



2019 Annual Plan & Budget

November 29, 2018

PUEBLO CITY-COUNTY LIBRARY DISTRICT

Finance Office
100 E Abriendo Avenue
Pueblo, Colorado 81004

2019 Annual Plan & Preliminary Budget

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2019 Annual Plan

The Pueblo City-County Library District (PCCLD) recently achieved among its highest recognitions for service to the community. PCCLD was awarded the prestigious National Medal for Museum and Library Service earlier this year. In November 2018 for the second consecutive year, PCCLD received *Library Journal's* renowned Four Star Library designation, which places the local public library in the top three percent from among 7,361 public libraries in the United States according to standard industry key measures. In March 2018, PCCLD was elected as America's Best Public Library in a national "people's choice" competition. These accolades affirm the dedication to planning, accountability, and service by those who work on behalf of the district plus strong support for the institution from the community it serves. This work continues with the presentation here of the PCCLD 2019 Annual Plan.

PCCLD's current broad aims and interests are described in [Curating Connections: Pueblo City-County Library District 2016-2020 Strategic Planning Initiative](#). This document helps set the current path forward for libraries locally in calling for special attention to these six areas:

- Create young readers
- Strengthen community partnerships
- Bridge the digital divide
- Data-driven planning
- Serve the whole family at all stages of life
- Lifelong learning begins with staff.

http://www.pueblolibrary.org/sites/default/files/2015_strategicplan.pdf

These areas of strategic focus provide guidance for this 2019 annual planning document. PCCLD also continues to endeavor to achieve designated key results, including promoting increased use of digital services and traditional collections plus working to ensure more customers visit district libraries to read, study, learn, and participate in library-sponsored cultural and educational events and activities. Delivery

on these are important measures of the organization's vitality and success. PCCLD's mission to provide the best possible public library service for the community relates directly to these strategic goals and key results. PCCLD will strive in 2019 to implement specific objectives in support of these.

The objectives and action steps outlined below are intended to do this. They are the end product of a planning process involving participation by PCCLD stakeholders, including employees, Trustees, Friends of the Library, and the Pueblo Library Foundation. Those objectives representing new initiatives for 2019 are listed in the following pages along with others identified with notable bearing on financial resources. This plan also includes consideration for current negative revenue forecasts caused by Colorado's Gallagher Amendment. Each objective is listed in alphabetical order and accompanied by action steps intended to facilitate their accomplishment. This annual plan document is the outcome of much consideration and effort, and provides positive direction for the district in fulfilling its overarching aim to provide the best possible public library service to the community.

- I. Achieve safety training for 100% of district staff in order to attain 10% savings on PCCLD SDA pool insurance.

Action Steps

- 1. Determine qualifying courses and timeline.
- 2. Create sign-up checklist and monitor enrollment.
- 3. Track achievement toward training completion goal.
- 4. Apply for savings credits.

- II. Carry on work to respond positively and proactively to revenue challenges for PCCLD posed by the state's Gallagher Amendment so local libraries can continue to thrive.

Action Steps

- 1. Work with state government on resolution to the funding reductions caused by Gallagher.
- 2. Research possible campaign for local vote.
- 3. Prepare for any forthcoming revenue reduction.
- 4. Assess outcomes of steps 1-3 and take necessary action to ensure appropriate future expenditures aligns with revenue.

- III. Complete transition to the new Integrated Library System (Koha) and refine associated services and procedures.

Action Steps

- 1. Assess outcomes of preliminary implementation of Koha.
- 2. Identify gaps in results.
- 3. Determine steps to remedy any omissions.
- 4. Implement changes to address and assess outcomes.

- IV. Conduct a salary market study of jobs like those at PCCLD to help ensure employees are compensated fairly and competitively.

Action Steps

- 1. Seek qualified third party expertise to conduct study.
- 2. Employ selected vendor in research, analysis, and reporting.
- 3. Review report and discern steps forward.

- V. Continue work toward reimagining and refreshing interior space of the Rawlings Library in alignment with contemporary and projected future public library use.

Action Steps

- 1. Finalize conceptual design and budget estimates.
- 2. Determine financial and fundraising plan.
- 3. Authorize development of construction documents and remodeling timeline.
- 4. Commence physical renovation.

- VI. Establish a PCCLD employee power-user curriculum to better ensure excellent customer service.

A. Action Steps

- 1. Identify key elements of what constitutes expert service.
- 2. Create training program.
- 3. Implement training with incentives for individual employee completion.
- 4. Assess outcomes.

- VII. Expand PCCLD program attendance key result dashboard to include effective tools for analyzing other district key results.

Action Steps

- 1. Analyze vital elements of the programs dashboard
- 2. Pinpoint second PCCLD key result to benefit from dashboard analysis and tracking.
- 3. Develop draft dashboard and test.
- 4. Implement and evaluate.

- VIII. Finalize transition to updated financial accounting and procurement software to help ensure high quality fiscal tracking and reporting.

Actions Steps

- 1. Complete appraisal of test system.
- 2. Migrate data.
- 3. Implement procedures around new software and train staff.

- IX. Find a new purchase card vendor and implement associated changes in support of effective and efficient procurement practices.

Actions Steps

1. Decide components of desired service and write Request for Proposal (RFP).
2. Weigh RFP responses and select best, lowest-cost proposal.
3. Select vendor and transition to new program.

- X. Finish process for updating policies for employment and IT, and commence work to refresh finance policies so PCCLD’s guiding practices are current and up-to-date.

Action Steps

1. Revise current policies, as required.
2. Review updates with stakeholders.
3. Seek Trustee approval.
4. Communicate newly adopted policy documents.

- XI. Focus attention on building E-Circulation output to make certain the district is an industry leader in this emerging measure of public library success.

Action Steps

1. Examine current PCCLD E-Circulation output.
2. Compare with peer institutions and seek best practices.
3. Modify services, train staff, and promote to community.

- XII. Formulate district policies and practices for maker programming and “learning by doing” activities so PCCLD remains at the forefront of contemporary public library service.

Action Steps

1. Appoint committee of internal stakeholders to research and make recommendations.
2. Review and implement desired suggestions.
3. Monitor outcomes.

- XIII. Implement Ingram Eidelveiss collection development software tool to ensure PCCLD has the right materials available for its users.

Action Steps

1. Terminate subscription to Collection HQ.
2. Subscribe to Eidelveiss.

3. Create procedures for new service and train staff in use.
4. Evaluate project.

XIV. Improve PCCLD's information and referral services to help connect individuals seeking knowledge about human services available locally.

Action Steps

1. Review current community information and referral reference sources.
2. Acquire access to resources and organize for staff use and public dissemination.
3. Educate staff in use of resources.

XV. Increase the bandwidth of the back-up Internet service to better ensure high quality user experiences.

Action Steps

1. Locate quality service at low cost.
2. Subscribe to upgraded back-up Internet service.
3. Configure redundant connection with appropriate hardware.
4. Test and implement.

XVI. Initiate a pilot program for more site-based collection development in support of unique dispositions of individual neighborhoods.

