

## Phase 2: The Planning Phase

Your working group, established during the Assessment Phase of the districting process, has now determined that creating a library district would be a good way to provide public library services and that there is sufficient public interest to create such a district. You will now need to move into a more formal Planning Phase for the district. The depth of planning required during this phase will depend to a large degree on the changes that you expect the district to create in services and structure.

For example, in 1993 the Moscow City Library and the Latah County Library District combined. These libraries had already been operating for several years as the Moscow-Latah County Library. Employees were already working under the same personnel policies and procedures. It was not anticipated that the services of the library would change dramatically. The change was made primarily to simplify the governance of the library, which had been operating under two separate boards. This kind of districting project requires relatively little planning.

On the other hand, during the same time, a library district was proposed in Shoshone County. The proposed district took in the unserved part of the county, along with the cities of Mullan, Osburn, and Wallace, all of which had city libraries. The work was done in conjunction with the Pinehurst-Kingston Library District, which anticipated consolidating with the new district at a later date. The Kellogg Public Library and the Clarkia District Library did not wish to join the proposed district but were willing to contract with it for services. Employees of the city libraries and district library that were to combine into the new district all worked under different personnel policies; they all provided different kinds of services. This districting project required a much greater degree of planning.

You will need to determine for yourselves how much planning is necessary for your proposed project. If you are to err, however, you should do so in the direction of more planning. The fewer surprises you experience in the districting project, the more likely its success. Planning helps avert surprises.

## The Tasks of the Planning Phase

The Planning Phase is a time of preparation. During this phase, you will not only decide what your library district will look like, but you will gather information that will allow the district to be created in a smooth and orderly way. Some of this information will be used only after the district has been created or expanded. Knowing what needs to be done and having plans ready will make the hectic first few months of a new district's life much easier for everyone involved. The working group's efforts in the Planning Phase, in other words, will culminate in the official actions of the new district's library board during the first few weeks after the successful election.

As with the Assessment Phase, a few tasks need to be accomplished during the Planning Phase. Work on these various tasks may be carried on at the same time, and the tasks may be completed in a different order than we have presented. However, in all districting projects, the working group needs to work through the following tasks:

- Task number **one** is 'planning to plan'. In other words, the working group must decide how they will do the planning necessary to create and operate a new district.
- Task number **two** is planning how to carry out public relations to build support for the districting effort.
- Task number **three** is to coordinate efforts with local government officials who will have responsibilities in creating the new district.
- Task number **four** is to plan the library services that will be offered by the new or enlarged district.
- Task number **five** is to begin planning for the administrative structure (board structure and bylaws, operational policies, *etc.*) of the new district.
- Task number **six** is to recommend personnel policies for the new district.
- Task number **seven** is to plan for library facilities for the new district.
- Task number **eight** is to make an accurate estimate of first-year and long-range costs for the new district, and how the district will handle the cost of its first year of operations.

- Task number **nine** is to make final decisions about the geographic area that will be included in the new district.
- Task number **ten** is to go through the legal steps to create the district. These activities will be discussed in the next chapter.

## Task Number One: Planning to Plan

Now that the working group has decided to move ahead with the districting process, it must make decisions about how it will do so. The Planning Phase can be a very difficult time because it may involve delicate negotiations between boards, with staff members, with city councils, with community organizations, and with individuals.

It is therefore essential that a plan for implementing this phase be written. The plan should identify:

- what steps will be taken and when
- who will be responsible for various roles in the process
- how information will be gathered
- how decisions will be made
- who can act as spokespersons for the group
- when meetings will be held
- how the process will be evaluated
- how and when reality checks will be made

We have created a [Plan to Plan](#) form, a checklist of activities that will help you get started.

## Task Number Two: Planning Public Relations

Because most districting projects lead to an election, the importance of public relations cannot be overemphasized. A public relations program is more than just publicity. It involves choosing one or two important messages and then designing a systematic program to carry the message(s) to the public. The way that the message is conveyed is vital. Certainly, publicity techniques, such as brochures, newspaper articles or ads, radio and television spots are essential. In addition, it is also important to make many personal contacts.

If the districting effort includes existing libraries, the importance of the participation of library board members in the public relations work for the new district cannot be overstated. *The Idaho Commission for Libraries has found that where districting efforts have been successful, board members have been very active; where districting efforts have failed, board members typically have been less active.* It is vitally important, therefore, that board members show their support for the new district by speaking out for it, both to individuals and to groups.

Repetition of the message is also crucial. Everyone who is speaking for the districting effort needs to be saying the same thing. Brochures and other media need to use the same slogan and graphics repeatedly, so that the message becomes identifiable in the minds of the public with symbols. In advertising, this is known as branding.

The message must also be made a part of community events that relate to community pride and which many people attend. The working group needs to plan to make the districting effort visible at such activities as county fairs, parades, and other special community events.

The importance of endorsements by both groups and individuals is a top priority. Groups that work with children are likely to endorse efforts to improve library services. Such groups might include 4-H, Boys and Girls Clubs, Camp Fire, Navigators USA, Girl Scouts, and Boy Scouts. Other groups that emphasize community improvement and education are also likely to be supportive. Such groups might include: PTA/PTO groups, school boards, progressive chambers of commerce, and service organizations.

Prominent community leaders who are supportive should also be sought out for endorsements. From the contacts made in the Assessment Phase of the districting project, the working group should have lists of groups and individuals who are favorable

to the district. Some groups may be willing either to pay for advertisements announcing their endorsements, or to write a letter to the editor to announce their support. A schedule for seeking and releasing news of endorsements should be developed so that endorsements are made throughout the life of the districting project.

To assure that public relations are carried out in a systematic and effective way, it is essential that a public relations plan be developed and implemented. If possible, this should be done by a professionally trained public relations expert.

**The plan should include the following items:**

- The message or messages that will be emphasized in the public relations campaign
- The slogan or slogans that will carry the messages
- The graphics that will be used to carry the messages
- Lists of local media outlets, including contact persons, who will be informed of districting activities
- Methods for soliciting and publicizing endorsements for creating a library district
- A training program for spokespersons (particularly board members) to speak for the districting project
- Brochures that will be used to carry the messages
- A calendar of events and activities that will be used to carry the messages

## Task Number Three: Coordinating Local Government Participation

In the Assessment Phase, it was suggested that the exploratory group keep local government officials informed about what they are doing. In the Planning Phase, the working group will not only need to keep local government officials informed, but the working group will also need to educate local officials about their responsibilities in the districting process and will need to negotiate agreements about how processes will be carried out. In discussing these responsibilities and processes, we will first look at city governments and then at county government officials.

**City Government.** Working with city councils will be important in any districting process. As one group of opinion leaders, it is essential that city council members be kept informed about the districting process even if the city does not operate its own library.

Keeping in touch with a city council becomes even more important when a city does operate a public library. Early in the process, the city council of a city that operates a public library should be informed of the districting effort, informed of how the district could affect their library, and informed of the various options open to them with the advantages and disadvantages of each.

- **Establishment.** In cases of establishment, the city library board, as the legal governing body of the library, will need to work with the city council to decide whether the city will be included in a new library district. [See Idaho Code sections [33-2601](#), [33-2604](#), and [33-2704\(4\)](#).]
- **Combination.** The combination of a city with a contiguous district is initiated by a petition of city residents, and then proceeds through an election process. The city will become part of the district only if the majority of city electors voting in the election vote to join the district. [See I.C. § [33-2709](#).]
- **Establishment and Combination.** In either case, the city council can also have a great deal of influence on the election by declaring — or not declaring — that it will reduce city property taxes by the amount currently allocated for library services if the election passes. The city council can also greatly influence the ease of transition from a city library to a district library. If the city owns the library facility, it can refuse to negotiate with the new district for its continued use as a library. The council can also decide whether it will provide transitional funding

during the first year of the district's existence. These powers can greatly influence the operation of the district during its crucial first year of service. [See I.C. § [33-2710](#).]

