

2015 PCLS Budget

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1 OVERVIEW

This document has been created to provide information to orient the Pope County Library System (PCLS) Board of Trustees, staff, or reader to the PCLS Budget and the Budgeting process.

2 MILLAGE RATES

The property tax continues to be a major revenue source for Pope County. The tax generated approximately \$46.1 million for primary and secondary schools, county and city governments in 2011.

Pope County Millage Rates *(How to Compute Taxes)*

Arkansas statute sets out how taxes are computed. Appraised value multiplied by 20% equals assessed value. Since 2000 when Amendment 79 was passed by the voters of Arkansas, a new value has been created called taxable value. The taxable value consist of a base value, which is the assessed value prior to first reappraisal after the passage of Amendment 79, plus any caps (5%, 10%, or freeze) and newly discovered property for each year thereafter. The taxable value multiplied by the millage rate for your school district equals tax amount.

For instance if you have a new house in Russellville School District appraised at \$100,000, to estimate your taxes you would multiply \$100,000 by 20% to get the assessed value of \$20,000. Since it is a newly constructed house, the taxable value would also be \$20,000. Then you multiply \$20,000 by .0457 (total millage for Russellville School District), with a result of \$914 as the estimated tax amount.¹

Personal property taxes are computed the same way. The Pope County Assessor will assign a dollar value to your personal property based on a manual provided by the Assessment Coordination Department of the State of Arkansas. The resulting assessed value

¹ Pope County Millage Rates: http://www.popecountyar.com/millage_rate.html

will be multiplied by the school district millage rate.

Millage rates are levied each November by the Pope County Quorum Court.

COUNTY MILLAGE BREAKDOWN									
County	City/rural	Cnty Road Allot To City	County Gen	County Road	County Misc	County Library	County Hospital	County College	County Total
Pope	City	1.25	1	1.25		1			4.5
	Rural		1	2.5		1			4.5

	Library 1 Mill	County General 1 Mill	County Road 1.25 Mills
\$50,000.00	\$50.00	\$50.00	\$62.50
\$100,000.00	\$100.00	\$100.00	\$125.00
\$150,000.00	\$150.00	\$150.00	\$187.50

3 COUNTY BUDGETS

County General (1 Mill)²

County Sheriff, County Jail, Juvenile Detention, Fire Protection, Coroner's Department, County Government, Animal Control, Election Commission, County Recorder (Deeds & Liens), Marriage Licenses, Voter Registration, Courts: Circuits / Juvenile / Municipal

Road Fund (3.75 Mills)

Every November the quorum court has the authority to levy a county general tax up to 5 mills and a road tax up to 3 mills.

--<http://www.arcounties.org/faq/county-collectors-faqs>

County Library Fund

Supports Maintenance & Operations of the Current Libraries.

A county is also authorized to levy a county library tax by Amendment 38 of the Arkansas Constitution (amended by Amendment 72 and incorporated into Amendment 38 by amending Sections 1 and 3 and adding Section 5). However, this tax must be voted on by the electors of the county and the tax rate cannot exceed five mills on the dollar for maintenance and operation of the library (Amendment 38, Section 1). The maintenance and operation of the library is defined in A.C.A. 13-2-405(2). Once the rate is established by the electorate, the quorum court will levy the established rate each year until there is another election to change the rate. Amendment 38, Section 3 of the state constitution requires an election to raise, reduce or abolish the library tax. --

<http://www.arcounties.org/faq/county-collectors-faqs>

911 Fund

² What is a mill? A mill is one-tenth (1/10) of one cent.

4 CITY VS. COUNTY ROLE

WHAT ARE THE CITY & COUNTY'S COMMUNITY PRIORITIES?

Road Funding

Property Taxes

Main Street livelihood

Education

Employment

Income

Retail

Poverty

Health

Households

Agriculture

Forestry

5 ROLE OF PCLS

The four branches of the Library System are County Libraries which offer services that complement services offered by the County Departments and Offices. The County of Pope offers services for the Health, and Safety of the Citizens of Pope County. Pope County roads are maintained and updated; and payment of taxes are received.

