

JEFFERSON COUNTY
PUBLIC
LIBRARY

2014
BUDGET



2014 BUDGET

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– Pam Nissler

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MESSAGE FROM THE EXECUTIVE DIRECTOR

2014 is an important year for Jefferson County Public Library. We are undertaking a system-wide effort to secure the future of the Library.

Since the economic downturn began in 2008, the Library has been operating in survival mode. Our revenue has been reduced by \$3.4 million and we've been forced to reduce expenses and services. We've done our best to live within our means, but we've had to cut hours of operation, lay off 79.5 full-time-equivalent (FTE) positions, delay important capital investments, and use savings to support library operations. Now, those reductions are beginning to catch up with us. And unfortunately, our financial future is still uncertain.

We have had a brief budget reprieve this year, with a modest increase in operating revenues and the 2013 payoff of debt related to construction of the Belmar Library. This allowed us to maintain service levels, support modest increases in library materials and staff training, restore funding for the replacement and updating of library computers and invest in critical capital repairs and maintenance.



In 2014, we project total operating revenues of \$24,602,371, up \$405,530 or 1.7 percent from 2013. This is primarily due to a 1.1 percent increase in tax revenues, the restoration of \$107,000 in state funding and a modest increase in fines and fees.

We project total operating expenses of \$23,055,304, up \$474,752 or 2.1 percent, comprised primarily of the following:

- Total salaries and benefits of \$13,780,278, down \$135,397, or (0.97 percent) compared to 2013. This is primarily due to actions we took in 2013 to outsource delivery services for the Library.
- Library books and materials of \$3,397,418, up \$85,534 or 2.6 percent, reflecting increased investment in the Library's collection of materials.
- Supplies and other services and charges of \$4,519,956, up \$747,161 or 20 percent. This is primarily due to increased costs associated with the outsourcing of delivery services, staff training and development, and contingency funds.
- County cost allocations totaling \$1,339,152, down \$228,046 or 14.6 percent compared to 2013.

Financing and debt expense is expected to be \$1,450,557, down \$766,513 or 34.6 percent, due to the 2013 payoff of debt related to construction of the Belmar Library. Total operating expense, plus debt and financing expense, is expected to be \$24,505,861.

We also expect to invest \$962,000 in capital expenditures, including the restoration of \$250,000 to replace and update library computers; \$390,000 for critical upgrades to

our Columbine and Standley Lake Libraries; and \$322,000 for ongoing system-wide repair and maintenance projects. Funding for these capital projects is expected to come from the Library's savings account, or fund balance, leaving us with a projected fund balance of \$7,164,557 at Dec. 31, 2014.

While we were able to bring total operating and debt expense in under total revenues and avoid using our fund balance to support operations in 2014, our future remains challenging. Based on current assumptions, our five-year forecast suggests uncertain revenues, a growing gap between revenues and expense, and increased pressure on our fund balance beginning in 2015.

Recognizing this, in 2013, we completed an exhaustive review of actions we could take to secure the future of the Library.

As a result of this review, we've determined that it's likely we'll need to secure additional revenue to maintain current service levels beginning in 2015. Going forward, we'll be working with our patrons and communities to confirm the level of library services they'd like to see and the level of library services they'd be willing to support.

