

Consolidated Public Library District #3 (known as)
Mid-Continent Public Library

FINAL ANNUAL BUDGET

Fiscal Year
2020-2021



mymcpl.org



Administrative Headquarters
15616 E. 24 Hwy.
Independence, MO 64050

BUDGET MESSAGE

Fiscal Year 2020-21

One of my favorite song quotes is, “We thought that we had the answers. It was the questions we had wrong.” These words keep revisiting me as we conclude the 2019-20 fiscal year. So much of our current reality seemed so inconceivable prior to present day that there were very few contingencies considered for the situation we find ourselves in. For instance, in my time as a library professional, every economic downturn has correlated with an exceptional increase in library use. Why? Because people without disposable income use the library to gain new skills, to access shared resources, and to take advantage of services. But what happens when the economy turns downward and the prescription to correct the condition is to stay at home, to eliminate physical services, and to avoid places like libraries?

Libraries are dealing with unforeseen and unprecedented challenges. However, compared to libraries in other parts of the country, our library system has three great advantages that will help us get through these challenges.

First, our status as an independently governed and independently funded district provides us the opportunity to focus on what our public needs and to be able to control the decisions that help meet those needs. The way I always like to look at it is that our library can focus on “one big thing.” Typically, that one thing is providing great library services and determining the “library-appropriate response” to community needs. Sometimes, my colleagues at other libraries find themselves pulled in different directions. Our independence allows us to focus.

Second, our investment in the digital delivery of content (eBooks, eAudiobooks, online newspaper archives, and the like) has allowed our library to pivot hard to robust services that can be delivered to a public that cannot visit the library’s physical locations. When the situation forced our public to consider changes to long-held habits, we were able to respond. In addition, we found new ways to provide traditional services, such as broadcasting programs through Facebook Live or Zoom. The move to digital was starting to become more prevalent at the end of 2019, and our previous investment allowed us to adapt quickly. When we return to “normal,” I’m certain that our physical services will remain an important component of our offerings. However, my prediction is that all the new digital services people discovered during the pandemic will likely have an impact on the way our library provides services in the long run.

Third, our library system is large. When considering population, number of branches, collection size, and many other measurements, we are one of the largest independent library systems in the nation. The large size of the district provides economies of scale. Economic and demographic diversity along with economies of scale make the downturns not as painful for MCPL compared to our peers.

Despite my long tenure as a librarian, I have never experienced such dynamic and quickly changing outside forces. Consequently, I find it nearly impossible to predict what the future will hold for the

Library. To this end, this budget includes several steps to be prepared for changes over the coming year. First, this budget utilizes very conservative revenue projections. A decrease in revenue from several sources is highly possible (if not certain), and this budget accounts for that probability. Second, most open positions have been frozen and will not be refilled until the economy stabilizes and staff understand how the public will be using the Library in a post-COVID-19 world. Third, staff have identified several account lines as possible places for reduction through the coming budget year if revenue comes in even slower than expected. Finally, the budget eliminated a second planned transfer from the operating funds to the capital projects fund to help smooth conditions through the coming budget year. This decision could have an impact on the Capital Improvement and Replacement Plan timeline, but not a significant one.

Speaking of the Capital Plan, progress continues. The entire project is still on target for completion before 2023. A few highlights for the coming year should include the openings of the replacement Colbern Road Branch in Lee's Summit and the Withers Branch in Liberty. In addition, the adaptive reuse of the historic home on the Woodneath Library Center campus as The Story Center should be complete during the coming year.

Mid-Continent Public Library will be nimble. We will plan but be ready to pivot when the environment changes. But most importantly, Mid-Continent Public Library will continue to find new ways to provide service to the public, to meet people where they are, and to provide the best library experience in North America.



Steven V. Potter
Library Director and CEO

Strategic Plan

On May 15, 2018, the Mid-Continent Public Library Board of Trustees adopted a new strategic plan for the Library. The Board reaffirmed the following vision and mission statements.

Vision: Mid-Continent Public Library will provide the best library experience in North America.

