



# CLACKAMAS COUNTY LIBRARY SERVICE DISTRICT PROPOSED BUDGET



**FISCAL YEAR  
2023-2024**





## **CLACKAMAS COUNTY LIBRARY SERVICE DISTRICT**

**FISCAL YEAR 2023-2024  
Proposed Budget**

### **BUDGET COMMITTEE**

#### **Board of County Commissioners**

**Tootie Smith, Chair  
Paul Savas, Commissioner  
Martha Schrader, Commissioner  
Mark Shull, Commissioner  
Ben West, Commissioner**

#### **Citizens**

**Susan Nielsen  
Marisa Ely  
Alan Matecko  
Tammy Stempel**

### **LIBRARY DISTRICT ADVISORY COMMITTEE**

<b>Natalie McNown (Wilsonville)</b>	<b>Mark Pontarelli (Lake Oswego)</b>
<b>G. Jeffrey Bornefeld (Oak Lodge)</b>	<b>Vacant (West Linn)</b>
<b>Kathleen Draine (Sandy/Hoodland)</b>	<b>Desiree Dumitrescu (Estacada)</b>
<b>Natalie Smith (Gladstone)</b>	<b>Denise Fonseca (Canby)</b>
<b>Karla Branson (Milwaukie)</b>	<b>Al Matecko (Happy Valley)</b>
<b>Vacant (Molalla)</b>	<b>Nick Dierckman (Oregon City)</b>

**Clackamas County Administrator/Library District Budget Officer  
Gary Schmidt**

**Department of Transportation & Development Services Director  
Dan Johnson**

**Department of Transportation & Development Services Assistant Director  
Sarah Eckman**

**Prepared by:  
Department of Transportation & Development  
Tracy Grambusch, Financial Analyst**

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## TABLE OF CONTENTS

	<u>Page</u>
GENERAL BUDGET INFORMATION	
Budget Message .....	1
Organizational Chart .....	4
BUDGET BY ACTIVITY	
Library Service District Line Item Budget .....	5
Expenditure Detail.....	6
ADDITIONAL INFORMATION	
Distribution Formula.....	7
Fiscal Year 2022/2023 Estimate .....	8
Glossary.....	9



DAN JOHNSON  
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING

150 BEAVERCREEK ROAD OREGON CITY, OR 97045

May 23, 2023

Residents of the Library District of Clackamas County  
Budget Committee Members  
Board of County Commissioners  
Acting as the Governing Body of the Library District of Clackamas County

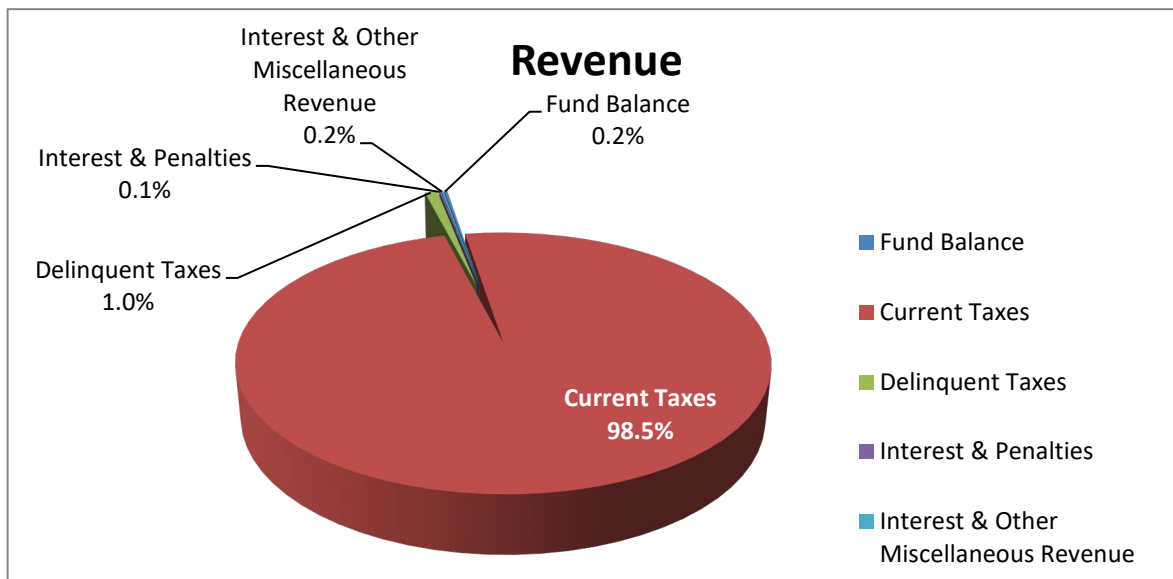
**Introduction**

I am pleased to present the Library District proposed budget in the amount of **\$23,140,234** for fiscal year 2023/2024 for consideration by the Budget Committee. The budget was prepared in compliance with Oregon Budget Law and is balanced with resources matching projected annual requirements.

