



Multnomah County
Library District
FY 2021 Proposed Budget

Presented to the
Multnomah County Library
District Board

Multnomah County
June 3, 2020

Located at: www.multco.us/budget

Governance & Operations

- Governed by Board of County Commissioners sitting as Multnomah County Library District Board
- Operating under an Intergovernmental Agreement (IGA) with Multnomah County
- Library district financial policies



Budget Highlights

- Budget proposed at rate of \$1.22 per \$1,000 of Assessed Value (full rate is \$1.24)
- Sustains hours and services detailed in County Library budget



Two Financial Chapters

1. FY 2020 (Current Year) Revenues
2. Two Library Financial Models
 - ✓ Base (Pre-District Formation) vs. Current Forecast
 - ✓ Cost Drivers – Same as County
 - COLA
 - PERS
 - ✓ Assumptions
 - ✓ Results
 - ✓ Comparisons



FY 2020 Property Tax Revenues

FY 2020 Current Year Property Tax Estimates - November 2019 Multnomah County Library District

	Budget/Plan	'Actual' Based on Tax Roll	Difference	% Change
AV	76,984,422,018	77,608,978,069	624,556,051	0.81%
Extended Taxes	93,151,151	93,958,489	807,338	0.87%
Compression	3,409,332	3,551,979	142,647	4.18%
Imposed Taxes	89,741,819	90,406,510	664,691	0.74%
Discount/Delinq	4,217,865	4,203,903	(13,962)	-0.33%
Current Year Taxes	85,523,954	86,202,607	678,653	0.79%
Prior Year Taxes	1,132,753	800,000	(332,753)	-29.38%
Interest	338,595	200,000	(138,595)	-40.93%
Total Property Taxes	86,995,302	87,202,607	207,305	0.24%

Notes:

1. Compression actual was 3.78% vs. budget of 3.66%.
2. AV growth actual was 4.34% vs. budget of 3.50%.



Assumptions

Library District Assumptions for Base Model

Pre-District Formation Model (for Comparison)

		Library Levy/ District Rate	AV Growth	Compression	Cost Change
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%



Assumptions

Library District Model Assumptions

Comparison of Cost Growth & Compression Assumptions

		Cost Growth		Compression	
		Base	Current	Base	Current
FY 12-13		3.76%	3.76%	37.56%	37.56%
FY 13-14	Year 1	4.38%	4.38%	7.40%	7.81%
FY 14-15	Year 2	4.50%	2.19%	6.65%	6.00%
FY 15-16	Year 3	4.50%	2.81%	6.25%	4.52%
FY 16-17	Year 4	4.50%	2.68%	6.00%	3.79%
FY 17-18	Year 5	4.50%	5.94%	5.85%	3.87%
FY 18-19	Year 6	4.50%	4.89%	5.70%	3.66%
FY 19-20	Year 7	4.50%	9.51%	5.55%	3.78%
FY 20-21	Year 8	4.50%	5.35%	5.40%	3.95%
FY 21-22	Year 9	4.50%	4.59%	5.25%	4.05%
FY 22-23	Year 10	4.50%	3.48%	5.10%	4.10%
FY 23-24	Year 11		3.44%		4.10%
FY 24-25	Year 12		3.48%		4.10%
FY 25-26	Year 13		4.50%		4.10%
FY 26-27	Year 14		4.50%		4.10%
FY 27-28	Year 15		4.50%		4.10%
FY 28-29	Year 16		4.50%		4.10%
FY 29-30	Year 17		4.50%		4.10%



Results – Base Model

Library District @ \$1.18 with Ramp-up to \$1.24 Starting in Year 6

Pre-Library District Formation Version

	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	\$0.89	
FY 13-14 Year 1	67,121,624	63,415,385	-	3,904,446	198,206	3,678,464	\$1.18	5.80%
FY 14-15 Year 2	70,142,097	67,062,384	-	3,982,535	902,822	4,581,286	\$1.18	6.83%
FY 15-16 Year 3	73,298,491	69,846,920	-	4,062,185	610,614	5,191,900	\$1.18	7.43%
FY 16-17 Year 4	76,596,924	72,559,190	-	4,143,429	105,695	5,297,595	\$1.18	7.30%
FY 17-18 Year 5	80,043,785	75,293,351	-	4,226,298	(524,136)	4,773,459	\$1.18	6.34%
FY 18-19 Year 6	83,645,755	79,343,500	-	4,310,824	8,568	4,782,027	\$1.20	6.03%
FY 19-20 Year 7	87,409,814	82,954,596	-	4,397,040	(58,178)	4,723,849	\$1.21	5.69%
FY 20-21 Year 8	91,343,256	86,705,216	-	4,484,981	(153,059)	4,570,790	\$1.22	5.27%
FY 21-22 Year 9	95,453,703	90,619,094	-	4,574,681	(259,928)	4,310,861	\$1.23	4.76%
FY 22-23 Year 10	99,749,119	94,703,144	-	4,666,174	(379,801)	3,931,060	\$1.24	4.15%



