

Douglas
County
Libraries



BUDGET 2023

Douglas County Libraries

2023 Budget Message

The Library's 2023 revenue is essentially flat or unchanged from 2022. Odd-year budgets are historically lean since they do not capture property value changes. 2023 both reflects the lean-year outlook in addition to legislative reductions in the property tax re-appraisal rate. Even against flat revenues, the budget provides resources toward outcomes that aren't commonplace among library peers.

Consistent, generous service hours	DCL open at our customer's convenience
Premium library content	Fresh, curated collections answering demand
Relational customer experiences	Serving our Douglas County neighbors with pride
Top shelf activities and events	Bespoke opportunities beyond typical library fare
Clean, contemporary facilities	Libraries where families choose to visit and gather

In addition, the budget funds two noteworthy priorities.

- An 8% increase in salaries and wages to reward, recruit, and retain staff who are the foundation for all our Library's accomplishments.
- The final payments for a new, state-of-the-art library facility in Castle Rock which will serve the community for generations.

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 2023 in keeping with the trust that our Library's friends and neighbors have instilled in us.

Respectfully submitted,

Robert W. Pasicznyuk

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. In 2022, we had total circulation of 4,233,438 through August. We continue to be in the top libraries in the state of Colorado. Our holds service accounts for about 15% of our annual circulation.

Online Services

Virtual services continue to grow in breadth and use. In 2022, from January-August, we had 1,493,417 visits to our website, and 1,323,944 visits to our catalog. During the same time period, downloadable materials, including music, books and audiobooks, accounted for 33% 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 140,800 times in the first nine months of 2022.

Community Gathering Spaces

The library serves as a key community gathering place. We welcomed nearly 1,009,953 visitors at our seven locations from January through September 2022. 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 22% more in the first six months of 2022 than in same months of 2021.

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 collaborates 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

January-August of 2022 we offered 3,279 children's events, including virtual and outdoor events, that reached more than 97,700 attendees. Storytime attendance alone accounted for 79,911 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 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 nine months of this year, we answered 95,225 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 2022 reached almost 14,000 participants. 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 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.

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 3,885 customer materials requests from January-September 2022. Of those, 29% were fulfilled by interlibrary loan (ILL) and 38% led to DCL purchases. Throughout the first nine months of 2022 via Prospector/ILL, we loaned 11,327 items, while our customers borrowed 29,600 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 1,095 in the first nine months of 2022. 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 2022, we continued measuring the degree to which our customers would recommend or promote DCL to friends and family. Through September, we received 2,405 survey responses with an NPS of 85 (out of 100); 1,874 respondents included positive remarks, including 745 positive comments about staff and customer experience, and 758 positive comments about the collection. As of September 2022, over 59.6% of Douglas County households included at least one DCL cardholder.

Key Features of the Amended 2023 Budget

The 2023 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>2021</u>	<u>2022</u>	<u>2023</u>
Assessed Valuation	\$7,406.236	\$8,065.692	\$8,092.833
Valuation Change		\$659.456	\$27.141
Valuation change %		8.9%	0.3%
Affects taxes collected in	2022	2023	2024

As this budget is for 2023, an odd-numbered year, the 0.3% increase in 2023 valuation reflects revised assessment of valuation of existing property, plus growth in real and personal property, in Douglas County.

Property Tax Revenues

	<u>2021 Actual</u>	<u>2022 Forecast</u>	<u>2023 Budget</u>
Property Taxes	\$29.655	\$33.293	\$32.436
Revenue change		\$3.638	(\$0.857)
Revenue change %		12.3%	(2.6%)

The voter-approved mill levy remains unchanged for 2023 at 4 mills. Consistent with the 0.3% change in the assessed property valuation, property-related tax revenues for Douglas County Libraries are expected to decrease by 2.6% for 2023.

Auto Ownership Taxes

	<u>2021 Actual</u>	<u>2022 Forecast</u>	<u>2023 Budget</u>
Auto Ownership Taxes	\$2.889	\$2.279	\$1.568
Revenue change		(\$0.610)	(\$0.711)
Revenue change %		(21.1%)	(31.2%)

Vehicle registration taxes for 2023 are budgeted at a (31.2%) decrease in 2023 as validated by the District's actual vehicle registration taxes for 2022 to-date and auto industry forecasts.

