CLACKAMAS COUNTY
LIBRARY SERVICE DISTRICT
PROPOSED BUDGET

FISCAL YEAR
2026-2027

CLACKAMAS COUNTY LIBRARY SERVICE DISTRICT

FISCAL YEAR 2026-2027
Proposed Budget

BUDGET COMMITTEE

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Martha Schrader, Commissioner
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Desiree Thomas
Volunteer, Position 5: Vacant

Clackamas County Administrator/Library District Budget Officer
Gary Schmidt

Department of Transportation & Development Services Director
Dan Johnson

Department of Transportation & Development Services Assistant Director
Sarah Eckman

Prepared by:
Department of Transportation & Development
Diedre Landon, Administrative Services Manager, Snr.

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CLACKAMAS COUNTY

DAN JOHNSON
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD OREGON CITY, OR 97045

May 26, 2026

Board of County Commissioners
Acting as the Governing Body of the Library District of Clackamas County
Budget Committee Members
Residents of the Library District of Clackamas County

Introduction

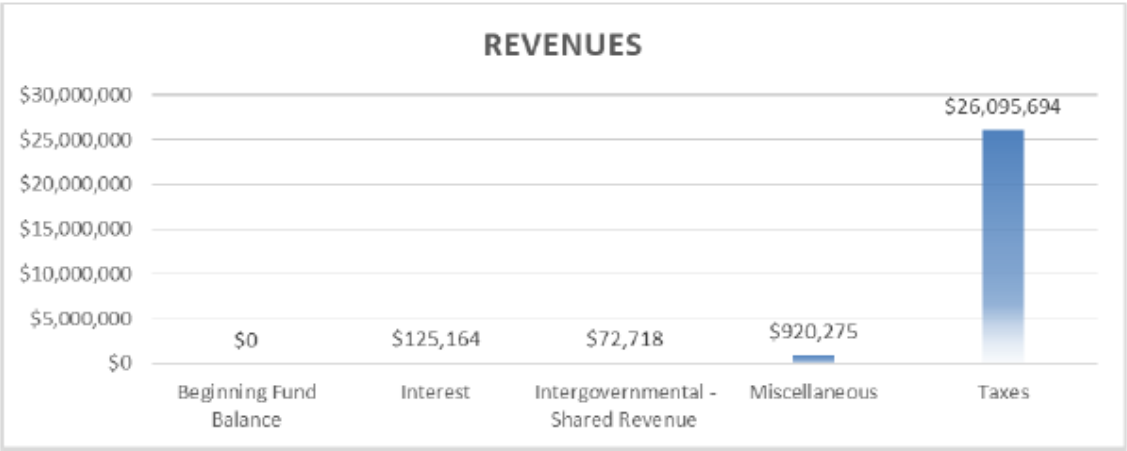
I am pleased to present the Library District proposed budget in the amount of $27,213,851 for fiscal year 2026/2027 for consideration by the Budget Committee. The budget was prepared in compliance with Oregon Budget Law and is balanced with resources matching projected annual requirements.

The Library District Fund was established in 2008 when voters approved a countywide Library District for Clackamas County. The permanent rate approved by voters in November 2008 was $0.3974 dollars per thousand of assessed value. The District functions as a fiscal agent by distributing property tax revenues raised by the District's permanent rate to participating local governments who operate libraries within Clackamas County.

- These funds will be used in fiscal year 2026/2027 for the operations and support of the Clackamas County Oak Lodge Library and twelve city-operated libraries: Canby, Estacada, Gladstone (operated by Clackamas County), Happy Valley, Lake Oswego, Milwaukie, Molalla, Oregon City, Sandy (including a branch at Hoodland), Tualatin, West Linn and Wilsonville.
- The City of Johnson City is the only unincorporated city in Clackamas County that is not part of the Library District.

Revenues

The proposed budget of $27,213,851 includes revenue from interest, payment in lieu of taxes / forest product reserve, estimated taxes, and builds in a 3.5% VARIANCE CAPACITY (totaling $920,275) which allows for the distribution of any funds receipted in fiscal year 2026/2027 that exceeds the formula estimate:



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Variance Capacity

As part of the IGA with the libraries, the County agreed to administer the collections and distribution of these funds at no cost to the cities, and supplemental budgets require staff resources and influence the timeliness of the distributions each year. The County introduced a VARIANCE CAPACITY to the Library Services District (LBSD) budget during fiscal year 2024-2025 to streamline distributions and maximize efficiencies.

