

# **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*

**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	<b>\$0.89</b>	
FY 13-14 Year 1	67,121,624	63,415,385	-	3,904,446	198,206	3,678,464	<b>\$1.18</b>	5.80%
FY 14-15 Year 2	70,142,097	67,062,384	-	3,982,535	902,822	4,581,286	<b>\$1.18</b>	6.83%
FY 15-16 Year 3	73,298,492	69,846,920	-	4,062,185	610,613	5,191,900	<b>\$1.18</b>	7.43%
FY 16-17 Year 4	76,596,924	72,559,190	-	4,143,429	105,695	5,297,595	<b>\$1.18</b>	7.30%
FY 17-18 Year 5	80,043,785	75,293,351	-	4,226,298	(524,137)	4,773,458	<b>\$1.18</b>	6.34%
FY 18-19 Year 6	83,645,756	79,343,500	-	4,310,824	8,568	4,782,026	<b>\$1.20</b>	6.03%
FY 19-20 Year 7	87,409,815	82,954,596	-	4,397,040	(58,178)	4,723,847	<b>\$1.21</b>	5.69%
FY 20-21 Year 8	91,343,256	86,705,216	-	4,484,981	(153,059)	4,570,788	<b>\$1.22</b>	5.27%
FY 21-22 Year 9	95,453,703	90,619,094	-	4,574,681	(259,928)	4,310,860	<b>\$1.23</b>	4.76%
FY 22-23 Year 10	99,749,119	94,703,144	-	4,666,174	(379,801)	3,931,059	<b>\$1.24</b>	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**

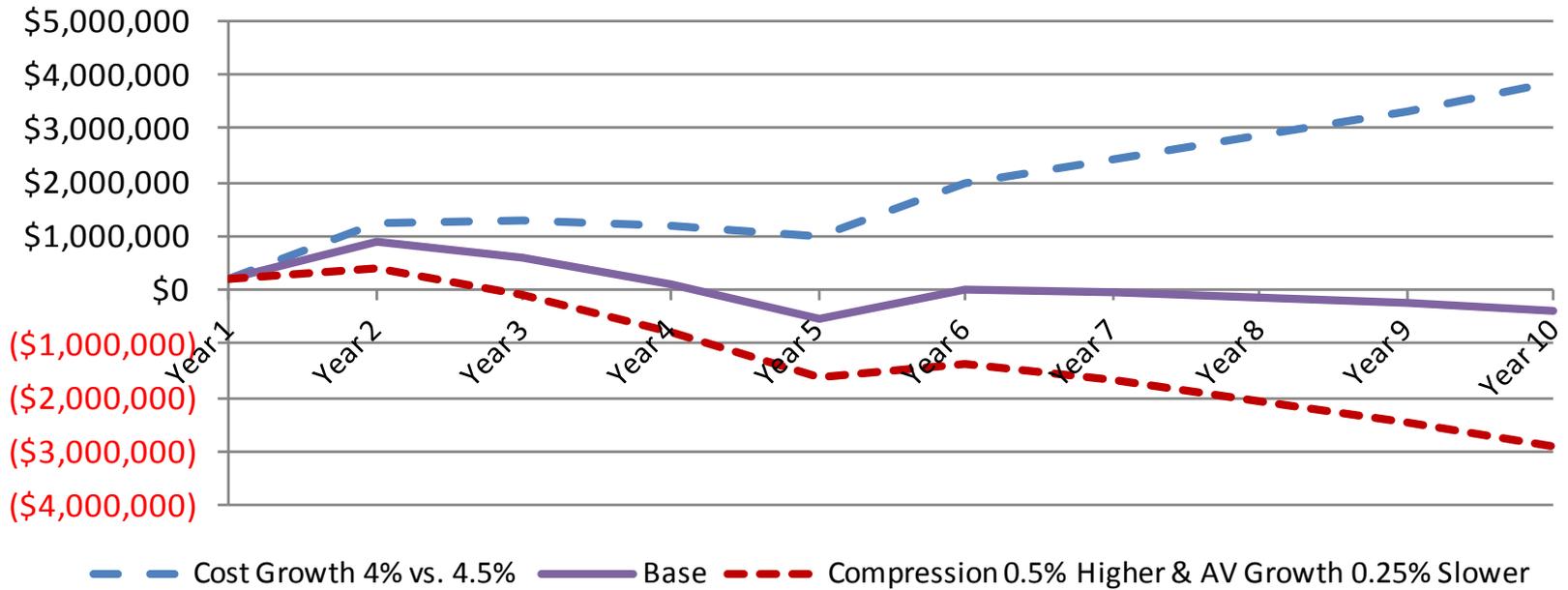
		<b>Library Levy/ District Rate</b>	<b>AV Growth</b>	<b>Compression</b>	<b>Cost Change</b>
FY 12-13		\$0.89	2.85%	37.56%	3.76%
FY 13-14	Year 1	\$1.18	3.25%	7.40%	4.38%
FY 14-15	Year 2	\$1.18	3.50%	6.65%	4.50%
FY 15-16	Year 3	\$1.18	3.70%	6.25%	4.50%
FY 16-17	Year 4	\$1.18	3.60%	6.00%	4.50%
FY 17-18	Year 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

