

October 11, 2024

TO: The Boulder Public Library Board of Trustees

FROM: David Farnan, Library Director
Jennifer Phares, Director of Business and Administration
Adriana Boniakowski, Finance Manager

SUBJECT: Presentation of the 2025 Recommended Operating and Capital Budget

EXECUTIVE SUMMARY

Based on four strategic priorities that address the 2022 ballot promises made during the library district formation campaign and the 2018 Boulder Public Library Master Plan's few uncompleted goals, Administration staff have prepared the Boulder Public Library District 2025 Recommended Operating and Capital Budget for a public hearing and the Board of Trustees consideration.

Most of the new budget items are related to employee wage adjustments based on the 2024 compensation study completed by the Human Resources team, a recommended 4 percent annual increase for standard employees, a 9.7 percent increase in medical benefits costs and a 12 percent increase in dental benefits costs, and the hiring of several new employees to staff the Gunbarrel Library and expand the Literacy and Outreach program offerings.

The other area of significant new investment is the recommended budget for capital to make improvements in some of the public spaces at the Main Library to increase access and respond to patron use trends, to complete the Gunbarrel Library renovation, and to address the immediate and short-term deferred maintenance items at the Main Library, George Reynolds Library, and the Carnegie Library for Local History. Administration staff looks forward to the public's input and the Board of Trustees direction about the Boulder Public Library District 2025 Recommended Operating and Capital Budget.

I. OVERVIEW

Library Staff Strategic Priorities

In preparation for creating the 2025 recommended budget the District's staff leadership team developed four strategic priorities for the year ahead. These strategic priorities are intended to provide a framework for staff to deliver the excellent library service the community is expecting from the new Boulder Public Library District. Each strategic priority was developed to address the 2022 library district formation ballot promises and 2018 Boulder Public Library Master Plan goals.

1. *Programs and Services*

Our efforts to assess and refine new and expanded services, programs, resources, and spaces will continue to be a focus in 2025. To support our work in this area, we will further develop the practice of data-informed decision-making through the use of new evaluation tools and processes with the goal of using the information to improve the programs and services that have already been expanded in 2024 and the new programs and services that have been or are in the process of being

implemented and/or piloted. This data-driven decision-making practice will also guide us with future planning and resource allocation.

2. Workplace Culture

We have nearly completed redefining many staff roles and welcoming many new employees to the District. In 2025, we will focus on building and strengthening our workplace culture and introducing processes to make us more effective in performing our work. To contribute to a vibrant, uplifting work environment, the goals for culture-building include new opportunities for training and development, increased opportunities for collaboration, improved work planning, a rewards and recognition program, and a job performance coaching and feedback program.

3. Community Connections

In 2025, we will collaborate to create new pathways of connection within the community, by opening a new library in Gunbarrel, increasing our presence at local events, and coordinating and expanding our outreach efforts. The goal of this work is to increase community awareness of the programs, services and resources offered by the library, to ensure that these offerings are meaningful to community members, and to provide access to these offerings that is inclusive and convenient for them.

4. Facilities and Spaces

To improve the efficiency and safety of our facilities, we will increase our efforts and invest resources to address deferred building maintenance, continue to assess and improve management of areas such as the playgrounds, the public restrooms, and the Main Library’s “underbelly.” We will also invest resources in security personnel and equipment at the new libraries, and in the renovation of Carnegie Library for Local History.

The **2025 Recommended Operating and Capital Budget** as compared to the 2024 operating and capital budget is **Attachment A**.

II. BUDGET SOURCES

New Revenue

The District’s 2025 operating budget is primarily comprised of \$21,437,601 property tax revenues. Other projected 2025 revenues include the anticipated café and book sale proceeds and other tax revenues estimated at a total of \$58,053.

Anticipated 2025 Grant Funds

Annual grant contributions from the Colorado Department of Education and the Warner Charitable Trust are anticipated to be awarded to the District that total approximately \$36,000. These grant funds are restricted to purchasing library materials. The Boulder Library Foundation is considering granting the District approximately \$125,000 to enhance current or support new literacy, outreach, and youth programs.

Carryover Funds

Administration staff recommends that \$5 million of the projected 2024 unspent operating funds and unencumbered capital funds be approved for carryover to the 2025 capital budget line. As of Oct. 2, 2024, interest income earned on investments to date totals \$512,174. Both the earned interest and carryover funds will be used to address 2025 one-time and capital projects. Staff recommend that the Board of Trustees approves the actual end-of-year balance of the interest income funds be carried over for use in 2025.

