



Multnomah County Oregon

## Board of Commissioners & Agenda

*connecting citizens with information and services*

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### AUGUST 5 & 8, 2008 BOARD MEETINGS FASTLOOK AGENDA ITEMS OF INTEREST

Pg 2	9:00 a.m. Tuesday Executive Session
Pg 2	10:00 a.m. Tuesday Briefing on Library Funding Task Force Report
Pg 2	9:30 a.m. Thursday Public Comment
Pg 4	9:40 a.m. Thursday Resolution Vacating a Portion of SW Comus Street, a Public Road, Located in an Unincorporated Area of Southwest Multnomah County
Pg 4	9:44 a.m. Thursday Second Reading and Adoption of an Ordinance Amending MCC Chapter 7.450 et seq. Relating to Art Acquisition
Pg 4	9:45 a.m. Thursday Briefing on Metro's Proposed Business Recycling Program
Pg 4	10:15 a.m. Thursday Board Comment

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Thursday, 9:30 AM, (LIVE) Channel 30  
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Tuesday, August 5, 2008 - **9:00 AM**  
Multnomah Building, Sixth Floor Commissioners Conference Room 635  
501 SE Hawthorne Boulevard, Portland

## **EXECUTIVE SESSION**

- E-1 The Multnomah County Board of Commissioners will meet in Executive Session Pursuant to ORS 192.660(2)(d),(e) and/or (h). Only Representatives of the News Media and Designated Staff are allowed to attend. News Media and All Other Attendees are Specifically Directed Not to Disclose Information that is the Subject of the Session. No Final Decision will be made in the Session. Presented by County Attorney Agnes Sowle. 15-55 MINUTES REQUESTED.
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Tuesday, August 5, 2008 - **10:00 AM**  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## **BOARD BRIEFING**

- B-1 Briefing on Library Funding Task Force Report. Presented by Molly Raphael and Task Force Representatives. 60 MINUTES REQUESTED.
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Thursday, August 7, 2008 - **9:30 AM**  
Multnomah Building, First Floor Commissioners Boardroom 100  
501 SE Hawthorne Boulevard, Portland

## **REGULAR MEETING**

### **CONSENT CALENDAR - 9:30 AM** **NON-DEPARTMENTAL**

- C-1 Reappointment of Jennifer Cooperman, Marc Gonzales, and George Scherzer to the Multnomah County INVESTMENT ADVISORY BOARD

### **SHERIFF'S OFFICE**

- C-2 New Owners Full On Premises Sales Liquor License for SPRINGDALE PUB 32302 E Historic Columbia River Highway, Corbett, Oregon

## **DEPARTMENT OF LIBRARY SERVICES**

- C-3 Budget Modification LIB-02 Reclassifying One Vacant Position in Neighborhood Libraries Division, as Determined by the Class/Comp Unit of Central Human Resources

## **DEPARTMENT OF COUNTY HUMAN SERVICES**

- C-4 Budget Modification DCHS-01 Reclassifying Two Office Assistant 2 Positions to Case Management Assistant Positions in the Aging and Disabilities Services Division, as Determined by Class/Comp Unit of Central Human Resources
- C-5 ORDER Authorizing Designees of the Mental Health Program Director to Direct a Peace Officer to Take an Allegedly Mentally Ill Person into Custody

## **REGULAR AGENDA**

### **PUBLIC COMMENT - 9:30 AM**

Opportunity for Public Comment on non-agenda matters. Testimony is limited to three minutes per person. Fill out a speaker form available in the Boardroom and turn it into the Board Clerk.

## **DEPARTMENT OF LIBRARY SERVICES – 9:30 AM**

- R-1 NOTICE OF INTENT to Apply for a Library Services and Technology Act (LSTA) Grant from the Oregon State Library for “Kaboom! (Knowledgeable and Active Boomers): Harnessing the Energy and Engagement of Older Adults at the Library”

## **DEPARTMENT OF COUNTY HUMAN SERVICES – 9:35 AM**

- R-2 Aging and Disabilities Services Division NOTICE OF INTENT to Apply for American Society on Aging/MetLife Foundation Grant to Host One-day MindAlert Training to Promote Cognitive Fitness in Older Adults

## **DEPARTMENT OF COMMUNITY SERVICES – 9:40 AM**

- R-3 RESOLUTION Vacating a Portion of SW Comus Street, a Public Road, Located in an Unincorporated Area of Southwest Multnomah County, Pursuant to ORS 368.326 to 368.366

**NON-DEPARTMENTAL - 9:45 AM**

- R-4 Second Reading and Possible Adoption of an ORDINANCE Amending Multnomah County Code Chapter 7.450 et seq. Relating to Art Acquisition
- R-5 Briefing on Metro's Proposed Business Recycling Program. Presented by Marta McGuire, Metro Senior Solid Waste Planner and Matt Korot, Waste Reduction Manager. 30 MINUTES REQUESTED.

**BOARD COMMENT**

Opportunity (as time allows) for Commissioners to provide informational comments to Board and public on non-agenda items of interest or to discuss legislative issues.



# MULTNOMAH COUNTY

## AGENDA PLACEMENT REQUEST (short form)

### Board Clerk Use Only

Meeting Date: 08/05/08  
Agenda Item #: E-1  
Est. Start Time: 9:00 AM  
Date Submitted: 07/30/08

**Agenda Title:** Executive Session Pursuant to ORS 192.660(2)(d),(e)and/or(h)

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.*

**Requested Meeting Date:** August 5, 2008  
**Amount of Time Needed:** 15-55 minutes  
**Department:** Non-Departmental  
**Division:** County Attorney  
**Contact(s):** Agnes Sowle  
**Phone:** 503 988-3138 **Ext.** 83138 **I/O Address:** 503/500  
**Presenter(s):** Agnes Sowle and Invited Others

### General Information

**1. What action are you requesting from the Board?**

No final decision will be made in the Executive Session.

**2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.**

Only representatives of the news media and designated staff are allowed to attend. Representatives of the news media and all other attendees are specifically directed not to disclose information that is the subject of the Executive Session.

**3. Explain the fiscal impact (current year and ongoing).**

**4. Explain any legal and/or policy issues involved.**

ORS 192.660(2)(d),(e)and/or(h)

**5. Explain any citizen and/or other government participation that has or will take place.**

### Required Signature

Elected Official or  
Department/  
Agency Director:

Date: 07/30/08



## MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST (short form)

### Board Clerk Use Only

Meeting Date: 08/05/08  
Agenda Item #: B-1  
Est. Start Time: 10:00 AM  
Date Submitted: 07/30/08

**Agenda Title:** Briefing on Library Funding Task Force Report

*Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.*

Requested Meeting Date: August 5, 2008 Amount of Time Needed: 60 minutes  
Department: Non-Departmental Division: Chair's Office  
Contact(s): Rhys Scholes  
Phone: 503-988-5273 Ext. 85273 I/O Address: 503/600  
Presenter(s): Molly Raphael and Task Force Representatives

### General Information

**1. What action are you requesting from the Board?**

No action is requested.

**2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.**

On May 10th 2007 the Board of County Commissioners passed Resolution 07-094 creating the Library Funding Task Force. The Task Force is presenting a report on their work.

**3. Explain the fiscal impact (current year and ongoing).**

None

**4. Explain any legal and/or policy issues involved.**

The Task Force is proposing options for changing the way that libraries in Multnomah County are funded.

**5. Explain any citizen and/or other government participation that has or will take place.**

The Task Force includes community representatives.

### Required Signature

Elected Official or  
Department/  
Agency Director:

TED WHEELER

Date: 07/30/08

REPORT OF THE TASK FORCE ON LIBRARY FUNDING  
TO THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS,  
JULY 2008

Mission: To research and ascertain strategies that would promote stable and adequate funding for the future of the Multnomah County Library.

**Contents:**

Report

Appendix A: Resolution No. 07-094 Creating a Multnomah County Library Funding Task Force

Appendix B: Library Funding Task Force Members

Appendix C: Multnomah County Library Locations

Appendix D: Quest for Funding Stability: An Historical Overview

Appendix E: Agnes Sowle's June 25, 2007 Memo "Stable Funding Sources for Library"

Appendix F: Library Districts in Oregon: 2007

Appendix G: Property Tax Analysis, August 2007

Appendix H: Comparison of 357 Library District, 451 County Service District, and Charter Amendment Library District

Appendix I: "As Is" Scenario – Distribution of Compression by Levy, dated 10/25/07

Appendix J: Library As Permanent Rate w/General Fund Support, dated 10/25/07

Appendix K: Library as Permanent Rate w/out General Fund Support, dated 10/25/07

Appendix L: Impact of Assumptions, dated 10/30/07

## **Background**

On May 10, 2007, the Board of County Commissioners for Multnomah County, by Resolution No. 07-094, created the Multnomah County Library Funding Task Force with the primary mission being "to assess the feasibility of all funding options and recommend the best option for funding Multnomah County Libraries." A copy of the Resolution is attached as Appendix A. Pursuant to the Resolution, Chair Wheeler appointed a 15-member Task Force, the membership of which is attached as Appendix B. The formation of the Task Force was the result of requests from the Library Advisory Board (LAB), The Library Foundation, the Friends of the Library, and other Library constituents, who were concerned about permanent and stable funding for Library services.

The Task Force met sixteen times from May 2007 through June 2008. Task Force members were given background information on the Library's services and financing, including its history, mission, operations, financial overview, governance, and strategies for providing future services.

Several sessions of the Task Force consisted of presentations by Library and County staff regarding finance alternatives, impacts to the County's general fund, effect of a permanent rate on other jurisdictions, and legal and procedural steps to forming a library district.

A subgroup of the Task Force briefed the Chair and/or individual commissioners on the Task Force's progress on September 26, 2007 and May 19, 2008.

## **Guiding Principles**

During the meetings, Task Force members adopted informally certain guiding principles regarding governance and funding scenarios for the Library.

The guiding principles adopted by the Task Force members include:

- The Library provides essential services to county residents.
- The Library must maintain and improve accessibility to the diverse population it serves.
- The goal of the Task Force is to ensure stable and adequate funding for Multnomah County Library. A realistic objective is stable and adequate funding for ten years - through 2020.
- Library employees should maintain their current benefits and working conditions.
- Library employees must be able to continue their participation in PERS.
- To the extent possible, our recommendations should be revenue neutral for the other jurisdictions, and expense neutral to the taxpayers.



## **County Library Services**

The County owns and operates the Central Library building and 16 neighborhood libraries scattered throughout the County. See attached Appendix C for a listing of the libraries and their locations. Multnomah County residents love their libraries and make extensive use of library services. The neighborhood libraries and Central Library are used to capacity on a daily basis.

County residents know what they want from their library system. They want open hours, good collections, and access to more collections, information and computer services, and services and programs for children and families. The library has made it possible for all, especially those without the means, to have access to the Internet. Library users want the library to be a place where they can get help using computers and obtain information about government, history, jobs, starting and sustaining a small business, and local events. Library users want a place where small businesses can get information without undue expense. Library users also understand that early reading leads to language and literacy development and success in school.

## **Present System -- Status Quo**

Although the Library became a County department in 1990, discussions regarding stable funding for library services have been documented as far back as June 1983. See Appendix D for an historical overview of the efforts to achieve funding stability.