Mission: Mid-Continent Public Library's mission is to enrich our citizens and communities through expanding access to innovation, information, ideas, and inspiration.

Values: The Board adopted the following statements expressing the organizational values of MCPL.

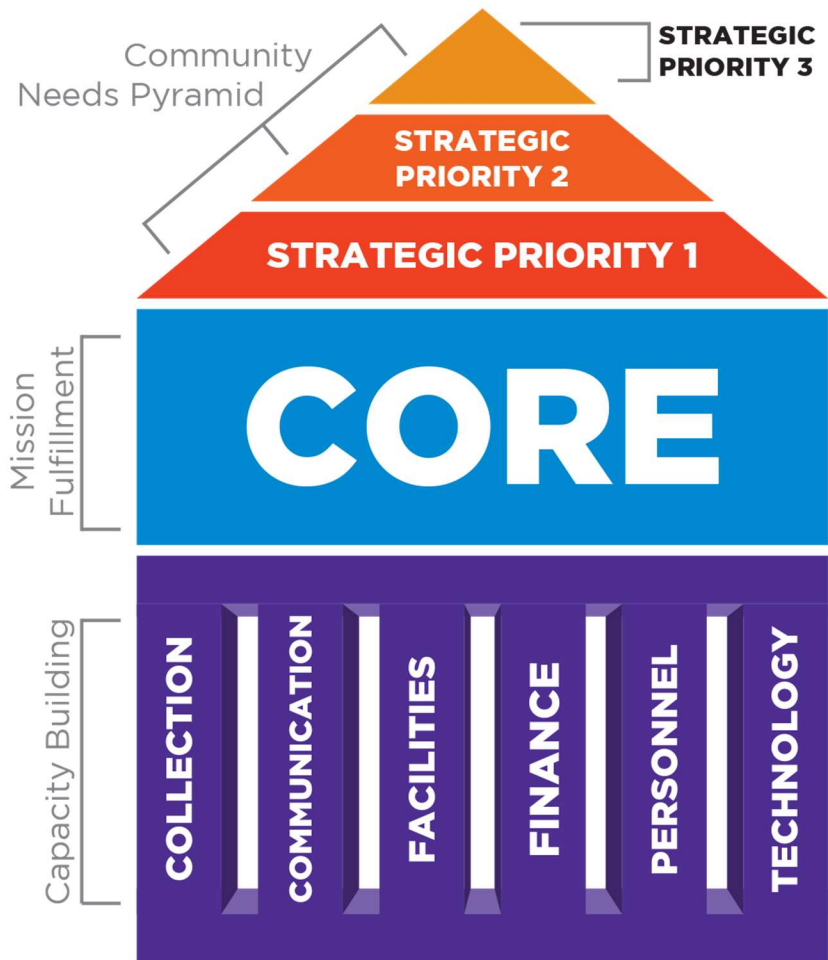
- Intellectual Freedom – The Library believes in the right of every individual to have access to quality information from all perspectives and in a format they find useful.
- Inclusion – The Library believes in the right of every individual to access library services regardless of income, education, beliefs, identity, abilities, age, or race.
- Innovation – The Library believes creative and collaborative methods are required to solve challenges in our community.
- Service – The Library believes that the customer should be at the center of all that we do.
- Stewardship – The Library believes the public and private dollars entrusted to us must be used effectively and efficiently to improve our community.
- Trust – The Library believes trust underlies success, and that trust is built through integrity, fairness, and reliability.

The Strategic Plan is built on six pillars of capacity that help support the core activities of mission fulfillment. From this strong foundation, the Library will work to achieve strategic priorities as seen in *The Purpose-Based Library's* "Pyramid of Needs."

Organizational Pillars – The organizational pillars are the internal tools and resources required to achieve success in the core work and the strategic priorities. The pillars correlate with key staff and Library board committees. Successful libraries measure achievement through performance metrics and inputs.

Core Library Services – The Library can change the lives of individuals every day by providing traditional library services with attention to excellent customer service. Core services are those things that make up the majority of branch activity—circulation, internet use, programs and events, reference sessions, meeting room use, and other traditional library activities along with the digital equivalent of all those things. Outputs like active Library users, customer satisfaction, and transactions measure success in this area.