Other Revenue

	<u>2021 Actual</u>	<u>2022 Forecast</u>	<u>2023 Budget</u>
Other revenue	\$0.870	\$1.188	\$1.016
Revenue change		\$0.318	(\$0.172)
Revenue change %		36.6%	(14.5%)

Other Income, comprised of Contributions and Grants, Charges for Services, and Interest Income, is budgeted at a decrease for 2023 of 14.5%. The decrease is primarily attributable to:

- reduction in Contributions & Grants, which decreased by 4% in 2023 due to a grant from the American Recovery Plan Act that was not renewed;
- 47% decline in interest income in 2023 due to changing interest rates on liquid investments and budget expenditures in 2023 on the Castle Rock branch replacement project.

Operating Expenditures

Budgeted 2023 controllable operating expenditures are \$29.800 million, compared to \$25.308 million forecast for 2022, and actual operating expenditures of \$25.205 million in 2021. The increase of \$4.491 million in 2023 operating expenditures vs. 2022 is attributable to:

- \$2.408 million of increased Salaries, Wages, Benefits, and PERA;
- \$0.665 million of increased costs for Library Content, Programs, and Outreach offerings
- \$0.677 million of increased costs to service, maintain, and repair facilities; and
- \$0.382 million of increased costs for District-wide technology and support services.

Salaries and Wages

	<u>2021 Actual</u>	<u>2022 Forecast</u>	<u>2023 Budget</u>
Salaries and Wages	\$12.774	\$13.227	\$15.367
Expenditure change		\$0.453	\$2.140
Expenditure change %		3.5%	16.2%

The increase in the 2023 Budget for Salaries and Wages of 16.2% 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 2022 due to higher than expected turnover (covid-19, compensation competitiveness, library re-organization in 2020-21).

Benefits

	<u>2021 Actual</u>	<u>2022 Forecast</u>	<u>2023 Budget</u>
Benefits	\$1.288	\$1.342	\$1.354
Expenditure change		\$0.054	\$0.012
Expenditure change %		4.2%	0.9%

The 0.9% increase in benefits expenditures for 2023 is primarily attributable to an increase in unemployment insurance, worker’s compensation, life insurance, Medicare, and EAP costs that were almost entirely offset by approximate \$300k savings by switching health insurance providers.

PERA

	<u>2021 Actual</u>	<u>2022 Forecast</u>	<u>2023 Budget</u>
PERA	\$1.745	\$1.814	\$2.070
Expenditure change		\$0.069	\$0.256
Expenditure change %		4.0%	14.1%

The 14.1% increase in PERA retirement costs for 2023 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 2023.

Library Content

	<u>2021 Actual</u>	<u>2022 Forecast</u>	<u>2023 Budget</u>
Library Content	\$3.847	\$3.680	\$3.935
Expenditure change		(\$0.167)	\$0.255
Expenditure change %		(4.3%)	6.9%

Library Content includes books, e-books, audiobooks, e-audiobooks, electronic databases, digital products, DVDs, periodicals, and nontraditional resources. In the 2023 Budget, the District continues to shift its collections strategy in accordance with demand. The increase in spending on Library Content in 2023 is due to price increases and incremental purchases related to the District’s collections strategy.

Facility

	<u>2021 Actual</u>	<u>2022 Forecast</u>	<u>2023 Budget</u>
Facility	\$1.674	\$1.870	\$2.338
Expenditure change		\$0.196	\$0.468
Expenditure change %		11.7%	25.0%

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 2023 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>2021 Actual</u>	<u>2022 Forecast</u>	<u>2023 Budget</u>
Information Technology & Svcs	\$1.361	\$1.374	\$1.842
Expenditure change		\$0.013	\$0.468
Expenditure change %		1.0%	34.1%

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 2023 Technology and Support Services budget are primarily attributable to computer supplies, computer support consultants, department applications, and vendor services. Reductions in computer software and subscription services are expected.

Programs and Outreach

	<u>2021 Actual</u>	<u>2022 Forecast</u>	<u>2023 Budget</u>
Library Programs & Outreach	\$0.822	\$0.850	\$1.260
Expenditure change		\$0.028	\$0.410
Expenditure change %		3.4%	48.2%

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 2023 Budget anticipates continued growth in events and hospitality services, including increases to revenue as well as corresponding increases to District expenses.

Increases in 2023 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>2021 Actual</u>	<u>2022 Forecast</u>	<u>2023 Budget</u>
District-Wide Support Costs	\$1.188	\$0.719	\$1.002
Expenditure change		(\$0.469)	\$0.283
Expenditure change %		(39.5%)	39.4%

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 39.4% increase over 2022 forecast is largely due to tightly controlled spending through October of 2022 at which point, actual YTD spending was approximately 51% below budget. District-wide Support will again be closely monitored in 2023. The 2023 budget anticipates increases in recruitment, staff wellness programs, airfare, ground transportation, and public officials insurance, offset by spending in other District-wide Support.