In working with city councils, it is therefore very important to keep them as informed about the process as possible and to consider their attitude about the process when deciding whether the city should be included in the district's territory. The council also needs to be informed of their legal responsibility in the election process in cases where the city will be combining with an existing district.

Negotiations on the continued use of the city library facility, of transitional funding, and of the reduction of the city budget for that portion used for library services need to be conducted during the Planning Phase. More information on these negotiations is to be found in Tasks Seven and Eight of the Planning Phase.

The best way to work with city governments is to include sympathetic members of the council or sympathetic city clerks in the working group for the district. This assures that the council will receive accurate information about the group's plans, and it gives the districting effort an informed advocate at city council meetings. If this cannot be done, it is important for the group to work hard to keep the council informed about its work by sending the council the working group's meeting reports, and by making an effort to report at city council meetings on a regular basis.



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**I.C. § 33-2709**

*33-2709. Existing TAX SUPPORTED city libraries may join library districts. Any tax supported city library may join an established library district by majority vote of the qualified electors of the city according to procedure set forth in section [33-2707](#), Idaho Code. A true copy of the petition and the district library board's notice of approval or disapproval shall be sent to the city council. When the notice carries the approval of the district library board, the city clerk shall order the election and give notice to the county clerk who shall conduct the election in a manner consistent with [chapter 14, title 34](#), Idaho Code, and at such time as prescribed in section [34-106](#), Idaho Code. After receiving the certification of results of the election from the county clerk, the city council shall give notice of those results to the library district board and the board of county commissioners.*

*If the proposal has been approved by the majority required, the board of county commissioners of the home county of the district shall enter its order amending the boundaries of the district, including a map drawn in a draftsmanlike manner, and a copy shall be transmitted to the board of trustees of the library district, to the board of county commissioners of the county in which the petition arose, and to the board of library commissioners.*

*The board of trustees of the library district shall transmit a copy of the order to the county recorder, the county assessor of the home county and the state tax commission in a timely manner, but no later than December 15, in the year in which the election was held.*

*Addition of new territory to an existing library district shall not be considered an initial establishment. The existing district board of trustees shall continue to serve for the terms for which elected. When a vacancy occurs, appointment shall be made as provided in section [33-2716](#), Idaho Code.*

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**County Government.** County government officials are responsible for carrying out many of the legal activities of the districting process. In the establishment process, for example, the county commissioners are responsible for receiving the petition for establishment [see I.C. § [33-2704\(1\)](#)], holding a hearing on establishment of the district, fixing the boundaries of the district based on the hearing, carrying out some or all election procedures [see I.C. § [33-2704](#)], and entering the order that the district is established if the election is successful [see I.C. § [33-2705](#)]. After a successful election, the county commissioners appoint the first district board [see I.C. § [33-2715\(2\)](#)]. For annexations (I.C. §§ [33-2707](#), [33-2708](#), and [33-2709](#)), the commissioners are also required to accept petitions, hold hearings, and carry out election procedures. For consolidations of library districts [see I.C. § [33-2711](#)], they have the responsibility to receive petitions and hold a hearing, to approve or disapprove the boundary adjustments, and to appoint a new board for the consolidated district. These processes will be discussed in detail in Phase Three: The Decision Process.

As with city government officials, the best way to work with county officials is to include them in the working group. If they do not have the time or interest to do this, you will need to confirm that they understand the process and their role in it.

It is unlikely at the beginning of the library districting process that the county commissioners and the county clerk will be aware of their responsibilities in this matter. It is therefore imperative that one or two spokespeople for the working group meet with both the commissioners and the county clerk. Particularly in cases where elections will be held, it is important that county officials understand their legal responsibilities for carrying out and paying for election procedures. [See I.C. § [63-802\(c\)](#).]

It is probably best to begin your conversations with county officials by meeting with the [county clerk](#), since this is the official who will do most of the work. As with other county officials, it is important that you work hard to keep this relationship cordial; it is best to have one or two people from the working group develop an ongoing relationship with the county clerk. By appointing one or two people to work with the clerk, it gives the clerk a point of contact. Approaching the clerk with a larger group of people may not be perceived by the clerk as either friendly or cordial.

Since the county clerk often has a great deal of useful information, it is a good idea to solicit his or her advice in addition to explaining the legal process for library districting. Be prepared to hear about the county clerk's issues with the process and look for ways to compromise if there are problems. For example, the timing of the election may pose

problems for the county in holding the election. Similarly, if proposed district boundaries do not follow voting precinct lines, it could make election procedures more complicated. The county might be more enthusiastic about conducting an election when other elections are being held or if district boundaries can be redrawn to coincide with precinct boundaries. The county should also be given time to prepare for an election, which means that they should be informed of the election date as far in advance as possible. Compromises should be considered, if they do not drastically interfere with the districting process.

Once working group representatives have met with the county clerk, a meeting should also be scheduled with the county commissioners to explain the process to them, and to ask for their support. Throughout the planning process, written reports on the districting efforts should be sent to the commissioners and the county clerk. At strategic times, the working group should also contact the county clerk and make oral reports at county commissioners meetings.

**The New Board of Trustees.** In the cases of establishment projects, the county commissioners appoint the board for the new district. This responsibility gives the commissioners influence during the district's first year of existence. It is therefore vital that the working group come to some understanding with the commissioners about who should be appointed. In most cases, the commissioners will be more than happy to receive suggestions about these appointees. They may even ask the working group to provide a vetted list of candidates for all positions on the first board. Your group should therefore have a list of suggested board members prepared, and you should discuss this issue with the commissioners.

In cases of consolidation of districts, the commissioners also appoint the board for the consolidated district. [See I.C. § [33-2711](#).] However, this board must be made up of members of the board members from the districts that consolidated. Consolidating boards should give a list of board members who are willing to serve on the new consolidated board.

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### ***Reality Check***

*Each library district shall be governed by a board of trustees of five (5) members elected or appointed as provided by law. [See I.C. § [33-2715](#).]*

*When consolidating existing library districts, the new consolidated district can have only five (5) trustees.*

*This number is invariable.*

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### **Q. What If the County Commissioners Do Not Favor a Library District?**

A. Because of the power the county commissioners hold over the districting effort and the first year of the district's operation, if the board of commissioners is openly opposed to a new library district, your group should very seriously consider whether to proceed. Instead, it might be better to take the time to work with the commissioners until they are agreeable to the districting project.

## Task Number Four: Planning Library Services

The first three tasks looked at planning for the districting effort. *This task looks at planning the services that the new library district will provide.* In the Assessment Phase, the exploratory group creates a vision for the district library. In the Planning Phase, the working group turns this vision into a practical plan for providing specific library services.

