

Poudre River Public Library District

2017 Budget Study Session

September 26, 2016

The overall purpose of the budget study session is to obtain input from the Board of Trustees on the makeup of the 2017 budget that will be presented at the October 10th meeting of the Board of Trustees.

A ten year budget projection has been prepared based on the following revenue and expenditure assumptions. This projection shows a gradual reduction of the General Fund Unreserved Fund Balance.

Assumptions of Proposed Budget Projection through 2025:

- Property Tax Revenue will increase 2% in 2017 based on the preliminary assessed valuation notice received from the Larimer County Assessor plus another 1% for Refunds and Abatements
- Property Tax Revenue will grow by 8% in reassessment years and 2% in alternate years (primarily from new construction)
- Specific Ownership Taxes will grow by \$50,000 in 2017 and continue to grow over the next ten years.
- Increase in Personnel costs of 4% annually for salary and benefit changes
- Collection Development budget equal to 12% of revenue
- Increase in other operating costs of 2% annually
- Maintain the current working capital reserve of 20% of revenue

Proposed Operating 2016 General Fund Budget

Proposed changes to the current budget for 2016 would result in a decrease in the Fund Balance of the General Fund of \$428,850. Those changes are as follows -

Poudre River Public Library District
Summary of Proposed Budget Changes for 2017

Revenue Changes

1	Increase in property taxes	\$ 260,200
2	Increase in Specific Ownership taxes	50,000
3	Decrease in funding from the Poudre Library Trust	<u>(11,500)</u>
4	Change in revenue	<u>\$ 298,700</u>

Expenditure Changes

5	Classified staff salaries (3%)	\$ 122,490
6	Hourly staff wages (3%)	23,440
7	Implementation of Compensation Plan	107,125
8	Health-Dental premium increase (10%)	74,600
9	Collection Development to 12% of revenue	37,250
10	Increase is cost of support services from City of Fort Collins	25,500
11	Staff training	20,000
12	Increase in janitorial contract	18,500
13	Additional Outreach Services staff	11,225
14	Innovation funding	10,000
15	Increase in County Treasurer fees	5,000
16	Removal of Children and Teen iPads/apps - 2016 item	(7,500)
17	Removal of technology improvements and data storage capacity - 2016 item	(15,000)
18	Remove Facilities Master Plan consultant - 2016 item	(30,000)
19	Remove intern librarian position	<u>(35,355)</u>
20	Change in expenditures	<u>\$ 367,275</u>

Capital Projects Fund Budget

For 2017, expenditures are anticipated to be replacement computers and other items from the Capital Replacement Plan developed for the 2014 budget, the addition of security cameras for Old Town Library and completion of the Old Town Library elevator renovation. The security cameras will be funded using the Paul Gwyn bequest. The budget will be brought to the Board for approval once the costs are known.

Board discussion items

Compensation study implementation

Budgeted reduction in unreserved fund balance

Use of portion of unreserved fund balance for facility improvements