Encumbered 2024 Operating and Capital Funds

The design work for several capital projects (listed in section VI of this memo) is underway and purchase orders have been issued. Administration staff will liquidate the encumbered funds as the design work is completed. The encumbered funds for any work that is not completed by the end of the year will automatically carryover as encumbrances into 2025.

Estimated Invested 2024 Fund Balance

The Administration staff estimates that the District will have a fund balance of slightly greater than \$3.1 million at close of the 2024 fiscal year. These funds will remain invested until they are needed for future capital investment such as extensive renovations to the Carnegie Library for Local History or the purchase of a building for the Meadows Library. Administration staff will request that the Board of Trustees appropriate the funds when they are needed. Therefore, they do not appear in the 2025 recommended operating and capital budget.

Restricted Reserves

In 2023, the Board of Trustees approved a \$2.55 million allocation to a separate restricted reserve fund. Currently, these funds are invested and generating interest income. The reserves are shown at the bottom of **Attachment A** for reference and are 12 percent of the 2025 recommended operating budget (recommended capital was not used in the calculation of the percentage.)

See **Attachment B** for **Chart 1. 2025 Operating & Capital Budget Sources**. Grants and other revenues are combined on the chart.

III. BUDGET USES - PERSONNEL

2024 Employee Compensation Study

In 2023, the Board of Trustees directed that library employees who transferred from City of Boulder employment would retain the wage they earned as city employees, receive a \$4,000 increase to their base pay, and that the District would adapt the City's pay structure until a formal compensation study could be completed. The study has three parts:

Part 1 (Complete)

- Analysis of District jobs as compared to the local labor market.
- Development of an updated pay structure.
- Development of a Compensation Philosophy

Part 2 (In progress due in November)

- Internal pay equity analysis

Part 3 (Pending completion of Part 2)

- Review of positions in middle pay grades for FLSA (Fair Labor Standard Act) status. FLSA status indicates whether a position is eligible to earn overtime pay.

Part 1 of the District's 2024 compensation study was completed in September and included market analysis of more than 70 current job descriptions. The outcome of the analysis showed that 12 employees need a wage adjustment to be paid at the market rate for their positions. To improve the effective distribution of internal functions in Collection Services, Programs and Events, and Facilities, four employees are recommended for promotions. The total annual cost of the wage adjustments and promotions is \$119,000.

Annual Pay Increase

In 2023, the Board of Trustees set a goal that the median annual salary for employees would be no less than \$60,000 within two years. Before the pay adjustments described in this memo are applied for a full-time employee, the median annual salary is \$60,726 and the average annual salary is \$66,623. This is based upon 141 standard positions. Administration staff recommends the Board of Trustees consider approving a 4 percent increase to standard employees' base pay. The total annual cost of the increase is \$314,000. The median and average annual salaries before and after the adjustments and 4 percent increase is applied are shown in **Table 1**.

Table 1. Comparison of Median and Average Annual Salaries for a Current Full-Time Employee

Annual Salary	2024¹	2025²
Median	\$60,726	\$63,155
Average	\$66,623	\$69,213

New Standard Positions and Temporary Positions Cost

Eighteen new standard positions (15 FTE (Full Time Equivalent)) are included in the 2025 recommended operating budget with a total estimated annual base salary cost of \$911,744. These new positions specifically address the staff's 2025 strategic priorities: 2. Workplace Culture and 3. Community Connections (See page 1 of this memo for the 2025 strategic priorities.).

According to the projected 2025 hiring schedule, several positions will be filled for only part of the next year which could result in a maximum estimated savings of \$292,047 in salary and benefits costs for these new positions. These savings have not been deducted from the recommended 2025 operating budget. Similarly, salary savings that may occur for the time between when a position becomes vacant and is refilled is conservatively anticipated to be 1.3 percent of the personnel budget, approximately \$434,482. See **Table 2** and **Attachment B. Chart 3. 2025 Personnel Costs Breakdown** and **Chart 4. 2025 Staffing Levels – Standard Positions**.

¹ Includes early hire of new full-time Café Manager, part time Library Specialist Lead, full-time IT Applications Specialist, and full-time Gunbarrel Manager.

² Includes all salary adjustments and increases described in this memo.

