

2015

BUDGET & ANNUAL PLAN

Prepared by Chris Brogan, CFO

PUEBLO CITY-COUNTY LIBRARY DISTRICT

Finance Office
100 E. Abriendo Avenue
Pueblo, Colorado 81004

2015 BUDGET and ANNUAL PLAN

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2015 Annual Plan



PUEBLO CITY-COUNTY
LIBRARY
Ideas • Imagination • Information

PUEBLO CITY-COUNTY LIBRARY DISTRICT

2015 ANNUAL PLAN

The Pueblo City-County Library District (PCCLD) is focusing on four key results:

1. The number of library books and other materials checked out
2. The quantity of customers visiting PCCLD libraries
3. The size of attendance at library programs and events
4. The volume of use of library digital services.

Delivery on these results is critical to sustaining the organization's health, well-being, strength, viability, growth, and success. PCCLD's progress in its mission to provide the best possible public library service for the community relates directly to these key results.

2014 is turning out to be an historic year for PCCLD. The library district is on track to significantly exceed expectations for each of the four key results. Moreover, three additional libraries are opening during the fourth quarter of 2014, expanding the number of full-service libraries within the district considerably from five to eight. PCCLD also is finishing work on its current long-range strategic plan, which was adopted in 2009. It is fair to say that the last several years have been building toward what appears to be a crescendo of PCCLD activities and accomplishments; perhaps a golden age for local public library services. This is testimony to a community that cares about the value of quality public library services, an engaged team of employees who are focused on PCCLD's mission, and the strong commitment of library supporters and stakeholders, including the District Board of Trustees, the Friends of the Library, and the Pueblo Library Foundation.

PCCLD's goal in 2015 is to implement specific objectives to sustain its positive momentum and continue improving on key results. The objectives outlined in this plan are intended to do this. They are the end product of a process that included participation by PCCLD trustees, managers and administrators, and employees. The

planning process also incorporated contribution from vital PCCLD partners, including both the Friends of the Library and the Pueblo Library Foundation.

The objectives representing new and budgeted initiatives for 2015 are delineated in the pages following. Listed in alphabetical order, each objective is accompanied by action steps intended to facilitate accomplishment and the PCCLD administrator responsible for tracking progress during the year. This annual plan document is the outcome of much consideration and effort, and provides positive direction for the district in moving forward with its mission to provide the best possible public library service to the community.

- I. Analyze efficacy of new wireless public computing service model implemented at Giodone, Greenhorn Valley and Lucero libraries.

Jon Walker

KEY RESULTS IMPACT: Digital Use, Visits.

- Action Steps

1. Adjust service as necessary to ensure its effectiveness.
2. Consider wireless model as alternative to current hardwired public computing service.
3. Examine implications of the wireless service model on current services and practices, including IT support and collection development.

- II. Assess the effectiveness of the recently-adopted *Facilitated Customer Service Model*.

Michael Cox

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.

- Action Steps

1. Document the adopted standards for public service delivery based on the *Facilitated Customer Service Model*.
2. Ensure staff has access to quality training on the program.
3. Evaluate and report on results.

- III. Commence a pilot digitization program of the earliest editions of the *Pueblo Chieftain* beginning with those published in 1868.

Michael Cox

KEY RESULTS IMPACT: Digital Use, Visits.

- Action Steps

1. Identify a qualified vendor to scan and load data.
2. Train staff in use of the new collection.
3. Make scanned documents available to the public via the Internet.
4. Publicize new access and track utilization.

- IV. Complete the implementation of updated new materials processing in Technical Services to save time and improve productivity.

Teresa Valenti

KEY RESULTS IMPACT: Circulation, Digital Use, Visits.

- Action Steps

1. Incorporate modifications to work processes as recommended in the 2014 workflow analysis led by J. Huber and Associates.
2. Measure improvement on outcomes and report on results.

- V. Continue to focus on meeting the expectations of the community's mobile technology aficionados.

Charles Hutchins

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation.

- Action Steps

1. Ensure PCCLD mobile apps are current and useful.
2. Look to improve the mobile features of the library website and online catalog.
3. Adopt QR codes where useful.

- VI. Create an action plan on PCCLD's best methods for collaborating with local institutions such as education, business, events/festivals, government, and nonprofits.

Jon Walker

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.

- Action Steps

1. Draft a charge and assign a committee of PCCLD staff to study and make recommendations.
2. Analyze the recommendations for possible action.

- VII. Develop a brochure highlighting library district services and locations, including the unique aesthetic qualities of the Rawlings Library.

Midori Clark

KEY RESULTS IMPACT: Visits

- Action Steps

1. Assign the project to the Community Relations Department.
2. Develop a draft brochure with participation from stakeholders.
3. Produce and distribute the brochure.

VIII. Enhance PCCLD makerspace services and activities.

Michael Cox

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.

- Action Steps

1. Assign a PCCLD staff member with responsibility to oversee district makerspace services and activities.
2. Refresh equipment in the Rawlings *Idea Factory*, and train staff in its use and support.
3. Plan and implement makerspace activities at other PCCLD locations.
4. Promote new programs and report on outcomes.

IX. Enlarge the district's English Language Learner program using the recently awarded Colorado Library Services and Technology Act Grant.

Michael Cox

KEY RESULTS IMPACT: Program Participation, Visits.

- Action Steps

1. Expand enrollees in the English Language Learner program, which currently has a waiting list.
2. Offer a complementary bilingual (Spanish/English) computer basics course series.
3. Evaluate and report results.

X. Ensure the 2014 expansion of the library district with three additional libraries is successfully sustained by PCCLD support service operations.

Jon Walker

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.

- Action Steps

1. Monitor operations at each of the three new libraries plus existing locations.
2. Adjust, as required, if and when gaps in support are identified.
3. Evaluate and report on outcomes.

- XI. Evaluate options to streamline cash management in order to free staff to focus on customer service.

Chris Brogan

KEY RESULTS IMPACT: Visits.

- Action Steps
 1. Evaluate the viability of implementing smart card technology.
 2. Assess paperless and e-commerce solutions with the district's accounting software.

- XII. Exchange current building lighting at the Pueblo West Library for LED fixtures to save resources and enhance quality.

Chris Brogan

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.

- Action Steps
 1. Identify a vendor to provide the most cost-effective LED lighting for Pueblo West fixtures.
 2. Remove old and install new fixtures.
 3. Evaluate savings and report on results.

- XIII. Expand the district's video surveillance system to enable adequate retention of video files and accommodate the addition of cameras at the three new libraries.

Charles Hutchins

KEY RESULTS IMPACT: Circulation, Program Participation, Visits.

- Action Steps
 1. Identify a vendor that is best able to provide the necessary hardware and software at the best value.
 2. Procure and install equipment.
 3. Train staff in use of the new equipment.

- XIV. Modify postal and interoffice mail operations to improve efficiency and reduce costs.

Teresa Valenti

KEY RESULTS IMPACT: Circulation, Visits.

- Action Steps
 1. Reduce postal mailing of overdue notices by focusing additional resources on email and automated telephone notifications.
 2. Save time by eliminating interoffice mail delivery at the Rawlings Library.
 3. Reallocate savings to other high priority activities.

- XV. Monitor outcomes of the newly adopted public service staffing levels and adjust as required to ensure excellent customer experiences.

Michael Cox

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.

- Action Steps

1. Observe coverage needs at public service locations.
2. Guarantee necessary staffing is available during regular hours of operation at each service desk.
3. Utilize substitute coverage budget and/or contingency salary budget, as needed.
4. Report on outcomes and adjust for identified shortcomings.

- XVI. Overlay parking lots at Barkman and Lamb Libraries.

Chris Brogan

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.

