



The Seattle Public Library

Memorandum

Date: December 15, 2022

To: The Seattle Public Library Board of Trustees

From: Tom Fay, Executive Director and Chief Librarian
H. Alex Yoon, Director of Administrative Services
Nicholas Merkner, Finance and Operations Analysis Manager

Subject: **Proposed 2023 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 29, 2022, the City Council approved the 2023 budget, including \$88 million in operating and \$11 million in capital budget appropriations for the Library—Council appropriations included \$24 million in operating support and \$9 million in capital funding provided by the 2019 Library Levy. The Operations Plan also summarizes 2023 grant awards provided by The Seattle Public Library Foundation, as well as Library gift funds that enhance our ability to provide high quality, innovative Library programs and services for Seattle residents. 2023 private gifts and grants total \$5.8 million.

We reviewed the Operations Plan framework at your September Library Board meeting, and brought the first draft to the November board meeting. The enclosed documents reflect board feedback and comments collected during those periods. A separate Executive Summary is included with the Operations Plan, in addition to the actual detailed plan itself.

Attachment: Proposed 2023 Operations Plan Executive Summary

Attachment: Proposed 2023 Operations Plan

Action Requested: Library Board approval of 2023 Operations Plan at December 15, 2022 Library Board meeting. Comments or feedback are welcome.



The Seattle Public Library

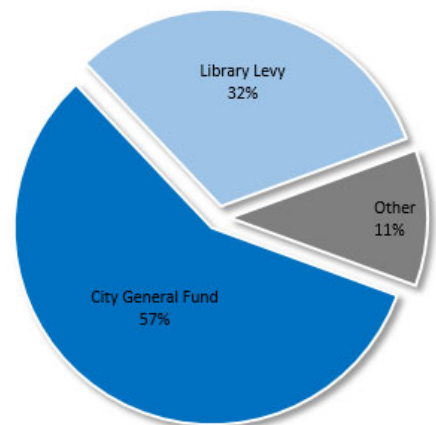
2023 Operations Plan Executive Summary

Entering into the City 2023 budget development process, the Library was asked to submit a proposal for a 6% reduction in General Fund revenues (a \$3.7 million target). Through partnership with the City Budget Office, we landed on an outcome that did not result in direct reductions to our programs and services. Instead, savings associated with ongoing recruitment and hiring timelines were re-directed to offset potential cuts. While this means we will have \$2.95 million less in General Fund revenue from the City in 2023, the overall budget remains intact. The **2023 budget is proposed at \$104.8 million**—a \$2 million (2%) increase when compared again 2022. As part of the Mayor’s budget package, additionally Library Levy support was identified to fund higher-than-expected inflation and for the addition of 2.0 FTE Security Officers. Further additions include \$1 million in JumpStart Payroll Expense Tax resources to help the Library reduce reliance on fossil fuels; \$150,000 in additional restricted gifts and grants to support programming and service delivery; and General Fund support to account for increased sales taxes, central costs, and personnel benefit rate increases.

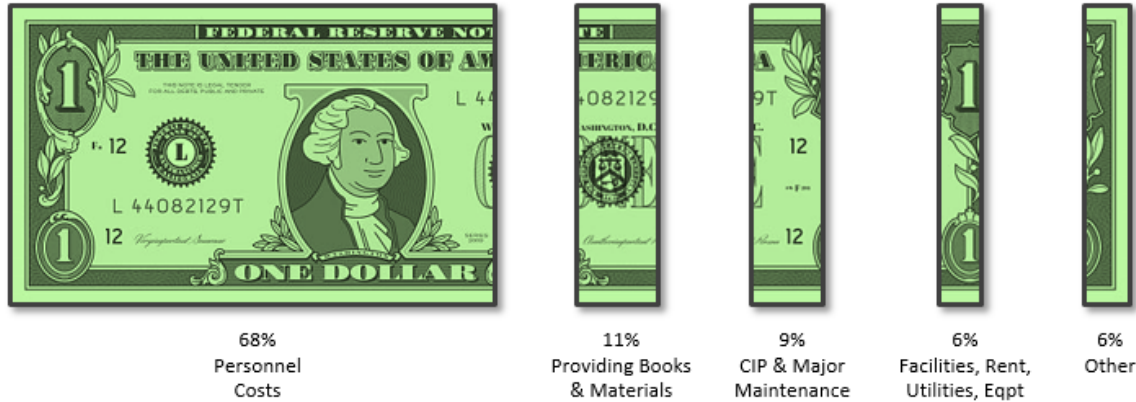
The **Chief Librarian is developing a 2023 Equity Road Map for the Library**. This document will be reviewed by the Senior Management Team and will also be discussed with the Library’s Race and Social Justice Change Team. The final document will be presented to the Board of Trustees early in 2023. Some example from the 2023 budget that illustrate how the Library is using policies, program, and investments to impact racial equity outcomes include; investments in the books and materials collection to expand perspectives and identities represented, expanded implicit bias training particularly as it relates to hiring and promotion, a Rules of Conduct Task Force will review and modify existing code to minimize exclusions for those who may be disproportionately impacted, engagement of a consultant to actualize community and stakeholder input collected via equity cohorts, increased partnership between the budget team and Racial and Social Justice Change Team co-leads.

Funding Sources and Spending at the Library

Since the passage of the 2019 Library Levy, the portion of our funding base reliant on voter-approved time-limited support has increased to 32% (up from 24% pre-2019 Levy). With that being said, the **General Fund is set to provide 57% of our total 2023 resources**, meaning we are still heavily dependent on the City of Seattle’s fiscal health and the performance of the local and national economy. Additionally, we rely on our partnership with The Seattle Public Library Foundation to provide funding for collection and program enhancements that would not otherwise be possible—the **Foundation Board adopted a grant award of \$4.4 million for 2023**.



