



Bellingham Public Library Services and Funding Models Study

Full Report | December 2017





2025 First Avenue, Suite 800
Seattle, WA 98121

www.berkconsulting.com

Founded in 1988, we are an interdisciplinary strategy and analysis firm providing integrated, creative, and analytically rigorous approaches to complex policy and planning decisions. Our team of strategic planners, policy and financial analysts, economists, cartographers, information designers, and facilitators work together to bring new ideas, clarity, and robust frameworks to the development of analytically-based and action-oriented plans.

CONSULTANT PROJECT TEAM

Annie Sieger, Project Manager

Claire Miccio, Analyst

Emily Percival, Analyst

Acknowledgements

PROJECT TEAM

Brian Heinrich, Deputy Administrator, City of Bellingham

Nancy Kerr, Library Director, Bellingham Public Library

J. Gordon, Chair, Bellingham Public Library Board of Trustees

Rick Osen, Member at Large, Bellingham Public Library Board of Trustees

BELLINGHAM PUBLIC LIBRARY BOARD OF TRUSTEES

J. Gordon, Chair

Rachel Myers, Vice Chair

Rick Osen

Rebecca Craven

Jim McCabe

April Barker*, City Council Liaison

*Ex Officio Member

Bellingham Public Library Services and Funding Models

Full Report | FINAL: December 22, 2017

Table of Contents

1.0	Introduction.....	1
1.1.	Purpose.....	1
1.2.	Previous Studies.....	1
2.0	Background and Context	3
2.1.	Bellingham Public Library.....	3
2.2.	BPL and WCLS Relationship	5
3.0	Methodology and Assumptions.....	6
3.1.	Methodology	6
3.2.	Defining Library Services and Funding Model Options.....	6
3.3.	City of Bellingham Governance	7
3.3.1.	Level of Service	8
3.3.2.	Funding	9
3.4.	WCLS Governance.....	10
3.4.1.	Level of Service	10
3.4.2.	Funding	10
3.4.3.	Implementation.....	11
3.5.	Summary of Options	12
4.0	Capital Facility Needs.....	13
4.1.	Capital Facility Funding and Financing	14
4.1.1.	Funding Options.....	14
4.1.2.	Financing Options.....	14
5.0	Evaluating Library Services and Funding Model Options.....	15
6.0	Next Steps.....	21

1.0 Introduction

1.1. PURPOSE

The City of Bellingham is one of the largest cities in Washington State and among the fastest growing metropolitan areas in the country. As part of its government services, the city operates and maintains the Bellingham Public Library (BPL). The city has a vibrant and dynamic arts culture and a focus on education, two factors that have led BPL to be one of the most-used libraries in the state.

The City of Bellingham, like many Washington cities, is financially constrained by the effect of several tax-limiting measures, as well as increases in operating costs that are outpacing revenue growth. BPL, as part of the City of Bellingham, has borne some of these financial challenges, such as staff and service level reductions in the wake of the 2008 recession.

As the economy bounced back in recent years, staff were added and hours expanded, allowing the library to increase its electronic and other offerings. Due to overall General Fund budgetary constraints, these increases haven't kept up with the community's demand for library services. Similarly, library funding has been insufficient to address pressing capital investment needs, such as replacing the current Main Library, which has been a community priority for over 20 years. However, there is community fatigue around the topic of a new Central Library. As such, this study is focused on establishing a solution for Library operations, rather than capital facilities, moving forward.

Currently, the Library is primarily funded through City General Fund revenues and, as such, increasingly must compete with other City services for funding as revenues fail to keep up with the rising cost of providing current services. Recognizing the challenges both to the City and Library, the City, in partnership with BPL, has engaged BERK Consulting to develop options for a more sustainable operating model to preserve, and, where desired, enhance the high-quality services that the community has grown to expect from BPL.

The results of this study, as documented in this report, are intended to inform the City of Bellingham and BPL in establishing a clear direction or vision for library services and a funding strategy that the City and BPL could take to staff and community for input.

1.2. PREVIOUS STUDIES

The service and fiscal challenges facing the City of Bellingham and BPL today are not new. In fact, in the last ten years, the City, in partnership with BPL, has commissioned two studies that included evaluations of one or more of these challenges. The key findings and recommendations of these studies are summarized, following:

Bellingham Public Library Community Analysis, Library Needs Assessment, Central Library Building Program Statement and Cost Analysis, January 2008

In 2007, the City of Bellingham and BPL Board of Trustees selected a consultant team made up of Thomas Hacker Architects, Library Consulting, P.A., and RMC Architects to conduct a community analysis and needs assessment, and prepare a Central Library building program. The consultant team worked collaboratively on this effort with a steering committee, the Library Program Committee, which consisted of BPL Board of Trustee members, City of Bellingham staff, Friends of the BPL, community members, and

BPL staff.

Key findings from the study included:

- In 2006, BOLA Architecture + Planning had prepared a Fairhaven Library Condition Assessment, estimating the necessary costs of rehabilitating the Fairhaven Branch at \$1,849,966. The project team escalated these probable costs based on construction starting in January of 2010; total escalated costs were estimated to be \$2,343,907 (in 2010 dollars).
- Some members of the community expressed a desire for a "north side branch;" however, the project teams' data, including "the majority of community input," suggested that the greatest need was to replace the current Central Library first.
- Based on comparison with other library systems and "good library practice," additional physical branches would not be practical until the total population served was over 100,000 residents. At the time of the study, the population of Bellingham was not expected to reach 100,000 residents until 2015 or later. Additionally, it was expected that BPL would not have resources to build or support a third permanent location until it had the financial resources to provide additional open hours at Central Library (at the time, open 60 hours per week) and the Fairhaven Branch (at the time, open 36 hours per week).
- The Report recommended building a new, larger Central Library at the site of the current library. Details for the recommended Central Library include:
 - The new library building would include 78,000 square feet of library space located on two levels, above a 45,000-square foot below-grade parking structure. The parking structure would accommodate 123 off-street parking spots, required based on parking requirements in the Bellingham Municipal Code.
 - Conceptual costs for the total site work and building, including soft costs, were estimated at \$52,386,225.

Bellingham Public Library and WCLS Study Committee Report Regarding the Potential for Annexation, July 2009

In 2008, the BPL and WCLS Boards of Trustees formed a study committee, made up of their representatives as well as the BPL and WCLS library directors to explore regionalization of BPL and WCLS through the annexation of BPL to WCLS. The Study Committee's mission was:

To open the discussion and research any available data on the subject of the annexation of BPL to WCLS or a contractual merger as described in the Revised Code of Washington (RCW) and report back to the respective boards.

Based on this information, the Boards will then decide on the feasibility of hiring a consultant(s) to carry out a formal detailed study that will answer the question of whether BPL and WCLS would provide equal or better library service for less money if joined together as allowed by law.¹

¹ Bellingham Public Library and Whatcom County Library System Study Committee Report Regarding the Potential for Annexation, July 2009.

The Study Committee provided three primary recommendations, provided for reference below:

1. **Fiscal Recommendation:** Current financial data shows that combining the two library systems would not result in achieving “equal or better library service for less money if joined together as allowed by law” because there would be significantly less money available to continue the existing level of service with the current funding formula. Even without pursuing annexation, both libraries must continue to monitor budget revenues and economic forecasts. Additionally, any possible cost savings, as long as the quality of current library service is not diminished, should continue to be pursued.
2. **Services Recommendation:** The longstanding close-knit collaboration of both libraries should continue. Because the libraries have already realized significant cost savings as well as efficiencies due to their years of cooperation and resource sharing, the study committee recommends that as is current and past practice, the libraries work proactively, exploring new ways to provide all residents of the city and county with high quality library service at an affordable price.
3. **Future Study Recommendation:** No further study is recommended now, but should economic or other indicators point towards further study, a formal, independent, and detailed study should be undertaken by a consulting team. Financial resources will be necessary to conduct such a study when a study is determined to be feasible.²

2.0 Background and Context

2.1. BELLINGHAM PUBLIC LIBRARY

BPL is a City-governed library system, and its direct service area is the City of Bellingham. BPL library cards, which confer full library usage privileges to holders, are free to those who:

- Live, work, own property or attend school in the City of Bellingham or Whatcom County, or
- Live in Washington State and show their home public library card when applying for a BPL card.

For individuals who do not meet these criteria, BPL library cards can be purchased.

BPL manages seven physical locations, including a main library, two library branches, and four community drop boxes:

² Bellingham Public Library and Whatcom County Library System Study Committee Report Regarding the Potential for Annexation, July 2009.

Central Library in Downtown Bellingham (210 Central Avenue):

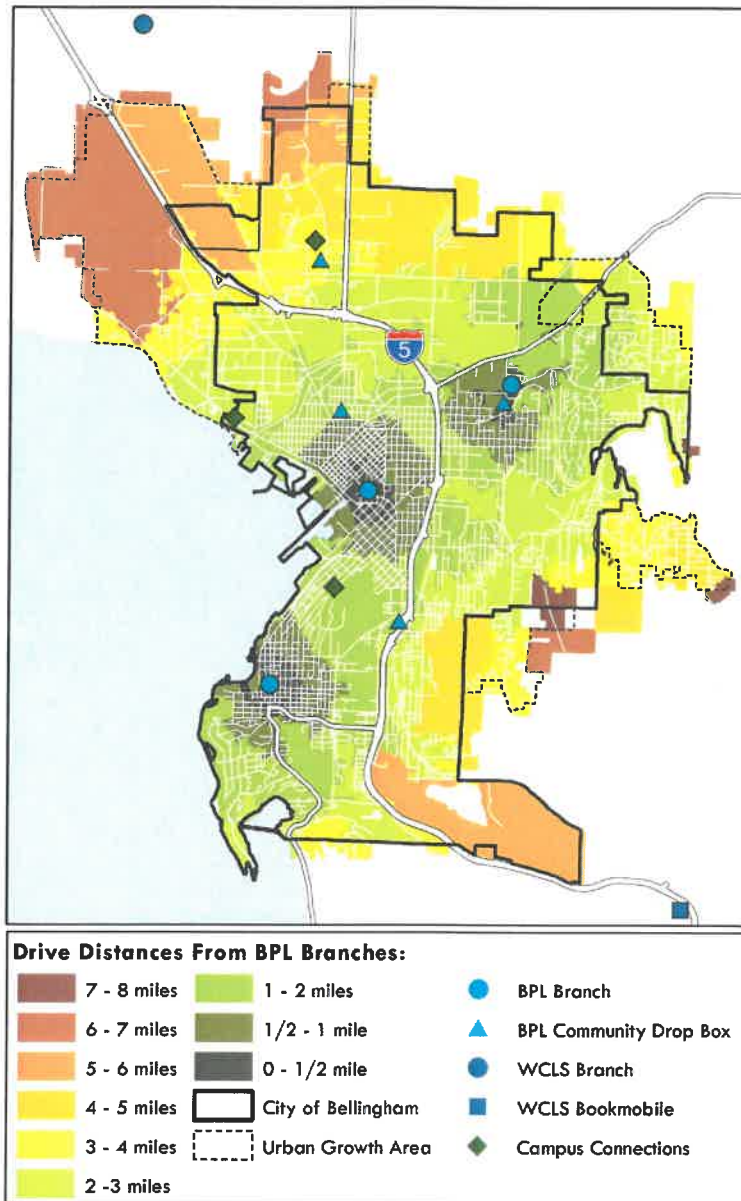
The Central Library is in the civic center district of downtown Bellingham, across from City Hall. It was constructed in 1951 to serve Bellingham's population of 34,000 people. It was remodeled in 1983 for an expected 25-year life span (ending in 2008) for the population of 46,000 people. The Central Library alone receives about 700,000 visitors per year. The Central Library also houses the library administration, technical services, circulation and transportation services, public computers, children's library, closed stacks, and most of the library's collection of books and other materials. It provides two meeting rooms, a teaching and demonstration space, and seating areas.

Fairhaven Branch Library in Fairhaven (1117 12th Street): The Fairhaven Branch library, located on the City's south side, was constructed in 1904 with a Carnegie Library design. The Fairhaven Branch library is listed on the National Register of Historic Places and is a primary structure within the Fairhaven Historic District. The 10,000-square foot branch currently houses a small collection of library materials, public computers, a children's room, an auditorium, and two meetings rooms. The branch also provides meeting room rentals and serves as a community gathering space in Fairhaven.

Barkley Branch Library in Barkley Village (3111 Newmarket Street): A small branch library was established in Barkley Village in 2008. The Barkley Company provided initial interior improvements and furnishings and continues to provide the 1,400-square foot space (700 square feet of dedicated library space) on a rent-free, month-to-month basis, with the library paying only a portion of facility operating expenses. The facility includes a small collection of library materials, public computers, and a shared reading room.

Community Drop Boxes: BPL maintains four community drop boxes that are open 24/7 to allow for

Exhibit 1: Relative Driving Distances from Library Service Locations in Bellingham, as of 2017



Source: BERK Consulting, 2017.

return of materials.

The main library, library branches, and community drop boxes are distributed across the City of Bellingham, as shown in Exhibit 1. Most Bellingham residents live within a three-mile driving distance of one or more library branches. However, this map demonstrates that many of the urban growth areas (UGA) that Bellingham may annex in the future would not be well-served by the current library and drop box locations. This is something to consider as part of a future annexation strategy.

BPL provides many library services beyond the traditional lending of materials. A summary of BPL's services includes:

- Lending of materials, including:
 - Print materials
 - Audio materials
 - Video materials
 - Electronic materials
 - Book Club Kits
 - Museum passes
- Meeting rooms
- Adaptive services (video phone, closed circuit TV, etc.)
- Outreach services to the homebound, nursing homes, and adult care facilities
- Technology help and resources, like access to Microsoft Imagine Academy
- "AskWA" virtual reference chat service
- "Bellingham Reads" book discussion groups
- Research tools and subscription databases
- Skillshare
- Tax filing assistance
- Teachers' resources and class visits
- Volunteer Opportunities
- Classes and programming for children, teens, adults, and nonprofits
- Reading programs (including a summer reading program and Whatcom READS!) for children, teens, and adults
- Computers, internet access, WiFi, and photocopy services

While some of these services are only available at BPL's physical locations, the library tries to provide services elsewhere in the community, as resources allow.

2.2. BPL AND WCLS RELATIONSHIP

BPL and WCLS, along with Bellingham Technical College, Western Washington University, Whatcom Community College, and Northwest Indian College, participate in the Whatcom Libraries Collaborate (WLC) program. WLC allows anyone with a library card from a participating library to access any other participating library in the County, giving patrons of both systems access to a number of library facilities distributed throughout the County.

Since 1945, BPL and WCLS have cooperated through many cost saving arrangements, including reciprocal borrowing and service agreements, shared integrated automated library system, and purchasing. Since 1986, this relationship has been formalized through an interlocal agreement. The library boards and administrative staff continue to affirm their commitment to this cooperation and pursue additional ways to expand the relationship to improve services and cost savings.

3.0 Methodology and Assumptions

3.1. METHODOLOGY

Library service and funding model options were defined through a collaborative process with the Project Team and BPL Board of Trustees after a thorough programmatic and financial assessment of BPL, which identified three main considerations for options:

- Library governance
- Level of service
- Funding source

Once the assumptions underlying each option were defined, we modeled the impacts of the options using a custom pro forma cost model. We also modeled the impacts of maintaining the status quo library service and funding model, as a baseline for comparison with the options themselves. It is important to note that the status quo or baseline option is not intended as a potential library service and funding model option for library services in Bellingham moving forward.

Historical financial data was used to support projections within the cost model. The historical period for this data was a five-year period from 2013 to 2017, where 2013 to 2016 data represent actuals and 2017 data is as budgeted.

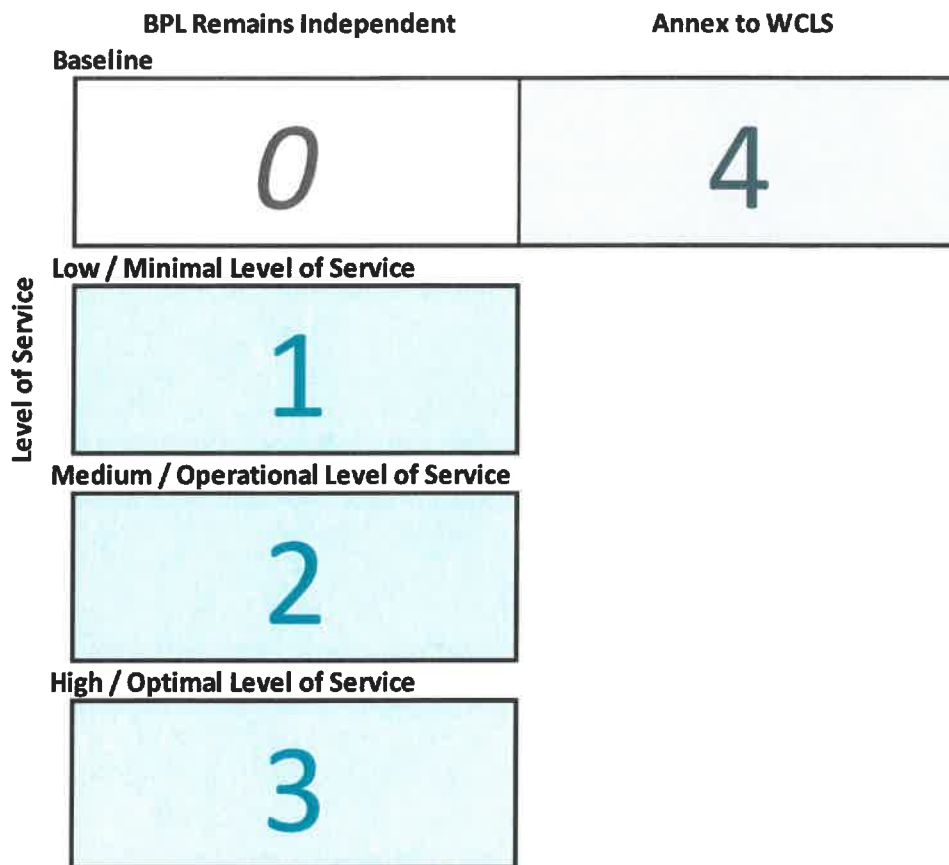
The baseline and all options were evaluated on a ten-year time horizon. Quantitative findings are presented as order-of-magnitude estimates based on the assumptions presented. They do not represent exact or actual costs. To recognize expected changes in the purchasing power of the dollar over that time, all results were normalized to 2017 dollars (2017\$) to enhance comparability and understanding of the impacts over time, using Consumer Price Index - Urban Consumers (CPI-U) as the inflation factor. Similarly, because the City of Bellingham's population is expected to increase over the historical period, where possible any statistics about BPL services were normalized for population on a per capita basis to normalize the expected service and funding impacts, including tax burden, to individual residents.

This modeling doesn't quantitatively evaluate incorporation of any UGAs.

3.2. DEFINING LIBRARY SERVICES AND FUNDING MODEL OPTIONS

The data used to develop and evaluate options for a more sustainable operating model was collected and documented previously in a situation assessment, available in *Appendix A*. The situation assessment provides the results of a synthesis of existing data related to the City and Library, nine informant interviews, and analysis of the characteristics and models of comparable and peer city library systems throughout Washington State. Key assumptions defining each of the options were used to model them in the pro forma cost model and are documented following.

Exhibit 2: Bellingham Library Services and Funding Models Baseline and Identified Options



Source: BERK Consulting, 2017.

The assumptions underlying each of these options, including the baseline, are described following.

3.3. CITY OF BELLINGHAM GOVERNANCE

Currently, BPL is a City-governed library independent from all other libraries. It is governed by a five-member Board of Trustees appointed by the Council and Mayor, and all BPL Board of Trustees members are Bellingham residents and clearly represent Bellingham’s interests. The baseline and three of the library service and funding model options assume that BPL will continue to be City-governed.

City-governance provides local control through more direct representation for Bellingham residents than they might have as part of another library. This means that the Bellingham community has more influence over its levels of service and service policies than it would have otherwise.

As a City-governed library, BPL is more than a traditional library; it is an important government service provided by the City of Bellingham that helps it to meet its stated mission: “Support safe, satisfying and prosperous community life by providing the citizens of Bellingham with quality, cost-effective services that meet today’s needs and form a strong foundation for the future.” Per the BPL Strategic Plan, “The library plays an important part in achieving the City of Bellingham’s Legacies and Strategic Commitments as approved by the Bellingham City Council.” BPL contributes directly to the following Legacies and Commitments:

- **"Vibrant Sustainable Economy."** Foster vibrant downtown & other commercial centers.
- **"Sense of Place."** Support sense of place in neighborhoods; Preserve historic & cultural resources; Support people-to people connections.
- **"Access to Quality of Library Amenities."** Maintain & enhance publicly owned assets; Foster arts, culture & lifelong learning; Provide recreation & enrichment opportunities for all ages & abilities.
- **"Quality, Responsive City Services."** Deliver efficient, effective & accountable municipal services; Use transparent processes & involve stakeholders in decisions; Provide access to accurate information; Recruit, retain & support quality employees.
- **"Equity & Social Justice."** Provide access to problem-solving resources; Support services for lower-income residents.

As a City-governed library, BPL has the flexibility to support these broader service goals and priorities.

3.3.1. Level of Service

The baseline and three of the library service and funding model options assume that BPL will continue to be City-governed, and they are differentiated from one another based on level of service. The baseline level of service was established based on today's services and funding.

For Options 1 through 3, initial staffing assumptions were augmented to include additional budget for support staff augmentation to reduce the pressure on existing staff, who are stretched extremely thin. Options 1 through 3 are further differentiated from one another based on the BPL Board of Trustees adopted level of service standards for open hours and collections.

The BPL Board of Trustees adopted level of service standards for main library and library branch open hours in May 2016. These level of service standards are shown in Exhibit 3.

Exhibit 3: Adopted Level of Service Standards for Open Hours per Week, May 2016

	Low or Minimal	Medium or Operational	High or Optimal
	<i>Needed to provide the most basic of library services</i>	<i>Allows BPL to provide all needed services.</i>	<i>Allows the library to enhance services.</i>
Main Library (open hours per week)	56	64	68
Library Branch (open hours per week)	28	36	40

Note: Since there are two library branches, the open hours per week for library branches are calculated based on the total non-overlapping hours of all library's service outlets.

Source: Bellingham Public Library, "Adopted Open Hours Standard", May 17, 2016.

As of 2016, the main library and both library branches are meeting the low or minimal level of service standard for open hours.

The BPL Board of Trustees adopted level of service standards for materials based on a defined range of

per capita expenditures, shown in Exhibit 4.

Exhibit 4: Level of Service Standards for Library Material Collections, March 2017

Low or Minimal	Medium or Operational	High or Optimal
<i>Needed to provide the most basic of library services</i>	<i>Allows BPL to provide all needed services.</i>	<i>Allows the library to enhance services.</i>
\$5.00 per capita	\$7.50 per capita	\$10.00 per capita

Source: Bellingham Public Library, "Draft Level of Service Standards for Library Materials Collections", March 21, 2017.

BPL Board of Trustees recommends that this level of service metric be tracked in addition to several indicators of library material collection performance, to ensure that it is supporting a meaningful increase in level of service for residents. These indicators include:

- The size and age of the collection.
- Circulation per capita relative to peer libraries.
- Turnover rate (circulation divided by circulating collection size) relative to peer libraries.
- Hold ratios.³

It should be noted that these level of service standards do not account for inflation. For consistency with these results and to maintain the integrity of the level of service standard as it was intended by the BPL Board of Trustees, we recommend that BPL consider updating its level of service standard for collections to include a scheduled or annual inflation adjustment to account for the reduced purchasing power of the dollar over time.

For the purposes of this analysis, we've assumed that Option 1 provides a low or minimal level of service standard, Option 2 provides a medium or operational level of service standard, and Option 3 provides a high or optimal level of service standard.

3.3.2. Funding

As a City-governed library system, there are limited funding mechanisms that can be dedicated to library operations. BPL is funded primarily by City of Bellingham General Fund dollars. The General Fund is primarily funded by City taxes, including property, retail sales and use, business, and other taxes. BPL has historically received approximately 5% to 6% of the City's overall General Fund revenues. This share has increased slightly since 2012. This is a challenge, because it means that BPL's funding is unpredictable as it competes for General Fund dollars with other essential City services. The City has two main options for funding City-governed library services in the future:

1. Continue to fund the library through existing General Fund appropriation and establish new dedicated revenues for increased level of service scenarios.
2. Establish new dedicated revenues to fund all library services.

New dedicated revenues might include a Levy Lid Lift on the current city general property tax or a

³ Bellingham Public Library, "Draft Level of Service Standards for Library Materials Collections, March 21, 2017.

dedicated property tax levy.

- **Levy Lid Lift:** A tool used by taxing districts, including cities, without banked capacity to increase its property taxes beyond the 1% limit. This occurs when taxing jurisdictions with a tax rate of less than their statutory maximum rate ask voters to increase their tax rate to an amount equal to or less than the statutory maximum rate, effectively lifting the lid on the levy rate.
- **Dedicated Property Tax Levy.** A tool used by taxing districts, including cities, to ask voters for additional property tax revenues dedicated to specific purposes.

We've modeled both options as part of this study.

3.4. WCLS GOVERNANCE

Currently, WCLS is a "rural county library district," which refers to a library serving all the areas of a county not included within the area of incorporated cities and towns, with the exception that any city or town under 300,000 in population may also be included. It is governed by a five-member Board of Trustees appointed by the Whatcom County Council, with members representing residents from throughout the County. There is no expectation that any city served will have a representative on the WCLS Board of Trustees. Option 4 assumes that BPL would be annexed to WCLS.

BPL already participates in cost-sharing practices with WCLS and many efficiencies have already been achieved; it is not expected that there will be additional significant efficiencies or cost savings from annexation of BPL to WCLS. In fact, for the purposes of this study, we've assumed that position-level staffing costs would increase by 10% due to personnel transition and union renegotiations.

Additionally, even in an annexation scenario, the City of Bellingham will remain responsible for library capital facilities, including major maintenance. These costs would likely include continued payment of interfund operating costs related to library facilities, including for:

- Facilities
- Maintenance
- Risk Management

3.4.1. Level of Service

WCLS level of service is set at the discretion of WCLS staff and the WCLS Board of Trustees. For the purposes of this analysis, we assumed City of Bellingham's library level of service in an annexation to WCLS scenario would be based on the funding available to deliver services.

3.4.2. Funding

Per State law, WCLS is authorized to levy \$0.50 per \$1,000 of assessed value. WCLS also generates nominal revenues from other sources, including:

- Intergovernmental revenues
- Leasehold excise tax
- Private harvest tax
- Charges for goods and services

- Fines and Forfeitures
- Miscellaneous revenues

The value of the property tax levy effectively caps the WCLS budget.

3.4.3. Implementation

It is important to remember that this study evaluates the impacts of new library services and funding models on the City of Bellingham and BPL, with minimal consideration of the impacts to WCLS. Further consideration of annexation of BPL to WCLS will require collaboration and participation of WCLS and the WCLS Library Board of Trustees.

Practically, so long as the City of Bellingham remains under 300,000 people in population, it may initiate annexation to WCLS, as allowed in RCW 27.12.360. The annexation procedure is documented in RCW 27.12.360 to RCW 27.12.390 and summarized following:

1. The City Council would initiate annexation proceedings through the adoption of an ordinance stating its intent to join WCLS and finding that the public interest will be served thereby. Before adoption, the ordinance shall be submitted to the BPL Board of Trustees for its review and recommendations. If the BPL Board of Trustees concurs on the annexation, notification thereof shall be transmitted to the Whatcom County Council.
2. Whatcom County shall by resolution call a special election to be held in such city or town at the next special election date according to RCW 29A.04.321, and shall cause notice of such election to be given as provided for in RCW 29A.52.355. The election on the annexation of the city or town into the library district would be conducted by the Whatcom County Auditor in accordance with the general election laws of the state and the results thereof shall be canvassed by the canvassing board of the county. No person shall be entitled to vote at such election unless he or she is registered to vote in the City of Bellingham for at least thirty days preceding the date of the election. The ballot proposition shall be in substantially the following form:

Shall the city or town of Bellingham be annexed to and be a part of Whatcom County Library System?

- Yes
- No

If the majority voting on the proposition vote in favor thereof, the City of Bellingham shall thereupon be annexed and shall be a part of such library district.

3. The annual tax levy authorized by RCW 27.12.050, 27.12.150, and 27.12.420 shall be imposed throughout the library district, including in the City of Bellingham. Any city or town annexed to a rural library district, island library district, or intercounty rural library district shall be entitled to levy up to three dollars and sixty cents per thousand dollars of assessed valuation less any regular levy made by such library district in the incorporated area. However, the limitations upon regular property taxes imposed by chapter 84.55 RCW continue to apply, and these property taxes cannot contribute to a total local tax rate that exceeds those limits.

WCLS currently levies a property tax of approximately \$0.50 per \$1000 of assessed value (in 2017 the exact levy rate was \$0.487 per \$1,000 of assessed value). As such, the City of Bellingham would be entitled to levy property tax of no more than \$3.10 per \$1000 of assessed value.

It is important to recognize that annexation of the City of Bellingham to WCLS would substantially change the scale of the existing system. It is therefore likely that annexation of City of Bellingham to WCLS would be more complex than these annexation procedures purport, and it would require development of a collaborative strategy between the City of Bellingham and WCLS.

Further, as WCLS policy is for cities to provide library facilities, the City of Bellingham would have to work with WCLS to establish an interlocal agreement for ongoing provision and maintenance of City of Bellingham library facilities.