- Action Steps

1. Request bids for parking lot overlays at the Barkman and Lamb Libraries.
2. Award work to the lowest, best bidder.
3. Report on work results.

- XVII. Partner with the Colorado State Library to implement the Institute of Museum and Library Services (IMLS) grant *Supporting Parents in Early Literacy through Libraries (SPELL)* to support low-income parents of children birth-3 years in incorporating early literacy activities into daily lives.

Michael Cox

KEY RESULTS IMPACT: Circulation, Program Participation, Visits.

- Action Steps

1. Assign PCCLD staff to work on the project with state library officials.
2. Identify local partners and participate in SPELL training and development activities.
3. Put training into action with prototype services and activities.
4. Evaluate and report on results.

- XVIII. Plan for the future provision of excellent public library services in Pueblo County by completing a new PCCLD strategic plan.

Jon Walker

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.

- Action Steps

1. Complete the planning process initiated in 2014.
2. Include consideration of community input and demographics, current library trends and best practices, and projected resources requirements.
3. Employ necessary resources to complete the plan and present it for formal adoption.

- XIX. Proceed with the transition to *Ideal Collections* using guidance obtained from Collection Development specialists, Collection HQ software, and stakeholder feedback.

Teresa Valenti

KEY RESULTS IMPACT: Circulation, Digital Use, Visits.

- Action Steps

1. Continue to procure new materials, discard outdated or worn materials, and transfer lesser-used materials to new locations within the district.
2. Use Collection HQ software to guide decision making, but also incorporate appropriate stakeholder feedback.
3. Communicate clearly and effectively with stakeholders about the changing nature of library physical and digital collections.
4. Monitor and report on use to ensure collections are appropriately engaging for customers.

- XX. Provide monumental public art for the exterior of the new Patrick A. Lucero Library to enhance this library's aesthetic presence in the neighborhood.

Midori Clark

KEY RESULTS IMPACT: Program Participation, Visits.

- Action Steps

1. Conduct a public competition to identify and select the best artistic concept within the scope of need and budget for public art at the Lucero Library.
2. Work with the selected artist to ensure the work of art is produced timely and installed appropriately.
3. Host a public event unveiling the art.
4. Evaluate and report on results.

- XXI. Refine the specific, measurable, achievable, relevant, and time-bound (SMART) goals for each district job as implemented in the 2014 pilot Pay-For-Performance employee compensation program.

Sara Rose

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.

- Action Steps

1. Review results of the 2014 pilot Pay-For-Performance program results.
2. Modify the draft SMART goals and measurements, as required.
3. Complete implementation and evaluate results.

- XXII. Replace front door closing mechanisms at the Rawlings Library.

Chris Brogan

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.

- Action Steps

1. Request bids for replacing the front door mechanisms at the Rawlings Library.
2. Award work to the lowest, best bidder.
3. Oversee work and report on work results.

- XXIII. Resolve sanitary sewer infrastructure problem at the Lamb Library.

Chris Brogan

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.

- Action Steps

1. Request bids for replacing and repairing necessary sanitary sewer infrastructure which caused minor basement flooding and some unexpected closures of the facility in 2014.
2. Award work to the lowest, best bidder.
3. Oversee work and report on work results.

- XXIV. Review and update PCCLD employment policies to assure their currency, accuracy, and appropriateness in support of the institution's winning workplace.

Sara Rose

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.

- Action Steps

1. Seek a third party expert to thoroughly review PCCLD employment policies.
2. Invite participation in the review process from stakeholders.
3. Revise and update policies, as agreed upon.
4. Obtain a legal review of the updated policies and make necessary adjustments to ensure alignment with the law.
5. Request Trustee approval of updated policies.
6. Inform employees of new policies.

- XXV. Revisit collections recovery practices in order to ensure most effective return of circulating materials and any associated use fees.

Chris Brogan

KEY RESULTS IMPACT: Circulation

- Action Steps

1. Work with Unique Management Services to better understand current loss rates and any potential to increase materials recovery.
2. Consider modifying current procedures to maximize return of checked out items and use fees.
3. Make agreed-upon changes.
4. Evaluate and report results.

- XXVI. Stipulate a series of supervisor training programs for all new PCCLD managers and refreshers for all veteran PCCLD managers.

Sara Rose

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.

- Action Steps

1. Identify a series of programs for library manager supervisor training.
2. Contract with a provider that can meet the identified needs at the best value.
3. Deliver training and report on results.

- XXVII. Study the outcomes of the changes to PCCLD outreach services.

Michael Cox

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.

- Action Steps

1. Analyze the results of 2014 elimination of the Outreach Services Department
2. Ensure the reassignment of Avondale Satellite to the Giodone Library team is working well, the Beulah Satellite to the Greenhorn Valley Library team, the Books in the Park program to the Youth Services/Library @ the Y team, the Books a la Cart service to the Lucero Library Team, and the Homebound Book service to the Reference and Readers Advisory Department team.
3. Formulate a plan for effectively repurposing the vacated Outreach Services Department space in the Rawlings Library.
4. Report on results and plan for adjustments, as required.

- XXVIII. Support the Pueblo Library Foundation (PLF) in developing its endowment to help safeguard the ongoing financial well-being of local public library services.

Midori Clark

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.

- Action Steps

1. Assist the PLF as it seeks to establish additional programs designed to raise funds for its endowment.
2. Provide logistical and staff support, as required.
3. Evaluate and report results.

- XXIX. Update all staff-use computers to assure employee access to current IT productivity tools.

Charles Hutchins

KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.

- Action Steps

1. Design a program for replacing outdated desktop computers with appropriate new devices.
2. Procure and configure necessary hardware and software.
3. Train staff in use of the new equipment and software, deploy, and report on results.

- XXX. Upgrade the InfoZone Museum audio-visual presentation equipment and produce new museum films.

Charles Hutchins

KEY RESULTS IMPACT: Visits.

- Action Steps

1. Devise a project to update the decade-old InfoZone Theater and Museum audio-visual equipment, and provide new films.
2. Procure and install new equipment, and produce replacement films.
3. Train staff and report on outcomes.

	KEY RESULTS:		
(1)	<i>Increase circulation of materials</i>		
(2)	<i>Increase customer visits to libraries</i>		
(3)	<i>Increase attendance at library programs and events</i>		
(4)	<i>Increase the use of library digital services</i>		
	Goal	Total cost	Costs
I	Analyze efficacy of new wireless public computing service model implemented at Giodone, Greenhorn Valley and Lucero libraries. <i>KEY RESULTS IMPACT: Digital Use, Visits</i>	-	No identified budgetary impact
II	Assess the effectiveness of the recently-adopted <i>Facilitated Customer Service Model</i> . <i>KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.</i>	-	No identified budgetary impact
III	Commence a pilot digitization program of the earliest editions of the <i>Pueblo Chieftain</i> beginning with those published in 1868. <i>KEY RESULTS IMPACT: Digital Use, Visits</i>	42,481	Salaries, digitization outsourcing costs
IV	Complete the implementation of updated new materials processing in Technical Services to save time and improve productivity. <i>KEY RESULTS IMPACT: Circulation, Digital Use, Visits</i>	(19,950)	Reduction in salaries/benefits for .5 FTE
V	Continue to focus on meeting the expectations of the community's mobile technology aficionados. <i>KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation</i>	50,000	E-readers/similar devices for circulation; included in 2015 budget.
VI	Create an action plan on PCCLD's best methods for collaborating with local institutions such as education, business, events/festivals, government, and nonprofits. <i>KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.</i>	-	No identified budgetary impact
VII	Develop a brochure highlighting library district services and locations, including the unique aesthetic qualities of the Rawlings Library. <i>KEY RESULTS IMPACT: Visits</i>	500	Printing of brochure

