



Budget 2022



Douglas County Libraries

Budget Message 2022

Our Library's 2022 continues to direct resources toward staples that our community has valued in their library for more than a generation:

Consistent, generous service hours	DCL available at our customer's convenience
Premium library content	Fresh, curated collections answering demand
Quality, personal service	Our staff honored to serve our neighbors
Premium activities and events	Bespoke opportunities beyond typical library fare
Clean, contemporary facilities	Libraries where families choose to visit and gather

Beyond sustaining a library that's more than our customer expect, you'll find a few, potent outliers in the 2022 budget.

- DCL is directing significant resources to complete a new Castle Rock library.
- Our Library is restoring a full slate of activities in 2022 that pandemic restrictions prevented.
- We continue to invest in our staff as our most valuable resource.
- We're adding new events that will soon become Douglas County traditions.

This past year has challenged our community, its families, our schools, and businesses to pivot and flex, maintaining the high quality of life that Douglas County is known for across the nation. I'd like to thank our Library's Board, friends and neighbors for their continued faith in us as an essential Douglas County partner.

Respectfully submitted,

Robert W. Pasicznyuk

Douglas County Libraries

Description of Services

Douglas County Libraries serves a population of approximately 379,000 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 (4,518,750, Jan.-Sept., 2021). 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 13% of Douglas County Libraries' annual circulation of physical materials.

Online Services

Virtual services continue to grow in breadth and use. In 2021, from January-September, we enjoyed 1,458,909 million visits to our website, and 1.4 million visits to our catalog. During the same time period, downloadable materials including music, books and audiobooks, accounted for 20% of total circulation. 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. Our online databases were used more than 97,000 times in the first nine months of 2021.

Community Gathering Spaces

The library serves as a key community gathering place. In 2021 we adjusted our operating hours to be open more than 22,000 hours per year. We welcomed nearly 860,000 visitors at our seven locations from January through September. 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. Visitors used our wireless services 44% more in 2021 than in 2020 (Jan.-Sept.). Civic groups, groups planning special events, nonprofits and organizations of all kinds used our popular meeting rooms 3,924 times between January and September of 2021. 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-August of 2021, we offered 626 children's events, including virtual and outdoor events, that reached more than 30,834 attendees. Storytime attendance alone accounted for 25,343 attendees; regular indoor Storytimes were suspended January-July, and returned in August, 2021. 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 Book Start, 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 nine months of this year, we answered 102,102 reference questions. 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. Summer Reading 2021 reached more than 14,000 participants, a 21.7% increase over 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 5,053 customer materials requests in January-September 2021. Of those, 42% (up from 26%) were fulfilled by interlibrary loan and 38% led to DCL purchases. Throughout the first nine months of 2021, via Prospector, we loaned 11,416 items, while our customers borrowed 34,010 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 740 in the first eight months of 2021, with nearly 15,000 hours donated. 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.

Net Promoter Score

In 2021, we began measuring the degree to which our customers would recommend, or promote DCL to friends and family. Through September, we received 1,734 survey responses, with a September NPS of 85 (out of 100). As of September, 2021, over 59% of Douglas County households included at least one DCL cardholder.



	2021		
	2020	As of Oct 31	2022
	Actual	Forecast	Budget
Property Taxes	\$28,971,244	\$29,703,974	\$32,432,146
Auto Ownership Taxes	2,529,513	2,516,416	2,894,000
Contributions/Grants	340,873	270,737	416,674
Charges for Services	410,207	586,035	554,850
Interest Income	195,065	34,719	165,000
Total Revenue	\$32,446,902	\$33,111,882	\$36,462,670
Growth			
Operating Expenditures			
Salaries and Wages	\$12,385,223	\$13,106,786	\$14,115,029
Benefits	1,223,776	1,263,695	1,623,145
PERA	1,634,580	1,713,413	1,915,463
Library Content	3,840,904	3,701,794	4,012,050
Facility	1,527,772	1,691,236	1,767,312
Technology Equipment & 3rd-Party Services	1,412,851	1,429,396	1,748,848
Library Programs & Outreach	503,623	583,063	1,391,258
District-Wide Support Costs	664,804	1,225,955	1,253,494
Capital Maintenance Projects	447,318	597,086	1,157,500
Subtotal Operating Expenditures	\$23,640,850	\$25,312,424	\$28,984,097
Debt Service	\$2,012,800	\$2,013,425	\$2,012,625
County Treasurer Tax Collection Fee	435,167	449,293	487,219
Total Operating, Interest & Fee Expenditures	\$26,088,817	\$27,775,142	\$31,483,941
Revenues Over (Under) Operating Expenditures	\$6,358,085	\$5,336,740	\$4,978,729
Non-Operating Revenues (Expenditures)			
Lease Income (Expense), net	\$106,996	\$120,236	\$0
Capital Improvement Projects	(767,009)	(5,367,211)	(18,293,000)
Total Non-Operating Revenues (Expenditures)	(\$660,013)	(\$5,246,975)	(\$18,293,000)
Total Revenues Over (Under) Total Expenditures	\$5,698,072	\$89,765	(\$13,314,271)
Beginning Fund Balance	18,639,816	24,337,888	24,427,652
Ending Fund Balance	\$24,337,888	\$24,427,652	\$11,113,381

Key Features of the 2022 Budget

The 2022 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>2019</u>	<u>2020</u>	<u>2021</u>
Assessed Valuation	\$7,239.081	\$7,406.236	\$8,065.692
Valuation Change		\$167.155	\$659.456
Valuation change %		2.3%	8.9%
Affects taxes collected in	2020	2021	2022

As this budget is for 2022, an even-numbered year, the 8.9% increase in 2022 valuation reflects revised assessment of valuation of existing property, plus growth in real and personal property, in Douglas County.