The amount of work that will need to be done at this point will depend on the type of districting project that is envisioned. A different kind or level of planning may be needed for each type of project:

- a) **Establishment.** Territory that contains no library can be formed into a library district. The new library district can set up its own library and provide services itself. *Advantages of this method are that it gives the new district a great deal of control over the services it will provide. A disadvantage is that setting up a brand-new library takes a tremendous amount of work, and if there are other libraries in the area, there may be difficulties in working out reciprocal arrangements between the new library and those that already exist. [The election process for this alternative is described in I.C. §§ [33-2704 through 33-2705.](#)]*
- b) **Establishment to purchase library service from another library.** Territory that contains no library can be formed into a library district. The new district does not provide services itself, but contracts with an existing library to provide services to its residents. *The advantage of this system is that the new district does not have to set up its own library. The disadvantage is that the district must negotiate a contract with the library that provides services. This gives it less control over the services that it will provide and at times there may be major conflicts between the district and the contracting library. [The election process for this alternative is described in I.C. §§ [33-2704 through 33-2705.](#)]*
- c) **Establishment including an existing city library.** Territory that includes one existing city library can be formed into a district that serves the city and surrounding territory. *The advantage of this option is that the services of the district are controlled by the district and the district does not have to set up a new library. The disadvantages are that “rural” residents may feel that the city controls all the services, and that the district is just a way of making rural residents pay for city services. [The election process for this alternative is described in I.C. §§ [33-2704 through 33-2705.](#)]*

- d) **Establishment/Combination including multiple city libraries.** Territory that includes two or more city libraries can be formed into a district that includes untaxed territory that connects the cities together. *The advantage of this option is that the services of the district are controlled by the district and the district does not have to set up a new library. The disadvantage is that much work will be required to coordinate the services between the library branches and to assure that different communities feel that they are treated fairly. [The election process for this alternative is described in I.C. §§ [33-2704 through 33-2705.](#)]*
- e) **Annexation of area with no library service.** An existing district library can annex untaxed territory which is contiguous to it and which contains no other public library. *The advantage of this option is that it allows an existing district to expand its service area and its services without setting up a new administrative structure. The disadvantage is that work will have to be done to make sure that the new area is adequately served, which may involve creating new services or even setting up a branch library. [The election process is described in I.C. § [33-2707](#); a petition process alternative is described in I.C. § [33-2708.](#)]*
- f) **Annexation of area including one or more city libraries.** An existing district library can annex untaxed territory that is contiguous to it, which contains an existing city library (or libraries), and the cities do not choose to join the district. *The advantage of this option is that it allows an existing district to expand its service area and its services without setting up a new administrative structure. The disadvantage is that work will have to be done to make sure that the new area is adequately served, which may involve creating new services or even setting up a branch library. In addition, reciprocal arrangements will need to be worked out between the district and the other libraries. These will be potential sources of future conflict. [The election process is described in I.C. § [33-2707](#); a petition process alternative is described in I.C. § [33-2708.](#)]*
- g) **Annexation/Combination.** An existing district library can add untaxed territory which is contiguous to it and which includes an existing city library (or libraries), and the cities also choose to combine with the district. *The major advantages of this method are that it gives the district the ability to control all the services provided in its service area, since it does not require contracts for services. Because no annual contract negotiations are required, much potential future conflict is avoided. The disadvantage of this scenario is that it will require more work in the beginning. Because this kind of project is treated as an establishment of a new district, the election must be timed so that the existing district does not have to be dissolved before a new district is created. Skillful planning and*

*negotiations may be needed to choose existing services and administrative structures for the district, when existing libraries have probably all been operating under different structures. [The election process for this alternative is described in I.C. §§ [33-2704 through 33-2705](#).]*

- h) **Combination.** A city library whose boundaries are contiguous with a library district combines with the district. *The advantage is that the unified district will be able to unify control of all its services, and potential conflict between the district and the city library will be eliminated. The disadvantage is that city residents may feel that they have lost control of their library and the library services provided, and if the city is large, the “rural residents” of the district may feel that the city now dominates the district. [The election process for this alternative is described in I.C. § [33-2709](#).]*
  
- i) **Consolidation.** Two or more existing districts can be consolidated into a single district after majority approval of the respective boards involved in the consolidation. A vote by the residents of the existing library districts is not necessary, as they have already voted to establish the districts that wish to merge. *The advantage is that the new larger district will be able to provide improved services since less funding will be needed for administration. The disadvantage is that people may feel that there is less local control as the district grows. [This process is described in I.C. § [33-2711](#).]*

In a few cases, districts are formed where combining libraries — district or city — have already shared administrative structures. Such were the cases, for example, when the Moscow City Library and the Latah County District Library combined, and when the Nez Perce County District and the Lewis County District consolidated. In cases such as these, the participating libraries may already be operating under a single long-range plan, and therefore, the plan needs to be modified only to indicate the change in the structure of governance.

There are several planning models available for consideration. Some of these models have been developed principally for libraries; others are more general models. As often as not, good models for planning include the following elements:

- ✓ A community description, focusing particularly on community needs.
- ✓ A mission statement.
- ✓ Roles that the library district will play in — and needs that it will fulfill for — its community.
- ✓ Goals — The benefits your community will receive because the library provides specific services.
- ✓ Objectives — The means of measuring the library's achievement of its stated goals.
- ✓ General approaches and methodologies which will be used to accomplish the objectives.
- ✓ Activities which will lead to accomplishing the objectives.
- ✓ An evaluation method for the plan.
- ✓ A plan for updating the plan at least annually.



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## **Reality Check**

*The library's vision statement is a broad view of how it is going to leave an impact on customers and the greater community.*

*The library's mission statement, on the other hand, tells a) what the library does, b) how this is done, c) for whom it is done, and d) what value the library brings to the community. Your library's mission statement does not have to look like anyone else's. The important thing is to figure out what is important to your community and start from there.*

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## **Some sample vision and mission statements:**

Some public libraries have created a vision statement and a vision statement. Some libraries, in place of or in addition to a mission statement, have created separate values statements. Here are some examples:

- The Austin Public Library [Austin, Texas]:
  - Vision Statement: “The Austin Public Library is key to making Austin a dynamic creative center and the most livable city in the county.”
  - In place of a mission statement, this library has created separate statements of library commitment, library equity, and library diversity:
    - Library Commitment Statement: “The Austin Public Library is committed to providing easy access to books and information for all ages, through responsive professionals, engaging programs and state-of-the-art technology in a safe and friendly environment.”
    - Equity Commitment: “The Austin Public Library will assure that all members of the Austin community have equal access to Library services and programs.”

- Diversity Commitment: “The Austin Public Library values diversity and is dedicated to celebrating an organizational culture that respects, understands, honors and welcomes all members of the staff and community.”
- The Berkeley Public Library [Illinois]:
  - Vision Statement: “The Berkeley Public Library will foster the spirit of exploration, lifelong learning, the joy of reading, and the pursuit of information and knowledge for all ages and cultures.”
  - Mission Statement: “The Berkeley Public Library provides materials and services to help community residents obtain information to meet their personal, educational and cultural needs, and serves as a learning and educational center for its residents.”
- Madison Public Library [Wisconsin]:
  - Vision Statement: “Madison Public Library: Your place to learn, share, and create.”
  - Mission Statement: “Madison Public Library Provides free and equitable access to cultural and educational experiences. We celebrate ideas, promote creativity, connect people, and enrich lives.”
- Pima County Public Library [Arizona]:
  - Vision Statement: “Our Vision is an educated, connected community of readers, learners, doers, and dreamers.”
  - Mission Statement: “We transform lives by educating, inspiring, and connecting people.”
  - Our Values:
    - Education: We learn and teach every day.
    - Excellence: We exceed expectations.
    - Freedom: We defend the right to read and to know. We are free and open to all.
    - Diversity: We serve everyone. We find strength in celebrating our differences.
    - Innovation: “We dream big. Anything is possible.”

