

City of Falls City
City Council Work Session
Meeting Minutes
December 8, 2016 6:30 PM
Meeting Location: 320 N Main Street, Falls City, Oregon 97344

Council Present: Mayor Terry Ungricht, Lori Jean Sickles, Jennifer Drill, Tony Meier, Gerald Melin, Dennis Sickles, Julie Bishop

Falls City School Board Member Present: Board Chair Jami Kidd, Vice Chair Robert Young, and directors Larry Sickles, Kristy Major and Shane Castle.

Staff Present: Domenica Protheroe, City Clerk; Don Poe, Public Works Lead Worker

Mayor Ungricht called the meeting to order at 6:30 PM.

1) Roll Call

Clerk Protheroe took roll call. Councilor L. Sickles arrived at 6:32 PM, left at 6:57 and returned at 6:58 PM. Councilor Drill arrived at 6:32, left at 6:57 and returned at 6:59 PM. Councilor Bishop arrived at 6:31, left at 6:31 and returned at 6:33 PM.

2) Joint Meeting of the Falls City School District to discuss Library Viability

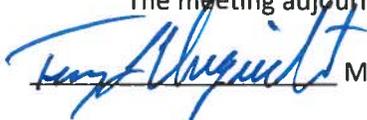
Mayor Ungricht distributed a six (6)-page email from Douglas Schmidt, Polk County Assessor regarding the Library District/Levy (Exhibit A).

Librarian Andy Rommel reported that the national Every Library organization provides training on how to run an information campaign and get out the vote campaign on a pro bono basis. Jami Kidd stated that library funding had been a struggle for years. Neither the School or City of Falls City could create a library district instead; a new Library District governing body would work directly with the Polk County to form a new library district. A five-year levy would be a short-term solution and would require a levy campaign to begin in year three. The Falls City School District has 1,075 tax accounts in their district and City of Falls City has 654. All agreed that it would take a group effort to form a district or a levy. A district could lease a building in order to keep costs down. Councilor Meier thought that people who do not use the library would vote against a levy or a district. Falls City resident Mica Fournier reported that some residents could not afford cable, Netflix, internet and depend on the library. Councilor Drill wondered if Falls City could become a satellite library of one of the surrounding library districts, Mayor Ungricht would ask at the Polk County breakfast meeting. The group was unsure if community members would support a new tax district when considering that the gym bond had failed twice. The group wanted to hear from residents who would vote against funding a library.

The group concluded that a survey was needed to determine if the town would support a library district or a levy before starting to work on a district or a levy. The Library Board and Librarian Andy Rommel would create the survey. The City would mail the survey inside utility bills. The School would send the survey home with students, distribute at sporting events and might create a survey monkey. The survey could be distributed in food boxes and at James II dinners. Librarian Andy Rommel mentioned ways to increase library use: provide tax preparation service at tax time, offer financial education series.

3) Adjourn

The meeting adjourned at 7:12 pm.



Mayor Terry Ungricht, Attested:



City Clerk Domenica Protheroe

Exhibit A

Mayor Ungricht

From: Schmidt, Douglas <schmidt.douglas@co.polk.or.us>
Sent: Thursday, December 08, 2016 4:18 PM
To: Terry Ungricht
Subject: Re: Library District/Levy
Attachments: 5701 Tax Rate 2016.xlsx; Compression Example Simple.xls; Compression Loss Graph Local Option.docx; Compression Loss Graph Permant Rate.docx; City and SD 2016 Values-Taxes-Compression.xlsx

Mayor, I do apologize but I do not believe I will make the meeting. I think it is important for me to stress that for you to do a Local Option for the Library, whoever does it probably needs to own the Library, not just the building but the function, staffing, books. etc.

This is not my area of expertise and I would advise you to get counsel from League of Oregon Cities, Special Districts and whoever the legal counsel is for schools on any local option you may decide to move forward with.

Like we have discussed, the problem with the school doing a local option is the local option the school district already has is under compression, which means it does not get its full funding from the local option.

I have attached a couple documents for you to look at. I had prepared these to have for discussion at the meeting, but I probably will not make it. Some of them may need some explanation at some point.

When you look at the graphs. Please note that the right side of the graphs represent percentages of loss. The school district local option one is in full percentages, the school district permanent rate is in tenths of percentages. There is very little compression in the Falls City School District permanent rate, most of the compression comes out of the local option.

Just a refresher, Compression is a loss of tax revenue due to Measure 5 rate limits. M5 limits education taxes to no more than \$5.00 per thousand of Real Market Value. That means if the taxes generated by the permanent rates and local option rates multiplied against the Assessed Value are greater than the Measure 5 taxes, the permanent rates and local option are "compressed" down to only levy the \$5.00 maximum. Education rates include all school rates like Chemeketa, ESD and the actual school district.

Another issue is any Local Option levy is compressed before the permanent rates are compressed. That is why on the City and School District Values-Taxes-Compression document you see so little compression on the school permanent rates versus the local option rates.

I know this is confusing but it is important to keep in mind for any additional school local option levy's.