Strategic Priorities – To increase relevancy to the community, the Library must find and address the gaps between where the community is and where it wants to be. The Library will develop a "library-



appropriate response” to address those gaps. So long as the need exists in the community, it is appropriate for MCPL to continue to work to decrease the gap. Addressing these priorities successfully occurs when the Library has a strong foundation in the organizational pillars and is successfully meeting the core services. Outcome measures, frequently developed by the outside community, capture the Library’s success in this arena. This approach is very different from traditional library planning. For the Library to have the most impact on the community, it must identify the areas of greatest need, coordinate with other community organizations, adopt a “library-appropriate response,” and work to address those needs. Once an area is identified as a community need, and so long as that need exists, it is appropriate for the Library to continue to work at addressing that need until the issue is resolved. Listed below are MCPL’s three strategic priorities.

- Strategic Priority #1 – MCPL will cultivate literacy skills that prepare children and families for lifelong success.
- Strategic Priority #2 – MCPL will connect citizens to innovative services and resources that expand opportunity and build community.
- Strategic Priority #3 – MCPL will build the capacity of individuals and organizations to create and share their stories.

Executing the Strategic Plan

Mid-Continent Public Library has always relied on the use of data and performance measurement to update and improve performance, to save money, and to operate more effectively.

Periodically, MCPL will employ an industrial engineer to improve processes. Past projects increased organizational throughput around resource-sharing activities, resulting in an annual savings of \$600,000 and addressing an end-of-year ordering process that previously embargoed as much as \$300,000 in orders. A two-tiered performance study helped to decrease the time it takes for a newly available item to reach the shelf. With the adoption of the Strategic Plan, MCPL will work to realign processes and procedures to operate more effectively and efficiently.

Another important step in executing the Strategic Plan is creating performance plans for each area within the capacity-building pillars. Guiding the creation of these plans will be the Board committees. This will allow the Board and the public to have a clearer picture of overhead costs, fixed costs, opportunity costs, and variable costs, ultimately allowing for regular and more in-depth feedback on budget priorities.

<u>Organizational Pillar</u>	<u>Board Liaison</u>	<u>Staff Liaison</u>	<u>Sample Measurement</u>
Collection	Board President	Assistant Library Director	Turnover rate, holds ratio, Interlibrary Loan requests, variable service cost
Communication	Board President	Community Relations Director / Internal Communications Director	Earned media recognition, social media impressions
Facilities	Building Committee Chair	Library Director / Finance & Facilities Director	Annual operation cost, annual maintenance
Finance	Finance & Audit Committee Chair / Fundraising & Development Committee Chair	Finance & Facilities Director / Development Director	Days in A.P., days of cash on hand, ratio of unrestricted net assets, development overhead ratio to gifts
Personnel	Personnel Committee Chair	Human Resources Director / Chief Customer Experience Officer	Employee satisfaction survey
Technology	Technology Committee Chair	Chief Technology Officer	Technology overhead costs, repair and maintenance costs, variable service cost

BUDGET STRUCTURE

The Library's budget and accounting system is organized on a "fund basis." Each fund is a separate self-balancing accounting entity. For budgeting purposes, the Library reports on a Generally Accepted Accounting Principles (GAAP) basis except for capital lease obligations. Under this basis, governmental funds' revenues are recognized in the accounting period in which they become measurable and available, and expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. The proprietary fund's revenues are recognized when earned (including unbilled revenue), and expenses are recorded when liabilities are incurred.

