FINANCIAL ANALYSIS OF THE DURANGO PUBLIC LIBRARY
TO INFORM CONSIDERATION OF CONVERSION TO AN INDEPENDENT LIBRARY DISTRICT

JOINT STUDY SESSION
DURANGO CITY COUNCIL & LA PLATA COUNTY COMMISSIONERS
APRIL 28, 2022
INTRODUCTION

ANALYSIS OF THE CITY MANAGED LIBRARY

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT

RECOMMENDATIONS


**FORECASTING METHODOLOGY**

Public Advisory Group approach:

Start with: 1. Current Activity Levels

Add: 2. Inflationary Changes

3. Policy Changes

Revenue and expense “point” forecasts are always wrong.

A sensitivity analysis establishes the highest, lowest and the expected outcome.
This sensitivity analysis uses 4 inflationary situations to provide the range of likely outcomes:

<table>
<thead>
<tr>
<th>Inflationary Situation</th>
<th>Description</th>
<th>Inflation Parameters</th>
<th>Total Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>High labor and general goods inflation for entire forecast period.</td>
<td>7% Labor, 10% Health Insurance 5% All Other Goods</td>
<td>6.9%</td>
</tr>
<tr>
<td>B</td>
<td>Currently observed inflation rates for entire forecast period.</td>
<td>5% Labor, 7% Health Insurance 3% All Other Goods</td>
<td>4.8%</td>
</tr>
<tr>
<td>C</td>
<td>Moderate labor and general goods inflation for entire forecast period.</td>
<td>3% Labor, 7% Health Insurance 3% All Other Goods</td>
<td>3.6%</td>
</tr>
<tr>
<td>D</td>
<td>Low labor and general goods inflation for entire forecast period.</td>
<td>1% Labor, 5% Health Insurance 2% All Other Goods</td>
<td>1.9%</td>
</tr>
</tbody>
</table>
INTRODUCTION

ANALYSIS OF THE CITY MANAGED LIBRARY

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT

RECOMMENDATIONS
### Analysis of the City Managed Library

- From 2015 through 2021, actual expenditures grew at a compound annual growth rate (CAGR) of 3.8%; and grew at a CAGR of 5.5% from 2015 through 2019.
- Revenue from sales tax accounts for over 90% of library operating revenues.
- Salary and benefit expenditures account for approximately 75% of expenditures of the library.
- In most years, the Joint Sales Tax is sufficient to fund operations; a net balance of approximately $145,000 was accumulated from 2015 through 2021.

<table>
<thead>
<tr>
<th>Year</th>
<th>Joint Sales Tax Revenue</th>
<th>Other Revenue</th>
<th>Total Actual Revenue</th>
<th>Salary &amp; Benefits</th>
<th>Material &amp; Services</th>
<th>Capital</th>
<th>Total Actual Expenses</th>
<th>Budgeted Expenses</th>
<th>Budget Less Actual Expenses</th>
<th>Revenue Less Actual Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1,891,568</td>
<td>150,038</td>
<td>2,041,606</td>
<td>1,347,784</td>
<td>571,990</td>
<td>-</td>
<td>1,919,774</td>
<td>2,123,014</td>
<td>203,240</td>
<td>121,832</td>
</tr>
<tr>
<td>2016</td>
<td>1,979,176</td>
<td>211,894</td>
<td>2,191,070</td>
<td>1,460,896</td>
<td>557,174</td>
<td>-</td>
<td>2,018,070</td>
<td>2,095,553</td>
<td>77,483</td>
<td>173,000</td>
</tr>
<tr>
<td>2017</td>
<td>2,063,007</td>
<td>163,543</td>
<td>2,226,550</td>
<td>1,449,715</td>
<td>653,968</td>
<td>-</td>
<td>2,103,683</td>
<td>2,214,365</td>
<td>110,682</td>
<td>122,867</td>
</tr>
<tr>
<td>2018</td>
<td>2,097,138</td>
<td>74,493</td>
<td>2,171,631</td>
<td>1,612,034</td>
<td>606,574</td>
<td>48,420</td>
<td>2,267,028</td>
<td>2,306,067</td>
<td>39,039</td>
<td>(95,397)</td>
</tr>
<tr>
<td>2020</td>
<td>2,106,311</td>
<td>133,572</td>
<td>2,239,883</td>
<td>1,693,314</td>
<td>501,296</td>
<td>36,239</td>
<td>2,230,849</td>
<td>2,602,729</td>
<td>371,880</td>
<td>9,034</td>
</tr>
<tr>
<td>2021</td>
<td>2,188,710</td>
<td>50,310</td>
<td>2,239,020</td>
<td>1,842,466</td>
<td>550,290</td>
<td>15,111</td>
<td>2,407,867</td>
<td>2,815,899</td>
<td>408,022</td>
<td>(168,847)</td>
</tr>
</tbody>
</table>
ANALYSIS OF THE CITY MANAGED LIBRARY

