	6.4	724,000	5.9	-4%	(0.5)
Youth and Family Learning Services	178,000	1.3	184,000	1.3	3%	-
Sub-Total	**$34,962,000**	**349.4**	**$35,837,000**	**345.9**	**3%**	**(3.5)**
COLLECTIONS AND ACCESS						
Circulation Services	2,894,000	37.3	3,027,000	37.3	5%	-
Technical and Collection Services	11,252,000	33.2	11,629,000	35.2	3%	2.0
Materials Distribution Services	2,069,000	18.1	3,843,000	18.1	86%	-
Sub-Total	**$16,215,000**	**88.7**	**$18,499,000**	**90.6**	**14%**	**2.0**
INFORMATION TECHNOLOGY						
Information Technology	5,731,000	17.0	5,957,000	17.0	4%	-
Sub-Total	**$5,731,000**	**17.0**	**$5,957,000**	**17.0**	**4%**	**0.0**
Library Programs and Services Sub-Total	**$57,836,000**	**460.1**	**$61,371,000**	**459.5**	**6%**	**(0.5)**
Projected Budget Savings	**($1,232,000)**		**($1,467,000)**			
OPERATING FUND TOTAL	**$70,796,000**	**566.3**	**$74,976,000**	**567.8**	**6%**	**1.6**

Attachment 1 (cont.)
2018 Operations Plan Compared to 2017 Adopted

CIP, FOUNDATION AND GIFT FUNDS

	2017 Proposed	FTE	2018 Proposed	FTE	% Change	FTE Change
CITY LIBRARIAN'S OFFICE	**$234,450**	**1.0**	**$227,300**	**1.0**	**-3%**	**-**
INSTITUTIONAL AND STRATEGIC ADVANCEMENT						
Institutional and Strategic Advancement Administration	-	-	65,000	-	-	-
Communications	192,125	1.0	128,000	1.0	-33%	-
Marketing and Online Services	190,000	-	291,670	-	54%	-
Community Partnerships and Government Relations	108,525	0.5	142,000	1.0	31%	0.5
Institutional and Strategic Advancement Sub-Total	**$490,650**	**1.5**	**$626,670**	**2.0**	**28%**	**0.5**
HUMAN RESOURCES	**$60,000**	-	**$99,330**	**-**	**66%**	**-**
ADMINISTRATIVE SERVICES						
Administrative Services	270,000	-	178,150	-	-34%	-
Capital Improvement Program	5,757,000	6.5	8,527,000	6.6	48%	0.1
Administrative Services Sub-Total	**$6,027,000**	**6.5**	**$8,705,150**	**6.6**	**44%**	**0.1**
LIBRARY PROGRAMS AND SERVICES						
Public Services	2,428,600	8.8	2,332,950	8.2	-4%	-0.6
Collections & Access	1,100,000	-	1,839,834	-	67%	-
Information Technology	5,000	-	220,500	0.5	4310%	0.5
Library Programs and Services Sub-Total	**$3,533,600**	**8.8**	**$4,393,284**	**8.7**	**24%**	**-0.1**
CIP, FOUNDATION & GIFT FUND TOTAL	**$10,345,700**	**17.8**	**$14,051,734**	**18.3**	**36%**	**0.5**

TOTAL LIBRARY OPERATIONS PLAN BUDGET

TOTAL LIBRARY OPERATIONS PLAN	**$81,141,700**	**584.1**	**$89,027,734**	**586.1**	**10%**	**2.1**

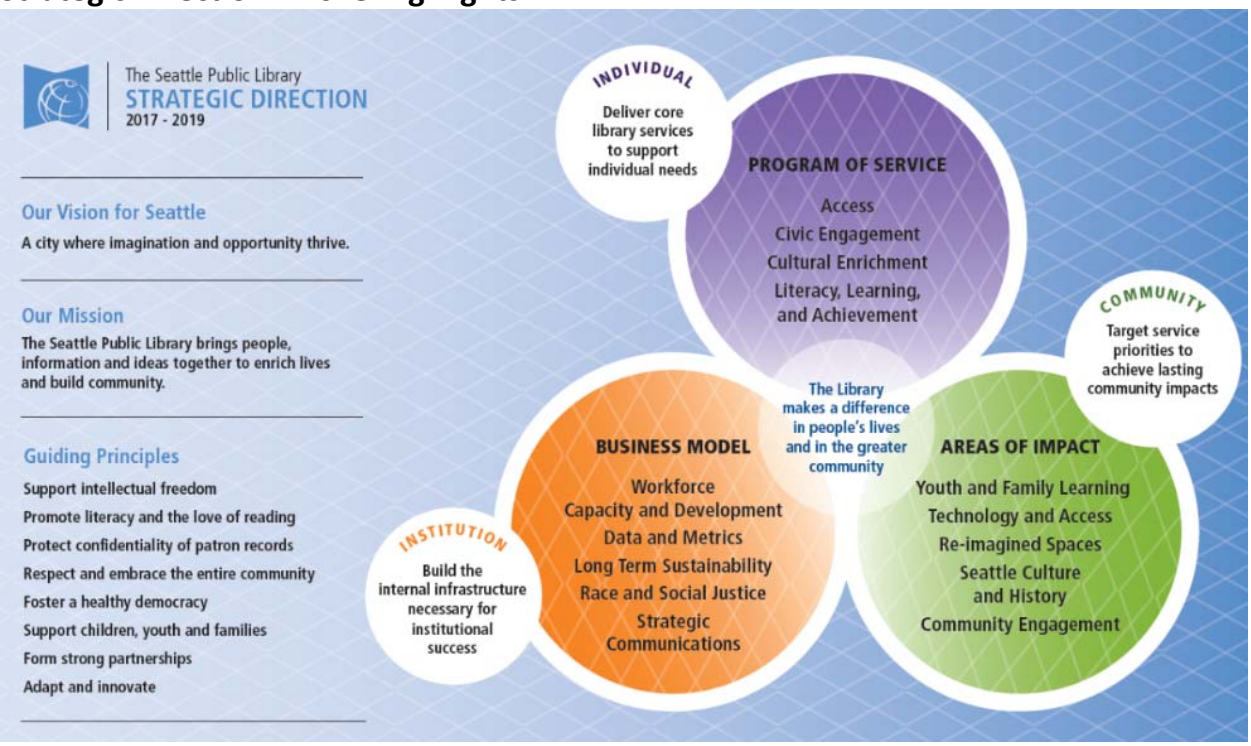
Attachment 2
Key Changes in 2018 Relative to the 2017 Adopted Operations Plan

All changes detailed below account for a union negotiated 2.75% annual wage increase (AWI) for 2018 and salary step increases of up to 5% for eligible employees. Technical changes are related to inflation, rate adjustments, and health care.

