

Poudre River Public Library District Presentation of Proposed 2017 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
- ✓ A portion of the unreserved fund balance will be reduced and used in future years

Revenue is budgeted to increase 3.2% in 2017 due to increases in property taxes from the primarily from new construction and higher levels of Specific Ownership Taxes. Revenue from these taxes is projected to increase \$310,200.

The only recommended staff addition for 2017 is an increase in 10 hours per week for Outreach Services. Currently there is one 10 hours/week position budgeted to assist the classified staff with story time activities throughout the District. This position would go to 20 hours/week to meet the requests for this service. A full time librarian position is being discontinued for 2017. This was a two-year intern position, added in the 2016 budget, intended to provide an opportunity for a recent graduate. The outside partial funding for this position did not occur and so the position is being removed from the listing of staff positions.

Expenditures are increasing 3.9% for 2017. Most expenditure line items have been held at their current levels. Of the items that are changing, the following are the more significant. Management is recommending a 3% increase in staff salaries and funds to implement the results of the compensation study conducted in 2016. As Phase I of implementing the new pay plan, the Board approved an increase in the wages of the hourly staff in 2016 along with raises for the classified staff that were under their minimum salary levels in the new plan. The budget request for 2017 takes care of the funding of Phase I for a full year and the implementation of Phase II. This phase will adjust the classified staff salaries to align their salaries to the appropriate position within the pay grade ranges based on their years of experience. The cost of Health and Dental premiums are estimated to increase 10%.

The Collection Development budget is being increased to maintain the 12% of revenue budgeted for this activity. The cost of support services from the city of Fort Collins is increasing to reflect our share of their increasing costs. The janitorial cost is increasing due to a change in service provider. Last year, after a bid process, a new vendor was selected which decreased the Library's cost. That vendor went out of business and the replacement contract came with a higher fee. There were some one-time items in the 2016 budget totaling \$52,500 which are being removed from the 2017 budget.

Amount budgeted for capital outlay is being budgeted at the same level as the 2016 budget. The Contingency Fund included in prior years' budgets has been removed. The budgeted amount has been reallocated to line items that will be over budget based on the current forecast of the 2016 budget.

The Capital Projects Fund will fund the needs of the Capital Replacement Plan in 2017. The timing of the security cameras and the elevator refurbishment, both at Old Town Library, will determine if these projects are 2016 or 2017 projects. It is anticipated that the Capital Projects Fund budget for 2016 will be amended for these items once the full cost has been determined. Funding for the security cameras will be from the Paul Gwyn bequest.

**Poudre River Public Library District
Proposed General Fund Budget
For the year ending December 31, 2017**

	<u>2016</u> <u>Budget</u>	<u>2016</u> <u>Forecast</u>	<u>2017</u> <u>Budget</u>	<u>2018</u> <u>Estimate</u>
Revenue:				
Property Tax	\$ 8,359,500	\$ 8,359,500	\$ 8,619,700	\$ 9,309,300
Specific Ownership Tax	550,000	650,000	600,000	600,000
Copier Charges & Other	20,000	20,000	20,000	20,000
Fines	180,000	180,000	180,000	180,000
Donations - Grants	91,500	91,500	80,000	80,000
Investment earnings	50,000	75,000	50,000	50,000
Intergovernmental	32,000	32,000	32,000	32,000
Total revenue	<u>9,283,000</u>	<u>9,408,000</u>	<u>9,581,700</u>	<u>10,271,300</u>
Expenditures:				
Administration	1,622,315	1,669,750	1,689,080	1,758,600
Systems Administration	648,455	648,450	664,725	692,200
Collection Services	747,580	746,900	784,635	817,100
Combined Operating Expenses	250,975	194,150	268,145	279,200
Answer Center	171,840	178,300	179,310	186,700
Outreach Services	313,165	310,850	344,470	358,700
Interlibrary Loan	179,080	172,700	186,925	194,700
Collection Development	1,140,220	1,184,220	1,177,470	1,226,200
Programming	102,200	102,200	102,200	106,400
Facilities	387,645	398,350	415,020	432,200
Old Town Operations	258,145	216,150	262,545	273,400
Old Town Public Service	836,970	756,550	823,555	857,600
Old Town Circulation	489,815	441,600	537,630	559,900
Harmony Operations	122,005	117,700	126,350	131,600
Harmony Public Service	606,785	555,500	634,145	660,400
Harmony Circulation	385,270	372,900	427,775	445,500
Council Tree Operations	258,930	256,100	270,425	281,600
Council Tree Public Service	335,315	327,800	340,335	354,400
Council Tree Circulation	449,065	409,100	475,810	495,500
Capital Outlay	50,000	28,000	50,000	50,000
Contingency	37,500	245,000	-	-
Total expenditures	<u>9,393,275</u>	<u>9,332,270</u>	<u>9,760,550</u>	<u>10,161,900</u>
Excess of revenue over Expenditures	(110,275)	75,730	(178,850)	109,400
Transfer to Capital Projects Fund	(250,000)	(250,000)	(250,000)	(250,000)
Excess of revenue over Expenditures and Transfers	(360,275)	(174,270)	(428,850)	(140,600)
Beginning Fund Balance	<u>5,788,825</u>	<u>6,027,585</u>	<u>5,853,315</u>	<u>5,424,465</u>
Ending Fund Balance	<u>\$ 5,428,550</u>	<u>\$ 5,853,315</u>	<u>\$ 5,424,465</u>	<u>\$ 5,283,865</u>
Allocation of Ending Fund Balance				
Emergency Reserve	\$ 283,500	\$ 283,500	\$ 287,450	\$ 304,700
Reserved for Funding Restrictions	661,450	661,450	188,475	150,275
Reserved for Donations	5,900	5,900	-	-
Designated for working capital/operations	1,856,600	1,856,600	1,916,300	2,054,300
Unreserved	2,621,100	3,045,865	3,032,240	2,774,590
Total	<u>\$ 5,428,550</u>	<u>\$ 5,853,315</u>	<u>\$ 5,424,465</u>	<u>\$ 5,283,865</u>