PCLS provides services that are outside of the realm of the Pope County Government. The primary purpose of the Libraries are to supply access to information and services not provided by the typical County & City Services. Library services include, but are not limited to: a collection of materials at its four locations; Interlibrary Loan; Bookmobile; Wi-Fi; eBooks; and other resources that promote literacy.

The Pope County Library System utilizes county tax funds to its branch libraries to provide library service to all county residents. It also provides central technology support to our library partners as well as a daily courier delivery, reference support, youth services support, outreach, and more.

6 PARTS OF PCLS BUDGET

Tier 1: Personal (Personnel)	71% of the Budget
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Tier 2: CDs, Books, DVD's	10%
Supplies	5%

Tier 3: Maintenance & Operations	14%
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Capital 1%

7 TYPE OF REVENUE

Millage (1 MIL) Generates 77% of funding

The Pope County Library System is supported in part by Millage, State Aid and Property Relief Tax.

1 Mill (one-tenth of a cent) provides for 77% of the system's support and costs tax payers \$1 per \$1,000 of assessed property tax value.

PCLS receives 1 mill of the County Property Tax minus 6% commission (County Treasurer 2% and Tax Collector 4%) which includes Real, Personal, and Utility tax. Property Tax supports 9% of the annual budget.

State Aid 8%

Libraries in Arkansas that have a librarian with a Master of Library Science degree, receive funds budgeted and distributed by the Arkansas State Library Board. These funds are received by the Arkansas State Library from the Arkansas State Legislature. State Aid from the Arkansas State Library provides 8% of the support to PCLS.

Other Support 4%

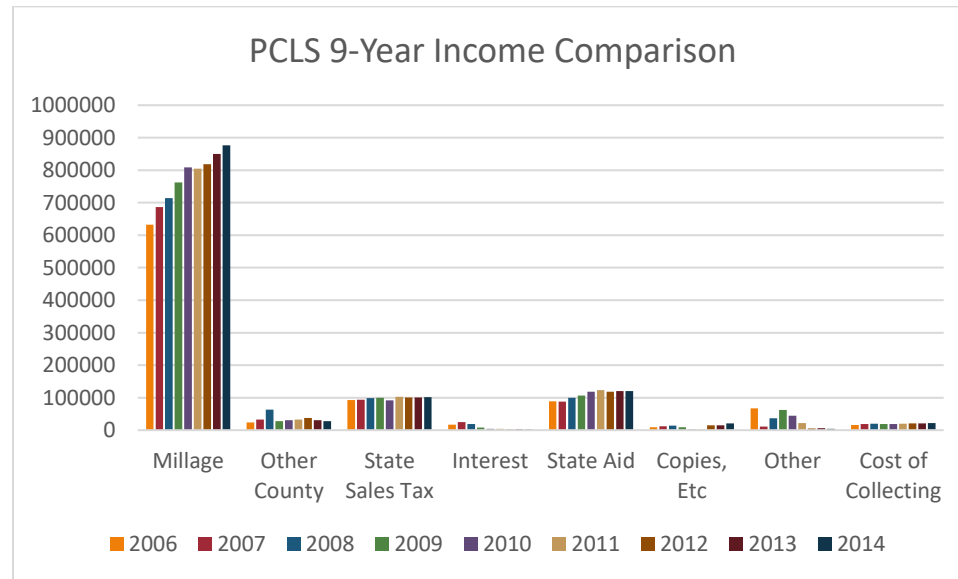
Other support is received through Delinquent Personal Tax, Land Redemption Tax, State Land Redemption and money collected for copies.

