



November 25, 2019

2020 BUDGET Proposal

St. Louis County Library
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ST. LOUIS COUNTY LIBRARY DISTRICT 2019 MAINTENANCE & OPERATION BUDGET

EXECUTIVE SUMMARY

The St. Louis County Library is nearing completion of the Your Library Renewed campaign. For the first time since April 2015, all St. Louis County Library branches are open! This year we had ribbon cuttings for three brand new branches; Thornhill, Meramec Valley and Mid-County. 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 all patrons will find quiet study rooms, robust collections, knowledgeable staff, enhanced outdoor spaces and comfortable nooks. Over the last five years, these newly renovated or replaced buildings have attracted new patrons and brought back old friends. The impact of these new buildings can be seen in record setting statistics in 2019 for circulation, visits and program attendance.

Work has begun on the largest of the Your Library Renewed projects, the replacement of the Headquarters location. Land was purchased for a Genealogy Library and Administrative Library Building and site work began in earnest in the second half of 2019 with construction to begin in 2020. In addition, the planning and design of the new Eureka Hills Branch has begun and construction on the new facility should start in late 2020.

Last year the Library launched several innovative programs, services and partnerships including Etsy Craft Entrepreneurship, Comfort Kits for patrons in transition, an eBestseller collection, the circulation of binoculars, MindPlay online reading coach program for adults, and partnering with the St. Louis Area Diaper Bank to provide emergency diaper distribution at high-need branches. In addition, the Library has celebrated 44 students graduating from the Career Online High School program.

With the Strategic Plan as our guide, 2020 looks to be another remarkable year. The 2020 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 2020 Budget for collections, programs, services and facilities support these goals. Plans include the ongoing development of the Genealogy Library and Administrative Library Building and the new Eureka Hills Branch. In addition, we will provide increasingly diverse collections, an increased emphasis on services to adults who are justice-involved, and innovative programming for children, teens and adults including a multi-day teen book festival, ACT prep classes, and a summer reading club by mail service. The Library will also be heavily involved in activities encouraging participation in the 2020 Census as libraries will play an important role with the shift to online census participation.

We also plan to expand several successful pilots with the support of the St. Louis County Library Foundation including additional locations for Wi-Fi Hot Spot lending, mobile vision clinics, tutoring, and emergency diaper distribution.

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 2020 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. The Library operates on a calendar year. An annual audit report is sent to the Missouri State Auditor by April 30.

The St. Louis County Library District follows these procedures in preparing the budget document following 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 audited Financial Statements. 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.



2020 BUDGET PROPOSAL

MAINTENANCE and OPERATING FUNDS

REVENUE HIGHLIGHTS

- **DISTRICT TAXES**– Library District tax revenue in 2020 is budgeted at \$52.6 million, a 2% increase over the revised 2019 budget of \$51.6 million. Tax revenue is projected to generate over 96% of the Library District’s total revenue. Assessed valuations have increased significantly from 2019 by over 11% from the prior year (see page 12). The Missouri State Auditor certified tax rates on September 30, 2019 (see page 13). The residential real estate and commercial tax rates are being reduced due to the significant increase in assessed valuations for these areas. This is a requirement of the rollback provision in the Hancock Amendment. When the assessed valuations increase at a percentage greater than the change in the Consumer Price Index (CPI), the tax rate will be reduced as to not grow revenue more than the change in the CPI. The agricultural tax rate had a slight increase over 2018, and the personal property tax rate remains the same as 2018.
- **STATE AID**–The budget for revenue received from the State of Missouri will increase in 2020. The appropriation of Missouri State Aid to public libraries for FY2020 has increased to the amount appropriated in FY2015. The budget increased by approximately 32% or just over \$100,000.
- **FINES AND FEES**–Fines and Fees revenue will be reduced by approximately \$130,000 in 2020. The library district made a concerted effort to remove barriers to library usage, which includes changes to the fines procedure over the last several years, resulting in progressively declining fine revenue. As addressed in the Library’s Strategic Plan, in 2020 the Library District will join many other library district’s across the country, including Chicago Public Library, by eliminating fines on overdue materials. Replacement fees will still be assessed on materials that are lost or not returned.
- **INTEREST EARNED**–The budget for interest received from investments in 2020 will reduce by 27%, or approximately \$270,000. The budget decrease is largely due to the maturity of several certificates of deposit and US Treasuries in 2019 that have been renewed at lower rates.

