

Douglas County Libraries

2024 Budget Message

Revenue

It's not news that property taxes across Colorado are rising in 2024 by 20%, 30%, or more depending on the community and jurisdiction. Under the leadership of our citizen-led Board of Trustees, the Library is temporarily reducing its mill levy and limiting its 2024 property tax increase to 11.5%. The 11.5% increase allows the Library to respond to inflation. It also keeps the Library's annual, average revenue growth to just about 5%. The Library will use its resources in 2024 toward several important investments.

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.

2024's budget advances compensation lines by about 7%. That 7% increase funds market adjustments, a 4% merit increase, and recognition for top performance.

- 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.

Page to Stage	Holiday Concert Series
Battle of the Books	2024 Reading Challenge
Camp DCL	Osher Lifelong Learning Institute Events
Summer Reading	Book Start
Four Storybook Holiday Events	GED Support and Celebrations
12+ Author Events	ESL Support
Community Sponsorships	Ageless Senior Events & Services
DCL Brew Tour	Citizenship Support and Celebrations
Forest of Stories	Homebound Materials Delivery
20 Santa Visit Events	Great Decisions Series
The Dolly Parton Imagination Library	

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 Second 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.

I’d like to thank our Douglas County citizen-customers who provide the resources to deliver one of our nation’s top-flight libraries. Our Library looks forward to providing value in 2024 in keeping with the trust that our Library’s friends and neighbors have instilled in us.

Respectfully submitted,

Robert W. Pasicznyuk
Executive Library Director
Douglas County Libraries

Douglas County Libraries

Description of Services

Douglas County Libraries serves a population of approximately 373,275 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. Through September of 2023, we had total circulation of 4,214,528. Our holds service accounts for about 15% of our annual physical circulation.

Note: All 2023 data are impacted by the three-month Castle Rock closure, May 22-August 26, 2023.

Online Services

Virtual services continue to grow in breadth and use. In 2023, from January-August, we had 1,442,397 visits to our website, and 1,346,146 visits to our catalog.* During the same time period, downloadable materials, including music, books and audiobooks, accounted for 30% of total circulation.

*These data may not be directly compared to prior years, due to a 2023 transition to Google Analytics 4, which employs different data collection methods and parameters.

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 79,237 times in the first nine months of 2023.

Community Gathering Spaces

The library serves as a key community gathering place. We welcomed 910,349 visitors at our seven locations from January through August 2023, a slight year-to-date increase, even considering a three-month closure in Castle Rock during the busy summer season. 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 18% more (547,525) in the first eight months of 2023 than over the same period in 2022.

Civic groups, groups planning special events, nonprofits, and organizations of all kinds used our popular meeting rooms. 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 collaborate with customers to determine their likes and dislikes and recommend good reads. Through our conversations, 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 2023, we offered 3,101 children's events, including virtual and outdoor events, that reached more than 107,420 attendees, up 10% from 2022. Storytime attendance alone accounted for 92,344 attendees, a 15% increase. 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 and Book Start, in which staff and volunteers read and tell stories at child daycare 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 eight months of this year, we answered 82,706 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 2023 reached 15,826 participants, 13.5% more than 2022. 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 and community service.

Adults benefit from programs and events that highlight adult literacy, high school equivalency (HSE), 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 customers the opportunity to mingle with writers, celebrate reading, and hear authors read from their latest works. In 2023, we served more than 5,000 adults (an increase of 25% over 2022) through 457 events (up 30%).

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 nonprofits, 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 4,545 customer materials requests from January-September 2023. Of those, 35% were fulfilled by interlibrary loan (ILL and Prospector) and 33% led to DCL purchases. Throughout the first eight months of 2023, we loaned 6,994 items, while our customers borrowed 23,336 items via Prospector/ILL.

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 993 in the first nine months of 2023, and gave 19,498 hours of service to DCL. Opportunities to work with adult learners and 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 2023, we continued measuring the degree to which our customers would recommend or promote DCL to friends and family. Through September, we received 1,165 survey responses with an NPS of 85 (out of 100); 1,021 respondents gave individual scores of 9 or 10. Positive comments mentioned staff and customer service (41%), our collection (46%), and our physical spaces (26%). As of September 2023, 60.54% of Douglas County households included at least one DCL cardholder, our highest market penetration since June 2021.

Key Features of the 2024 Budget

The 2024 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>2022</u>	<u>2023</u>	<u>2024</u>
Assessed Valuation	\$8,065,691,731	\$8,092,832,626	\$10,292,323,249
Valuation Change		\$27,140,895	\$2,199,490,623
Valuation change %		0.34%	27.18%
Affects taxes collected in	2023	2024	2025

As this budget is for 2024, an even-numbered year, the 27.18% increase in 2024 valuation reflects actual growth in real and personal property, plus increased valuation of real and personal property.

