

Poudre River Public Library District Presentation of Proposed 2011 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
- ✓ Significant budget reductions would be needed in 2012 based on an anticipated reductions in property tax revenue
- ✓ A service center for the administrative staff, collection services staff, systems administration staff and programming staff will added as part of the expansion of public space in the main library

Revenue for 2011 is expected to decrease approximately one percent. However a loss in 2012 of 6%- 8% of property tax revenue is expected as a result of the bi-annual property reassessment process done by the county treasurers. This would decrease property tax revenue by \$484,000 in 2012 compared to the 2010 assessed valuations. In anticipation of the revenue decrease, expenditures cuts are being proposed for the 2011 budget by a net \$197,750. This will allow the District to manage the revenue decrease over a two year period.

Even with the net decrease in expenditures, some increases are included. Health/Dental insurance premiums for the employer are increasing 8%. There was no premium increase in 2010. The service center is estimated at \$150,000 per year for rent and operating costs. Half of this amount is included for 2011. A \$0.25/hour wage increase is proposed for the hourly staff. No increase was given in 2010. Based on annual surveys of other library systems, our wages are below the average for the hourly positions. Only one position is being added. That being a part-time graphics specialist to assist in creating print PR on a contractual basis. These four items represent 83% of the proposed increases of \$167,750 for 2011.

There are several items in the current budget that will not be fully spent in 2010 and it appears can be budgeted at reduced levels in 2011. These include professional fees, employee benefits, utilities, general supplies, and travel and training. A training librarian position that is currently vacant is being deleted. This task will be redistributed to existing staff. The change to a floating collection has lessened the volume of materials handled by the courier and will result in a decrease in the courier contract in 2011. The method of processing vendor invoices was changed in 2010 and is resulting in a decrease in charges for these services by the city of Fort Collins. The Book Express pilot project ended in 2010. This project had less use than anticipated and is being removed from the 2011 budget. This partial list of reductions represents 78% of the proposed decreases of \$387,000 for 2011.

The budget was drafted so that expenditures are less than the anticipated revenue. This results in the District being able to maintain its required reserve balances and provide funding for the expansion and remodel of the Main Library. The Main Library project will require a transfer of approximately \$1.3 million from the General Fund to the Capital Projects Fund. With this transfer, the Capital Projects Fund will have resources available to fully fund the \$4 million project budget and up to \$200,000 for the improvements recommended in a retro-commissioning report.

**Poudre River Public Library District
Proposed General Fund Budget
For the year ending December 31, 2011**

	<u>2010 Budget</u>	<u>2010 Forecast</u>	<u>2011 Budget</u>
Revenue:			
Property Tax	\$ 6,920,000	\$6,945,000	\$ 6,832,500
Specific Ownership Tax	500,000	475,000	475,000
Copier Charges & Other	25,000	44,500	25,000
Fines	150,000	195,000	175,000
Donations - Grants	94,800	104,000	94,800
Interest earnings	75,000	92,500	75,000
Intergovernmental	744,000	794,000	744,000
	<u>8,508,800</u>	<u>8,650,000</u>	<u>8,421,300</u>
Expenditures:			
Administration	1,311,300	1,311,300	1,294,950
Systems Administration	676,700	575,000	560,000
Collection Services	324,500	275,000	605,650
Combined Operating Expenses	197,000	120,000	84,100
Collection Development	962,300	962,300	935,000
Programming	146,100	131,100	134,900
Main Facilities	313,100	283,100	376,700
Main Operations	101,000	101,000	191,950
Main Public Service	-	-	1,045,470
Main Adult Services	680,800	645,800	-
Main Children's Services	642,900	627,900	-
Main Circulation	698,200	653,200	738,900
Harmony Operations	119,900	109,900	115,100
Harmony Public Service	-	-	484,080
Harmony Children's	170,500	205,500	-
Harmony Adult	256,900	231,900	-
Harmony Circulation	501,900	481,900	375,600
Council Tree Operations	734,310	694,300	253,740
Council Tree Public Service	-	-	413,420
Council Tree Circulation	178,390	198,400	210,990
Capital Outlay	75,000	110,000	75,000
Contingency	100,000	-	100,000
	<u>8,190,800</u>	<u>7,717,600</u>	<u>7,995,550</u>
Excess of revenue over			
Expenditures	318,000	932,400	425,750
Transfer to Capital Projects Fund	(255,300)	(425,500)	(252,800)
Excess of revenue over			
Expenditures and Transfers	<u>62,700</u>	<u>506,900</u>	<u>172,950</u>
Beginning Fund Balance	<u>4,409,232</u>	<u>4,582,553</u>	<u>4,900,000</u>
Ending Fund Balance	<u>\$ 4,471,932</u>	<u>\$ 5,089,453</u>	<u>\$ 5,072,950</u>
Allocation of Ending Fund Balance			
Emergency Reserve	243,470	245,700	239,870
Reserved for Funding Restrictions	478,300	552,250	718,250
Reserved for Donations	305,800	110,347	110,350
Designated for working capital/operations	1,701,800	1,701,800	1,684,300
Unreserved	<u>1,742,562</u>	<u>2,479,356</u>	<u>2,320,180</u>
Total	<u>\$ 4,471,932</u>	<u>\$ 5,089,453</u>	<u>\$ 5,072,950</u>