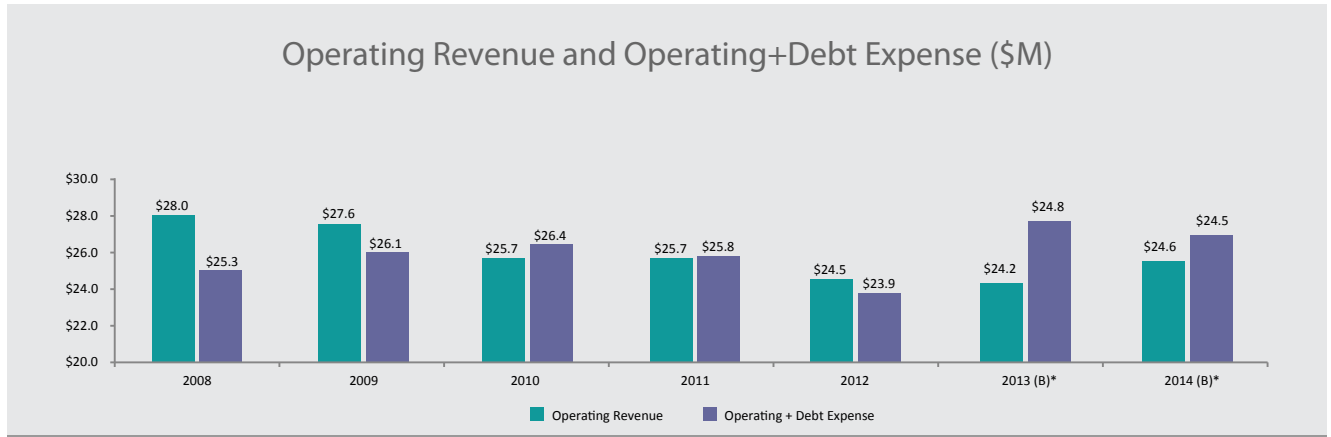
We welcome your input and participation in this important initiative. You can track our progress by signing up for updates at jeffcolibrary.org/directors-blog.

Pam Nissler

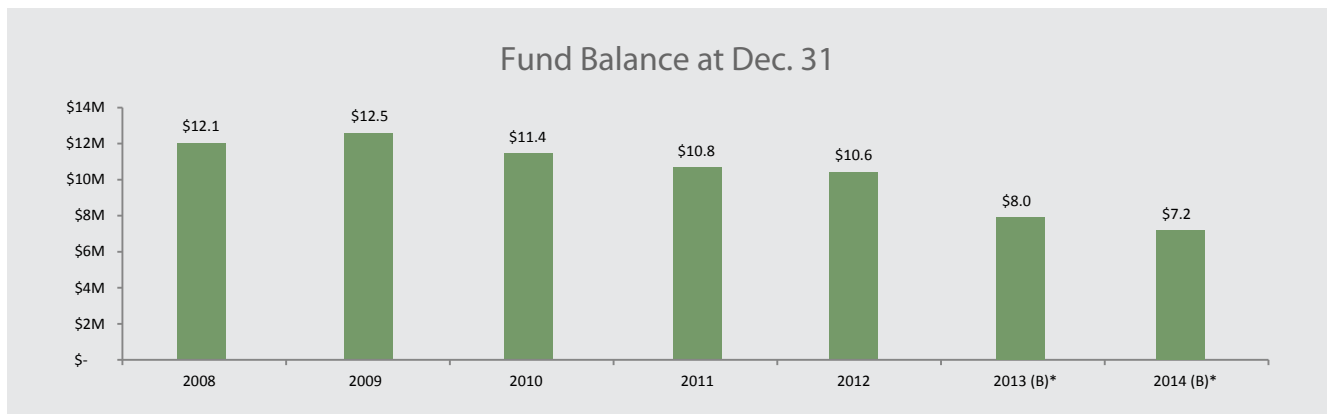
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Executive Director, JCPL

