



## **Ad Hoc Tax Distribution Committee Meeting Minutes**

February 9, 2016

10:00 am

Pendleton City Hall – Community Meeting Room  
Pendleton, Oregon

### **ATTENDANCE – COMMITTEE MEMBERS**

Jean Eckles, Chair  
Blair Larsen

Mardel James-Bose, Vice Chair  
Erin Wells      Marsha Richmond

Larry Dalrymple  
Ann Burnside

Robb Corbett

### **GUESTS**

Mary Finney

### **CALL TO ORDER**

Jean called the Ad Hoc Committee Meeting to order at 10:04 am.

Discussion began with a conversation about the following paragraph from the minutes of the last meeting:

*Robb says the Ad Hoc Committee should agree that all the cities should contribute the same percentage rate. He thinks that The District should have a formula for tax distribution which includes markers. Those libraries that see a decrease in tax distribution funding can find additional support through the creation of new revenue streams. He has an idea for three possible new funding streams: 1] go out for a new tax levy; 2] taking Hermiston funds and redistributing them; 3] close the Take Off program.*

Robb suggested this paragraph should be more inclusive to reflect that with a reallocation of tax funds there will be winners and losers. All libraries will benefit from the creation of new revenue streams.

Ann Burnside was reintroduced after missing some meetings due to traveling and illness.

Jean reminded everyone the mission of the committee is to find, in a timely manner, a tax distribution formula for distribution of funds to the libraries. The Ad Hoc Committee was chartered to only review and create a recommendation for a tax distribution formula. It will then be presented to the UCSLD Board.

The District was originally formed to help the public libraries in the County meet library threshold standards of service. The services provided by the District should be equally available to all the District libraries.

Mary Finney: Suggests the Ad Hoc Committee present the new formula to the Library Directors, as a part of the process, for their input.

Jean: UCSLD Board always tries to communicate with the Library Directors to let them know what's happening with the District. She also reminded the Committee all the Ad Hoc Committee minutes are on the District's website.

Blair: When the recommendation goes to the Board, could the Library Directors get a copy, so their feedback could be included in the Committee's recommendation to the Board? Should the Directors see the recommendation before the Board, so the Directors input can be incorporated into the Committee's recommendation?

Jean: The minutes have always been available on the District's website. It should be the Directors responsibility to keep track of the Committee's deliberations.

Blair: The District Board has a responsibility to listen to the Library Directors.

Erin: Library Directors don't necessarily need a vote in determining the formula. There needs to be transparency.

Blair: It should go out to the Library Directors when it goes to the Board.

Erin: Giving it to the Library Directors on the day it goes to the Board does not give the Library Directors enough time to thoroughly examine the proposal.

Marsha: The District is not going to just take the formula and implement and not let the libraries know. The District Board and staff try to keep the Library Directors informed on District actions and possible actions.

Mardel: In having been taking the notes for the minutes, feels we need to be clear about why the committee members believe the current tax distribution formula is unfair.

Blair: The unfairness is due to the lack of an actual formula and break down of how the current formula was created. The current formula does not take into account changes in the city populations. The money is given out backwards.

Jean: Jean agrees population numbers have not been tweaked -- that needs to happen. Due to Board changes, every five years might be too long to wait to review population changes that may impact the distribution amounts. Every three years might be a better compromise.

Robb: In reference to the reintroduction of the tier document asks – what is the per capita guide on the form?

On the form the per capita guide is how much per person the libraries are receiving from the District. The number is determined after the tax distributions have been made to the cities and not before.

Erin: She feels the per capita guide is an unfair measurement to look at in determining library funding.

Marsha said that she has spoken to former UCSLD Coordinator Ken Reading to check the current thinking on the matter of the formula. There used to be a base amount given out that was based on thresholds, which are now called standards. This was so all the libraries could meet the thresholds. The Board wanted to be fair. At that time the base amount was the same for all. It is thought that funding over the thresholds was distributed on the basis of population.

Marsha said that she spoke to Ann Reed at the State Library. The question about population figures was answered. The population figures used by the State Library on the Annual Library Statistical Reports are figures from the Portland State University Population Research Center.

Erin: Based on her research does not believe there was ever a base amount. She will look into it again and forward her findings to Marsha.

Jean: Asked everyone on the Committee what expectations they have of the District. Should the District pay for all the library's services or some of the services? Jean thinks that city administrators and library directors will have different answers.

Blair: A certain percentage goes to the District.

Mardel: The District's original distribution formula was a 70/30 split and now is an 80/20 split.

Blair: Believes whatever services the District provides should be universally used, e.g. Courier service and software.

The Committee discussed the question— what is the goal of the Take Off! program? A member criticized *Take Off!* as a service to citizens that bypasses the libraries and that the District should provide services only to the libraries.

Ann: The minimum funding levels to meet standards is important to the libraries. After minimum funding levels have been met remaining funds should be divided by population. The larger libraries in the District also need to receive a base amount.