Multnomah County Library has historically been funded through the County's general fund. Since the late 1970s, three or five-year local option levies have been used in conjunction with the general fund to operate the library system. General fund revenue shortfalls resulting from property tax limits and the competing needs of other County operations have jeopardized the general fund portion of the Library's budget. As the pressure on the general fund has increased, the percentage of general fund allocated to the Library has decreased and the percentage of the Library's budget funded by the levy has increased fairly dramatically. In 1998-99, the general fund support of the Library's budget was at 47% with levy funding providing 42%; for 2008-09, the general fund support has decreased to 27%, while the levy percentage has increased to 65%.

Presently, the annual revenues of the Multnomah County Library System (the Library) are approximately \$60.8 million, consisting of \$39.2 million from the most recently adopted five-year tax levy, \$16.3 million from the Multnomah County general fund, and \$5.3 million from fines, fees, and other sources. The County voters have been strongly supportive of library services and of the five-year levies to make up the difference between the general fund monies and the overall cost of running the libraries.

The current funding system requires a return every four years to the voters to approve another serial levy. Though the levies can now be for five years instead of three (one of the results of Measure 50), another Measure 50 impact requires that tax measures for schools or local governments be approved at a November general election in even-numbered years or at other elections with a fifty percent turnout. This "double majority" requirement means that the Library can only be assured of a valid election at the November even-year elections. For example, the

Library had a levy election in May of 2002 where the levy was approved but the voter turnout was below 50% so the election was invalid and had to be repeated in November of that year.

Another effect of Measure 50 as it overlays with Measure 5 is the creation of a hierarchy of tax levies, and thus an order of tax compression in order to meet Measure 5's limitation of 1.5% of assessed value for education and general government. In the tax "pecking order", local option levies are the first tax to be compressed. This means that the library levy is particularly vulnerable during times of high compression and revenues can be difficult to predict over the life of the levy. For example, during the current levy and the previous levy, compression on the library levy has ranged from 13% to 28%. That compression rate must be predicted and factored in when a levy rate is calculated, and it is one of the factors contributing to a higher levy rate than would be needed otherwise.

This fiscal year (2008-2009) will see levy support of 65.2% and County general fund support of 27.1%. The Task Force sees this trend as continuing and is greatly concerned about the need of the levy rate to increase each time it goes before the voters. The Library's first five year local option levy passed in 1997 at a rate of 59.5 cents and general fund support was about 40% of the Library's budget. The most recent levy, passed in 2006, is at 89 cents and general fund support is less than 30%. Operating costs will continue to increase. If the general fund support is not maintained with an inflationary factor for each year of the next levy, the rate will have to increase again correspondingly. At some point, the levy rate will potentially increase to a level that will become unacceptable to voters and the levy could fail. Should this happen, it would mean the end of library service as we know it today. This form of "levy roulette" is unacceptable to the Task Force and should, if at all possible, be replaced with a more stable funding mechanism.

### **Research Conducted**

The Task Force spent the first several meetings gathering information regarding tax options and legal issues. County Attorney Agnes Sowle presented a memorandum dated June 25, 2007 discussing possible stable funding sources for the library (Appendix E). One option would be a dedicated tax where the revenues or increases in revenues are dedicated to the Library. Examples of a dedicated tax are a personal income tax, an increase in the County's business income tax, a sales tax, an excise tax, a utility tax, or a payroll tax. A second option would be to impose user fees. However, user fees would not likely generate enough funds to operate the Library and would violate the premise of a public library being accessible to all residents. The third option would be a permanent property tax rate. In order to establish a permanent tax rate, the Library would have to become a Library District under ORS Chapter 357 or a County Service District under ORS 451. There is also the possibility of forming a district by amendment to the County Charter.

State Librarian Jim Scheppke attended a Task Force meeting in July 2007 to discuss library districts in Oregon. There are 22 library districts in Oregon providing public library service – 18 special library districts and four county service districts. See Appendix F for a map of the library districts. Highlights of Jim's comments:

- The motivation for a district is stable funding. Most recently, libraries have lost funding due to the loss of federal timber payments.
- Though both types of districts are independent, practically, the county service district operates like a county department (governed by the county's board).
- Opinion of the State Library is that a library district could be a hybrid model of a county service district with a governing library board.
- Critical to set the tax rate right the first time.
- No creative funding for libraries right now in Oregon – it's all property taxes.

In August 2007, Mark Campbell, County Deputy Budget Manager, presented a property tax analysis for the Task Force (Appendix G). Mark, along with Mike Jaspin, Senior Budget Analyst, presented financial scenarios as requested by the Task Force throughout the year. Those scenarios will be discussed in later sections of this report.

The Task Force focused on the library district option as the most feasible approach – largely because this option would continue the property tax support that taxpayers are used to voting on and seeing on their property tax bills. The Task Force also explored the idea of a library district being formed by amendment to the county charter. Discussion of these three options follows. A side-by-side chart comparing the three options is attached as Appendix H. This chart was prepared by County Attorney Agnes Sowle.

### **357 Library District and 451 County Service District**

There are many similarities between these two district options, as follows:

- Formed under the provisions of ORS 198.705-198.955;
- Independent bodies separate from Multnomah County;
- Initiated by resolution of the BOCC or by initiative petition;
- Require approval of all cities in the proposed district's boundaries;
- Operated as a municipal corporation and may exercise powers of public libraries;
- Able to issue general obligation bonds and certificates of participation;
- Allow for the transfer of employees under ORS 236.610;
- PERS is available.

The major difference is in the area of governance. The 357 Library District is governed by an elected five member governing body, while the 451 County Service District is governed by the existing County Commission. The election of the governing body for the 357 Library District is held at the same time as the election for the district formation. This can be an issue for voters in that they do not know who will be on the governing board when they are asked to vote for the district. Another negative in voters' minds can be the formation of yet another government and taxing entity.

The Task Force has rejected the use of the library service district under ORS 357 primarily because it creates an entirely new layer of government and requires the election of five new library board members. The Task Force believes that the current governance by Multnomah County is an acceptable form of governance and therefore desires to look at either ORS 451 or a charter amendment.

The 451 County Service District is governed by the Board of County Commissioners. Along with libraries, service districts may be formed to provide a number of different functions, including sewage or drainage works, street lighting works, public parks and recreation facilities, water supply works and service, or emergency medical services, to name a few. For example, the Board of County Commissioners currently oversees Dunthorpe Riverdale Sanitary Service District No. 1 and Mid-County Street Lighting Service District No. 14. This remains a viable option for the formation of a Multnomah County library district.

### **Amendment to the Multnomah County Charter**

In May 1984, a previous task force, the "Multnomah County Commission on Library Policy & Administration," placed a county charter amendment on the ballot that would have formed an independent Multnomah County Library Commission. The measure failed by 206 votes, but it does suggest the possibility of forming a library district by charter amendment. We discussed this option extensively with County Attorney Agnes Sowle, and the decision to use this option would seem to hinge on the determination of whether or not creation of a library district would be considered a matter of County concern, as outlined in the "home rule" provisions.

The differences between a library district formed by charter amendment and that formed by either ORS 357 or ORS 451 are as follows:

- Method of formation would be prescribed by the Amendment;
- Initiated by the Charter Review Committee, BOCC ordinance, or initiative petition;
- Powers would be described by the Amendment (Chapter 19, "Library," of the County Code would require revision if a charter amendment passed);
- Method of governance would be prescribed by the Amendment;
- Approval of all cities in proposed district's boundaries is not required;
- As there are no other library districts in the state formed by charter amendment, it could be open to legal challenge.

The Task Force has expressed strong interest in the use of the charter amendment vehicle to form a library district with sufficient independence and authority to levy a permanent tax rate, and with the Board of County Commissioners as the governing body.

### **Library Board**

Pursuant to Oregon law, the County has the authority to appoint a Library Board, up to 15 persons, to take an active role in the operation and delivery of library services. Presently, pursuant to ordinance, the County has appointed a Library Advisory Board (LAB) to advise and give assistance to the Library Director and to the Chair and the County Commissioners. Under ORS 357.465, the County is given authority to make these appointments and to give the Library Board certain authorities, which are set forth in the statute.

The Task Force recommends that the charter amendment include the establishment of an official library board under ORS 357.465. The Task Force recommends that the initial membership of the Board contain at least five members of the existing Library Advisory Board, primarily for

continuity and experience. The membership would be staggered so that no more than one-third of the membership would turn over in any given year and the County would have authority to set those terms. The Library Board would elect its chair, vice-chair, and such other officers deemed desirable by the Board.

The responsibilities of the Library Board would be established by the County in the formation document. It should be possible to change these responsibilities as the County and the Library Board gain experience with the district.

The responsibilities of the Library Board could include:

- Advise the Chair and the BCC in the selection of Library Director.
- Participate in strategic planning and development of an annual service plan and budget.
- Review and advise on the use of real or personal property or donated funds.
- Other activities assigned by the County.

### **Financing**

The Task Force has received invaluable financial and accounting information from Mark Campbell and Mike Jaspin in the County's budget office.

Although the information and options regarding organization and governance were relatively straightforward, the same was not true for the financing scenarios. The information and options regarding the financing of this new district are much more complicated. Please bear in mind that all numbers quoted below are estimates only, and can be affected greatly by any one of a number of assumptions changing.

### **Setting the Tax Rate**

The tax rate that will be specified in the library district measure is a permanent rate. The amount of revenue generated will change according to the taxable assessed property value: as assessed value increases, decreases, or remains flat, so will the revenue generated by the permanent rate.

### **Conversion of Current Tax Levy to Permanent Tax Rate**

The discussion with Mark Campbell and Mike Jaspin included information regarding the conversion of the existing tax levy to a permanent tax rate, while maintaining a transfer from the County's general fund. Mark prepared an "as is" scenario based on FY 2007-08 assessed values and rates. If the 2007-08 levy rate of \$0.89/\$1,000 were converted to a permanent rate, it would mean an increase in property tax collection for the Library of \$4.8 million (to \$45.4 million), while the County overall and the City of Portland would lose roughly \$1.4 million each. This change would be due to the Library having a permanent rate that isn't the first tax subject to compression, potentially decreasing the Library's compression rate from about 13% to 3%. (See Appendix I). A further projection (from FY 2010-11 through FY 2019-20) with a permanent rate of \$0.85, would impact the County roughly \$1.3 to \$1.5 million each year, while the City's loss would range from \$3.6 to \$4.7 million each year. (See Appendix J). Under this scenario, the

Library's funding situation would be stable until approximately year seven, when it is estimated that \$6 million in other revenue would be required to balance the Library's budget. Historically, the Library's other revenue ranges from \$3-\$5 million each year.

Of concern to the Task Force was the effect of the permanent rate on taxes and levies of other jurisdictions, particularly the effects of this conversion on the City of Portland and Multnomah County due to increased compression, as noted above. A summary of compression follows.

A library district would compete for property tax levy money with other local governments. Oregon's Constitution limits a local government's ability to levy taxes. The constitution requires all local governments with taxing authority to share a maximum of \$10 per \$1,000 of each unit of property's real market value. All permanent tax rate authority has priority over local option rate authority. The constitutional limit can cause a proportional "compression" of all co-existing local governments' statutory levy authority for a parcel of property. The total of all permanent rates and all local option rates levied against a property parcel is calculated. If the total is less than the \$10 per \$1,000 cap, then all taxes are collected. If the sum is more than \$10 per \$1,000, then all local option levies are reduced proportionally or totally to get under the cap, before any other taxes are affected.