FINANCIAL TRENDS



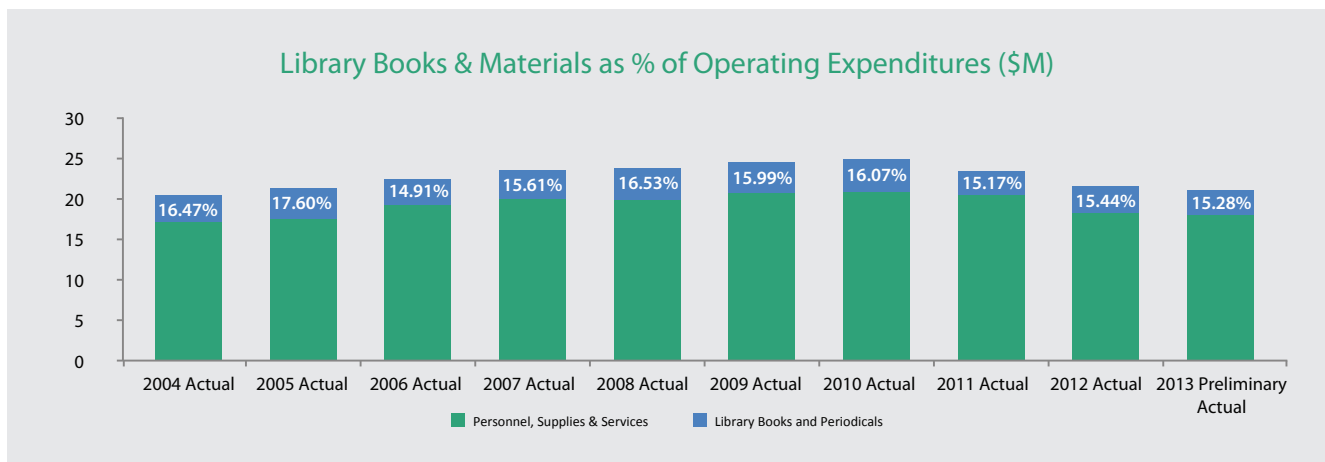
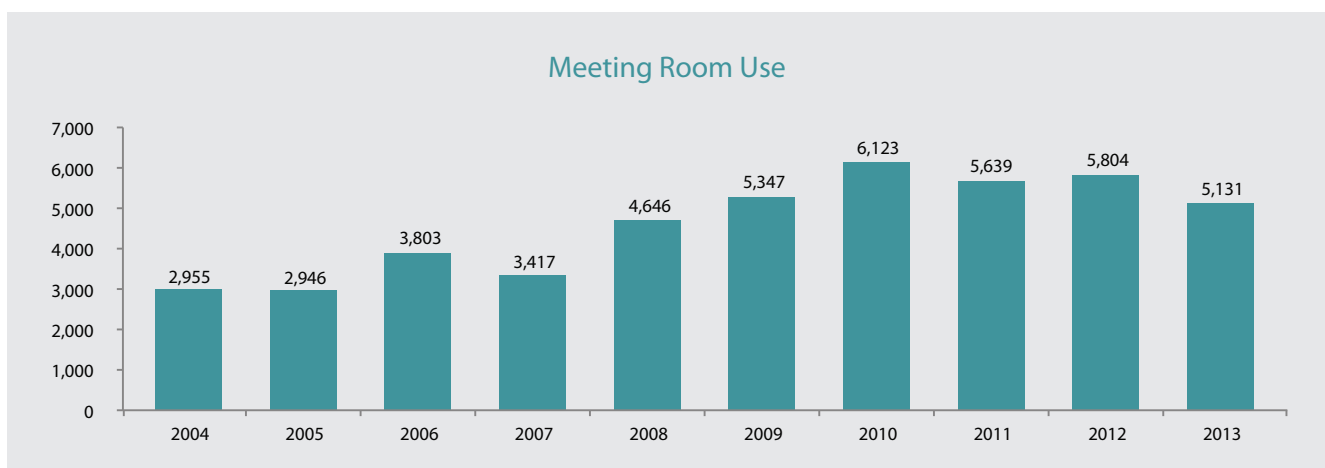