EXPENSE HIGHLIGHTS

- **SALARIES**–The salary budget for 2020 is projected to increase 3.7%. Salary increases, including merit increases and structure adjustments, are budgeted at an average of 2.34%, or a total of approximately \$506,453, as approved by the Board at the September 23, 2019 Library Board meeting. There are no plans to add new positions in 2020.
- **PENSION**–The Library District’s Pension plan is 79% funded as of the actuarial report issued by the Library’s actuary, Milliman, in January of 2019. The Library District is committed to a fully funded Pension plan at 100%. In 2019, Milliman recommended, and the District contributed, \$2,360,562 to the District’s Pension Plan. In 2020, the Library District will budget a contribution of \$2,200,000, a reduction of approximately 7%. The 2019 recommended contribution was significantly greater than previous recommendations due to significant market losses at the end of 2018. The market has recovered those losses which will reduce the net pension liability. This reduction in the net pension liability will reduce the amount of recommended annual contribution.
- **PERSONNEL SERVICES**–Personnel Services will increase in 2020 by approximately \$32,000, or 8%. In 2019, the Library District had 10 employees enrolled in the Library District’s tuition reimbursement program. The Library’s Strategic Plan addresses the support of Library employees with a focus on equity and inclusion, and in 2020, there will be 24 employees requesting tuition reimbursement. In order to be eligible for this benefit, an employee must be employed full time for a minimum of two years, and achieve a grade of “B” or greater in the class. All of the employees requesting tuition reimbursement are taking classes toward a Masters of Library and Information Science degree.
- **LIBRARY COLLECTIONS**–Continuing with the commitment to allocate 15% of the overall budget to Library Collections, the Library will allocate \$8,355,000 to collections in 2020. This represents an increase of \$30,000 over the 2019 revised budget. Spending on adult books in print will be reduced slightly to shift additional funds over to the increasingly popular eMedia formats. In total, an additional \$85,000 will be allocated to eMedia. The collection of bestseller eBooks will continue to be expanded in an effort to better meet the high level of patron demand. Investments in print reference materials will decrease as usage and access to this information shifts more to electronic resources. After a very successful launch of the adult education collection in 2019, and continuing to adhere to Library’s focus on literacy in the Strategic Plan, more resources will be added to help adults increase their literacy skills. New kits focused on early literacy development, called “Read and Play” kits, will be developed and made available at all 20 library locations. Funds will be allocated for the expansion of the children’s collection to increase the diversity of materials. Finally, the Library will purchase additional titles in the new read-along book format from Wonderbooks and Vox Books. These books are self-contained children’s read-along stories that begin reading the story to the child with the push of a button.

EXPENSE HIGHLIGHTS (continued)