A permanent tax rate, of course, would be limited to an annual increase of three percent. Historical experience from the County indicates that Library expenditures are rising on an average of 4.5% per year. Thus, the permanent tax rate, even for the conversion, should build in a certain factor to cover the annual increases which exceed the three percent increase.

If the Task Force recommends a permanent tax rate of an amount sufficient to convert the serial levy, the new organization will need additional funds from the County general fund to maintain its current level of services. Such a contribution, given the other needs of the County, may be problematic. Task Force members have suggested that an inter-governmental agreement with the County be entered into that would provide assurance of general fund support while the new organization seeks other means of making up the shortfall between overall revenues needed and the revenues produced by the new tax rate.

### **Tax Rate Equal to Levy and General Fund**

The Task Force also considered a permanent tax rate sufficient to raise revenues that cover both the existing levy and the County's general fund contribution, again projected from 2010-11 through 2019-20 (see Appendix K). Taxing at a level to replace the general fund contribution would require a rate of \$1.20. This increased tax rate means more compression and more impact on the City of Portland and Multnomah County. The Task Force was advised that the first year the new tax rate took place would result in losses to the City of \$5.3 million and losses to the County of \$1.5 million.

One way to reduce the effect of this increase would be for the County to "under levy" property taxes by the amount collected with the increased rate. Under levying by the County requires a majority of the Board of County Commissioners to make that decision on an annual basis. There

are some on the Task Force that believe it will be very difficult for the County, given other needs such as opening up the Wapato Jail, to accomplish that on a yearly basis.

The Task Force also discussed another alternative: setting the permanent tax rate at \$1.20, which would provide sufficient revenues to cover the levy and general fund revenues and rather than under levy, use the approximately \$17 million additional money generated to the County for public safety purposes. That discussion, of course, enters a realm that is beyond the scope and the mission of the Task Force, and we only raise it here as a discussion point for the County Commissioners.

### **Third Rate Option – Allow for Library Expansion**

Finally, discussion was had by the Task Force regarding a higher permanent tax rate to cover the existing levy plus general fund plus additional growth in library services. Because Multnomah County residents use the library branches and services at a rate unparalleled in the country, every year we are seeing significant increases in those services, including holds placed, computer usage, and circulation. The Task Force believes that these service demands will continue to increase. Thus, since the permanent tax rate is indeed permanent with only a three percent increase, some room must be made for the provision of additional services in the coming years. Of course, the higher tax rate for this scenario means more severe impacts on the City of Portland and Multnomah County.

### **Assumptions**

Behind all of these scenarios are some basic assumptions that can impact the numbers dramatically if each one does not hold true. For example, if Library expenses grow at 4.25% annually rather than the 4.50% included in the financial scenarios, the Library's financial requirements would be \$8.6 million less than projected. See Appendix L for more information about the impact of assumptions.

### **Utility Tax**

As a result of the 2007 Oregon Supreme Court ruling in *Knapp, et al v. The City of Jacksonville*, which approved the use by the City of Jacksonville of a utility surcharge to cover public safety expenses, and the recent decision by the City of Talent to use a utility surcharge to keep its libraries open, the Task Force felt compelled to review the possibility of using a County utility surcharge to fund library services or to be used in conjunction with a permanent tax rate.

Utilities taxes have some benefits in this discussion. Replacing any of the revenues to be raised by a permanent tax rate with a utility tax would automatically reduce the impact and compression on taxes and levies in the City of Portland and the County.

Further, there was some information from the County Budget Office that indicated the amount of utility taxes paid by the average homeowner in terms of revenue raised would be similar to the amount of property taxes paid.

According to the math used by the County revenue experts, for each percent surcharge, approximately \$7.4 million would be generated. Thus, to obtain \$17.3 million, enough to cover the County's projected general fund contribution for 2010-11, would require a surcharge of 2.33%. There was also discussion by the Task Force of accommodations for waiving the surcharge or some other mechanism for lower income households. This would require some use of social service programs that perform income screening in order to rebate the funds to the qualified households.

## **Conclusion**

There is unanimous support on the Task Force for establishing a new library district with authority to establish a permanent tax rate, which would eliminate the need to go to the voters every four years to adopt a new serial levy. The Task Force notes, however, that once adopted, the permanent tax rate is indeed permanent with a growth factor limited by law to three percent. Thus, much consideration should be given to the amount of the initial rate.

As outlined in the draft resolution the Task Force submitted in June 2008, in the coming months, Library staff will work with the Task Force, stakeholders, and the County Budget Office to prepare financial projections and strategic library needs through 2020. The plan will take into account expected population increases and demographic shifts, as well as changing service delivery options. The projections will serve as the basis for the Task Force to develop a financing plan for stable funding through 2020. The Task Force will brief the Chair on its progress after the November 2008 election.



# **MULTNOMAH COUNTY LIBRARY**

## **PROPOSAL FOR STABLE FUNDING TO 2020**

The Multnomah County Library is currently funded from two primary sources: a five-year property tax serial levy approved by the voters and an annual appropriation from the county general fund authorized by the Board of County Commissioners (BCC). In 2008, the levy is expected to provide \$34.9 million dollars, providing 61 percent of the library's operating budget, and the general fund contribution is approximately \$15.8 million, providing 28 percent of the revenue to operate the library.

In May 2007, County Chair Ted Wheeler established a Library Funding Task Force (LFTF) to investigate funding strategies in order to provide for permanent, adequate, stable library funding. The LFTF has agreed that stable funding means adequate funding to support a quality library operation through 2020.

The LFTF concentrated on developing a proposal for converting the five-year levy to a permanent tax base and the establishment of a library district to serve all of Multnomah County. Some members of the LFTF were pressing for action to have a ballot measure approving the proposal submitted to the voters in the November 2008 general election. There has not been substantial agreement on either the timing or the level of funding to enable a ballot measure to be crafted and submitted for voter consideration in 2008. Given the current law regarding "double majority" approval of a money measure and the need for the next five-year levy to be submitted to the voters at the general election in November 2010, it is likely that measures to establish a library district and authorize a permanent tax base for the library must be delayed until November 2012.

In preparation for the November 2012 general election, it is therefore recommended that the LFTF prepare a comprehensive financial plan for the Multnomah County BCC that assures stable library funding through 2020. The following are recommended steps and schedule for development of a plan:

**2008 - LIBRARY 2020 FUNDING PLAN:** Working with library staff, stakeholders, and county financial experts, the LFTF will develop financial projections and strategic library needs through 2020. Identification of the library's staffing, facility and technology needs would serve as the basis for the requirements to operate the library through 2020. The projections would serve as the basis for the LFTF to develop a financing plan for stable funding through 2020. With these two significant resources, the LFTF can develop recommendations for a funding plan that would address potential funding sources, the sizing of levies, formation of a countywide library district and the potential for amendment of the county charter to provide for a library district. The adopted report would be submitted to the BCC for action.

**2009 - SEEK COMPLEMENTARY FUNDING SOLUTIONS:** The LFTF could recommend that consideration be given by the BCC to the implementation of a utility tax or other source that would be sufficient to replace the ongoing contribution to library operations from the county general fund. Other sources of revenue could also be

examined and evaluated at this time as part of the consideration for determining the source of replacement for the general fund contribution. Addressing the issue of replacing the general fund contribution prior to the next renewal of the serial levy and the development of a permanent tax rate (base) proposal would help to resolve the discussion regarding the size of the property tax levy and tax rate to be sought. If a new source of revenue cannot be agreed upon, it would appear the proposal of a permanent tax rate would be sized to replace both the county general fund contribution and the serial tax levy.

**2010 – RENEW LIBRARY SERIAL LEVY:** It is recommended that a property tax serial levy for library operations be placed on the November 2010 ballot inasmuch as this date is the best time to approve a replacement levy before the current levy expires. If the general fund contribution has not been replaced by a utility tax or other revenue source, the LFTF would likely seek commitments from the BCC to continue funding the general fund contributions during the term of the new levy. The precedent for this was set by the BCC at the time the current levy was sized and approved.

**2011 – DEVELOP PROPOSAL FOR PERMANENT TAX BASE:** The Task Force discussed the library district issue at some length and generally agreed on the charter amendment approach. Specifics are outlined in the attached Addendum. The recommendation would need to be prepared and submitted to the BCC by September 2011 in order to develop and organize a campaign to support approval of permanent stable financing for the Library.

**2012 – PROPOSAL FOR PERMANENT TAX BASE:** It is recommended that the BCC submit to the voters of Multnomah County a proposal to provide permanent, adequate stable funding for the Multnomah County Library system.

This plan is offered as a way for the LFTF to complete its charge and propose alternatives to the current unstable library funding situation. The development of a long-range financial forecast and a strategic plan for long-range library needs will be very instructive in terms of the sizing of the next levy and the permanent tax rate requirements. By laying out the plan, the LFTF can seek a long-term commitment from the BCC and other stakeholders to implement a program of support that will appropriately fund the Multnomah County Library system.

## ADDENDUM

The Library Funding Task Force discussed the various methods of forming a library district at length, and generally agreed on the charter amendment approach.

The Task Force recommends that the Board of County Commissioners appoint a new task force to develop an amendment to the Multnomah County Charter to allow the creation of a Multnomah County Library District and to establish a permanent tax rate (base) for funding the county's library system. The recommendation would need to be prepared and submitted to the BCC by September 2011 in order to develop and organize a campaign to support approval of permanent, stable financing for the Library.

The Task Force also recommends that in 2012, the BCC submit to the voters of Multnomah County a proposal to provide permanent, adequate stable funding for the Multnomah County Library system.

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON**

**RESOLUTION NO. 07-094**

**Creating a Multnomah County Library Funding Task Force**

**The Multnomah County Board of Commissioners Finds:**

- a. Multnomah County's governance of the Multnomah County Library was established by Resolution No. 649 on May 17, 1990. Section 1(c) provides: "[t]he public library shall be financed by general fund monies, library operating revenues, grants, gifts, donations and bequests received and designated to be used for library purposes, and any tax levies that may be authorized by the electors."
- b. Resolution No. 649 also established the Library Board and charges the Library Board to "undertake long-range planning for library services and make appropriate recommendations to the Board of County Commissioners. Long-range plans shall address service needs, budget priorities, stable public funding, and capital improvement, and shall be consistent with County, regional, State and national goals for libraries."
- c. Goal 7 of the Library's Strategic Plan provides: "People in Multnomah County will have a public library system supported by stable funding adequate to meet the [Plan's] goals."
- d. The Board of County Commissioners considers stable funding for quality library services in Multnomah County necessary and in the public interest.
- e. It has been necessary to rely on voter approved levies and other revenue measures for sufficient funding of the library services expected by County residents.
- f. In the past, Multnomah County voters have approved a library funding levy, but the measure could not take effect because less than 50% registered voters cast ballots in that election (Section 11(8), Article XI of Oregon Constitution).
- g. Library levies have provided over half of the library's funds. Renewals have kept libraries open and allowed maintenance of hours and its many community services.
- h. Voters approved a five-year rate based local option levy to continue library services on November 6, 2006.

- i. It is in the best interest of Multnomah County to explore permanent, adequate and stable library funding options other than local levies. Establishing a task force responsible for examining alternatives to the current funding of the library is in the best interest of the County.

