

MINUTES

MILWAUKIE CITY COUNCIL WORK SESSION

December 18, 2007

Mayor Bernard called the work session to order at 6:00 p.m. in the City Hall Conference Room.

Council Present: Mayor Bernard and Councilors Barnes, Chaimov, Loomis, and Stone

Staff Present: Operations Director Paul Shirey, Community Development / Public Works Director Kenny Asher,

Mental Health Services

This report was rescheduled.

Proposal to Form a Clackamas County Extension Services and 4-H District

Prof. Michael Bondi, Extension Agent, Clackamas County, discussed the proposal from the County Commissioners to form a special service district. He explained the programs provided by the extension service, and that it was the off campus branch of OSU. Every state in the US had a land grant university, which goes back to the days of Abraham Lincoln, and it was mandated that the states set aside land and set up a public university system. Unlike other universities that have a function or a mission of doing research and teaching the land grants had a third mission of extension outreach, which is engaging the community. As a result, he serves in Clackamas County with 5 other faculty members of OSU that live and work here in the community. The land grant extension was set up with a cooperative funding arrangement. For the last 90 years in Clackamas County they operated under the Federal mandate of three funding partners. Federal dollars come to the university to provide money for research that becomes the knowledge base that is extended into the community. The State has the obligation of providing the salary for faculty so the faculty members are state employees and faculty of the University. The County provides local funding, which provides office space in the local community and support staff. The three way funding is a requirement in order to have extension. There was currently no extension program in Multnomah County because they zeroed out the funding from their general fund. It was the only county in the State of Oregon that did not have an extension program. For those not familiar with extension by name programs included 4-H, Master Gardeners, family farm owners, food nutrition and aging, and low impact development. Even though they have been around for 90 years they have struggled with all 3 funding sources. In November 2006 the Advisory Council suggested that he contact the County about forming a district for a stable, long-term source of funding to build programs. There was a series of meetings with County officials and in April the Board of County Commissioners (BCC) indicated it would like to form a countywide district. The next step in that process as the staff chair of the extension office was that he was given the task of talking with all 17 cities. The proposal was for a countywide special service district with a permanent tax base of up to \$0.05 per thousand. They would then need the support of each City in the form of a resolution endorsing the process to move it forward. The BCC had asked him to come back to them by the end of February 2008 with responses from each of the cities

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to help them decide whether or not to go forward with the process of putting the matter on the November 2008 ballot.

Councilor Stone asked if a majority of the 17 jurisdictions adopted a resolution did it have to be all cities or just a majority for the BCC to proceed.

Mr. Bondi replied that he thought the BCC objective would be to cover the entire County, but they have told him they were prepared to consider something less.

Councilor Stone asked where they are currently located.

Mr. Bondi responded that they are currently located at 200 Warner Milne Road east of the County Tax Assessor's office.

Councilor Stone understood the funding mechanism. What was the cost to voters now as opposed to the proposal?

Mr. Bondi replied there was not a direct millage rate that he could quote because it currently came from general fund. They had been fortunate over the last six years with the Secure Rural School Funding. The BCC had been unable to expand the extension budget, and the annual general fund amount dedicated to extension had been the same since 1987. The budget had been flat for about 20 years. The BCC thought it was logical to fund education with the Secure Rural Schools funding but were not sure what Congress would do at the end of the funding cycle. He noted there was another facility in Clackamas County which was the North Willamette Research and Extension Center located across from Charbonneau in the Aurora area. It was a 160-acre farm that was donated to Clackamas County and the University had been leasing it for \$1 per year for the last 40 years. That is where they do all of their research and where the farm commodities were grown and the extension technology outreach was done.

Councilor Chaimov asked what a typical Milwaukie resident was likely to ask for in the way of services.

Mr. Bondi replied literally everything from soup to nuts. He provided a copy of a handout that depicted services. Last year they document over 51,000 requests for information from his office. Clackamas County had the largest 4-H Club program in the State with 35 adult volunteers living in Milwaukie and 59 participating youths from Milwaukie. The other major programmatic areas were family and community education (FCE), Nutrition Education Program, Family Food Educators Volunteers, Forestry Events, and Master Gardener Volunteers.

Councilor Chaimov asked how the proposed levy compared to others recently approved such as Soil and Water Conservation.

Mr. Bondi said it was very similar to it in the sense of the amount of \$0.05 per \$1,000 countywide levy.

Councilor Barnes asked how much money the levy would generate.

Mr. Bondi replied if fully funded at \$.05 it would generate approximately \$1.5 million. Right now total contribution to the extension was \$232,150, and the Title 3 money was about \$150,000. The County was obligated to provide the facility and building location that was valued at approximately \$40,000.

Mayor Bernard asked what kind of relationship there was with the farming community.

Mr. Bondi said very often farmers contacted the agricultural extension service. The belief in 1900 when extension started nationally was that American

agriculture needed to be the best agricultural system in the world, and the way to do that was through education and research. Extension had the responsibility of taking that information to the community. The extension program had helped shape Clackamas County and much of that was certainly agriculture and natural resources. The reason why Clackamas County, in his opinion, was the second largest agricultural commodity center in the state of Oregon was because of extension growth. Many of the farmers involved in economic enterprises first turned to extension to get the information they needed to get started, so they were involved with those folks not only in agricultural research but also with business enterprise budget sheets. They did a lot of education in the business management area so people do turn to them. A small farms program started about 9 years to help those interested in starting small farming enterprises. Farmers' markets began in the 1970's on the east coast with the help of extension services. When he came here in 1985 there was already the beginnings of a Farmers' market system in place, and it was extension agents aided by OSU extension agents. Master Gardeners offered their expertise, and the extension service was trying to build capacity with food preservation folks.

Councilor Loomis asked if the extension service could offer more programs if the district passed.

Mr. Bondi replied that was one of the potentials. The BCC was interested in trying to create a stable source of funding that would be adequate in order to serve the community for the next 90 years or beyond. What they were looking at here was the potential to grow the capacity and provide more service. He said they were not as big in every city and community as they could be. Milwaukie had received a lot of service, which was not necessarily so in other cities in the County. He would like to think the program would be more proactive. Even though they had the biggest 4-H program in the State with 1,500 kids that meant they were only serving a fraction of youth in the County. About 3 weeks ago *Good Morning America* showed a special program about the study of youth programs across the country. 4-H was found to have the greatest positive influence on kids and their development as adults. To him that was a mandate to get more families and get more kids exposed. The program not only taught life skills but also leadership development.

Mayor Bernard understood the extension service went to the County to seek funding.

Mr. Bondi replied the direction came from the Advisory Council and not the faculty. They wanted to come up with a better way to serve more people and expand programs that had great value. Little can be done about getting additional resources at the State and local levels, so they came up with a completely different alternative in the form of a special district.

The consensus was to put this matter on the January 2 agenda.

County Library Information Campaign Proposal

Mayor Bernard said the County would like the City to contribute \$10,000 to get information out to citizens about the creation of a Library District, and he went over Mr. Swanson's response, which was on the back of the staff report. It was a win-win situation for Clackamas County. Mr. Swanson was not opposing the formation of a district but felt the County should fund the information campaign. They had the resources and they were the ones that would benefit if the district were formed. Cities would suffer because they could potentially lose their library funding in the future.

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Councilor Barnes said her first impression was that Milwaukie should have its own information campaign for the \$10,000. Milwaukie residents were very passionate about their library, and the issue needed to be explained in realistic terms on a local level. She did not wish to contribute \$10,000 to helping the County sell its campaign when it could spend the money on informing Milwaukie voters.

Councilor Chaimov said this topic had been the subject of considerable discussion with the Library Board and the staff. Although the Board had expressed an interest in seeing the County ensure that libraries were on a sound financial footing perhaps through the formation of a district they had been concerned that the County was not sufficiently owning this proposal. It appeared to be the County's desire to shore up funding for some libraries that don't have the support in their communities like the Ledding Library did. At the same time the County could use those resources for other priorities. In the Board's view the County needed to be the entity that stepped up and convinced the voters that this was the thing to do. We can certainly convince the people of Milwaukie who are very supportive of their library as the continuing record setting circulation shows, but contributing to an effort that did not yet appear to have all of the wind in its sails at the County did not yet seem to be in the City's best interest.

Councilor Loomis said he would like to have the County explain how the \$10,000 would be spent.

Mayor Bernard said Mr. Swanson was meeting with Mr. Mantay tomorrow and several city managers to find out how the money would be spent. He was sure that Mr. Swanson would give a full report at the next City Council meeting.