- **COLLECTION MAINTENANCE SOFTWARE AND SUPPLIES**–The Collection Maintenance budget will increase by approximately 6%, or \$35,000, in the Library’s 2020 budget. This is largely due to the purchase of a new software, Patron Point, which will help to create community awareness of the Library as addressed in the Strategic Plan. Patron Point is a marketing automation platform that connects directly with the Integrated Library System software (ILS) and other third party programs. The Library District will use Patron Point to keep patrons informed about account activity, library resources, programs, and events based on the patron’s own preferences. Examples of use would be to notify patrons of the ability for patrons to track new material by their favorite author or topic, and the Library District can promote the benefits of obtaining a library card with non-cardholders who attend various library events.
- **PROGRAMMING AND READING CLUBS**–The Programming and Reading Clubs budget will increase by approximately \$5,000 in 2020. Several new programs will be added during the year, highlighted by a multi-day teen book festival. The successful Etsy business programs will offer two additional class sessions. Game Changers, the program offered at Lewis & Clark Branch to encourage and recognize positive teen behaviors at the Library, will expand to Natural Bridge and Weber Road branches. Another reason for the increase in programming expenses is that 2020 will be the first time since 2014 that all 20 Library locations will be open the entire year to offer programming. A new learning experience centered around artificial intelligence is being developed by staff and will be introduced in 2020. The reach of the Summer Reading Club (SRC) will increase with the addition of an SRC by mail service that will deliver the program and materials to families in underserved areas that are unable to visit library branches. The increase in programming expenses is largely offset by a \$16,500 decrease in the Reading Clubs budget. Savings were realized by identifying attractive prizes at a lower price point, and because some stock of prize books remained from 2019.
- **PROFESSIONAL SERVICES**–The budget for professional services will increase by approximately 16%, or \$37,000, in 2020. In 2019, the Library District purchased software to electronically store documents rather than to physically store them in file cabinets. The functionality of the software has proven to be a success, and the budget for document scanning in 2020 will be increased to accommodate the scanning of various finance and human resource documents. This will reduce the need for file cabinets and create more functional space at the current Headquarters location, as well as the future Administrative Library building.
- **BUILDING REPAIR**–Building Repair is projected to increase by approximately 6%, or \$35,000, in the 2020 budget. Several new or renovated branches are approaching their 5-year anniversary and are due for maintenance. Major projects scheduled for 2020 include partial carpet replacement at five branch locations (Lewis & Clark, Indian Trails, Weber Road, Rock Road, and Natural Bridge). Carpet will be replaced in the high traffic areas such as the public computer areas and the meeting rooms. In 2020, the District will have the parking lots at four branch locations sealed and striped (Indian Trails, Natural Bridge, Prairie Commons, and Samuel C. Sachs). Lastly, four branch locations (Jamestown Bluffs, Lewis & Clark, Natural Bridge, and Rock Road) will be adding an acrylic wall covering on the bottom half of the wall, mostly in the study rooms, for protection against scrapes and dents, extending the life of the walls.

EXPENSE HIGHLIGHTS (continued)

- **BUILDING OPERATIONS**—Building Operations is expected to increase 16%, or approximately \$210,000, in the 2020 budget. Major projects include the expansion of the Natural Bridge teen space. Due to the high use of the teen space, the District will eliminate a small meeting room in order to double the amount of square footage available for use. This expansion will be partially funded by the Library's Foundation, at an estimated cost of \$150,000. Additionally, the Grant's View and Oak Bend branches have retaining walls that must be repaired at an approximate total cost of \$30,000 due to erosion. Other projects include building a sound wall around the HVAC system outdoors at the Weber Road Branch in order to prevent noise entering the nearby neighborhood. With funding from the Library Foundation, the District plans to also enhance the outdoor space at the Prairie Commons branch at a cost of \$50,000. Lastly, the District will be installing a crosswalk, which will connect to the walking path at the Meramec Valley Branch at an estimated cost of \$125,000.
- **MOBILE SERVICES AND OPERATIONS**—The Mobile Services and Operations 2020 budget will increase by approximately \$240,000. As presented in the Library's current Strategic Plan, the District plans to repair the four bookmobile trailers at a budgeted cost of approximately \$200,000. Repairs include interior cosmetic issues such as carpet, furniture, door replacements, and various structural repairs. Also, general maintenance issues will be performed such as A/C and electrical inspections. With funding raised by the Library's Foundation, three of the four bookmobiles will be re-wrapped with graphical highlights of current Library themes. Additionally, the Library District will continue to lease vehicles through the fleet management program with Enterprise Fleet Management in 2020. The Library District will replace six owned vehicles with newer vehicles that will be leased.
- **FURNITURE/OTHER**—The Furniture budget in 2020 includes many significant items and will increase by approximately \$405,000. Major projects include replacing canopies and end panels on the shelving at three branches (Cliff Cave, Prairie Commons, and Natural Bridge) at cost of approximately \$300,000. The Library District has budgeted approximately \$50,000 for furniture replacement or reupholstery of furniture at five Library branches (Jamestown Bluffs, Weber Road, Rock Road, Natural Bridge, and Samuel C. Sachs). In addition, the circulation desk will be reconstructed at the Lewis & Clark Branch at a budgeted cost of \$50,000. The relocation of the desk will help staff provide increased service to Library patrons by having the surface area expanded thus giving Library employees a better view of the entire branch.

