



# AGENDA

## Library Advisory Board Meeting

6:00 PM - Wednesday, September 7, 2022

Sandy Public Library Community Room+ Zoom

Page

1.

ATTENDANCE

1.1. Hi there,

You are invited to a Zoom webinar.  
When: Sep 7, 2022 06:00 PM Pacific Time (US and Canada)  
Topic: Library Advisory Board Meeting

Please click the link below to join the webinar:  
<https://us06web.zoom.us/j/84065888731?pwd=QkpnMjhORjhXTHpLdVRvWWtTU3Mwdz09>  
Passcode: SAHOLib

Or One tap mobile :

US: +17193594580,,84065888731#,,,,\*6247507# or  
+12532158782,,84065888731#,,,,\*6247507#

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+1 669 900 6833 or +1 309 205 3325 or +1 312 626 6799 or +1 386 347 5053 or +1 564  
217 2000 or +1 646 931 3860 or +1 929 436 2866 or +1 301 715 8592

Webinar ID: 840 6588 8731

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2. ROLL CALL

3. APPROVAL OF MINUTES

3.1. Meeting Minutes

[Library Advisory Board - 06 Apr 2022 - Minutes - Pdf](#)

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3.2. View April Mtg [here](https://www.youtube.com/watch?v=EizzpIkMOSI&t=3669s). (<https://www.youtube.com/watch?v=EizzpIkMOSI&t=3669s>)

4. NEW BUSINESS

4.1. Hoodland Rent Memo

[hoodland rent aug 2022](#)

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5. OLD BUSINESS

6. STAFF UPDATES

6.1. Strategic Direction Document from Library Directors

6.2. Library Advisory Board member terms to expire in December 2022

7. ADJOURN



# MINUTES Library Advisory Board Meeting

6:00 PM - Wednesday, April  
6, 2022

Sandy Public Library  
Community Room+ Zoom

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The Library Advisory Board of the City of Sandy was called to order on Wednesday, April 6, 2022, at 6:00 PM, in the Sandy Public Library Community Room+ Zoom, with the following members present:

**PRESENT:** Board Member Dale Scobert, Board Member Jeri McMahan, Board Member Lynne Pollard, Board Member Kathleen Draine, Board Member Bethany Shultz, and Board Member Cheyenne Holliday

**EXCUSED:** Board Member Heather Michet

**STAFF/LIAISON  
PRESENT:** Library Director Sarah McIntyre

## AUDIENCE MEMBERS:

### 1. ROLL CALL

#### 1.1. Zoom attendee information:

You are invited to a Zoom webinar.  
When: Apr 6, 2022 06:00 PM Pacific Time (US and Canada)  
Topic: Library Advisory Board Meeting

Please click the link below to join the webinar:  
<https://us06web.zoom.us/j/85174999337?pwd=dWk2RHIDSjRZb29GOWdGNh1Q05YQT09>

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US: +13462487799,,85174999337#,,,,\*5651803# or  
+16699006833,,85174999337#,,,,\*5651803#

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929 436 2866 or +1 301 715 8592  
Webinar ID: 851 7499 9337  
Passcode: 5651803  
International numbers available: <https://us06web.zoom.us/j/kcp6zzF51Y>

## **2. APPROVAL OF MINUTES**

**2.1.** View the meeting [here](https://www.youtube.com/watch?v=EizzplkMOSI&t=3669s). (<https://www.youtube.com/watch?v=EizzplkMOSI&t=3669s>)

**2.2.** Meeting Minutes

Discussion at timestamp 0:42  
Minutes approved unanimously

## **3. NEW BUSINESS**

**3.1.** SA/HO Library District Advisory Committee (LDAC) Annual Report 2020-2021

Discussion at timestamp 1:48  
Sarah will make suggested changes and send the final report out to Board Members when she sends it to the Network Office.