While the Library’s budget is proposed at \$104.8 million, it is important to understand how these resources are spent. Due to the unique nature of Library services and how they are provided to the public, **Library work is inherently people oriented—which is represented by 68% of all costs being related to personnel.** From there, 11% is to provide books and materials, 15% to support our buildings, and the remaining 6% is related to City central costs and direct patron programming, among other areas.



Potential Risks and Opportunities Facing the Organization

COVID-19 continues to cast a shadow across another year with uncertainty expected to be a common theme—COVID brings not only impacts on our ability to deliver consistent services to the public, but has also amplified social issues on staff and the safety/security in our buildings. Additionally, as our buildings age, there are expected to be increased pressures as it relates to building maintenance and adapting these structures to our changing climate. We do see an opportunity for the organization to strategically leverage alternative funding mechanisms to help fund needed building and facility work, although there is much needed to be done in this realm. The Library will also embark on an expanded strategic planning effort that will effect budget priorities for three to five years as these new strategic initiatives are implemented.



The Seattle Public Library

2023 Operations Plan

The Seattle Public Library's 2023 Operations Plan reflects the first year of the City's biennial 2023-2024 budget cycle and the fourth year of a seven-year, voter-approved, \$219.1 million Library Levy. This plan summarizes information about ongoing Library operations. 2023 Library Budget investments focus on taking action to address the Library's most urgent needs while also endeavoring to implement the commitments of the 2019 Library Levy. In the interest of meeting commitments to Seattle residents for 2023, the Library has surveyed patrons regarding expanded hour preferences, restructured the community resource specialist unit, reengaged with play and learn partners, advanced seismic remodel planning at Green Lake and University branches, and will continue road-mapping the upcoming Integrated Library System migration.

The Library Board of Trustees is responsible for monitoring Library funds appropriated through the City's budget. The Library Board Policy on Race and Social Justice and the City of Seattle's Race and Social Justice Initiative—a commitment to eliminate racial disparities and achieve racial equity—help guide 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.

Overview of the 2023 Operations Plan relative to the Adopted 2022 Plan

To provide a comprehensive picture of the Library's 2023 planned spending, the Operations Plan includes both Operating and Capital budgets. These combine funding resources appropriated through the City's 2023 Adopted Budget (General Fund and Real Estate Excise Tax (REET) revenues, levy funds, and Library-generated income), in addition to resources from Library gift funds, governmental grants, and private funding from The Seattle Public Library Foundation.

The 2023 Library budget across all funding sources—including private gift and grant support—is \$104.8 million. This amount is \$2 million higher than the prior year (a 2% increase). The 2023 Capital Budget had a net increase largely centered on JumpStart Payroll Expense Tax proceeds for climate resilience projects. At a high level, the Library's 2023 \$107.3 million budget reflects the following key year-to-year changes (summarized view year-to-year changes provided as Attachments 1 and 2):

Operating Budget Changes

- A continuation of \$700,000, and a one-time redirection of \$2.25 million, in prior period budget authority to offset City General Fund revenue reductions associated with COVID-19
- Library Levy support increased by \$452,500 to account for higher-than-expected inflation and to fund the addition of 2.0 FTE Security Officers
- \$150,000 in additional gifts and grants from The Seattle Public Library Foundation and other private sources for collections, programming, and early learning
- Adjustments to Central Costs, annual wage increases, benefit rate changes, health care, and other inflationary changes added \$1.4 million in operating resources. These resources are largely dedicated to designated cost pools and do not carry programming flexibility.

Capital Budget Changes

- \$1 million in JumpStart Payroll Expense Tax resources to help the Library reduce reliance on fossil fuels and decarbonize our branches through electrification and other measures
- Library Levy capital support increased by \$679,000. This change is in alignment with the 2019 Library Levy spending plan and accounts for higher-than-expected inflation
- REET capital project support changed by \$339,000, although this is in alignment with the City's long-term capital financial plan

Economic Impacts: COVID-19, Inflation, and City Budget Development

While employment levels and consumer spending in Puget Sound have been quite strong, continued effects from COVID-19 variants, the war in Ukraine, federal fiscal stimulus measures, and inflation have combined to create a great deal of economic churn. The effects on City financials have been mixed, but largely negative, and pushed the City even further into what has been a structural deficit. The Library is not immune from these factors and the potential for a recession will continue to stress an already tight budget, particularly in capital maintenance and improvement projects.

Entering into the City 2023 budget development process, the Library was asked to submit a proposal for a 6% reduction in General Fund revenues (a \$3.7 million target). Our priorities in working with the City were related to impacts of COVID-19 on our operations, safety in our buildings, levy promises made to voters, equity and our organizational direction, and baseline operations.

Through partnership with the City Budget Office, we landed on an outcome that did not result in direct reductions to our programs and services. Instead, savings associated with ongoing recruitment and hiring timelines were re-directed to offset potential cuts. While this means we will have \$2.95 million less in General Fund revenue from the City in 2023, the overall budget remains intact.

Racial Equity and Social Justice Impacts

There is significant evidence that the opportunities Seattle residents can access, and the quality of life they experience, are impacted by their race and where they live. People of color and other under-represented groups in the Library workforce face similar issues. In 2018, the Library Board adopted a Race and Social Justice Policy (Attachment 4), which focuses on eliminating institutional racism and states the following:

“The Seattle Public Library actively commits its programs and resources to eliminate institutional racism by ensuring that barriers to access by staff and the public are eliminated, by supporting broader public access to Library programs and services, and providing the public and staff equitable opportunities for growth through employment and education.”

Institutional racism exists when an organization's programs, policies, and spending work to the benefit of white people and to the detriment of people of color, usually unintentionally or inadvertently.

The Executive Director and Chief Librarian has guided advances in our equity work over the past year, although ongoing assessment of the Library's diversity, equity, inclusion and accessibility needs are essential. This work requires uncovering institutional biases that persist within our own

organization and dismantling structures that allow these inequities to perpetuate. Our communities will continue to be engaged and listened to in order to identify areas with the highest need.