The Library District Fund was established in 2008 when voters approved a countywide Library District for Clackamas County. The permanent rate approved by voters in November 2008 was 0.3974 dollars per thousand of assessed value. The District functions as a fiscal agent by distributing property tax revenues raised by the District’s permanent rate to participating local governments who operate libraries within Clackamas County. These funds will be used in fiscal year 2023/2024 for the operations and support of the Clackamas County Oak Lodge Library and twelve city-operated libraries: Canby, Estacada, Gladstone (operated by Clackamas County), Happy Valley, Lake Oswego, Milwaukie, Molalla, Oregon City, Sandy (including a branch at Hoodland), Tualatin, West Linn and Wilsonville. The City of Johnson City is the only area in Clackamas County that is not part of the Library District.

**Revenues**

The proposed budget of **\$23,140,234** includes taxes of \$23,052,234, a fund balance at the end of fiscal year 2022/2023 of \$53,000, and all other revenue resources of \$35,000 as displayed below:



## **Expenditures**

As part of the original Library District ballot measure, the Board of County Commissioners indicated to voters that no Library District administration costs would be charged against this fund and that all tax revenue collected would go directly to support libraries. Therefore, the county is responsible for all necessary administrative expenditures related to the Library District. All funds collected in the Library District Fund will be distributed to public libraries within Clackamas County for the support of library services, except those required to be held in trust per the Cooperative Intergovernmental Agreement between the Library District of Clackamas County and Member Cities (Master IGA). The county's Department of Transportation & Development department is responsible for administration of the Library District and provides staff support to the Library District Advisory Committee.

There are no other taxes imposed by the District; there is no operating budget and the District has no staff. The expenditures in the proposed budget include Payments to Local Governments in the amount of \$23,140,234 and represent the distributions to the county-operated Oak Lodge Library and the remaining distributions to the twelve city-operated libraries.

The mechanism by which the funds are collected by the Library District and distributed to each Library is called the "distribution formula."

## **Distribution Formula**

The distribution formula by which the Library District funds are divided out to each Library is outlined in the Master IGA and is based on two factors:

- The first factor of the formula is *assessed value*. Each participating city and jurisdiction that operates a library located in Clackamas County receives a proportionate share based on assessed value.
- The second factor of the formula is *unincorporated population*. Each participating city and jurisdiction that operates a library located in Clackamas County receives a proportionate share based on the percentage of unincorporated residents served by each of the libraries as established by the Library Service Area boundaries.

Prior year delinquencies, tax interest, and penalties are distributed to each Library based on the previous year's distribution formula.

The Master IGA stipulates that the population in each census tract will be verified every 10 years, and an updated total unincorporated population within each Library Service Area will be used in the distribution formula. This update ensures that the distribution of funds is reflective of the most current census data. The 2010 Census data was incorporated into the distribution formula in fiscal year 2012/2013 and resulted in adjustments to the distribution formula and changes in the amount of projected property tax revenue for the libraries. The ultimate impact was a drop in revenue for several cities and increases in revenue for others. Cities with large unincorporated areas saw the largest drop in projected revenues. The 2020 census is now complete and has been incorporated into the distribution formula.

Since a portion of the City of Tualatin is within the boundaries of the Library District, the city receives 50% of the annual District revenue generated in the city for use in support of the Tualatin Library. The remaining 50% is split between the three District libraries most likely to serve Tualatin patrons, namely Lake Oswego, Wilsonville, and West Linn.

Following is the fiscal year 2023/2024 estimate of taxes allocated to each city and county Library receiving District distributions.