EXPENSE HIGHLIGHTS (continued)

- **TECHNOLOGY**–Technology costs are projected to increase 26%, or approximately \$193,000 in 2020. The increase is largely due to the upgrade of the content management software (CMS) for the Library’s website. The CMS the District currently uses is Drupal version 7. This version will reach its end-of-life and will be unsupported soon. The Library District will upgrade to version 8. This CMS allows the District to create, manage, or modify content on the website without the need for specialized technical knowledge from outside consultants. The budgeted cost for this upgrade is \$175,000. Other projects in the Technology budget include purchasing replacement computers for the circulation desk and employee workrooms, and the reservation and print management computers across all branch locations at a budgeted cost of \$175,000. Additionally, the Library District will be heavily involved in helping St. Louis County residents submit their 2020 Census data. All Census information will be submitted online and the Library District plans to buy 15 Chromebooks and distribute them across all branch locations for patrons to use in filling out their Census information. Library staff will be trained to assist patrons in this process. The Library has received a grant to assist with the cost associated with staff time and training, and the purchase of the Chromebooks.
- **CAPITAL PROJECTS**–The Capital Projects budget will be used for expenses related to the design and construction of the new Eureka Hills Branch. Funds from the Assigned for Capital Improvements Fund Balance in the Library District’s Maintenance and Operating fund will be used for construction as the Eureka Hills Branch was not included in the District’s Your Library Renewed campaign. Included in the budget for 2020 will be the remaining architect fees of approximately \$100,000. Construction of the new branch is anticipated to be in the spring and run through the middle of 2021. The total construction budget for the new branch is approximately \$8.3 million of which 75%, or \$6.3 million, will be included in the 2020 budget.

**ST. LOUIS COUNTY LIBRARY
REVENUE
MAINTENANCE AND OPERATION
2017-2020**

ITEM	2017 AUDIT	2018 AUDIT	2019 REVISED BUDGET	2020 BUDGET
District Taxes	48,009,582	53,205,876	51,625,138	52,645,902
District Taxes - Prior Years	(32,638)	310,689	849,189	636,892
District Taxes - TIF	328,597	58,089	17,044	8,000
Financial Institution Tax	-	528,011	543,433	400,000
Athletes & Entertainers Tax	44,000	47,000	47,000	47,000
State Aid	181,042	326,226	326,691	429,574
State Grant	68,426	63,031	37,178	37,178
Other Grants	60,000	114,300	105,810	50,000
E-rate discounts	85,046	114,694	83,015	74,806
Fines and Fees	535,240	345,898	326,125	195,282
Sale of Surplus Materials	93,839	39,439	76,025	68,593
Interest Earned	374,283	753,765	1,007,704	738,522
Copy Income	254,729	266,589	273,884	273,230
Miscellaneous	113,597	132,277	100,195	30,000
Total Revenue	50,115,744	56,305,884	55,418,431	55,634,979