**The Multnomah County Board of Commissioners Resolves:**

1. That a Multnomah County Library Funding Task Force consisting of 13 to 16 citizens of Multnomah County be convened to assess the feasibility of all funding options and recommend the best option for funding Multnomah County Libraries.
2. Dean Gisvold and Susan Hathaway-Marxer, former chairs of the Library Advisory Board, will jointly lead the Task Force. Members of the Task Force will represent stakeholders throughout the County and will be appointed by the Chair. The Library Director, her staff and other necessary County agencies will assist the Task Force. Funding for the Task Force will be limited and will be provided by the Library's budget.
3. The Task Force will report to the Board no later than December 15, 2007, with a list of funding options for Multnomah County Libraries and a recommendation of the preferred option.

ADOPTED this 10th day of May, 2007.



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
Ted Wheeler, Chair

REVIEWED:

AGNES SOWLE, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By   
John Thomas, Deputy County Attorney

SUBMITTED BY:  
Molly Raphael, Multnomah County Library Director

## **Library Funding Task Force**

### **Co-Chairs:**

Dean Gisvold

Susan Hathaway-Marxer

### **Task Force members:**

Rob Brading

Paul Bragdon

Serena Cruz Walsh

Bill Failing

Rick Gustafson

Cynthia Guyer

Terry McCall (The Library Foundation)

Anne Pearson (Friends of the Library)

Larry Randall (AFSCME Local 88)

Molly Raphael (Multnomah County Library)

Maria Rojo de Steffey

Cameron Vaughan-Tyler

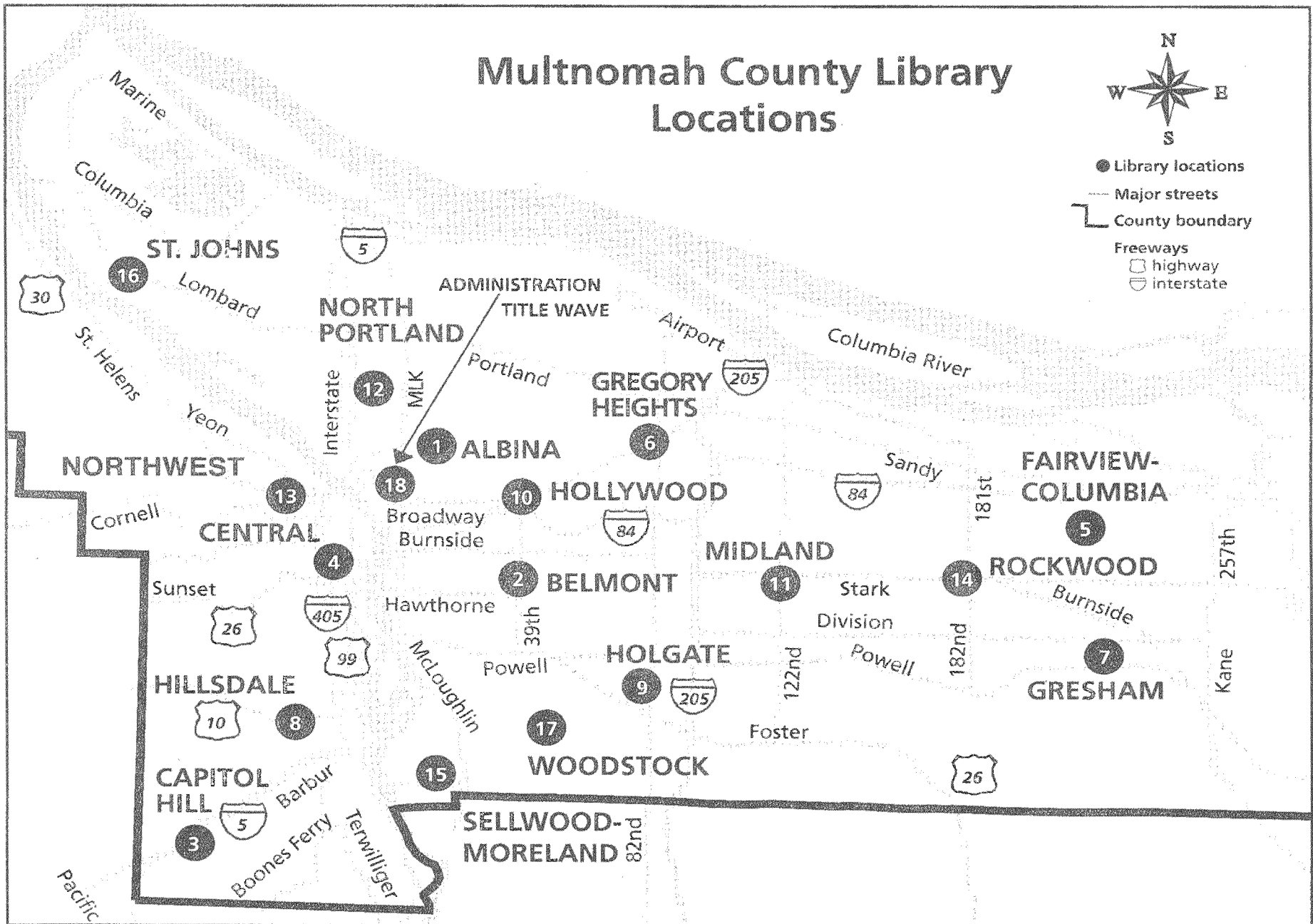
M. Yvonne Williams

Courtney Wilton

# Multnomah County Library Locations



- Library locations
- Major streets
- └─ County boundary
- Freeways
  - highway
  - ▤ interstate



# LOCATIONS AND PHONE NUMBERS

- 1 Albina**  
3605 N.E. 15th Ave.  
503.988.5362
- 2 Belmont**  
1038 S.E. 39th Ave.  
503.988.5382
- 3 Capitol Hill**  
10723 S.W. Capitol Hwy.  
503.988.5385
- 4 Central**  
801 S.W. 10th Ave.  
503.988.5123
- 5 Fairview-Columbia**  
1520 N.E. Village St., Fairview  
503.988.5655
- 6 Gregory Heights**  
7921 N.E. Sandy Blvd.  
503.988.5386
- 7 Gresham**  
385 N.W. Miller Ave., Gresham  
503.988.5387
- 8 Hillsdale**  
1525 S.W. Sunset Blvd.  
503.988.5388
- 9 Holgate**  
7905 S.E. Holgate Blvd.  
503.988.5389
- 10 Hollywood**  
4040 N.E. Tillamook St.  
503.988.5391

- 11 Midland**  
805 S.E. 122nd Ave.  
503.988.5392
- 12 North Portland**  
512 N. Killingsworth St.  
503.988.5394
- 13 Northwest**  
2300 N.W. Thurman St.  
503.988.5560
- 14 Rockwood**  
17917 S.E. Stark Ave.  
503.988.5396
- 15 Sellwood-Moreland**  
7860 S.E. 13th Ave.  
503.988.5398
- 16 St. Johns**  
7510 N. Charleston Ave.  
503.988.5397
- 17 Woodstock**  
6008 S.E. 49th Ave.  
503.988.5399
- 18 Administration**  
205 N.E. Russell St.  
503.988.5402

## The Title Wave Used Bookstore

216 N.E. Knott St.  
503.988.5021

**Renewal Line** 503.988.5342

**Reference Line** 503.988.5234

**TTY** (Telecommunications for the Deaf)  
503.988.5246

[www.multcolib.org](http://www.multcolib.org)



## **Quest for Funding Stability: An Historical Overview**

*Prepared for the Finance Committee March 2003*

*Presented to the Library Advisory Board October 2003*

*Revised for distribution August 2007*

Levies to finance the library system have been voted on by citizens since 1976. Of ten requests, eight have been approved. Of the two that failed, one was in 1981 when there was an A & B ballot: A passed, but B failed, and the other was in May 2002 when the levy was approved but the turnout did not meet the double majority requirement.

### **June 1983**

BCC established the Multnomah County Commission on Library Policy & Administration to study the fiscal and administrative status of the library. Chaired by Commissioner Arnold Biskar; final report by consultant Don Barney.

### **Recommendations:**

- Place on May 1984 ballot a county charter amendment to establish an independent MCL Commission charged with the responsibility of administering, operating and maintaining the MCL, effective July 1, 1984;
- Place a 3-year levy on the May 1984 ballot;
- By July 1, 1986, the new Library Commission recommend a new independent source of public funding to be dedicated to the Library and to become the primary fiscal support of the Library after July 1, 1987. Among options open to the Library Commission, it is recommended that creation of a county service district, with a voter-approved separate tax base, be considered.

### **Outcome**

- The ballot measure to form a library commission lost by 206 votes;
- The 3-year levy passed.

### **August 1983**

Metropolitan Citizens League Board of Governors appointed a Library Systems Committee to take a broad and long-range look at the condition of library systems in the three metropolitan counties (Clackamas, Multnomah and Washington).

### **Funding Recommendations:**

- We recommend that this relationship be formalized through formation of a Tri-County Consortium dedicated to exploring new opportunities for service provision including needs assessment, long-range planning and stabilization of funding;
- A cooperative effort must be initiated among all participating libraries to identify and pursue alternative funding sources on a long-range basis.

## **April 1986**

Consultant Lowell Martin prepared "A Development Plan for the Multnomah County Library"

From the "Proposed Action" section of his report:

"What is needed is clear enough: adequate and stable funding, and government by a Board that the public believes represents their best interests.

As to adequate and stable funding, the only way to be assured of this over the long haul will be a voter-approved tax rate designated for library purposes." Martin considered both a county library district with taxing power or a tri-county, metropolitan library district as the way to achieve long-term stable funding.

## **August 1986**

Report on the Future of Multnomah County Library – a City Club of Portland Bulletin

Funding Alternatives:

- Independent Tax Base – not enough time to form a library district and establish tax base before current levy expired.
- County General Fund – "Those interested in library services cannot expect any funding increase from the County General Fund at any time in the next few years."
- Special or Serial Levies – "... it is clear that another three-year levy is necessary to provide adequate library funding in the near future, given competing demands in the General Fund and the impossibility of holding a tax base election until 1988. Your Committee, therefore, has concluded that the MCL requires a continued commitment of County General Funds and an expanded serial levy to meet the funding goal of \$11,500,000 per year."

## **Summer 1987**

Option Paper by Dean Gisvold (Counsel to the LAP) & Rhea Kessler (Chief Ass't. County Counsel)

Memorandum from Larry Kressel (County Counsel) to the BCC, "Response to Questions Concerning Formation of a County Service District (ORS 451) for Library Services"

Both of these documents dealt with the legal questions around the process of forming a county service district or a special library district.

## **November 1987**

Memo from Commissioner Pauline Anderson to the Portland City Council urging the City to adopt a resolution in support of the formation of a special service district.

Goals outlined in the memo:

- Stable and adequate funding;
- Strong, publicly accountable Board able to build public support for the library;
- Potential for building a Tri-County library system.

Portland City Council did not support the resolution.

### **December 1988**

Report "Governance – Multnomah County Public Library" presented to County Chair Gladys McCoy from a five-member Library Task Force she convened.

#### **Recommendation:**

- Form a nine-member Multnomah County Library Commission as a private, non-profit entity for the purpose of managing MCL. Should be fully accountable to the public and be subject to state law re: public meetings and records.

#### **Comments:**

- "The Task Force is aware that our governance recommendation, in and of itself, does not provide a more stable funding source for library services in Multnomah County. However, we expect the issue of stable financing to get early attention from the Multnomah County Library Commission with recommendations soon provided the Board of County Commissioners."

