

DOUGLAS COUNTY LIBRARIES
Board of Trustees Meeting
Regular Meeting and Public Hearing for Budget Adoption
December 2, 2020
Remote Call-In

President Cole called the regular meeting to order at 7:00 p.m.

This meeting was held and was noticed in compliance with both Colorado Open Meeting Law and the Douglas County Libraries Bylaws.

MOTION 20-12-01: Vaughn moved and the motion carried unanimously to approve the agenda as presented.

The following were present:

TRUSTEES: Suzanne Burkholder, Ron Cole, Dan Danser, Sean Duffy, Meghann Silverthorn, Dawn Vaughn, and Louise Wood

STAFF: Bob Pasicznyuk, Dave Anderson, Jill Corrente, Julianne Griffin, Michael King, and Patti Owen-DeLay

Amber DeBerry joined the meeting at 7:30 p.m.

PUBLIC: Dave Hieronymus, and from Fransen Pittman: John Pittman, Jeff Pittman, Dave Eddy, and Alan Anderson

PUBLIC COMMENT:

Dave Hieronymus shared appreciation for Douglas County Libraries as a result of the leadership of the Board of Trustees and Executive Library Director, Bob Pasicznyuk. Hieronymus further expressed appreciation for Pasicznyuk's leadership with the Help & Hope Center seeing how his skill in that role also carries into his role with the library.

John Pittman from Fransen Pittman expressed appreciation for the relationship with Douglas County Libraries. Pittman shared a cost estimate at today's prices for putting the Parker library, built in 2016, in Castle Rock. He further stated that the \$20.9 million price shows a better-than-expected cost due to COVID downturns in the construction industry.

APPROVAL OF CONSENT AGENDA

MOTION 20-12-02: Cole moved and the motion carried unanimously to approve the Consent Agenda consisting of the November 24, 2020, special board meeting minutes as presented.

PUBLIC HEARING

Cole opened the public hearing, stating: The Douglas County Libraries Board of Trustees is now convened and I now hereby open the Public Hearing. In compliance with Colorado Statutes, and as legally noticed, a public hearing is being held on December 2, 2020, for the purpose of adopting the Final Budget for 2021.

The proposed 2021 Budget is in your packet and is made a part of these Resolutions and is presented for adoption as the Final Budget of the Douglas County Libraries for 2021.

No adjustments are being proposed at this time.

At this time the board will be pleased to hear any citizens' comments concerning the Douglas County Libraries Final Budget for 2021. Do we have any citizens who would like to make comment?

No public comments were made on the adoption of the 2021 budget.

MOTION 20-12-03: Danser moved and the motion carried unanimously to adopt **RESOLUTION 2020-12-02** Adopting a Budget.

MOTION 20-12-04: Duffy moved and the motion carried unanimously to adopt **RESOLUTION 2020-12-03** Setting Mill Levies, and **RESOLUTION 2020-12-04** Appropriating Sums of Money as presented.

Cole closed the Public Hearing.

EXECUTIVE LIBRARY DIRECTOR'S UPDATE

Pasicznyuk shared that his board packet report focused on accomplishments in 2020 instead of focusing on the constraints due to COVID.

DISTRICT BUSINESS

No one declared a conflict of interest.

Recognition of Retiring Trustee

MOTION 20-12-05: Cole moved and the motion carried unanimously to adopt **RESOLUTION 20-12-01** recognizing retiring trustee Sean Duffy.

Third Quarter Key Performance Indicator (KPI) Report

Duffy asked when a new set of indicators will be in place as expressed earlier in the year by Pasicznyuk.

Pasicznyuk stated that it will be a first quarter 2021 goal to replace this report with new metrics that have greater meaning against private service businesses.

Danser asked about the ROI in the KPI report and Pasicznyuk explained it. Burkholder asked about an ROI comparison against Arapahoe Library District. Pasicznyuk promised to have that discussion at a future meeting.

Capital Planning Committee

Easement with the Town of Castle Rock

MOTION 20-12-06: Cole moved and the motion carried unanimously to approve the waterline easement giving the Town of Castle Rock a permanent, non-exclusive easement at the point indicated in Exhibit A to the Easement Agreement which would allow third parties to connect to the Town of Castle Rock's water main. Note: The Exhibit shows an old ownership name.

