

St. Louis County Library **2018 Budget Proposal**

November 20, 2017



St. Louis County **Library**



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ST. LOUIS COUNTY LIBRARY DISTRICT 2018 MAINTENANCE & OPERATION BUDGET

EXECUTIVE SUMMARY

The St. Louis County Library experienced a remarkable year in 2017. Phase 2 of Your Library Renewed included the renovation and re-opening of three branches: Bridgeton Trails in June followed by Florissant Valley in August and Daniel Boone in October. Two of the branches, Florissant Valley and Daniel Boone, include a Discovery Zone for children, which is a first for the Library District. The spaces were designed to encourage children to explore, play and learn with features such as an interactive light wall, a pneumatic tube maze, and large magnetic walls where kids can use gears and other shapes to build tracks. The Discovery Zones have been met with smiles from children and caregivers alike along with increased visits and circulation of materials at those branches.

Planning, design and construction began in 2017 on the final projects in Phase 2 of Your Library Renewed. These include a renovation at Grand Glaize, new branches for Mid-County and Thornhill, and a new location and much larger branch for Meramec Valley. Grand Glaize is currently closed for construction and Mid-County will close before the end of the year. In addition, an architect was selected and planning is underway for the biggest project in the Your Library Renewed program—the replacement of HQ.

The Library also received several honors this year. St. Louis County Library was named a 2017 Top Workplace, received an Innovation Award from the Urban Libraries Council for the Emerson Technology Center at Natural Bridge, and a Community Partnership Award from the Missouri Library Association for our partnership with Operation Food Search. In addition, the Library received an award for Leadership in Planning and Design Innovation from East-West Gateway Council of Governments.

2017 also saw the launch of several innovative programs and services including Listen Up STL, Sensory Story Time, Career Online High School, and the expansion of Recycled Reads to the Promise Zones and St. Louis County Government. In addition, the Library upgraded its catalog and launched a brand new website.

With the Strategic Plan as our guide, 2018 looks to be another remarkable year for the St. Louis County Library. The 2018 Library Budget addresses plans for the three areas of focus in the Strategic Plan. These are:

Increase Literacy: The St. Louis County Library serves the community's literacy needs from babies to adults: We are the best resource for supporting individual growth.

Develop a strengthened sense of community and social connectedness: The St. Louis County Library understands the needs of our communities and looks for ways to support and enrich the lives of our patrons by providing opportunities to gather and enjoy shared experiences.

Create Gathering Spaces: We build community through our shared public space.

Our plans outlined in the 2018 Budget for collections, programs, services and facilities support these goals. Plans include Phase 2 construction on four branches, expanded collections, the first class of Career Online High School, Wi-Fi Hot Spot and musical instrument lending, collection kits for adults learning to read, mobile maker spaces, and innovative programming for children, teens and adults. We will also begin planning this year for a new Strategic Plan. 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 2018 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** – District tax revenue in 2018 is budgeted at \$50.8 million, a 2.7% increase over the revised 2017 budget of \$49.5 million. Tax revenue is projected to generate over 96% of the Library District's total revenue. Assessed valuations have substantially increased from 2017 growing almost 8% from the prior year (see page 10). Tax rates were certified by the Missouri State Auditor on September 27, 2017 (see page 11) and have decreased slightly from the prior year due to increased assessed valuations.
- **STATE AID** – The Library appropriations from the State of Missouri's fiscal 2018 budget included \$2.3 million in state aid to Missouri libraries. To date, the Missouri Governor has not withheld any of the appropriations. The St. Louis County Library District will budget to receive 100% of the funds for the 2018 fiscal year. The Library District's portion of Missouri State Aid will be approximately \$327,000.
- **MISCELLANEOUS** – At the September 2017 Library Board meeting, the Board authorized the Director to renegotiate the Reciprocal Lending Agreements with St. Louis Public Library, St. Charles City-County Library and the nine members of the Municipal Library Consortium. These new agreements will eliminate transactional fees associated with the agreements retroactive to January 1, 2017. As such, the revenue the Library District usually receives, approximately \$54,000, will be eliminated from the 2018 budget.