3.5. SUMMARY OF OPTIONS

Option		Governance	Level of Service	Funding
0	4	0 <i>BPL; Independent</i>	Baseline	<i>Status Quo</i>
1				
2				
3				
0	4	1 <i>BPL; Remain Independent</i>	Enhanced Baseline	Continue to fund the library through existing General Fund appropriation and establish new dedicated revenues for increased level of service scenarios, or Establish new dedicated revenues to fund all library services.
1			Low or Minimal Level of Service	
2				
3				
0	4	2 <i>BPL; Remain Independent</i>	Enhanced Baseline	Continue to fund the library through existing General Fund appropriation and establish new dedicated revenues for increased level of service scenarios, or Establish new dedicated revenues to fund all library services.
1			Medium or	
2			Operational Level of Service	
3				
0	4	3 <i>BPL; Remain Independent</i>	Enhanced Baseline	Continue to fund the library through existing General Fund appropriation and establish new dedicated revenues for increased level of service scenarios, or Establish new dedicated revenues to fund all library services.
1			High to Optimal	
2			Level of Service	
3				
0	4	4 Annex to WCLS	Set by WCLS	Existing revenues, including a \$0.50 per \$1,000 of Assessed Value property tax levy on its service area.
1				
2				
3				

4.0 Capital Facility Needs

Several other cities, including Blaine, Ferndale, Lyndon, and Suman, have annexed to WCLS. In all of these cases, the cities have maintained responsibility for providing and maintaining their capital library facilities. As such, if the City of Bellingham annexed to WCLS, it is expected that it would also maintain responsibility for providing and maintaining its capital library facilities.

What this means is that the City will remain responsible for capital facilities, including major maintenance, interfund operating costs, risk management, and facilities improvements costs, regardless of governance model, and that there will be no cost difference related to capital facilities among the library service and funding models evaluated herein.

As part of the *Bellingham Comprehensive Plan, Capital Facilities and Utilities Chapter, 2016*, the City of Bellingham evaluated current library facilities against a forecast of future needs. The Chapter identified several library facility needs, including:

- Early in the 20-year planning horizon (2017-2036), the Central Library will need to be remodeled, expanded, or replaced to meet the City's needs based on projected growth forecasts. The current facility has challenges including: inadequate space, inefficient and inflexible floor plan, lack of modern library amenities, lifecycle maintenance needs of an aging facility, and accessibility problems.
- The Fairhaven Branch has adequate square footage to meet demand over the 20-year planning horizon; however, there are continued maintenance and seismic upgrades needed to ensure its continued use.
- The Barkley Branch has adequate square footage to meet demand over the 20-year planning horizon; however, continued use of that facility is dependent on the willingness of a private building owner to continue to provide the space for a lower-than-market rate.
- Between 2014 and 2016, approximately 50% of the new housing growth in Bellingham occurred in the north and northeast portions of the City, including the Cordata, Meridian, King Mountain, Irongate, and Barkley neighborhoods. This trend is anticipated to continue, as those neighborhoods are expected to continue to grow and as annexation of the adjacent northern UGA occurs over the 20-year planning horizon. To ensure that these residents' library needs are met, the City should develop a plan for providing those services, which may include development of a branch or satellite library facility located to serve those residents. The City should also consider opportunities to meet this need through private-public partnerships to help reduce costs and maximize facility use and sharing of resources.

Despite significant, identified needs, no BPL-specific projects were funded as part of the six-year (2017-2022) capital facilities plan.

While we have not attempted to provide costs for needed library capital facility projects, it is important to point out that previous studies that have done so have been extremely aspirational, generating library facility plans and costs based on the enhancements desired by the community. In the future, it may make sense to develop more cost-sensitive plans based on what is feasible within existing and identified funding options and tools, with consideration of what the community might be willing to pay for.

BPL has identified that there are two specific critical capital projects where this would be useful:

- Fairhaven Seismic upgrade
- Central Library renovation (including necessary seismic and ADA upgrades)

4.1. CAPITAL FACILITY FUNDING AND FINANCING

In both governance models, and therefore all library service and funding model options, the City is responsible for the costs of building and completing major maintenance on capital facilities. The City is also responsible for ongoing costs paid through an interfund charge for facilities and maintenance.

4.1.1. Funding Options

The City of Bellingham collects capital reserves through a City interfund charge for facilities. The City can, at its discretion, allocate these capital reserve funds to support BPL and library facilities capital projects. Based on history and other City priorities, this is unlikely. The City does not maintain a library-specific capital reserve fund.

4.1.2. Financing Options

City of Bellingham can and does use debt to finance capital projects. City of Bellingham’s legal debt capacity is 2.5% of its assessed valuation; however, it can authorize no more than 1.5% of assessed valuation councilmanically (through Limited Tax General Obligation [LTGO] bonds). The City can also use Unlimited Tax General Obligation (UTGO) bonds to levy debt. Both of these bond types are described following.

- **LTGO Bonds:** Financing bonds that do not require voter approval and are payable from the issuers General Fund and other legally available revenue sources.
- **UTGO Bonds:** Financing bonds that require voter approval and include the levying of an additional tax to repay them.

The City of Bellingham’s current assessed valuation (for tax year 2016), is \$9,301,737,832. The City of Bellingham’s outstanding debt relative to its legal authorization is provided in Exhibit 5.

Exhibit 5: City of Bellingham’s Legal Debt Capacity and Utilization, 2017

Type of Debt	Total Debt Capacity	Debt Outstanding	Available Capacity
Councilmanic (non-voted)	\$139,526,067	\$35,047,658	
Voted	\$232,543,446	\$0	
TOTAL	\$232,543,446	\$35,047,658	\$197,495,788

Source City of Bellingham Comprehensive Annual Financial Statements, 2013 to 2017; City of Bellingham Budget, 2017 to 2018 Biennium; and BERK Consulting, 2017.

Currently, the City of Bellingham is utilizing only 15% of its legally authorized debt capacity. It is important to recognize that the City likely wants to keep its overall debt utilization well below 100% as debt utilization impacts the City’s credit rating. The City also has strict financial policies related to the use of debt. Before debt is considered, the City will first evaluate three things:

- Whether a sufficient revenue stream is available to repay the debt

- Alternate methods of financing
- Whether it would not be cost effective to delay issuing debt.⁴

Further, the City requires that a separate financial funding analysis be prepared for council review for projects requiring the issuance of new debt or for projects in excess of \$5 million.

5.0 Evaluating Library Services and Funding Model Options

We modeled the impacts and evaluated four potential library service and funding model options for the delivery of library services in the City of Bellingham. For the purposes of comparison, we also modeled the impacts of maintaining the status quo library service and funding model, as a baseline for comparison with the options themselves. It is important to note that the status quo or baseline option is not intended as a potential library service and funding model option for library services in Bellingham moving forward; rather, it is provided for comparative purposes.

These options consider governance, cost and level of service, and funding. To evaluate the tradeoffs related to each of these options, we have considered:

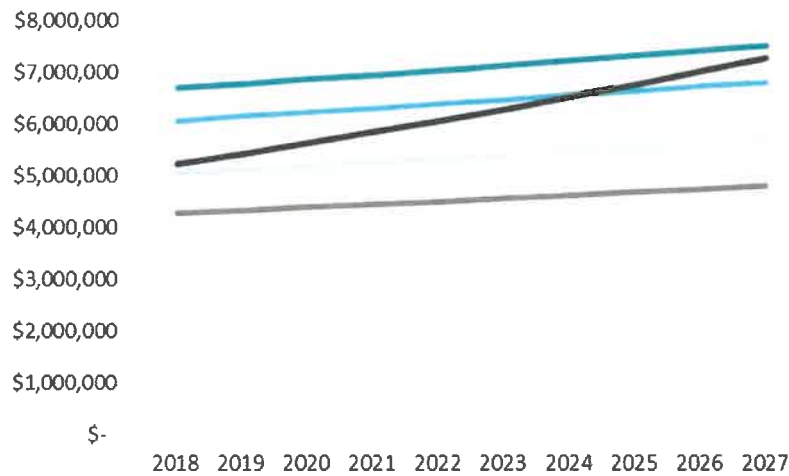
- Total cost
- Total cost to the City
- New costs to the City
- Total tax burden to Bellingham residents
- Total library-specific tax burden to Bellingham residents

These metrics are analyzed following. As a reminder, cost model results are presented as order-of-magnitude estimates based on the assumptions presented. They do not represent exact or actual costs.

The total cost of each option is provided in Exhibit 6, following.

⁴ City of Bellingham Financial Management Guidelines, 2010.

Exhibit 6: Total Cost (City of Bellingham Services Share), 2018 to 2027 (2017\$, Rounded to 1000's)



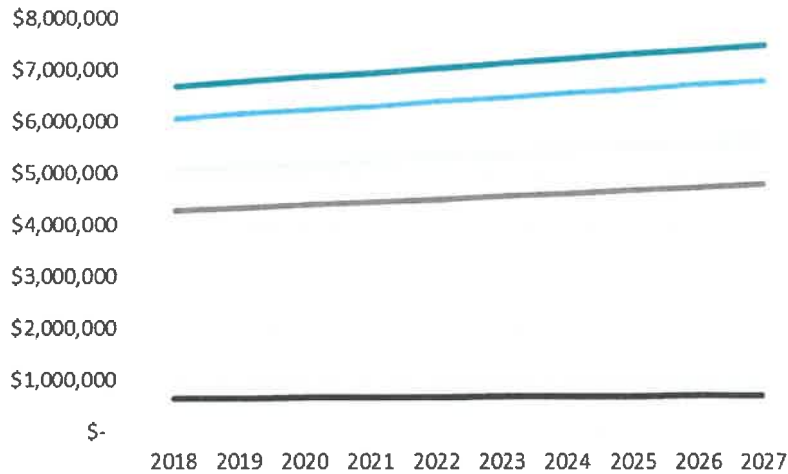
	10-year									
	6-year									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total Cost (City of Bellingham Services Share)										
Option 0	\$ 4,285,000	\$ 4,335,000	\$ 4,390,000	\$ 4,447,000	\$ 4,503,000	\$ 4,561,000	\$ 4,620,000	\$ 4,679,000	\$ 4,739,000	\$ 4,800,000
Option 1	\$ 5,061,000	\$ 5,125,000	\$ 5,190,000	\$ 5,257,000	\$ 5,324,000	\$ 5,393,000	\$ 5,462,000	\$ 5,532,000	\$ 5,603,000	\$ 5,674,000
Option 2	\$ 6,078,000	\$ 6,154,000	\$ 6,233,000	\$ 6,313,000	\$ 6,394,000	\$ 6,476,000	\$ 6,559,000	\$ 6,643,000	\$ 6,728,000	\$ 6,814,000
Option 3	\$ 6,698,000	\$ 6,783,000	\$ 6,870,000	\$ 6,958,000	\$ 7,047,000	\$ 7,137,000	\$ 7,229,000	\$ 7,321,000	\$ 7,415,000	\$ 7,510,000
Option 4	\$ 5,229,000	\$ 5,425,000	\$ 5,629,000	\$ 5,840,000	\$ 6,060,000	\$ 6,287,000	\$ 6,523,000	\$ 6,768,000	\$ 7,023,000	\$ 7,286,000
Option 4	\$ 14,604,000	\$ 14,680,000	\$ 14,756,000	\$ 14,833,000	\$ 14,910,000	\$ 14,988,000	\$ 15,066,000	\$ 15,144,000	\$ 15,223,000	\$ 15,302,000
Total Cost Per Capita (City of Bellingham Services Share)										
Option 0	\$ 48.85	\$ 48.79	\$ 48.79	\$ 48.79	\$ 48.78	\$ 48.79	\$ 48.79	\$ 48.79	\$ 48.79	\$ 48.79
Option 1	\$ 57.69	\$ 57.68	\$ 57.68	\$ 57.68	\$ 57.68	\$ 57.69	\$ 57.69	\$ 57.69	\$ 57.69	\$ 57.68
Option 2	\$ 69.29	\$ 69.27	\$ 69.27	\$ 69.27	\$ 69.27	\$ 69.27	\$ 69.27	\$ 69.27	\$ 69.27	\$ 69.27
Option 3	\$ 76.36	\$ 76.35	\$ 76.35	\$ 76.35	\$ 76.34	\$ 76.34	\$ 76.35	\$ 76.34	\$ 76.34	\$ 76.34
Option 4	\$ 59.61	\$ 61.06	\$ 62.56	\$ 64.08	\$ 65.65	\$ 67.25	\$ 68.89	\$ 70.57	\$ 72.31	\$ 74.06

Source: BERK Consulting, 2017.

One of the primary challenges of BPL's current library service and funding model is the current cost to the City – particularly as the Library is primarily funded through City General Fund revenues and, as such, increasingly must compete with other City services for funding as revenues fail to keep up with the rising cost of providing current services. Exhibit 6 shows the expected cost of each option to the City of Bellingham.

Unsurprisingly, initially Options 2 and 3 are more costly to city residents than Options 1 and 4; however, over the 10-year study horizon, Option 1 is the least costly option. It's also worth noting that over the 10-year horizon Option 4 becomes much more costly than both Option 1 and 2 on an annual basis. This is because city residents will continue to be responsible for interfund costs related to owning and maintaining their library facilities, on top of new property taxes they'd be responsible for to fund their share of WCLS services.

Exhibit 7: Total Cost to City of Bellingham, 2018 to 2027 (2017\$, Rounded to 1000's)



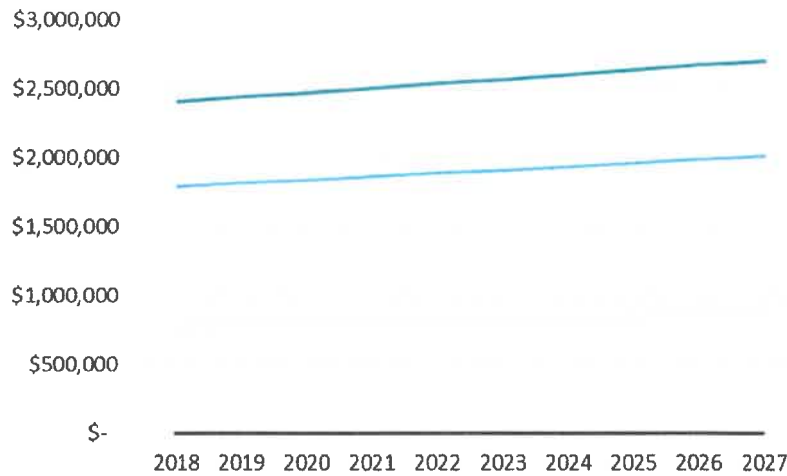
Cost to City	10-year									
	2018	2019	6-year			2022	2023	2024	2025	2026
Option 0	\$ 4,285,000	\$ 4,335,000	\$ 4,390,000	\$ 4,447,000	\$ 4,503,000	\$ 4,561,000	\$ 4,620,000	\$ 4,679,000	\$ 4,739,000	\$ 4,800,000
Option 1	\$ 5,061,000	\$ 5,125,000	\$ 5,190,000	\$ 5,257,000	\$ 5,324,000	\$ 5,393,000	\$ 5,462,000	\$ 5,532,000	\$ 5,603,000	\$ 5,674,000
Option 2	\$ 6,078,000	\$ 6,154,000	\$ 6,233,000	\$ 6,313,000	\$ 6,394,000	\$ 6,476,000	\$ 6,559,000	\$ 6,643,000	\$ 6,728,000	\$ 6,814,000
Option 3	\$ 6,698,000	\$ 6,783,000	\$ 6,870,000	\$ 6,958,000	\$ 7,047,000	\$ 7,137,000	\$ 7,229,000	\$ 7,321,000	\$ 7,415,000	\$ 7,510,000
Option 4	\$ 635,000	\$ 642,000	\$ 651,000	\$ 659,000	\$ 667,000	\$ 676,000	\$ 685,000	\$ 693,000	\$ 702,000	\$ 711,000

Source: BERK Consulting, 2017.

In terms of the City of Bellingham’s direct funding responsibilities, Option 4 is the least costly option, as the City would only be responsible interfund costs related to owning and maintaining library facilities within City limits. However, as was illustrated previously in Exhibit 6, the total cost of this option is still higher than Option 1, and will become more costly than Option 2 in the longterm.

Not all of these costs are “new” costs; rather, some of these costs represent amounts that the City of Bellingham is responsible for as part of its baseline operations. New costs primarily represent the additional increment of costs of any of the options being considered – the difference between the new scenario and the baseline, and are shown in Exhibit 8, following.

Exhibit 8: Total New Costs to City of Bellingham, 2018 to 2027 (2017\$, Rounded to 1000's)



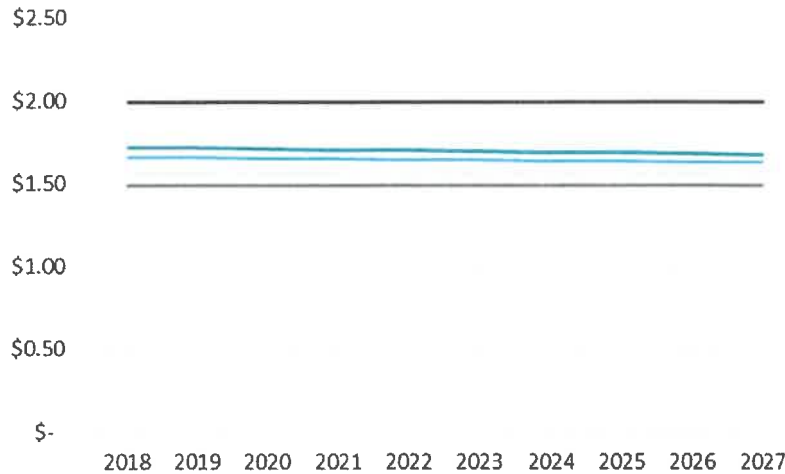
	10-year									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Additional (New) Cost to City										
Option 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Option 1	\$ 776,000	\$ 790,000	\$ 800,000	\$ 810,000	\$ 821,000	\$ 831,000	\$ 842,000	\$ 853,000	\$ 864,000	\$ 875,000
Option 2	\$ 1,792,000	\$ 1,820,000	\$ 1,843,000	\$ 1,867,000	\$ 1,891,000	\$ 1,915,000	\$ 1,939,000	\$ 1,964,000	\$ 1,989,000	\$ 2,015,000
Option 3	\$ 2,413,000	\$ 2,448,000	\$ 2,479,000	\$ 2,511,000	\$ 2,543,000	\$ 2,576,000	\$ 2,609,000	\$ 2,642,000	\$ 2,676,000	\$ 2,711,000
Option 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional (New) Cost Per Capita City										
Option 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Option 1	\$ 8.85	\$ 8.89	\$ 8.89	\$ 8.89	\$ 8.89	\$ 8.89	\$ 8.89	\$ 8.89	\$ 8.90	\$ 8.89
Option 2	\$ 20.43	\$ 20.48	\$ 20.48	\$ 20.49	\$ 20.49	\$ 20.48	\$ 20.48	\$ 20.48	\$ 20.48	\$ 20.48
Option 3	\$ 27.51	\$ 27.55	\$ 27.55	\$ 27.55	\$ 27.55	\$ 27.55	\$ 27.55	\$ 27.55	\$ 27.55	\$ 27.56
Option 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Source: BERK Consulting, 2017.

It's notable that the amount of additional annual funding required to get BPL to an acceptable and sustainable funding to maintain the low or minimal level of service standard is not an infeasible amount, but rather less than \$1,000,000 a year. While these amounts may not be feasible as part of current General Fund levels, they could easily be attained through a levy lid lift or dedicated library levy.

While costs to the City are an important consideration, it is also important to remember that Bellingham residents are the actual payers of library costs, with the City of Bellingham the vehicle through which services are provided and funded. Therefore, it is important to consider how these costs will impact Bellingham tax payers.

Exhibit 9: Total Tax Burden for Libraries without City General Fund Contribution, 2018 to 2027 (2017\$, Rounded to 1000's)

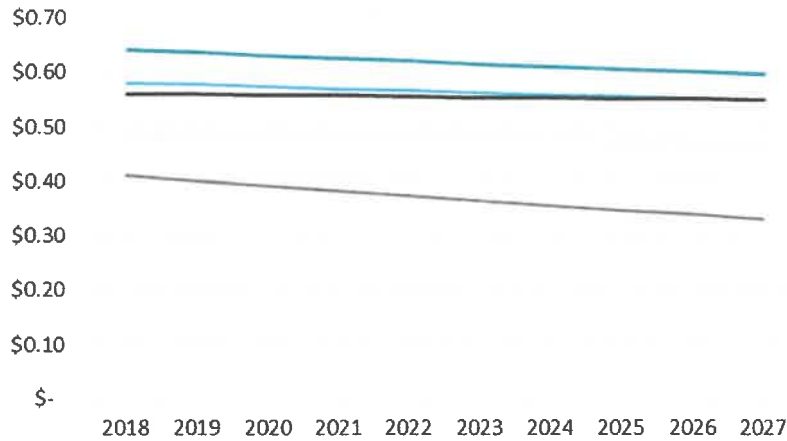


	6-year						10-year			
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
City of Bellingham Resident City General and Library-specific Tax Rate										
Option 0	\$ 1.49	\$ 1.49	\$ 1.49	\$ 1.49	\$ 1.49	\$ 1.49	\$ 1.49	\$ 1.49	\$ 1.49	\$ 1.49
Option 1	\$ 1.56	\$ 1.56	\$ 1.56	\$ 1.56	\$ 1.56	\$ 1.55	\$ 1.55	\$ 1.55	\$ 1.55	\$ 1.55
Option 2	\$ 1.66	\$ 1.66	\$ 1.65	\$ 1.65	\$ 1.64	\$ 1.64	\$ 1.64	\$ 1.63	\$ 1.63	\$ 1.63
Option 3	\$ 1.72	\$ 1.71	\$ 1.71	\$ 1.70	\$ 1.70	\$ 1.69	\$ 1.69	\$ 1.68	\$ 1.68	\$ 1.67
Option 4	\$ 1.99	\$ 1.99	\$ 1.99	\$ 1.99	\$ 1.99	\$ 1.99	\$ 1.99	\$ 1.99	\$ 1.99	\$ 1.99
City of Bellingham Resident City General and Library-specific Estimated Property Tax Burden - Median Single Family Home Value (\$365,000)										
Option 0	\$ 543.16	\$ 543.16	\$ 543.16	\$ 543.16	\$ 543.16	\$ 543.16	\$ 543.16	\$ 543.16	\$ 543.16	\$ 543.16
Option 1	\$ 570.24	\$ 569.74	\$ 569.11	\$ 568.49	\$ 567.88	\$ 567.30	\$ 566.72	\$ 566.16	\$ 565.61	\$ 565.08
Option 2	\$ 605.72	\$ 604.38	\$ 602.92	\$ 601.49	\$ 600.10	\$ 598.74	\$ 597.42	\$ 596.12	\$ 594.86	\$ 593.63
Option 3	\$ 627.38	\$ 625.51	\$ 623.55	\$ 621.63	\$ 619.76	\$ 617.94	\$ 616.15	\$ 614.41	\$ 612.72	\$ 611.06
Option 4	\$ 725.66	\$ 725.66	\$ 725.66	\$ 725.66	\$ 725.66	\$ 725.66	\$ 725.66	\$ 725.66	\$ 725.66	\$ 725.66

Source: BERK Consulting, 2017.

Notably, Option 4 generates the highest tax burden for library residents. What this means is that if the City's General Fund appropriation stayed the same, residents could choose the most costly option for library services and still have a lower tax burden than if they were to annex to WCLS. However, as a key consideration in this study is the pressure that the current General Fund appropriation is putting on the City budget, we also evaluated what the tax burden to Bellingham residents would be if the City elected to withdraw its General Fund appropriation in favor of library services being funded by a dedicated property tax levy; this is shown in Exhibit 10, following.

Exhibit 10: Total Tax Burden for Libraries without City General Fund Contribution, 2018 to 2027 (2017\$, Rounded to 1000's)



	10-year									
	6-year									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
City of Bellingham Resident Library-specific Tax Rate (if library funded without general fund)										
Option 0	\$ 0.41	\$ 0.40	\$ 0.39	\$ 0.38	\$ 0.37	\$ 0.36	\$ 0.35	\$ 0.35	\$ 0.34	\$ 0.33
Option 1	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.47	\$ 0.47	\$ 0.47	\$ 0.47
Option 2	\$ 0.58	\$ 0.58	\$ 0.57	\$ 0.57	\$ 0.57	\$ 0.56	\$ 0.56	\$ 0.55	\$ 0.55	\$ 0.55
Option 3	\$ 0.64	\$ 0.64	\$ 0.63	\$ 0.62	\$ 0.62	\$ 0.61	\$ 0.61	\$ 0.60	\$ 0.60	\$ 0.60
Option 4	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55	\$ 0.55
City of Bellingham Resident Library-specific Estimated Property Tax Burden - Median Single Family Home Value (\$365,000)										
Option 0	\$ 149.56	\$ 145.81	\$ 142.34	\$ 138.94	\$ 135.63	\$ 132.40	\$ 129.24	\$ 126.16	\$ 123.15	\$ 120.21
Option 1	\$ 176.64	\$ 176.14	\$ 175.50	\$ 174.89	\$ 174.28	\$ 173.69	\$ 173.12	\$ 172.56	\$ 172.01	\$ 171.47
Option 2	\$ 212.12	\$ 210.77	\$ 209.31	\$ 207.89	\$ 206.50	\$ 205.14	\$ 203.81	\$ 202.52	\$ 201.26	\$ 200.03
Option 3	\$ 233.77	\$ 231.91	\$ 229.95	\$ 228.03	\$ 226.16	\$ 224.33	\$ 222.55	\$ 220.81	\$ 219.11	\$ 217.45
Option 4	\$ 204.66	\$ 204.10	\$ 203.61	\$ 203.09	\$ 202.59	\$ 202.12	\$ 201.66	\$ 201.19	\$ 200.74	\$ 200.31

Source: BERK Consulting, 2017.

When considering only the tax burden from library service levies, in the case of all BPL library service and funding model options being funded through dedicated revenues, Option 4 is no longer the most costly option to residents. However, there is only a nominal difference between Options 2 and 4, in the short term, which narrows in the long term.

These costs provide some quantitative values to support comparison of the costs of each library service and funding model. It is expected that capital facilities will cost the City the same amount regardless of governance model, so those costs have not been included. However, it is also important to consider the qualitative assessments of other impacts related to each organizational model, including governance, administration, personnel, and community preferences.

Most importantly, maintaining local control gives the Bellingham community more influence over its levels of service and service policies than it would have as part of WCLS. Communities currently served by WCLS and BPL have different values, needs, and demographics.

When evaluating the options, it is clear that there are significant tradeoffs between the options in terms of local control, cost to the City and residents, level of service, and tax burden.

6.0 Next Steps

This study evaluates four potential library service and funding model options for the delivery of library services in the City of Bellingham. These options consider governance, cost and level of service, and funding. When evaluating the options, it is clear that there are significant tradeoffs between the options, in terms of local control, cost to the City and residents, level of service, and tax burden.

This study is not intended to provide a recommendation of a final option for delivering library services in the City of Bellingham. Rather, the results of this study, as documented in this report, are intended to inform the City of Bellingham and BPL in establishing a clear direction or vision for library services and a funding strategy that the City and BPL could take to staff and community for input. It is expected that additional community outreach and a more detailed assessment will be needed to further evaluate and refine any option selected for implementation.

It is also important to remember that this study evaluates the impacts of new library services and funding models on the City of Bellingham and BPL, with minimal consideration of the impacts to WCLS. Further consideration of annexation of BPL to WCLS will require collaboration and participation of WCLS and the WCLS Library Board of Trustees.

Bellingham Public Library Services and Funding Models

City Council Briefing

November 13, 2017



**Bellingham
PublicLibrary**



Background and Purpose

- Develop and evaluate options for a library service and funding models for Bellingham Public Library, which may include annexation to the Whatcom County Library System (WCLS).
- Identify sustainable funding and financing tools available for providing library services in the City of Bellingham.

