



## **Budget Message Draft**

### **Summary**

Per the Certification of Values report by the county Assessor, which is released in August, total taxable assessed value for property in 2019 was \$420,112,780. The District has a mill levy of 2.516 on assessed value. A mill is 1/1000<sup>th</sup> of a dollar. This means that estimated property tax revenue ( $\$420,112,780 * .002156$ ) would be around \$1,057,004 in 2020. We receive a more accurate estimate in December of the preceding year for any given budget. However, the estimates we received in August and December are relatively close, year after year.

The District has traditionally budgeted revenues conservatively, and the 2020 budget is no exception. Administration has often used the current year's estimated operating and non-operating revenues, rather than next-year estimates, as a baseline tool for use by the budget committee. Special Ownership Tax (SOT) and all operating revenue estimates for 2020 are budgeted as flat, when compared to those in 2019. SOT tends to be a "wild card," so the district usually leaves that item the same as that of the prior year. Even with relatively conservative property tax revenue estimates, the District has the financial resources to accomplish some important priorities and goals in 2020.

Below are the priority highlights addressed in the 2020 budget:

- Pay-off and close-out the Elizabeth Lease Purchase Option in January or March of 2020. The District can wait until January of 2021 to pay off the building if need be. However, we would save roughly \$35,000 in interest that would accrue during that time. The District's financier, Bank of Oklahoma, indicated via email that early payoff would not evoke penalty payments.
- Increase base pay for Library Service Technicians, Library Service Leads, and Program and Outreach Coordinators. Employees currently in these positions will also receive comparable raises. Additional funding for five Library Service Tech hours per week to be utilized by the Elizabeth Library to mitigate increasing usage of that facility and its services as the community rapidly grows.
- Increase in several line items, such as supplies, professional development, and buildings/maintenance, which have not received a boost for several years.
- The establishment of a Capital Development Fund in order to begin to address the need for facilities expansions, improvements, and acquisitions in the near future.

### **2020 Budget Specifics**

For Revenues:

1. Property tax revenue is marked even with that of 2019 at \$907,000 per the December 2018 assessor estimates, despite our receiving a higher estimate for 2020 from the assessor.
2. SOT revenue estimates are marked even with 2019 at \$130,000.

3. Operating revenue estimates are marked even with 2019 at \$6,600.
4. Total budgeted revenue is marked nearly even with that of the 2019 budget at \$1,053,475.

For Expenditures:

1. Wage increases for the Director (16010), Financial Administrative Assistant (16011), and Branch Managers (16015).
2. Base pay increases for Library Service Technicians (16020), Library Service Leads (16026), and Program and Outreach Coordinators (16021).
3. An additional five hours per week for the Tech position to accommodate Elizabeth's usage and growth. It is assumed an existing staff member will take these hours.
4. Increase in Janitorial/Maintenance (16024) by \$1,000.
5. Increase in Substitutes (16025) by \$2,000 to accommodate increasing demand and state-mandated pay increase to \$12.00/hr.
6. Increase in Employee Rewards and Recognition (16035) by \$500 to facilitate more staff recognition and rewards.
7. Increase in Bank Fees (20010) by \$40.
8. Increase in Credit Card fees by \$5.00 (20011)
9. Increase in PERA (26080) by \$3,000 due to investment factors outside our control. PERA has a plan to become "fully funded" by itself in 30 years. Also, this item typically goes up over time.
10. Increase in Benefits (26060) by \$4,000 to accommodate insurance increases and/or qualifying employees who opt into individual coverage or upgrade to cover their family.
11. Increase in Medicare (26085) by \$200.
12. Increase in Unemployment Insurance (26090) by \$600, as this is a percentage of total wages.
13. Increase in Library Supplies (36330) by \$600 and Office Supplies (36340) by \$600 and District Supplies (36345) by \$1200 due to inflation and increased demand for services. The District Supplies line item will also fund a bulk purchase of 5000 library cards.
14. Increase in Computer—Software (46642) by \$1,000, for approximately 28 Microsoft Office licenses.
15. Increase in Professional Development (46710) by \$1,000 to facilitate staff growth.
16. Increase in Travel Allowance by \$2,000, as managers and coordinators are doing more traveling for meetings and training.
17. Increase in Building Grounds/Maintenance (46760) by \$1000 due to more and regular maintenance projects, as well as additional snow removal.
18. Increase in Telephone (46770) by \$200 to accommodate annual increases in charges.
19. Increase in Utilities (46780) by \$500 because the cost of utilities typically increases over time.
20. Increase in Professional Membership (77315) by \$500, as more employees are interested in joining professional organizations.
21. Establishment of a Capital Improvements Fund (97650) at \$5,000 to begin accruing funds to improve and build libraries. Additional funds may also be transferred from the General Fund when pertinent, but this is not codified in the budget.

### **Conclusion**

The 2020 Elbert County Library District dba Pines & Plains Libraries budget expresses a conservative approach to revenues estimates, while also integrating essential increases to various line item expenditures. Even with revenues budgeted equal to those of 2019, the district can accomplish a long-term goal of paying off the Lease Purchase Option for the Elizabeth Library building. The District can also provide more competitive wages to prospective and existing front-lines staff positions. Despite increases in expenses, the 2020 Budget anticipates more revenue than expense overall, which will increase the general fund.