Executive Committee

No report.

Personnel Committee

Executive Library Director's Annual Review

MOTION 20-12-07: Silverthorn moved and the motion carried unanimously to enter into Executive Session as per Colorado Open Meeting Law for discussion of: personnel matters C.R.S. §24-6-402(4)(f).

EXECUTIVE SESSION

The board moved into Executive Session at 7:28 p.m.

RETURN TO OPEN SESSION

The board returned to open meeting at 8:25 p.m. For the record, if any person who participated in the Executive Session believes that any substantial discussion of any matters not included in the motion to go into the Executive Session occurred during the Executive Session, or that any improper action occurred during the Executive Session in violation of Colorado Open Meeting Law, I ask that you state your concerns for the record.

Hearing none,

FOUNDATION REPORT

DeBerry reviewed the plan for Colorado Gives Day coming next Tuesday, December 8, 2020, and encouraged everyone to support the libraries by contributing to the library Foundation.

DeBerry also shared that Tera Radloff and Rochelle Logan will be ending their terms on the Foundation Board. Cole will be moving off, and Vaughn will be replacing him.

TRUSTEE COMMENTS

Silverthorn asked to record agreed-upon steps by motion regarding Pasicznyuk's review so that the board isn't in violation of contract deadlines.

MOTION 20-12-08: Silverthorn moved and the motion carried unanimously to have the Personnel Committee meet in December and report back to the board where things are with Pasicznyuk's goals.

UPCOMING BOARD MEETINGS

Owen-DeLay shared that the requested weekly Special Board Meetings for Fulcrum negotiations discussion and/or updates will be held remotely, on Mondays at 5:00 p.m. beginning on December 14, 2020, until no longer needed and canceled when not needed.

1. **Board Meeting:** February 24, 2021, Douglas County Libraries in Castle Pines, Castle Pines North Master Association Event Hall, 7:00 p.m. (Dinner at 6:30 p.m.)
2. **Board Study Session:** February 24, 2021, Douglas County Libraries in Castle Pines, Castle Pines North Master Association Event Hall, 5:00 p.m.
3. **Informal Board Breakfast:** January 27, 2021, location to be announced, 8:00 a.m.

COMMITTEE MEETINGS

1. **Capital Planning Committee Meeting:** January 7, 2021, Douglas County Libraries in Castle Pines, First Floor Conference Room, 8:00 a.m. (Trustees Danser and Vaughn)
2. **Executive Committee Meeting:** January 13, 2021, Douglas County Libraries in Lone Tree, The Studio, 8:00 a.m. (Trustees Cole and Silverthorn)
3. **Personnel Committee Meeting:** January 15, 2021, Douglas County Libraries in Castle Pines, First Floor Conference Room, 8:00 a.m. (Trustees Silverthorn, Burkholder and Cole)
4. **Capital Planning Committee Meeting:** February 4, 2021, Douglas County Libraries in Castle Pines, First Floor Conference Room, 8:00 a.m. (Trustees Danser and Vaughn)
5. **Executive Committee Meeting:** February 10, 2021, Douglas County Libraries in Lone Tree, The Studio, 8:00 a.m. (Trustees Cole and Silverthorn)
6. **Personnel Committee Meeting:** February 19, 2021, Douglas County Libraries in Castle Pines, First Floor Conference Room, 8:00 a.m. (Trustees Silverthorn, Burkholder and Cole)

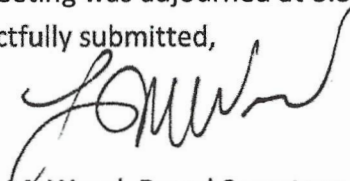
OTHER BOARD CALENDAR ITEMS

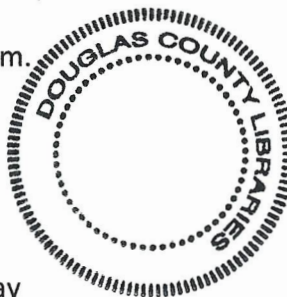
1. **Partnership of Douglas County Governments Meeting:** December 16, 2020, Remote Call-In, 7:30 a.m.
2. **Partnership of Douglas County Governments Meeting:** January 20, 2021, location to be announced

ADJOURN

The meeting was adjourned at 8:36 p.m.