	KEY RESULTS:		
(1)	<i>Increase circulation of materials</i>		
(2)	<i>Increase customer visits to libraries</i>		
(3)	<i>Increase attendance at library programs and events</i>		
(4)	<i>Increase the use of library digital services</i>		
	Goal	Total cost	Costs
VIII	Enhance PCCLD makerspace services and activities. KEY RESULTS IMPACT: <i>Circulation, Digital Use, Program Participation, Visits.</i>	9,000	Idea Factory costs
IX	Enlarge the district's English Language Learner program using the recently awarded Colorado Library Services and Technology Act Grant. KEY RESULTS IMPACT: <i>Program Participation, Visits.</i>	17,023	Total cost of project: \$28,631 ; revenue from grant: \$11,608. All costs included in 2015 Budget
X	Ensure the 2014 expansion of the library district with the three additional libraries is successfully sustained by PCCLD support services operations. KEY RESULTS IMPACT: <i>Circulation, Digital Use, Program Participation, Visits.</i>	15,000	Contingency salaries
XI	Evaluate options to streamline cash management in order to free staff to focus on customer service. KEY RESULTS IMPACT: <i>Visits</i>	-	No identified budgetary impact
XII	Exchange current building lighting at the Pueblo West Library for LED fixtures to save resources and enhance quality. KEY RESULTS IMPACT: <i>Circulation, Digital Use, Program Participation, Visits</i>	17,000	Cost for new lighting fixtures
XIII	Expand the district's video surveillance system to enable adequate retention of video files and accommodate the addition of cameras at the three new libraries. KEY RESULTS IMPACT: <i>Circulation, Program Participation, Visits.</i>	10,000	Hardware costs
XIV	Modify postal and interoffice mail operations to improve efficiency and reduce costs. KEY RESULTS IMPACT: <i>Circulation, Visits.</i>	(19,750)	Reduced salary by .5 FTE

	KEY RESULTS:		
(1)	<i>Increase circulation of materials</i>		
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(3)	<i>Increase attendance at library programs and events</i>		
(4)	<i>Increase the use of library digital services</i>		
	Goal	Total cost	Costs
XV	Monitor outcomes of the newly adopted public service staffing levels and adjust as required to ensure excellent customer experiences. KEY RESULTS IMPACT: <i>Circulation, Digital Use, Program Participation, Visits.</i>	15,000	Contingency salaries
XVI	Overlay parking lots at Barkman and Lamb Libraries. KEY RESULTS IMPACT: <i>Circulation, Digital Use, Program Participation, Visits.</i>	5,500	Costs for outsourcing work
XVII	Partner with the Colorado State Library to implement the Institute of Museum and Library Services (IMLS) grant <i>Supporting Parents in Early Literacy through Libraries (SPELL)</i> to support low-income parents of children birth-3 years in incorporating early literacy activities into daily lives. KEY RESULTS IMPACT: <i>Circulation, Program Participation, Visits.</i>	-	No identified budgetary impact
XVIII	Plan for the future provision of excellent public library services in Pueblo County by completing a new PCCLD strategic plan. KEY RESULTS IMPACT: <i>Circulation, Digital Use, Program Participation, Visits.</i>	5,000	Supplies, meeting costs, etc. - included in 2015 Budget
XIX	Proceed with the transition to <i>Ideal Collections</i> using guidance obtained from Collection Development specialists, Collection HQ software, and stakeholder feedback. KEY RESULTS IMPACT: <i>Circulation, Digital Use, Visits.</i>	15,750	Collection HQ
XX	Provide monumental public art for the exterior of the new Patarick A. Lucero Library to enhance this library's aesthetic presence in the neighborhood. KEY RESULTS IMPACT: <i>Program Participation, Visits.</i>	15,000	Contract Services, Director's Office - included in 2015 Budget

	KEY RESULTS:		
(1)	<i>Increase circulation of materials</i>		
(2)	<i>Increase customer visits to libraries</i>		
(3)	<i>Increase attendance at library programs and events</i>		
(4)	<i>Increase the use of library digital services</i>		
	Goal	Total cost	Costs
XXI	Refine the specific, measurable, achievable, relevant, and time-bound (SMART) goals for each district job as implemented in the 2014 pilot Pay-For-Performance employee compensation program. <i>KEY RESULTS</i>	-	No identified budgetary impact
XXII	Replace front door closing mechanisms at the Rawlings Library. <i>KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.</i>	7,200	Included in 2015 Budget
XXIII	Resolve sanitary sewer infrastructure problem at the Lamb Library. <i>KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.</i>	12,000	Cost of outsourcing work.
XXIV	Review and update PCCLD employment policies to assure their currency, accuracy, and appropriateness in support of the institution's winning workplace. <i>KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.</i>	5,000	Consultant
XXV	Revisit collections recovery practices in order to ensure most effective return of circulating materials and any associated use fees. <i>KEY RESULTS IMPACT: Circulation</i>	(30,000)	UMS prediction of net returns for fines & lost materials with new small amount program
XXVI	Stipulate a series of supervisor training programs for all new PCCLD managers and refreshers for all veteran PCCLD managers. <i>KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.</i>	5,000	Training costs
XXVII	Study the outcomes of the changes to PCCLD outreach services. <i>KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.</i>	-	No identified budgetary impact

	KEY RESULTS:		
(1)	<i>Increase circulation of materials</i>		
(2)	<i>Increase customer visits to libraries</i>		
(3)	<i>Increase attendance at library programs and events</i>		
(4)	<i>Increase the use of library digital services</i>		
	Goal	Total cost	Costs
XXVIII	Support the Pueblo Library Foundation (PLF) in developing its endowment to help safeguard the ongoing financial well-being of local public library services. <i>KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.</i>	3,523	Conference/training costs for Foundation Manager
XXIX	Update all staff-use computers to assure employee access to current IT productivity tools. <i>KEY RESULTS IMPACT: Circulation, Digital Use, Program Participation, Visits.</i>	75,000	Purchase of staff computers - in 2015 Budget
XXX	Upgrade the InfoZone Museum audio-visual presentation equipment and produce new museum films. <i>KEY RESULTS IMPACT: Visits</i>	140,000	Funded through Rawlings Foundation
		\$ 395,277	

SUMMARY / REVENUES

The following pages include summaries of both the General Fund and the Capital Project Fund, as well as a combined spread sheet showing totals in both funds. These are the only budgeted funds of the Pueblo City-County Library District for budget year 2015. The General Fund holds all of the operating revenue and expense, including debt service, Friends contributions and expenses, and miscellaneous gift revenue. The Capital Project Fund reflects Library Replacement plan expenses, InfoZone News Museum expenses, and major building projects, as well as contributions from the Pueblo Library Foundation. For 2015, there are no major building projects or renovations. An InfoZone project has been moved from 2014 to 2015, and capital projects include replacement of staff computers and other items.

An annual transfer from the General Fund into the Capital Project Fund is budgeted at \$392,000 in 2015. Transfers of \$300,000 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.

Also included in this section are 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 is also 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 19 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 2015, the amount of additional mill levy that was certified was .012 mills, generating \$20,117 in revenue, the amount of taxes abated or refunded in 2014. The amount of refunds and abatements in 2015 was 50% more than 2014. The total mill levy certified to the county for collection of taxes in 2015 is 5.262.