Interest and Financing Costs

	<u>2021 Actual</u>	<u>2022 Forecast</u>	<u>2023 Budget</u>
Debt Service	\$2.013	\$2.013	\$2.012
Expenditure change		\$0.000	(\$0.001)
Expenditure change %		0.0%	(0.0%)

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.

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>2021 Actual</u>	<u>2022 Forecast</u>	<u>2023 Budget</u>
Capital Maintenance Projects	\$0.506	\$0.424	\$0.633
Expenditure change		(\$0.082)	\$0.209
Expenditure change %		(16.2%)	49.3%

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 2023 include:

- \$0.399 million for the the annual replacement of computers, servers, firewalls, security systems, printing equipment, AV upgrades and patron count technology throughout the District;

- \$0.130 million for site improvements throughout the District;

- \$0.020 million for machinery and equipment and

\$0.083 million for furniture, fixtures & equipment maintenance and playscape maintenance at branches across the District.

Improvement Projects

	<u>2021 Actual</u>	<u>2022 Forecast</u>	<u>2023 Budget</u>
Capital Improvement Projects	\$1.344	\$10.657	\$13.835
Expenditure change		\$9.313	\$3.178
Expenditure change %		692.9%	29.8%

Key improvement projects budgeted for 2023 included building costs of \$11.27 million plus furniture, fixtures, equipment and IT improvements of 2.569 million for the Castle Rock brand rebuild.

Lease Income (Expense), Net

	<u>2021 Actual</u>	<u>2022 Forecast</u>	<u>2023 Budget</u>
Lease Income (Expense), net	\$0.109	\$0.003	\$0.000
Expenditure change		(\$0.106)	(\$0.003)
Expenditure change %		(97.2%)	(100.0%)

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

The District elected to terminate the leases of all tenants in its retail property as of December 31, 2021, in order to temporarily house certain district support personnel and mitigate the negative impact on patron accessibility and parking during the PSM rebuild project.

Once the new Castle Rock branch is complete, all branch and District support personnel will move into the new branch. The existing Castle Rock branch will then be demolished and replaced with a new parking lot.



	2023		2023
	Budget	Amendment	Amended Budget
Revenues			
Property Taxes	\$32,436,073		\$32,436,073
Auto Ownership Taxes	1,568,000		1,568,000
Contributions/Grants	305,932		305,932
Charges for Services	514,402		514,402
Interest Income	268,859	(73,076)	195,783
Total Revenue	\$35,093,266	(\$73,076)	\$35,020,190
Growth			
Operating Expenditures			
Salaries and Wages	15,366,598		15,366,598
Benefits	1,354,332		1,354,332
PERA	2,070,244		2,070,244
Library Content	3,934,530		3,934,530
Facility	2,338,387		2,338,387
Technology Equipment & 3rd-Party Services	1,841,551		1,841,551
Library Programs & Outreach	1,259,677		1,259,677
District-Wide Support Costs	1,002,139		1,002,139
Capital Maintenance Projects	632,781		632,781
Other Operating Expenditures	0		0
Subtotal Operating Expenditures	\$29,800,239	\$0	\$29,800,239
Debt Service	\$2,011,625		\$2,011,625
County Treasurer Tax Collection Fee	487,236		487,236
Total Operating, Interest & Fee Expenditures	\$32,299,100	\$0	\$32,299,100
Revenues Over (Under) Operating Expenditures	\$2,794,166	(\$73,076)	\$2,721,090
Non-Operating Revenues (Expenditures)			
Lease Income (Expense), net	\$0		\$0
Lease To Purchase	0		0
Capital Improvement Projects	(7,691,735)	(6,143,368)	(13,835,103)
Total Non-Operating Revenues (Expenditures)	(\$7,691,735)	(\$6,143,368)	(\$13,835,103)
Total Revenues Over (Under) Total Expenditures	(\$4,897,569)	(\$6,216,444)	(\$11,114,013)
Beginning Fund Balance	27,499,953		27,499,953
Ending Fund Balance	\$22,602,384		\$16,385,940

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, February 22nd, 2023 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 of Trustees as stated therein.




Suzanne Burkholder



Jessica Kallweit

Absent

Rick LaPointe



Terry Nolan

DocuSigned by:
Meghann Silverthorn

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Meghann Silverthorn



Zach McKinney



Ted Vail

