



Staff report

Meeting Date: February 28, 2019
To: Library Board of Trustees
From: Margaret Jakubcin, Library Director
Subject: Sequim Library Ballot Measure Outcomes - Analysis

Attachments: Web links have been provided to supporting documents.

TOPIC/ISSUE.

This report is provided as background information for Board discussion in connection with the Sequim Branch Future Library project. To facilitate public input to Board discussion, this matter has been placed on the agenda for the February 28, 2019 Board meeting at the Sequim Branch Library.

BACKGROUND.

SEQUIM FUTURE LIBRARY PROJECT HISTORY/PROJECT PLANNING BACKGROUND. Background information on the history of the Sequim Future Library planning project has been presented to the Board on a number of occasions, and is well documented in numerous of Board reports. Copies of those reports, in addition to other information about the planning project and ballot measures, is available on the [Sequim Future Library](#) page on the NOLS website. Project background and recent activities are briefly summarized below.

NOLS has been seeking a solution to the dated facility and overcrowded conditions at the Sequim Branch Library for decades. Over the years a number of different library committees, advisory committees, and community groups have explored potential solutions. These proposals were developed and considered in the context of the community, economic, and library factors prevailing at those times, but none of those efforts resulted in a viable expansion plan.

In recent years NOLS committed to moving this project forward in an intentional and methodical way. Planning for library expansion proceeded through two significant phases.

A Feasibility Study (Phase I) was initiated in 2014 to ascertain essential preliminary information about library use, population projections, and site use feasibility. A copy of the final report from the [2014 Feasibility Study](#) is available on the NOLS website. Community engagement begun during Phase I continued in 2015 and 2016.

Conceptual Planning (Phase 2) was initiated in 2017 and concluded in 2018. Deliverables from Phase 2 included:

- a detailed building needs assessment (a/k/a building program)
- a mid-point, data-based, decision regarding construction approach
- schematic designs and architectural views/depictions
- a project/construction budget

A copy of the 2018 [final report on Conceptual Planning](#) is available on the NOLS website.

Community engagement has been of paramount importance throughout this long planning project. Since 2014 NOLS has fielded multiple community-based taskforces and participated in or hosted numerous public events, ranging from informational presentations to hands-on interactive design workshops. NOLS also stayed closely connected to community partners and other local agencies, and remained cognizant and respectful of other community funding issues. Library stakeholders, including Library Management staff, Sequim Branch staff, Trustees, and Friends of the Library were included in planning.

LCFA/BALLOT MEASURE BACKGROUND. A Library Capital Facilities Area (LCFA) is the method provided under [Washington State law](#) for funding a public library capital improvement project through property taxes. The LCFA ballot process requires votes on two separate measures, one creating a tax district, and the other financing the project through approval of bonds and tax levies. The two measures have different validation and majority approval thresholds. The first measure (Proposition 1- tax district) requires a simple majority to pass. The second measure (Proposition 2- bond approval) requires a 60% supermajority to pass, with an additional validation requirement that voter turnout must exceed 40% of the ballots cast in the prior same-type election (in the case of the November 2018 election, validation referred backwards to the November 2017 general election).

There are also a number of preliminary activities and actions that must occur in order to place LCFA measures on the ballot, including resolutions passed by the Library Board, the governing council of affected municipalities, and by the Board of County Commissioners. [A copy of the staff report describing the LCFA process](#), presented to the Board on March 16, 2018, is available on the NOLS website.

At the conclusion of Planning Phase 2, the NOLS Board reviewed all conceptual planning outcomes and cost factors, and in May 2018 initiated the actions necessary to provide local voters with the opportunity to express their opinion on utilizing a LCFA bond measure to provide funding for capital expansion of the Sequim Branch Library. A copy of [Resolution 18-05-04](#), which includes a full description of the Board's reasoning in arriving at that decision, is available on the NOLS website.

In November 2018 voters passed Proposition 1 by a wide margin, establishing the LCFA tax district with over 65% approval. Proposition 2, the bond measure, received a 58.64% approval,

falling short of the 60% “super majority” required for passage by approximately 257 “Yes” votes. The voter turnout validation for Proposition 2 was achieved by a wide margin.