To further advance equitable programs, services and collections, the Chief Librarian is developing a 2023 Equity Roadmap for the Library. This document is meant to help advance the Library's Race and Social Justice Initiative (RSJI) goals by prioritizing certain equity-related Library initiatives, embedding the RSJI framework and its tools more deeply in the Library's work, achieving more just and equitable budget and policy outcomes, and improving Library accountability in this work in 2023 and beyond. The document will be reviewed by the Senior Management team and will be discussed with the Library's Race and Social Justice Change Team. The final document will be presented to the Board of Trustees in the first quarter of 2023.

Additional examples from the Library's 2023 proposed budget that illustrate how the Library is using policies, programs, and investments to change racial equity outcomes and develop a workforce that is inclusive of people of color and other marginalized or under-represented groups include:

Operational Highlights

- Increased investments in the books and materials collection intended to expand perspectives and identities represented in the collection;
- Training that will expand on implicit bias—particularly as it relates to Library hiring and promotion practices. Additionally, the Library works to address barriers to participation in any training by using multiple instructional training delivery methods (instructor led in-person and virtual; self-paced asynchronous online eLearning; 1:1 instruction). All content in the City training portal abides by accessibility requirements for staff with disabilities.
- Capital investments to reduce reliance on fossil fuels in our branches, which is part of a broader strategy to address the climate crisis and the disparate impacts of climate change on communities of color and the economically disadvantaged;
- Ongoing partnership with the University of Washington for a Direct Field Work program for four BIPOC MLIS candidates. Libraries often offer unpaid internships, but through this partnership with the Foundation, the Library is able to offer stipends to provide some financial support to students completing their internship requirements for their degree.

Policy Highlights

- During 2023, a consultant will be engaged to lead and collect input from equity cohorts within the Senior Management Team, Library Leadership Team, community partners, and key organizational teams and stakeholders. The findings of this work will be shared with the Chief Librarian and provide guidance on the future direction of equity work at the Library.
- A Rules of Conduct Task Force is engaging with community members through a Racial Equity Toolkit process to review and modify existing Library Rules of Conduct in order to minimize exclusions to those who may be disproportionately impacted due to race or other factors related to their identity.
- Budget Team partnership with the Library's Race and Social Justice Change Team co-leads to identify ways to center equity in the budget development process, including how to improve engagement with community and Library stakeholders.

Priority Areas within Library Operations

Based on input gathered from a 2021 community survey and a 2018 community needs assessment, the Library identified five fundamental areas of our operations. Additional information as it relates to each of these areas, along with notable 2023 investments are discussed in the proceeding sections.

A. Hours and Access

Library open hours mean access to technology, collections and resources, programs and knowledgeable staff for information and referral. To this end, Public Services staff are versed in the role the Library plays in creating a more equitable community with increased opportunity for low income and historically marginalized individuals and families in Seattle. The Library's largest expenditure is related to personnel, representing \$71.3 million, or 68% of total Library resources. Some impactful changes related to access and Library operations are as follows:

\$75,000 for captioning technology expansion. The Library uses Communication Access Realtime Translation (CART), to provide a textual representation of communication during meetings and events. While not a substitute for ASL or other accommodations, it provides live captioning for virtual, hybrid, and in-person programming, and increases access to programming for deaf patrons, those with hearing loss, learning and other cognitive disabilities or processing issues, and non-native speakers of English. *(Private Grant)*

\$244,500 to add 2.0 FTE Security Officers. These additional Security Officers will allow the team to increase support at high-incident branches to deter and de-escalate adversarial situations and mitigate their impacts on staff and patrons. *(Library Levy)*

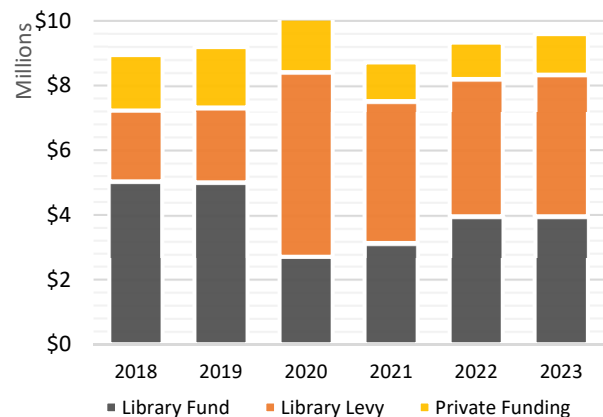
B. Books and Materials

When considering the purchase of materials to be added to the collection, the acquisitions team applies an equity lens that factors in audiences, categories and formats while also focusing acquisitions on titles that reflect underrepresented voices, including those from people of color, the LGBTQ+ community and other marginalized groups. Over the course of the past year, monthly circulation trends are once again nearing pre-pandemic volumes—over 1 million items circulated per month.

The Library provides \$11.2 million (11% of the overall budget) to support the purchase of books and materials, and the movement of those materials across the system. These resources are provided via a combination of General Fund, Library Levy and private gifts (a summary of which can be seen in Figure 1). Key changes to the 2023 books and materials budget include:

\$50,000 to continue a Collection Diversity Audit. The Library will build the collection to be more inclusive and representative of a wider-range of perspectives and identities, and will have a positive racial equity impact on communities of color. *(Library Levy)*

Figure 1: Materials Budget by Funding Source



\$50,000 for Read-Along Books, which are a new picture book format with a talking component (MP3) attached to the inside of the front cover the book. This supplementary funding will enable the purchase of Read-Along Books in Spanish/English and Chinese/English, while also expanding the English-only part of the collection. *(Private Grant)*

C. Technology and Online Services

The digital environment provides increasing opportunities to participate in the information society, although some individuals and families can face serious barriers to access. These barriers, often referred to as the “digital divide,” may include a lack of affordable internet connectivity, lack of internet ready devices, or a lack of skills, knowledge or means to access digital resources. The Library plays an important role in helping bridge the digital divide by providing access to patrons who lack this capability at home.