Library District Scenario Comparisons

Library District Scenario Comparisons

		Base Model (Pre-Library District Formation)			Forecast with Tax Rate Escalation in Year 6		
		Operating Balance	Fund Balance at end of Fiscal Year	Reserve % (Fund Balance vs. Property Tax)	Operating Balance	Fund Balance at end of Fiscal Year	Reserve % (Fund Balance vs. Property Tax)
FY 13-14	Year 1	198,206	3,678,464	5.80%	2,912,534	9,410,862	14.81%
FY 14-15	Year 2	902,822	4,581,286	6.83%	4,032,318	13,443,180	19.71%
FY 15-16	Year 3	610,613	5,191,900	7.43%	5,061,314	18,504,159	25.61%
FY 16-17	Year 4	105,695	5,297,595	7.30%	7,178,140	24,604,365	31.98%
FY 17-18	Year 5	(524,137)	4,773,458	6.34%	6,460,490	31,326,221	39.00%
FY 18-19	Year 6	8,568	4,782,026	6.03%	6,404,197	37,973,897	45.53%
FY 19-20	Year 7	(58,178)	4,723,847	5.69%	2,515,088	38,759,822	44.45%
FY 20-21	Year 8	(153,059)	4,570,788	5.27%	980,231	39,740,053	43.76%
FY 21-22	Year 9	(259,928)	4,310,860	4.76%	482,671	40,222,724	42.55%
FY 22-23	Year 10	(379,801)	3,931,059	4.15%	948,769	41,171,493	41.87%
FY 23-24	Year 11				727,653	41,899,146	41.27%
FY 24-25	Year 12				744,348	42,643,494	40.68%
FY 25-26	Year 13				243,285	42,886,779	39.30%
FY 26-27	Year 14				(1,224,128)	41,662,651	36.98%
FY 27-28	Year 15				(2,804,191)	38,858,460	33.40%
FY 28-29	Year 16				(4,503,462)	34,354,998	28.60%
FY 29-30	Year 17				(6,328,837)	28,026,161	22.60%