Four Operating Scenarios

- **Current Practices** presents the library as it operates in early 2022.
- **Current Services** utilizes the same operating schedule as “Current Practices” but corrects certain noted inefficiencies.
- **Extended Service Option 1** estimates of the cost of adding weekday evening service.
- **Extended Service Option 2** estimates of the cost of adding seven-day per week service.

Current City of Durango practices are used, including the 2022 pay plan.
# Analysis of the City Managed Library

<table>
<thead>
<tr>
<th></th>
<th>Current Practices (Baseline)</th>
<th>Current Services</th>
<th>Extended Service Option 1</th>
<th>Extended Service Option 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday Public Hours</td>
<td>9:30am—6:00pm (8.5 Hours)</td>
<td>9:30am—6:00pm</td>
<td>9:30am—8:00pm (10.5 Hours)</td>
<td>9:30am—6:00pm (8.5 Hours)</td>
</tr>
<tr>
<td>Tuesday Public Hours</td>
<td>9:30am—6:00pm (8.5 Hours)</td>
<td>9:30am—6:00pm</td>
<td>9:30am—8:00pm (10.5 Hours)</td>
<td>9:30am—6:00pm (8.5 Hours)</td>
</tr>
<tr>
<td>Wednesday Public Hours</td>
<td>9:30am—6:00pm (8.5 Hours)</td>
<td>9:30am—6:00pm</td>
<td>9:30am—8:00pm (10.5 Hours)</td>
<td>9:30am—6:00pm (8.5 Hours)</td>
</tr>
<tr>
<td>Thursday Public Hours</td>
<td>9:30am—6:00pm (8.5 Hours)</td>
<td>9:30am—6:00pm</td>
<td>9:30am—8:00pm (10.5 Hours)</td>
<td>9:30am—6:00pm (8.5 Hours)</td>
</tr>
<tr>
<td>Friday Public Hours</td>
<td>9:30am—5:00pm (7.5 Hours)</td>
<td>9:30am—5:00pm</td>
<td>9:30am—5:00pm (7.5 Hours)</td>
<td>9:30am—5:00pm (7.5 Hours)</td>
</tr>
<tr>
<td>Saturday Public Hours</td>
<td>9:30am—5:00pm (7.5 Hours)</td>
<td>9:30am—5:00pm</td>
<td>9:30am—5:00pm (7.5 Hours)</td>
<td>9:30am—5:00pm (7.5 Hours)</td>
</tr>
<tr>
<td>Sunday Public Hours</td>
<td>Closed</td>
<td>Closed</td>
<td>Closed</td>
<td>12:00pm—5:00pm (5 Hours)</td>
</tr>
<tr>
<td>Total Public Hours</td>
<td>49 Hours</td>
<td>49 Hours</td>
<td>57 Hours</td>
<td>54 Hours</td>
</tr>
<tr>
<td>Customer Service Hours</td>
<td>196 Hours</td>
<td>196 Hours</td>
<td>228 Hours</td>
<td>216 Hours</td>
</tr>
<tr>
<td></td>
<td>Current Practices</td>
<td>Current Services</td>
<td>Extended Service #1</td>
<td>Extended Service #2</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------</td>
<td>------------------</td>
<td>---------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Desk</td>
<td>% Desk</td>
<td>Total</td>
</tr>
<tr>
<td>Administration</td>
<td>120</td>
<td>23</td>
<td>19%</td>
<td>120</td>
</tr>
<tr>
<td>Information Tech.</td>
<td>75</td>
<td>5</td>
<td>7%</td>
<td>75</td>
</tr>
<tr>
<td>Library Supervisor</td>
<td>120</td>
<td>26.5</td>
<td>22%</td>
<td>120</td>
</tr>
<tr>
<td>Librarian</td>
<td>120</td>
<td>35.5</td>
<td>30%</td>
<td>120</td>
</tr>
<tr>
<td>Para-Librarian</td>
<td>40</td>
<td>17</td>
<td>43%</td>
<td>40</td>
</tr>
<tr>
<td>FT Library Associate</td>
<td>240</td>
<td>83</td>
<td>35%</td>
<td>240</td>
</tr>
<tr>
<td>PT Library Associate</td>
<td>61</td>
<td>26</td>
<td>43%</td>
<td>101</td>
</tr>
<tr>
<td>Material Handler</td>
<td>38</td>
<td>0</td>
<td>0%</td>
<td>38</td>
</tr>
<tr>
<td>Total</td>
<td>814</td>
<td>216</td>
<td>27%</td>
<td>854</td>
</tr>
</tbody>
</table>
ANALYSIS OF THE CITY MANAGED LIBRARY – INFLATION SITUATION A