**3.2.** Hoodland Library - shortfall in capital contribution

Discussion at timestamp 19:58  
Discussion to be continued at a later date when more information is available

## **4. OLD BUSINESS**

## **5. STAFF UPDATES**

**5.1.** Oregon Meeting Law requirements

Discussion at timestamp 45:59  
Meeting minutes from now on will include:

- a timestamp in the video when a discussion begins
- motions and votes
- a resolution on a topic

**5.2.** Changes at Library Network and Clackamas County

Discussion at timestamp 55:50

**5.3.** Upcoming Programs

Discussion at timestamp 1:01:07

**6. ADJOURN**

Draft

To: Sandy and Hoodland Libraries Advisory Board

From: Kathleen Draine, Board Member & LDAC representative

Date: August 23, 2022

Re: Rent payments by Hoodland Library: Historical context & possible options

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Why has the Library Service District ("District") ignored whether rent payments are permissible as "operating costs" out of District Revenue? Because the three libraries the County operated prior to the creation of the District (Oak Lodge, Town Center and Hoodland) paid rent out of library funding and needed to continue doing so until those County libraries could be transitioned into City libraries.

In the thirteen years since the creation of the District, the path for the transfer of two County libraries diverged from the one envisioned in 2008/9. Instead of just limiting its capital contribution to those envisioned in the Capital IGA, the County has bestowed far greater benefits on the Town Center and Oak Lodge/Gladstone Service areas:

- to get out of the operation of the old Town Center Library, the County ultimately provided a turnkey library and building to Happy Valley, at no cost to Happy Valley.
- and, while the County's Oak Lodge Library continues to pay rent as it waits for its permanent home, it will eventually move to a new building fully funded by the County.

[Details on those expanded benefits are set forth below in section "D" below]

Hoodland Library ("HO") pays rent for its library space because the County never provided the Hoodland Service District with a County funded permanent home. HO has been treated unequally.

We should ask the County to correct its inequitable treatment of HO. At a minimum, the County should pay the rent to house HO's library out of the County's General Fund. In the long term, it should provide HO with a permanent home, either by buying the building currently housing HO or by constructing a community center that could house HO.

This memorandum covers:

- An overview of rent as an expense pre-District and how operating funds were raised and distributed before and after formation of the District
- The assumptions regarding City and County Libraries at the formation of the District
- HO's situation at the transfer of management to Sandy
- The County's actual treatment of Town Center/Happy Valley and Oak Lodge/Gladstone libraries
- What equivalent treatment of HO could mean

[Jump to Sections Sections C and beyond (pp. 4-6) if you already know the historical context for the District]

## **A. Contextual history for rent payments out of library funding**

### **(i) Funding History**

The LINCC consortium's funding has gone through several chapters.

- From the late 1970's through the mid 90's, LINCC libraries received funds out of a dedicated library levy approved by voters every five years. It appears there were no restrictions on how the levied funds could be used by a recipient.

- The passage of Measure 50 in May 1997 forced the existing library levy to be rolled into the County's General Fund. The County then set the library distribution for next 5 years based on the same percentage of property taxes the libraries had been receiving.

- Around 2003/4, the County froze the funding for 3 years (FYs '04-'06) at \$7.6MM, as it dealt with shortfalls due, in part, to the loss of timber revenue.

- In November 2004, a library local option levy for services / operations was placed on the ballot (Measure 3-152). Arguments in the Voter's Manual explained that library services would continue to deteriorate seriously without the new levy. While receiving a majority of votes cast, the Measure failed to meet the new double majority rule of also needing approval of a majority of all registered voters.

- With the failure of the local option levy, the County announced in 2005 that it would cut 05/06 distributions by 14% and gave no assurances of any increases going forward.

- In 2005 the County also announced it would close its three County libraries (HO, Town Center and Oak Lodge) in July 2009.

### **(ii) Distribution formulas**

How much money each LINCC library received over the years varied, as different funding formulas were implemented. The primary measure was based on circulation statistics; at times penalties were applied if more materials were borrowed (due to patron "holds") than lent to other libraries. The quality and depth of a library's collection affected its ability to benefit from this measure. This measure proved counterproductive: poorer libraries' collections deteriorated further while those in richer cities grew more robust. Eventually, to temper the negative effect, a "population served" factor was added as a component to the distribution formula.

Library distributions fluctuated yearly due to these formulas. Several cities provided supplemental support, which tended to give those libraries "richer" collections that tilted the "circulation" portion of the formula in their favor. By the early 2000's several libraries were in faltering positions, as lack of city supplemental support and the penalizing distributions led to rapidly declining service (*see e.g. Oregon City's history*).