Larry: There needs to be a base amount to all libraries and the remaining funds be distributed based on population, nothing else would be equitable. He would like to have a second marker but doesn't know what it would be. If the District can provided services cheaper than the individual libraries, it should do it. It is time to review Take Off! The rest of the resources the District provides excluding its own costs should be shared equally among the libraries.

Robb: We need to work together to take on the challenge of funding. The cost of providing services is growing faster than the sources of revenue. The District needs to acknowledge that and work with local governments to address those issues. A change in the distribution will create winners and losers. The District needs to be more engaged in increasing funding than worrying about equability. He believes that Pendleton gets less money in from the District than they payout to the District and this disparity is going to grow because we have a broken system. There is an expectation that the District would deal with the broken funding system. He is not sure everyone is on board with the *Take Off!* program. He reminded the committee that he believes we need to have new revenue.

Jean: Reminded everyone that the goal of the committee is the tax distribution formula. If individual members want to see increase in tax funding, a separate committee would need to be established by the Board and it would take a lot of preparation by everyone to get a levy passed.

Blair: Could the Committee's recommendation to the Board include comments concerning the need for a bigger tax base?

Jean: Yes, the Committee could do that.

Blair: Any formula that is fair needs to include a recommendation to the UCSLD Board to increase tax funding.

Robb: Could the District consolidate with other District? When consolidating, overhead is lowered.

Larry: The only candidate would be Morrow County.

Blair: Asked if Robb meant individual libraries or county consolidation?

Robb: Meant the county and not individual libraries.

Marsha: Reminded the Committee Morrow County has two separate Library Districts.

Erin: Hermiston just dropped out of ESD.

Robb: He asserts Hermiston gets to keep its tax money.

Larry: Every city gets more money from the District than they pay in taxes.

Robb: Does not believe that's the case. He asserted Pendleton pays more money to the District than they get back from the District.

Larry: Said Pendleton gets \$11,000 more than they pay the District and the other cities get almost double. Hermiston doesn't have an incentive to join the District.

Robb: He said he believes the voters support libraries and that would benefit Hermiston. They would have revenue to support its library if they would join the District.

Erin: Asked how much Hermiston pays the District for service – Sage, cataloging, databases, courier?

Blair: Asked what is the District's motivation to pay Hermiston for the unincorporated areas to use the library?

Larry – Believes it is the county-wide library card that motivates the District.

Blair – That is the best of both worlds for Hermiston.

Jean – We've come to some conclusions. The committee can agree to use population as a marker and there should be a minimum funding base. There needs to be a logical time line to review the formula.

Erin: Voiced her concern about the same base amount going to everyone. She thinks the base amount should be a tiered amount. She distributed a chart proposing the District take a smaller percentage. She believes 10% of the funding go to two tiers. The bigger libraries funding be based solely on population. She believes would work if you get rid of the Take Off! The District portion could vary.

Jean: The District takes 20%. How would the District support personnel with a cut in percentage?

Erin: Gave an example of the UCSLD Board having a \$6,000 budget and the Milton-Freewater Library Board has a \$0 budget line item.

Jean: Response – every board could do a line by line review of its budget.

Erin: Said she believes we are asking the libraries to take a cut.

Jean: Reminded the committee that the District is supported solely by tax funding, while the libraries have not only the District to support them but their respective cities.

Robb: Believes we are all in the same boat – both the city and libraries. The libraries are competing with other city departments for general funds. So this is about a broken funding system.

Jean: Asked if the Committee wants to change the formula?

Blair: One problem, he sees, with a tiered formula is the edges. For example Echo – one person could change the tier level it's in. He said he wants to review Erin's numbers, but believes everyone should have the same base amount. He says we have high value county land. He said the cities feel like they are losing money but they aren't.

Larry: He believes the formula gives back the money the residents within the city limits send the District and the county monies are divided.

Marsha – Reminded the Committee Hermiston does reimburse the District for services.

Blair – The Hermiston Library may be serving some unincorporated, he didn't think they should receive a base amount.

Erin: Pointed out, she believes that nothing done with the Hermiston money will solve the revenue issues.

The Committee had another discussion about Take Off! which had previously been discussed.

Jean: Asked Larry to bring a handout on assessed value.

Ann: Asked Erin to bring her chart with different percentages.

Robb: Asked for a chart on how other Library Districts support their libraries.

Erin: Reminded Robb she had already sent the information out.

Robb: Asked if the Committee could ask the District Board what they think.

Jean/Marsha: Informed Robb that's the reason the Ad Hoc Committee was formed.

Erin: Asked Marsha to send out Ad Hoc Committee Minutes links to the Library Directors.

Meeting adjourned at 11:36 am.

Respectfully submitted by Mardel James-Bose

Signed by Jean Eckles, Chair

**Next Ad Hoc Tax Distribution Committee Meeting Date: February 23, 2016**

**Time: 10:00 am**

**Note: *The meeting is planned to last 1½ hours* – there is a group signed up to use the room at 11:30am**

**Place: Pendleton City Hall, Community Room, 501 SW Emigrant Ave., Pendleton, Oregon**