



The Seattle Public Library

MEMORANDUM

Date: December 19, 2019

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
Trisha Patek, Senior Finance Analyst
Sandy Sivisay, Finance Analyst

Subject: **Proposed 2020 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 18, 2019, the Council approved the City's 2020 budget including \$81 million operating and \$5 million capital budget appropriations for the Library. The Council appropriations included \$21.7 million in operating support and \$4.2 million in capital funding provided by the 2019 Library Levy. Of note, as part of the 2020 Supplemental process, a revision will be posted to the City budget re-classifying the Levy funded IT infrastructure project (\$511,000) from Operating to Capital. This change will allow for better tracking of capital assets via the City's PeopleSoft financial system.

We reviewed the framework with the Board at the October retreat, while also reviewing the first draft of the document at the November Board meeting. The enclosed proposed Operations Plan reflects your feedback and comments, in addition to detailed information about revenues, personnel and planned expenditures for 2020.

The Operations Plan also summarizes 2020 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 2020 Operations Plan

Action Required/Requested: Library Board approval of 2020 Operations Plan at December 19, 2019 Library Board meeting. Comments or feedback welcome.



The Seattle Public Library

2020 Operations Plan

The Seattle Public Library's 2020 Operations Plan reflects the second year of the City's biennial 2019 - 2020 budget cycle and the first year of a seven-year, voter approved, \$219 million Library levy. This plan summarizes information about ongoing Library operations.

To provide a comprehensive picture of the Library's 2020 planned spending, the Operations Plan combines funding resources appropriated through the City's 2020 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 Library Board Policy on Race and Social Justice and the City of Seattle's Race and Social Justice Initiative (RSJI)—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 2020, staff will continue to review monthly revenue and expenditure reports for the Operating Fund with the Library Board of Trustees. This allows the board to monitor changing financial realities and the Library's planned response.

Overview of the 2020 Operations Plan relative to the Adopted 2019 Plan

The 2020 total Library budget is \$91.7 million, which is \$7.6 million higher than the prior year (a 9% change). This differential is owing to a few key factors:

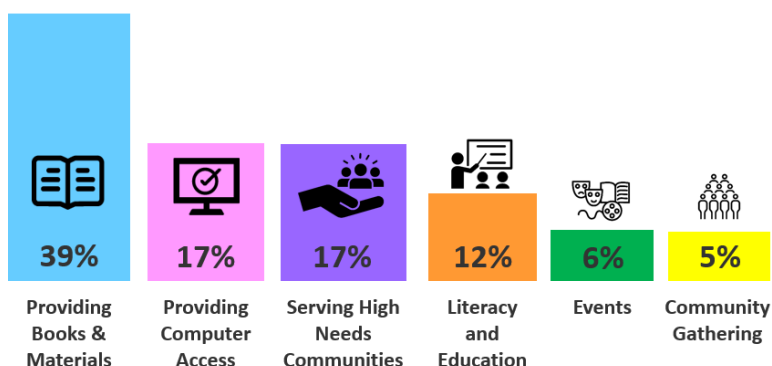
- The 2019 Adopted Budget did not reflect an Annual Wage Increase adjustment for salaries (negotiated to be 4% for 2019 and 3.6% for 2020)
- Library levy operating support increased by \$1.8 million (+8.5%)
- Library levy capital support increased by \$2 million—\$1 million of which is related to unreinforced masonry and IT infrastructure projects (+43%)

A summarized view of year-to-year changes are provided as Attachments 1 and 2.

Priority Areas for Library Programs, Services, and Operations

In 2018, the Library undertook an assessment of its programs and services to inform and guide the future direction of the Library. The Library solicited community feedback in the form of a survey—with the intent to gain an understanding of satisfaction with existing Library services and measure interest for new services. This survey was offered in English and the City's seven first-tier languages (Spanish, Vietnamese, Cantonese, Mandarin, Somali, Tagalog, and Korean). More than 26,000 responses were collected and the following results emerged on the role the public equates with the Library.

Figure 1: The Role of the Library (% Ranking First; Extract)



These results reaffirmed the direction of the 2012 Library levy, and helped frame how resources should be aligned as part of the 2019 Library levy and the future direction of the organization. The priority areas were narrowed down to include:

- Keep libraries open when patrons need them
- Provide a robust collection of books and materials
- Improve computer and online services
- Expand early learning programs for children ages zero to five
- Maintain our buildings for the next generation

The subsequent sections provide information on key incremental changes across these priority areas, while also identifying supplemental priorities identified by the Library Board of Trustees.

Hours and Access

Library open hours means access to technology, collections and resources, programs, and knowledgeable staff for information and referral. To this end, all members of the organization have been trained on 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 \$64 million, or 70% of total Library resources. Specific investments, with funding source and Board priority area—if applicable—shown in parenthesis, include:

\$1,013,000 to eliminate overdue fines for Library materials. Overdue fines act as a financial barrier to Library access for many in our community. Research has shown that overdue fines impact some neighborhoods more than others and the elimination of fines does not carry a significant impact on return rates. While branches see similar levels of late materials, there are significantly higher account balances and, as a result, more blocked patron accounts in neighborhoods that have been defined by the City as “areas of highest disadvantage¹.” The elimination of overdue fines will increase access to Library materials. (*Library Levy & RSJI*)

\$673,000 to add open hours at Library branches. Beginning in January the levy expands Sunday hours at all branches by adding one hour, Monday through Thursday. In June, morning, evening, and Friday hours will also be added throughout the system. The new hours increase access to collections and other important Library services. (*Library Levy*)

¹ <https://www.arcgis.com/home/item.html?id=f2e813896b04413ea57b5eeb76c61d8b>

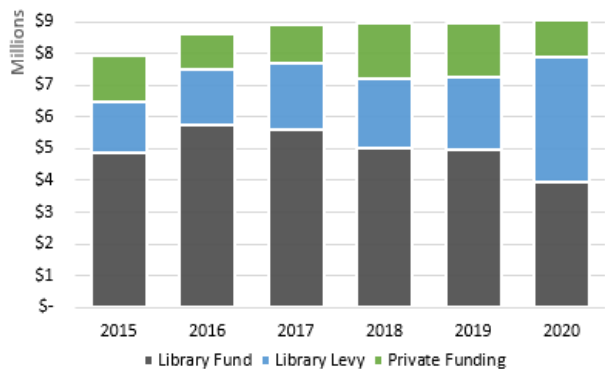
\$50,000 to support strategic targeted outreach for limited English proficient (LEP) communities. Seattle is a rapidly evolving city, which includes multiple diverse LEP communities. There are limited Library materials provided in other languages—these resources will help address some areas of deficiency. *(Private Funding & Translation)*

\$11,350 to support a unique opportunity, with the 2020 Census and Presidential and state elections, in creating a system wide emphasis on civic engagement. The Library plans on providing tangible access to political processes and will look for opportunities to build understanding and promote dialog. *(Private Funding & Census)*

