

# St. Louis County Library **2019 Budget Proposal**

December 17, 2018



St. Louis County **Library**

**FINAL**



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# ST. LOUIS COUNTY LIBRARY DISTRICT 2019 MAINTENANCE & OPERATION BUDGET

## EXECUTIVE SUMMARY

The St. Louis County Library experienced an outstanding year in 2018. Phase 2 of Your Library Renewed included the re-opening of one branch, Grand Glaize, and work on three new branches: Thornhill, Mid-County and Meramec Valley. As with the other locations, the new spaces are designed to encourage children to explore, play and learn. Teens have a place all to themselves where they can hang out and adults are greeted with quiet study rooms, robust collections, knowledgeable staff, and comfortable spaces.

Planning began in earnest on the largest of the Your Library Renewed projects, the replacement of the Headquarters location. Next year will see the design of a new HQ and operations facility. In addition, the planning and design of the new Eureka Hills Branch will begin in 2019.

The Library received several honors this year. St. Louis County Library's Florissant Valley Branch was chosen as a Building St. Louis award winner. The award acknowledges projects that "are changing and improving St. Louis." The Library won a National Association of County Information Officers Awards of Excellence for the Career Online High School program. Three library staff were also recognized by the State of Missouri for their exemplary work.

Last year the Library launched several innovative programs and services including Hip Hop Architecture Camp, After school meals with chess lessons, no-fee reciprocal lending, the circulation of musical instruments and board games, and the expansion of the Recycled Reads program into the Promise Zones and corresponding transit centers. In addition, the Library hosted its first graduation ceremony for ten graduates of the Library's Career Online High School program.

In 2018, the Library District worked to develop a new Strategic Plan for the System. With this new plan as our guide, 2019 looks to be another remarkable year. The 2019 Library Budget addresses plans for the three areas of focus in the Strategic Plan. These are:

**Promote Literacy and Support Lifelong Learning:** We serve the community's literacy needs from babies to adults. We are the best resource for supporting lifelong learning and individual growth.

**Foster a Sense of Community and Social Connectedness:** We understand the needs of our communities and look for opportunities to support understanding and enrich the lives of our patrons.

**Maximize Access and Impact:** We strive to increase the reach and accessibility of the library's resources and services.

Our plans outlined in the 2019 Budget for collections, programs, services and facilities support these goals. Plans include the opening of three new branches and designs for HQ and Eureka Hills, increasingly diverse collections, expanding our Born to Read program to include Mercy Hospital, an increased emphasis on adults who struggle with reading and those who speak English as a second language, coding classes for adults, increasing the number of branches offering Sunday hours and innovative programming for children, teens and adults including a new bookmobile.

This is a very exciting time to be part of the St. Louis County Library. We look forward to the continued support of our patrons and great success in 2019 through the values of customer service excellence, lifelong learning, advocating for youth, community engagement and integrity.



Kristen L. Sorth  
Director

## GOVERNANCE & BUDGETING PROCESS

The St. Louis County Library District was established as a political subdivision of the State of Missouri with taxing authority by an election held in April of 1946. The first book was circulated in March of 1947.

The five member Board is appointed by the County Executive with County Council consent. The Library operates on a calendar year. An annual audit report is sent to the County Executive by April 30.

The St. Louis County Library District follows these procedures in preparing the budget document and following the legal approval process:

- St. Louis County Collector of Revenue's office will distribute property assessed valuations during the middle of September. The Assistant Director, Administration obtains the assessed values for the Library District and calculates tax rates that determine the cash received for the upcoming calendar year. The proposed tax rates are presented to the public for comment at a tax hearing. The Library Board of Trustees approves the recommended tax rates at the September Board meeting. Tax rates are certified by the Missouri State Auditor's office no later than October 1st.
- The Budget Committee is responsible for approving the budget prior to its presentation to the Library Board of Trustees. The committee is comprised of key administrative personnel who actively share in putting forward the plan for the upcoming budget year. With the input of the committee, the Assistant Director, Administration is responsible for preparation of the budget.
- The proposal is submitted to the Library Board in November as an informational item and is submitted for formal approval at the December meeting.
- The budget document includes the statutory requirements as stated in the Revised Statutes, State of Missouri. The budget is prepared and presented to the Library Board on a cash basis for all funds. Some historical comparatives in the budget document are represented as audited and are from the Governmental Fund section of the Library District's Comprehensive Annual Financial Report. These financial statements are based on the modified accrual basis of accounting.
- The document includes proposed revenue and expenditures. By law, expenditures may not exceed the total of current revenues and assigned/unassigned fund balances.
- According to Missouri State Statutes, the Library District can revise the budget once during the year. Revisions to the budget are reviewed by the Budget Committee and must be approved by the Library Board of Trustees. Revisions to the budget are approved in September.

The St. Louis County Library District operates on a fiscal year of January 1 through December 31. This is in accordance with Missouri Revised Statutes governing the operation of County Libraries in Missouri.