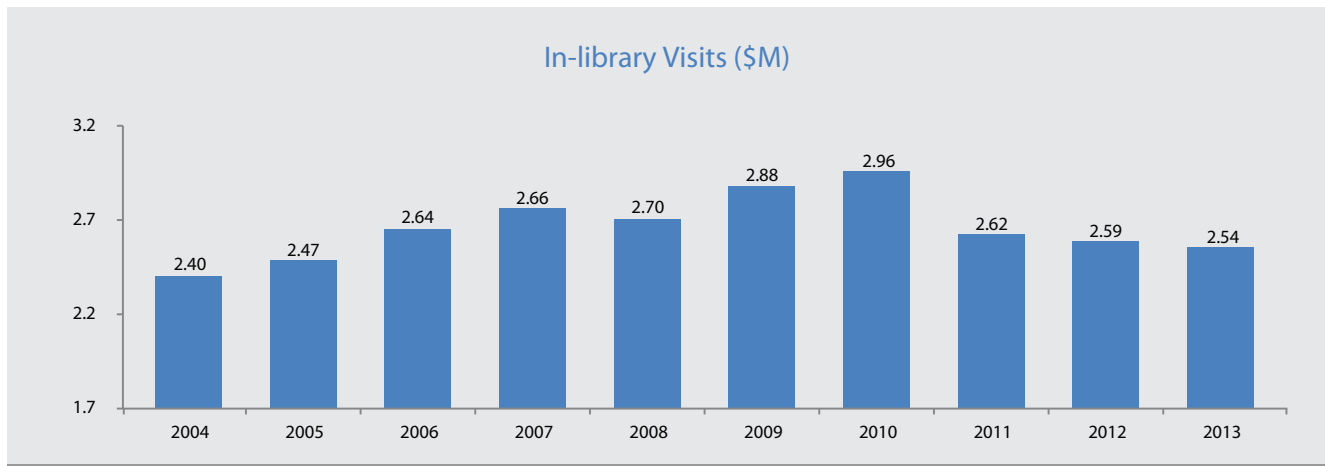
* 2013 and 2014 reflect budgeted amounts vs. actual and are therefore subject to change.