Respectfully submitted,


Louise M. Wood, Board Secretary
Minutes prepared by Patti Owen-DeLay





Budget 2021

Douglas County Libraries Budget Message 2021

Our Vision: Douglas County Libraries elevates our community by inspiring a love of reading, discovery and connection.

In the wake of 2020 events, Leadership messages, like this one, will mention the obvious challenges, confounding variables, and business obstacles of the pandemic and societal unrest. At Douglas County Libraries, public health officials closed our facilities on March 17, 2020. We returned to limited services on May 11, and opened to the public on June 29, 2020. In the same timeline, our nation fought through significant civil unrest and equity challenges. Throughout these disruptions and restrictions, our Library sought to align with our community, sustaining our mission and reputation.

- We pivoted content purchases to expand access to our digital collections.
- We changed membership requirements to gain new digital customers.
- We re-organized teams to counter financial risk and support opportunities.
- We reassigned talent to curb-side services and creative, home-delivery services whose popularity exceeded all expectations.
- We became facile with remote working.
- We positioned our resources to assist students and seniors facing isolation.
- We buttressed the Library's capital reserve for future growth.

The 2021 budget supports a return to historically rich service opportunities thwarted by the pandemic. It also allows for new ventures needed to elevate our community under stress in all facets of life – education, finances, relationships, and health. This year, our Library demonstrated the resilience necessary to sustain a premium library experience for years to come. Our Library's 2021 budget provides the foundation to continue our commitment to our communities, our customers, and our valued staff.



Bob Pasicznyuk

Douglas County Libraries

Description of Services

Douglas County Libraries serves a population of approximately 370,000 Douglas County residents at libraries in Castle Pines, Castle Rock, Highlands Ranch, Lone Tree, Louviers, Parker, Roxborough, and online at DCL.org. Services may be divided into the following broad categories:

Circulation

Circulation consists of the provision of books, e-books, periodicals, audios, videos and other library content for lending use to the public. More than 5 million physical items circulate annually. In 2020, we surpassed the 1 million mark for digital lending. We continue to be in the top libraries in the state of Colorado. Our convenient holds service accounts for approximately 16.7% of Douglas County Libraries' annual circulation of physical materials.

Online Services

Virtual services continue to grow in breadth and use. In 2020, from January-September we enjoyed 1,491,325 million visits to our website, and 1.4 million visits to our catalog. Downloadable materials, during the same time period, make up 31% of total circulation, including music, books and audiobooks. We offer self-paced online learning programs on languages and computer software, real-time homework and resume help, plus access to full-text magazine and journal articles for students of all ages.

Community Gathering Spaces

The library serves as a key community gathering place. Although 2020 brought unexpected challenges to our service model, in past years we are open more than 20,000 hours per year and welcome nearly 1.7 million visitors annually at our seven locations. Our public computers and wireless access offer a comfortable environment in which to work, study, stay up with current events, or keep in touch with friends. Civic groups, groups planning special events, nonprofits and organizations of all kinds used our popular meeting rooms 2,928 times between January and September of 2020. Most of our libraries offer small meeting rooms that double as office space, tutoring classrooms, or just a quiet place to contemplate or meet friends.

Inspiring Reading

Douglas County Libraries places a strong emphasis on encouraging lifelong reading habits. Staff members train and focus on making book recommendations for people of all ages. Our staff collaborates with customers to determine their likes and dislikes and recommend good reads. Through conversation, displays, events and promotion of reading, Douglas County community members are introduced to new authors and experiences. Many staff have advanced skills in recommending suitable reading level materials for young people. From picture books to early readers, to research and recreational reading, staff recommend the appropriate books to advance and challenge young readers. The library also hosts a number of book clubs for readers to critically explore stories and discuss their meanings in their lives.