OPERATING FUND

	2017 Adopted	2018 Proposed	Net Budget Change	% Chg	FTE Change
CHIEF LIBRARIAN'S OFFICE					
Technical Adjustments	502,000	520,000	18,000	-	-
Chief Librarian's Office Sub-Total	**$502,000**	**$520,000**	**$18,000**	**4%**	**0.0**
INSTITUTIONAL AND STRATEGIC ADVANCEMENT					
Technical Adjustments	1,517,000	$1,498,500	(18,500)	-	0.1
Levy Funded Community Needs Assessment Survey	-	50,000	50,000	-	-
Levy Funded Website Maintenance & Enhancement	-	50,000	50,000	-	-
Transfer of Website Photography and Video from Admin Svc	-	32,500	32,500	-	-
Institutional & Strategic Advancement Sub-Total	**$1,517,000**	**$1,631,000**	**$114,000**	**8%**	**0.1**
HUMAN RESOURCES					
Technical Adjustments	1,503,000	1,555,000	52,000	-	-
Summit Reimplementation Support through Stabilization	-	29,000	29,000	-	-
Human Resources Sub-Total	**$1,503,000**	**$1,584,000**	**$81,000**	**5%**	**0.0**
ADMINISTRATIVE SERVICES					
Technical Adjustments	$10,473,175	$11,031,000	557,825	-	-
Additional Security & Custodial Support	-	245,000	245,000	-	3.0
Summit Reimplementation Support through Stabilization	165,000	61,000	(104,000)	-	-1.0
Transfer of Website Photography and Video to ISA	31,825	-	(31,825)	-	-
Administrative Services Sub-Total	**$10,670,000**	**$11,337,000**	**$667,000**	**6%**	**2.0**
LIBRARY PROGRAMS AND SERVICES					
Technical Adjustments	57,375,000	58,487,000	1,112,000	-	-
Public Service Technician to LA4 Reclassification	-	37,000	37,000		-
Removal of YVYC Temp 0.5 FTE LA4 & Hotspot Purchases	165,000	-	(165,000)	-	-0.5
Removal of One-Time Support for NGDC Move	156,000	-	(156,000)	-	-
Addition of Community Resource Specialist	-	110,000	110,000	-	-
AMHS Replacement and Service Agreement	-	1,745,000	1,745,000	-	-
Levy Funded Peak Picks Expansion	140,000	300,000	160,000	-	-
Levy Funded Kanopy Streaming Service	-	50,000	50,000	-	-
Levy Funded Purchase of Overhead Scanner	-	90,000	90,000	-	-
Levy Funded Increase for Central Cabling Project	-	500,000	500,000	-	-
100 Additional Wifi Hotspots	-	52,000	52,000	-	-
Library Programs & Services Sub-Total	**57,836,000**	**61,371,000**	**$3,535,000**	**6%**	**-0.5**
Vacancy Savings	**($1,232,000)**	**($1,467,000)**	**($235,000)**		
Operating Fund Total	**$70,796,000**	**$74,976,000**	**$4,180,000**	**6%**	**1.6**

Attachment 3
Strategic Direction – 2018 Highlights



The Program of Service

There are several key initiatives for 2018 that are expected to create impacts within our Program of Service:

- **The Peak Picks Collection**
  Patrons have indicated they want more copies of popular materials to reduce wait times. Library Levy funding enables the Library to maintain a consistent ratio of holds requests to the number of copies for popular materials to reduce wait times, but those titles are continuously in use or transit and are often not on the shelves in our libraries until after high demand subsides. Using Levy funds, we will be offering a popular onsite collection known as Peak Picks at all branches by end of 2017. This collection will consist of a rotating selection of popular materials that will be available on a first-come, first-serve basis. Materials in this popular onsite collection will be exempt from holds requests to ensure their availability in neighborhood libraries and will help create a surprising, exciting experience for any patrons visiting our libraries.

- **Collection Plan**
  As the Library's most used and valued service, the collection of books and materials is a cornerstone for Seattle's community of readers and learners. The Library's collection has been guided by a Collection Plan developed in 2003, which served the Library well and also contributed to a significant growth in collection size and use. However, as of 2016, in an effort to refine its Strategic Direction around collections, the Library initiated an internal audit process to update the plan. This work will come to fruition in the form of an updated collection plan that is adaptive to changes and trends in demand, user

behavior, formats, publishing, and technology. The plan will prioritize patron fulfillment and responsiveness by integrating the key principles of access, cultural enrichment, and learning, literacy and achievement addressed in the Strategic Direction. The updated collection plan will also reflect internal strategies for achieving data-driven decisions, efficiency, value and equity. The plan will also better reflect recent collection initiatives designed to enhance the patron experience, such as floating collections, Peak Picks, Library Link and SPL Hotspots.

- **Reimagining Virtual Reference Services**
  In January 2018 the Library will move from a very old Virtual Reference platform, QuestionPoint to a new platform LibGuides. LibGuides is a state of the art platform that supports both chat and email reference transactions, providing a clean and modern user interface for both patrons and staff, excellent reporting and data gathering tools and the ability to help manage workflows more efficiently. The Library answers more than 11,000 virtual reference questions a year (per 2015 data) so this change is the equivalent of reimagining a neighborhood library the size of the High Point branch or Green Lake branch. The Library has provided Virtual Reference Services since 2002 and this is the first major upgrade to the patron experience.

Areas of Impact

While there are a number of Service Priority efforts that will create significant community impacts, two merit highlighting:

- **Beyond the Frame: To Be Native**
  The Curtis Project is a year-long commemoration of the 150th anniversary of the birth of photographer Edward S. Curtis. It will take place through all of 2018 and be hosted by a number of neighboring institutions and agencies. Native American nations and organizations have been part of the initial planning and will participate in a variety of ways. A complete list of all the events will be available on the project's website in the last quarter of 2017.