Property Tax Revenues

	<u>2022 Actual</u>	<u>2023 Forecast</u>	<u>2024 Budget</u>
	\$32,350,901	\$32,436,073	\$36,156,932
Revenue change		\$85,172	\$3,720,859
Revenue change %		0.3%	11.5%

The voter-approved mill levy for 2024 is 3.513 mills. This includes a temporary mill levy reduction of (.487) or (\$5,012,361) for 2024.

Auto Ownership Taxes

	<u>2022 Actual</u>	<u>2023 Forecast</u>	<u>2024 Budget</u>
	\$2,894,516	\$2,773,646	\$1,568,000
Revenue change		(\$120,870)	(\$1,205,646)
Revenue change %		(4.2%)	(43.5%)

Vehicle registration taxes for 2024 are budgeted at a (43.5%) decrease in 2024 from the 2023 forecast due to a temporary reduction in our mills.

Other Revenue

	<u>2022 Actual</u>	<u>2023 Forecast</u>	<u>2024 Budget</u>
	\$1,509,999	\$2,444,159	\$1,856,450
Revenue change		\$934,159	(\$587,709)
Revenue change %		61.9%	(24.0%)

Other Income, comprised of Contributions and Grants, Charges for Services, and Interest Income, is budgeted at a decrease for 2024 of (24.0%). The decrease is primarily attributable to a decline in interest income in 2024 due to less cash on hand for investments.

Operating Expenditures

Budgeted 2024 controllable operating expenditures are \$33,354,628, compared to \$26,290,338 forecast for 2023, and actual operating expenditures of \$26,952,656 in 2022. The increase in 2024 operating expenditures vs. 2023 is attributable to:

- \$3,098,410 of increased Salaries, Wages, Benefits, and PERA;
- \$1,650,329 of increased costs to service, maintain, and repair facilities;
- \$1,382,281 of increased costs for Library Content, Programs, and Outreach offerings; and
- \$933,270 of increased costs for District-wide technology and support services; and

Salaries and Wages

	<u>2022 Actual</u>	<u>2023 Forecast</u>	<u>2024 Budget</u>
	\$13,326,924	\$14,256,044	\$16,337,049
Expenditure change		\$929,120	\$2,081,005
Expenditure change %		7.0%	14.6%

The increase in the 2024 Budget for Salaries and Wages of 14.6% is attributable to an annual raise, compensation adjustments due to market changes, and an increase in the District’s full-time equivalent headcount for 2024.

Benefits

	<u>2022 Actual</u>	<u>2023 Forecast</u>	<u>2024 Budget</u>
	\$1,359,949	\$823,232	\$1,356,468
Expenditure change		(\$536,717)	\$533,236
Expenditure change %		(39.5%)	64.8%

DCL received a \$200,000 credit from Kaiser Permanente which affected the 2023 forecast. Therefore the 2024 calculation shows a 64.8% increase in benefits expenditures. Benefits are increasing by 0.15% over the 2023 budgeted amount.

PERA

	<u>2022 Actual</u>	<u>2023 Forecast</u>	<u>2024 Budget</u>
	\$1,836,459	\$2,012,244	\$2,496,414
Expenditure change		\$175,785	\$484,170
Expenditure change %		9.6%	24.1%

The 24.1% increase in PERA retirement costs for 2024 is primarily attributed 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 2024.

Library Content

	<u>2022 Actual</u>	<u>2023 Forecast</u>	<u>2024 Budget</u>
	\$3,996,799	\$3,934,530	\$4,617,007
Expenditure change		(\$62,269)	\$682,477
Expenditure change %		(1.6%)	17.3%

Library Content includes books, e-books, audiobooks, e-audiobooks, electronic databases, digital products, DVDs, periodicals, and nontraditional resources. In the 2024 Budget, the District continues to shift its collections strategy in accordance with demand. The increase in spending on Library Content in 2024 is due to a one-time increase to address inflation, price increases, and incremental purchases related to the District’s collections strategy.

Facility

	<u>2022 Actual</u>	<u>2023 Forecast</u>	<u>2024 Budget</u>
	\$1,785,765	\$1,908,199	\$2,652,382
Expenditure change		\$122,434	\$744,183
Expenditure change %		6.9%	39.0%

Facilities costs include maintenance service contracts, property and casualty insurance, utilities, and other facilities-related costs. The increase in facilities costs in 2024 is primarily due to rising costs of utilities and repairs.

Technology Equipment and 3rd-Party Services

	<u>2022 Actual</u>	<u>2023 Forecast</u>	<u>2024 Budget</u>
	\$1,395,874	\$1,400,946	\$1,714,940
Expenditure change		\$5,072	\$313,994
Expenditure change %		0.4%	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. Technology infrastructure costs are decreasing by 7% over the 2023 budgeted amount.

Programs and Outreach

	<u>2022 Actual</u>	<u>2023 Forecast</u>	<u>2024 Budget</u>
	\$1,137,340	\$878,035	\$1,577,839
Expenditure change		(\$259,305)	\$699,804
Expenditure change %		(22.8%)	79.7%

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 2024 Budget anticipates continued growth in events and hospitality services, including increases to revenue as well as corresponding increases to District expenses.