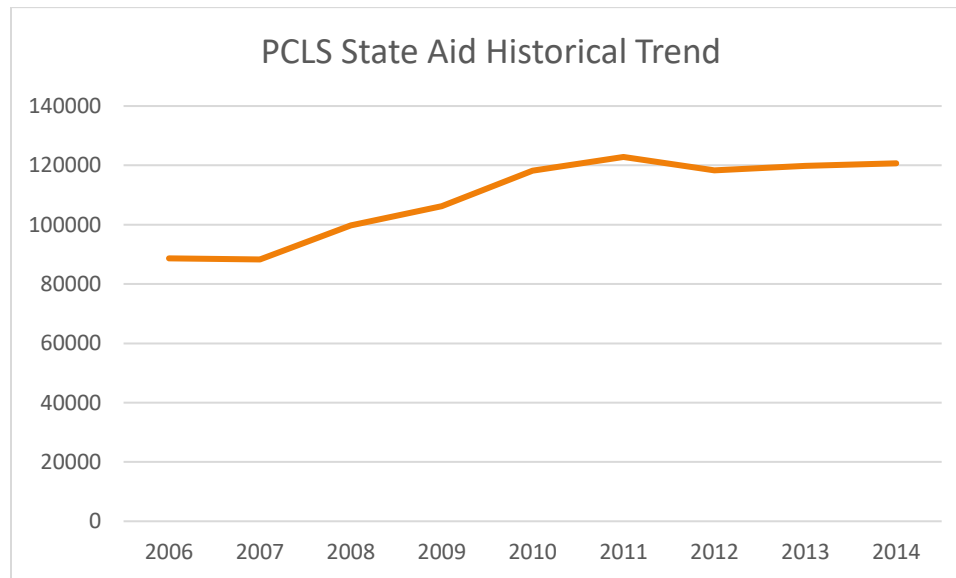
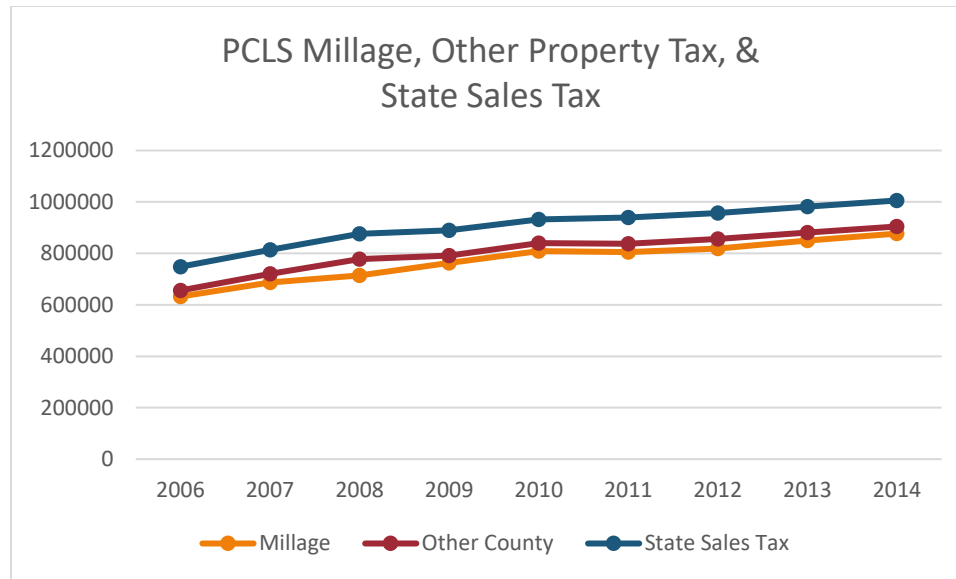
Property Tax 9%

Fines Average \$13,000 per year.

Copies Average \$20,000 per year. Check sent to County Treasurer each month to be deposited in County Library Fund.