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 in 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>

Poudre River Public Library District
Proposed General Fund Budget
Expenditures by Object
For the year ending December 31, 2017

Revenue:	
Property Tax	\$ 8,619,700
Specific Ownership Tax	600,000
Copier Charges	20,000
Fines	180,000
Donations	80,000
Interest earnings	50,000
Intergovernmental	32,000
Total Revenue	<u>9,581,700</u>

Expenditures:	<u>Personnel</u>	<u>Contractual</u>	<u>Commodities</u>	<u>Total</u>
Administration	\$ 848,630	\$ 831,550	\$ 8,900	1,689,080
Systems Administration	469,525	176,200	19,000	664,725
Collection Services	643,635	69,000	72,000	784,635
Combined Operating Expenses	58,595	176,350	33,200	268,145
Answer Center	176,810	-	2,500	179,310
Outreach Services	323,770	9,750	10,950	344,470
Interlibrary Loan	134,275	52,150	500	186,925
Collection Development	-	165,000	1,012,470	1,177,470
Programming	3,500	48,400	50,300	102,200
Facilities	135,470	269,550	10,000	415,020
Old Town Operations	103,545	146,500	12,500	262,545
Old Town Public Service	815,405	5,150	3,000	823,555
Old Town Circulation	506,630	22,500	8,500	537,630
Harmony Operations	98,500	15,750	12,100	126,350
Harmony Public Service	632,395	1,250	500	634,145
Harmony Circulation	427,525	-	250	427,775
Council Tree Operations	103,875	158,450	8,100	270,425
Council Tree Public Service	339,585	250	500	340,335
Council Tree Circulation	475,560	-	250	475,810
Capital Outlay	-	-	50,000	50,000
Total Expenditures	<u>\$ 6,297,230</u>	<u>\$ 2,147,800</u>	<u>\$ 1,315,520</u>	<u>9,760,550</u>
Percent of total operating expenditures	65%	22%	13%	100%
Excess of revenue over Expenditures				(178,850)
Transfer to Capital Projects Fund				<u>(250,000)</u>
Change in Fund Balance				(428,850)
Beginning Fund Balance				<u>5,853,315</u>
Ending Fund Balance				<u>\$ 5,424,465</u>

**Summary of Capital Projects Fund Activity
Through December 31, 2017**

	Paul Gwyn Bequest	Capital Replacement		
		Restricted for Design/Land	Plan	Unrestricted
Balance December 31, 2015	\$ 182,203	\$ 40,377	\$ 222,948	\$ 36,581
Estimated 2016 Revenue - Expenditures				
2016 General Fund Transfer	-	-	250,000	-
Replacement of computer equipment	-	-	(25,000)	-
Old Town Library Elevator refurbishment	-	-	(100,000)	-
Old Town Library Security Cameras (1)	XXX	-	-	-
Balance December 31, 2016	182,203	40,377	347,948	36,581
2017 General Fund Transfer	-	-	250,000	-
2017 Capital Replacement fund budget	-	-	(125,000)	-
Balance December 31, 2017	<u>\$ 182,203</u>	<u>\$ 40,377</u>	<u>\$ 472,948</u>	<u>\$ 36,581</u>
				<u>\$ 482,109</u>

(1) - Projects costs determination in process