

2013

**BUDGET &
ANNUAL PLAN**

Preliminary
October 15, 2012

PUEBLO CITY-COUNTY LIBRARY DISTRICT

Finance Office
100 E. Abriendo Avenue
Pueblo, Colorado 81004

2013 ANNUAL PLAN and BUDGET

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Pueblo City-County Library District (PCCLD) 2013 Annual Plan

PCCLD has established strategic goals in its current long-range plan (*Moving Ahead: Strategic Plan for the Pueblo City-County Library District: Building a Community of Readers*, December 10, 2009, www.pueblolibrary.org/pld_docs/2009_Strategic_Plan.pdf). The library district will continue in 2013 to work toward the following goals as described in the long-range plan:

- I. Increase use of library materials
- II. Improve information technology
- III. Expand services to the underserved
- IV. Maintain District assets.

PCCLD will support these goals in 2013 with specific budgeted initiatives. The goals are delineated in the pages following along with accompanying objectives and action steps, listed in priority order, which represent new initiatives for the year.

Strategic Goal I: INCREASE USE OF LIBRARY MATERIALS.

- A. Complete the Library Enhancement Project, including Radio Frequency Identification systems, Automated Materials Handling equipment, and a new customer service model.
 - Action Steps
 1. Remodel four libraries by February 2013.
 2. Integrate new equipment into the remodeled libraries by March 2013.
 3. Train staff in new procedures.
 4. Implement changes by March 2013.
 5. Evaluate and report on results.
 6. Consider expanding Library Enhancement Project design and service principles to the second floor of the Rawlings Library.

- B. Implement digitization program as described in the *Digital Collections Plan—Pueblo City-County Library District (September 2012)*.
 - Action Steps
 1. Subscribe to a digital asset management system such as CONTENTdm.
 2. Procure necessary digitization hardware.
 3. Provide additional staff resources to support the project.
 4. Begin digitizing selected content with local and/or regional historical or archival value.

- C. Evaluate management of library collections in light of industry trends and recently adopted PCCLD initiatives.
 - Action Steps
 1. Refine procedures for the Centers for New Information Technology by creating standards for maintenance of the mobile devices included in the library district's collections, including handling withdrawals of old devices, adding new devices, and ongoing maintenance of existing devices.
 2. Seek relationships with additional book vendors, especially in light of the loss of Book Wholesalers, Inc., in 2012.
 3. Assess the impact of increased spending levels for digital materials and respond accordingly.

Strategic Goal II: IMPROVE INFORMATION TECHNOLOGY.

- A. Assign a staff task force to develop a strategy for improving the tools PCCLD uses to discover information within in its collections.
- Action Steps
 1. Research the current state of the Integrated Library System (ILS) marketplace.
 2. Seek out current best practices of similar institutions.
 3. Consider the optimum choices for the next generation of ILS and/or Discovery applications for PCCLD and make recommendations.
- B. Consider how to provide IT Help Desk customer service during all the regular operating hours of the library district.
- Action Steps
 1. Study other institutions and industry standards for role models.
 2. Assess results of the study and develop a plan to best serve PCCLD.
 3. Extend IT Help Desk hours of service.
- C. Create an Intranet to improve internal sharing of important information for all employees to encourage collaboration, support access to commonly used applications and staff tasks, enable employees to make connections, provide real-time information, and allow staff access to institutional information resources anywhere and anytime.
- Action Steps
 1. Hire a part-time internal communications coordinator to oversee the effort.
 2. Contract with a web designer to create the new site.
 3. Design the new site with input from stakeholders.
 4. Build the Intranet site.
 5. Train staff in best practices for using the Intranet.
- D. Increase access to library district public programs with the addition of video streaming services.
- Action Steps
 1. Utilize new capabilities and capacities within the PCCLD Community Relations department to capture library programming and events on video.
 2. Regularly stream online to the members of the community.
 3. Measure use of service.
 4. Revise, as indicated.
- E. Evaluate PCCLD telecommunication network configuration to improve security and performance of online services.
- Action Steps

1. Select a qualified network consultant using a competitive RFP process to recommend changes to the library district's telecommunications network to improve security and performance.
 2. Look for opportunities to implement recommendations of the consultant.
 3. Incorporate changes to the network.
- F. Upgrade end-of-life server hardware as part of the Hardware Replacement Plan
- Action Steps
 1. Develop an agreed-upon plan for migrating end-of-life servers to new platforms.
 2. Procure, configure and deploy necessary hardware.
- G. Replace client computers (staff and public) as part of the Hardware Replacement Plan.
- Action Steps
 1. Design a program for replacing outdated desktop computers with appropriate new devices.
 2. Procure and configure necessary hardware.
 3. Train staff in use of the new equipment and deploy.
- H. Replace the public address system in the Ryals Room at the Rawlings Library.
- Action Steps
 1. Consult with qualified sound system experts on best choices.
 2. Procure, configure and install necessary equipment.
 3. Train staff in use of the new equipment.

Strategic Goal III: EXPAND SERVICES TO THE UNDERSERVED.

- A. Plan for a new East Side public library.
 - Action Steps
 1. Complete architectural design.
 2. Complete site preparation.
 3. Break ground on construction with completion in 2014.
- B. Plan for a new Greenhorn Valley public library.
 - Action Steps
 1. Complete architectural design.
 2. Complete site preparation.
 3. Break ground on construction with completion in 2014.
- C. Plan for a new St. Charles Mesa public library.
 - Action Steps
 1. Complete architectural design.
 2. Complete site preparation.
 3. Break ground on construction with completion in 2014.
- D. Create public meeting room service at the Library @ the Y.
 - Action Steps
 1. Abide by the Colorado Public Library Standards which define a full-service public library as "having a meeting space."
 2. Partner with the YMCA to allow reservation of meeting room space within the YMCA in-line with PCCLD policies and guidelines for "Meeting Room Use."
- E. Increase capacity for Summer Reading programs for youth.
 - Action Steps
 1. Continue to increase Summer Reading program participation by allocating additional funds for supplies and more programming.
 2. Schedule more programs at those locations now at capacity.
 3. Implement Tween programming district-wide based on successful model piloted at Pueblo West Library in 2012.
 4. Increase Read OUT LOUD author funding to attract higher-profile authors and support growth.
 5. Appraise results and report.

F. Increasing capacity for the Adult Literacy program

- Action Steps

1. Provide regular funding for the GED program piloted in 2012.
2. Work with partner organization to implement at the Rawlings Library.
3. Assess program and report on the results.

G. Implement early childhood literacy fairs at each library location.

- Action Steps

1. Evaluate pilot program coordinated in 2012 by the Early Literacy Librarian.
2. Design a program to engage the community at multiple locations, including community partners and volunteers.
3. Schedule dates at each library location in 2013.
4. Monitor and report on results.

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Strategic Goal IV: MAINTAIN DISTRICT ASSETS.

- A. Complete initiative to change the compensation system from a step increase to a pay for performance structure in order to continue to encourage a workplace based upon accountability and achievement.
- Action Steps
 1. Build upon results of 2012 consultant work.
 2. Communicate with all stakeholders on program choice options and solicit comment.
 3. Develop a program designed to best meet the needs of PCCLD with guidance from expert consultant and input from staff.
 4. Implement program with care in teaching all staff in the new system.
- B. Improve grounds keeping at all appropriate library-owned properties.
- Action Steps
 1. Hire grounds professionals to perform landscaping maintenance.
 2. Re-landscape existing facilities as required to return to standard.
- C. Outsource payroll to save time in the Finance Department.
- Action Steps
 1. Select firm to handle PCCLD financing based upon competitive RFP.
 2. Implement new service to allow Finance department to continue with other new support services, such as centralized procurement and more.
- D. Complete a career-pathing program to assist employees in advancing their careers with PCCLD. This career progression program is intended as an “easy-to-use” guide for employees to see options for advancing career within the district.
- Action Steps
 1. Develop a spreadsheet of all existing PCCLD positions with requirements and categorization by profession or vocation.
 2. Create a list of locally-accessible educational resources that support PCCLD career development.
 3. Implement a process for supervisors to use available resources to mentor employees on career paths.
- E. Improve library job recruiting efficiencies by implementing an online application process and tracking system to ease application submittal tracking and screening.
- Action Steps
 1. Create an online interactive applications form.