EXPENSE HIGHLIGHTS

- **SALARIES** – The salary budget for 2018 is projected to increase 4.1%. Salary increases, including merit increases and structure adjustments, are budgeted at an average of 3.1% or a total of approximately \$617,410 as approved by the Board at the September 25, 2017 Library Board Meeting. The Library District also plans to add one new position. The new Security Manager position will oversee the District's efforts to provide safe, secure and accessible buildings. This position will report to the Assistant Director of Construction and Facilities. The total number of full time equivalent (FTE) personnel will be 542 in 2018. The FTE for 2017 is 541.
- **PENSION** – The Library District's Pension plan is 83.1% funded as of the Actuarial Report issued by the Library's Actuary, Milliman, in January of 2017. The Library District is committed to a fully funded Pension plan at 100%. In 2017, Milliman recommended, and the District contributed, \$1,864,205 to the District's Pension Plan. In 2018, the Library District will budget a contribution of \$2,000,000.
- **PERSONNEL SERVICES** – In 2018, the Personnel Services category will increase by approximately \$9,000 from \$389,714 in 2017 to \$398,778 in 2018. The increased fees in 2018 are for additional training for employees. Most of the training will be online or one day seminars for managers and library employees and will be provided by the American Library Association or other library organizations. Additionally, the Library District plans to add a document management module that works in conjunction with the payroll software Ceridian Dayforce. The software will enable the Library to digitize all HR documents to an electronic format for online viewing and storage. The implementation fee is \$2,000 and will be an additional \$1,350 per month after implementation.
- **LIBRARY COLLECTIONS** – With a goal of allocating 15% of the overall budget to Library Collections, the collection budget will increase to \$8,100,000, an increase of \$300,000 over the 2017 collection budget. The Library will allocate additional funds to the purchase of bestseller books, television shows and movies on DVD and Blu-Ray, in response to their continuing popularity with patrons. The Library will also purchase additional eBooks, eAudiobooks, and eMagazines as Patron interest in these formats continues to rise. Spending on eReference sources will increase to improve access to this information across the District. Investments will be made to specialized portions of the collection, including an expansion of We Stories kits, and books and resources for low-literacy adults. Additionally, the District plans to make musical instruments available for check out by Library patrons to explore musical interests. Instruments purchased will range from percussion to keyboards and strings. The purchase will include cases for each instrument and any needed maintenance.
- **COLLECTION MAINTENANCE AND SUPPLIES** – Included in the 2018 budget for Collection Maintenance and Supplies will be the annual subscription fee for an updated Telephone Notification System (TNS). The Library District's current TNS is over 11 years old and is need of an upgrade. The annual subscription cost is \$12,740 and will be purchased from Innovative Interfaces Incorporated (III). III is also the Library's vendor for the integrated library system software, Sierra. This is one of the ways in which the Library will notify patrons about various issues related to their records. For example, the TNS makes 600-700 calls a day to patrons which accounts for 17% of patron hold notices.

EXPENSE HIGHLIGHTS (continued)

