

Douglas County



Budget

2006

**Douglas County Libraries
Budget Summary
Actual 2004, Budget / Forecast 2005 and Budget 2006**

	Actual 2004	% Rev	% Exp	Budget 2005	% Rev	% Exp	Forecast 2005	% Rev	% Exp	Budget 2006	% Rev	% Exp	06 Budget Increase From 05 Budget	%	06 Budget Increase From 05 Forecast	%
REVENUES																
Property taxes	12,998,441	86%		13,934,686	88%		13,934,686	86%		15,537,592	87%		1,602,906	12%	1,602,906	12%
Vehicle registration taxes	1,466,795	10%		1,400,000	9%		1,400,000	9%		1,400,000	8%		0	0%	0	0%
Other	576,878	4%		582,075	3%		782,075	5%		795,200	5%		213,125	37%	13,125	2%
Total revenues	15,042,114	100%		15,916,761	100%		16,116,761	100%		17,732,792	100%		1,816,031	11%	1,616,031	10%
EXPENDITURES																
Salaries and benefits	8,132,431	54%	61%	9,377,480	59%	60%	9,187,000	57%	59%	10,305,640	58%	60%	928,160	10%	1,118,640	12%
Library materials	2,284,405	15%	17%	2,500,000	16%	16%	2,500,000	16%	16%	2,850,000	16%	17%	350,000	14%	350,000	14%
Facilities	614,003	4%	5%	799,222	5%	5%	712,000	4%	5%	849,950	5%	5%	50,728	6%	137,950	19%
Technology and support services	661,234	4%	5%	658,844	4%	4%	910,000	6%	6%	726,514	4%	4%	67,670	10%	(183,486)	-20%
Programs and outreach	228,502	2%	2%	355,897	2%	2%	300,000	2%	2%	358,205	2%	2%	2,308	1%	58,205	19%
Administration	771,074	5%	6%	1,010,725	6%	6%	1,000,000	6%	6%	986,234	6%	6%	(24,491)	-2%	(13,766)	-1%
Capital expenditures	641,739	5%	4%	888,264	6%	7%	888,264	5%	6%	1,189,603	6%	6%	301,339	34%	301,339	34%
Contingencies				8,364,009	Excl	Excl				9,964,243	Excl	Excl	1,600,234	19%	9,964,243	
Total expenditures	13,333,388	89%	100%	23,954,441	98%	100%	15,497,264	96%	100%	27,230,389	97%	100%	3,275,948	14%	11,733,125	76%
NET REVENUE*	1,708,726			(8,037,680)			619,497			(9,497,597)			(1,459,917)	18%	(10,117,094)	-1633%
BEGINNING FUND BALANCE	7,695,058			8,988,226			9,403,784			10,023,281			1,035,055	12%	619,497	7%
ENDING FUND BALANCE	9,403,784			950,546			10,023,281			525,684			(424,862)	-45%	(9,497,597)	-95%
*NET REVENUE EXCLUDING CONTINGENCIES	1,708,726			326,329			619,497			466,646			140,317	43%	(152,851)	-25%

Douglas County Libraries

Budget Message

Budget 2006

Our revenues in 2006 are improving but not to the levels of growth experienced during the late 1990's and early 2000's. The library will continue to examine operations for efficiency and productivity.

In 2006, the library will undertake several significant efforts. First, we will move toward the adoption of Radio Frequency Identification (RFID) tags as replacements to our older barcodes. This is part of a major retooling of our "circulation" processes.

Second, with the opening of our Roxborough Library (delayed by construction scheduling issues by the developer), and our renovation of the Lone Tree Library, we will further develop and refine a "neighborhood library" model – predicated on high volume checkouts, aided by the RFID technologies.

Third, a combination of these two may have some significant effects on our staffing patterns and job descriptions. Our staffing costs are budgeted for 60% of our expenses; but how we allocate those dollars will change. In general, our aim is to employ fewer people to do more work, for more pay.

Fourth, we continue to examine various time- and money-saving processes in the acquisition and processing of new materials.

Fifth, our push for library card registration through elementary schools in 2005 will be followed up by a comprehensive review of library patron addresses against the county's Geographic Information System data. This will enable us to precisely track those areas where our services are not yet known or effective. In 2006, we will then seek to market our services more directly.