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Since 2008, the Library's revenue has been reduced by \$3.4 million. This has required us to reduce services and use money from savings to support operations. As a result, our fund balance has declined from \$12 million in 2008 to a projected \$7 million in 2014. This practice is not sustainable and puts the future of the Library at risk.

SERVICE TRENDS



Recent budget challenges have begun to affect important service trends. From 2004 - 2010, we saw consistent increases in in-library visits and meeting room use, with declines occurring only as we reduced the number of hours we're open. This suggests that it's not demand that's declining - rather our ability to meet demand. We've also had to reduce our investment in library materials, to the detriment of our patrons and residents.

TOTAL FUND SUMMARY 2014 ADOPTED BUDGET

Sources and Uses of Funds	Actual 2012	Adopted 2013	Adopted 2014	\$ Incr(Decr) 2014 Adopted to 2013 Adopted	% Incr(Decr) 2014 Adopted to 2013 Adopted
<i>Sources of Funds</i>					
Revenues					
Taxes					
Auto Ownership Tax	\$1,244,867	\$-	\$-	\$-	0.00%
Property Tax (net of adjustments)	21,866,250	23,063,822	23,327,726	263,904	1.14%
Total Taxes	\$23,111,117	\$23,063,822	\$23,327,726	\$263,904	1.14%
Federal & State Grants	\$7,015	\$-	\$107,173	\$107,173	N/A
Fines & Fees	834,636	729,810	816,150	86,340	11.83%
Intra-County Transactions	100,395	-	-	-	N/A
Other Revenue	408,125	403,209	351,322	(51,887)	(12.87%)
Total Other Revenues	\$1,350,171	\$1,133,019	\$1,274,645	\$141,626	12.50%
Sub Total Operating Revenues	\$24,461,288	\$24,196,841	\$24,602,371	\$405,530	1.68%
Transfer from Fund Balance					
Capital Projects	\$213,294	\$1,001,700	\$962,000	\$(39,700)	(3.96%)
Operating	-	600,781	(96,510)	(697,291)	(116.06%)
Total Sources of Funds	\$24,674,582	\$25,799,322	\$25,467,861	\$(331,461)	(1.28%)
<i>Uses of Funds</i>					
Operating Expenditures					
Salaries & Employee Benefits					
Salaries	\$10,924,419	\$10,745,834	\$10,661,111	\$(84,723)	(0.79%)
Benefits	3,144,663	3,169,841	3,119,167	(50,674)	(1.60%)
Total Salaries & Benefits	\$14,069,082	\$13,915,675	\$13,780,278	(\$135,397)	(0.97%)
Library Books & Materials	\$3,343,168	\$3,311,884	\$3,397,418	\$85,534	2.58%
Supplies	1,076,040	1,453,866	1,494,808	40,942	2.82%
Other Services & Charges	1,941,681	2,318,929	3,025,148	706,219	30.45%
Operating Capital	-	6,500	12,000	5,500	84.62%
Intergovernmental Transactions	-	6,500	6,500	-	0.00%
Internal Transactions/Cost Allocation	1,221,609	1,567,198	1,339,152	(228,046)	(14.55%)
Total Operating Expenditures	\$21,651,580	\$22,580,552	\$23,055,304	\$474,752	2.10%
Financing & Debt Service	\$2,233,252	\$2,217,070	\$1,450,557	\$(766,513)	(34.57%)
Capital Development Fund	\$789,660	\$1,001,700	\$962,000	\$(39,700)	(3.96%)
Total Uses of Funds	\$24,674,492	\$25,799,322	\$25,467,861	\$(331,461)	(1.28%)

CAPITAL IMPROVEMENT PROJECTS 2014 ADOPTED BUDGET

Sources and Uses of Funds	Actual 2012	Adopted 2013 Budget	Revised 2013 Budget	Adopted 2014 Budget	\$ Incr(Decr) 2014 Adopted to 2013 Revised	% Incr(Decr) 2014 Adopted to 2013 Revised
<i>Sources of Funds</i>						
Fund Balance	\$789,660	\$1,001,700	\$1,001,700	\$962,000	\$(39,700)	(3.96%)
<i>Uses of Funds</i>						
Capital Projects						
Lakewood Library Roof	\$288,180	\$-	\$-	\$-	\$-	N/A
Standley Lake Library Roof	222,965	-	-	-	-	N/A
Scheduled Maintenance	218,665	250,000	193,600	250,000	56,400	29.13%
Computer Software- Timekeeper	22,475	-	-	-	-	N/A
Furniture & Equipment	6,245	-	-	-	-	N/A
Columbine Library - Boiler	-	85,000	85,000	-	(85,000)	(100.00%)
Columbine Library - Carpet Repair	-	-	-	10,000	10,000	N/A
Columbine Library - HVAC Upgrades	-	-	-	130,000	130,000	N/A
Columbine Library - Air Handling Unit Upgrades	-	-	-	80,000	80,000	N/A
Columbine Library - Parking Lot Repairs	-	36,100	36,100	35,000	(1,100)	(3.05%)
Evergreen Library - Condensing Unit Replacement	-	-	-	-	-	N/A
Library Service Center - Roof & Building Repairs	31,130	365,000	365,000	-	(365,000)	(100.00%)
Standley Lake Library - HVAC Upgrades	-	87,500	-	115,000	115,000	N/A
Standley Lake Library - Parking Lot Repair	-	106,100	-	20,000	20,000	N/A
Security Project	-	-	250,000	-	(250,000)	(100.00%)
Replace Entry Doors System-Wide	-	72,000	72,000	72,000	-	0.00%
Computer Replacement Project	-	-	-	250,000	250,000	N/A
Total Capital Projects	\$789,660	\$1,001,700	\$1,001,700	\$962,000	\$(39,700)	(3.96%)