- Community: “We work with our community to improve lives.”
  - Passion: “We love what we do.”
- Providence Public Library [Rhode Island]:
  - Vision Statement: “PPL is a library re-imagined. Our library is a place where tradition and innovation intersect – an open and collaborative center of teaching and learning where people can connect, experience, create and achieve. Approachable and inclusive, PPL is committed to making a meaningful difference in the lives of Rhode Islanders and everyone we serve.”
  - Values Statement: “Providence Public Library engages learners, inspires thinkers and connects diverse communities.”
  - PPL Values:
    - Excellence: We strive to create and provide the best services and experiences for all library users in Rhode Island and beyond. Our employees have a strong sense of pride, responsibility and professional integrity. We value our competent, well-trained staff and maintain high standards in our work.
    - Freedom: Free access to information is essential to the preservations and promotion of a democratic society. We are free and open to all and uphold library users’ rights to privacy.
    - Innovation: We are always learning. We are a teaching and learning organization and not afraid to evolve and take necessary risks in pursuit of meeting community needs and fostering personal achievement.
    - Community: We strive to become the state’s best collaborator. We seek and engage in partnerships to create high-impact programs and services that result in meaningful change for people in the communities we serve. We are a welcoming place where all can gather, connect, learn and be inspired.
    - Diversity: We serve everyone and we represent the diverse communities that make up our city and state. We celebrate our differences and we treat everyone equally and with respect and compassion.

- **Passion:** We love what we do and continually work to be and do better. We relentlessly strive to better understand our communities, our collections and our users.

**Methods for Planning.** The methods that you use for planning will depend to a large extent on the level of planning that is required. If you are writing a totally new plan, or if you anticipate the implementation of major changes in library services due to the creation or expansion of a district, then you should plan to solicit extensive input from the public. There are several methods of gathering input. These can be used alone or in combination.

- **User surveys.** Current library users are asked how they use the library, what they most like about the library, changes they would like to see at the library. This method has the advantage of reaching out to the most likely supporters of a new district while being very cost effective and relatively easy to implement. Because user surveys reach only current library users, they come with the disadvantage of not reaching those who might benefit most from a new or enlarged district.
- **Community surveys.** Community members are surveyed — by e-mail, snail mail, or telephone — about current and potential library services. This method has the advantage of reaching out to the entire community, including those who might benefit most from a library district. Asking individuals what library services are important to them is a way of encouraging them to consider the possibilities that exist with a district library. The community survey method comes with the added benefit of improving public relations during the districting effort. The disadvantages to this method are the time and expense involved in collecting and collating the data.
- **Focus Groups.** Small groups (eight to 10 people) are brought together to discuss library services — what they like about the library and what they would like to see added in a new or expanded district. The advantages to this method are that it is more personal, and participants can react in depth. It can also be targeted to a group of people, *e.g.*, parents, community leaders, teens, baby boomers. It can also let people in the group know what other people in the community are thinking. One disadvantage of focus groups is the time commitment — at least an hour for each meeting and several hours for preparation and interpretation. Focus groups also reach relatively few people, and their results require a good deal of interpretation.

- **Facilitated Community Meetings.** This method involves meetings open to all those who would like to discuss the library. These meetings are facilitated so that everyone in attendance has an opportunity to express an opinion. The advantage to this method is that participants get to hear what other people are thinking and they get to express their own opinions. Advertising the meeting also contributes to the public relations effort of the districting project, and the meeting itself may receive news coverage. The disadvantages are that turnout is often low and the information gathered does not necessarily represent a true cross-section of the community.

These methods can be used throughout the planning process. Earlier in the districting process, they can be used to gather information. Later, they can be an indicator of public opinion on the districting campaign. As indicated above, an intensive planning process will contribute to the public relations aspects of the districting effort, since it continually asks the public for input about library services, and thus offers the community ownership of those services.

The information-gathering methods mentioned above should not be entered into lightly. The value of the information depends on the quality of work that has gone into the creation of the questions asked and the method of delivery. It is best to seek professional help in designing surveys.

## Task Number Five: Planning Administrative Structures

Some of the administrative changes that might occur when a library district is created or enlarged have already been mentioned under Task Number Three: Planning Library Services. Other changes will also come about. These fall under the areas of governance, financial management, legal services, library policies, and risk management. Much of this work cannot be finalized until a new board is appointed, but the working group should do the groundwork for these policies and procedures.

### Some of the possible administrative changes are described below:

**Name Change.** In many districting projects, a district will need to change its name, since its geographical boundaries will change significantly. In many cases, the name change will be made through the order of the county commissioners after a successful election or consolidation. However, for financial reasons, the district may want to retain its old name, while also creating an official alias which best describes its service area.

For example, let us assume that District A is collecting sales tax revenue from the state because it was in existence in 1999. That district consolidates with District B that was not in existence in 1999. It is beneficial for District A to maintain its identity, so the new district can collect sales tax monies for that portion of the new district that is currently receiving sales tax revenue. Thus, the new district will need to maintain the identity of District A by maintaining its name, sales tax number, and federal tax numbers. However, District A's name may not provide an adequate description of the geographical service area of the new district. [See I.C. § [63-3638\(10\)\(d\)](#).]

To create the additional name of the district, the district will need to make it official by filing a [“Doing Business As \(DBA\)” form](#) with the Idaho Secretary of State's office. This form allows the new or enlarged district to carry over the assets of the previous district or districts in a legal manner under this new name, while retaining the identity of the old district as well. You will need to inform the county of this name change as well.

Any change of name — whether created by a county commission order or a DBA — should also be sent to:

- Governmental agencies
  - [Internal Revenue Service](#)
  - [Idaho State Tax Commission](#)
  - [Idaho State Insurance Fund](#)
  - [Idaho Commission for Libraries](#)
- Vendors
  - book and periodical jobbers
  - service contractors
- The library’s attorney
- Idaho Counties Risk Management Program ([ICRMP](#))
- Professional organizations with which the library has an institutional membership

**Board Structure and Trustee Zones.** Most library districts do not operate with trustee zones. However, in some cases, trustee zones already exist, or the creation of trustee zones may help to establish or expand a district. Trustee zones are described in [I.C. § 33-2718](#). Because trustee zones are required to have “approximately the same population,” a change in the population or geographical dimensions of the library district may require a realignment of the zones. Similarly, to add new territory to the district, the board may have to promise to create trustee zones to assure that new parts of the district are represented on the board.

**Financial System.** If a new district is being established, financial books should be set up to meet generally accepted accounting standards for local governments. Within this definition, the procedures should be kept as simple as possible, so that bookkeeping can be carried out as economically as possible for the size of accounts that the new district is expected to handle. An accountant (preferably a

Certified Public Accountant) should be employed to set up the new district's financial procedures. For more information, visit <http://adminrules.idaho.gov/rules/current/01/>.

**Banking.** Plans should also be made to set up accounts with financial institutions. These accounts should be in accordance with the Public Depository Law: [chapter 1, title 57](#), Idaho Code. In addition to looking at local financial institutions as the possible recipients of the district's deposits, the working group might also want to investigate the possibility of placing the new district's funds with the [Local Government Investment Pool \(LGIP\)](#), which provides relatively high interest rates and liquidity.

**Audits.** A new or expanded library district will also need to plan for audits, as required by I.C. § [67-450B](#). Audits under these requirements are to be performed by independent auditors in accordance with generally accepted governmental auditing standards, as defined by the United States General Accountability Office. The auditor shall be employed by the library district on written contract. The library district's board shall be required to include in its annual budget all necessary expenses for carrying out the provisions of I.C. § 67-450B.

**Collecting Sales Tax.** If the proposed district will be selling tangible goods — such as books, nonresident library cards, photocopies, print jobs from a computer, or receiving faxes for the public — it will also need to request a sales tax permit and number. These forms can be requested from the [Idaho State Tax Commission](#). The exemptions on collection of sales tax by political subdivisions, such as a library district, are enumerated in rules 053.02 and 094.05.a of [35.01.02 – Idaho Sales and Use Tax Administrative Rules](#).