Under RCW 27.15, the LCFA district approved by voters now exists, and will remain viable indefinitely unless/until one of two things happen:

1. A second attempt to pass a bond measure fails. (If the bond measure is not approved after two tries the LCFA district is automatically dissolved).

OR

2. The governing board of the LCFA (defined by statute as the Clallam County Commission) takes action to dissolve it through specific motion or resolution. (This would most likely only happen at the specific request of the NOLS Board).

FACTORS FOR CONSIDERATION.

There are several general areas of fact gathering and analysis presented for consideration below. There is a certain amount of overlap between these areas of consideration, but broadly speaking they reflect considerations related to:

- *BALLOT OUTCOMES*
- *TIMING FACTORS*
- *SUPPORT BASE*
- *COST FACTORS*
- *MISCELLANEOUS OTHER FACTORS*

Policy and fiscal considerations are covered as appropriate in the context of each of these topical areas.

Discussion of factors for consideration draws upon a variety of information sources including:

- Documented background and facts about the project;
- Available data (such as election results);
- Public input provided to or observed by staff (prior to, during, and following the election period);
- Information and insight provided to NOLS following the election by election campaign committee members;
- Staff knowledge about library funding measures and campaigns, gleaned from a variety of professional sources as well as prior professional experience;
- Opinions or perceptions expressed by some members of the community. These opinions are not necessarily based in fact or even widely held, but are nevertheless relevant in considering possible next steps.

ELECTION OUTCOME CONSIDERATIONS.

Election results. The following summarizes the election outcomes.

Proposition #	Type of Election	# of votes For	# of votes Against	Percentage For	Percentage Against	Total Votes Cast
1	LCFA Formation	12,692	6,726	65.36%	34.64%	19,418
2	Bond	11,434	8,050	58.68%	41.32%	19,484

The two-measure requirement of the LCFA vote clearly requires somewhat more complex election result analysis than a vote on a single measure would. Analysis of the inter-relationships between the above numbers reveals the following. *(Likely implications/interpretations of these aspects are noted parenthetically:*

- Proposition 2 failed to achieve the 60% supermajority by 257 votes.
- There were a total of 66 more votes cast for Prop 2 than Prop 1.
- There were 1342 more No votes cast for Prop 2 than 1.

(The most likely explanation for this is that the additional Prop 2 No votes were cast as anti-tax votes, and those voters did not cast a vote in Prop 1).

- There were 1258 more Yes votes cast for Prop 1 than 2.

(There are probably 3 reasons for this:

1) As noted above, some Prop 2 No voters may not have cast a vote on Prop 1.

2) Some Prop 1 Yes voters may have failed to cast a vote on Prop 2 because they failed to understand both Yes votes were required for approval. This is a known issue in LCFA ballots, and every effort was made to clearly communicate about it.

3) Voters who are library supporters voted Yes on Prop 1, and No on Prop 2 because they opposed some aspect of the bond proposal)

Election results also provided information about voting patterns by precinct. Complete [precinct returns](#) and a [final abstract of precinct results](#) are available on the [Clallam County elections page](#). Proposition 1 was approved by a majority of voters in all precincts of the proposed LCFA district. Proposition 2 was approved by a majority of voters in all precincts except three on the west side of the proposed district (Agnew-43.73%, Monterra-46.64%, and Blue Mountain-46.86%). Approval levels in the other 29 precincts ranged from 51.11% to 77.17%. Precinct outcomes might have implications for a future bond attempt with redefined district boundaries.

The successful formation of the LCFA taxing district has certain implications for the future:

- If NOLS wishes to try again, at any point in the future, to pass a bond measure utilizing the same LCFA district boundaries, only the bond measure will need to be passed. (Passage will still require 60% majority approval and 40% validation).
- If NOLS wishes to try again, at any point in the future, to pass a bond measure utilizing different district boundaries, the existing LCFA district will first need to be officially dissolved, and then *both* propositions will need to be approved.