Background and Purpose

PROJECT TEAM

- Brian Heinrich, Deputy Administrator, City of Bellingham
- Nancy Kerr, Library Director, Bellingham Public Library
- J. Gordon, Chair, Bellingham Public Library Board of Trustees
- Rick Osen, Member at Large, Bellingham Public Library Board of Trustees

BELLINGHAM PUBLIC LIBRARY BOARD OF TRUSTEES

- J. Gordon, Chair
- Rachel Myers, Vice Chair
- Rick Osen
- Rebecca Craven
- Jim McCabe
- April Barker*, City Council Liaison

*Ex Officio Member

Situation Assessment

Key Informants

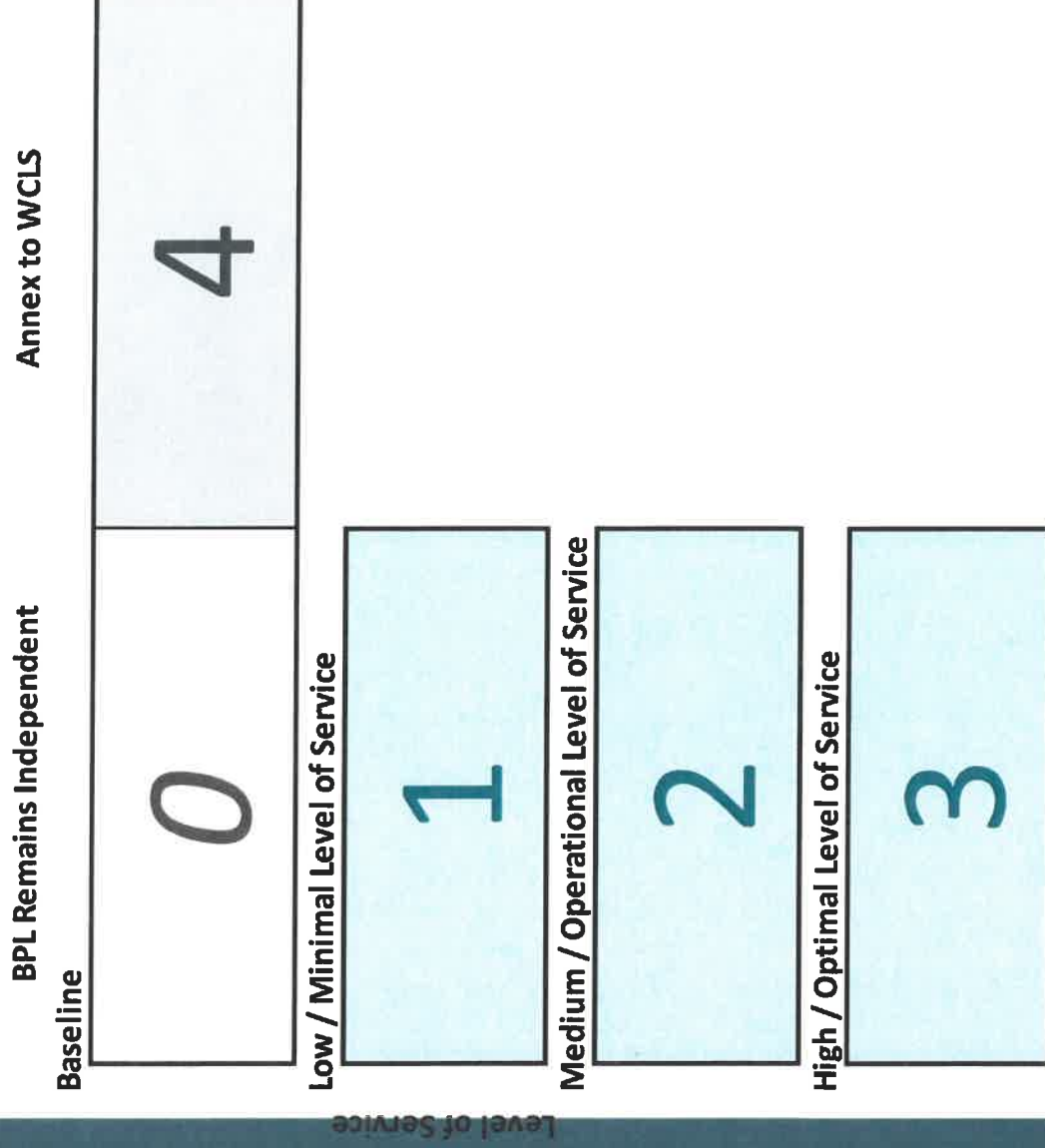
- April Barker, BPL Council Member
- Christine Perkins, WCLS Executive Director
- Faye Hill, BPL Friends President
- Janice Keller, BPL Communications and Bethany Hogle, BPL Management
- Kelli Linville, City of Bellingham Mayor
- Marty Mulholland, IT Department Director
- Pam Kiesner, Former BPL Director
- Rick Sepler, Planning and Community Development
- Ted Carlson, Public Works Director

- We developed a comprehensive Situation Assessment that provides context on the study background, programmatic and fiscal features of BPL, comparison of BPL and peer libraries, and informant perspectives on the study topic.
 - The Situation Assessment is intended to be a separately available addendum to the full Report.
 - Key findings are presented on the first 12 pages of this document.

Defining Options

We developed options for BPL's future service and operations and funding model, considering governance model and level of service.

- The baseline (Option 0) is presented for illustrative purposes and not considered a sustainable Library Services and Funding Option.



0	4
1	5
2	6
3	7

Governance: BPL Independent

Option 0 Level of Service (LOS): Baseline

- Open hours per week: varying based on revenue availability
- Collection Spending per Capita: based on revenue availability

Option 1 LOS: Low / Minimal

- Open hours per week: Main Library 56, Branches 28
- Collection Spending per Capita: \$5.00

Option 2 LOS: Medium / Operational

- Open hours per week: Main Library 64, Branches 36
- Collection Spending per Capita: \$7.50

Option 3 LOS: High / Optimal

- Open hours per week: Main Library 68, Branches 40
- Collection Spending per Capita: \$10.00

0	4
1	5
2	6
3	7

Governance: Annex to WCLS

■ Option 4 LOS: WCLS Baseline

- Open hours: Varying from 2017 open hours based on revenue availability.
- Collection Spending per Capita: Varying from 2017 collection spending per capita based on revenue availability.

BPL Operations Funding Mechanisms

- A. Continue to fund the library through existing general fund appropriation and establish new dedicated revenues for increased level of service scenarios.
 - New dedicated revenues have been modeled as a levy lid lift.
- B. Establish new dedicated revenues to fund all library services.
 - Dedicated revenues have been modeled as a levy lid lift.

BPL Operations Funding Mechanisms

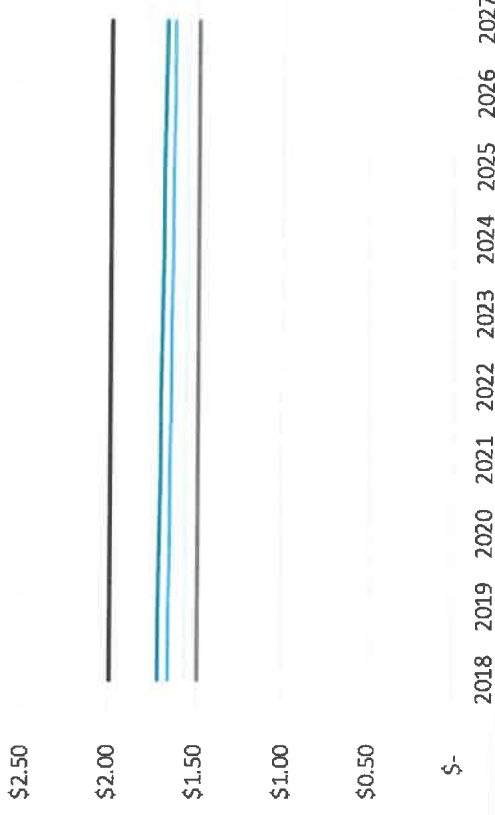
- There are limited funding mechanisms that can be dedicated to library operations.
 - **General Fund Appropriations:** The City can, at its discretion allocate additional general fund revenues to support BPL and library facilities capital projects.
 - **Levy Lid Lift:** A tool used by taxing districts, including cities, without banked capacity to increase its property taxes beyond the 1% limit. This occurs when taxing jurisdictions with a tax rate less than their statutory maximum rate ask voters to increase their tax rate to an amount equal to or less than the statutory maximum rate, effectively lifting the lid on the levy rate.
 - **Dedicated Levy:** A tool used by taxing districts, including cities, to ask voters for additional property tax revenues dedicated to specific purposes.

WCLS Operations Funding

- Per State law, WCLS is authorized to levy \$0.50 per \$1,000 of assessed value. WCLS also generates nominal revenues from other sources.
- The value of the property tax levy effectively caps the WCLS budget.

Comparing Options: Tax Burden

Total Tax Burden Including City General and Library-specific Tax Rates, 2018 to 2027 (2017\$, Rounded to 1000's)



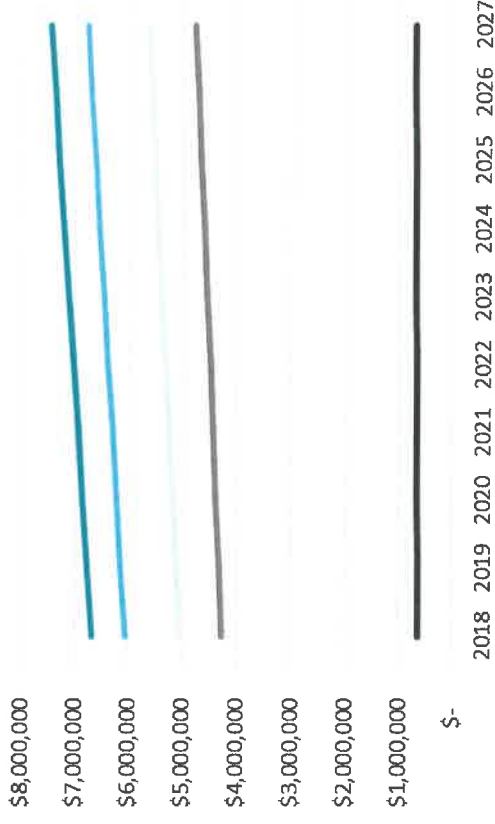
City of Bellingham Resident City General and Library-specific Tax Rate	6-year						10-year				
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Option 0	\$ 1.49	\$ 1.49	\$ 1.49	\$ 1.49	\$ 1.49	\$ 1.49	\$ 1.49	\$ 1.49	\$ 1.49	\$ 1.49	
Option 1	\$ 1.56	\$ 1.56	\$ 1.56	\$ 1.56	\$ 1.56	\$ 1.55	\$ 1.55	\$ 1.55	\$ 1.55	\$ 1.55	
Option 2	\$ 1.66	\$ 1.66	\$ 1.65	\$ 1.65	\$ 1.64	\$ 1.64	\$ 1.64	\$ 1.63	\$ 1.63	\$ 1.63	
Option 3	\$ 1.72	\$ 1.71	\$ 1.71	\$ 1.70	\$ 1.70	\$ 1.69	\$ 1.69	\$ 1.68	\$ 1.68	\$ 1.67	
Option 4	\$ 1.99	\$ 1.99	\$ 1.99	\$ 1.99	\$ 1.99	\$ 1.99	\$ 1.99	\$ 1.99	\$ 1.99	\$ 1.99	
City of Bellingham Resident City General and Library-specific Estimated Property Tax Burden - Median Single Family Home Value (\$365,000)											
Option 0	\$ 543.16	\$ 543.16	\$ 543.16	\$ 543.16	\$ 543.16	\$ 543.16	\$ 543.16	\$ 543.16	\$ 543.16	\$ 543.16	
Option 1	\$ 570.24	\$ 569.74	\$ 569.11	\$ 568.49	\$ 567.88	\$ 567.30	\$ 566.72	\$ 566.16	\$ 565.61	\$ 565.08	
Option 2	\$ 605.72	\$ 604.38	\$ 602.92	\$ 601.49	\$ 600.10	\$ 598.74	\$ 597.42	\$ 596.12	\$ 594.86	\$ 593.63	
Option 3	\$ 627.38	\$ 625.51	\$ 623.55	\$ 621.63	\$ 619.76	\$ 617.94	\$ 616.15	\$ 614.41	\$ 612.72	\$ 611.06	
Option 4	\$ 725.66	\$ 725.66	\$ 725.66	\$ 725.66	\$ 725.66	\$ 725.66	\$ 725.66	\$ 725.66	\$ 725.66	\$ 725.66	

Note: City general property tax rate held constant for the purposes of this analysis.



Comparing Options: Costs to City General Fund

Total Cost to City of Bellingham, 2018 to 2027 (2017\$, Rounded to 1000's)



* Does not include capital costs, routine maintenance only

Cost to City	6-year						10-year				
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Option 0	\$ 4,285,000	\$ 4,335,000	\$ 4,390,000	\$ 4,447,000	\$ 4,503,000	\$ 4,561,000	\$ 4,620,000	\$ 4,679,000	\$ 4,739,000	\$ 4,800,000	
Option 1	\$ 5,061,000	\$ 5,125,000	\$ 5,190,000	\$ 5,257,000	\$ 5,324,000	\$ 5,393,000	\$ 5,462,000	\$ 5,532,000	\$ 5,603,000	\$ 5,674,000	
Option 2	\$ 6,078,000	\$ 6,154,000	\$ 6,233,000	\$ 6,313,000	\$ 6,394,000	\$ 6,476,000	\$ 6,559,000	\$ 6,643,000	\$ 6,728,000	\$ 6,814,000	
Option 3	\$ 6,698,000	\$ 6,783,000	\$ 6,870,000	\$ 6,958,000	\$ 7,047,000	\$ 7,137,000	\$ 7,229,000	\$ 7,321,000	\$ 7,415,000	\$ 7,510,000	
Option 4	\$ 635,000	\$ 642,000	\$ 651,000	\$ 659,000	\$ 667,000	\$ 676,000	\$ 685,000	\$ 693,000	\$ 702,000	\$ 711,000	



Comparing Options: Other Considerations

BPL Governance	WCLS Governance
<ul style="list-style-type: none"> • Governed by five BPL Board of Trustees appointed by the Council and Mayor • All Library Board of Trustees members are Bellingham residents and clearly represent Bellingham’s interests • More representation for Bellingham residents 	<ul style="list-style-type: none"> • Governed by five WCLS Library Board of Trustees appointed by the County Executive. • No guarantee that any Library Board of Trustees members are Bellingham residents and/or clearly represent Bellingham’s interests. • Less representation for Bellingham’s residents.

- Maintaining local control gives the Bellingham community more influence over its levels of service and service policies than it would have as part of WCLS. Communities currently served by WCLS and BPL have different values, needs and demographics.
- Also allows BPL to serve broader City goals than would be served by only traditional library services.



Fixed Costs for City of Bellingham

- The City will remain responsible for capital facilities, regardless of governance model. This will include major maintenance, interfund operating costs, risk management, and facilities improvements.
 - Current Annual facility maintenance is estimated at \$635K in 2018
- Selected facilities needs currently identified in the City's Capital Facilities Element:
 - Fairhaven Seismic upgrade – original estimate \$1.2M
 - Central Library renovation or replacement – including necessary seismic and ADA upgrades

Further Evaluating Options

- These pro forma costs are presented as order-of-magnitude estimates based on the assumptions presented. They do not represent exact or actual costs.
- It is also important to consider the qualitative assessments of other impacts related to each organizational model, including governance, administration, personnel, and community preferences.
- It is expected that additional community outreach and more detailed assessment will be needed to further evaluate and refine any option selected for implementation.

Appendix A: Situation Assessment

Bellingham Public Library Services and Funding Models

Appendix A: Situation Assessment | FINAL: December 22, 2017

Table of Contents

Contents	2
Introduction	4
Previous Studies.....	4
Key Findings	8
Purpose of and Hopes for the Study	8
Governance	8
BPL’s Role in Bellingham.....	8
Strengths and Challenges of BPL’s Current Governance Model	9
Services and Future Service Demands	9
Staffing	9
Services and Usage	10
Funding	11
Facilities and Capital Needs	12
BPL Facilities	12
BPL Capital Needs	13
Full Analysis	14
Library Service Landscape in Bellingham and Whatcom County	14
Whatcom County Library Service Providers	14
BPL Facilities	16
Programmatic and Financial Analysis	23
Methodology	23
BPL Administration	23
Historical Revenues and Expenditures, and Capital Needs	40

Informant Interviews45

 Methodology.....45

 Key Themes.....46

Peer Comparisons and Funding Models59

 Methodology.....63

 Comparisons63

 Funding Models.....67

Introduction

The City of Bellingham is one of the largest cities in Washington State and among the fastest growing metropolitan areas in the country. As part of its government services, the city operates and maintains the Bellingham Public Library (BPL). The city has a vibrant and dynamic arts culture and a focus on education, two factors that have led BPL to be one of the most-used libraries in the state.

The City of Bellingham, like many Washington Cities, is financially constrained by the effect of several tax-limiting measures, as well as increases in operating costs that are outpacing revenue growth. BPL, as part of the City of Bellingham, has borne some of these financial challenges, such as staff and service level reductions in the wake of the 2008 recession.

As the economy bounced back in recent years, staff were added and hours expanded, allowing the library to increase its electronic and other offerings. Due to overall General Fund budgetary constraints, these increases haven't kept up with the community's demand for library services. Library funding has also been insufficient to address pressing capital investment needs, such as replacing the current Main Library, which has been a community priority for over 20 years.

The Library is primarily funded through general revenues and, as such, increasingly must compete with other City services for funding as revenues fail to keep up with the rising cost of providing current services. Recognizing the challenges both to the City and Library, the City, in partnership with BPL, has engaged BERK Consulting to develop options for a more sustainable operating model to preserve, and where desired, enhance the high-quality services that the community has grown to expect from BPL.

To generate data to support developing options for a more sustainable operating model, we have developed this situation assessment, which provides the results of a synthesis of existing data related to the City and Library, nine informant interviews, and analysis of the characteristics and models of comparable and peer city library systems throughout Washington State. This analysis, as well as the methodology supporting it, follows.

PREVIOUS STUDIES

The service and fiscal challenges facing the City of Bellingham and BPL today are not new. In fact, in the last ten years, the City, in partnership with BPL, has commissioned two studies that included evaluation of one or more of these challenges. The key findings and recommendations of these studies are summarized, following:

Bellingham Public Library Community Analysis, Library Needs Assessment, Central Library Building Program Statement and Cost Analysis, January 2008

In 2007, the City of Bellingham and BPL Board of Trustees selected a consultant team made up of Thomas Hacker Architects, Library Consulting, P.A., and RMC Architects to conduct a community analysis and needs assessment, and prepare a Central Library building program. The consultant team worked collaboratively on this effort with a steering committee, the Library Program Committee, which consisted of BPL Board of Trustee members, City of Bellingham staff, Friends of the BPL, community members, and BPL staff.

To complete the study, the project team reviewed information about the library's service area, copies of

previous library reports and planning documents, library building plans, and other information about the library. The project team also conducted an extensive community involvement process that included interviews with City officials, BPL Board of Trustees members, Friends of BPL, library staff, and residents; two public open house meetings in October 2007; four focus group meetings in November 2007; and a non-scientific online survey administered by BPL.

At the time of the study, BPL was operating only the Central Library (44,200 square feet) and Fairhaven Branch (10,250 square feet), although plans for the Barkley branch were already underway. BPL was also operating three drop boxes and outreach services to residents of 29 retirement, nursing, and assisted living facilities.

Key findings from the study included:

- In 2006, BOLA Architecture + Planning had prepared a Fairhaven Library Condition Assessment, estimating the necessary costs of rehabilitating the Fairhaven Branch at \$1,849,966. The project team escalated these probable costs based on construction starting in January of 2010; total escalated costs were estimated to be \$2,343,907 (in 2010 dollars).
- Some members of the community expressed a desire for a "north side branch;" however, the project teams' data, including "the majority of community input," suggested that the greatest need was to replace the current Central Library first.
- Based on comparison with other library systems and "good library practice," additional physical branches would not be practical until the total population served was over 100,000 residents. At the time of the study, the population of Bellingham was not expected to reach 100,000 residents until 2015 or later. Additionally, it was expected that BPL would not have resources to build or support a third permanent location until it had the financial resources to provide additional open hours at Central Library (at the time, open 60 hours per week) and the Fairhaven Branch (at the time, open 36 hours per week).

The Report recommended building a new, larger Central Library at the site of the current library. Details for the recommended Central Library include:

- The preferred site plan would relocate the library north of the current building, with a main entrance facing south and a secondary entrance facing north toward City Hall.
- The new library building would include 78,000 square feet of library space located on two levels, above a 45,000-square foot below-grade parking structure. The parking structure would accommodate 123 off-street parking spots, required based on parking requirements in the Bellingham Municipal Code.
- Conceptual costs for the total site work and building, including soft costs, were estimated at \$52,386,225. Itemized, this includes:
 - \$16,935,225 in soft costs
 - \$2,127,000 in site work
 - \$4,789,000 in below grade parking
 - \$29,535,000 for the library building

Bellingham Public Library and WCLS Study Committee Report Regarding the Potential for Annexation, July 2009

In 2008, the BPL and WCLS Boards of Trustees formed a study committee, made up of their representatives as well as the BPL and WCLS library directors, to explore regionalization of BPL and WCLS through the annexation of BPL to WCLS. The Study Committee's mission was:

To open the discussion and research any available data on the subject of the annexation of BPL to WCLS or a contractual merger as described in the Revised Code of Washington (RCW) and report back to the respective boards.

Based on this information, the Boards will then decide on the feasibility of hiring a consultant(s) to carry out a formal detailed study that will answer the question of whether BPL and WCLS would provide equal or better library service for less money if joined together as allowed by law.¹

Key findings from the study included:

- Since 1945, BPL and WCLS have cooperated through many cost saving arrangements, including reciprocal borrowing and service agreements, shared integrated automated library system, and purchasing. Since 1986, this relationship has been formalized through an interlocal agreement. The library boards and administrative staff continue to affirm their commitment to this cooperation and pursue additional ways to expand the relationship to improve services and cost savings.
- A previous study "Guidelines for Achieving Cost Effective Library Service for the Residents of Whatcom County, Washington: A Feasibility Study for BPL and the Whatcom County Library, September 1977" by Raymond M. Holt (a library consultant) was funded by Washington State to evaluate opportunities to merge BPL and WCLS. The study recommended creating one regional library, through merger of the existing libraries, but did not provide any financial analysis to support this recommendation. As such, the BPL Board of Trustees and WCLS Board of Trustees decided, during a joint meeting, not to pursue the recommendation, expecting that the recommendation would lead to smaller fund collections and a reduction in library services.
- Regionalization of BPL and WCLS would limit the resulting libraries' revenue generating to a property tax levy. If the regionalization occurred in 2009, and City of Bellingham residents were to pay the WCLS' 2009 levy rate of \$0.338/\$1,000 of assessed valuation, they would generate \$2.7 million in revenue for the regional library – over one million dollars less than the current BPL budget. Even with substantial cost savings from regionalization, it is expected that this would affect the resulting library's ability to maintain even WCLS's current level of service.
- While there are other examples of city libraries regionalizing with other library districts in Washington, they are often not comparable or meaningful as case studies, because of BPL and WCLS existing cooperative relationship.

¹ Bellingham Public Library and Whatcom County Library System Study Committee Report Regarding the Potential for Annexation, July 2009.

The Study Committee provided three primary recommendations, provided for reference below:

1. **Fiscal Recommendation:** *Current financial data shows that combining the two library systems would not result in achieving “equal or better library service for less money if joined together as allowed by law” because there would be significantly less money available to continue the existing level of service with the current funding formula. Even without pursuing annexation, both libraries must continue to monitor budget revenues and economic forecasts. Additionally, any possible cost savings, as long as the quality of current library service is not diminished, should continue to be pursued.*
2. **Services Recommendations:** *The longstanding close-knit collaboration of both libraries should continue. Because the libraries have already realized significant cost savings as well as efficiencies because of their years of cooperation and resource sharing, the study committee recommends that as is current and past practice, the libraries work proactively, exploring new ways to provide all residents of the city and county with high quality library service at an affordable price.*
3. **Future Study Recommendation:** *No further study is recommended now, but should economic or other indicators point towards further study, a formal, independent, and detailed study should be undertaken by a consulting team. Financial resources will be necessary to conduct such a study when a study is determined to be feasible.²*

² Bellingham Public Library and Whatcom County Library System Study Committee Report Regarding the Potential for Annexation, July 2009.

Key Findings

PURPOSE OF AND HOPES FOR THE STUDY

- The service and fiscal challenges facing City of Bellingham and BPL today are not new. In fact, in the last ten years, the City, in partnership with BPL, has commissioned two studies that included evaluation of one or more of these challenges.
- In 2012, the BPL Board in consultation with staff and stakeholders developed a five-year (2013-2017) strategic plan that was adopted by BPL Board of Trustees in 2013. Within the Plan, there are several tactics relevant to evaluation or challenges related to library services and funding models that have been deferred; these include:
 - *Survey users and non-users about interest in additional library service outlets. (MEET, Goal 5)*
 - *Conduct a needs assessment for additional library services outlets; consider population, survey results, and distance to existing services; estimate potential operating costs. (MEET, Goal 5)*
 - *Identify a minimum of two potential partners in providing BPL services; for example: a local business or developer, Bellingham Public Schools, or other educational institutions. (MEET, Goal 5)*
- Informants from this current study:
 - Feel that the Library is seen in isolation from other City services and lacks a clear champion.
 - Suggest that there is some confusion in the community about BPL's independence from WCLS.
 - Thought the public needs to be aware of the Library's needs and a part of the conversation for funding opportunities.
 - Hoped that this study would result in a clear direction or vision for library operations and a funding strategy that the City could take to staff and community for input. There is fatigue around the topic of a new Central Library, and all informants discussed needing a path forward.

GOVERNANCE

- BPL is a department of the City of Bellingham. As such, ultimate responsibility for BPL is the responsibility of the Mayor of Bellingham in conjunction with the Bellingham City Council. The Mayor and Council make decisions about library funding and capital projects. The BPL Board is responsible for governance and operation within the context of the City of Bellingham, and is subject to its policies and planning. The five-member board of trustees is appointed by the Mayor of Bellingham and with the approval of the Bellingham City Council.
- BPL is an important government service provided by the City of Bellingham that helps it to meet its stated mission: "Support safe, satisfying and prosperous community life by providing the citizens of Bellingham with quality, cost-effective services that meet today's needs and form a strong foundation for the future."

BPL's Role in Bellingham

- BPL is one of six library service providers in Whatcom County; the other five include Whatcom County

Library System (WCLS), Bellingham Technical College, Western Washington University, Whatcom Community College, and Northwest Indian College. These providers are members of the Whatcom Libraries Collaborate (WLC) program, which allows anyone with a library card from a participating library to access some services at any other participating library.

- BPL's mission is "Connecting our community with each other and the world to read, learn, meet, and discover."
- According to informants, BPL is unique because it is one of the only places in the community where anyone is welcome. They also agree that it is a recognized resource for information and community gathering place.

Strengths and Challenges of BPL's Current Governance Model

- In 2008, the BPL and WCLS Boards of Trustees formed a study committee, made up of their representatives as well as the BPL and WCLS library directors to explore regionalization of BPL and WCLS through the annexation of BPL to WCLS. They found that BPL and WCLS already cooperate and achieve cost efficiencies through many cost saving arrangements, including reciprocal borrowing and service agreements, shared integrated automated library system, and purchasing. However, they also noted that regionalization of BPL and WCLS would limit the resulting libraries' revenue generating from a property tax levy, likely reducing potential system revenues. As such, they recommended that the two library systems remain independent, while still collaborating to enhance services and improve cost efficiency.
- Local control is the primary benefit of remaining an independent system. Many informants thought that the Bellingham community has different values and service demands than in Whatcom County.
- Informants recognize that BPL is already engaged in cost-sharing practices with WCLS and many efficiencies have already been achieved. However, they also mentioned that this can cause confusion for community members; they don't understand that Bellingham is funded through city revenues.

SERVICES AND FUTURE SERVICE DEMANDS

Staffing

- In December 2016, the current library director, Nancy Kerr, was hired as a "limited term" director for 18 months to three years, to allow flexibility in staff administration as the BPL Board of Trustees considers service and funding models for the library.
- The current total FTE staff at BPL is approximately the same as the previous peak number, in 2009. However, because the population of Bellingham has increased significantly since that time (the city has approximately 9,100 more residents today than it had in 2009), the staff per 1,000 residents in 2016 (0.56 FTE per capita) is significantly less than in 2009 (0.62 FTE per capita).
- According to informants, BPL's current staffing levels don't support current service needs and future planning.

Services and Usage

- BPL's direct service area is the City of Bellingham. BPL library cards, which confer full library usage privileges to holders, are free to those who:
 - Live, work, own property or attend school in the City of Bellingham or Whatcom County, or
 - Live in Washington State and show their home public library card when applying for a BPL card.

For individuals who do not meet these criteria, BPL library cards can be purchased.

- The BPL Board of Trustees adopted level of service standards for main library and library branch open hours in May 2016. As of 2016, the main library (open 56 hours per week) and both library branches (open 28 hours each per week) are meeting the low or minimal level of service standard for open hours. Informants have suggested that there is a need for longer open hours, especially for branches and on Sundays.
- BPL provides many library services beyond the traditional lending of materials. These services range from classes and programming to meeting room rentals, providing technology, and specific life skill and task support.
 - While some of these services are only available at BPL's physical locations, the library tries to provide services elsewhere in the community, as resources allow.
- Both overall library visits and library visits per capita peaked in 2009. Library visits have declined by over 100,000 since that time, and since population has grown significantly in that time, visits per capita have decreased even more significantly, from 12.13 to just 9.53, a percent change of -17%. This is likely due to the significant reduction of open hours and the increased accessibility of electronic resources.
- The BPL Board of Trustees drafted level of service standards for materials based on a defined range of expenditure per capita. Adopted in March of 2017, BPL Board of Trustees recommends that this level of service metric be tracked in addition to several indicators of library material collection performance, to ensure that it is supporting a meaningful increase in level of service for residents. These indicators include:
 - The size and age of the collection.
 - Circulation per capita relative to peer libraries.
 - Turnover rate (circulation divided by circulating collection size) relative peer libraries.
 - Hold ratios.³

Over the last ten years, BPL has consistently been above the low or minimal level of service standard (\$5.00 per capita collection spending) for collection expenditures per capita; however, there were only two years in that period, 2007 and 2008, where it met the medium or operational standard (\$7.50 per capita collection spending).

³ Bellingham Public Library, "Level of Service Standards for Library Materials Collections, Adopted March 2017.

- BPL's collection is slightly smaller than at the start of the ten-year historical period, with approximately 10,000 fewer items in 2016 than in 2007. Informants suggested that this condition is somewhat mitigated only because BPL users have access to WCLS materials. Additionally, the makeup of the collection has changed significantly, with a significant decrease in the number of print materials in the collection, and a significant increase in electronic materials, which were a nominal part of the collection in 2007 but now make up 18% of it.
- BPL's circulation per capita peaked in 2010. It has declined significantly, from almost 21 circulations per Bellingham resident to just under 18 – a percent change of -15% – since that time.
- BPL's turnover rate increased significantly between 2007 and 2015, as circulation grew, despite a decrease in collection size.
- The share of circulation at physical library locations has gone down as the share of circulation happening electronically has gone up. The greatest decrease in circulation at any one location has been at Fairhaven, where circulation peaked in 2008 with 125,745 circulations but has been reduced to 80,273 circulations in 2016, a percent change of -36%. During this time, Fairhaven open hours were also reduced by around 30% and the Barkley Branch opened in 2009, further spreading out locations where circulation activities take place.
- BPL provides a range of programs for children, teens, and adults. These programs include opportunities for early learning and literacy, entertainment, education, enjoyment of hobbies, life-skills building, arts appreciation, and supportive of human service and community needs. BPL has steadily increased both its programs for adults and youth since 2010, with a slight decline in adult programming in 2016. Informants suggested that there is a need for more programming on weekends and outside of traditional working hours. Informants also suggested there was a need to provide outreach on this programming to low-income families and the homeless.
- According to informants, BPL's current technology does not meet service level demands and is outmoded. In the case of the Central Branch, there are facility constraints to advancing technology support services.
- BPL will need more community and meeting spaces to meet growing user needs. Some informants suggested partnering with other public or community institutions to gain access to more space or removing the fee to free up more time and space for not-for-profit groups.
- Informants expressed that BPL will need to respond to changing demographics, waterfront development, and social and economic inequality as it considers future service needs.