  The Seattle Public Library will participate in this effort in a number of ways. First, we are supporting the administrative structure of the project. We will also host three community-based exhibitions that explore different aspects of Curtis's interaction with the Native American nations and a symposium that specifically examines Curtis, his photographs, and his legacy. In addition, we will offer programs on Native arts, culture, and civic and environmental issues through the Library's Summer of Learning program, lectures, performances and workshops. These programs will be developed in partnership with a Native community advisory group.

- **Community and Civic Engagement Programming**
  In 2018, the Public Engagement program manager will develop a series of programs that will take a deep look into an issue of concern in our community (to be determined in early 2018). Past themes have included a focus on homelessness, and social justice topics. Programs will foster the Community Engagement Service Priority's guiding principle of bringing people together and creating dialog. In addition, periodic "rapid

response" programs may be offered on current and unexpected events or issues, keeping the Library relevant and responsive.

The Business Model

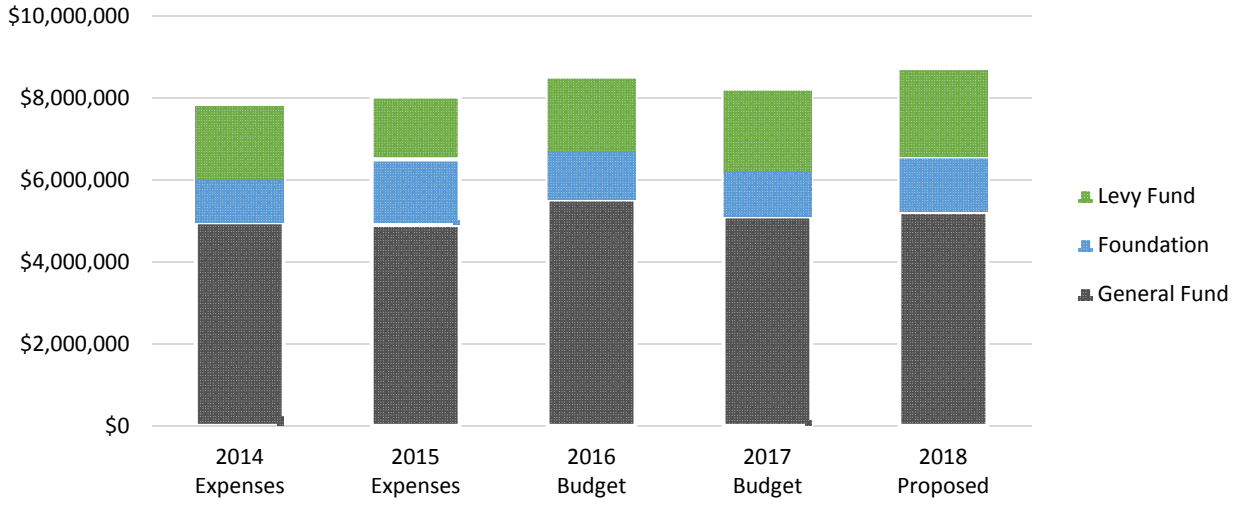
The Library will undertake additional initiatives in 2018 that will have an impact on existing operations. These include:

- Engaging in a public survey to better understand the future needs of the Library and Library staff in Seattle
- Re-implementation of the City-wide financial tool (Summit), which is intended to provide a whole city view of investments, expenditures, and more transparent accountability to the public
- Participating in the City's Open Data initiative, providing more transparency about our operations while maintaining essential patron privacy
- Establishing an internal Data Governance structure to support the Library's data collection processes, outcome measurement and data-based decision-making
- Performing the physical relocation of the Library's IT infrastructure to a hosted location in the city's Western Data Center, improving physical security and business continuity
- Providing backfill for employees eligible for one additional week of City approved leave for participation in furloughs between 2009-2012
- Conducting a feasibility study on the replacement of the Horizon Integrated Library System (ILS) to improve functionality of the backbone of public access to our collections
- Undertaking a thorough assessment of the existing automated materials handling system at the Central Library and materials distribution options as the current system nears the end of its life cycle

Attachment 4
Library Operations – Key Trend Data

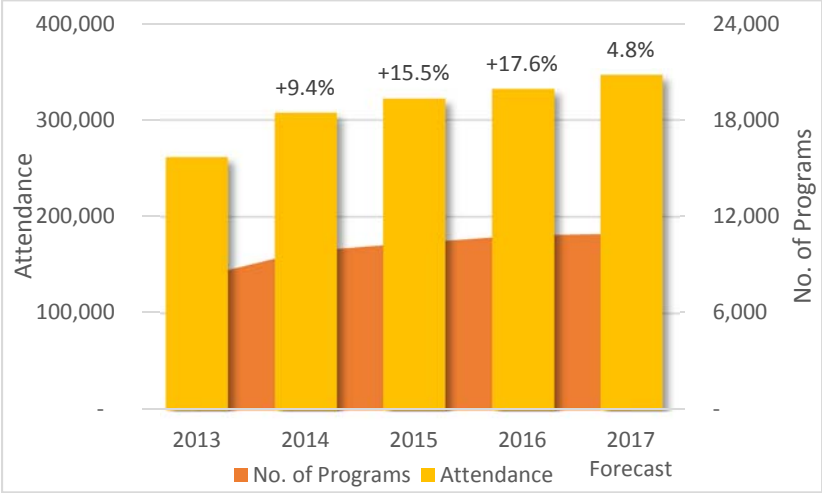
Historical Collection Trends

As part of the 2012 levy, The Seattle Public Library committed to invest in its collection with the goals of reducing wait times for popular items and enhancing the breadth and depth of the collection through Library programs such as Peak Picks. The Library continues to evaluate our Collections and projects growing needs for maintenance and management.



