



## **Budget Message – 2022 Budget Clearview Library District**

December 9, 2021

Dear Clearview Library Board of Trustees and Clearview Library District Taxpayers:

It is my pleasure to submit to you our 2022 budget. This budget was prepared by the library director with input from the Clearview Library District management team and financial assistant.

In 2022, the library district will be embarking on three capital projects as outlined in the Facilities Plan adopted by the library board in April, 2021: to purchase and renovate an office building to serve as a central services hub, to renovate the current library on Third St. in Windsor in order to provide expanded space for the public and staff and to build a branch library in Severance. The library district began working on the projects in 2021 by purchasing an office building in Windsor, hiring an owner's representative, an architectural design firm and a construction manager at risk. The bulk of the work is anticipated to be done in 2022. The district will incur significant costs. To fund the projects without an increase in the mill levy, the district will be seeking lease financing and will use reserve funds.

### **Revenue**

The Clearview Library District is funded by a mill levy assessed against property owners and businesses within the library district boundaries. The property assessment figure from Weld County for the 2022 budget cycle is \$1,168,289,096, which will generate \$4,142,753 in property tax revenue. An additional \$12,851 from refunds and abatements total \$4,155,604 in property taxes.

Revenue from sources other than property taxes totals \$232,914. The total anticipated operating revenue for the Clearview Library District for 2022 is \$ 4,388,518. This represents an 11% decrease from 2021 revenue.

The library district has engaged the firm of Piper Sandler to assist in obtaining a lease of \$5,686,076 to fund the branch in Severance. The renovation of the central services hub on Ash St. in Windsor and the renovation of the library on Third St. in Windsor will be funded with the library district's reserve funds



## Highlights of Expenditures

Operating expenditures for the district are comprised of Bookmobile Costs, Building Costs, Capital Outlays, County Treasurer's Fee, Electronic Databases, Materials, Operating Supplies, Other Expenses, Programming, Public Relations, Salaries and Related Expenses, and Software/Technical Support. Projected operating expenditures for 2022 are \$679,085, 19% more than the 2021 budgeted expenditures. This increase can be attributed to the lease payment, added positions, higher health insurance costs, marketing costs, ematerials, the purchase of a courier van and the additional costs associated with operating the central services hub.

**Salaries and Related Expenses**, \$2,573,050 or 60% of the district's projected expenditures.

In 2019, the library district engaged The Segal Group, Inc. to conduct a competitive compensation and organizational study for the district. To adequately provide administrative infrastructure and span of controls for our current organizational needs, the study recommended five new positions and two repurposed positions. With the exception of the Communications Specialist, these positions remained unfilled in 2020 and 2021 due to cut-backs in operations and services as a result of COVID-19.

The positions recommended by The Segal Group, Inc. are more critical now than ever, as we emerge from the pandemic fully operational, as well as begin to implement the 2021 Facilities Plan. Over the course of the next three years, our district will transform from a one-building organization, to a two-branch system supported by a central services hub with more facility growth to come.

As we expand our physical capacity, it is imperative that we invest in our human infrastructure, as well. To continue to provide outstanding service to our community and maintain efficient and effective operations, as good stewards of taxpayers' dollars, we must strategically begin this investment now.

The following positions are included in the 2022 draft budget: Office Manager, Children's Librarian II, Technical Services Supervisor, Courier Driver – part-time, Customer Service Lead – part-time, Digital Communications Co-coordinator – part-time, and a Development Officer – part-time. These positions will be phased in throughout the year.

Health insurance costs continue to rise. The district is currently exploring options for lower cost health insurance.



**Capital Outlays**, \$105,000 or 2% of the operating budget. Included in this cost for 2022 is the purchase of a courier van to move materials and supplies from the central services hub to the library buildings. The Third St. library will replace the outdated security cameras.

**Materials**, \$387,000 or 9% of the operating budget, include adult and children's books, dvds, cds, audiobooks, video games, ematerials, downloadable music, audiobooks, movies and tv shows as well as explore kits. The library district continues to see an increase in the use of ematerials and streaming services. The district will be increasing its collection of children's ematerials to support the school district. The circulation of physical materials has returned to near pandemic numbers and remains strong.