Library Name		
Canby	\$	1,104,700 4.77%
Estacada	\$	1,014,890 4.39%
Gladstone	\$	942,075 4.07%
Happy Valley	\$	3,443,744 14.87%
Lake Oswego	\$	3,651,322 15.78%
Milwaukie	\$	2,110,250 9.12%
Molalla	\$	1,151,782 4.98%
Oregon City	\$	2,765,201 11.95%
Sandy	\$	1,285,621 5.56%
Hoodland	\$	322,323 1.39%
Tualatin	\$	116,613 0.50%
West Linn	\$	1,868,595 8.08%
Wilsonville	\$	1,579,808 6.83%
Oak Lodge	\$	1,783,310 7.71%
<b>Total</b>	<b>\$</b>	<b>23,140,234 100.00%</b>

**Activity Highlights**

Conscious of the value libraries provide to the County, DTD strives to distribute funds to LINCC member libraries as quickly as possible. DTD continues to work with cities and the Library District Advisory Committee (LDAC) to examine district funding, governance, and services, to ensure library service is sustainable as demands evolve.

**Acknowledgements**

I want to acknowledge county staff’s effort in creating this proposed budget. I also want to acknowledge and thank the Library District Advisory Committee, the Board of County Commissioners and the residents of the District for their engagement and continued dedication to the Clackamas County Library District.

As always, I want to thank the Budget Committee for assuming this important task on behalf of our community. The time you take to receive and review the budget and attend the meetings is very much appreciated.

We respectfully request that the Budget Committee approve this budget for fiscal year 2023/2024.

Respectfully submitted,

Gary Schmidt  
 County Administrator  
 Library District Budget Officer



Board of County Commissioners

County Administrator,  
Gary Schmidt

Department of Transportation & Development

**Administrative Services**

**Transportation Services**

**Community Services**

**Development Services**

**Visioning Services**

**Budgetary ONLY -  
No Performance Clackamas**

Office of the Director

Traffic Safety

Code Enforcement

County Surveyor

Urban Renewal

County Fair & Event Center

Trans Engineering & Const

Dog Services

Current Planning

Long-Range Planning

Library District

Transportation Maintenance

Sustainability & Solid Waste

Building Codes

Regional Policy Coordination

Tax Title Land

Community Road Fund

Library Support Services

Septic

Office of Economic Development

\$ Coll on Behalf of Oth Agencies

Damascus Roads

Oak Lodge Library

Development Engineering

Countywide TSDCs

Fleet

Gladstone Library

Public Land Corner

HV Joint Subarea TSDCs

Street Lighting

County Parks

Forestry

**80-Misc/Pass-Through [50-History] / 210-Library District of Clackamas County**  
**Summary of Revenue and Expense**

	<b>FY20-21 Actuals</b>	<b>FY21-22 Actuals</b>	<b>FY22-23 Amended Budget</b>	<b>FY22-23 Projected Year-End</b>	<b>FY23-24 Budget</b>	<b>\$ Change from Prior Year Budget</b>	<b>% Change from Prior Year Budget</b>
<b>Beginning Fund Balance</b>	23,429,484	2,991,783	85,425	129,122	53,000	(32,425)	-38%
Taxes	338,934	21,372,845	21,993,225	21,992,528	23,042,234	1,049,009	5%
Federal, State, Local, All Other Gifts & Donations	15,983	27,349	-	10,000	10,000	10,000	-
Charges, Fees, License, Permits, Fines, Assessments	-	-	-	-	-	-	-
Revenue from Bonds & Other Debts	-	-	-	-	-	-	-
All Other Revenue Resources	60,043	36,713	35,000	35,000	35,000	-	0%
Other Interfund Transfers	-	-	-	-	-	-	-
General Fund Support	-	-	-	-	-	-	-
<b>Operating Revenue</b>	<b>414,959</b>	<b>21,436,908</b>	<b>22,028,225</b>	<b>22,037,528</b>	<b>23,087,234</b>	<b>1,059,009</b>	<b>5%</b>
<b>Total Revenue</b>	<b>23,844,443</b>	<b>24,428,691</b>	<b>22,113,650</b>	<b>22,166,650</b>	<b>23,140,234</b>	<b>1,026,584</b>	<b>5%</b>
Personnel Services	-	-	-	-	-	-	-
Materials and Services	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
<b>Operating Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Debt Service	-	-	-	-	-	-	-
Special Payments	20,852,660	24,299,569	22,113,650	22,113,650	23,140,234	1,026,584	5%
Transfers	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-
Reserve for Future Expenditures	-	-	-	-	-	-	-
<b>Total Expense</b>	<b>20,852,660</b>	<b>24,299,569</b>	<b>22,113,650</b>	<b>22,113,650</b>	<b>23,140,234</b>	<b>1,026,584</b>	<b>5%</b>
<b>Revenues Less Expenses</b>	<b>2,991,783</b>	<b>129,122</b>	<b>-</b>	<b>53,000</b>	<b>-</b>		