FUNDING

- BPL is funded primarily by City of Bellingham General Fund dollars. The General Fund is primarily funded by City taxes, including property, retail sales and use, business, and other taxes. BPL has historically received approximately 5 to 6% of the City's overall General Fund revenues. This share has increased slightly since 2012. This is a challenge, because it means that BPL's funding is unpredictable as it competes with other essential services.
- The City of Bellingham does not have a general capital reserve fund, nor a library-specific capital

reserve fund. Rather, capital projects are funded through a range of capital funding sources and department funds.

- The City of Bellingham can and does use debt to finance capital projects. Currently, the City of Bellingham is utilizing only 15% of its legally authorized debt capacity.
- BPL's annual operating budget is around \$4.5 million per year. Staff costs (including salaries, wages, and benefits) are the largest share of overall expenditures. BPL's second largest share of expenditures are interfund charges, whereby BPL compensates the City of Bellingham for organization-wide services it receives that are funded by the General Fund.
- BPL's peer library systems generate operating revenues from several sources; however, they all rely primarily on General Fund revenues to fund their operations. There is no clear trend between the diversity of operating revenue sources and operating revenue per capita.
- Some of BPL's peer library systems have been successful in obtaining additional operating and dedicated capital funding through voted measures, including unlimited tax general obligation (UTGO) bonds and levy lid lifts for library operations. One library system is currently using limited tax general obligation (LTGO) councilmanic debt to pay for capital improvements.
- Informants agree that to remain independent, BPL needs adequate and sustainable funding. They suggest that funding strategies need to take long-term sustainability into account, including full lifecycle costs and funding source predictability.

FACILITIES AND CAPITAL NEEDS

BPL Facilities

- BPL manages seven physical locations, including a main library (Central Library), two library branches (Barkley and Fairhaven Branches), and four community drop boxes. While BPL library facilities are limited, they are located within high density areas of the City and close to areas where there is a high density of people living in poverty. However, some informants feel that there is inequitable access and provision of library services across the Bellingham community.
- Most Bellingham residents live within a three-mile driving distance of one or more library branches. However, many of the urban growth areas (UGAs) that Bellingham may annex in the future, would not be well-served by the current locations.
- In January 2016, the BPL Board of Trustees adopted level of service standards for library facilities based on square footage per capita. They based this standard on the industry average. BPL met its adopted level of service standard in 2007, 2009, and 2010 (before the standard was adopted). However, currently BPL has only 0.55 square feet of library space per capita – below the "low" or "minimal" level of service.
 - Maintaining a per capita based level of service standard, especially in a growing community, is extremely challenging. To do so in a growing community, would require building facilities that are much bigger than needed so that they'll continue to meet the target over time.

BPL Capital Needs

- As part of the *Bellingham Comprehensive Plan, Capital Facilities and Utilities Chapter, 2016*, the City of Bellingham evaluated current library facilities against a forecast of future needs; their findings included:
 - Early in the 20-year planning horizon (2017-2036), the Central Library will need to be remodeled, expanded, or replaced to meet the City's needs based on projected growth forecasts.
 - The Fairhaven Branch has adequate square footage to meet demand over the 20-year planning horizon; however, there are continued maintenance and seismic upgrades needed to ensure its continued use.
 - Between 2014 and 2016, approximately 50% of the new housing growth in Bellingham occurred in the north and northeast portions of the City, including the Cordata, Meridian, King Mountain, Irongate, and Barkley neighborhoods. This trend is anticipated to continue as those neighborhoods are expected to continue to grow and as annexation of the adjacent northern UGA occurs over the 20-year planning horizon. To ensure that these residents' library needs are met, the City should develop a plan for providing those services, that may include development of a branch or satellite library facility located to serve those residents.
- Despite significant, identified needs, no BPL-specific projects were funded as part of the six-year (2017-2022) capital facilities plan.
- In 2006, BOLA Architecture + Planning prepared a Fairhaven Library Condition Assessment, estimating the necessary costs of rehabilitating the Fairhaven Branch at \$1,849,966. The project team escalated these probable costs based on construction starting in January of 2010; total escalated costs were estimated to be \$2,343,907 (in 2010 dollars).
 - The City undertook an interior and exterior remodel of the Fairhaven Branch in 2009. The branch was closed for the construction project from June 1, 2009 until January 4, 2010. The final cost of the project was \$1,125,000. At the time of the remodel, the needed seismic upgrades were not included, because they were deemed too expensive (an exact cost of those upgrades alone is not known).
- In 2008, a consultant team made up of Thomas Hacker Architects, Library Consulting, P.A., and RMC Architects was hired by the City of Bellingham and BPL Board of Trustees to conduct a community analysis and needs assessment, and prepare a Central Library building program. They recommended that the City of Bellingham and BPL build a new, larger Central Library at the site of the current library. Their proposed facility would include 78,000 square feet of library space located on two levels, above a 45,000-square foot below-grade parking structure. Conceptual costs for the total site work and building, including soft costs, were estimated at \$52,386,225.

Full Analysis

LIBRARY SERVICE LANDSCAPE IN BELLINGHAM AND WHATCOM COUNTY

Whatcom County Library Service Providers

There are six main library services providers in Whatcom County:

- Bellingham Public Library (BPL)
- Whatcom County Library System (WCLS)
- Bellingham Technical College
- Western Washington University
- Whatcom Community College
- Northwest Indian College

These libraries are members of the Whatcom Libraries Collaborate (WLC) program. WLC allows anyone with a library card from a participating library to access any other participating library. As such, participants have access to a range of library facilities, summarized in Exhibit 1.

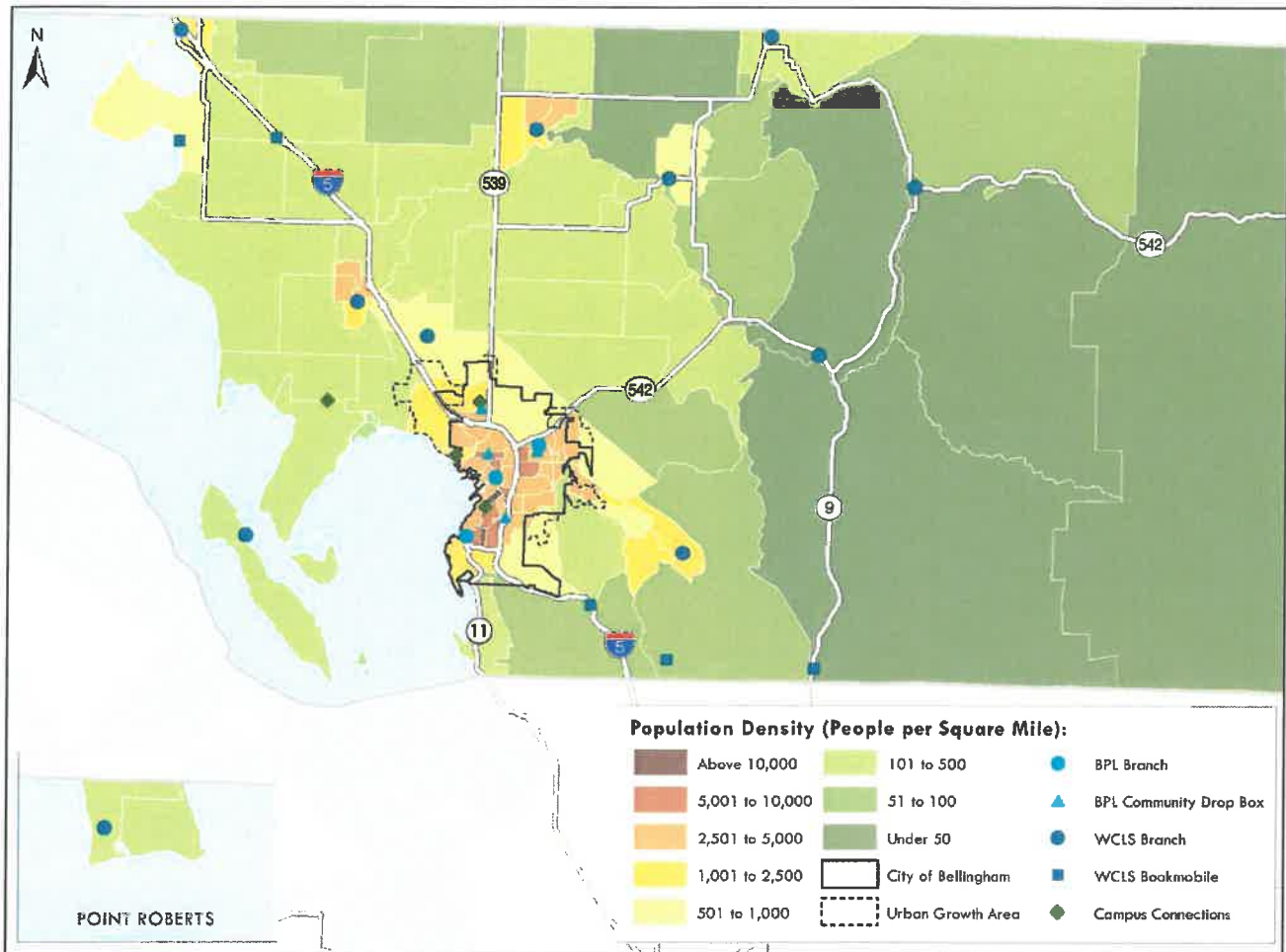
Exhibit 1: Library Service Locations and Weekly Open Hours in Whatcom County, as of 2017

Provider	Name	Type	Weekly Open Hours
Bellingham Public Library	Central	Main Branch	56
Bellingham Public Library	Fairhaven	Branch	28
Bellingham Public Library	Barkley	Branch	28
Bellingham Public Library	Barkley Village Haggen	Community Drop Box	N/A
Bellingham Public Library	Meridian Haggen	Community Drop Box	N/A
Bellingham Public Library	Sehome Village Haggen	Community Drop Box	N/A
Bellingham Public Library	Community Food Co-op Cordata Store	Community Drop Box	N/A
Whatcom County Library System	Blaine Library	Branch	55
Whatcom County Library System	Deming Library	Branch	55
Whatcom County Library System	Everson Library	Branch	55
Whatcom County Library System	Ferndale Library	Branch	63
Whatcom County Library System	Island Library	Branch	19
Whatcom County Library System	Lynden Library	Branch	63
Whatcom County Library System	North Fork Library	Branch	43
Whatcom County Library System	Northwest Drive Express	Express	63
Whatcom County Library System	Point Roberts Library	Branch	27
Whatcom County Library System	South Whatcom Library	Branch	35
Whatcom County Library System	Sumas Library	Branch	23
Whatcom County Library System	Birch Bay	Bookmobile	varies
Whatcom County Library System	Birch Bay Square	Bookmobile	varies
Whatcom County Library System	Wickersham	Bookmobile	varies
Whatcom County Library System	Glenhaven	Bookmobile	varies
Whatcom County Library System	Lake Samish	Bookmobile	varies
Bellingham Technical College	Bellingham Technical College (BTC) Connection	Campus Connections	60
Western Washington University	Western Washington University Connection	Campus Connections	97
Whatcom Community College	Whatcom Community College (WCC) Connection	Campus Connections	65
Northwest Indian College	Lummi Library	Campus Connections	49

Source: BERK Consulting, 2017.

These library facilities are distributed across Whatcom County, as shown in Exhibit 2.

Exhibit 2: Library Service Locations in Whatcom County with Population Density, as of 2017



Source: U.S. Census, American Community Survey, 2015; and BERK Consulting, 2017.

BPL Facilities

BPL manages seven physical locations, including a main library, two library branches, and four community drop boxes:

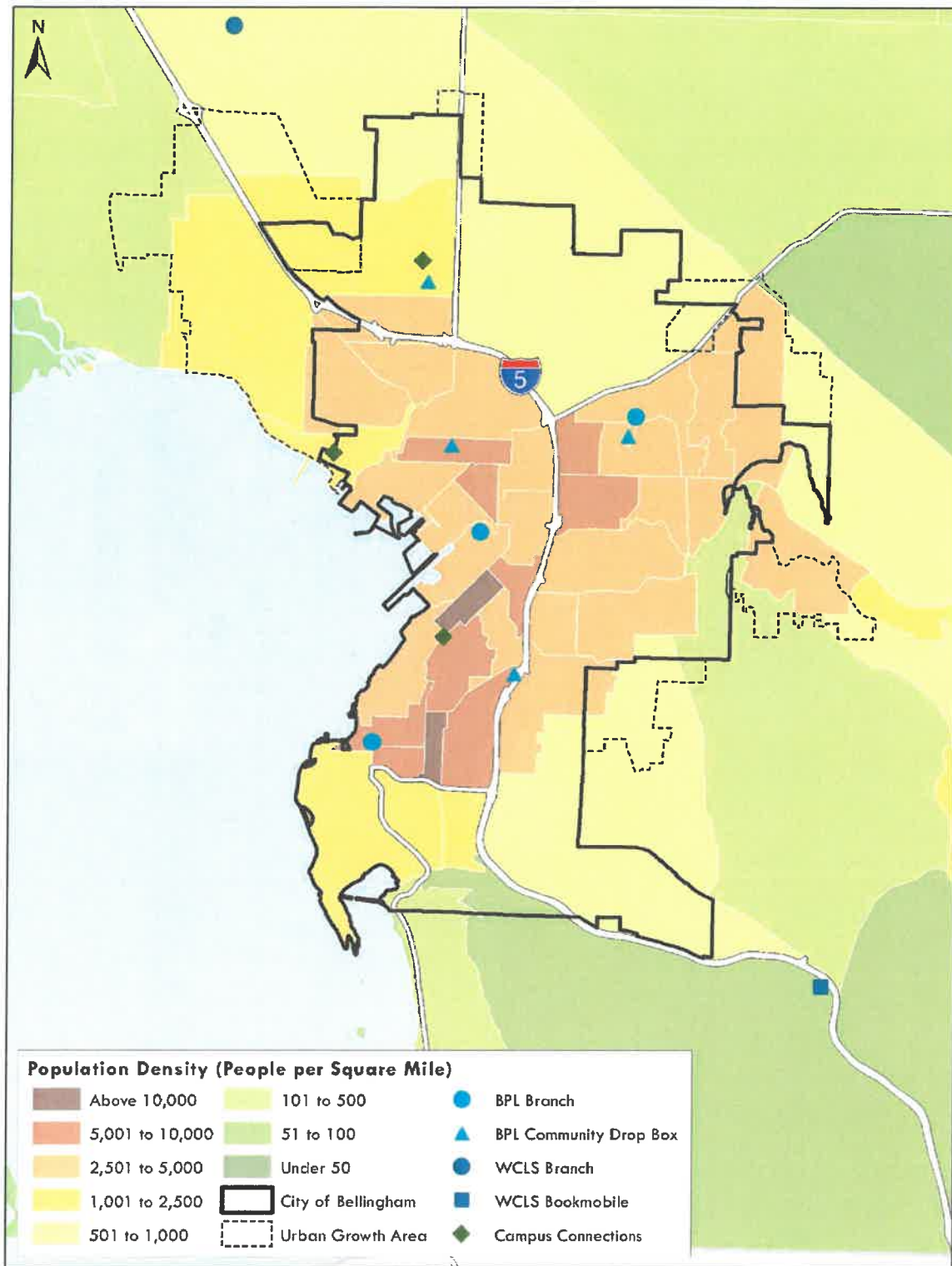
- **Central Library in Downtown Bellingham (210 Central Avenue):** The Central Library is in the civic center district of downtown Bellingham, across from City Hall. It was constructed in 1951 to serve Bellingham's population of 34,000 people. It was remodeled in 1983 for an expected 25-year life span (ending in 2008) for the population of 46,000 people. The Central Library alone receives about 700,000 visitors per year. The Central Library also houses the library administration, technical services, circulation and transportation services, public computers, children's library, closed stacks, and most of the library's collection of books and other materials. It provides two meeting rooms, a teaching and demonstration space, and seating areas.
- **Fairhaven Branch Library in Fairhaven (1117 12th Street):** The Fairhaven Branch library, located on the City's south side, was constructed in 1904 with a Carnegie Library design. The Fairhaven Branch library is listed on the National Register of Historic Places and is a primary structure within the

Fairhaven Historic District. The 10,000-square foot branch currently houses a small collection of library materials, public computers, a children's room, an auditorium, and two meetings rooms. The branch also provides meeting room rentals and serves as a community gathering space in Fairhaven.

- **Barkley Branch Library in Barkley Village (3111 Newmarket Street):** A small branch library was established in Barkley Village in 2008. The Barkley Company provided initial interior improvements and furnishings and continues to provide the 1,400-square foot space (700 square feet of dedicated library space) on a rent-free, month-to-month basis, with the library paying only a portion of facility operating expenses. The facility includes a small collection of library materials, public computers and a shared reading room.
- **Community Drop Boxes:** BPL maintains four community drop boxes that are open 24/7 to allow for return of materials.

These library facilities are distributed across the City of Bellingham, as shown in Exhibit 3.

Exhibit 3: Library Service Locations in Bellingham and Surrounding Area with Population Density, as of 2017

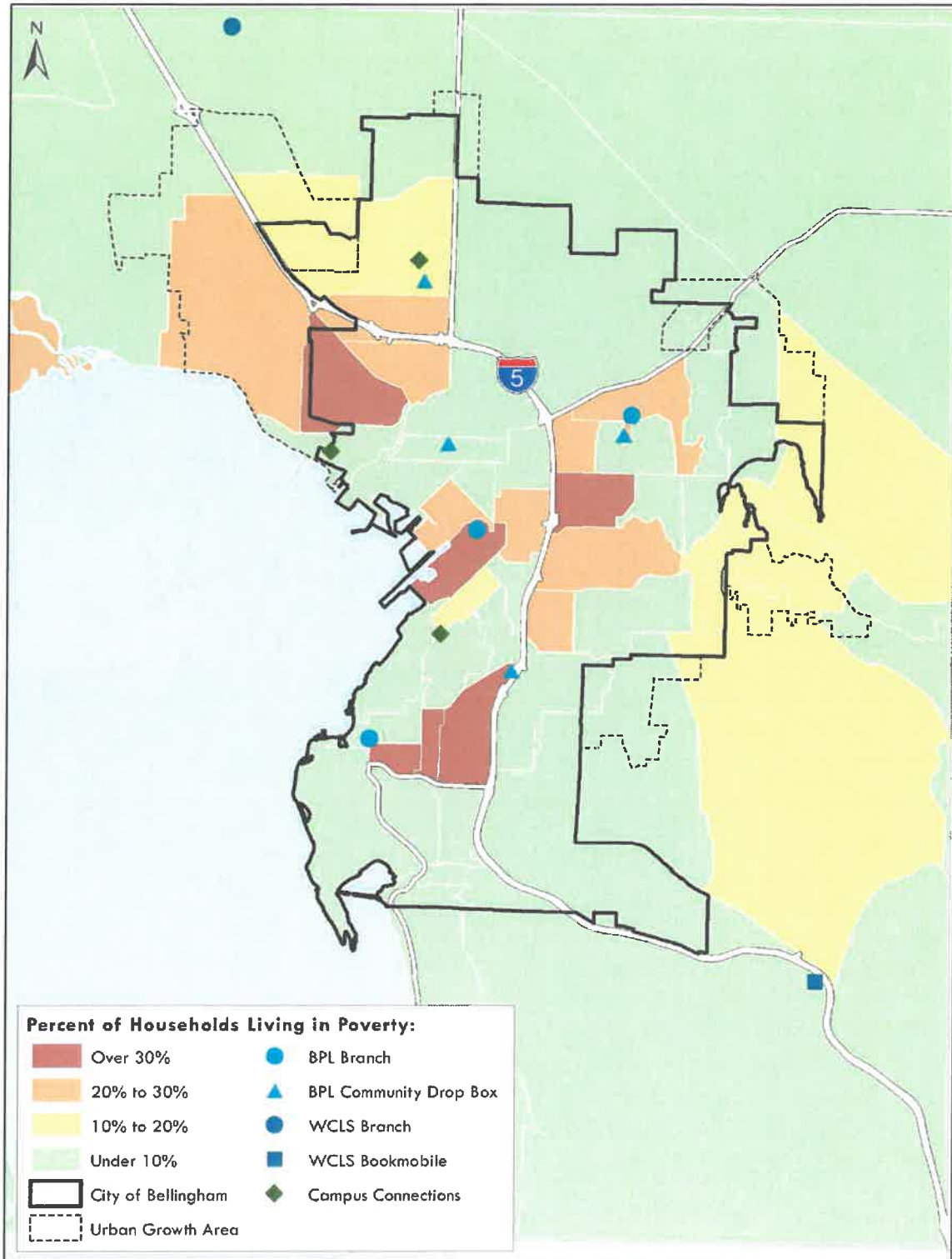


Source: U.S. Census, American Community Survey, 2015; and BERK Consulting, 2017.

While BPL library facilities are limited, they are located within high density areas of the City. However, it is important to consider that future annexations could create larger gaps in services related to physical

locations. It is also useful to consider where BPL library locations are relative to high concentrations of individuals living in poverty.

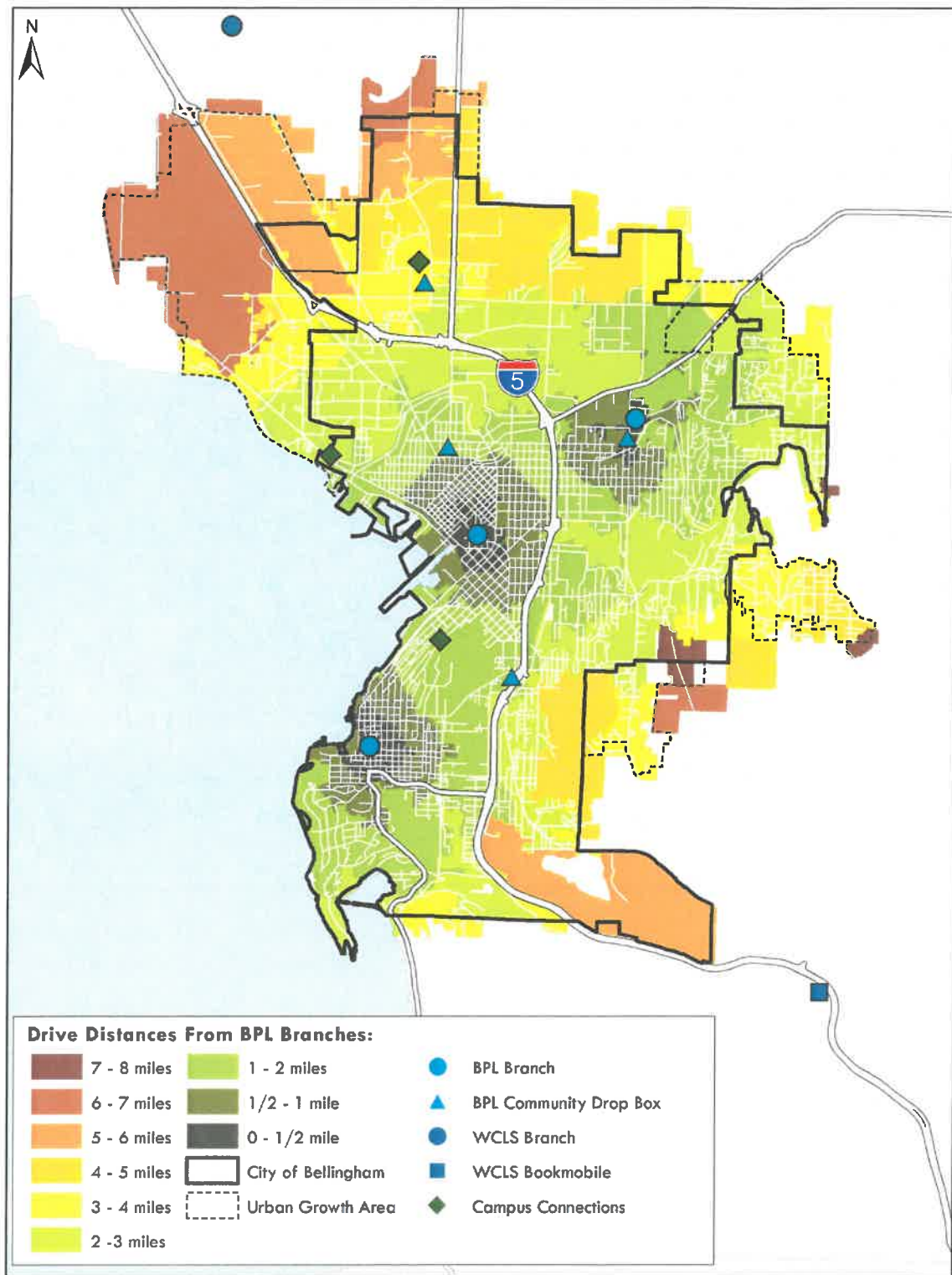
Exhibit 4: Library Service Locations in Bellingham and Surrounding Area with Poverty, as of 2017



Source: U.S. Census, American Community Survey, 2015; and BERK Consulting, 2017.

Again, BPL library facilities are limited, but they are located close to high to areas where there is a high density of people living in poverty. Still, there are some areas with a high density of people living in poverty that do not include a library facility of any kind. Another way to evaluate the relative distribution of the library branches is by driving distances.

Exhibit 5: Relative Driving Distances from Library Service Locations in Bellingham, as of 2017



Source: BERK Consulting, 2017.

Most Bellingham residents live within a three-mile driving distance of one or more library branches. However, this map demonstrates that many of the UGA areas that Bellingham may annex in the future,

would not be well-served by the current physical locations. However, this is something to consider as part of a future annexation strategy.

PROGRAMMATIC AND FINANCIAL ANALYSIS

Methodology

As part of the programmatic and financial assessment of BPL, we reviewed and analyzed qualitative and quantitative data from several sources.

Where quantitative statistical data about BPL services were analyzed, the historical period was the ten-year period from 2007 to 2016. During this time, BPL opened the Barkley Branch, which is 1,420 square feet, of which 700 square feet is dedicated library space. Although it opened to the public in 2008, for the purposes of this analysis, it is included starting in 2009 because that was the first full year it was open. Because the City of Bellingham's population has changed during the historical period, where possible any statistics about BPL services were normalized for population on a per capita basis.

Where quantitative financial data was analyzed, the historical period was the five-year period 2013 to 2017, where 2013 to 2016 data represent actuals and 2017 data is as budgeted. Recognizing the changes in the purchasing power of the dollar over that time, this data was normalized to 2017 dollars (2017\$) to enhance comparability over the historical period. This data was normalized using CPI-U as the inflation factor. It's important to recognize that the historical period 2013 to 2017 was a time of significant economic recovery after an economic recession that significantly impact City budgets and revenues, so no effort has been made now to evaluate the growth of BPL's revenues relative to costs.

BPL Administration

Governance

City of Bellingham

BPL is a department of the City of Bellingham. As such, ultimate responsibility for BPL is the responsibility of the Mayor of Bellingham in conjunction with the Bellingham City Council. The Mayor and Council make decisions about library funding and capital projects. The BPL Board is responsible for governance and operation within the context of the City of Bellingham, and is subject to its policies and planning. The five-member board of trustees is appointed by the Mayor of Bellingham and with the approval of the Bellingham City Council.

Goal 5 of the Capital Facilities and Utilities Chapter (Goal CF-5) is to "Provide Access to quality of life amenities and foster lifelong learning opportunities for all ages," and outlines the City of Bellingham's commitment to BPL. The goal is buttressed by six key policies related to BPL, including:

- **Policy CF-57:** *Continue to provide library services, including administration, transportation and major circulation functions, and primary library services, from a downtown facility. The Central Library is a positive asset for downtown, contributes to economic development in the area, and should remain in the City Center.*
- **Policy CF-58:** *Replace or expand the Central Library and implement the other goals and objectives recommended in the 2013-2017 Bellingham Public Library Strategic Plan.*
- **Policy CF-59:** *Continue efforts to coordinate library services and facilities with other compatible public and academic libraries to maximize service to the public and minimize duplication and costs.*
- **Policy CF-60:** *Update plans for seismic and other improvements to the Fairhaven Branch library, and*

analyze funding options to complete the improvements.

- **Policy CF-61:** Encourage continued coordination between the Bellingham and Whatcom County Library System to provide patrons with consistent services across the two library systems whenever possible.
- **Policy CF-62:** Develop a plan for library services in the northern area of the City, including consideration of a branch location or other type of satellite or co-location facility.⁴

BPL Board of Trustees

Library operations are governed by a five-member board of trustees, appointed by the Mayor of Bellingham and with the approval of the Bellingham City Council. Current BPL Board of Trustees members include:

- J. Gordon, Chair
- Rachel Myers, Vice Chair
- Rick Osen
- Rebecca Craven
- Jim McCabe

The BPL Board of Trustees is responsible for representing and advocating for the community to the Library Administration and promoting library services to the community, establishing library policy, controlling the finances of the library, planning for the future of the library and monitoring the effectiveness of library services, hiring and evaluating the Library Director, and maintaining and adhering to the board bylaws and code of ethics.⁵

Strategic Direction

BPL is an important government service provided by the City of Bellingham that helps it to meet its stated mission: "Support safe, satisfying and prosperous community life by providing the citizens of Bellingham with quality, cost-effective services that meet today's needs and form a strong foundation for the future." Per the BPL Strategic Plan, "The library plays an important part in achieving the City of Bellingham's Legacies and Strategic Commitments as approved by the Bellingham City Council." BPL contributes directly to the following Legacies and Commitments:

- "Vibrant Sustainable Economy"
 - Foster vibrant downtown & other commercial centers
- "Sense of Place"
 - Support sense of place in neighborhoods; Preserve historic & cultural resources; Support people-to people connections
- "Access to Quality of Library Amenities"

⁴ Bellingham Comprehensive Plan, Capital Facilities and Utilities Chapter, 2016.