Providing Books and Materials

Seattle residents borrow nearly 12 million items each year. In recent years, the Library has focused acquisitions on titles that reflect underrepresented voices, including those from people of color, the LGBTQ community, and other marginalized groups. The Library provides nearly \$11 million (12% 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 from a combination of General Fund, Library levy resources, and private gifts and Foundation grants (a summary of which can be seen in Figure 3). Key investments related to the Library’s books and materials collection, with funding source and Board priority area—if applicable—shown in parentheses, include:

Figure 3: Books & Materials by Funding Source



\$633,000 to supplement the e-materials budget. Digital content is ubiquitous and e-books and streaming media represent the fastest growing formats in the library collection. This additional funding will ensure digital collections can continue to grow, while also preparing the Library for future developments. *(Library Levy & Digital Materials)*

\$5,000 to further engage Native stakeholders and explore options for enhancing our materials related to Native communities. *(Private Funding & Cultural Collections)*

Technology and Online Services

System-wide, the Library provides free access to over 1,000 desktop computers, laptops, and tablets that can be used to search online resources, connect to the internet, or use popular software. These devices provide access to those most in need to stay current on events, look for work, or keep in touch with family. The Library provides free wireless internet access during open hours, which has experienced exponential growth as patron preferences shift toward mobile access.

Patrons can use their Library card to check out a portable Wi-Fi hotspot, a program envisioned—through an RSJI lens—to help close the digital divide. Additionally, the Library offers loaner laptops for patron use, and all our locations offer adaptive technology to make it easier for patrons with vision, hearing, and mobility impairments to use our computers. Specific investments, with funding source and Board priority area—if applicable—shown in parenthesis, include:

\$511,000 to upgrade Wi-Fi infrastructure. The Library continues to see an increase in Wi-Fi connections, surpassing 5,000 connections per day. We anticipate continued increases year-over-year with patrons bringing in more personal devices. To meet the mobile information needs of our patrons and residents, the Library will upgrade its aging Wi-Fi infrastructure at the Central Library and all 26 branches. *(Library Levy)*

\$18,000 to implement a Library e-card, which allows a user to register online and have immediate, convenient use of our electronic collections. *(Private Funding & RSJI)*

Literacy and Early Learning Programming

Libraries play an important role in fostering literacy, particularly for those who have historically had barriers to access such as immigrants and refugees, and those just developing literacy skills such as preschool and elementary students. Specific investments, with funding source and Board priority area—if applicable—shown in parenthesis, include:

\$145,000 to expand the Community Resources Specialist Program for youth. Currently, the Library contracts with the Downtown Emergency Service Center to provide support and social services information to patrons who primarily self-identify as homeless. This will expand the program to help serve the unique needs of at-risk youth. *(Library Levy & RSJI)*

\$134,000 to offer World Story Time, which targets and promotes story times to communities that speak languages other than English. Programs are conducted in Mandarin, Spanish and Somali. *(Private Funding & RSJI)*

\$84,000 to offer programs for our adult learners such as English for Speakers of Other Languages classes, Adult Education Tutoring, digital literacy and English classes, family literacy classes, citizenship classes and tutoring, and community outreach. *(Private Funding & RSJI)*

Building and Facility Support

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. \$8 million, or 9% of Library resources support keeping our facilities open, clean, and welcoming to all. Specific investments, with funding source shown in parenthesis, include:

\$1,481,000 for utilities across 27 library locations. Library facilities serve an important role of not only housing our collection of books and materials, but also providing welcoming and functional spaces for all members of the community. Heating, cooling, and lighting are central elements of our buildings being open and operational. *(General Fund)*

\$500,000 for design costs at the Green Lake Branch related to the seismic retrofit projects, which will begin construction in 2021. *(Library Levy)*

Administration

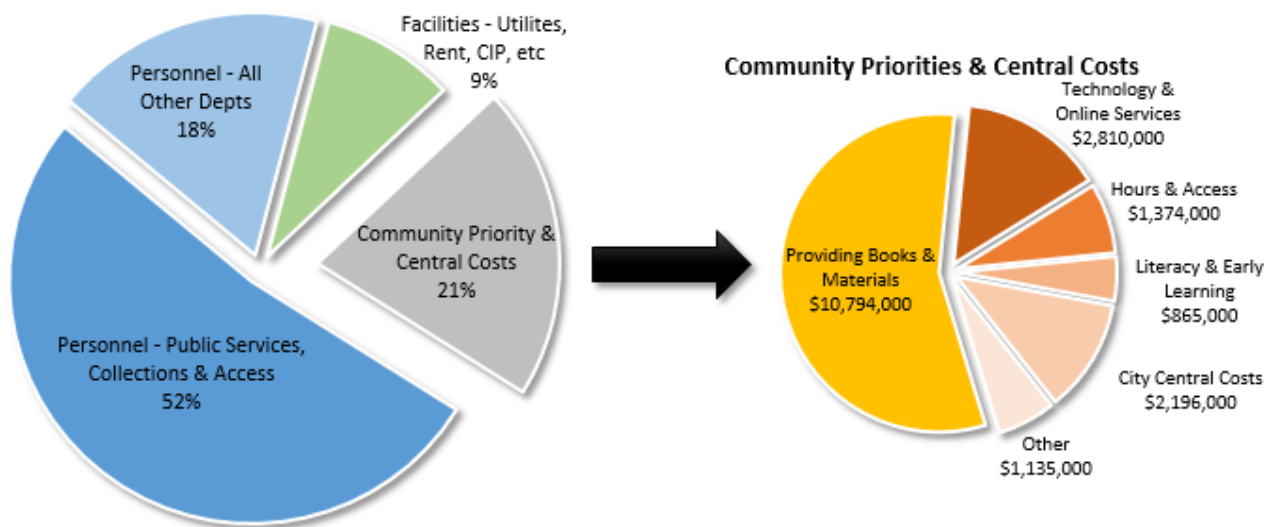
Oversight, measurement, and program evaluation play an important role in the Library being good stewards of public funds. Support for administration, longitudinal studies, and other system-wide priorities fall under this umbrella. A key project representing this area is as follows:

\$200,000 for Library of the Future study. We will partner with library and information-industry leaders, in addition to private-sector entities, to develop a report on the future of libraries to help guide planning for services, staff development, and operations over the next 10 years. Changes in work, education, affordability, technology, and the climate have not and will not impact communities equally. Libraries plays a key role by providing a program of service that reflects a commitment to racial equity and ensures individuals and communities are not left behind during this transformation. (*Library Levy*)

Summary by Personnel, Collections, Buildings and Other Community Priorities

The Library supports these priority areas by way of: 1) personnel 2) books and materials and 3) buildings. Relative investments of overall Library resources dedicated to each are as follows.