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>2030</th>
<th>2031</th>
<th>2032</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Services</td>
<td>3,393,298</td>
<td>3,280,274</td>
<td>3,507,529</td>
<td>3,751,216</td>
<td>4,012,579</td>
<td>4,342,963</td>
<td>4,593,819</td>
<td>4,916,712</td>
<td>5,263,334</td>
<td>5,635,513</td>
</tr>
<tr>
<td>Ext. Svc. #1</td>
<td>3,517,142</td>
<td>3,412,266</td>
<td>3,650,121</td>
<td>3,896,959</td>
<td>4,179,105</td>
<td>4,522,981</td>
<td>4,788,465</td>
<td>5,127,222</td>
<td>5,491,052</td>
<td>5,881,899</td>
</tr>
</tbody>
</table>
**ANALYSIS OF THE CITY MANAGED LIBRARY – INFLATION SITUATION B**

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>2030</th>
<th>2031</th>
<th>2032</th>
</tr>
</thead>
</table>
ANALYSIS OF THE CITY MANAGED LIBRARY – INFLATION SITUATION C

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>2030</th>
<th>2031</th>
<th>2032</th>
</tr>
</thead>
</table>
# Analysis of the City Managed Library – Inflation Situation

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Practices</th>
<th>Current Services</th>
<th>Ext. Svc. #1</th>
<th>Ext. Svc. #2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>3,191,728</td>
<td>3,251,346</td>
<td>3,375,918</td>
<td>3,336,438</td>
</tr>
<tr>
<td>2024</td>
<td>2,918,973</td>
<td>2,980,801</td>
<td>3,106,857</td>
<td>3,066,161</td>
</tr>
<tr>
<td>2025</td>
<td>2,972,687</td>
<td>3,036,750</td>
<td>3,166,050</td>
<td>3,124,084</td>
</tr>
<tr>
<td>2026</td>
<td>3,027,928</td>
<td>3,094,249</td>
<td>3,230,745</td>
<td>3,183,627</td>
</tr>
<tr>
<td>2027</td>
<td>3,084,755</td>
<td>3,153,359</td>
<td>3,289,544</td>
<td>3,244,856</td>
</tr>
<tr>
<td>2028</td>
<td>3,193,232</td>
<td>3,264,143</td>
<td>3,403,980</td>
<td>3,357,837</td>
</tr>
<tr>
<td>2029</td>
<td>3,203,424</td>
<td>3,276,668</td>
<td>3,420,305</td>
<td>3,372,638</td>
</tr>
<tr>
<td>2030</td>
<td>3,265,399</td>
<td>3,341,001</td>
<td>3,488,595</td>
<td>3,439,332</td>
</tr>
<tr>
<td>2032</td>
<td>3,394,992</td>
<td>3,475,387</td>
<td>3,631,390</td>
<td>3,578,709</td>
</tr>
</tbody>
</table>
Local entities that are enabled to collect both property and sales taxes often do so.