2. Feed submitted application data into an easy-to-use spreadsheet for supervisors and the Human Resources department to review applicants.
 3. Integrate the online data into an application retention system.
 4. Extend this system to volunteer applications.
- F. Revise Safety Manual for easier access and increased relevancy.
- Action Steps
 1. Work with the Safety Committee to identify areas for improvement.
 2. Share proposed changes with library administrations.
 3. Update and finalize the manual.
 4. Communicate changes to employees.
- G. Update job descriptions for consistency across the organization.
- Action Steps
 1. Review job descriptions and create a draft edit by the Human Resources department.
 2. Work with supervisors to review the draft edit.
 3. Work with administration to review for final edits.
 4. Communicate updated job descriptions to individual employees.
- H. Continue to focus additional resources on new employee orientation.
- Action Steps
 1. Create orientation folders including all forms and information required to be a productive member of the PCCLD team.
 2. Develop a brief video for new employees to provide an introduction of the organization.
- I. Evaluate staffing patterns at current library locations resulting from RFID/AMH efficiencies.
- Action Steps
 1. Create a re-deployment plan to help staff new library locations.
 2. Revise job descriptions and duties as appropriate.
 3. Be prepared plan in 2014 with the opening of three new libraries.
- J. Implement a call center at PCCLD to provide accurate and consistent information to customers and to direct calls to the appropriate departments.
- Action Steps
 1. Utilize 2012 study of best practices of effective library call centers.
 2. Plan and budget for a PCCLD call center.
 3. Implement call center.

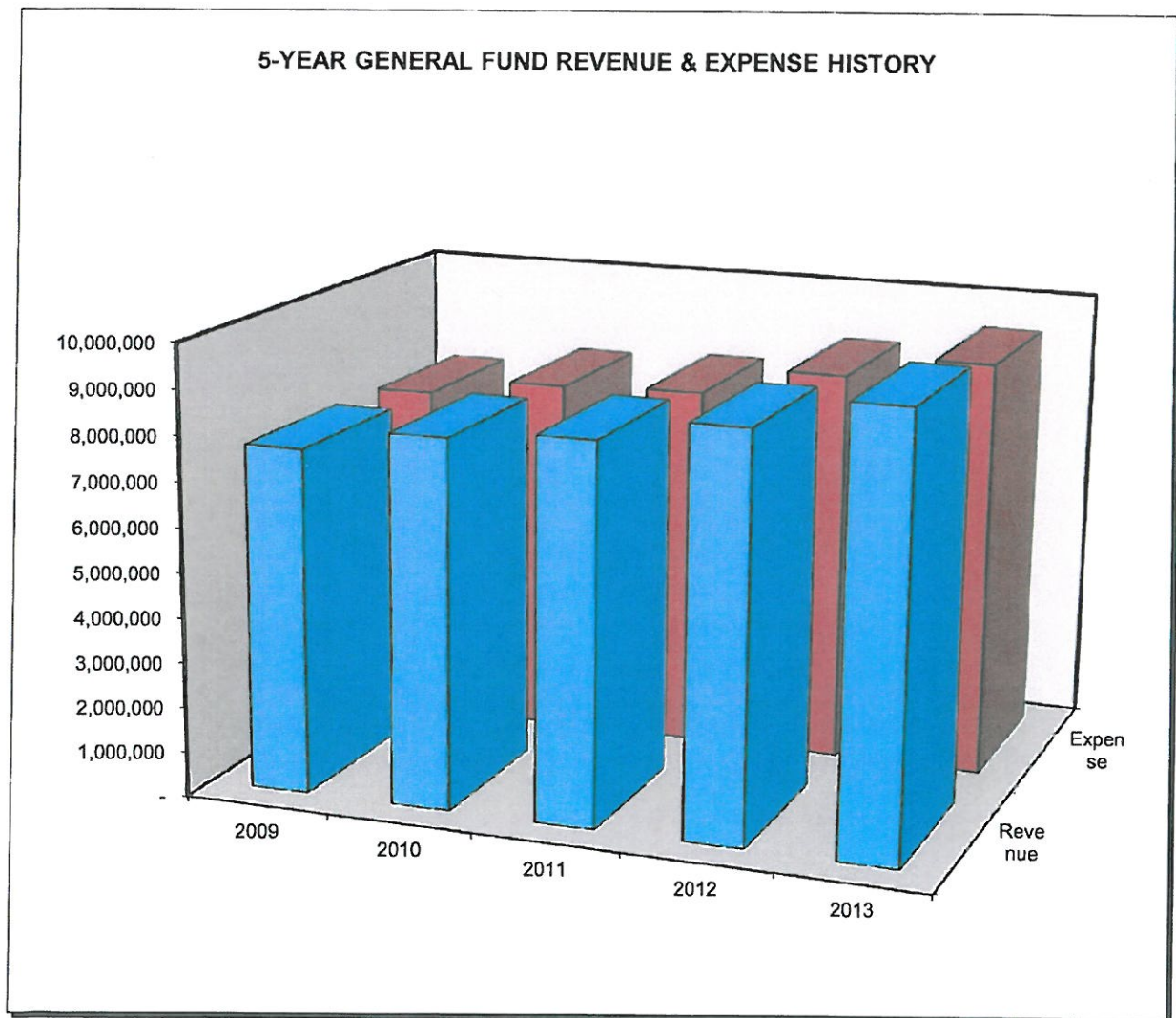
K. Improve PCCLD automated telephone services.

- Action Steps

1. Upgrade to more robust and contemporary voice automated hardware and software to take advantage of features such as improved text-to-speech conversion for clearer, cleaner messages to patrons, support for current version of Windows operating system, ability to set preferred language for the customer's language of preference, with automatic notification of overdue materials, items on hold or outstanding fees, and empowering users to manage their own account information, renewals and other activities via the phone service.
2. Train staff in new service and develop necessary customer publicity.
3. Implement upgraded service.

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PUEBLO CITY-COUNTY LIBRARY DISTRICT
2013 BUDGET



**MILL LEVY CALCULATIONS
BUDGET 2013**

<u>2013 BUDGET</u>		<u>Formula</u>	<u>2012 BUDGET</u>		
A	1,671,480,675	Total Gross Assessed Valuation		1,559,121,403	Total Gross Assessed Valuation
B	63,317,514	TIF reductions		72,224,737	TIF reductions
C	1,608,163,161	Total Net Assessed valuation	A - B	1,486,896,666	Total Net Assessed valuation
D	5.250	Voter approved mill levy limit		5.250	Voter approved mill levy limit
E	8,442,857	Total Revenue	C X D X .001	7,806,207	Total Revenue
F	69,067	Abatements, refunds		26,762	Abatements, refunds
G	0.043	Millage for abatements, refunds	F / C X 1000	0.018	Millage for abatements, refunds
H	5.293	Adjusted mill levy	D + G	5.268	Adjusted mill levy
I	8,512,008	Adjusted total revenue	H X C X .001	7,832,972	Adjusted total revenue
J	8,469,448	Budgeted revenue @ 99.5%	I X 99.5%	7,793,807	Budgeted revenue @ 99.8%

\$	335,140	Revenue reduction impact of TIF	B X D X .001	\$	380,480	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 2012 of 5.268. The total dollar amount increase is \$ 26,762.