Programming Statistics

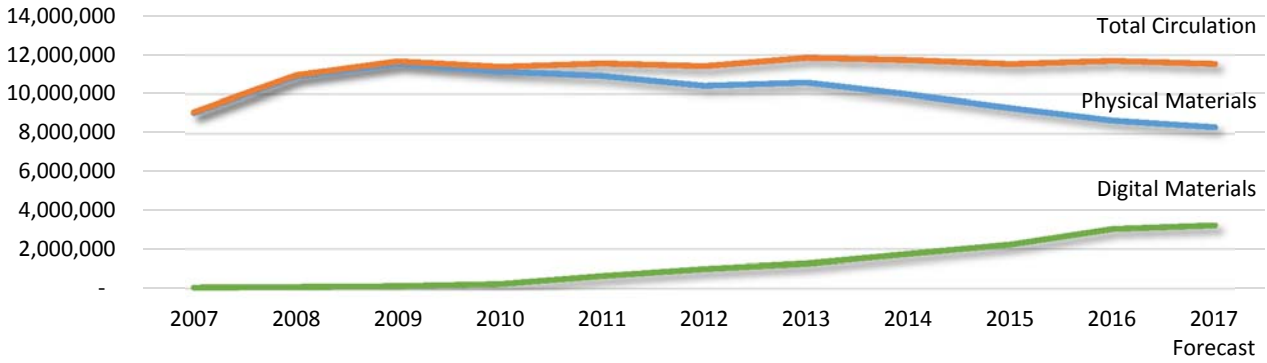
As the demographics and needs of Seattle residents evolve, the Library's role in the community continues to grow. We have offered more programs and our attendance figures show an increase each year. We continue to offer popular story times, author readings, and computer classes, while simultaneously working on specialized programs to meet the needs of Seattle's underserved communities through community partners and Library staff such as our Community Resource Specialist. Additionally, the Library continues to concentrate on providing programs outside of our buildings.



In 2018, we anticipate the growth in the number of programs and community engagement activities to slow as we reach staffing capacity and focus more on outcome measures to assess our impact.

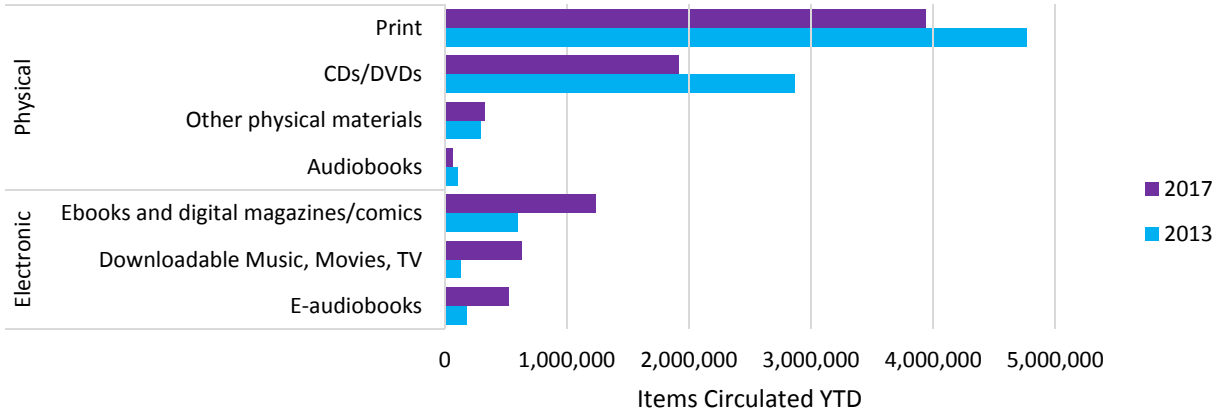
Circulation Trends

Total circulation has been largely flat over the last five years. Digital circulation has grown significantly while physical circulation continues to slowly decline.



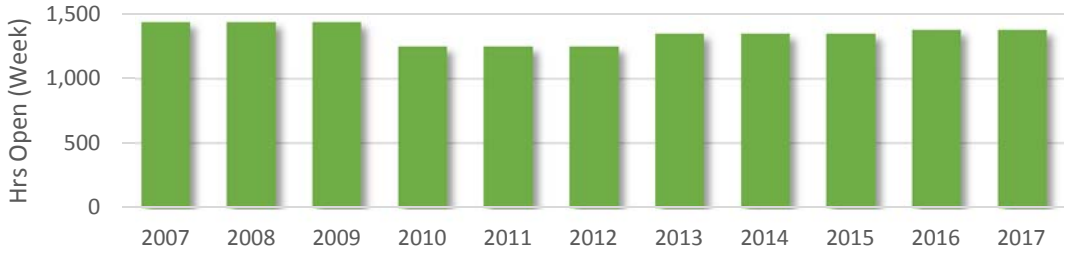
Through 3rd quarter 2013, physical materials (books, CDs, DVDs, etc.) accounted for 90% of circulation and digital materials (E-books and magazines, E-audiobooks, and downloadable music, movies and TV) accounted for 10% of total circulation. Comparatively, through 3rd quarter 2017, physical materials declined to 73% of circulation while digital materials grew to 27%.

Circulation by Format (2013 compared to data through Q3 2017)



Operating Hours

The 2012 levy restored the Library to a 52 week-a-year operation, converted the Columbia and Northgate branches to 7 day-a-week service and added Sunday hours to 13 additional branches beginning in 2013. In 2016, Friday hours were added to four branches resulting in nine branches operating six days a week and 18 branches seven days a week through 2017. Even with Levy funded restoration, operating hours are still less than 2009 levels.



Attachment 5
2018 - 2023 Capital Improvement Program Plan

Project	2018	2019	2020	2021	2022	2023
Reimagine Spaces (REET)	550,000	564,000	584,000	600,000	618,000	640,000
Library Major Maintenance (Levy)	4,072,000	1,876,000	-	-	-	-
Library Multi-use Facility (Other)	2,855,000	-	-	-	-	-
Total	**$7,477,000**	**$2,440,000**	**$584,000**	**$600,000**	**$618,000**	**$640,000**

Attachment 6
2018 Capital Improvement Projects

Project Description	2018 Budget
Major Maintenance and related work concurrent w/Reimagining project (Lake City and South Park branches)	1,375,000
Mechanical systems & retro-commissioning, branches - upgrading/replacing multiple building systems (HVAC, mechanical, electrical, plumbing, elevator)	1,000,000
Exterior/Window/Wall repairs, branches - Queen Anne roof, chimney, envelope & window repair; Capitol Hill exterior lighting; University landscaping/tree planting	1,207,000
Safety and Security upgrades, Central - (security camera & servers upgrades; Special Collections security & storage)	162,000
Mechanical & building systems, Central - upgrading/replacing multiple building systems (parking garage door replacement, freight elevator improvements)	130,000
Minor capital, Central - repair/replacement, electrical, finishes/casework, patch/paint	120,000
Minor capital, branches - repair/replacement, electrical, finishes/casework, patch/paint	78,000
Total Levy Funded Core Library Major Maintenance	**4,072,000**
Library Multi-use Facility (Other): Acquisition of multi-use facility to consolidate the maintenance shop, storage and vehicle fleet parking at one location to maximize operational efficiencies	2,855,000
Reimagining Spaces (REET): Improvements at Lake City and South Park	550,000
Total Library 2018 Capital Improvement Program	**$7,477,000**