**Library Districts Do Not Pay Sales Tax Within Idaho.** As a government agency, the proposed library district will also be exempt from paying sales tax for purchases it makes. Upon first using a vendor, district personnel should inform the vendor that the library district is exempt from sales tax. The vendor should then ask you to fill out a Sales Tax Resale or Exemption Certificate ([ST-101](#)). In theory, this form needs to be submitted only once for each vendor and should suffice for the life of the district. In practice, vendors may ask you to fill it out more often.

**Memorandum of Agreement.** In cases where existing libraries are going to become part of a new or enlarged district, memoranda of agreement should be



written about how the transfer of funds will be handled. A memorandum of agreement is a draft agreement to set mutual responsibilities and scope of association. Although we have provided a [sample MOA](#), it is always a good idea to seek legal counsel when entering into any sort of agreement.

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### **Reality Check**

*A new district should consider budgeting for legal counsel. When establishing new policies and bylaws, it is especially important to seek legal advice. The Idaho Commission for Libraries does not provide legal advice and recommends that library districts employ the services of a qualified attorney, as needed or on retainer, whichever method proves most advantageous to the district's needs.*

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**Library Policies.** The new board will need to develop bylaws for its own governance. **Bylaws** are the rules that the board establishes to regulate itself. The new district will also need to have **policies** in areas including collection development, circulation of library materials, confidentiality of patron records, sponsorship, hours of operation, emergency procedures and programming for adult and youth services, and the Internet use policy required by [I.C. § 33-2741](#). If the district has branches, a meeting room, display space, or other special facilities, it should have policies dealing with branch operations, use of meeting rooms, and use of other resources, as applicable. Libraries that offer makerspaces or maker programming should have a maker safety and liability policy in place. These policies cannot be finalized until a district board is appointed, but drafts can be prepared for their use in advance of the district formation, since voters or petitioners may be especially interested in how the new district will operate. Your ICfL area field consultant is available to help the board and director with bylaw and policy questions.

**Risk Management and Insurance.** Risk management is another important consideration in planning the administrative structure for the new district. The working group should consider errors or omission insurance for the district

board, along with liability insurance, theft, fire, and damage insurance for the building.

One possible resource is the Idaho Counties Risk Management Program. [ICRMP](#) is a member-owned self-insurance pool that provides property and liability insurance coverage and risk management resources to political subdivisions in Idaho. In addition to selling insurance, this program also provides training in risk management as well as member resources, such as model agreements, that may be especially useful to new districts.

**Expected changes by type of project.** The amount of change will depend on the type of districting project being undertaken. Here are some of the changes that should be anticipated for each of the major types of districting projects:

- a) **Establishment.** Territory that contains no library can be formed into a library district. The new library district can set up its own library and provide services itself. *The new district will have to determine its board structure [What does this sentence even mean?]. It will have to establish a complete bookkeeping system and will have to establish financial accounts in accordance with the Public Depository Act: [chapter 1, title 57](#), Idaho Code. It will have to determine how it will employ legal counsel, when necessary. It should begin drafting board bylaws and library policies in the areas of collection development and library operations, as well as any other special policies that the new district will need.*
- b) **Establishment to purchase library service from another library.** Territory that contains no library can be formed into a library district. The new district does not provide services itself, but contracts with an existing library to provide services to its residents. *Because the new district is primarily acting as a pass-through to an established library, it will have relatively simple financial accounting procedures. It should have its own attorney examine the contract that it is establishing with the contracting library. Because the district will not be operating its own library, it will not need to write library policies, but it will need to draft board bylaws.*
- c) **Establishment including an existing city library.** Territory that includes one existing city library can be formed into a district that serves the city and surrounding territory. *The new district will have to determine its board structure. It will have to establish financial accounts in accordance with the Public Depository Act: [chapter 1, title 57](#), Idaho Code. It will have to determine how it will employ legal counsel, when necessary. Board bylaws will need to be revised*

*to make them compatible with district library law. The city library policies should be reviewed and modified to accommodate the needs of new district patrons.*

- d) **Establishment/Combination including multiple city libraries.** Territory that includes two or more city libraries can be formed into a district that includes untaxed territory that connects the cities together. *The new district will have to determine its board structure, as the board of a library district consists of five trustees. It will have to establish a complete bookkeeping system and will have to establish financial accounts in accordance with the Public Depository Act: [chapter 1, title 57](#), Idaho Code. It will have to determine how it will employ legal counsel, when necessary. District board bylaws will need to be drafted. The existing policies of the participating libraries should be reviewed and policies for the district written, based on the most useful policy elements for the larger service area.*
  
- e) **Annexation of area with no library service.** An existing district library can annex untaxed territory which is contiguous to it and which contains no other public library. *The new district will have to determine its board structure. Financial systems and access to legal counsel should have already been established by the existing district, and therefore will not have to be changed. Current district board bylaws and policies can be used for the new district, unless changes are needed to serve a larger service area.*
  
- f) **Annexation of area including one or more city libraries, and the cities do not choose to join the district.** An existing district library can annex untaxed territory that is contiguous to it, which contains an existing city library (or libraries), and the cities do not choose to join the district. *The new district will have to determine its board structure. Financial systems and access to legal counsel will have already been established by the existing district, and therefore will not have to be changed. Current district board bylaws and policies can be used for the new district, unless changes are needed to serve a larger service area. Contracts for services or reciprocal borrowing agreements with non-participating libraries will need to be considered and negotiated.*
  
- g) **Annexation/Combination.** An existing district library can add untaxed territory which is contiguous to it and which includes an existing city library (or libraries), and the cities also choose to combine with the district. *The new district will have to determine its board structure. Financial systems and access to legal council will have already been established by the existing district, and therefore will not have to be changed. Current district board bylaws and policies can be used for the new*

*district, unless changes are needed to serve a larger service area, or to accommodate the needs of the cities joining the district.*

- h) **Combination.** A city library whose boundaries are contiguous with a library district combines with the district. *The new district will have to determine its board structure. Financial systems and access to legal counsel will have already been established by the existing district and therefore will not have to be changed. Current district board bylaws and policies can be used for the new district, unless changes are needed to serve a larger service area, or to accommodate the needs of the city joining the district.*
  
- i) **Consolidation.** Two or more existing contiguous districts can be consolidated into a single district. *The new district will have to determine its board structure. Since both districts will have established financial systems and legal services, part of the consolidation negotiations will be to determine which systems and services the new district will use. The existing board bylaws and policies of the participating districts should be reviewed and policies for the new district written, based on the most useful for the larger service area.*

## Task Number Six: Planning Personnel Issues

One of the most important areas of decision making that will occur in the Planning Phase of the districting project has to do with personnel issues. Changes in personnel policies can range from virtually no change to the need to create totally new personnel policies and procedures. The Idaho Commission for Libraries has identified four different kinds of changes for personnel that can occur when a new district is created.

**Little or No Change.** This occurs in the following instances:

- when all libraries in the new district were already operating under the same administrative unit
- when the new district does not operate a library, but contracts with an existing library for services
- when a library district annexes untaxed territory that contains no existing city library

In these cases, all the district's personnel are employed under a previously established library or administrative structure. Salaries and benefits remain the same. If there is no change in the name of the employing agency, no further work will be needed.

If a district is given a new name, the new name will need to be reported to federal and state income tax agencies, the state insurance fund for workers compensation, and the state department of employment for unemployment insurance coverage. Insurance companies and other companies providing personnel benefits will also need to be notified of the legal change in the district.

- The Internal Revenue Service has [more information on change of business name](#).
- The Idaho State Tax Commission has [more information on name change \(legal business or DBA\)](#). The Idaho Secretary of State's office can help you with [filing an assumed business name](#).
- The [Idaho State Insurance Fund](#) has forms and contact information online.

- The [Idaho Business Registration System](#) offers online applications for permits and accounts.
- The Idaho Counties Risk Management Program ([ICRMP](#)) offers insurance and risk management training to local governments, including library districts.