- **PUBLIC RELATIONS AND PRINTING** – The Public Relations and Printing budget will be \$277,521 in 2018, up slightly from 2017. Included in the Public Relations budget is an additional \$4,000 for Constant Contact. The company provides email marketing services for the Library which includes sending a high volume of electronic communications to library patrons. In 2018, the service will be used to connect with patrons who have not visited a particular branch in a while and those who have not used their Overdrive account recently to download eResources. The targeted advertising is intended to increase usage of the Library’s facilities and resources. The Public Relations Budget also contains \$10,000 for the creation of an Emergency Procedures flip book. This book is a quick reference for employees when dealing with various emergency situations.
- **PROGRAMMING AND READING CLUBS** – The Programming and Reading Club budget will increase by approximately \$35,000 in 2018 largely due to an increase in programming. The programming budget will include \$10,000 for the purchase of mobile music production equipment. The equipment will be used by Library employees for various programs at branches and is used for recording music. Additionally, the equipment may be used in a proposed Library program called Hip Hop Architecture Camp (HHAC). In 2018, the St. Louis County Library Foundation will seek private sources of revenue to fund this program. The program is designed to introduce under represented youth to architecture and urban planning. The programming budget will also include \$3,000 for equipment and resources to support after school programs offered in partnership with Operation Food Search at two locations. Lastly, the Library will purchase virtual reality kits called Google Expeditions at a cost of approximately \$10,000. The kits will be used in library programming to allow patrons to virtually travel around the world while learning about the geography, history, and culture of those destinations.
- **PROFESSIONAL SERVICES** – Professional Services is expected to increase approximately \$42,000 from 2017. Included in the Professional Services budget is \$40,000 to digitize the Finance Department files. This will improve the search capability for finance documents and eliminate the additional space needed for file cabinets. Additionally, as the Library District’s current strategic plan ends in 2018, \$50,000 has been budgeted for consultative services, which include project coordination, analysis and summary of an online survey, and management of patron and employee focus groups. A new strategic plan will be presented to the Library Board for approval in 2018.
- **UTILITIES** – Part of the Library District’s strategic plan includes providing the community with better technical resources. The District will expand the availability of WiFi Hot Spots in 2018 from the current 30 devices, piloted in 2017, to at least 90 devices. The Hot Spots will be available at most branch locations. The anticipated increase in the Library’s data communication cost is \$45,000 for 2018. Traditional utility expenditures such as electricity, gas, and water/sewer are expected to remain unchanged from the prior year.
- **BUILDING REPAIR** – Building Repair is projected to increase from \$174,807 in 2017 to \$422,854 in 2018. The increase is largely due to a roof replacement needed for the Samuel C. Sachs Branch at a cost of approximately \$150,000. Additionally, four branches (Bridgeton Trails, Florissant Valley, Rock Road, Jamestown Bluffs) will have their parking lots sealed and striped at an estimated cost of \$10,000 each for a total of \$40,000.

EXPENSE HIGHLIGHTS (continued)

- **BUILDING OPERATIONS** – Building Operations is expected to increase 20%, from \$935,912 in 2017 to \$1,124,911 in 2018. The increase is largely due to two items, expenses for off-duty police officers providing security at various branches and landscaping maintenance. The expenses for off-duty officers will return to the amount prior to branch closures for construction and renovation, increasing by approximately \$140,000 from 2017, for a total of \$587,851. The passage of Proposition P in St. Louis County could also impact the security budget in 2018. Landscaping maintenance is budgeted to increase approximately \$65,000. This is due to the expectation of additional and more specialized maintenance for trees, plants, and irrigation systems at the new and renovated branches and the Jai Nagarkatti Monsanto Company Reading Garden. Lastly, \$5,000 has been budgeted to plant tall trees at the Lewis & Clark Branch to provide better separation between the highway and the building.
- **MOBILE SERVICES AND OPERATIONS** – The Mobile Services and Operations budget will slightly increase in 2018 by 2.5% to \$117,564. The budget includes the cost to refurbish and update the Library District logo on the four trucks that pull bookmobile trailers. The cost is estimated at \$20,000 for all four trucks.
- **AUTOMOTIVE** – As in prior years, the Library is continuing to upgrade the vehicle fleet by including the purchase of three vehicles in the 2018 budget. The Library District will replace both senior vans and one work truck. The two senior vans are used to provide library services to 115 senior centers, assisted living centers, memory care homes, and adult daycare centers. The vans are 10 years old and have 75,000 and 92,000 miles respectively. The vans are having several maintenance problems, one of which is the hydraulic lift in each vehicle. The lift is used to load and unload the book carts and repeatedly fails to operate. The vans visit 5–6 centers each day and are largely the only means through which senior residents can access library materials. The District is looking to replace the vans at a cost of \$41,000 each. The work truck is a 2008 Ford E-350 and has over 115,000 miles on it. The budget for replacing the truck is \$30,000. All three vehicles will be traded in on the purchase of the new vehicles.
- **EQUIPMENT** – The Equipment budget will increase by approximately \$53,000 in 2018 to \$131,200. The budget includes a \$50,000 purchase of a scissor lift and a trailer for transporting the lift. This will enable building maintenance staff to perform regular maintenance in elevated hard to reach areas safely and eliminate the need for renting equipment. Additionally, the Library District has included \$30,000 for the purchase of replacement Automated External Defibrillators (AED). The AED's have surpassed their service life. The District has at least one AED at each branch location.
- **TECHNOLOGY** – Technology costs are projected to increase from \$732,166 in 2017 to \$834,878 in 2018, a 14% increase. Technology initiatives for 2018 include the replacement of the aging self-check computers in HQ and at each branch. The computers are over five years old. The payment terminals at the self-check locations will also be upgraded to a more secure system. The cost of the computer replacement and upgrade is estimated to be approximately \$115,000. The District also plans to do a branch-wide assessment of computers used by Library employees. Many of these computers are over five years old. The Information Technology Services Department anticipates replacing up to 45 computers for a budgeted cost of \$90,000. Also included in the technology budget is the purchase of software to track and complete all building maintenance. This will allow