Table 2. Total 2025 Estimated Annual Salary Costs for Employees

	Annual Salary Cost	FTE	~ Employee Count
Current	\$8,711,642	126	141
Promotions/ Market Pay Adjustment	\$119,000	-	-
Annual Pay Increase	\$312,000	-	-
Substitutes and Temps	\$142,000	-	30 ³
New Positions	\$911,745	15	18
TOTAL	\$10,196,387	141	189

Substitute and Temporary Workers

The District is fortunate to have approximately 30 substitute employees who are dedicated to supporting public services and the Carnegie Library archive. These team members are vital to maintaining consistent and uninterrupted public services as they are scheduled to cover shifts when standard staff are on leave or there is a vacant position. In 2025, Programs and Events will create substitute jobs to support the theater, programs, and events, and increase the substitute pool for the makerspaces. Similarly, Literacy and Outreach will create substitute jobs to support outreach efforts. Funding for temporary jobs that support literacy programs such as Summer of Discovery are also included in the 2025 recommended operating budget. A substitute barista job is under recruitment now and Administration staff is anticipating this cost could be partially offset by the 2025 café proceeds.

Health Care and Other Benefits

The Cigna health insurance premiums increase was negotiated down from the initial 20 percent to 9.7 percent. Dental insurance premiums increased by 12 percent due to the high use by employees who elected that benefit. There was no increase in the vision insurance premiums. See **Table 3** for the total estimated total employer and employee benefits cost for current and new employees combined.

³ This count fluctuates. Current as of Oct.2, 2024.

Table 3. Total Estimated Employer and Employee Benefits Cost for 2025 for 163 Standard Employees

Provider	Employer Cost ⁴	Employee Cost ⁵
Cigna Health Insurance	\$1,469,033	\$524,054
PERA Pension ⁶	\$1,684,638	\$991,997
Ameritas Dental Insurance	\$116,934	\$38,833
Ameritas Vision Insurance	\$19,342	\$9,434
Other ⁷	\$1,099,428	\$0
TOTAL	\$4,389,375	\$1,564,318

Table 4 shows the impact of the benefits cost increases to the 4% salary increase for a full-time employee at the current median salary.

Table 4. Impact of Benefits Cost Increase on the Recommended 4 Percent Salary Increase if Passed on to a Full-Time Employee

Current Median Annual Salary	4% pay Increase	9.7% annual cost increase for family medical	12% annual cost increase for family dental	4% salary increase less benefit cost increase	Adjusted total % salary increase
\$60,275.60	\$2,429.02	\$473.41	\$43.03	\$1,912.59	3.14%

See **Attachment B** for **Chart 2. 2025 Operating & Capital Budget Uses** and **Chart 3. 2025 Personnel Cost Breakdown**.

IV. BUDGET USES - NON-PERSONNEL

The 2025 non-personnel operating base budget was developed using YTD actual expenditures and adding the total expenditure projections for monthly costs remaining in 2024. Budget managers reviewed the base budget for their service areas and advised that adjustments be made based on anticipated cost increases for purchased services, adding a new library in Gunbarrel, and the hiring of 18 new employees.

In 2024, Administration staff learned that excess funds were budgeted for operating costs that should have been budgeted under capital as the items purchased are considered capital assets

⁴ Highest cost benefit premiums used for new and budgeted vacant positions. Current employer costs for benefit election premiums used for current staff.

⁵ Not included in the 2025 budget. Provided for comparison to employer costs.

⁶ PERA cost estimate includes employer contribution for standard, substitute, and temporary employees.

⁷ Other benefits include estimated employer contributions for Health Spending Account, Lifestyle Spending Account, Life Insurance, Long and Short-Term Disability, EcoPass, leave administration, tuition reimbursement, professional development, and Workers Comp.

(e.g., physical library materials, bulk purchase of computer equipment, etc.). Adjustments to the 2024 operating and capital budget were approved by the Board of Trustees on July 2, 2024. The 2025 recommended operating and capital budget includes these shifts of funds from the operating to capital line items.

In addition, the Communications, Programs and Events, and Literacy and Outreach teams are recommended to receive approximately \$90,000 total of one-time funding to conduct surveys and impact studies. The funds will be used for consulting services to supplement staff's expertise and for outreach and focus group support. The Communications Team also is recommended to receive \$50,000 of one-time funding for updates to the website to remain in compliance with the [Digital Accessibility Plan](#). These one-time project funds are allocated to the purchased services line item in **Attachment A**. See also **Attachment B** for **Chart 2. 2025 Operating & Capital Budget Uses**.