**MILL LEVY CALCULATIONS
BUDGET 2015**

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2015 BUDGET			Formula	2014 BUDGET		
A	1,681,233,765	Total Gross Assessed Valuation		1,667,904,201	Total Gross Assessed Valuation	
B	48,959,671	TIF reductions		48,419,733	TIF reductions	
C	1,632,274,094	Total Net Assessed valuation	A - B	1,619,484,468	Total Net Assessed valuation	
D	5.250	Voter approved mill levy limit		5.250	Voter approved mill levy limit	
E	8,569,439	Total Revenue	C X D X .001	8,502,293	Total Revenue	
F	20,117	Abatements, refunds		13,406	Abatements, refunds	
G	0.012	Millage for abatements, refunds	F / C X 1000	0.008	Millage for abatements, refunds	
H	5.262	Adjusted mill levy	D + G	5.258	Adjusted mill levy	
I	8,589,026	Adjusted total revenue	H X C X .001	8,515,249	Adjusted total revenue	
J	8,582,155	Budgeted revenue @ 99.8%	I X 99.8%	8,498,219	Budgeted revenue @ 99.8%	
		\$ 257,626	Revenue reduction impact of TIF	B X D X .001	\$ 254,591	Revenue reduction impact of TIF

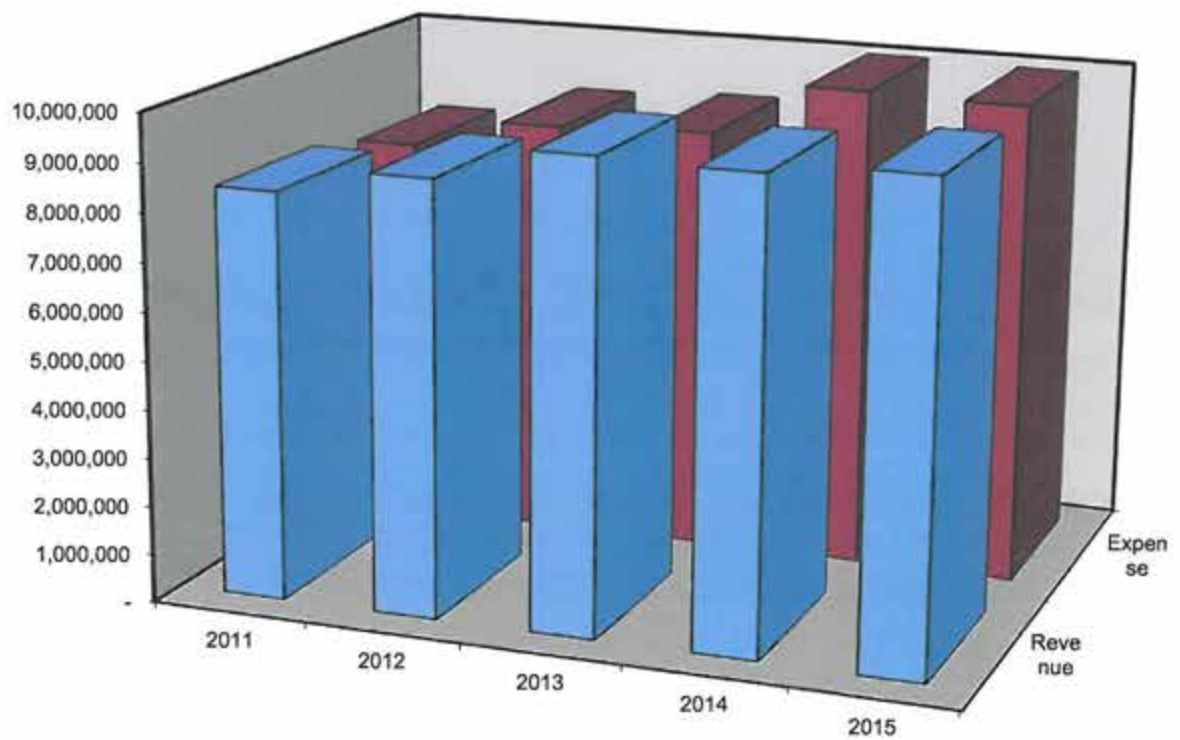
This chart shows how the mill levy is calculated based on assessed valuations for both current and prior years. The voter approved mill levy is 5.25, but an increase to capture abatements and refunds from the prior year is allowable. That increase is reflected here, for a total mill levy in 2015 of 5.262. The total dollar amount increase over prior year is \$ 73,777.

For the last three years, the actual collections have been an average of 99.8%, due to abatements and refunds, as well as delinquencies.

PUEBLO CITY-COUNTY LIBRARY DISTRICT
2015 BUDGET

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5-YEAR GENERAL FUND REVENUE & EXPENSE HISTORY



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

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GENERAL FUND	2013 AUDITED	2014 ESTIMATED	2014 BUDGET	2015 BUDGET
BALANCE, Beginning of Year	3,823,239	3,279,546	3,279,546	2,843,187
REVENUES	9,626,669	9,558,157	9,598,732	9,844,849
TOTAL BALANCE	13,449,908	12,837,703	12,878,278	12,688,036
EXPENDITURES	8,870,362	9,794,516	10,081,582	9,988,046
TRANSFER IN/OUT-CAPITAL PROJECT	1,300,000	200,000	200,000	392,000
BALANCE, End of Year	<u>3,279,546</u>	<u>2,843,187</u>	<u>2,596,696</u>	<u>2,307,990</u>
 CAPITAL PROJECT FUND	 2013 AUDITED	 2014 ESTIMATED	 2014 BUDGET	 2015 BUDGET
BALANCE, Beginning of Year	5,866,385	6,045,474	6,045,474	1,301,773
REVENUES	275,658	562,431	562,788	65,098
TOTAL BALANCE	6,142,043	6,607,905	6,608,262	1,366,871
EXPENDITURES	1,438,069	5,506,132	5,577,965	266,500
TRANSFER IN/OUT GENERAL FUND	1,341,500	200,000	200,000	392,000
BALANCE, End of Year	<u>6,045,474</u>	<u>1,301,773</u>	<u>1,230,297</u>	<u>1,492,371</u>
 COMBINED FUND BALANCE, End of Year	 <u>9,325,020</u>	 <u>4,144,960</u>	 <u>3,826,993</u>	 <u>3,800,361</u>
 BALANCE, Restricted *	 1,288,800	 1,286,745	 1,287,962	 1,108,670
BALANCE, Available	8,036,220	2,858,215	2,539,031	2,691,691
ANNUAL USE OF RESERVES	543,693	436,359	682,850	535,197
 * RESTRICTED FUNDS				
Emergency reserve	288,800	286,745	287,962	295,345
Reserve requirement for COPs	1,000,000	1,000,000	1,000,000	813,325
TOTAL RESTRICTED:	1,288,800	1,286,745	1,287,962	1,108,670

GENERAL FUND

*Please note that all of the comparative percentage statistics referenced in this narrative compare the 2015 Budget to the 2014 **Estimated** Budget, except in those instances where a Budget-to-Budget comparison is clearly noted.*

REVENUES

PROPERTY TAX: The assessed valuation figures for 2015 reflect a very small increase of .80%, with a monetary increase of \$73,777 in property tax. Property tax revenue is budgeted at slightly less than 100% collections, 99.9%, 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 slightly next year, reflecting an overall increase in 2014. This line item constitutes approximately 7% of the total revenue budget.

CONTRACTS, GRANTS: This category reflects an increase of 48% from prior year. This budget was reduced in 2013 due to the formation of the Foundation, where the majority of grants and contributions are received. Some grants, however, will come directly to PCCLD, and are reflected here. Most grant receipts are budgeted at 2014 levels, but the E-Rate Reimbursement amount is expected to be about \$43,000 higher than in 2014 due to the new libraries, reflecting most of the increase in this line. An LSTA grant from the Colorado State Library is also included in the amount of \$11,608.