For the last three years, the actual collections have been an average of 99.5%, due to abatements and refunds, as well as delinquencies.

GENERAL FUND

*Please note that all of the comparative percentage statistics referenced in this narrative compare the 2013 Budget to the 2012 **Estimated** Budget, except in those instances where a Budget-to-Budget comparison is clearly noted.*

REVENUES

PROPERTY TAX: The assessed valuation figures for 2013 increased by almost 8%, due to the new Black Hills energy plant coming on the tax rolls in 2013. Abatements and refunds more than doubled, at \$69,067 for 2013. The total increase in property tax revenue, which includes an additional mill levy for abatements and refunds, is 9%. The County has until December 10, 2012, to provide final assessed valuation figures, and this may change the property tax revenue estimate, but the change is typically minimal. Property tax revenue is budgeted at slightly less than 100% collections, 99.5%, since delinquencies, abatements and refunds will generally reduce the amount received. Property tax revenues are now 88% of the total revenue budget for the District.

SPECIFIC OWNERSHIP TAX: Based on current collections, specific ownership tax revenue from Pueblo County is projected to increase somewhat next year over estimated 2012 collections. In past years the formula used to calculate the percentage of specific ownership tax to be distributed to taxing entities has been at 10 – 12% of property tax revenue. In 2010 this percentage dropped to about 8.5%, so the calculation from that time forward for specific ownership tax has been based on that percentage. This line item constitutes approximately 8% of the total revenue budget.

CONTRACTS, GRANTS: This category reflects a decrease of 19% from prior year estimated. A portion of the grant and donation revenue that has been previously budgeted in this line item will now be received by the Pueblo Library Foundation, so that revenue stream has been adjusted accordingly in 2013.

INTEREST: Interest rates continue to remain at basis point levels, but we have projected a 10% increase in 2012, due to additional investable funds and improved rate of return over 2012. The earnings in this category reflect not just earnings on direct investments, but also earnings on property tax held by Pueblo County. We receive those earnings as part of our monthly distribution of taxes.

FINES, FEES: This line item stays level in 2013. It will be interesting to watch the impact of self-check stations with cash receipt capabilities, but at this point it's difficult to project whether that will have a significant impact on fines collections.

PHOTOCOPIER & INTERNET COPY FEES: A decrease of just 1% is projected in this line item, based on current revenue patterns.

MISCELLANEOUS: A significant increase is projected – 87%, but this is actually the same dollar amount that was budgeted in 2012. This amount may be adjusted by final budget.

MILL LEVY - TAX RATE: The current mill levy projected for 2013 is 5.293. 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, .043, is included in the total mill levy for 2013.

The total general fund revenue for 2013 reflects an 8% increase over both the 2012 budget and the 2012 estimated revenues.

EXPENDITURES

PEOPLE TO PROVIDE SERVICES: This section has increased by 8% over the 2012 estimated figures, but is actually only a 3% increase over the 2012 budget. All personnel costs are included in this section - salaries, PERA, employee benefits, employee training, etc.

Salaries and wages increases by 6% to allow for continuation of the merit pay program and some minor hourly adjustments. The total FTE (Full-Time Equivalent) count for the District increases by only 1.77 FTE for 2013. The *estimated* 2012 budget shows reductions primarily from vacancy savings. We anticipate savings of over \$140,000 in this category in 2012.

PERA holds steady at 2012 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 will also be savings in 2012 in this category, of approximately \$26,000.

Workers compensation insurance increases by 28% over estimated 2012 expenses, due to significant claims in the 3-year look-back period. PCCLD has enjoyed a remarkably low mod rate of .87%, but this rate will rise in 2013 to 1.66%. This line item may show an additional increase when numbers are finalized in November of this year.

Employee insurance includes premiums paid by the District for employee health, dental and life insurance. A modest 5% increase is forecast in 2013 for just the health insurance. The Health Access program for part-time employees, as well as the consulting fees for health insurance, have been moved to this line item for reporting purposes, which results in a 21% increase.

State unemployment compensation has increased by only 2%. Our percentage rate increased from .002 to .003 in 2011, due to a state-wide formula for political subdivisions of the state.

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

Miscellaneous personnel 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 increases by 37% for 2013, but a significant decrease over 2012 budget is shown, due to the elimination in the 2013 budget of several 2012 HR objectives, and transfer of Health Access to the Employee Health Insurance category.

Employee training also increases in 2013, by 31%. This budget continues to reflect increased opportunities for staff and board members to attend educational events and workshops. The amount of this training budget is 3.49% 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. The focus on having well-trained staff to address patron needs is emphasized in the mission statement of PCCLD.

MATERIALS AND SERVICES: This section of the budget has increased by 3% over estimated budget in order to maintain the materials at 15% of total operating budget. This section includes all of the collections - books, audio visual (AV) materials, periodicals, on-line subscriptions, and digital materials - purchased for public use. It also includes programs, and the costs to order, receive and process the materials.

Books, periodicals, AV and digital material increases by 2%. Another widely accepted standard for library collections is to maintain the collections budget at 15% of the total expenditure budget. This was established as a goal in the 2010 Annual Plan, and again meets that goal in 2013.

Library programs reflects an increase of 15% 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 contributes \$20,500 on an annual basis for various programs. This generous donation amounts to 20% of the 2013 program budget. In 2012 the Friends offered a \$10,000 incentive to the Summer Reading Program; these funds will be received and expended as part of the 2013 Budget.

Technical services supplies increases by only 2% over 2012 figures.

FACILITIES TO PROVIDE SERVICES: This section shows 61% increase over estimated expense for 2012. This increase is due almost entirely to the increase in projected debt service payments for lease/purchase of buildings.

Utilities increases by 11% over 2012 levels of expenditure based on current expenses and projections. The solar panels on the roof at Rawlings have helped somewhat in reduction of energy bills, but they won't offset a significant increase in electric usage costs.

Vehicle expense is budgeted at the same level as 2012 to anticipate expenses for repair of vehicles. Even though final budget figures for this line item are often under budget, it's important to include budget funds for expenses such as tires, batteries, and repairs, which can be costly and unpredictable.

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 7% increase projected in 2013 is reflective of standard increases in costs of service.

Rent includes only the lease for the facility occupied by the Friends of PCCLD, and most of this amount is offset by revenue received in Contracts & Grants. The rent will increase 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: an East Side Library, a Greenhorn Valley Library and a St. Charles Mesa Library. An increase in debt service payments of just over \$200,000 annually has been included in this line item. The total amount borrowed, and the project costs, are budgeted in the Capital Project Fund.

Insurance shows an increase of 1%. Our insurance broker proactively seeks quotes on an annual basis, which helps to keep our premiums low for general property, liability and Directors & Officers coverage. Although our low claims history helps to keep the premium cost down, the final quote from our insurance carrier may increase this expense by up to 5%.

Friends expenditures are reduced by 48%, due to the focus of the Friends group to provide funding for the Foundation. Corresponding grant revenue has been budgeted to provide funding for this expense. 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, as well as \$10,000 for the All Pueblo Reads Program, 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 16% increase is due primarily to a number of district-wide objectives containing contractual needs for consulting services.

Contractual library service increases dramatically, by 40%. Most of the increase is due to consulting and contractual services for the digitization project in Special Collections, as well as services to provide an off-site call center, budgeted in Public Services. Legal fees have also increased somewhat, and various other departments have included additional funding requests for consulting services related to Annual Plan 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 9%, commensurate with property tax increases. These fees are 1.5% of the tax amount.

Community relations has decreased by 18% due to the one-time purchase in 2012 of the electronic solution to generate e-newsletters, e-blasts about events, etc. Similar purchase is not anticipated in the 2013 budget.