BALLOT TIMING CONSIDERATIONS

LCFA measures are known to sometimes achieve the required majority passage percentages, but nonetheless fail due to insufficient voter turnout. Factors that might impact voter turnout, therefore, need to be carefully considered. Such factors include:

- low/high turnouts in the prior (validating) election;
- voter motivations unrelated to the library measures, such as high profile candidates or other highly motivating political factors.
- As yet unknown impacts of recent changes to WA State vote practices, such as postage-paid-ballots.

Beginning in November 2016, NOLS deliberately and strategically targeted the November 2018 general election as one in which voter turnout would likely be high, relative to the turnout in the November 2017 general election against which results would be validated. All indications are that NOLS' strategic judgement in this regard was correct, with Clallam County recording record high voter turnout levels. It should be noted that these high return levels now become a significant factor with regard to future election dates/outcomes.

An additional strategic timing factor relates to the likely presence or absence of other measures which might impact voter receptiveness to the library ballot measures. In targeting the 2018 General election, NOLS paid close attention to the election plans and intentions of other local entities. This factor can be difficult to predict, and is, to a large degree, beyond the control of the library. Ultimately the NOLS LCFA shared the 2018 ballot with a levy lid lift for Fire District 3, and a City of Sequim transportation district tax renewal. These other two public funding measures required only simply majority for passage, and both passed. Additional implications of this ballot consideration for future ballot dates are discussed in more detail below.

RCW 27.15.020 specifies that LCFA ballot measures must be submitted to voters at a general or special election. Generally speaking only general and primary elections are realistic opportunities for an LCFA, because the higher election costs for special elections are prohibitive, and the likelihood of achieving the 40% validation is lower.

Potential election dates in which NOLS might attempt a second try to pass the LCFA bond measure in the next two years are noted in the chart below. Even in the most straightforward effort to re-try the bond measure, there are many procedural steps that would need to be repeated, and some additional new steps are now required in relation to the newly-formed LCFA District. Lead time to initiate the necessary process has been estimated in the third column. And finally, if the effort to re-try the measure is premised in the belief that the election outcome can be improved through enhanced effort, substantial additional lead time must be allowed for re-engaging and expanding community support.

<i>Election Date</i>	<i>Filing Date</i>	<i>Minimum Procedural Lead Time</i> <i>(6mo. prior to filing date)</i>	<i>Recommended Community Engagement Lead Time</i> <i>(18 -24 mo. prior to election date)</i>
2019 Primary August	May 2019	December 2018	Immediate
2019 General November	August 2019	February 2019	Immediate
2020 Primary August* (March)	May 2020 (January 2020)	December 2019 (July 2019)	March 2019 (August 2019)
2020 General November	August 2020	February 2020	June 2019

*The WA State Legislature has proposed that Washington’s presidential Primary election be moved to March. Planning estimates are given for both possible 2020 primary dates.

Deadlines and lead time estimates are provided for 2019, but it should be noted that for reasons related to turnout validation requirements (discussed above and below), neither 2019 election date should be considered a viable opportunity for LCFA bond measure passage. Lead time requirements would also be a significant consideration in considering 2019 election dates.

Potential election dates in 2020 and beyond allow for more advance preparation time. When necessary lead times and the additional pre-planning steps are factored in, however, the kick off date for targeting even the 2020 general election is imminent. As discussed elsewhere in this report, the cost estimates on which the 2018 ballot/bond was based were premised on construction start in late 2019. The further out the potential project start date is moved, the less reliable those estimates become. For ballot-tries in 2020 and beyond, it would be advisable to update the cost projections used for bond calculation and/or to adjust the project proposal (to reflect reduced purchasing power). That process would require several added preparation steps (and costs), and further increase lead time.

A retry at passing the bond measure would require repeating the entire series of “LCFA formation” steps (steps 1-6 as described in the [procedural memo](#)). There are also additional steps now required in relation to the governance of the now-existing LCFA tax district. New election costs and other associated costs would also be incurred.

Another timing consideration relates to the likely date of a future NOLS levy lid lift election. While a levy lid lift does not appear to be in the Library’s immediate future, the Library levy rate is undeniably experiencing compression at this time. It is an unavoidable reality of Washington State tax law, that sooner or later somewhere in the next decade, NOLS’ operating levy and the Library’s reserves will no longer provide sufficient annual revenues. Operating levies (which support library services), and capital bond levies (which support construction of capital infrastructure), are of course entirely separate funding issues, but the voting public does not always clearly perceive the difference. There are various possible implications of these funding/election realities. Generally speaking, however, it would seem likely that an overly close juxtaposition of a levy lid lift election and a bond election to build a new Sequim Branch might have negative impacts on one or other of those votes.