## **MAINTENANCE AND OPERATING FUND**



## REVENUE HIGHLIGHTS

- **DISTRICT TAXES**—Library District tax revenue in 2019 is budgeted at \$51.6 million, a 1.4% increase over the revised 2018 budget of \$50.9 million. Tax revenue is projected to generate over 96% of the Library District’s total revenue. Assessed valuations have increased slightly from 2017 by .4% from the prior year (see page 12). The Missouri State Auditor certified tax rates on September 27, 2018 (see page 13). The residential real estate and personal property tax rates remained the same. The agricultural and commercial rates show a slight increase due to assessed valuations only having a minimal increase over 2017.
- **FINES AND FEES**—Fines and Fees revenue will be reduced by approximately 33% in 2019. The Library District has made a concerted effort to remove barriers to library usage and that includes several changes to the fines procedure over the last couple of years. In late 2018, the District began using an auto renewal feature in the Library’s integrated library system software. Currently, a patron is notified two days prior to material coming due and after a short grace period is assessed a fine when the material is returned late. The auto renew feature offers improved convenience for the patrons by renewing items until they reach the maximum checkout period or when there is a request for an item. Fines will still be assessed on items not returned or when eventually due.

## EXPENSE HIGHLIGHTS

- **SALARIES**—The salary budget for 2019 is projected to increase 3.9%. Salary increases, including merit increases and structure adjustments, are budgeted at an average of 2.83% or a total of approximately \$612,272 as approved by the Board at the September 24, 2018 Library Board meeting. Additionally, the new Meramec Valley Branch, opening early in 2019, will significantly increase in size; therefore the Library District plans to add ten new positions (8 FTE) to adequately staff the branch. The new positions include an Assistant Branch Manager, two full-time Library Clerks, two full-time Library Assistants, a full-time Custodian, and four part-time Library Assistants. These positions will add approximately \$240,000 in annual salary expense to the 2019 budget. Lastly, additional salary expense of \$63,750 was added for Sunday hours for the new Meramec Valley Branch and the Mid-County Branch. Neither branch previously had Sunday hours. The request for additional Sunday hours was mentioned during the community engagement portion of the strategic planning process.
- **PENSION**—The Library District’s Pension plan is 92% funded as of the actuarial report issued by the Library’s actuary, Milliman, in January of 2018. The Library District is committed to a fully funded Pension plan at 100%. In 2018, Milliman recommended, and the District contributed, \$1,914,634 to the District’s Pension Plan. In 2019, the Library District will budget a contribution of \$2,150,000. At the October 15, 2018 Pension Board meeting, the Pension Board voted to approve the permanent implementation of the Rule of 80 to the Library’s Pension Plan. Milliman completed a study that revealed minimal impact to the funding percentage and the annual contribution. In anticipation of the Library Board passing the Rule of 80 at the December Board meeting, the District is budgeting an increased annual contribution.
- **PERSONNEL SERVICES**—The training budget within Personnel Services will increase in 2019 by approximately \$30,000 to incorporate additional training. The Library District will include additional staff training for Mental Health Awareness, Preventing Sexual Harassment, and Diversity and Inclusion. Also in 2019, the Library will establish a cohort of non-MLS staff who will receive educational and on-the-job learning opportunities. The objective will be to develop staff that show great aptitude and interest and provide individuals with opportunities to develop professionally and to make greater contributions to the Library. Part of the training will be conducted through online training and education for non-MLS staff. These classes will be paired with activities and learning opportunities at the Library.
- **LIBRARY COLLECTIONS**—Continuing with the commitment to allocate 15% of the overall budget to Library Collections, the Library will allocate \$8,225,000 to collections in 2019. This represents an increase of \$125,000 over the 2018 budget. Traditional materials such as adult, teen, and children’s books, along with significant investments in DVDs and audiobooks, will account for the majority of the collection budget. In response to information received from patrons during the Strategic Planning process, the Library will increase spending on eBooks overall, but an additional \$100,000 is specifically allocated for the establishment of an on-demand bestseller eBook collection. This collection will feature popular titles that are not holdable. Patrons will be able to find popular eBook titles without the need for a waiting list. This aligns closely with the Library’s strategy on similar print bestseller titles. After the collection’s launch at the end of 2018, the Library anticipates adding to its Adult Education collection, which is made up of resources for low literacy adults, and English language learners and citizenship materials. Additional funds will be designated for the continuation and possible expansion of the musical instrument lending program.



## EXPENSE HIGHLIGHTS (continued)

- **COLLECTION MAINTENANCE AND SUPPLIES**—The Collection Maintenance budget will increase by approximately 6% in the Library’s 2019 budget. This is largely due to the purchase of Open Athens. Open Athens is a product that will allow patrons to securely and reliably log into online resources such as Overdrive and Hoopla with one logon ID and password. This will simplify online use and allow patrons to more easily access all of the Library’s e-Resources. The Library District’s current product is outdated and unsecure and requires a separate logon ID to be used with each online product.
- **CONFERENCES AND LIBRARY MEMBERSHIPS**—Library Memberships will increase by approximately \$45,000 in 2019. The Library District plans to join the MOBIUS Consortium. The purpose of the MOBIUS Consortium is to share library materials and information. MOBIUS has 76 library members mostly from Missouri and surrounding states. Joining MOBIUS will allow a patron to easily search and request an item from the collections of other member libraries when St. Louis County Library does not own the item. Members of MOBIUS have a courier service that delivers items from member libraries once-per-day. This service will allow Library patrons to receive materials much earlier and will prevent many patrons from being placed on wait lists. This streamlined request and delivery process will greatly increase the efficiency of handling inter-library loan (ILL) requests. Through MOBIUS, ILL requests will be filled for most patrons in 3–4 days compared to 2–3 weeks currently. In addition to considerable savings in staff time and added convenience for patrons, the Library will save dollars on postage expense to offset some of the membership fee.
- **PROGRAMMING AND READING CLUBS**—The Programming and Reading Clubs budget will increase by approximately \$71,000 in 2019. This increase can be attributed to several key factors. Library programming and participation in reading clubs is an area of tremendous growth in recent years for the Library. Unlike the past several years, most branch locations will be open and providing programming for the entire year. In particular, Meramec Valley, which has been extremely limited in program capacity due to space constraints, anticipates a significant increase in programming. The majority of this overall increase will go toward funding programming at each location. This increase in programming will support popular existing programs such as Coding 101 while also providing new opportunities for adults to learn coding skills. Outreach into the community is heavily emphasized in the Strategic Plan, and branches, as well as several Headquarters departments, including Reference and History and Genealogy will increase efforts in these areas. The Library will be an integral part of regional efforts to launch and develop early literacy initiatives such as Turn the Page STL and establishing St. Louis as a “Campaign for Grade Level Reading” community. Programming will play a significant role in both of these endeavors. Finally, the Library will purchase access to MindPlay, an online virtual reading coach software. The program will enable low literacy adults to develop or improve their reading ability through a progressive series of online lessons. This addition will complement resources added to the Adult Education collection.