INTEREST: Interest rates continue to remain at basis point levels. We have budgeted for a decrease based on current interest rates. 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: Although we have seen a marked decline in collections of fines in 2014, probably due in part to automatic renewals, we are still projecting a significant increase in this line item. Unique Management Services has proposed that we expand our collections of smaller debts, from \$10 to \$25. After analysis of amounts due in those areas, UMS proposed that we could collect a total of over \$72,000 of these outstanding debts. The costs to us would be less than we pay for larger debts, and they have committed to withholding invoices for those costs until we have seen the payments increase. Those costs are also included in the expenditure side of this budget, and total approximately \$40,000, resulting in a net return of \$32,000.

PHOTOCOPIER & INTERNET COPY FEES: A decrease of 8% is projected in this line item, based on estimated revenue, but the budget has actually increased over the amount budgeted last year.

MISCELLANEOUS: A significant increase is projected – 10%, but this is actually a lower dollar amount than was budgeted in 2014, again based on current activity.

MILL LEVY - TAX RATE: The current mill levy projected for 2015 is 5.262. 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, .012, is included in the total mill levy for 2015.

The total general fund revenue for 2015 reflects a 3% increase over the 2014 estimated budget, and a 2.6% increase over the 2014 budget.

EXPENDITURES

PEOPLE TO PROVIDE SERVICES: This section has increased by 11% over the 2014 estimated figures. All personnel costs are included in this section - salaries, PERA, employee benefits, employee training, etc.

Salaries and wages increases by 9% to allow for the new salary compensation plan pay adjustments and complete staff for the three new facilities. Minimum wage will also increase effective 1/1/2015, from \$8.00 per hour to \$8.23 per hour. PCCLD has a number of employees on staff who are currently paid below the new minimum, so this line item provides for an adjustment to comply with Colorado State employment law. The *estimated* 2014 budget anticipates reductions primarily from vacancy savings.

PERA holds steady at 2014 budget rates, due to the 2010 PERA legislation, which does not mandate increases for our salary category. This line is calculated directly from the salary line, based on the 13.7% that the library pays into the program. There is also a calculation included to reduce PERA for those employees choosing pre-tax insurance, medical and child care expenses as part of our 125 Cafeteria Flexible Benefit Plan. There will also be savings in 2014 in this category, of approximately \$40,000.

Workers compensation insurance decreases by 56% over estimated 2014 expenses, due to the end of significant claims in the 3-year look-back period. PCCLD has enjoyed a remarkably low mod rate of .87 in the past, but in 2014 the rate increased to 1.92. The experience mod rate for 2015 is .75, the lowest it's been in the last decade.

Employee insurance includes premiums paid by the District for employee health, dental and life insurance. A 25% increase is forecast in 2015 for this coverage, due to the 2014 estimated expense reduction or savings in this line item. Elements of the Affordable Care Act must also be considered in 2015 in terms of full-time employees, which will be considered 30-hour-a-week employees, not 40-hour-a-week, as has been our norm.

State unemployment compensation has increased by 14%.

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 don't 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 decreases by 2% for 2015, reflecting a concerted effort to find efficiencies and eliminate costs.

Employee training increases in 2015, by 20%. This budget continues to reflect opportunities for staff and board members to attend educational events and workshops. The amount of this training budget is 2.44% of the total salaries budget, which exceeds standards for this category. A training budget which equals 2% of the salaries budget is recommended by the State Library as an acceptable amount. In 2013 this budget was 3.18% of total salaries, but for the past two years elimination of some training opportunities have reduced this percentage.

MATERIALS AND SERVICES: This section of the budget has decreased by 28% over estimated budget, reflecting an amount which is exactly 15% of materials, without the opening day collections that were budgeted in 2014. This section includes all of the collections - books, audio visual (AV) materials, periodicals, on-line subscriptions, and digital materials (including circulating laptops and I-pads) - purchased for public use. It also includes programs, and the costs to order, receive and process the materials.

Books, periodicals, AV and digital material decreases by 30%. The decrease was largely the elimination of opening day collection costs for the three new libraries. Those libraries are now included in the budget process, and in the goal to keep this entire category at 15% of operating budget.

Library programs reflects an increase of 23% from prior year, maintaining the ability to continue with the popular programs that are currently presented throughout the District. The Friends of Pueblo Library District has contributed \$20,500 on an annual basis for various programs. This will be reduced by \$10,000, as they will re-direct their support of the popular All Pueblo Reads program to support of the author, and this donation will be made directly to the Pueblo Library Foundation. The remaining \$10,500 is anticipated to help support the Summer Reading Club and the Read Out Loud program. This generous donation amounts to 7% of the 2015 program budget.

Bindery/processing supplies/services decreases by 35% over 2014 reflective of the reduced amount of materials ordered that need to be processed.

FACILITIES TO PROVIDE SERVICES: This section shows 12% increase over estimated expense for 2014. This increase is due almost entirely to the increase in operating expenses for three new libraries.

Utilities increases by 23% over 2014 levels of expenditure based on current expenses and projections, as well as the expenses to provide heat, gas and water at the three new locations.

Vehicle expense is budgeted at 4% decrease over 2014 estimated, due to the additional maintenance costs in 2014 for the aging van. As compared to 2014 budget, there is a 27% increase to accommodate the increased fuel costs for all vehicles due to the addition of the three new locations.

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 33% increase projected in 2015 is reflective of the additional expenses for the three new libraries, such as janitorial, grounds maintenance, snow removal, etc.

Rent includes only the lease for the facility occupied primarily by the Friends of PCCLD, 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 increases by 2% due to contractual agreement.

Lease/Purchase of buildings: This account reflects the annual payments for debt service on the 2012 Certificates of Participation. 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 the total debt service page, which determines the exact budget amount every year, can be found later in this document.

Insurance shows an increase of 4%. This estimate includes both the added costs for liability and property insurance for three additional locations, as well as an industry-wide % increase. Our consultant, HUB International, did a thorough market bid process and PCCLD renewed with the current carrier, Colorado Special District Pool, at very competitive premium rates. This insurance is all inclusive – property liability, auto, umbrella, D&O and workers compensation, although the workers comp is shown in a separate area of this budget.

Friends expenditures are reduced from 2014 by 19%, based on decisions about the grant allocations to the District. In addition to this line item, Friends contributions are also recorded in other line items. Scholarship funding of \$3,000 has been recorded in Miscellaneous Personnel, \$6,500 has been recorded in Programs for Summer Reading,

\$4,000 for Youth Services' Reading Enrichment, and \$5,500 is included in the Community Relations budget for printing support of the newsletter.

OPERATING: This section reflects expenses for general operations of the District. The 9% increase is due primarily to meeting current needs of all the libraries, including the three new facilities.

Contractual library service increases by 9%. Most of the increase is due to providing security services at the three new locations, as well as some consulting for annual goals.

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 .8%, in direct correlation to the Property Tax revenue. These fees are 1.5% of the property tax amount.

Community relations has increased by 12%, reflective of a District goal to increase advertising for events, as well as maintaining funding for programs and events. A sub-category of this line item will be an in-kind donation of costs to the Foundation.

Professional memberships decrease by 2%, reflecting non-renewal of memberships which were not necessary or useful for the organization.

Office supplies, equipment shows a 2% decrease in 2015, based on requests from all libraries and departments, include the three new libraries. Set-up requirements for three new facilities were expended in 2014.

Photocopiers is budgeted at a 36% increase to reflect current spending patterns. This line item supports lease and maintenance of the special equipment in Community Relations.

Courier service increases by 77%, to include service to the three new locations for regular book/materials delivery and armored car service.

Postage and freight shows a 24% decrease to reflect current spending patterns, but this number may be increased prior to final.