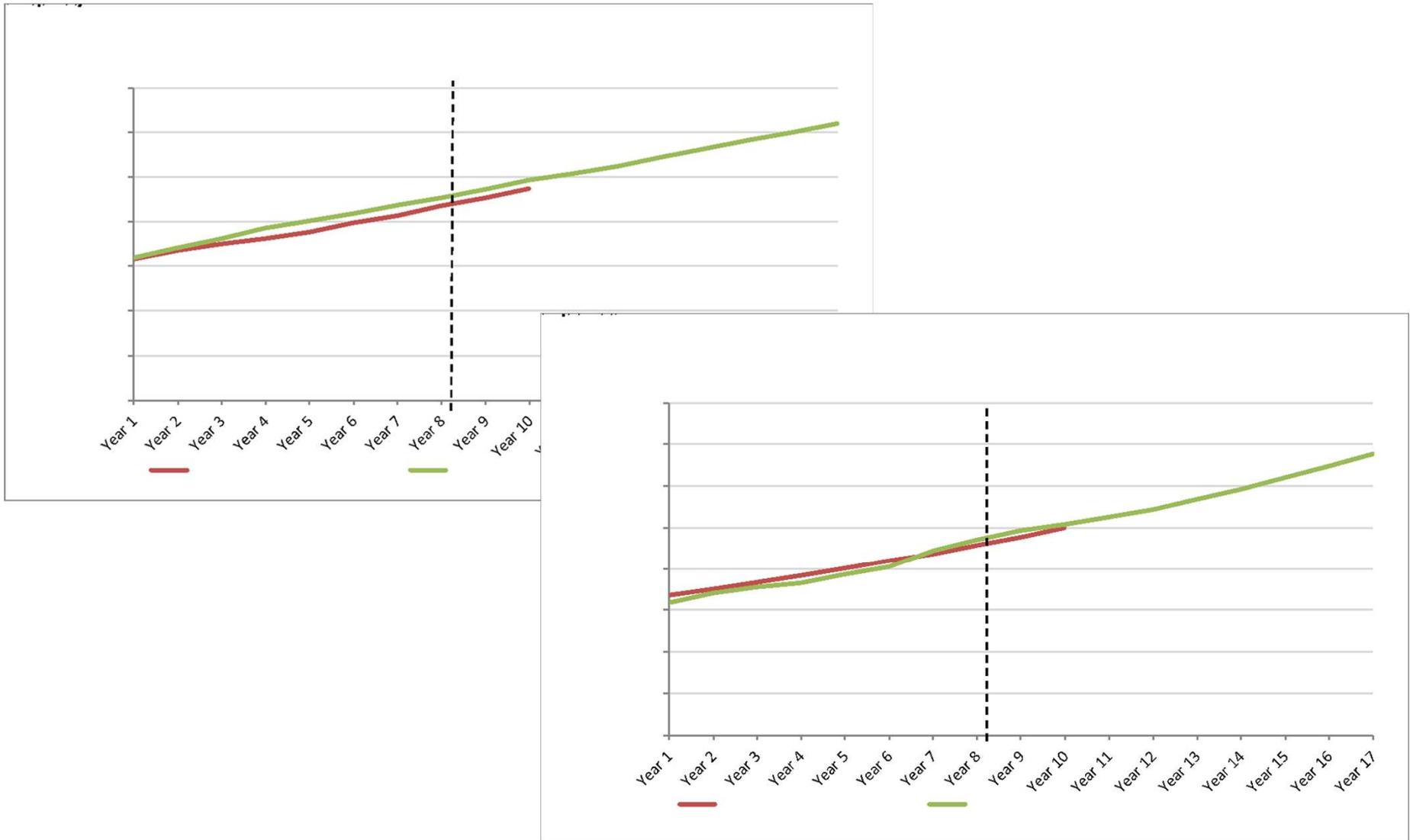
Comparisons: Operating Balance



Comparisons: Fund Balance at End of Fiscal Year



Comparisons: Property Taxes & Expenditures

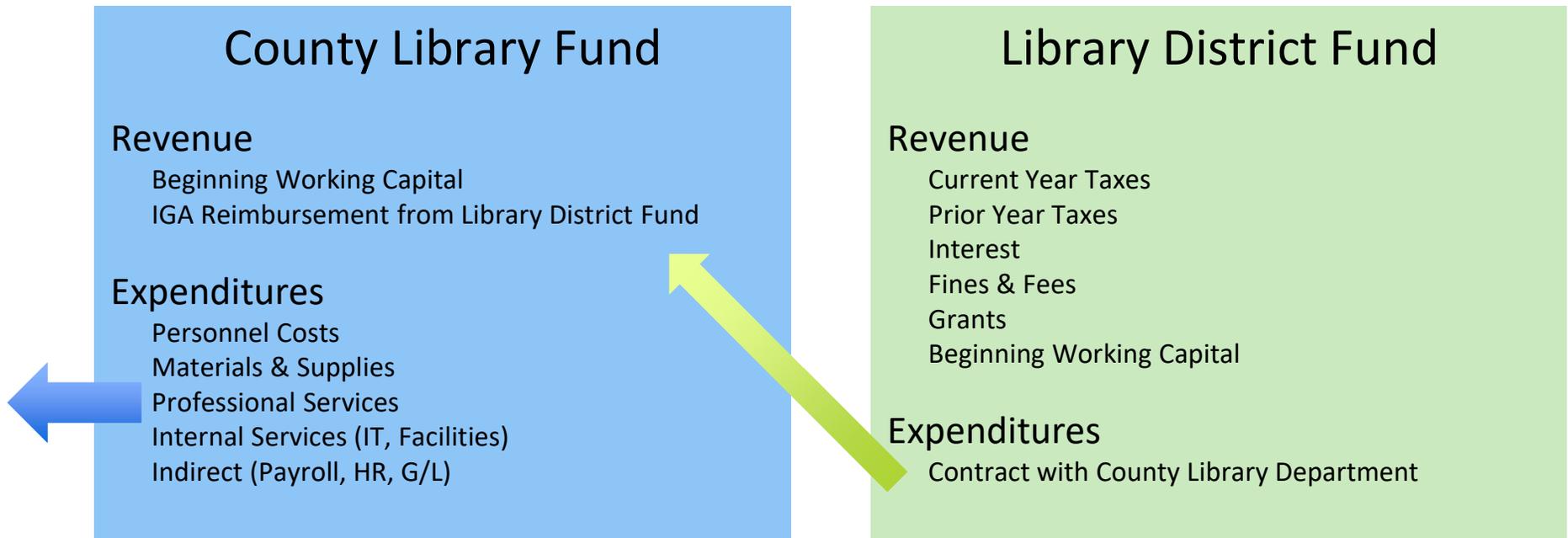


Looking Forward...