- **ESTIMATE**. The ESTIMATE is a conservative prediction based on available data, and the County provides an Excel model so that each city can see the assumptions used and have an opportunity to adjust the model for their municipal budget development.
- **BUDGET**. The BUDGET is not a forecasting tool; it gives Clackamas County the authority to receive and distribute all LBSD revenues received in a timely manner.
- **ACTUAL**. The ACTUAL distributions are calculated off actual revenue received.

When comparing the ESTIMATE to the ACTUAL distribution, the ACTUAL distribution will vary since the ESTIMATE is based on changes to unincorporated population served and assessed value in each city over the course of the prior year.

- The ESTIMATE uses the unincorporated population served and assessed value from the year it was developed, a year before the ACTUAL distribution happens.
- The ACTUAL distribution model uses a mix of the current and prior (ESTIMATE) year data sets.

The County reviewed the historical variance between the ESTIMATED and ACTUAL distributions and built a Variance Capacity in the adopted BUDGET to allow for full distribution of these funds, taking steps to reduce future supplemental budgets.

Distribution Formula

The mechanism by which the funds are collected by the Library District and distributed to each Library is called the DISTRIBUTION FORMULA. The formula by which the Library District funds are divided out to each Library is outlined in the Master Intergovernmental (IGA) and is based on two factors:

- The first factor of the formula is ***assessed value***. Each participating city that operates a library located in Clackamas County receives a proportionate share based on assessed value.

- The second factor of the formula is ***unincorporated population***. Each participating city and jurisdiction that operates a library located in Clackamas County receives a proportionate share based on the percentage of unincorporated residents served by each of the libraries as established by the Library Service Area boundaries.

    - Since a portion of the City of Tualatin is within the boundaries of the Library District, the city receives 50% of the annual District revenue generated in the city for use in support of the Tualatin Library. The remaining 50% is split between the three District libraries most likely to serve Tualatin patrons, namely Lake Oswego, Wilsonville, and West Linn.

    - The Master IGA stipulates that the population in each census tract will be verified every 10 years, and an updated total unincorporated population within each Library Service Area will be used in the distribution formula. This update ensures that the distribution of funds is reflective of the most current census data. (The 2020 census was incorporated into the distribution formula prior to Fiscal Year 2023/2024.)

ESTIMATED FY2026/2027 Distribution

Using a conservative approach, calculated from FY2025/2026 ***assessed value*** and ***unincorporated population***, the district is estimated to collect and distribute a total of $26,293,574. The table below provides the fiscal year 2026/2027 ESTIMATED* tax allocation for each Library receiving District distributions.

Library	Total Distribution
Canby	$1,270,920
Estacada	$1,142,127
Gladstone	$1,058,286
Happy Valley	$3,810,317
Lake Oswego	$4,098,671
Milwaukie	$2,334,059
Molalla	$1,275,998
Oregon City	$3,173,015
Sandy	$1,467,584
Hoodland	$363,290
Tualatin	$128,256
West Linn	$2,059,261
Wilsonville	$2,105,489
*Oak Lodge	$2,006,301
Total	**$26,293,574**

** This ESTIMATE does not forecast individual changes to assessed value and unincorporated population served for each jurisdiction/service area. Clackamas County provides cities with this information prior to developing fiscal budgets.*

The County shares an Excel tool that allows city staff to adjust for assumptions regarding known changes to a specific city's assessed value and/or unincorporated population.

Expenditures

In the original Library District ballot measure, the Board of County Commissioners stated that all tax revenue collected would go directly to support libraries and indicated to voters that no administrative costs would be charged against this fund. The county absorbs all required administrative costs related to the Library District. The District does not have personnel or operating budgets. The county's Department of Transportation & Development (DTD) is responsible for administration of the Library District and provides staff support to the Library District Advisory Committee.

All funds collected will be distributed to public libraries within Clackamas County for the support of library services using the DISTRIBUTION FORMULA. The expenditures of $27,213,851 in the proposed budget are entirely made up of two special payment lines:

- **Pass Thru Payments – Local Govt & Other Agencies**, which represents the ESTIMATED distribution to libraries
- **Special Payments**, which represents the VARIANCE CAPACITY

Activity Highlights

DTD continues to work with cities and the Library District Advisory Committee (LDAC) to examine district funding, governance, and services, to ensure the library service is sustainable as demands evolve.