**Department: Transportation and Development**  
**Fund: 210 Library Service District of Clackamas County**  
**Program: 500503 Library District**

**Detail Sheet**

Explain/describe source or use of funds for each listed category in sufficient detail to enable reader to understand and evaluate.

**REVENUE DETAIL**

<b>Beginning Fund Balance</b> (anticipated July 1, 2023)	
<b>Externally Restricted</b> - due to Library District cities/county library	53,000
<b>Externally Restricted</b> - held in trust per the IGA for Oak Lodge Library	0
<b>Internally Assigned</b> -	0
<b>Not Assigned</b> -	0
	53,000
 <b>General Fund Support</b>	 0
	0

**EXPENSE DETAIL**- Explain **significant** outlays for each category below. Not necessary to itemize all.

**Travel / Training / Mileage (all types)**

**Professional and Contracted Services (all types)** Indicate with asterisk (\*) if service provided by another County dept and specify provider

**Capital Outlay**

**OTHER SIGNIFICANT ITEMS OF AT LEAST \$25,000 REQUIRING EXPLANATION - (REVENUE OR EXPENSE) No**

personal services or allocated costs

<b>Revenue</b>	
<b>Expense</b>	
Special Payments - Pass Thru Payment - Local Govt & Other Agencies - Oak Lodge - Line #47520	1,783,310
Special Payments - Pass Thru Payment - Local Govt & Other Agencies - Gladstone - Line #47520	942,074
Special Payments - Pass Thru Payment - Local Govt & Other Agencies - City Libraries - Line #47520	20,414,850
 <b>Total Expenditures</b>	 23,140,234

# Clackamas County Library District Distribution Formula

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## Distribution of Revenue

All tax funds collected in the Library District are distributed to the libraries within Clackamas County. The County pays all administrative expenditures related to the Library District and the County's Department of Transportation and Development manages the administration of the property tax distribution formula and provides staff support to the Library District Board and Library District Advisory Committee.

The mechanism by which the Library District funds are divided out to each Library is outlined in an Intergovernmental Agreement and called the "distribution formula." The formula is based on two factors:

- The first factor of the formula is *assessed value* and each participating city and jurisdiction that operates a library located in Clackamas County receives a proportionate share based on their city's assessed value.
- The second factor of the formula is *unincorporated population* and each participating city and jurisdiction that operates a library located in Clackamas County receives a proportionate share based on the percentage of unincorporated residents served by each library as established by the Library Service Area boundaries.

Prior year delinquencies, tax interest, and penalties are distributed to each Library based on the previous year's distribution formula.

Following is the fiscal year 2023/2024 estimate of taxes allocated to each City and County Library participating in the Library District.

**Clackamas County Library District  
Fiscal Year 2023 - 2024 Estimate\***

<b>Total Current Year Tax Receipt</b>	<b>\$22,792,234</b>	<b>100.00%</b>	<b>Prior Year</b>
City Assessed Value	\$12,417,209	54.48%	\$189,590
Unincorporated Population Served	\$10,375,025	45.52%	\$158,410

**Grambusch, Tracy:**  
 FY 2023/2024 Estimate  
 23,146,844 (2022/2023 Taxes imposed)  
 X 3%  
 = 694,405  
 +23,841,249  
 X 95.6% (Assessors Collection rate)  
 =22,792,234

Prior Year Fund Balance	\$53,000
Interest Earned	\$35,000
Delinquent Tax & Interest/Penalties	\$260,000
<b>Total</b>	<b>\$348,000</b>
<b>Total Library District Revenues</b>	<b>\$23,140,234</b>