Action Steps

1. Seek pilot branch library site.
2. Work with pilot site and Collection Development team on test processes.
3. Begin project.
4. Evaluate results and rollout to additional branch libraries.

XVII. Participate with the Pueblo City-County Health Department (PCCHD) as a distribution point for medications to better serve in the event of a community health crisis.

Action Steps

1. Review PCCHD program requirements.
2. Commit to agreed-upon protocols.
3. Enact program and communicate procedures to staff.

XVIII. Prepare an updated orientation and on-boarding program for new PCCLD staff members in support of a employing a successful library workforce.

Action Steps

1. Review and adopt best practices for bringing new employees into the PCCLD work culture.
2. Develop and communicate procedures.
3. Commence program.

XIX. Refine PCCLD's performance evaluation system based upon recommendations accepted from the PCCLD Performance Evaluation Review Committee in alignment with the goal of providing useful feedback to support superb employee accomplishment.

Action Steps

1. Assess committee recommendations.
2. Effectuate accepted suggestions.
3. Communicate processes to employees.

XX. Replace or update capital assets in step with the district's Replacement Plan so PCCLD's physical facilities remain top-notch.

Action Steps

1. Acquire identified 2019 capital asset upgrades to include new staff vehicle, IT servers, photocopiers, coin collectors, and upgrade to telephone system.
2. Complete evaluation of current replacement plan inventory and overhaul PCCLD capital replacement plan.
3. Communicate new plan to stakeholders and assess fiscal impact.

XXI. Revisit services provided at PCCLD's satellite locations so ancillary services are positioned to best support the institution's mission.

Action Steps

1. Consider opportunities for revitalizing selected satellite programs.
2. Make chosen modifications.
3. Gauge effects.

XXII. Update the collections program for delinquent payment on user fees so the public library's materials are well looked after.

Action Steps

1. Seek and evaluate alternative services.
2. Initiate selected service with new Integrated Library System.
3. Consider a one-time fine forgiveness (amnesty) program.
4. Monitor results and adjust, as needed.

XXIII. Visit PCCLD's outsourced IT systems and network administration agreements so the library's online environment is well maintained, supported, and developed.

Action Steps

1. Scrutinize current IT systems and network administration support.
2. Determine required services and write Request for Proposal (RFP).
3. Analyze proposal responses and select best, lowest-cost provider(s).

XXIV. Work collaboratively with community stakeholders to help address problems presented by those facing homelessness in the community.

Action Steps

1. Assign responsibility for primary PCCLD point-of-contact on this issue.
2. Determine PCCLD's position and advocate with stakeholders.
3. Keep staff informed as public policy and procedures evolve.

2019 BUDGET

SUMMARY / REVENUES

The following pages include summaries of the General Fund, the Capital Project Fund and the Special Revenue Fund, as well as a combined spreadsheet showing totals in the funds. These are the only budgeted funds of the Pueblo City-County Library District for budget year 2019. The General Fund holds all of the operating revenue and expenses, including debt service, Friends of the Library contributions and expenses, and miscellaneous gift revenue. The Capital Project Fund reflects Library Replacement Plan expenses, InfoZone News Museum expenses, and major building projects. The Special Revenue Fund reflects activity in the Chamberlain Fund, from which the Pueblo City-County Library District receives funds annually. For 2019, we are contemplating commencing an interior renovation project at the Rawlings Library. An InfoZone update project is ongoing, and capital projects include replacement of information technology systems and other building and facility improvements.

An annual transfer from the General Fund into the Capital Project Fund is budgeted at \$200,000 in 2019. Transfers are planned annually thereafter, in order to continue funding for the Library Replacement Plan. The revenue budgeted in the Capital Project Fund reflects income from interest earnings and contributions from foundations and grantors. In particular, we anticipate kicking off a capital campaign ahead of the Rawlings Library remodel.

Forthcoming will be the copies of the resolutions adopting the budget and the annual plan, appropriating funds for the budget, and the resolution to set the mill levy. Certification of the mill levy sent to the county will also be included.

Pueblo City-County Library District receives the major amount of its funding from property tax generated in Pueblo County. The boundaries of the County and the Library District are contiguous, so no other property taxes are received. Approximately 87% of the revenues for the District are derived from property tax. The remainder is received through specific ownership tax, interest on investments, overdue fees, photocopy fees, contracts, grants, miscellaneous revenue, and contributions from the Friends of the Library and the Pueblo Library Foundation.

The maximum mill levy for Pueblo City-County Library District is 5.25 mills. This mill levy was approved by voters in 1995, and the District has not returned to the voters in the ensuing 22 years to request additional funds. Also on the 1995 ballot, the District requested exemption from the TABOR revenue limits, as well as the 5.5% revenue limit defined in Colorado State Revised Statutes. These exemptions were approved.

In addition to the mill levy of 5.25, the District is authorized by statute to collect additional mill levy equivalent to the amount of taxes that were abated and refunded in the previous year. In 2019, the amount of additional mill levy that will be certified is .021 mills, generating \$35,533 in revenue, the amount of taxes abated or refunded in 2018. The amount of refunds and abatements in 2019 decreased \$30,178 compared with 2018. The total mill levy certified to the county for collection of taxes in 2019 is 5.271.

**MILL LEVY CALCULATIONS
BUDGET 2019**

	<u>2019 BUDGET</u>		<u>Formula</u>		<u>2018 BUDGET</u>
A	1,780,550,707	Total Gross Assessed Valuation		1,760,979,468	Total Gross Assessed Valuation
B	52,644,510	TIF reductions		47,852,886	TIF reductions
C	1,727,906,197	Total Net Assessed valuation	A - B	1,713,126,582	Total Net Assessed valuation
D	5.250	Voter approved mill levy limit		5.250	Voter approved mill levy limit
E	9,071,508	Total Revenue	C X D X .001	8,993,915	Total Revenue
F	35,533	Abatements, refunds		65,711	Abatements, refunds
G	0.021	Millage for abatements, refunds	F / C X 1000	0.038	Millage for abatements, refunds
H	5.271	Adjusted mill levy	D + G	5.288	Adjusted mill levy
I	9,107,794	Adjusted total revenue	H X C X .001	9,059,013	Adjusted total revenue
J	9,053,147	Budgeted revenue @ 99.6%	I X 99.6%	9,049,954	Budgeted revenue @ 99.9%

\$ 277,489	Revenue reduction impact of TIF	B X D X .001	\$ 253,046	Revenue reduction impact of TIF
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This chart shows how the mill levy is calculated based on assessed valuations for both current and prior years.