## EXPENSE HIGHLIGHTS (continued)

- **UTILITIES**—The District will expand the availability of Wi-Fi hot spots again in 2019. The District currently has 90 devices and will purchase an additional 60. The hot spots will be available at all branch locations. Some of the devices will be made available for regular circulation and some will be available to be reserved for a specific time period. Additionally, the Library is interested in collaborating with a local school district to make hot spots available for student use during the school year. Also, following the strategic plan guidelines, several hot spots will be set aside to register new library cards at outreach events. The anticipated increase in the Library's data communication cost is \$21,600 for 2019. Traditional utility expenditures such as electricity, gas, water, and sewer are expected to remain unchanged from the prior year.
- **BUILDING REPAIR**—Building Repair is projected to increase from \$522,662 in 2018 to \$617,419 in 2019. Major projects scheduled for 2019 include replacing shelving canopies and end panels at Cliff Cave and Natural Bridge at a cost of \$200,000. Also, the Library District plans to repurpose the small meeting room to increase the space allocated to the Natural Bridge teen area. The utilization of the teen area is greater than was expected at the time of renovation. This expansion will be partially funded by the St. Louis County Library Foundation. Other projects include HVAC enhancements at Jamestown Bluffs, Samuel C. Sachs, Natural Bridge, and Florissant Valley Branches at a cost of \$80,000, adding lights at the Natural Bridge parking lot for approximately \$10,000, and seal and stripe of the Grant's View and Lewis and Clark parking lots at a budgeted cost of \$19,500. Additionally, the budget includes activating the outdoor space at the Oak Bend Branch and installing a mini discovery zone at the Lewis & Clark Branch.
- **BUILDING OPERATIONS**—Building Operations is expected to increase 14%, from \$1,123,925 in 2018 to \$1,287,048 in 2019. The increase is largely due to a budgeted amount of \$112,000 for the construction of an outdoor activity space for children at the Grant's View Branch. This space was included in the original branch design. The Library plans to activate this space for Library programs and it will be partially funded through grants received by the St. Louis County Library Foundation.
- **MOBILE SERVICES AND OPERATIONS**—The Mobile Services and Operations 2019 budget will increase to \$147,505. In 2019, the Library District will begin to turn over management of the Library-owned automobile fleet to Enterprise Fleet Management. The District will begin by replacing many of the older model vehicles with newer leased models from Enterprise in 2019. Over the period of the next five years, the Library will continue to trade in Library owned vehicles for leased vehicles until all the fleet is leased from Enterprise. Initial cost estimates prepared by Enterprise show no increase or decrease in costs but eventually, as the entire fleet of vehicles become leased, cost should decrease as the newer vehicles will require less repair and maintenance cost. The District will no longer purchase or own vehicles. The cost of vehicles purchased has ranged from \$45,000 to \$90,000 in each of the last three years. The District will also lease an additional vehicle to be used by staff representing the Library at various community outreach events. The vehicle will have an enhanced audio system and an exterior-mounted video system that will be used for demonstrations of library resources, instruction, and for gaming and videos. The new Strategic Plan places a strong emphasis on increasing the reach and accessibility of the Library's programs and services.

## **EXPENSE HIGHLIGHTS** (continued)

- **EQUIPMENT**–The Equipment budget remains almost flat at \$80,400 in 2019. The Library District plans to purchase Motorola two-way radios for staff. Currently, Lewis and Clark, Daniel Boone, Grant’s View, and Florissant Valley staff have the radios. They have improved customer service and proven valuable to enhancing staff and patron safety. Half of the remaining branches will receive the radios in 2019 and the rest in 2020. The budgeted cost for the radios is \$29,500. Additionally, the District has budgeted \$33,500 for additional security cameras at various branches across the Library District. The new cameras will provide better coverage in the branch and parking lots for added security. Older cameras that have poor resolution will be replaced.
- **TECHNOLOGY**–Technology costs are projected to increase from \$706,793 in 2018 to \$809,166 in 2019, a 14.5% increase. A large part of the increase for 2019 includes migrating the District’s PCs from Windows 7 to Windows 10 and addresses a Strategic Plan objective to “Provide the community with the technological resources and support to stay connected and informed.” The conversion will take place over two years and in the 2019 budget, the projected hardware and software cost is \$170,500. The cost includes purchasing Windows 10 licensing and 75 new personal computers to replace aging hardware. The technology budget also includes the purchase of two servers for a total of \$35,000. One server will replace an existing device that has reached end-of-life status. The second server will be used to meet the growing need for increased storage capacity and video streaming throughput for the District’s growing fleet of security cameras. Increased security camera deployments have saturated the District’s current video storage server. Additionally, an \$18,000 expenditure is planned for web development services that will improve search capabilities on the Library’s web site and strengthen the site’s responsive design to enhance the user experience from mobile devices. Lastly, the Library District plans to purchase incident reporting software to replace the Library’s current online form. The software will compile historical data of incidents to allow the District to better understand the types and frequency of incidents. Also, the software will allow more efficient communication of incidents across all Library branches.
- **CAPITAL PROJECTS**–The capital projects budget will be used for expenses related to the design and construction of the new Eureka Hills Branch. The budget for 2019 is \$650,000 for the design of the new branch. Design should start in the spring and conclude by the end of the year. The construction of the new building will start in early 2020.

