

Multnomah County Library

**Briefing to Board of County
Commissioners**

February 21, 2013

Goals of today's briefing

- District forecasts; budget structure and process
- March 14 process to establish the district and begin operation as Multnomah County Library District Board (MCLD Board).

Why we are here- a patron's story from My MCL

Thank you Library. You are the main source for my extended family's education and entertainment (for) 17+ years. My kids love the summer reading program. When times get hard and money (is) tight, you make me feel like Royalty. When I meet newcomers to our town, I tell them they don't need a drivers license, just a Library card...(It's) Nice to have tangible results of our tax dollars.

Love,

Daniel

Library: Albina

Multnomah County LIBRARY

DISTRICT

Library District @ \$1.18 with Ramp-up to \$1.24 Starting in Year 6

Base Case

		Library Expenditures	Total Property Taxes	CGF	Other Revenue	Operating Balance	Fund Balance at end of Fiscal Year	Library Levy/ District Rate	Reserve % (Fund Balance vs. Property Tax)
FY 12-13		58,803,796	32,044,828	18,319,980	3,827,888	(4,611,100)	3,480,258	\$0.89	
FY 13-14	Year 1	67,121,624	63,415,385	-	3,904,446	198,206	3,678,464	\$1.18	5.80%
FY 14-15	Year 2	70,142,097	67,062,384	-	3,982,535	902,822	4,581,286	\$1.18	6.83%
FY 15-16	Year 3	73,298,492	69,846,920	-	4,062,185	610,613	5,191,900	\$1.18	7.43%
FY 16-17	Year 4	76,596,924	72,559,190	-	4,143,429	105,695	5,297,595	\$1.18	7.30%
FY 17-18	Year 5	80,043,785	75,293,351	-	4,226,298	(524,137)	4,773,458	\$1.18	6.34%
FY 18-19	Year 6	83,645,756	79,343,500	-	4,310,824	8,568	4,782,026	\$1.20	6.03%
FY 19-20	Year 7	87,409,815	82,954,596	-	4,397,040	(58,178)	4,723,847	\$1.21	5.69%
FY 20-21	Year 8	91,343,256	86,705,216	-	4,484,981	(153,059)	4,570,788	\$1.22	5.27%
FY 21-22	Year 9	95,453,703	90,619,094	-	4,574,681	(259,928)	4,310,860	\$1.23	4.76%
FY 22-23	Year 10	99,749,119	94,703,144	-	4,666,174	(379,801)	3,931,059	\$1.24	4.15%

Assumptions

1. Library fully spends it FY 2013 Adopted budget.
2. Library expenditures grow at 4.38% FY 13 to FY 14 and then 4.5% per year.
3. Other revenue reflects FY 2013 Adopted budget, excludes beginning working capital, and grows at 2.0% per year.
4. Total Property Taxes includes prior year Local Option