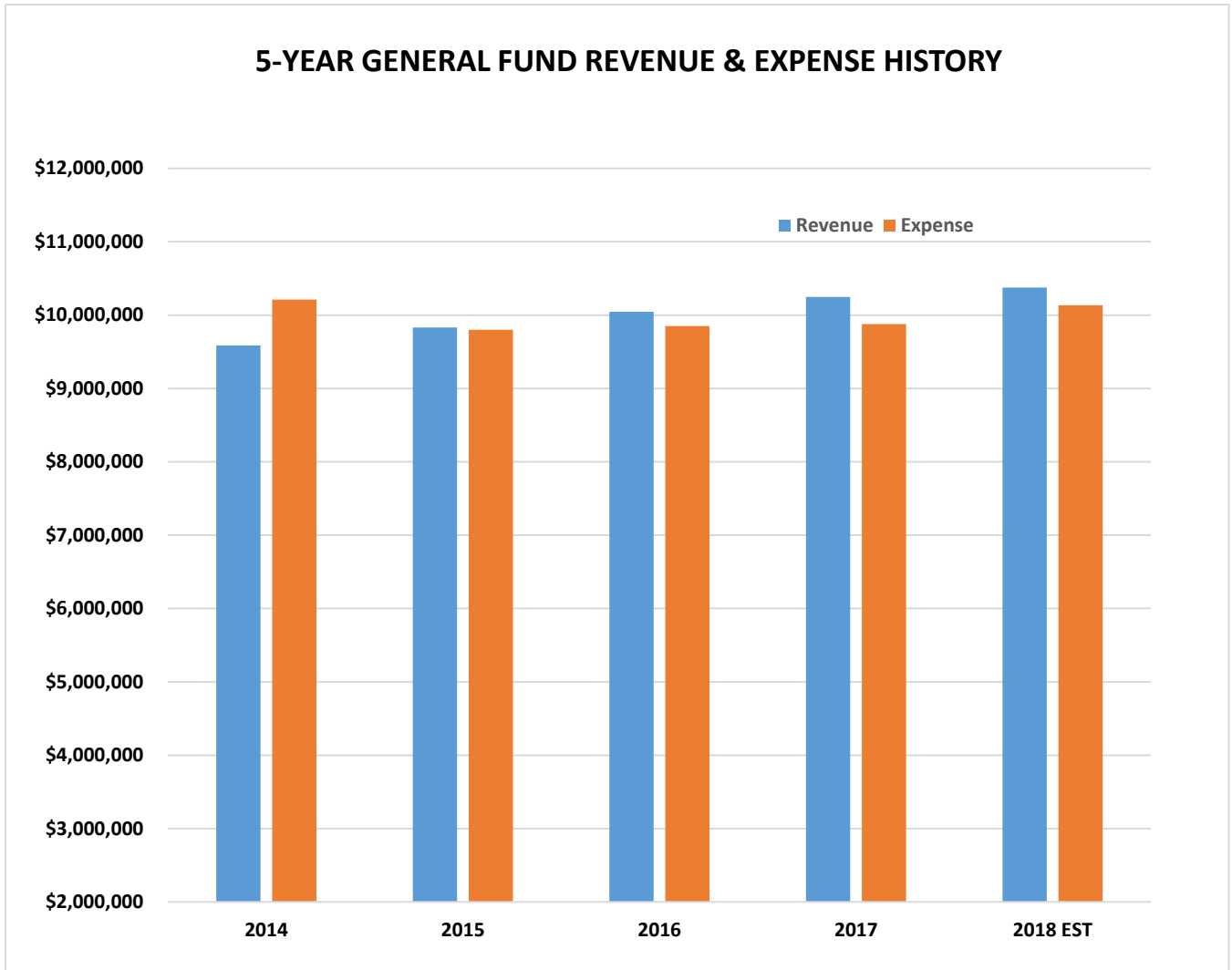
The voter approved mill levy is 5.25, but an increase to capture abatements and refunds from the prior year is allowable.

That increase is reflected here for a total mill levy in 2019 of 5.271.

The total dollar amount increase over the prior year is \$77,593

In previous years, the actual collections have averaged around 99.6%, due to abatements and refunds as well as delinquencies.

PUEBLO CITY-COUNTY LIBRARY DISTRICT
2019 BUDGET



**PUEBLO CITY-COUNTY LIBRARY DISTRICT
FUND BALANCE SUMMARY**

GENERAL FUND	2017 AUDITED	2018 ESTIMATED	2018 BUDGET	2019 BUDGET
BALANCE, Beginning of Year	2,543,319	2,637,466	2,630,543	2,303,835
REVENUES	10,248,030	10,375,383	10,262,050	10,394,374
TOTAL BALANCE	12,791,349	13,012,849	12,892,593	12,698,209
EXPENDITURES	9,878,883	10,134,014	10,224,128	10,158,999
TRANSFER IN/OUT-CAPITAL PROJECT	(275,000)	(575,000)	(575,000)	(200,000)
TRANSFER IN/OUT-SPECIAL REVENUE	-	-	-	5,000
BALANCE, End of Year	<u>2,637,466</u>	<u>2,303,835</u>	<u>2,093,465</u>	<u>2,344,210</u>
 CAPITAL PROJECT FUND	 2017	 2018	 2018	 2019
	AUDITED	ESTIMATED	BUDGET	BUDGET
BALANCE, Beginning of Year	1,717,800	1,724,628	1,783,093	2,077,060
REVENUES	206,018	123,592	55,000	1,030,000
TOTAL BALANCE	1,923,818	1,848,220	1,838,093	3,107,060
EXPENDITURES	474,190	346,160	603,300	1,294,100
TRANSFER IN/OUT GENERAL FUND	275,000	575,000	575,000	200,000
BALANCE, End of Year	<u>1,724,628</u>	<u>2,077,060</u>	<u>1,809,793</u>	<u>2,012,960</u>
 SPECIAL REVENUE FUND	 2017	 2018	 2018	 2019
	AUDITED	ESTIMATED	BUDGET	BUDGET
BALANCE, Beginning of Year	1,390	719	420	819
REVENUES	4,329	5,100	5,020	5,075
TOTAL BALANCE	5,719	5,819	5,440	5,894
EXPENDITURES	5,000	5,000	5,000	-
TRANSFER IN/OUT	-	-	-	(5,000)
BALANCE, End of Year	<u>719</u>	<u>819</u>	<u>440</u>	<u>894</u>
 COMBINED FUND BALANCE, End of Year	 <u>4,362,813</u>	 <u>4,381,713</u>	 <u>3,903,697</u>	 <u>4,358,063</u>
BALANCE, Restricted *	1,110,575	1,118,164	1,120,489	1,118,989
BALANCE, Available	3,252,238	3,263,549	2,642,774	3,239,074
NET CHANGE TO GEN FUND BALANCE	94,147	(333,631)	(537,078)	40,375
 * RESTRICTED FUNDS				
Emergency reserve	296,531	304,020	306,724	304,770
Reserve requirement for COPs	813,325	813,325	813,325	813,325
Special Revenue Fund	719	819	440	894
TOTAL RESTRICTED:	1,110,575	1,118,164	1,120,489	1,118,989

GENERAL FUND

*Please note that all of the comparative percentage statistics referenced in this narrative compare the 2019 Budget to the 2018 **Estimated Actual**, except in those instances where a Budget-to-Budget comparison is clearly noted.*

REVENUES

PROPERTY TAX: The assessed valuation figures for 2019 reflect an increase of 0.2%, with a monetary increase of \$21,408 in property tax. Property tax revenue is budgeted at slightly less than 100% collections, 99.6%, since delinquencies, abatements and refunds will generally reduce the amount received. Property tax revenues are now 87% of the total revenue budget for the District.

