

**PROJECTED BUDGET FOR 2010
WEST CUSTER COUNTY LIBRARY DISTRICT**

November, 2009

History of West Custer County Library

The first meeting of the Custer County Library Committee was held on February 1, 1930. The Library was organized by Mrs. Lou Beamon, Superintendent of Schools, and she served as volunteer librarian when the Library opened in the newly constructed County Courthouse. In 1943, the Library moved to downtown Westcliffe, into a building at 209 Main donated by Mrs. D. M. Tinkham to the women of Custer County, with a stipulation that one room be set aside as a Library. In 1989, the School District and County Commissioners formed a Library District, giving the Library its first revenue stream, and the women's groups who owned 209 Main donated the adjacent alley for construction of a new Library. In 2005, the Library purchased the old building at 209 Main from the women's clubs that owned it. The Library tore down the old building to make way for a new Library, which, when added to the existing building, gave the Library 5,159 square feet to serve a community of over 3,000 people.

Basis for Operations

In 2004, the Library received a mill levy increase from 1 mill to 1.983 mills, the voters giving them that honor by almost a 2 to 1 margin. With the help of the Friends of the Library and other private donations, the Library has become financially self sufficient. As public libraries are considered part of the State's continuing education plan, with State laws for Libraries to follow, the State currently subsidizes the State-wide courier system and some training programs, but both programs incur cost at the local level too.

The property tax mill levy is the primary revenue source for WCCLD. The Specific Ownership Tax, a tax on personal property purchased by county residents, such as cars or trailers, also provides revenue. While the annual mill levy amount is set by State Law, the SOT is less predictable, and is dependent on the economy. In return for the County's work collecting and delivering tax dollars to the district, the district pays the County a 5% statutory fee. In 2010, the Library will be paying the County \$8,598.

Here's how a tax payer might look at the year 2010, as projected in this budget. The taxpayers will provide revenue of \$189,960 (\$171,960 from the Property Tax Mill Levy and \$18,000 from Specific Ownership Tax). The Library will pay \$203,009 in 2010 just to cover the basic costs to keep our organization running. Thus, the taxpayers will cover about 94% of our basic expenses, with the difference of over \$13,000 coming from fees charged for copies, faxes, use of the community room, and interest.

Other than taxes, the Library receives regular annual donations from the Friends of the Library, which make up about 6% of Library revenues. FOL donations cover costs for books and movies, courier service, computers and computer software, and programs.

