



OFFICE OF COUNTY COUNSEL

PUBLIC SERVICES BUILDING
 2051 KAEN ROAD OREGON CITY, OR 97045

February 11, 2016

Stephen L. Madkour
 County Counsel

Board of County Commissioners
 Clackamas County, acting as the
 Governing Body of the Estacada Area
 County Service District for Library Services

Kathleen Rastetter
Chris Storey
Scott C. Ciecko
Alexander Gordon
Amanda Keller
Nathan K. Boderman
Christina Thacker
 Assistants

Members of the Board:

Order Adopting Findings of Fact and Plan of Dissolution for the Estacada Area
County Service District for Library Services

Purpose/Outcomes	Procedure in support of the dissolution of the service district
Dollar Amount and Fiscal Impact	Limited expenditure of staff time to wind down district
Funding Source	Current budget
Duration	Perpetual
Previous Board Action	Discussed at issues policy session January 5, 2016. Petition for dissolution adopted after public hearing on January 14, 2016
Strategic Plan Alignment	Consistent with and implementing the goal of "Building public trust through good government" by eliminating unnecessary government structures/entities
Contact Person	Chris Storey, Assistant County Counsel
Contract No.	N/A

BACKGROUND:

The Estacada Area County Service District for Library Services ("District") was formed to support the desire of the City of Estacada to construct an improved library facility. The library was designed and sized to serve the population of not just the City but the surrounding area. The District was formed with boundaries that are coterminous with those of the Estacada School District, and a general obligation bond was passed by vote of the residents in that area to fund the construction of the new library (the "GO Bond"). The District does not collect any permanent rate or fees and sole purpose was to act as a financing vehicle to aid in the construction of the library, which it accomplished through the GO Bond.

In 2009, as part of the formation of the county-wide Library District of Clackamas County, the County general fund deposited sufficient funds in a sinking fund account to pay off the GO Bond. At that time the District ceased collecting taxes from its residents. However, under the terms of the GO Bonds the earliest the full debt could be repaid was June 2015. The sinking fund made the final payments on the debt from 2009 until 2015, and the GO Bonds are now fully paid off. The District now has no debt and very few assets. Further, it has no revenue and no specific purpose now that it completed the payment of the GO Bonds. In short, it is ready for winding down and dissolution.

The Board adopted a petition of dissolution on January 14, 2016, which began the dissolution process. The next steps is for the Board, as the governing body of the district, to adopt certain findings of fact, a plan of dissolution, and name trustees to execute regarding the same. Attached is a board order consistent with that proposed path.

RECOMMENDATION:

Staff recommends that the Board, acting as the governing body of the District, adopt an Order with certain findings of fact, a plan of dissolution, and name the Clackamas County Board of County Commissioners as Trustees to proceed with the dissolution process.

Respectfully submitted,

Chris Storey
Assistant County Counsel

In the Matter of the Dissolution of
Estacada Area County Service
County Service District for Library
Services with Findings of Fact,
Plan of Dissolution and
Appointment of Trustees

Order No. _____
Page 1 of 2

This matter coming before the Board of County Commissioners acting as the governing body of the Estacada Area County Service District for Library Services (the "District"); associated with it; and

WHEREAS, it appearing that the District has fully paid all outstanding debt and no longer needs to hold assets relating thereto; and

WHEREAS, it further appearing that the District's purpose for formation was to provide a means of financing improvements for the Estacada City Library, which was accomplished through the construction of such improvements with the proceeds of the debt that is now fully paid off; and

WHEREAS, it further appearing that the dissolution and liquidation of the District would be in the best interests of the county and the residents of the District;

WHEREAS, it further appearing that this Board has adopted a petition for dissolution on January 14, 2016; and

WHEREAS, it further appearing that the District, as a final step, needs to appoint trustees to execute on the Plan of Dissolution as adopted;

NOW, THEREFORE, IT IS HEREBY FOUND that the findings of fact attached hereto as Exhibit A are true and correct and be recorded in the records of the District; and

IT IS HEREBY ORDERED that the Plan of Dissolution attached hereto as Exhibit B (the "Plan of Dissolution") is hereby adopted as a reasonable and appropriate method of winding up the affairs of the District; and

IT IS HEREBY FURTHER ORDERED that the Clackamas County Board of County Commissioners, in their role as the governing body of Clackamas County, is hereby named the Trustees of the District for the purposes of completing the dissolution thereof and executing all necessary steps of the Plan of Dissolution.

In the Matter of the Dissolution of
Estacada Area County Service
County Service District for Library
Services with Findings of Fact,
Plan of Dissolution and
Appointment of Trustees

Order No. _____
Page 2 of 2

DATED this 11th day of February, 2016.

**BOARD OF COUNTY COMMISSIONERS, AS THE
GOVERNING BODY OF THE ESTACADA AREA
COUNTY SERVICE DISTRICT FOR LIBRARY SERVICES**

Chair

Recording Secretary

EXHIBIT A

FINDINGS OF FACT

These findings of fact are adopted pursuant to the requirements of Oregon Revised Statutes ("ORS") 198.925 which provides for certain categories of factual findings regarding the affairs of the District. Below is a quote of the statutory requirement from same, followed by a statement of fact that is adopted by the District.

Statute: ORS 198.925(1)(a) The amount of each outstanding bond, coupon and other indebtedness, with a general description of the indebtedness and the name of the holder and owner of each, if known.