Professional memberships increase by 6%.

Office supplies, equipment shows a 6% decrease in 2013. Last year this line item showed significant increases; this year the budget is based on supply needs identified through the Annual Plan goals, combined with a realistic analysis of spending patterns.

Photocopiers is budgeted at a 4 increase to reflect current spending patterns. This line item primarily supports lease and maintenance of the special equipment in Community Relations. Purchase of copier in 2012 allows us to remove all lease and maintenance contracts from the 2013 Budget.

Courier service increases at a maintenance rate of 2%.

Postage and freight shows a 5% decrease from 2012 levels.

INFORMATION TECHNOLOGY: This section shows an overall decrease of 2% from estimated budget for prior year.

Telecommunications has been reduced by 4% in 2013. New cellular phone contracts were negotiated in 2012, resulting in this decrease.

Hardware repair & maintenance has not changed from 2012 Budget. It's felt that this budget will be sufficient for 2013.

Computer software is now budgeted in the Capital Project Fund, as it has to be recognized as a capital asset. This line will be eliminated in the final budget documents.

Technology supplies has remained at 2012 Budget levels.

Technology maintenance, licenses, support includes all contractual services expense related to Technology – network maintenance, consulting and support agreements, licenses, etc. This line has remained constant in 2013.

The total increase in expenditures in this budget over 2012 estimated expenses is 14%. The total projected amount for expenditures in 2013 is 5% more than the budget amount in 2012.

FUND BALANCE

The ending fund balance forecast in the 2013 budget is \$2,869,982, a decrease of \$940,707 over the estimated 2012 General Fund balance. This includes the transfer of \$100,000 planned in the 2012 Budget. A transfer of \$1,300,000 will be made from the General Fund to the Capital Project Fund in 2013. Of this amount, \$300,000 reflects the savings from the Lease/Purchase line item; the remaining \$1,000,000 is a transfer to provide additional financial support for the RFID/AMH project.

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 \$288,532 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 \$5,678,591.

**BUDGET 2013
PRELIMINARY**

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

	Actual Prev. year 2011	Estimated Curr. year 2012	Budget 2012	Budget 2013	Increase (Decrease)	%
REVENUES						
Property tax	7,307,351	7,793,807	7,793,807	8,469,448	675,641	9%
Specific ownership tax	612,037	662,474	662,474	719,903	57,429	9%
Contracts, Grants, Gifts	248,107	245,804	229,075	198,704	(47,100)	-19%
Interest	26,699	19,115	19,115	21,115	2,000	10%
Fines, Fees	153,117	154,724	154,724	154,724	-	0%
Photocopier & Internet Copy Fees	46,160	40,352	49,128	40,152	(200)	-1%
Miscellaneous	14,285	7,331	13,702	13,702	6,371	87%
TOTAL REVENUES	8,407,756	8,923,607	8,922,025	9,617,748	694,141	8%
EXPENDITURES						
PERSONNEL						
Salaries	3,430,589	3,525,697	3,668,983	3,741,631	215,934	6%
PERA	457,637	470,194	495,801	507,123	36,929	8%
Workers compensation	13,508	18,214	24,000	23,307	5,093	28%
Employee insurance	362,269	431,788	421,839	520,521	88,733	21%
Unemployment compensation	10,259	11,007	11,007	11,225	218	2%
Medicare trust	46,204	49,715	52,475	53,529	3,814	8%
Miscellaneous personnel	24,636	24,784	59,540	34,066	9,282	37%
Employee training	53,679	74,412	108,537	97,672	23,260	31%
TOTAL PERSONNEL	4,398,781	4,605,811	4,842,182	4,989,074	383,263	8%
MATERIALS & SERVICES						
Books, periodicals, AV, databases	1,114,217	1,244,390	1,244,390	1,274,501	30,111	2%
Bindery/processing supplies/services	126,998	146,955	146,955	149,894	2,939	2%
Library programs	100,028	101,430	101,430	116,240	14,810	15%
TOTAL MATERIALS	1,341,243	1,492,775	1,492,775	1,540,635	47,860	3%
FACILITIES						
Utilities	414,463	430,758	396,515	479,210	48,452	11%
Vehicle maintenance	8,974	11,000	11,000	11,000	-	0%
Building repair & maintenance	261,278	262,572	262,572	282,071	19,499	7%
Rent	22,372	22,888	22,888	23,346	458	2%
Lease/purchase of buildings	311,950	224,197	688,579	808,750	584,553	261%
Insurance	56,617	56,406	60,432	56,906	500	1%
Friends expenditures	14,189	31,300	31,300	16,300	(15,000)	-48%
TOTAL FACILITIES	1,089,843	1,039,121	1,473,286	1,677,583	638,462	61%
OPERATING						
Contract Services	197,746	250,250	277,418	351,011	100,761	40%
County Treasurer's fees	109,626	116,907	116,907	127,042	10,135	9%
Community relations	35,158	62,200	62,200	51,030	(11,170)	-18%
Professional memberships	9,551	18,708	18,708	19,913	1,205	6%
Office supplies, equipment	40,388	72,130	72,130	67,977	(4,153)	-6%
Photocopiers	52,314	31,068	31,068	32,201	1,133	4%
Courier service	33,995	36,580	36,580	37,479	899	2%
Postage & freight	28,149	30,000	30,000	28,392	(1,608)	-5%
TOTAL OPERATING	506,927	617,843	645,011	715,045	97,202	16%
INFORMATION TECHNOLOGY						
Telecommunications	181,496	184,835	184,835	177,390	(7,445)	-4%
Hardware repair & maintenance	11,425	5,000	5,000	5,000	-	0%
Technology Supplies	30,155	30,012	30,012	30,012	-	0%
Technology mtce, licenses, support	124,356	123,716	123,716	123,716	-	0%
TOTAL INFORMATION TECHNOLOGY	347,432	343,563	343,563	336,118	(7,445)	-2%
TOTAL EXPENDITURES	7,684,226	8,099,113	8,796,817	9,258,455	1,159,342	14%

**BUDGET 2013
PRELIMINARY**

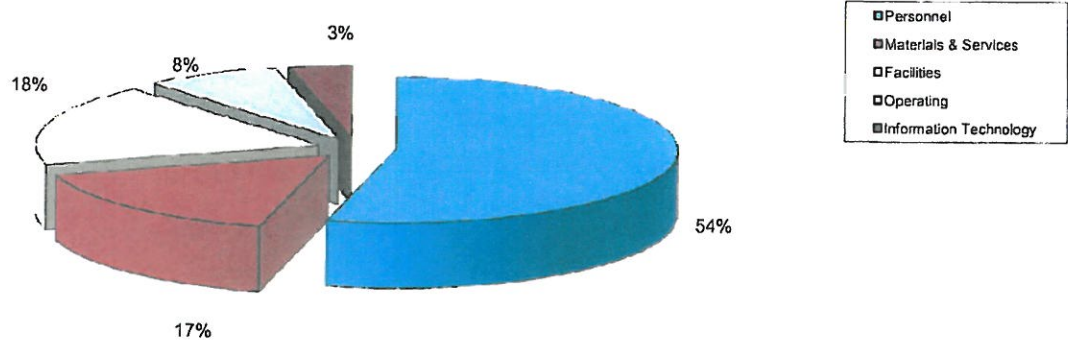
**PUEBLO CITY-COUNTY LIBRARY DISTRICT
GENERAL FUND**