Increases in 2024 Programs and Outreach are primarily attributable to increases in program catering, provider fees, program supplies and prizes, and advertising and promotion in connection ramping up the District's full complement of events, programs and services.

District-wide Support

	<u>2022 Actual</u>	<u>2023 Forecast</u>	<u>2024 Budget</u>
	\$768,283	\$714,306	\$1,333,582
Expenditure change		(\$53,977)	\$619,276
Expenditure change %		(7.0%)	86.7%

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.

The 2024 budget anticipates increases in training conferences, employee relations, training supplies, legal fees, and other contracted services.

Interest and Financing Costs

	<u>2022 Actual</u>	<u>2023 Forecast</u>	<u>2024 Budget</u>
Interest & Financing Costs	\$2,711,213	\$2,596,960	\$2,732,132
Revenue change		(\$114,253)	\$135,172
Revenue change %		(4.2%)	5.2%

Interest and financing costs include principal and interest payable under the 2015 Certificates of Participation of \$2,012,375, plus fees payable to the Douglas County treasurer for collection and distribution of property tax revenues of \$565,873. Also includes finance costs for leases.

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>2022 Actual</u>	<u>2023 Forecast</u>	<u>2024 Budget</u>
	\$1,338,024	\$362,801	\$1,268,947
Expenditure change		(\$975,223)	\$906,146
Expenditure change %		(72.9%)	249.8%

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 2024 include:

- \$654,276 for PC replacement, security system, other IT replacements/repairs, self-check leases, and server leases;
- \$500,971 site improvements throughout the District; and
- \$113,700 for furniture, fixtures & equipment maintenance at branches across the District.

Improvement Projects

	<u>2022 Actual</u>	<u>2023 Forecast</u>	<u>2024 Budget</u>
	\$11,483,732	\$13,300,000	\$2,349,788
Expenditure change		\$1,816,268	(\$10,950,212)
Expenditure change %		15.8%	(82.3%)

Improvement projects budgeted for 2024 include:

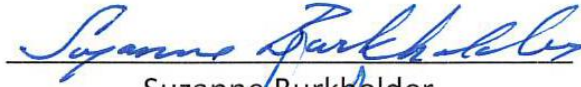
- \$1,269,650 site improvements throughout the district including IT sorter upgrades, re-roof, entry way re-pave and HVAC replacement;
- \$406,138 furniture and fixtures, and sorter equipment throughout the District;
- \$350,000 playscape replacement at Lone Tree and Parker branches; and
- \$324,000 IT switchstacks replacement at Highlands branch.



	2024		2024
	Budget	Amendment	Final Budget
Revenue			
Property taxes	\$36,652,763	(495,831)	\$36,156,932
Specific Ownership Taxes	1,568,000		1,568,000
Contributions/Grants	305,932		305,932
Charges for services	345,468		345,468
Interest Income	1,205,050		1,205,050
Total Revenue	\$40,077,213	(\$495,831)	\$39,581,382
Operating Expenditures			
Salaries & Wages	\$16,337,049		\$16,337,049
Benefits	1,356,468		1,356,468
PERA Pension	2,389,164	107,250	2,496,414
Library Content	4,617,007		4,617,007
Facilities	2,613,707	38,675	2,652,382
Technology, Equipment & 3rd-Party Services	1,714,940		1,714,940
Library Programs & Outreach	1,577,839		1,577,839
District-Wide Support Costs	1,333,582		1,333,582
Capital Maintenance Projects	1,699,206	(430,259)	1,268,947
Total Operating Expenditures	\$33,638,962	(\$284,334)	\$33,354,628
Debt Service	\$2,166,259		\$2,166,259
County Treasurer's Fees	573,311	(7,438)	565,873
Total Operating, Interest & Fee Expenditures	\$36,378,532	(\$291,772)	\$36,086,760
Total Revenues Over (Under) Operating Expenditures	\$3,698,681	(\$204,059)	\$3,494,622
Non-Operating Revenues (Expenditures)			
Capital Improvement Projects	(\$1,633,748)	(\$716,040)	(\$2,349,788)
Total Non-Operating Revenues (Expenditures)	(\$1,633,748)	(\$716,040)	(\$2,349,788)
Total Revenues Over (Under) Total Expenditures	\$2,064,933	(\$920,099)	\$1,144,834
Beginning Fund Balance	19,599,840		\$19,599,840
Ending Fund Balance	\$21,664,773		\$20,744,674

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 Tuesday, January 9, 2024 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




TR Nolan



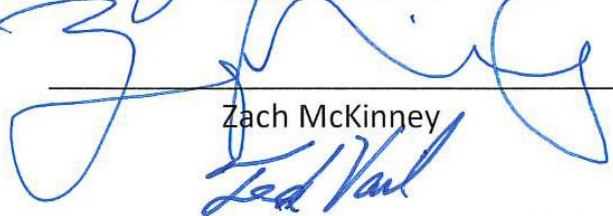
Meghann Silverthorn



Richard LaPointe



Jessica Kallweit



Zach McKinney



Ted Vail