Factual Finding: The District does not have any outstanding debt. There was a Debt Agreement for General Obligation Bonds Series 2005. After June 2014 the bonds turned into term bonds which allowed for optional redemption on or after June 1, 2015 at the price of par, plus accrued interest. These General Obligation bonds were defeased on July 9, 2009 following the establishment of the Library District of Clackamas County. At that time the county transferred funds to an escrow account for the defeasance of the debt. The BNY Mellon Trust Company Statement for period 6/1/2015 through 6/30/2015 for Account 471471, Estacada Area CSDLs OF ESC DEP FD confirms the transfer of \$1,441,443.75 in funds on 6/1/2015 to Estacada 2006 D/S TO BNYLOANS A/C, leaving no money in the account and paying off the outstanding defeased debt in full. The County Finance Department reviewed the prior five years of financial history. Maintenance fees are the only expenditures recorded in the District during that time, which are required when using a LGIP account and will cease once the LGIP account is closed.

Statute: ORS 198.925(1)(b) A description of each parcel of real property and interest in real property and, if the property was acquired for delinquent taxes or assessments, the amount of such taxes and assessments on each parcel of property.

Factual Finding: The District does not own a specific parcel of real property. However, it does own an interest in land owned by the City of Estacada, specifically the building in which the Estacada City Library is housed. At the time of issuance of the District's Series 2005 General Obligation Bonds, the District and City entered into an agreement. The Intergovernmental Agreement between the City of Estacada and the Estacada Area County Service District for Library Services, approved on April 28, 2005 (the "Agreement"), states "District shall own the library building for so long as any of the District's bonds remain outstanding, at which time it will be transferred to City." The building stands at 825 NW Wade St., Estacada, Oregon 97023. The City of Estacada owns the real property under the building. Since the City of Estacada is a municipality they are exempt from property taxes (ORS 307.120) and no delinquent taxes or assessments are due. The City of Estacada provided the land for the purpose of building a library from their own means, which is also stated in the Agreement noted above. To the extent the District owns an interest in real property, it is anticipated that such interest will be transferred to the City of Estacada.

Statute: ORS 198.925(1)(c) The amount of uncollected taxes, assessments and charges levied by the district and the amount upon each lot or tract of land.

Factual Finding: According to the Assessor's office (fund number 211073, Service 006 Estacada library) the District has uncollected assessments of \$111.36. The outstanding amount of uncollected taxes is from the period 2005/2006 through 2008/2009. No new levies have been assessed since 2008/2009.

Statute: ORS 198.925(1)(d) A description of the personal property and of all other assets of the district.

Factual Finding: See answer to section (b) and (c) for interest in the Estacada Library Building and the uncollected taxes. The Estacada Library Service District LGIP account (#0000003537), had a balance of \$13,857.58 as of December 31, 2015.

Statute: ORS 198.925(1)(e) The estimated cost of dissolution.

Factual Finding: None for the District. The estimated cost of dissolution is only staff time of various Clackamas County personnel, which are paid by Clackamas County.

EXHIBIT B

PLAN OF DISSOLUTION

As part of the dissolution process, the District needs to have a plan for what to do with all assets and liabilities that have accrued to it during its existence. Below is a summary of the statutory requirements for such a plan,

Statutory Reverences

A plan for dissolution and liquidation of a county service district, is covered under ORS 198.930. The County in which the District is located has authority to assume the outstanding indebtedness of the dissolving district which also continues to furnish similar services to the inhabitants of the district. The County may then execute on the Plan of Dissolution and is charged with moving forward appropriately to execute hereon.

Plan of Dissolution

This Plan of Dissolution is hereby conveyed to the Trustees, and their agents, as appointed by the District Board.

The first step in the dissolution would be winding up the current affairs of the District, including disposition of all liabilities and assets. The disposition of these will be:

Liabilities: The District has no outstanding debt. No liabilities are required to be assumed by any entity.

Assets: Below are the assets that must be liquidated or transferred and conveyed.

1. Cash Assets: The District has a cash balance of \$13,857.58 as of December 31, 2015 in its accounts. The total cash position of the District will be transferred to the Library Network of Clackamas County for use in operating public libraries within the County which includes the areas previously within the District. All accounts will be closed once all cash has been transferred.
2. Property Taxes Receivable: The District has uncollected assessments of \$111.36 from prior assessments of FYs 2006-2008, when the District ceased levying a property tax. This right to collect receivable of the District will be transferred to the Library District of Clackamas County. The purpose of the Library District of Clackamas County is to provide financial support to the library service providers of Clackamas County of which the City of Estacada is a member, and which serves the residents of the dissolving District.
3. Capital Assets: The District has an ownership interest in the City of Estacada Library Building located at 825 NW Wade St, Estacada, Oregon. This interest will be conveyed and transferred to the City of Estacada as per the Intergovernmental Agreement approved on April 28, 2005 between the District and the City of Estacada. The Conveyance will legally occur through quit claim deed to the City which owns the underlying land.

Additional Steps:

Per ORS 198.945, after the affairs of the District have been fully settled, the books and records will be deposited by the Board of County Commissioners, as Trustees of the District, with the County Clerk. The Board of County Commissioners shall also execute under oath, and file with the County Board, a statement that the District has been dissolved and its affairs liquidated.

County Finance, on behalf of the County Commissioners, will file with the Secretary of State Audits Division the final Report in lieu of audit along with a letter reporting the District has been dissolved.