	Actual Prev. year 2011	Estimated Curr. year 2012	Budget 2012	Budget 2013	Increase (Decrease)	%
SUMMARY						
REVENUES						
Property tax revenue	7,307,351	7,793,807	7,793,807	8,469,448	675,641	9%
All other sources	1,100,405	1,129,800	1,128,218	1,148,300	18,500	2%
TOTAL REVENUES	8,407,756	8,923,607	8,922,025	9,617,748	694,141	8%
EXPENDITURES						
PERSONNEL	4,398,781	4,605,811	4,842,182	4,989,074	383,263	8%
MATERIALS & SERVICES	1,341,243	1,492,775	1,492,775	1,540,635	47,860	3%
FACILITIES	1,089,843	1,039,121	1,473,286	1,677,583	638,462	61%
OPERATIONS	506,927	617,843	645,011	715,045	97,202	16%
INFORMATION TECHNOLOGY	347,432	343,563	343,563	336,118	(7,445)	
TOTAL EXPENDITURES	7,684,226	8,099,113	8,796,817	9,258,455	1,159,342	14%
Beginning fund balance	2,362,665	3,086,195	3,086,195	3,810,689	724,494	23%
Transfer out to Capital Project Fund	-	100,000	100,000	1,300,000	1,200,000	
Transfer in from Capital Project Fund	-	-	-	-	-	
EXCESS Revenues - Expenditures (Reserve increase)	-	824,494	125,208	359,293	(465,201)	-56%
NET (ending fund balance)	3,086,195	3,810,689	3,111,403	2,869,982	(940,707)	-25%
NET ASSESSED VALUATION - \$1,486,896,666						

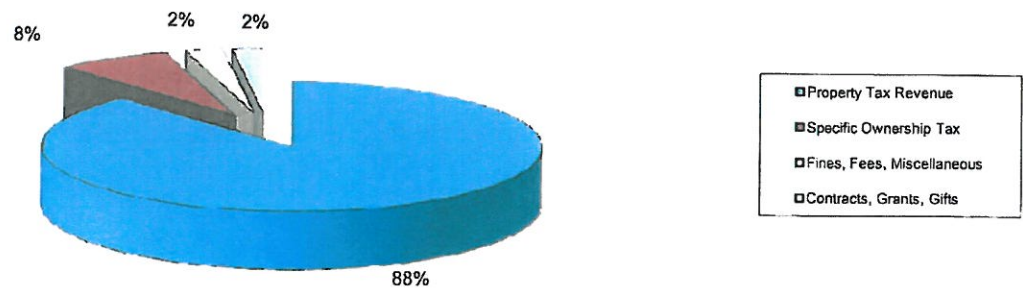
THE BUDGETARY BASIS OF ACCOUNTING USED IN THIS BUDGET IS MODIFIED ACCRUAL.

PUEBLO CITY-COUNTY LIBRARY DISTRICT
2013 BUDGET

GENERAL FUND BUDGET - EXPENDITURES



GENERAL FUND BUDGET - REVENUES



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 an increase of \$38,951, or 21%, over estimated 2012. We had budgeted a bit more than what we're budgeting in 2013, but the Pueblo Library Foundation will also be generating donation income, so that has reduced the projections in this PCCLD fund.

MISCELLANEOUS REVENUE: There is nothing budgeted in this category for 2013. In 2012 a fixed asset was sold, resulting in a \$ 4,695 revenue. Nothing of this nature is anticipated in 2013.

INTEREST EARNINGS: This category remains the same as 2012, but may be increased to reflect additional earning on the COP Construction Fund.

EXPENDITURES

New building project: Expenses for planning and design for three new libraries are included here: St. Charles Mesa, East Side and Greenhorn Valley (Colorado City) libraries. This budget line item increases by \$1,579,643, nearly 200%, to reflect beginning construction costs and site work in 2013. Opening of all three branches is now anticipated for July 1, 2014. An amount of \$ 251,115 is also included here for renovation projects in existing libraries. Work will begin at Rawlings, Barkman, Lamb and Pueblo West to accommodate optimum patron access and work flow functionality, as well as provide space for the installation of Automated Materials Handling equipment.

InfoZone expenses: Funding is carried over to the 2013 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 computers for public and staff, updates to software, and servers. Completion costs for the RFID project are also included, and new software applications to enhance use and functionality of our on-line catalog system. Finally, a new sprinkler system at Barkman and HVAC upgrades at Lamb complete the planned improvements.

Total capital asset needs in 2013 are projected at \$3,801,028.

OTHER FINANCING SOURCES/USES

PROCEEDS FROM REFUNDING DEBT: Proceeds from the COP transaction completed in September 2012 are reflected, appropriately, under Other Financing Sources. The net transaction resulted in \$5,637,878 which will be used to establish a Debt Service Reserve Fund of \$813,325, fund a Construction Fund in the amount of \$4,702,422, and pay bond issuance fees in the amount of \$122,139. These are 2012 transactions, reflected on the 2013 Capital Project Fund budget documents for Estimated Current Year 2012. The library building projects: St. Charles Mesa, East Side and Greenhorn Valley – will be completed in 2014. Additional funds will also be raised to support these projects, as shown in the Revenue section of the budget.

TRANSFER IN FROM THE GENERAL FUND: In 2012 there is a budgeted transfer of \$100,000 to the Capital Fund, for ongoing funding of the Library Replacement Plan. There is a transfer in 2013 to provide funding for the new libraries (\$300,000) and to provide additional support for the Library Replacement Plan, through which the RFID project expenses are recorded (\$1,000,000). The \$300,000 represents savings in the 2012 Lease/Purchase payment line item.

FUND BALANCE

The fund balance forecast in the 2013 Capital Project Budget is \$3,910,466, a decrease of \$2,283,528 over the 2012 estimated fund balance. This decrease is due to the increase in 2012 of bond proceeds, which is not, of course, included in the 2013 budget. The total combined fund balance, comprised of both the General Fund and the Capital Project Fund, is projected to be \$6,780,448 at the end of 2013. This is \$2,367,542 greater than we had anticipated one year ago, in the 2012 Budget process. Of this total fund balance, \$288,532 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 \$5,678,591 which is unrestricted.

BUDGETARY IMPACT OF CAPITAL EXPENDITURES

Several projects planned for 2013 will have an impact on the operating, or General Fund, in the coming years.

The three new buildings that are planned are projected to be completed in July of 2014. At that time, the following General Fund line items will be increased:

- **Salaries & wages** will increase by \$220,000 in 2014/2015, and related payroll items will also show increases (PERA, Medicare, Workers Compensation, health insurance). When the new buildings open, some staffing will be provided due to elimination of most of the satellite library sites; some re-assignment of staff may also be possible due to efficiencies gained through the implementation of the new book tagging and materials handling system (RFID).
- **Collection materials** will increase by \$300,000 in 2014 to provide opening-day collections at all three facilities; ongoing annual increases of \$50,000 are included.
- **Utilities, building maintenance, insurance, supplies** all are budgeted to increase to provide general operating funds for the new locations.
- **Lease/purchase** payments will increase, 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 for 2013 will have some ongoing general fund costs for updates, maintenance and subscription services.

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

Total annual budgetary impact is expected to be approximately \$900,000. 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.

