

2024 Budget Message

Estes Valley Public Library District

Library Mission Statement: To be a hub of community-driven resources for people to share.

The Proposed Budget for 2024 for the Estes Valley Public Library District includes revenues of \$2,643,624 in general property taxes, approximately \$799,295 in additional revenues and \$1,500,000 from reserves and fundraising for a total available funds of \$4,942,919. The assessed valuation for the district is up 34.46% from the prior year. The operating mill levy is 4.52. Additionally, the district will levy .004 mills to collect taxes abated and refunded. Our final mill levy certified to the county will be 4.524. 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, which is updated annually. 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. That plan continues as a rolling 10-year financial forecast.
- 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. The finance 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*

In 2023, the Library Board approved a 5-year Strategic Plan to begin in 2024. The annual work plan for 2024 will be to ***reinitalize the library building***. Notable 2024 projects include:

- **Refresh spaces to energize the Library experience:** We have budgeted for a refurbishment of the Library building in order to remain of value to our community, whose interests and priorities have shifted over time. A design-build team was selected in 2023, and a phased renovation is scheduled to begin in late 2024.
- **Provide responsive services to a diverse public.** Patron requests continue to trend towards digital materials, made more quickly available. The Library is adding downloadable music, and increasing expenditures for both physical and digital collections in order to reduce hold wait times. In addition, we are implementing translation technology for service desk locations.
- **Nurture our village partnerships:** The Library's affiliation with area schools goes beyond a shared materials catalog. In 2024 we will be redirecting database funding to better align our subscription services to the needs of local students.
- **Invest in our team and operations:** Retaining a well-trained staff is paramount to successful operations. While the metro-area consumer-price index rose 4.5% in 2023, the library plans to increase salaries 10% on average in 2024, in order to bring compensation to competing market rates.

- o According to the TABOR Amendment, the district must maintain an emergency reserve of not less than 3% of fiscal year spending. That sum in 2024 is \$84,409. 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 \$703,409 for the year 2024.
- o With the increased mill levy revenue from 2014 to the present, the district's revenue will exceed budgeted expenses and reserve needs. Excess revenue for 2024 is projected at \$78,783. 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.
- o In 2024 the *Capital Replacement Reserve* will again be treated as a true Capital Replacement Reserve. An amount of \$190,000 will be transferred from the General Fund Budget to bring this account back up to the minimum requirement of \$100,000, plus an additional amount to save for future capital projects.
- o The district is fortunate to have the support of the Library Friends & Foundation, which makes generous contributions for strategic projects. 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 10.5% of the District's operating revenue in 2024, plus an additional amount of \$600,000 for the planned library remodel.

The 2024 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, fees and donations are not susceptible to accruals because generally they are not measurable until received in cash.

The proposed 2024 budget for the District includes the following Strategic goals:

1. We respond to community needs.
2. We bring people back to a vibrant library.
3. We reach outside library walls to build community.
4. We invest in our team and operations.

With thanks to Library Accountant Cindy Seckman, I submit this Proposed Budget for 2024 for your consideration and adoption.

Respectfully submitted,

Claudine Perrault,
Village Librarian & Library Director