The compound annual growth rate of the Joint Sales Tax Fund since 1990 is 5.2%.
### Analysis of the City Managed Library – Feasibility of Scenarios (Infl. B)

- Revenue is sufficient to fund Current Practices, excluding large capital items.
- By 2029, revenue will grow to fund the Current Services model.

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Practices</th>
<th>Current Services</th>
<th>Ext. Svc. #1</th>
<th>Ext. Svc. #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2024</td>
<td>3,088,974</td>
<td>3,152,299</td>
<td>3,281,891</td>
<td>3,238,732</td>
</tr>
<tr>
<td>2025</td>
<td>3,235,970</td>
<td>3,303,349</td>
<td>3,440,247</td>
<td>3,394,282</td>
</tr>
<tr>
<td>2026</td>
<td>3,390,437</td>
<td>3,462,068</td>
<td>3,606,701</td>
<td>3,557,751</td>
</tr>
<tr>
<td>2027</td>
<td>3,552,777</td>
<td>3,628,866</td>
<td>3,781,691</td>
<td>3,729,564</td>
</tr>
<tr>
<td>2028</td>
<td>3,773,415</td>
<td>3,854,180</td>
<td>4,015,677</td>
<td>3,960,172</td>
</tr>
<tr>
<td>2029</td>
<td>3,902,797</td>
<td>3,988,466</td>
<td>4,159,148</td>
<td>4,100,049</td>
</tr>
<tr>
<td>2030</td>
<td>4,091,398</td>
<td>4,182,209</td>
<td>4,362,621</td>
<td>4,299,697</td>
</tr>
<tr>
<td>2031</td>
<td>4,289,717</td>
<td>4,385,922</td>
<td>4,576,639</td>
<td>4,509,646</td>
</tr>
<tr>
<td>2032</td>
<td>4,498,283</td>
<td>4,600,145</td>
<td>4,801,780</td>
<td>4,730,457</td>
</tr>
</tbody>
</table>

#### Revenue (Total CAGR)

- **Revenue Total CAGR**: 2,952,861
- **Current Practices**: 3,274,070
- **Current Services**: 3,333,528
- **Ext. Svc. #1**: 3,457,857
- **Ext. Svc. #2**: 3,417,336

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue Total CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>2,952,861</td>
</tr>
<tr>
<td>2024</td>
<td>3,105,111</td>
</tr>
<tr>
<td>2025</td>
<td>3,265,212</td>
</tr>
<tr>
<td>2026</td>
<td>3,433,567</td>
</tr>
<tr>
<td>2027</td>
<td>3,610,603</td>
</tr>
<tr>
<td>2028</td>
<td>3,796,767</td>
</tr>
<tr>
<td>2029</td>
<td>3,992,529</td>
</tr>
<tr>
<td>2030</td>
<td>4,198,385</td>
</tr>
<tr>
<td>2031</td>
<td>4,414,855</td>
</tr>
<tr>
<td>2032</td>
<td>4,642,486</td>
</tr>
</tbody>
</table>
ANALYSIS OF THE CITY MANAGED LIBRARY – FEASIBILITY OF SCENARIOS (INFL. C)