### **1989**

The independent library commission was named, but before the contract was finalized, some other issues surfaced:

- Who would control the \$6 million endowment fund (made up of fines and personal donations)? The LAP wanted to maintain control.
- Citizens called for an audit of the endowment.
- Charles Davis took over as interim director. He discovered some irregularities in the LAP's record keeping and asked the state attorney general's office for a review. At issue was whether or not the LAP had exceeded its authority and whether control of library assets were unduly concentrated in the hands of one member.
- County Commissioners reconsidered the independent library commission and instead decided to take direct control.

### **1990**

- The Library became a county department.
- Measure 5 passed, limiting local government taxes to \$10 per thousand.

### **1992**

- Library Board, after about two years of study, unanimously approved recommending the BCC enact a tax on the consumption of natural gas and electricity.

- "Adopt a Library Utility Tax of 2% to go into effect as soon as possible. 1% will provide restored library services – more hours and more books. 1% funds the library's capital needs, Central and Midland, by replacing the present support from the County's General Fund and requiring the County to assume obligation for capital costs."
- "At the same time adopt an additional 2% Library Utility Tax to go into effect July 1, 1993, to directly replace the expiring Library Levy."
- Also recommended that the BCC refer to voters a county charter amendment placing a cap on any additional increase of the utility tax.
- Exempt those utility customers whose family income is less than 150 percent of the federally defined poverty level.
- BCC voted 3-2 to approve but opponents immediately moved to get it referred to the voters.
- Tax was repealed by BCC (two new members joined the Board who were against the tax) before it was implemented.

#### **May, 1996**

- Three-year library levy passed, funding fiscal years 96-97, 97-98 and 98-99.

#### **November, 1996**

- Measure 47 passed, repealed by Measure 50 before it was implemented.

#### **May, 1997**

- Measure 50 passed (rewrite of Measure 47). Cut the property tax rate based on a set formula and capped it at 3% growth each year. Based on assessed value. Added a double majority requirement for tax measure outside of a general November election. Measure 5 limitations still applied.
- Cut, capped and rolled the existing library levy into the County's permanent tax base – the General Fund. This is what is now known as the "fossil levy".

#### **November, 1997**

- Five-year library levy passed, funding fiscal years 98-99 through 02-3. Rate of 59.5 cents per thousand. Combined with "fossil levy" from the County's General Fund. Compression from Measure 5 has an impact on the amount collected from the levy.

#### **May, 2002**

- Renewal five-year levy passed but the election did not meet the double majority requirement.

### **November, 2002**

- Renewal five-year levy passed, taking effect July 1, 2003. Rate of 75.5 cents per thousand. Percentage of levy lost to compression continues to increase.

### **December 2002**

- Recognition of the continued uncertainty in library funding due to:
  - Levy losses from property tax compression;
  - Reductions made to the General Fund ("fossil levy") during county budget crises; and
  - Cost and risk of library levy campaigns.
- With the approval of BCC Chair Diane Linn, Library Advisory Board Chair Susan Hathaway-Marxer commissioned a LAB Finance Committee with the goal of securing stable funding for the library.



OFFICE OF  
MULTNOMAH COUNTY ATTORNEY

**MEMORANDUM**

TO: Molly Raphael, Director

FROM: Agnes Sowle, County Attorney

DATE: June 25, 2007

RE: Stable Funding Sources for Library

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**Question:** What stable funding sources are available for the Multnomah County Library?

The Multnomah County Library is currently funded partially by County general fund<sup>1</sup> and partially by the most recent of a series of local option levies.<sup>2</sup> On May 10, 2007, the Board of Commissioners passed a resolution creating a task force charged with assessing “the feasibility of all funding options and recommend[ing] the best option for funding Multnomah County Libraries.” This memorandum explores a number of options which could be utilized to provide a stable source of revenue for the library and what, if any, change to its governance structure might be required to take advantage of those options.

**A. Taxes dedicated to library (“dedicated tax”).** “Dedicated tax” is not a particular type of tax, but rather a specified use of a tax which would otherwise be available for any purpose. For example, the temporary income tax imposed by Multnomah County in 2003 was dedicated to public safety, public health, and county public schools. The current Library Levy is a dedicated local option levy, but it is a serial levy, not a permanent funding option.

The County has authority to impose a permanent new tax or an increase of an existing tax and dedicate the proceeds to the library or any other department, or for any of its functions as it did with the personal income tax mentioned above. There are a number of types of taxes the County has authority to impose. For example a personal income tax, an increase in the County’s business income tax, a sales tax, an excise tax, a utility tax or a payroll tax.<sup>3</sup> None of these taxes would be subject to Measure 5 so they would not be subject to compression (discussed below), nor would they directly affect other taxing districts. No change to the current governance structure is required for any of the above “dedicated taxes.”

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<sup>1</sup> The County general fund provides approximately 29% of the Library’s budget in the 2007-2008 budget.

<sup>2</sup> Other revenue sources such as library fines and donations amount to a small percentage of the Library’s budget.

<sup>3</sup> The use of several other types of taxes the County may impose are limited or already dedicated to another use. For example, an increase to the gas tax is limited by the Oregon Constitution to roads and is further dedicated by revenue sharing IGA’s with Gresham and the City of Portland. Hotel and motel taxes are dedicated by IGA to the convention center.

For the County to establish or increase such a tax, the Board of Commissioners has two options. It could pass an ordinance establishing the tax dedicated to the Library. The ordinance would go into effect 30 days after passage unless (1) it prescribes a later date to take effect or (2) a taxpayer files a petition to refer the ordinance to the voters.<sup>4</sup> If referred, implementation would be suspended until a majority of the voters approve the tax. Or the Board could refer imposition of such a tax directly to the voters as it did with the 2003 income tax. In either event, the tax would likely be imposed beginning in the next calendar year for ease in reporting and collection.

**B. User fees.** The Multnomah County Library currently charges no user fees. However, library card fees and other user fees would not likely generate enough funds to operate the Library and might have the effect of discouraging use. For example, the Library could charge a fee for a library card. However, in order to generate the revenue that is required to operate the Library a substantial yearly fee would be required from every library card holder.

**C. Permanent property tax rate.** A permanent property tax rate is a much discussed funding option for libraries in Oregon. However, it is not an alternative available to the Library as a department of the County. In order to establish a permanent tax rate, the Library would have to become a Library District under ORS Chapter 357 ("357 District") or a County Service District under ORS Chapter 451 ("451 District").

**1. Compression.** Clearly a permanent property tax rate would provide the Library with stable funding. However, a library district would compete for property tax with other non-school governments. Oregon's Constitution limits the amount of property taxes which may be assessed for non-school governments to \$10 per \$1000 of each unit of property's real market value. Hence, a library district would share the \$10 limit with the County and other taxing districts depending on where within the County the property is located. For example, property in Portland City limits is assessed tax by City of Portland and Metro, among others. If the total of taxes assessed by all non-school taxing districts is \$10.00 or less, the library district would collect all of its tax. If the sum is more than \$10 per \$1000, then all local option levies are reduced proportionally to get under the cap. This is known as "compression." The creation of a district would not impact Multnomah County's permanent tax rate unless it agreed to reduce it. However, any resulting compression caused by the district's permanent tax rate would affect the amount of revenue the County would be entitled to just like all other non-school taxing districts.

**2. Amount of permanent tax rate.** Many considerations would go into deciding the amount of the permanent tax rate. For example, as either a library district or a county service district, the Library would lose the revenue currently provided by the Multnomah County's general fund. In addition, it would lose services currently provided by the County but not reimbursed dollar for dollar. For example, the County is self insured for workers compensation, unemployment and liability claims. General insurance and excess insurance for many claims are

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<sup>4</sup> Multnomah County Charter section 5.107(F).

also currently provided to the Library as a department of the County. The County's computer, programs and services, employee benefits and payroll services would also have to be considered. The rate should also contemplate the need for some amount of capital reserves.

If approved in a November election, real property taxes would not be collected until November of the following year. Hence, negotiations with County for transition funding and aid would be needed. There are many other issues that would require negotiation unrelated to the permanent tax rate, including transfer of assets, debt, and transition of employees.

**3. Special Library District or County Service District.** State law provides for the establishment of two types of library districts: a 357 Special Library District or a 451 County Service District. There are few differences between the two. Both are independent bodies separate from Multnomah County. If either district were created, the County would no longer be obligated to support the Library, and the Library would no longer have access to the resources of the County.

The essential difference between the two types of districts relates to their governance. The 357 district has an elected 5 member governing board which is independent from the County, while the governing board of a 451 district is the Board of County Commissioners.<sup>5</sup>

There are many more similarities between the two types of districts. Both districts are granted general powers of a municipal corporation.<sup>6</sup> In addition, both may exercise the powers that are granted to local government units for public libraries under ORS 357.410 including the power relevant to the stable funding discussion – to levy real property taxes and to establish a permanent tax rate.<sup>7</sup> Both can provide PERS benefits to their employees.<sup>8</sup>

Both types of districts are created under ORS 198.705 to 198.955 providing for the formation of a "special district." A Board resolution or order may start the process,<sup>9</sup> or a petition for formation of the district may be used.<sup>10</sup> If the district is formed by initiative petition, an

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<sup>5</sup> ORS 451.485

<sup>6</sup> ORS 357.261; ORS 451.550

<sup>7</sup> 357.261 (10); 357.410

<sup>8</sup> Currently there are examples of both types of library districts which provide PERS benefits to their employees.

<sup>9</sup> ORS 18.745; "198.745 Content of resolution calling election. A resolution or order calling an election on a proposed formation or change of organization shall:

- (1) Provide for giving notice of the special election or elections upon the question.
- (2) Designate each district or other territory within which the election or elections are to be held.
- (3) Fix a date for the election, which date shall be the same for each election when an election is called upon the same question within more than one territory or district.
- (4) State the substance of the question or questions to be submitted to the electors.
- (5) Specify any terms and conditions provided for in the formation or change of organization.
- (6) Contain such other matters as may be necessary to call, provide for and give notice of the election or elections and to provide for the conduct thereof and the canvass of the returns thereupon.

<sup>10</sup> ORS 198.750.



economic feasibility study must be completed.<sup>11</sup> When filed, the petition must be accompanied by resolutions approving the petition from each city within the proposed district.<sup>12</sup>

This memo does not attempt to address all of the procedures for formation. If desired, a memo addressing those issues and the resulting timelines will be provided.

**4. Library District formed by Charter Amendment.** I have been asked about creation of a "charter amendment district" to operate the Library. Based on a 1984 attempt to amend the Charter to establish an "independent Multnomah county Library Commission," it has been suggested that a library district could be formed by Charter Amendment.

Oregon law provides for establishing a library district in the two ways described above. In addition, Oregon law provides that a local government unit may establish a *public library*.<sup>13</sup> I was able to find no authority for creating a library district by charter amendment, and none of the library districts in Oregon were created by charter amendment – they are all either 357 special library districts or 451 county service districts.

A home rule county has broad powers under Article VI, section 10, of the Oregon Constitution and broad statutory powers under ORS 203.035 to exercise authority over matters of county concern. These "home rule" provisions permit the people of a county to decide upon the organization of their government and the scope of its powers under its charter, without the need to obtain statutory authorization from the legislature. These charter powers are valid unless they contravene state or federal law.