Figure 2: Library-wide Proposed Budget (Amounts in \$1,000s)

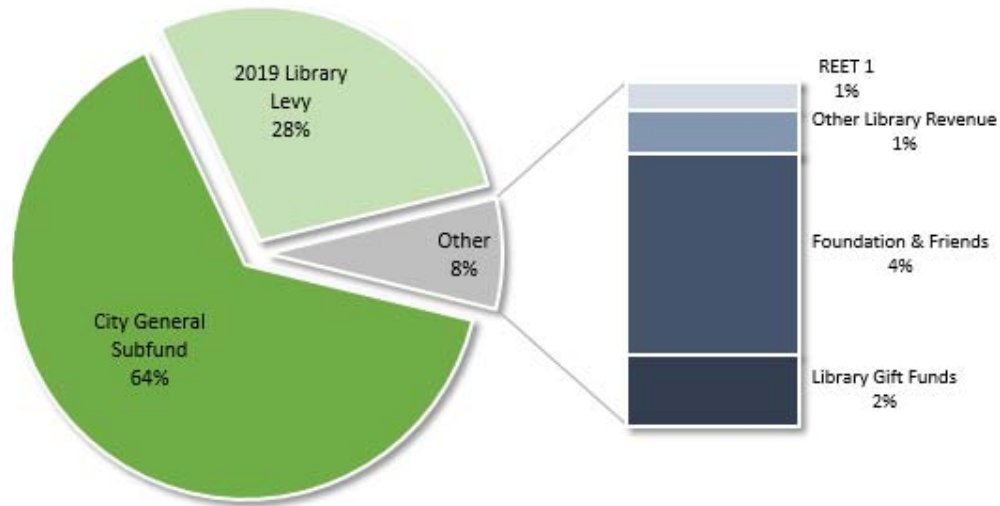


Amounts in \$1,000s	2020 Proposed	% of Total
Personnel		
Public Services, Collections & Access	47,800	52%
All Other Departments	16,630	18%
Sub-Total	64,430	70%
Buildings		
Utilities, Maintenance, CIP, etc.	8,145	9%
Sub-Total	8,145	9%
Community Priorities		
Providing Books & Materials	10,794	
Providing Technology & Online Services	2,810	
Hours & Access	1,374	
Literacy & Early Learning	865	
City Central Costs	2,196	
Other	1,135	
Sub-Total	19,174	21%
Total	\$91,749	

Operations Plan Highlights by Funding Source

The design and development of the Library budget occurs against a backdrop of equity impacts associated with the 2017 Language Access Plan executive order (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; the City’s annual appropriation via the General Fund, an annual allocation from the seven-year, voter-approved Library levy, and private gifts funds—which include annual grants from The Seattle Public Library Foundation and the Friends of the Library. For a comparison between 2019 and 2020 department level funding, please see Attachment 1.

Figure 4: Operations Plan by Funding Source



Amounts in \$1,000s	2019 Adopted	2020 Proposed	% Change
Operating Fund			
City General Subfund	54,966	58,876	7%
2019 Library Levy (Operating)	-	21,185	100%
2012 Library Levy (Operating)	17,570	-	-100%
Other Library Revenue	2,018	866	-57%
Cable Television Franchise Subfund	645	-	-100%
Interdepartmental Support	26	26	0%
Operating Fund Sub-Total	75,225	80,953	8%
CIP			
2019 Library Levy (CIP)	-	4,701	100%
2012 Library Levy (CIP)	1,876	-	-100%
Out-year Levy Revenue Collection (CIP)	783	-	-100%
REET I (CIP)	562	578	3%
CIP Sub-Total	3,221	5,279	64%
Private Funding			
Foundation and Friends*	4,016	4,062	1%
Gift Funds (Balch, Bunn, other)	1,644	1,455	-12%
Private Funding Sub-Total	5,660	5,517	-3%
Total	\$84,106	\$91,749	9%

* Grant awards approved by The Seattle Public Library Foundation and Friends of the Library

General Fund

With this being year two of the City’s 2019-2020 biennial budget process, there was not an underspend request, nor a baseline budget reduction from the City. While modest, continued, revenue growth is projected going into 2020, emergent City issues and priorities—such as homelessness—continue to place expenditure pressure on General Fund resources. This risk is something that will continue to be monitored as we engage in the 2021-2022 biennial budget development process later this year. While the Library has been able to add necessary and significant resources to support core and enhanced operations through the 2019 Library levy and continued Foundation support, the Library is still largely supported by the City’s General Fund. With 64% of 2020 Library resources supplied by the General Fund (down slightly from 2019, which was 65%), the Library’s financial well-being is closely tied to performance of both the local and national economy.

Amounts in \$1,000s	2019 Adopted	2020 Proposed	% Change
Hours & Access	25,932	28,598	10%
Providing Books & Materials	12,636	13,041	3%
Technology & Online Services	3,459	3,380	-2%
Literacy & Early Learning	310	372	17%
Building & Facility Support	6,351	6,851	7%
Administration	4,084	4,438	8%
City Central Costs	2,194	2,196	0%
Total	\$54,966	\$58,876	7%

Library Levy Fund

In August 2019, Seattle voters approved a seven-year, \$219 million “Libraries for All” levy to support, maintain, and expand core Library services. Each year, the Library Board of Trustees allocated available levy funds through the Operations Plan. The levy is not intended to supplant General Fund support from the City, nor from the Seattle Public Library Foundation or Friends of the Library. The 2020 proposed budget includes budget authority for the first year of spending property tax revenues generated from the levy.

Amounts in \$1,000s	2019 Adopted	2020 Proposed	% Change
Hours & Access	9,733	11,667	20%
Providing Books & Materials	3,702	5,695	54%
Technology & Online Services	2,258	1,104	-51%
Literacy & Early Learning	-	405	100%
Building & Facility Support	1,575	1,784	13%
Major Maintenance (CIP)	2,659	4,701	77%
Administration	302	530	75%
Total	\$20,229	\$25,886	28%

Levy – Operating Fund

Seattle residents identified additional open hours as the number one community priority. To meet this demand, beginning in January the levy expands Sunday hours at all branches by adding one hour, Monday through Thursday. In June, additional morning, evening, and Friday hours are also

being added throughout the system at branches which were identified through an equity lens. The new hours provide more access to collections, technology, meeting spaces, instruction and assistance.

To meet patron demand, the levy increases investments in e-books, e-audiobooks, and streaming and downloadable services for music, films, TV, digital comics, and magazines. In addition to the investment in materials, the levy eliminates fines for overdue materials and uses levy resources as a revenue replacement for these funds. The levy provides support to expand funding for the Library's early learning programs for children ages zero to five, a Library of the Future study, the expansion of the Community Resource Specialist program to include support for youth, and will continue to fund replacements and upgrades to computers, printers, and copiers.

Levy – Capital Improvement Program

The Library operates seven Carnegie-era branches which 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 that the buildings are at increased risk for damage during a seismic event. The levy includes funding for seismic retrofits for three of the Carnegie-era branches at highest risk of damage in an earthquake: Columbia, Green Lake, and University branches. The 2020 budget includes funding for design costs at the Green Lake branch. Additionally, the levy continues capital funding for the Library's major maintenance program, performing critical maintenance to ensure the Library's 28 facilities are in good repair and are preserved for future generations.

Capital improvement projects may carry large fund balances as timelines shift, influenced by project complexity and availability of qualified contractors in a competitive local construction market. Projects require ample planning and are often multi-year by nature, and may have carryforward resources that span 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 Budget Office (for current plan, please see Attachment 5).