INFORMATION TECHNOLOGY: This section shows an overall increase of 18% from estimated budget for prior year.

Telecommunications shows the biggest increase in this area, to provide internet access and telephone service to the three new facilities. The increase is 27%, or \$47,479 over current estimated expense. It's important to note that the E-Rate reimbursement anticipated in 2015 is \$165,897, which is a significant offset to this expense account.

Hardware repair & maintenance has remained the same as in the 2014 Budget.

Technology supplies has decreased by 12% over estimated 2014, but is actually \$1,000 higher than the 2014 budget to reflect regular ordering of supplies, including for the three new libraries.

Technology maintenance, licenses, support includes all contractual services expense related to Technology – network maintenance, consulting and support agreements, licenses, etc. This line has increased by 16% to reflect inclusion of the annual maintenance agreements for the RFID equipment.

The total increase in expenditures in this budget over 2014 estimated expenses is 2%.

FUND BALANCE

The ending fund balance forecast in the 2015 general fund budget is \$2,307,990, a decrease of \$535,197 over the estimated 2014 General Fund balance. This includes the transfer of \$392,000 from the General Fund to the Capital Project fund planned in the 2015 Budget. This is an amount necessary to help maintain the Library Replacement Plan.

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 \$295,345 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 \$2,691,691.

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

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	Actual Prev. year 2013	Estimated Curr. year 2014	Budget 2014	Budget 2015	Increase (Decrease)	%
REVENUES						
Property tax	8,493,998	8,498,219	8,498,219	8,582,155	83,936	1%
Specific ownership tax	644,217	673,321	637,366	677,990	4,669	1%
Contracts, Grants, Gifts	262,475	194,953	231,046	289,397	94,444	48%
Interest	27,752	25,770	23,823	21,800	(3,970)	-15%
Fines, Fees	144,077	105,106	152,248	216,977	111,871	106%
Photocopier & Internet Copy Fees	47,409	56,245	46,030	51,530	(4,715)	-8%
Miscellaneous	6,741	4,543	10,000	5,000	457	10%
TOTAL REVENUES	9,626,669	9,558,157	9,598,732	9,844,849	286,692	3%
EXPENDITURES						
PERSONNEL						
Salaries	3,618,849	3,635,988	3,755,171	3,981,041	345,053	9%
PERA	476,619	473,228	514,458	517,535	44,307	9%
Workers compensation	24,576	29,496	29,492	12,976	(16,520)	-56%
Employee insurance	448,490	415,145	469,702	517,078	101,933	25%
Unemployment compensation	10,112	10,447	11,266	11,943	1,496	14%
Medicare trust	50,389	50,903	54,450	57,725	6,822	13%
Employee relations	38,491	27,050	27,050	26,450	(600)	-2%
Employee training	76,769	55,990	67,637	70,590	14,600	26%
TOTAL PERSONNEL	4,744,295	4,698,247	4,929,226	5,195,338	497,091	11%
MATERIALS & SERVICES						
Books, periodicals, AV, databases	1,185,620	1,950,000	1,950,000	1,368,500	(581,500)	-30%
Bindery/processing supplies/services	202,481	234,000	234,000	151,893	(82,107)	-35%
Library programs	150,901	123,264	131,264	151,334	28,070	23%
TOTAL MATERIALS	1,539,002	2,307,264	2,315,264	1,671,727	(635,537)	-28%
FACILITIES						
Utilities	380,015	428,632	468,092	525,853	97,221	23%
Vehicle maintenance	8,921	7,329	5,500	7,000	(329)	-4%
Building repair & maintenance	306,238	283,072	312,532	376,498	93,426	33%
Rent	23,346	23,816	23,816	24,296	480	2%
Lease/purchase of buildings	808,750	810,250	810,250	811,550	1,300	0%
Insurance	62,536	65,871	62,948	68,464	2,593	4%
Friends expenditures	3,493	20,100	20,100	16,300	(3,800)	-19%
TOTAL FACILITIES	1,593,299	1,639,070	1,703,238	1,829,961	190,891	12%
OPERATING						
Contract Services	351,970	364,562	364,562	398,749	34,187	9%
County Treasurer's fees	127,421	127,473	127,473	128,732	1,259	1%
Community relations	34,359	60,530	66,532	68,032	7,502	12%
Professional memberships	17,031	19,534	19,534	19,092	(442)	-2%
Office supplies, equipment	57,945	76,992	76,992	75,292	(1,700)	-2%
Photocopiers	30,313	20,255	27,501	27,501	7,246	36%
Courier service	35,720	35,467	51,567	62,870	27,403	77%
Postage & freight	31,517	32,687	32,687	25,000	(7,687)	-24%
TOTAL OPERATING	686,276	737,500	766,848	805,268	67,768	9%
INFORMATION TECHNOLOGY						
Telecommunications	174,446	179,077	203,278	226,556	47,479	27%
Hardware repair & maintenance	4,388	10,000	10,000	10,000	-	0%
Technology Supplies	27,518	35,314	30,012	31,012	(4,302)	-12%
Technology mtce, licenses, support	101,138	188,044	123,716	218,184	30,140	16%
TOTAL INFORMATION TECHNOLOGY	307,490	412,435	367,006	485,752	73,317	18%
TOTAL EXPENDITURES	8,870,362	9,794,516	10,081,582	9,988,046	193,530	2%