⁵ <http://www.bellinghampubliclibrary.org/wp-content/uploads/2016/12/BPLBoardofTrusteesJobDescription.pdf>

- Maintain & enhance publicly owned assets; Foster arts, culture & lifelong learning; Provide recreation & enrichment opportunities for all ages & abilities
- "Quality, Responsive City Services"
 - Deliver efficient, effective & accountable municipal services; Use transparent processes & involve stakeholders in decisions; Provide access to accurate information; Recruit, retain & support quality employees
- "Equity & Social Justice"
 - Provide access to problem-solving resources; Support services for lower-income residents

BPL's mission is "Connecting our community with each other and the world to read, learn, meet, and discover." In 2012, the BPL Board in consultation with staff and stakeholders developed a five-year (2013-2017) strategic plan that was adopted by BPL Board of Trustees in 2013. This Strategic Plan, *BPL Strategic Plan, 2013-2017*, includes several goals, initiatives, and tactics for advancing BPL's services to the community; the plan is summarized following:

READ: Inspire Bellingham to read, view, and listen.

Goal 1: Bellingham Public Library is everyone's favorite place to borrow books, films, and music, with help from knowledgeable, friendly staff.

Goal 2: Enhance reading, viewing, and listening opportunities through broadened library partnerships, programs, and promotions.

LEARN: Promote Lifelong Learning from birth through adulthood.

Goal 1: Establish Bellingham Public Library as the leading community center for Early Learning, where families read, play, and learn together.

Goal 2: Inform and delight our community with a varied calendar of programs.

Goal 3: Increase personalized services to meet individual needs for research, information, reading suggestions, and technology assistance.

MEET: Create thriving spaces where the community connects, accesses library resources, and shares their stories.

Goal 1: Improve public access to library services by increasing library open hours to meet community demand.

Goal 2: Optimize the public's ability to use the library 24/7 by enhancing our full-service, interactive virtual branch.

Goal 3: Replace the 62-year-old Central Library, the hub which supports the entire Bellingham Public Library system, so that we may better serve our community.

Goal 4: Ensure the city completes the seismic retrofit and historic renovations at the Fairhaven Branch Library.

Goal 5: Meet community demand for convenient library services by exploring options to provide additional library service outlets within the city.

DISCOVER: Provide library collections that introduce ideas, build skills, support lifelong learning, and

spark creativity.

Goal 1: Offer the community a greater number and variety of library materials by increasing the materials budget to achieve the recommended library guideline of 15% of the Library's total budget.

Goal 2: Increase the quantity of library materials in new and emerging formats.

Goal 3: Provide public access to unique local content through digitizing local collections and promote access to other digital collections.

Buttressing these goals are objectives with specific tactics for achieving them. In December 2016, BPL reviewed progress-to-date on these tactics. This review is summarized in a report titled, *BPL Strategic Plan, 2013-2017, Our Progress-to-Date, December 2016*. BPL has either completed or planned projects to complete many of these tactics, however, in some cases, they have deferred or significantly changed the project. There are several tactics relevant to evaluation or challenges related to library services and funding models that have been deferred; these include:

- *Develop and conduct a survey of non-users within Bellingham. (READ, Goal 2b)*
- *Offer the community more programs by expanding volunteer hours to help support those programs. (LEARN, Goal 2a)*
- *Develop a Library Building Program to meet current and future vision and requirements for the Central Library. (MEET, Goal 3)*
- *Hire consulting help to assist trustees and staff in developing the building program. (MEET, Goal 3)*
- *Develop a staffing plan and operations budget for the new facility. (MEET, Goal 3)*
- *Develop funding strategies for building and operating a new Central Library. (MEET, Goal 3)*
- *Work with Whatcom Community Foundation to develop a Capital Giving Campaign including Naming Opportunities. (MEET, Goal 3)*
- *Update and publish a case statement describing the need for the seismic retrofit and historic renovations at the Fairhaven Branch Library. (MEET, Goal 4)*
- *Work with the city (including Administration, Finance, Public Works, and Planning departments) to identify funding sources for the project, including incorporating it in the Central Library bond. (MEET, Goal 4)*
- *Survey users and non-users about interest in additional library service outlets. (MEET, Goal 5)*
- *Conduct a needs assessment for additional library services outlets; consider population, survey results, and distance to existing services; estimate potential operating costs. (MEET, Goal 5)*
- *Identify a minimum of two potential partners in providing Bellingham Public Library services; for example: a local business or developer, Bellingham Public Schools, or other educational institutions. (MEET, Goal 5)*

Staffing

In December 2016, the current library director, Nancy Kerr, was hired as a "limited term" director for 18 months to three years, to allow flexibility in staff administration as the BPL Board of Trustees considers

service and funding models for the library. Exhibit 6 provides a summary of total FTE and staff by division and position for 2017.

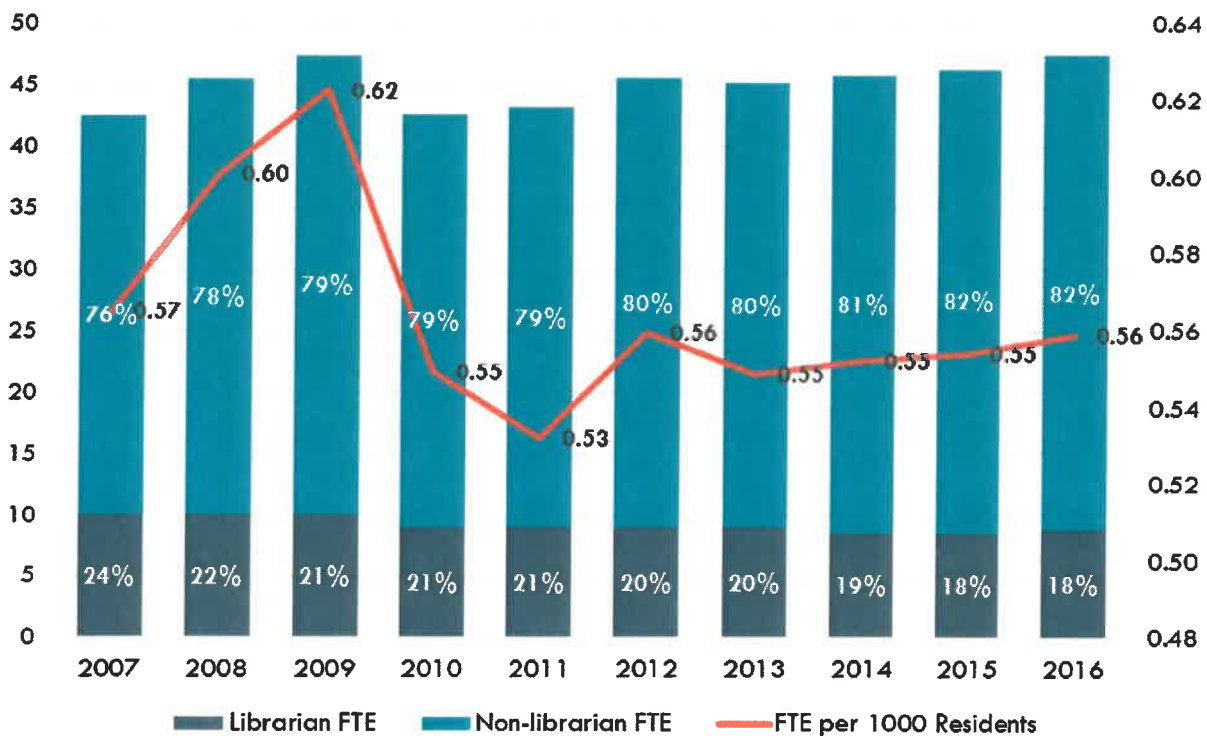
Exhibit 6: FTE and Staff by Division and Position, 2017

Division	Position	Collective Bargaining Unit	Number of Staff	FTE
ADMINISTRATION				
	Library Director	N/A	1	1.00
	Administrative Assistant	N/A	1	1.00
COMMUNICATIONS, COMMUNITY RELATIONS, AND PROGRAMS				
	Communications, Community Relations & Program Manager	N/A	1	1.00
YOUTH SERVICES				
	Head of Youth Services/Librarian 3	AFSCME 114L	1	1.00
	Public Services Librarian 2	AFSCME 114L	1	1.00
	Children's Specialist 2		3	2.00
	Public Services Clerk	AFSCME 114	3	1.89
PUBLIC SERVICES				
	Head of Public Services/Division Supervisor	Teamster 231	1	1.00
	Page Coordinator	AFSCME 114	1	1.00
	Branch Library Specialist 3	AFSCME 114	1	1.00
	Outreach Specialist 2	AFSCME 114	1	1.00
	Public Services Clerk	AFSCME 114	10	7.41
	Pages	NU/AFSCME	34	14.00
INFORMATION AND DIGITAL SERVICES				
	Head of Information & Digital Services/Librarian 3	AFSCME 114L	1	1.00
	Public Services Librarian 2	AFSCME 114L	2	2.00
	Public Services Librarian 1	AFSCME 114L	1	0.50
	Adjunct Librarian	AFSCME 114L	2	0.30
COLLECTION SERVICES				
	Head of Collection Services/Librarian 3	AFSCME 114L	1	1.00
	Public Services Librarian 2	AFSCME 114L	1	1.00
	Specialist 1	AFSCME 114	5	4.50
SECURITY SERVICES				
	Information & Security Attendant	AFSCME 114	3	1.50
TOTAL			77	46.10

Source: Bellingham Public Library, 2017; City of Bellingham Budget, 2017 to 2018 Biennium; and BERK Consulting, 2017.

BPL currently employees approximately 77 individuals who contribute to over 46 FTE. A large proportion of these individuals are covered by one of four total labor organizations through a collective bargaining agreement. The current total FTE staff at BPL is approximately the same as the previous peak number, in 2008. However, because the population of Bellingham has increased significantly since that time (the city has approximately 9,100 more residents today than it had in 2008), the staff per 1,000 residents in 2016 is significantly less than in 2008, as shown in Exhibit 7.

Exhibit 7: Librarian and Non-librarian FTE Distribution and FTE per 1000 Residents, 2006-2017



Source: Bellingham Public Library, 2017; and BERK Consulting, 2017.

Between 2006 and 2016, the distribution of librarian and non-librarian FTE has stayed relatively consistent, with approximately 20% of total FTE being librarian staff. BPL’s FTE per 1,000 residents peaked in 2009 with 0.62 FTE per 1,000 residents. It declined sharply in 2010 because of the Great Recession, and, while total BPL FTE has returned to the 2009 peak population growth over the interceding eight years has meant that FTE per 1,000 residents has not recovered.

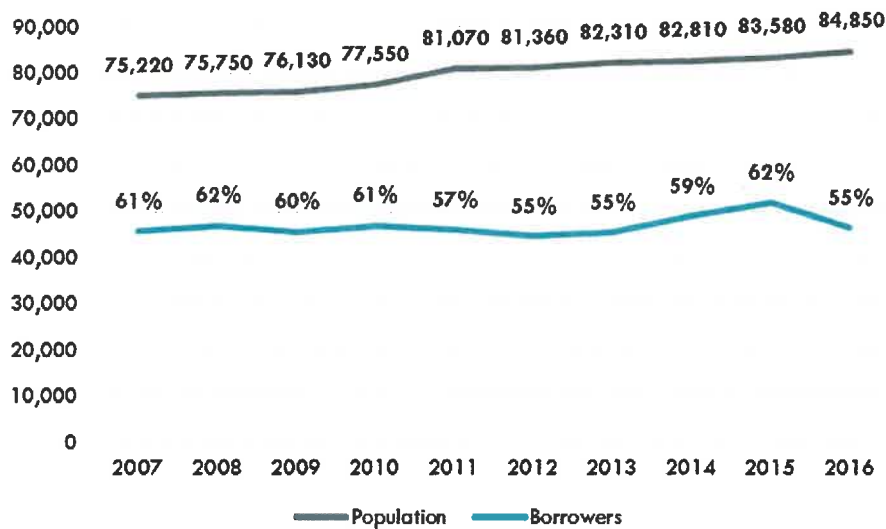
Services and Usage

BPL’s direct service area is the City of Bellingham. BPL library cards, which confer full library usage privileges to holders, are free to those who:

- Live, work, own property or attend school in the City of Bellingham or Whatcom County, or
- Live in Washington State and show your home public library card when applying for a BPL card.

For individuals who do not meet these criteria, BPL library cards can be purchased.

Exhibit 8: City of Bellingham Population and Borrowers, 2007 to 2016



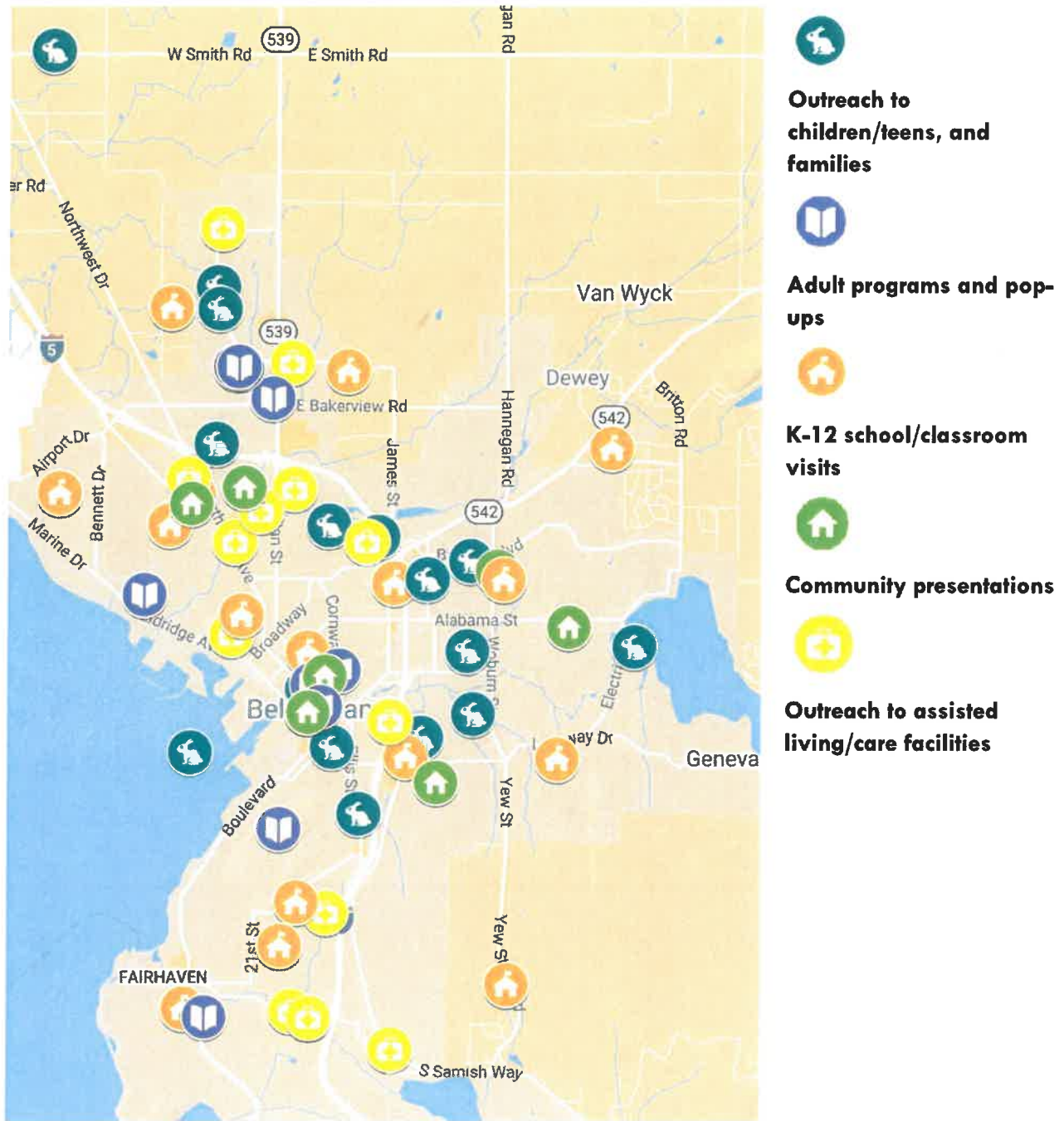
Source: Bellingham Public Library, 2017; and BERK Consulting, 2017.

BPL provides many library services beyond the traditional lending of materials. A summary of BPL's services includes:

- Lending of materials, including:
 - Print materials
 - Audio materials
 - Video materials
 - Electronic materials
 - Book Club Kits
 - Museum passes
- Meeting rooms
- Adaptive services (video phone, closed circuit TV, etc.)
- Outreach services to the homebound, nursing homes, and adult care facilities
- Classes and programming for children, teens, adults, and nonprofits
- Technology help and resources, like access to Microsoft Imagine Academy
- Reading programs (including a summer reading program and Whatcom READS!) for children, teens, and adults
- "AskWA" virtual reference chat service
- Computers, internet access, WiFi, and photocopy services
- "Bellingham Reads" book discussion groups
- Research tools and subscription databases
- Skillshare
- Tax filing assistance
- Teachers' resources and class visits
- Volunteer Opportunities

While some of these services are only available at BPL's physical locations, the library tries to provide services elsewhere in the community, as resources allow. BPL mapped its services in the community for 2015 using a dynamic Google Maps platform. The dynamic version of this map can be accessed at: goo.gl/tVDbHp. A static version of the map is provided in Exhibit 9.

Exhibit 9: BPL services in the Community, 2015



Source: Bellingham Public Library, goo.gl/tVDbHp, 2017.

Library Facilities

As mentioned previously, BPL manages seven physical locations, including a main library, two library branches, and four community drop boxes, all located within Bellingham city limits.

In January 2016, the BPL Board of Trustees adopted level of service standards for library facilities based on square footage per capita. They based this standard on the industry standard average.

Exhibit 10: Adopted Level of Service Standards for Facilities, January 2016

Low or Minimal	Medium or Operational	High or Optimal
<i>Needed to provide the most basic of library services</i>	<i>Allows BPL to provide all needed services.</i>	<i>Allows the library to enhance services.</i>
0.6 sf per capita	0.8 sf per capita	1.0 sf per capita

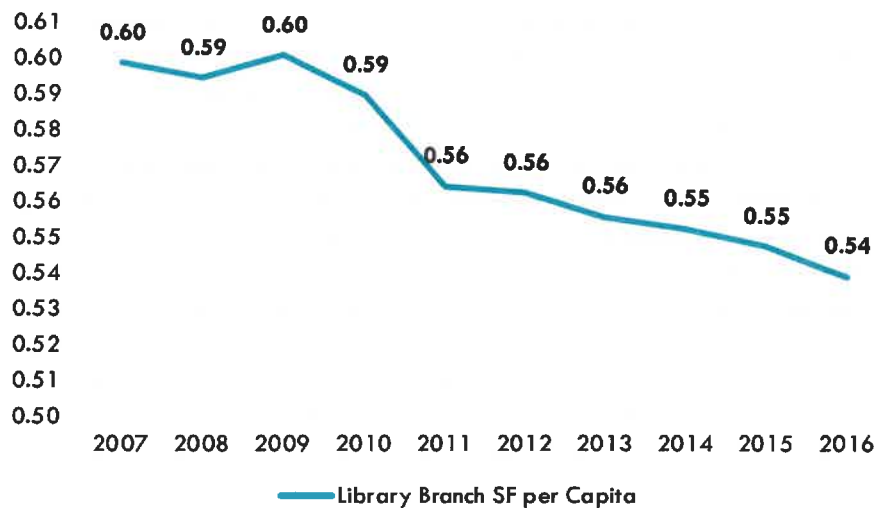
Source: Bellingham Public Library, "Adopted Open Hours Standard", May 17, 2016.

Currently, three of BPL's seven physical locations contribute to this level of service standard, including:

- Central Library, which is 44,000 square feet
- Barkley Branch has 700 square feet of dedicated library space and opened to the public in 2008 (however, for the purposes of this analysis, it is included starting in 2009 because that was the first full year it was open)
- Fairhaven Branch, which is 10,250 square feet

Exhibit 11 shows BPL's branch square footage per capita over the last ten years.

Exhibit 11: Library Branch Square Footage per Capita, 2007 to 2016



Source: Bellingham Public Library, 2017; and BERK Consulting, 2017.

BPL met its adopted level of service standard in 2007, 2009, and 2010 (before the standard was adopted). However, currently BPL has only 0.54 square feet of branch library space per capita – below the low to minimal level of service standard. Maintaining a per capita based level of service standard, especially in a growing community, is extremely challenging. To do so in a growing community, would require building facilities that are much bigger than needed so that they'll continue to meet the target over time.

Open Hours and Visitors

The BPL Board of Trustees adopted level of service standards for main library and library branch open hours in May 2016. These level of service standards are shown in Exhibit 12.

Exhibit 12: Adopted Level of Service Standards for Open Hours per Week, May 2016

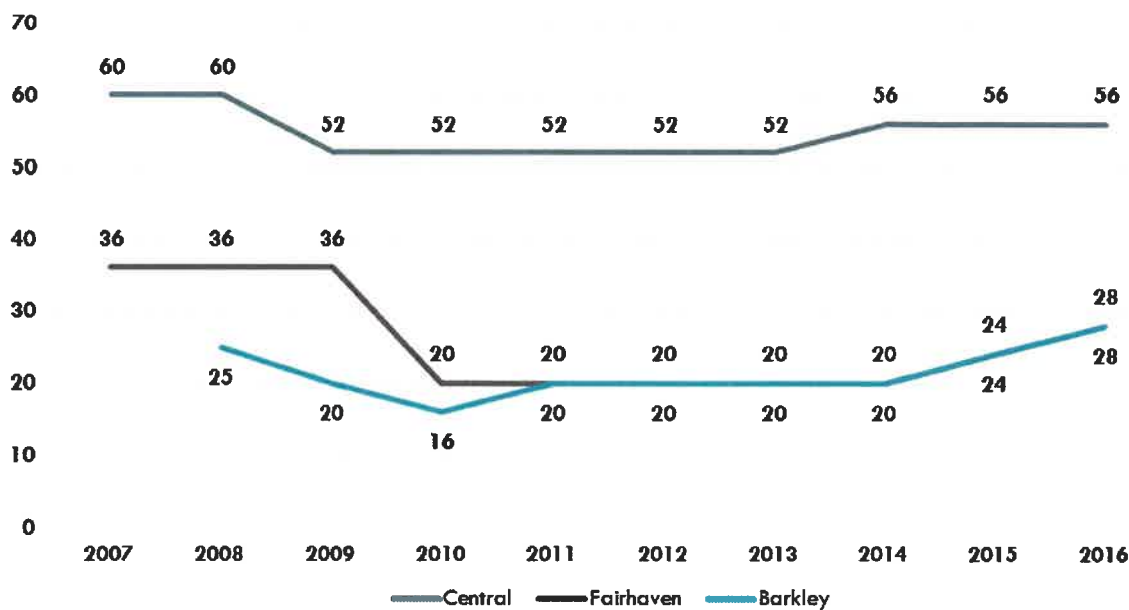
	Low or Minimal <i>Needed to provide the most basic of library services</i>	Medium or Operational <i>Allows BPL to provide all needed services.</i>	High or Optimal <i>Allows the library to enhance services.</i>
Main Library (open hours per week)	56	64	68
Library Branch (open hours per week)	28	36	40

Note: Since there are two library branches, the open hours per week for library branches are calculated based on the total non-overlapping hours of all library's service outlets.

Source: Bellingham Public Library, "Adopted Open Hours Standard", May 17, 2016.

Exhibit 13 shows BPL's open hours by physical location for 2007 to 2016.

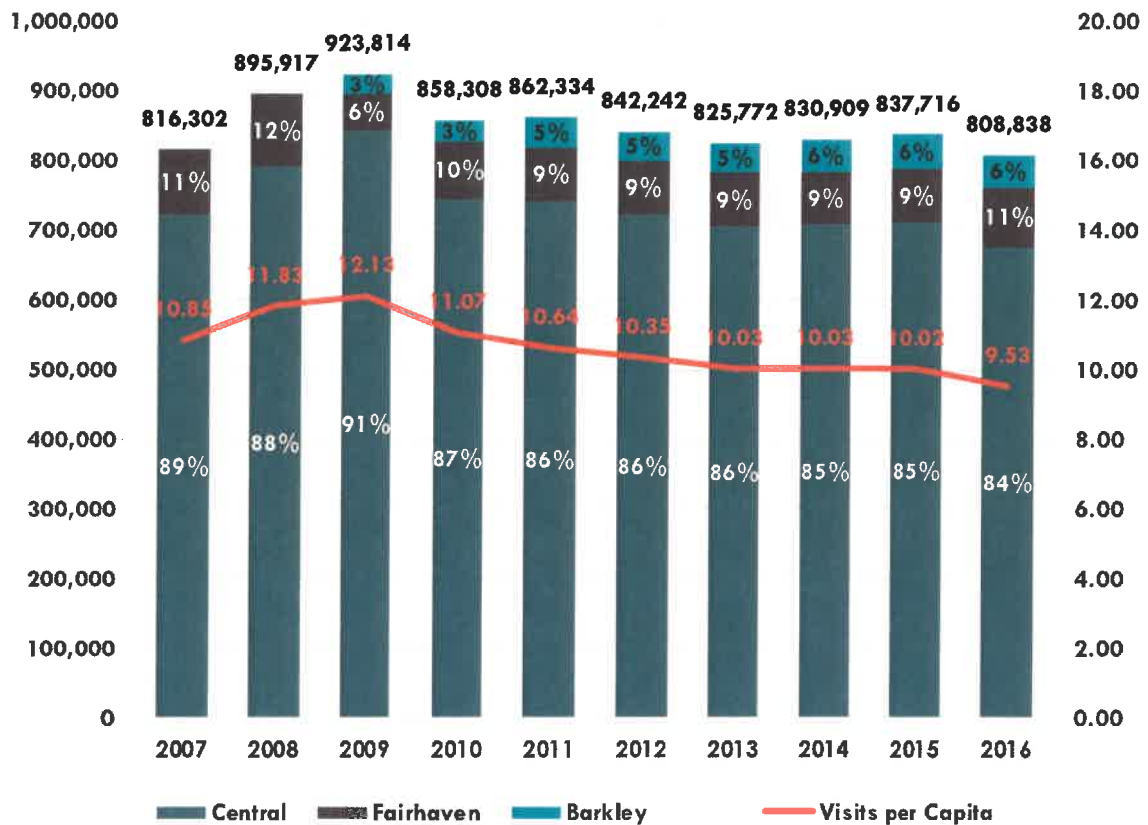
Exhibit 13: Open Hours by Physical Location, 2007 to 2016



Source: Bellingham Public Library, 2017; and BERK Consulting, 2017.

As of 2016, the main library and both library branches are meeting the low or minimal level of service standard for open hours. Open hours are only meaningful if patrons are accessing the library. Exhibit 14 shows overall library visits per capita, and by library branch, for the ten-year historical period.

Exhibit 14: Library Visits per Capita and by Library Branch, 2007 to 2016



Source: Bellingham Public Library, 2017; and BERK Consulting, 2017.

Both overall library visits and library visits per capita peaked in 2009. Library visits have declined by over 100,000 since that time, and since population has grown significantly in the same period, visits per capita have decreased even more significantly, from 12.13 to just 9.53, a percent change of -17%. This is likely due to the significant reduction of open hours and the increased accessibility of electronic resources.

Library Materials Collections and Circulation

The BPL Board of Trustees adopted level of service standards for materials based on a defined range of expenditure per capita, shown in Exhibit 15.

Exhibit 15: Level of Service Standards for Library Material Collections, March 2017

Low or Minimal	Medium or Operational	High or Optimal
<i>Needed to provide the most basic of library services</i>	<i>Allows BPL to provide all needed services.</i>	<i>Allows the library to enhance services.</i>
\$5.00 per capita	\$7.50 per capita	\$10.00 per capita

Source: Bellingham Public Library, "Draft Level of Service Standards for Library Materials Collections", March 21, 2017.

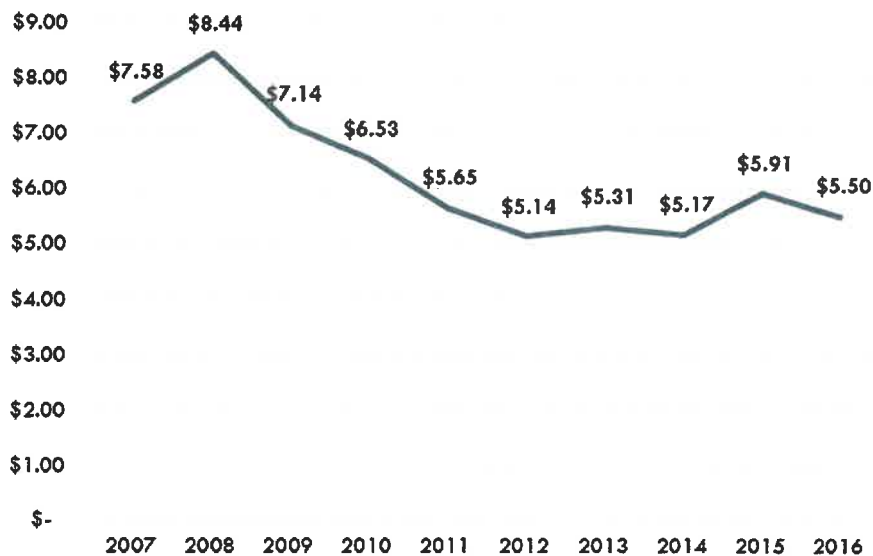
BPL Board of Trustees recommends that this level of service metric be tracked in addition to several indicators of library material collection performance, to ensure that it is supporting a meaningful increase in level of service for residents. These indicators include:

- The size and age of the collection.
- Circulation per capita relative to peer libraries.
- Turnover rate (circulation divided by circulating collection size) relative to peer libraries.
- Hold ratios.⁶

Additionally, it should be noted that these level of service standards do not account for inflation. It would be wise to consider an updated schedule or annual inflation adjustment to account for the reduced purchasing power of the dollar over time.