According to a survey conducted by the Library, one-third of Seattle residents said they relied on Library computers or Wi-Fi networks to access the internet and other digital resources. The Library provides free access to digital devices (desktop computers, laptops and tablets) that can be used to search online resources, connect to the internet, or use popular software. Our wireless internet access is provided free to patrons and has experienced exponential growth as patron preferences shift toward mobile access. Additionally, patrons can use their Library card to check out a portable Wi-Fi hot spot. A key investment in this area for 2023 includes:

\$1,209,000 for IT enterprise equipment upgrades to repair and replace core and central switches to maintain and improve the Library’s network. *(Library Levy)*

D. Literacy and Early Learning

Libraries play an important role in fostering literacy, particularly for those who have historically faced barriers to access, such as immigrants and refugees, and those just developing literacy skills, such as preschool and elementary students. Key investments in this priority area for 2023 include:

\$25,000 for a youth and family learning services “Innovation Fund.” This will be dedicated to new programs and services that serve our prioritized audiences for youth of all ages and their families. This will provide flexibility to create culturally responsive programming in a more nimble fashion. *(Private Grant)*

\$30,000 for Kindergarten through 5th grade programming and services. Goals of this programming include creating engagement with K-5 students and families farthest away from justice in learning opportunities, centering parent and family engagement to increase awareness of Library resources in support of youth development and student success, and working in partnership with community stakeholders to enhance Library-led literacy efforts and the expansion of K-3 Developing Reader Kits. *(Private Grant)*

E. Building and Facility Support

As part of the 1998 Library’s for All capital campaign, the Library remodeled and replaced a number of our branches. Many of these renovations and buildings are now over 20 years old and in need of ongoing and careful oversight and maintenance to protect the public investment. The Library utilizes an internally developed and actively managed Comprehensive Facilities Plan to surface and direct

where investments are needed throughout the system. However, resulting from budget reductions taken during the outset of the COVID-19 pandemic, a number of building maintenance projects were deferred to future periods. This is not an optimal approach, as timely and ongoing maintenance is less expensive than emergency repairs and replacements—this is particularly salient when considering the iconic and unique buildings that are present in the Library property portfolio.

Our buildings provide a forum where patrons can read or study in a comfortable environment, listen to interesting and engaging speakers, participate in meaningful community events, or find daytime respite. \$15.7 million, or 15% of Library resources, support keeping our facilities open, clean, functional, and welcoming to all. Key investments in our facilities for 2023 include:

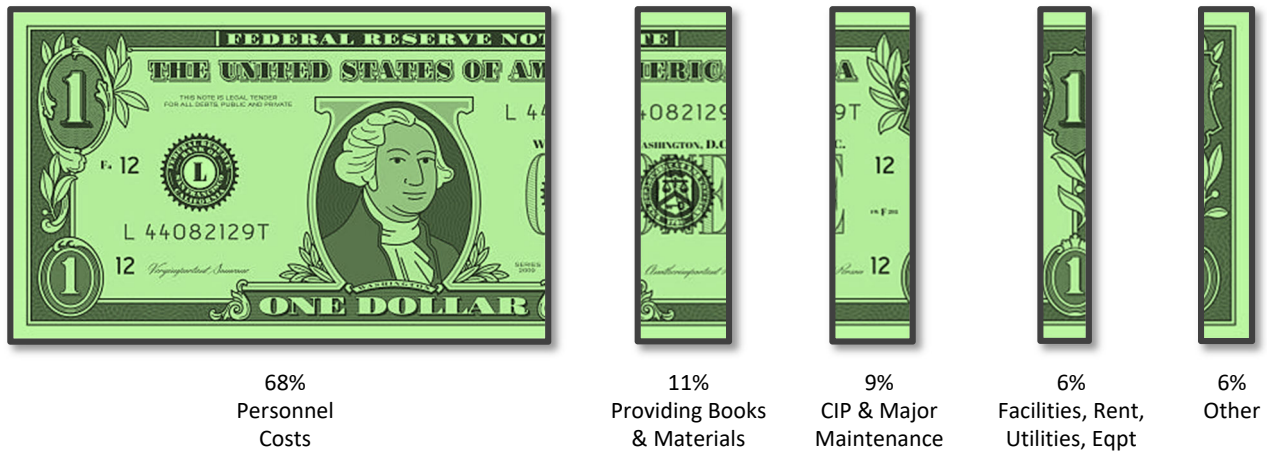
\$300,000 to help fund the electrification and installation of air conditioning at the Northeast and Southwest branches. This funding was identified through partnership and by the direction of the Office of Sustainability and Environment. *(Real Estate Excise Tax)*

\$100,000 for a “tune-up” of the Central Library HVAC, building, and controls systems. These are needed once every five years. *(General Fund)*

Operations Plan Overview by Personnel, Collections and Buildings

There is an overarching and larger scale framework within which our priority areas fall, these consist of: 1) personnel, 2) books and materials, and 3) buildings. Relative investments of Library resources among these categories are shown below, along with an illustration of how \$1.00 is spent at the Library through this lens. Due to the unique nature of Library services and how they are provided to the public, Library work is inherently people-oriented. Additional department level budget information can be seen on Attachment 1.