**Public Relations**, \$98,400 or 2% of the operating budget. In mid-2020, the library district hired a communications specialist to oversee the library district's marketing and public relations. Having a professional in this key position has provided the district with insight into the most effective ways to convey the library district's message, to refresh the library's brand and website and more. The increased budget will allow the district to advertise in local publications that reach old and new residents, create video films to be used in marketing, maintain the website and produce high quality printed material.

**Software/Tech Support**, \$160,750, 4% of the operating budget. Included in this category are computer equipment and supplies, software licenses, and maintenance costs for the integrated library system and other systems, such as print management.

**Lease Payment**, Estimated \$363,015 or 8%. Annual payment on an anticipated lease agreement to build the Severance branch library.

**Capital Projects**, \$. The total estimated costs for the three capital projects outlined above is \$9,035,122. The district anticipates that most of the costs will be incurred in 2022. The district held a kick-off meeting with two library board members, the management team, the owner's representative, the architectural design team and the construction manager at risk on Thursday, Oct. 14. The anticipated breakdown by project of the costs is,

- **Severance Branch - \$7,478,591**
- **Windsor Severance Library renovation - \$833,327**
- **Central Services Hub (Ash St.) - \$723,204**

Lease financing will be used to build the branch library in Severance. Reserve funds will be used for the renovation of the Central Services Hub and the Windsor Severance Library.



## Clearview Library District – 2022 Budget

Item Label	2021 Estimated	2021 Budget	2022 Budget
<b>Revenue</b>			
General property tax	\$4,649,447	\$4,652,026	\$4,155,604
Other revenue	\$897,404	\$47,407	\$22,914
Specific ownership tax	\$234,769	\$210,000	\$210,000
<b>Total Operating Revenue</b>	<b>\$5,781,620</b>	<b>\$4,909,433</b>	<b>\$4,388,518</b>
<b>COP/Lease</b>			<b>\$5,686,076</b>
<b>Total Revenue</b>	<b>\$5,781,620</b>	<b>\$4,909,433</b>	<b>\$10,074,594</b>
<b>Expense</b>			
Bookmobile costs	\$17,850	\$25,400	\$19,500
Building costs	\$83,939	\$108,500	\$118,270
Capital outlays	\$767,588	\$304,000	\$105,000
County treasurer's fee	\$82,658	\$69,780	\$62,334
Electronic Databases	\$20,858	\$27,000	\$27,000
Materials/periodicals	\$253,298	\$343,500	\$387,000
Operating supplies	\$35,652	\$40,000	\$50,000
Other Expenses	\$137,321	\$268,442	\$265,199
Programming	\$32,772	\$58,000	\$59,000
Public relations	\$11,330	\$67,915	\$98,400
Related expenses	\$401,053	\$473,918	\$557,782
Salaries	\$1,544,462	\$1,727,478	\$2,015,268
Software/tech support	\$153,693	\$95,500	\$160,750
Lease Payment			\$363,015
<b>Total Operating Expense</b>	<b>\$3,542,474</b>	<b>\$3,609,433</b>	<b>\$4,288,518</b>
<b>Capital Projects Expense</b>			<b>\$8,530,003</b>
<b>Total Expense</b>			<b>\$12,818,522</b>
<b>Deficit</b>			<b>-\$2,743,928</b>
<b>Excess Operating Revenue</b>			<b>\$100,000</b>
<b>Transfers</b>			
Transfer to Reserve Funds	\$0	\$1,300,000	\$0
Transfer from Reserves			\$2,643,927
<b>Total Operating Transfers</b>	<b>\$0</b>	<b>\$1,300,000</b>	<b>\$2,643,927</b>
<b>Net Income</b>			
<b>Net Income</b>	<b>\$2,239,145</b>		<b>\$0</b>

Respectfully submitted,  
Ann Kling, Library Director  
December 9, 2021