

## **2010 Budget Message Estes Valley Public Library District**

The Proposed Budget for 2010 for the Estes Valley Public Library District shows revenues of \$1,124,014 in general property taxes and approximately \$168,525 in additional revenues for a total of \$1,292,539. The assessed valuation for the district is up \$70,552 from 2009. The operating mill levy is 3.288. The library is levying a .516 mill levy for 2010 to fund required debt service. Our final mill levy certified to the county will be 3.804. Accordingly, the special features of this proposed budget include:

- The District is fortunate to have the support of the Friends of the Library and the Library Foundation, both of whom make generous contributions each year. 2010 has been designated for strategic improvements to Staff Development and Adult Programming. Discretionary funds will be prioritized for this effort. Specifically, \$44,000 from Friends of the Library is designated to conduct a strategic staff assessment, enhance staff training and reconstruct staff workspaces for optimal efficiency. Also, the Library received a grant of \$63,500 to be administered by the Foundation for Financial Literacy programs. The grant will be distributed over a two-year period, \$31,750 each year.
- The library's goal is to maintain budgets for both Personnel and Acquisitions & Program at Board mandated levels: no more than 60% for Personnel costs and no less than 14% for Acquisitions & Programs. In 2010, due to the significant financial literacy grant in Adult programming, those percentages are uncharacteristically altered to 57% and 16%, respectively.
- The District's budget policy suggests that the District will maintain a minimum reserve balance at the end of the year to provide three months' operating expenditures, which will provide operating revenue for the next year. On the 2010 budget, this undesignated carryover is projected to total approximately \$250,000, which will provide adequate reserves for 2010.
- According to the TABOR Amendment, the District must maintain an emergency reserve of not less than 3% of fiscal year spending in 2010. The establishment of an emergency reserve in the amount of \$36,040 has met this requirement. This amount is in addition to the undesignated carryover.
- In 2010, the District is continuing the Capital Replacement Fund. We have set aside \$25,750 in reserve for scheduled replacement of three HVAC units and adjacent roofing in 2011.
- YMCA of the Rockies tax exemption was granted by Larimer County for 2010. The District will use the \$24,250 set aside several years ago in a certificate of deposit to compensate for the revenue loss. The value of the CD has grown to \$49,250.
- The Estes Park Urban Renewal Authority (EPURA) renewed in 2009, and therefore has a low Tax-Increment Finance (TIF) Valuation at this time. The District expects minimal TIF funds to be diverted from Library revenues in 2010.
- Further, the Inter-Governmental Agreement (IGA) between the Town & EPURA, whereby the Town and EPURA paid \$37,600 toward Debt Service for original

construction of the District facility, sunsets in 2009. Debt Service will now be paid strictly through tax revenue.

- An adequate reserve is being maintained in the district's Debt Service fund. The debt service mill levy will be decreased from .545 mills to .516 mills under the counsel of the library auditor, who advises the Debt Service ending balance should be equivalent to one year's expenditures. The .516 mills plus additional revenue will generate \$186,244 in revenue in 2010.

The 2010 budget for the Estes Valley Public Library District is prepared using the modified accrual basis of accounting as used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual [i.e. when they become both measurable and available]. Measurable means the amount of the transaction can be determined and available means collectible within the current period. Property taxes are considered measurable in the period levied, but not available until the subsequent year. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, intergovernmental grants and interest earnings. Charges for services, fines and donations are not susceptible to accruals because generally they are not measurable until received in cash.

**The proposed 2010 budget for the District includes the following Strategic Plan objectives:**

- To build our collections, programs and services
- To develop our staff to meet the challenges of the future
- To expand our use of technology
- To market our message as the community's premier information resource
- To demonstrate accountable stewardship of our resources
- To maintain and updating our facilities
- To develop a culture that values results

With thanks to Kieran Rowser, Administrative Assistant, I submit this Proposed Budget for 2010 for your recommendation and adoption. Thank you for your diligent deliberation.

Claudine Perrault  
Director