- Revenue is sufficient to fund Current Services in 2024.
- Revenue grows to fund Extended Service Option 2 in 2026 and Extended Service Option 1 in 2027.
INTRODUCTION

ANALYSIS OF THE CITY MANAGED LIBRARY

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT

RECOMMENDATIONS
ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT

As a separate entity, a library district would have additional financial responsibilities including:

- **Administrative Services** related to the library’s accounting, administration, budgeting, human resources, information technology, legal, marketing, payroll and procurement which are currently managed by the City of Durango.

- **Debt Service** related to the construction of the Durango Public Library which was funded by a municipal bond. The debt service schedule continues through December 2025 with annual principal and interest payments.

- **Reserve Funds** to serve as a capital or operating reserve for the library.
Two forecasts of administrative support expenditures are shown below: (1) assumes that the service is contracted with the City of Durango, using the 2022 budget methodology of the City while (2) assumes that the library district independently manages its administrative support responsibilities.

**Forecast #1**

<table>
<thead>
<tr>
<th>Year</th>
<th>Salary &amp; Benefits</th>
<th>Material &amp; Services</th>
<th>Capital</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>-</td>
<td>322,308</td>
<td>-</td>
<td>322,308</td>
</tr>
<tr>
<td>2024</td>
<td>-</td>
<td>337,456</td>
<td>-</td>
<td>337,456</td>
</tr>
<tr>
<td>2025</td>
<td>-</td>
<td>353,317</td>
<td>-</td>
<td>353,317</td>
</tr>
<tr>
<td>2026</td>
<td>-</td>
<td>369,923</td>
<td>-</td>
<td>369,923</td>
</tr>
<tr>
<td>2027</td>
<td>-</td>
<td>387,309</td>
<td>-</td>
<td>387,309</td>
</tr>
<tr>
<td>2028</td>
<td>-</td>
<td>405,513</td>
<td>-</td>
<td>405,513</td>
</tr>
<tr>
<td>2029</td>
<td>-</td>
<td>424,572</td>
<td>-</td>
<td>424,572</td>
</tr>
<tr>
<td>2030</td>
<td>-</td>
<td>444,527</td>
<td>-</td>
<td>444,527</td>
</tr>
<tr>
<td>2031</td>
<td>-</td>
<td>465,419</td>
<td>-</td>
<td>465,419</td>
</tr>
<tr>
<td>2032</td>
<td>-</td>
<td>487,294</td>
<td>-</td>
<td>487,294</td>
</tr>
</tbody>
</table>

**Forecast #2**

<table>
<thead>
<tr>
<th>Year</th>
<th>Salary &amp; Benefits</th>
<th>Material &amp; Services</th>
<th>Capital</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>374,865</td>
<td>6,250</td>
<td>25,000</td>
<td>406,115</td>
</tr>
<tr>
<td>2024</td>
<td>394,733</td>
<td>6,438</td>
<td>5,000</td>
<td>406,171</td>
</tr>
<tr>
<td>2025</td>
<td>415,654</td>
<td>6,631</td>
<td>-</td>
<td>422,285</td>
</tr>
<tr>
<td>2026</td>
<td>437,684</td>
<td>6,830</td>
<td>-</td>
<td>444,513</td>
</tr>
<tr>
<td>2027</td>
<td>460,881</td>
<td>7,034</td>
<td>-</td>
<td>467,916</td>
</tr>
<tr>
<td>2028</td>
<td>485,308</td>
<td>7,245</td>
<td>15,000</td>
<td>507,553</td>
</tr>
<tr>
<td>2029</td>
<td>511,029</td>
<td>7,463</td>
<td>-</td>
<td>518,492</td>
</tr>
<tr>
<td>2030</td>
<td>538,114</td>
<td>7,687</td>
<td>-</td>
<td>545,800</td>
</tr>
<tr>
<td>2031</td>
<td>566,634</td>
<td>7,917</td>
<td>-</td>
<td>574,551</td>
</tr>
<tr>
<td>2032</td>
<td>596,665</td>
<td>8,155</td>
<td>-</td>
<td>604,820</td>
</tr>
</tbody>
</table>
The current debt service schedule showing the principal and interest remaining on the bond is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal</td>
<td>$1,110,000</td>
<td>$1,130,000</td>
<td>$1,160,000</td>
</tr>
<tr>
<td>Interest</td>
<td>$69,360</td>
<td>$46,716</td>
<td>$23,664</td>
</tr>
<tr>
<td>Total</td>
<td>$1,179,360</td>
<td>$1,176,716</td>
<td>$1,183,664</td>
</tr>
</tbody>
</table>