Councilor Loomis wanted to get the message out the best way possible whatever that was. It was important that it passed whether the City explained it or the County explained it. The Council needed more information. He did not think the County was prepared to say how the \$10,000 would be spent.

Consensus was to wait for a report from Mr. Swanson before making a decision.

Riverfront Board Appointments

Mayor Bernard said that almost all of the members on the Riverfront Board had served for many years. A majority of the members' terms were extended Council could have a discussion. He proposed extending their terms for another 2 years.

Councilor Stone had a question about the process and was it going to be changed because usually members needing re-appointment came before the Council for interviews. Would it be a matter of looking at the process?

Councilor Loomis suggested they come in as a group to discuss the work plan.

There was consensus to reappoint Riverfront Board members for two years.

Council Reports

Councilor Loomis attended the Winter Solstice Event and thanked Gary Nebergall from Citywide Tree Service for providing the wood for the bonfire. He attended Gary Klein's open house.

Councilor Stone attended the Winter Solstice and took the interstate MAX tour.

Councilor Chaimov appreciated the time people have taken with him to bring him up to speed, including Madalaine Bohl, at the Milwaukie Museum. He commented on the publications highlighting local history.

Councilor Barnes discussed her work with the Harmony PAC which had been challenging. She appreciated working with Ms. Macken-Hambright and she thought they had come to a solution. They stopped the Harmony Project from going forward, and she was still trying to find out where they need to go from here. She had read in the Citizen Advisory Committee (CAC) minutes that they have opened applications for the new board. Mr. Kuenzi told her it was not announced publicly and he had replied they put it off and there are four members that are up for renewal. She also brought in an *Oregonian* article about the wastewater situation. Her first instinct was, "why do we need yet another task force?" There had been three reports and a lot of money spent. The time had come. She was trying to figure out why this was being put off again.

Councilor Stone said there was a real disconnect between the jurisdictions that are involved and they all needed to sit down together to hammer out a solution.

Councilor Barnes said the solution was there but there was some political lack of will at this point to deal with moving forward. Every time they had sat down as cities they had said the same thing, but everything gets put on hold again. She did not understand why they were not taking the cities' thoughts as strongly as they did the CAC and the unincorporated area.

Councilor Stone she said there needed to be a summit with the County.

Mayor Bernard said he was on the Clackamas County Business Alliance Group, and one of the members was on the locating committee. He was tired of going to meetings that never went anywhere. The answers were never good enough. They needed to sit down with people that are really going to be impacted like Happy Valley, Damascus, and Milwaukie and talk about annexation. This had been going on for 10 years.

Mr. Asher said he didn't know anything more than Council did. From a staff perspective they have been watching the developments, and anytime they hear or get something from the County they analyze it, file it and discuss it with Mr. Swanson. The file is growing and the City was, from a staff level, starting to try and figure out where our position was and it had been more a matter of timing. He thought that Mr. Swanson was looking for the right timing as well. When they had discussed it was pretty imminent because they seemed to be closing in pretty fast on their interim plan at least. They had reported to the City but had never talked to the City about our participation. There hadn't been a real communication even with the interim plan.

Councilor Stone asked for clarification on the Harmony Road project. Was it completely off the table?

Councilor Barnes said the Harmony PAC said 'no' to moving forward on the Harmony Road extension and had asked staff to look at 82nd Avenue as a possible alternative. That was the Committee recommendation but no final County decision had made.

Mayor Bernard said in his discussion with the County he understood they would probably pull it.

Councilor Loomis understood that the PAC was to study another option. It had nothing to do with pulling the Harmony Road extension project.

Councilor Barnes said that was not true. She was called by Cam Gilmore confirming that the 4 members at the table recommended not moving forward with Harmony and to move forward with studying the 82nd Avenue option.

Mr. Asher said that Mr. Parkin was preparing a full progress report for the January 2 work session, and they should be getting that staff report in the next couple of weeks.

Mayor Bernard attended the C4 meeting where they talked about libraries and the feasibility of a County vehicle registration fee on the March ballot to pay for capital improvements for streets. The County said they were going to create a task force. Those at the meeting felt it was pretty quick for that kind of move, but the County's concern was that the next ballot opportunity might be full of money measures. He also attended the Solstice Event. The Rotary helped set up, the Lewelling NDA did very well with its concessions and helped with the clean up. It was a very successful event. Celebrate Milwaukie Inc. discussed creating a vendor committee.

Mayor Bernard adjourned the work session at 6:51 p.m.



Pat DuVal, City Recorder

AGENDA
WORK SESSION
MILWAUKIE CITY COUNCIL

DECEMBER 18, 2007

MILWAUKIE CITY HALL

Second Floor Conference Room
10722 SE Main Street

A light dinner will be served.

WORK SESSION – 5:30 p.m.

Discussion Items:

	<u>Time</u>	<u>Topic</u>	<u>Presenter</u>
1.	5:30 p.m.	Mental Health Services	Bob Nikkel, Assistant Director DHS – Addictions and Mental Health Div.
2.	6:00 p.m.	Proposal to Form a Clackamas County Extension Service and 4-H District	Michael C. Bondi, Professor Extension Agent OSU – Clackamas County Extension Office
3.	6:30 p.m.	County Library Information Campaign Proposal	Mike Swanson
4.	6:45 p.m.	Adjourn	

EXECUTIVE SESSION

Executive Session: The Milwaukie City Council may go into Executive Session pursuant to ORS 192.660(2). All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions as provided by ORS 192.660(3) but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.

Public Notice

- The Council may vote in work session on non-legislative issues.
- The time listed for each discussion item is approximate. The actual time at which each item is considered may change due to the length of time devoted to the one previous to it.
- For assistance/service per the Americans with Disabilities Act (ADA) please dial TDD (503) 786-7555.
- The Council requests that all pagers and cell phones be either set on silent mode or turned off during the meeting.

Extension Service News Update

Extension...we're about kids, communities & the environment.

October 31, 2007

Commissioners move district idea forward

On April 3 the Clackamas County Board of Commissioners publicly announced their desire to form a special district for the Extension Service in the county.

The next step in the process of district formation is to present the idea to each of the 17 incorporated cities in the county and seek approval of a resolution allowing the voters in each city to decide on the district's ballot measure in an election planned for November 2008.

Extension Staff Chair Mike Bondi, a 29 year veteran Extension Agent in Clackamas County said, "This proposed district and its funding plan would be the biggest change

for Extension in the county since our inception in 1917. The district would provide a stable funding level for Extension now and into the coming years."

The Extension Service is the off-campus outreach arm of Oregon State University—the state's only designated Land Grant university.

Extension education is informal, not-for-credit, practical learning that is designed to address questions of local people. The power of Extension is its connection to the university and the strength of their research base.

"We really value research-based information, proven and credible sources of knowledge," said Bondi.

Not all Extension education is done in a classroom. Many of Extension's events are held in the field, forest and at farm locations throughout the county and feature hands-on learning.



Extension Service
Clackamas County

Extension has helped shape county...

Extension's long history in Clackamas County started in the agricultural roots of the region. In the early 1900s the emphasis of Extension's education was to improve farming practices. Early work with families at the time was to bring the latest informa-

tion about food preservation and canning to homemakers.

Today, agriculture continues to be Extension's dominant program and is responsible for supporting farmers growing nursery crops, vegetables and produce, a multitude of seed crops in the area, live-

stock, and small acreage farmers working with niche markets. Clackamas County's position as the state's second largest agricultural county in Oregon is evidence to the importance of farming to the region.

Inside this Issue...

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Extension shapes county, continued

Back in the 1920s a common site in the Willamette Valley was railcar canning kitchens that would travel from community to community and teach food preservation methods. Early Extension Agents of the day found this mode of transportation a practical way to reach rural Oregonians.

Today, the Clackamas County Extension Service is still the leading source of the latest government guidelines on food safety and preservation. Hundreds of consumers come to Extension every year for tips

on canning, freezing and drying. Trained Extension volunteers, called Family Food Educators, share information at local Farmers Markets. By the way, the Farmers Market movement in Oregon had its start with Extension more than 30 years ago.

But, one of Extension's most identifiable programs is youth education—called 4-H.

Early Extension Agents realized that working with children was a very effective way to bring new ideas and concepts into a



Extension's 4-H clover represents head, heart, hands and health—the key ingredients to a productive life for young people.

family setting. Today, Clackamas County has the largest 4-H club program of any county in the state. Nearly 1500 youth in grades kindergarten to 12th grade participate in a wide variety of projects from animals and cooking to computer technology, GPS and robotics.