Storytime

In January-September of 2020, we offered 1,175 children's events that reached more than 52,390 attendees. This includes virtual events offered while our library locations were closed. Storytime attendance alone accounted for 36,959 attendees. Staff trained in preparing children to read emphasize narrative, vocabulary, rhyming and song in a fun and interactive environment that enlivens minds and introduces young people and their caregivers to the joy of reading. The early literacy skills that children learn in Storytime help them translate words to images, develop their brains, and nurture the cognitive, emotional and social skills they need to develop the habits of lifelong learners. We extend this program beyond the library locations with library outreach, Senior Reads and our Book Start program, in which staff and volunteers read and tell stories at child and adult day care centers and schools in Douglas County. Our Cuddle Up & Read service encourages parents of new babies to get baby a library card and begin reading together from day one.

Reference Services

Our staff members provide informational and research assistance to thousands of customers each year. In the first 9 months of this year, 115,391 reference questions were answered. Through in-person interviews, phone requests, instant messaging, email and community interviews, staff respond to requests for information in a timely fashion with well-researched answers. Our collection of current and in-depth reference materials supplements staff efforts and supports the community's interest in pursuing answers on their own. Our DCL for Business service offers dedicated staff and resources trained to support the needs of entrepreneurs and small businesses with timely market analysis, in-depth research, and business startup plans.

Inspiring Connection: Events

Library events address a variety of interests and are designed to meet the needs of all age groups. Although, we were closed during part of the summer season due to COVID-19, our Summer Reading Program still reached more than 12,000 participants in 2020. In addition to Storytimes, children's events employ a wide variety of techniques and activities to allow young children to explore new ideas and develop advanced skills. From pairing teens with struggling young readers, to group reading comprehension competitions, to fun hands-on science experiments, young people have many opportunities to advance their skills in a safe environment. Teen events engage young people in creative activities, such as writing, photography, games and cosplay. Adults benefit from events that highlight adult literacy, High School Equivalency (HSE) and English as a Second Language (ESL), local economic development and current affairs, and technology literacy. Family events, such as Storybook Holiday, offer ways for people to connect and celebrate, all while making lifetime memories. Author events give patrons the opportunity to mingle with writers, celebrate reading, and hear authors read from their latest works.

Community Engagement

Douglas County Libraries strives to create connections throughout our community to help it continue to thrive. We deliver engaging events, offer hospitality services and meeting spaces,

build strong civic, community and business partnerships, and provide meaningful community outreach. Our staff ensure DCL is connected with our community and seek to find new and meaningful ways to support the growth of our community. As we build partnerships with our government partners, schools, local businesses, and community non-profits, we promote library services and work to keep DCL's brand strong within the community we serve.

Library Content

Our process for selecting materials for our collections is three-pronged, and includes centralized collection development, input from staff, and use of materials requests by customers. Online materials requests allow community-driven purchases and borrowing from other libraries. We received 4,816 customer materials requests in January-September 2020. Of those, 26% were fulfilled by interlibrary loan and 25% led to DCL purchases. Throughout the first nine months of 2020, via Prospector, we loaned 17,500 items, while our customers borrowed 18,909 items.

DCL Archives & Local History

This entity collects and preserves the history of Douglas County in order to provide historical research resources to the public, through reference assistance and events in the library, in schools and for historical societies. Archivists connect with customers in the library, and via outreach, a robust website, and social media.

Volunteers

Volunteers numbered over 800 in 2020. Opportunities to work with adult learners, help with book sales, shelving, reading to children and seniors, and preservation of local history make our volunteer opportunities a vibrant service that also provides job skills, personal growth and community involvement.