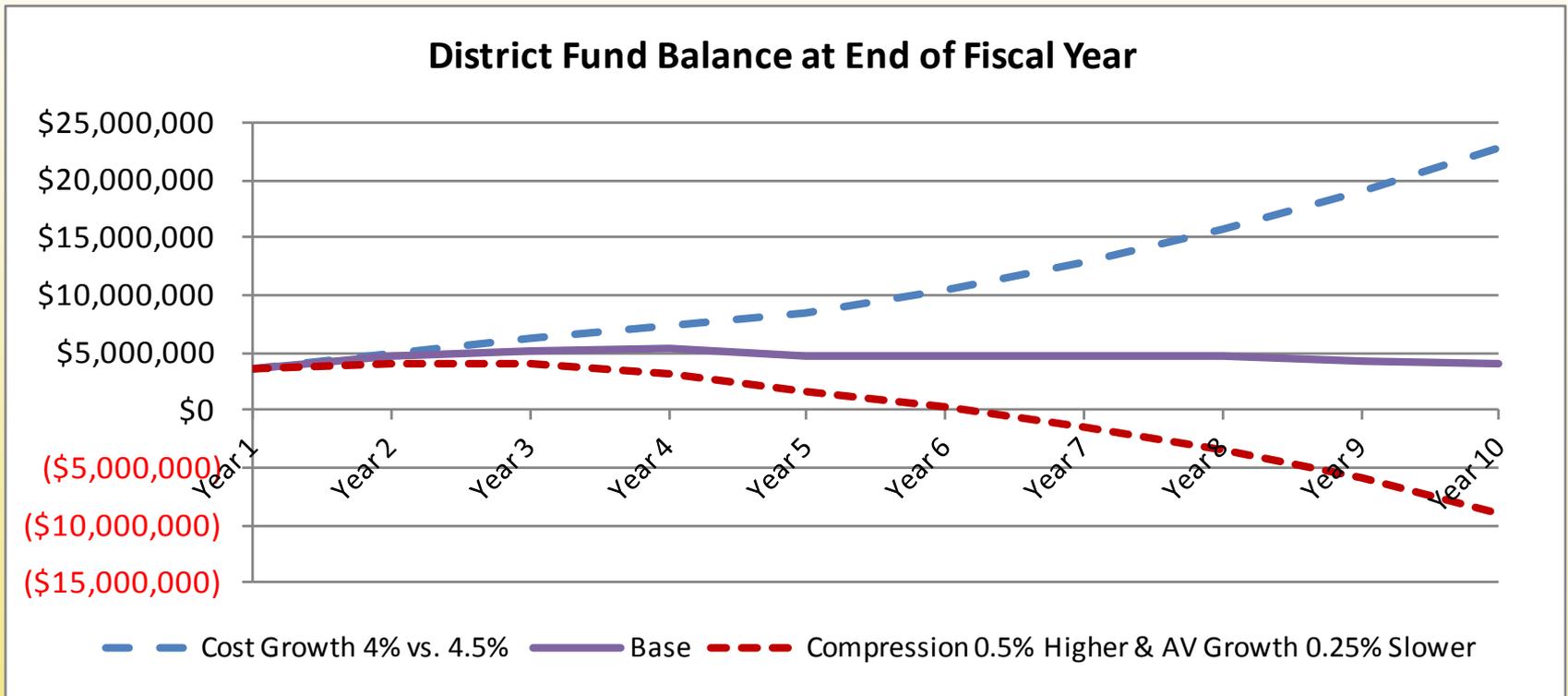
*Assumes Property Tax Rate Same as Base Scenario*