Figure 2: How \$1.00 is spent at the Library and the Proposed Budget

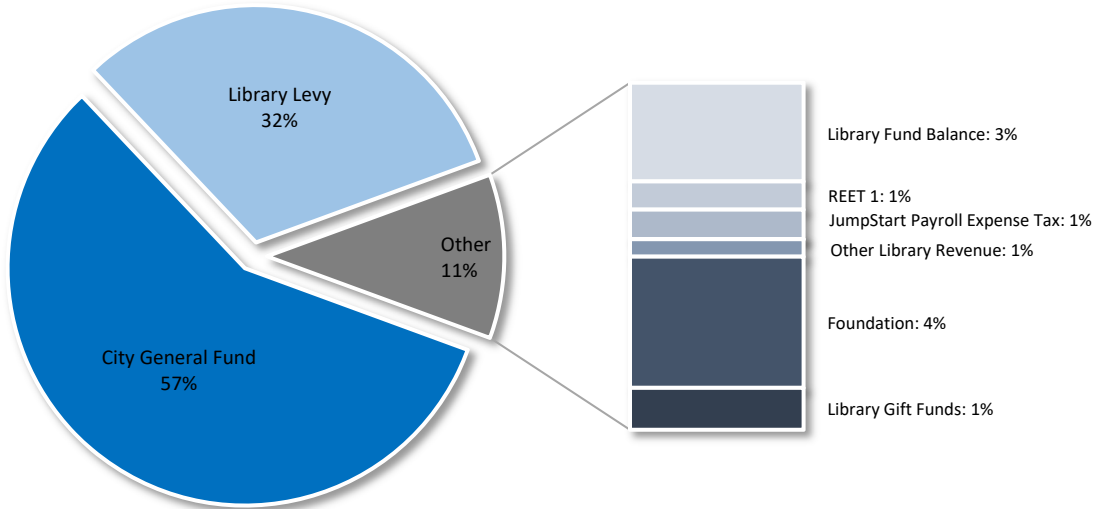


Amounts in \$1,000s	2023 Proposed	%
<i>Personnel</i>		
Public Services, Collections & Access	\$52,773	50%
All Other Departments	\$18,475	18%
<i>Personnel Sub-Total</i>	<i>\$71,248</i>	<i>68%</i>
<i>Providing Books & Materials</i>		
Books & Materials Collection	\$10,072	10%
Collection Processing & Distribution	\$1,096	1%
<i>Providing Books & Materials Sub-Total</i>	<i>\$11,148</i>	<i>11%</i>
<i>Buildings</i>		
Capital Improvements & Major Maintenance	\$9,840	9%
Utilities, Maintenance, Rent, Equipment	\$5,861	6%
<i>Other</i>		
Direct Programming Supplies	\$1,481	1%
City Central Costs	\$2,819	3%
Software	\$867	1%
Other	\$1,498	1%
<i>Other Sub-Total</i>	<i>\$6,665</i>	<i>6%</i>
Total	\$104,782	

Operations Plan Overview by Funding Source

The design and development of the Library budget occurs against a backdrop of equity impacts associated with the City’s Language Access Plan (Library plan included as Attachment 3), as well as the City’s Race and Social Justice Initiative and the Library Board policy on Race and Social Justice (Attachment 4). Library operations are supported by three main funding sources: City appropriation of General Fund support, an annual allocation from the seven-year, voter-approved Library Levy, and private gift funds—which include annual grants from The Seattle Public Library Foundation.

Figure 3: Operations Plan by Funding Source



Amounts in \$1,000s	2022 Adopted	2023 Proposed	% Change
<i>Operating Fund</i>			
City General Fund (Operating)	\$60,591	\$60,105	-1%
2019 Library Levy (Operating)	\$23,236	\$24,079	4%
Other Library Revenue	\$408	\$553	26%
Interdepartmental Support	\$26	\$31	16%
Use of Library Fund Balance	\$1,155	\$3,331	188%
Coronavirus Local Fiscal Recovery	\$434	\$0	-100%
<i>Operating Fund Sub-Total</i>	<i>\$85,850</i>	<i>\$88,099</i>	<i>3%</i>
<i>CIP</i>			
2019 Library Levy (CIP)	\$8,215	\$8,894	8%
REET I (CIP)	\$1,287	\$948	-26%
JumpStart Payroll Expense Tax (CIP)	\$0	\$1,000	100%
City General Fund (CIP)	\$1,742	\$0	-100%
<i>CIP Sub-Total</i>	<i>\$11,244</i>	<i>\$10,842</i>	<i>-4%</i>
<i>Gifts and Grants</i>			
Seattle Public Library Foundation*	\$4,128	\$4,425	7%
Gift Funds (Balch, Bunn, other)	\$1,543	\$1,416	-10%
<i>Gifts and Grants Sub-Total</i>	<i>\$5,671</i>	<i>\$5,841</i>	<i>3%</i>
Total	\$102,765	\$104,782	2%

* Grant awards approved by The Seattle Public Library Foundation Board of Directors

General Fund

The year 2022 has been filled with considerable economic instability and uncertainty both nationally and locally. The City’s General Fund revenues continued to experience negative impacts from the pandemic, while emergency COVID-related funding support from the Federal Government ended. As a result, when developing the 2023 budget, City departments were asked to prepare reduction proposals of up to 6%--of which the Library was in the 6% bracket. Through partnership, negotiation, and ultimately advocacy by the City Budget Office, the Library was able to stave off budget and service cuts for 2023 by redirecting savings derived from prolonged recruitment and hiring timelines. What this means is that the Library will be offsetting \$2.95 million in City General Fund support with a one-time use of accumulated fund balance. Realigning this aspect of the budget with the City General Fund will represent a major priority and hurdle for the organization as budget development work is embarked upon in the future.

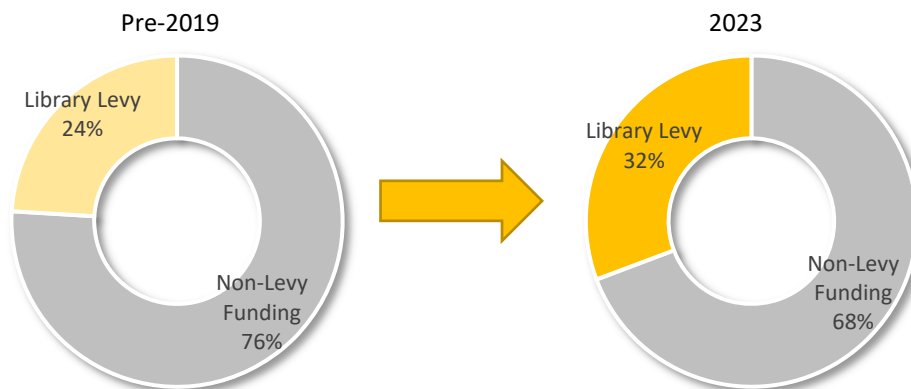
The majority of the Library’s funding is provided by the City General Fund, with 57% of the budget provided by this resource. The Library’s financial well-being and our ability to deliver services to the public is closely tied to the performance of the local and national economy.

