

TSCC REVIEW OF LIBRARY DISTRICT MEASURE
Held at Multnomah County BCC Board Room
Monday, October 15, 2012 @ 4:00 pm
Library District with \$1.2400 Permanent Rate Limit

Questions & Answers

1. There has been talk of forming a Library District with its own property tax levy authority for more than 25 years. Why is now the right time to finally ask voters to make this significant change?

The Board of County Commissioners unanimously voted to refer the library district to voters on August 2. In the months leading up to this action, the board conducted a thorough community engagement process, which indicated clear support for a library district measure to be referred to voters. Coupled with the increasing effects of property tax compression – expected to swallow up 37% of levy funds this year alone – and the community's dissatisfaction with the reduction in hours and services implemented in the current budget, the time was right.

Multnomah County Library is the second busiest library in the United States, but two-thirds of the current budget is essentially temporary funding. A library district would establish a permanent rate, sufficient to cover inflation and allow for long-range fiscal planning. This permanent rate would replace the levy and ongoing General Fund contributions from Multnomah County.

Under the proposed library district model, the library would restore seven-day-per-week service and programs to Fiscal Year 2012 levels for the foreseeable future. Library districts are common throughout the US and in Oregon – where 25 are currently in place. A library district would allow the county to focus resources on other critical services like public safety, mental health care, and substance abuse treatment.

2. Last year you discussed and analyzed a permanent rate limit of \$1.18 per \$1,000 of assessed value and as recently as July 2012 a tax rate of \$1.22 was under consideration. When the decision was finally made to submit a measure to the voters to create a Library District, a rate of \$1.24 was selected. How was this amount arrived at and why did it increase from recent discussions?

The context of this decision is that a permanent rate, like a diamond, is forever. We spent a lot of time looking at different forecasts to determine what rate would truly put the library on stable footing for the long term. In the end, a district that started at \$1.18 with a maximum permanent rate of \$1.24 put the library on the most stable path and provided us flexibility to keep the rate low as long as possible without compromising the stability of the organization.

3. Will the entire \$1.24 be levied the first year or will you try to keep the rate lower the first year or two?

The amount levied will be determined as part of each year's budget process. What that means is that each year the library will make a public case for the budget it presents, and the Library District Board (the Multnomah County Board of Commissioners sitting as the Library District Board) will determine the appropriate tax rate for the services up to \$1.24. Our projections show that after restoring services to FY12 levels, the library district rate could be held at \$1.18 for a number of years before incrementally increasing to the cap.

4. The county will continue to receive prior year property taxes from the current local option levy for several years to come, in excess of \$500,000 the first two years. What do you plan to do with that money?

Taxes collected from prior years would be received into the library budget fund for operations or contingency funding.

5. The new district will require the same administrative support that the county library currently receives. Have you determined yet which of these services the county will provide and at what cost and which ones the new district will provide itself “in-house”?

The library expects that the current administrative services model would continue as-is through June, 30 2014. During that period, the library expects to have detailed discussions with Multnomah County about how to ensure that the public is best served long-term with affordable and efficient administrative services.

The library expects those discussions to include analysis and interpretation that would form the basis of intergovernmental agreements between the two entities.

6. A Library Advisory Board will be appointed to oversee and advise the administration of the Library District. Will this group operate any differently than the current Library Board?

No. The library anticipates that the Library Advisory Board will continue in its current mission of advising the library director and the Library District Board (currently the Board of County Commissioners).

7. Since the increase in tax rate and especially the change from a local option levy to a permanent tax rate limit will affect property tax collections for other non-education districts due to the way Measure 5 compression operates, have you reached out to those other jurisdiction and if so, what has been the reaction?

We reached out to the City prior to the library district referral and participated in a council worksession on the potential district. Just as we have been concerned when the city's actions, like urban renewal & FPD&R, impact our revenues, the City is concerned about the impact of a library district on its revenues. The City is a great partner, and we continue to have discussions with them about how we can work together to provide the right services to the public.

8. One of the advantages of creating a library district with its own permanent rate limit is that you will no longer have to go to voters every three to five years to renew temporary levies. How much did the last local option levy in May of 2012 cost the county and how much was spent by the political action committee supporting the measure?

Over the last 10 years, over \$1.2 million has been expended to fund library levy campaigns (\$427,000 through June 2012; \$425,000 in 2006; \$360,000 in 2002). The cost to Multnomah County Elections for a library measure is less when there are other countywide measures on the ballot (such as commission seats, as in the May primary). Total cost for the library measure in that election was \$20,468.

9. Who is heading up the campaign in support of the measure and what activities are planned to inform the voters of the issues surrounding the creation of a Library District with its own permanent tax rate limit?

Libraries YES! is running the campaign and the normal election activities are being conducted: fundraising, voter contact, public outreach and education, media opportunities, lawn signs, phone banks. More information is available at www.librariesyes.com.

10. Have you done any polling to indicate the level of support for the levy?

No.