		2020	
	2019	As of Nov 30	2021
	Actual	Forecast	Budget
Revenues			
Property Taxes	\$25,670,430	\$28,975,863	\$29,713,820
Auto Ownership Taxes	2,599,416	2,540,525	2,516,416
Contributions/Grants	401,246	335,553	321,652
Charges for Services	688,859	481,951	577,453
Interest Income	548,596	211,916	237,370
Total Revenue	29,908,546	32,545,808	33,366,711
Growth			
Operating Expenditures			
Salaries and Wages	12,230,828	12,877,415	13,631,392
Benefits	1,177,760	1,283,118	1,384,114
PERA	1,609,972	1,611,463	1,677,117
Library Content	3,669,890	3,988,971	3,879,982
Facility	1,810,112	1,721,205	1,887,338
Technology Equipment & 3rd-Party Services	1,370,079	1,618,458	1,752,237
Library Programs & Outreach	813,191	854,552	1,040,189
District-Wide Support Costs	857,267	945,300	1,187,852
Capital Maintenance Projects	335,113	754,192	901,370
Subtotal Operating Expenditures	23,874,211	25,654,674	27,341,590
Debt Service	2,012,300	2,012,800	2,013,425
County Treasurer Tax Collection Fee	385,475	437,410	487,108
Total Operating, Interest & Fee Expenditures	26,271,986	28,104,885	29,842,123
Revenues Over (Under) Operating Expenditures	3,636,561	4,440,923	3,524,588
Non-Operating Revenues (Expenditures)			
Lease Income (Expense), net	191,913	119,917	161,774
Capital Improvement Projects	(4,176,830)	(1,153,614)	(385,500)
Total Non-Operating Revenues (Expenditures)	(3,984,917)	(1,033,697)	(223,726)
Total Revenues Over (Under) Total Expenditures	(348,356)	3,407,226	3,300,862
Beginning Fund Balance	18,988,173	18,639,817	22,047,043
Ending Fund Balance	\$18,639,817	\$22,047,043	\$25,347,905

Key Features of the 2021 Budget

The 2021 Budget provides strong support to enable execution of Douglas County Libraries' vision to elevate our community by inspiring a love of reading, discovery and connection in a fiscally responsible manner.

Revenues

Funding for Douglas County Libraries ("the District") comes chiefly from real and personal property taxes, with additional funding from vehicle registration taxes, library fines, contributions and grants, investment interest, program fees, and other miscellaneous income.

Property Valuation

	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assessed Valuation	\$6,438.836	\$7,239.081	\$7,406.236
Valuation Change		\$800.245	\$167.155
Valuation change %		12.4%	2.3%
Affects taxes collected in	2019	2020	2021

As this budget is for 2021, an odd-numbered year, the 12.4% increase in 2020 valuation reflects only actual growth in real and personal property.

Property Tax Revenues

	<u>2019 Actual</u>	<u>2020 Forecast</u>	<u>2021 Budget</u>
Property Taxes	\$25.670	\$28.976	\$29.714
Revenue change		\$3.306	\$0.738
Revenue change %		12.9%	2.5%

The voter-approved mill levy remains unchanged for 2021 at 4 mills. Consistent with the increase in the assessed property valuation, property-related tax revenues for Douglas County Libraries are expected to increase by 2.5% for 2021.

Auto Ownership Taxes

	<u>2019 Actual</u>	<u>2020 Forecast</u>	<u>2021 Budget</u>
Auto Ownership Taxes	\$2.599	\$2.541	\$2.516
Revenue change		(\$0.058)	(\$0.025)
Revenue change %		(2.2%)	(1.0%)

Vehicle registration taxes for 2020 are budgeted at a slight decline in 2021 as validated by the District's actual vehicle registration taxes for 2020 to-date and auto industry forecasts.

Other Revenue

	2019 Actual	2020 Forecast	2021 Budget
Other revenue	\$1.639	\$1.030	\$1.136
Revenue change		(\$0.609)	\$0.106
Revenue change %		(37.2%)	10.3%

Other Income, comprised of Contributions and Grants, Charges for Services, and Interest Income, is budgeted at an increase for 2021 of 10.3%. The increase is primarily attributable to improvements in Charges for Services, which decreased by over 20% in 2020 due to event and services cancellations related to Covid-19 restrictions. Charges for services are expected to increase approximately 10% in 2021, but not to the pre-Covid levels of 2019.

Operating Expenditures

Budgeted 2021 controllable operating expenditures are \$27.342 million, compared to \$25.655 million forecast for 2020, and actual operating expenditures of \$23.874 million in 2019. The increase of \$1.687 million in 2021 operating expenditures is primarily attributable to:

- \$0.920 million of increased Salaries, Wages, Benefits, and PERA;
- \$0.313 million of increased costs to service, maintain, and repair facilities;
- \$0.376 million of increased costs for District-wide technology and support services; and
- \$0.076 million of increased costs for Library Content, Programs, and Outreach offerings.