**Poudre River Public Library District
Proposed General Fund Budget
Expenditures by Object
For the year ending December 31, 2011**

Revenue:	
Property Tax	\$ 6,832,500
Specific Ownership Tax	475,000
Copier Charges	25,000
Fines	175,000
Donations - Grants	94,800
Interest earnings	75,000
Intergovernmental	744,000
	<u>8,421,300</u>

Expenditures:	<u>Personnel</u>	<u>Contractual</u>	<u>Commodities</u>	<u>Total</u>
Administration	\$ 561,400	\$ 725,050	\$ 8,500	1,294,950
Systems Administration	388,700	147,200	24,100	560,000
Collection Services	509,550	89,100	7,000	605,650
Combined Operating Expenses	30,000	47,600	6,500	84,100
Collection Development	-	120,000	815,000	935,000
Programming	10,200	60,400	64,300	134,900
Main Facilities	77,000	297,200	2,500	376,700
Main Operations	93,450	78,500	20,000	191,950
Main Public Service	1,036,070	6,400	3,000	1,045,470
Main Circulation	633,400	94,500	11,000	738,900
Harmony Operations	85,500	14,000	15,600	115,100
Harmony Public Service	484,080	-	-	484,080
Harmony Circulation	347,000	28,600	-	375,600
Council Tree Operations	90,440	157,200	6,100	253,740
Council Tree Public Service	403,420	-	10,000	413,420
Council Tree Circulation	210,990	-	-	210,990
Capital Outlay	-	-	75,000	75,000
Contingency	-	-	100,000	100,000
	<u>\$ 4,961,200</u>	<u>\$ 1,865,750</u>	<u>\$ 1,168,600</u>	<u>7,995,550</u>

Excess of revenue over Expenditures	425,750
Transfer to Capital Projects Fund	<u>(252,800)</u>
Excess of revenue over Expenditures and Transfers	172,950
Beginning Fund Balance	<u>4,900,000</u>
Ending Fund Balance	<u>\$ 5,072,950</u>

**Poudre River Public Library District
Summary of Draft Budget Changes for 2011**

Revenue change

Property taxes	\$ (87,500)
Specific Ownership tax	(25,000)
Fines	<u>25,000</u>
Net revenue decrease	<u>(87,500)</u>

Cost changes

Increases

Health/Dental increase	47,500
Service center - 6 months	75,000
Graphic position - 20 hrs/wk	16,500
Communications budget	5,000
1/4 time facility help	5,500
Collection agency	2,500
Janitorial	3,500
Insurance	7,500
Hourly wage increase - \$0.25/hour	17,500
MIS - email	8,750
	<u>-</u>
	<u>189,250</u>

Decreases

Legal fees	(30,000)
Training librarian	(70,000)
City Services (Purchasing) change	(40,000)
Reclass budget decrease	(25,000)
Benefit budget analysis	(25,000)
Travel/training	(20,000)
Courier contract	(30,500)
BookExpress - outreach	(45,000)
Desk hours - sub change	(20,000)
Programming	(10,000)
Software/hardware supplies	(12,500)
Main Repair & Maintenance	(12,500)
Main utilities	(10,000)
Council Tree utilities	(5,000)
Council Tree - prof services	(5,000)
Library cards	(4,000)
Overall supplies	(10,000)
CT - Front Range Village/Condo fees	(10,000)
Capital reserve decrease	<u>(2,500)</u>
	<u>(387,000)</u>

Net cost decrease	<u>(197,750)</u>
Net budget change	\$ (110,250)

**Poudre River Public Library District
Capital Projects Fund
For the year ending December 31, 2011**

	<u>2010 Budget</u>	<u>2010 Forecast</u>	<u>2011 Budget</u>
Revenue:			
Interest earnings	\$ -	\$ 32,100	\$ -
Intergovernmental	-	160,000	-
Total Revenue	<u>-</u>	<u>192,100</u>	<u>-</u>
Expenditures:			
Capital Outlay - Architect Fees	<u>120,000</u>	<u>117,250</u>	<u>-</u>
Excess (Deficit) of revenue over (under) Expenditures	(120,000)	74,850	-
Transfer From General Fund	<u>-</u>	<u>425,500</u>	<u>-</u>
Excess (Deficit) of revenue over (under) Expenditures and Transfers	<u>(120,000)</u>	<u>500,350</u>	<u>-</u>
Beginning Fund Balance	<u>2,523,936</u>	<u>2,523,936</u>	<u>-</u>
Ending Fund Balance	<u>\$ 2,403,936</u>	<u>\$ 3,024,286</u>	<u>\$ -</u>
Restricted for Land and Design		\$ 788,650	
Restricted for Impact Fee Purposes		982,100	
Designated for Capital Projects		<u>1,253,536</u>	
Ending Fund Balance		<u>\$ 3,024,286</u>	