### **(iii) Move for the Creation of a District as a Revenue Solution**

The County's 2005 distribution reductions and announced closings came to be called the "death spiral" for the LINCC system. A consultant was called in to analyze the situation. The "Himmel & Wilson report" came out in early 2006. That analysis included a recommendation to consider a hybrid system - a partnership of City libraries funded through a tax district, with the County continuing to fund and operate the sinew that held the LINCC operation together. That sinew is what we call Network: the technological armature and centralized services (cataloging, some processing, transport of holds) shared by LINCC libraries.

In late 2007, the County threatened to reduce distributions further, starting in 2009-

2010, by 20% per year until all funding would cease in June 2014. After many meetings of the County, cities and libraries, a countywide Library Service District became the proposed construct to save the LINCC system. The cities were to provide the buildings to house the libraries; the District tax would provide the operating revenue; the County would fund Network out of the General Fund. It should be noted that having the cities assume the obligation to provide buildings out of city funding meant that the District could remain purely a Service District providing just operating funds. The District itself would own no buildings and would also not fund them.

Cities were unwilling to take on the proposed partnership unless they received three guarantees:

- assured and consistent revenue for the unincorporated area patrons their libraries served. To achieve that end, each library would have a mapped service district. The unincorporated population falling within that zone would be calculated yearly (originally by census and then adjusted regularly by PSU yearly estimates). Each library would receive a PER CAPITA distribution for the unincorporated population in its service area. The amount per person would be reached by dividing (a) the entire revenue pool collected by the District from all residential and business properties in all unincorporated areas by (b) the entire unincorporated population. That method gave every unincorporated resident equal worth, without regard for the wealth or value of realty in the unincorporated areas of any given service district. (e.g., farm or rural vs. industrial or urban).
- ALL District revenue collected against real estate within their own City Limits would be given to that City's Library. No library would receive a windfall from any other city's realty wealth.
- the County would continue to fund and run Network out of the County's General Fund. That would represent the County's ongoing contribution to the LINCC system.

As further inducement to the cities, the County agreed to provide a capital contribution to each city to help improve their library facilities. [The Service District legal construct precluded using service district revenue for capital purposes because Estacada had a separate library capital district in existence at the time.] The County's commitment was memorialized in what are called the "Capital IGA's". The County's capital contributions were staggered on a five-year calendar, based in part on when libraries thought they could make use of the funds. The funding for Town Center/Happy Valley and Gladstone/Oak Lodge were slated for 2010/11, speeding the transfer of the County libraries to cities. The capital contributions ranged from \$250,000 for HO to \$1 MM for most cities, to \$2MM for Happy Valley.

The proposed District appeared on the Nov. 2008 ballot as Measure 3-310 and passed by approx. 62%.

## **B. Turnover of the County Libraries to City Libraries**

- The District construct provided the exit strategy for the three County run libraries:
- HO, which had been a branch of Town Center Library, would become a branch of the Sandy Library. That transfer occurred in July 2009.
  - Town Center Library would be assumed by Happy Valley, with construction of a



Happy Valley Library to start around 2010 with the help of the \$2MM capital contribution.

- Gladstone would build a new library and assume the Oak Lodge Library, with Gladstone's construction starting around 2010 as well. Gladstone was to receive \$1MM from the County. Oak Lodge would also contribute accumulated unspent revenue [caused by its limited location size]. That accumulation was permitted under the "Cooperative IGA".

As noted, at the time the District was created all three County libraries were housed in rented space and would remain in those facilities until absorbed into the city library buildings [other than HO]. I do not recall anyone objecting, during District negotiations, to rent coming out of operating funds pending the anticipated transfers.

- Town Center paid rent through mid-2012, when it moved into a County owned building in Happy Valley. The building was renovated by the County using the \$2MM capital contribution. The building/library/land were eventually transferred by the County to Happy Valley for free in July 2015.

- Oak Lodge still pays rent because it has not yet received a new home. The originally anticipated single Gladstone/Oak Lodge library concept failed due to Gladstone citizen protest and then litigation. Oak Lodge will probably receive its new library in the next 2-3 yrs. Gladstone's new library will probably be completed in the next 2 years, at County expense on Gladstone land.