Salaries and Wages

	2019 Actual	2020 Forecast	2021 Budget
Salaries and Wages	\$12.231	\$12.877	\$13.631
Expenditure change		\$0.646	\$0.754
Expenditure change %		5.3%	5.9%

The increase in the 2021 Budget for Salaries and Wages of 5.9% is attributable to an annual raise, a continuing program for regular compensation adjustments due to market changes, and somewhat reduced spending on salaries & wages in 2020 due to the impact of Covid-19.

Benefits

	2019 Actual	2020 Forecast	2021 Budget
Benefits	\$1.178	\$1.283	\$1.384
Expenditure change		\$0.105	\$0.101
Expenditure change %		8.9%	7.9%

The increase in benefits expenditures for 2021 is primarily attributable to a 4.6% increase in health insurance premiums, plus salary and wage increases.

PERA

	2019 Actual	2020 Forecast	2021 Budget
PERA	\$1.610	\$1.611	\$1.677
Expenditure change		\$0.001	\$0.066
Expenditure change %		0.1%	4.1%

The 4.1% increase in PERA retirement costs for 2021 is primarily attributable to salary and wage increases, plus an increase in the Employer contribution rate for PERA of 0.2%.

Library Content

	2019 Actual	2020 Forecast	2021 Budget
Library Content	\$3.670	\$3.989	\$3.880
Expenditure change		\$0.319	(\$0.109)
Expenditure change %		8.7%	(2.7%)

Library Content includes books, e-books, audiobooks, e-audiobooks, electronic databases, digital products, DVDs, periodicals, and nontraditional resources. In the 2021 Budget, the District continues to shift its collections strategy in accordance with demand. The decrease in spending on Library Content in 2021 is primarily due to one-time incremental purchases in 2020 to temporarily expand access to the Library's digital content during the Covid-19 shutdown in May and June of 2020.

Facility

	2019 Actual	2020 Forecast	2021 Budget
Facility	\$1.810	\$1.721	\$1.887
Expenditure change		(\$0.089)	\$0.166
Expenditure change %		(4.9%)	9.6%

Facilities costs include maintenance service contracts, rent on leased facilities, property and casualty insurance, utilities, and other facilities-related costs. The increase in facilities costs in 2021 is primarily due to rising costs for electricity, housekeeping, and snow removal.

Technology Equipment and 3rd-Party Services

	2019 Actual	2020 Forecast	2021 Budget
Information Technology & Svcs	\$1.370	\$1.618	\$1.752
Expenditure change		\$0.248	\$0.134
Expenditure change %		18.1%	8.3%

Technology infrastructure costs for the District consist of licensing and maintenance agreements for computer software and hardware, subscription services for technology support in processing and cataloging books, telephone and telecommunications costs, and

various other computer and technical support costs of the library. Increases in the 2021 Technology and Support Services budget are primarily attributable to infrastructure licenses, equipment maintenance and vendor services.

Programs and Outreach

	<u>2019 Actual</u>	<u>2020 Forecast</u>	<u>2021 Budget</u>
Library Programs & Outreach	\$0.813	\$0.855	\$1.040
Expenditure change		\$0.042	\$0.185
Expenditure change %		5.2%	21.6%

Programs and Outreach costs include expenses associated with patron services programs, workshops, and reading programs offered by Douglas County Libraries. These expenses include presenter fees, prizes for reading programs, and community sponsorships, plus printing, graphic design, public relations, and advertising costs associated with providing programs and promoting library services.

Programs and Outreach costs also include expenses related to the District's events and hospitality services, which offers event spaces for corporate and social functions. The 2021 Budget anticipates continued growth in events and hospitality services, including increases to revenue as well as corresponding increases to District expenses.

Increases in 2021 Programs and Outreach are primarily attributable to increases in catering and program provider fees, in anticipation of loosening Covid-19 related restrictions, plus increased community sponsorships.

District-wide Support

	<u>2019 Actual</u>	<u>2020 Forecast</u>	<u>2021 Budget</u>
District-Wide Support Costs	\$0.857	\$0.945	\$1.188
Expenditure change		\$0.088	\$0.243
Expenditure change %		10.3%	25.7%

District-wide Support includes the costs to manage the District, such as human resources, benefits administration, employee development, contracts administration, financial management, and reporting to the public and appropriate governing agencies.