Amounts in \$1,000s	2022 Adopted	2023 Proposed	% Change
Hours & Access	\$27,957	\$26,746	-4%
Providing Books & Materials	\$13,319	\$13,502	1%
Technology & Online Services	\$4,118	\$4,349	5%
Literacy & Early Learning	\$521	\$539	3%
Building & Facility Support	\$7,345	\$7,559	3%
Major Maintenance (CIP)	\$1,743	\$0	-100%
Administration	\$4,632	\$4,591	-1%
City Central Costs	\$2,698	\$4,819	4%
Total	\$62,333	\$60,105	-1%

2019 Library Levy

In August 2019, Seattle voters approved a seven-year, \$219.1 million 2019 Library Levy renewal to support, maintain, and expand core Library services, renewing a \$122 million Library Levy that was first passed in 2012. With the passage of the 2019 Library Levy, the Library increased our dependence on time-limited voter-approved funding. In 2023, the levy will provide 32% of the Library’s total budget, which is up from 24% pre-2019 Library Levy.

Figure 4: Pre-2019 Library Levy Budget % Compared to Current-Year Budget %



Each year, the Library Board of Trustees allocates available levy funds through the Operations Plan. More information on 2019 Library Levy categories, including how they map back to the budget can be found on Attachment 5.

Amounts in \$1,000s	2022 Adopted	2023 Proposed	% Change
Hours & Access	\$12,671	\$13,283	5%
Providing Books & Materials	\$5,648	\$5,800	3%
Technology & Online Services	\$2,461	\$2,563	4%
Literacy & Early Learning	\$284	\$301	6%
Building & Facility Support	\$1,883	\$1,832	-3%
Major Maintenance (CIP)	\$5,024	\$7,747	54%
Major Maintenance (IT)	\$3,191	\$1,147	-64%
Administration	\$289	\$300	4%
Total	\$31,451	\$32,973	5%

Levy – Operating Fund

After three years of COVID-related reductions in hours at Library locations, the Library is poised to expand open hours in 2023. We anticipate adding up to 133 hours per week throughout the Library system for an annualized total of about 7,000 hours. The original levy plan proposed adding 200 hours per week system-wide, with an emphasis on adding hours on weekday evenings and increasing the number of branches open seven days a week. Based on changes in patrons’ preferences for open hours, as well as staff changes resulting from the pandemic, the Library has looked at our operating hours and made schedule adjustments that reflect what patrons told us as part of the 2021 Levy Priority Survey and to reflect new constraints on staffing. In 2023, we will be able to offer seven day-a-week service at up to 19 branches, compared to 17 branches pre-pandemic and also offer longer hours on the weekend throughout the system.

The 2019 Library Levy promised to add social service support for youth and up to six additional Play and Learn programs. In 2023, we expect to offer at least five weekly play and learn programs at Library branches funded by the levy. Other highlights of levy funding in 2023 include fine-free access to the books and materials collection, investment in e-materials and Peak Picks, digital equity through the Wi-Fi hotspot program, and enhanced levels of building maintenance.

Levy – Capital Improvement Program

Of the Library’s 26 neighborhood branches, seven are Carnegie-era branches that are considered historic city and state landmarks. These branches—Douglass-Truth, Columbia, Fremont, Green Lake, University, Queen Anne and West Seattle—are unreinforced masonry buildings, which means the buildings are at an increased risk for damage during a seismic event. The current seven-year levy, passed by voters in 2019, includes funding for seismic retrofits at the three of the most vulnerable branches: Green Lake, University and Columbia. The 2023 budget includes levy funding for the University branch seismic retrofit project, which continues planning and design work. Seismic retrofit projects will also allow us to install air conditioning in these Carnegie-era branches. Air conditioned public spaces have become an increasingly important community need throughout the city as summer temperatures climb and many lack air conditioning in their homes.

The levy also continues to provide capital funding for the Library’s major maintenance program, performing critical maintenance to ensure the Library’s 28 facilities (Central Library, 26 neighborhood branches, and a Maintenance Operations Center) are in good repair and preserved for future generations. The focus for 2023 projects will be mechanical systems replacement, repair and electrification of branch libraries—with emphasis on the highest priority sites to fulfill the 2030 Mayoral electrification mandate to reduce the City’s reliance on fossil fuels. Branch electrification is prioritized based on immediate maintenance needs, air-conditioning status, years since last remodel, and proximity to other branches. Specific site selection is dependent upon upcoming federal grant funding outcomes. The Library’s 2023 capital IT infrastructure budget includes \$1.2 million to replace Library core and central switches, which help direct network traffic for both patron and staff use. The 2023 capital project plan is included as Attachment 6.

Other Capital Improvement Program Support

Capital improvement projects may carry large fund balances as timelines shift and are influenced by external factors (such as COVID-19), project complexity, and the availability of qualified contractors in a competitive local construction market (especially related to historically-landmarked buildings). Projects require ample planning and are often multi-year in nature—as a result, the Library may have carryforward resources that span multiple fiscal years. A long-term capital improvement program is submitted to the City Budget Office each year and is included as Attachment 7. Additional capital funding sources provided by the City are covered in the proceeding sections.

Real Estate Excise Tax (REET) – Capital Improvement Program

The 2023 Operations Plan includes a total of \$948,000 in REET funding, which is tax revenue generated from property sales in Seattle. Of the total \$948,000, \$648,000 is dedicated to ongoing planning, design, and construction costs associated with the University and Columbia branch seismic retrofit projects (which includes upgrades to, and electrification of, the branch’s mechanical and HVAC systems). The remaining \$300,000 of REET provides partial funding of HVAC upgrade/electrification at the Northeast and Southwest branches.