Acknowledgements

Thank you for the following for creating this proposed budget: county staff; the Library District Advisory Committee; the Board of County Commissioners and the residents of the District for their engagement and continued dedication to Clackamas County Libraries.

Thank you to the Budget Committee for assuming this important task on behalf of our community. The time you take to receive and review the budget and attend the meetings is very much appreciated.

Respectfully submitted,

Gary Schmidt
County Administrator
Library District Budget Officer

Enclosures

Board of County Commissioners

County Administrator,
Gary Schmidt

Transportation & Development

Roads & Infrastructure		Culture, education, and recreation	Economic development		Misc/Pass-Through
Administrative Services	**Transportation Services**	**Community Services**	**Development Services**	**Visioning Services**	**DTD Accounting Programs**
Office of the Director	Traffic Safety	Gladstone Library	County Surveyor	Urban Renewal	County Fair & Event Center
	Trans Engineering & Const	Library Support Services	Public Land Corner	Long-Range Planning	Tax Title Land
	Transportation Maintenance	Oak Lodge Library	Current Planning	Regional Policy Coordination	$ Coll on Behalf of Oth Ag
	Community Road Fund	Code Enforcement	Building Codes	Office of Ec Dev	Countywide TSDCs
	Damascus Roads	Dog Services	Septic		HV Joint Subarea TSDCs
	Fleet	Sustainability & Solid Waste	Development Engineering		**Library District**
	Street Lighting	County Parks			Dog Services Charitable Fund
		Forestry			
		Property Disposition			

80-Misc/Pass-Through / 210-Library District of Clackamas County
Summary of Revenue and Expense

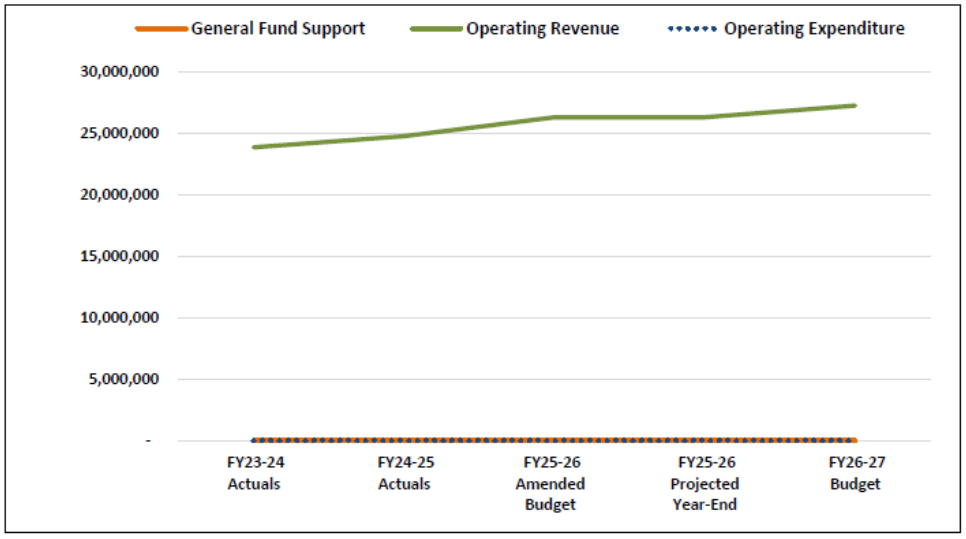
	FY23-24 Actuals	FY24-25 Actuals	FY25-26 Amended Budget	FY25-26 Projected Year-End	FY26-27 Budget	Budget to Budget: $ Variance	Budget to Budget: % Variance
Beginning Fund Balance	317,208	699,959	-	-	-	-	-
Taxes	23,534,636	24,510,168	25,178,827	25,178,827	26,095,694	916,867	4%
Federal, State, Local, All Other Gifts	88,301	85,604	66,800	66,800	72,718	5,918	9%
Charges, Fees, License, Permits	-	-	-	-	-	-	-
Revenue from Bonds & Other Debts	-	-	-	-	-	-	-
All Other Revenue Resources	194,780	122,577	1,013,200	1,013,200	1,045,439	32,239	3%
Other Interfund Transfers	-	-	-	-	-	-	-
General Fund Support	-	-	-	-	-	-	-
Operating Revenue	**23,817,717**	**24,718,349**	**26,258,827**	**26,258,827**	**27,213,851**	**955,024**	**4%**
Total Revenue	**24,134,924**	**25,418,309**	**26,258,827**	**26,258,827**	**27,213,851**	**955,024**	**4%**
Personnel Services	-	-	-	-	-	-	-
Materials and Services	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Operating Expenditure	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Debt Service	-	-	-	-	-	-	-
Special Payments	23,434,965	25,418,309	26,258,827	26,258,827	27,213,851	955,024	4%
Transfers	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-
Total Appropriated	**23,434,965**	**25,418,309**	**26,258,827**	**26,258,827**	**27,213,851**	**955,024**	**4%**
Reserve for Future Expenditures	-	-	-	-	-	-	-
Total Expense	**23,434,965**	**25,418,309**	**26,258,827**	**26,258,827**	**27,213,851**	**955,024**	**4%**
Revenues Less Expenses	**699,959**	**-**	**-**	**-**	**-**		
Full Time Equivalent (FTE)				*As Of 02/2026*			
FTE - Total	-	-	-	-	-	-	
FTE - Filled	-	-	-	-	0	-	
FTE - Vacant	-	-	-	-	0	-	