	A	B	C	D	E	F
1	West Custer County Library District Annual Budgets					
2						
3		Actual	Actual	Actual	Projected	Projected
4	Revenue	2006	2007	2008	2009	2010
5	Reserves	\$154,591	\$207,246	\$203,066	\$196,706	\$195,746
6	Property Tax	\$135,062	\$141,840	\$152,856	\$161,253	\$171,960
7	Specific Own Tax	\$21,593	\$23,752	\$20,713	\$18,000	\$18,000
8	Interest Income	\$8,048	\$10,775	\$7,714	\$6,000	\$4,000
9	Fundraisers	\$0	\$18	\$24	\$0	\$0
10	Donations	\$33,818	\$25,257	\$33,316	\$18,000	\$16,000
11	Grants	\$0	\$0	\$0	\$0	\$0
12	Fines	\$2,707	\$2,651	\$2,898	\$2,500	\$2,500
13	Copies, Faxes	\$3,271	\$2,901	\$2,442	\$2,500	\$2,500
14	Miscellaneous	\$483	\$606	\$655	\$500	\$500
15	Gillette Book Project	\$58,280	\$8,407	\$0	\$0	\$0
16	Community Center Rentals	\$1,563	\$1,519	\$1,165	\$1,500	\$1,200
17	Total Revenues	\$419,416	\$424,972	\$424,849	\$406,959	\$412,406
18						
19	Expenses					
20	ILL Courier	\$300	\$325	\$335	\$500	\$600
21	Salaries	\$88,407	\$95,073	\$100,401	\$110,000	\$112,000
22	Payroll Taxes	\$6,982	\$7,513	\$8,075	\$9,350	\$9,520
23	Training	\$2,708	\$2,300	\$1,864	\$2,500	\$2,500
24	Treasurers Fee	\$6,748	\$6,914	\$7,634	\$8,063	\$8,598
25	Fundraiser Expenses	\$0	\$0	\$0	\$0	\$0
26	Employee Purchase Expense	\$125	\$365	\$166	\$300	\$300
27	Electricity	\$2,846	\$2,989	\$3,451	\$4,500	\$4,500
28	Propane	\$1,056	\$3,603	\$5,047	\$5,500	\$5,500
29	Telephone LD & Local	\$1,986	\$2,146	\$2,274	\$2,500	\$2,500
30	Telephone/computer	\$958	\$1,060	\$599	\$1,000	\$1,000
31	Trash/Water	\$462	\$600	\$526	\$750	\$750
32	Insurance Health	\$7,733	\$7,854	\$10,737	\$11,000	\$12,716
33	Insurance Liability	\$4,473	\$4,168	\$4,304	\$5,000	\$5,125
34	Insurance Wk Comp	\$428	\$365	\$550	\$1,000	\$600
35	Publicity	\$279	\$1,652	\$260	\$500	\$500
36	Bank Fees	\$149	\$107	\$98	\$150	\$100
37	Legal & Actg.	\$4,405	\$6,277	\$7,240	\$7,800	\$7,800
38	Misc.	\$2,477	\$2,582	\$2,777	\$1,000	\$1,000
39	Office Expenses	\$4,539	\$4,570	\$4,825	\$5,500	\$5,500
40	Public Relations	\$1,044	\$762	\$1,708	\$1,000	\$1,000
41	Programs	\$3,380	\$3,340	\$5,399	\$4,000	\$4,500
42	Storage	\$840	\$420	\$420	\$500	\$500
43	Repairs	\$5,019	\$5,347	\$7,209	\$3,000	\$3,000
44	Cleaning and Maint.	\$7,594	\$7,453	\$7,160	\$8,500	\$8,500
45	Mags, Memberships	\$694	\$746	\$1,324	\$1,200	\$1,200
46	Travel	\$88	\$122	\$0	\$100	\$100
47	Copier/Fax/Microfilm	\$4,046	\$3,759	\$3,781	\$4,500	\$4,500
48	Total Operational Expenses	\$159,766	\$172,412	\$188,164	\$199,713	\$204,409
49						
50	Capital Expenditures					
51	New Books	\$13,280	\$11,077	\$5,934	\$5,000	\$5,000
52	Equipment/Software	\$1,494	\$15,948	\$34,045	\$6,500	\$7,000
53	Total Capital Expenditures	\$14,774	\$27,025	\$39,979	\$11,500	\$12,000
54						
55	Gillette Book	\$37,630	\$22,469	\$0	\$0	\$0
56	Total Expenditures	\$212,170	\$221,906	\$228,143	\$211,213	\$216,409
57						
58	Reserves	\$207,246	\$203,066	\$196,706	\$195,746	\$195,997
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60		Note: 2008 Misc. Item 39 shows \$1,489 reconciliation with audit.				
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ASSUMPTIONS FOR PROJECTED BUDGET FOR YEAR 2010
WEST CUSTER COUNTY LIBRARY DISTRICT
November, 2009

REVENUE:

Line 6. Property Tax. The mill levy approved by voters in 2003 is 1.983. The actual dollar amount is based on the Custer County Assessor's valuation of the county, and that valuation comes out in August and in December. We are required to base our mill on the December figure, which can vary a little from August. Under some circumstances, State law warrants a temporarily reduced levy: for 2010, the mill levy will be 1.941.

Line 7. Specific Ownership Tax. Whatever mill levy is established for our district is also applied to tax collected by the County for on-road vehicle licensing. One never knows how to project revenue from car licensing, so our guess is conservative.

Line 8. Interest Income. This is the total of interest rates accrued from our bank account, COLOTRUST, a local CD, and from occasional interest on late tax payments to the county.

