

Bob Pasicznyuk, Executive Library Director  
October 17<sup>th</sup>, 2023

Since June, staff and Trustees have modeled the 2024 budget during a time of community-wide conversations around property taxes. This month and since July, our Finance team have constructed the budget beyond models and estimates.

### **Revenue**

- Though the Board authorized 14% growth in our property tax revenue, the draft 2024 increases property taxes by 13%. The difference is due to other revenue line increases and better precision costs and deliverables.
- Interest Revenue is growing in this budget against projections 4.5% growth.
- Though small, fine revenues are no more in 2024 with the Library curtailing overdue fines.
- On a 2-year average (2023 and 2024), Library revenues are expected to rise about 5% each year against a historic average of about 6%.

### **People**

- The Library is examining wages and salaries each year against Denver-area Cost of Labor data. Our objectives for this work are two-fold:

- (1) To prevent labor shortages that might compromise our business, and
- (2) To ground fair or equitable compensation in data – tie compensation to the market.

This year's budget advances compensation lines by about 7%. That 7% increase funds market adjustments (\$1,000,000), a 4% merit increase, and recognition for top performance (\$230,000).

- The 2024 budget supports additional moves around staffing and development:
  - 1) Restored funding for staff to engage at professional conferences,
  - 2) Restored funding for a staff in-service day,
  - 3) Resources for managers and supervisors to anticipate turnover in hiring,
  - 4) A new staff position to lead safety and security efforts.

## Content

The budget corrects content purchases against 5 years of inflation erosion adding \$680,000.

## Events & Activities

The 2024 budget funds customary event and activities offerings.

<ul style="list-style-type: none"><li>• Page to Stage</li><li>• Battle of the Books</li><li>• Camp DCL</li><li>• Summer Reading</li><li>• Four Storybook Holiday Events</li><li>• 12+ Author Events</li><li>• Community Sponsorships</li><li>• DCL Brew Tour</li><li>• Forest of Stories</li><li>• 20 Santa Visit Events</li><li>• The Dolly Parton Imagination Library</li></ul>	<ul style="list-style-type: none"><li>• Holiday Concert Series</li><li>• 2024 Reefing Challenge</li><li>• Osher Lifelong Learning Institutes</li><li>• Book Start</li><li>• GED Support and Celebrations</li><li>• ESL</li><li>• Ageless (Senior Events &amp; Services)</li><li>• Citizenship Support and Celebrations</li><li>• Home Bound Materials Delivery</li><li>• Great Decisions Series</li></ul>
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## Facilities

Capital Savings Reserve. The 2024 budget sets aside about \$2,000,000 toward a new facility to be planted in Northwest Douglas County.

Maintenance. The 2024 budget keeps pace with customary maintenance costs – housekeeping, landscaping, parking lots, and routine repairs. Clean, well-maintained facilities align with our brand and customer acclaim alike. The budget also funds several large-scale projects.

- Parker Aesthetics Upgrades: Flooring, paint, and miscellaneous surface treatments.
- Highlands Ranch Roof and 2<sup>nd</sup> Floor HVAC Upgrades.
- Castle Pines: This project is deferred to Q1 2025 to match both revenue and facilities team capacity in managing projects.

## Other Changes

Playscapes and Children’s Interactives: The budget replaces and upgrades playscapes at Parker, Lone Tree, and Highlands Ranch. The budget also replaces children’s wall interactives.



	2023 Budget	2024 Budget		2024 vs. 2023 Growth
		Total	% Revenue	
<b>Revenue</b>				
Property taxes	32,436,073	36,652,763	91%	13%
Specific Ownership Taxes	1,568,000	1,568,000	4%	0%
Contributions/Grants	305,932	305,932	1%	0%
Charges for services	514,402	345,468	1%	-33%
Interest Income	195,783	1,205,050	3%	516%
<b>Total Revenue</b>	<b>35,020,190</b>	<b>40,077,213</b>	<b>100%</b>	<b>14%</b>
<b>Operating Expenditures</b>				
Salaries & Wages	15,367,655	16,337,048	41%	6%
Benefits	1,354,332	1,356,468	3%	0%
PERA Pension	2,070,244	2,389,164	6%	15%
Library Content	3,934,530	4,617,007	12%	17%
Facilities	2,338,387	2,613,707	7%	12%
Technology, Equipment & 3rd-Party Services	1,833,567	1,714,940	4%	-6%
Library Programs & Outreach	1,259,077	1,577,839	4%	25%
District-Wide Support Costs	1,008,666	1,333,582	3%	32%
Capital Maintenance Projects	514,681	1,699,206	4%	230%
<b>Total Operating Expenditures</b>	<b>29,681,140</b>	<b>33,638,961</b>	<b>84%</b>	<b>13%</b>
Debt Service	2,109,725	2,166,259	5%	3%
County Treasurer's Fees	487,235	573,311	1%	18%
<b>Total Operating, Interest &amp; Fee Expenditures</b>	<b>32,278,100</b>	<b>36,378,532</b>	<b>91%</b>	<b>13%</b>
<b>Total Revenues Over (Under) Operating Expenditures</b>	<b>2,742,090</b>	<b>3,698,681</b>	<b>9%</b>	<b>35%</b>
Non-Operating Revenues (Expenditures)				
Capital Improvement Projects	(13,856,103)	(1,633,748)	-4%	-88%
<b>Total Non-Operating Revenues (Expenditures)</b>	<b>(13,856,103)</b>	<b>(1,633,748)</b>	<b>-4%</b>	<b>-88%</b>
<b>Total Revenues Over (Under) Total Expenditures</b>	<b>(11,114,013)</b>	<b>2,064,933</b>	<b>5%</b>	<b>-119%</b>

## Fact Sheet

- Operating expenses have increased by **13%**, or **\$4M**, over 2023. This is due, in most part, to the increase in 1) library content, 2) cost of utilities, 3) programming and outreach, and 4) maintenance projects.
- Interest revenue in the original model stayed flat to 2023. After calculating our anticipated 2024 revenue, the sale of the annex, and an average annual return of 4.5%, our interest revenue has increased by \$1M from the original model. This increase in interest revenue offsets the majority of the increase in operating expenditures that were first estimated in the model.
- Inflation for 2023 is hovering around 5.5%. Given a 4% revenue decline in 2023, combined with a 5.5% inflation rate, the 2-year projected revenue increase will be **5%**.
- Projected property tax and auto taxes total **\$38.2M**. The population of Douglas County is approximately 370,000. *For every individual*, **\$103** per year will be collected, or **\$8.61** per month.

# **PUBLIC NOTICE**

## **NOTICE AS TO PROPOSED 2024 BUDGET**

**NOTICE IS HEREBY GIVEN** that a proposed budget has been submitted to the Board of Trustees of the Douglas County Libraries for the year 2024. A copy of such proposed budget will be filed on October 15, 2023 in the administrative offices of the Douglas County Libraries, 100 S. Wilcox Street, Castle Rock, CO where same is open for public inspection. The proposed budget will be considered at the regular meeting of the Douglas County Libraries Board of Trustees to be held on **Wednesday, December 6, 2023 at 5:30 p.m.** at the Castle Rock Library, 100 S. Wilcox St, Castle Rock, CO.

Any interested elector of the Douglas County Libraries may inspect the proposed budget and file or register any objections at any time prior to the final adoption of the budget.

**Dated: October 12, 2023**

**BY ORDER OF THE BOARD OF TRUSTEES  
DOUGLAS COUNTY LIBRARIES**

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