- HO still pays rent.

It should be noted that other libraries have also paid rent out of District revenue: Oregon City paid rent until it moved into its renovated library. Sandy paid rent in 2011-2012 during its renovation, while operating out of a temporary location. Milwaukie paid rent in its temporary location in 2018/2019. Molalla appears to pay rent, the only city library still not having used its allocated capital contribution.

The issue of payment of rent out of District revenue should be resolved in a future refinement of the District's governance and accounting rules. As long as rent payments are permitted, collections and hours of service suffer at that library, and the quality of the entire District is affected. Any changes to the Cooperative IGA, however, requires the consent of 2/3's of the District Libraries.

### **C. HO's situation at the transfer of management to Sandy**

HO was always the wayward child of the County libraries. The County was thrilled to get rid of it and have Sandy assume its management.

At the transfer in July 2009, HO was located next to the liquor store in the Welches shopping plaza, down a dark walkway. The County's \$250K capital contribution for HO was never enough to buy its own space. At best, those funds were just enough to cover a renovation of a rented space. Sandy received HO's capital contribution in 2013/14, as scheduled under the Capital IGA. HO moved into its current fully renovated rented location in 2014. The rent, approx. \$20K, per year, consumes around 8% of its annual budget.

Help for HO's rent burden should be pursued with the County. In retrospect, the Hoodland area residents have been treated inequitably.

#### **D. The County's Actual Treatment of the Town Center and Oak Lodge Library transfers**

The County originally thought it could divest itself of the Town Center and Oak Lodge libraries for the original capital contributions promised to Happy Valley (\$2MM) and Gladstone (\$1MM). In actuality, the County has and will greatly supplement its capital contributions payments to those three service districts.

**(i) Happy Valley.** Happy Valley, which had no library at the time the District was formed, was supposed to start developing a library site in 2010 to receive the Town Center collection, staff and furnishings. Things did not progress as planned. So the County decided to repurpose a building it owned in Happy Valley. In 2011/12 it renovated the building with the \$2MM allocated in the Capital IGA. The County continued to administer the library at the new location until July 2015, when it transferred the turnkey library, building and land to Happy Valley at no cost. Based on Tax Assessor valuations, that transfer was worth approx. \$7.7 MM RMV.

The chart on p. 7 summarizes the RMV assessments attributed to the building and land developed by the County for the library and then transferred for free to HV. If one deducts the \$2MM promised capital contribution, Happy Valley received a net additional ~\$5.7MM from the County's free transfer of the building and land. Using a per capita calculation (based on the service area populations in 2015) against that net +\$5.7MM, HO's service area should receive an additional ~\$565K to be similarly treated. (no adjustment has been made for present value)

An alternative method of calculation is to take the total value received by Happy Valley without deducting the Capital contribution, derive a HV per capita benefit, multiply that times HO's service population and then subtract HO's capital contribution. That method shows HO being shortchanged by some \$540K.

**(ii) Oak Lodge / Gladstone** - As noted, the anticipated single Gladstone Library absorbing the Oak Lodge Library never happened. Instead, due to litigation, two libraries will be built, both operated by the County. Each will eventually receive significant amounts from the County's General Fund for the construction. While the total contributions remain uncertain, they will be at a magnitude even greater than the benefit received by Happy Valley. In the case of Oak Lodge, the benefit will be ~ \$9-10MM+ (without inflated construction costs overruns currently listed as another \$5MM). Gladstone will probably receive in the zone of \$6MM+. These amounts are above the original Capital Contributions and Oak Lodge reserves (see pp.8-9)

As can be seen in the chart on p.7, using per capita calculations, equivalent bonuses would generate more than **\$1.6-\$1.8 MM** owed to HO.

#### **E. What equivalent treatment of HO could mean**

What form could equivalent treatment of HO take?

The County should have provided some type of community center/building to the Hoodland area years ago. While \$500K cannot pay for enough real estate to take care of the HO's space needs, \$1.6-1.8MM would be a different situation. [The land & building

housing HO is much larger than the library and is currently valued at around \$600K RMV by the assessor - see p10.] The bigger problem right now is that the County's pending capital projects (court house and the Gladstone and Oak Lodge libraries) and tight finances make a one-time contribution to HO at any scale at any point soon highly unlikely.