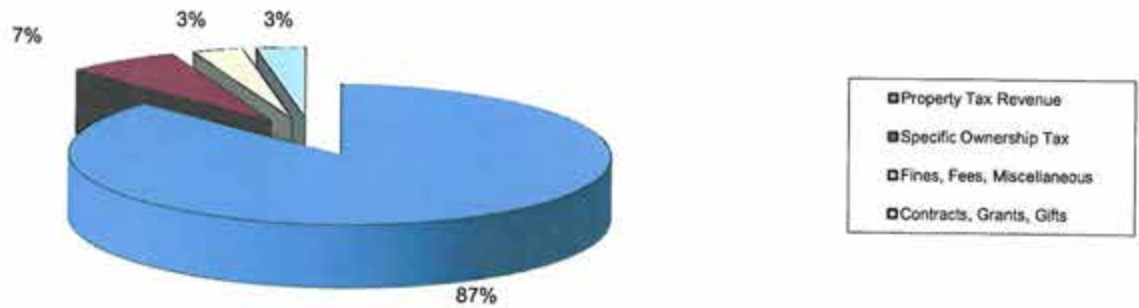
**PUEBLO CITY-COUNTY LIBRARY DISTRICT
GENERAL FUND**

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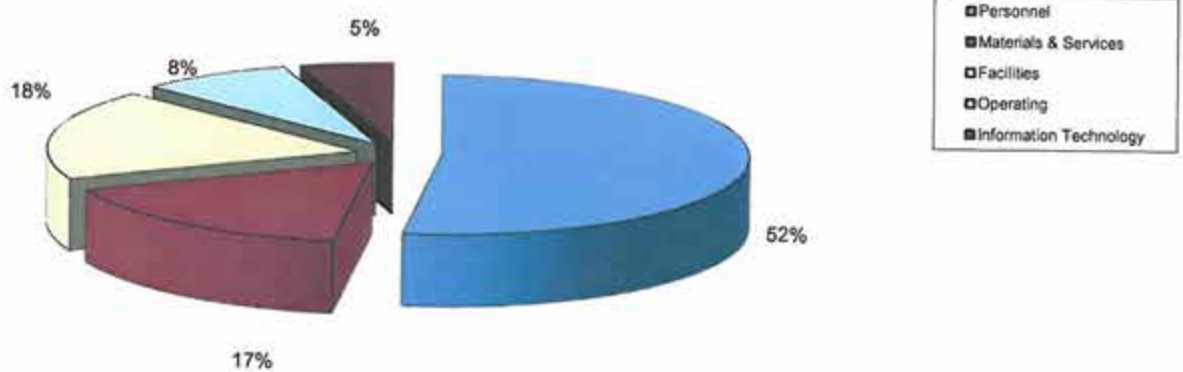
	Actual Prev. year 2013	Estimated Curr. year 2014	Budget 2014	Budget 2015	Increase (Decrease)	%
SUMMARY						
REVENUES						
Property tax revenue	8,493,998	8,498,219	8,498,219	8,582,155	83,936	1%
All other sources	1,132,671	1,059,938	1,100,513	1,262,694	202,756	19%
TOTAL REVENUES	9,626,669	9,558,157	9,598,732	9,844,849	286,692	3%
EXPENDITURES						
PERSONNEL	4,744,295	4,698,247	4,929,226	5,195,338	497,091	11%
MATERIALS & SERVICES	1,539,002	2,307,264	2,315,264	1,671,727	(635,537)	-28%
FACILITIES	1,593,299	1,639,070	1,703,238	1,829,961	190,891	12%
OPERATIONS	686,276	737,500	766,848	805,268	67,768	9%
INFORMATION TECHNOLOGY	307,490	412,435	367,006	485,752	73,317	
TOTAL EXPENDITURES	8,870,362	9,794,516	10,081,582	9,988,046	193,530	2%
Beginning fund balance	3,823,239	3,279,546	3,279,546	2,843,187	(436,359)	-13%
Transfer out to Capital Project Fund	1,300,000	200,000	200,000	392,000	192,000	
Transfer in from Capital Project Fund	-	-	-	-	-	
EXCESS Revenues - Expenditures (Reserve increase)	-	(236,359)	(482,850)	(143,197)	93,162	-39%
NET (ending fund balance)	3,279,546	2,843,187	2,596,696	2,307,990	(535,197)	-19%
 NET ASSESSED VALUATION - \$ 1,632,274,094						

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

GENERAL FUND BUDGET - REVENUES



GENERAL FUND BUDGET - EXPENDITURES



CAPITAL PROJECT FUND

The Capital Project fund encompasses three primary functions:

- Library Replacement Plan, established to provide funding for replacement of library infrastructure and capital assets,
- 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: This combined account shows a decrease of \$65,000, or 92%, over estimated 2014. It reflects minimal amounts of \$5,000 for contributions, gifts, \$5,000 for grants, and \$5,000 for Friends of PCCLD contributions. The biggest contribution is expected to come from the Pueblo Library Foundation in the amount of \$50,000.

MISCELLANEOUS REVENUE: There is nothing budgeted in this category for 2015.

INTEREST EARNINGS: This category decreases to only \$98, due to the spend down of COP funds, and the completion of new buildings in 2014.

EXPENDITURES

New building projects: Nothing budgeted here, as new building projects were completed in 2014.

InfoZone expenses: Funding is carried over to the 2015 Budget year for implementation of new and innovative interactive equipment, as well as continuing to upgrade and enhance the InfoZone environment.

Capital Asset Acquisitions. Several Library Replacement Plan items are included here, including replacement of staff computers, the digitization/preservation of documents project in Special Collections, security camera server system, replace of lighting at Pueblo West, and parking lot resurfacing at Barkman and Lamb libraries.

Total capital fund needs in 2015 are projected at \$266,500.

OTHER FINANCING SOURCES/USES

TRANSFER IN FROM THE GENERAL FUND: In 2015 there is a budgeted transfer of \$392,000 to the Capital Fund, for ongoing funding of the Library Replacement Plan

FUND BALANCE

The fund balance forecast in the 2015 Capital Project Budget is \$ 1,492,371, an increase of \$190,598 over the 2014 estimated fund balance. This increase is due to additional funds transferred from the General Fund to the Capital Fund to begin build-up of the Library Replacement Plan.

The total combined fund balance, comprised of both the General Fund and the Capital Project Fund, is projected to be \$3,800,361 at the end of 2015. This is \$801,692 greater than we had anticipated one year ago, in the 2014 Budget process. Of this total fund balance, \$295,345 is restricted for the TABOR 3% reserve requirement, and \$813,325 is restricted in the Debt Service Reserve Fund, leaving a remaining combined fund balance of \$2,691,691 which is unrestricted.

BUDGETARY IMPACT OF CAPITAL EXPENDITURES

Capital Expenditures completed in 2014 have an ongoing impact on the operating, or General Fund, in the coming years.

The three new buildings that were completed in 2014 have impacts as follows:

- **Salaries & wages** will increase by \$220,000 in 2014/2015, and related payroll items also show increases (PERA, Medicare, Workers Compensation, health insurance).
- **Collection materials** increased by \$611,000 in 2014 for opening day collections, but will continue to grow so that we maintain collection expenditures at 15% of the total operating budget on an annual basis.
- **Utilities, building maintenance, insurance, supplies** all are budgeted to increase to provide general operating funds for the new locations.
- **Lease/purchase** payments increased, beginning in 2013, based on payments due for the new COP issue. Savings of nearly \$1,000,000 was realized on refunding the 2007 COP debt; interest rate of 3.28% was secured on the new debt. The average interest rate on the 2007 COP issue was 5.18%. The final payment, due in 2032, will be made with the Debt Service Reserve Fund.

The RFID project identified as a capital expenditure in 2013 will have some ongoing general fund costs for updates, maintenance and subscription services.

- **Information Technology support** costs of \$80,000 were added in 2014, and will increase incrementally in succeeding years at an annual percentage projection.

Total annual budgetary impact is expected to be approximately \$1,300,000. The additional property tax revenue provided by the Xcel Energy and Black Hill Energy facilities is slightly in excess of \$1 million, offsetting these additional expenses going forward.

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

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	Actual Prev.year 2013	Estimated Curr.year 2014	Revised Budget 2014	Budget 2015	Increase (Decrease)	% inc/dec
REVENUES						
Contributions, gifts	-	19,000	19,000	5,000	(14,000)	-74%
Grants	252,547	111,000	111,000	5,000	(106,000)	-95%
Friends of PCCLD contributions	-	-	-	5,000	5,000	100%
Contributions from Pueblo Library Foundation		426,666	427,000	50,000	(376,666)	-88%
Miscellaneous revenue	14,095	-	-	-	-	0%
Interest earnings	9,016	5,765	5,788	98	(5,668)	-98%
TOTAL REVENUES	275,658	562,431	562,788	65,098	(497,334)	-88%
EXPENDITURES						
New Building Projects						
East Side	107,651	1,578,798	1,578,798	-	(1,578,798)	-100%
St. Charles Mesa	157,298	1,732,045	1,732,045	-	(1,732,045)	-100%
Greenhorn Valley - Colorado City	81,310	1,656,340	1,656,340	-	(1,656,340)	-100%
Misc.	-	17,121	-	-	(17,121)	-100%
Bond issuance costs	-	-	-	-	-	0%
TOTAL BUILDING COSTS	346,259	4,984,304	4,967,183	-	(4,984,304)	-100%
InfoZone expenses	8,316	16,046	100,000	140,000	123,954	772%
TOTAL INFOZONE EXPENSE	8,316	16,046	100,000	140,000	123,954	772%
Capital Asset Acquisitions [Replacement Plan]						
Information Technology	1,011,231	178,250	178,250	85,000	(93,250)	-52%
Furniture, Fixtures, Equipment	10,714	-	5,000	20,000	20,000	#DIV/0!
Building Improvements	61,549	327,532	327,532	21,500	(306,032)	-93%
TOTAL CAPITAL ASSET EXPENSE	1,083,494	505,782	510,782	126,500	(379,282)	-75%
TOTAL EXPENDITURES	1,438,069	5,506,132	5,577,965	266,500	(5,239,632)	-95%