Attachment 7
Library Gift Funds Project Listing

Bunn Fund Projects

	FTEs	2018 Proposed
Chief Librarian's Office		
Chief Librarian's Speaker Series	-	10,000
Strategy and Policy Advisor to CLO	1.0	133,500
Service Priority Non-Labor Support	-	5,000
Professional Board Training and Conferences	-	30,000
Sub-Total	1.0	**$178,500**
Institutional and Strategic Advancement		
Community Partnerships and Government Relations	0.5	73,500
Digital Communications Strategist	1.0	128,000
All Staff Day Event(s)	-	65,000
Marketing & Public Information	-	200,000
Targeted Marketing for Non-English Speaking Communities	-	50,000
Sub-Total	1.5	**$516,500**
Human Resources		
Workforce Development, Training and Recruitment Plan	-	35,000
Sub-Total	0.0	**$35,000**
Administrative Services		
Lake City Re-Imagining	-	500,000
Sub-Total	0.0	**$500,000**
Library Programs and Services		
Temporary Special Project (0.5 FTE)	0.5	90,500
Customer Relationship Management/Email Tool Software	-	60,000
Sub-Total	0.5	**$150,500**
Bunn Fund Total	**3.0**	**$1,380,500**

Other Library Gift Funds

		2018 Proposed
Public Services		
Albert S. Balch Fund	Special Collections Librarian	92,000
Rinehart Grant	Librarian Vacation Award	350
	Sub-Total	**$92,350**
Collections & Access		
FPA-Helen Snelling	Music/Needlepoint Materials	5,000
BST-Gustave J. Snelling	Maritime/Navigation Materials	10,000
Evelyn L. Brown Estate	Ethnic History/Biography Materials	25,000
Evelyn L. Brown Estate	History Materials General Collection	47,250
W.T. Joiner Family Trust	History/Genealogical Materials	11,250
Nellie M. Zewatch Bequest	Non-Fiction Materials	26,500
Kenneth J. Dowse Bequest	Special Collections Asian History	27,750
Oscar A. Nelson Memorial	Professional, practical non-fiction	35,275
Eugene F. Atwood Bequest	Digital Materials	200,000
Halvor Holbeck Estate	Bookmobile and Mobile 2 Costs	24,359
	Sub-Total	**$412,384**
	Other Gift Funds Total	**$504,734**

Attachment 8
Gift Fund Spending Plan (2017-2027)

Funding Source	Origin Year	Restriction/Purpose	Available Balance	2017 Spending	2018 Spending	2019 Spending	2020 Spending	2021 Spending	2022 Spending	2023 Spending	2024 Spending	2025 Spending	2026 Spending	2027 Spending	Estimated Expenses	Remaining Balance
Permanently Restricted (Earnings Either Temporarily Restricted or Unrestricted)																
FPA-Helen Snelling	2007	Principal restricted. Music or needlepoint materials (5% of total trust)	-	5,000	5,000	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*	55,000	-
BST-Gustave J. Snelling		Principal restricted. Maritime or navigation materials (5% of total trust)	-	34,000	10,000	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*	*5,000*	89,000	-
		Sub-Total	**-**	**39,000**	**15,000**	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*	*10,000*	**144,000**	**-**
						**Based on estimated annual distributions from Snelling - actual resources to be programmed in Operations Plan*										
Temporarily Restricted																
Evelyn L. Brown Estate	2000	Special Collections Ethnic History & biography materials; General History	289,311	72,561	72,250	72,250	72,250	-	-	-	-	-	-	-	289,311	-
W.T. Joiner Family Trust	2011	History & genealogical materials	22,584	11,334	11,250	-	-	-	-	-	-	-	-	-	22,584	-
Nellie M. Zewatch Bequest	1980	Non-fiction materials	79,628	26,628	26,500	26,500	-	-	-	-	-	-	-	-	79,628	-
Kenneth J. Dowse Bequest	1990	Books for Asian materials and collection	92,388	28,138	27,750	27,750	8,750	-	-	-	-	-	-	-	92,388	-
Oscar A. Nelson Memorial	1990	Professional, practical non-fiction materials	188,679	15,929	35,275	15,275	15,275	15,275	15,275	15,275	15,275	15,275	15,275	15,275	188,679	-
		Sub-Total	**672,591**	**154,590**	**173,025**	**141,775**	**96,275**	**15,275**	**15,275**	**15,275**	**15,275**	**15,275**	**15,275**	**15,275**	**672,590**	**-**
Unrestricted																
Eugene F. Atwood Bequest	1966		591,932	-	200,000	391,932	-	-	-	-	-	-	-	-	591,932	-
		Sub-Total	**591,932**	**-**	**200,000**	**391,932**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**591,932**	**-**
		Total	**1,264,523**	**193,590**	**388,025**	**543,707**	**106,275**	**25,275**	**25,275**	**25,275**	**25,275**	**25,275**	**25,275**	**25,275**	**1,408,522**	

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Attachment 9
Operating Fund Long-Term Financial Plan