A final observation related to timing is that (roughly speaking) a *minimum* of six years should be allowed for undertaking any new start-to-finish Branch expansion project; approximately two years for planning; two years for ballot measure activities; two years for construction. Actual timelines may, of course, vary from this estimate, and would most likely be longer. This scenario might arise in the event NOLS elected to pursue a significantly different project approach in the future, for example proposing a project for a different site or introducing some other significant architectural/site variation.

SUPPORT BASE

As noted above, community engagement has been an essential component of the Sequim Future Library Project. NOLS has poured considerable effort into transparency and communication around this project, involving the public in planning and decision making, and creating and nurturing community partnerships. The significant majority approval of both ballot issues is clearly a strong indicator of NOLS’ success in engaging community support for a shared vision of a larger, modern library in Sequim.

There were many inspiring community connections that were built or strengthened as a result of project activities. Some of NOLS’ community partners, notably the OMC Board of Commissioners, Sequim School District Board of Directors, and the Jamestown S’Klallam Tribal Council, came forward with strong statements of support for the library expansion project. Support from these organizations was a significant help to the expansion effort, and campaign, and also provided positive confirmation of the relationships NOLS has worked hard to nurture with local agencies and entities over the last decade.

That said, it must be acknowledged that while community support was broad, it was noticeably shallow in many significant ways. The heavy-lifting necessary to make the community vision for a future library a reality was shouldered by a very small number of supporter. Despite intensive and ongoing efforts to change this dynamic, it proved to be extremely difficult to do so. This reality was experienced by staff and Board throughout the planning period, and also by the campaign committee during the election period.

A realistic assessment of the breadth and depth of the support base must, therefore, be carefully considered in determining next steps.

Sadly, one very significant missing component in the support base occurred amongst the leadership of the Friends of Sequim Library (FOSL). FOSL raises funds through used book sales, and their annual contributions to support programs and services are greatly valued by the Library and the community. It is understandable that the dedicated FOSL volunteers who contribute time to this fundraising effort would have a special interest in optimizing the space that supports book sale activities. Unfortunately, it ultimately became clear that FOSL leadership's interest in the expansion project was focused almost exclusively on expanding and improving the space allocated for Friends' book sale operations. The scope of their requirements (FOSL leadership requested 1500 square feet of dedicated FOSL space in the new library), exceeded what NOLS could reasonably or legitimately fund on behalf of an independent non-profit organization. Although NOLS, which is a publicly funded agency, could not appropriately propose to use public tax dollars to build so much space for exclusive FOSL use, every effort was made include a reasonable amount of dedicated FOSL space, a significant amount of shared space, and other features to support FOSL activities, in the conceptual design. (A complete description of the allocations for FOSL use and the limitations on such allocations, was provided to the Friends membership in the [FOSL newsletter](#) published in July 2018).

NOLS endeavored to fully engage FOSL leadership in this discussion, but unhappily, FOSL leadership elected to entirely withdraw the organization's support from NOLS' effort to expand the Sequim Branch library. The failure of the Sequim Library's primary support group to support the expansion effort through advocacy and/or fiscal support was a sad blow to the ballot effort. This failure of support was further compounded by the choice of FOSL leadership to allow the monthly books sales held on library premises to be utilized as a forum to spread misinformation and make statements in opposition to the expansion project, during the crucial period leading up to the election.

It must be noted that many individual community members, who are also members of FOSL, were extremely strong supporters of the expansion project and the election campaign. The observations above relate only to the observed actions of a small

number of officers and representatives who formulated the position officially adopted by FOSL, apparently without any significant input from FOSL membership as a whole.

The above description is provided solely for the purpose of analyzing the factors that contributed to election outcomes, and are of significance in planning next steps. There can be little question that the mid-project decision of FOSL leadership to withdraw support, and even oppose the expansion project, had impacts on the outcome of the election. Acknowledging and addressing this failure of support is of huge importance to the Library in planning any next steps, and it simply cannot be ignored or minimized. Further thoughts on this issue for future planning are discussed below.