**Creating a New Personnel System.** This occurs when a new district is established where no library existed before, and the district will operate its own library.

The working group will have to consider a salary structure. In planning for the new district, the working group can check with similar library districts to see how much they are paying. They should also look at similar jobs in their community, as they will be competing with other community employers for employees.

The new district will need to establish the following required accounts:

- federal income tax
- state income tax
- Social Security
- workers compensation
- unemployment insurance

The working group should also examine possible benefits that the district could provide, including:

- Health insurance
- Life insurance
- Retirement, usually through the Public Employee Retirement System of Idaho (PERSI): <https://www.persi.idaho.gov/index.cfm>.
- Short/long term disability

*While the working group can make recommendations on personnel policies for the district, employees must understand that final decisions will be up to the new board. It is typical, however, that when a new district is formed the first board is made up of members of the working group or existing library board members. No guarantees can be made, however, as the first district board will be appointed by the county commissioners.*

**Transfer from a City to a District Personnel System.** This change occurs when a city library becomes a district library.

The new district will need to establish federal and state income tax accounts, as well as accounts for Social Security and workers compensation. The working group will also need to look at what possible changes may occur in benefits, since the district will not have as large an employee group as a typical city. This may affect the district's ability to continue to provide health and life insurance benefits. The [Affordable Care Act](#) has put in place comprehensive health insurance reforms that have improved access, affordability, and quality in health care for Americans. Library districts that cannot afford the economies of scale enjoyed by larger employers may consider providing a health care allowance to allow employees to purchase insurance from Idaho's ACA marketplace: [Your Health Idaho](#). Your attorney can answer your questions about how this would work.

The working group should also be prepared to make a recommendation to the new district board about the district's participation in [PERSI](#) or another retirement program and how to provide unemployment insurance. Agreements should be reached with the city about the transfer of employees from the city to the district payroll. A written memorandum of agreement with the city can help to avoid confusion on this procedure.

**Combining Personnel Policies.** This change occurs in any districting project when two or more existing libraries that have not shared a common administrative structure combine or consolidate.

In this kind of districting project, the working group needs to decide what personnel policies it will recommend becoming the policies of the new district. It

should also have some plan for integrating various staffs of existing libraries into one staff for the new district. All of this will need to be negotiated in advance before beginning the legal process of creating or expanding the district.

In some cases, this is relatively easy. For example, when the Harrison Public Library combined with the Kootenai County Library District, the Kootenai County personnel system became the personnel system for the Harrison branch. The Harrison librarian would work under Kootenai District supervision and would work under Kootenai District personnel policies. It was recognized that it was so advantageous for the Harrison Library to become part of the district that there was no question that the district personnel policies should prevail.

In other cases, however, this can involve very delicate negotiations. Staff members who once worked as library directors will now have to work under the supervision of a district library director. In addition, the combination of multiple libraries typically means that some employees may lose benefits. For example, a city library may be able to provide health insurance because it is part of a larger city employee group. When the library becomes part of a district, the district may not be able to afford the higher costs for smaller groups of employees.

Potential loss of autonomy and benefits for their personnel need to be examined by all libraries that are considering becoming part of a districting effort. In some cases, the prospect of losing autonomy and benefits may lead employees to oppose a districting effort, and thereby endanger the whole process. In such cases, it may be best for all concerned to reconsider whether the city should be included in the districting project as a full partner. It may be better for the district to be created around the city and the city library to provide services to district residents under a contract. This must be a local decision and will depend a great deal on the politics of the situation.

In determining what salary and benefits for the new district should be, it is best to make a [systematic comparison](#) of what the “member” libraries of the new district provide and measure those salary and benefit packages in their dollar value.

In addition to recommending what salary and benefits will be under the new district, the working group will also need to begin the administrative work that will be necessary to transfer income tax accounts, Social Security, workers compensation, unemployment, and other accounts as necessary.



*Again, it should be emphasized that the working group will not be able to make any final decisions on personnel policies, including salary and benefits. Only the new district board will be able to do that. However, since working group members often are appointed as the first board, particularly if the county commissioners are supportive of the district, current employees can be given some assurance, **but no guarantees**, about their salary and benefits if the new district is created.*

**General Information on Personnel Administration and Benefits.** In a *Handbook* like this, it is not possible to cover all aspects of personnel administration for a new district. However, we believe that the following general information will be especially useful to you:

- **Federal Income Tax, Social Security, and Medicare.** A new district will need to register as an employer with the Internal Revenue Service, and to file [W-4](#) forms for all employees. Upon doing so, the district will receive a federal tax number and instructions on how to deposit federal income tax withholding, Social Security, and Medicare withholdings. [The IRS has offices in Idaho](#) that you may call or visit.
- **Verification of Eligibility for Employment.** The new district will also need to fill out and keep on file “Employment Eligibility Verification” ([Form I-9](#)) from the U.S. Department of Homeland Security’s U.S. Citizenship and Immigration Services.
- **State Income Tax.** The new district will need to [register as an employer with the Idaho State Tax Commission](#). Upon doing so, it will receive a state income tax number.
- **Workers Compensation.** The district needs to [register as an employer with the State Insurance Fund](#). Upon doing so, it will be sent a form to fill out for workers compensation payments. The form will ask questions about the number of employees, board members, and volunteers, and the kind of work that they perform. Based on this information, the State Insurance Fund will decide the amount to be paid for workers compensation.
- **Unemployment Insurance.** Every registered business in Idaho with employees must file [unemployment insurance tax reports](#) with the Idaho Department of Labor and make payments each quarter. These funds provide temporary, partial wage replacement to workers during period of involuntary unemployment.

## Optional Benefits.

**Public Employees Retirement System of Idaho (PERSI).** PERSI is the retirement program for employees of the State of Idaho. Local governmental units, such as library districts, can also become members of PERSI, but are not required to participate. The costs of the library district's participation in PERSI will depend on several factors, and therefore the new district board will need to determine whether it wishes to participate in the program. The working group, however, can gather information about possible costs of the program by contacting PERSI. On PERSI's homepage – <https://www.persi.idaho.gov/> – there is a fast facts flyer that you may find useful in your campaign. The [Contact Us](#) link is at the top of the page.

## Task Number Seven: Planning for Facilities

As with planning for personnel, planning for facilities will depend to a large degree on the kind of districting project that is being contemplated. Planning for facilities generally falls into two categories: (1) obtaining a new facility or facilities or (2) securing the present library facility or facilities.

- **New Facilities.** New facilities will be needed by a new district that is being established in an untaxed area with no existing libraries and which will be providing its own services. New facilities may also be needed when a district annexes a large unserved area some of which is located far from existing facilities. The creation of a new facility can be accomplished either by building a new structure or by remodeling an existing building. This is a major project, and if creating a new facility is part of your districting project, you will need to work closely with your Idaho Commission for Libraries area field consultant to find or create a suitable building.
- **Shared Facilities.** A library may share a common roof with another agency, such as a bank, a museum, or a community health facility. When sharing a roof, it is important for the library to have its own utility meters and Internet connection(s). Having its own Internet connection is especially important for a public library because:
  - The library does not have to share bandwidth with others, preserving the speed and quality of the connection(s) for patrons and staff;
  - The library has control over its technology and can more easily decide when to increase bandwidth, renegotiate terms, or change service providers without consulting others;
  - The library can apply for and receive E-rate<sup>1</sup> and state broadband reimbursement funding more easily without having to carefully detail how costs and service are split with others; and

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<sup>1</sup> The universal service Schools and Libraries Program, commonly known as the E-rate Program, helps ensure that schools and libraries can obtain high-speed Internet access and telecommunications at affordable rates.