Real Estate Excise Tax (REET) – Capital Improvement Program

The Operations Plan includes a total of \$578,000 in REET funding, which is tax revenue generated from property sales in Seattle. Roughly half of these funds will be used for significant building envelope repairs (including roofs, exterior walls and windows), predominantly at landmarked branches. The remainder will be used for safety and public service improvements at multiple sites, including efforts to address public health concerns related to opioid use in Library spaces. REET-funded elements of the 2020 CIP work program are included on Attachment 6.

The Seattle Public Library Foundation and Friends of The Seattle Public Library

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 award amount, as well as the efforts funded, is at the discretion of The Seattle Public Library Foundation Board of Directors.

Amounts in \$1,000s	2019 Adopted	2020 Proposed	% Change
Hours & Access	717	978	27%
Providing Books & Materials	1,414	1,422	1%
Technology & Online Services	521	391	-33%
Literacy & Early Learning	948	855	-11%
Major Maintenance (CIP)	200	200	0%
Administration	328	216	-51%
Total	\$4,129	\$4,062	-2%

In terms of long-term resource management, The Seattle Public Library Foundation has determined its ongoing capacity for the annual award to the Library is approximately \$4 million. While actual funding may vary slightly from year to year, and additional awards to fund capital projects are possible, an annual award of \$4 million is expected to help ensure long-term predictable and sustainable Foundation support for the Library. Approximately \$3.85 million of the Foundation’s 2020 funding was committed to support existing bodies of work, leaving a small amount of resources available to program for new priorities. A total of \$4,062,000 in grant funding has been approved for 2020.

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. The award amount is at the discretion of The Friends of the Seattle Public Library Board of Trustees. In 2020, the Friends will provide \$25,000 in support of the following activities:

Amounts in \$1,000s	2020 Proposed
McKinney et al. Collections	15
Map Laminations, Furniture Replacement	10
Total	\$25

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. Further, there have been a series of designated contributions made directly to the Library which are spent in accordance with donor restrictions on an ongoing basis. The allocation and approval for spending authority of all Library gift funds occurs as part of the Operations Plan process. Detail on items funded for 2020 can be found on Attachment 7.

Other Library Earned Revenue

There are additional Library generated revenue streams used to help support core operations. These funding sources provide approximately 1% of the Library’s overall budget. As part of the 2019 Library levy, there was a revenue source replacement for two items previously tracked as part of Other Library Earned Revenues; Overdue Material Fines (\$1,013,000) and Cable Franchise Fees (\$671,000). Proposed revenue figures categorized by type are as follows:

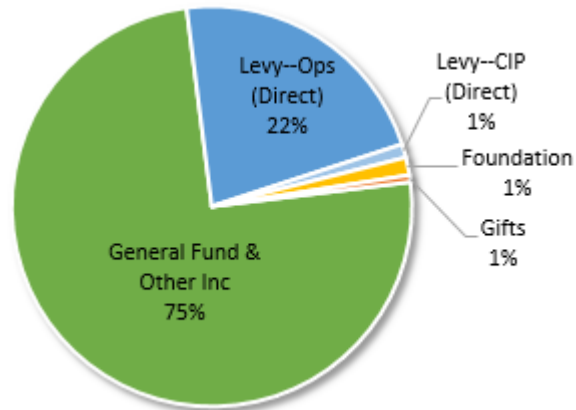
Amounts in \$1,000s	2019 Adopted	2020 Proposed	% Change
Fines and Fees	1,242	187	-564%
Cable Television Franchise Subfund	645	-	-100%
Central Library Parking Garage Fees	350	300	-17%
Copy Services/Pay for Print	235	180	-31%
Space Rental	185	187	1%
FOL Book Sales	-	5	100%
Miscellaneous Revenue	6	7	14%
Total	\$2,663	\$866	-133%

Staffing Levels by Funding Source

The 2020 Library-wide budget contains 696 positions (588.0 FTE), which are funded via multiple sources. In line with historical vacancy rates at the Library, a 2% salary savings assumption is included as part of the 2020 budget. Actual savings and expenditures will be closely monitored to ensure the Library’s appropriation authority is not over-expended.

Figure 5: Positions by Funding Source

	2019 FTE	2020 FTE
General Fund & Other Revenue	501.6	440.8
Library Levy Ops (Direct)	65.8	129.1
Library Levy CIP (Direct)	6.4	6.4
Foundation	8.6	8.4
Gift Funds (Bunn & Balch)	3.3	3.3
Total	585.6	588.0



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. Additional risks are discussed on Attachment 8.

Digital Materials

Changes in digital material purchasing rights

Several major changes in digital material markets were announced in 2019 that will significantly impact the vitality of the collection and our ability to purchase materials. Two of the ‘Big 5’ publishers, Hachette and Simon & Schuster, announced their e-books will be metered, with a one copy/one user license that expires after two years, meaning libraries will need to repurchase these titles in order to maintain access. Macmillan, another one of the Big 5, also announced changes to their e-book licensing terms, which includes a purchasing restriction on new titles during an eight week embargo period, limiting access to a single perpetual copy during that time. This means that the Big 5 publishers (along with HarperCollins and Penguin Random House) have moved almost entirely to metered licensing models and Macmillan has created an obstruction to new content.

For the first time, e-audiobooks will also now be subject to restrictions. For example, Blackstone Audio, which licenses titles from a variety of publishers, announced a 90 day embargo on new titles; during this time, new releases will not be available for libraries to purchase. At the same time, Blackstone will be entering into exclusive contracts for some new content. Library patrons have enjoyed perpetual, unencumbered access to e-audiobooks since the format was introduced, so these changes are of significant concern.

The impact of all of these changes on libraries and patrons will be substantial. The need to repurchase titles reduces purchasing power for new titles, added copies, and renewed licenses creating additional strain on the materials budget for digital resources while also introducing work associated with the management of licenses by selection staff. Furthermore, the initiation of purchasing embargos and exclusive publishing arrangements will significantly limit patron's access to new content and compromising the library's mission to provide equitable access to information.

The American Library Association is coordinating advocacy efforts on behalf of libraries, issuing a report in response to an inquiry from the U.S. House of Representatives Committee on the Judiciary Subcommittee on Antitrust, Commercial and Administrative Law. The Seattle Public Library is engaged with our member of Congress, who sits on a subcommittee looking into issues related to access to digital markets, and we will continue to contribute to these efforts and discussions at both regional and national levels.

Demand and cost of digital materials

The Seattle Public Library was an early adopter of e-books, offering them to readers as soon as they became available to public libraries in 2006. Prior to February 2011, the price structure for libraries purchasing e-books closely followed the price structure for printed books and libraries had only limited access to popular publishing output. The Big 5 publishers account for over 70% of all e-book circulation from the Seattle collection.

Dedicated funding for e-books and e-audiobooks was not included as part of the 2012 Library Levy proposal. As such, collection funding gaps were addressed by redistribution of existing materials budgets, use of accumulated Library Fund balance, and the generous financial support of The Seattle Public Library Foundation, in order to acquire newly available digital materials.

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.