		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)

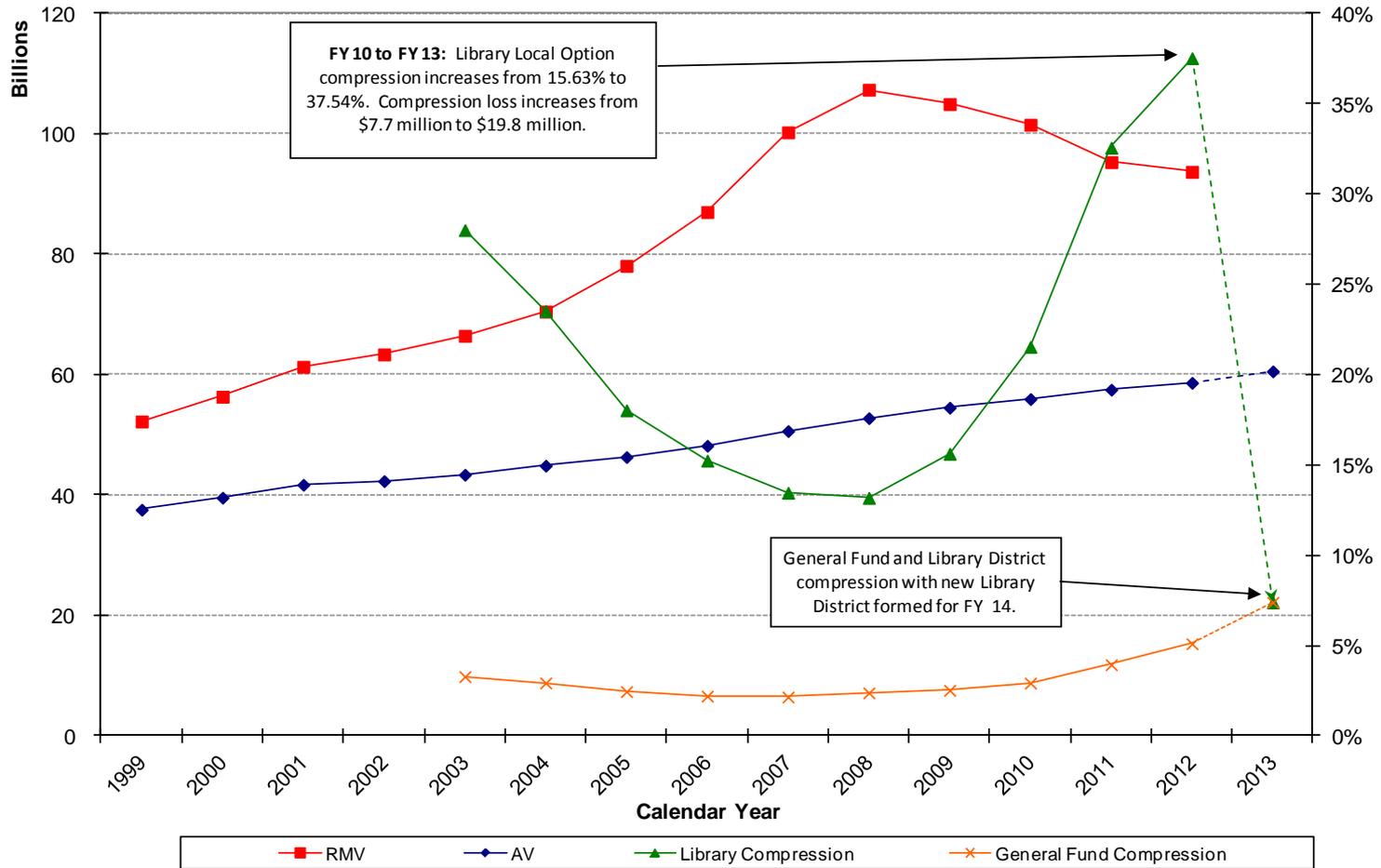
**District Operating Balance**



**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