V. GRANT BUDGET

Collection Services

Collection Services applied for the annual grant from the Colorado Department of Education to supplement the purchase of library materials and resources. The library has received this grant for several years. The 2025 grant is anticipated to be approximately \$30,000. The Warner Charitable Trust grants the library approximately \$6,000 annually, also to supplement the purchase of adult and children's library books.

Maker-in-Residence Program

The Programs and Events makerspace team requested \$30,000 from the Boulder Library Foundation to bring in two nationally recognized makers to participate in the new maker-in-residence program. The funding will be used for the makers' fee, their travel and lodging while they are in Boulder, and for materials for the public workshops.

Literacy and Outreach

The literacy team requested \$48,000 from the Boulder Library Foundation to support several initiatives: ESL (English as a Second Language) classes, Spanish Conversations groups, adult Spanish literacy classes (a pilot program), to design and launch a marketing campaign for adult literacy titled "Literacy for All: Opportunities for Life". The outreach team requested \$47,000 to host programs in the community that focus on children's literacy, host two multicultural events at two libraries, and organize a Reading Buddies Program group in the community where most of the residents are considered underserved or at an elementary school that has students who are considered to be underserved.

The Boulder Library Foundation invited the Programs and Events and Literacy and Outreach teams to submit the previously described requests. The Foundation Board of Directors will consider funding these three requests and award them in March 2025 if they are approved. Administration staff recommends that the Board of Trustees consider appropriating all the anticipated grant funds upon approval of the 2025 operating budget so that planning and work can begin on these initiatives prior to the award dates.

For simplicity, the 2025 grant funds are shown on **Attachment A. 2025 Recommended Operating and Capital Budget**. The Board of Trustees will begin receiving a separate bimonthly report showing budget to actuals for the grant fund in 2025.

VI. CAPITAL BUDGET

Administration staff recommends that \$5 million of the unspent 2024 operating and capital funds “carryover” and the actual balance of the interest income earned (estimated to be slightly more than \$700,000 by end of 2024) be appropriated for 2025 to fund several one-time and capital projects. These funds are allocated to the IT support and Capital outlay line items in **Attachment A**. These projects will: 1) address some of the most critical deferred maintenance items, 2) complete the renovation and furnishing of the Gunbarrel library facility, and 3) address patrons’ evolving use of library facilities. Design work is in progress to obtain accurate cost estimates for several of the capital projects listed below.

Main Library

- Supplemental HVAC solutions and control system programming overhaul.
- 1961 building convert staff locker room to a staff break area.
- Contribute funds for safety improvements around the perimeter of the buildings.
- Reconfiguration of the second-floor areas to improve access and accommodate new or increased uses: reduce height of non-fiction collection shelving and add seating, conversion of the small meeting room to study rooms, and relocate the public service desk to improve visibility and safety.
- Begin addressing deferred maintenance items categorized in the Boulder Public Library Facility Assessment by Cumming Group, July 2023 as immediate and short term.
- Public meeting room AV equipment upgrade and replacement.
- Increase number of laptops for patrons’ use during programs.
- Replace Canyon Theater projector.
- Implement a Point-of-Sale software and equipment for the primary service points in the libraries.

Gunbarrel Library

- Complete renovation and furnishing of the facility.

Carnegie Library for Local History

- Complete site evaluation and costing for three levels of renovation including deferred maintenance items in the Boulder Public Library Facility Assessment by Cumming Group, July 2023.

George Reynolds Library

- Address foundation drainage issues at the SE meeting room wall.
- Begin addressing deferred maintenance items categorized in the Facility Assessment by Cumming Group, July 2023 as short term.

Attachment C provides the range of cost estimates for deferred maintenance by each facility and categorized by immediate, sort-term, long-term, and mechanical and plumbing needs. The items listed above will address most of the immediate and short-term items in the Facility Assessment by Cumming Group, July 2023.

VII. COMMUNITY BUDGET INFORMATION

In 2023, the Board of Trustees requested a one-page infographic designed for community members to get a broad overview of the annual budget highlighting information that is relevant to them. The infographic is **Attachment D**.