Library District Assumptions for Base Model

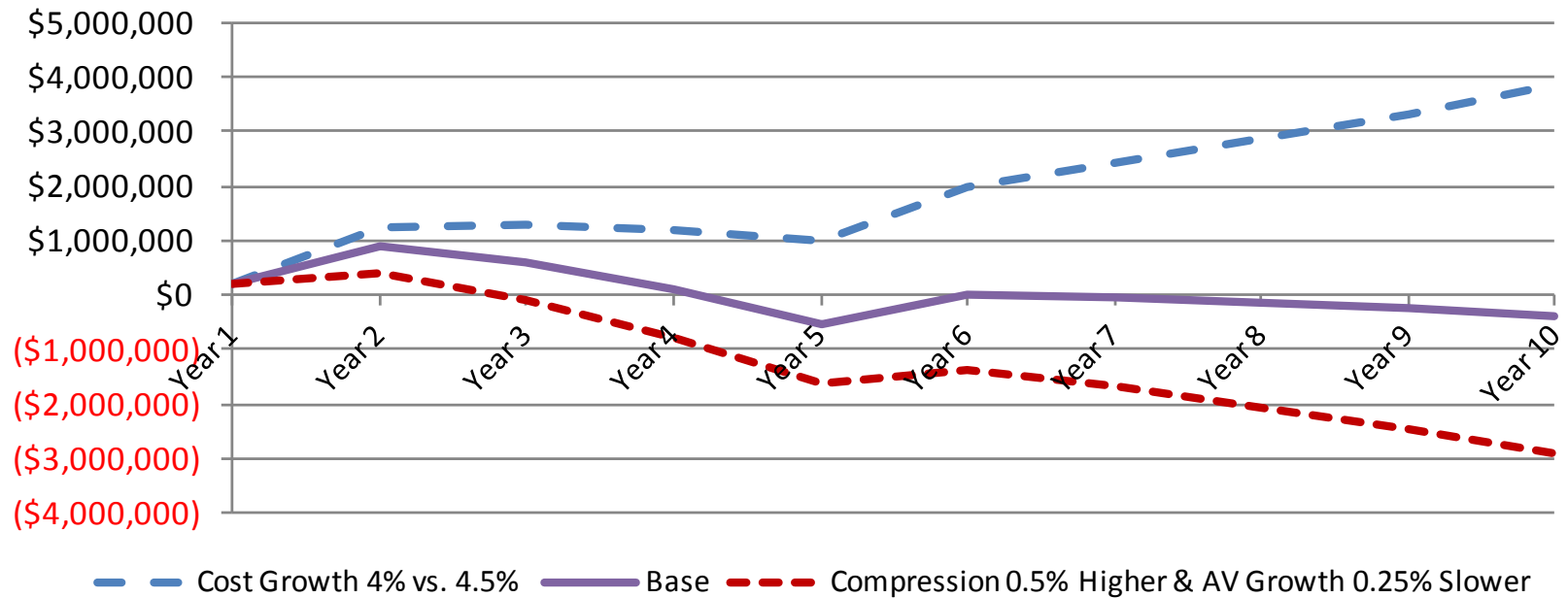
		Library Levy/ District Rate	AV Growth	Compression	Cost Change
FY 12-13		\$0.89	2.85%	37.56%	3.76%
FY 13-14	Year 1	\$1.18	3.25%	7.40%	4.38%
FY 14-15	Year 2	\$1.18	3.50%	6.65%	4.50%
FY 15-16	Year 3	\$1.18	3.70%	6.25%	4.50%
FY 16-17	Year 4	\$1.18	3.60%	6.00%	4.50%
FY 17-18	Year 5	\$1.18	3.60%	5.85%	4.50%
FY 18-19	Year 6	\$1.20	3.50%	5.70%	4.50%
FY 19-20	Year 7	\$1.21	3.50%	5.55%	4.50%
FY 20-21	Year 8	\$1.22	3.50%	5.40%	4.50%
FY 21-22	Year 9	\$1.23	3.50%	5.25%	4.50%
FY 22-23	Year 10	\$1.24	3.50%	5.10%	4.50%

Library District Scenario Comparisons

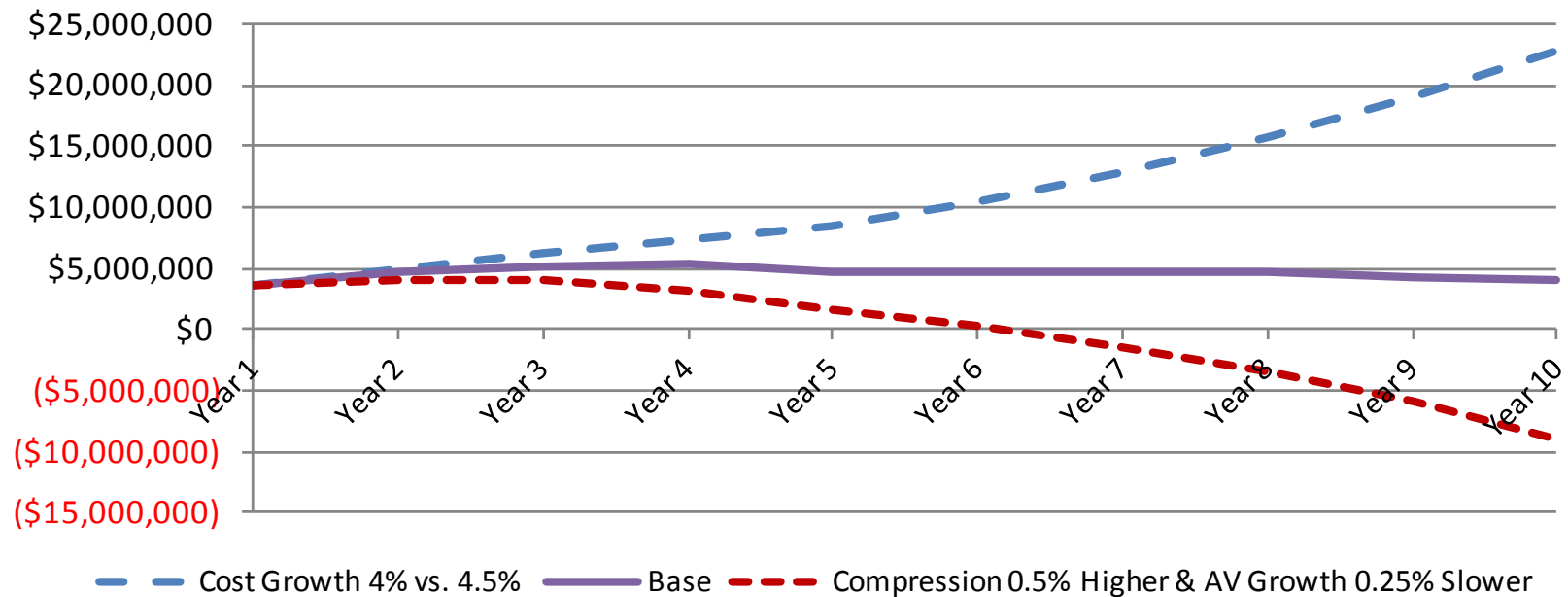
Assumes Property Tax Rate Same as Base Scenario