9 HISTORICAL REVENUE

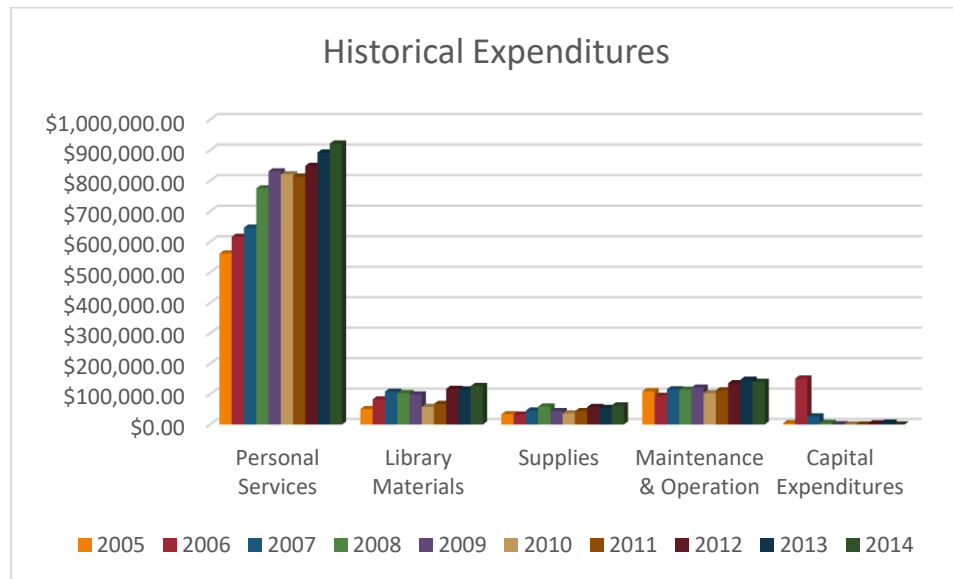




8 EXPENDITURES PER CAPITA -- \$19.59

Expenditures per capita reflect the community's financial support for the library in relation to its size. Operating expenditures (personnel, collections, and general operations) from other sources such as state aid and grants are also included. Capital expenditures that vary dramatically from year to year are not included. Expenditures per capita for the PCLS Libraries is \$19.59.

10 HISTORICAL EXPENDITURES



Year	Personal Services	Library Materials	Supplies	Maintenance & Operation	Capital Expenditures	Total
2005	\$561,607.16	\$50,718.73	\$33,723.28	\$109,377.31	\$4,326.00	\$759,752.48
2006	\$616,321.83	\$82,430.76	\$32,743.97	\$94,266.63	\$151,089.86	\$976,853.05
2007	\$646,202.41	\$107,787.71	\$45,884.04	\$115,483.12	\$26,504.44	\$941,861.72
2008	\$774,601.13	\$103,272.39	\$58,917.56	\$114,425.63	\$5,266.00	\$1,056,482.71
2009	\$830,231.23	\$99,050.98	\$44,144.24	\$121,060.73	\$1,087.78	\$1,095,574.96
2010	\$820,825.98	\$57,659.77	\$36,599.12	\$102,838.55	\$0.00	\$1,017,923.42
2011	\$813,167.82	\$67,603.16	\$43,862.84	\$112,365.16	\$0.00	\$1,036,998.98
2012	\$848,445.08	\$116,959.30	\$57,340.71	\$135,570.33	\$3,900.58	\$1,162,216.00
2013	\$891,874.08	\$115,173.97	\$54,237.11	\$147,230.99	\$6,054.20	\$1,214,570.30
2014	\$921,430.58	\$126,553.81	\$62,755.98	\$140,316.10	\$0.00	\$1,251,056.47

11 TURNBACK (END-OF-THE-YEAR)

Department unexpended budget (or turn back). Money that will be turned back to the County to appropriate into the County Library Fund.

2014 \$98,000

12 CARRY OVER (BEGINNING OF THE YEAR)

Funds turned back to the County will Carry the County Library Budget over into the first three months of the new year until millage money can arrive the last week of March or in April.

13 HOW THE BUDGET IS FIGURED

Step 1: Estimated Funds for Carryover

Turnback Figures: During September and October, the Director projects what will not be spent through the end of the year and submits the number to the County Treasurer.

The County Treasurer projects how much will come in in the next year for the various taxes and grants.

Then 10% is subtracted as required by law.

The County Library Fund balance at the end of October is added back in.

This results in the Estimated Funds Available for Carryover.

Subtract appropriated Unexpended funds through October 14th (Before taxes were paid)

Add Appropriated Unexpended Funds for Turnback.

This is the Estimated Carryover for January 1st of new year.

Step 2: Minus 10% reserve

Step 3: Plus funds not subject to reserve

Then you have the amount for appropriation.

