



## **Frequently Asked Questions regarding the Library Partnership Concept**

***Updated July 5, 2017***

### **1. How can I learn more about this proposal?**

The City's website: [www.ci.sedro-woolley.wa.us](http://www.ci.sedro-woolley.wa.us) includes a vast collection of documents indexed by date and available for public inspection 24/7. These documents are available under the "library" link on the City's homepage.

### **QUESTIONS RELATED TO THE PARTNERSHIP INTERLOCAL AGREEMENT:**

#### **A-1. What is the City's library budget for 2017?**

The city's balanced budget for the Library Fund (Fund 105) for 2017 was \$349,900 and the 2017 amended budget is \$363,451. This does not include any administrative costs such as finance, legal and HR, nor does it include the facility maintenance costs. Those costs are located in several other parts of the city's general fund budget.

#### **A-2. What would the City's library budget be under the partnership concept?**

\$373,712, actual cost, using 2017 numbers. The City's total cost (including bond debt repayment and operating payments) is calculated as the City's assessed valuation times the District's millage rate. According to the Skagit County Assessor's office, the 2016 values for property taxes paid in 2017 are: City's total assessed value \$810,256,655 x the District's millage rate of \$.4612277639/\$1,000 assessed value = \$373,712.86.

#### **A-3. How much property tax is currently allocated to the city's library?**

City property owners do not have a specific line item for the city library on their property tax bills like district property owners (in 2017 district property owners will pay \$.4612277639/\$1,000 in assessed value). In 2017 city residents will pay \$2.2696448/\$1,000 in assessed valuation to the city (annual total property taxes of \$1,838,994.83), of which the city council budgeted \$312,500 to the library. This equates to \$.38568026/\$1,000 in assessed valuation. This amount does not include any administrative costs such as finance, legal and HR, nor does it include the facility maintenance costs.

#### **A-4. What will happen to the city library board?**

It will be dissolved.



**A-5. Is this taxation without representation?**

No. The city council represents the people of Sedro-Woolley in making a partnership agreement and city residents are eligible for appointment to the district board providing representation on future library operational issues.

**A-6. Why don't we vote on annexation now?**

The annexation vote would be held after the agreements are executed but not before November 30, 2032. The city and the district are moving toward a partnership that does not require annexation but is based upon the same economic principles (i.e., costs based on the district's tax rate). See the Partnership ILA, Paragraph 14.

**A-7. If we vote to annex, will my taxes be increased?**

It is *theoretically* and *legally* possible, but unlikely with the current mayor and council. The city's property tax limit is reduced by the amount of the district's tax levy so the maximum combined tax limit is unchanged by annexation. Because the city does not tax at its maximum, the mayor and city council will have to reduce the city property tax to ensure that no tax increase occurs as a result of annexation. Sedro-Woolley has not raised property taxes in 9 years and property owners saw a decrease in city property taxes in 2017 as the public safety building bond was retired (taxes were reduced by approximately \$.28/\$1,000 in assessed valuation).

**A-8. Will city library staff be fired?**

No. The agreement requires that the city's employees be hired by the district, with no reduction in pay and with equivalent benefits. See the Partnership ILA, Paragraph 10.

**A-9. Will city library staff be fired six months or a year after the partnership is formed?**

The district personnel policies would apply to the employees and as public employees in Washington State, it is unlikely anyone would be fired without unresolved performance issues.

**A-10. Will city library staff be guaranteed the same hours of work?**

No. The agreement requires that the city's employees be hired by the district, with no reduction in pay and with equivalent benefits. This does not guarantee the same hours of work. The District is free to offer more hours of work as may be needed to address adequate staffing at the new library. See the Partnership ILA, Paragraph 10.

**A-11. Will city library staff be guaranteed the same schedule?**

No. The District will staff the library according to the needs of the library and individual employees' schedules will be built around the needs of the library.



**A-12 What will happen to the city library’s unique historical collection?**

This collection of approximately 500 books will remain the property of the City, on loan to the District for the benefit of the public as reference materials. See the Partnership ILA, Paragraph 11.

**A-13 When and why will the District operate the city’s library before the new library is built?**

Joint operations will save the parties money and allow for more resources to support the new library project. Joint operations would begin sixty days following the City Council and District Board’s approval of the pre-design process (location, budget and conceptual design). See the Partnership ILA, Paragraph 8.

**QUESTIONS RELATED TO THE BUILDING DEVELOPMENT & OWNERSHIP INTERLOCAL AGREEMENT:**

**B-1. Is the City raising taxes to pay for this partnership?**

No. The partnership concept includes no tax increases to the taxpayers of Sedro-Woolley. The cost of this partnership will be greater than the cost of the current library but those costs will not result in increased taxes. The difference in cost is approximately \$61,212 per year based on a comparison of the library’s current expenditure budget and the formula proposed in the concept.