**ST. LOUIS COUNTY LIBRARY
EXPENSE
MAINTENANCE AND OPERATION
2017-2020**

ITEM	2017 AUDIT	2018 AUDIT	2019 REVISED BUDGET	2020 BUDGET
Salaries	\$19,783,195	\$20,378,710	\$21,471,107	\$22,258,362
FICA	\$1,553,925	\$1,596,816	\$1,668,908	\$1,736,152
Pension	\$1,889,545	\$1,937,758	\$2,384,506	\$2,223,244
Group Life Insurance	\$99,282	\$95,390	\$108,843	\$129,600
Medical and Dental Insurance	\$3,383,323	\$3,479,209	\$3,810,974	\$4,048,500
Workers' Compensation	108,224	105,448	114,882	126,396
Unemployment Compensation	10,633	3,440	22,161	25,000
Personnel Services	355,487	350,533	421,507	453,786
Subtotal	27,183,614	27,947,304	30,002,889	31,001,041
Library Collections	7,698,137	7,999,797	8,325,000	8,355,000
Collection Maintenance & Supplies	568,447	571,145	597,998	633,236
Equipment Agreements and Office Supplies	313,805	333,161	362,653	344,153
Public Relations and Printing	210,156	254,963	278,446	283,318
Programming and Reading Clubs	627,661	567,608	606,576	611,500
Conferences and Library Memberships	102,818	119,527	140,382	140,085
Professional Services	190,586	220,946	234,285	271,285
Miscellaneous	11,384	8,384	16,035	16,035
Utilities	1,269,510	1,375,302	1,353,793	1,353,793
Custodial Supplies & Services	356,481	384,161	468,752	468,752
Insurance	303,433	316,081	338,590	372,174
Building Repair	224,123	272,940	580,960	616,090
Building Operation	916,075	1,108,573	1,289,662	1,502,488
Mobile Services and Operation	124,579	122,237	146,438	385,704
Subtotal	\$12,917,195	\$13,654,823	\$14,739,570	\$15,353,614
Automotive	45,702	73,011	-	-
Equipment	94,974	32,155	81,007	68,000
Furniture	67,370	81,647	89,590	494,600
Technology	646,524	662,502	756,549	950,209
Capital Projects	506,159	23,345	600,068	6,347,500
Debt Service	6,978,195	6,425,698	6,455,116	6,486,360
Subtotal	\$8,338,924	\$7,298,357	\$7,982,331	\$14,346,669
Total Cash Expenditures	\$48,439,733	\$48,900,485	\$52,724,790	\$60,701,323

**ST. LOUIS COUNTY LIBRARY
CASH FUND BALANCES
2019–2020**

	Unassigned	Restricted	Assigned for Capital Improvements	Total
2019 Beginning Balance	\$8,892,228	\$3,116	\$28,885,635	\$37,780,979
ADD: 2019 Projected Surplus/(Deficit)				2,693,642
TOTAL: 2019 Projected Ending Balance	8,945,376	3,116	31,526,129	40,474,621
ADD: 2020 Projected Surplus/(Deficit)			(5,066,345)	(5,066,345)
TOTAL: 2020 Projected Ending Balance	9,266,815	3,116	26,137,345	35,408,276

FUND BALANCE

In 2011, the Library Board of Trustees established an Unassigned Fund Balance Policy that was revised in 2013 and again in 2014. The unassigned fund balance is held in reserve for situations such as unanticipated emergencies, cash flow interruptions, decreases in local, state and federal funding, to avoid the need for short term borrowing and to maintain an investment grade bond rating. This Policy defines classifications for the unassigned fund balance and outlines steps to be taken if the fund balance falls above or below the recommended levels.

The Policy requires that the 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 recommendations of the Government Finance Officers Association (GFOA). The Policy also provides that when the unassigned fund balance exceeds 20% of the budgeted operational expenses, all of the balance above 20% will be assigned to the Capital Improvements Fund. At the end of 2019, the projected balance of the unassigned fund that exceeds 20% of the budgeted operational expenses and will be assigned to the Capital Improvements Fund is \$31,526,129.