COST FACTORS

The project proposed to voters on the November 2018 ballot included \$12,400,000 in public bond funds and \$1,000,000 in funding from NOLS' capital reserves. Some NOLS gifts and donations were also earmarked to provide support to the project (mostly through collection expansion). As with community advocacy and campaign support, community based fiscal support for the expansion project was also limited to a small number of donors.

The following is a general summary of the planning and other costs associated with this project from 2014 to 2018. Not shown are minor associated costs (such as those for printing, refreshments for public meetings, etc.), which were minimal.

Phase 1 Feasibility Study. \$26,700 (architectural consulting fees)

Phase 2 conceptual design and cost estimating. \$57,750 (architectural consulting fees)

Election Costs. \$11,016.

Staff time. This project has been a priority objective for NOLS for several years. The Library Director, Assistant Director, and Sequim Branch Manager have dedicated significant amounts of time to it, and many other staff have been involved at various points along the way. It would be impossible to estimate the investment of staff time made to this project during that time period, but it has been substantial.

Cost considerations going forward:

The following are additional cost factors that will, or may, pertain to a future ballot effort, and should be therefore be kept in mind in planning next steps:

- **Likely impacts of inflation** on cost estimates for the construction project. Building the identified project further in the future will inevitably cost more than projected for 2020 construction. This has cost implications for bond amounts, fundraising needs

and/or project design. The Board is well aware of this reality, because it was a significant factor in the Board's decision to move forward to a ballot in 2018.

- Costs to NOLS of **updating project cost estimates** and/or changes to the design to address inflation – the further out the project is pushed, the greater the need to update cost estimates;
- Potential costs to NOLS for **architectural adjustment to the conceptual design**;
- Potential costs to NOLS to conduct **polling or similar activities**, should NOLS wish to more comprehensively analyze election outcomes and/or project possible support for a future initiative;
- **Legal fees** to related to development of future ballot propositions;
- **New election costs** – these vary election to election. Exact costs are not known until after the election, and can vary dramatically up or down.
- **Maintenance of existing infrastructure.** For several years, anticipating that construction/expansion of a larger library would require significant or total demolition of the existing infrastructure, NOLS has minimized investment in capital maintenance and improvement at the Sequim Branch. With new construction now pushed further, there are certain facilities issues that will likely need to be addressed in the next few years. The most substantial of these is comprehensive replacement of the parking lot, which is still the original parking lot constructed in 1983. The lot has been patched, repaired and resurfaced multiple times, but the underlying firmament is not sound. Obviously the need for significant investment in the existing infrastructure has myriad potential implications for future planning.

OTHER CONSIDERATIONS:

Public perception. Although there was no organized opposition to the LCFA ballot measures, there were some recurring themes in public perception that may provide useful insight in considering possible next steps. As noted above, inclusion of these opinions is not intended to suggest that they are accurate, or infer that are widely held, merely to acknowledge that they exist as influencing factors in decision making.

A public perception theme commonly heard by staff relates to the feeling that capital funding for school projects is more critical/important than capital funding for the library project, and that the School District's capital needs must be addressed first. It should be noted that this is discussed here as a *public perception*, not a concern stemming from the official position of the School District. In fact, the Sequim School District Board of Directors provided a letter of

support for the library project. Nevertheless, this public perception appears to be strongly, even passionately, held by some citizens, and must therefore be considered.

Impacts on other NOLS projects and objectives. The Sequim library expansion project has been an ongoing top priority for NOLS for almost 5 years. Progress to date has been accomplished at the expense of many other critical library concerns. Impacts on other NOLS endeavors will need to be taken into account in planning next steps.

SUMMARY ANALYSIS AND RECOMMENDATIONS.

The following are general observations/recommendations, based on the information and considerations presented above.