		Cost Growth 4% vs. 4.5%		Base		Compression 0.5% Higher & AV Growth 0.25% Slower	
		Operating Balance	Fund Balance at end of Fiscal Year	Operating Balance	Fund Balance at end of Fiscal Year	Operating Balance	Fund Balance at end of Fiscal Year
FY 13-14	Year 1	198,206	3,678,464	198,206	3,678,464	198,206	3,678,464
FY 14-15	Year 2	1,238,430	4,916,894	902,822	4,581,286	395,852	4,074,317
FY 15-16	Year 3	1,310,356	6,227,251	610,613	5,191,900	(92,543)	3,981,774
FY 16-17	Year 4	1,199,920	7,427,171	105,695	5,297,595	(797,044)	3,184,729
FY 17-18	Year 5	996,842	8,424,013	(524,137)	4,773,458	(1,639,677)	1,545,052
FY 18-19	Year 6	1,990,604	10,414,617	8,568	4,782,026	(1,355,198)	189,854
FY 19-20	Year 7	2,421,369	12,835,986	(58,178)	4,723,847	(1,680,212)	(1,490,358)
FY 20-21	Year 8	2,862,719	15,698,705	(153,059)	4,570,788	(2,053,051)	(3,543,409)
FY 21-22	Year 9	3,333,197	19,031,902	(259,928)	4,310,860	(2,459,032)	(6,002,441)
FY 22-23	Year 10	3,834,317	22,866,220	(379,801)	3,931,059	(2,900,442)	(8,902,883)