Line 9. Fundraisers. Library Trustees leave fundraising to the Friends of the Library, although in years past they did one event.

Line 10. Donations. We anticipate getting about \$4,000 in miscellaneous donations and memorials. The Friends of the Library raised \$12,000 in 2009 for 2010, which they are giving the Library to cover books/movies, programs, courier, and computer equipment.

Line 11. Grants. Most grants we apply for, such as Libri and Colorado Endowment for the Humanities, cover costs for grant items directly, so we don't receive the revenue.

Line 12. Fines. Average amount.

Line 13. Copies and Faxes. Average.

Line 14. Miscellaneous. General revenue not otherwise specified. Example: Occasionally, a college for which the Director proctors an exam might make a donation. This line item also encompasses Employee/Board purchases.

Line 15. Gillette Book Project. The Library became the owner of a book of photographs taken by Bill Gillette in 2005. The photos depict Valley ranching heritage. All books were sold by the end of 2007.

Line 16. Community Center Rentals. The Community Room is rented to community clubs such as Columbine, Woman's Club, and the Bridge Club. Those clubs have a standing agreement with the Library to pay up to \$200/year each. Most other groups pay \$7/hour.

Expenses:

Line 20. ILL Courier. A cost established by the Colorado Library Consortium, this covers the cost of books couriered between Colorado libraries. The State subsidizes this project, but is saying the cost will go up in 2010.

Line 21. Salaries. This line items covers one full time salaried staff and 4 part time staff who are paid hourly between \$10 - \$15.30/hour. Also included are wages to cover training and 6 holidays per year. A medical stipend is given to all staff who work 20

hours or more per week. Performance evaluations result in a cost of living raise plus approximately 2% raise maximum.

Line 22. Payroll Taxes. This covers the employer's share of social security and medicare. As a district, the Library doesn't pay FUTA. This item runs about 8.5% of payroll.

Line 23. Training. Each staff member has a small amount to use as they see fit, to increase their skills at the computers, learn programs to teach patrons, or to develop organizational/professional Library skills. Minimally, there is a Regional Library Conference in Pueblo in the spring and a Director's conference in the Fall. Trustees might want training as well.

Line 24. Treasurer's Fee. This fee, formulated by the State to be 5% of the Property Tax Revenue, is what the Library pays the County for handling monthly mill levy payments.

Line 25. Fundraiser Expenses. See Line #9.

Line 26. Employee Purchase. Cost for books ordered by staff or Trustees. When they pay for the books, the revenue goes in Miscellaneous, line 14.

Line 27. Electricity. Black Hills will not project for next year. 2009 will be less than predicted so we are leaving 2010 the same number.

Line 28. Propane. This reflects a pre-pay contract with Norup in August for the winter months. 2006 was a light year because we had money left over from the account during construction. 2008 saw a 36% increase, but Norup staff reduced the per gallon cost in 09. Although 09 will come in much less than predicted, we are taking a conservative position and keeping the total the same for 10. Propane seems volatile.

Line 29. Telephone Long Distance & Local. CenturyTel and AT&T do not project increases.

Line 30. Telephone Computer Line. CenturyTel DSL costs actually decreased in 08/09, but we are leaving the '10 number the same to reflect an increase.

Line 31. Trash/Water. The Library is on the Round Mountain Water system.

Line 32. Insurance Health. Covers Rocky Mtn. HMO for the Director only, and in 2008 she turned 60, which made the rate increase significantly. Other staff receive a medical stipend rather than direct purchase of coverage.

Line 33. Insurance Liability. We have a Director's and Officer's policy and a Liability and Property policy. The Employee Dishonesty Policy is renewed every 3 years, again in 2012.

Line 34. Insurance Worker's Comprehensive. Slight increase due to the fact that worker's comp is related to salaries, however the Library usually receives a rebate for lack of use.

Line 35. Publicity. Flyers for programs, coverage in newspapers, marketing efforts.