**ST. LOUIS COUNTY LIBRARY  
REVENUE  
MAINTENANCE AND OPERATION  
2016–2019**

<b>ITEM</b>	<b>2016 AUDIT</b>	<b>2017 AUDIT</b>	<b>2018 REVISED BUDGET</b>	<b>2019 BUDGET</b>
District Taxes	48,764,319	48,009,582	50,893,991	51,602,122
District Taxes - Prior Years	(622,555)	(32,638)	40,898	40,898
District Taxes - TIF	98,338	328,597	59,261	20,000
Financial Institution Tax	466,960	–	528,011	400,000
Athletes & Entertainers Tax	52,500	44,000	47,000	47,000
State Aid	142,692	181,042	326,440	326,440
State Grant	77,337	68,426	42,811	42,811
Other Grants	130,629	60,000	106,800	100,000
E-rate discounts	76,423	85,046	70,584	83,015
Fines and Fees	744,579	535,240	377,664	252,102
Sale of Surplus Materials	35,558	93,839	81,933	81,933
Interest Earned	326,335	374,283	500,047	500,047
Copy Income	231,378	254,729	273,006	273,008
Miscellaneous	2,438,824	113,597	76,631	26,400
<b>Total Revenue</b>	<b>52,963,318</b>	<b>50,115,744</b>	<b>53,425,079</b>	<b>53,795,777</b>



**ST. LOUIS COUNTY LIBRARY  
EXPENSE  
MAINTENANCE AND OPERATION  
2016–2019**

<b>ITEM</b>	<b>2016 AUDIT</b>	<b>2017 AUDIT</b>	<b>2018 REVISED BUDGET</b>	<b>2019 BUDGET</b>
Salaries	\$19,093,884	\$19,783,195	\$20,662,820	\$21,475,961
FICA	\$1,503,049	\$1,553,925	\$1,622,640	\$1,671,206
Pension	\$2,507,144	\$1,889,545	\$1,938,456	\$2,175,344
Group Life Insurance	\$97,161	\$99,282	\$102,661	\$111,628
Medical and Dental Insurance	\$3,155,754	\$3,383,323	\$3,524,879	\$3,836,303
Workers' Compensation	\$113,231	108,224	101,408	123,561
Unemployment Compensation	\$3,640	10,633	17,009	25,000
Personnel Services	407,651	355,487	400,847	422,580
<b>Subtotal</b>	<b>26,881,512</b>	<b>27,183,614</b>	<b>28,370,719</b>	<b>29,841,582</b>
Library Collections	7,383,103	7,698,137	8,100,000	8,225,000
Collection Maintenance & Supplies	452,424	568,447	535,793	568,442
Equipment Service Agreements and Office Supplies	298,015	313,805	343,356	365,877
Public Relations and Printing	203,945	210,156	276,917	276,917
Programming and Reading Clubs	457,861	627,661	541,052	612,000
Conferences and Library Memberships	122,745	102,818	120,382	165,382
Professional Services	266,460	190,586	277,092	235,000
Miscellaneous	11,099	11,384	16,445	16,445
Utilities	1,227,282	1,269,510	1,334,160	1,355,760
Custodial Supplies & Services	315,051	356,481	356,412	383,912
Insurance	313,106	303,433	329,862	362,848
Building Repair	152,892	224,123	522,662	617,419
Building Operation	820,313	916,075	1,123,925	1,287,048
Mobile Services and Operation	97,795	124,579	123,505	147,505
<b>Subtotal</b>	<b>\$12,122,091</b>	<b>\$12,917,195</b>	<b>\$14,001,563</b>	<b>\$14,619,556</b>
Automotive	87,754	45,702	74,476	-
Equipment	20,752	94,974	80,101	80,400
Furniture	50,794	67,370	197,533	203,437
Technology	713,379	646,524	706,793	809,166
Capital Projects	79,797	506,159	0	650,000
Debt Service	5,468,386	6,978,195	6,426,360	6,455,485
<b>Subtotal</b>	<b>\$6,420,862</b>	<b>\$8,338,924</b>	<b>\$7,485,263</b>	<b>\$8,198,488</b>
<b>Total Cash Expenditures</b>	<b>\$45,424,466</b>	<b>\$48,439,733</b>	<b>\$49,857,544</b>	<b>\$52,659,626</b>