Budgets are prepared for each of the following fund types:

Governmental Funds:

- **General Fund** – This fund is the principal operating fund of the Library that accounts for all financial transactions not accounted for in other funds. The majority of the current operating expenditures of the Library are financed through revenues received by the General Fund. The balance of this fund is available to the Library for any purpose—provided it is expended or transferred according to the Library's policies and Missouri Statutes.
- **Capital Project Fund** – This fund is used to account for the acquisition of significant capital assets or the major construction/improvement of Library facilities. The financial resources of this fund's expenditures come from the operating tax levy through budgeting or fund balance transferring, capital grants/contributions, and/or alternative financing.
- **Debt Service Fund** – This fund is established to account for debt principal repayment and interest of Series 2018 Certificates of Participation. All related expenses will also be accounted for in this fund.
- **Special Revenue Funds** – These funds are used to account for revenues derived from specific grants, contributions, or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by the Library Board, Federal and State Statutes, or other external restrictions.
 - Grant & Gift Fund
 - Community Foundation Fund – Truman Heartland Community Foundation
 - James A. Leathers Scholarship Fund
- **Permanent Fund** – The Library currently has two permanent funds: Genealogy Endowment Fund and The Story Center Endowment Fund. These funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used to support the Library.

Proprietary Fund:

- **Internal Service Fund (Self-Funded Health Insurance)** – This fund is used to account for the financing of goods or services provided by one department or agency to other departments or branches of the Library on a cost-reimbursement basis.

Annual budgets are prepared for all Library funds. The Capital Project Fund is budgeted on a project basis, and any remaining unrestricted project fund balances are reappropriated at the beginning of each year and included in the annual budget. The Permanent Fund is also budgeted annually so that expenditures cannot exceed the unrestricted income.

The Board of Trustees of the Library (the Board) reviews and approves the budget prior to the beginning of each year and establishes the appropriations for each fund. At any time during the budget year, the Board may approve a project to be funded from the Capital Project Fund. After the Board has adopted the budget, any revisions that alter the total appropriations within any fund must be approved by the Board. The Board has delegated purchase and expenditure approval to the Library's administration for the daily operational needs.

Budgetary Policies and Procedures

All budgetary policies are established by Missouri Statutes and/or Library Board policy. Board budgetary policies are codified in the Board Policies, Section 500. Budgetary procedures are established by Library administration. The implementation of policies and procedures is the responsibility of the Library Director. The following illustrate the Library policy unless specifically indicating otherwise.

Applies to all Funds:

- The Library is required by Missouri Statutes to prepare budgets for all funds. The final budget for the year must be filed with the County Commissions of Clay and Platte Counties and the County Executive office of Jackson County.
- On the third Tuesday of May, the Library Director submits to the Board a proposed budget for the fiscal year commencing the following July 1. On the third Tuesday of June, the Board adopts the final budget. If the Board fails to adopt the budget on or before that date, the budget as submitted or amended, goes into effect.
- The level at which the Board approves each budget becomes the "legal level of control." This is the level at which transfer of appropriation requires Board action. For the General Fund, the Board approves the budget at the activity level, as follows: Payroll and Benefits, Library Materials, and Library Operations. All other funds are budgeted at the total expenditure level.
- Every year, each county provides a notice of aggregate assessed valuation for the Library to set the property tax levy. A public hearing on the tax levy is conducted at the Library to obtain taxpayer comments before the approval of the final budget.
- All rates for customer fines, fees, and other charges are established by the Board. Unencumbered appropriations lapse at year-end and may be re-appropriated at the beginning of the succeeding budget year.
- By Library practice, revenues and expenditures are monitored and reported to the Board monthly by the Finance and Facilities Director to determine if estimates are on target.

Policy that applies only to the General Fund, “the principal operating fund”:

- By adopted Board policy, the target range of this fund’s unassigned fund balance is 20 percent to 50 percent of the subsequent year’s budget. This amount is needed to fund Library operations from the start of the new fiscal year until new revenue comes to the district toward the end of the calendar year. In the event that funds are not available to maintain the minimum balance, a designated amount in the General Fund’s budget shall be proposed to cover the deficiency over a period not to exceed five fiscal years. In the event the unassigned fund balance exceeds the maximum balance requirement, the excess may be utilized for any lawful purpose approved by the Board, including transfer to the Capital Project Fund. (Please refer to the “fund balance statement” on page 19.)

Practices that apply only to the Capital Project Fund:

- This fund is used to account for major capital projects only, typically defined as individual projects with a budget in excess of \$50,000.
- Whenever real properties are sold, the proceeds are credited to the Capital Project Fund.