	Assessed Value	Unincorporated Population Served	Assessed Value Prior Interest & Delinquent Tax	Unincorporated Prior Interest & Delinquent Tax	Tualatin Distribution	Total Distribution	%
Canby	\$723,923	\$364,163	\$11,053	\$5,560		\$1,104,700	4.77%
Estacada	\$198,675	\$800,952	\$3,033	\$12,229		\$1,014,890	4.39%
Gladstone	\$406,043	\$521,864	\$6,200	\$7,968		\$942,074	4.07%
Happy Valley	\$1,434,188	\$1,957,767	\$21,898	\$29,892		\$3,443,744	14.87%
Lake Oswego	\$3,274,418	\$264,563	\$49,995	\$4,039	\$58,306	\$3,651,322	15.78%
Milwaukie	\$948,675	\$1,129,840	\$14,485	\$17,251		\$2,110,250	9.12%
Molalla	\$293,046	\$841,415	\$4,474	\$12,847		\$1,151,782	4.98%
Oregon City	\$1,426,737	\$1,296,878	\$21,784	\$19,801		\$2,765,201	11.95%
Sandy	\$425,910	\$840,377	\$6,503	\$12,831		\$1,285,621	5.56%
Hoodland	\$0	\$317,476	\$0	\$4,847		\$322,323	1.39%
Tualatin	\$229,718	\$0	\$3,507	\$0	-\$116,613	\$116,613	0.50%
West Linn	\$1,689,982	\$139,025	\$25,803	\$2,123	\$11,661	\$1,868,595	8.08%
Wilsonville	\$1,365,893	\$144,213	\$20,855	\$2,202	\$46,645	\$1,579,808	6.83%
*Oak Lodge	\$0	\$1,756,492	\$0	\$26,819		\$1,783,310	7.71%
<b>Total</b>	<b>\$12,417,209</b>	<b>\$10,375,025</b>	<b>\$189,590</b>	<b>\$158,410</b>	<b>\$0</b>	<b>\$23,140,234</b>	<b>100.00%</b>

Tualatin Assessed Value & Prior Year Distribution	Assessed Value	Prior Year, Interest and Delinquent Tax	Total	
Tualatin	50%	\$114,859	\$1,754	\$116,613
Lake Oswego	25%	\$57,430	\$877	\$58,306
Wilsonville	20%	\$45,944	\$701	\$46,645
West Linn	5%	\$11,486	\$175	\$11,661
<b>Total</b>	<b>100%</b>	<b>\$229,718</b>	<b>\$3,507</b>	<b>\$233,226</b>

\* Fiscal Year 2023/2024 budget estimate is based on the date from the Fiscal Year 2022/2023 Distribution Formula.

**ACCRUAL ACCOUNTING.** The basis of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether or not cash disbursements are made at that time).

**AD VALOREM.** A tax imposed on the taxable value of property.

**ADOPTED BUDGET.** The financial plan adopted by the Board of County Commissioners (BCC), which forms the basis for appropriations.

**ANNEXATION.** The incorporation of land into an existing District with a resulting change in the boundaries of that district.

**APPROPRIATION.** Authorization from the BCC to spend money within a specified dollar limit for an approved purpose.

**APPROVED BUDGET.** The budget recommended by the Budget Committee to the BCC for adoption.

**ASSESS.** To establish an official property value for taxation purposes.

**ASSESSED VALUATION (AV).** The value given to real and personal property to establish a basis for levying taxes.

**BALLOT MEASURE 47.** In November 1996, voters passed a tax limitation initiative, which was referred to as Ballot Measure 47. The Measure's provisions included: a tax rollback for property taxes; a cap of 3% on property tax increases in future years; a requirement that special elections for property tax increase measures must be approved by 50% of all registered voters, as opposed to a simple majority in general elections. Due to several complexities regarding implementation, the legislature instead proposed Ballot Measure 50. Ballot Measure 47 was replaced by Ballot Measure 50 in May 1997.

**BALLOT MEASURE 50.** In May 1997 voters replaced Ballot Measure 47 with Ballot Measure 50. The measure fundamentally changed the structure of property taxes in Oregon, moving from the tax base system to a permanent tax rate. Measure 50 has the same financial impact as Measure 47, with the benefit of simplified implementation.

**BUDGET.** The District's financial plan for a period of one year. By statute, the budget must include a statement of actual revenues and expenditures for each of the last two years. Revenues and expenditures for the current and forthcoming year are estimated.

**BUDGET COMMITTEE.** Budget reviewing committee, consisting of the BCC and five citizens appointed by the BCC, which is responsible to approve the District's Proposed Budget after a budget deliberation meeting and public hearing.