**B-2. Is the city really closing its library?**

There will always be a library in Sedro-Woolley. The city library’s assets and employees will be transferred to the new regional library so the moment one ends another begins. This is much like what the La Conner community did in the early 1990’s and not unlike the city closing city hall on Murdock and opening the new city hall on Metcalf. Both the City and the District would co-own the new library based upon population at the last census (i.e., 10,540 city, 14,933 district for 41% city ownership and 59% district ownership).

**B-3. Will the proportionate ownership formula be updated with the 2020 census?**

No.

**B-4. I keep hearing that the district is considering a 10,000 square foot library, why would the city agree to that?**

There are at least two scenarios for the city and the district, working together in partnership or going our separate ways. A smaller library is for the district’s “go it alone” plan; a joint library would need to be larger than 10,000 square feet. The actual size of the new joint library will be determined in the pre-design process.

**B-5. How big is the City’s current library?**

6,272 square feet. According to the Skagit County Assessor, the library located at 802 Ball Street is 6,272 square feet. The exterior measurements of the main floor result in a gross area of 6,672 square feet. The



difference between this number and the number discussed by library staff could be the unfinished basement area which is neither ADA accessible nor permitted for public assembly uses (i.e., it is for HVAC equipment, plumbing and limited storage).

**B-6. What is the annual cost of the \$5.0M in debt needed to build a new library?**

\$345,000 to \$360,000 per year depending on interest rates and bond type. City issued bonds are somewhat complex, but the best analogy is a comparison to a home mortgage. Depending on the interest rates and the bond type, our estimated annual cost ranges from \$345,000 to \$360,000 per year for 20 years. The examples in the Negotiating Committee Recommendation use \$350,000 for this cost.

**B-7. What will happen to the current library building if the partnership moves forward?**

The City Council will decide on the future use of the current library building after hearing proposals from the community on the best use for the space.

**B-8. Will the city give the new building to the district at the end of the contract?**

No, the agreements do not transfers the city's portion of the building to the district after 20 years. However, if the city's voters approve annexation, the library assets would all transfer to the district. See Building Joint Development and Ownership ILA, Paragraph 12 A. During the term of the agreement, the District will have possession of the building to operate the New Library. See Building Joint Development and Ownership ILA, Paragraph 3.

**B-9. Will there be meetings rooms, computer space, more books, a STEM area and a coffee shop in the new library? Where will the new library be located?**

The design of the new library is unknown at this time. If the three interlocal agreements are approved by both the city council and the district board, the two entities will jointly fund a pre-design process that will include robust public participation in a needs assessment and will result in a concept design, location and project budget which will then be presented to the city council and district board for approval Building. See Library Partnership ILA, Part I, Paragraphs 3-7.

**B-10. How much will the new library cost?**

As discussed in question B-9, above, the conceptual design and location are not yet determined and both will influence the project budget. However, the concept agreement includes \$5.0M in debt for the project (See Building Joint Development and Ownership ILA, Paragraph 6 A), \$900,000 for fixtures, furniture & equipment, \$625,000 for an opening day collection (See Library Partnership ILA, Paragraph 13), the city's existing collection (See Library Partnership ILA, Paragraph 12) and the city has requested \$2.0M in state funding. If awarded, the total project budget, not including the city's current collection is approximately \$8,525,000; without state funding, the total project budget, not including the city's current collection is at least \$6,525,000. From the effective date until December in the year before the first bond payment, the two entities will be placing \$30,000 per month into the Library Construction Fund which will



increase the funding available for this project and be in addition to the budget shown above. See Building Joint Development and Ownership ILA, Paragraph 7.

**B-11. Is \$5.0M the most the new library will cost?**

No. Under Paragraph 6A of the Building Ownership & Joint Development ILA, \$5.0M is the most the face amount of the debt can be without written agreement of the parties. See Question B-10 for more details regarding the source of additional money, but the project will cost more than \$5.0M.

**QUESTIONS RELATED TO THE LIBRARY SERVICES INTERLOCAL AGREEMENT:**

**C-1. Will residents of either the city or the district have to buy a library card to use the new library?**

No. See Library Services ILA, Paragraph 4.

**C-2. Will all of our books be discarded?**

No. Other than through the normal process of culling a collection (same as today), the library books will not be discarded.

**C-3. If we combine, will there be enough books for everyone?**

The City's current collection along with the District's current collection will be moved into the new building. In addition, the District will purchase up to an additional \$625,000 in materials for the opening day collection at the new building which will increase the collection by approximately 25,000 new books (assumes average cost of \$25.00 per book).

**C-4. I've heard that the district library is more about on-line and ebooks rather than print books? Will we still have access to actual books?**

Yes. See question C-3 above and the Library Services ILA, Paragraph 3.