It is not clear to me that creation of a library district would be considered "a matter of County concern," particularly where the state has provided two specific ways to create a district for the establishment of libraries. Without any examples to draw from, advantages and disadvantages of such a district compared with one of the state-authorized districts is somewhat speculative.

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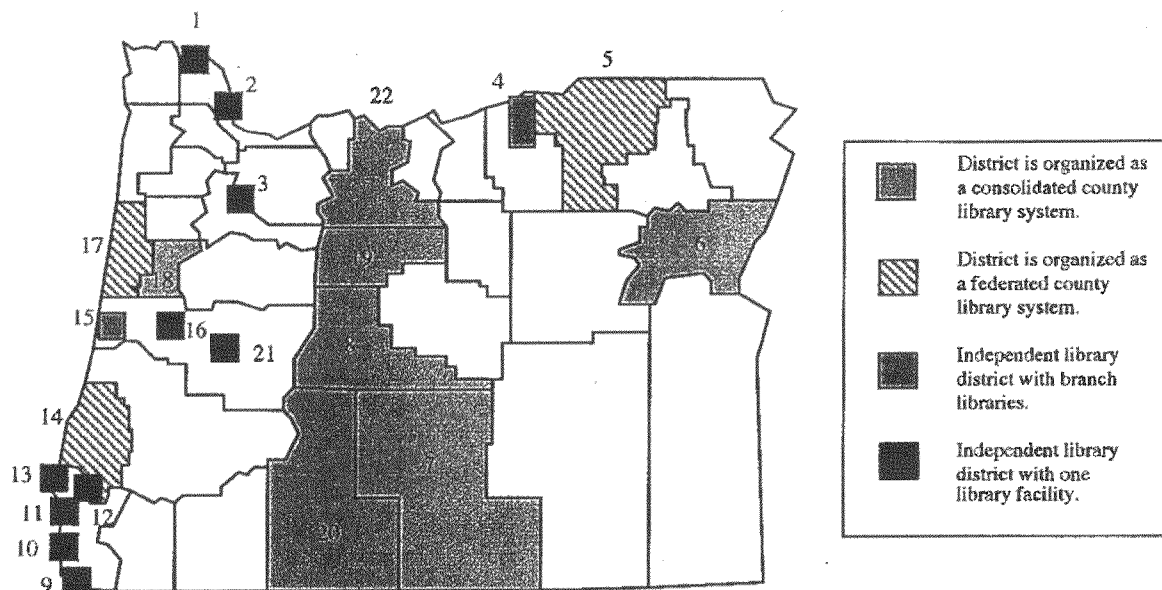
<sup>11</sup> ORS 198.749.

<sup>12</sup> ORS 198.720(1) ("A district may consist of contiguous or noncontiguous territory located in one or more adjoining counties. If any part of the territory subject to a petition for formation or annexation is within a city, *the petition* shall be accompanied by a certified copy of a resolution of the governing body of the city approving the petition." (Emphasis added))

<sup>13</sup> ORS 357.410. "Local government unit" is defined to include a county, 451 library service district, or 357 library district, among others.

## Library Districts in Oregon: 2007

There are presently 22 library districts in Oregon providing public library service — 18 special library districts and four county service districts. All 22 districts are funded through voter-approved permanent tax rates. The following map shows the location of each of Oregon's library districts. The boundaries shown, however, may not be exact (particularly for the smaller districts and districts in Jefferson and Morrow counties). Specific information about each district is provided below the map, corresponding to the numbers on the map.



	Name of District and County	Population of District	Year Formed	District Type	Permanent Tax Rate	Tax Imposed in 2005-06
1.	Clatskanie Library District (Columbia)	5,974	1985	Special	0.29	\$125,448
2.	Scappoose Library District (Columbia)	9,915	1986	Special	0.25	\$177,754
3.	Silver Falls Library District (Marion)	17,465	1994	Special	0.57	\$487,580
4.	Oregon Trail Library District (Morrow)	9,862	1992	Special	0.25	\$225,595
5.	Umatilla County Special Library District	57,370	1986	Special	0.37	\$1,105,681
6.	Baker County Public Library	16,500	1986	Special	0.53	**\$817,721
7.	Lake County Library District	7,505	1990	Special	0.45	\$191,446
8.	Deschutes Public Library System	143,490	1998	Special	0.55	\$7,240,526
9.	Chetco Community Public Library (Curry)	12,944	1982	Special	0.43	\$534,652
10.	Curry Public Library District (Curry)	4,799	1982	Special	0.66	\$301,554
11.	Port Orford Public Library (Curry)	2,259	1982	Special	0.50	\$90,962
12.	Agness Community Library District (Curry)	125	1992	Special	0.66	\$14,250
13.	Langlois Public Library (Curry)	739	1982	Special	0.77	\$53,505
14.	Coos County Library Service District	62,695	1992	County Service	0.73	\$2,529,432
15.	Siuslaw Public Library District (Lane)	16,597	1984	Special	0.52	**\$749,672
16.	Fern Ridge Library District (Lane)	10,947	1994	Special	0.38	***\$360,637
17.	Lincoln County Library District	22,550	1988	Special	0.25	***\$948,004
18.	Benton County Library Service District	82,835	1994	County Service	0.39	\$2,005,855
19.	Jefferson County Library	16,633	2000	Special	0.43	\$429,273
20.	Klamath County Library	65,055	2000	County Service	0.49	\$1,882,627
21.	Lane Library District	7,406	2004	Special	0.59	\$244,932
22.	Wasco County Library District	22,955	2006	County Service	0.66	n/a

\*Includes permanent rate levy, local option levy and bond levy. \*\*Includes permanent rate levy and bond levy. \*\*\*Includes permanent rate levy and local option levy.



# **Property Tax Analysis**

***Presentation to Library Funding Task Force***

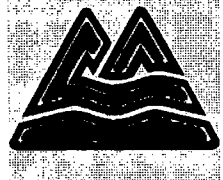
**Multnomah County Budget Office**

**August 15, 2007**

# Introduction

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- Overview of Tax System
  - Treatment of Levies Under M5 and M50
  - The Art of Estimating Revenue Yield
- The Landscape Today
  - Limited "General Government" Tax Rates
  - Estimating Additional Tax Capacity
- Tax Scenarios w/ Library as Special District
  - "As Is" (If Library District In Place FY 2007)
  - Summary of Scenarios
  - Future Considerations and Impacts



# Tax Levy 101

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- Measure 5 Limited Taxes to 1.5% of Assessed Value (November, 1990)
- Created Distinction Between Taxes for Education, General Government, and Debt
- Two Major Consequences of Measure 5
  - School Funding Chiefly Responsibility of State
  - Shifted Tax Burden From Business to Residential Property



## **Tax Levy 101 (Continued)**

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- Measure 47 – “Cut and Cap” Initiative – Reduced Property Values Statewide by About 17% and Limited Future Value Growth (November, 1996)
- Measure 50 Implemented Measure 47 (May, 1997)
- Measure 50 Overlaid on Measure 5
  - Created Permanent Rates and Local Option Levies
  - Established Relationship Between RMV and AV
  - Created a Hierarchy of Tax Levies



# **The Property Tax "Pecking Order"**

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- Compression is Calculated on a Property by Property Basis
  - Not All Property Classes Created Equally
  - Change Property Ratios – Limit Potential Revenue Yield
- Local Options Are First to Be Compressed
  - Taxes Reduced Proportionately Among Local Options
  - Local Options Collect Nothing From Some Property Classes
- Permanent Rates Are Next To Be Compressed
  - If Reducing Local Option Levies Does Not Fully Accommodate Compression, Permanent Rates Are Reduced Proportionately
- "Pseudo" Debt Levies Are Compressed Last
  - Portland FPD&R Levy
  - Urban Renewal Levies



# Limited Tax Rates in Multnomah County

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	FY 2006-07 per Assessment & Taxation				
	Permanent	Local Option	Other	"Debt"	Total
Portland (Levy Code 001)	8.25	1.44	0.16	3.94	13.79
Gresham (Levy Code 026)	7.85	0.76	0.20	0.13	8.93
Troutdale (Levy Code 242)	8.11	0.76	0.20		9.06
Fairview (Levy Code 240)	7.83	0.76	0.20		8.79
Wood Village (Levy Code 241)	7.47	0.76	0.20		8.42
Maywood Park (Levy Code 331)	4.80	0.76	3.05		8.61

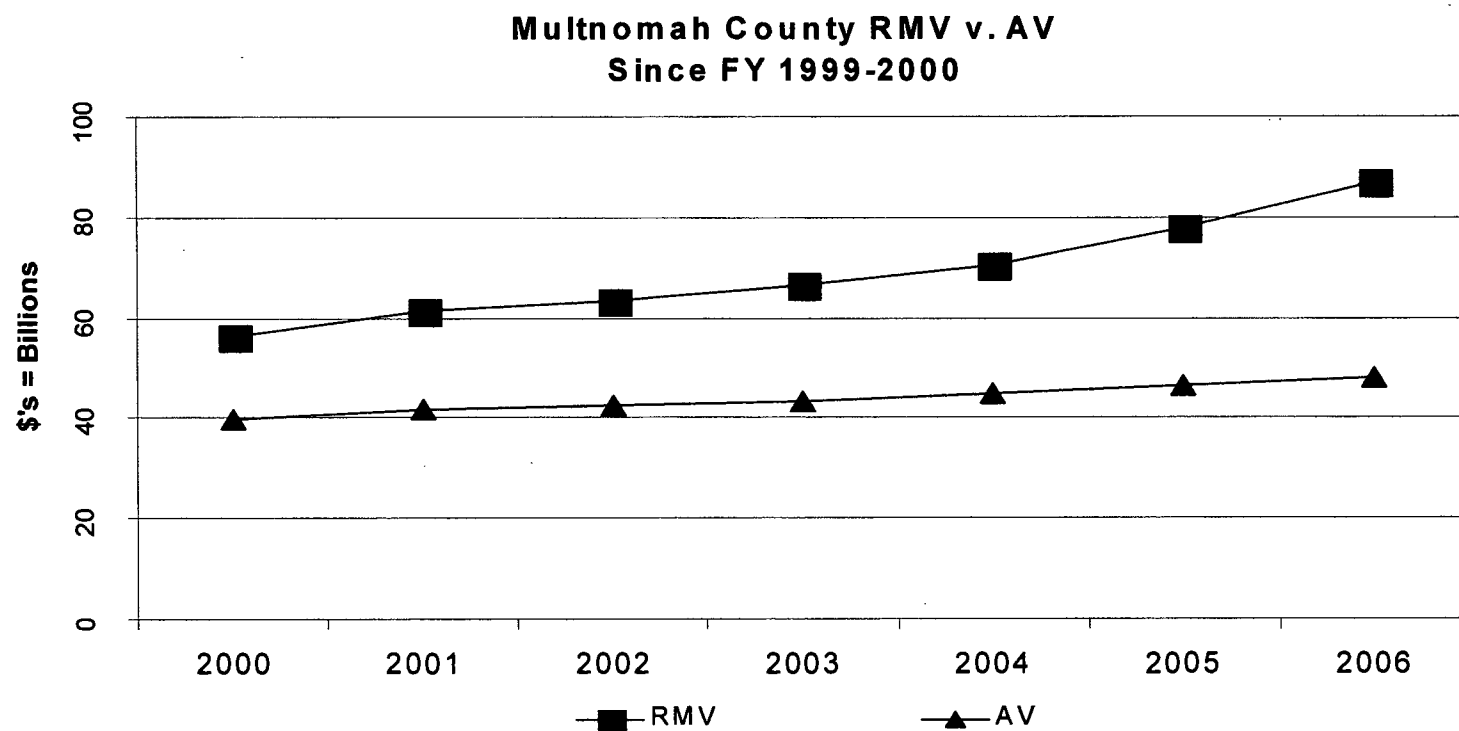
Rates Expressed in \$'s per Thousand of Assessed Value