**BUDGET 2013
PRELIMINARY**

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

	Actual Prev. year 2011	Estimated Curr. year 2012	Budget 2012	Budget 2013	Increase (Decrease)
REVENUES					
Contributions, gifts	410	25,549	24,000	-	(25,549)
Grants	143,588	110,000	200,000	154,500	44,500
Friends of PCCLD contributions	-	40,000	10,000	10,000	(30,000)
Contributions from Pueblo Library Foundation	-	-	-	50,000	50,000
Miscellaneous revenue	-	4,695	-	-	(4,695)
Interest earnings	1,944	3,000	3,000	3,000	-
TOTAL REVENUES	145,942	183,244	237,000	217,500	34,256
EXPENDITURES					
New Building Projects					
East Side	-	405,000	153,000	738,500	333,500
St. Charles Mesa	-	126,000	126,000	782,000	656,000
Greenhorn Valley - Colorado City	-	144,000	144,000	698,000	554,000
Renovation projects - existing libraries	-	214,972	113,500	251,115	36,143
TOTAL BUILDING COSTS	-	889,972	536,500	2,469,615	1,579,643
InfoZone expenses	22,116	27,951	175,000	110,000	82,049
TOTAL INFOZONE EXPENSE	22,116	27,951	175,000	110,000	82,049
Capital Asset Acquisitions [Replacement Plan]					
Information Technology	226,668	178,830	1,572,858	1,144,151	965,321
Furniture, Fixtures, Equipment	89,693	54,279	14,270	17,339	(36,940)
Building Improvements	125,694	157,924	15,000	59,923	(98,001)
TOTAL CAPITAL ASSET EXPENSE	442,055	391,033	1,602,128	1,221,413	830,380
TOTAL EXPENDITURES	464,171	1,308,956	2,313,628	3,801,028	2,492,072

**BUDGET 2013
PRELIMINARY**

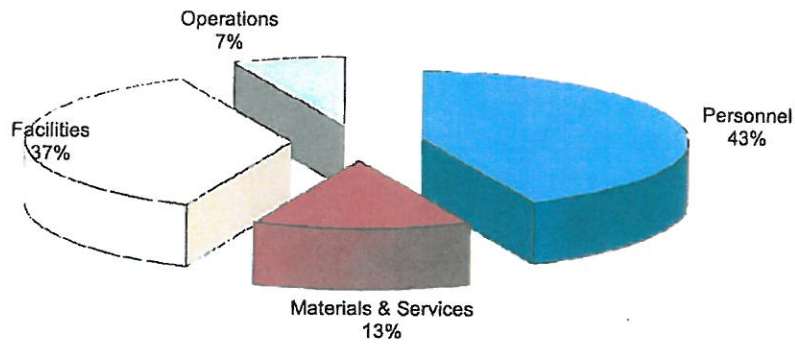
**PUEBLO CITY-COUNTY LIBRARY DISTRICT
CAPITAL PROJECT FUND**

	Actual Prev. year 2011	Estimated Curr. year 2012	Budget 2012	Budget 2013	Increase (Decrease)
SUMMARY					
REVENUES					
Contributions, grants, gifts	143,998	175,549	234,000	214,500	38,951
Miscellaneous revenue	-	4,695	-	-	(4,695)
Interest earnings	1,944	3,000	3,000	3,000	-
TOTAL REVENUES	145,942	183,244	237,000	217,500	34,256
EXPENDITURES					
New Building Project	-	889,972	536,500	2,469,615	1,579,643
InfoZone Expenditures	22,116	27,951	175,000	110,000	-
Capital Asset Expenditures	<u>442,055</u>	<u>391,033</u>	<u>1,602,128</u>	<u>1,221,413</u>	<u>830,380</u>
TOTAL EXPENDITURES	464,171	1,308,956	2,313,628	3,801,028	2,492,072
Beginning fund balance	1,900,057	1,581,828	1,581,828	6,193,994	4,612,166
Other Financing Sources					
Proceeds from bond issue		11,410,000			(11,410,000)
Premium		489,679			(489,679)
Discount		(105,826)			105,826
Payments to escrow 2007 COPS		(6,155,975)			6,155,975
Transfer in from General Fund [Replac.Pln]	-	100,000	100,000	1,300,000	1,200,000
Transfer out to General Fund	-	-	-	-	-
EXCESS Revenues - Expenditures (Reserve increase)	(318,229)	(1,125,712)	(2,076,628)	(3,583,528)	(2,457,816)
NET (ending fund balance)	<u>1,581,828</u>	<u>6,193,994</u>	<u>(394,800)</u>	<u>3,910,466</u>	<u>(2,283,528)</u>

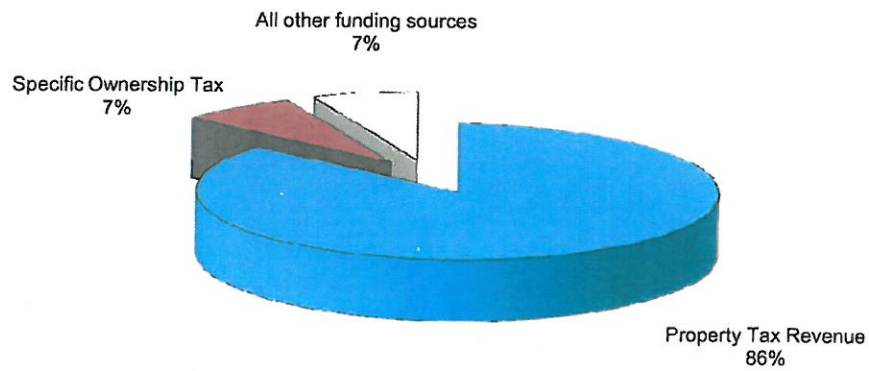
THE BUDGETARY BASIS OF ACCOUNTING USED IN THIS BUDGET IS MODIFIED ACCRUAL.

**PUEBLO CITY-COUNTY LIBRARY DISTRICT
2013 BUDGET**

COMBINED FUND BUDGET - EXPENDITURES



COMBINED FUND BUDGET - REVENUES



**PUEBLO CITY-COUNTY LIBRARY DISTRICT
PERCENTAGE COMPARISON ANALYSIS
GENERAL FUND/CAPITAL PROJECT FUND**

	General Fund	General Fund Budget Percentages	Capital Project Fund	Total Combined Funds	% of Total PCCLD budget
REVENUES					
Property tax	8,469,448	88.06%	-	8,469,448	86.11%
All other	1,148,300	11.94%	217,500	1,365,800	13.89%
TOTAL REVENUES	9,617,748	100.00%	217,500	9,835,248	100.00%

EXPENDITURES					
Personnel	4,989,074	53.89%	-	4,989,074	38.20%
Materials & Services	1,540,635	16.64%	-	1,540,635	11.80%
Facilities	1,677,583	18.12%	2,579,615	4,257,198	32.60%
Operations	715,045	7.72%	77,262	792,307	6.07%
Information Technology	336,118	3.63%	1,144,151	1,480,269	11.33%
TOTAL EXPENDITURES	9,258,455	100.00%	3,801,028	13,059,483	100.00%

Beginning Fund Balance	3,910,689		6,093,994	10,004,683
Excess: Revenues over Expenditures	359,293		(3,583,528)	(3,224,235)
Transfers In/Out	(1,300,000)		1,300,000	-

Ending Fund Balance	2,969,982		3,810,466	6,780,448
----------------------------	------------------	--	------------------	------------------

Fund balance as a % of operating expense **73%**

Fund balance projected in prior year long-range plan	4,412,906
Variance from long-range plan	2,367,542

BREAKDOWN OF ENDING FUND BALANCE ***

*** Reserves and unrestricted funds	
3% emergency reserve	288,532
Reserve requirement for COPs	813,325
Unrestricted fund balance	5,678,591

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

Fund - combined for revenues, expenditures and fund balance.