Practices that apply only to the Debt Service Fund:

- The fund is used to account for debt repayments of the 2018 Series Certificates of Participation with proceeds of \$80,574,567.50, with a total par amount of \$72,925,000, and a total net premium of \$7,649,567.50. The initial payment date was March 1, 2019, and the last payment date is March 1, 2039.
- The funding source for the annual payment is from the General Fund, subject to annual appropriation by the Library Board.

Restrictions that apply only to the Permanent Fund:

- Contributions made to the Genealogy Endowment Fund are deposited in this fund. One-third of the interest earnings are to be added to the principal, and the remaining two-thirds are to be spent on the collections at the Midwest Genealogy Center.
- Contributions made to The Story Center Endowment Fund are deposited in this fund. All interest earnings will be added to the principal until the corpus reaches \$100,000.

Practices that apply only to the Internal Service Fund (Self-Funded Health Insurance Fund):

- This fund is used to account for the transactions of the Library employees’ health insurance plan. The Library is responsible for paying all claims under the plan but purchases specific and aggregate stop-loss coverage to pay for catastrophic events.
- The Library is intended to build up a contingency reserve as part of the net asset of the fund. Although it is an estimate for an event that has not—and may never—occur, the contingency reserve can help maintain cost-effective and competitive benefits during periods of economic downturn and/or high medical expenses and rate increase occurring simultaneously. It also allows

the medical plan more options when calculating the degree and amount of risk the Library is willing to assume on a self-funded basis.

- At the beginning of each plan year, the amount of fund reserve of the Self-Funded Health Insurance Fund, both restricted and unrestricted, should be no less than the total of three months of average medical claims of the previous plan year and the amount required for incurred-but-not-reported claims, but not to exceed 50 percent of the projected total claim cost of the plan year, with the consideration of planned revenue inflow and the coverage of specific and aggregate stop-loss insurance. The fund reserve will be evaluated as part of the fiscal year budgeting process and again as part of the plan year open enrollment process. Actuarial claim projections of current and subsequent plan years will be included as part of the valuation process.
- The Library Board may authorize necessary fund transfers to this fund from the General Fund to cover any unexpected claims or to restore the contingency reserve.

Budget Calendar:

March	Budget requests are submitted to the Finance and Facilities Director.
April	The Proposed Personnel Budget is presented to the Library Board. The non-binding tax levy is submitted to Clay, Jackson, and Platte Counties, as required in RSMo 137.
May	The Proposed Annual Budget is presented to the Library Board and made available to the public. Board Committees review and modify the Proposed Annual Budget.
June	A public hearing on the tax levy shall be held at the Library, as required in RSMo137. Public comment on the budget is encouraged as part of the hearing. The final Annual Budget is approved by the Library Board, as outlined in section 182.645.
August	The final tax levy is submitted to Clay, Jackson, and Platte Counties, as outlined in RSMo 137.

Library Organization & Structure

Mid-Continent Public Library's reporting entity has been defined in accordance with Chapter 182.610 of Missouri Revised Statutes as a Consolidated Library District. The mission of the Library is to enrich our citizens and communities through expanding access to innovation, information, ideas, and inspiration. The Library is governed by a 12-member Board of Trustees. By Missouri Statutes, each county in the Library District appoints four representatives with a four-year term to the Board. The Clay and Platte County Commissions and the Jackson County Executive make these appointments.

The history of Mid-Continent Public Library begins with the history of the individual county library districts. The amount of the operating levy is an important part of the history because the operating levy had to be the same in each district in order for them to consolidate.

Jackson County Public Library was established in 1947. In April 1963, its operating levy was increased from 10 cents to 20 cents per \$100 assessed valuation. Platte County Public Library District, the first county library district in Missouri, was established in 1941 with an operating levy of 10 cents per \$100 assessed valuation. Clay County Public Library District was established in April 1965 with an operating levy of 20 cents per \$100 assessed valuation.