EXPENSE HIGHLIGHTS (continued)

the District to move from reactive building maintenance to preventative maintenance with the ability to project building maintenance tasks annually. The budget includes \$75,000 for the purchase of software and for services to inventory all building equipment at all Library locations. The annual fee for the maintenance of the software is expected to increase by \$4,500. Lastly, the District plans to upgrade or replace the software used to schedule meeting rooms at the branches and HQ for an approximate cost of \$18,000.

**ST. LOUIS COUNTY LIBRARY
REVENUE BREAKDOWN
MAINTENANCE AND OPERATION
2015–2018**

ITEM	2015 AUDIT	2016 AUDIT	2017 REVISED BUDGET	2018 BUDGET
District Taxes	\$47,441,264	48,764,319	49,508,629	50,847,553
District Taxes - Prior Years	(188,040)	(622,555)	22,528	41,777
District Taxes - TIF	152,822	98,338	282,451	60,000
Financial Institution Tax	376,440	466,960	466,960	350,000
Athletes & Entertainers Tax	50,000	52,500	20,500	47,000
State Aid	486,351	142,692	35,171	326,906
State Grant	57,213	77,337	53,810	43,394
Other Grants	75,318	130,629	50,000	100,000
E-rate discounts	260,267	76,423	85,046	70,584
Fines and Fees	896,088	744,579	620,818	526,533
Sale of Surplus Materials	99,335	35,558	93,032	91,084
Interest Earned	65,832	326,335	316,343	371,423
Copy Income	221,351	231,378	266,374	261,025
Miscellaneous	100,672	2,438,824	90,872	24,253
Total Revenue	50,094,912	52,963,318	51,912,535	53,161,533

**ST. LOUIS COUNTY LIBRARY
EXPENDITURE BREAKDOWN
MAINTENANCE AND OPERATION
2015–2018**

ITEM	2015 AUDIT	2016 AUDIT	2017 REVISED BUDGET	2018 BUDGET
Salaries	\$18,450,069	\$19,093,884	\$19,895,124	\$20,702,528
FICA	1,439,096	\$1,503,049	\$1,549,843	\$1,614,797
Pension	1,886,750	\$2,507,144	\$1,889,545	\$2,025,340
Group Life Insurance	87,692	\$97,161	\$102,760	\$120,000
Medical and Dental Insurance	3,205,167	\$3,155,754	\$3,369,277	\$3,587,500
Workers' Compensation	155,159	\$113,231	111,779	116,112
Unemployment Compensation	6,895	\$3,640	8,444	25,000
Personnel Services	361,160	407,651	389,714	398,778
Subtotal	25,591,988	26,881,512	27,316,485	28,590,054
Library Collections	7,280,133	7,383,103	7,800,368	8,100,000
Collection Maintenance & Supplies	431,679	452,424	611,635	526,631
Equipment Service Agreements and Office Supplies	284,417	298,015	309,281	342,710
Public Relations and Printing	188,717	203,945	273,702	277,521
Programming and Reading Clubs	439,067	457,861	574,731	609,200
Conferences and Library Memberships	98,941	122,745	97,622	116,166
Professional Services	134,569	266,460	238,606	290,000
Miscellaneous	61,397	11,099	24,688	18,527
Utilities	1,304,142	1,227,282	1,245,069	1,292,587
Custodial Supplies & Services	266,081	315,051	309,036	357,528
Insurance	330,905	313,106	313,495	328,346
Building Repair	282,823	152,892	174,087	432,854
Building Operation	743,813	820,313	935,912	1,134,411
Mobile Services and Operation	112,341	97,795	114,693	117,564
Subtotal	\$11,959,025	\$12,122,091	\$13,022,925	\$13,944,044
Automotive	32,246	87,754	45,702	112,000
Equipment	38,941	20,752	78,389	131,200
Furniture	53,760	50,794	74,547	198,354
Technology	609,645	713,379	732,166	834,878
Capital Projects	-	79,797	590,000	-
Debt Service	5,469,052	5,468,386	6,978,309	6,426,360
Subtotal	\$6,203,644	\$6,420,862	\$8,499,113	\$7,702,792
Total Cash Expenditures	\$43,754,656	\$45,424,466	\$48,838,524	\$50,236,891