1. It is tempting to suppose that the narrow margin by which Prop 2 failed is an indicator that the proposition would have passed if only some element of the project or campaign had been conducted just a little bit differently, but this is an unsubstantiated supposition. Considerable additional polling and analysis would be necessary to definitively project which element of the project or campaign, if any, might result in a higher approval return. The close election results may also reflect unrelated political factors at play in the 2018 mid-term election that coincidentally influenced the library vote, and which may not be at play in future elections. Initiating a re-try based on the mere closeness of the election results, without a clear intention of what and how to approach a future ballot differently, is not advisable.
2. It is recommended that NOLS not attempt to retry the bond measure in 2019 as there is a high probability that a 2019 vote will fail due to election validation requirements (which will reference backwards to the high turnouts in 2018).
3. It is conditionally recommended that NOLS not attempt to retry the bond measure in 2020 in its current form. By 2020 current project estimates will be out of date. Updating costs and/or the project proposal will require NOLS to continue committing considerable time and resources to this project. Other significant factors discussed above and below should also be carefully considered in the event the Board wishes to attempt a 2020 retry.
4. It is recommended that NOLS not attempt to re-try the bond measure by quickly and *arbitrarily* “downsizing” the dollar figure for the bond. Voters may expect this approach, which has been commonly used by other public funding efforts in the area, but in the opinion of staff it would represent a significant break in trust with the vast majority of community members who supported the project as designed and proposed. The cost estimates (and bond costs) for the proposed Sequim Branch project, reflected the actual costs of building the library, which was designed with considerable community input. If the Board wishes to develop a lower cost project for future consideration by voters,

the time and resources to re-engage the community in planning a different approach should be allocated.

5. It is recommended that the Library should not attempt to pass a Sequim library bond in any future election in which school funding issues are also on the ballot, as the perceived “competition” between these two important public issues is likely to have adverse effects on one or both of these public funding efforts. It is further conditionally recommended that the NOLS Board consider delaying any further attempt to pass a Sequim library bond until the capital issues faced by the Sequim School District have been more fully resolved.
6. It is recommended that NOLS should not attempt another capital funding measure without ensuring strong support from the Friends of the Library, or alternatively, as it seems unlikely that the current FOSL leadership will be willing to fill this role, the strong and focused support of some other community-based library advocacy/support group. Time may be required to realize this recommendation.
7. It is recommended that local fundraising be undertaken by a community based advocacy group to establish a fund to support future branch expansion efforts. While NOLS itself committed a substantial amount of reserves to support the public bonds, the traditional third funding leg, which might reasonably have been provided by FOSL, was noticeably missing from the 2018 ballot measure effort. Local fundraising will provide a necessary additional component to fiscal resources, and also provide an interim effort around which community support/advocacy for library expansion can coalesce.
8. It is recommended that if no further attempt to pass a bond measure is anticipated within the next 2-4 years, staff should explore temporary alternatives that will alleviate some of the most pressing facilities issues at the Sequim Branch with minimal long term investment in existing infrastructure.
9. It is recommended that if no further attempt to pass a bond measure is anticipated within the next 2-4 years, staff and community should remain open to exploring innovative and creative alternative options that might provide a long-term solution to the facilities issues at the Sequim Branch.

ACTION.

As discussed above, there are several different trajectories that might be taken from this juncture. Each of these has a somewhat different associated timeline, and in some cases information necessary to make definitive decisions regarding those options will not be available until some point in the future. While it is not required that the Board take definitive action at this time, there are two scenarios in which it would be advisable to do so:

1. If the Board decides to proceed ahead with another attempt to pass the LCFA bond measure at one of the possible elections in 2019 or 2020, a number of actions must be initiated immediately or in the very near future. Staff time and funding must be allocated, and workplan objectives and strategic initiatives for must be reconfigured accordingly.

2. If the Board reaches a definitive decision to deprioritize active work on the Sequim Project for the foreseeable future, announcement of that decision would facilitate public communication, and allow NOLS to allocate time and resources toward other priority projects. A definitive statement to halt active work on this project should include
 - an estimated date at which that decision will be reviewed, and
 - a statement regarding the components that will be reviewed at that time, prior to re-prioritizing or re-initiating work on the project.

It is, of course, understood that unanticipated or serendipitous events could influence this decision at a future time, and the Board would be free to re-initiation the project at an earlier date if conditions made that advisable.