SPECIFIC OWNERSHIP TAX: Specific ownership tax revenue from Pueblo County is currently projected to increase somewhat next year. This line item constitutes approximately 8% of the total revenue budget.

CONTRACTS, GRANTS: This category reflects a decrease from prior year mainly due to specific grants not expected in 2019. Most recurring grant receipts are budgeted at or slightly above 2018 levels. This budget reflects grants and contracts that will come directly to PCCLD. The Pueblo Library Foundation, a component unit of the District, was created in 2012 and receives the majority of grants and contributions.

INTEREST: Driven by economic activity, interest rates have climbed to over two percent during the past year. We have budgeted conservatively based on current collections. This line also includes earnings on property tax held by Pueblo County. We receive those earnings as part of our monthly distribution of taxes.

FINES, FEES: In part due to automatic renewals and reductions in fines, budgeted fines and fees are lower than budgeted for previous years. With the help of a collection agency, we continue to maintain collection activities for debts \$25 and higher.

PHOTOCOPIER & INTERNET COPY FEES: Budgeted revenue for copier fees match the prior year budget and the current year estimate.

MISCELLANEOUS: An increase from current year estimates of 19% is projected, again based on current activity.

MILL LEVY - TAX RATE: The current mill levy projected for 2019 is 5.271. The law allows an adjustment to the voter-approved mill levy rate in order to collect on amounts withheld in previous years for abatements and refunds of taxes; that amount, 0.021, is included in the total mill levy for 2019.

The total general fund revenue for 2019 reflects a 0.2% increase over the 2018 estimated actual.

EXPENDITURES

Expenditures in 2019 hold steady increasing only 0.3% in total. However, there are numerous areas in which reduced spending is budgeted in 2019. The District is forecasting a 5% decline in property tax revenue in 2020 due to impact of the Gallagher Amendment—a Colorado constitutional amendment passed by voters in 1982 which mandates a 45/55 percent split between residential and commercial property in the state's property tax revenue. When that mandate collides with the TABOR Amendment, property tax rates can ratchet down but not back up without statewide voter approval. As currently predicted by the Colorado Legislative Council Staff, the residential assessment rate (RAR) which dictates the percentage of a personal residence that is subject to property tax is expected to fall 15% to 6.11. This reduction follows a previous 10% reduction in the RAR in 2018.

To mitigate the impact of a drop in property tax revenue of over \$500,000 in 2020, the District is budgeting to reduce 2019 expenditures under 2019 revenues by \$250,000. This approach to lessening the effects of a potentially large reduction in future property tax is a conservative and proactive plan. Many of the 2019 cuts in expenditures, explained in the narrative that follows are designed as single year reductions. More will be known in the second quarter of 2019 as the Colorado Legislature sets the RAR and follows up on legislative work already set in motion to change the Gallagher Amendment. At that time, the District will consider steps to take if the 2020 revenue picture improves.

PEOPLE TO PROVIDE SERVICES: This section has increased by 2% over the 2018 estimated figures. All personnel costs are included in this section—salaries, PERA, employee benefits, employee training, etc.

Salaries and wages increase from the 2018 estimated actual by 1% due to salary increases, added or upgraded positions, and a minimum wage increase. The largest increase is in the security personnel added when the District brought security and courier services in-house in 2018—previously, these costs were budgeted as contracted services. The total FTE (Full-Time Equivalent) count for the District is increasing by 2.7

for 2019 after final adjustments and other organizational changes. However, it still allows for a 2.5% adjustment to salaries, as determined by the salary compensation pay plan.

PERA is calculated directly from the salary line, based on the 13.7% that the library pays into the program. PERA rates hold steady at 2018 rates through June 2019; however, due to the 2018 PERA legislation, the employer PERA contribution will be calculated on pretax deductions for employees hired after July 1, 2019. The 2019 budgeted expenditure for PERA increases in comparison with the PERA amount budgeted for 2018 due mainly to the increase in the FTE count.

Workers compensation insurance increases 7% in comparison with current year estimates based on claim history and deductible costs in recent years.

Employee insurance includes premiums paid by the District for employee health, dental and life insurance. A 14% increase is forecast in 2019 for this coverage mostly based on a premium increase from the current medical insurance carrier and changes in census.

State unemployment compensation is calculated directly from the salary line at 0.3%.

Medicare trust increases at the same rate as salaries, since the rate remains consistent with the past several years—1.45% of covered salary.

Employee relations includes those items that are employee related, but do not really fall into the benefits or training category. This area includes recruiting expense, volunteer appreciation, tuition reimbursement funding to provide an incentive for staff pursuing a degree, and the employee assistance program. This budget is decreased 2% for 2019 reflecting anticipated expenditures in the coming year.

Employee training increases in 2019 by 2%, reflecting a return to a broader training program as was customary in prior years before cuts were initiated in 2017. We will continue to utilize training specific to libraries and special districts and to find efficiencies and reduce costs. This budget provides opportunities for staff and board members to

attend educational events and workshops—although on a more defined basis. The amount of this training budget is 1.82% of the total salaries budget.

MATERIALS AND SERVICES: This section of the budget has decreased 3% from the 2018 estimated actual expenditures. A one-year reduction in materials expenditures is planned which will set the 2019 materials amount at 14.3% of budgeted operational costs. Typically as an operating procedure, the District seeks to spend 15% of total annual operating costs on materials. This section includes all of the collections—books, audio visual (AV) materials, periodicals, on-line subscriptions, and digital materials (including circulating tablets)—purchased for public use. It also includes programs, and the costs to order, receive and process the materials.

Books, periodicals, AV and digital material are 4% lower than estimates for 2018. This reduction is anticipated to be a one-year spending cut.

Library programs reflects a decreased budget from prior year. Program budgets per location and department were adjusted to align with trends in program participation. The desire to be efficient with dollars spent on programs that are currently presented throughout the District remains a goal. The Friends of the Pueblo Library District awarded \$49,000 in 2018 to fund programs District-wide. Additionally, the Friends has contributed \$23,000 annually for various programs which is anticipated to help support the Summer Reading Club and the Read Out Loud and All Pueblo Reads programs. In 2019, it is anticipated that the Friends will contribute just over \$50,000 in total. This generous donation amounts to 29% of the 2019 programs budget.

Bindery/processing supplies/services is slated to increase by 4% from 2018.

FACILITIES TO PROVIDE SERVICES: This section shows a 2% increase over estimated expense for 2018. This increase is due mainly to increased vehicle costs of the district's in-house courier activities and building maintenance.

Utilities decreases by 3% compared with 2018 estimated expenditures based on current expenses and projections as well as known reductions in utility company rates.

Vehicle expense is budgeted at a 32% increase from 2018, based on current expenses and projections. The amount budgeted for 2019 includes fuel costs and vehicle maintenance for the courier van.

Building repair and maintenance holds those items that are needed to properly maintain the buildings in the District - janitorial, trash removal, carpet cleaning, supplies, etc. - as well as minor maintenance projects. The 9% increase projected in 2019 is reflective of planned air system maintenance at the Rawlings Library.