So, how is Extension currently funded?

In 1914 Congress passed the Morrill Act creating the Cooperative Extension Service. From those very early days the funding design for the agency has always included federal, state and local support.

In fact, according to the enabling legislation, Extension can not exist in a state or in a county unless all three partners participate financially.

Federal dollars come to the states to provide monies for research at the Land Grant institution. Also, federal dollars have historically been used for faculty medical and retirement benefits.

State contributions to Extension's budget provide dollars for faculty salaries, state program coordination, and more recently, faculty benefits.

County financial contributions for Extension come from the general fund budget and pay all of the support activities of the Extension office in the county. That includes: office building and maintenance costs, clerical salaries and benefits, local program delivery costs, and travel expenses for faculty.

Also, private contributions and grants support local programs.

Why a special district for Extension?

In the early 1980s, counties in Oregon began creating local special districts for Extension as an approach to providing more adequate funding for Extension—and, to ensure that quality local programs would continue to be available.

Today, 16 of Oregon's 36 counties have Extension Special Districts.

The Clackamas County Commissioners have proposed

forming a special district here for Extension to provide the resources to grow the programs for county residents in the coming years as the area's population grows—projected to increase by 50% in the next 20 years.

If successful, Clackamas County would become the first Oregon county in an urban area to have a district and permanent tax funding for Extension.

Increased funding provided by an Extension special district and tax base would be used to increase food and nutrition education for children to battle child obesity, work with local farmers to improve profitability while increasing locally available food supplies, address water quality concerns in cities, towns and rural areas, tackle invasive plant and aquatic species, and expand the county's well-recognized 4-H program.

...a special district here for Extension (could) provide the resources to grow programs for county residents in the coming years as the area's population grows...



Extension programs known in county

About 50,000 county residents participate in Extension education each year. Many attend classes, demonstrations and tours conducted by Extension Agents. Others, visit the Extension office in Oregon City to pick up Extension publications. Extension produces hundreds of practical, easy-to-read fact sheets, publications, videos and software programs on a wide range of topics. Still, other county residents call the Extension office or use its website looking for help.

Many residents in Clackamas

County have accessed the Extension Service and their assistance at one time or another. You know Extension if you know...

- 4-H and the Clackamas County Fair
- Master Gardeners and the Spring Garden Fair in Canby
- Family Food Educators (formerly Master Food Preservers)
- Master Woodland Managers
- Master Watershed Stewards
- 4-H Wildlife Stewards

- Oregon Food and Nutrition Program (OFNP)
- Tree School
- Hopkins Demonstration Forest (Beavercreek)
- North Willamette Research and Extension Center (Charbonneau)



In a recent national study, Extension's 4-H youth program was described as "America's most successful youth program" for having a positive influence on children's lives.

Extension makes difference for people...

So, what difference do Extension programs make in people's lives?

Ask many of the county's successful farming operations and you'll find that most got their start with help from Extension.

In a recent national study, Extension's 4-H youth program was described as "America's most successful youth pro-

gram" for having a positive influence on children's lives.

4-H was noted for the impact it has on shaping the decisions children make as adults, as well as, 4-H's role in building strong life skills including leadership.

For years Extension has prided itself in being a leader in environmental stewardship. Not a regulatory agency, Extension

seeks to increase landowner's understanding—through education—as the long term solution to changes in behavior and practices on the ground.

Extension programs teach healthy life habits through food and nutrition education. We provide information on food safety—making sure people use proper canning techniques and preventing serious health risks.

Volunteers multiply program efforts

One of the keys to success for reaching more people with information and education are Extension's unique volunteer programs. For years, Extension has trained and supported hundreds of volunteers who partner with Extension to be hands, feet and ears in the community.

4-H has more than 400 adults who lead youth clubs throughout the county. In addition,



there are nearly 400 Master Gardeners—many working at the Extension office to staff a daily clinic for gardening ques-

tions. With a host of other smaller volunteer programs, the Clackamas County Extension office trains and supports nearly 1,500 volunteers.

Collectively, these volunteers contribute more than 125,000 hours of service annually worth an estimated nearly \$2,500,000 of time to the community.

Extension's cadre of trained volunteers help make the county a livable community.

**Extension Service
Clackamas County**

Oregon State University
Extension Service—
Clackamas County office

200 Warner Milne Road
Oregon City, OR 97045

Office hours
Monday-Thursday
8:00-11:30am & 12:30-4:30pm

Phone: 503-655-8631
Fax: 503-655-8636
Website: [http://
extension.oregonstate.edu/
clackamas](http://extension.oregonstate.edu/clackamas)

The Oregon State University Extension Service is the off-campus outreach portion of the state's Land Grant institution. Our mission is to bring the knowledge and research base of the university to communities to solve local problems. University faculty are housed in each county according to the needs and priorities identified by citizens and local government.

In Clackamas County, the OSU Extension Service offers education and outreach programs in Agriculture (commercial farm crops, livestock and small farms), 4-H and Youth Development, Family and Community Development (nutrition education and food preservation and safety), Forestry and Christmas Trees, and Aquatic Health.

**Extension...we're
about kids,
communities &
the environment.**

Next step...speaking to each city in the county

Extension has been a county-wide service from its beginnings in the early 1900s. As a result, all cities in Clackamas County will be asked to consider a resolution supporting the formation of an Extension Special District.

City approval of the resolution will allow voters in that jurisdiction the opportunity to cast their voice on the district's formation and a permanent tax rate—\$0.05 per thousand dollars of assessed valuation.

Mike Bondi, Extension Staff Chair in Clackamas County, will contact each city during the coming weeks to set appointments for further discus-

sions with city governing bodies. The goal is to complete the city visits by early 2008.

Or, cities can contact Bondi at OSU's Clackamas County Extension office in Oregon City. His desk phone is 503-557-5880.

If city approvals can be completed by the proposed timeline, the Clackamas County Board of Commissioners would hold public hearings later next spring to take citizen input regard-

ing the district formation and the establishment of the permanent tax rate.

If the district formation is approved, voters would see the issue on their ballot in November 2008.





TO: MAYOR AND CITY COUNCIL
FROM: MIKE SWANSON, CITY MANAGER
DATE: DECEMBER 7, 2007
**RE: COUNTY PUBLIC INFORMATION CAMPAIGN PROPOSAL FOR
NOVEMBER 2008 LIBRARY DISTRICT PROPOSAL**

ACTION REQUESTED

The action requested is Council direction on Clackamas County's request for \$10,000 from each City to fund an "initiative" "to provide facts regarding the proposed formation of a county-wide Library District."

BACKGROUND

Rather than repeating the background regarding the Library District proposal, I have attached my memorandum dated October 28, 2007 regarding "FYI-County Library Funding." (See Attachment A.)

In summary, because of the loss of federal timber dollars, Clackamas County is planning budget cuts. One is the gradual elimination of the payments to cities for libraries. The recommended replacement for that decrease in funding is a proposal for a County-wide library district that would include a new permanent rate of \$0.3974/\$1,000 of assessed value. If successful, the revenue would be distributed to the cities in an amount equal to that rate applied against their individual assessed value plus an amount to compensate for the demand placed on city libraries by unincorporated residents.

I have also attached a PowerPoint presentation entitled "Library District Discussion" that contains more detail on the proposal, together with an additional proposal for funding an information campaign. (See Attachment B.) Clackamas County proposes to contribute \$50,000, with an additional \$120,000 from the twelve cities. At this writing I am not sure how many cities have committed to the funding, nor has the Library Board considered this issue. I will attempt to contact both to ascertain the level of support. My question is whether or not Milwaukie desires to do so.

RECOMMENDATION

I recommend that we not contribute to the information campaign.

When one considers the district proposal in its entirety it is clear that Clackamas County wins regardless of the outcome. The same thing cannot be said about the cities. The need for a district is prompted by the County's decision to eliminate payments to city libraries. I cannot argue that any portion of the County's permanent rate is required to fund libraries, even though its permanent rate includes the amount of the former County-wide Library Levy. That was accomplished through a voter-approved ballot amendment. Regardless, the County's permanent rate would be less were it not for the vigorous support of citizens actively interested in libraries. It was their hard work that passed the last Library Levy. However, the fruits of their efforts will now be used for some other County purpose, and if the district proposal fails, Clackamas County will have transferred its budget woes to each city receiving library funding. Their proposal to form a new district to provide library funding will create a new tax, and any new tax will not be easy to pass. The beauty of it from their perspective is that should the district pass their budget is balanced, at least in part, by the old Library Levy. If the district doesn't pass, their budget is balanced, at least in part, by the old Library Levy, and they will argue that they are justified in doing so because of the lack of support for additional library funding (in addition to which they will most likely argue that the cities did not work hard enough to make the district pass).

