

POUDRE RIVER PUBLIC LIBRARY DISTRICT

AGENDA ITEM SUMMARY

Name of Requestor: Jeff Barnes
Appearance Date: November 10, 2014
Time Required: 45 minutes
Date Decision Needed: November 10, 2014

Agenda Item:
**PUBLIC HEARING & APPROVAL OF
2015 POUDRE RIVER PUBLIC LIBRARY
DISTRICT BUDGET**

Objective:

Public Hearing and approval of 2015 budget, appropriations and certification of 2014 mill levy.

Situation:

At the October 13, 2014 board meeting, the 2015 budget was submitted to the Board. The details of the estimated revenue and proposed expenditures were reviewed.

The current proposed budget is the same overall as the draft presented to the Board at the October 13th meeting with one exception. There has been an \$8,000 reduction in donation revenue and program expenditures due to a decrease in the amount expected to be funded by the Friends of the Library. Otherwise, no changes have been made affecting total revenue and expenditures. Changes were made to the individual reporting departments for a reallocation of personnel costs based on current staff levels that did not affect the overall budget.

Since the October 13th meeting, the notice of public hearing was published and a copy of the budget information has been available on the District's website and at each library.

Proposal:

N/A

Advantages:

N/A

Disadvantages:

N/A

Requested Action:

Hold public hearing on the budget and approve resolutions adopting the proposed 2015 budget, appropriating funds for the 2015 budget, certifying the property tax mill levy.

Potentially Affected Interest:

General public

Level of Public Interest and Participation:

High

Poudre River Public Library District Presentation of Proposed 2015 Budget

The operating budget of the Poudre River Public Library District was drafted using the following requirements and assumptions –

- ✓ State required emergencies reserves would be maintained
- ✓ Board approved operating reserves would be maintained
- ✓ Board approved capital reserves would continue to be funded
- ✓ Loss of Building on Basics (BOB) sales tax revenue from the city of Fort Collins after 2015
- ✓ A portion of the unreserved fund balance will be reduced and used in future years

General Fund –

Revenue is budgeted to increase 2.0% in 2015 due primarily to increases in property taxes from new construction and higher levels of Specific Ownership Taxes. Revenue from these taxes is projected to increase \$212,500.

New staff positions include the addition of a Human Resources Manager, additional staffing of computer lab monitors at Old Town Library and additional staffing of the Answer Center during peak periods.

Expenditures in most areas are being held at their current levels. However, management is recommending a 2.5% increase in staff salaries and an increase from \$8.25 to \$9.00 per hour for circulation staff for 2015. Most expenditure line items have been held at their current levels. After several years of no or minimal increases, the cost of Health and Dental premiums are increasing 9%. The Collection Development budget is being increased to 12% of revenue. With the addition of the Human Resources Manager, less support services will be needed from the City of Fort Collins and so the budget for these services is being reduced.

Management is recommending the Capital Projects Fund be used to fund the Library District long-term Capital Replacement Plan. With this recommendation, the policy to transfer 3%-5% of revenue from the General Fund will be modified, with Board approval, to transfer a fixed amount of \$250,000. Also, because the Capital Replacement Plan includes technology equipment, the hardware portion of the Systems Administration budget is being reduced.

Both grant revenue and expenditure budgets are being adjusted to match anticipated grant activity in 2015.

Amounts budgeted for capital outlay and contingencies are being budgeted at the same level as the 2015 budget.

Capital Projects Fund -

For the Capital Projects Fund, approved budgets for the purchase of the remaining one-third interest in Webster House Administration Center and improvements at Council Tree Library will continue into 2015. \$125,000 is being budgeted in this fund for capital replacement.

Poudre River Public Library District
Proposed General Fund Budget
For the year ending December 31, 2015