Long-Term Budgeting/Financial Changes

Increased proportion of levy funding compared to overall budget

With the passage of the 2019 Levy, the Library is more dependent than ever on time-limited voter-approved funding. In 2020, the levy supplies 28% of the Library's total funding, up from 24% in 2019. If the 2019 Levy were not renewed in 2026, the Library would be faced with a significant funding gap, requiring system-wide changes to the way the Library operates, impacting hours of operations, availability of physical and digital materials, staffing, and maintenance service levels. To mitigate this risk, Library staff and the Board will continue to explore funding options that provide long term financial stability for the Library. These options may include establishment of a Library District or other means of securing permanent funding.

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, seven out of the last ten years. On the other hand, 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 mid-year reductions and baseline increases helps highlight the importance of continuing and active budget management by Library personnel.

Aging IT Software Systems

The Library utilizes software which includes vendor support, and this vendor support mitigates risk. However, once support for a product ends, there is a sharp jump in both the likelihood of failures and staff time needed to maintain the software. Multiple instances of current software are nearing the end of designed lifecycles; which means upgrades or replacements will be needed within the next two years. Further complicating risk mitigation and institutional planning is that some vendors are in the midst of redefining their licensing models. Further, financial constraints may also limit the choices when the organization selects replacement or upgraded software.

The Library IT department and key organization executives are aggressively assessing and determining the steps to take towards next generation capabilities. Work is currently focused on the most critical vendors, including Microsoft and the current Integrated Library System (ILS) supplier, Sirsi Dynix. Major software upgrades like these represent significant projects, in terms of costs, staff time, and project duration. An extensive needs analysis—both business and technical—is essential to avoid expensive and harmful missteps. The organization is currently in the analysis phase, and will continue to be throughout 2020.

Future Opportunities

While the Library is faced with risks each year, we are also met with opportunities. Several future opportunities have been analyzed as part of the Operations Plan and are covered as part of this section. Additional opportunities are discussed on Attachment 8.

Partnerships

In 2020 and beyond, the Library intends to engage more systematically with Seattle Public Schools (SPS), with a shared goal of serving children and families furthest from educational justice. An initial focus area is on improving third grade literacy achievement, particularly at 13 priority elementary schools (where over 50% of Seattle's African American K-3rd grade boys attend school).

The Library has started to identify near-term opportunities which leverage our collective assets to better support and engage students, families, and educators at these schools. As an example, joint development of a resource packet for teachers to share at upcoming family conferences, including information about Homework Help programming, Library card registration for children, and book lists that showcase Black excellence is well underway. A 2020 goal for the Library is to formalize a long-term strategic alliance that showcases the alignment of our missions, while also tying the relationship back to the Library's strategic priorities and the school district's new strategic plan². Enhancing and formalizing a partnership with SPS, and other public agencies, may better position the organization to engage private partners who are more apt to support collective approaches to systemic challenges with larger, longer-term funding.

² https://www.seattleschools.org/UserFiles/Servers/Server_543/File/District/Departments/strategic_plan/2019-24-ApprovedStratPlan.3.27.19.pdf

Consolidation of support functions at Library Service Center

In the interest of maximizing operational efficiency, a long-term goal of the Library has been to consolidate our maintenance shop, storage, and vehicle fleet parking at one location. To that end, proceeds from property sales during the Libraries-for-All construction program were reserved in a special fund—the Library Capital Subfund. Revenue from the sale of the Library’s former storage location in Queen Anne was also designated for this purpose by a 2015 Library Board resolution.

After more than five years of searching, the Library, with assistance from the Law Department and the Finance and Administrative Services Property Management Division, purchased the former All West Components and Fasteners Building at 5516 4th Ave S, closing the sale on October 21, 2019. The facility—tentatively referred to as the Library Service Center (LSC) until it is officially named—features 10,400 square feet of warehouse space, with an additional 5,448 square feet of office space. It will be used to consolidate the Library’s building maintenance, custodial, landscaping, and storage facilities in a Library-owned, rather than leased, space. It also has sufficient parking to accommodate Library delivery vehicles near the downtown core to replace a lot currently leased from King County. Space planning for the LSC will continue into spring 2020 to determine what, if any, additional functions the new building could accommodate.

Staffing assessment with floating collections, digital materials, and AMHS

As with all Library programs and services, staffing will be continuously assessed as programs and services evolve over time in order to ensure the Library is adapting staff capacity and skills to a changing work environment. Decline in physical circulation, coupled with increased digital circulation, increased floating collections, and the eventual introduction of a new Automated Materials Handling System, may result in continued decreases in day-to-day handling of materials and increased efficiencies in materials distribution functions. In the past, any capacity achieved through these trends, operations, and technologies, has been redirected to support the work of other departments through cross-training and/or lost due to increasing leave benefits offered and taken amongst the workforce. In addition, new physical collections such as Peak Picks and/or alternative collection services, may be introduced which could necessitate different staffing demands to acquire, distribute, display, and manage said collections. Over the course of the next several years, capacity achieved from changes in circulation and technology will be studied, with any potential redirections occurring in accordance with the organization’s strategic direction and union contract.

Closing Summary

Stable funding going into 2020 allows the Library to focus on longer term planning. The approval of the 2019 Library Levy provides necessary resources related to ongoing Library programs and services. Considering other large scale projects on the Library’s horizon, it will be critical to continue to work collaboratively with City leadership to develop a plan for long-term sustainable funding so we can continue to bring people, information, and ideas together to enrich lives and build community.

Summary of Attachments

1	2020 Operations Plan compared to 2019 Adopted Budget
2	Key Changes in 2020 relative to 2019 Adopted Budget
3	Library Language Access Plan
4	Library Board Race and Social Justice Policy
5	Long-Term Capital Improvement Program Plan
6	2020 Capital Improvement Projects
7	Library Gift Fund Project Listing
8	Additional Risks and Opportunities
9	Library Organization Chart