CONCLUSION

Administration staff is pleased to present the 2025 recommended operating and capital budget for public input and the Board of Trustee’s consideration. In 2024, the Board of Trustees empowered Administration staff to cease the opportunity to rent a facility that will become the Gunbarrel Library (ahead of schedule). Also, the Board of Trustees patiently supported the staff through a year of remarkable change and growth. This 2025 recommended budget continues to grow library services and funds not only the remaining 2018 Master Plan goals, but also funds the commitments made to the community when it voted to form the Boulder Public Library District in 2022. Also, this budget begins to invest in the facilities to make them run more efficiently, keep the exteriors in good repair, address safety issues, and refresh public spaces to align with the community’s evolving use of the libraries. The entire staff is excited about the coming year, opening a second new library and creating new and stronger connections with the community!

**Boulder Public Library District
2025 Recommended Operating & Capital Budget Comparison with 2024**

	2024 Adjusted Budget	2025 Recommended Budget	Variance
Revenue			
Property Tax	\$21,404,074	\$21,437,601	\$33,527
Carryover Revenue	\$16,577,384	\$5,000,000	-\$11,577,384
Interest Income	\$0	\$512,174	\$512,174
Grants	\$641,634	\$161,000	-\$480,634
Sales	\$35,000	\$35,000	\$0
Other	\$8,053	\$23,053	\$15,000
Total Revenue	\$38,666,145	\$27,168,828	-\$11,497,317
Expenditures			
Personnel	\$12,522,894	\$14,587,395	\$2,064,501
Administrative	\$422,515	\$336,403	-\$86,112
Board Governance			
Legal Consultants & Fees	\$150,000	\$130,000	-\$20,000
Auditor	\$27,600	\$23,500	-\$4,100
Board Food	\$6,000	\$6,000	\$0
Board Memberships & Travel	\$5,000	\$2,000	-\$3,000
Total Board Governance	\$188,600	\$161,500	-\$27,100
Purchased Services	\$1,681,675	\$1,636,890	-\$44,785
Building Costs & Utilities	\$755,494	\$1,288,800	\$533,306
IT Support	\$1,626,533	\$1,468,140	-\$158,393
Library Collection	\$1,975,050	\$2,009,700	\$34,650
Marketing & Engagement	\$200,000	\$180,000	-\$20,000
Programs & Events	\$385,000	\$646,000	\$261,000
Capital Outlay	\$4,848,411	\$4,839,000	-\$9,411
Cafe	\$50,000	\$15,000	-\$35,000
2023 City of Boulder Library Expenses	\$13,865,000	\$0	-\$13,865,000
Total Expenditures	\$38,521,172	\$27,168,828	-\$11,352,344
Total Change in Fund Balance	\$144,973	\$0	-\$144,973
Separate Restricted Reserves		\$2,550,000	
2024 Operating Fund Balance (invested)		slightly > \$3,000,000	

Recommended 2025 Boulder Public Library District Operating & Capital Budget Charts