Example:

FOR CALENDAR YEAR 2015			
DATE 10/14/2014			
CODE#	REVENUE CLASSIFICATION	2014	PROJECTED
		REVISED PROJECTED REVENUES 10/14/14	REVENUES 2015
7004	PROPERTY REIT/FF TRUST FUNDS	\$100,890.00	\$100,400.00
7008	LIBRARY STATE AID	\$121,500.00	\$120,000.00 *
7107	NONMILITARY LAND MINERAL LEASE	\$900.00	\$900.00
7111	IN LIEU OF TAX HOUSING AUTHORITIES	\$2,885.00	\$2,400.00
7117	TROLLA BLIND RELUGL RLVLNUL SHAKING ACT	\$254.00	\$215.00
7201	LOCAL PROPERTY TAXES - CURRENT	\$870,000.00	\$875,000.00
7202	LOCAL PROPERTY TAXES - DELINQUENT REAL ESTATE	\$12,000.00	\$12,000.00
7203	LOCAL PROPERTY TAXES - DELINQUENT PERSONAL	\$17,500.00	\$17,500.00
7210	STATE LAND SALES	\$205.00	\$100.00
7211	IN LIEU OF TAX-DOW CHEMICAL (ACT 9)	\$30.00	\$30.00
7220	STATE LAND REDEMPTION	\$5,825.00	\$5,000.00
8702	EXCESS COMMISSION - COLLECTOR	\$38,000.00	\$35,000.00
8703	EXCESS COMMISSION - TREASURER	\$10,500.00	\$11,000.00
8706	MISCELLANEOUS	\$2,000.00	\$500.00
8715	WORKERS COMPENSATION TRUST DIVIDEND	\$193.00	\$150.00
8735	LIBRARY MISCELLANEOUS FEES	\$16,870.00	\$15,000.00
9109	INTEREST INCOME DISTRIBUTED	\$1,700.00	\$1,500.00
TOTALS		\$1,199,652.00	\$1,196,595.00
TOTAL PROJECTED REVENUE - 2015			\$1,196,595.00
* LESS FUNDS NOT SUBJECT TO RESERVE			-\$120,000.00
			\$1,076,595.00
ESTIMATED CARRYOVER			
TREASURER'S BALANCE 10/14/14		\$418,359.00	
PLUS PROJECTED REVENUE THRU 12/31/14		\$299,635.00	
ESTIMATED FUNDS AVAILABLE FOR CARRYOVER		\$717,994.00	
LESS APPROPRIATED UNEXPENDED 10/14/14		\$390,221.00	
PLUS APPROPRIATED UNEXPENDED FOR TURNBACK		<u>\$92,500.00</u>	
ESTIMATED CARRYOVER JANUARY 1, 2015			\$444,273.00
ESTIMATED FUNDS AVAILABLE FOR APPROPRIATION			\$1,520,868.00
LESS 10% RESERVE			-\$152,087.00
* PLUS FUNDS NOT SUBJECT TO RESERVE			<u>\$120,000.00</u>
ESTIMATED 90% AVAILABLE FOR APPROPRIATION			\$1,488,781.00

2015 Budget:

Anticipated Revenue: \$1,488,781.00

Budget Request: \$1,341,108.46

Remaining (Cushion): \$147,672.54

That budget balances with a 10% reserve and a \$147,672.54 cushion.

14 CHANGES IN FUNDING

14.1 ARKANSAS STATE AID (REDUCED \$24,000)

State Aid to Arkansas Public Libraries



“What librarians need the legislature to know is that libraries have an important role as part of the education of Arkansas citizens of all ages.”



Earlier this year (Act 318) received Governor Hutchinson’s recommendation - State Aid to Public Libraries was at the same \$5.7 million level as previous years. However, when the Revenue Stabilization package was released Friday afternoon, March 27, there was a \$1 million cut in State Aid to Public Libraries. Our understanding is legislative leadership was given the task of proposing cuts in order to pay for the capital gains tax decrease and, unfortunately, public library funding was cut.

Revenue Stabilization Act

The Revenue Stabilization Act was approved by and sent to the House and Senate by the Joint Budget Committee includes a \$1 million dollar cut to State Aid to Public Libraries. This will affect approximately 1/3 of the citizens in the State of Arkansas and 25,000 Library patrons in Pope County alone.