- The library can troubleshoot issues with its Internet connection and network more easily.
- **Existing Facilities.** In many cases, a new library district’s services will be provided from facilities that are already being utilized as libraries. Typically, when a city library becomes part of a district library, the library building is expected to serve as a library facility for the district. This should not be assumed, however, particularly if the present library is a part of a larger city building. The working group will need to negotiate with the city council to secure the library building.

In the case of a stand-alone library, the city council may be willing to turn the building over to the library district or to sell the building to the district. [See [chapter 14, title 50](#), Idaho Code.] If they are not willing to do this, the working group will need either to negotiate a rental arrangement or to find another facility in the community.

When the library is part of a city building, the working group will need to negotiate with the city about how much the district will be expected to pay for rent and utilities.

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### ***Reality Check***

*These negotiations need to be completed before the creation of the district, so that voters will know what the cost of the district is likely to be.*

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When agreement is reached on how facilities will be transferred, a memorandum of agreement can be written with the city to clarify the terms of transfer, purchase, or rental.

**NOTE:** In some cases, cities that have operated their own libraries are willing to let a new district stay in the building, while the city maintains ownership and may even continue to pay the utilities. While this seems

like a good arrangement for the district, a note of caution is advisable. By not controlling and paying the costs of its own buildings, the district may be opening itself to problems. Certainly, city taxpayers may have a legitimate legal complaint that they are being double-taxed for the library, since they will be paying the district tax that supports library services and the city tax that supports the building, while non-city residents only pay the district tax. In addition, a change in the city attitude in its approach to the building may create problems later. A future city administration may require the district to pay rent on the building. If the district is unprepared for this expense, it could mean unexpected cutbacks in library service.

### **Other Facility Expenses.**

In making decisions about facilities, there are some expenses to be considered. Insurance, utility costs, and costs for maintenance and repairs must all be considered. If the working group is considering using existing structures, particularly in new branches, it should seek out local opinions about the structures. Are they sound? How much are their typical utility bills? Are there any special problems? These are questions that need to be answered before deciding upon a facility.

## Task Number Eight: Determining Costs and Levy

In the Assessment Phase of the districting process, a ballpark range of costs for the district was determined. In the Planning Phase, the cost estimates can become firmer. Because the working group will be creating a long-range plan for library service, as well as looking at personnel and facilities costs, the group should be able to make a much more accurate estimate of first-year and long-term costs for the new district.

Idaho property tax laws also determine maximums that can be levied each year. While the statutory lev limits for library districts do not change from year to year, the formulas used on the Form L2 do change. Your county clerk can tell you more about this. **Your county clerk can help you determine the amount that your new or enlarged district can raise during its first year of operation.** [Appendix B](#) contains information about how to figure maximum levies.

**Estimating the Budget for a New District.** A draft first-year operational budget can and should be prepared for a new district by the working group. Begin by estimating the costs of services and then the amount that you can expect to collect from non-levy sources. Non-levy income sources can include gifts, fines, fees, rental payments, funds from your library foundation, and trust fund income. The remainder will be the amount that would need to be raised by the levy if a levy could be imposed the first year.

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### *Reality Check*

*Remember that overdue fines are not a reliable, steady source of income, and should not play too great a role in the district's estimated income. In fact, many public libraries have found that what they have lost in revenue by eliminating overdue fines they have gained in goodwill from the community.*

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**Finding a Base Property Tax Budget for Combinations and Consolidations.** For the purposes of setting the annual levy, it is necessary to create a base property tax budget figure. Methods for figuring the base budget when two or more libraries combine are established in [33-2710](#), Idaho Code. With some exceptions, this is done by adding the budgets of the combining or consolidating libraries together.

**Combinations.** When a city library combines with a district library, the city's library levy or its most recent certified annual budget for the library — minus fines, fees, and any other identifiable revenues from non-tax sources and minus any grants made directly to the library board — is used for the city budget figure. This figure will be added to the amount raised by the district's most recent certified budget raised from property taxes. This dollar amount is then divided by the market value for assessment purposes of all the taxable property in the combined district. If the levy rate derived from this division is less than .0006, the dollar amount becomes the property tax budget base figure to which all property tax limitations will be applied.

**Consolidations.** When two or more library districts consolidate, the property tax portions of both districts' most recent certified annual budgets are added together. This dollar amount becomes the base for the consolidated district's first annual budget. A uniform levy rate is figured by dividing this dollar amount by the total market value for assessment purposes of all the taxable property in the combined district. Since both districts' levy rates should have been .0006 or less, the combined levy rate should not exceed this statutory levy limit.

**First-Year Operations.** For a new district or district annexation to be included on the tax rolls for a given fiscal year, it must be registered with the Idaho State Tax Commission by December 31 of the previous year. Its budget levy will then be certified by the Tax Commission the following September, and its first tax payment will be made to it by the county (or counties) in January of the following year.

Since the Tax Commission only creates new tax rolls once a year, the minimum amount of time that will occur between the election to establish or enlarge a library district and its first receipt of tax payments will be 14 months, which will occur if the election is held in November. The time will be even longer if the election is held in May.

## How can the new district cope with this problem?

**Continued City Support.** In cases where city libraries are becoming district libraries, the cities sometimes are willing to continue funding the library until tax dollars are collected for district library services. The working group needs to discuss this possibility with the city council and if the city council accepts the idea, a [memorandum of agreement](#) needs to be prepared.

**Continued District Support.** In cases where two or more districts are consolidating, the problem of first-year financing can be largely alleviated by careful timing of the consolidation. The consolidation should take place after the individual district levies have been set (the second Monday in September), but in plenty of time to get the consolidated district on the tax rolls for the following fiscal year. The deadline for getting on the tax rolls is December 31. Library law requires that the library board of a new or expanded district send notification to the Idaho State Tax Commission no later than December 15. [See I.C. §§ [33-2705](#) and [33-2709](#).] This would indicate that the best time for the commissioners to certify the new name and boundaries of the district would be in October or early November. This would allow plenty of time to get the necessary paperwork to the Tax Commission by the December 31 deadline. During the first year, then, the consolidated district could operate on the levies that the individual districts had set for that year, since these would still be collected for the individual districts.

In other cases, the district may need to look at alternative methods of finance for this period. Such methods may include tax anticipation loans for the first year's operations.

**Tax Anticipation Loans.** Provisions for tax anticipation loans *for newly created library districts* are found in [33-2724](#), Idaho Code. (Such loans are not available for help to annexations, or district/city consolidations.) Under this provision of the law, the library board may borrow up to .06% of the market value for assessment purposes of all taxable property within the district. This indebtedness can then be paid off by taxing an additional .02% above the .06% levy limit for a three-year period. This additional levy may only be used for the purposes of paying off the indebtedness caused by first-year operations.



## Other Issues:

**Non-payment of Taxes.** Another issue that needs to be considered when determining the levy for the first three years of operations is the problem of non-payment of property taxes. In some districts, the property tax collected represented only 75% of the total levied. Until that time, the levy needs to be set so that the amount collected will meet the library district's needs. For example, if 90% of the amount levied is normally collected, the district should set its levy 10% higher than what is needed, so that what is collected will meet the needs of the library. This, of course, can only be done up to the legal levy limit of .06% of the market value for assessment purposes. To find out the amount that is normally collected in your service area, you can check with your [county clerk](#).

**Carry-over Funding.** Although the district's fiscal year will run from October 1 to September 30, the first significant property tax income will come to the district in January. This needs to be considered when setting the first year's levy. While the levy theoretically covers a twelve-month period (October through September), it must realistically cover 16 months (October through the following January). The first-year levy, then, should be enough to create a carry-over fund to operate the library for about three months after the end of the first fiscal year (between October and January). Once a carry-over fund has been created by the first-year levy, the issue will become significantly less important, as each year's levy will replenish the carry-over fund created during the first year. (The library board, of course, must understand that the library must have enough money at the end of September to carry over to January, and they should budget accordingly.)