Amounts in $1,000s	2016 Actuals	City 2017 Revised	Board 2017 Adopted	Council 2018 Adopted	Board 2018 Adopted	2019 Projected	2020 Projected[1]	2021 Projected
Beginning Fund Balance	2,733	3,112	2,193	3,268	3,268	596	649	(5,106)
Accounting Adjustments	0	0	0	(938)	(938)	(910)	0	0
Beginning Fund Balance	2,733	3,112	2,193	2,330	2,330	(314)	649	(5,106)
Revenues								
Copy and Print Services	231	235	230	235	228	240	240	245
Fines/Fees	1,366	1,336	1,336	1,288	1,288	1,242	1,200	1,175
Parking - Central Library	365	360	380	365	365	365	370	370
Space Rental	171	182	198	185	185	185	187	190
Salvage Sales/Materials	52	55	55	55	55	56	58	60
Misc Revenue	8	6	6	6	6	6	7	8
Cable Franchise Fees	530	640	640	642	642	645	648	650
Interdepartmental Support	0	165	0	0	0	0	0	0
2012 Library Levy - Operating Support	13,340	17,043	15,441	15,406	15,406	16,933	0	0
General Subfund Support	51,990	52,322	52,322	53,912	53,912	55,529	57,195	58,911
Total Revenues	68,054	72,344	70,607	72,094	72,087	75,201	59,904	61,609
Expenditures								
Chief Librarian's Office	(833)	(494)	(494)	(508)	(515)	(531)	(545)	(561)
Marketing and Online Services	(1,037)	0	0	0	0	0	0	0
Institutional and Strategic Adv	(1)	(1,826)	(1,457)	(1,499)	(1,562)	(1,609)	(1,098)	(1,131)
Human Resources	(1,297)	(1,411)	(1,385)	(1,454)	(1,536)	(1,582)	(1,615)	(1,664)
Administrative Services	(10,619)	(11,182)	(10,870)	(11,116)	(10,874)	(11,200)	(9,622)	(9,911)
Information Technology	(4,407)	0	0	0	0	0	0	0
Library Programs and Services	(49,482)	(56,598)	(55,651)	(59,252)	(59,334)	(59,317)	(52,768)	(54,351)
Quaterly Supplementals	0	(675)	0	0	0	0	0	0
Other Ordinances	0	0	0	0	0	0	0	0
Total Expenditures	(67,675)	(72,187)	(69,858)	(73,829)	(73,821)	(74,238)	(65,649)	(67,618)
Ending Fund Balance	**3,112**	**3,268**	**2,942**	**595**	**596**	**649**	**(5,095)**	**(11,115)**
Use of Existing Levy Carryforward Authority								
Use of Carryforward Levy Authority	0	0	0	805	1,155	0	0	0
Institutional and Strategic Adv	0	0	0	(50)	(50)	0	0	0
Administrative Services	0	0	0	0	(245)	0	0	0
Library Programs and Services	0	(938)	(938)	(755)	(860)	0	0	0
Reserves								
Continuing Appropriations - Operating	(217)	0	0	0	0	0	0	0
Reserves Against Fund Balance	(11)	(11)	0	(11)	(11)	(11)	(11)	(11)
Total Reserves	(228)	(949)	(938)	(11)	(11)	(11)	(11)	(11)
Ending Unreserved Fund Balance	**2,884**	**2,319**	**2,004**	**584**	**584**	**638**	**(5,106)**	**(11,126)**

Footnotes:

[1] The Library Levy is up for voter renewal in August of 2019

Attachment 10
Levy Fund Long-Term Financial Plan

Amounts in $1,000s	2013 Actuals	2014 Actuals	2015 Actuals	2016 Actuals	City 2017 Revised	Board 2017 Adopted	Council 2018 Adopted	Board 2018 Adopted	2019 Projected[3]	2020 Projected
Beginning Fund Balance	0	4,912	8,033	9,596	10,719	5,941	3,717	3,717	872	0
Accounting Adjustments	(50)	50	0	(13)	0	(938)	(805)	(1,155)	0	0
Beginning Fund Balance	(50)	4,963	8,033	9,582	10,719	5,003	2,912	2,562	872	0
Revenues										
Estimated property taxes to be collected	16,825	17,082	17,284	17,432	17,513	17,513	17,688	17,688	17,865	0
Investment Earnings	42	66	110	121	175	100	100	100	71	0
Total Revenues	16,868	17,147	17,394	17,553	17,688	17,613	17,788	17,788	17,936	0
Expenditures										
Maintain 2012 Levels	(4,150)	(4,285)	(4,425)	(4,591)	(4,695)	(4,695)	(4,828)	(4,828)	(4,973)	0
Open Hours and Related Services	(2,955)	(3,083)	(3,150)	(3,659)	(4,284)	(4,281)	(4,405)	(4,478)	(4,612)	0
Collections	(1,853)	(2,574)	(2,479)	(2,700)	(3,336)	(3,117)	(3,281)	(3,445)	(3,456)	0
Technology and Online Services	(994)	(1,404)	(1,271)	(1,231)	(2,559)	(1,617)	(1,923)	(1,984)	(2,011)	0
Facilities - Regular Maintenance	(997)	(1,098)	(1,356)	(931)	(1,864)	(1,433)	(1,464)	(1,506)	(1,551)	0
Facilities _ Major Maintenance	(862)	(1,516)	(2,972)	(3,076)	(6,447)	(3,672)	(4,072)	(4,072)	(1,876)	0
Administration	(94)	(116)	(180)	(227)	(304)	(299)	(312)	(320)	(330)	0
Quarterly Supplementals	0	0	0	0	(1,200)	0	0	0	0	0
Use of Existing Budget Authority[1]	0	0	0	0	0	938	805	1,155	0	0
Total Expenditures	(11,905)	(14,076)	(15,832)	(16,416)	(24,690)	(18,176)	(19,479)	(19,478)	(18,808)	0
Ending Fund Balance	**4,912**	**8,034**	**9,596**	**10,719**	**3,717**	**4,440**	**1,221**	**872**	**0**	**0**
Reserves										
Levy Reserve for Future Use[2]	0	0	0	0	0	(805)	0	0	0	0
Continuing Appropriations - Operating*	0	0	0	(3,345)	(805)	0	0	0	0	0
Continuing Appropriations - Capital	0	0	0	(2,774)	0	0	0	0	0	0
Planning Reserve	0	0	0	0	0	0	0	0	0	0
Total Reserves	0	0	0	(6,119)	(805)	(805)	0	0	0	0
Ending Unreserved Fund Balance	**4,912**	**8,034**	**9,596**	**4,600**	**2,912**	**3,635**	**1,221**	**872**	**0**	**0**