JumpStart Payroll Expense Tax – Capital Improvement Program

The City’s 2023 Adopted Budget also provides the Library \$1 million from JumpStart Payroll Expense Tax revenue. These funds support the City’s Green New Deal programs to reduce reliance on fossil fuels and mitigate carbon emissions from City buildings. These funds would be applied to the aforementioned branch electrification work.

The Seattle Public Library Foundation

The Seattle Public Library Foundation helps the Library enhance its collections, offer activities for all ages, pilot new and innovative initiatives, and enrich 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 Foundation’s goal is to expand the reach of the Library, not to supplant funding for core Library operations. The Library submits grant requests and provides support where needed, however the final award amount, as well as the efforts funded, is at the discretion of an independent Seattle Public Library Foundation Board of Directors.

Amounts in \$1,000s	2022 Adopted	2023 Proposed	% Change
Hours & Access	\$1,099	\$1,197	8%
Providing Books & Materials	\$1,437	\$1,642	13%
Technology & Online Services	\$270	\$318	15%
Literacy & Early Learning	\$722	\$779	7%
Major Maintenance (CIP)	\$200	\$200	0%
Administration	\$400	\$289	-37%
Total	\$4,128	\$4,425	7%

Library Gift Funds

The Library receives investment earnings from two main funds, the Robert C. Bunn Trust and the Albert S. Balch Trust, which are used to enhance Library services and support new initiatives. There are also designated contributions that were made to the Library and are spent in accordance with donor restrictions. The allocation and approval for spending authority of Library gift funds occurs as part of the Operations Plan. Detail on items funded for 2023 can be found on Attachment 8.

Other Library Earned Revenue

There are Library generated revenue streams which help support core operations. These funding sources will provide approximately 0.5% of the Library’s 2023 budget. Library enterprise revenues are on a slow path to recovery. The organization is projected to improve upon 2022 figures by 26%, however this will still only place us at 2/3 of pre-pandemic revenue collection.

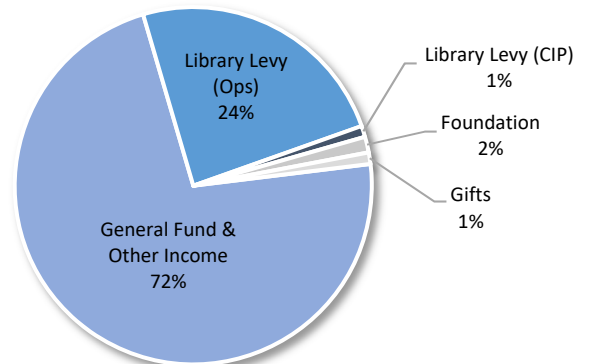
Amounts in \$1,000s	2022 Adopted	2023 Proposed	% Change
Lost Material Fees	\$110	\$110	0%
Central Library Parking Garage Fees	\$75	\$235	68%
Copy Services/Pay for Print	\$90	\$110	18%
Space Rental	\$75	\$50	-50%
Consignment Fees	\$55	\$45	-22%
Miscellaneous Revenue	\$3	\$3	0%
Total	\$408	\$553	26%

Staffing Levels by Funding Source

The 2023 Library budget contains 713 positions (609.3 FTE)—funded via multiple sources (Figure 5).

Figure 5: FTE by Funding Source

	2022 FTE	2023 FTE	% Change
General Fund & Other Income	440.9	441.2	0%
Library Levy (Operations)	143.6	146.9	2%
Library Levy (CIP)	5.8	6.2	6%
Foundation	8.7	8.7	0%
Gift Funds (Bunn & Balch)	6.1	6.3	5%
Total	605.1	609.3	1%



Vacancies

As library employees leave for reasons such as retirement or in search of other opportunities, their position is unfilled for a period of time—in the simplest of terms, this period when a position is unfilled represents a period of vacancy. Assuming full employment for an entire year is unrealistic, as such a salary savings assumption is built into the budget that forecasts an organization-level vacancy rate. A 4% salary savings assumption is included as part of the 2023 budget—while this rate represents a slight increase over prior years, it is still in line with historical vacancy rates at the Library. Actual savings and expenditures will be closely monitored to ensure appropriation authority is not over-expended.

Separation and Retirements Payouts

Staff turnover due to cyclical separations jumped in 2021 when compared against the two years that preceded it (61 in 2021 vs 19 in 2020; 33 in 2019). While staff retirements remained relatively steady, the ranks of Library employees reaching retirement age, but who have yet to announce their retirement, are significant. As of November 2022, The Library had 150 employees eligible for retirement (up from 139 employees in November 2021), with an estimated liability of \$1.6 million (up from \$1.5 million in November 2021).

While the Library has been able to manage these payouts within our annual appropriation (against agency-wide vacancy savings), this approach is not a guarantee of sufficient funding for the future liability. Library separation and retirement payouts over the past three years have been as follows:

	2019		2020		2021	
	Count	Amount	Count	Amount	Count	Amount
Separation Payouts	33	\$102,858	19	\$39,086	61	\$190,877
Retirement Payouts	21	\$223,719	11	\$179,223	15	\$206,542
Total	54	\$326,577	30	\$218,309	76	\$397,418

Future Risks

In any given year, the Library is faced with risks that can range from changing economic conditions to operational restrictions. Two high priority risk areas are analyzed as part of this section.

Pressures of Social Issues on Staff and Safety/Security in our Buildings

The Library serves a critical role in providing daytime respite and engagement for people who are insecurely housed, unemployed, or out of school. Keeping libraries safe and clean ensures everyone in the city has a welcoming and attractive place to learn, to access the internet, search for a job, and connect with friends and family, or to simply be. However, providing open access to all also brings with it all the challenges our community faces outside of our doors, including mental health struggles, addiction issues, crime, violence, and insecure housing conditions.