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

GENERAL FUND	2011 AUDITED	2012 ESTIMATED	2012 BUDGET	2013 BUDGET
BALANCE, Beginning of Year	2,362,665	3,086,195	3,086,195	3,810,689
REVENUES	8,407,756	8,923,607	8,922,025	9,617,748
TOTAL BALANCE	10,770,421	12,009,802	12,008,220	13,428,437
EXPENDITURES	7,684,226	8,099,113	8,796,817	9,258,455
TRANSFER IN/OUT-CAPITAL PROJECT	-	100,000	100,000	1,300,000
BALANCE, End of Year	<u>3,086,195</u>	<u>3,810,689</u>	<u>3,111,403</u>	<u>2,869,982</u>
 CAPITAL PROJECT FUND	 2011 AUDITED	 2012 ESTIMATED	 2012 BUDGET	 2013 BUDGET
BALANCE, Beginning of Year	1,900,057	1,581,828	1,581,828	6,193,994
REVENUES	145,942	183,244	237,000	217,500
TOTAL BALANCE	2,045,999	1,765,072	1,818,828	6,411,494
EXPENDITURES	464,171	1,308,956	2,313,628	3,801,028
TRANSFER IN/OUT GENERAL FUND	-	5,637,878	100,000	1,300,000
BALANCE, End of Year	<u>1,581,828</u>	<u>6,093,994</u>	<u>(394,800)</u>	<u>3,910,466</u>
 COMBINED FUND BALANCE, End of Year	 <u>4,668,023</u>	 <u>9,904,683</u>	 <u>2,716,603</u>	 <u>6,780,448</u>
 BALANCE, Restricted *	 1,252,233	 1,267,708	 1,267,661	 1,101,857
BALANCE, Available	3,415,790	8,636,975	1,448,942	5,678,591
ANNUAL USE OF RESERVES	(723,530)	(724,494)	(25,208)	940,707
 * RESTRICTED FUNDS				
Emergency reserve	252,233	267,708	267,661	288,532
Reserve requirement for COPs	1,000,000	1,000,000	1,000,000	813,325
TOTAL RESTRICTED:	1,252,233	1,267,708	1,267,661	1,101,857

LOCATIONS

ADMINISTRATION

Executive Director: Jon Walker

100 E. Abriendo Avenue

Pueblo, CO 81008

(719) 562-5625

COMMUNITY RELATIONS, Director: Midori Clark

FINANCE, CFO: Chris Brogan

HUMAN RESOURCES, Director: Sara Rose

INFORMATION TECHNOLOGY, Director: Charles Hutchins

PUBLIC SERVICES, Director: Jane Palmer

TECHNICAL SERVICES, Director: Teresa Valenti

Robert Hoag Rawlings Library

100 E. Abriendo Avenue

Pueblo, CO 81008

(719) 562-5627

Library @ the Y

Manager: Michael Cox

3200 Spaulding Avenue

Pueblo, CO 81008

(719) 553-0102

Lamb

Manager: Diann Logie

2525 S. Pueblo Blvd.

Pueblo, CO 81005

(719) 562-5600

Barkman

Manager: Steve Antonuccio

1300 Jerry Murphy Road

Pueblo, CO 81001

(719) 562-5680

Pueblo West

Manager: Cindy Shimizu

298 S. Joe Martinez Blvd.

Pueblo, CO 81007

(719) 562-5660

Outreach Services

Manager: Kim Young

100 E. Abriendo Avenue

Pueblo, CO 81008

(719) 562-5631



Swanhorst & Company LLC

Certified Public Accountants

October 12, 2012

Board of Trustees
Pueblo City-County Library District
100 E. Abriendo Avenue
Pueblo, Colorado 81004-4232

We are pleased to confirm our understanding of the services we are to provide to the Pueblo City-County Library District. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the District, as of and for the year ended December 31, 2012. Also, the supplementary information will be subjected to the auditing procedures applied in our audit of the financial statements, upon which we will provide an opinion in relation to the basic financial statements. The management's discussion and analysis and required supplementary information will be subjected to certain limited procedures, but will not be audited.

Audit Objective

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America. Our audit will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Management is responsible for making all financial records and related information available to us. We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information. You are also responsible for adjusting the financial statements to correct material misstatements and for affirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the basic financial statements taken as a whole.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that the District complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, or violations of contracts or grant agreements that we may report.

With regard to using the auditors' opinion, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraud that comes to our attention. We will also inform you of any other violations of laws or regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

In planning and performing our audit, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing our opinion on the District's financial statements.

An audit is not designed to provide assurance on internal control or to identify deficiencies. However, we will inform the governing board of any matters involving internal control and its operation that we consider to be significant deficiencies or material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Audit Procedures—Compliance

Identifying and ensuring that the District complies with laws, regulations, contracts, and agreements is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Audit Administration, Fees, and Other

We will prepare the Form 990 tax return for the year ended December 31, 2012.

Our fees for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, copies, telephone, etc.) except that we agree that our maximum fee, including expenses, will not exceed \$23,000. If the District is required to perform a Single Audit, we will discuss the additional fees before we perform any audit work. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the Pueblo City-County Library District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the letter and return it to us.

Very truly yours,



Swanhorst & Company LLC

RESPONSE

This letter correctly sets forth the understanding of the Pueblo City-County Library District.

By _____

Title _____

Date _____

BOARD DEVELOPMENT COMMITTEE - ADVOCACY INITIATIVE
IDENTIFYING COMMUNITY CONNECTIONS

As the library begins advocacy efforts to reach out to the community, it is important to identify community groups where advocates can present information about the library and its services. This is an exercise to gather the names and organizations with which Board members already have regular contact to develop a wide sphere of people and groups.

Trustee Name: _____

Organization Name: _____

Brief Purpose: _____

Meeting Regularity: ☐ weekly ☐ monthly ☐ other _____

Does the organization host guest speakers?: ☐ Yes ☐ No

Current person to contact to schedule presentation: _____

Comments: _____

Organization Name: _____

Brief Purpose: _____

Meeting Regularity: ☐ weekly ☐ monthly ☐ other _____

Does the organization host guest speakers?: ☐ Yes ☐ No

Current person to contact to arrange presentation: _____

Comments: _____

Organization Name: _____

Brief Purpose: _____

Meeting Regularity: ☐ weekly ☐ monthly ☐ other _____

Does the organization host guest speakers?: ☐ Yes ☐ No

Current person to contact to arrange presentation: _____

Comments: _____

Organization Name: _____

Brief Purpose: _____

Meeting Regularity: ☐ weekly ☐ monthly ☐ other _____

Does the organization host guest speakers?: ☐ Yes ☐ No

Current person to contact to arrange presentation: _____

Comments: _____

Organization Name: _____

Brief Purpose: _____

Meeting Regularity: ☐ weekly ☐ monthly ☐ other _____

Does the organization host guest speakers?: ☐ Yes ☐ No

Current person to contact to arrange presentation: _____

Comments: _____

Organization Name: _____

Brief Purpose: _____

Meeting Regularity: ☐ weekly ☐ monthly ☐ other _____

Does the organization host guest speakers?: ☐ Yes ☐ No

Current person to contact to arrange presentation: _____

Comments: _____

PUEBLO CITY-COUNTY LIBRARY DISTRICT BOARD OF TRUSTEES ASSESSMENT

Instructions: Please rank the following items with 5 being "most definitely" and 1 being "no/never"

A – GENERAL KNOWLEDGE

To be truly effective, Board members must understand their role versus that of the Library Director. Each Trustee should also understand the role of the library itself—the library's mission and how the library's policies, services, and programs work to ensure that the mission is met. Trustees should be well versed on the various issues that impact their library and its services, including issues on the state and national levels such as trends in intellectual freedom, privacy rights, and funding for libraries.

	1 = "no never" 5 = "most definitely"	5	4	3	2	1
1.	Board members understand their roles and responsibilities.					
2.	Board members understand the roles and responsibilities of the Library Director.					
3.	Board members can identify the mission statement, objectives and vision of the library					
4.	Board members are familiar with all local, state and federal laws having an effect on libraries.					
5.	Board members are familiar with library issues at the local, state and federal levels.					
6.	Board members understand the structure and Bylaws of the Board.					
7.	Board members are familiar with current library policies.					
8.	Board members know which agency (agencies) the Board reports to.					
9.	The Board is aware of the funding needs of the library.					