Rent includes only the lease for the facility occupied primarily by the Friends of the Library, and most of this amount is offset by revenue received in Contracts & Grants. A part of this building is still occupied by PCCLD for storage, so the amount Friends reimburse to us is not the total rent paid. The rent holds steady due to a 5-year contractual agreement currently in place.

Lease/Purchase of buildings reflects the annual payments for debt service on the 2012 Certificates of Participation (COPs). The 2007 COPs were refunded in 2012, and additional funds secured to complete the new construction of 3 library facilities: the Patrick A. Lucero Library, the Tom & Anne Marie Giodone Library, and the Greenhorn Valley Library. The total amount borrowed, and the project costs, were budgeted in the Capital Project Fund. All three facilities opened in 2014, and a detailed debt service page, which determines the exact budget amount every year, can be found later in this document.

Insurance shows an increase of 2%. This estimate is in line with an industry-wide average increase.

Friends of the Library expenditures hold steady in comparison with 2018 estimates based on decisions about their grant allocations to the District in 2019. Friends' contributions are also recorded in other line items.

OPERATING: This section reflects expenses for general operations of the District. The change, a 4% increase from prior year, is due to the combination of bringing security and courier services in-house, migration to a new integrated library system (ILS), outsourcing IT network administration, and single year reductions. Finding efficiencies whenever possible while still meeting current needs of all the libraries remains a focus for the District resulting in numerous operational changes in 2019.

Contractual library services increase by 17% over 2018 estimates. The increase is driven mainly by the outsourcing of IT systems and network administration.

County treasurer's fees are the charges assessed by the County Treasurer to collect our property and specific ownership taxes, and those fees have increased by 0.2%, in direct correlation to the Property Tax revenue. These fees are 1.5% of the tax amount.

Community relations has decreased from the 2018 budget reflecting a sub-category of this line item which includes a contribution to the Pueblo Library Foundation. The reduction for 2019 is a single year cut.

Professional memberships increase by 8% representing the customary memberships maintained by the District.

Office supplies, equipment shows a 17% increase in 2019. The district remains committed to focused spending plans for all libraries and departments and has right-sized departmental budgets in 2019. The District continues to benefit from procurement efficiencies that were initiated in 2017.

Photocopiers reflects a reduced costs in comparison to prior years' budgets. It is the intent of the District to procure a new copier for Community Relations in 2019. This budget line item typically supports lease and maintenance of this special equipment. Other costs such as toner, paper, and maintenance have been budgeted within proper categories of the 2019 budget.

Courier service decreases 96% as compared to the 2018 estimate to reflect discontinuance of outsourced courier activities for books and materials transfers between District locations. Other minimal courier services are budgeted for in 2019.

Postage and freight remains steady in comparison with the 2018 estimate. The annual budgeted amount is representative of customary postage and freight costs.

INFORMATION TECHNOLOGY: This section shows an overall decrease of 19% from estimated expenditures for current year.

Telecommunications shows a 14% decrease from 2018 estimated actual based on current year expenses. This decrease is mainly due to reductions in renegotiated broadband contracts. It's important to note that the E-Rate reimbursement—revenue anticipated in 2019—is \$160,000, which is a significant offset to this expense.

Hardware repair & maintenance shows a 2% decrease based on 2019 planned expenditures.

Technology supplies has increased by 12% based on anticipated spending in 2019.

Technology maintenance, licenses, support includes all contractual services expense related to Technology—network maintenance, consulting and support agreements, licenses, etc. This line has decreased by 30% to reflect a reduction in costs for the ILS and for other licenses and agreements.

The total increase in expenditures in this budget in comparison with 2018 estimated actual expenditures is 0.3%.

FUND BALANCE

The ending fund balance forecast in the 2019 general fund budget is \$2,344,210 an increase of \$40,375 in comparison with the estimated 2018 General Fund balance. This includes the transfer of \$200,000 from the General Fund to the Capital Project fund planned in the 2019 Budget. This is an amount necessary to help maintain the Library Replacement Plan and offset capital asset spending.

The Pueblo City-County Library District established the annual budget with a goal of maintaining a healthy end-of-year fund balance. It is not our policy to spend all of the budget so as not to “lose” funds, as is the case with many governmental entities. As a Library District, any funds remaining at the end of the budget year, calculated by subtracting the expenditures from the revenues, go back to the District’s fund balance. Restrictions against the General Fund Balance include an emergency reserve of 3% (required by TABOR legislation) which equals \$304,770 as well as a requirement of the COP financing to maintain \$813,325 in the Debt Service Reserve Fund. This amount will be used to make the final COP payment in 2032. The unrestricted fund balance in Combined Funds is \$3,239,074.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
GENERAL FUND**

	Actual Prev.year 2017	Estimated Curr.year 2018	Budget 2018	Budget 2019	Increase (Decrease)	%
REVENUES						
Property tax	8,758,735	9,049,954	9,049,954	9,071,362	21,408	0.2%
Specific ownership tax	879,432	714,946	714,946	802,816	87,870	12%
Contracts, Grants, Gifts	418,877	370,350	330,350	325,496	(44,854)	-12%
Interest	47,850	84,405	28,300	64,700	(19,705)	-23%
Fines, Fees	70,295	90,364	70,500	64,000	(26,364)	-29%
Photocopier & Internet Copy Fees	64,297	62,000	62,000	62,000	-	0%
Miscellaneous	8,545	3,364	6,000	4,000	636	19%
TOTAL REVENUES	10,248,030	10,375,383	10,262,050	10,394,374	18,991	0.2%
EXPENDITURES						
PERSONNEL						
Salaries	4,054,937	4,197,371	4,123,371	4,231,406	34,035	1%
PERA	584,705	571,028	566,623	590,703	19,675	3%
Workers compensation	26,314	31,177	27,230	33,250	2,073	7%
Employee insurance	472,764	423,689	462,802	484,143	60,454	14%
Unemployment compensation	11,819	11,485	12,370	12,694	1,209	11%
Medicare trust	56,691	60,862	59,789	61,355	493	1%
Employee relations	25,700	27,550	27,550	27,050	(500)	-2%
Employee training	52,992	75,300	75,300	77,100	1,800	2%
TOTAL PERSONNEL	5,285,921	5,398,462	5,355,035	5,517,701	119,239	2%
MATERIALS & SERVICES						
Books, periodicals, AV, databases	1,130,168	1,215,689	1,227,969	1,171,500	(44,189)	-4%
Bindery/processing supplies/services	168,405	166,950	166,950	172,919	5,969	4%
Library programs	167,176	194,492	169,571	183,363	(11,129)	-6%
TOTAL MATERIALS	1,465,749	1,577,131	1,564,490	1,527,782	(49,349)	-3%
FACILITIES						
Utilities	472,292	488,854	536,179	475,453	(13,401)	-3%
Vehicle maintenance	7,297	9,832	6,400	13,000	3,168	32%
Building repair & maintenance	419,180	416,906	435,779	453,000	36,094	9%
Rent	29,110	29,083	29,112	29,077	(6)	0%
Lease/purchase of buildings	809,000	809,700	809,700	810,700	1,000	0%
Insurance	72,190	73,585	72,765	74,948	1,363	2%
Friends expenditures	35,196	39,659	30,000	39,885	226	1%
TOTAL FACILITIES	1,844,266	1,867,619	1,919,935	1,896,063	28,444	2%
OPERATING						
Contract Services	410,392	408,996	465,383	477,936	68,940	17%
County Treasurer's fees	132,045	135,749	135,749	136,070	321	0.2%
Community relations	45,077	54,000	54,000	39,000	(15,000)	-28%
Professional memberships	6,735	7,777	7,580	8,415	638	8%
Office supplies, equipment	48,445	54,806	51,065	63,850	9,044	17%
Photocopiers	26,078	23,402	13,751	14,962	(8,440)	-36%
Courier service	61,844	23,881	66,040	950	(22,931)	-96%
Postage & freight	35,692	35,000	35,000	35,000	-	0%
TOTAL OPERATING	766,308	743,611	828,568	776,183	32,572	4%
INFORMATION TECHNOLOGY						
Telecommunications	238,334	228,522	239,500	195,700	(32,822)	-14%
Hardware repair & maintenance	16,195	25,569	23,500	25,000	(569)	-2%
Technology Supplies	40,270	35,700	35,700	40,000	4,300	12%
Technology mtce, licenses, support	221,839	257,400	257,400	180,570	(76,830)	-30%
TOTAL INFORMATION TECHNOLOGY	516,637	547,191	556,100	441,270	(105,921)	-19%
TOTAL EXPENDITURES	9,878,883	10,134,014	10,224,128	10,158,999	24,985	0.3%