These socio-economic challenges have introduced severe pressures on the Library and Library staff. There has been increased frequency and severity of disruptive patron behaviors, such as assaults, drug use, and harassment, as well as increased vandalism and intentional destruction of Library property. Immediate and ongoing impacts are on staff safety, operations and facilities. If this trend continues, the Library faces serious risks: we will have to continue to evolve staffing models to have more staff onsite to manage a more complex environment—potentially resulting in reduced hours,

service levels and programs, increased costs for property damage and repair, and more unplanned closures due to violent and unpredictable incidents and facilities disruptions.

These impacts are also felt by the general public who may no longer feel safe and welcome to bring themselves, their children, family members, or friends to use library resources and library spaces. The potential erosion of public trust in an institution that is known for its high-level of service, excellence of resources and programs, and caring and compassionate staff represents a longer-term concern for reputation, access to information and resources, and overall sustainability.

COVID-19 Operations

COVID-19 is likely to continue presenting significant impacts for the communities we serve, particularly insecurely housed communities that have increased in population due to economic effects of the pandemic alongside rapid urbanization. Additionally, the Library is experiencing ongoing operational impacts—these include but are not limited to; lower usage rates of services and programs, reduced or varied levels of services and programs, challenges with defining and delivery on equity goals, adequate staffing to support open hours, and ongoing safety and security issues with the service environment.

While physical circulation is rebounding as the system has reopened in 2022, there continues to be a trend toward digital materials usage and overall declines in physical material usage, resulting in lower day-to-day onsite collection use and activities. As patrons have become more acclimated to remote access, we may also see longer term interest in virtual programs and services, and possibly lower attendance and usage of in-person services and programs. Despite vaccination being required among staff and high vaccination rates among the public, there are still unknowns with longer term vaccination efficacy and COVID-19 variants, particularly relating to impacts on children and vulnerable populations. These unknowns may result in disruption of staffing levels and service continuity, continued safety restrictions related to masks, physical distancing and in-person programming, and also a reduced ability to conduct equity related outreach and programming.

Aging Buildings, Maintenance, and a Changing Climate

Library buildings are among the most intensively-used City facilities in Seattle. Prior to the pandemic, the Central Library hosted over 1.2 million visitors annually, with library branches serving over 3.6 million visitors. The Library's historic landmark buildings have unique features such as brick facades, slate roofs and other details. When undertaking maintenance and repair work, it is essential to use designs and materials consistent with their landmark status—all factors that increase major maintenance costs. Additionally, the economic disruption stemming from the pandemic skewed supply and demand for raw materials and services, forcing either reexamination of individual project scope or reprioritization of larger Library projects. Contractors are charging more; public project bids, such as those for the Green Lake seismic retrofit and Capitol Hill roof and mechanical system replacement, came in far above architectural estimates—resulting in delays and/or potential scope revisions.

The Central Library—potentially a future candidate for landmark status—will enter its third decade of service during the current seven-year levy, and its systems are aging. A building of the Central Library's size, complexity, and intensity of use requires significant annual maintenance to preserve core functionality and continually improve building efficiency. Updating Central's mechanical and

HVAC systems to align with current City policy (including the electrification mandate mentioned below) and lessen its carbon footprint will require significant funding beyond the annual Levy major maintenance allocation.

The Library is adapting to a changing climate, often working with the Office of Sustainability and Environment to identify potential areas for improved energy efficiency and, per mayoral directive, to lessen the Library's reliance on fossil fuels. Several branches—including most of the landmarked branches—are not air-conditioned, and rising summer temperatures can lead to closures which impact patrons and Library operations. The Library continues to explore logistics and both internal and external funding options to add air conditioning to high-use branches that currently lack air-conditioning, which would increase branch comfort year-round and also allow those branches to serve as cooling centers during extreme heat and wildfire smoke events.

Opportunities

While the Library is faced with risks each year, we are also presented with opportunities. Two priority opportunity areas are analyzed as part of this section.

Strategic Planning

In 2022, the Library launched a Strategic Foresight Project to prepare for the future and lay the groundwork for informed development of a new long-term strategic plan. The strategic foresight planning process helps organizations identify plausible futures to more meaningfully plan, prepare and shape their organization for what lies ahead.

Guided by an internal core team and with staff, community and partner input, this Strategic Foresight Report is scheduled to be completed by an external consultant to the Library in January 2023. Input for the Strategic Foresight process has been gathered through multiple core team meetings, staff and community workshops with dozens of Library staff and community stakeholders participating, and a community and stakeholder survey for those who could not participate in person. A final report will outline the Library and community's preferred future vision.

The next phase of the Library's strategic effort is to develop a Strategic Plan for the Library that is guided by the Strategic Foresight Report. The Library will have a consultant on board in January 2023 to lead the Library through an extensive strategic planning initiative with a final report scheduled for delivery in the fall of 2023. This effort will require significant participation across the library and the community, and it will effect budget priorities for three to five years as new strategic initiatives are implemented.

Capital Grants, Campaigns, and Alternative Funding Mechanisms

As the Library's building portfolio continues to age, leveraging alternative funding mechanisms will have to be strategically employed by the organization to keep pace with accelerating needs. Increased research into the capital grant sphere, targeted capital campaigns, and bond issuance will all need to receive consideration by the organization. Organizational readiness of the Library and the Foundation must be assessed, a clear plan with a compelling case needs to be developed, and strong leadership to focus on longitudinal goals will all be essential. While there is much work to be done in this realm, there is also a great deal of promise and opportunity.

Closing Summary

Uncertainty is expected to be a common theme when it comes to Library operations and services in 2023. Ensuring patrons feel comfortable, confident and safe using Library services will be a priority for the coming year.

Attachments

1	2023 Operations Plan compared to 2022 Adopted Budget
2	Key Changes in 2023 relative to 2022 Adopted Budget
3	Library Language Access Plan
4	Library Board Race and Social Justice Policy
5	2019 Library Levy Categories & Budget Cross-walk
6	2023 Capital Improvement Projects
7	Long-Term Capital Improvement Program Plan
8	Library Gift Fund Project Listing
9	Library Organizational Chart