**C-5. What will the city pay for library services?**

The contract fee is the city's assessed valuation multiplied by the district's regular levy rate minus capital costs paid by the city (Library Construction Fund, Bond, or Joint Reserve Fund payments). For total Dollar costs, see question A-2.

**C-6. Will the library director of the new regional library really only have two years of experience?**

No. Jeanne Williams has 16 years of experience in public libraries including 10 years as a library director. Most of her experience as a director is from a library system with multiple sites, a staff of 20 people and an annual budget in excess of \$900,000. When combined, the regional library will benefit from both teams coming together.



**C-7. Why isn't Debra Peterson going to be the library director of the new regional library?**

Under the proposed partnership, the District will be operating the library to benefit both its residents and the city's residents and the District also has a qualified, capable and experienced library director. Debra has the opportunity to fill a top role in the new library including managing the acquisition of the new collection. The goal is to use the talents and strengths from each library's staff together to provide the highest possible level of service to the community.

**C-8. Who determines the District's millage rate?**

The Skagit County Assessor calculates the District's millage rate annually by taking the District's requested property tax levy (limited to the prior year's amount plus 1% and new construction) and dividing that amount into the District's assessed valuation. The millage rate is expressed as a Dollar amount per \$1,000 in assessed valuation.

**C-9. Who determines both the City's and the District's assessed valuations?**

The Skagit County Assessor determines the assessed valuation of all taxing districts in Skagit County based upon a cycle of physical inspections, appraisals and market adjustments. More information on the Skagit County Assessor's office may be found at [www.skagitcounty.net](http://www.skagitcounty.net) including an explanation what their office does and property taxation in general.

**QUESTIONS RELATED TO THE PROCESS:**

**P-1. Is this proposal a done deal? Has the City Council already decided?**

No.

**P-2. Why don't you just tell us the details of the agreement?**

This has been the question for the past year and following a lengthy and detailed public process that has included multiple facilitated meetings and many more meetings of the negotiating committees, attorneys and others, draft agreements are available for consideration by the City Council, District Board and members of the community. The partnership is addressed in three separate agreements: the Library Partnership ILA, the Building Joint Development and Ownership ILA and the Library Services ILA. All were posted to the city's website on Monday, June 5, 2017 in advance of the meetings called for June 14, 2017.

**P-3. How will I be able to influence the decision-making process?**

City Resolution 943-16 requires a minimum of four public meetings prior to final action on this concept. The negotiating teams made a recommendation on November 28, 2016 and that recommended Library Partnership Concept was heard by the City Council in a facilitated workshop format meeting on February 24, 2017 at 5:00 P.M. A second meeting on the concept was held on March 8, 2017. The draft interlocal agreements were presented on June 14, 2017 at 5:30 P.M. for a Q&A format discussion and a formal public hearing was also held at the regular meeting that night. An additional meeting will be held on July



12, 2017 where the Council will again take comments prior to any action on the agreements. Written comments are welcome at any time; see Question P-9 for details.

**P-4. What's the rush?**

There is no rush – this process started in 2012, stalled until late 2015 and the City and the District have been talking consistently for the past year and a half. All necessary time will be taken to work through this process.

**P-5. Why doesn't the city just "go it alone"?**

By combining resources and serving our shared service areas, the two public entities can better use limited tax resources and avoid duplication of services in the same city. By joining in partnership we can have more books, more space, more hours, more technology and better serve the community, *without raising taxes*.

**P-6. Can I provide comments outside of a meeting?**

Yes, comments mailed to the city hall (325 Metcalf Street), attention Christine Salseina, Deputy Clerk, will all be shared with the council; additionally the city council takes public comments at every regular meeting.

**P-7. Will the City hire outside counsel to assist with the project?**

Yes, the City hired attorney Scott Beyer, a partner at Menke Jackson Beyer to assist with the drafting, review and advising on the interlocal agreements last November. Additionally, the City retained qualified bond counsel (Deanna Gregory from Pacifica Law Group) to represent the City regarding any debt issuance. All three agreements and the reimbursement resolution have been reviewed by the city's team of attorneys.

**P-8. What happened to the City's architects and the planned public discussion of library needs?**

That process was put on hold pending the outcome of the public process on the proposed partnership concept. Public comments at City Council meetings in 2016 revealed a concern that the city was "putting the cart before the horse" by working on pre-design of a new joint library before the city council and district board agreed to the concept of partnership. If the parties move forward with partnership, the pre-design process will begin for the new jointly owned library building when the interlocal agreements are signed and the end of that pre-design process will be three decision points for both the city council and the district board: location, budget and concept design. It is only after those three decisions are approved that this partnership proceeds to full design and joint operations.

**P-9. What if I have more questions? What if the answers to these questions are unclear?**

Please ask! Send questions to Eron Berg, City Supervisor/Attorney at [eberg@ci.sedro-woolley.wa.us](mailto:eberg@ci.sedro-woolley.wa.us).

These FAQ's will be updated as needed.