On Thu, Dec 8, 2016 at 3:29 PM, Terry Ungricht <mayorungricht@fallscityoregon.gov> wrote:
>the meeting is still on but we understand if you can't make it. We will be having another meeting in 3 months and can schedule you for that one. I have most of the figures from you, so we will have a basis for discussion.

Terry

FALLS CITY "EDUCATION" RATES versus CITY OF DALLAS "EDUCATION" RATES

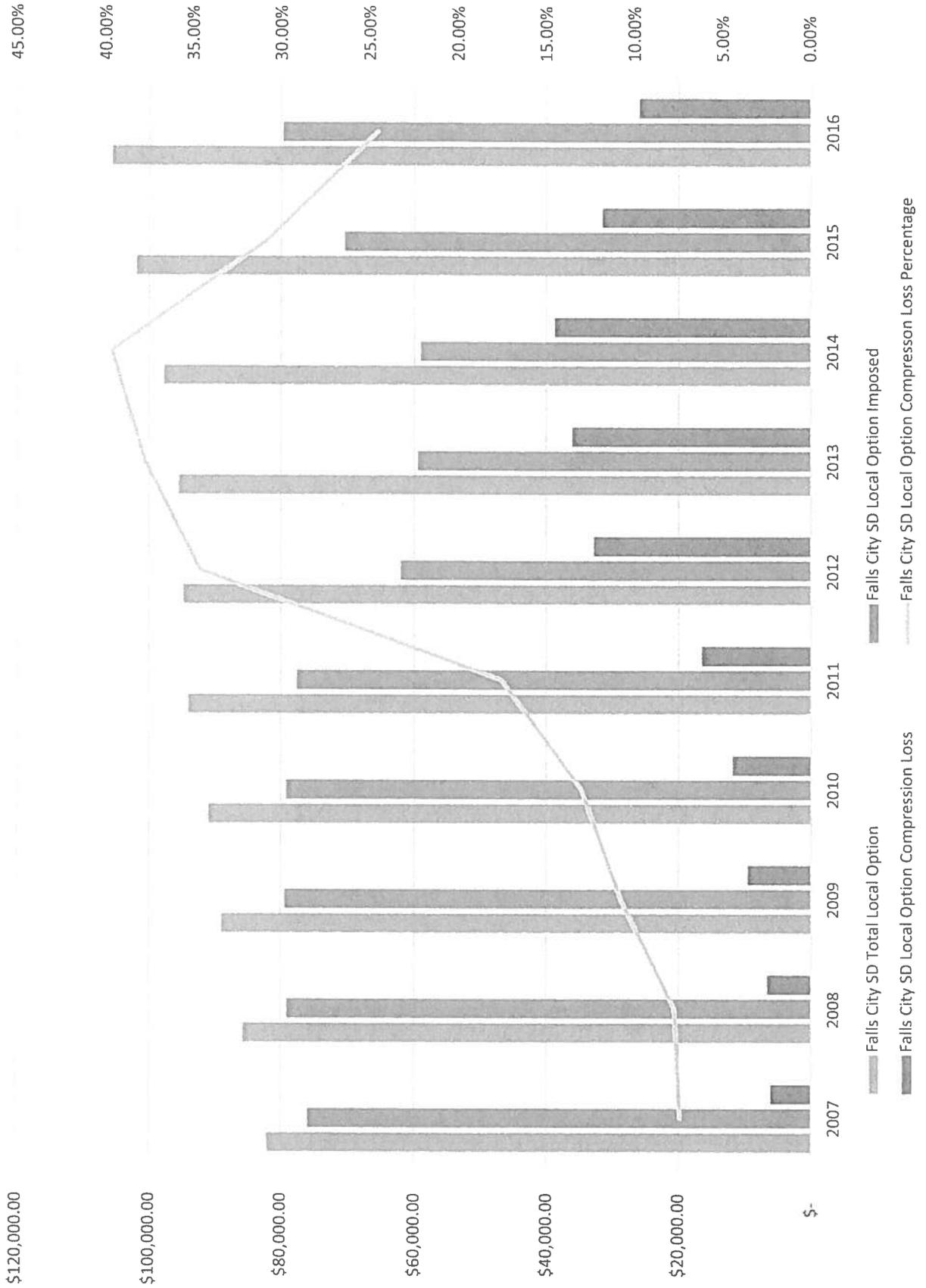
**2016 - 2017 Tax Rates By Code Area
CODE 5701
City of Falls City**

<u>NAME</u>	<u>TOTAL</u>	<u>EDUCATION</u>	<u>GOVERNMENT</u>	<u>NON-LIMITED (BONDS)</u>
POLK COUNTY	1.7160		1.7160	
POLK COUNTY BONDS AFTER 2001	0.5043			0.5043
POLK COUNTY PUBLIC SAFETY	0.3196		0.3196	
CHEMEKETA COMMUNITY COLLEGE	0.6259	0.6259		
CHEMEKETA REGIONAL LIBRARY	0.0818		0.0818	
CHEMEKETA CC BONDS AFTER 2001	0.2759			0.2759
WILLAMETTE ESD	0.2967	0.2967		
FALLS CITY	2.9202		2.9202	
POLK SOIL/WATER CD	0.0500		0.0500	
FALLS CITY SD 57	4.2052	4.2052		
FALLS CITY SD 57 LOCAL OPTION	1.2500	1.2500		
4-H/M GARDEN/AG/FOREST EXT DIST	0.0750		0.0750	
	12.3206	6.3778	5.1626	0.7802