**ST. LOUIS COUNTY LIBRARY
CASH FUND BALANCES
2017-2018**

	Unassigned	Restricted	Assigned for Capital Improvements	Total
2017 Beginning Balance	\$8,218,669	\$28,666	\$22,199,627	\$30,446,962
ADD: 2017 Projected Surplus/(Deficit)				3,074,011
TOTAL: 2017 Projected Ending Balance	8,039,216	28,666	25,453,091	33,520,973
ADD: 2018 Projected Surplus/(Deficit)				2,924,642
TOTAL: 2018 Projected Ending Balance	8,039,216	28,666	28,377,733	36,445,615

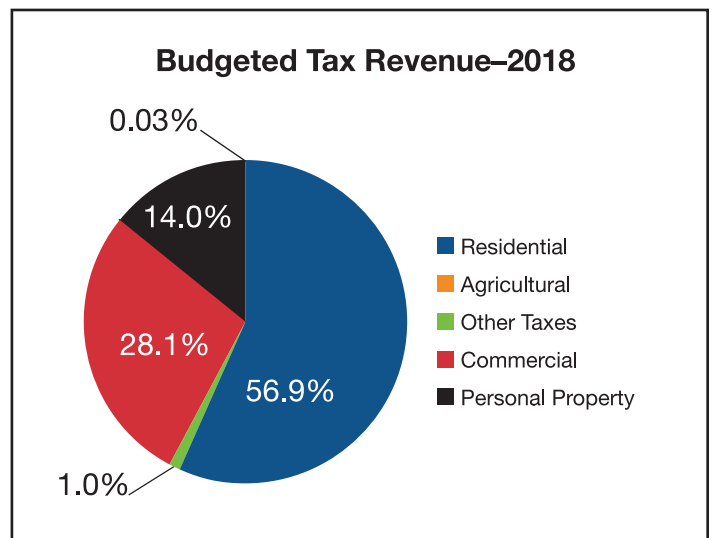
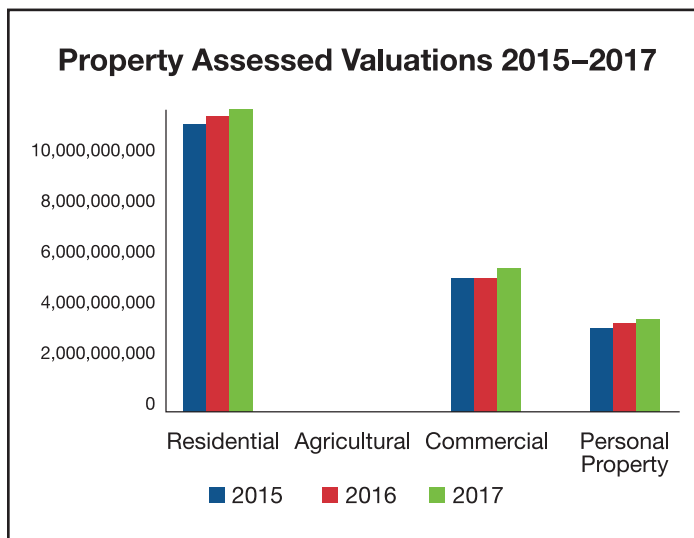
FUND BALANCE

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 2018 to be assigned to Capital Improvements is \$28,377,733.