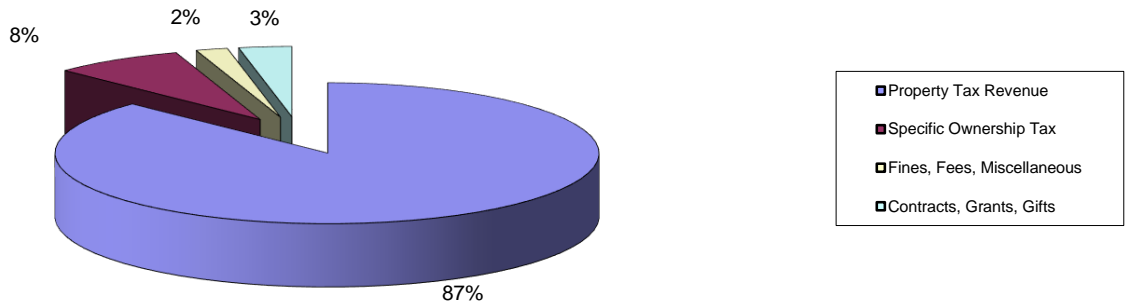
**PUEBLO CITY-COUNTY LIBRARY DISTRICT
GENERAL FUND**

	Actual Prev.year 2017	Estimated Curr.year 2018	Budget 2018	Budget 2019	Increase (Decrease)	%
SUMMARY						
REVENUES						
Property tax revenue	8,758,735	9,049,954	9,049,954	9,071,362	21,408	0.2%
All other sources	1,489,295	1,325,429	1,212,096	1,323,012	(2,417)	-0.2%
TOTAL REVENUES	10,248,030	10,375,383	10,262,050	10,394,374	18,991	0.2%
EXPENDITURES						
PERSONNEL	5,285,921	5,398,462	5,355,035	5,517,701	119,239	2%
MATERIALS & SERVICES	1,465,749	1,577,131	1,564,490	1,527,782	(49,349)	-3%
FACILITIES	1,844,266	1,867,619	1,919,935	1,896,063	28,444	2%
OPERATIONS	766,308	743,611	828,568	776,183	32,572	4%
INFORMATION TECHNOLOGY	516,637	547,191	556,100	441,270	(105,921)	
TOTAL EXPENDITURES	9,878,883	10,134,014	10,224,128	10,158,999	24,985	0.2%
Beginning fund balance	2,543,319	2,637,466	2,630,543	2,303,835	(333,631)	-13%
Transfer in/out Capital Project Fund	(275,000)	(575,000)	(575,000)	(200,000)	375,000	
Transfer in/out Special Revenue Fund	-	-	-	5,000	5,000	
EXCESS Revenues - Expenditures (Reserve increase)	369,147	241,369	37,922	235,375	(5,994)	-2%
NET (ending fund balance)	2,637,466	2,303,835	2,093,465	2,344,210	40,375	2%
NET ASSESSED VALUATION -	\$	1,727,906,197				

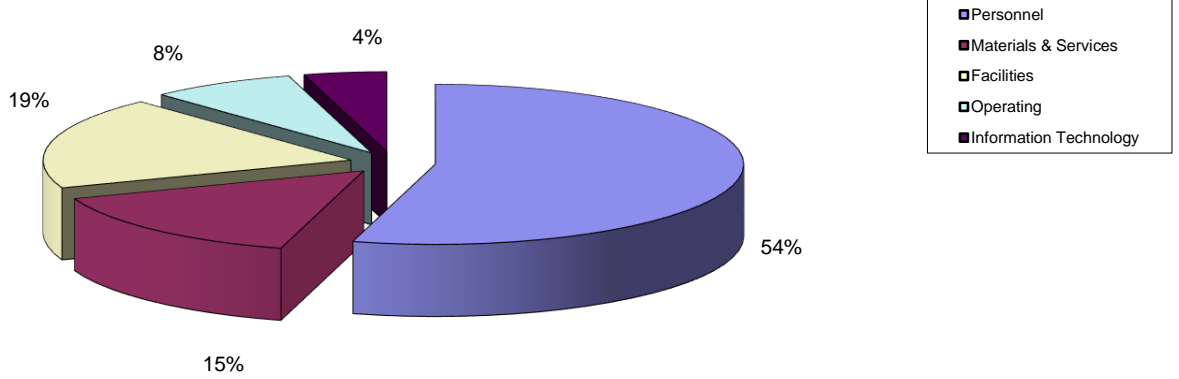
THE BUDGETARY BASIS OF ACCOUNTING USED IN THIS BUDGET IS MODIFIED ACCRUAL.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
2019 BUDGET**

GENERAL FUND BUDGET - REVENUES



GENERAL FUND BUDGET - EXPENDITURES



CAPITAL PROJECT FUND

The Capital Project fund encompasses four primary functions:

- Library Replacement Plan, established to provide funding for the planned replacement of library infrastructure and capital assets,
- Acquisition of Capital Assets, to reflect capital assets purchased or improved during a fiscal year which are not accounted for in the Library Replacement Plan,
- Building Project account, to record revenues (including donations and outside financing sources) and expenditures for new building projects, and
- InfoZone account, to record contributions (primarily from the Rawlings Foundation) and expenses to maintain the InfoZone Museum located on the 4th floor of the Robert Hoag Rawlings Library.

REVENUES

CONTRIBUTIONS, GIFTS, GRANTS: Contributions, gifts and grants totaling \$1,000,000 are anticipated for the Rawlings Library re-imagining project.