Cities win only if the district is approved, and they lose—and effectively assume a portion of the County's budget woes--if the district is not adopted. Milwaukie's loss is approximately \$480,000 per year.

I suggest looking at this information campaign in another way—namely, Clackamas County should be expected to bear the entire burden of securing support for the district in order to keep faith with past successful library efforts and to replace the money that it has elected to eliminate from support of libraries in Clackamas County. Given the challenges to adoption of a new district, Clackamas County's request for \$10,000 to support the information campaign is their way of ensuring that we assume an active role in offloading their budget problems on the cities. We should make it clear that we expect the County to be responsible for allocating money from its General Fund to support library services, and any failure to do so is wholly their responsibility. Any other approach leaves them in a position whereby they lose nothing and the cities potentially lose a great deal. The need for a district and the resulting risk to library funding and the cities is of Clackamas County's creation, and it is unreasonable to expect the cities to accept all of the risk while they move forward with a win-win.

In closing, I have invested my seven years with Milwaukie trying to cooperate with Clackamas County and to change what had been a negative relationship.

Regrettably, events of the past two years convince me that their philosophy is to cooperate only when their interests are served. If a city's interests are at stake and support might result in a cost to them, cooperation is the farthest thing from their mind. This is one more example of that approach.

ATTACHMENT A

TO: MAYOR AND CITY COUNCIL
FROM: MIKE SWANSON, CITY MANAGER
DATE: OCTOBER 28, 2007 (SENT VIA E-MAIL)
RE: FYI—COUNTY LIBRARY FUNDING

The purpose of this memorandum is to provide a briefing on the future of County funding for libraries within Clackamas County. There are four attachments to this memorandum. They are as follows: *Oregonian* article by Peter Zuckerman entitled "Clackamas County tentatively OKs new jail;" spreadsheet with heading "This is the election year 08-09;" spreadsheet with heading "FY 2009-2010;" and spreadsheet with heading "FY 2010-2011."

As you are aware, a portion of each City's funding for libraries, in addition to operating funds for the three County libraries (Oak Lodge branch, Town Center branch, and Hoodland branch) and the County-wide Network, comes from Clackamas County's General Fund. The practice originated with the County-wide Library Levy, which was a dedicated special levy. Each year the cities and County would review the formula for distribution of the funds, and the Board would make an appropriation for distribution to the cities. Generally, the distribution was a combination of the population served and each library's circulation. For the current fiscal year we budgeted revenues from the County's distribution of \$480,363; the Ledding Library's total budget is \$1,909,261.

The last County-wide Library Levy in the amount of \$.35/\$1,000 of value, was folded into the County's General Fund pursuant to Measure 50, which was approved by the voters in 1998. One significant result of that action was to change the amount of the levy from a dedicated to a discretionary amount. In any event, Clackamas County has continued to make an annual distribution to the cities from the General Fund. However, all of that will change in the next few years. This past year Congress took significant steps toward elimination of payments to Oregon and California counties for timber harvests on federal lands. In the end, it was agreed that the funding would be reduced annually during the next five years. The funding will affect both Clackamas County's Road and General Funds.

Among the cuts that Clackamas County has indicated it will make is in the distribution of funding to city libraries (including the closing of the County's Oak Lodge branch and a move of the Town Center branch to Happy Valley/Damascus). The attached *Oregonian* article refers to the possibility of using that funding to build a new County jail. In any event, the County plans to annually reduce payments to the cities as its revenue from the federal timber lands falls.

The plan that the Board of County Commissioners has put forward is creation of a County-wide Library District, which would include a new permanent rate of \$.3974/\$1,000 of assessed value. The proposed District will appear on the 2008-

09 November ballot. The purpose of the District would be to pass through funding to cities for operation of their libraries. (The base amount returned to each city would be the amount that would have been generated if the District's new permanent rate had been applied to each city's assessed value.) The District's new permanent rate of \$.3974/\$1,000 of assessed value was arrived at by projecting the amount needed to bring every city library to the State's "threshold" library service level. The cities would also be reimbursed for service to unincorporated areas. (Milwaukie's service population area roughly follows the UGMA boundary.) At last week's LNIB meeting County representatives also announced that the Board would not cease the payments to the cities from the General Fund until the payments for federal timber harvests ended. Rather, they would designate that for capital needs of the cities. (The total amount is approximately \$12 million; there are twelve city libraries. They have not provided a distribution formula.)

As you can see from the attached spreadsheet, approval of a new district would mean a significant increase for Milwaukie. The FY 08-09 spreadsheet estimates a payment of \$491,298 under the old distribution formula. The FY 2010-2011 spreadsheet estimates a payment to Milwaukie of \$1,387,205 should the District be created. (Remember—this also includes an increase in people served.)

There are significant challenges to this approach. Among them are the challenges of mounting an effective campaign to create a new unit of government and new permanent rate as well as explaining the resulting increase to any individual city. There will be much discussion over the next few months as this proposal moves forward.

Clackamas County tentatively OKs new jail

More space | Budget money for an 896-bed facility could come from other programs

By **PETER ZUCKERMAN**
THE OREGONIAN

OREGON CITY — Clackamas County would get a jail that holds more than twice as many inmates as the current one according to a plan county commissioners tentatively approved Tuesday.

The new jail would have 896 beds and open in 2010. The county is working out how it would, over two decades, pay off the \$61 million in bonds it would sell to pay for construction.

The commissioners said Tuesday that they might consider a larger jail, accommodating about 1,340 inmates, depending on what bidders say it would cost.

Law enforcement officials say

the current jail, built in the 1950s, has an outmoded design and inadequate capacity for Clackamas County's population of about 350,000. The current jail has 434 beds, but only 350 are being used because of a lack of money to operate them.

The new jail would be more cost effective to operate because it would require fewer deputies per inmate, said Jonathan Mantay, county administrator. The current jail requires one corrections deputy per every dozen inmates. The new jail would require one deputy per every 50 or so, thanks to its superior design, Mantay said.

Several county staffers told the commissioners that they're nervous about finding the money to build a new jail. Some of the money could come from the \$5.5 million the county has been giving libraries in recent years but is phasing out.

County residents also might have to pick up part of the jail

bill by perhaps paying more for licensing their businesses or franchises, a county staff report says.

Other money could come from cuts to county services supported by the general fund, which helps pay for everything from building maintenance to the Oregon State University Extension Service and computer hardware.

"We're making a commitment to cut other programs and cut them every year," said commissioner Bill Kennemer, who said he was uncomfortable with the costs of the new jail.

Building a jail now would save money in the long run, even if all the beds won't be needed immediately, Mantay said.

Construction costs have been rising about 10 percent a year and economies of scale make it cheaper to build the jail all at once rather than piecemeal, he said.

Most importantly, said Sheriff

Craig Roberts, the new jail would make Clackamas County safer.

A county staff report says that overcrowding forces the jail to release about 2,500 prisoners ahead of schedule every year. Of those, about 2,000 eventually will return to jail for alleged crimes, the report says.

A new jail would not have a specific area devoted to treating people who are mentally ill, as the commissioners originally wanted. The sheriff said that with the new jail it would be cheaper to bring in programming that helps the mentally ill population.

The new jail also would not house juveniles, also a feature the commissioners wanted. It's possible juveniles would be housed in the current jail's holding facility, which last year got a \$1 million upgrade paid for with a federal grant, the sheriff said.

Peter Zuckerman: 503-294-5919;
peterzuckerman@
news.oregonian.com

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Community Event Calendar

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FLU SHOT CLINIC AT RESER STADIUM

The OSU School of Pharmacy Flu Shot Clinic. Presented by **BI-MART**

Saturday, October 27
OSU vs. Stanford Football Game
In front of Reser Stadium

Available 3 hours prior to the game through halftime.