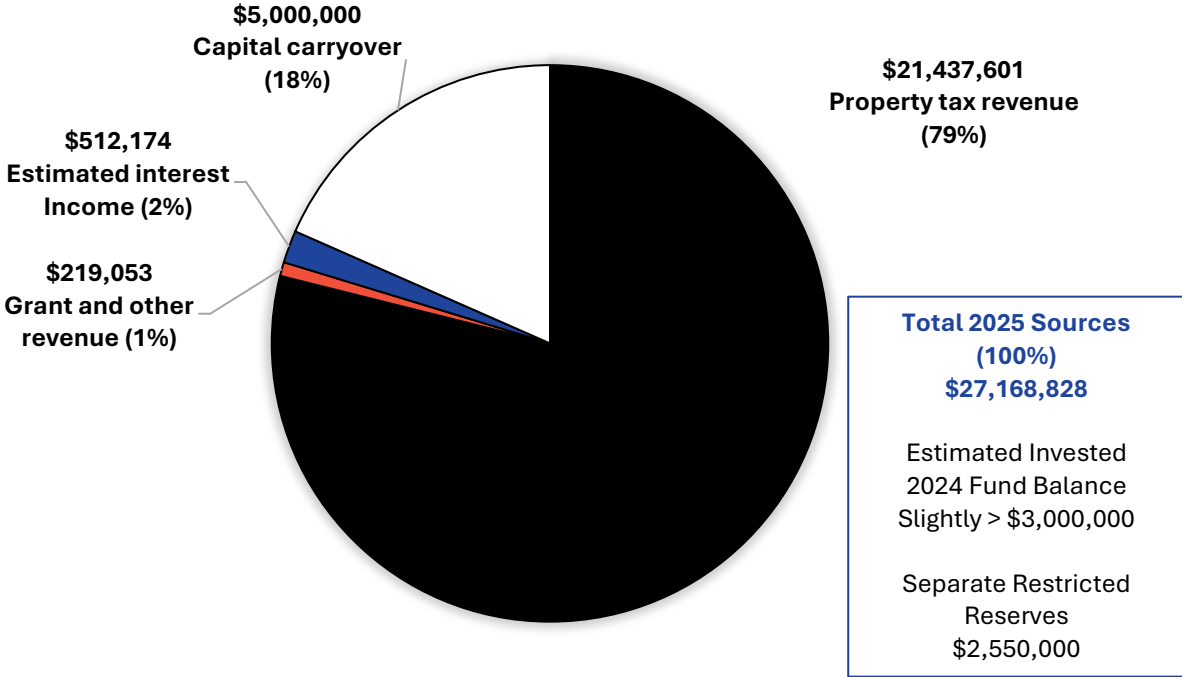


Chart 1. 2025 Operating & Capital Budget Sources