In the meantime, an alternative proposal would be for the County to pay HO's rent over the next 5-10 years, putting off the question of buying a building until later. Given HO's space crunch, the County could also potentially fund the cost of expanding into more space in the same building, were adjacent space to become available in the future.

The Sandy/Hoodland Libraries Advisory Board should ask Sandy City representatives to take this proposal to the County Administrator. If he is unable to find funds to cover HO's yearly rent within the existing budget, the matter should be put to the Commissioners in the public comment phase of a BCC Business Meeting. The goal would be to establish a yearly payment that could then be replicated in future County Budgets. The possibility of a greater capital contribution would be left on the table for future discussion.

Hoodland's unincorporated residents should be entitled to the same treatment from the County as those in the Happy Valley and Oak Lodge/Gladstone library service districts.

| Clackamas County TAX Assessor's RMV for Happy Valley Library   |             |              | As 3/9/2022  | chart revised<br>05/24/22                               |
|--|-------------|--------------|--------------|---|
| 13793 SE Sieben Park Way<br>Tax Parcel # 01638400  |             |              |              |   |
| Date of Assessment   | RMV Land    | RMV Building | Total        |   |
| 01/02/2009   | \$829,545   | \$1,502,220  | \$2,331,765  |   |
| 01/02/2010   | \$787,467   | \$1,423,160  | \$2,210,627  |   |
| 01/02/2011   | \$787,467   | \$3,803,160  | \$4,590,627  |   |
| 01/02/2012   | \$805,501   | \$5,014,320  | \$5,819,821  |   |
| 01/02/2013   | \$871,624   | \$5,424,590  | \$6,296,214  |   |
| 01/02/2014   | \$949,770   | \$5,926,020  | \$6,875,790  |   |
| 01/02/2015   | \$1,027,915 | \$6,381,880  | \$7,409,795  |   |
| 01/02/2016   | \$1,112,072 | \$6,883,310  | \$7,995,382  |   |
|  |             |              |              |   |
| 01/02/2020 – current   | \$1,460,722 | \$9,025,800  | \$10,486,522 |   |
| County's Book value of improved building: \$3.678MM<br>County's Book value of land: \$152.5K                 |             |              |              |   |
| Page 1   |             |              |              |   |
|  |             |              | Jan 2015     | avg jan<br>2015+2016 to<br>calculate July<br>2015 value |
|  |             |              | \$7,409,795  | \$7,702,589   |
| Minus \$2 MM capital contrib. Under Capital IGA:<br>net additional value given by County to HV Service Area: |             |              | -\$2,000,000 | -\$2,000,000  |
|  |             |              | \$5,409,795  | \$5,702,589   |
|  |             |              |              |   |
| Net additional per capita "gift" by County to HV Service Area 2015:<br>(Service Area ~ 55,500 in 2015 )      |             |              | \$97         | \$103   |
|  |             |              |              |   |
| If HO were to receive equivalent additional benefit<br>(based on current HO pop 5,775)                       |             |              | \$562,911    | \$593,377   |
|  |             |              |              |   |
| alternate calculation: total value/Hv pop 55500  |             |              | \$134        | \$144   |
| per capita x pop=  |             |              | \$734,304    | \$792,335   |
| -250000 capital IGA pd to HO   |             |              | -\$250,000   | -\$250,000  |
| net due to HO  |             |              | \$484,304    | \$542,335   |

| A  | B | C                        | D           | E           | F |
|--|---|--------------------------|-------------|-------------|---|
| Additional per capita capital contribution being bestowed by County on Oak Lodge and Gladstone libraries   |   |                          |             |             |   |
| 08/22/22   |   |                          |             |             |   |
| As of May 2022 presentations to BCC policy session:  |   |                          |             |             |   |
| likely min. additional capital contributions from County's General Funds*  |   |                          | Oak Lodge   | Gladstone   |   |
|  |   |                          | ~\$10MM     | ~\$6MM      |   |
|  |   | Service Area pop 2021/22 | 31895       | 21506       |   |
| net additional value given by County , per capita  |   |                          | \$314       | \$279       |   |
|  |   |                          |             |             |   |
| If HO were to receive equivalent additional benefit<br>(based on 5,775 Service Area pop.)  |   |                          | \$1,810,629 | \$1,611,178 |   |
|  |   |                          |             |             |   |
| *note: these amounts may increase, due to construction inflation<br>numbers shown are from presentations to BCC in May 2022, w/o add'l construction overruns |   |                          |             |             |   |