James LaRue
Library Director
December 8, 2005

<p>Mission Statement</p> <p><i>Douglas County Libraries provides resources for learning and leisure to build communities and improve lives in Douglas County.</i></p>	<p>Vision Statement</p> <p><i>Douglas County Libraries is a source of community pride and lifelong learning. Knowledgeable and friendly staff provides access to intellectual capital, showcase art and culture, and highlight local history through evolving collections and programs. Douglas County Libraries is a good steward of public funds.</i></p>
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<p>Key Directives</p> <p><i>We provide educated, professional, knowledgeable, friendly service.</i></p> <p><i>We are a dynamic center of community, and a center for local history information.</i></p> <p><i>The Library's technology connects our patrons to collections and community.</i></p> <p><i>Our communications lead people, business and government to the Library.</i></p> <p><i>We are an arts and cultural showcase.</i></p> <p><i>The Library supports life-long learning.</i></p> <p><i>We provide current and deep collections.</i></p> <p><i>We are good stewards of public funds.</i></p> <p><i>We are advocates of the Library.</i></p> <p><i>We answer the community reference question.</i></p>

Description of Services

The Library operates at seven sites plus bookmobile service:

- Highlands Ranch Library, 9292 Ridgeline Blvd., Highlands Ranch, CO
- Lone Tree Library, 8827 Lone Tree Parkway, Lone Tree, CO
- Louviers Library, 7885 Louviers Blvd., Louviers, CO
- Parker Library, 10851 S. Crossroads Dr., Parker, CO
- Philip S. Miller Library (PSM Library)/Technical Support/Administration, 100 S. Wilcox St., Castle Rock, CO
- Cherry Valley Satellite, 9244 S. State Highway 83, Franktown, CO
- Bookmobile serving Roxborough and Castle Pines North, CO communities

By early 2006, the Library will lease additional facility space in Roxborough, at which time the bookmobile will be re-assigned to a different service location.

The Library serves a population of approximately 252,000 Douglas County residents. Services can be divided into the following broad categories:

Circulation

Circulation consists of the provision of books, periodicals, CD's, audiocassettes, videos and other library materials for lending use by the public. Circulation is approximately 4.5 million items annually.

Reference Services

Reference services consist of the provision of informational or research assistance, both through the purchase and/or housing of appropriate research materials (encyclopedias, indexes, online databases), and in the direct response to informational requests in person, by phone, by email or through correspondence.

Children's Services

Children's services consist of providing reference services to youth and parents. A major focus is making recommendations of age appropriate and suitable reading level materials for research and recreational use. A strong emphasis is placed on encouraging life-long reading habits.

Programming

Programming involves the sponsorship of such events as daily children's storytelling, workshops on a variety of informational topics and the provision of space for such things as the one-on-one tutoring of people in adult literacy projects.

Support and Technical Services

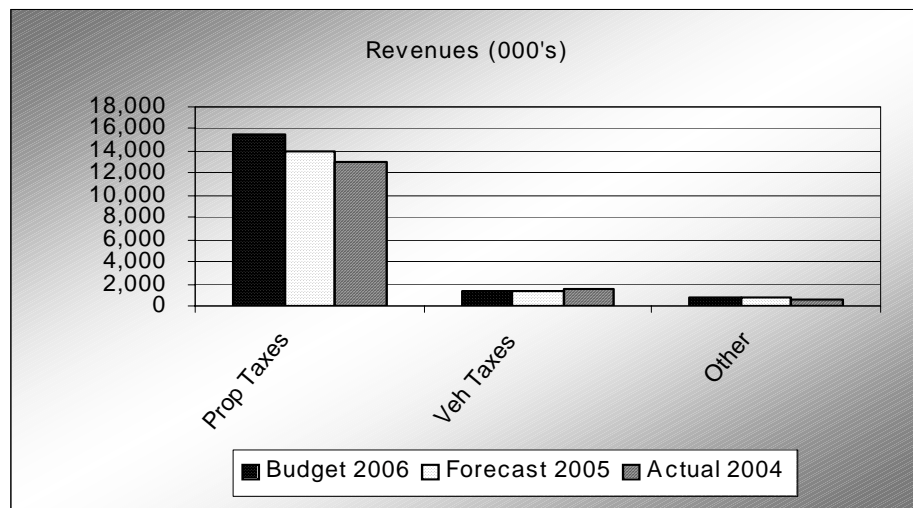
Support and technical services consist of all the background processes and procedures necessary to support the other functions of the Library, including information technology, collection development, training, and ordering, receiving and cataloging library materials.