**2016 - 2017 Tax Rates By Code Area
CODE 0201
City of Dallas**

<u>NAME</u>	<u>TOTAL</u>	<u>EDUCATION</u>	<u>GOVERNMENT</u>	<u>NON-LIMITED (BONDS)</u>
POLK COUNTY	1.6922		1.6922	
POLK COUNTY BONDS AFTER 2001	0.5043			0.5043
POLK COUNTY PUBLIC SAFETY	0.3196		0.3196	
CHEMEKETA COMMUNITY COLLEGE	0.6173	0.6173		
CHEMEKETA REGIONAL LIBRARY	0.0807		0.0807	
CHEMEKETA CC BONDS AFTER 2001	0.2759			0.2759
WILLAMETTE ESD	0.2926	0.2926		
DALLAS CITY	4.1372		4.1372	
DALLAS CITY BONDS PRIOR TO 2001	0.4596			0.4596
DALLAS CITY BONDS AFTER 2001	0.0970			0.0970
DALLAS URBAN RENEWAL	0.1677		0.1677	
DALLAS CD	0.0540		0.0540	
POLK SOIL/WATER CD	0.0494		0.0494	
DALLAS SD 2	4.4895	4.4895		
DALLAS SD 2 BONDS AFTER 2001	1.4878			1.4878
4-H/M GARDEN/AG/FOREST EXT DIST	0.0740		0.0740	
	14.7988	5.3994	6.5748	2.8246

Falls City SD Local Option Compression Loss



**FALLS CITY SCHOOL DISTRICT and CITY OF FALLS CITY
VALUES and COMPRESSION**

<u>Falls City School District</u>	<u>2016</u>
Real Market Value (RMV) \$	134,052,610
Assessed Value (AV) \$	84,543,186
Accounts	1,075
Permanent Rate Taxes Extended \$	355,520.93
Permanent Rate Taxes Imposed \$	354,320.44
Measure 5 Compression Loss \$	(1,200.49)
Local Option Taxes Extended \$	105,680.07
Local Option Taxes Imposed \$	79,730.10
Measure 5 Compression Loss \$	(25,949.97)

<u>City of Falls City</u>	<u>2016</u>
Real Market Value (RMV) \$	51,869,870.00
Assessed Value (AV) \$	39,089,080.00
Accounts	654
Permanent Rate Taxes Extended \$	114,147.98
Permanent Rate Taxes Imposed \$	114,145.41
Measure 5 Compression Loss \$	(2.57)

CITY OF FALLS CITY EDUCATION COMPRESSION EXAMPLE

EXAMPLE 1 - GOVERNMENT - CURRENT RATE						
Value	M-50 Consolidated Rate Per Thousand	M-5 Rate Per Thousand	Calculated Tax	Tax Levied	Loss Due To Compression	
RMV \$ 199,750		\$ 10.0000	\$ 1,997.50			
MAV \$ 199,750						
AV \$ 199,750	\$ 5.1626		\$ 1,031.23	\$ 1,031.23	\$	-
RMV to AV Pcent Difference = N/A When Compression Starts						

EXAMPLE 2 - GOVERNMENT - CURRENT WITH LIBRARY LOCAL OPTION						
Value	M-50 Rate Per Thousand	M-5 Rate Per Thousand	Calculated Tax	Tax Levied	Loss Due To Compression	
RMV \$ 199,750		\$ 10.0000	\$ 1,997.50			
MAV \$ 199,750						
AV \$ 199,750	\$ 6.1626		\$ 1,230.98	\$ 1,230.98	\$	-
RMV to AV Pcent Difference = N/A When Compression Starts						

NOTE: The M5 Rate is set by law.

NOTE: The total 2016-2017 M-50 Consolidated Education Rate is made up of the following districts:

NOTE: Even with RMV and AV the same, there is no compression until the M-50 rate is over \$10.00

CURRENT PERMANENT RATES

Polk County	\$ 1.7160
Polk County Public Safety	\$ 0.3196
Chemeketa Regional Library	\$ 0.0818
City of Falls City	\$ 2.9202
Polk Soil and Water CD	\$ 0.0500
4-H/Master Gardener District	\$ 0.0750
	\$ 5.1626

CURRENT PERMANENT RATES WITH LIBRARY LOCAL OPTION

Polk County	\$ 1.7160
Polk County Public Safety	\$ 0.3196
Chemeketa Regional Library	\$ 0.0818
City of Falls City	\$ 2.9202
City of Falls City Local Option	\$ 1.0000
Polk Soil and Water CD	\$ 0.0500
4-H/Master Gardener District	\$ 0.0750
	\$ 6.1626

Falls City SD Permanent Rate Compression Loss