**ST. LOUIS COUNTY LIBRARY  
CASH FUND BALANCES  
2018–2019**

	Unassigned	Restricted	Assigned for Capital Improvements	Total
2018 Beginning Balance	\$8,506,819	\$7,496	\$24,711,935	\$33,226,250
<b>ADD:</b> 2018 Projected Surplus/(Deficit)				3,567,535
<b>TOTAL:</b> 2018 Projected Ending Balance	8,466,960	7,496	28,319,329	36,793,785
<b>ADD:</b> 2019 Projected Surplus/(Deficit)				1,136,151
<b>TOTAL:</b> 2019 Projected Ending Balance	8,884,732	7,496	29,037,709	37,929,936

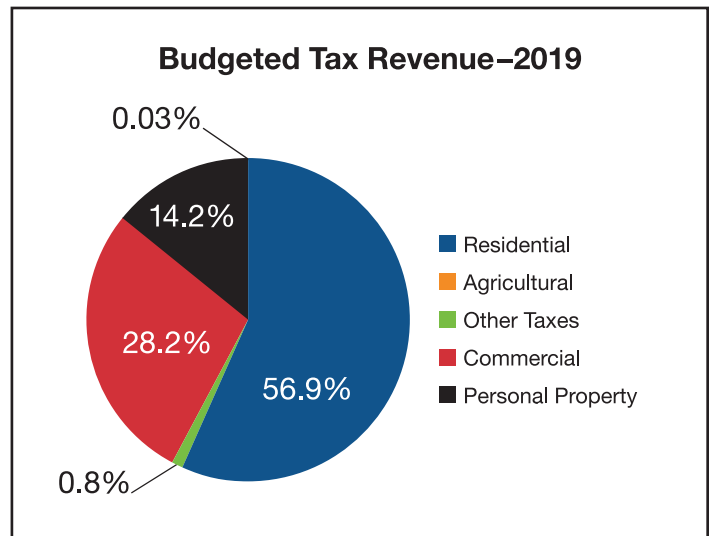
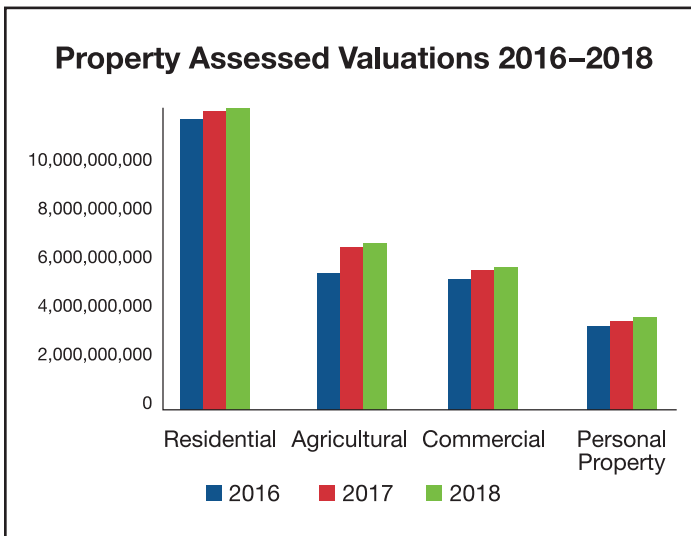
**FUND BALANCE**

In 2011, the Library Board of Trustees established a fund balance and reserve policy that was revised in 2013 and again in 2014. This policy defines classifications for the fund balance and outlines steps to be taken if the fund balance falls above or below the recommended levels. While a small portion of the fund balance is restricted, the remaining balance is either unassigned or assigned for capital improvements. The minimum amount of unassigned fund balance must be between 15% and 20%, with a target of 17.5% of the following year's budgeted operational expenses. This range is in line with the Government Finance Officers Association (GFOA) recommended levels. The policy also addresses a fund balance in excess of the 20%. All of the fund balance above 20% will be assigned for Capital Improvements. The projected amount of fund balance above 20% at the end of 2019 to be assigned to Capital Improvements is \$29,037,709.

Total tax revenue is projected to provide \$51.6 million in cash for the fiscal year 2019. Tax revenues are 96% of the Library District’s total revenue. The District’s tax revenue projections are based on tax rates the Library Board approves each September. The Library sets a rate for each subclass of real estate (residential, agricultural, and commercial). Rates are also set for personal property. Tax rates are then certified by the Missouri State Auditor. The rates that were certified on September 27, 2018 of this year will provide the budgeted cash for 2019. Below are the rates for the past three years:

	<b>Residential</b>	<b>Agricultural</b>	<b>Commercial</b>	<b>Personal Property</b>
<b>2016</b>	0.246	0.245	0.263	0.225
<b>2017</b>	0.234	0.215	0.253	0.225
<b>2018</b>	0.234	0.217	0.259	0.225

The above tax rates are levied against assessed property valuations issued through the Collector of Revenue’s Office and adjusted by the Board of Equalization each September. Generally, as assessed valuations grow, library revenue will grow. Total assessed valuations grew .4% from 2017 to 2018 and rose 7.4% from 2016 to 2017.



The assumed collection rate is 96.5%. St. Louis County receives 1% for collecting taxes and .5% for the costs of general reassessment which is conducted in odd years. Property reassessment occurs every odd year, thus, 2019 will be a reassessment year. Tax Increment Financing (TIF) project assessments are a reduction of the property assessed valuations and is included in the values in the chart shown. The Library budgets a small amount of tax revenue from these projects and does not actually receive revenue until a surplus is determined and distributed. The other sources of income account for 3.5% of the total budgeted revenue in 2019. This revenue mainly consists of financial institution tax income, fines and fees, photocopy income, sale of surplus materials, state aid to Libraries issued by the State of Missouri, and E-rate rebates on technology expenses.