B – BOARD OPERATION

Effective Board operations do impact the quality of trustee deliberation and decision making. The questions below will help trustees assess their ability to hold effective meetings that foster interaction and help to move the library forward.

	1 = "no never" 5 = "most definitely"	5	4	3	2	1
1.	The Board is effective in using its committee structure to accomplish its work.					
2.	The Board has established clear, written guidelines for committees.					
3.	The Board evaluates the Library Director annually based on the success of goals and/or expectations.					
4.	The Board annually assesses its own performance.					

	1 = "no never" 5 = "most definitely"	5	4	3	2	1
5.	The Board allows time at meetings for discussion of emerging issues and trends.					
6.	The Board speaks with one voice after a vote is taken.					
7.	The Board recognizes and thanks staff and volunteers for their accomplishments.					
8.	Board members know which agency (agencies) the Board reports to.					
9.	The Board feels free to communicate problems to the Library Director in a timely manner.					
10.	The Board is representative of the community it serves.					
11.	The Library Director provides the Board with accurate and up-to-date information in order to make sound and effective decisions at least one week in advance of meetings.					
12.	Board members are given an opportunity to express views without prejudice. (<i>similar to 9?</i>)					
13.	The Board President and the Library Director set a clear agenda and circulates it to Trustees prior to each meeting.					
14.	The rules of <i>Robert's Rules of Order</i> parliamentary guide are followed.					
15.	Board members regularly attend meetings and assigned committee meetings.					

C – ADVOCACY

No one has a stronger and more well-informed voice than the library's Trustees. They have the benefit of understanding exactly what the library provides to the community and what it takes to provide services. In addition, unlike staff, the trustees have nothing to gain personally from strong financial support.

	1 = "no never" 5 = "most definitely"	5	4	3	2	1
1.	Board members are cognizant of the political process and the manner in which the Board can impact decision making.					
2.	Board members accept and respect that the President is the lead spokesperson for the Board.					
3.	The Library Director works with the Board to develop a strong message and talking points.					
4.	The Board develops and pursues a long-range plan for advocacy on a year-round basis.					
5.	All Board members take an active part in advocating for the library.					

	1 = "no never" 5 = "most definitely"	5	4	3	2	1
6.	Board members are given the necessary information to contact elected officials during the year and keep such officials or other informal contacts informed on library issues through visitations, e-mails and phone calls.					
7.	Board members make visits to community groups for the purpose of articulating the library's role and contribution to the community.					
8.	The Board projects a positive internal image.					
9.	The Board projects a positive external image.					

D – STRATEGIC PLANNING

Even if the library wanted to maintain the status quo, the environment within which the library operates is constantly changing. That means that in order for the library to effectively deliver services to its community, the Board must ensure that the library's mission and goals are always relevant. Strategic planning, therefore, is an important job for trustees.

	1 = "no never" 5 = "most definitely"	5	4	3	2	1
1.	The Board pays more attention to the end than the means – to <i>what</i> will be accomplished instead of <i>how</i> .					
2.	The Board participates in creating goals and action plans based on the strategic plan.					
3.	The Board reviews progress of the plan on a regular basis.					
4.	An orientation package containing the current strategic plan is provided for new Board members.					
5.	Strategic planning becomes a regular process for the Board.					

E – POLICY MAKING

All Boards must be familiar with library policy and, importantly, with the reasoning behind each policy. If policies are challenged, Board members must be able to explain them and stand behind them.

	1 = "no never" 5 = "most definitely"	5	4	3	2	1
1.	The Board safeguards the public's First Amendment and Intellectual Freedom rights by protecting freedom of access, while also being open to public comment.					
2.	The Board is aware of patron privacy protections under State law and ensures through its policies that patron information is kept confidential.					
3.	The Board reviews policies on an annual basis.					
4.	The Board is familiar with policies.					
5.	The Board can articulate the underlying principle(s) that the policy is addressing and is able to defend the policies in public.					

	1 = "no never" 5 = "most definitely"	5	4	3	2	1
6.	Board members can distinguish between policymaking and operational decision making.					

F – FINANCE

In most libraries, the financial responsibility of the Board is oversight. Day-to-day decision making regarding the dispensation of the library's resources rightfully belongs with the Library Director. This does not mean, however, that the Board can abdicate their responsibility to ensure that the budget is being spent appropriately and that the budget is working in support of the library's mission and goals.

	1 = "no never" 5 = "most definitely"	5	4	3	2	1
1.	The Board is provided with full and accurate information regarding the library's finances and budget throughout the year.					
2.	The Board is given sufficient lead-in time to discuss budget issues and makes wise decisions.					
3.	The Board understands the impact of decisions on the enhancement of services.					
4.	The information provided reflects back to specific services.					

G – PROFESSIONAL DEVELOPMENT

The best Boards around are those that continue to learn and grow in their roles. There are many ways to do this. The very first step in providing each Trustee with the knowledge he or she needs to be effective begins with Board orientation. Other steps can be as easy as joining regional and state library associations that have special sections for Trustees. Attending national or state conferences where programs for Trustees are presented is another opportunity for continuing education.

	1 = "no never" 5 = "most definitely"	5	4	3	2	1
1.	Board members are given opportunities at the local, state and national level to improve performance.					
2.	Board members are encouraged by the President to take on such opportunities.					
3.	Board members are given an opportunity to report back and share with other Board members information acquired.					
4.	New members are given a Board orientation on their roles.					
5.	Board members are members of local, state and/or national associations (Association of Library Trustees, Advocates, Friends and Foundations, Public Library Association, etc.)					

PUEBLO CITY-COUNTY LIBRARY DISTRICT
BOARD OF TRUSTEES
Personal Self-Assessment

TRUSTEE SCORECARD

Check boxes for those statements you are in total agreement with.

- ☐ I know the District's Mission Statement and am aware of the Vision Statement and Long-Range Plan.
- ☐ I am familiar with the Board's goals.
- ☐ I am familiar with the library law as it applies to my library district.
- ☐ I am familiar with the Board's Bylaws and District policies.
- ☐ I attend Board meetings regularly.
- ☐ I attend committee meetings and effectively participate in the committee process.
- ☐ I come to meetings having already read the information relevant to that meeting.
- ☐ I understand and am comfortable with the Board's decision-making process during meetings.
- ☐ I willingly abide by majority Board decisions and support it publicly.
- ☐ I treat other Board members with respect and listen carefully to their opinions.
- ☐ I understand and respect the different roles and duties of the Library Director and the Trustee Board.
- ☐ I route my requests of staff through the Library Director.
- ☐ I encourage and support the Library Director in achieving our organization's goals.
- ☐ I visit my library frequently enough to be thoroughly familiar with services and to see potential need.
- ☐ I am a member of a civic organization.
- ☐ I am a library advocate to civic groups, community organizations and public officials.
- ☐ I keep abreast of legislation and the impacts it has on the library community.
- ☐ I have established a relationship with my local and state representatives and discuss library issues with them advocating for their support.
- ☐ I belong to a state or national library organization and have read issues of state or national library organization journals over the past six months.
- ☐ I continually educate myself and have attended at least one library conference or workshop this year.

If each checked box represents 5 points – all boxes checked would equal 100.

1. **Strengths:** List your most important contributions to the Board in both action and discussion over the past year.

2. **Weaknesses:** What do you think you haven't done well or need to do better?

3. **Accomplishments:** Note here what you came on the Board to accomplish. What would success look like?

4. **Opportunities:** List areas where you need more information, knowledge or skill in order to meet your own performance expectations.

Detail how you can acquire these needs: *I will ask the Library Director about...*

I will ask another Trustee about...