Administration

Finally administration consists of the necessary management functions of the Library, including personnel, facilities, contracts administration, financial controls and reporting to appropriate governing agencies.

Key Features of the 2006 Budget

Revenues:



The Library's funding comes chiefly from real property and vehicle registration taxes with the remaining funding from interest, contributions, fines, photocopy fees and miscellaneous other income.

Assessed real property valuations for Douglas County will increase 12% to \$3.871 billion for 2006 from \$3.454 billion for 2005. Assessed valuations for 2004 were \$3.271 billion. The voter approved mill levy remains unchanged at 4 mills for 2004 through 2006. Taking into account the abatement levy, the total mill levy is 4.020 for 2006, 4.052 mills for 2005 and 4.020 mills for 2004.

Consistent with increased assessed real property valuations, the Library's property related tax revenues will increase by 12% to \$15,538,000 for 2006 from \$13,935,000 forecasted for 2005. Property tax revenues were \$12,998,000 during 2004.

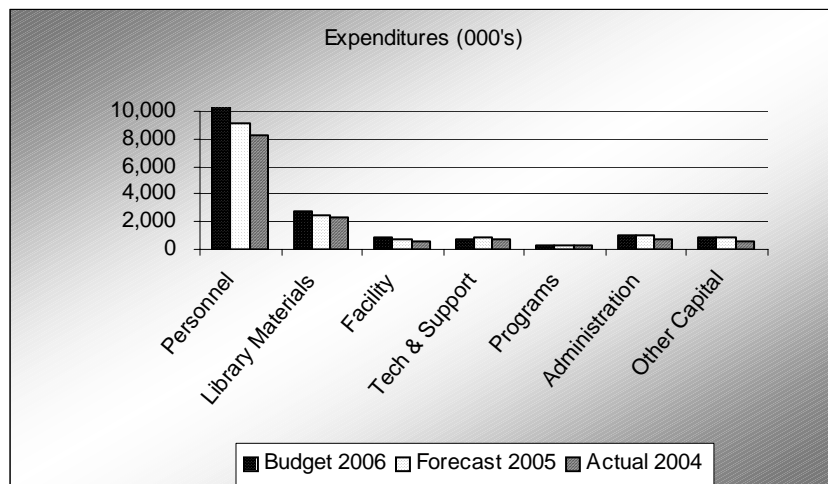
At \$1,400,000, vehicle registration taxes for 2006 are expected to remain flat from projected taxes of \$1,400,000 in 2005. Vehicle registration taxes were \$1,467,000 in 2004.

All other income is budgeted at \$795,000 for 2006 compared to \$782,000 estimated for 2005 and \$577,000 actual in 2004.

Total Expenditures

Total expenditures are budgeted for \$27,230,000 for 2006. Excluding contingencies of \$9,964,000, operating expenditures are budgeted for \$17,266,000 for 2006 compared to \$15,497,000 forecasted operating expenditures for 2005. Operating expenditures were \$13,333,000 for 2004.

As a percentage of total revenues, operating expenditures are 97% for 2006, 96% forecasted for 2005 and 89% for 2004. The budget for 2006 reflects the increasingly higher proportion of operating expenditures to revenues. The capacity to set aside reserves for major new building projects is limited going forward.



Personnel

The Library is projecting a 30% increase in levels of materials circulation in 2006. Over the last three years circulation has increased from 3.6 million circulated items in 2004 to 4.5 million items expected for 2005 to 5.9 million items budgeted for 2006. Part of the expected growth in 2006 is the result of the planned increased proportion of the collection devoted to popular audio/visual materials and bestsellers.

Similarly, demand for reference and children's services are expected to increase significantly during 2006. Increased demand is a result of a growing county with enthusiastic patron support, modern facilities and continuing expansion of materials, internet technology and other offerings. In addition the Library is expanding facility space in Roxborough. People are the primary service providers of the Library and as a result, approximately 60% of the budget is allocated to personnel, similar to 2005 and 2004.

Personnel costs (salaries and benefits) are expected to increase to \$10,306,000 in 2006 compared to projected costs of \$9,187,000 for 2005. Personnel costs were \$8,132,000 in 2004.