**NICOLE GALLOWAY, CPA**  
Missouri State Auditor

CERTIFICATION LETTER

September 27, 2018

County Clerk  
St. Louis County  
41 S Central Ave.  
Clayton, MO 63105-0000

RE: 10-096-0007 St. Louis County Library District

Dear Collector of Revenue:

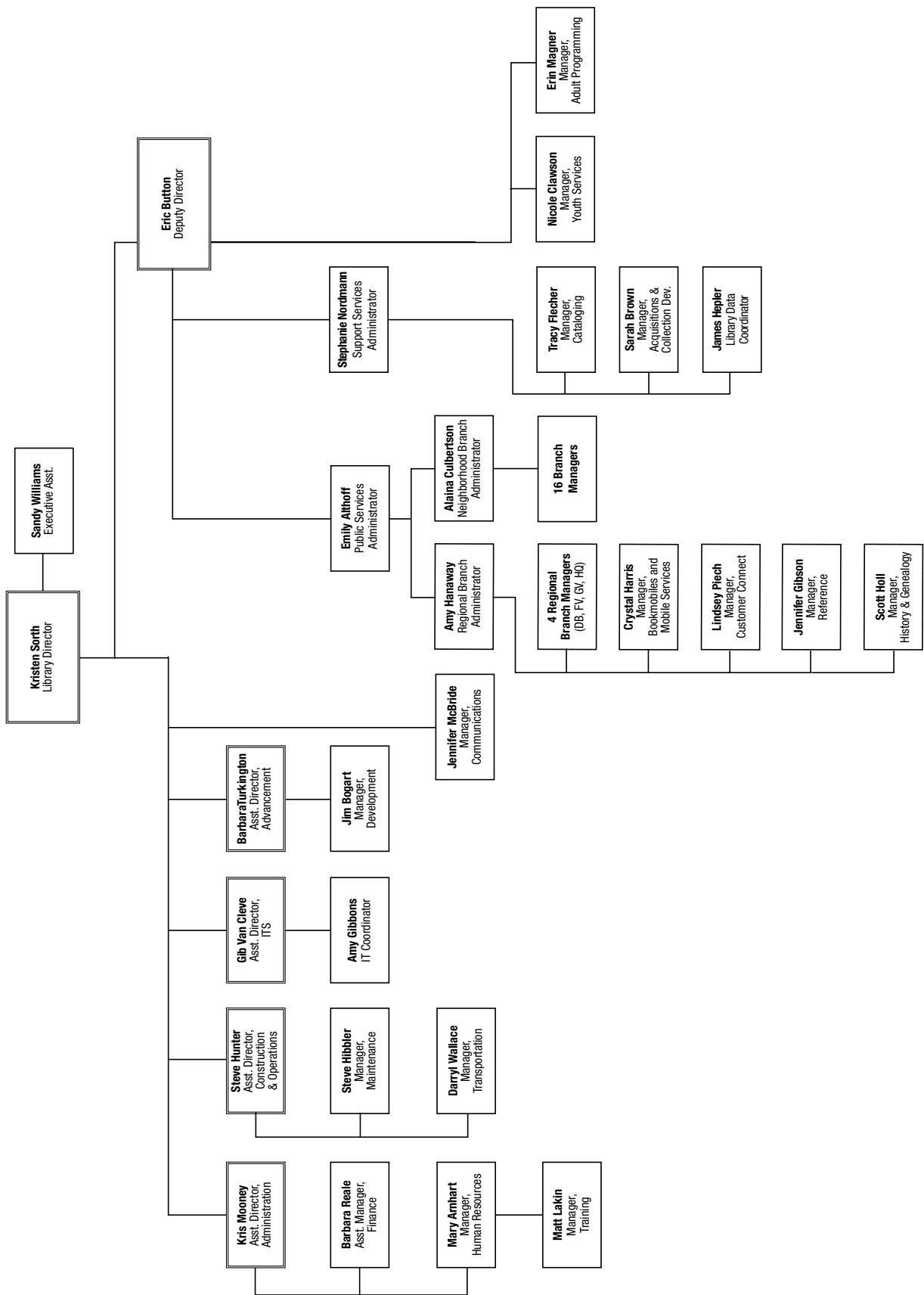
We have received information to substantiate compliance with Missouri law for the 2018 property tax rates for the above-captioned taxing authority. Section 137.073.6, RSMo, requires the State Auditor to examine such information and return to the county clerk our findings regarding the property tax rate ceilings and the debt service levy, if applicable. The State Auditor's Office has relied on information presented and representations made by the taxing authority for our review of the tax rate ceiling(s) and actual property tax rate(s) levied. Our findings are based upon existing constitutional provisions, statutes, rulings, and court decisions.