	City	Population Served		% of Total	Info Campaign		
		Unincorporated	Total		Based on Pop	Equal \$	B[W]
Canby	15,538	9,296	24,834	7%	\$ 8,000	\$ 10,000	\$ 2,000
Estacada	2,721	15,776	18,496	5%	\$ 6,000	\$ 10,000	\$ 4,000
Gladstone	12,502	8,295	20,797	6%	\$ 7,000	\$ 10,000	\$ 3,000
Lake Oswego	36,868	4,582	41,450	11%	\$ 13,000	\$ 10,000	\$ (3,000)
Milwaukie	21,230	9,866	31,096	8%	\$ 10,000	\$ 10,000	\$ -
Molalla	7,420	15,249	22,670	6%	\$ 7,000	\$ 10,000	\$ 3,000
Oregon City	30,175	27,432	57,607	15%	\$ 18,000	\$ 10,000	\$ (8,000)
Sandy +HO	7,375	21,522	28,897	8%	\$ 9,000	\$ 10,000	\$ 1,000
West Linn	24,897	4,276	29,173	8%	\$ 9,000	\$ 10,000	\$ 1,000
Wilsonville	17,565	4,155	21,720	6%	\$ 7,000	\$ 10,000	\$ 3,000
Oak Grove	-	28,081	28,081	7%	\$ 9,000	\$ 10,000	\$ 1,000
Happy Valley/Damascus	20,000	32,961	52,961	14%	\$ 17,000	\$ 10,000	\$ (7,000)
	196,290	181,491	377,781	100%	\$ 120,000	\$ 120,000	\$ -
County Contribution					\$ 50,000	\$ 50,000	
Total Campaign Funding					\$ 170,000	\$ 170,000	

ATTACHMENT B

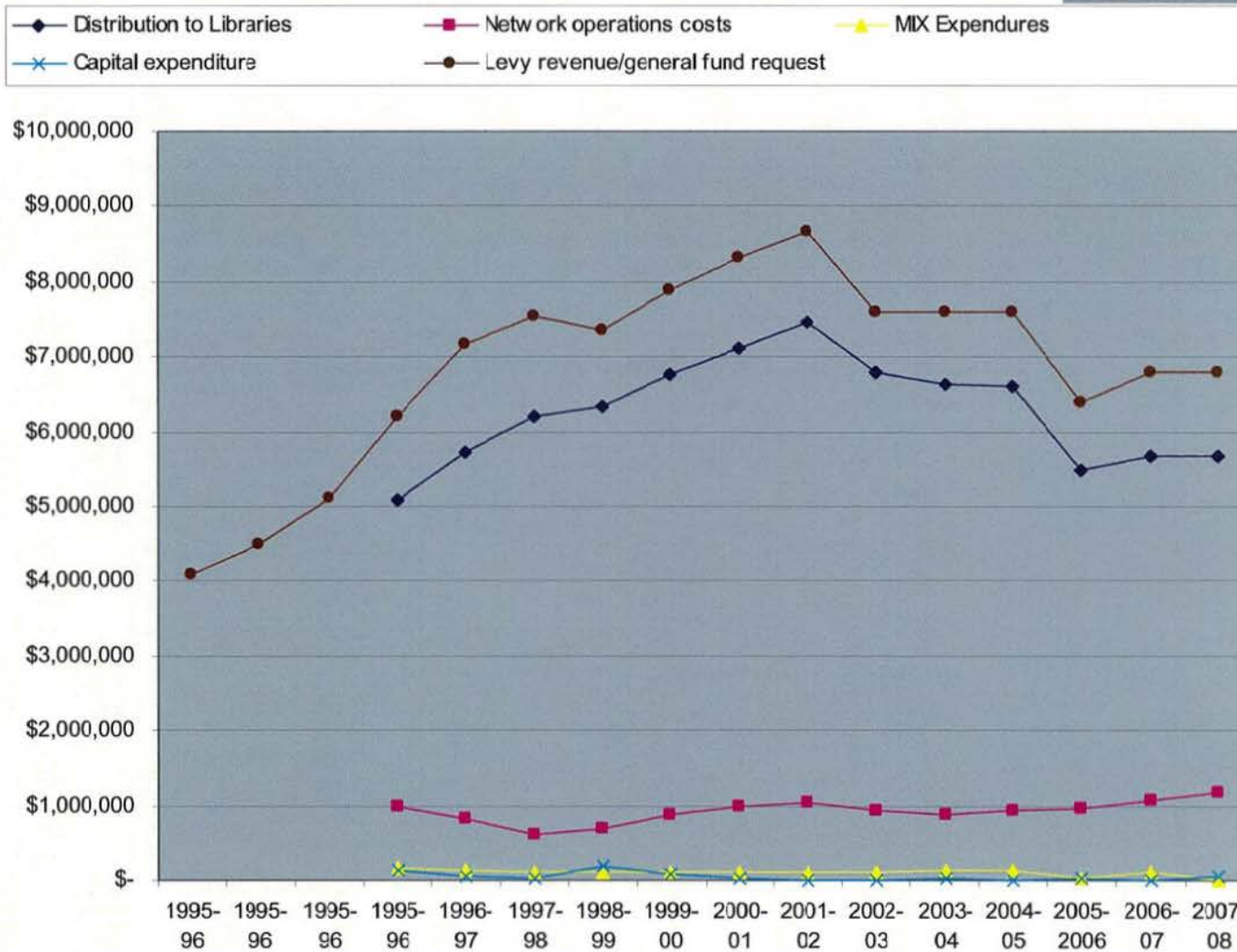
Library District Discussion

City Manager's Meeting
November 9, 2007

History of Library Levies & Funding

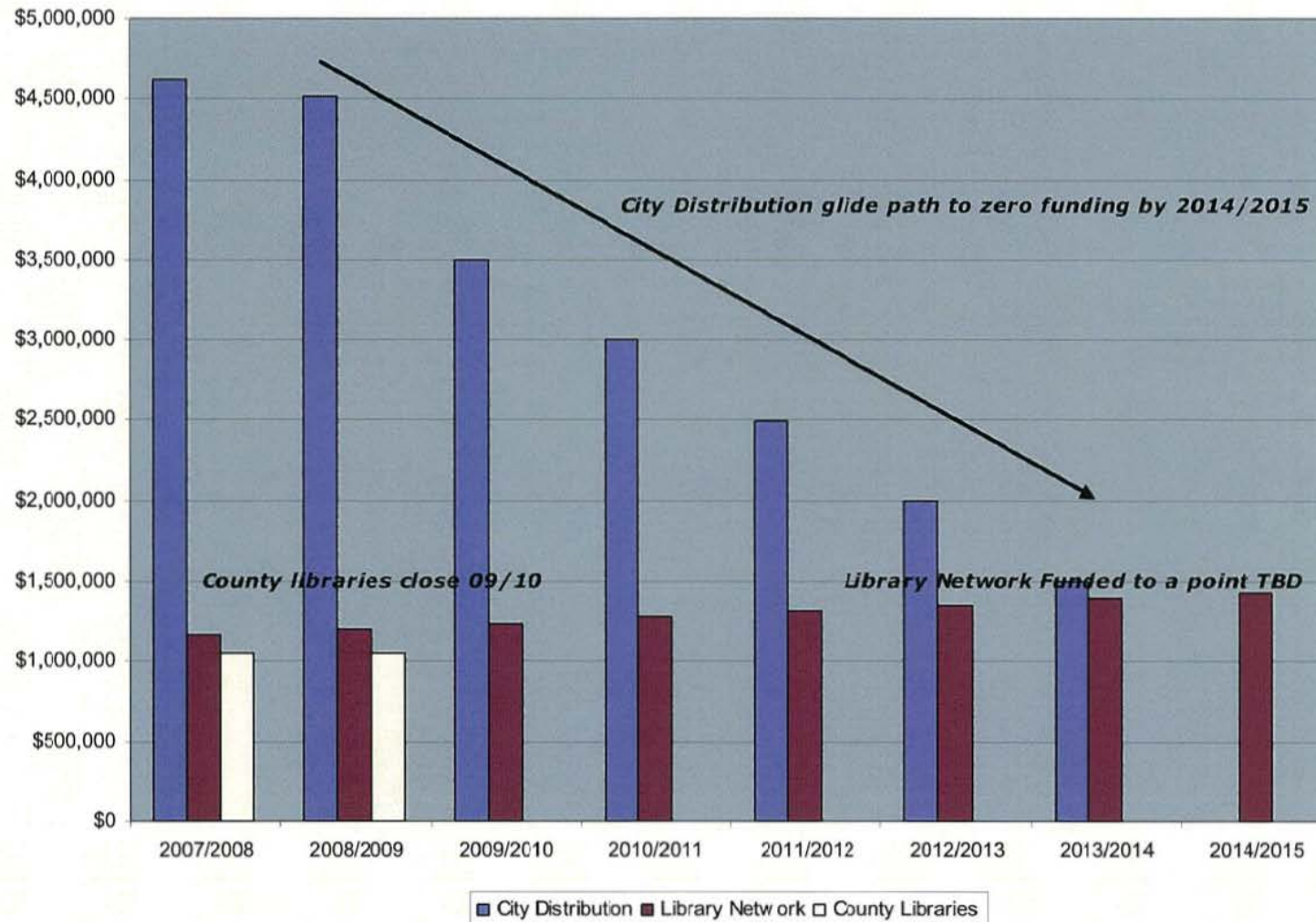
Funding Source	Budget Year	Funding	
		Per Thousand	Levy Revenue/General Fund
Three-year levy 91/92 – 93/94	91/92	\$0.29	\$4.1MM (est.)
	92/93		\$4.5MM (est.)
	93/94		\$5.1MM (est.)
Three-year levy 94/95 – 96/97	95/96	\$0.35	\$6.2MM
	96/97		\$7.2MM
Five-year levy 97/98 – 01/02 <i>Received a majority YES vote but did not have 50% voter turn-out.</i>		\$0.35	N/A
1998 – Board of County Commissioners adopts a five-year Tax Apportionment Policy 14% targeted apportionment for libraries	97/98	General Fund	\$7.5MM
	98/99		\$7.3MM
	99/00		\$7.9MM
	00/01		\$8.3MM
	01/02		\$8.7MM
	02/03		\$7.6MM
Continued General Fund Contribution	02/03	General Fund	\$7.6MM
	03/04		\$7.6MM
	04/05		\$7.6MM
	05/06		\$6.4MM
	06/07		\$6.8MM
	07/08		\$6.8MM