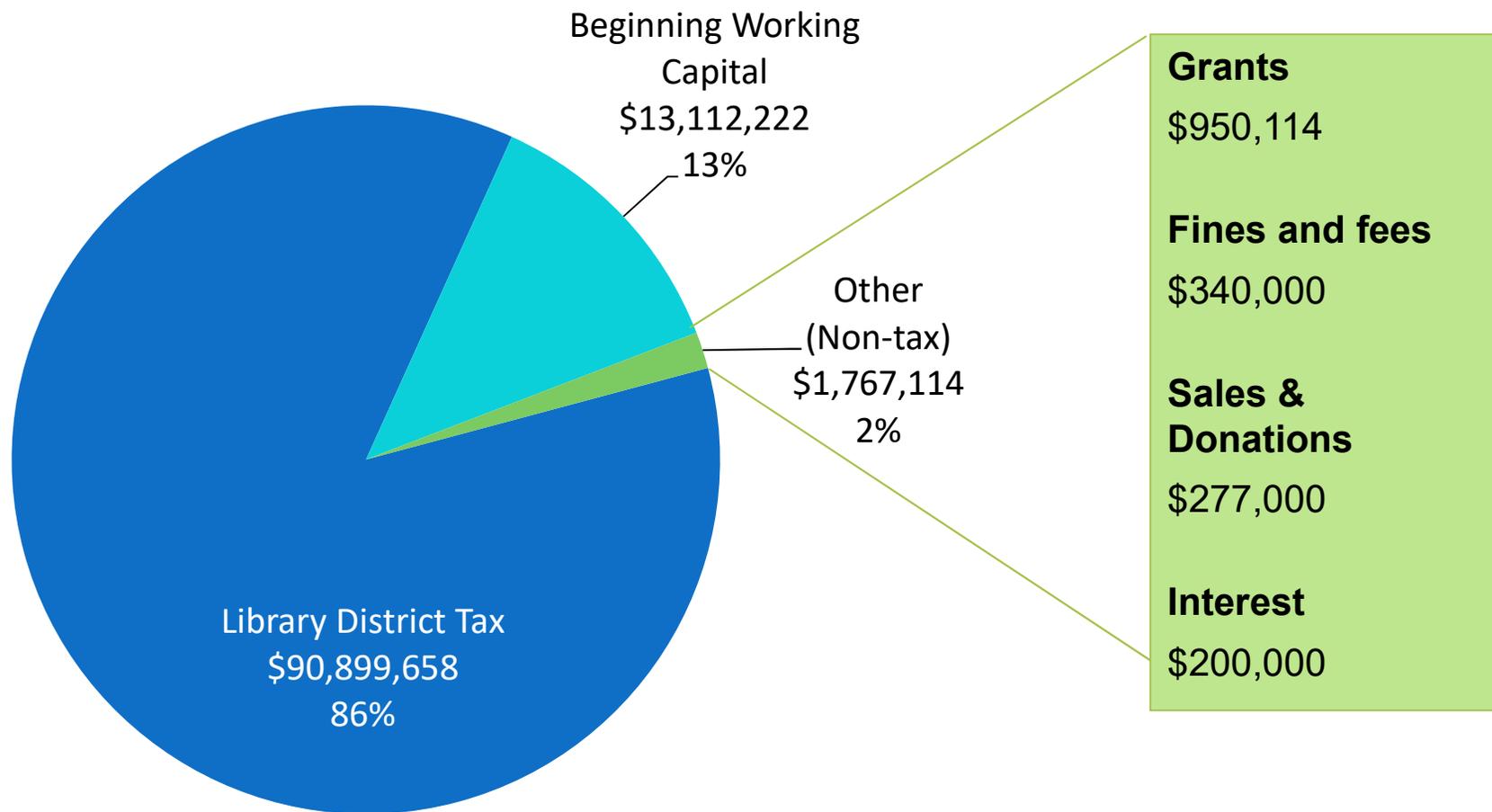
- FY 2021 – Delinquency:
 - ✓ Current forecast approximately 1% below Great Recession peak
- FY 2022 – Compression:
 - ✓ Expected decline in Real Market Value, causing increase in compression.
 - ✓ Extent of property value decline and more modeling needed
- FY 2023 – AV Growth:
 - ✓ Projects underway will be finished.
 - ✓ BDS seeing permit decline/planning for worse



Budget Structure



Budget by Funding Source



Budget Requirements

Total district budget \$105.8 million

- \$91.3 million contract with Multnomah County for library services
- \$9.1 million in reserve
- \$500 thousand in contingency
- \$4.9 proposed transfer to Library Capital Fund (Library Capital Fund total - \$34.7 million)



Library District Capital Fund

Total Library District Capital Budget \$34.7 million

Resources

- \$29.6 million beginning working capital
- \$4.9 million transfer in from Library District fund
- \$150,000 Interest

Requirements

- Materials and Services: \$270,000
- Capital Outlay: \$1.6 million
- Contingency: \$32.9 million



Highlights

- Stable, dedicated funding
- Sustainable services
- Focus on the future



Questions