Attachment 1
2020 Operations Plan Compared to 2019 Adopted

LIBRARY FUND & LIBRARY LEVY OPERATING

	2019 Adopted	FTE	2020 Proposed	FTE	% Change	FTE Change
CHIEF LIBRARIAN'S OFFICE	\$519,000	2.5	\$783,000	2.8	51%	0.3
INSTITUTIONAL & STRATEGIC ADVANCEMENT						
Institutional & Strategic Advancement Administration	190,000	1.0	200,000	1.0	5%	-
Communications	326,000	2.1	328,000	2.0	1%	(0.1)
Community Partnerships & Government Relations	-	-	-	-	-	-
Marketing and Online Services	1,207,000	6.6	1,122,000	7.0	-7%	0.4
Institutional & Strategic Advancement Sub-Total	\$1,723,000	9.7	\$1,650,000	10.0	-4%	0.3
HUMAN RESOURCES	\$2,117,000	9.0	\$2,468,000	10.0	17%	1.0
ADMINISTRATIVE SERVICES						
Admin Services Administration	469,000	2.7	498,000	2.7	6%	-
Business Office & Finance	1,649,000	6.7	1,719,000	6.7	4%	-
Event & Program Services	489,000	5.0	526,000	5.0	8%	-
Facilities & Building Maintenance	7,251,000	53.0	7,660,000	53.0	6%	-
Security & Safety Services	1,931,000	20.0	2,122,000	20.0	10%	-
Administrative Services Sub-Total	\$11,789,000	87.4	\$12,525,000	87.4	6%	-
LIBRARY PROGRAMS & SERVICES						
LIBRARY PROGRAMS & SERVICES ADMINISTRATION						
Library Programs & Services Administration	1,055,000	6.0	1,128,000	6.0	7%	-
Sub-Total	\$1,055,000	6.0	\$1,128,000	6.0	7%	-
COLLECTIONS & ACCESS						
Circulation Services	3,035,000	37.3	3,286,000	37.2	8%	(0.2)
Materials Distribution Services	2,108,000	17.5	2,199,000	17.3	4%	(0.2)
Technical & Collection Services	11,626,000	35.2	12,555,000	35.2	8%	-
Sub-Total	\$16,769,000	90.0	\$18,040,000	89.6	8%	(0.4)
INFORMATION TECHNOLOGY						
Information Technology	6,290,000	17.0	5,511,000	17.0	-12%	-
Sub-Total	\$6,290,000	17.0	\$5,511,000	17.0	-12%	-
PUBLIC SERVICES						
Branch & Central Library Operations	33,144,000	321.9	36,453,000	320.9	10%	(1.0)
Service Units						
Community Engagement Services	1,233,000	9.6	1,459,000	9.6	18%	-
Special Collections	841,000	7.0	897,000	7.0	7%	-
Virtual & Instruction Services	730,000	5.9	795,000	5.9	9%	-
Youth & Family Learning Services	197,000	1.4	644,000	3.8	227%	2.4
Sub-Total	\$36,145,000	345.8	\$40,248,000	347.2	11%	1.4
Library Programs & Services Sub-Total	\$60,259,000	458.8	\$64,927,000	459.8	8%	1.0
Projected Budget Savings	(\$1,182,000)		(\$1,400,000)			
LIBRARY FUND & LIBRARY LEVY OPERATING TOTAL	\$75,225,000	567.4	\$80,953,000	569.9	8%	2.6

Attachment 1 (cont.)
2020 Operations Plan Compared to 2019 Adopted

CIP, FOUNDATION, & GIFT FUNDS

	2019 Adopted	FTE	2020 Proposed	FTE	% Change	FTE Change
CHIEF LIBRARIAN'S OFFICE	\$291,000	1.0	\$296,000	1.0	2%	-
INSTITUTIONAL & STRATEGIC ADVANCEMENT						
Institutional & Strategic Advancement Administration	65,000	-	-	-	-	-
Communications	134,000	1.0	141,000	1.0	5%	-
Community Partnerships & Government Relations	80,000	1.0	189,000	1.0	136%	-
Marketing and Online Services	300,000	-	280,000	-	-7%	-
Institutional & Strategic Advancement Sub-Total	\$579,000	2.0	\$610,000	2.0	5%	-
HUMAN RESOURCES	\$37,000	-	\$8,000	-	-78%	-
ADMINISTRATIVE SERVICES						
Admin Services Administration	347,000	0.6	498,000	0.6	44%	-
Business Office & Finance	163,000	1.3	240,000	1.3	47%	-
Event & Program Services	-	-	36,000	-	100%	-
Facilities & Building Maintenance	-	-	78,000	-	100%	-
Capital Improvement Program	3,250,000	4.5	4,683,000	4.5	44%	-
Security & Safety Services	-	-	18,000	-	100%	-
Administrative Services Sub-Total	\$3,760,000	6.4	\$5,553,000	6.4	48%	-
LIBRARY PROGRAMS & SERVICES						
LIBRARY PROGRAMS & SERVICES ADMINISTRATION						
Library Programs & Services Administration	65,000	-	75,000	-	15%	-
Sub-Total	\$65,000	-	\$75,000	-	15%	-
COLLECTIONS & ACCESS						
Circulation Services	-	-	18,000	-	100%	-
Materials Distribution Services	25,000	-	25,000	-	0%	-
Technical & Collection Services	1,716,000	0.5	1,232,000	0.5	-28%	-
Sub-Total	\$1,741,000	0.5	\$1,275,000	0.5	-27%	-
INFORMATION TECHNOLOGY						
Information Technology	50,000	-	511,000	-	922%	-
Sub-Total	\$50,000	-	\$511,000	-	922%	-
PUBLIC SERVICES						
Branch & Central Library Operations	25,000	-	78,000	-	212%	-
Service Units						
Community Engagement Services	692,000	3.2	720,000	3.4	4%	0.2
Special Collections	195,000	0.75	181,000	0.75	-7%	-
Virtual & Instruction Services	475,000	2.0	506,000	2.0	7%	-
Youth & Family Learning Services	971,000	2.4	983,000	2.0	1%	(0.4)
Sub-Total	\$2,358,000	8.4	\$2,468,000	8.2	5%	(0.2)
Library Programs & Services Sub-Total	\$4,214,000	8.9	\$4,329,000	8.7	3%	(0.2)
CIP, FOUNDATION & GIFT FUND TOTAL	\$8,881,000	18.3	\$10,796,000	18.1	22%	(0.2)

TOTAL LIBRARY OPERATIONS PLAN BUDGET

TOTAL LIBRARY OPERATIONS PLAN	\$84,106,000	585.6	\$91,749,000	588.0	9%	2.3
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Attachment 2

Key Changes in 2020 Relative to the 2019 Adopted Operations Plan

All changes detailed below account for a salary step increases of up to 5% for eligible employees. This also reflects a 2019 AWI of 4% and a 2020 AWI of 3.6%. There is an expansion of the merit and executive leave pool for 2020, this will not carry a material financial impact. Technical changes are related to inflation, rate adjustments, and healthcare.

LIBRARY FUND & LIBRARY LEVY OPERATING

	2019 Adopted	2020 Proposed	Net Budget Change	% Chg	FTE Chg
CHIEF LIBRARIAN'S OFFICE					
Technical Adjustments	519,000	558,000	39,000	8%	0.3
2019 Library Levy: Library of the Future Study	-	200,000	200,000	100%	-
Office of the Ombudsman (Central Cost)	-	25,000	25,000	100%	-
Chief Librarian's Office Sub-Total	\$519,000	\$783,000	\$264,000	51%	0.3
INSTITUTIONAL & STRATEGIC ADVANCEMENT					
Technical Adjustments	1,523,000	1,650,000	127,000	8%	0.3
Levy Funded App Development	200,000	-	(200,000)	-100%	-
Institutional & Strategic Advancement Sub-Total	\$1,723,000	\$1,650,000	(\$73,000)	-4%	0.3
HUMAN RESOURCES					
Technical Adjustments	1,522,000	1,605,000	83,000	5%	-
Restoration of Training Support	-	77,000	77,000	100%	1.0
City of Seattle Central Costs	595,000	786,000	191,000	32%	-
Human Resources Sub-Total	\$2,117,000	\$2,468,000	\$351,000	17%	1.0
ADMINISTRATIVE SERVICES					
Technical Adjustments	11,375,000	12,106,000	731,000	6%	-
City of Seattle Central Costs	414,000	419,000	5,000	1%	-
Administrative Services Sub-Total	\$11,789,000	\$12,525,000	\$736,000	6%	-
LIBRARY PROGRAMS & SERVICES					
Technical Adjustments	59,073,000	63,066,000	3,993,000	7%	-
City of Seattle Central Costs	1,186,000	966,000	(220,000)	-19%	-
2019 Library Levy: e-Material Supplement	-	633,000	633,000	100%	-
2019 Library Levy: Expand Play & Learn	-	262,000	262,000	100%	1.0
Library Programs & Services Sub-Total	\$60,259,000	\$64,927,000	\$4,668,000	8%	1.0
Vacancy Savings	(\$1,182,000)	(\$1,400,000)			
LIBRARY FUND & LIBRARY LEVY OPERATING TOTAL	\$75,225,000	\$80,953,000	\$5,728,000	8%	2.6