The assignment of debt service to the library district would enable the City of Durango to reprogram over $1 million annually through 2025.
A summary of the four operating scenarios for a library district that employs its administrative support, manages debt service and experiences inflation situation B is presented below.
Approximately 79% of the assessed value is located in ten La Plata County tax areas, shown below.

<table>
<thead>
<tr>
<th>Tax Area</th>
<th>Description of Major Levies</th>
<th>Total Assessed Value</th>
<th>Total 2021 Mil Levy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1111</td>
<td>LPC, City of Durango, Durango Schools,</td>
<td>$ 522,595,140</td>
<td>39.6910</td>
</tr>
<tr>
<td>1106</td>
<td>LPC, City of Durango, Durango Schools, Durango Fire</td>
<td>$ 95,503,220</td>
<td>42.8840</td>
</tr>
<tr>
<td>1186</td>
<td>LPC, City of Durango, Durango Schools</td>
<td>$ 94,376,150</td>
<td>41.6910</td>
</tr>
<tr>
<td>1147</td>
<td>LPC, Durango Schools, Durango Fire</td>
<td>$ 86,594,030</td>
<td>41.4840</td>
</tr>
<tr>
<td>1103</td>
<td>LPC, City of Durango, Durango Schools, Durango Fire</td>
<td>$ 54,653,980</td>
<td>42.8840</td>
</tr>
<tr>
<td>1193</td>
<td>LPC, Durango Schools, Durango Fire, Tamarron Metro Dist.</td>
<td>$ 49,686,050</td>
<td>96.9840</td>
</tr>
<tr>
<td>1132</td>
<td>LPC, Durango Schools</td>
<td>$ 36,169,130</td>
<td>32.9320</td>
</tr>
<tr>
<td>1183</td>
<td>LPC, City of Durango, Durango Schools</td>
<td>$ 32,706,380</td>
<td>39.3990</td>
</tr>
<tr>
<td>1197</td>
<td>LPC, City of Durango, Durango Schools</td>
<td>$ 30,761,450</td>
<td>38.6990</td>
</tr>
<tr>
<td>1317</td>
<td>LPC, City of Durango, Durango Schools, Conference Ctr BID</td>
<td>$ 29,983,740</td>
<td>41.6910</td>
</tr>
</tbody>
</table>
The sufficiency of various mil rates to fund a library district that employs its own administrative support while managing debt service commitments, assuming current levels of inflation (inflationary situation B) is shown. In certain cases, the levy would require a debt service subsidy from external funding sources.