On November 10, 1965, the recently established Clay County Public Library District and the Jackson County Public Library District agreed to operate jointly, as defined by Chapter 182.080 and Chapter 70.210 to 70.320 of the Missouri Revised Statutes, and formed Mid-Continent Public Library Service.

In order to become a full partner with Mid-Continent Public Library, Platte County asked its voters to raise the tax levy from 10 to 20 cents. In April of 1968, the levy was approved. On May 21, 1968, a new agreement was signed that included the three county library districts: Clay, Jackson, and Platte. On September 17, 1968, the name was shortened from Mid-Continent Public Library Service to Mid-Continent Public Library.

In 1971, the Missouri Legislature passed the Consolidated Library law. Seven years later, on December 27, 1978, the Clay County Library District consolidated with the Jackson County Library District, forming Consolidated Library District No. 3. On February 20, 1979, the Platte County Court voted to consolidate the Platte County Library District with Consolidated Library District No. 3, known as Mid-Continent Public Library.

Two independent libraries merged with Mid-Continent Public Library. In 1968, The Carnegie Library in Excelsior Springs merged with the Clay County Library. In 1981, the Frank Hughes Memorial Library in Liberty merged with Mid-Continent Public Library.

Following the mergers and creation of the Consolidated Library District, in 1983, voters in the district approved a permanent operating levy of 35 cents per \$100 assessed valuation and a temporary construction levy of 10 cents per \$100 assessed valuation. The temporary levy provided funds to build or replace 24 libraries and to create permanent facilities from which to provide library services.

On November 8, 2016, voters from all three counties approved a new operating levy of 40 cents per \$100 assessed valuation for Mid-Continent Public Library (known as “Proposition L”). The additional funding has been, and will continue to be, used to enhance Library services and to refresh facilities by creating spaces that better meet the need of today’s library users.

Below is a breakout of the 2016 election results posted by the four separate election boards in the Library’s district.

Prop L Results	Yes	No	Total	% Yes
Clay County	62,609	42,644	105,253	59.5%
Jackson County	99,894	58,468	158,362	63.1%
Kansas City	30,505	13,244	43,749	69.7%
Platte County	28,474	19,578	48,052	59.3%
Total	221,482	133,934	355,416	62.3%

The Library has reciprocity agreements with the North Kansas City Public Library, Ray County Public Library District, and Rolling Hills Consolidated Public Library to extend Library use privileges to customers in those library districts. Reciprocity is also extended to customers serviced by any public library that has delivery service and belongs to the Mid-America Library Alliance.

The Mid-Continent Public Library system consists of the following 32 branches, totaling over 533,000 square feet:

- | | | |
|-------------------------|--------------------------------|-------------------------|
| Antioch (AN) | Edgerton (ED) | North Oak (NO) |
| Blue Ridge (BR) | East Lee's Summit (EL) | Oak Grove (OG) |
| Blue Springs North (BN) | Excelsior Springs (ES) | Parkville (PV) |
| Blue Springs South (BS) | Grain Valley (GN) | Platte City (PC) |
| Boardwalk (BW) | Grandview (GV) | Raytown (RT) |
| Buckner (BU) | Kearney (KE) | Red Bridge (RB) |
| Camden Point (CP) | Lee’s Summit (LS) | Riverside (RS) |
| Claycomo (CL) | Liberty (LI) | Smithville (SM) |
| Colbern Road (CR) | Lone Jack (LJ) | South Independence (SI) |
| Dearborn (DE) | North Independence (NI) | Weston (WE) |
| | Midwest Genealogy Center (MGC) | Woodneath (WN) |

