

## 2018 Budget Message Estes Valley Public Library District

**Mission:** *To bring people, ideas and opportunities together for the enrichment of our community, by providing access to quality information, resources and services.*

The Proposed Budget for 2018 for the Estes Valley Public Library District includes revenues of \$1,778,444 in general property taxes and approximately \$435,079 in additional revenues for a total of \$2,213,523. The assessed valuation for the district is up 6.4% after being up .5% in 2017. The operating mill levy is 4.52. Additionally, the district will levy .395 mills to collect taxes abated and refunded. This unusually high abatement number is due to a settlement with the YMCA of the Rockies concerning their tax-exempt status. Our final mill levy certified to the county will be 4.915. Accordingly, the special features of this proposed budget include:

- To ensure effective and sustainable funding for another decade, the library board of trustees completed a 10-year financial forecast in 2013. In 2014, district voters agreed to set the annual property tax rate for the library to 4.52 mills to meet the library's 10-year strategic funding plan.
- The board of trustees' finance policy articulates parameters for district income and expenses and ensures prudent fiscal management. Staff members adhere to these financial curbs and reporting standards. This policy details the district's General Fund, which includes four distinct accounts:
  1. *Operating Account*
  2. *Short Term Operating Reserve*
  3. *Long Term Operating Reserve*
  4. *Capital Replacement Reserve*
- The Library meets community expectations by fulfilling its Comprehensive Plan. Notable 2018 strategic projects include:
  - Makerspace Tools: These added amenities to the renovated 2<sup>nd</sup> floor, will enable patrons with shared interests to work on creative projects while sharing ideas, equipment and knowledge.
  - Community Center 'mini-branch': Rolled over from 2017, the library's newest outreach location includes exterior and interior installations of technology and other capital investments to make library materials more accessible.
  - Continued expansion of digital collections: This is the third year the library will make an annual investment of \$45,000 towards this collection.
  - According to the TABOR Amendment, the district must maintain an emergency reserve of not less than 3% of fiscal year spending. That sum in 2018 is \$60,604. The district's practice has exceeded that requirement by maintaining a *Short Term Operating Reserve* to provide three months' operating expenditures, which amounts to approximately \$399,000 for year 2018.
  - With the increased mill levy revenue from 2014 to the present, the district's revenue will exceed budgeted expenses and reserve needs. This surplus will be held in the *Long Term Operating Reserve* to meet forecasted operating expenses in accordance with the 10-year strategic financial plan. Excess revenue for 2018 is projected at

\$193,382. This annual surplus is expected to decrease over the first few years of the planning period and accumulate to supplement the last years of the planning period.

- In 2018, district property values are projected to increase. Though the library district is again on revenue track with our 10-year Financial Plan.
- In addition, a minimum *Capital Replacement Reserve* has been designated for planned and unexpected facility maintenance and improvement expenditures.
- The district is fortunate to have the support of the Library Friends & Foundation, which makes generous contributions for strategic projects such as the Summer Reading Program, digital acquisitions, marketing/communication publications and facility upgrades. The library can only meet its strategic funding plan with the philanthropic support of our donors, as managed by the Friends & Foundation. Their collective gifts account for 13.6% of the District's total revenue in 2018.

The 2018 budget for the Estes Valley Public Library District is prepared using the modified accrual basis of accounting as used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual [i.e. when they become both measurable and available]. Measurable means the amount of the transaction can be determined, and available means collectible within the current period. Property taxes are considered measurable in the period levied, but not available until the subsequent year. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, intergovernmental grants and interest earnings. Charges for services, fines and donations are not susceptible to accruals because generally they are not measurable until received in cash.

**The proposed 2018 budget for the District includes the following objectives:**

- Our collections, programs and services
- Our people
- Our physical and technical capacities
- Our financial capacity
- Our communication and development competencies

With thanks to Kieran Rowser, Administrative Specialist, I submit this Proposed Budget for 2018 for your recommendation and adoption. Thank you for your consideration.

Claudine Perrault  
Director