<table>
<thead>
<tr>
<th>Mil Rate</th>
<th>1st Year Revenue</th>
<th>Level of Service</th>
<th>Year of Revenue Insufficiency</th>
<th>Debt Service Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.00</td>
<td>4,139,404</td>
<td>Current Practices</td>
<td>2032</td>
<td>1,642,070</td>
</tr>
<tr>
<td>3.25</td>
<td>4,484,355</td>
<td>Current Practices</td>
<td>2036</td>
<td>581,132</td>
</tr>
<tr>
<td>3.50</td>
<td>4,829,305</td>
<td>Current Practices</td>
<td>2041</td>
<td>30,241</td>
</tr>
<tr>
<td>3.00</td>
<td>4,139,404</td>
<td>Current Services</td>
<td>2032</td>
<td>771,293</td>
</tr>
<tr>
<td>3.25</td>
<td>4,484,355</td>
<td>Current Services</td>
<td>2039</td>
<td>89,699</td>
</tr>
<tr>
<td>3.50</td>
<td>4,829,305</td>
<td>Current Services</td>
<td>2041</td>
<td>-</td>
</tr>
<tr>
<td>3.25</td>
<td>4,484,355</td>
<td>Extended Service #1</td>
<td>2034</td>
<td>1,162,114</td>
</tr>
<tr>
<td>3.50</td>
<td>4,829,305</td>
<td>Extended Service #1</td>
<td>2036</td>
<td>214,028</td>
</tr>
<tr>
<td>3.65</td>
<td>5,036,275</td>
<td>Extended Service #1</td>
<td>2039</td>
<td>7,058</td>
</tr>
<tr>
<td>3.25</td>
<td>4,484,355</td>
<td>Extended Service #2</td>
<td>2032</td>
<td>1,032,468</td>
</tr>
<tr>
<td>3.50</td>
<td>4,829,305</td>
<td>Extended Service #2</td>
<td>2038</td>
<td>173,506</td>
</tr>
<tr>
<td>3.65</td>
<td>5,036,275</td>
<td>Extended Service #2</td>
<td>2040</td>
<td>-</td>
</tr>
</tbody>
</table>
The sufficiency of various mil rates to fund a library district that employs its own administrative support while managing debt service commitments, assuming moderate levels of inflation (inflationary situation C) is shown. In certain cases, the levy would require a debt service subsidy from external funding sources.

<table>
<thead>
<tr>
<th>Mil Rate</th>
<th>Year</th>
<th>Revenue</th>
<th>Level of Service</th>
<th>Debt Service Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.00</td>
<td>2032</td>
<td>4,139,404</td>
<td>Current Practices</td>
<td>2032</td>
</tr>
<tr>
<td>3.25</td>
<td>2036</td>
<td>4,484,355</td>
<td>Current Practices</td>
<td>2039</td>
</tr>
<tr>
<td>3.50</td>
<td>2041</td>
<td>4,829,305</td>
<td>Current Practices</td>
<td>2041</td>
</tr>
<tr>
<td>3.00</td>
<td>2032</td>
<td>4,139,404</td>
<td>Current Services</td>
<td>2045</td>
</tr>
<tr>
<td>3.25</td>
<td>2039</td>
<td>4,484,355</td>
<td>Current Services</td>
<td>2054</td>
</tr>
<tr>
<td>3.50</td>
<td>2041</td>
<td>4,829,305</td>
<td>Current Services</td>
<td>2063</td>
</tr>
<tr>
<td>3.25</td>
<td>2032</td>
<td>4,139,404</td>
<td>Extended Service #1</td>
<td>2034</td>
</tr>
<tr>
<td>3.50</td>
<td>2036</td>
<td>4,484,355</td>
<td>Extended Service #1</td>
<td>2038</td>
</tr>
<tr>
<td>3.65</td>
<td>2039</td>
<td>5,036,275</td>
<td>Extended Service #1</td>
<td>2054</td>
</tr>
<tr>
<td>3.25</td>
<td>2032</td>
<td>4,139,404</td>
<td>Extended Service #2</td>
<td>2042</td>
</tr>
<tr>
<td>3.50</td>
<td>2036</td>
<td>4,484,355</td>
<td>Extended Service #2</td>
<td>2058</td>
</tr>
</tbody>
</table>
## Analysis of an Independent Library District – Property Taxes