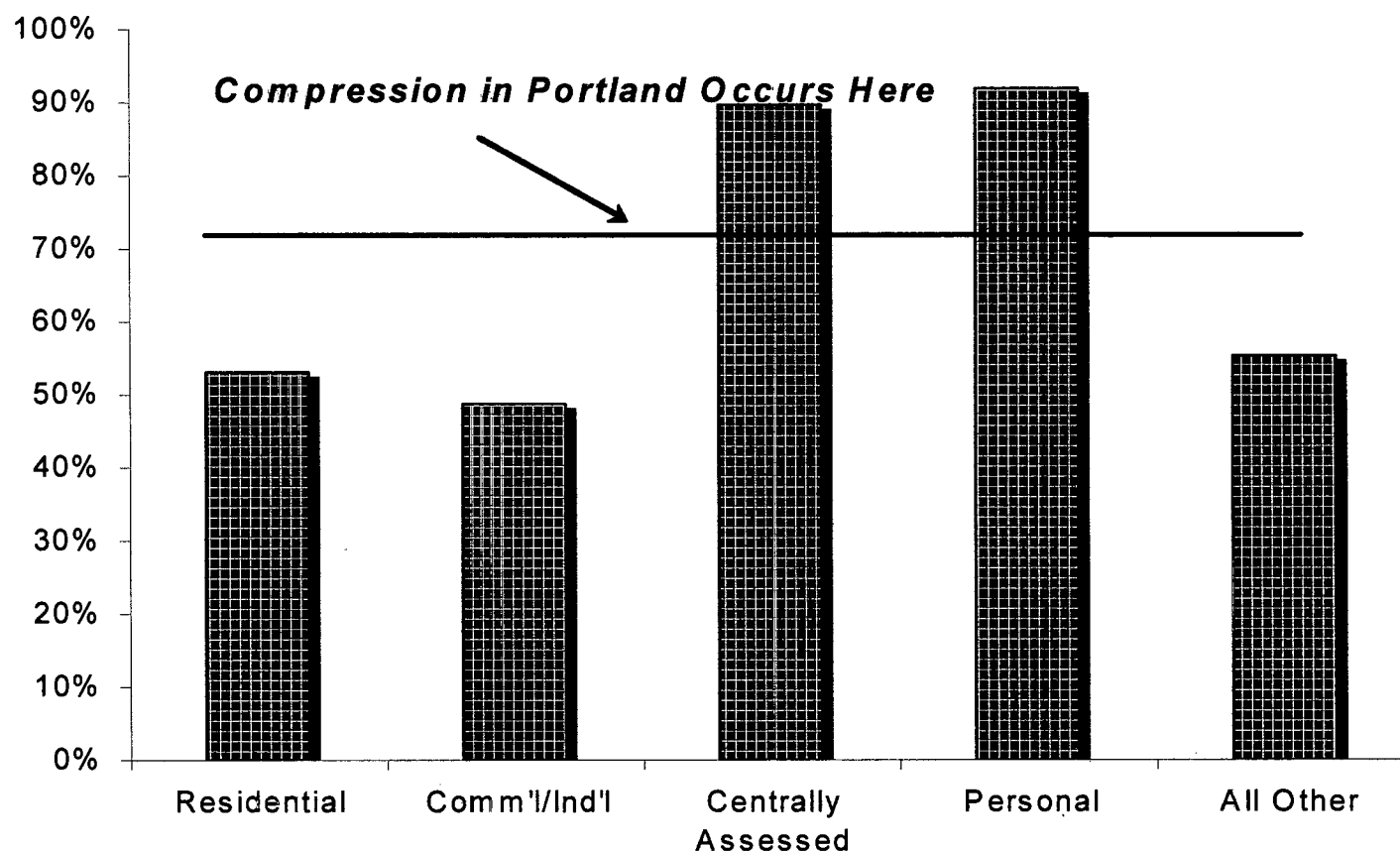
# Estimating Taxing Capacity

- Three Critical Variables in Estimating Tax Revenue
  - Sum of All Limited Rates (From Previous Slide)
  - Relationship Between RMV and AV
  - Change In AV Over Time – Each Property Is Like a Snowflake



# Estimating Tax Capacity (Continued)

**Ratio of Assessed Value (AV) to Real Market Value (RMV)**  
*by Category, FY 2007*



# Calculation of Unused Capacity

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- Based on FY 2006-07 Values
  - Potential Revenue Yield Based on Countywide Averages
  - Library Forecast to Use About \$6 - \$7 Million in FY 2007-08
  - Implications For Revenue Yield From New Levies

	Total Potential Revenue	Minimal Add'l Compression
Residential	\$ 39,542,884	\$ 10,550,705
Commercial/Industrial	13,456,248	4,796,700
Centrally Assessed	-	-
Personal	-	-
All Other	4,160,567	941,561
Total	\$ 57,159,699	\$ 16,288,966



# Scenario Development

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- Key Assumptions
  - Value Growth @ 3% Annually
  - Library Expenditures Grow @ 4.5% Annually
  - All Levies Currently In Place Are Continued
  - RMV Continues To Outpace AV
  
- One Thing We Need to Keep In Mind
  - No Matter What You May Think - I WILL BE WRONG
  - Variables Are Many and Future Tax Levies Will Potentially Impact These Estimates



## **"As Is" Scenario**

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- Library as a Service/Special District in FY 2006-07
- Rates Remain Same, But Compression Shifts to Other Levies
  - City of Portland = \$3 Million More Than Current
  - County Permanent Rate = \$1.6 Million More Than Current
  - Library = \$4.3 Million LESS Than Current
- Library Collects \$36 Million @ \$.7550/\$1,000



# **Replace Library Levy and Continue GF Support**

- Library as a Service/Special District in FY 2010-11
- Library Rate Set @ \$.85/\$1,000
- Impact on Other Levies
  - Permanent Rates (Including Library) Compressed @ 4%
  - Compression on Local Options Increases From 19% to 24%
  - FPD&R and Urban Renewal Levies Need to Increase
- Assume 1% to 13% in "Other" Library Revenue to Balance Operating Expenditures Over Ten Years



# **Replace All Library Revenue**

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- Library as a Service/Special District in FY 2010-11
- Library Rate Set @ \$1.25/\$1,000
- Impact on Other Levies
  - Permanent Rates (Including Library) Compressed @ 5%
  - Compression on Local Options Increases From 19% to 25%
  - FPD&R and Urban Renewal Levies Need to Increase
  - County "Under Levies" by Approximately \$.40/\$1,000
- Assume 1% to 13% in "Other" Library Revenue to Balance Operating Expenditures Over Ten Years



# **Future Considerations and Possible Impacts**

- Assumption That All Levies in Place Today Remain in Place For Ten Years
  - Portland May Not Renew Parks Levy
  - County Considering a Public Safety Levy in FY 2008-09
  - School Local Options Will Impact Urban Renewal Calculations
- Impact of FPD&R Reform Cannot Be Forecast at This Time
  - Levies Forecast to Increase But By How Much and How Long?
- Impacts on Other Levies
  - Permanent Rates Lose About 2.5% to Compression Now
  - Each % Change Reduces Revenue to City/County by \$1.5 - \$2 Million
- Current Statutes Require County to Establish Levies Annually
  - If County is to "Under Levy" Permanent Rate the Board Would Be Required to Affirm That Decision Each Year





## Comparison of 357 Library District, 451 County Service District, and Charter Amendment Library District

Issue	357 Library District	451 County Service District	Library District Formed by Charter Amendment
Formation of District	Formed pursuant to provisions of ORS 198.705-198.955	Formed pursuant to provisions of ORS 198.705-198.955	Method of formation would be prescribed by the Amendment. Could choose to follow ORS 198.705-198.955. Must also follow elections requirements of Multnomah County Charter, Code and State elections law at ORS Chapter 254.
Initiation of District Formation	By Resolution of BOCC or initiative petition. ORS 198.750	By Resolution of BOCC or initiative petition. ORS 198.750	Charter Amendment placed on ballot by Charter Review Committee, Ordinance of BOCC or initiative petition. Charter § 11.50.
Powers of District	Operates as a municipal corporation and may exercise powers of public libraries.	Operates as a municipal corporation and may exercise powers of public libraries.	Powers would be prescribed by the Amendment, but must operate as a municipal corporation to be qualified for a permanent tax rate. Currently library is established as a public library and has the general powers granted to a public library. Chapter 19 of the County Code would require revision to be consistent with the Charter Amendment if passed.
Governance of District	Elected five member governing board	County Commission is governing body.	Method of governance would be prescribed by Charter Amendment.
Library Director Selection	District board appoints library director	No provision	By charter, director is currently appointed by Chair; approved by majority vote of Board of Commissioners.

Permanent Tax Rate Available on Formation	Vote to form may set permanent property tax rate ORS 198.815	Vote to form may set permanent property tax rate ORS 198.815	Vote to form may set permanent tax rate, particularly if amendment provides that formation follows ORS 198.705-198.955. Caveat: County could receive legal challenge to ballot title that amends charter, forms district and sets rate because of single issue requirement.
Debt Financing	General obligation bonds and certificates of Participation available to district as a government unit	General obligation bonds and certificates of Participation available to district as a government unit	If formed as municipal corporation, may use same debt financing as any other local government.
Employees	Employees would be transferred to District under ORS 236.610	Employees would be transferred to District under ORS 236.610	Employees would be transferred to District under ORS 236.610 which provides for public employees when their duties are transferred to another public employer. Covers sick leave, vacation leave, compensation, other benefits, etc.
Retirement benefits for Employees	May establish retirement system as provided for rural fire protection districts. Includes PERS.	PERS is available	PERS should be available because it would be a district just like the others. However, there are no other such districts, so it could be denied/challenged.
Labor issues	Decision to place on ballot must be noticed to Local 88. It may demand right to bargain decision and/or impact.	Decision to place on ballot must be noticed to Local 88. It may demand right to bargain decision and/or impact.	Decision to place on ballot must be noticed to Local 88. It may demand right to bargain decision and/or impact.
City Approval	Approval of all cities in proposed districts' boundaries is required	Approval of all cities in proposed districts' boundaries is required	Approval of all cities in proposed districts' boundaries is not required
Formed in Oregon	18 Districts	4 Districts	None. Use of charter amendment could receive legal challenge.