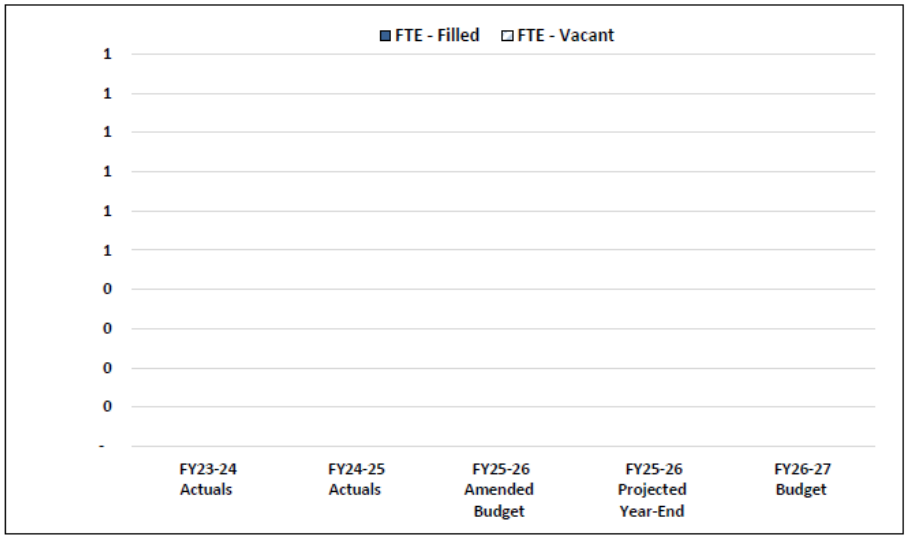
Transportation & Development - LBSD (80/50)

Special District Budget Summary by Fund

Line of Business	Program	FY26-27 Library Service District Fund (210)	FY26-27 Total Budget	FY26-27 General Fund Support in Budget*	% of Total	FY26-27 Total FTE
TDCS Accounting Programs	Library District	27,213,851	27,213,851			
	TOTAL	27,213,851	27,213,851	-	-	-
	FY25-26 Budget (Amended)	26,258,827	26,258,827	-	-	-
	$ Increase (Decrease)	955,024	955,024	-	-	-
	% Increase (Decrease)	4%	4%	-	-	-

General Fund Support is a subsidy, net of any other revenue received by the department.





Clackamas County Library District
Distribution Formula

Distribution of Revenue

All tax funds collected in the Library District are distributed to the libraries within Clackamas County. The County pays all administrative costs related to the Library District and the County's Department of Transportation and Development manages the administration of the property tax distribution formula and provides staff support to the Library District Board and Library District Advisory Committee.

The mechanism by which the Library District funds are divided out to each Library is outlined in an Intergovernmental Agreement and called the "distribution formula." The formula is based on two factors:

- The first factor of the formula is *assessed value* and each participating city and jurisdiction that operates a library located in Clackamas County receives a proportionate share based on their city's assessed value.
- The second factor of the formula is *unincorporated population* and each participating city and jurisdiction that operates a library located in Clackamas County receives a proportionate share based on the percentage of unincorporated residents served by each library as established by the Library Service Area boundaries.