Property Tax Revenues

	<u>2020 Actual</u>	<u>2021 Forecast</u>	<u>2022 Budget</u>
Property Taxes	\$28.971	\$29.704	\$32.432
Revenue change		\$0.733	\$2.728
Revenue change %		2.5%	9.2%

The voter-approved mill levy remains unchanged for 2022 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 9.2% for 2022.

Auto Ownership Taxes

	<u>2020 Actual</u>	<u>2021 Forecast</u>	<u>2022 Budget</u>
Auto Ownership Taxes	\$2.530	\$2.516	\$2.894
Revenue change		(\$0.014)	\$0.378
Revenue change %		(0.6%)	15.0%

Vehicle registration taxes for 2022 are budgeted at a slight increase in 2022 as validated by the District's actual vehicle registration taxes for 2021 to-date and auto industry forecasts.

Other Revenue

	2020 Actual	2021 Forecast	2022 Budget
Other revenue	\$0.946	\$0.892	\$1.137
Revenue change		(\$0.054)	\$0.245
Revenue change %		(5.7%)	27.5%

Other Income, comprised of Contributions and Grants, Charges for Services, and Interest Income, is budgeted at an increase for 2022 of 27.5%. The increase is primarily attributable to:

- improvements in Contributions & Grants, which increased by 54% in 2022 due to a grant from the State of Colorado of funds from the American Recovery Plan Act;
- interest income from 6 month term investments now available to the District, which earn interest at approximately 10x the interest paid on liquid investments, due to the severe impact that the Covid emergency has had on the financial markets in 2020 and 2021.

Operating Expenditures

Budgeted 2022 controllable operating expenditures are \$28.984 million, compared to \$25.312 million forecast for 2021, and actual operating expenditures of \$23.641 million in 2020. The increase of \$3.672 million in 2022 operating expenditures vs. 2021 is attributable to:

- \$1.570 million of increased Salaries, Wages, Benefits, and PERA;
- \$1.118 million of increased costs for Library Content, Programs, and Outreach offerings
- \$0.636 million of increased costs to service, maintain, and repair facilities; and
- \$0.347 million of increased costs for District-wide technology and support services.

Salaries and Wages

	2020 Actual	2021 Forecast	2022 Budget
Salaries and Wages	\$12.385	\$13.107	\$14.115
Expenditure change		\$0.722	\$1.008
Expenditure change %		5.8%	7.7%

The increase in the 2022 Budget for Salaries and Wages of 7.7% 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 2021 due to the impact of Covid-19 and the District's re-organization in late 2020/early 2021.

Benefits

	2020 Actual	2021 Forecast	2022 Budget
Benefits	\$1.224	\$1.264	\$1.623
Expenditure change		\$0.040	\$0.359
Expenditure change %		3.3%	28.4%

The 28.4% increase in benefits expenditures for 2022 is primarily attributable to an 13.16% increase in health insurance premiums, changes in the mix of type of selected coverage, and an increase in the District's full-time equivalent headcount for 2022.

PERA

	2020 Actual	2021 Forecast	2022 Budget
PERA	\$1.635	\$1.713	\$1.915
Expenditure change		\$0.078	\$0.202
Expenditure change %		4.8%	11.8%

The 11.8% increase in PERA retirement costs for 2022 is primarily attributable to an increase in the Employer contribution rate for PERA, salary and wage increases and an increase in the District's full-time equivalent headcount for 2022.

Library Content

	2020 Actual	2021 Forecast	2022 Budget
Library Content	\$3.841	\$3.702	\$4.012
Expenditure change		(\$0.139)	\$0.310
Expenditure change %		(3.6%)	8.4%

Library Content includes books, e-books, audiobooks, e-audiobooks, electronic databases, digital products, DVDs, periodicals, and nontraditional resources. In the 2022 Budget, the District continues to shift its collections strategy in accordance with demand. The increase in spending on Library Content in 2022 is due to price increases, incremental purchases related to the District's collections strategy, and increased spending tied to the ARPA grant revenue the District will receive in 2022.

Facility

	2020 Actual	2021 Forecast	2022 Budget
Facility	\$1.528	\$1.691	\$1.767
Expenditure change		\$0.163	\$0.076
Expenditure change %		10.7%	4.5%

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 2022 is primarily due to rising costs for electricity, housekeeping, and repairs, offset by reduced facility rents for District-wide support staff.