Exhibit 16 shows BPL’s collection expenditures per capita for the last ten years.

Exhibit 16: Collection Expenditures per Capita, 2007 to 2016 (2017\$)



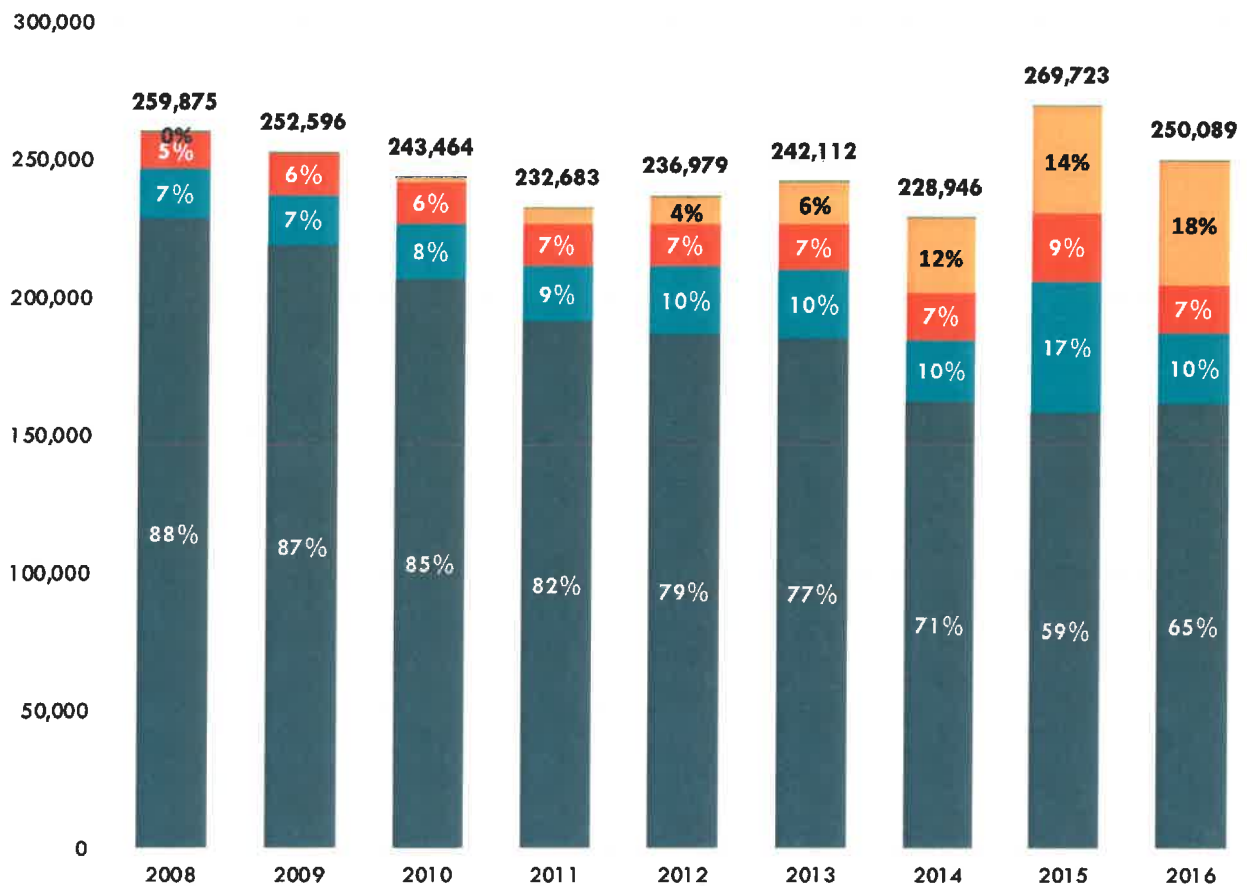
Source: Bellingham Public Library, 2017; and BERK Consulting, 2017.

Over the last ten years, BPL has consistently been above the low or minimal level of service standard for collection expenditures per capita, however, there were only two years in that period, 2007 and 2008, where it met the medium or operational standard. As mentioned in the adopted level of service standards, it is also important to consider collection size, circulation per capita, and turnover rate when considering the library’s performance relative to its draft level of service standards.

Exhibit 17 shows BPL’s collection size by material type for the ten-year historical period.

⁶ Bellingham Public Library, “Draft Level of Service Standards for Library Materials Collections, March 21, 2017.

Exhibit 18: Collection Size by Material Type, 2007 to 2016



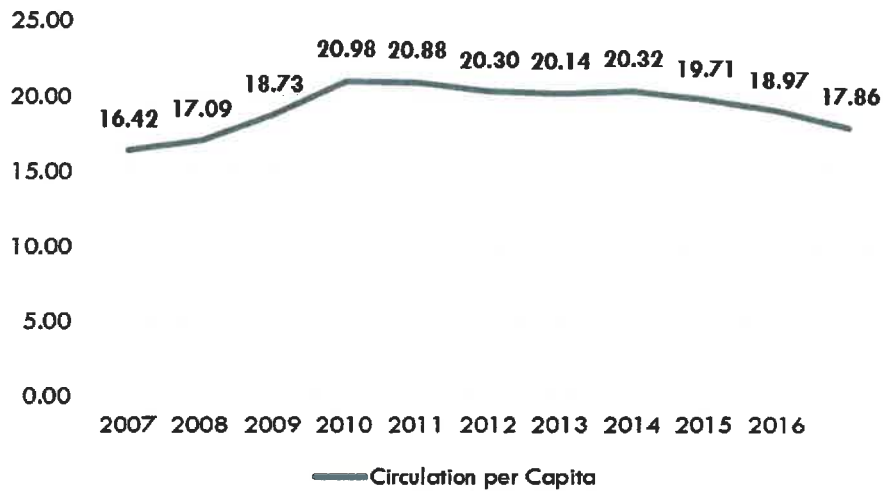
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Print	256,161	228,543	219,072	206,875	191,224	186,858	185,249	162,393	158,728	161,690
Audio	18,192	18,352	18,317	19,662	20,471	24,418	24,702	22,551	47,130	25,882
Video	15,107	12,738	14,767	15,513	15,179	15,711	16,860	17,062	25,306	17,055
E-materials	10	10	10	1,106	5,448	9,577	14,893	26,533	38,124	45,045
Other	199	232	430	308	361	415	408	407	435	417
TOTAL	289,669	259,875	252,596	243,464	232,683	236,979	242,112	228,946	269,723	250,089

Source: Bellingham Public Library, 2017; and BERK Consulting, 2017.

BPL's collection is slightly smaller than at the start of the ten-year historical period, with approximately 10,000 fewer items in 2016 than in 2007. This is primarily a result of a reduced materials budget. Additionally, the makeup of the collection has changed significantly, with a significant decrease in the number of print materials in the collection, and a significant increase in electronic materials, which were a nominal part of the collection in 2007 but now make up 18% of it.

BPL's materials are circulated throughout Whatcom County. Exhibit 19 shows BPL's circulation per capita for the ten-year historical period.

Exhibit 20: Circulation per Capita, 2007 to 2016

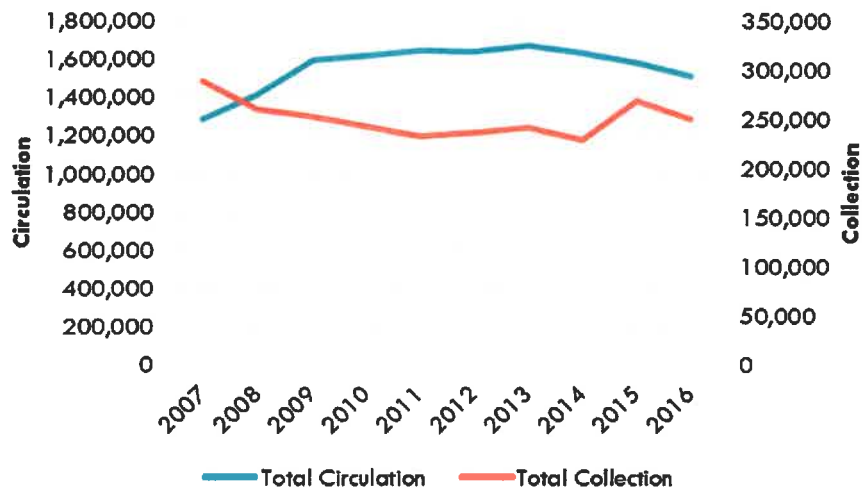


Source: Bellingham Public Library, 2017; and BERK Consulting, 2017.

BPL’s circulation per capita peaked in 2010. It has declined significantly, from almost 21 circulations per Bellingham resident to just under 18 – a percent change of -15% – since that time.

Exhibit 21 shows BPL’s turnover rate (the Library’s total circulation divided by its total library collection) for the ten-year historical period.

Exhibit 22: Turnover Rate, 2007 to 2016



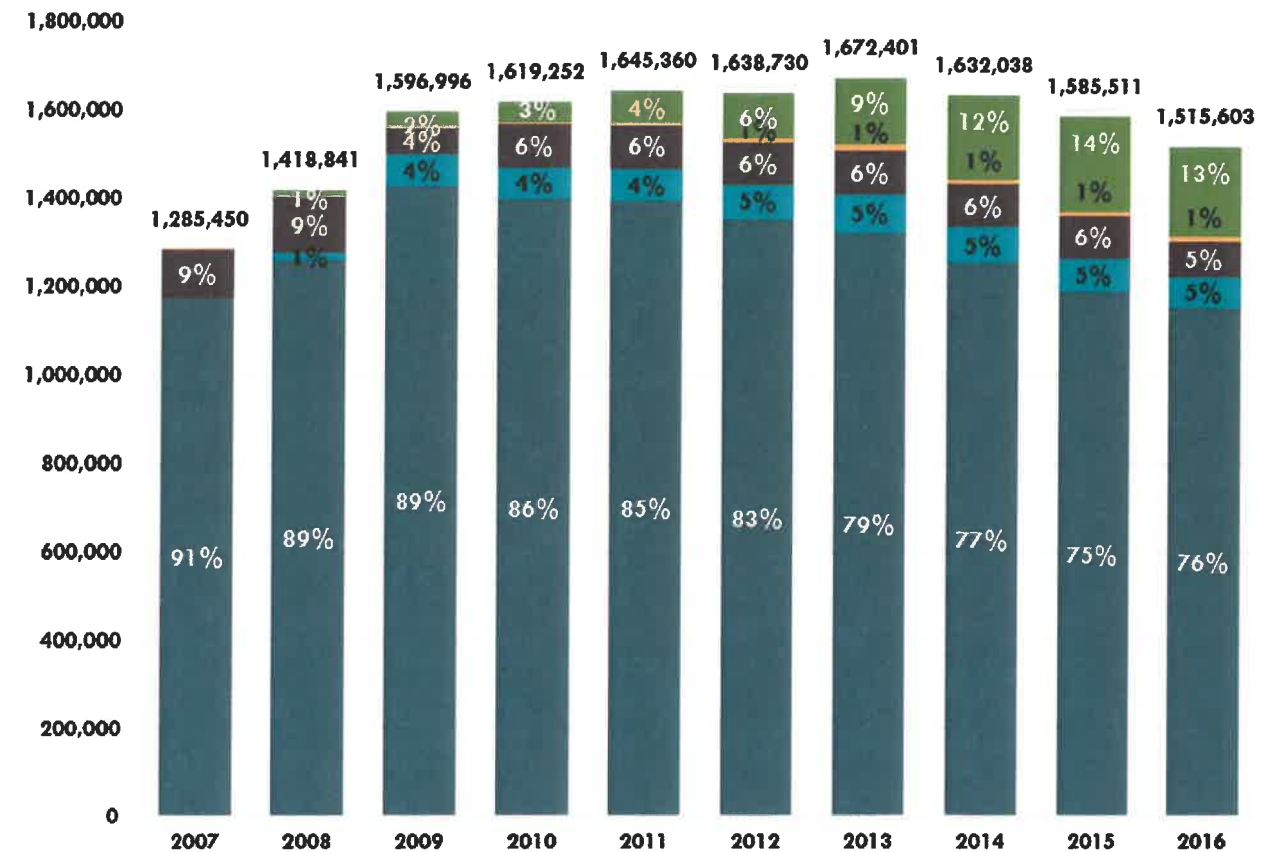
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Turnover Rate	4.44	5.46	6.32	6.65	7.07	6.92	6.91	7.13	5.88	6.06

Source: Bellingham Public Library, 2017; and BERK Consulting, 2017.

BPL’s turnover rate increased significantly between 2007 and 2015, as circulation grew, despite a decrease in collection size.

Exhibit 23 shows BPL's circulation by location, including electronically.

Exhibit 23: Circulation by Location, 2007-2016



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
At Central	1,173,013	1,259,781	1,428,160	1,398,235	1,394,360	1,353,206	1,322,402	1,253,990	1,187,249	1,152,517
At Barkley		16,205	71,254	70,710	72,289	77,367	85,256	80,330	77,254	69,664
At Fairhaven	112,019	125,745	59,171	98,941	100,427	96,846	101,334	97,365	94,886	80,273
At connections	418	2,454	4,065	4,221	5,833	9,491	12,434	9,854	10,708	12,133
Electronically	0	14,656	34,346	47,145	72,451	101,820	150,975	190,499	215,414	201,016
TOTAL	1,285,450	1,418,841	1,596,996	1,619,252	1,645,360	1,638,730	1,672,401	1,632,038	1,585,511	1,515,603

Source: Bellingham Public Library, 2017; and BERK Consulting, 2017.

It is notable that, again, the share of activity (in this case, circulation) occurring at the Central Library has gone down, while the share happening electronically has gone up. The greatest decrease in circulation at any one location has been at Fairhaven, where circulation peaked in 2008 with 125,745 circulations but has been reduced to 80,273 circulations in 2016, a percent change of -36%. During this time, Fairhaven open hours were also reduced by around 30% and the Barkley Branch opened in 2009, further spreading out locations where circulation activities take place.

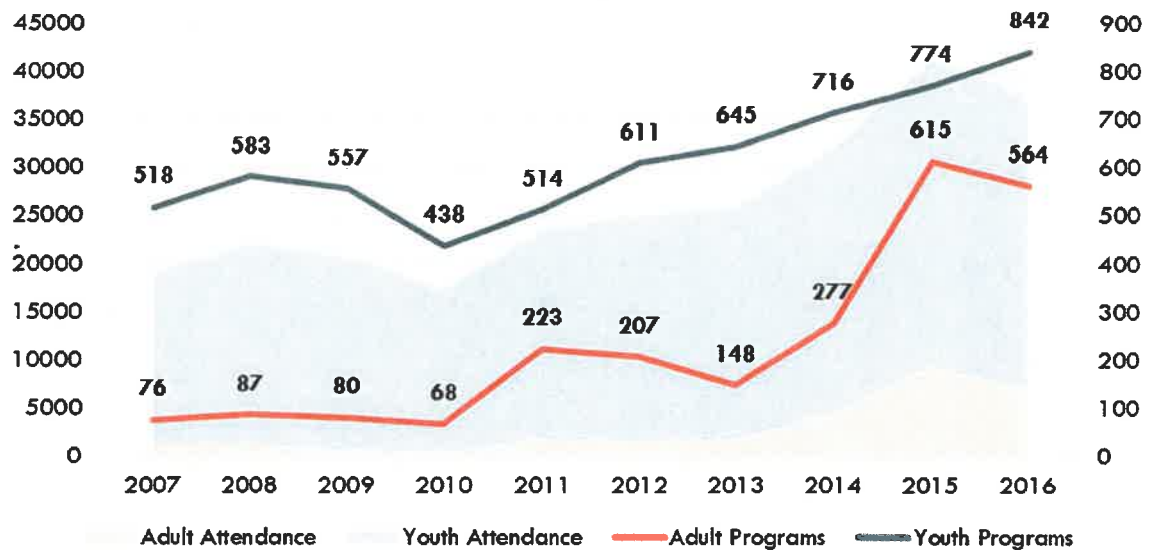
Programming and Attendance

BPL provides a range of programs for children, teens, and adults. These programs include opportunities for early learning and literacy, entertainment, education, enjoyment of hobbies, life-skills building, arts appreciation, and supportive of human service and community needs.

The number of adult and youth programs, as well as their relative shares of overall program attendance,

are provided in Exhibit 24.

Exhibit 24: Adult and Youth Programming and Attendance, 2007 to 2016



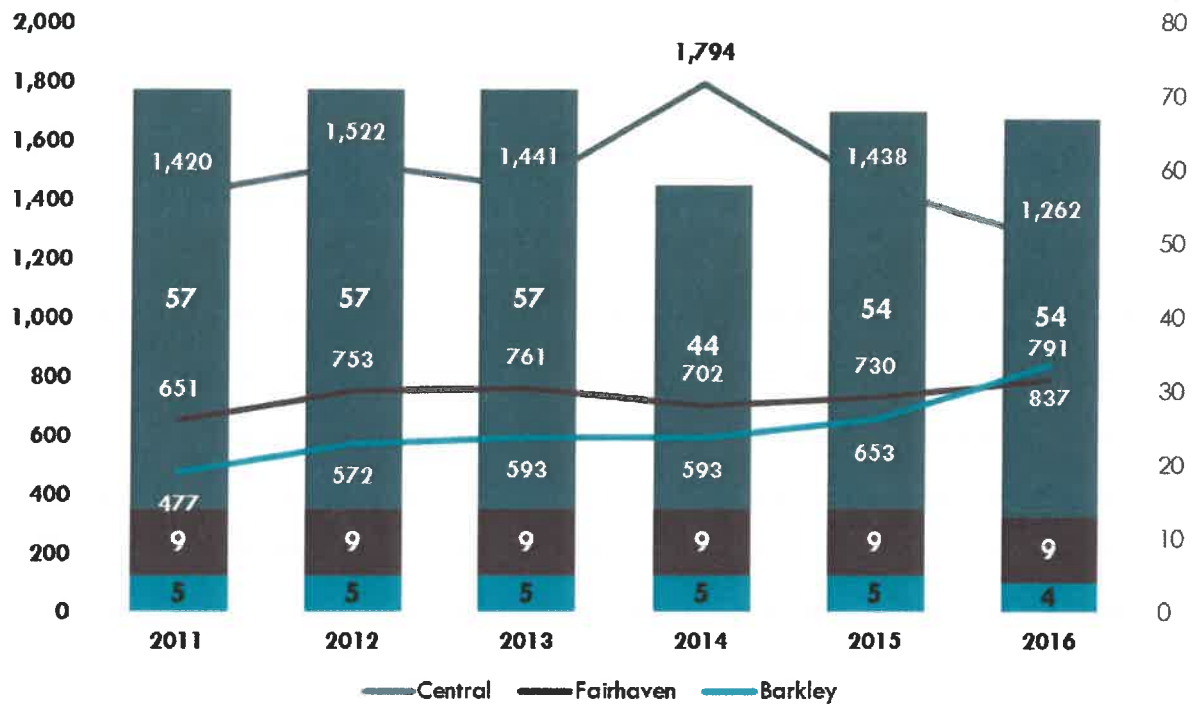
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Youth Programs	518	583	557	438	514	611	645	716	774	842
Adult Programs	76	87	80	68	223	207	148	277	615	564
TOTAL PROGRAMS	594	670	637	506	737	818	793	993	1,389	1,406
Youth Attendance	17,967	21,085	20,235	17,123	22,001	23,708	24,319	27,934	32,087	30,697
Adult Attendance	1,224	1,203	674	406	1,774	1,499	1,800	4,225	9,321	7,055
TOTAL ATTENDANCE	19,191	22,288	20,909	17,529	23,775	25,207	26,119	32,159	41,408	37,752

BPL has steadily increased both its programs for adults and youth since 2010, with a slight decline in adult programming in 2016. Attendance at these programs have increased commensurately. In 2016, over 30,000 people participated in youth programming, and over 7,000 people participated in adult programming at the library. In addition, as of 2016, approximately 5,068 people participate in BPL’s summer reading program.

Technology Resources and Usage

The ten-year historical period used in this Situation Assessment was a time of significant increases in computer and other technology usage. Nationally, libraries are important providers of public access computing and other public access technology. Due to budget constraints, BPL has had limited resources to keep up with technology trends, both with administration and service needs. BPL only began tracking its computer usage, in units of sessions per available computers, in 2011, so data for usage is limited to that period, as shown in Exhibit 25.

Exhibit 25: Average Annual Sessions per Available Computer, 2011 to 2016



Source: Bellingham Public Library, 2017; and BERK Consulting, 2017.

Computer usage at the Fairhaven and Barkley branches has increased overall since data started being collected in 2011. Computer usage at the Central Library has gone down slightly, except for a significant increase in sessions per computer in 2014, which can be explained by a reduction of 13 total computers at that facility that year. When all but three of those computers were replaced in 2015, sessions per computer returned to more normal levels.

Partnerships

BPL participates in three key partnerships, with the WLC Program, WCLS, and Friends of the Bellingham Public Library (FOBPL) which are critical to the library’s current operations.

WLC Program

As mentioned previously, BPL participates in the WLC One Card program, making it an informal partner of other Whatcom Libraries including:

- WCLS
- Bellingham Technical College
- Western Washington University
- Whatcom Community College
- Northwest Indian College

Relationship with WCLS

BPL has a longstanding formal relationship with WCLS since 1986. This relationship has historically been governed by a reciprocal borrowing agreement. Over the years, the agreement has expanded to include sharing of services beyond just reciprocal borrowing, including:

- Purchase of, migration to, and operation of a shared integrated library system
- Purchase of, operation and maintenance of a shared online catalog
- Operation and maintenance of a patron messaging system
- Cooperative purchasing and shared online resources

Historically, WCLS has paid BPL a small intergovernmental fee to account for perceived disproportionate use of BPL materials by WCLS users. As of 2016, WCLS is no longer paying this fee.

Friends of the Bellingham Public Library

FOBPL is a nonprofit charitable organization whose Mission is “Supporting and advocating for the library by:

- Encouraging community support of the library;
- Raising money for library needs, as designated by the staff and board;
- Sponsoring educational and enrichment programs for all ages;
- Encouraging literacy by making available free reading material at the library and offering reasonably priced books through regular sales.”⁷



FOBPL is a completely volunteer-run organization; its activities include:

- **Book Sales.** FOBPL hosts book sales, including nearly new and special book sales, to generate dollars used to support its activities.
- **Memberships.** FOBPL provides a membership program, along with membership incentives, to generate dollars used to support its activities.
- **Magazine Swap.** FOBPL maintains a magazine recycling program whereby members of the public can take and leave gently used magazines for their reading pleasure, as an ancillary library service.
- **Donations.** FOBPL collects donations of books and other materials, as well as memorial gifts, to support its activities.

Historical Revenues and Expenditures, and Capital Needs

Historical Revenues

BPL is funded primarily by City of Bellingham General Fund dollars, as shown in Exhibit 26.

⁷ <https://www.bellinghampubliclibrary.org/friends-of-the-library>.

Exhibit 26: BPL Historical Revenues, 2013-2017 (2017\$)

	2013	2014	2015	2016	2017
	Actuals				Budget
■ General Fund Allocation	\$ 3,707,681	\$ 3,812,475	\$ 4,034,196	\$ 4,322,859	\$ 4,276,813
■ Intergovernmental Library Services	\$ 168,406	\$ 169,853	\$ 169,857	\$ 166,554	\$ 7,100
■ Grants	\$ 1,080	\$ 3,089	\$ -	\$ 346	\$ -
■ Fees and Charges	\$ 175,385	\$ 199,417	\$ 157,586	\$ 141,307	\$ 163,450
■ Private Contributions	\$ 75,602	\$ 75,300	\$ 60,279	\$ 74,775	\$ 50,000
■ Other	\$ 18,856	\$ 56,011	\$ 15,295	\$ 18,343	\$ 15,000
Total	\$ 4,147,009	\$ 4,316,144	\$ 4,437,212	\$ 4,724,183	\$ 4,512,363

Note: Data for years 2013 to 2016 are year-end actuals; data for 2017 is the budgeted revenues.

Source Bellingham Public Library, 2017; and BERK Consulting, 2017.

The General Fund is the City of Bellingham's primary operating fund. It is intended to account for financial resources not already accounted for in other funds. The General Fund is primarily funded by City taxes, including property, retail sales and use, business, and other taxes, as shown in Exhibit 27.

Exhibit 27: City of Bellingham Historical General Fund Revenues, 2013 to 2017 (2017\$)

	2013	2014	2015	2016	2017
	Actuals				Budget
Taxes	\$ 58,308,928	\$ 59,088,960	\$ 61,368,694	\$ 62,339,275	\$ 62,659,167
Property	\$ 14,609,888	\$ 14,630,247	\$ 14,847,735	\$ 14,789,884	\$ -
Sales and Use	\$ 14,395,854	\$ 15,113,656	\$ 15,228,723	\$ 15,536,912	\$ -
Business	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 29,303,187	\$ 29,345,058	\$ 31,292,237	\$ 32,012,479	\$ -
Licenses and Permits	\$ 1,013,922	\$ 1,037,851	\$ 1,071,407	\$ 1,107,821	\$ -
Intergovernmental Revenue	\$ 866,478	\$ 766,756	\$ 893,152	\$ 1,076,993	\$ 922,400
Charges for Services	\$ 1,289,912	\$ 1,958,323	\$ 1,705,026	\$ 3,359,159	\$ 2,806,718
Fines and Penalties	\$ 8,580,771	\$ 9,578,007	\$ 9,508,429	\$ 2,715,126	\$ 8,009,064
Miscellaneous Revenue	\$ 1,253,787	\$ 1,137,306	\$ 1,032,264	\$ 846,064	\$ 1,010,619
TOTAL	\$ 71,313,799	\$ 73,567,204	\$ 75,578,974	\$ 71,444,439	\$ 75,407,968

Note: Data for years 2013 to 2016 are year-end actuals; data for 2017 is the budgeted revenues.

Source City of Bellingham Comprehensive Annual Financial Statements, 2013 to 2017; City of Bellingham Budget, 2017 to 2018 Biennium; and BERK Consulting, 2017.

The City of Bellingham General Fund supports several City departments and activities, including general

government, parks and recreation, public safety, the museum, and the Library. The library gets a small share of the overall General Fund, as shown in Exhibit 28.

Exhibit 28: BPL's Historical Share of City of Bellingham General Fund Revenues, 2013 to 2017 (2017\$)

	2013	2014	2015	2016	2017
	Actuals				Budget
City of Bellingham General Fund \$	71,313,799	\$ 73,567,204	\$ 75,578,974	\$ 71,444,439	\$ 75,407,968
BPL General Fund Allocation \$	3,707,681	\$ 3,812,475	\$ 4,034,196	\$ 4,322,859	\$ 4,276,813
BPL Share of City of Bellingham General Fund	5.20%	5.18%	5.34%	6.05%	5.67%

Note: Data for years 2013 to 2016 are year-end actuals; data for 2017 is the budgeted revenues.

Source City of Bellingham Comprehensive Annual Financial Statements, 2013 to 2017; City of Bellingham Budget, 2017 to 2018 Biennium; and BERK Consulting, 2017.

BPL has historically received approximately 5 to 6% of the City's overall General Fund revenues. This share has increased slightly since 2012.

Capital Revenues

The City of Bellingham does not have a general capital reserve fund, nor a library-specific capital reserve fund. Rather, capital projects are funded through a range of capital funding sources and department funds.

City of Bellingham can and does use debt to finance capital projects. City of Bellingham's legal debt capacity is 2.5% of its assessed valuation; however, it can authorize no more than 1.5% of assessed valuation councilmanically. The City of Bellingham's current assessed valuation (for tax year 2016), is \$9,301,737,832. The City of Bellingham's outstanding debt relative to its legal authorization is provided in Exhibit 29.

Exhibit 29: City of Bellingham's Legal Debt Capacity and Utilization, 2017

Type of Debt	Total Debt Capacity	Debt Outstanding	Remaining Capacity
Councilmanic (non-voted)	\$139,526,067	\$35,047,658	
Voted	\$232,543,446	\$0	
TOTAL	\$232,543,446	\$35,047,658	\$197,495,788

Source City of Bellingham Comprehensive Annual Financial Statements, 2013 to 2017; City of Bellingham Budget, 2017 to 2018 Biennium; and BERK Consulting, 2017.

