

2019 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 2019 for the Estes Valley Public Library District includes revenues of \$1,641,824 in general property taxes and approximately \$377,170 in additional revenues for a total of \$2,018,994. The assessed valuation for the district is up 1.3% after being up 6.4% in 2018. The operating mill levy is 4.52. Additionally, the district will levy .013 mills to collect taxes abated and refunded. Our final mill levy certified to the county will be 4.533. 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 2019 strategic projects include:
 - Hiring a Space Planner: To account for an expansion of existing space, due to the relocation of the Friends & Foundation operated donated-book sorting and reselling functions of their fundraising program.
 - Focus on Exceptional Programs: The Library offers regularly scheduled and signature programs as part of its core service model. Programs like One Book One Valley and the annual Summer Reading Program are in response to patron satisfaction surveys.
 - Replacing RTUs: Part of the library's comprehensive plan is to grow internally to succeed externally. This includes major capital improvements, such as ongoing care and replacement of the facility HVAC units, scheduled for 2019.
- 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 \$59,807. 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 \$507,000 for year 2019.
- 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 2019 is projected at \$19,543. 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 2019, district property values are projected to increase, keeping the library district 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:
 1. *Focus on Early Literacy*: Early Childhood Music Workshops, Storytime Kits, Summer Reading Program for youth, and After School Programs.
 2. *Enable Lifelong Learning*: English Language Learning – Curriculum Materials and Makerspace Programs.
 3. *Enable a Greater Sense of Community*: Monthly Literary Events, One Book One Valley, Summer Reading Program for Teen & Adult and Current Affairs.
 4. *Deliver Materials on a Personalized Basis*: “Lucky Day” program.
 5. *Grow Internally to Succeed Externally*: Development Office.
- 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 9.9% of the District’s total revenue in 2019.

The 2019 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 2019 budget for the District includes the following goals:

1. Focus on Early Literacy
2. Enable Lifelong Learning
3. Enable a Greater Sense of Community
4. Deliver Materials on a Personalized Basis
5. Grow Internally to Succeed Externally

With thanks to Kieran Rowser, Administrative Specialist, I submit this Proposed Budget for 2019 for your recommendation and adoption. Thank you for your consideration.

Claudine Perrault
Director