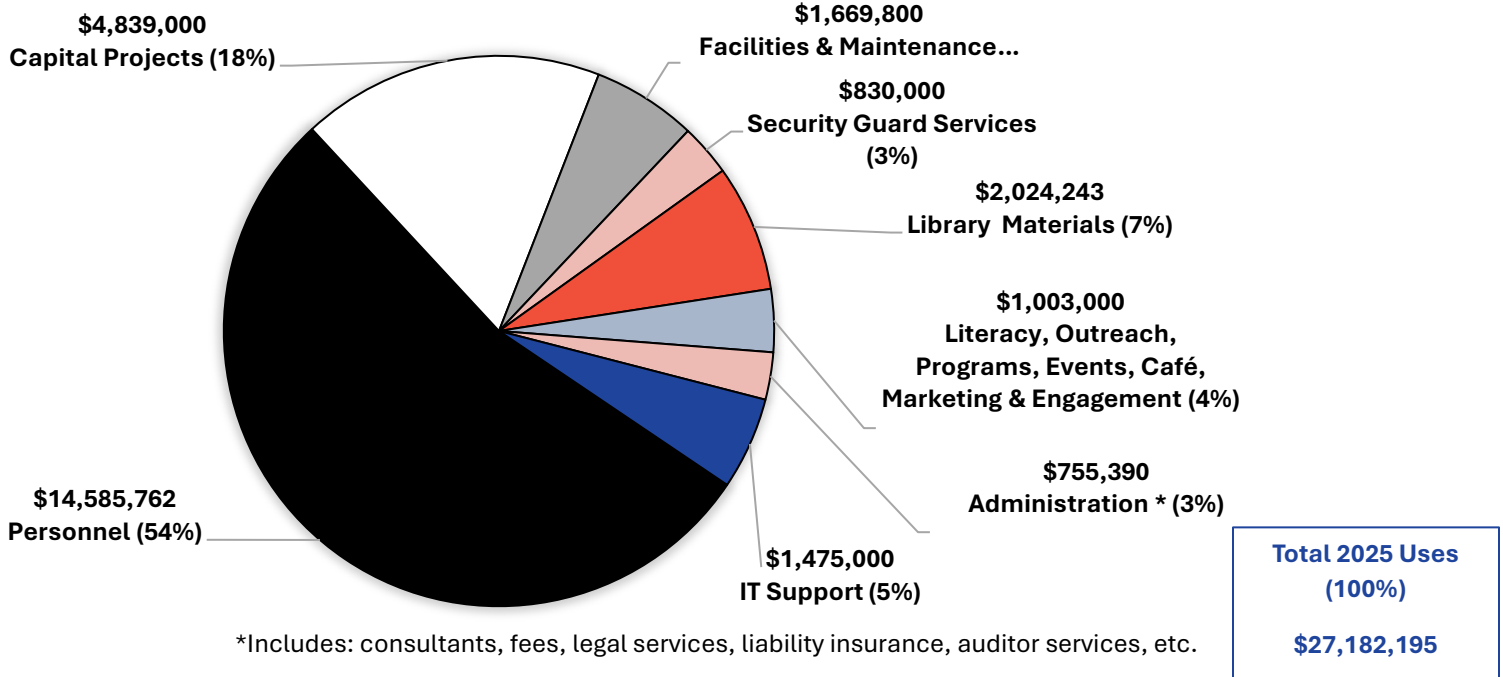
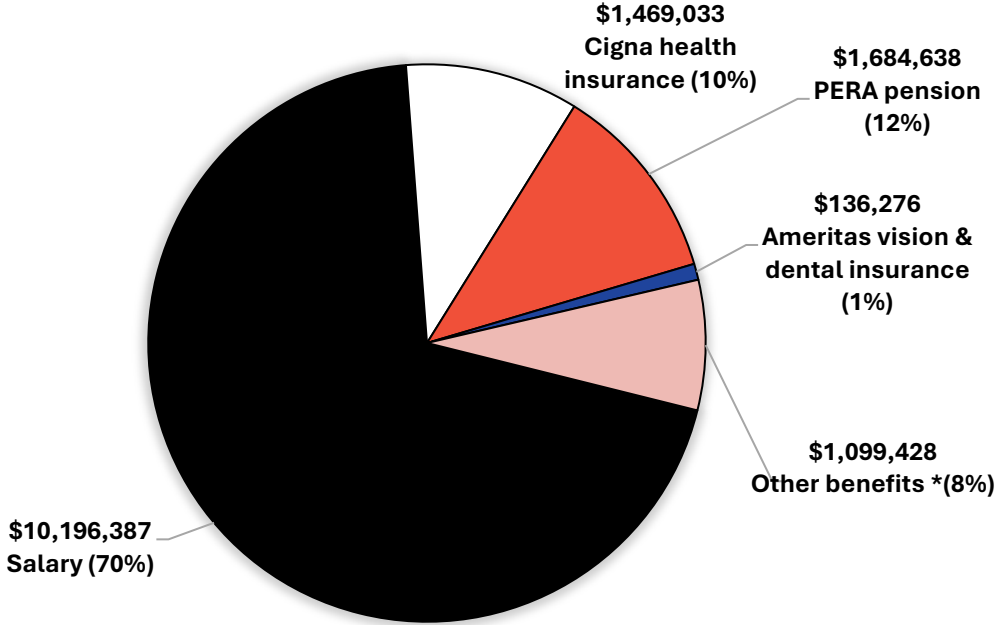
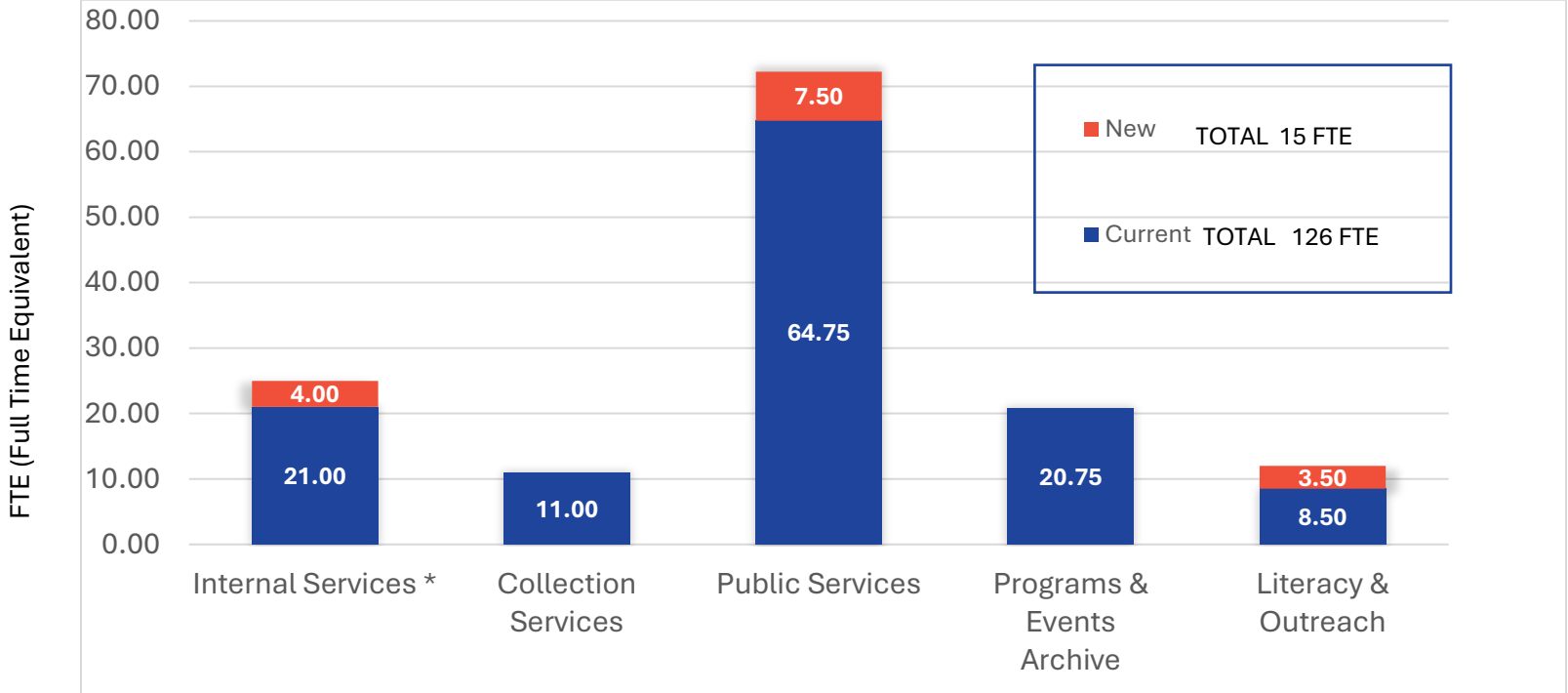