MISCELLANEOUS REVENUE: No revenue is expected.

INTEREST EARNINGS: This category is budgeted at \$30,000 for interest earned on cash holdings.

EXPENDITURES

New building projects: Building improvements for the Rawlings Library are budgeted for \$1,020,000.

InfoZone expenses: \$25,000 is budgeted for 2019 for InfoZone exhibit upgrades.

Capital Asset Repair & Maintenance: Non-depreciable asset expenditures and contingency funds totaling \$51,100 are budgeted for 2019.

Capital Asset Acquisitions. Several Library Replacement Plan items are included here, including photocopiers, book drop receptacles, a telephone system upgrade and network upgrades among other planned spending.

Total capital fund spending in 2019 is projected at \$1,294,100.

OTHER FINANCING SOURCES/USES

TRANSFER IN FROM THE GENERAL FUND: In 2019 there is a budgeted transfer of \$200,000 to the Capital Fund, for ongoing funding of capital asset acquisitions and the Library Replacement Plan.

FUND BALANCE

The fund balance forecast in the 2019 Capital Project fund budget is \$2,012,960. This ending fund balance is the combination of the budgeted income and additional funds transferred from the General Fund to the Capital Fund for the Library Replacement Plan as well as the planned Capital Fund expenditures. Fund balance is expected to decrease \$64,100 in 2019.

The total combined fund balance, comprised of both the General Fund, Capital Project Fund and the restricted Special Revenue Fund, is projected to be \$4,358,063 at the end of 2019. Of this total fund balance, \$303,755 is restricted for the TABOR 3% reserve requirement, and \$813,325 is restricted in the Debt Service Reserve Fund, and \$894 is the ending fund balance in the Special Revenue Fund, leaving a remaining combined fund balance of \$3,239,074 which is unrestricted.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
CAPITAL PROJECT FUND**

	Actual Prev.year 2017	Estimated Curr.year 2018	Budget 2018	Budget 2019	Increase (Decrease)
REVENUES					
Contributions, gifts, grants	16,000	84,444	45,000	1,000,000	915,556
Miscellaneous revenue	171,181	3,000	-	-	(3,000)
Interest earnings	18,837	36,148	10,000	30,000	(6,148)
TOTAL REVENUES	206,018	123,592	55,000	1,030,000	906,408
EXPENDITURES					
InfoZone expenses	6,000	3,644	55,000	25,000	21,356
Capital Asset Repair & Maintenance	85,873	113,196	-	51,100	(62,096)
Capital Asset Acquisitions					
Information Technology	101,296	63,000	292,100	135,000	72,000
Furniture, Fixtures, Equipment	18,348	67,434	50,000	63,000	(4,434)
Building Improvements	262,673	98,886	206,200	1,020,000	921,114
TOTAL CAPITAL ASSET EXPENSE	468,190	342,516	548,300	1,269,100	926,584
					-
TOTAL EXPENDITURES	474,190	346,160	603,300	1,294,100	926,584

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
CAPITAL PROJECT FUND**

SUMMARY	Actual Prev.year 2017	Estimated Curr.year 2018	Budget 2018	Budget 2019	Increase (Decrease)
REVENUES					
Contributions, grants, gifts	16,000	84,444	45,000	1,000,000	915,556
Miscellaneous revenue	171,181	3,000	-	-	(3,000)
Interest earnings	18,837	36,148	10,000	30,000	(6,148)
TOTAL REVENUES	206,018	123,592	55,000	1,030,000	906,408
EXPENDITURES					
InfoZone Expenditures	6,000	3,644	55,000	25,000	21,356
Capital Asset Expenditures	<u>468,190</u>	<u>342,516</u>	<u>548,300</u>	<u>1,269,100</u>	<u>926,584</u>
TOTAL EXPENDITURES	474,190	346,160	603,300	1,294,100	947,940
Beginning fund balance	1,717,800	1,724,628	1,783,093	2,077,060	352,432
Other Financing Sources					
Proceeds from bond issue	-	-	-	-	-
Premium	-	-	-	-	-
Discount	-	-	-	-	-
Transfer in from General Fund	275,000	575,000	575,000	200,000	(375,000)
Transfer out to General Fund	-	-	-	-	-
EXCESS Revenues - Expenditures (Reserve increase)	(268,172)	(222,568)	(548,300)	(264,100)	(41,532)
NET (ending fund balance)	<u>1,724,628</u>	<u>2,077,060</u>	<u>1,809,793</u>	<u>2,012,960</u>	<u>(64,100)</u>

THE BUDGETARY BASIS OF ACCOUNTING USED IN THIS BUDGET IS MODIFIED ACCRUAL.

SPECIAL REVENUE FUND

REVENUES

The District has only one Special Revenue Fund, categorized as such because it has regular, identified income to be used specifically for library purposes. The Chamberlain Foundation, a private philanthropic non-profit, was established in 1979. It brings in approximately \$600,000 in annual income from donations and interest earnings, and provides grants back to the community. Pueblo City-County Library District is an annual recipient of donations, received quarterly from the Southern Colorado Community Foundation, which manages the Chamberlain Foundation fund.

EXPENSES

The distributions received by the District are held in a segregated account at Colotrust, a local government liquid asset trust, and are used to fund purchases of library materials and equipment. The 2019 budget reflects a \$5,000 transfer to the General Fund for purchases of books and materials.

FUND BALANCE

At the end of 2019, the fund balance is anticipated to be \$894.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
SPECIAL REVENUE FUND
BUDGET 2019**

	Actual Prev. year 2017	Estimated Curr. year 2018	Budget 2018	Budget 2019	Increase (Decrease)
REVENUES					
Interest earnings	39	100	20	75	(25)
Distributions from Chamberlain Fund	<u>4,290</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
TOTAL REVENUES	<u>4,329</u>	<u>5,100</u>	<u>5,020</u>	<u>5,075</u>	<u>691</u>
EXPENDITURES					
Contributions	5,000	5,000	5,000	-	(5,000)
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Beginning fund balance	1,390	719	420	819	100
Other Financing Sources					
Transfer out to General Fund	-	-	-	(5,000)	(5,000)
EXCESS Revenues - Expenditures (Reserve increase)	(671)	100	20	5,075	5,691
NET (ending fund balance)	<u>719</u>	<u>819</u>	<u>440</u>	<u>894</u>	<u>791</u>

THE BUDGETARY BASIS OF ACCOUNTING USED IN THIS BUDGET IS MODIFIED ACCRUAL.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
 PERCENTAGE COMPARISON ANALYSIS
 GENERAL FUND/CAPITAL PROJECT/SPECIAL REVENUE FUND
 2019 BUDGET**

	General Fund	General Fund Budget Percentages	Capital Project Fund	Special Revenue Fund	Total Combined Funds	% of Total PCCLD budget
REVENUES						
Property tax	9,071,362	87%	-	-	9,071,362	79.37%
All other	1,323,012	13%	1,030,000	5,075	2,358,087	20.63%
TOTAL REVENUES	10,394,374	100%	1,030,000	5,075	11,429,449	100.00%