Total tax revenue is projected to provide \$51.3 million in cash for the fiscal year 2018. 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 27th of this year will provide the budgeted cash for 2018. Below are the rates for the past three years:

	Residential	Agricultural	Commercial	Personal Property
2015	0.246	0.239	0.259	0.225
2016	0.246	0.245	0.263	0.225
2017	0.234	0.215	0.253	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 just under 8% from 2016 to 2017 and rose .7% from 2015 to 2016.



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, 2018 will not be a reassessment year. Tax Increment Financing (TIF) project assessments are a reduction of the property assessed valuations and are 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 2018. This revenue mainly consists of 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, 2017

County Clerk
 St. Louis County
 41 South Central Avenue
 Clayton, MO 63105-0000

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

Dear Collector of Revenue:

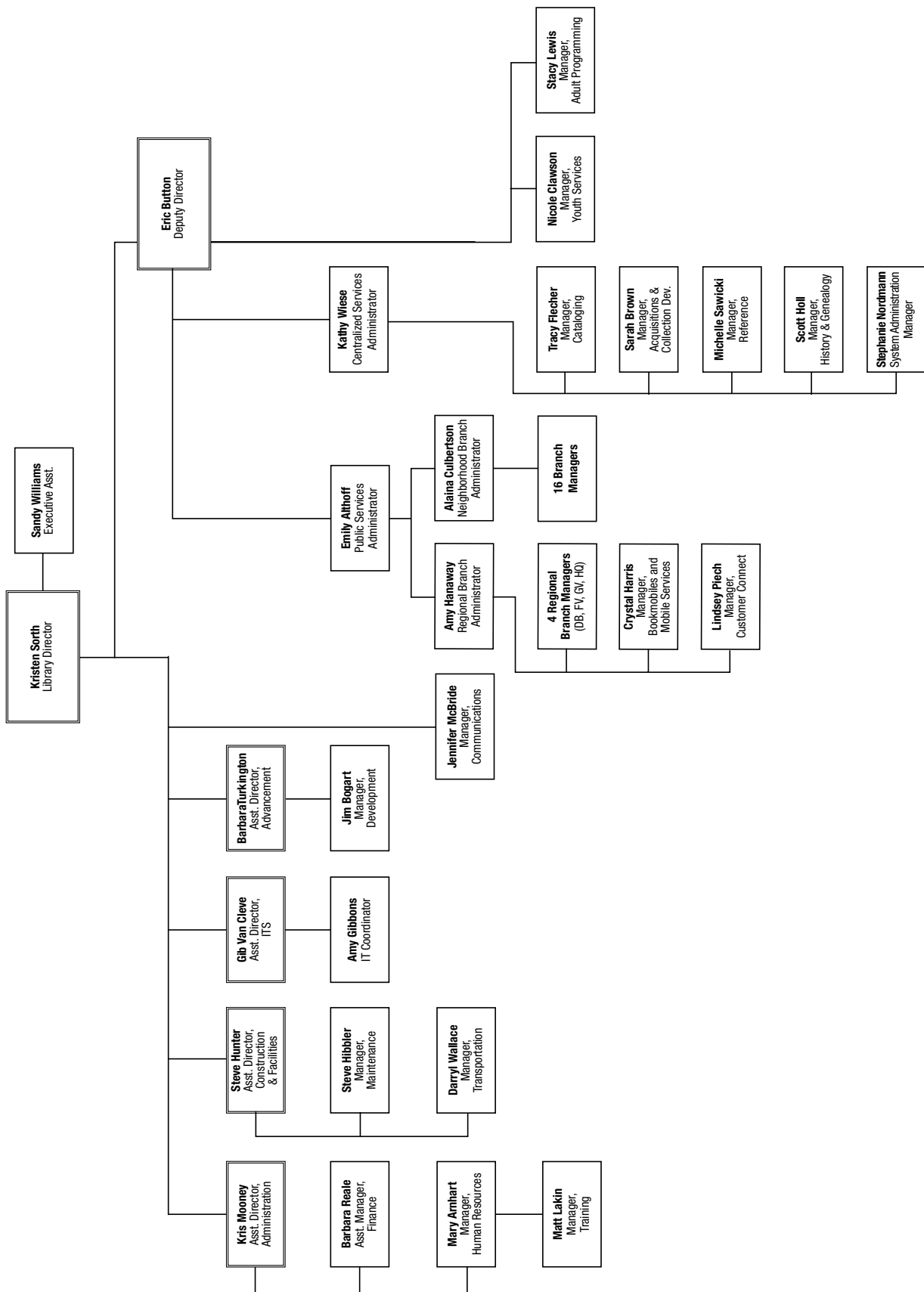
We have received information to substantiate compliance with Missouri law for the 2017 property tax rates for the above-captioned taxing authority. Section 137.073.6, RSMo, requires the State Auditor to examine such information and return to the county clerk our findings regarding the property tax rate 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 2017 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	0.2340	0.0000	0.0000	0.0000	0.0000	0.2340	0.2340	Yes
Agricultural	0.2150	0.0000	0.0000	0.0000	0.0000	0.2150	0.2150	Yes
Commercial	0.2530	0.0000	0.0000	0.0000	0.0000	0.2530	0.2530	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 2017 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 2018 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 exhausted early in 2017.