Line 36. Bank Fees. Small fee for new checks and deposit slips.

Line 37. Legal & Accounting. Audit is projected to be \$4,000. Bookkeeper is local.

Line 38. Miscellaneous. An example of a miscellaneous expense is hiring a contractor to do data entry on historic projects, covered by the Library receiving donations from Wet Mountain Valley Community Foundation.

Line 39. Office Expenses. This covers copy paper, book protection, tape, pencils, signage, markers, envelopes, stamps, etc. Staff are spending slightly more than we used to for supplies for historic preservation, reading programs and displays, but we hope to hold the cost for 2010.

Line 40. Public Relations. Covers staff efforts to show gratitude or encourage use.

Line 41. Programs. Assumptions: Children's and teen's reading programs, Chautauquas or book signings, poetry extravaganzas in the spring, and computer classes, all of which are typically covered by Friends of the Library.

Line 42. Rent - Storage. The Library has a small storage space in town for tables, folding chairs, and the like, used for programs and Friends of the Library events.

Line 43. Repairs. Covers unanticipated repairs. Stopped up toilets. Bent exterior light fixture needed repair in 07. New heat mats in 07, new water faucet in 08, leak in old roof vents in 09, and resulting drywall.

Line 44. Cleaning and Maintenance. This line item covers toilet paper, floor mats, cleaning supplies used by staff, furnace maintenance and cleaning services, including windows. Cleaning costs increase with age and increased use of the community room.

Line 45. Replacement Books, Mags, Memberships. (New book purchases are covered in capital expenditures). This line item is for replacements to old/lost books, magazine subscriptions (Newsweek, Wall Street Journal, Pueblo Chieftain, USA Today, Consumer Reports, Equus, Tribune, National Geographic, Colorado Central, Colorado Outdoors, HomeSchool, Smithsonian, Gray's Sporting Journal, CancerCure, Nick, Senior Beacon.), and memberships (Chamber, Colorado Historical Society, Custer County Historical Society, American and Colorado Library Association). Some of these are covered by donations.

Line 46. Travel. Vehicle reimbursement when staff travel for non-training events. Our policy assumes the government rate, which is currently \$.55/mile.

Line 47. Copier/Fax/Microfilm. WCCLD has two contracts for copying and microfilm. The Xerox maintenance agreement is slightly less than \$2,500/year, depending on use. The Microfilm printer/reader contract should be \$2,200 in 2010.

Capital Expenditures:

Line 51. New books. WCCLD receives money from Friends of the Library, memorials, and donations to cover new books. In 2006 and 2007, this line item also covered rare books, encyclopedia, and photos and the Custer County Then and Now. In 2008, another run of CCT&N. In 2009, more old photographs were purchased. Historical items are purchased with donations from the Wet Mountain Community Foundation.

Line 52. Equipment/Software. This item covers Follett software, new computer equipment and hard/software, Norton Antivirus, battery backups, filtering software and the Past Perfect Software Tech Support Agreement. Some nontechnical assets are included, such as clocks and chairs. Attached budget gives detailed outline.

Gillette Book: Line 55. The Library took on a book publishing project in June of 05, but sold out as of December 07.

Another 3% of our revenues come from fees such as rental of our community room and lost or damaged books fees.

Sales of Passion for Ranching, the Bill Gillette photo essay on ranching in the Valley which we sold during 2006 and 2007, and special donations over the years have resulted in reserves.

Services

The Library is open 34 hours/week, and is currently run by a full time director and 4 other part time staff, a total of 3.5 full time equivalents. The Library serves 4,211 patrons by providing 12,236 items in its collection, and by offering an array of services. The Community Room is available for community use. The summer reading program brings in over 125 children each summer. The Library kicked off a pilot teen reading program in 2008; 52 teens participated in 2009. The Chautauqua Series offers free educational and historical programs, and the Library sponsors a Chess Club and a Book Club. At least once a year, the Library offers classes in beginning Internet. The Library houses a central archive to assist in historical research of the area and works with the other archival groups in town on many projects, especially the Custer County Historical and Genealogical Society. A special reading magnifier provides service for those with low vision, and the building and services are equipped for the physically limited. Many other services are provided, usually in conjunction with other groups in the County, and always reviewed or initiated by the community based Long Range Plan Committee.