## Construction Funding

| Funding Categories: Option 3                              | Amount                |
|---|-----------------------|
| Current County Commitment                                 |                       |
| • General Fund Revenue Bond Repayment                     | \$7.3million          |
| <b>Additional Funding Needed:</b>                         |                       |
| • <b>Cost Escalation above available funding*</b>         | <b>\$5.3 million</b>  |
| • <b>Replace Library Operating Funds for Revenue Bond</b> | <b>\$2.1 million</b>  |
| Additional Funding Subtotal                               | \$7.4 million         |
| <b>TOTAL COUNTY FUNDS</b>                                 | <b>\$14.7 million</b> |
| OTHER FUNDS   |                       |
| • State ARPA  | \$.75 million         |
| • Oak Lodge Beginning Fund Balance                        | \$.75 million         |
| • Library District Reserves for Oak Lodge                 | \$2.9 million         |
| • Library Services Capital Reserve                        | \$1.0 million         |
| <b>TOTAL OTHER FUNDS</b>                                  | <b>\$5.4 million</b>  |
| <b>TOTAL ALL FUNDS</b>                                    | <b>\$20.1 million</b> |

\*Amounts are extrapolated from Gladstone projected increases.

# Construction Funding Chronology

| Original      | July 21 Estimate | Sept. 21 CMGC \$ | Nov. 21 CMGC w/ VE | May 22        |
|---------------|------------------|------------------|--------------------|---------------|
| \$6.0 million | \$7.4 million    | \$7.7 million    | \$7.0 million      | \$9.4 million |

CMGC = Construction Manager General Contractor

VE = Value Engineering

| Funding                           |   |
|-----------------------------------|---|
| State ARPA Funds                  | \$0.5M                                    |
| Gladstone Beginning Fund Balance  | \$0.3M                                    |
| Revenue Bond (paid by County GF)  | \$3.9 M*/\$281,856 yearly payment         |
| Revenue Bond (paid by Library)    | <u>\$2.1 M</u> */\$151,884 yearly payment |
| Pre – BCC Total                   | \$6.8 M                                   |
| Added by Board: County ARPA Funds | <u>\$0.2 M</u>                            |
| Total                             | \$7.0 M                                   |

  
BCC approved in Nov. 21

5.11.22 PPOLICY SESSION

# Construction Cost Increases

|                    | November Estimate | April Estimate | Difference    |
|--------------------|-------------------|----------------|---------------|
| Construction       | \$4.6 million     | \$6.7 million  | \$2.1 million |
| Indirect/Soft Cost | \$2 million       | \$2.3 million  | \$.3 million  |
| Master Planning    | \$.35 million     | \$.35 million  | \$0           |
| Total              | \$7 million       | \$9.4 million  | \$2.4 million |

Clackamas Maps

Help Disclaimer Map Menu Enter an address...

Objectid: 17814  
Primary Address: 24525 E Welches Rd, Welches, 97067  
Jurisdiction: Clackamas County  
Map Number: 37E05A  
Taxlot Number: 37E05A 00105  
Parcel Number: 00972068  
Document Number: 2021-069098  
Census Tract: 024303  
Landclass: 201

**Assessment**

|                              |              |
|------------------------------|--------------|
| Estimated Acres:             | 0.49         |
| Current Year Assessed Value: | \$401,809.00 |
| Market Building Value:       | \$372,350.00 |
| Market Land Value:           | \$207,137.00 |
| Market Total Value:          | \$579,487.00 |
| Sale Price:                  | \$0.00       |
| Doc Date:                    | 07/14/2021   |
| Doc Type:                    | X            |
| Taxcode:                     | 046040       |

Schools

Public Safety

Screenshot