

# POUDRE RIVER PUBLIC LIBRARY DISTRICT

## AGENDA ITEM SUMMARY

**Name of Requestor:** Jeff Barnes  
**Appearance Date:** November 10, 2014  
**Time Required:** 20 minutes  
**Date Decision Needed:** November 10, 2014

**Agenda Item:**

**VIII. UNFINISHED BUSINESS**

- c. Amendment to Capital Reserve budget policy

**Objective:**

Amend the budget policy regarding transfers to the Capital Projects Fund to fund the Library District's Capital Replacement Plan

**Situation:**

The Library District's current budget policy is as follows:

A Capital Reserve is established and will be funded annually based on 3%-5% of the annual budgeted revenue. The intent of this reserve is to accumulate funds for the major repair or replacement of District facilities and/or equipment, and for new or expanded facilities. This reserve will be maintained separate from the District's General Fund in a Capital Projects Fund.

With the expansion and remodel of Old Town Library, improvements to Library Park and the purchase of Webster House Administration Center, the need to accumulate funds for new or expanded facilities has been met for the time being.

**Proposal:**

Management is proposing the policy be modified to set the annual transfer at \$250,000 which is adequate to fund the Capital Replacement Plan developed in 2013 and provide some funds for future facility needs.

**Advantages:**

The amended policy will be adequately fund the Capital Replacement Plan while allowing funds beyond those needs to remain in the General Fund and be available for operating costs.

**Disadvantages:**

The amended policy will provide for less funds for facility acquisition. However at this point, the need for such funds has not been identified.

**Requested Action:**

***Approve a resolution changing the current Budget Policy, to read "A Capital Reserve is established and will be funded annually at \$250,000. The intent of this reserve is to accumulate funds for the major repair or replacement of District facilities and/or equipment, and for new or expanded facilities. This reserve will be maintained separate from the District's General Fund in a Capital Projects Fund."***

**Potentially Affected Interest:**  
General public, staff, Trustees

**Level of Public Interest and Participation:**  
low - moderate