**Bond Debt.** When libraries combine, or library districts consolidate, one of the two parties may be carrying bond debt for a building or other major expense. Taxes for payment of these bonds are applied *only* to that part of the new district that originally incurred the debt. [See I.C. § [33-2710\(4\)](#).]

**Household Fees.** Some new districts express an interest in using household fees rather than property taxes as the method of supporting public library services. They argue that provision for such fees is provided for in I.C. § [63-1311](#). When

this method of funding is used, each household in the taxing district pays the same amount, regardless of the value of the property.

The Idaho Commission for Libraries opposes this method of funding for library districts for two reasons.

- First, the code provides no enforcement mechanism for this kind of fee. The tax levied upon property becomes a lien upon the property [see I.C. § [33-2724](#)]. This provision does not exist in I.C. § 63-1311, and, therefore, there is no way for the district to enforce the household fee. Further, [63-902\(10\)](#), Idaho Code specifically prohibits the county commissioners from placing fees and other charges on tax bills unless the taxing district “has the authority by law to place a lien on property” and “is required to collect such charge in the same manner provided by law for the collection of real and personal property taxes.” Since the statutes neither require nor directly authorize library districts to collect household fees in lieu of taxes and do not authorize library districts to place liens on property of those who refuse to pay the fees, it is doubtful whether these fees can be legally placed on tax bills.
- Second, it is highly questionable whether household fees in lieu of taxation for all library services are legal at all. Although there has been no case law involving public library service and household fees, in the case of *Brewster v. City of Pocatello*, the Idaho Supreme Court found that a fee charged for street maintenance and restoration was illegal. In rendering its decision, the Court stated, “We view all issues in this case as being subsumed in the question as to whether the street maintenance fee imposed by the Pocatello ordinance is a fee specifically authorized by IC 63-2201A [the number of IC 63-1311 before recodification], or as contended by the respondents it is a disguised tax and hence invalid as not having received voter approval.... The sole issue appears to be whether absent legislative authority a municipality may impose a fee.... In a general sense a fee is a charge for a direct public service rendered to the consumer, while a tax is a forced contribution by the public at large to meet public needs.” In other words, it appears that the Supreme Court found IC 63-2201A to be applicable only when a fee is used to replace tax funding for a specific service (*e.g.*, making a copy) but not a generalized service whose cost to each consumer cannot be identified.

**Financial Planning and Public Relations.** As you can see above, public financing can be a complicated procedure, and it is difficult for the public to fully understand it. The working group, however, needs to create a plan for financing for at least the first five years of the district's life. The plan should describe what a typical taxpayer will pay in each year of the plan.

It would be wise to figure out the taxes that would be assessed on a house with a taxable value of \$50,000, a farm with a taxable value of \$100,000, and a business with a taxable value of \$200,000. The Property Tax Calculator at Tax-Rates.org can help you do this: <http://www.tax-rates.org/property-tax-calculator>.

In addition, someone in the working group should become responsible to develop a more in-depth understanding of how taxes and tax rates are figured. This person could ask the County Assessor for help with learning about tax exemptions and other tax information, when figuring actual tax charges. This tax "expert" then could be made available to discuss the tax implications of library districting. For example, if a taxpayer asks precisely how much the district will raise his taxes, the working group's tax expert can help the taxpayer work up the figures, based on the taxpayers' taxable assets.

A fact sheet should be prepared showing what the expected operational levy would be for each year under the plan. The factors that are outlined above should be explained in the fact sheet, and it should be explained that only in the fifth year of the district is the "typical" amount to be paid likely to be reached, because, by then, any tax anticipation loan will be paid off and the non-payment of taxes will be evened out by payment of back taxes.

Spokespersons for the district should fully understand the financial plan for the first five years and should be prepared to speak to it. In dealing with financial matters, it is best to be forthright. If it is anticipated that the district will at some future time float a bond for buildings or other needs, this needs to be stated from the outset of the districting effort.

As already discussed in the Assessment Phase chapter, however, any discussion of costs needs to be placed in the context of services provided. As you have gone through the Planning Phase, your group has begun to develop plans for specific services. Replacement costs (what it would cost an individual to obtain the service if the library district did not provide it) should be estimated, so that any

discussion of the tax charges for the district can be met with the potential savings in services rendered.

Thus, the fact sheet on the levy rates and typical tax charges should be accompanied by the typical cost of a book (hardcover and paperback) in a bookstore, a trip to the closest library to borrow a book, the cost of magazine subscription, and, if the district will be providing these kinds of services: the cost of purchasing an audiobook or music recording, the cost of DVD rentals, the cost of access to electronic databases, and other information sources.

**Anticipated Cash Flow.** For the purposes of financial planning, it is also useful to chart the district's anticipated cash flow for the years of the districting project. The chart can be used to show when you expect income to become available, and what type of income. It can also be used to identify grant application deadlines and other deadlines that are important for obtaining income.

**Decreasing City Levies.** One issue that has come up in projects involving city libraries that will become part of a new district is the issue of taxes for libraries. Because the district will be taking over the city's obligation to run the library, it can be assumed that city budget should decrease when the first district levy is budgeted. Many voters, however, are skeptical that the city will decrease taxes when the library district begins providing its library services. This issue needs to be negotiated with city councils. Statements from city officials indicating that they will remove or plan to remove library taxes can be helpful.

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### ***Reality Check***

*Again, it needs to be made clear that the working group can put together a plan for the district's finances, but only the new district's board will have the power to implement that plan.*

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## Task Number Nine: Final Districting Decisions

At the end of the Assessment Phase of the districting project, a general description of the new or enlarged district was made. As the working group carried out the tasks of the Planning Phase, it may have become obvious that those boundaries would need to be modified. For example, if a staff or board of a city library is not supportive of being included in a new district, it might be advantageous for that city not to be included in the district election. Similarly, a city that originally was not interested in being part of the new district might have become interested as the Planning Phase continued.

Another issue that may need to be considered is state sales tax revenues. Taxing districts that were in existence in 1999 receive sales tax revenues under I.C. § [63-3638\(10\)\(d\)](#). To retain this revenue, these taxing districts must in some fashion maintain their identity. [See Task Five above.] This can be done through an annexation and consolidation, but not through an establishment election which creates a new district. Because of this, it may be decided to do a two-stage project (annexation followed by a consolidation or combination rather than an establishment election.) This issue can be quite complicated and needs to be researched with the county commissioners and the Idaho State Tax Commission before deciding. For help, contact your Idaho Commission for Libraries area field consultant.

The final shape of the district should be determined by a reality check of the politics of the situation.

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### *Reality Check*

*It is better to look at a smaller district, if by including more territory a successful election or sales tax revenue is threatened.*

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These final decisions, then, must be made on your own assessment of the local situation. It may be that the Planning Phase will develop a plan for a step-by-step

districting project, where the most supportive parts of a county become a district first, and then other parts are added later. This certainly is an acceptable way of creating library districts. At the same time, the new district should include as much territory as possible. As you can see by this *Handbook*, even an easy districting project can be complicated. So, if possible, it is best to do it all at once, rather than in stages.

## Task Number Ten: Creating the District

At the end of the Planning Phase, it will be necessary to go through the legal steps required to create or expand the district. In most cases, this must be done by an election. In cases where a small untaxed area is going to be annexed to an existing district, a petition method may be used. In the case where two adjoining districts are going to be consolidated, it can be done through the action of the two boards. All these methods require some technical steps to be taken. We will, therefore, dedicate the next chapter to them.

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