In 2020, the Library District will intentionally budget for a deficit, where the budgeted expenditures will exceed the budgeted revenues by \$5,066,345. The deficit is the result of the construction of the new branch in Eureka and will be offset by the Capital Improvements Fund Balance. Without these construction expenses, the Library District would be budgeting for a surplus (budgeted revenues exceed budgeted expenditures) of \$1,281,155, which is in line with prior years’ budgets.

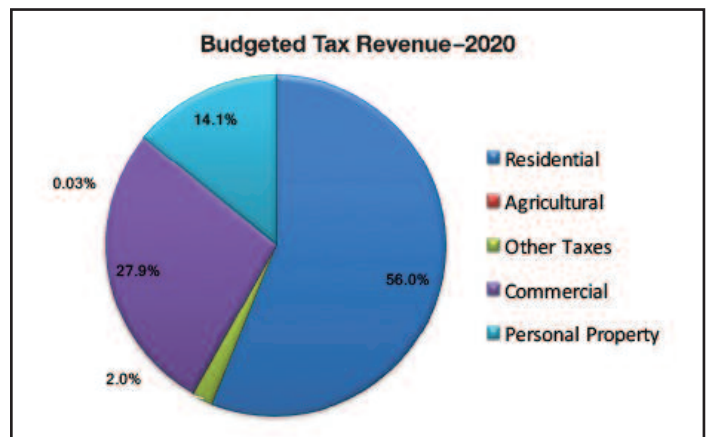
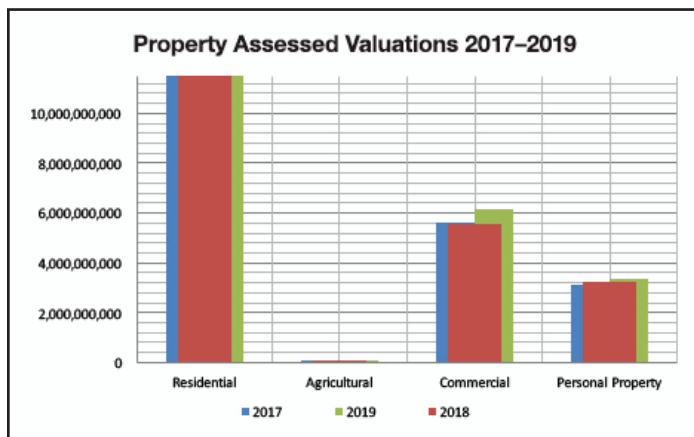
Since 2012, the Library District has been using surplus funds to build the balance in the Capital Improvements Fund for the purpose of constructing new buildings and to limit the amount of debt the District would have to incur to finance such construction projects. Using the Capital Improvements Fund is consistent with the Unassigned Fund Balance Policy and Section 67.010, RSMo., which governs the annual budgeting procedure for political subdivisions of the State of Missouri, including the Library District. After absorbing this deficit, the balance in the Capital Improvements Fund in the 2020 budget is projected to be \$26,137,345.

Total tax revenue is projected to provide \$53.3 million in cash for the fiscal year 2020. 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 30 of this year will provide the budgeted cash for 2020. Below are the rates for the past three years:

	Residential	Agricultural	Commercial	Personal Property
2017	12,339,395,050	6,265,530	5,628,927,711	3,144,350,307
2018	12,439,942,010	6,315,970	5,567,773,213	3,223,105,991
2019	14,115,195,600	6,285,400	6,125,279,313	3,338,040,934

	Residential	Agricultural	Commercial	Personal Property
2017	0.234	0.215	0.253	0.225
2018	0.234	0.217	0.259	0.225
2019	0.212	0.219	0.243	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 11.1% from 2018 to 2019 and rose .6% from 2017 to 2018.