**BUDGET MESSAGE.** A message prepared by the District Director explaining the annual proposed budget and identifying budget impacts and changes. Also known as Letter of Transmittal.

**BUDGET PROCESS.** The process of translating, planning and programming decisions into specific financial plans.

**CASH BASIS OF ACCOUNTING.** The method of accounting that records revenues only when they are actually received and expenditures only when cash is paid.

**CASH MANAGEMENT.** The process of managing monies for the District to ensure operating cash availability and safe investment of idle cash.

**ANNUAL FINANCIAL REPORT (AFR).** The official annual financial report of the District prepared in conformity with GAAP. The annual report is audited by an independent auditing firm.

**CURRENT REVENUES.** Those revenues received within the present fiscal year.

**EXPENDITURE.** An outlay, which is chargeable for a specific period, usually one fiscal year. Examples include payments to other governments and organizations.

**FISCAL YEAR.** A 12-month period to which the annual budget applies. At the end of the period, the District determines its financial position. The Fiscal Year is July 1 through June 30 for local governments in Oregon.

**FULL ACCRUAL.** The basis of accounting under which transactions and events are recognized as

revenues or expenses when they occur, regardless of the timing of related cash flows.

**FUND.** An independent accounting entity whose revenues and expenditures are balanced and segregated to record a specific set of activities.

**FUND BALANCE.** The excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal period, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves and appropriations for the period.

**FY.** See FISCAL YEAR.

**GAAP.** Generally Accepted Accounting Principles. Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of the District.

**GASB.** Governmental Accounting Standards Board. The authoritative accounting and financial standard setting body for governmental entities.

**LETTER OF TRANSMITTAL.** See BUDGET MESSAGE.

**LINE ITEM.** An expenditure description at the most detailed level. Objects of expenditure are broken down into specific items.

**LOCAL BUDGET LAW.** Oregon Revised Statute (ORS) 294.305 to 294.565 constitute Local Budget Law in Oregon. Local Budget Law has several purposes: 1) It establishes standard procedures for preparing, presenting, and administering the District's budget; 2) It offers a way of outlining the programs and services provided by the District and the fiscal policy used to carry them out; 3) It provides a method for estimating revenues, expenditures, and proposed tax levies; and 4) It encourages citizen involvement in the preparation of the budget before formal adoption.

**MODIFIED ACCRUAL ACCOUNTING.** The basis of accounting under which revenues are recorded when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the related fund liability is incurred, except for inventories, prepaid insurance, accumulated

unpaid employee benefits and debt-service on long-term debt.

**ORS.** Oregon Revised Statutes.

**PROPOSED BUDGET.** The budget proposed by the District Director to the Budget Committee for review and approval.

**REQUIREMENT.** The total of all expenditures within a fund, including operating expenditures, transfers to other funds, contingency and unappropriated fund balance.

**RESERVE.** A portion of a fund that is restricted for a specific purpose.

**RESOURCES.** The total amount available for appropriation within a fund. Resources generally include anticipated revenues, interfund transfers and beginning fund balance.

**REVENUE.** Income received by the District in support of the government's program of services to the community. The receipts and receivables for an organizational unit of the District derived from taxes, but excluding beginning balance and transfers.

**SUPPLEMENTAL BUDGET.** A budget prepared to meet unexpected needs or to spend revenues not anticipated at the time the regular budget was adopted. It cannot be used to authorize a tax levy.

**TAX.** Compulsory charge levied by a government to finance services performed for the common benefit.

**TAX BASE.** The authority to permanently levy a dollar amount annually as approved by a majority of voters in May or November of an even numbered year is called a tax base. Once established, a local government may levy up to a full amount of its tax base authority without another vote of the people.

**TAX RATE.** The amount of tax stated in terms of a unit of tax for each \$1,000 of assessed value of taxable property. The tax rate for the Library Service District is permanently set a \$0.3974 per thousand of dollars of assessed valuation.

**TRANSFERS.** Amounts transferred from one fund to finance activities in another fund. Transfers are shown as a requirement in the

originating fund and a resource in the receiving fund.

**UNAPPROPRIATED ENDING FUND BALANCE.** An amount set aside in the budget to be used as a cash carryover to the next year's budget to provide needed cash flow until other money is received. No expenditures can be made from the Unappropriated Ending Fund Balance during the fiscal year in which it is budgeted.