Library Funding Trends



Glide Path Reduction

If District Formation Fails

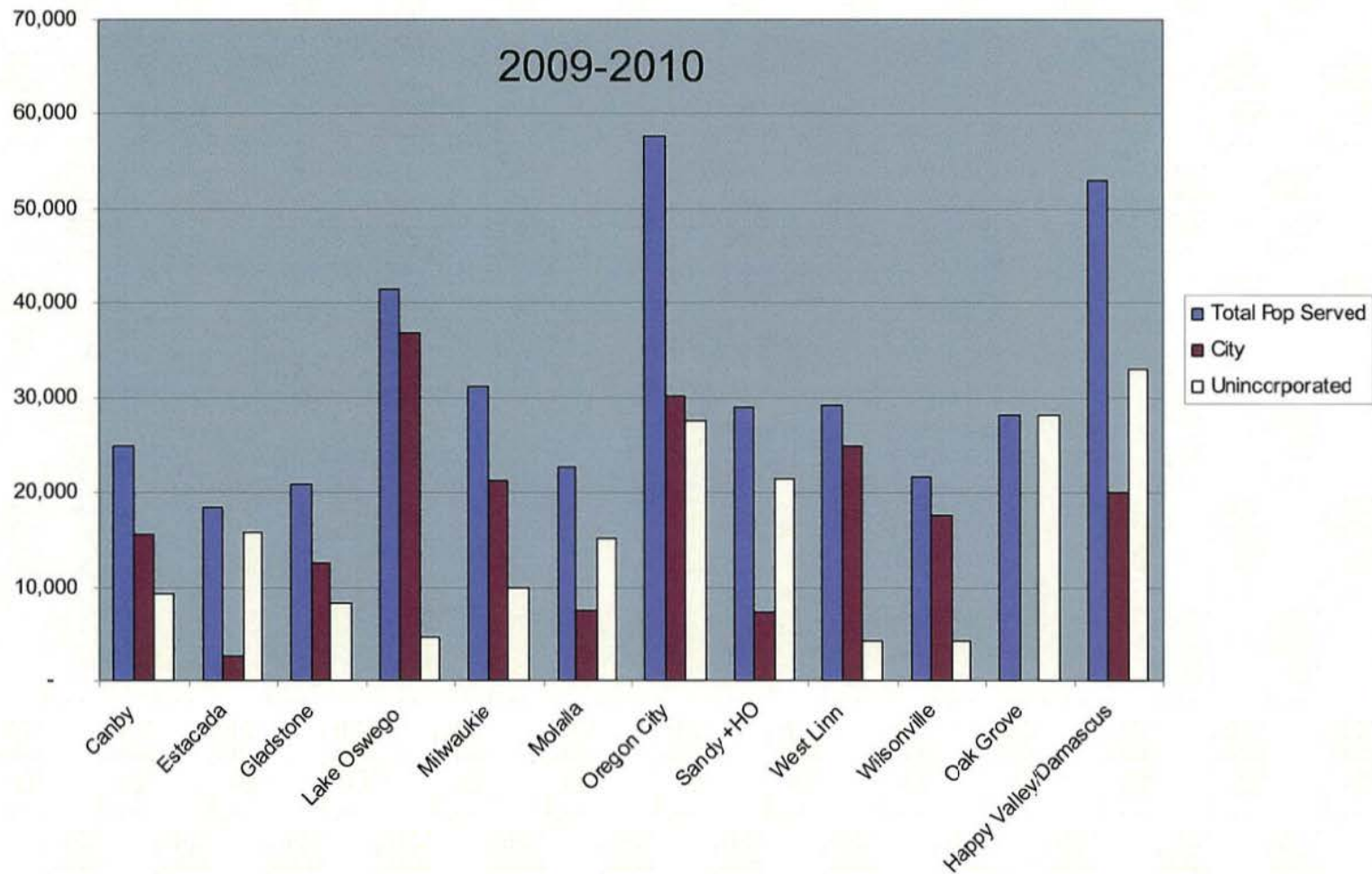




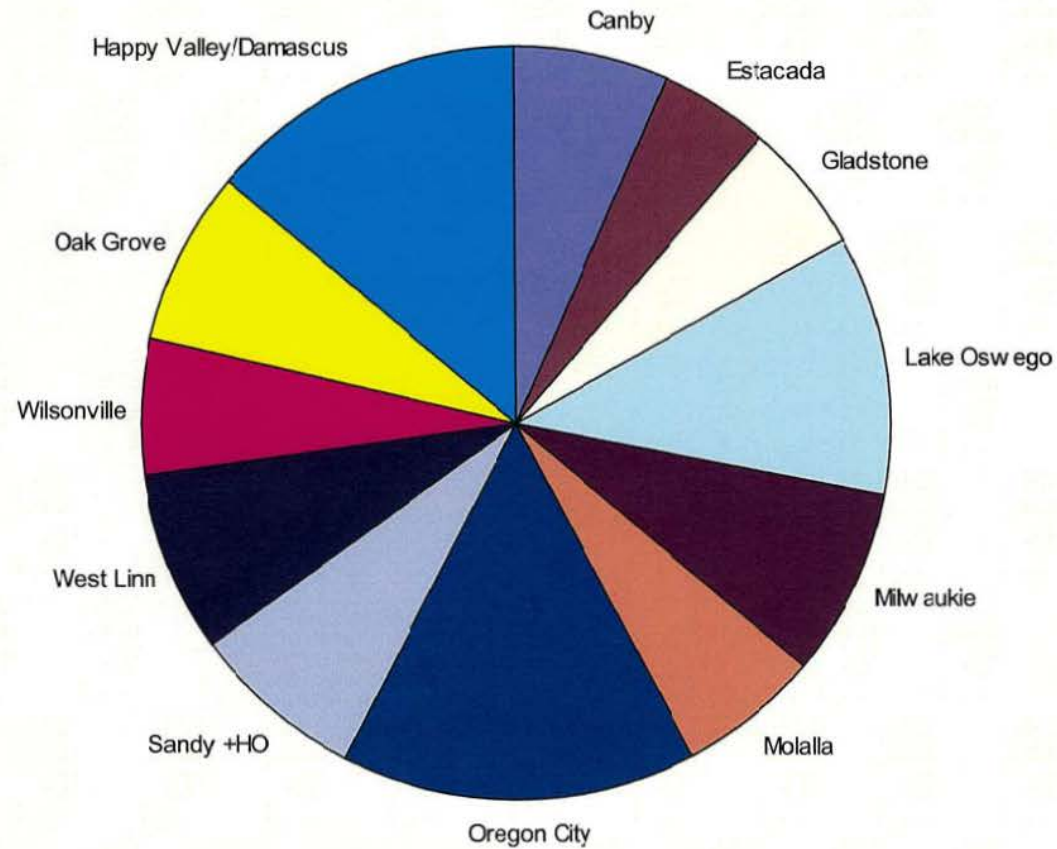
If District Passes

Operating Funds
at \$0.3974/\$1,000 assessed value

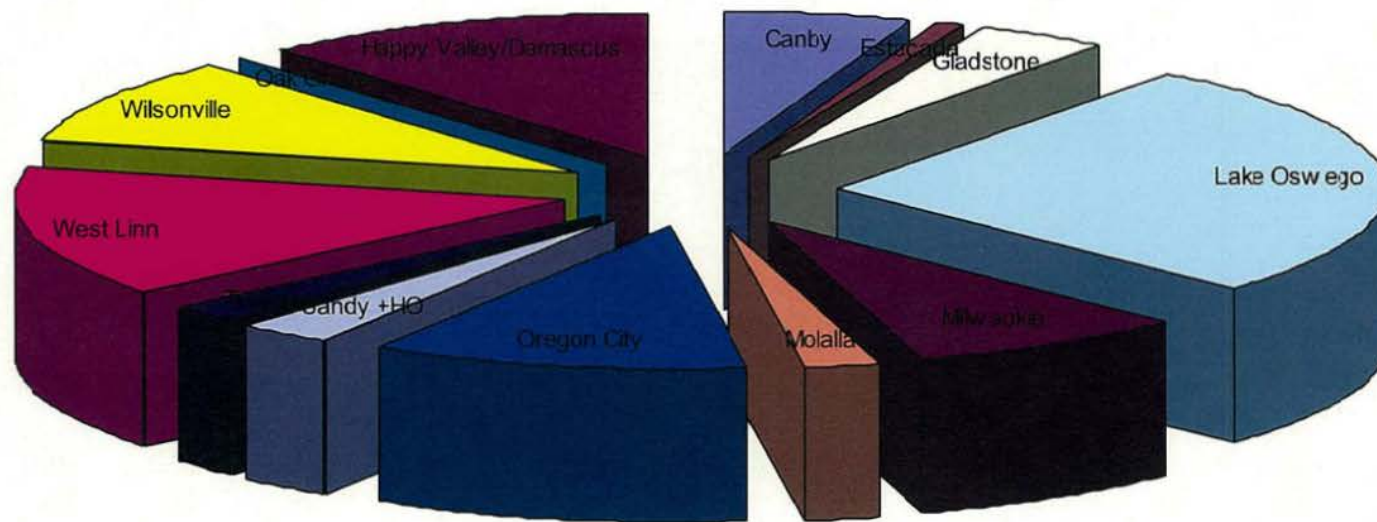
Projected Library Service Population City Plus Unincorporated