<table>
<thead>
<tr>
<th>Entity</th>
<th>2021 Net Levy</th>
<th>Single Family ($300,000)</th>
<th>Single Family ($750,000)</th>
<th>Multi-family ($200,000)</th>
<th>Multi-family ($350,000)</th>
<th>Hotels/Motels ($2,000,000)</th>
<th>Agriculture/Renewable Energy ($100,000)</th>
<th>Commercial Vacant Industry ($100,000)</th>
<th>Oil &amp; Gas ($100,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LA PLATA COUNTY</td>
<td>7.115</td>
<td>$148.35</td>
<td>$370.87</td>
<td>$96.76</td>
<td>$169.34</td>
<td>$4,126.70</td>
<td>$187.84</td>
<td>$206.34</td>
<td>$622.56</td>
</tr>
<tr>
<td>DURANGO</td>
<td>5.007</td>
<td>104.40</td>
<td>260.99</td>
<td>68.10</td>
<td>119.17</td>
<td>2,904.06</td>
<td>132.18</td>
<td>145.20</td>
<td>438.11</td>
</tr>
<tr>
<td>PINE RIVER LIBRARY</td>
<td>4.000</td>
<td>83.40</td>
<td>208.50</td>
<td>54.40</td>
<td>95.20</td>
<td>2,320.00</td>
<td>105.60</td>
<td>116.00</td>
<td>350.00</td>
</tr>
<tr>
<td>SW LA PLATA LIBRARY DISTRICT</td>
<td>1.500</td>
<td>31.28</td>
<td>78.19</td>
<td>20.40</td>
<td>35.70</td>
<td>870.00</td>
<td>39.60</td>
<td>43.50</td>
<td>131.25</td>
</tr>
<tr>
<td>IGNACIO COMM LIBRARY DISTRICT</td>
<td>1.500</td>
<td>31.28</td>
<td>78.19</td>
<td>20.40</td>
<td>35.70</td>
<td>870.00</td>
<td>39.60</td>
<td>43.50</td>
<td>131.25</td>
</tr>
<tr>
<td>DURANGO SCHOOL DISTRICT</td>
<td>18.249</td>
<td>380.49</td>
<td>951.23</td>
<td>248.19</td>
<td>434.33</td>
<td>10,584.42</td>
<td>481.77</td>
<td>529.22</td>
<td>1,596.79</td>
</tr>
<tr>
<td></td>
<td>3.25</td>
<td>67.76</td>
<td>169.41</td>
<td>44.20</td>
<td>77.35</td>
<td>1,885.00</td>
<td>85.80</td>
<td>94.25</td>
<td>284.38</td>
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<tr>
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<td>3.50</td>
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<td>83.30</td>
<td>2,030.00</td>
<td>92.40</td>
<td>101.50</td>
<td>306.25</td>
</tr>
<tr>
<td></td>
<td>3.65</td>
<td>76.10</td>
<td>190.26</td>
<td>49.64</td>
<td>86.87</td>
<td>2,117.00</td>
<td>96.36</td>
<td>105.85</td>
<td>319.38</td>
</tr>
</tbody>
</table>
INTRODUCTION

ANALYSIS OF THE CITY MANAGED LIBRARY

ANALYSIS OF AN INDEPENDENT LIBRARY DISTRICT

RECOMMENDATIONS
The following general recommendations are made about determining whether to pursue a library district:

♦ Evaluate Demand for Library Services
♦ Evaluate Community Amenability to a New Property Tax Levy

If a new district is pursued, the following recommendations are made concerning the process:

♦ Develop an Implementation Plan
♦ Consider the Relevant Deadlines for Action
♦ Determine Initial Operating Arrangement
♦ Establish Initial District Funding Plan
♦ Establish Library Assets and Debt Transition Plan
♦ Determine an Employee Transition Plan
♦ Determine a Suitable Levy
QUESTIONS

Thank you