FUND BALANCE REQUIREMENTS 2014 ADOPTED BUDGET

	Actual 2012	Adopted 2013	Adopted 2014	\$ Increase(Decrease) 2014 Adopted to 2013 Adopted	% Increase(Decrease) 2014 Adopted to 2013 Adopted
Beginning Fund Balance	\$10,825,835	\$9,632,528	\$8,030,047	\$(1,602,481)	(16.64%)
Operating Revenues	\$24,461,198	\$24,196,841	\$24,602,371	\$405,530	1.68%
Expenditures					
Operating Expenditures	21,651,580	22,580,552	23,055,304	474,752	2.10%
Debt Service	2,233,252	2,217,070	1,450,557	(766,513)	(34.57%)
Capital Projects	789,660	1,001,700	962,000	(39,700)	(3.96%)
Sub Total Expenditures	\$24,674,492	\$25,799,322	\$25,467,861	\$(331,461)	(1.28%)
Ending Fund Balance	\$10,612,541	\$8,030,047	\$7,164,557	\$(865,490)	(10.78%)
Increase/(Decrease) in Fund Balance	\$(213,294)	\$(1,609,481)	\$(865,490)	\$(743,991)	N/A

FIVE YEAR CAPITAL PROJECTS PLAN BY LIBRARY

Location/Project	2014	2015	2016	2017	2018	Total
Belmar Library						
Carpet Replacement	\$-	\$-	\$-	\$348,120	\$-	\$348,120
Roof Repair/Replacement	-	155,000	-	-	-	155,000
Total Belmar Library	\$-	\$155,000	\$-	\$348,120	\$-	\$503,120
Columbine Library						
Parking Lot Repairs	\$35,000	\$20,000	\$-	\$-	\$-	\$55,000
Parking Lot Replacement	-	-	265,000	-	-	265,000
HVAC Upgrades	130,000	-	-	-	-	130,000
Air Handling Unit Upgrade	80,000	-	-	-	-	80,000
Remodel/Reconfigure	-	-	1,400,000	-	-	1,400,000
Carpet Repairs	10,000	-	-	-	-	10,000
Carpet Replacement	-	-	-	-	-	-
Total Columbine Library	\$255,000	\$20,000	\$1,665,000	\$-	\$-	\$1,940,000
Evergreen Library						
Condensing Unit Replacement	\$-	\$-	\$-	\$115,000	\$-	\$115,000
Boiler Replacement	-	-	-	72,800	-	72,800
HVAC Control Upgrade	-	-	-	-	-	-
Total Evergreen Library	\$-	\$-	\$-	\$187,800	\$-	\$187,800
Standley Lake Library						
HVAC Control System Upgrade	\$115,000	\$-	\$-	\$-	\$-	\$115,000
Parking Lot Repairs	20,000	-	-	-	-	20,000
Parking Lot Replacement	-	365,000	-	-	-	365,000
Boiler Replacement	-	-	140,000	-	-	140,000
Replace Skylights & Windows	-	-	-	-	60,000	60,000
Total Standley Lake Library	\$135,000	\$365,000	\$140,000	\$-	\$60,000	\$700,000
Facilities System Wide Projects						
Entry Door Replacement	\$72,000	\$-	\$-	\$36,000	\$36,000	\$144,000
Capital Maintenance	250,000	250,000	250,000	250,000	250,000	1,250,000
Total System Wide Projects	\$322,000	\$250,000	\$250,000	\$286,000	\$286,000	\$1,394,000
Information Technology Projects						
Computer Replacement Project	\$250,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,050,000
Software	-	-	-	-	-	-
Facility Maintenance Management SW	-	25,000	-	-	-	25,000
Records Management Software	-	-	50,000	-	-	50,000
Total Information Technology Projects	\$250,000	\$225,000	\$250,000	\$200,000	\$200,000	\$1,125,000
Total Capital Projects	\$962,000	\$1,015,000	\$2,305,000	\$1,021,920	\$546,000	\$5,849,920



Jefferson County Public Library

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