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Forecast</u>	<u>2015</u> <u>Budget</u>	<u>2016</u> <u>Estimate</u>
Revenue:				
Property Tax	\$ 7,122,500	\$ 7,172,500	\$ 7,285,000	\$ 7,867,800
Specific Ownership Tax	475,000	550,000	525,000	525,000
Copier Charges & Other	20,000	15,000	20,000	20,000
Fines	180,000	180,000	180,000	180,000
Donations - Grants	120,800	105,350	77,800	77,800
Interest earnings	50,000	50,000	50,000	50,000
Intergovernmental	774,650	794,650	777,600	25,650
Total revenue	<u>8,742,950</u>	<u>8,867,500</u>	<u>8,915,400</u>	<u>8,746,250</u>
Expenditures:				
Administration	1,316,240	1,291,240	1,399,510	1,445,600
Systems Administration	622,415	622,415	607,680	628,100
Collection Services	697,530	697,530	717,860	737,200
Combined Operating Expenses	185,825	182,825	200,375	191,300
Answer Center	156,010	156,010	165,470	169,800
Outreach Services	278,560	298,560	323,070	327,200
Interlibrary Loan	161,760	156,760	176,290	177,800
Collection Development	982,400	1,086,200	1,073,100	1,104,700
Programming	123,200	104,600	95,200	106,200
Facilities	377,260	362,260	382,280	392,700
Old Town Operations	196,000	191,000	194,565	205,200
Old Town Public Service	738,880	730,880	742,530	766,800
Old Town Circulation	456,100	431,100	457,195	485,800
Harmony Operations	116,080	116,080	120,135	122,500
Harmony Public Service	506,320	502,320	551,855	547,900
Harmony Circulation	349,870	346,870	355,435	377,500
Council Tree Operations	256,500	251,500	255,465	266,100
Council Tree Public Service	308,445	293,445	314,680	328,100
Council Tree Circulation	412,785	400,285	431,510	444,300
Capital Outlay	50,000	25,000	50,000	50,000
Contingency	37,500	-	37,500	37,500
Total expenditures	<u>8,329,680</u>	<u>8,246,880</u>	<u>8,651,705</u>	<u>8,912,300</u>
Excess of revenue over Expenditures	413,270	620,620	263,695	(166,050)
Transfer to Capital Projects Fund	(252,050)	(266,550)	(250,000)	(250,000)
Excess of revenue over Expenditures and Transfers	161,220	354,070	13,695	(416,050)
Beginning Fund Balance	<u>4,629,250</u>	<u>4,826,050</u>	<u>4,987,270</u>	<u>5,000,965</u>
Ending Fund Balance	<u>\$ 4,790,470</u>	<u>\$ 5,180,120</u>	<u>\$ 5,000,965</u>	<u>\$ 4,584,915</u>
Allocation of Ending Fund Balance				
Emergency Reserve	\$ 262,300	\$ 262,300	\$ 262,600	\$ 267,300
Reserved for Funding Restrictions	917,550	865,900	953,100	620,500
Reserved for Donations	45,900	45,900	25,900	5,900
Designated for working capital/operations	1,748,600	1,748,600	1,783,100	1,749,300
Unreserved	1,816,120	2,257,420	1,976,265	1,941,915
Total	<u>\$ 4,790,470</u>	<u>\$ 5,180,120</u>	<u>\$ 5,000,965</u>	<u>\$ 4,584,915</u>

Poudre River Public Library District
Proposed General Fund Budget
Expenditures by Object
For the year ending December 31, 2015

Revenue:	
Property Tax	\$ 7,285,000
Specific Ownership Tax	525,000
Copier Charges	20,000
Fines	180,000
Donations	77,800
Interest earnings	50,000
Intergovernmental	777,600
Total Revenue	<u>8,915,400</u>

Expenditures:	<u>Personnel</u>	<u>Contractual</u>	<u>Commodities</u>	<u>Total</u>
Administration	\$ 672,660	\$ 718,350	\$ 8,500	1,399,510
Systems Administration	412,480	176,200	19,000	607,680
Collection Services	576,860	69,000	72,000	717,860
Combined Operating Expenses	45,825	141,350	13,200	200,375
Answer Center	162,970	-	2,500	165,470
Outreach Services	304,770	15,750	2,550	323,070
Interlibrary Loan	126,140	50,150	-	176,290
Collection Development	-	165,000	908,100	1,073,100
Programming	3,500	41,400	50,300	95,200
Facilities	122,730	252,050	7,500	382,280
Old Town Operations	95,565	86,500	12,500	194,565
Old Town Public Service	733,130	6,400	3,000	742,530
Old Town Circulation	426,195	22,500	8,500	457,195
Harmony Operations	91,785	15,750	12,600	120,135
Harmony Public Service	551,855	-	-	551,855
Harmony Circulation	355,435	-	-	355,435
Council Tree Operations	92,415	154,950	8,100	255,465
Council Tree Public Service	314,180	-	500	314,680
Council Tree Circulation	431,510	-	-	431,510
Capital Outlay	-	-	50,000	50,000
Contingency	-	-	37,500	37,500
Total Expenditures	<u>\$ 5,520,005</u>	<u>\$ 1,915,350</u>	<u>\$ 1,216,350</u>	<u>8,651,705</u>
Percent of total operating expenditures	64%	22%	14%	100%
Excess of revenue over Expenditures		165,000	908,100	263,695
Transfer to Capital Projects Fund		<u>1,750,350</u>	<u>308,250</u>	<u>(250,000)</u>
Change in Fund Balance				13,695
Beginning Fund Balance				<u>4,987,270</u>
Ending Fund Balance				<u>\$ 5,000,965</u>

Poudre River Public Library District
Summary of Budget Changes from 2014

Revenue Changes

Increase in property taxes	\$ 162,500
Increase in Specific Ownership taxes	50,000
United Way Grant	5,000
LSTA Grant	2,950
FOL decrease in funding	(8,000)
Decrease in consultant generated grant revenue	<u>(40,000)</u>

Change in revenue **\$ 172,450**

Expenditure Changes

Classified staff salaries (2.5%)	\$ 92,250
Hourly staff wages (2.5%, \$9 min)	38,225
Addition of HR manager position	120,000
Increase in Lab Monitors hours	5,750
Increase in Answer Center hours	5,200
Current staff position reclassifications	15,000
Health-Dental premium increase	52,300
Collection Development to 12% of revenue	87,450
United Way Grant	5,000
LSTA Grant	7,950
Decrease in Capital Fund transfer	(2,050)
Systems Admin capital replacement	(24,600)
City IGA decrease	(34,500)
Programming - FOL funding decrease	(8,000)
Decrease in consultant generated grant expenditures	<u>(40,000)</u>

Change in expenditures **\$ 319,975**