Combined Population Served by Area

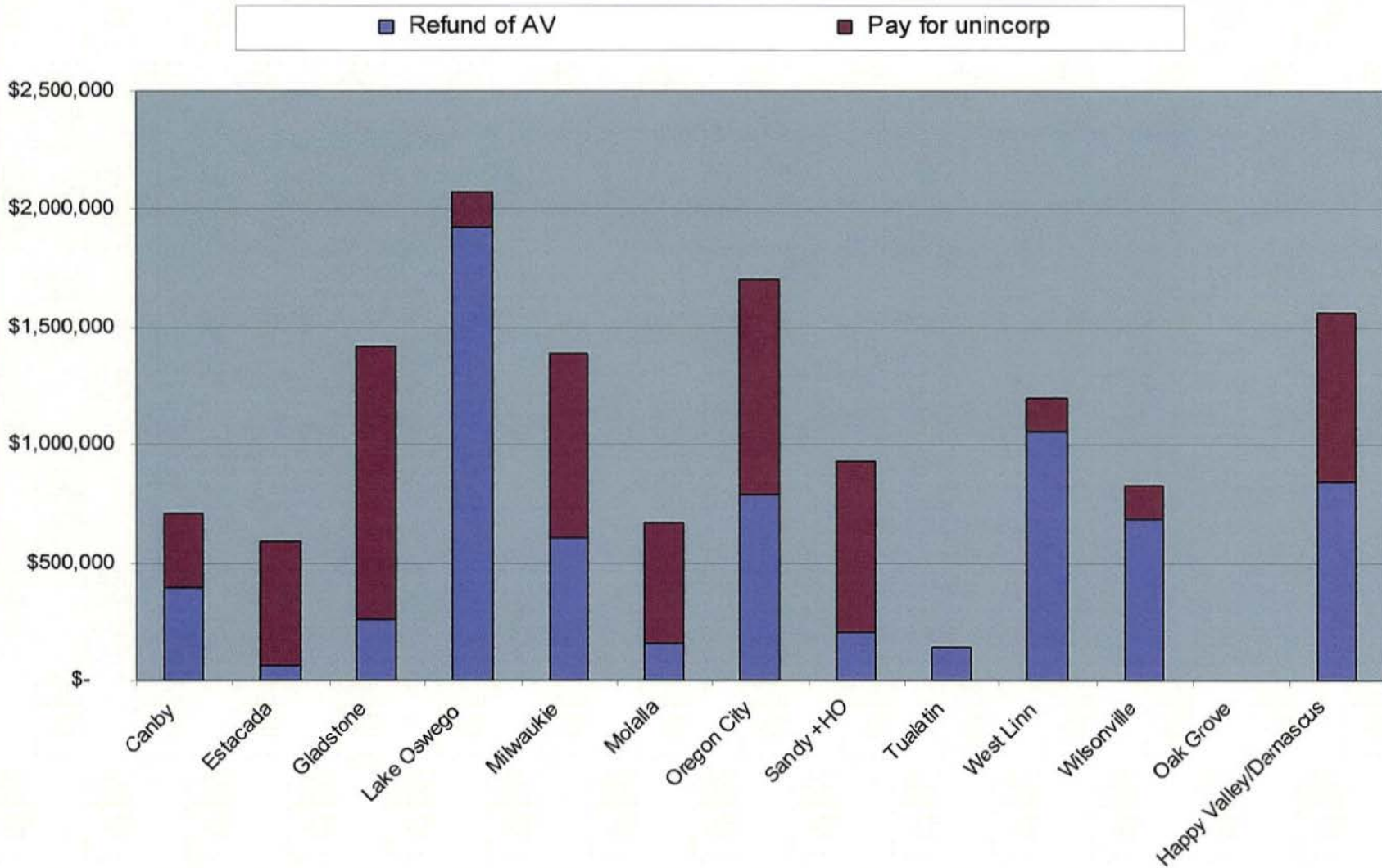


2008 Assessed Value by City

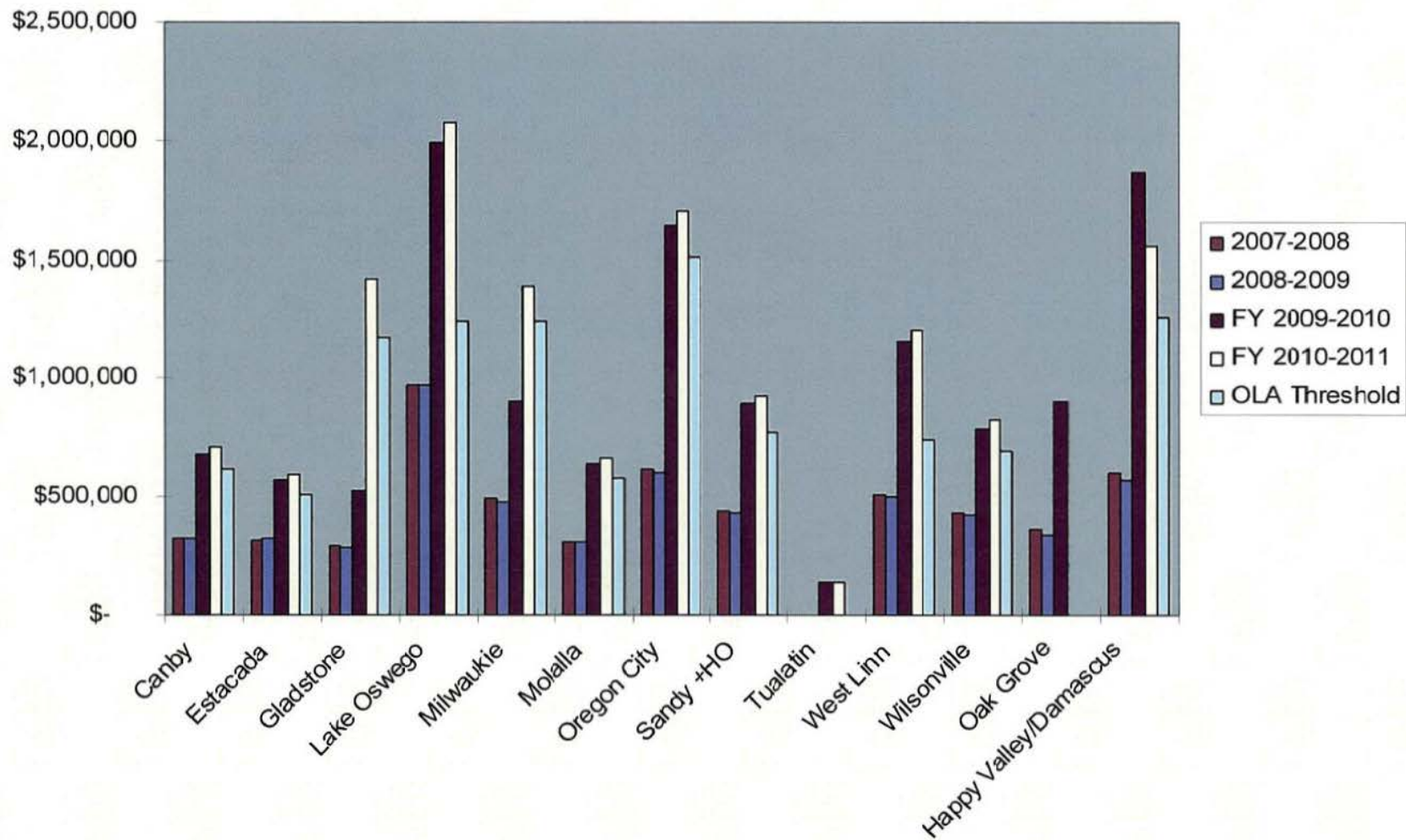


2010-2011 Funding Breakdown

Based on AV and Population Served



Funding Projections Vs. OLA Standard





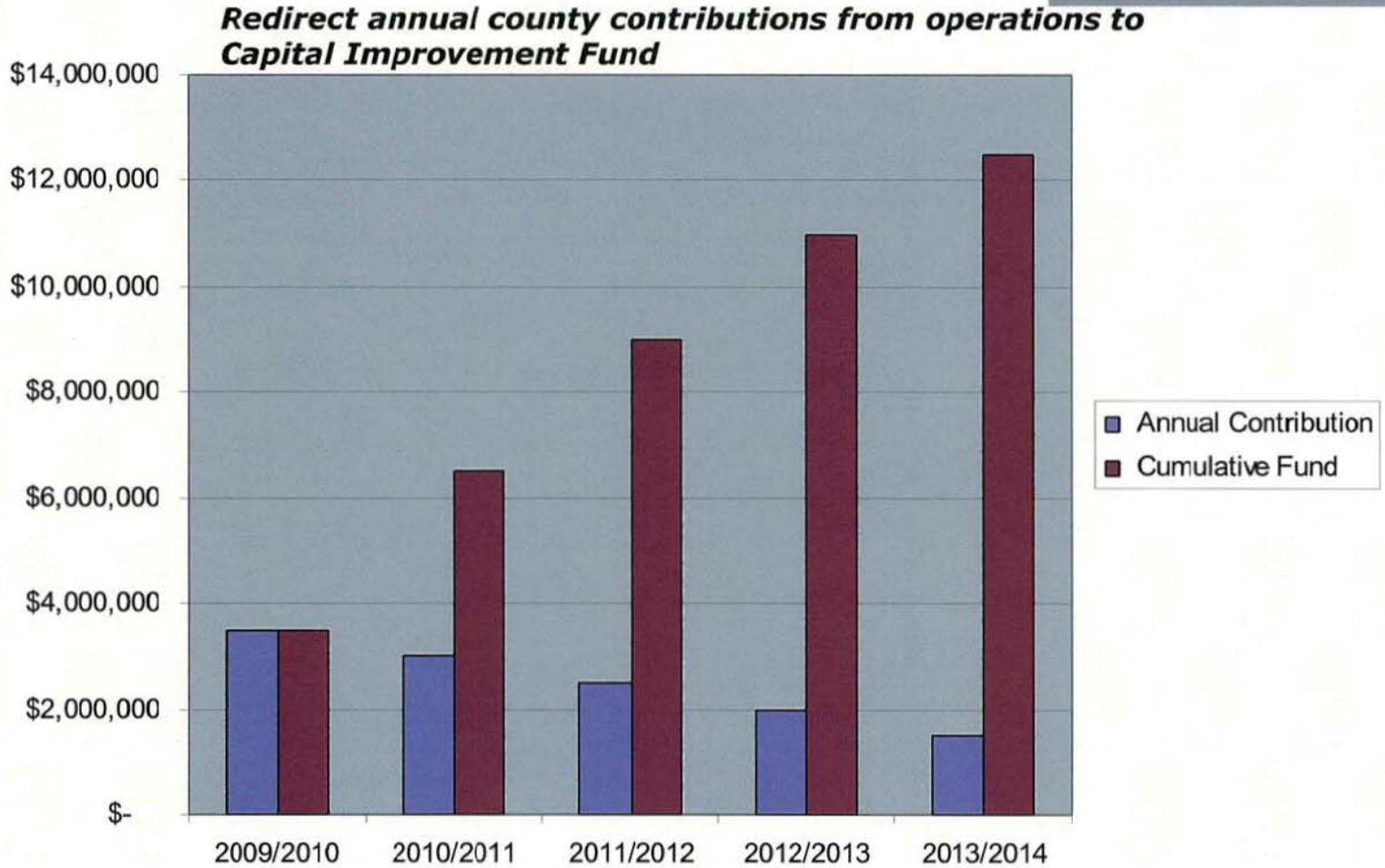
If District Passes



Capital Fund

Capital Improvement Fund

If District Passes



Capital Improvement Needs for the District

- New Libraries (*est. - for discussion only*)
 - Damascus/Happy Valley \$7MM
 - Gladstone \$7MM
 - Oregon City \$7MM
- Other Examples
 - Milwaukie expansion
 - Canby expansion
 - Estacada payoff debt
 - Others TBD

Proposed Capital Distribution

- \$12MM - \$1MM each to twelve communities
- \$150K to Tualatin
- \$350K contingency

Total \$12.5MM Capital Improvement Fund

Possible Funding Option for Clackamas Area Library

Joint Venture between Happy Valley & Damascus

Cities combined contribution ■ \$500K per city	\$1.0MM
Re-direct District operating revenue to capital fund for years 2009/2011	\$2.5MM
County Capital Fund Grant ■ \$1MM per city	\$2.0MM
Other TBD	\$1.5MM
Total Cost	\$7.0MM

Possible Funding Option for Gladstone Library

Including most of former Oak Grove service area

City contribution utilizing Urban Renewal District funds for 50% of cost	\$3.5MM
Re-direct District operating revenue to capital fund for years 2009/2010 <ul style="list-style-type: none">■ Gladstone \$600K■ Oak Lodge \$900K	\$1.5MM
County Capital Fund Grant	\$1.0MM
Other TBD	\$1.0MM
Total Cost	\$7.0MM

Possible Funding Option for Oregon City Library

City contribution utilizing Urban Renewal District funds for up to 50% of cost	\$3.4MM