The assumed collection rate is 96%. 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, 2020 will not 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 4% of the total budgeted revenue in 2020. 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 30, 2019

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:

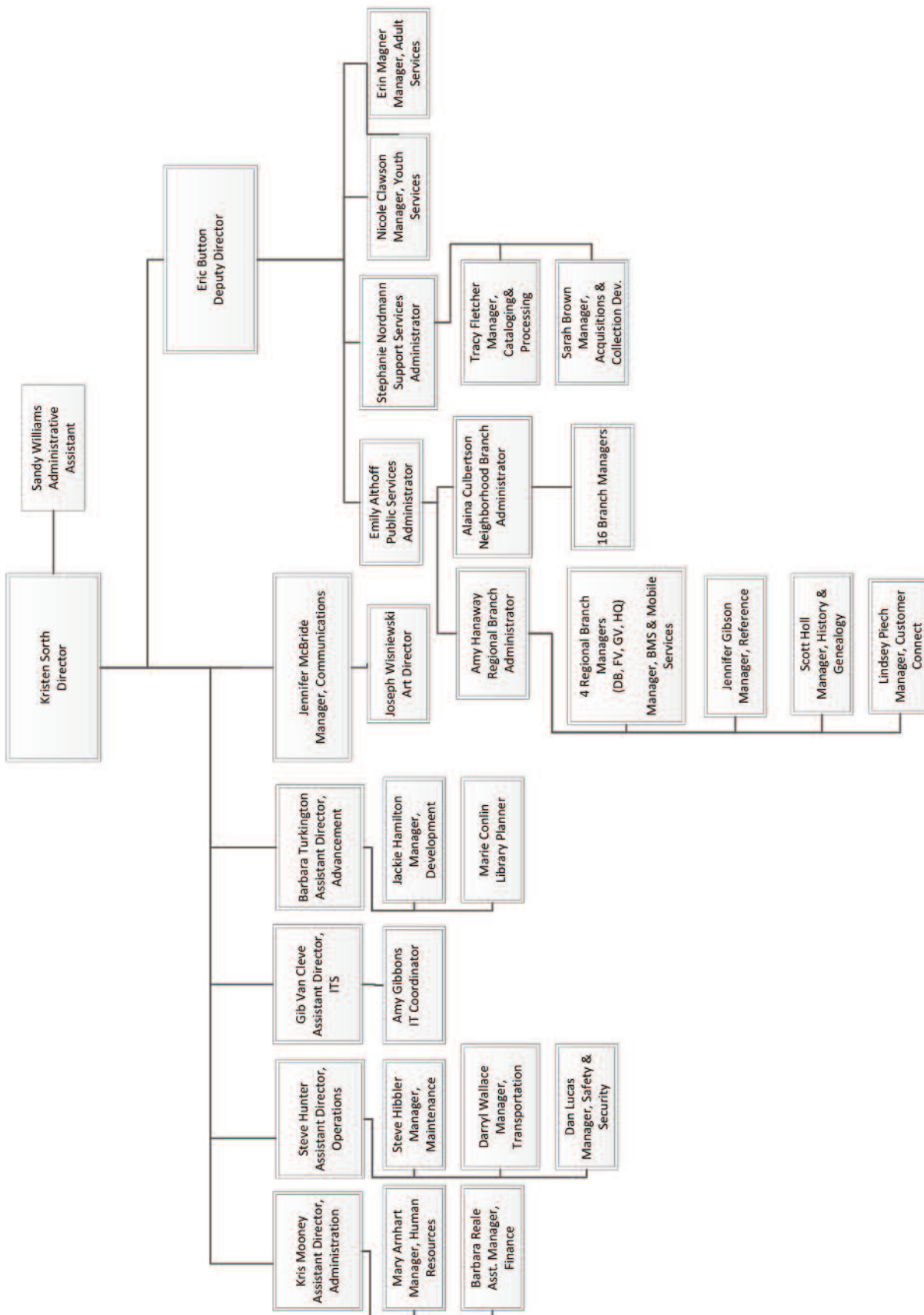
We have received information to substantiate compliance with Missouri law for the 2019 property tax rates for the above-captioned taxing authority. Section 137.073.6, RSMo, requires the State Auditor to examine such information and return to the county clerk our findings regarding the property tax rate 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 2019 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	CERTIFIED RATE	Taxing Authority's Proposed Rate	Complies with MO Laws Yes/No
General Revenue								
Residential	0.2120	0.0000	0.0000	0.0000	0.0000	0.2120	0.2120	Yes
Agricultural	0.2190	0.0000	0.0000	0.0000	0.0000	0.2190	0.2190	Yes
Commercial	0.2430	0.0000	0.0000	0.0000	0.0000	0.2430	0.2430	Yes
Personal Property	0.2250	0.0000	0.0000	0.0000	0.0000	0.2250	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 2019 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