The current funding level for state aid to public libraries is \$5.7 million; this **18% cut** in support to libraries impacts **more than 200 libraries in 70 counties** across the Natural State, not to mention 1,480,358 library patrons in the State of Arkansas and 25,000 patrons in Pope County alone.

Cut in State Aid to PCLS will amount to \$9,900 through the end of the 2015 year, and \$24,000 in 2016. PCLS will depend on the PCLS Library Foundation to help make up the difference in revenue by receiving donations. The Library Foundation with 501(c)(3) status was formed in 2014 so that donations could go toward expanding the libraries, supporting programming, and expanding the book collection.

State Aid to Arkansas Public Libraries PCLS was not expecting the cut based on the legislatures earlier passages. Earlier this year, the Arkansas State Library appropriation bill (Act 318) received Governor Hutchinson's recommendation - State Aid to Public Libraries was at the same \$5.7 million level as previous years. However, when the Revenue Stabilization package was released, there was a \$1 million cut in State Aid to Public Libraries.

State Aid to PCLS & Funding Needs State Aid at PCLS is used to purchase books and other library materials, and to help provide programming at its four branches. Director Pierce said, Over the next four months, we will raise funds to keep the book budget flat through donations, or fundraising. Last year, Pope County patrons requested double the number of books than our budget provided for. We ordered $\frac{1}{2}$, Interlibrary loaned a $\frac{1}{4}$ and pushed the remaining to next month's order list each month. In 2014, PCLS circulated 297,186 books saving Pope County citizens \$7.429 Million dollars in book purchases alone.

The legislature needed to propose cuts in order to pay for the capital gains tax decrease and, public library funding was cut. What librarians need the legislature to know is that libraries have an important role as part of the education of Arkansas citizens of all ages.

If each of the Library System's 30,388 patrons will donate 80 cents, our book budget will remain flat. If each patron donates \$5, we can double the budget. If each patron donates \$25, we would be set for several years.



9% of our funding, \$116,000, comes from State Aid through the Arkansas State Library.
Of that amount, \$24,000 has been reduced, which we will raise through the Library
Foundation.



How can they donate? Online through the Foundation website

<http://www.popelibrary.org/foundation/>

Click Donate Now

Select Where it is needed most.

14.2 PILT FUNDS (INFORMATION REQUESTED)

(Payment in Lieu of Taxes) which the county are distributing only to County General in the future. Rescinded in 2014 back to the County.

2014	\$.00
2013	\$.00
2012	\$16,025.05
2011	\$13,773.50
2010	\$12,401.63
2009	\$ 5,666.71
2008	\$ 8,179.33
2007	\$ 7,919.50
2006	\$ 5,773.46
2005	\$ 6,993.33
2004	\$ 8,586.27

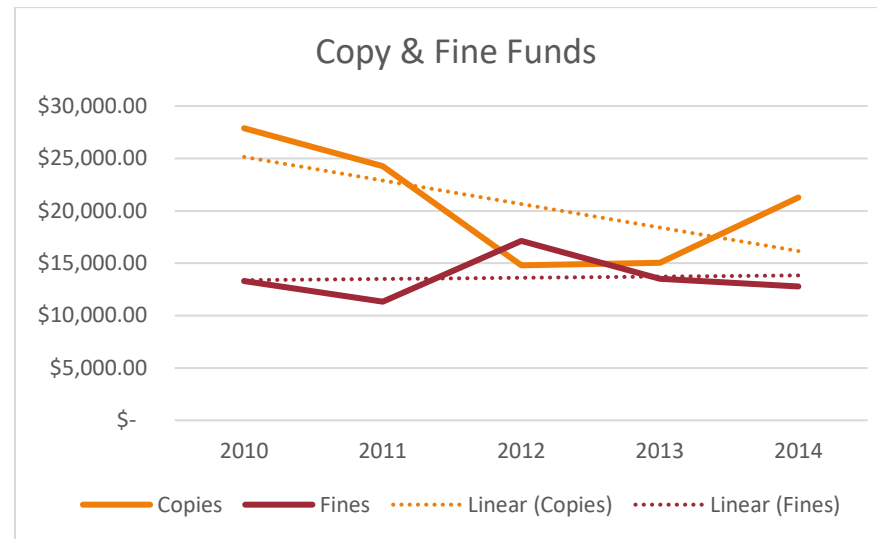
These are gross amounts; a 2% commission is deducted from these amounts.