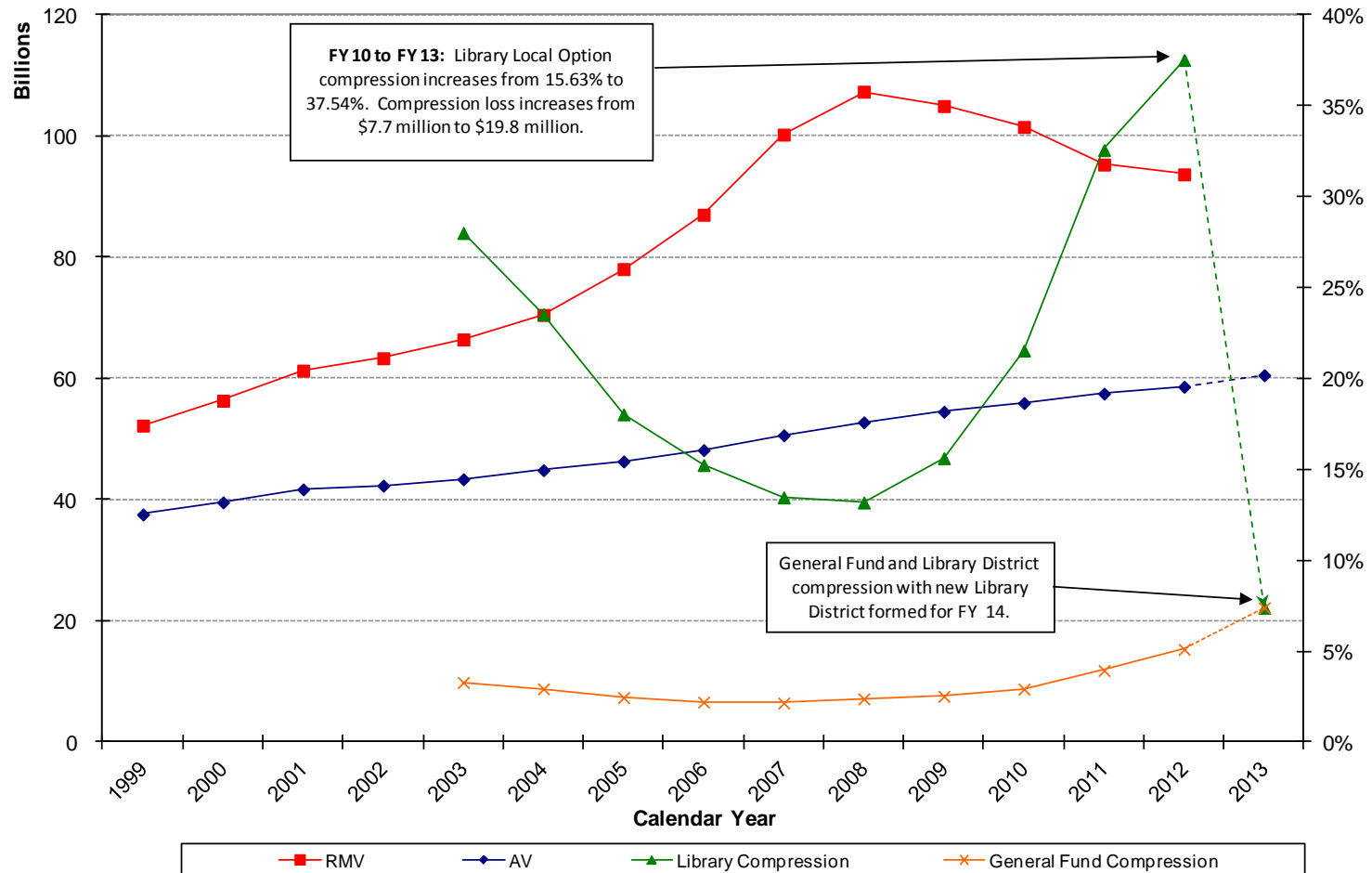
District Operating Balance



District Fund Balance at End of Fiscal Year



Multnomah County AV, RMV, and Compression



Library budget and fund structure for FY 2014

(Existing) County Library Fund

Revenue

- Prior Year Local Option Taxes
- Beginning Working Capital (FY 2013 Ending Balance)
- IGA Reimbursement from Library District Fund

Expenditures

- Personnel Costs
- Materials & Supplies
- Professional Services
- Internal Services (IT, Facilities)
- Indirect (Payroll, HR, G/L)

(New) Library District Fund

Revenue

- Current Year Taxes
- Fines
- Grants

Expenditures

- Contract with County Library Department

FY 2014 budget calendar comparison Multnomah County to Library District

FY 2014 Budget Milestones	Multnomah County	Library District
Department Budget Requests Due	February 15	February 15
Proposed Budget	May 2	May 2
Budget Worksession	May 28	May 28
Budget Amendments	June 4	June 4
TSCC Hearing	June 5	June 5
Adopt Budget	June 6	June 6

Board of County Commissioners actions and steps March 14

- Order to establish a library district
- Amend Resolution 07-014
- Vote on Intergovernmental Agreement (IGA)

MCLD Board actions and next steps March 14

- Vote on resolution authorizing IGA with Multnomah County
- Vote on MCLD resolution to appoint MCLD librarian/budget officer and adopt policy

Recap and next steps

- Overview
 - Creation of Multnomah County Library District
 - Benefits to the community
 - Procedural steps and governance role
 - Budget structure, process, forecast and scenarios
- Next Steps
 - March 14 MCLD Board meeting