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

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SUMMARY	Actual Prev. year 2013	Estimated Curr. year 2014	Revised Budget 2014	Budget 2015	Increase (Decrease)
REVENUES					
Contributions, grants, gifts	252,547	556,666	557,000	65,000	(491,666)
Miscellaneous revenue	14,095	-	-	-	-
Interest earnings	9,016	5,765	5,788	98	(5,668)
TOTAL REVENUES	275,658	562,431	562,788	65,098	(497,334)
EXPENDITURES					
New Building Project	346,259	4,984,304	4,967,183	-	(4,984,304)
New issue expenses	-	-	-	-	-
InfoZone Expenditures	8,316	16,046	100,000	140,000	-
Capital Asset Expenditures	<u>1,083,494</u>	<u>505,782</u>	<u>510,782</u>	<u>126,500</u>	<u>(379,282)</u>
TOTAL EXPENDITURES	1,438,069	5,506,132	5,577,965	266,500	(5,239,632)
Beginning fund balance	5,866,385	6,045,474	6,045,474	1,301,773	(4,743,701)
Other Financing Sources					
Transfer in from General Fund [Replac.PlIn]	1,341,500	200,000	200,000	392,000	192,000
Transfer out to General Fund	-	-	-	-	-
EXCESS Revenues - Expenditures (Reserve increase)	(1,162,411)	(4,943,701)	(5,015,177)	(201,403)	4,742,299
NET (ending fund balance)	<u>6,045,474</u>	<u>1,301,773</u>	<u>1,230,297</u>	<u>1,492,371</u>	<u>190,598</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 FUND**

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	General Fund	General Fund Budget Percentages	Capital Project Fund	Total Combined Funds	% of Total PCCLD budget
REVENUES					
Property tax	8,582,155	87.17%	-	8,582,155	86.60%
All other	1,262,694	12.83%	65,098	1,327,792	13.40%
TOTAL REVENUES	9,844,849	100.00%	65,098	9,909,947	100.00%

EXPENDITURES					
Personnel	5,195,338	52.02%	-	5,195,338	50.66%
Materials & Services	1,671,727	16.74%	-	1,671,727	16.30%
Facilities	1,829,961	18.32%	140,000	1,969,961	19.21%
Operations	805,268	8.06%	41,500	846,768	8.26%
Information Technology	485,752	4.86%	85,000	570,752	5.57%
TOTAL EXPENDITURES	9,988,046	100.00%	266,500	10,254,546	100.00%

Beginning Fund Balance	2,843,187		1,301,773	4,144,960
Excess: Revenues over Expenditures	(143,197)		(201,403)	(344,600)
Transfers In/Out	(392,000)		392,000	-
Ending Fund Balance	2,307,990		1,492,371	3,800,361
Fund balance as a % of operating expense				38%
Fund balance projected in prior year long-range plan				2,998,669
Variance from long-range plan				801,692

BREAKDOWN OF ENDING FUND BALANCE ***

*** Reserves and unrestricted funds	
3% emergency reserve	295,345
Reserve requirement for COPs	813,325
Unrestricted fund balance	2,691,691

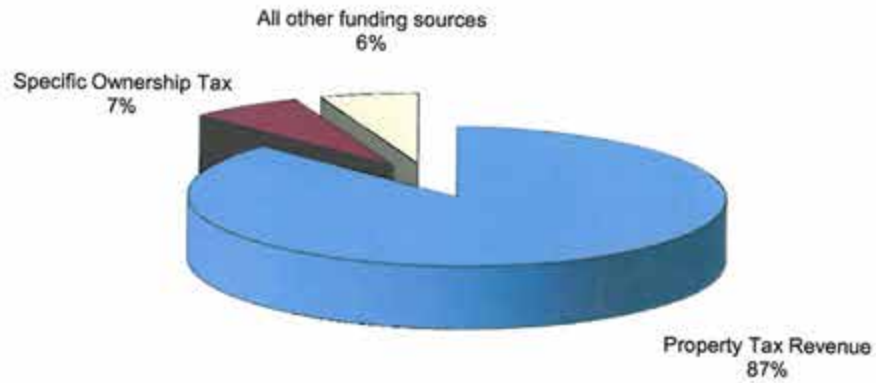
This spread sheet shows the two funds - General Fund & Capital Project

Fund - combined for revenues, expenditures and fund balance.

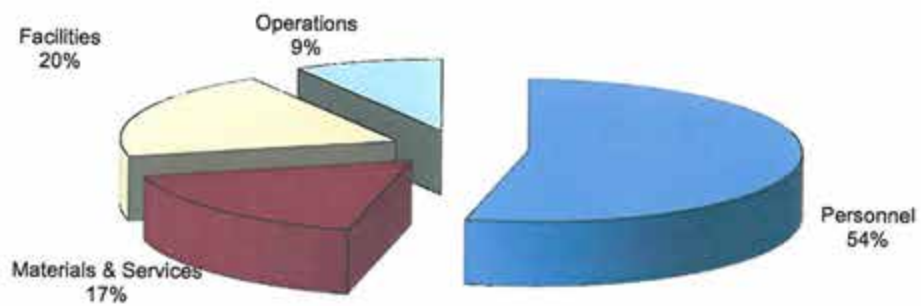
**PUEBLO CITY-COUNTY LIBRARY DISTRICT
2015 BUDGET**

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COMBINED FUND BUDGET - REVENUES



COMBINED FUND BUDGET - EXPENDITURES



DEBT AND LEASE OBLIGATIONS

Certificates of Participation

On October 10, 2007, \$6,000,000 in Certificates of Participation were issued, with American National Bank serving as Trustee. The debt service was scheduled for twenty-five years, culminating on November 15, 2031. The average coupon rate is 5.18%.

This issue was used to renovate and expand the Pueblo West Library from 5,000 square feet to 28,000 square feet. The building opened to the public in the spring of 2009. The architect for the project was Humphries Poli, and the construction firm was H.W. Houston.

On September 27, 2012, Pueblo City-County Library District issued \$11,410,000 in COPs, to refund the original \$6,000,000 debt and procure an additional \$5,410,000 to construct three new library buildings through the county. The average coupon rate for the new issues is 3.281%, a significant savings over the previous rate. Savings garnered through the refinance part of this transaction was estimated to be nearly \$900,000. UMB is serving as Trustee.

The new libraries are all similarly designed, 7,500 square foot facilities, located in Colorado City, St. Charles Mesa, and the East Side neighborhood. Land was donated in Colorado City, purchased on the St. Charles Mesa, and the East Side property was purchased with a portion of the funding provided by the City of Pueblo. The architect for the project is OZ Architecture; construction firm is H.W. Houston. All three libraries were opened to the public in November and December of 2014.

Lease Obligations

The District currently has one operating lease for rental space which is used for District storage of furniture, and a portion of which is leased back to the Friends of Pueblo City-County Library District for use as a used book store.

No equipment leases remain in the District. Photocopy equipment was purchased in 2011 for most public and staff areas; some photocopy equipment in the Community Relations Department is operating on month-to-month rental agreements.

Debt Limits

The District currently has no general obligation debt. Schedules and information included herein apply to Certificates of Participation, which are not voted debt, but rather lease-purchase obligations includable within the general operating mill levy. There are no statutory regulations concerning COP debt. The Board of Trustees of the District approved a Debt Management policy in 2012, which is included in the policy section of this document.

The District has no immediate or projected plans to issue general obligation debt. The COP debt schedule is included herein.

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Annual
Debt Service

Average Coupon	3.281%
Average life	