Footnotes for the 2018 Proposed Budget

[1] Removes appropriation of Levy authority carrying forward from a prior period

[2] Prior year Levy underspend for operations is reallocated in 2017 and 2018

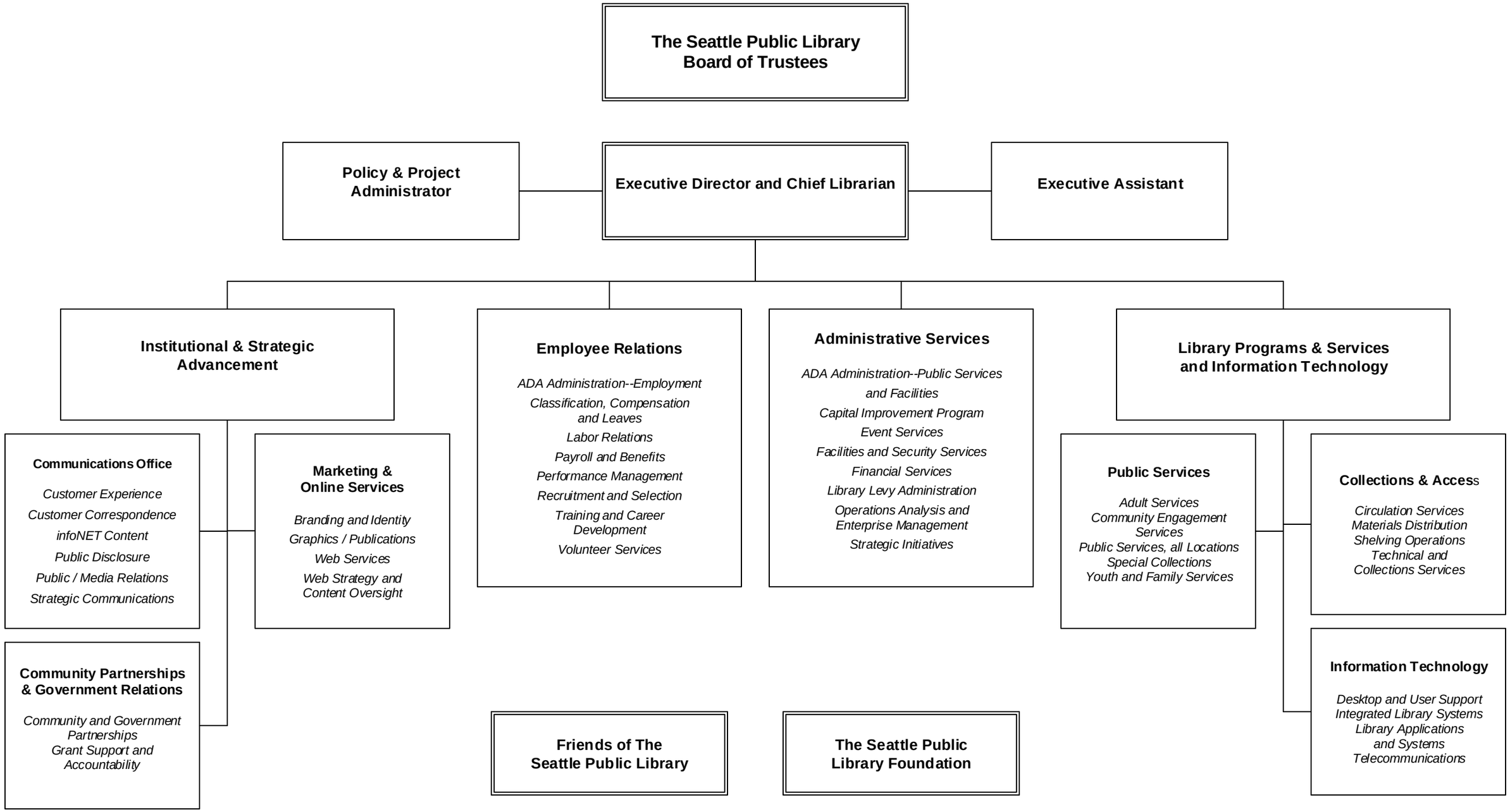
[3] The Library Levy is up for voter renewal in August of 2019

Attachment 11
2018 Proposed Internal BIP Additions

	Pilot/ One-Time/ Multi-Year	2018 Proposed Budget	Approved for Budget Submit
Program of Service - Approved			
Peak Picks Continuation: Testing of this pilot collection began at select branch libraries May 2017, with systemwide implementation planned by the end of 2017. Test locations where Peak Picks has been implemented includes Ballard, Capitol Hill, Central, Columbia, Northgate, Rainier Beach, South Park, and Wallingford branches.	Multi-Year	$300,000	Yes
Kanopy Streaming Video Service: Library-specific video streaming service that offers over 30,000 films available for patrons to watch movies and documentaries on personal devices as well as allowing the Library to present video programming to patrons with included public-performance rights.	Multi-Year	$50,000	Yes
eBooks Supplemental: This proposal is for continued dedicated funding for eBook collections. This funding will ensure the collection continues to grow in depth and breadth, and can also continue to meet the increasing demand for material in this format.	Multi-Year	$450,000	Yes
Program of Service Approved Sub-Total		**$800,000**	
Program of Service - Declined			
Seattle PI Digital Archive: As Seattle's first print newspaper and one of two major news publications during much of Seattle's history, the Seattle Post-Intelligencer (Seattle PI) digital archive documents a substantial, historically unique and important portion of Seattle's rich history. It is also an essential historical complement to the Seattle Times Historical, which is currently in the Library's collection and continues to be a very well-used and valued service (and will be for many years to come)	One-Time	$850,000	No
Increase Building Maintenance Budget Support: Increase Building Maintenance budget to allow for additional focus on branch finishes (painting & staining of exteriors) and interior painting at the Central Library.	One-Time	$60,000	No
Central Library Maintenance Support (2.0 FTE): New restrooms will be added at the Central Library - requiring additional maintenance and support. The utilization of restrooms within the Central Library warrants continual restroom coverage during open hours.	Multi-Year	$140,000	No
Amnesty Program Implementation: Offering a fine amnesty program will have several benefits for the Library: bringing back inactive and possibly alienated patrons with blocked accounts who still have materials declared lost, providing patrons a relief from overdue fines accumulated on their accounts, and building a powerful marketing campaign to re-establish strong ties with the community.	One-Time	$57,750	No
Wayfinding: This is for the Central Library and select branches, includes wayfinding elements (for example pillar wraps, etc.)	One-Time	$110,100	No
App Development: This is not a replacement for Boopsie/Catalog but new experiential companion app to enhance online/customer experience	One-Time	$200,000	No
Program of Service Declined Sub-Total		**$1,417,850**	
Total Program of Service Submittals		**$2,217,850**	