The impact of RFID technology and the revamping of circulation processes are expected to mitigate the need for future increased staffing due to volume increases. This impact will become more significant toward the end of 2006 and into 2007.

Library Materials

Library materials, including books, periodicals, CD's, audiocassettes, videos, electronic references, subscriptions, etc. are budgeted for \$2,850,000 for 2006 compared to projected costs of \$2,500,000 for 2005. During 2004 \$2,284,000 was spent on materials. The materials budget for 2006 is 17% of total expenditures.

Facilities

Owned and leased facility square footage is budgeted for 126,000 square feet by the end of 2006, compared to 121,000 square feet at the end of 2005 and 2004. The increase is due to newly leased library space in Roxborough.

Facility costs are budgeted for \$850,000 for 2006 compared to expected costs of \$712,000 for 2005 and actual costs of \$614,000 for 2004. The increase in 2006 is principally due to rent and other maintenance costs associated with the new Roxborough facility and increased utility costs.

Technology and Support Services

The technological infrastructure costs of the Library consist of licensing and maintenance agreements for computer software and hardware, subscription services for technological support in processing and cataloging books, telephone and

telecommunications costs, and various other computer and technical support costs of the Library.

The budget for 2006 technology and support services is \$727,000 for 2006 compared to \$910,000 expected for 2005 and \$661,000 actual for 2004. During 2005, \$300,000 in RFID tags will be purchased in preparation for the implementation of RFID technology in 2006. Without this purchase in 2005, technology and support services costs would have increased in 2006 primarily due to increased outsourcing of cataloging and materials processing.

Programs and Outreach

Included in program and outreach costs are all the costs associated with program presentations, workshops, reading programs, etc. sponsored by the Library. These include presenter fees, prizes and logs for reading programs, community sponsorships, and all the underlying printing, graphics design, public relations and advertising costs associated with providing programs and promoting the Library's services.

The 2006 budget is \$358,000 compared to \$300,000 forecast for 2005 and \$229,000 actual for 2004. The increases are reflective of increased demand and participation in the Library's programs.

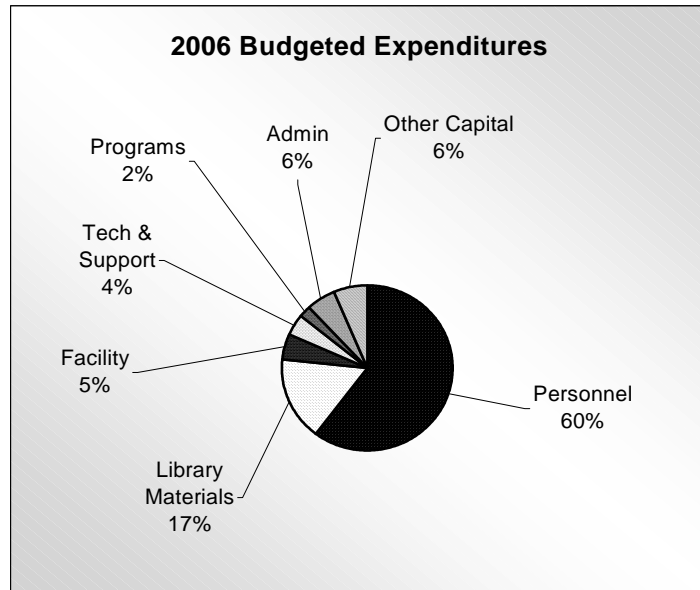
Administration

Total administration costs are budgeted for \$986,000 for 2006 compared to \$1,000,000 projected for 2005 and \$771,000 actual in 2004. The slight decrease in 2006 is attributable to one time consulting fees during 2005 for a study focusing on circulation and processing practices and for a voter sentiment survey. Partially offsetting decreased consulting fees are increased courier costs due to volume increases and increased county treasurer's fees due to increased tax collections.

Other Capital Expenditures

All other capital expenditures are budgeted for \$1,190,000 for 2006 compared to \$888,000 forecasted for 2005 and \$642,000 actual in 2004.

Major capital expenditures during 2006 include over \$500,000 for the remodeling of the Lone Tree library to the neighborhood library concept, \$317,000 for RFID technology equipment and \$153,000 for furnishings and equipment to complete the new Roxborough facility.



Basis of Accounting

The modified accrual basis of accounting is followed. Revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The major sources of revenue which are susceptible to accrual are property taxes. Expenditures are recorded when the liability is incurred.