Language Access Plan Cover Page

This cover page should be completed and attached to all completed division plans. This cover page should be filled out by the Department Liaison(s) for Language Access and approved by the department director.

Mission

The mission of The Seattle Public Library is to bring people, information and ideas together to enrich lives and build community.

Language Access Policy

The Library does not currently have an official organization-wide policy on language access. However, we provide the following as needed for patrons with limited English proficiency:

- The Library employs a significant number of public facing staff who speak languages beyond English, with an emphasis on neighborhoods with higher populations of LEP patrons.
- The Library's World Languages unit provides print materials (books, magazines and newspapers) in 44 languages. It also has dedicated librarians in the World Languages department who can assist with translation and interpretation in Russian, Chinese, and Spanish.
- Library staff access to Language Line when serving LEP patrons in person or on the phone
- When working with program managers, our marketing team uses a strategic framework to help evaluate language needs for the intended audience and how to best meet those needs with translation or original creation in each language. Considerations in addition to audience needs include the Library's ability to deliver service in other languages, project timelines, and content complexity and longevity.
- The Library regularly offers programs and services in four of the seven Tier 1 languages identified by OIRA: Chinese, Somali, Spanish, and Vietnamese. These offerings are supported by staff who speak these languages natively, community members, or both.
- In 2018-19, the Library plans to translate vital documents including basic information about using the Library and transactional emails to at least the four languages where we have strong capacity to deliver services (Chinese, Somali, Spanish, Vietnamese)

Department Division Plans

How many Division Plans are enclosed? (Please provide a number): 10 plans enclosed


Total Department Budget for Language Access

Please fill out the following using the total from each division's plan. Refer to "Part Five: Implementation" for each Division.

<i>Language Access Services</i>	<i>Total Budget Allocated</i>
Translation	\$33,500
Interpretation	\$10,400
In-Language Outreach	\$10,000
Ethnic Media Ad-Buys	\$8,000



Board Policy

RACE AND SOCIAL JUSTICE	Adopted by the Library Board Jan. 27, 2018
Owner: Executive Director and Chief Librarian	
Approved by: Kristi England, Library Board President 	

BACKGROUND

The Race and Social Justice Initiative (RSJI) is the City of Seattle’s longstanding commitment to eliminate racial disparities and achieve racial equity in Seattle. This important effort recognizes that ending institutional racism involves more than simply developing programs to help people of color. The initiative works to address biases built into institutions and society, and end the underlying structural racism that perpetuates racial and social inequities.

In response to this initiative and its importance in the Library’s particular work, the Board of Trustees of The Seattle Public Library (SPL) has committed itself to addressing the Library’s role for doing the same in and through its programs, services and staff. To best serve the public and assist staff, the board has created an enhanced, Library-specific Race and Social Justice Policy to support this mission and the Library’s work.

This policy provides guidance to Library staff to underscore the organization’s ongoing RSJI efforts, support staff understanding, guide the use of resources, and highlight the Library’s unique role in addressing this challenging issue.

POLICY STATEMENT

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 by providing the public and staff equitable opportunities for growth through employment and education. The key concepts of this policy include:

- Making a system wide commitment;
- Naming institutional racism;
- Acknowledging that there are barriers that need elimination;
- Affirmatively supporting programs to achieve these ends; and
- Making sure that there is equitable access to skills training and employment opportunities for staff and the public.

DEFINITIONS

Individual/Interpersonal racism: Pre-judgement, bias, stereotypes or generalizations about an individual or group based on race.

Institutional racism: Policies, practices, and procedures that work to the benefit of white people and the detriment of people of color, usually unintentionally or inadvertently.

Structural racism: The interplay of policies, practices and programs of differing institutions which leads to adverse outcomes and conditions, occurring within the context of racialized historical and cultural conditions, for communities of color compared to white communities.

APPLICABILITY

This policy applies to any and all Library activities.

RELATED LAWS, POLICIES AND PROCEDURES

Board Policy, *Diversity*.

Administrative Procedure, *Diversity Action Plan*.

Seattle City Council Resolution 31164, *Affirming the City's Race and Social Justice Work*.

Attachment 5

2020 - 2025 Capital Improvement Program Plan

Project	2020	2021	2022	2023	2024	2025
Library Major Maintenance (REET)	578,000	760,000	760,000	760,000	633,000	647,000
Library Major Maintenance (Levy)	3,690,000	3,837,000	3,991,000	4,150,000	4,316,000	4,989,000
Unreinforced Masonry Retrofit (Levy)	500,000	3,000,000	1,033,000	3,000,000	928,000	3,500,000
IT Enterprise Equipment (Levy)	511,000	-	1,191,000	1,209,000	615,000	-
Total	5,279,000	7,597,000	6,975,000	9,119,000	6,492,000	9,136,000

Attachment 6

2020 Capital Improvement Projects

Project Description	Fund	2020 Budget
Exterior/Window/Wall repairs, branches (Levy & REET) - roof repair at multiple branches including Lake City and Queen Anne; repair to Queen Anne retaining wall; parking lot accessibility improvements at Montlake; emergent building envelope repairs (including roofs, exterior walls and windows). The remainder will be used for safety and public service improvements at multiple sites.	Levy	2,640,000
	REET	289,000
Safety and Security upgrades, Central - includes security camera & servers upgrades	Levy	600,000
Safety and Public Service Improvements (REET) - various safety and public service improvements, predominantly at Carnegie-era branches with upcoming seismic projects	REET	289,000
Unreinforced Masonry - planning and design costs associated with the Green Lake seismic retrofit project.	Levy	500,000
Mechanical & building systems, branches - HVAC scheduled for Ballard, Fremont and Greenwood branches; also for emergent needs or as-needed branch repairs	Levy	200,000
Mechanical & building systems, Central - Central lighting controls (co-funded by Office of Sustainability and Environment)	Levy	250,000
IT enterprise equipment upgrades	Levy	511,000
	2020 Subtotal Levy	\$4,701,000
	2020 Subtotal REET	\$578,000
Total Library 2020 Capital Improvement Program		\$5,279,000