Currently, the City of Bellingham is utilizing only 15% of its legally authorized debt capacity. It is important to recognize that the City likely wants to keep its overall debt utilization well below 100% as debt utilization impacts the City's credit rating. The City also has strict financial policies related to the use of debt. Before debt is considered the City will first evaluate three things:

- Whether a sufficient revenue stream is available to repay the debt,
- Alternate methods of financing, and,

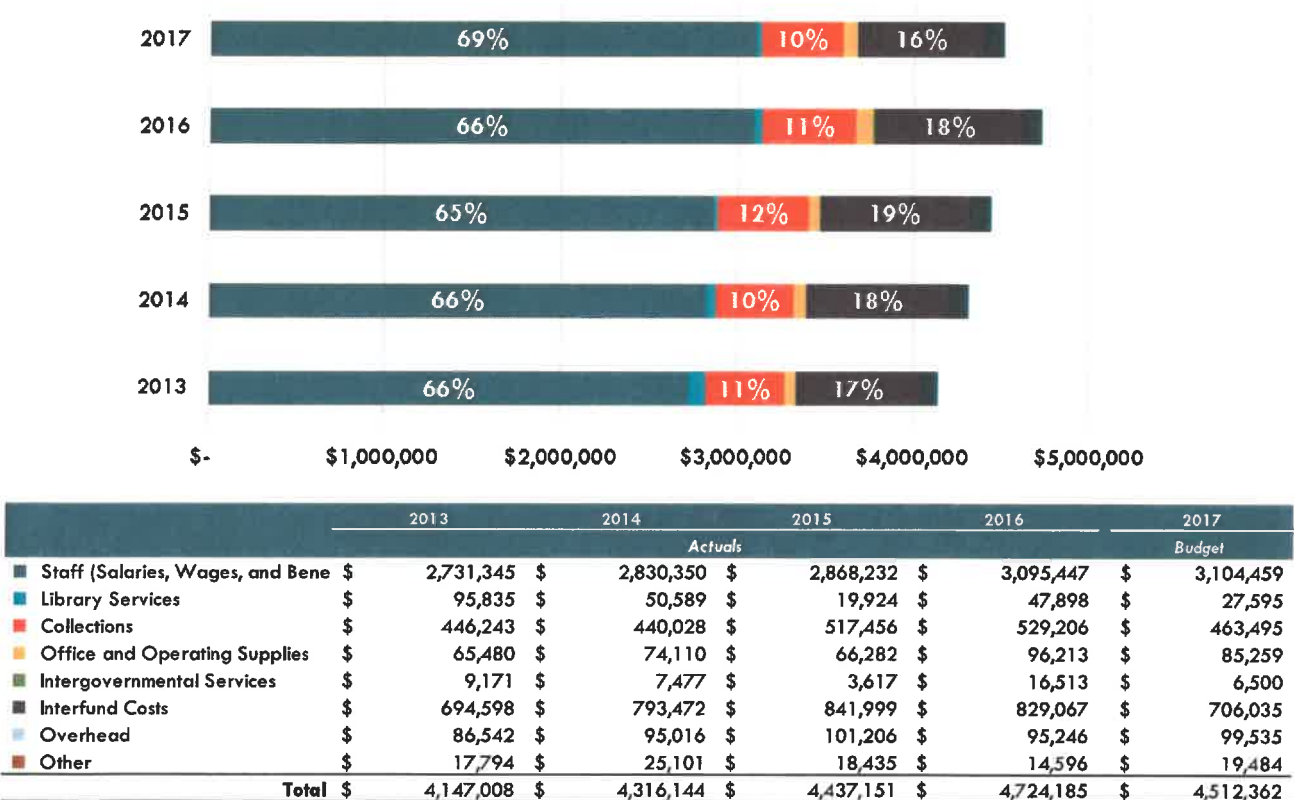
- Whether it would not be cost effective to delay issuing debt.⁸

Further, the City requires that a separate financial funding analysis be prepared for council review for projects requiring the issuance of new debt or for projects in excess of \$5 million.

Historical Expenditures

BPL's annual operating budget is around \$4.5 million per year, as shown in Exhibit 30.

Exhibit 30: Historical Expenditures, 2013-2017 (2017\$)



Note: Data for years 2013 to 2016 are year-end actuals; data for 2017 is the budgeted expenditure. Source Bellingham Public Library, 2017; and BERK Consulting, 2017.

Staff costs (including salaries, wages, and benefits) are the largest share of overall expenditures. BPL's second largest share of expenditures are interfund charges, whereby BPL compensates the City of Bellingham for organization-wide services it receives that are funded by the General Fund. These interfund payments are broken down in detail in Exhibit 31.

⁸ City of Bellingham Financial Management Guidelines, 2010.

Exhibit 31: Historical Interfund Expenditures Detail, 2013-2017 (2017\$)

	2013	2014	2015	2016	2017
	<i>Actuals</i>				<i>Budget</i>
Facilities	\$ 609,095	\$ 664,894	\$ 680,443	\$ 671,848	\$ 445,840
Fleet	\$ 8,241	\$ 8,722	\$ 8,041	\$ 8,244	\$ 13,931
Information Technology	\$ 27,544	\$ 71,392	\$ 85,116	\$ 80,839	\$ 183,578
Purchasing	\$ 1,820	\$ 829	\$ 1,906	\$ 1,864	\$ 1,843
Risk Management	\$ 47,898	\$ 47,541	\$ 41,928	\$ 41,020	\$ 38,117
Other	\$ -	\$ 94	\$ 24,564	\$ 25,251	\$ 22,726
Total	\$ 694,598	\$ 793,472	\$ 841,999	\$ 829,067	\$ 706,035

Note: Data for years 2013 to 2016 are year-end actuals; data for 2017 is the budgeted expenditure.
Source Bellingham Public Library, 2017; and BERK Consulting, 2017.

BPL pays interfund charges to compensate City of Bellingham for facilities, fleet, information technology, purchasing, risk management, and other charges.

Capital Facilities Needs

As part of the *Bellingham Comprehensive Plan, Capital Facilities and Utilities Chapter, 2016*, the City of Bellingham evaluated current library facilities against a forecast of future needs; their findings included:

- Based on the BPL Board of Trustees adopted level of service standards for facilities, BPL's current facilities just meet the low or minimum level of service standard.
- Early in the 20-year planning horizon (2017-2036), the Central Library will need to be remodeled, expanded, or replaced to meet the City's needs based on projected growth forecasts. The current facility has challenges including: inadequate space, inefficient and inflexible floor plan, lack of modern library amenities, lifecycle maintenance needs of an aging facility, and accessibility problems.
- The Fairhaven Branch has adequate square footage to meet demand over the 20-year planning horizon; however, there are continued maintenance and seismic upgrades needed to ensure its continued use.
- The Barkley Branch has adequate square footage to meet demand over the 20-year planning horizon, however, continued use of that facility is dependent on the willingness of a private building owner to continue to provide the space for a lower-than-market rate.
- Between 2014 and 2016, approximately 50% of the new housing growth in Bellingham occurred in the north and northeast portions of the City, including the Cordata, Meridian, King Mountain, Irongate, and Barkley neighborhoods. This trend is anticipated to continue, as those neighborhoods are expected to continue to grow and as annexation of the adjacent northern UGA occurs over the 20-year planning horizon. To ensure that these residents' library needs are met, the City should develop a plan for providing those services that may include development of a branch or satellite library facility located to serve those residents. The City should also consider opportunities to meet this need through private-public partnerships to help reduce costs and maximize facility use and sharing of resources.
- Despite significant, identified needs, no BPL-specific projects were funded as part of the six-year (2017-2022) capital facilities plan.

INFORMANT INTERVIEWS

Methodology

BERK conducted phone interviews with key informants identified collaboratively with the project team to understand qualitatively the role of BPL in the community as well as the challenges and needs of the current system. The interviews were informal and conversational, but guided by an interview protocol with seven questions, listed below:

1. How would you describe the Library's role in the Bellingham community?
2. What do you think are challenges of the current Library system?
3. From your perspective, in what ways do the following items meet and/or fall short of service level demands?
 - Size, comfort, and location of facilities
 - Hours of operation
 - Types and amount of materials
 - Meeting room and community space
 - Programs for children, teens, and adults
 - Technology
4. How do you see residents' demand for library service changing in the next ten to twenty years?
5. What do you think are the benefits to BPL remaining an independent, City-funded library system? What are the challenges or drawbacks?
6. What key issues should the Library and the City consider when evaluating potential, sustainable funding strategies?
7. Is there anything else you would like to share with me about your hopes for this study or the future of BPL?

Interviews were conducted from July through August 2017. In all nine interviews with ten informants were completed. The following interviews were completed:

- April Barker, BPL Council Member
- Christine Perkins, WCLS Executive Director
- Faye Hill, BPL Friends President
- Janice Keller, BPL Communications and Bethany Hoglund, BPL Management
- Kelli Linville, City of Bellingham Mayor
- Marty Mulholland, IT Department Director
- Pam Kiesner, Former BPL Director
- Rick Sepler, Planning and Community Development
- Ted Carlson, Public Works Director

Qualitative data was collected during interviews and synthesized to generate key themes, presented following. To the extent possible (correcting only for clarity and to maintain informant anonymity) the bulleted comments under each key theme are verbatim comments heard during the interviews.

Key Themes

The Library's Role in the Community

BPL is unique because it is one of the only places in the community where anyone is welcome.

- The Library is a place with an open-door policy; they take everyone. It is a place that someone who doesn't have anything can go.
- The Library serves all citizens of all ages and economic strata and it's unique in our community. We have organizations that serve different ages or different incomes but the library serves them all.
- I think the Library is a convener of people and an unexpected one. People can come together in a safe place in Bellingham and everyone recognizes that. The Library also provides access to information and is a place that inspires conversations among people who are unlikely to meet in other places.

The Library is a recognized resource for information and community gathering place.

- The Library is central to civic and cultural life in Bellingham. It is a well-used, well-loved hub of all things literary and informational in the community. Not only materials, but also a source of free and interesting educational programming and events. There are different programs happening all the time to satisfy and entertain curiosities.
- Our Library is the community center. It is a place where community members go, especially families with children, and because of the issues we have with housing affordability, it's also a place where people with very little can access information.
- Families, parents, and caregivers felt the library played a significant role in developing their children into readers and learners.
- The Library serves several functions, a central gathering space, a resource for people to get and access to information in many ways. My understanding of the Library is that the technology component and access to the internet is most important to the community.

The Library's role in the community is changing.

- Like libraries in general, BPL is evolving. The Library has become a social and community center, a destination for people in the city and visiting the city. Libraries are in a new niche and they fill the crossroads for people and that's true in Bellingham.

Challenges of the Current Library System

Funding is the Library's greatest challenge. Being a part of the City's General Fund means its funding is unpredictable and in direct competition with other essential services.

- Funding is the Library's largest challenge. There aren't enough funds to purchase the needed library

materials. The Board of Trustees is trying to help, but it's deplorable in this community to not be able to support the Library and provide what people need.

- Being out of the general budget means the Library's funding is always unpredictable and it's always competing with these other essential services. Working out of a general budget that's constantly being decreased will be tough.
- It's not unique to the Library, but any General Fund government service is challenged by funding. Parks, police, fire, theater - it's competition for limited funds. As a city our revenues are not keeping up with our expenditures. Facilities, capital renewal, we've really struggled. The Library is facing the same challenge that all the General Fund departments are facing.
- Turnover in city government -whether it's a new mayor or new city council members, having to constantly educate and re-educate the people who fund you, and maintaining a really great relationship with the folks in city hall.
- There are vocal community members in the north end of Bellingham that want a library branch. The position has been from Board to work on the Central branch before we work on the north side. There is still some dispute about whether or not the north side is really priority because Central isn't that far away. What people don't understand is that Bellingham might need services in the north side, but it is not a cost saving measure. Adding branches is a significant cost for a system.

The Central Branch facility is outdated and inadequate.

- Serving a changing community means being able to adapt to new needs and demands. Our current facilities are not equipped to deal with this. The Library is constrained by its structures.
- The Central Library has outlived its lifecycle and it shows. It isn't attractive; it's run down and it doesn't reflect the hopes and dreams of the community. It doesn't strike many people as a place they'd want to go and spend time. It's not logical for how it's laid out, it's not efficient for staff to work in. It doesn't have the wiring to be a 21st century library.
- The Central Library has unpredictable heating and cooling - sometimes baby story time is 80 degrees! There are structural integrity issues. You can't access the mezzanine level. There aren't any outlets. The lower level is not ADA accessible. The elevator is unreliable.
- The Central Library facility is dated. They are cramped for space and they can't offer the classes or public uses that they want or are needed.

The Library is seen in isolation from other City services and lacks a clear champion.

- We still see the library in isolation and that's a challenge. There's an opportunity to use other services that the library is a part of. Libraries are a part of social services, helping the homeless, tax preparation, early childhood education, for families who can't afford preschool. It's a challenge because we haven't always seen the library as a partner to these services and they've been seen as their own separate entity.
- The inability or unwillingness of the city to support building a new library facility is a challenge. I think they have many competing issues on their plate - the jail, the waterfront - but the city will always have a lot of things. If you wait until there's nothing on your plate, it will never happen. It won't be

long until the building isn't functional at all and then we'll be stuck.

- I've realized that people don't understand the challenges facing the library. People don't take it seriously. City government is strapped so they aren't taking the time to consider where the Library is at.
- There isn't a current councilmember or official that is a champion for the Library. Someone who wants to take it through the process. The Library Board has been talking about a new facility for more than a decade. In fact, there are community members who think they've already voted on this.

There is inequitable access and provision of library services across the Bellingham community.

- The conversation has always been heavily focused on the Central Library. It's difficult to have a conversation about what is the most equitable service for the city today. It's a challenge to have a conversation about the services being equitable when it's always focused on the downtown facility.
- There is large city growth on the north end. There is a large population in more affordable, denser, multi-family housing types there. But you have to cross the freeway. There is a higher percentage of free-and-reduced-price-lunch (FRPL) kids there, and they have a tough time getting over to the Central Branch.
- How many libraries will it take to serve this community and how can we support them - some in the north side clamoring for a new facility, but given our current financial situation, can we afford to do that? Not really. Meeting needs of community with our physical locations a huge challenge.
- The Library is good at serving those who speak English, good at serving those who can make it in the doors of the Central Branch, it's good if you speak English. The Library has no staff who speak a language other than English, and part of the Library's mission is to - we have no non-English speakers on staff regularly. Part of our mission is to connect our community to each other and the world.
- The Library doesn't serve nontraditional working hour parents. The Library would like to get out and meet the families. This is identified in adult and youth services as a priority, but it's impossible to realize because there is the conflicting priority of keeping the doors open.

Staffing levels don't support current service needs and future planning.

- The number one challenge is that staffing levels are not adequate. There are too few people doing too many things, so service is ad hoc. Open hours are important to the community but we have bare bones staffing. To keep the doors open and staff open hours limits our ability to do new programs and plan.
- Because just keeping the doors open and serving the public has been so important, what has slipped is training, planning, outreach, all the unsexy things that are vital to the long-term health of the Library. The doors stay open because of the passion of the employees but it's a ragged group working with a ragged building. There are a lot of folks in the community who aren't using our services, we would need to change our service model to meet their need.
- The staff have PTSD from layoffs. It is stressful there. There isn't a permanent director. It's the nature of the environment after layoffs and continuing to be staffed thinly. It's lean there. They have been able to replace operating hours. The management staff is very lean and the number of hats that they

have to wear is many, so it's probably one crisis after the other and never the time to think about the big picture.

- The staff are dealing with a challenged population. You serve the community at no charge so you are working with really vulnerable people all the time. The staff have to ensure their own safety and the safety of the patrons. It's a challenge for them to do that when they lack resources.

User needs are quickly evolving, especially needs related to technology and flexible community meeting space.

- This library was created when for people my age, you went and got a book and you checked it out. No computers, not a gathering place. I grew up in the Fairhaven Library, I didn't really use the downtown library. The shortcoming in knowing that the services we want to deliver can be provided can be provided in the current library system, or can it be adapted to provide what we need to provide.
- I know that the library relies on technology, it's mission critical now and they have about three staff positions plus components of my team, and I'd say it's a high bar to manage that technology independently successfully. We have two tech support people who on paper support more than just the library, and a third position which is a library based position. They purchase and set up the software and the systems. Everything used internally to circulation and all points in between. Checkout self-checkout, there are so many applications.

There is some confusion in the community about BPL's independence from WCLS.

- The community is confused about difference between WCLS and Bellingham. Many already think that it is one library system. People think they should be the same; they think on a gut level that it would save a lot of money if we were one system, and a lot of cost sharing is already in place. That is probably why it is confusing.

Service Level Considerations

Facilities: Size, comfort, and location

Informants shared different viewpoints on the Central Branch. Some informants described the facility as inadequate in all three categories, while others found it comfortable, but not big enough to meet changing user needs.

- All our branches are comfortable. The Central Branch isn't modern, but it's comfortable.
- Starting with Central Library, it's not large enough -some might say, well in today's world, we don't need such a large building, but we're just 44,000 square foot, and we're a community that's edging up to 100,000 in the next years, and with the numbers of people coming through our doors, it's not big enough. Even if it's efficiently designed, it still wouldn't be big enough. Inadequate meeting facilities, spaces for programming they'd like to do. Organized and moved furniture to create special spaces, but there's only so much you can do.
- Central library not big enough for use and number of users. It's so unappealing that people don't want to go and the people who do go there are homeless and don't have anywhere else to go. But it's important to be balanced by others in the community spending there. The feng shui of that building

is just wrong.

- The location of the facilities is great but size and comfort we fall short on. The locations of all three facilities are good, they meet the needs of our citizens.

A few informants emphasized equity and accessibility as lacking in facility location.

- The challenge is accessibility. We are not equitable in terms of accessibility to library locations.
- There are some who want a Northside branch because children in the community don't have a place that is nearby.

Technology

BPL is lacking in up-to-date technology and does not meet current service level demands. In the case of the Central Branch, there are facility constraints to advancing technology support services.

- We need state of the art. Our technology is older and we need to refresh. We haven't been able to refresh every three years and I think that's what you typically need.
- Like many libraries, the reliance on public access computers is decreasing because some have phones. But the community would really benefit from a computer lab to do instruction in an organized manner. A big community like Bellingham means you should showcase some cool technology.
- Technology is a huge one. Most libraries are way ahead of us. Internet access, printing, e-books, mobile friendly website. We don't have a computer lab, you can't print from a flash drive. There aren't enough outlets for power.
- Smaller workspaces and training spaces would be useful but the capabilities aren't there. Training rooms and study spaces, test administration - the space nor the A/V is there to do it.
- With what we have we do pretty well. I'm talking about the technology that people would want to come in and use. But every time I go into the library, it's totally booked. We need to more. We need to be on the leading edge of helping people with the technology they have or are interested in but again, we're hindered by dollars and space.
- My experience is that even employee computers are behind the times. There's more of an expectation for staff to help on technology and we don't even have the technology ourselves. We do a lot manually.

Open Hours

Informants suggested longer open hours, especially for branches and on Sundays.

- Hours are back from recession but they are lacking in branch hours and Sunday hours.
- Branch library hours are very limited and people are so confused by the open hours. It loses users.
- The two branches, Fairhaven and Barkley, they fall short on the hours. They need to have more hours.
- We should be open more. We shouldn't limit people's access to knowledge, books, and materials and especially technology. Understanding what that means is more people more computers, more staff. So, we also should think about the other ways people access information at libraries.

Programming

BPL produces high-quality programming given their space and staff constraints. However, many informants mentioned the need for expanded programming to meet community needs on weekends and outside of traditional working hours in addition to providing outreach services for low-income families and the homeless.

- I think that the library needs to have the flexibility to program for what the community needs depending on what they are. So, we need to be able to do that. But we should also be looking at the other programming that goes on in the city to see if we should coordinate so if that could better use staff and resources.
- One of the user groups that is growing is unsheltered, unhoused folks. I'd like to see us have a social worker in the library and see our service organizations be able to reach the library. I'm always amazed by the numbers in usage that we see.
- I hear a lot a need for programs on the weekend. That is the number one thing they ask for but there isn't the staff to do it. The library does early learning really well and teens but outside of that it's lacking.
- Youth services needs more programming on weekends and out of work hours.
- We need to get out into the community and partner with other agencies. Connect with those we haven't connected. We say no to a lot of opportunities. I'm hesitant to ask the community what they want when I know that we can't expand services.
- My impression is that programming is strong right now. They've always had a great series of offerings for children, teens, and adults. They've got skill share area with demonstrations. My impression is that's a strength of Bellingham and the lecture room gets used.
- I think we do a terrific job with what we have. I can't say enough good things about our programming but we are hindered by space and dollars.

Materials

To meet community needs, BPL relies heavily on collections at WCLS. A few informants mentioned that the community likely doesn't understand the extent to which the two systems are already sharing and yet independent.

- The nature of collections is changing and access to that is paramount. It is elastic; if the budget is shortened, you buy less and then you're not providing the most current information.
- We're lacking in materials. Constituents have mentioned this to me. People when they're borrowing would notice that most often they are getting books from the WCLS. And maybe many people don't see a difference. If they only had access to Bellingham, there would be an uprising. My own personal experience with families to the north, is that we don't have the books that they are interested in. They've come into visit from the school and they don't have materials of interest available. That's a loss.
- It's a strength that WCLS and Bellingham are in partnership. Having both select materials means that we have a broader range of materials available. Bellingham has a high number of foreign language

films and WCLS doesn't. But flipside, but we are collecting feature films and TV series and Bellingham has decided not to do that. There are times when our library is interested in exploring a new electronic resource and we are hampered because Bellingham can't purchase it. If we go ahead and purchase it, it becomes difficult when we promote it or communicate it. People are confused.

- Purchasing needed library materials is a challenge. We do a good job with what we have to get it to the right range but we could do a lot better.
- We don't have enough. We don't have enough children's materials, very meagre children's materials. High demand, but we can't meet it. That goes across the board - picture books, DVDs, early/easy reading, electronic - just not enough. Adult materials - again, not enough. Feel like a broken record - it's just not enough.

Meeting rooms and community spaces

BPL will need more community and meeting spaces to meet growing user needs. Some informants suggested partnering with other public or community institutions to gain access to more space or removing the fee to free up more time and space for not-for-profit groups.

- We have a lot of meeting and community space in our public facilities. I would like to coordinate those uses. We need to prioritize the meeting spaces we have too. Especially for children's activities, it would be good to partner more with those - especially because they are within walking distance. We should look at the city as a whole. If we're looking at a remodel, we need to talk about that.
- Meeting rooms in Bellingham, there are some and they've done their best and Central Library is a depressing place. Fairhaven has some that are better. It costs a lot of staff time to work through pay for groups for the community space. I don't know that they are being used to their full potential because of the fee.
- It's adequate some of the time, but the future is requiring more meeting spaces. Additional space that is upgraded to current technologies and the future uses are needed. One of the things that we're beginning to do is a lot of community gathering - a lot of our rooms are used by the community but we don't have enough space.
- We'd like to have a lot more space. We'd use it more for civic engagement if we had opportunities to use different spaces. We need more spaces to meet with the public on issues big and small and we need something that allows for that conversation.
- As far as a space where a small book group would get together or spaces where a tutor can meet with an ESL student, they can book the conference room but it's an ugly room in the basement with no windows. It's not pleasant. Many of the spaces we have are not conducive, attractive, interesting spaces. We don't have the variety of spaces that a public library in today's world should have.

Future Service Demands

Technology access and digital literacy will be important future service demands.

- Technology will be a bigger focus in the future. Providing access to the internet, providing computers and access. We will always need to serve a role as a community gathering area, but I think technology will become more and more prominent.

- I would think that people go the libraries for things everyone should know, and technology will be a piece of that. I also think that green energy will be a part of this. What should everyone be able to do? This is moving more and more into technology. Literacy and digital literacy.
- Increased demand for tech training and assistance. We don't have the capacity to provide that. Right now and into the next year. We will need to help folks who need to use public access computers, getting connected, because there won't be space for someone to do it through mail or in paper.
- We are in the age of Amazon. Instant quick arrival. We have the library holds system, but we are slow. We need to streamline our services, we also need to get out meet people where they're at. We think that technology will continue to be in demand for service and programming and we're already behind.

BPL will need to respond to changing demographics, waterfront development, and social and economic inequality.

- I think there is question about serving a changing demographic...In just twenty years or so, the majority of the US will be people of color. There could be a lot of disparities which is where the library comes in. The downtown will continue to be inaccessible to lower income folks.
- The community is getting expensive and it means a lot for the gap in the community - the have and have nots. This plays out in an obvious way with homelessness, poverty, and mental illness. And the library is at the center of this and needs to be in the conversation.
- Currently because of zoning constraints, there is more affordable housing to the north, different housing types, they can do multifamily housing and duplexes. In the central area, there are a lot of high professional, double incomes. In the north, it's upwards of 80% FRPL - that's where the library services are crucial and important.
- The Library will need to move towards social services. We can feel those gaps in the community and the Library can fill those gaps. It would be good collocate services and have social workers on staff.
- The port is starting to take off and the waterfront area will be a new focal point for the community. The board and the council should look at property for the library on the waterfront. It could be an anchor civic structure that would propel the city forward. The development is happening and the library should get in there while it can.
- More folks are entering or are in the low-income economic levels, and the library is the one place they have to gain access to things they need to continue to participate in society. We need to continue to serve them in the future.
- I think residents are going to demand service on the North Side with a facility, and a collection, and programs. I think there's always going to be a demand for the public library in children's and families' lives. We're a really integral part of early childhood development. I see that growing.

Benefits and Drawbacks of Remaining Independent

Local control is the primary benefit of remaining an independent system. Many informants thought that the Bellingham community has different values and service demands than in Whatcom County.

- The benefits are control. You control and influence the scope and nature of services and collections. The drawbacks are that we don't look healthy after the building costs go up. We're still using reserve to cover the budget. So, the challenge is where do we find the money? How do we get our community to prioritize among really important things? There are ways to make it more sustainable but we'll lose control.
- The benefit to remaining independent with the Library Board is the control. The local control over services provided. Anytime you give up that decision making, then you lose that ability to run. It would take some getting used to in being part of regional system.
- Bellingham is different from other parts of Whatcom county. Culturally different, the service priorities are really different.
- The library, the city, and the community would have control over their services, their collections, it can be what they want it to be. There is a psychologically a difference between city residents and the county, even if that's just a perception.
- If we merged with WCLS we would have a loss of civic pride. WCLS is a great system but their libraries are different from ours. There's a pride in our community for the Library. They honor the Library for what it does and respect it. I would hate to see us lose that civic pride in our Library.

BPL is already engaged in cost-sharing practices with WCLS and many efficiencies have already been achieved. Informants also mentioned that this can cause confusion for community members; they don't understand that Bellingham is funded through city revenues.

- The benefit of being a part of a system would be the efficiencies, but we're already getting a lot of those benefits. There would be a larger pool of resources. Being a part of larger system and some staffing efficiencies although I don't know that for certain.
- The Library is part of the city infrastructure team, and can tap into what is already here. The Library already shares everything with the County that counts. If we can be ourselves, we can prioritize our own goals and needs, different from the wider county.
- Many people already think we are a part of WCLS. We have competing campaigns, we somethings feel like we're working against our own interests, competition for funding. We have to compete with other city priorities with limited funding.
- Many people who use the system don't have any idea that it's an independent system. On one hand, you have these tried and true people with that value for BPL, but they don't know the ins and outs. Then the new folks that are here they don't have that background, they just want access to stuff and a good library.
- Coordination and cooperation of government branches is essential. Annexation would not save us money, but it would free up a revenue stream for any kind of capital investment we want to make. The county and the city library are already working together really closely.
- I'm not sure how much money would actually be saved by merging the systems. The directors would still need to be there. The number of staff the facilities, and BPL is so lean, so really what it would be is refreshing to have more people selecting materials. It just means people would be less hectic. But I

don't see an elimination of any cost categories.

To remain independent, BPL needs adequate and sustainable funding. Informants thought the public needs to be aware of the Library's needs and a part of the conversation for funding opportunities.

- To remain independent, you can't assume what the public will support. We're in an era where more and more goes to the ballot. Should things that are considered an essential service go to a ballot? It's important to think of all the reasons why the jail ballot failed and how all those reasons would apply to a library tax.
- We have a difficult time when we are competing with other city departments for funding. That's a challenge. I do think libraries are right up there with parks. The city really loves their park system - I honestly think people feel as positive about the library as they do about parks. And any of the quality of life services that the City has done, libraries have been right up there in terms of resident satisfaction.
- Is a library mission critical or nice to have service? Which is it in the community? And if you're competing, you need to do a good job articulating that what you're putting forward is the most cost-effective. We haven't done that work
- If the city wants to have its own library than the city needs to put in the money required. My opinion is that we remain part of Bellingham but only if they can step up and truly fund the library and locations it needs. If funding continues as is then we need to collaborate more with WCLS. But I don't think that's what's best for Bellingham's patrons.
- It's been so hard to have this conversation. You can't have an unbiased conversation about this in the community. There's a fierce advocacy of it. But they might not see the capital facility piece. We've sprawled and we can't keep up with the capital expenditures. We're talking about potentially a whole new library.

Key Issues in Evaluating Sustainable Funding Strategies

BPL receives many benefits in being a part of the City that would need to be considered in any funding strategy. A few informants suggested forming a library district.

- Being part of city government is helpful for the library so they are connected to city IT that can help out if there's an emergency. They have strong legal department, resources, and infrastructure that helps maintain the library system.
- Competing with departments for dollars means you're always in battle for who gets what. The Library has to state their case and go up against these same departments they need and rely on. Being in an independent library district means the Library is our focus we're not having to compete with other departments for the same funds.

Funding strategies need to take long-term sustainability into account, including full lifecycle costs and funding source predictability.

- We need to separate out the capital from the operating because there will be different solution for those. We need to be educated all at the same level on capital. The funding strategy needs to be flexible enough that the library can work over a lifecycle.

- Predictability in the funding source matters. The levy would be a property tax hopefully. The ups and the downs in the economy are tough on sales tax. Consistency in the funding. The city has significantly underfunded facility maintenance for the main branch. Don't understate those. That's something that has caused problems in the past. Considering all the future costs - building renewal costs, etc.
- If the city were to annex into the County, there are certain things that happen that are not fully funded by the library fund through allocations. Facilities custodial maintenance, security, the library doesn't pay for those right now. They are absorbed into the larger city budget. A full understanding of the costs will be key.

Moving a funding strategy forward should include staff and community conversation and outreach.

- I think it's time to talk with our stakeholders. We need to see what they think is needed. We met with stakeholders about nine years ago during a strategic plan. There was a wide range of people who came together to come up with ideas in their working session with things that the trustees had never even thought of.
- The community is aware of a need for a new building but not aware of this being a larger package. Many people thought that past studies were a signal that the Library was pursuing a new building, but there's been no discussion of it since. They all think it's all about building a new building - but not about there being bigger, larger long-term questions.
- Bellingham has a very politically active community and we need to take that into account as we determine our next steps. Communicate sooner than later, being ready for the conversation and not being reactive to it. If Whatcom County were having this conversation, they wouldn't be as involved. Our active and aware community members don't like to be surprised. We need to go out to the community. They are not going to be okay with recommendations when there isn't a place where we went out to ask the community about their input.
- Keeping staff in the loop is necessary because there's some distrust of management and there is some fear about what this study will show. The study will change things for the future, but nobody will lose their job as a result the study. People needed that sort of messaging. Staff knowing they are safe is important.
- Can it be supported by the community? It really depends on how it's presented and it has to be presented as fiscally sound or some cost savings or on par or with a lot of benefits gains for why you would do it. General Funding source is always tight. The jail ballot failed, the EMS levy failed. There's voter fatigue. It's a giant question. What's sustainable in an era when benefits costs go up so much every year?
- A lot is required to get a library annexation to happen. There are significant differences in the pay scales and the benefits offered. Benefits would need to be aligned, and there would need to be union approval and that can be costly. No one will want to go backwards on either side so this might not be a cost savings.