We understand that the taxing authority's property tax rate ceiling(s) and actual property tax rate(s) levied for 2018 to be as follows:

Purpose	Tax Rate Ceiling or Maximum Allowable Debt Service	Sales Tax Reduction	20% Required Reduction 1st Class Charter County Political Subdivision Not Submitting Estimate Non-Binding Tax Rate	Voluntary Reduction	Recoupment Rate	<b>CERTIFIED RATE</b>	Taxing Authority's Proposed Rate	Complies with MO Laws Yes/No
General Revenue								
Residential	0.2340	0.0000	0.0000	0.0000	0.0000	<b>0.2340</b>	0.2340	Yes
Agricultural	0.2170	0.0000	0.0000	0.0000	0.0000	<b>0.2170</b>	0.2170	Yes
Commercial	0.2590	0.0000	0.0000	0.0000	0.0000	<b>0.2590</b>	0.2590	Yes
Personal Property	0.2250	0.0000	0.0000	0.0000	0.0000	<b>0.2250</b>	0.2250	Yes

Based on the information submitted by the taxing authority we find the CERTIFIED RATE(S) for the taxing authority as listed above, complies or does not comply with the provisions Section 137.073, RSMo, as indicated above. Any taxing authority levying a rate(s) higher than the certified rate(s) is/are not in compliance with Missouri laws. All tax levies not in compliance will receive a Notification of Non-Compliance Letter sent certified mail, will be referred to the Missouri Attorney General's Office pursuant to Section 137.073.6(2), RSMo, and will also be noted in our Review of 2018 Property Tax Rates report. A copy of this letter must be sent by your office to the above captioned political subdivision to comply with Section 137.073.6, RSMo.

# LIBRARY DISTRICT ORGANIZATIONAL CHART







## **CAPITAL PROJECTS FUND**





## **CAPITAL PROJECTS FUND 2019 BUDGET**

On September 30, 2016, the St. Louis County Library received \$79 million from the second issuance of Certificates of Participation. The funds received are being used in the second phase of the Library District's multi-year construction plan. The \$58 million in funds received from the 2013 issuance of Certificates of Participation, used for Phase 1 construction, were depleted early in 2017.

In the fall of 2016, Phase 1 was complete with construction on eleven of the Library District's nineteen branches. In 2017, Phase 2 construction commenced and includes the construction or renovation of seven branches and the beginning of design work to replace the Library Headquarters. These funds, as were the funds in Phase 1, are held in a separate bank account by the Library District's Trustee, BOK Financial, and are accounted for separately from the Maintenance and Operating Fund, in a Capital Projects Fund.

In 2014, Phase 1 began with the construction of two new facilities, the Grant's View Branch, replacing Tesson Ferry, and the Lewis & Clark Branch. The Lewis & Clark facility was completed and opened in November 2015 and the Grant's View Branch opened in December 2015. Phase 1 also included nine branches for renovation. The Jamestown Bluffs and Indian Trails Branches opened in November 2015. The Weber Road Branch opened in December 2015 and the Rock Road Branch opened in January 2016. Construction began in early 2016 on the five remaining branches in Phase 1. The Samuel C. Sachs Branch was the first to open in July 2016. It was closely followed by the Oak Bend Branch in August 2016. The Natural Bridge, Prairie Commons and Cliff Cave Branches opened in September 2016.

Phase 2 construction began in the fall of 2016 with the closures of the Daniel Boone, Florissant Valley, and Bridgeton Trails Branches. All three branch renovations were complete in 2017 with the Bridgeton Trails Branch opening in June 2017, Florissant Valley in August 2017, and the Daniel Boone Branch in October 2017. Phase 2 continued in 2018 with the renovation of the Grand Glaize Branch which opened in September 2018 with a 5,000 square foot addition. The Mid County Branch closed in the fall of 2017 and the Thornhill Branch closed in January of 2018. Both locations will have new buildings on the same site. Thornhill will open to the public in early 2019 and Mid County will open in late spring 2019. The new Meramec Valley Branch is currently under construction at a new location and will open in the spring of 2019. Eighteen of the nineteen branches will be completed in 2019. The Headquarters location is the final project in the Your Library Renewed Capital Improvement Plan. Design work is currently underway for Headquarters and construction is expected to begin in 2020.

**ST. LOUIS COUNTY LIBRARY  
REVENUE AND EXPENSE BREAKDOWN  
CAPITAL PROJECTS FUND  
2014-2019**

	2014	2015	PHASE 1 2016	PHASE 2 2016	PHASE 1 2017	PHASE 2 2017	PHASE 2 2018	PHASE 2 2019
ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	ACTUALS	REVISED BUDGET	BUDGET
Interest Earned	85,274	166,256	24,131	40,864	41	138,642	1,258,433	350,000
<b>Total Income</b>	<b>85,274</b>	<b>166,256</b>	<b>24,131</b>	<b>40,864</b>	<b>41</b>	<b>138,642</b>	<b>1,258,433</b>	<b>350,000</b>
Professional Services								
Facilities Master Plan								
Administrator	249,596	345,493	441,046		33,990	394,335	379,335	420,000
Construction Manager	245,331	1,993,554	2,173,012		139,566	1,371,716	2,317,814	1,210,006
Legal	137,393	23,729	57,120		4,795	211,604	29,812	50,000
Architects	1,716,369	1,469,273	1,868,879		119,634	2,043,555	929,115	3,692,542
Bond Issuance Expense								
Other	145,681	833,697	590,572		171,090	744,805	474,175	400,000
Land Acquisition								
Land	2,960,280					3,745,887	6,400,000	
Earnest Deposits								
Building Construction	985,796	13,352,752	1,182,489			20,260	10,636,779	10,847,291
Building Renovation		7,390,736	12,933,813		1,674,201	12,150,236	5,999,118	29,614
Furniture, Fixtures, and Equipment		1,593,989	2,064,328		51,184	1,239,637	443,914	750,000
Technology		256,511	326,519		106,741	135,328	208,730	200,000
Other Construction Expense								
<b>Total Operational Cash Expenditures</b>	<b>\$6,390,446</b>	<b>\$27,238,704</b>	<b>\$21,637,777</b>	<b>-</b>	<b>\$2,301,202</b>	<b>\$22,057,361</b>	<b>\$27,818,5792</b>	<b>\$17,629,067</b>
Projected Cash Balance								
<b>End of Year (*Projected)</b>	<b>50,987,254</b>	<b>23,914,807</b>	<b>2,301,160</b>	<b>79,183,232</b>	<b>0</b>	<b>57,264,513</b>	<b>30,704,155</b>	<b>13,425,088</b>