Attachment 7

Interest Earnings and Gift Fund Budget

Non-Labor Detail

	2020
Interest Earnings	
Hours & Access	
Marketing Outreach Giveaways	30,000
Sub-Total	30,000
Admin	
Legal Services and Support	25,000
RSJI Change Team Budget	15,000
Workplace Environment Committee	3,500
Sub-Total	43,500
Total	73,500

Bunn Fund

Hours & Access	
Translation & language support	20,000
Content strategy & creation	110,000
Targeted advertising & communication	50,000
Targeted Marketing for Non-English Speaki	50,000
SDOT Library Street Signage	6,000
Promotional printing	14,000
Sub-Total	250,000
Admin	
CLO Speaker Series	10,000
Strategic Direction Support	5,000
Professional Board Training and Conference	15,000
CPGR Support (A)	4,200
CPGR Support (B)	800
Board Consultant for CLO Review	4,500
All Staff Day Event	75,000
Cash Register Replacement	15,000
System-wide Security Audit	390,000
Sub-Total	519,500
Total	769,500

Misc Gifts

Providing Books & Materials	
Fred Bruhn Bequest	7,091
Gustave J. Snelling Trust	5,000
Helen Snelling Trust	5,000
Halvor Holbeck Estate	25,000
Kenneth J. Dowse Bequest	8,750
Evelyn L. Brown Estate - Cultural history & l	25,000
Evelyn L. Brown Estate	47,250
Sub-Total	123,091
Building & Facility Support	
Lillian Knaus Bequest	60,000
Sub-Total	60,000
Total	183,091

Labor Detail (A)

Row Labels	2020
Balch Fund	
Providing Books & Materials	
Librn-A	52,950
Total	52,950
Bunn Fund	
Administration	
Com Prtnshps&GovRltnsPrgm Mgr	79,247
DigCommStrat	140,886
Strategy&Policy Advsr, CLO	155,366
Total	375,500

Labor Detail (B)

Fund	
Row Labels	
2020	
Gifts	
Hours & Access	
Rinehart Gift	350
Total	350

Attachment 8

Additional Risks

Central Costs and other City-wide support/enterprise costs

Being a City department, the portion of indirect costs the Library is responsible for is continually growing. These indirect costs are related to central city services and include support from departments such as SeattleIT, SHDR, and City-wide Accounting, among others. As things currently operate, the City provide full funding to departments related to these indirect costs—however, this could change. With the addition of the Office of the Ombudsman in 2019, there was a decision made by the City to have departments be directly charged for this service, sans supplementary City budget support.

Additionally, there have been ongoing and increasing asks from the City to have departments fund specific city-wide projects. A recent example of this is related to the Language Pay Premium, but can also include things such as investigative costs or other enterprise operations. The dollar values related to these are currently fairly low, however, there is a risk these amounts could grow over time.

Personnel Support

Recruitment and retention in the Seattle market

With a tight labor market, high property values and a high cost-of-living, recruitment is a primary area of attention. A 3.3% unemployment rate in the Seattle-Tacoma-Bellevue area has highlighted the need for additional resources dedicated to recruitment. An additional emphasis will be placed on this function by adding a full-time recruiter in 2020.

Additional market competitiveness in the area of compensation is also a constant external pressure in the Greater Seattle area. Operational and support staff are increasingly more difficult to source and it's important to constantly review market compensation and benefit structures. Recent changes to the Library's compensation plan will provide more flexibility through broad banding and a competitive benefits plan assists in attracting candidates. A market wage analysis is being conducted city wide in 2020 to evaluate our market competitiveness in the Greater Seattle area.

Payouts for settlements and employee retirements/separations

The ranks of Library employees reaching retirement age, but who have yet to announce their retirement, are significant. While the Library has been able to manage these payouts within our annual appropriation (against agency-wide vacancy savings), this current approach is not a guarantee of sufficient funding against this future liability.

Pensions are paid from the Employees' Retirement System administered by the City Retirement Board. Retirees are entitled to a full payout of accrued vacation leave and 35% of accumulated sick leave. The Library's bargaining unit has voted to participate in the Health Reimbursement Arrangement Voluntary Employee Benefit Associate (HRA VEBA), which mandates that 35% of accrued sick leave be cashed out to the VEBA account for future health care expenses. Non-represented Library employees have the option of cashing out 25% of their accrued sick leave, or contributing 35% of their accrued balance to their City deferred compensation account. Library separation payouts over the past three years have been as follows:

	2016		2017		2018	
	Count	Amount	Count	Amount	Count	Amount
Non-Retirement Payouts	27	\$88,088	31	\$146,295	39	\$74,170
Retirement Payouts	16	\$127,806	10	\$112,370	13	\$320,353
Total	33	\$215,894	41	\$258,665	53	\$394,523

Discretionary Pay Plan expansion

Our 2020 Discretionary Pay Plan (DPP) budget will be increasing from the 2019 DPP budget as a result of additional plan members being added. We have looked at the operating budget and made the necessary adjustments to allow for the changes. The DPP currently has one category and we will be adding two additional categories. One category for managers and an additional category for individual contributors. There are a number of factors associated with changing the plan structure:

1. Remaining competitive with the City of Seattle to attract qualified candidates from other departments.
2. Increased competitiveness within the Seattle labor market.
3. Better retention for key contributing staff.

Future ready costs

The rapid pace of change in our community, our industry and our country pose additional risks for the Library. These risks are both financial and operational. They include:

- The changing demographic profile of our community will impact recruitment and program of service.
- Climate change will impact operations and capital investment in our buildings.
- Emerging technologies offer opportunities for enhanced customer service and service delivery, but will require on-going IT investments and staff training.
- The fixed budget profile for the library over the life of the levy combined with increasing demand on the City’s general fund will make it difficult to identify funds to invest in responses to these challenges.

As the project on Library futures goes forward, we plan to identify key areas of focus and financial strategies that will enable the Library to prepare for and respond to the rapidly changing environment for our programs, services, collections and operations.

Increased material travel times due to growing congestion

As the city of Seattle continues to grow and, in turn, experience increased pressures on traffic and city infrastructure, we expect to see some impact on library operations and transportation, including staff commute times, facilities and security response times, mobile service delivery, and materials delivery. Each of these components will have to adapt to changing traffic patterns to reduce impacts on library programs, services, facilities, security and collections, which can potentially be minimized by changing transportation schedules, exploring alternate routes and transportation solutions, strategically relocating operations out of downtown to the new service center property, and/or reducing services.

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. Passage of the 2019 Levy will provide funding for seismic retrofits are the Library's three most vulnerable branches; Green Lake, University and Columbia.

Projects of this scale on historically landmarked buildings entail inherent budget and scope risks, including:

- Unforeseen conditions often found in in century-old buildings
- Expected near-term changes to seismic building codes, likely to be more stringent than current codes
- Potential near-term changes to ADA/accessibility building codes, likely to be more stringent than current codes
- The Mayor's "Green Deal"/no-fossil-fuels mandate/Executive Order
- A highly active local construction market, leading to heightened competition for a limited number of qualified contractors.

Additional Opportunities

Service expansion and annexation

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.

The Seattle Public Library