14.3 ERATE FUNDS (\$12,000 PER YEAR)

Decreasing 20% each year over the next 5 years – Currently receive \$12,000 per year

2016	\$9,600
2017	\$7,200
2018	\$4,800
2019	\$2,400
2020	\$0

14.4 FINES (\$20,649 AVG) & COPIES (\$13,606 AVG)



Amount of copy money is reducing due to more e-Books, and Full-Text Journal articles that can be printed at home.

15 OTHER CONSIDERATIONS

Vendor Increases

Postage Increases

Employee feedback through Annual Workplan (May Library Board Meeting)

To get ball park figure of how much is needed to sustain current programming
about department/branch costs, items needed,

New projects, and marketing

Budgets of other libraries the same size

16 OPPORTUNITIES

Apply for Grants through PCLS Foundation
IMLS Grant for Book Scanner

Donations to PCLS Foundation

Fines
Book Store
Book Sale
Online Book Sales through Foundation for unsold book sale books

Volunteers
Endowments
Gifts

17 MASTER PLAN RECOMMENDATIONS

Increase size of branches 4 ½ times their current size.
Double Size of Collection
Double Number of Computers

18 DIRECTOR RECOMMENDATIONS

Advocacy on local, state and federal levels all year. Board and Director write Advocacy Plan.

Fundraising Plan: Director work with PCLS Library Foundation to form.

Grants: Director and Board work with PCLSF to write grants.

Form book endowment through PCLSF so books will be purchased through Foundation, and County Book Line Item can be used to hire more part-time clerks and pay for pay increases.

19 VALUATION OF LIBRARY SERVICES

How valuable is your local library? Use this handy Library Value Calculator, created by the [Massachusetts Library Association](http://www.mla.org/).

http://www.ala.org/advocacy/advleg/advocacyuniversity/toolkit/makingthecase/library_calculator

Input amounts and post to web, Facebook, Twitter, and all Social Media.

Value of Your Library Use

Input Your Use	Library Materials & Services	<u>Value of Your Use</u>
<input type="text" value="X"/>	Adult Books Borrowed	\$ <input type="text" value="X"/>
<input type="text" value="X"/>	YA Books Borrowed	\$ <input type="text" value="X"/>
<input type="text" value="X"/>	Childrens Books Borrowed	\$ <input type="text" value="X"/>
<input type="text" value="X"/>	Audiobooks Borrowed	\$ <input type="text" value="X"/>
<input type="text" value="X"/>	Interlibrary Loan Requests	\$ <input type="text" value="X"/>
<input type="text" value="X"/>	eBooks Downloaded	\$ <input type="text" value="X"/>
<input type="text" value="X"/>	Magazines Read	\$ <input type="text" value="X"/>
<input type="text" value="X"/>	Newspapers Read	\$ <input type="text" value="X"/>
<input type="text" value="X"/>	Movies Borrowed	\$ <input type="text" value="X"/>
<input type="text" value="X"/>	CDs Borrowed	\$ <input type="text" value="X"/>

<input type="checkbox"/>	Music Downloaded	\$ <input type="checkbox"/>
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<input type="checkbox"/>	Meeting Room Use (per hour)	\$ <input type="checkbox"/>
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<input type="checkbox"/>	Adult Program Attended	\$ <input type="checkbox"/>
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<input type="checkbox"/>	Young Adult Program Attended	\$ <input type="checkbox"/>
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<input type="checkbox"/>	Childrens Program Attended	\$ <input type="checkbox"/>
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<input type="checkbox"/>	Museum Passes Borrowed	\$ <input type="checkbox"/>
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<input type="checkbox"/>	Computer Use (per hour)	\$ <input type="checkbox"/>
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<input type="checkbox"/>	Database Searches	\$ <input type="checkbox"/>
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<input type="checkbox"/>	Reference Assistance	\$ <input type="checkbox"/>
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