Prior year delinquencies, tax interest, and penalties are distributed to each Library based on the previous year's distribution formula. Following is the fiscal year 2026/2027 estimate of taxes allocated to each City and County Library participating in the Library District.

Clackamas County Library District
Fiscal Year 2025-2026 Distribution Formula
FY 2026-2027 Estimate

Total Current Year Tax Receipts	**$25,732,391**	**100.00%**	**Prior Year**
City Assessed Value	$14,263,464	55.43%	$311,064
Unincorporated Population Served	$11,468,927	44.57%	$250,119

Prior Year Fund Balance	$ -		
Interest Earned	$ 125,164	4-YR AVG	
Delinquent Tax & Interest/Penalties	$ 436,020	4-YR AVG	
Total	**$561,183**		
Total Library District Revenues	**$26,293,574**		

FY 2026/2027 Tax Receipts ESTIMATE Calculator		
$ 26,270,141	FY 2025/2026 Taxes Imposed	
$ 788,104	3%	x Estimated Growth Rate
$ 27,058,245	Estimated FY 2026/2027 Taxes Imposed	
$ 25,732,391	95.1%	x Assessors Collection Rate

	Assessed Value	Unincorporated Population Served	Assessed Value Prior Interest & Delinquent Tax	Unincorporated Prior Interest & Delinquent Tax	Tualatin Distribution	Total Distribution	%
Canby	$845,823	$397,972	$18,446	$8,679		$1,270,920	4.83%
Estacada	$261,021	$856,729	$5,692	$18,684		$1,142,127	4.34%
Gladstone	$439,315	$596,384	$9,581	$13,006		$1,058,286	4.02%
Happy Valley	$1,600,361	$2,128,633	$34,901	$46,422		$3,810,317	14.49%
Lake Oswego	$3,662,858	$285,576	$79,881	$6,228	$64,128	$4,098,671	15.59%
Milwaukie	$1,028,396	$1,255,847	$22,428	$27,388		$2,334,059	8.88%
Molalla	$320,928	$927,836	$6,999	$20,235		$1,275,998	4.85%
Oregon City	$1,671,678	$1,433,616	$36,457	$31,265		$3,173,015	12.07%
Sandy	$493,516	$942,746	$10,763	$20,560		$1,467,584	5.58%
Hoodland	$0	$355,537	$0	$7,754		$363,290	1.38%
Tualatin	$251,037	$0	$5,475	$0	-$128,256	$128,256	0.49%
West Linn	$1,857,103	$145,655	$40,501	$3,177	$12,826	$2,059,261	7.83%
Wilsonville	$1,831,429	$178,915	$39,941	$3,902	$51,302	$2,105,489	8.01%
*Oak Lodge	$0	$1,963,480	$0	$42,820		$2,006,301	7.63%
Total	**$14,263,464**	**$11,468,927**	**$311,064**	**$250,119**	**$0**	**$26,293,574**	**99.99%**

Tualatin Assessed Value & Prior Year Distribution		Assessed Value	Prior Year, Interest and Delinquent Tax	Total
Tualatin	50%	$125,518	$2,737	$128,256
Lake Oswego	25%	$62,759	$1,369	$64,128
Wilsonville	20%	$50,207	$1,095	$51,302
West Linn	5%	$12,552	$274	$12,826
Total	**100%**	**$251,037**	**$5,475**	**$256,512**

GLOSSARY

AD VALOREM. A tax imposed on the taxable value of property.

ADOPTED BUDGET. The financial plan adopted by the Board of County Commissioners (BCC), which forms the basis for appropriations.

ANNEXATION. The incorporation of land into an existing District with a resulting change in the boundaries of that district.

APPROPRIATION. Authorization from the BCC to spend money within a specified dollar limit for an approved purpose.

APPROVED BUDGET. The budget recommended by the Budget Committee to the BCC for adoption.

ASSESS. To establish an official property value for taxation purposes.

ASSESSED VALUATION (AV). The value given to real and personal property to establish a basis for levying taxes.

BALLOT MEASURE 47. In November 1996, voters passed a tax limitation initiative, which was referred to as Ballot Measure 47. The Measure's provisions included: a tax rollback for property taxes; a cap of 3% on property tax increases in future years; a requirement that special elections for property tax increase measures must be approved by 50% of all registered voters, as opposed to a simple majority in general elections. Due to several complexities regarding implementation, the legislature instead proposed Ballot Measure 50. Ballot Measure 47 was replaced by Ballot Measure 50 in May 1997.