2020 BUDGET PROPOSAL

CAPITAL PROJECTS FUND

CAPITAL PROJECTS FUND 2020 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 and third phases of the Library District's multi-year construction plan and the projected balance of those funds is shown on page 16. The \$58 million in funds received from the 2013 issuance of Certificates of Participation, used for Phase 1 construction were depleted early in 2017 with the completion of Phase 1 construction.

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. Phase 2 finished with the construction of three new buildings completed in 2019. A new 20,000 square foot Thornhill Branch opened on the same location in February 2019. The Meramec Valley Branch moved to a new location in 2019. The branch moved from a small, leased facility to a full service 21,000 square foot library. Lastly, the new 18,860 square foot Mid-County Branch opened in September of 2019.

Phase 3 also began in 2019 as the design for the new Genealogy Library and Administrative Library Building began. Construction will begin in 2020. Demolition and replacement of the Headquarters location will begin in 2021.

**ST. LOUIS COUNTY LIBRARY
REVENUE AND EXPENSE BREAKDOWN
CAPITAL PROJECTS FUND
2017-2020**

	2017 ACTUALS	2017 ACTUALS	2018 ACTUALS	2019 REVISED BUDGET	2020 BUDGET
Interest Earned	41	138,642	1,151,150	467,419	350,000
Total Income	41	138,642	1,151,150	467,419	350,000
Professional Services					
Facilities Master Plan Administrator	33,990	394,335	457,034	414,970	420,000
Construction Manager	139,566	1,371,716	3,838,735	338,857	300,000
Legal	4,795	211,604	47,938	108,175	100,000
Architects	119,634	2,043,555	976,201	1,249,026	693,677
Bond Issuance Expense					
Other	171,090	744,805	776,833	467,777	300,000
Land Acquisition					
Land		3,745,887	6,400,000		
Earnest Deposits					
Building Construction		20,260	8,846,689	10,909,734	12,726,000
Building Renovation	1,674,201	12,150,236	5,379,937	223,706	0
Furniture, Fixtures, and Equipment	51,184	1,239,637	695,702	1,070,546	0
Technology	106,741	135,328	206,220	132,087	0
Other Construction Expense					
Total Operational Cash Expenditures	\$2,301,202	\$22,057,361	\$27,625,289	\$14,914,878	\$14,539,677
Cash Balance End of Year (*Projected)	(0)	57,264,513	30,790,374	16,342,916	2,153,239



2020 BUDGET PROPOSAL

DEBT SERVICE

DEBT SERVICE 2020 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 18). 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
2017–2020**

	2017 AUDIT	2018 AUDIT	2019 REVISED BUDGET	2020 BUDGET
Transfer from Maintenance and Operating Fund	6,978,309	6,425,698	6,455,116	6,486,360
Interest Payments	4,128,309	4,025,698	3,955,116	3,866,360
Principal Payments	2,850,000	2,400,000	2,500,000	2,620,000
Total Debt Service	6,978,309	6,425,698	6,455,116	6,486,360

AGGREGATE DEBT SERVICE

St. Louis County Library District, Missouri
 Certificates of Participation
 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
	129,416,550.05	72,254,713.31	201,671,263.36