In 2021, the increase to District-wide Support of 25.7% is primarily due to plans to assess the safety and security of our customers and staff, replace the District's Human Resource Information System, compliance with pay equity legislation, continuing market-based compensation research, legal fees, and staff training.

Interest and Financing Costs

	<u>2019 Actual</u>	<u>2020 Forecast</u>	<u>2021 Budget</u>
Interest & Financing Costs	\$2.397	\$2.450	\$2.500

Revenue change	\$0.053	\$0.050
Revenue change %	2.2%	2.0%

Interest and financing costs include principal and interest payable under the 2015 Certificates of Participation of \$2.013 million, plus fees payable to the Douglas County treasurer for collection and distribution of property tax revenues of \$0.487 million. Increases in the County Treasurer Tax Collection Fee in 2021 are attributable to higher property tax revenues.

Capital Expenditures

Pursuant to the District's current initiative to upgrade and maintain facilities at a higher standard of care, the District distinguishes between maintenance projects, which are funded from current operating revenues, versus improvement projects, which are funded from reserves.

Maintenance Projects

	<u>2019 Actual</u>	<u>2020 Forecast</u>	<u>2021 Budget</u>
Capital Maintenance Projects	\$0.335	\$0.754	\$0.901
Expenditure change		\$0.419	\$0.147
Expenditure change %		125.1%	19.5%

The District reports expenditures to replace equipment, furniture and fixtures as well as enhancements to both public and staff spaces as maintenance projects. Enhancements are typically intended to support patron-focused changes in programming and usage trends.

Douglas County Libraries experienced rapid growth in 2016 in the number, size, and complexity of the facilities that comprise the District, now totaling approximately 200,000 square feet. Beginning in 2020, the District adopted a long-term facilities maintenance plan that balances DCL's need for periodic upgrades to structures, spaces, equipment and furniture against the District's long-term capital needs.

Maintenance and improvement expenditures in the 2020 budget reflect the adoption of a plan to:

- Rotate major upgrades to the District's four largest branches on a four to six year cycle,
- Limit annual maintenance at the District's four largest branches to required repairs, and
- Alternate improvements at the District's smaller branches on an annual basis consistent with the District's overall spending capacity.

Maintenance project expenditures for 2021 include:

\$0.450 million for the the annual replacement of computers, servers, firewalls, security systems, and printing equipment throughout the District;
 \$0.135 million for touchless door opener upgrades, concrete and asphalt repairs, and landscaping throughout the District; and
 \$0.177 million for upgrades at the Phillip S. Miller branch for security, and staff work areas for library public service staff and Douglas County archives.

Improvement Projects

	2019 Actual	2020 Forecast	2021 Budget
Capital Improvement Projects	\$4.177	\$1.154	\$0.386
Expenditure change		(\$3.023)	(\$0.768)
Expenditure change %		(72.4%)	(66.6%)

Improvement project expenditures reported for 2019 were \$4.177 million primarily for upgrades to the Highlands Ranch facility.

Key improvement projects budgeted for 2020 included replacement of the Highlands Ranch sorter of \$0.335 million, District-wide replacement of transport sorter bins of \$0.454 million, and design & permit drawings for the Phillip S. Miller branch refresh of \$0.298 million.

Improvement project expenditures budgeted for 2021 include \$0.251 million to complete the refresh of the Lone Tree branch, \$0.080 million for District-wide replacement of self-check kiosks, and \$0.55 million to complete District-wide replacement of transport sorter bins.

Lease Income (Expense), Net

	2019 Actual	2020 Forecast	2021 Budget
Lease Income (Expense), net	\$0.192	\$0.120	\$0.162
Expenditure change		(\$0.072)	\$0.042
Expenditure change %		(37.5%)	35.0%

The District acquired retail property adjacent to the Phillip S. Miller branch in 2017 with an intent to utilize the property in the future renovation of the branch. The District currently receives rental income from that retail property under leases to multiple tenants.

The 2021 Budget includes \$0.162 million for lease revenue net of operating costs for the retail facility. The increase in lease income from 2020 is due to rent relief granted to tenants in 2020 due to the Covid-19 emergency, and to secure lease renewal terms that are advantageous to the timing of a future renovation of the Phillip S. Miller branch.