BALLOT MEASURE 50. In May 1997 voters replaced Ballot Measure 47 with Ballot Measure 50. The measure fundamentally changed the structure of property taxes in Oregon, moving from the tax base system to a permanent tax rate. Measure 50 has the same financial impact as Measure 47, with the benefit of simplified implementation.

BUDGET. The District's financial plan for a period of one year. By statute, the budget must include a statement of actual revenues and expenditures for each of the last two years. Revenues and expenditures for the current and forthcoming year are estimated.

BUDGET COMMITTEE. Budget reviewing committee, consisting of the BCC and five citizens appointed by the BCC, which is responsible to approve the District's Proposed Budget after a budget deliberation meeting and public hearing.

BUDGET MESSAGE. A message prepared by the District Director explaining the annual proposed budget and identifying budget impacts and changes. Also known as Letter of Transmittal.

BUDGET PROCESS. The process of translating, planning and programming decisions into specific financial plans.

CASH MANAGEMENT. The process of managing monies for the District to ensure operating cash availability and safe investment of idle cash.

ANNUAL FINANCIAL REPORT (AFR). The official annual financial report of the District prepared in conformity with GAAP. The annual report is audited by an independent auditing firm.

CURRENT REVENUES. Those revenues received within the present fiscal year.

EXPENDITURE. An outlay, which is chargeable for a specific period, usually one fiscal year. Examples include payments to other governments and organizations.

FISCAL YEAR. A 12-month period to which the annual budget applies. At the end of the period, the District determines its financial position. The Fiscal Year is July 1 through June 30 for local governments in Oregon.

FUND. An independent accounting entity whose revenues and expenditures are balanced and segregated to record a specific set of activities.

FUND BALANCE. The excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal period, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves and appropriations for the period.

FY. See FISCAL YEAR.

GAAP. Generally Accepted Accounting Principles. Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of the District.

GASB. Governmental Accounting Standards Board. The authoritative accounting and financial standard setting body for governmental entities.

LETTER OF TRANSMITTAL. See BUDGET MESSAGE.

LINE ITEM. An expenditure description at the most detailed level. Objects of expenditure are broken down into specific items.

LOCAL BUDGET LAW. Oregon Revised Statute (ORS) 294.305 to 294.565 constitute Local Budget Law in Oregon. Local Budget Law has several purposes: 1) It establishes standard procedures for preparing, presenting, and administering the District's budget; 2) It offers a way of outlining the programs and services provided by the District and the fiscal policy used to carry them out; 3) It provides a method for estimating revenues, expenditures, and proposed tax levies; and 4) It encourages citizen involvement in the preparation of the budget before formal adoption.

ORS. Oregon Revised Statutes.

PROPOSED BUDGET. The budget proposed by the District Director to the Budget Committee for review and approval.

REQUIREMENT. The total of all expenditures within a fund, including operating expenditures, transfers to other funds, contingency and unappropriated fund balance.

RESERVE. A portion of a fund that is restricted for a specific purpose.

RESOURCES. The total amount available for appropriation within a fund. Resources generally include anticipated revenues, interfund transfers and beginning fund balance.

REVENUE. Income received by the District in support of the government's program of services to the community. The receipts and receivables for an organizational unit of the District derived from taxes, but excluding beginning balance and transfers.

SUPPLEMENTAL BUDGET. A budget prepared to meet unexpected needs or to spend revenues not anticipated at the time the regular budget was adopted. It cannot be used to authorize a tax levy.

TAX. Compulsory charge levied by a government to finance services performed for the common benefit.

TAX BASE. The authority to permanently levy a dollar amount annually as approved by a majority of voters in May or November of an even numbered year is called a tax base. Once established, a local government may levy up to a full amount of its tax base authority without another vote of the people.

TAX RATE. The amount of tax stated in terms of a unit of tax for each $1,000 of assessed value of taxable property. The tax rate for the Library Service District is permanently set a $0.3974 per thousand of dollars of assessed valuation.

UNAPPROPRIATED ENDING FUND BALANCE. An amount set aside in the budget to be used as a cash carryover to the next year's budget to provide needed cash flow until other money is received. No expenditures can be made from the Unappropriated Ending Fund Balance during the fiscal year in which it is budgeted.