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## Scenic Regional Director Proposes Consolidation

By Gregg Jones, Missourian Staff Writer Sep 5, 2014



Most Scenic Regional Library patrons are under the impression that the district is one entity.

However, according to Steven Campbell, library system director, Scenic Regional Library District does not exist as a legal entity. Instead, it is held together by a contractual agreement among three smaller county library districts in Gasconade, Warren and Franklin counties.

There actually are three, five-member county boards that comprise the 15-member Scenic board.

Campbell is proposing a consolidated district that could allow for more timely construction projects and prevent a dismantling of the entire district.

“Essentially, it has been operating as a de facto single entity for the past 55 years,” he said. “It has one budget, one audit and makes all significant decisions together.”

However, each of the county districts owns the buildings, sets the tax levy and maintains separate bank accounts. Scenic Regional doesn’t own property.

Campbell added because the smaller districts are not consolidated, a majority of one county district board, just three or more members, could vote to dissolve the contract and disband the entire Scenic Regional Library District.

“We’re held together by a handshake,” Campbell said. “If three people wanted to do that, then they could. We would have to sell off our shared assets.”

There is precedence of Missouri library districts dismantling due to disagreements between county boards. In those cases the new libraries were required to divide administrative staff and assets.

“Many other regional libraries have broken up in Missouri over the past 50 years. It would be a disaster to library service in this area. That’s why they created the consolidation law.”

Campbell told The Missourian that he does not expect an upheaval that would end the current contract but it is a possibility, which is one reason he has proposed consolidation to the library system board.

“There are no drawbacks — nothing would change as far as operations,” he said.

For 55 years, Scenic Regional has operated the same way in terms of dividing the money it spends between counties. The money spent in a county is equal to the revenue brought in by the county. Now, Franklin County funds the lion's share of the budget, about 67.7 percent, because the assessed valuation of the county is the highest.

The remainder of the budget is funded about 22.9 percent by Warren County, and 9.3 percent by Gasconade County. This would not change with consolidation, according to Campbell.

Every other consolidated library in Missouri operates this same way.

"We will still have four board members for each county. Why would board members from one county let all of their county's money be spent in another county? That's just not going to happen because of consolidation."

If the county districts are consolidated, then the Hancock Amendment formula would be applied to the entire Scenic Regional district.

"If one county has a significant drop in property values, like Franklin County did in 2013, growth in the other two counties can counterbalance the overall impact when calculating the library's tax levy," Campbell explained.

"If it doesn't happen it's not the end of the world, but I don't know who it would impact negatively," he said.

Campbell noted that the size of the district board would be reduced to 12, and four members would still be appointed from each county by the county commissions.

## **Requirements**

According to Campbell, there is a four-step process for consolidation.

First, the tax levy must be the same in each county.

When a tax levy increase was approved in April the levy in each of the three counties was set at 20 cents.

Due to the Hancock Amendment, which sets local tax limitations, the levy will be adjusted next year.

“We have all three of the levies the same for the first time since the ’70s,” said Campbell.

He noted that there is a “one-time window of opportunity” to consolidate that will close after next year’s tax levy is approved in August.

Then each county district must approve the consolidation, followed by approval from each county commission.

Finally, the consolidation must be advertised with a legal notice in the newspaper.

Campbell said he has only proposed it to his board, and consolidation has been discussed.

## **Benefits**

The greatest benefit to consolidation, according to Campbell, is the district would be bound together by state statute instead of a contract.

“The only way it could be broken up is if (a measure) was put on the ballot and the public approved it,” he said. “It gives us a lot more stability.”

There also is a major benefit for the library and taxpayers related to building new branches.

Currently, because Scenic Regional Library isn’t a legal entity, it can’t obtain bonds for new construction projects. As a result, the counties would have to be issued the bonds.

Because the county libraries are smaller, they would pay higher interest rates or possibly not even be able to get a bond. A consolidated district also would provide a better bond rating, lower interest rates, and one set of legal fees instead of three.

“Doing everything as a single district is more efficient,” Campbell said. “It would save taxpayers money.”

If the district can’t consolidate, there’s a good chance it will have to pay for building construction costs up front in cash, which would mean that it could take as long as 15 years for the system to replace all of its existing branch facilities.