In the fall of 2016, Phase 1 was complete with construction renovation on eleven of the Library District's nineteen branches. In 2017, Phase 2 construction commenced and will see 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 Grants 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 the fall with the closure of the Grand Glaize Branch and the Mid County Branch. The Thornhill Branch will close in early 2018. Grand Glaize will be the last of the branch renovations but will include a 5,000 square foot addition. The other branches will all be demolished and replaced with new buildings. 2018 will also see the construction of the new Meramec Valley branch at a new location in St. Louis County. Lastly, design work has started on the new Library Headquarters and will be completed in 2018.

**ST. LOUIS COUNTY LIBRARY
REVENUE AND EXPENSE BREAKDOWN
CAPITAL PROJECTS FUND
2014-2018**

	2014	2015	PHASE 1 2016	PHASE 2 2016	PHASE 1 2017	PHASE 2 2017*	PHASE 1 2018	PHASE 2 2018
	ACTUALS	ACTUALS	ACTUALS	ACTUALS	REVISED BUDGET	REVISED BUDGET	BUDGET	BUDGET
Interest Earned	85,274	166,256	24,131	40,864	-	139,019	-	792,472
Total Income	85,274	166,256	24,131	40,864	-	139,019	-	792,472
Professional Services								
Facilities Master Plan								
Administrator	249,596	345,493	441,046		33,990	414,910		448,900
Construction Manager	245,331	1,993,554	2,173,012		139,566	1,505,179		1,644,745
Legal	137,393	23,729	57,120		4,795	195,117		199,912
Architects	1,716,369	1,469,273	1,868,879		119,634	1,425,283		386,229
Bond Issuance Expense								
Other	145,681	833,697	590,572		126,147	168,903		295,049
Land Acquisition								
Land	2,960,280					4,000,000		
Earnest Deposits								
Building Construction	985,796	13,352,752	1,182,489					23,132,398
Building Renovation		7,390,736	12,933,813		1,750,823	13,874,474		5,482,146
Furniture, Fixtures, and Equipment		1,593,989	2,064,328		51,184	1,093,509		1,144,693
Technology		256,511	326,519		75,021	225,362		300,383
Other Construction Expense								
Total Operational Cash Expenditures	\$6,390,446	\$27,238,704	\$21,637,777	\$79,183,232	\$2,301,160	\$22,902,738	\$0	\$33,034,457
Projected Cash Balance End of Year (*Projected)	50,987,254	23,914,807	2,301,160	79,183,232	0	56,419,514	0	24,177,529



DEBT SERVICE FUND



DEBT SERVICE FUND 2018 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 FUND
2014-2018**

	2014 AUDIT	2015 AUDIT	2016 AUDIT	2017 REVISED BUDGET	2018 BUDGET
Transfer In from Operating Fund	3,481,892	5,469,052	5,468,386	6,978,309	6,426,360
Total Income	3,481,892	5,469,052	5,469,386	6,978,309	6,426,360
Interest Payments	1,841,892	3,570,000	3,715,000	2,850,000	2,400,000
Principal Payments	1,640,000	1,899,052	1,753,386	4,128,309	4,026,360
Total Operational Cash Expenditures	\$3,481,892	\$5,469,052	\$5,468,386	\$6,978,309	\$6,426,360

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
	129,416,550.05	72,254,713.31	201,671,263.36