Some informants wondered about the role alternative funding sources could play. Others talked about sharing resources across different community resources.

- If there are any known community demands that could generate revenue, that would be interesting.

We are building a conference center in the city, could the library be a part of that? There aren't enough shared spaces in the community, could the library benefit from that?

- We haven't done as well as we could on personal private contributions and funding. We haven't done a big capital fundraising campaign. We have some deep pockets here in the community. But also looking at combining to services - explore outside the box in sharing spaces. Create a space where things are highly aligned and can use each other's resources.

Hopes for the Study

Many informants hoped that this study would result in a clear direction or vision that the City could take to staff and community for input. There is fatigue around the topic of a new Central Library, and all informants discussed needing a path forward.

- I hope we get a recommendation for phase 2 to go and talk to the community about what they want. We need to understand what the community wants and needs in different areas. Our hope was that outreach would be a part of this.
- There's staff fatigue on this topic. They've heard this discussed so many times and studies have been done but no direction was taken. No decisions made. This study needs to give information that gives us a sense of where to go next. It can't just be to consider it and gather more information.
- I hope you get to meet with community members who are high users, not just internal perspectives. That is key. I also hope that when you look at this you look the full costs and the costs that shared so there is an accurate picture of different scenarios.
- I'd like to find some vision, something that would be an exciting key element that the community could achieve if we joined WCLS or if we raised the money with additional funds.
- The library is important and serves a vital function. The challenge is the way that everyone somehow wins and there's a path forward. The city is used to a high level of service. Our library does amazing work. But if we continue with the current funding picture, then we're going to lose. We need to find revenue. Maybe it's a bond that takes care of physical plant needs, if there was something in front of voters that included. If there was a collaborative approach. The challenge is voter fatigue in Western Washington. You've got to combine things. Make the ask that shows the change, selected improvements that really make a difference. What's the ask that gets the greatest good. A single item ask will be really tough.
- My hopes for this study are that we get clear priorities about what we want to do well. And then for me and from the study I want to figure out from the study what we can do to sustain the funding for that so that it's consistently available for the public. I'd like to see the library continue to be a safe, comfortable place where I'd like to go.
- We need to get to a place where we are having a high-level conversation without our biases. I want to walk away with this study and share it honestly. The report needs to be good and meaty and not include biases about keeping the library how it is where it is. People shouldn't look it as a way to justify what they were already hoping to do.

Some informants described the levy package they thought would be most successful with voters.

- My vision would be to come up with a bond package that comes up with new central new north side branch and seismically retrofitted Fairhaven. It would need to be all three to be feasible to public and decrease the scope of the Central branch due to the additional location. There was the feeling that the past 50 million price tag was building a Taj Mahal, but if you are able to do a 55 million and include a location somewhere else and seismic retrofits, it might work.
- Be mindful of the other potential levies on the horizon. The city just passed property tax for greenways, but there's a lot coming up. Whatcom transportation authority, the school district, the transportation benefit district, there's a lot of stuff expiring in the next few years. The City needs to be thoughtful and strategic about going out the public. Take into account the big picture, so that one agency doesn't get out in front of the other and compete in a way that's unproductive for the community.
- Port Townsend got a permanent library levy - just amazing that they were able to pull that off, but it's something that the City should look at - how that was worded and how it actually happened that they were able to do that.

BACKGROUND RELATED TO WHATCOM COUNTY LIBRARY SYSTEM

WCLS Administration

Governance

WCLS Board of Trustees

WCLS operations are governed by a five-member board of trustees, appointed by the Whatcom County Executive. Current WCLS Board of Trustees members include:

- Marvin Waschke, Board Chair
- June Hahn, Board Vice Chair
- Lori Jump, Board Secretary
- Erica Nuerenberg
- Brad Cornwell

Christine Perkins, WCLS Executive Director, participates in Board of Trustee meetings as an ex-officio member. The WCLS Board of Trustees is responsible for budget oversight and setting WCLS policy.⁹

Strategic Direction

WCLS centers its services around four critical functions, as detailed in their 2016-2020 Strategic Plan¹⁰:

- **Reading:** Build and support a reading culture that encourages literacy and a lifelong love of reading.
- **Engagement:** Encourage new people to use the library and lapsed users to reengage with the library again.
- **Access:** Improve access to materials and services to make WCLS intuitive, seamless, and easy to use.
- **Diligent Stewardship:** Thoughtfully steward taxpayer dollars while providing the highest level of library service possible.

WCLS currently employs approximately 180 staff members who contribute to almost 90.5 FTE. Many of these staff are covered by one labor organization through its collective bargaining agreement.

Services and Usage

WCLS' direct service area Whatcom County. WCLS library cards, which confer full library usage privileges to holders, are free to those who:

- Live, work or own property in Whatcom County, or
- Live in Washington State or Fraser Valley, Canada, and show your home public library card when

⁹ <https://www.wcls.org/library-board-of-trustees/>

¹⁰ <https://www.wcls.org/strategic-plan-2016-2020/>

applying for a WCLS card.

For individuals who do not meet these criteria, WCLS cards can be purchased.

WCLS provides many library services beyond the traditional lending of materials. A summary of WCLS' services includes:

- Book clubs
- Bookmobile and Homebound delivery
- Teen comic publication
- Whatcom Reads
- Meeting rooms
- Youth Programming
- Preschool Theme Kits
- Baby Boxes
- People of the Salish Sea Curriculum Kits
- Early Literacy Kits

These services are available at WCLS' physical locations. A full list of WCLS' locations and open hours is available in Exhibit 1.

Interlocal Agreements

WCLS provides library services through Interlocal Agreements (ILAs) with participating jurisdictions. Each ILA includes several key sections, including:

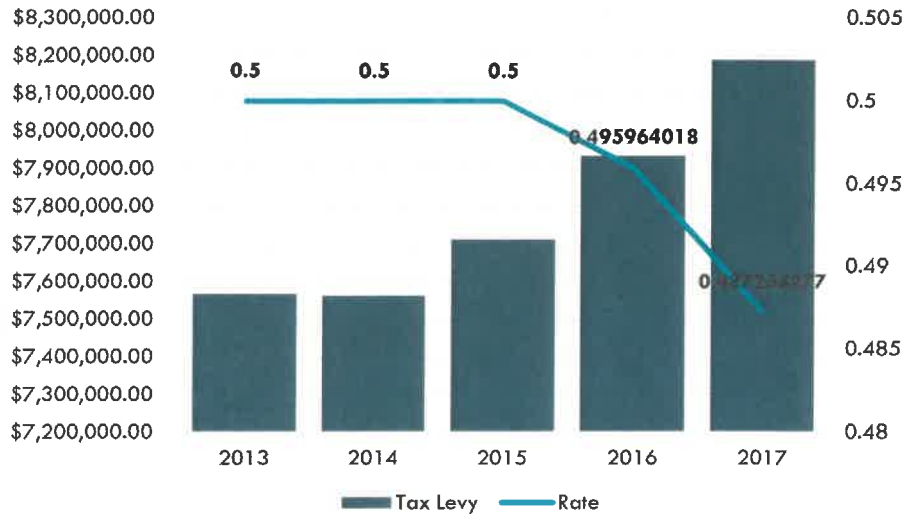
- **Purpose of Agreement.** States the desire of participating jurisdiction that its residents have access to library services, and that costs of service provision are allocated equitably between the participating jurisdiction and WCLS.
- **Facility/Site for Library Services.** Details the participating jurisdiction's right to furnish the facility for library services, and granting rights to furnish the premises to WCLS.
- **Library Services Provision.** States that library services shall be provided by WCLS according to its internal policies and procedures.
- **Term of Agreement.** Defines the length of the existing agreement, ranging from 2 to 21 years, as negotiated by WCLS and the participating jurisdiction.
- **Facility Maintenance and Repair.** Identifies expected cost allocation, as follows:
 - **WCLS:** everyday maintenance, including basic janitorial services and restroom cleaning; utilities, property and liability insurance; repair costs caused by WCLS negligence or fault.
 - **Participating Jurisdictions:** maintenance and repair to parking areas, sidewalks, driveways, fences, storm drains, utility lines and meters, exterior and interior painting, landscaping, roof and building exterior, floor covering, wiring, lighting fixtures, windows, plumbing, heating and cooling equipment, security systems; property taxes and assessments; liability insurance; promptly maintaining the facility in good condition and repair, appropriate to its use as a public facility.
- **Termination of Agreement.** States that the ILA can be terminated by either party if the other abandons the premises, and process for termination as the ILA term ends.
- **Other Sections as Negotiated.** Includes procedural elements related to the agreement.

These ILAs confirm that WCLS provides library services to its own internal standards and levels of service, and the participating jurisdiction provides and maintains the facility WCLS uses to provide those services.

Historical Revenues

WCLS is funded primarily by the Rural Library District property tax, assessed in 2017 at a rate of \$0.487 per \$1000 of assessed property valuation. Total tax levies for the historical period are shown in Exhibit 32.

Exhibit 32: WCLS Historical Levy and Rate, 2013-2017 (YOE\$)



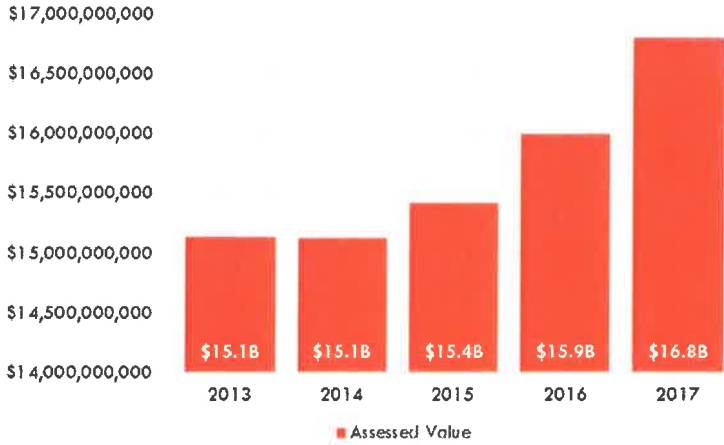
Source: Whatcom County Assessor, 2013-2017; BERK Consulting, 2017.

In 2017, property taxes generated \$8.2 million in revenue for WCLS. WCLS' total revenues in 2017 were estimated to be about \$8.6 million, with the approximately \$400,000 in additional revenues coming from a few sources, including:

- Leasehold excise tax
- Private harvest tax
- Intergovernmental revenue
- Charges for goods and services
- Fines and forfeits
- Miscellaneous sources

Recent increases in WCLS' total levy are due to increases in property valuation throughout Whatcom County, shown in Exhibit 33.

Exhibit 33: WCLS Historical Assessed Value



Source: Whatcom County Assessor, 2013-2017; BERK Consulting, 2017.

PEER COMPARISONS AND FUNDING MODELS

Methodology

To understand its relative performance, we must put BPL in context of its peers. For the purposes of this analysis, we identified nine Washington State city library systems serving between 32,000 and 213,000 residents as BPL's peers; these library systems include:

- Everett Public Library
- Longview Public Library
- Mount Vernon City Library
- Pullman Neill Public Library
- Puyallup Public Library
- Richland Public Library
- Spokane Public Library
- Tacoma Public Library
- Walla Walla Public Library

These city library systems were then compared, using data from the *2015 Washington Public Library Statistical Report* published by the Washington State Library. We are reliant on 2015 data because it is the most current data available.¹¹

Because of the significant range in population served among the identified peer libraries, where possible any statistics were normalized for population on a per capita basis. There are still significant limitations to this analysis, as the range of peer libraries in terms of size and services is significant. As such, this analysis is helpful only as it provides indicators related to BPL's services, performance, and funding, not more complex issues like efficiency and cost relative to benefits.

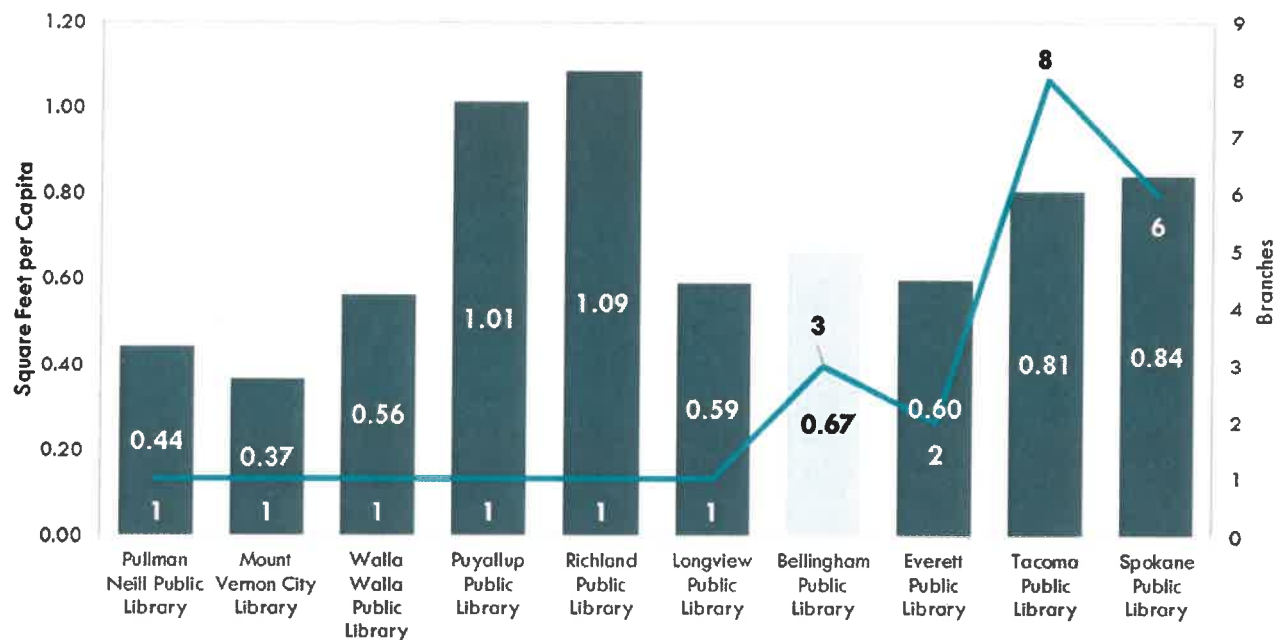
Comparisons

Facilities

BPL has more physical library branches than many of its peers, but falls somewhere in the middle in terms of square footage per capita, as shown in Exhibit 34.

¹¹ Data collection for FY 2016 ended in August 2017, and final reports won't be available until 2018. The FY 2017 data collection period begins in January 2018 and runs through August 2018; final FY 2017 data will not be available until 2019.

Exhibit 34: Peer Comparisons: Library Facilities, 2015



Library	2015 Population	City Size (Square Miles)	Number of Branches	SF of system	SF per capita
Bellingham Public Library	83,580	27.07	3	55,670	0.67
Pullman Neill Public Library	32,110	9.88	1	14,200	0.44
Mount Vernon City Library	33,530	12.24	1	12,336	0.37
Walla Walla Public Library	33,840	12.80	1	19,067	0.56
Puyallup Public Library	38,950	14.11	1	39,500	1.01
Richland Public Library	53,080	38.56	1	57,757	1.09
Longview Public Library	55,797	14.54	1	33,000	0.59
Everett Public Library	105,800	33.11	2	63,485	0.60
Tacoma Public Library	202,300	49.73	8	163,328	0.81
Spokane Public Library	213,100	68.73	6	179,644	0.84

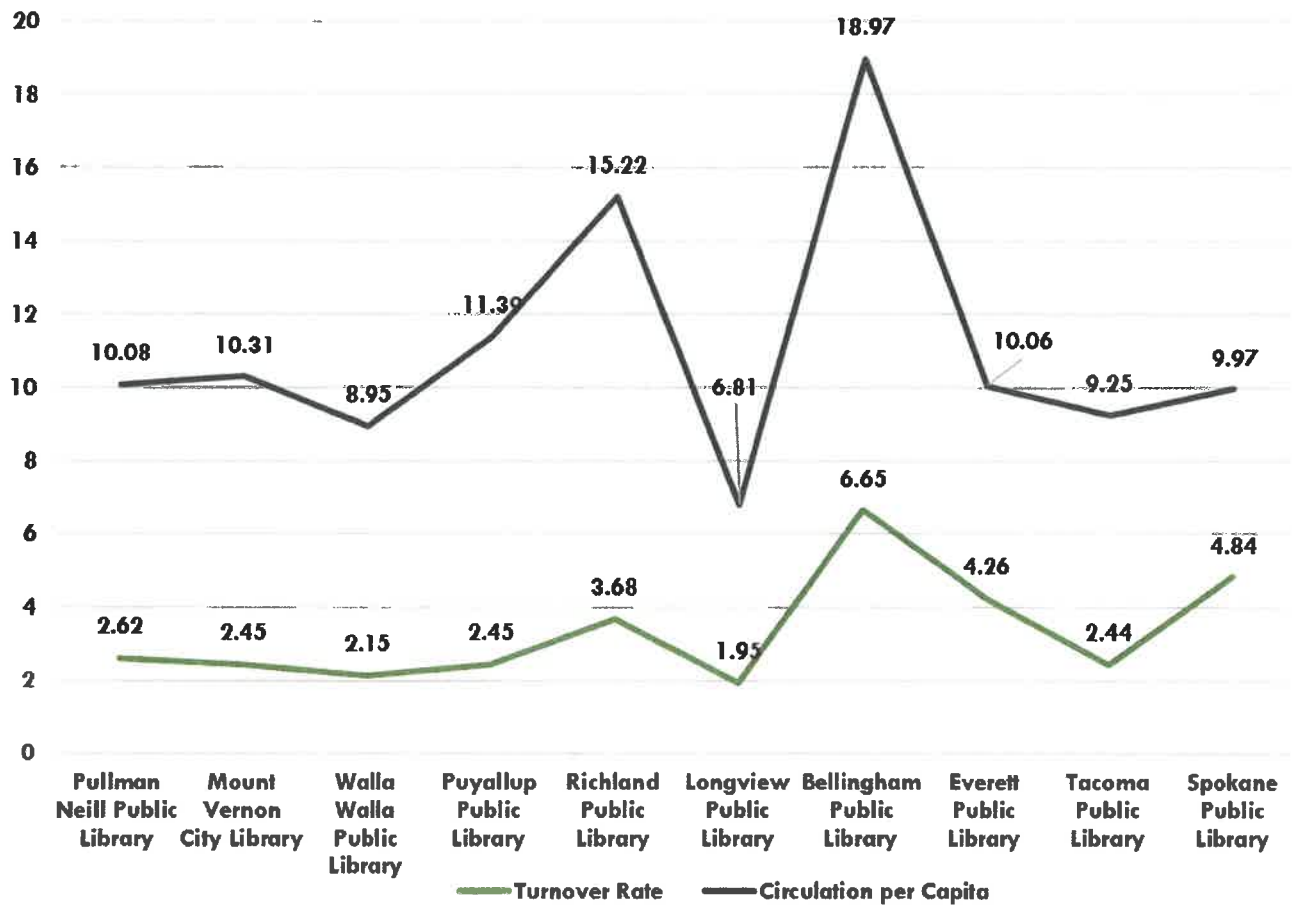
Note: Within these statistics, BPL's square footage is listed as higher than total active library square footage, because it includes administrative space. For the purposes of this analysis, we have retained this indicator for comparative purposes. Source: Washington State Library, "2015 Washington Public Library Statistical Report," 2015.

BPL has three branches but an overall square footage of 0.67 square feet per capita, so it is relatively comparable to its peers.

Services and Usage

BPL's usage, as represented by turnover rate and circulation per capita is significantly higher than its peers, as shown in Exhibit 35.

Exhibit 35: Peer Comparisons: Services and Usage, 2015



Library	2015 Compstat Population	Registered Users	Total Registered Users Per Capita	Collection	Circulation	Circulation per Capita	Turnover Rate
Bellingham Public Library	83,580	51,875	0.62	238,473	1,585,511	18.97	6.65
Pullman Neill Public Library	32,110	14,645	0.46	123,678	323,766	10.08	2.62
Mount Vernon City Library	33,530	11,409	0.34	141,158	345,606	10.31	2.45
Walla Walla Public Library	33,840	20,324	0.60	350,000	302,829	8.95	2.15
Puyallup Public Library	38,950	75,365	1.93	180,779	443,513	11.39	2.45
Richland Public Library	53,080	47,455	0.89	219,504	807,639	15.22	3.68
Longview Public Library	55,797	33,198	0.59	194,799	380,028	6.81	1.95
Everett Public Library	105,800	40,987	0.39	250,057	1,064,695	10.06	4.26
Tacoma Public Library	202,300	170,876	0.84	767,890	1,871,249	9.25	2.44
Spokane Public Library	213,100	145,343	0.68	439,258	2,124,539	9.97	4.84

Note: Turnover Rate is Total Circulation divided by Total Library Collection (holdings).
 Source: Washington State Library, "2015 Washington Public Library Statistical Report," 2015.

Part of the reason that BPL’s turnover rate is high, is because its collection is on the small side among its peers. However, circulation per capita indicates that the Library is providing materials that are useful to its patrons.

Funding

It is difficult to compare library spending across even these ten peer libraries because of differences in their services and level of service. As such, we are limited to funding indicators that consider both funding and performance. One of these is investment per reader which compares a library's total collection expenditures to total circulation. As shown above, because of high circulation and relatively low collections spending, BPL has a low investment per reader among its peers. However, relative to its peers, BPL seems to have relatively high revenue per capita. This begs the question why revenues are high but collection spending is low. One reason for this is that investment per capita is heavily influenced by BPL's extremely high circulation relative its peers. To provide more insight into this, we looked at the peer libraries' expenditures in Exhibit 37.

Exhibit 36: Peer Comparisons: Funding, 2015

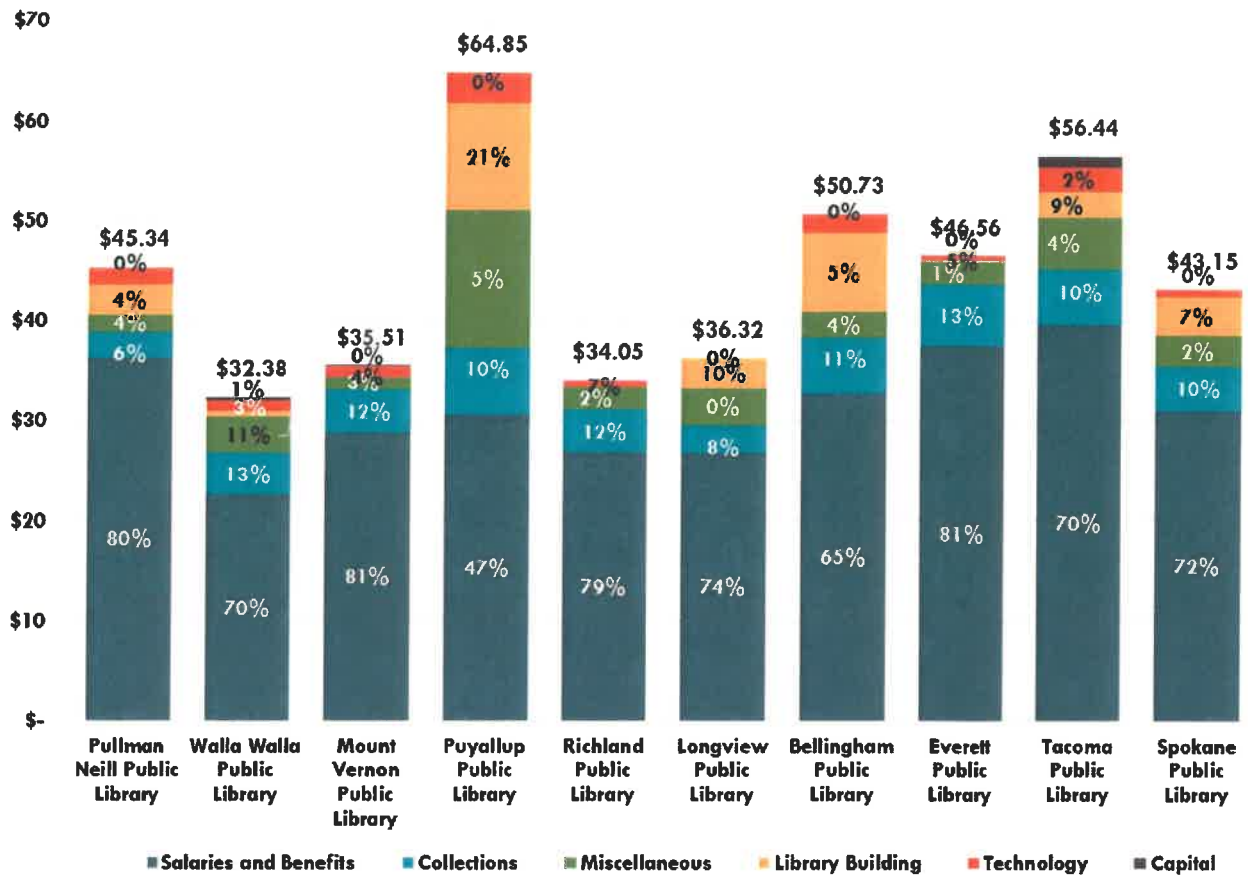


Library	2015 Compstat Population	Total Revenue	Investment Per Reader	Revenue per Capita
Bellingham Public Library	83,580	\$ 4,236,612	\$ 0.30	\$ 50.69
Pullman Neill Public Library	32,110	\$ 1,455,782	\$ 0.26	\$ 45.34
Mount Vernon City Library	33,530	\$ 1,191,718	\$ 0.42	\$ 35.54
Walla Walla Public Library	33,840	\$ 1,082,240	\$ 0.46	\$ 31.98
Puyallup Public Library	38,950	\$ 2,332,483	\$ 0.59	\$ 59.88
Richland Public Library	53,080	\$ 2,038,648	\$ 0.28	\$ 38.41
Longview Public Library	55,797	\$ 2,099,440	\$ 0.41	\$ 37.63
Everett Public Library	105,800	\$ 5,105,906	\$ 0.61	\$ 48.26
Tacoma Public Library	202,300	\$ 11,417,918	\$ 0.60	\$ 56.44
Spokane Public Library	213,100	\$ 9,376,742	\$ 0.44	\$ 44.00

Note: Investment per Reader is Total Collection Expenditures divided by Total Circulation.

Source: Washington State Library, "2015 Washington Public Library Statistical Report," 2015.

Exhibit 37: Peer Comparisons: Expenditures, 2015



Source: Washington State Library, "2015 Washington Public Library Statistical Report," 2015.

BPL's expenditures per capita fall within the range provided by its peers.

Funding Models

BPL is one of many City-governed library systems in Washington State. Despite all being City-governed library systems, we reviewed their operating and dedicated capital revenues sources to see if there was any variation in funding model among these libraries as shown in Exhibit 38.

Exhibit 38: Peer Comparisons: Funding Models

	2015 Operating Revenue per Capita (2015\$)	Operating Revenue Sources	Dedicated Capital Revenue Sources
Bellingham Public Library	\$50.69	<ul style="list-style-type: none"> ▪ General Fund ▪ Fees and charges ▪ Private sources (donations and foundation) 	N/A
Pullman Neill Public Library	\$45.34	<ul style="list-style-type: none"> ▪ General Fund 	N/A
Mount Vernon City Library	\$35.54	<ul style="list-style-type: none"> ▪ General Fund property tax revenues ▪ Reserves and endowments (library fund reserve) 	N/A
Walla Walla Public Library	\$31.98	<ul style="list-style-type: none"> ▪ General Fund ▪ County distribution (25% of property tax revenues to cities to support libraries, parks and recreation, and EMS) 	N/A
Puyallup Public Library	\$59.88	<ul style="list-style-type: none"> ▪ General Fund 	<ul style="list-style-type: none"> ▪ UTGO bond for library facilities
Richland Public Library	\$38.41	<ul style="list-style-type: none"> ▪ General Fund ▪ Fees and charges ▪ Private sources (donations and foundation) 	<ul style="list-style-type: none"> ▪ UTGO bond for library facilities (2007 Library Construction Bond Levy)

	2015 Operating Revenue per Capita (2015\$)	Operating Revenue Sources	Dedicated Capital Revenue Sources
Longview Public Library	\$37.63	<ul style="list-style-type: none"> ▪ Cowlitz County Partial-County Rural Library District contract ▪ General Fund ▪ Reserves and endowments (Library Memorial Trust Fund) ▪ Grants 	<ul style="list-style-type: none"> ▪ LTGO bond for capital improvements including library renovation
Everett Public Library	\$48.26	<ul style="list-style-type: none"> ▪ General Fund 	N/A
Tacoma Public Library	\$56.44	<ul style="list-style-type: none"> ▪ General Fund (dedicated 6%) ▪ Fees and charges 	N/A
Spokane Public Library	\$44.00	<ul style="list-style-type: none"> ▪ General Fund ▪ Levy lid lift for library services - 	N/A

Source: Washington State Library, "2015 Washington Public Library Statistical Report," 2015; and BERK Consulting, 2017.

- BPL's peer library systems generate operating revenues from several revenue sources, including:
 - General Fund
 - County distributions
 - Fees and charges
 - Reserves and endowments
 - Private sources (donations and friends of/foundation)
 - Levy lid lift

All the peer library systems rely primarily on General Fund revenues to fund their operations.

- There is no clear trend between the diversity of operating revenue sources and operating revenue per capita.
- Some of BPL's peer library systems have been successful in obtaining additional operating and dedicated capital funding through voted measures; these include:
 - Richland Public Library UTGO bond for library facilities
 - Puyallup Public Library UTGO bond for library facilities

- Spokane Public Library levy lid lift for library services

One library system, Longview Public Library, is currently using limited tax general obligation (LTGO) councilmanic debt to pay for capital improvements.