## "As Is" Scenario

Distribution of Compression by Levy - Based on FY 2007-08 Assessed Values and Tax Rates

	All Levies As Is			If Library a Permanent Rate			Revenue
	Levy Amount	Compression	% Lost	Levy Amount	Compression	% Lost	Gain/(Loss)
<b>City of Portland</b>							
Children's Fund	16,427,224	2,764,736	16.83%	16,427,224	3,203,309	19.50%	(438,572)
Parks Levy	15,916,893	2,678,845	16.83%	15,916,893	3,103,794	19.50%	(424,949)
<b>FPD&amp;R</b>	<b>94,893,159</b>	<b>2,567,954</b>	<b>2.71%</b>	<b>94,893,159</b>	<b>3,273,814</b>	<b>3.45%</b>	<b>(705,860)</b>
<b>Urban Renewal</b>	<b>89,245,616</b>	<b>3,623,561</b>	<b>4.06%</b>	<b>89,245,616</b>	<b>4,060,676</b>	<b>4.55%</b>	<b>(437,114)</b>
Permanent Rate	185,350,566	5,015,870	2.71%	185,350,566	<b>6,394,595</b>	3.45%	(1,378,725)
<b>Multnomah County</b>							
Library Local Option	45,452,791	6,122,064	13.47%	45,452,791	1,272,678	2.80%	4,849,386
Permanent Rate	220,110,849	4,763,622	2.16%	220,110,849	6,163,104	2.80%	(1,399,481)
<b>Other</b>							
METRO	4,864,385	106,834	2.20%	4,864,385	136,203	2.80%	(29,369)
Port of Portland	3,574,821	77,502	2.17%	3,574,821	100,095	2.80%	(22,593)
E. Multnomah Soil & Water	2,571,898	53,838	2.09%	2,571,898	68,155	2.65%	(14,317)
<b>Total - All General Government</b>	<b>\$ 678,408,201</b>	<b>\$ 27,774,827</b>		<b>\$ 678,408,201</b>	<b>\$ 27,776,422</b>		<b>(1,595)</b>

### Assumptions

Library Levy @ \$0.89 per thousand Converts From a Local Option Levy to Permanent Rate Levy  
 All Other Levies and Rates Same as Certified for FY 2007-08  
 Total Compression Should Be Equivalent - Difference Due to Rounding  
 Does Not Address "Back Door" Impacts Associated w/ FPD&R and Urban Renewal

## Library as Permanent Rate w/ General Fund Support

Assumes Library Levies a Permanent Rate of \$.85/\$1,000

		Library Expenses	Maximum PDX Tax Revenue	Loss To M5 Compression	Tax Revenue Outside PDX	Loss Due to D/D	Total Tax Revenue	General Fund	Other Revenue To Balance
FY 10-11	Year 1	\$ 60,572,746	\$ 37,762,762	\$ (1,038,476)	\$ 9,530,472	\$ (2,544,012)	\$ 43,710,746	\$ 17,279,157	\$ (417,157)
FY 11-12	Year 2	63,298,519	38,895,645	(1,069,630)	9,816,386	(2,620,332)	45,022,069	17,797,531	478,919
FY 12-13	Year 3	66,146,953	40,062,514	(1,101,719)	10,110,877	(2,698,942)	46,372,731	18,331,457	1,442,765
FY 13-14	Year 4	69,123,565	41,264,390	(1,134,771)	10,414,204	(2,779,910)	47,763,912	18,881,401	2,478,252
FY 14-15	Year 5	72,234,126	42,502,322	(1,168,814)	10,726,630	(2,863,308)	49,196,830	19,447,843	3,589,453
FY 15-16	Year 6	75,484,662	43,777,391	(1,203,878)	11,048,429	(2,949,207)	50,672,735	20,031,278	4,780,649
FY 16-17	Year 7	78,881,471	45,090,713	(1,239,995)	11,379,881	(3,037,683)	52,192,917	20,632,217	6,056,338
FY 17-18	Year 8	82,431,138	46,443,434	(1,277,194)	11,721,278	(3,128,813)	53,758,704	21,251,183	7,421,250
FY 18-19	Year 9	86,140,539	47,836,737	(1,315,510)	12,072,916	(3,222,678)	55,371,465	21,888,719	8,880,355
FY 19-20	Year 10	90,016,863	49,271,839	(1,354,976)	12,435,104	(3,319,358)	57,032,609	22,545,380	10,438,874

### Notes:

Compression on County Permanent Rate Levies Equals 2.75%; Compression on City Levies Varies by Type  
Discount/Delinquency Reduces Imposed Taxes by 5.5% (Some of Which Comes Back as Prior Year Taxes Over Time)  
Assumes No Additional Local Option or Permanent Rate Levies Outside of Portland

## Impact on Other Levies w/in Portland

Amount of Compression That Exceeds the Current Levy Configuration

		County GF		City GF	Children's Levy	Parks Levy	FPD&R	Urban Renewal	Total City
FY 10-11	Year 1	\$ 1,137,592		\$ 1,504,726	\$ 450,754	\$ 427,030	\$ 762,719	\$ 450,621	\$ 3,595,850
FY 11-12	Year 2	1,171,720		1,549,868	464,277	439,841	785,601	464,139	3,703,726
FY 12-13	Year 3	1,206,871		1,596,364	478,205	453,036	809,169	478,064	3,814,837
FY 13-14	Year 4	1,243,078		1,644,255	492,551	466,627	833,444	492,406	3,929,283
FY 14-15	Year 5	1,280,370		1,693,583	507,328	480,626	858,447	507,178	4,047,161
FY 15-16	Year 6	1,318,781		1,744,390	522,548	495,045	884,200	522,393	4,168,576
FY 16-17	Year 7	1,358,344		1,796,722	538,224	509,896	910,726	538,065	4,293,633
FY 17-18	Year 8	1,399,095		1,850,623	554,371	525,193	938,048	554,207	4,422,442
FY 18-19	Year 9	1,441,068		1,906,142	571,002	540,949	966,190	570,833	4,555,115
FY 19-20	Year 10	1,484,300		1,963,326	588,132	557,178	995,175	587,958	4,691,769

## Library as Permanent Rate w/out General Fund Support

Assumes Library Levies a Permanent Rate of \$1.20/\$1,000

		Library Expenses	Maximum PDX Tax Revenue	Loss To M5 Compression	Tax Revenue Outside PDX	Loss Due to D/D	Total Tax Revenue	General Fund	Other Revenue To Balance
FY 10-11	Year 1	\$ 60,572,746	\$ 53,312,135	\$ (1,599,364)	\$ 13,454,783	\$ (3,584,215)	\$ 61,583,339	\$ -	\$ (1,010,593)
FY 11-12	Year 2	63,298,519	54,911,499	(1,847,345)	13,858,427	(3,691,742)	63,430,839		(132,320)
FY 12-13	Year 3	66,146,953	56,558,844	(1,696,765)	14,274,180	(3,802,494)	65,333,764		813,189
FY 13-14	Year 4	69,123,565	58,255,609	(1,747,668)	14,702,405	(3,916,569)	67,293,777		1,829,788
FY 14-15	Year 5	72,234,126	60,003,277	(1,800,098)	15,143,477	(4,034,066)	69,312,590		2,921,536
FY 15-16	Year 6	75,484,662	61,803,376	(1,854,101)	15,597,782	(4,155,088)	71,391,968		4,092,694
FY 16-17	Year 7	78,881,471	63,657,477	(1,909,724)	16,065,715	(4,279,741)	73,533,727		5,347,744
FY 17-18	Year 8	82,431,138	65,567,201	(1,967,016)	16,547,886	(4,408,133)	75,739,739		6,691,399
FY 18-19	Year 9	86,140,539	67,534,217	(2,026,027)	17,754,289	(4,579,436)	78,683,043		7,457,496
FY 19-20	Year 10	90,016,863	69,560,244	(2,086,807)	17,555,441	(4,676,588)	80,352,289		9,664,574

### Notes:

Compression on County Permanent Rate Levies Equals 3%; Compression on City Levies Vary by Type  
 County Permanent Rate is "Under Levied" in Amount Equal to GF Support of Library  
 Discount/Delinquency Reduces Imposed Taxes by 5.5% (Some of Which Comes Back as Prior Year Taxes Over Time)  
 Assumes No Additional Local Option or Permanent Rate Levies Outside of Portland

### Impact on Other Levies w/in Portland

Amount of Compression That Exceeds the Current Levy Configuration

		County GF		City GF	Children's Levy	Parks Levy	FPD&R	Urban Renewal	Total City
FY 10-11	Year 1	\$ 1,470,349		\$ 2,114,750	\$ 703,987	\$ 666,935	\$ 956,420	\$ 864,456	\$ 5,306,548
FY 11-12	Year 2	1,514,459		2,178,193	725,106	686,943	985,112	890,390	5,465,744
FY 12-13	Year 3	1,559,893		2,243,539	746,860	707,551	1,014,666	917,102	5,629,716
FY 13-14	Year 4	1,606,690		2,310,845	769,265	728,778	1,045,106	944,615	5,798,608
FY 14-15	Year 5	1,654,890		2,380,170	792,343	750,641	1,076,459	972,953	5,972,566
FY 15-16	Year 6	1,704,537		2,451,575	816,114	773,160	1,108,753	1,002,142	6,151,743
FY 16-17	Year 7	1,755,673		2,525,122	840,597	796,355	1,142,015	1,032,206	6,336,296
FY 17-18	Year 8	1,808,343		2,600,876	865,815	820,246	1,176,276	1,063,172	6,526,384
FY 18-19	Year 9	1,862,594		2,678,902	891,789	844,853	1,211,564	1,095,067	6,722,176
FY 19-20	Year 10	1,918,472		2,759,269	918,543	870,199	1,247,911	1,127,919	6,923,841

## Impact of Assumptions

*How the Assumptions Can Impact the 10-Year Estimates*

### Library Expense Assumption Sensitivity

		Library Expense @ 4.5% Growth	Library Expense @ 4.25% Growth	Difference in Expenses Growth
FY 10-11	Year 1	\$ 60,572,746	\$ 60,572,746	\$ -
FY 11-12	Year 2	63,298,520	63,147,088	151,432
FY 12-13	Year 3	66,146,953	65,830,839	316,114
FY 13-14	Year 4	69,123,566	68,628,650	494,916
<b>FY 14-15</b>	<b>Year 5</b>	<b>72,234,126</b>	<b>71,545,367</b>	<b>688,759</b>
FY 15-16	Year 6	75,484,662	74,586,045	898,617
FY 16-17	Year 7	78,881,472	77,755,952	1,125,520
FY 17-18	Year 8	82,431,138	81,060,580	1,370,558
FY 18-19	Year 9	86,140,539	84,505,655	1,634,884
FY 19-20	Year 10	90,016,863	88,097,145	1,919,718
<b>10-Year Total</b>		<b>744,330,585</b>	<b>735,730,067</b>	<b>8,600,518</b>

### Property Tax Growth Assumption Sensitivity (for \$1.20/\$1,000)

		Value Growth @ 3.25%	Value Growth @ 3.00%	Difference in Tax Growth
FY 10-11	Year 1	\$ 61,583,339	\$ 61,583,339	\$ -
FY 11-12	Year 2	63,584,797	63,430,839	153,958
FY 12-13	Year 3	65,651,303	65,333,764	317,539
FY 13-14	Year 4	67,784,970	67,293,777	491,194
<b>FY 14-15</b>	<b>Year 5</b>	<b>69,987,982</b>	<b>69,312,590</b>	<b>675,392</b>
FY 15-16	Year 6	72,262,591	71,391,968	870,623
FY 16-17	Year 7	74,611,126	73,533,727	1,077,399
FY 17-18	Year 8	77,035,987	75,739,739	1,296,248
FY 18-19	Year 9	79,539,657	78,011,931	1,527,726
FY 19-20	Year 10	82,124,696	80,352,289	1,772,407
<b>10-Year Total</b>		<b>714,166,449</b>	<b>705,983,963</b>	<b>8,182,486</b>