## DEBT SERVICE FUND



## **DEBT SERVICE FUND 2019 BUDGET**

With the issuance of the Certificates of Participation on April 30, 2013, the St. Louis County Library established a Debt Service Fund from which all principal and interest payments related to the debt will be paid. A second Debt Service Fund was established with the Library District's second issuance of Certificates of Participation on September 30, 2016.

The debt service for the 2013 issuance of Certificates is for 25 years and the debt service for the 2016 issuance of Certificates is for 30 years. Both require semi-annual interest payments in April and October and an annual principal payment in April (the debt service schedule can be found on page 19). Payments will be made with transfers from the Library's Maintenance and Operating Fund. Both issuances of the Certificates were issued with favorable ratings from Standard and Poor's (AA) and Moody's (Aa2).



**ST. LOUIS COUNTY LIBRARY  
REVENUE AND EXPENSE BREAKDOWN  
DEBT SERVICE FUND  
2014-2019**

	<b>2014 AUDIT</b>	<b>2015 AUDIT</b>	<b>2016 AUDIT</b>	<b>2017 AUDIT</b>	<b>2018 REVISED BUDGET</b>	<b>2019 BUDGET</b>
Transfer In from Operating Fund	3,481,892	5,469,052	5,468,386	6,978,309	6,425,698	6,455,485
<b>Total Income</b>	<b>3,481,892</b>	<b>5,469,052</b>	<b>5,469,386</b>	<b>6,978,309</b>	<b>6,425,698</b>	<b>6,455,485</b>
Interest Payments	1,841,892	1,899,052	1,753,386	4,128,309	4,025,698	3,955,485
Principal Payments	1,640,000	3,570,000	3,715,000	2,850,000	2,400,000	2,500,000
<b>Total Operational Cash Expenditures</b>	<b>\$3,481,892</b>	<b>\$5,469,052</b>	<b>\$5,468,386</b>	<b>\$6,978,309</b>	<b>\$6,425,698</b>	<b>\$6,455,485</b>

## AGGREGATE DEBT SERVICE

**St. Louis County Library District, Missouri  
Certificates of Participation, Series 2016  
PROPOSED FINAL - 'Aa2' Moody's / 'AA' S&P**

PERIOD ENDING	SERIES 2016	SERIES 2013	AGGREGATE DEBT SERVICE
10/01/2016		5,468,366.26	5,468,366.26
10/01/2017	2,506,265.53	4,472,066.26	6,978,331.79
10/01/2018	3,457,668.76	2,968,691.26	6,426,360.02
10/01/2019	3,487,668.76	2,967,816.26	6,455,485.02
10/01/2020	3,516,668.76	2,969,691.26	6,486,360.02
10/01/2021	3,532,668.76	2,970,066.26	6,502,735.02
10/01/2022	3,534,668.76	2,966,166.26	6,500,835.02
10/01/2023	3,538,543.76	2,965,266.26	6,503,810.02
10/01/2024	3,534,293.76	2,965,416.26	6,499,710.02
10/01/2025	3,536,793.76	2,966,466.26	6,503,260.02
10/01/2026	3,535,793.76	2,965,766.26	6,501,560.02
10/01/2027	3,543,818.76	2,966,966.26	6,510,785.02
10/01/2028	3,561,018.76	2,965,566.26	6,526,585.02
10/01/2029	3,579,918.76	2,965,850.63	6,545,769.39
10/01/2030	3,579,518.76	2,966,341.25	6,545,860.01
10/01/2031	3,576,018.76	2,968,135.00	6,544,153.76
10/01/2032	3,575,328.13	2,967,491.25	6,542,819.38
10/01/2033	3,576,131.25	2,967,800.63	6,543,931.88
10/01/2034	3,579,362.50	2,967,898.76	6,547,261.26
10/01/2035	3,578,625.00	2,968,406.26	6,547,031.26
10/01/2036	3,573,850.00	2,970,043.76	6,543,893.76
10/01/2037	3,577,275.00	2,966,600.01	6,543,875.01
10/01/2038	3,578,750.00	2,967,834.38	6,546,584.38
10/01/2039	6,543,125.00		6,543,125.00
10/01/2040	6,543,975.00		6,543,975.00
10/01/2041	6,544,950.00		6,544,950.00
10/01/2042	6,545,900.00		6,545,900.00
10/01/2043	6,546,675.00		6,546,675.00
10/01/2044	6,542,200.00		6,542,200.00
10/01/2045	6,542,325.00		6,542,325.00
10/01/2046	6,546,750.00		6,546,750.00
	<b>129,416,550.05</b>	<b>72,254,713.31</b>	<b>201,671,263.36</b>