

Memorandum explaining the 2008 transfer of territory from the Fountaindale Public Library District to the Des Plaines Valley Public Library District

In August 2008, the Fountaindale Public Library District (hereby referred to as Fountaindale) transferred to the Des Plaines Valley Public Library District (hereby referred to as Des Plaines Valley) that portion of the Village of Romeoville which rested within the boundaries of the Fountaindale district and some unincorporated areas within DuPage Township which are likely to be annexed into the Village of Romeoville in the next few years. There were a variety of reasons supporting this transfer of territory.

During the past twenty years, the Village of Romeoville expanded and grew substantially into Lockport Township (Des Plaines' territory to the South) and on a more limited basis, into Plainfield Township (to the West), causing residents of the Village to be served by one of three different library districts depending on where their homes were located. It was deemed that the impact of this separation of Romeoville residents was felt every day, particularly in coordination of school/library curriculum and other matters.

As of early 2008, around 2/3 of Romeoville residents (20,000 people) resided in the Des Plaines Valley district, around 1/3 (12,000 people) resided in the Fountaindale district, and a much more limited number resided in the Plainfield Public Library District. Thus the purpose of the Fountaindale to Des Plaines Valley territory transfer was to unite as much of the Village of Romeoville, and its library/school service areas, as possible under one library district. Because the largest portion of the Romeoville population already lived within the previous Des Plaines Valley district boundaries, and Des Plaines Valley intended to open a library facility in Romeoville, the two library boards determined the transfer was advantageous.

The most compelling reasons for this transfer were as follows:

CRITICAL TIMING

Fountaindale successfully passed a \$48.5 million bond referendum in February 2008, for the purpose of constructing a large new library in Bolingbrook and to give a cosmetic remodel to their existing oversized and outdated Romeoville branch library. If the proposed transfer of territory was not completed prior to Fountaindale selling its bonds (likely by Fall 2008), the "North" Romeoville residents in Fountaindale would have been legally committed to a \$48.5 million bond repayment over the next 20 years. If the transfer was made anytime during that 20 years, those residents keep the Fountaindale debt, and then would have to pay their share of any Des Plaines Valley bonds that may be passed. That double payment scenario seemed less than appealing to the affected taxpayers, and it followed that if the transfer was to happen, it either needed to happen in August 2008, or not for another 20 years.

FACILITIES

The Fountaindale Branch in Romeoville was a 33 year old, vastly oversized facility on Normantown Road, in the northern section of Romeoville. Because this facility was roughly four times the size that it needed to be to serve the 12,000 Fountaindale patrons in Romeoville, large portions of the facility had been leased out for non-library purposes.

USAGE

The old boundary line between Fountaindale and Des Plaines Valley was Romeo Road (135th Street). Statistically, more than half of the materials loaned from the Fountaindale branch in "North" Romeoville went to Des Plaines Valley patrons (living south of Romeo Road) who visit that facility because it was closer than either of the Des Plaines Valley branches – located in Lockport and Crest Hill. Therefore, if no transfer was made and a new Des Plaines Valley facility was built in the southern end of Romeoville, it was generally accepted that all village residents living south of 135th St. and likely many of those nearby in "North" Romeoville would have chosen to utilize this new library facility. The oversized and expensive-to-operate Fountaindale facility on Normantown Road was thus likely to have its usage drop by

50% or more and become even less viable to operate. Therefore the transfer much more closely aligned expected library utilization patterns with the impact of taxation on affected library patrons.

BUSINESS CONSIDERATIONS

The amount of funding required by Fountaindale to operate its Romeoville Branch exceeded the tax revenues produced by that portion of Romeoville by about \$800,000 each year. For many years that funding shortage was made up by the taxpayers of Bolingbrook. By transferring the "North" Romeoville territory to Des Plaines Valley, while resulting in a loss of overall EAV for Fountaindale, it created a net gain in funding for the Fountaindale library facility in Bolingbrook. Additionally, prior to the transfer, six out of seven Fountaindale district residents lived outside of Romeoville making it unlikely that any new or vastly improved facility would ever be approved by that District's voters in the future.

REFERENDA

Fountaindale put a referendum question on the ballot in February 2008 to pass a \$48.5 million bond issue. \$43.5 million of that was to construct a large new library facility in Bolingbrook. \$5 million of that was to provide limited renovations to their Romeoville branch. Strictly speaking, that referendum failed among the Romeoville voters, but passed by a high enough margin in Bolingbrook that it was deemed successful overall. Polling indicated that the Romeoville voters wanted a new building, not just a small makeover to their old one. Ultimately, the bonds approved by that election were likely to be sold in fall 2008. Transferring "North" Romeoville to Des Plaines prior to the issuance of those bonds meant that the residents of Romeoville would escape the Fountaindale bond debt and avoid paying for something they as a community did not want.

THE FOUR YEAR AGREEMENT

Because the success of the Des Plaines Valley referendum election in November 2008 was not a foregone conclusion, both library Boards agreed that for an interim period, all of the tax dollars collected by Des Plaines Valley from the transferred territory would be passed back to Fountaindale for a period of four years. Because these dollars would be collected under Des Plaines Valley's tax rate, there would be a significant shortfall of funding. In year one, Fountaindale was to fully fund the Romeoville Branch at the level to which it was accustomed. In year two (2009/2010) Fountaindale agreed to make up 50% of the budget shortfall created by Des Plaines Valley's rate. In year three, Fountaindale must make up 30% of the shortfall, and in year four only 15% of the budget shortfall. Thus, Des Plaines Valley is in essence contracting with Fountaindale to provide services in Romeoville until the new Des Plaines facility in Romeoville opens (or until four years expire) and that service will be reduced annually to meet the contractual shortage of funds. If Des Plaines Valley does not successfully pass a referendum by 2012, they agree to explore other means to provide said services at a level consistent with the provision of library services elsewhere in the Des Plaines Valley district at that time.

RESIDENT CONSIDERATIONS

When this transfer was made, the library operating tax rate paid by residents in "North" Romeoville dropped from 28.4 cents per \$100 of assessed value (Fountaindale's rate) to 12.8 cents per \$100 of assessed value (the current Des Plaines Valley operating rate). In the fall 2008 referendum the Des Plaines Valley district asked to raise that back to 25.7 cents which would still have resulted in a net reduction in property taxes paid by the "North" Romeoville residents for library operations. That referendum was defeated.