	Pilot/ One-Time/ Multi-Year	2018 Proposed Budget	Approved for Budget Submit
Areas of Impact - Approved			
Lake City Re-imagining: RSPDM2017-10 Lake City Branch Re-imagining Project	One-Time	$1,002,592	Yes
Collection Conservation Work: This is a starter funding ask. We will not know the full ranges of the future costs until we have the final recommendations of consultants report in Q4 2017. This will be a multi-year funding request.	Multi-Year	$34,000	Yes
Library Link Seattle Public Schools (SPS) Partnership: In 2018, SPS staff will receive instruction from SPL librarians to promote access to digital instructional materials. This will be a first step in aligning SPS and SPL resources and programs. The goal will be to implement the card at the following schools in Fall of 2018 and extend into 2019 to demonstrate functional success: Denny; Aki; Mercer; Ballard High School; Licton Springs; Robert Eagle Staff; Meany; McClure. ***May require personnel support***	One-Time	$3,350	Yes
Overhead Scanner: This project would provide a Zeutschel overhead scanner along with student and para-professional staffing to digitize and create metadata for rare archival collections. Digitization will allow us to preserve fragile archival materials while significantly increasing their accessibility and research value by adding searchable transcripts and metadata. The Zeutschel scanner can digitize a wider variety of materials such as bound volumes, panorama photos and maps more quickly than traditional flatbed scanning and in a manner that allows for more gentle treatment of the materials.	One-Time	$90,000	Yes
Outreach Giveaways (Digital & Traditional): Includes digital outreach for website launch (examples: USB drives, mobile device pockets) & traditional giveaways (examples: tote bags, pencils, notebooks)	One-Time	$26,670	Yes
Playback Event: The event will showcase a wide variety of new and innovative Library programs, collections and services while also providing a platform for local creators to share their work as a way to engage a broad range of new and established audiences. The event will be designed to be replicated and dovetail with marketing efforts create a more holistic, integrated Library identity.	One-Time	$20,000	Yes
Library2Business (L2B) - Communities of Color Focus: For targeted work with Communities of Color.	One-Time	$15,000	Yes
Areas of Impact Approved Sub-Total		**$1,191,612**	
Areas of Impact - Declined			
Digital Signage: This is for additional screens at the Central Library and select branches - provides additional outward facing screens	One-Time	$31,425	No
Mobile X Vehicle Service Planning and Vehicle Design: This proposal will fund hiring a consultant to design the vehicle, as well as assist in assisting in the procurement process for a custom vehicle to be built and delivered in 2019. It will also cover Marketing and Online Services costs associated with designing an identity and wrap for that vehicle.	Multi-Year	$20,000	No
Senior Services Program Design (1.0 FTE): This position would spend their first year engaging in community listening across all of the varied communities of seniors in Seattle, then begin designing Engagement activities and developing partnerships for this work.	Multi-Year	$115,000	No
Areas of Impact Declined Sub-Total		**$166,425**	
Total Areas of Impact Submittals		**$1,358,037**	

	Pilot/ One-Time/ Multi-Year	2018 Proposed Budget	Approved for Budget Submit
The Business Model - Approved			
Seattle Survey of Patron Needs: This will provide survey information to evaluate Library services and determine future funding priorities	One-Time	$50,000	Yes
Customer Relationship Management/Email Tool: Three-year contract for existing tool or similar	Multi-Year	$60,000	Yes
Ongoing Content Writing Support: For ongoing web support and special projects	One-Time	$15,000	Yes
Contacts and Communication Management (CCM): Records all contacts and communications in a centralized repository. The CCM would help to develop and deepen the Library's partnerships with the Library's communities; identify and correlate professional relationships; maintain business communications with service providers, vendors, and contractors.	One-Time	$70,000	Yes
Targeted Marketing For Non-English Speaking Communities: This will include but is not limited to translation costs	One-Time	$50,000	Yes
RSJI Change Team Support: The Change Team serves all Library employees by supporting the Race and Social Justice Initiative's mission to end institutionalized racism and promote multiculturalism in City government. These goals are best accomplished through the completion of the annual Work Plan, which separates projects and desired outcomes for the year into different equity areas (such as economic justice, service equity, etc.)	Multi-Year	$18,330	Yes
Recruitment Outreach: Talent acquisition is the foundation of a successful talent management and business strategy. A dedicated budget to engage in these activities is needed.	Multi-Year	$20,000	Yes
Workforce Development, Training and Recruitment Plan: Hire a consultant to help develop a plan and approach to developing the work force of the Library's future.	One-Time	$35,000	Yes
Business Model Approved Sub-Total		**$318,330**	
The Business Model - Declined			
Mousemats For All Computer Stations: Mousemats with info on printing, tech services, etc.	One-Time	$5,000	No
Warehouse, Sr (1.0 FTE): Creation of a centralized disposable parts and supply management system using aspects of 360 Facilities. Creation of efficiencies among building maintenance and custodial services by managing stock levels and reduction of redundant ordering and tracking of expenditures.	Multi-Year	$96,000	No
Staff ADA Accomodations: This request would centralize the ADA budget for the purchase furniture, equipment, technology, etc. under Human Resources budget.	Multi-Year	$5,000	No
Facilities Uniform Initiative: Create a professional look for custodial and building maintenance staff by providing uniforms through a commercial uniform provider. Uniforms would be rented, rather than purchased, reducing upfront costs.	Multi-Year	$44,000	No
Driver Training: The Library requires a number of staff to drive Library vehicles as part of their primary or secondary responsibilities. This proposal is focused on drivers that have driving as a primary responsibility and who drive larger, commercial-type vehicles such as delivery trucks and Mobile Services vehicles (including the Bookmobile).	Multi-Year	$1,245	No
Summit Implementation (0.5 FTE): The current staffing level and data implementation is expected to require another part-time person	Multi-Year	$86,759	No
Business Model Declined Sub-Total		**$238,004**	
Total Business Model Submittals		**$556,334**	

The Seattle Public Library

November 6, 2017