Two library staff participate in creating daily spots for the local radio station, KWMV. One of those staff actually produces those and other spots. It is the Trustees' position that the radio station and the Library have a common goal: building a sense of community.

The nine active Friends of the Library Board Directors sponsor two annual craft shows for local artists, and raise funds from over 250 members to assist the Library with services.

Hours of service increased in 2006, as did staff hours to handle increased projects and workload. The Trustees also began providing a small medical stipend for staff in 2006. Six volunteers help the Library shelve and cover books. In 2008, the Library initiated a website to enable patrons access to the catalogue, their own accounts, and updates on Library and community events.

Issues

All Libraries face increased demand for technical services, which takes training, then retraining, for all staff, at a significant cost to the organization. Keeping up with this demand is always a concern. All Libraries deal with issues of converging mobile technologies, social networking, and annually upgrading - or not - software. Periodically, new laws shift priority from other tasks and often require additional training. The most

obvious example of that is the requirement that computers for children be filtered except under certain circumstances.

The other issue facing the Library is a result of worldwide economic problems: interest rates have dropped significantly, and to a certain extent, donations have as well. As the reader will see from the item by item explanations of costs, the Trustees are making every effort to maintain savings for future security and to hold costs wherever possible.

The Future

The Library needs 3 kinds of “reserves”: 1) State (TABOR) required emergency reserves, which are not available for use except in extreme emergency, 2) 3 months’ expenses, because we don’t begin getting significant mill levy revenue until April each year, and 3) another 3 months’ expenses that really could be used in an emergency. The latter is considered the District’s rainy day fund, because we have obligations to staff and patrons to operate, and if there were a county wide emergency, the Library would have an even greater obligation to serve the District.

Therefore, reserve need to result in a year end ‘fund balance’ of at least \$130,000 in 2010. In the years that number is exceeded, monies will be held to provide for future growth as the patrons demand. The Library Trustees are considering using reserves for an energy audit and the resulting recommendations for using less energy, and therefore for cutting energy costs in the future. As mentioned before, the future has some financial shadows, both locally and nationally.

SUMMARY OF REVISIONS TO THE 2009 BUDGET

Normally, the Library receives more in donations and Specific Ownership Tax than could be predicted the year before, when shaping the budget. Therefore, we normally can spend more than we’d predicted we could, so we have to hold a public hearing to revise the budget. During 2009, we have received less in interest, donations and, probably Specific Ownership Tax, so we will not be spending more. No revision to that bottom line is necessary.

SUMMARY OF 2010 BUDGET

2010 looks to be a sound financial year. We expect to continue to improve our website and ‘technological link’ with the outside world. We need to update several computers that are becoming increasingly outdated and slow.

As mentioned above, we hope to follow through on an energy audit, which expenses would come out of reserves.

Our best guess is that we project receiving \$216,660 in revenue and spending \$216,409. Our reserves will remain strong at the end of 2010.

In the spring of 2009, we convened a public meeting of 12 community members. At the end of the morning, they shaped our Long Range Plan as follows:

- ❖ Continue the focus on toddlers to build enjoyment of learning at an early age.
- ❖ Continue to develop the Local History Center and related programs.
- ❖ Reach out to less frequent users, such as senior, ranchers, local business members.
- ❖ Explore the possibilities of technology for teens, e.g. video games, tournaments, etc.

The primary line item in which those goals are played out is programming; with the help of the Friends, that line item has increased every year.

The Trustees and staff hope that the Library will be around to offer literature and information and imagination for years to come. To that end, we offer to our public the Projected 2010 Budget, based on modified accrual methods. By way of comparison, we also include the actual revenue and expenses of 2006, 2007, and 2008.

If you are reading this, you obviously care about your Library; if you have questions or comments, please express yourself. This is *your* public library.