Technology Equipment and 3rd-Party Services

	<u>2020 Actual</u>	<u>2021 Forecast</u>	<u>2022 Budget</u>
Information Technology & Svcs	\$1.413	\$1.429	\$1.749
Expenditure change		\$0.016	\$0.320
Expenditure change %		1.1%	22.4%

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 2022 Technology and Support Services budget are primarily attributable to infrastructure licenses, computer support consultants and vendor services, offset by reductions in department applications.

Programs and Outreach

	<u>2020 Actual</u>	<u>2021 Forecast</u>	<u>2022 Budget</u>
Library Programs & Outreach	\$0.504	\$0.583	\$1.391
Expenditure change		\$0.079	\$0.808
Expenditure change %		15.7%	138.6%

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 2022 Budget anticipates continued growth in events and hospitality services, including increases to revenue as well as corresponding increases to District expenses.

Increases in 2022 Programs and Outreach are primarily attributable to increases in catering, program provider fees, program supplies and prizes, and advertising and promotion in connection ramping up the District's full complement of events, programs and services to pre-Covid levels.

District-wide Support

	<u>2020 Actual</u>	<u>2021 Forecast</u>	<u>2022 Budget</u>
District-Wide Support Costs	\$0.665	\$1.226	\$1.253
Expenditure change		\$0.561	\$0.027
Expenditure change %		84.4%	2.2%

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 2022, the increase to District-wide Support of 2.2% is due to an across the board increase of 24% in District-wide support costs, offset by a 22% decrease in contracted services costs. The decrease in contracted services costs is due to the completion of the financial information system conversion project. The 2022 budget includes costs to assess the safety and security of our customers/staff plus staff training & development.

Interest and Financing Costs

	2020 Actual	2021 Forecast	2022 Budget
Interest & Financing Costs	\$2.448	\$2.462	\$2.500
Revenue change		\$0.014	\$0.038
Revenue change %		0.6%	1.5%

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 2022 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

	2020 Actual	2021 Forecast	2022 Budget
Capital Maintenance Projects	\$0.447	\$0.597	\$1.158
Expenditure change		\$0.150	\$0.561
Expenditure change %		33.6%	94.0%

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.

Maintenance project expenditures for 2022 include:

\$0.834 million for the the annual replacement of computers, servers, firewalls, security systems, printing equipment, AV upgrades and patron count technology throughout the District;

\$0.138 million for touchless door opener upgrades, concrete and asphalt repairs, and landscaping throughout the District; and
 \$0.185 million for furniture, fixtures & equipment maintenance and playscape maintenance at branches across the District.

Improvement Projects

	2020 Actual	2021 Forecast	2022 Budget
Capital Improvement Projects	\$0.767	\$5.367	\$18.293
Expenditure change		\$4.600	\$12.926
Expenditure change %		599.7%	240.8%

Key improvement projects budgeted for 2021 included periodic improvements at the Lone Tree branch of \$0.221 million, District-wide replacement of transport self-checks and sorter bins of \$0.135 million, and design & permitting costs for the Phillip S. Miller branch rebuild of \$5.200 million.

Improvement project expenditures budgeted for 2022 include \$0.038 million to complete the refresh of the Parker branch, \$0.055 million to complete District-wide replacement of transport sorter bins, and \$18.255 million to progress into the construction phase for the Phillip S. Miller branch rebuild.

Lease Income (Expense), Net

	2020 Actual	2021 Forecast	2022 Budget
Lease Income (Expense), net	\$0.107	\$0.120	\$0.000
Expenditure change		\$0.013	(\$0.120)
Expenditure change %		12.1%	(100.0%)

The District acquired retail property adjacent to the Phillip S. Miller branch in 2017 with the intent of utilizing the property in the future renovation/rebuild of the PSM branch. The District received rental income from that retail property under leases to multiple tenants thru 2021.

The District intends to keep the current building occupied by the PSM branch open throughout the PSM rebuild project. Once the new PSM building is complete, existing branch and District support operations will move into the new PSM building. The existing PSM building will then be demolished and replaced with a new parking lot. The District elected to terminate the leases of all tenants in its retail property as of December 31, 2021, in order to mitigate the negative impact on patron accessibility and parking during the PSM rebuild project. Therefore, the District has budgeted no net lease income from its retail property in 2022.

DOUGLAS COUNTY LIBRARIES
BOARD OF TRUSTEES
ACKNOWLEDGMENT OF NOTICE AND
APPROVAL OF RECORD OF PROCEEDINGS

We, the undersigned members of the Board of Trustees of the Douglas County Libraries, Douglas County, Colorado, do hereby acknowledge receipt of proper notice of the public hearing of the Board held Wednesday, December 1, 2021 informing of the date, time, and place of the meeting and the purpose for which it was called, and do hereby waive any and all other notices which might be required by law, and we do hereby approve said record of proceedings and the actions taken by the Board as stated therein.

Suzanne Burkholder

Rondle L. Cole

Daniel J. Danser

Terry R. Nolan

Meghann Silverthorn

Dawn P. Vaughn

Louise M. Wood