EXPENDITURES						
Personnel	5,517,701	54%	-	-	5,517,701	48.18%
Materials & Services	1,527,782	15%	-	-	1,527,782	13.34%
Facilities	1,896,063	19%	25,000	-	1,921,063	16.77%
Operations	776,183	8%	1,134,100	-	1,910,283	16.68%
Information Technology	441,270	4%	135,000	-	576,270	5.03%
TOTAL EXPENDITURES	10,158,999	100%	1,294,100	-	11,453,099	100.00%

Beginning Fund Balance	2,303,835		2,077,060	819	4,381,713
Excess: Revenues over Expenditures	235,375		(264,100)	5,075	(23,650)
Transfers In/Out	(195,000)		200,000	(5,000)	-
Ending Fund Balance	2,344,210		2,012,960	894	4,358,063

Combined Fund balance as a % of operating expense **43%**

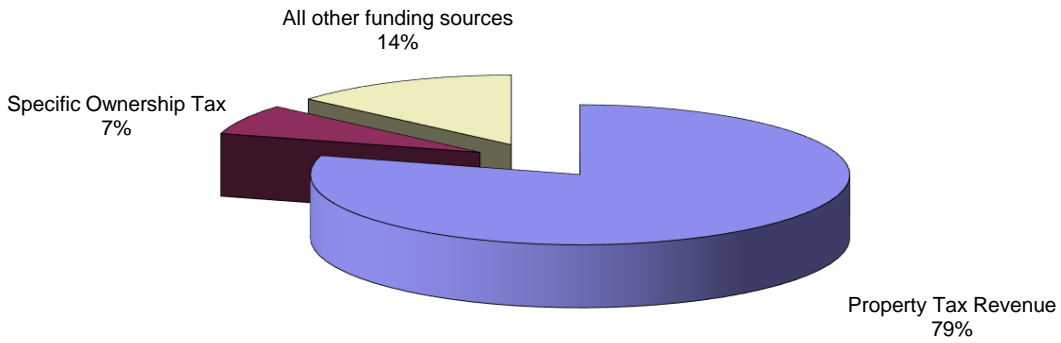
BREAKDOWN OF ENDING FUND BALANCE ***

*** Reserves and unrestricted funds	
3% emergency reserve	304,770
Reserve requirement for COPs	813,325
Special Revenue Fund	894
Unrestricted fund balance	3,239,074

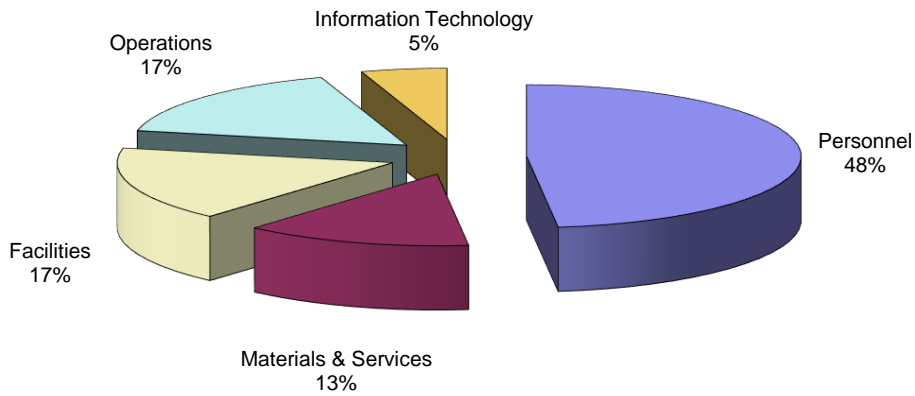
**This sheet shows the three funds - General Fund, Capital Project & Special Revenue
 Fund - combined for revenues, expenditures and fund balance.**

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
2019 BUDGET**

COMBINED FUND BUDGET - REVENUES



COMBINED FUND BUDGET - EXPENDITURES



**BOND DEBT SERVICE
[LEASE PURCHASE PAYMENTS]**

**Pueblo City-County Library District, Colorado 2012 COP ISSUE
Nonbank Qualified Certificates of Participation -- Insured**

Date	Principal	Rate	Interest	Debt Service	Annual
					Debt Service
12/1/2012	-	0.000%	68,222.23	68,222.23	68,222.23
6/1/2013			191,875.01	191,875.01	
12/1/2013	425,000	2.000%	191,875.01	616,875.01	808,750.02
6/1/2014			187,625.01	187,625.01	
12/1/2014	435,000	2.000%	187,625.01	622,625.01	810,250.02
6/1/2015			183,275.01	183,275.01	
12/1/2015	445,000	2.000%	183,275.01	628,275.01	811,550.02
6/1/2016			178,825.01	178,825.01	
12/1/2016	455,000	3.000%	178,825.01	633,825.01	812,650.02
6/1/2017			172,000.01	172,000.01	
12/1/2017	465,000	2.000%	172,000.01	637,000.01	809,000.02
6/1/2018			167,350.01	167,350.01	
12/1/2018	475,000	4.000%	167,350.01	642,350.01	809,700.02
6/1/2019			157,850.01	157,850.01	
12/1/2019	495,000	2.500%	157,850.01	652,850.01	810,700.02
6/1/2020			151,662.51	151,662.51	
12/1/2020	510,000	3.000%	151,662.51	661,662.51	813,325.02
6/1/2021			144,012.51	144,012.51	
12/1/2021	525,000	3.000%	144,012.51	669,012.51	813,025.02
6/1/2022			136,137.51	136,137.51	
12/1/2022	540,000	3.000%	136,137.51	676,137.51	812,275.02
6/1/2023			128,037.51	128,037.51	
12/1/2023	555,000	3.000%	128,037.51	683,037.51	811,075.02
6/1/2024			119,712.51	119,712.51	
12/1/2024	570,000	4.500%	119,712.51	689,712.51	809,425.02
6/1/2025			106,887.51	106,887.51	
12/1/2025	595,000	4.500%	106,887.51	701,887.51	808,775.02
6/1/2026			93,500.01	93,500.01	
12/1/2026	625,000	3.000%	93,500.01	718,500.01	812,000.02
6/1/2027			84,125.01	84,125.01	
12/1/2027	640,000	5.000%	84,125.01	724,125.01	808,250.02
6/1/2028			68,125.01	68,125.01	
12/1/2028	675,000	5.000%	68,125.01	743,125.01	811,250.02
6/1/2029			51,250.01	51,250.01	
12/1/2029	710,000	3.375%	51,250.01	761,250.01	812,500.02
6/1/2030			39,268.76	39,268.76	
12/1/2030	730,000	3.750%	39,268.76	769,268.76	808,537.52
6/1/2031			26,950.00	26,950.00	
12/1/2031	755,000	3.500%	26,950.00	781,950.00	808,900.00
6/1/2032			13,737.50	13,737.50	
12/1/2032	785,000	3.500%	13,737.50	798,737.50	812,475.00
Total	11,410,000.00		4,872,635.09	16,282,635.09	16,282,635.09
Average Coupon		3.281%			