Re-direct District operating revenue to capital fund for years 2009/2010	\$1.6MM
County Capital Fund Grant	\$1.0MM
Other TBD	\$1.0MM
Total Cost	\$7.0MM

Steps to Formation of the Library District

The Library Services District ("District") would be governed by Oregon Revised Statutes 451. A brief summary of the applicable steps are as follows:

- Define the proposed District boundaries.
- Obtain resolutions from cities within the proposed District boundaries approving inclusion within the District.
- Initiate formation of the District by The Board of County Commissioners adopting a Board Order describing the district by name and boundary and holding a public hearing between 30-50 days after Board Order
- Proceed with legal steps required to place District formation on the November 2008 general election ballot
 - *Election required since District is to be funded by a permanent tax rate limit for operations.*
- Vote on the proposed District and tax rate of the District during the November 4, 2008 general election
- If the vote is affirmative, the Board acknowledges the vote and forms the District within 30 days after the election.
- Funding begins with the 2009/2010 tax year.

Information Sharing Initiative

- Purpose – to provide facts regarding the proposed formation of a county-wide Library District.

- Proposed funding required for information sharing:
 - Total \$170K
 - Clackamas County \$ 50K
 - 12 cities @ \$10K each \$120K

Community Involvement - PAC

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Sandy, OR 97055

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assistance*