Chart 2. 2025 Operating & Capital Budget Uses



*Includes: Health & Lifestyle Spending Accounts, Life Insurance, Long & Short-Term Disability, EcoPass, leave administration, tuition reimbursement, professional development, & Workers Comp.

Chart 3. 2025 Personnel Costs Breakdown



*Includes: HR, Finance, Facilities, & IT.

Chart 4. 2025 Staffing Levels – Standard Positions

Deferred Maintenance Costs as Described in the 2023 Boulder Public Library Facility Assessment by Cumming Group

MAIN LIBRARY	1960		1974		1992		Low Total	High Total
	Low	High	Low	High	Low	High		
Construction Immediate	\$ 144,395	\$ 176,483	\$ 5,891	\$ 7,201	\$ 270,829	\$ 331,013	\$ 421,115	\$ 514,697
Construction Short Term	\$ 42,941	\$ 52,483	\$ 113,466	\$ 138,680	\$ 355,565	\$ 434,580	\$ 511,972	\$ 625,743
Construction Long Term	\$ 1,203,607	\$ 1,471,075	\$ 806,553	\$ 985,787	\$ 2,197,006	\$ 2,685,230	\$ 4,207,166	\$ 5,142,092
Mechanical, Electrical, Plumbing	\$ 682,803	\$ 834,537	\$ -	\$ -	\$ 1,390,522	\$ 1,699,527	\$ 2,073,325	\$ 2,534,064
						TOTAL	\$ 7,213,578	\$ 8,816,596

GEORGE REYNOLDS LIBRARY	1968	
	Low	High
Construction Immediate	\$ 161,059	\$ 196,850
Construction Short Term	\$ 106,064	\$ 129,634
Construction Long Term	\$ 240,024	\$ 293,362
Mechanical, Electrical, Plumbing	\$ 51,691	\$ 63,178
TOTAL	\$ 558,838	\$ 683,024

CARNEGIE LIBRARY	1907	
	Low	High
Construction Immediate	\$ 44,990	\$ 54,987
Construction Short Term	\$ 566,568	\$ 692,472
Construction Long Term	\$ 539,410	\$ 659,279
Mechanical, Electrical, Plumbing	\$ 196,163	\$ 239,754
TOTAL	\$ 1,347,131	\$ 1,646,492

ALL FACILITIES	Low	High
MAIN LIBRARY	\$ 7,213,578	\$ 8,816,596
GEORGE REYNOLDS LIBRARY	\$ 558,838	\$ 683,024
CARNEGIE LIBRARY	\$ 1,347,131	\$ 1,646,492
TOTAL	\$ 9,119,547	\$ 11,146,112

Cost Estimates Include:

- Phasing Premium
- General Requirements and Conditions
- Bonds & Insurance
- Contractor's Fee
- Design Contingency
- Construction Contingency
- Escalation

Items Affecting Cost Estimates:

- Modifications to the Scope of Work beyond the assessment
- Unforeseen subsurface conditions
- Restrictive technical specifications or excessive contract conditions
- Any specified item of material or product that cannot be obtained from three sources
- Any other non-competative bid situations
- Bids delayed beyond the projected schedule