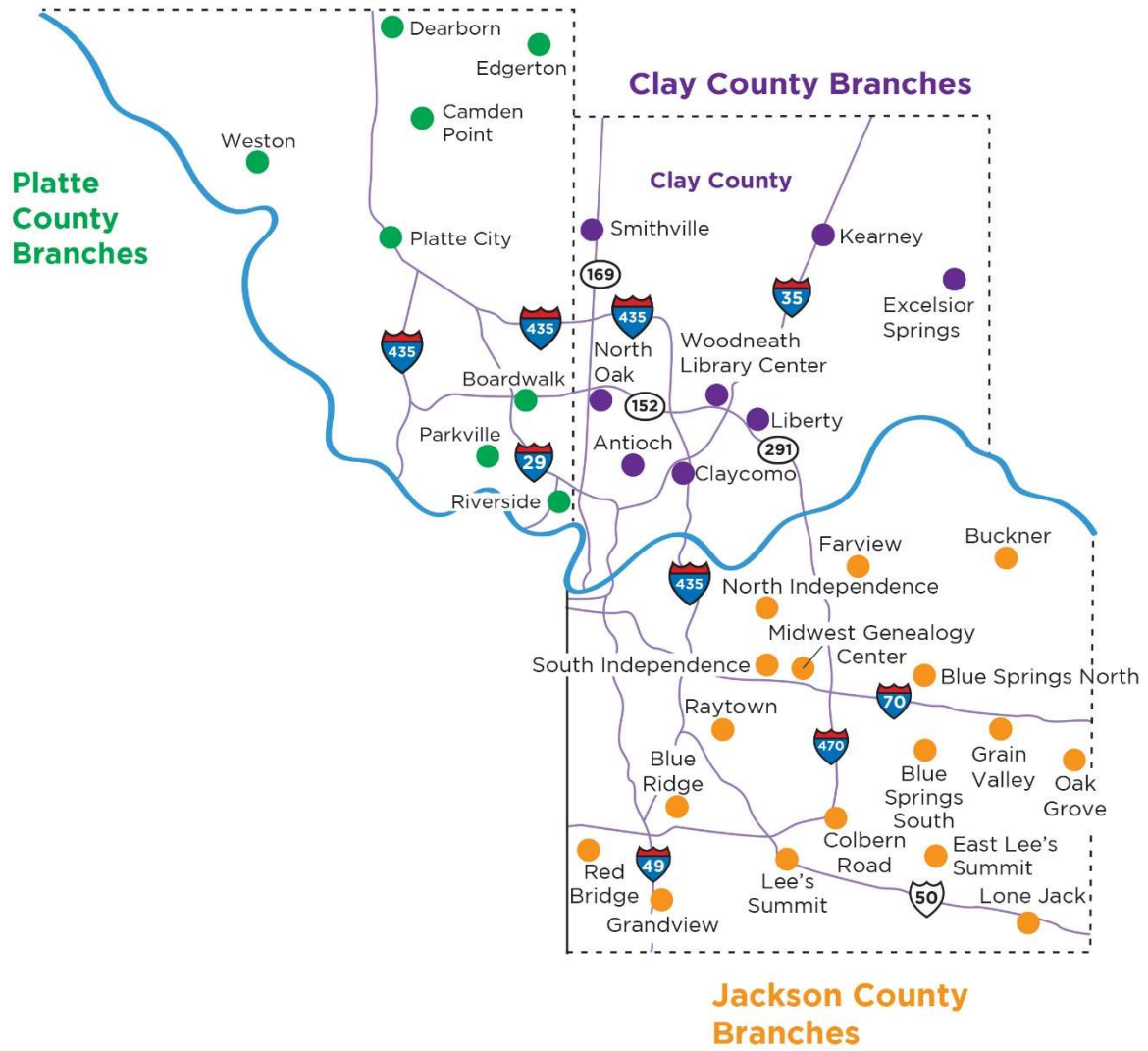
All the above branches offer a wide variety of programs and services aimed at meeting expectations of customers ranging from preschool-aged children to senior citizens.

With storytelling as a service enhancement, the Library is able to offer new programs and services through The Story Center, which is housed at the Woodneath Library Center. Established in 2013, The Story Center celebrates and develops writers, performers, and filmmakers through access to free resources, workshops, and a community of storytellers. The Woodneath Press and Espresso Book Machine (EBM) are two important facets of The Story Center. The award-winning Woodneath Press serves as the Library's in-house publishing division, working with authors of various backgrounds and genres to develop and distribute professionally published works. The Espresso Book Machine, used by the Woodneath Press to print books on demand, is a state-of-the-art device that prints, binds, and trims paperback books.

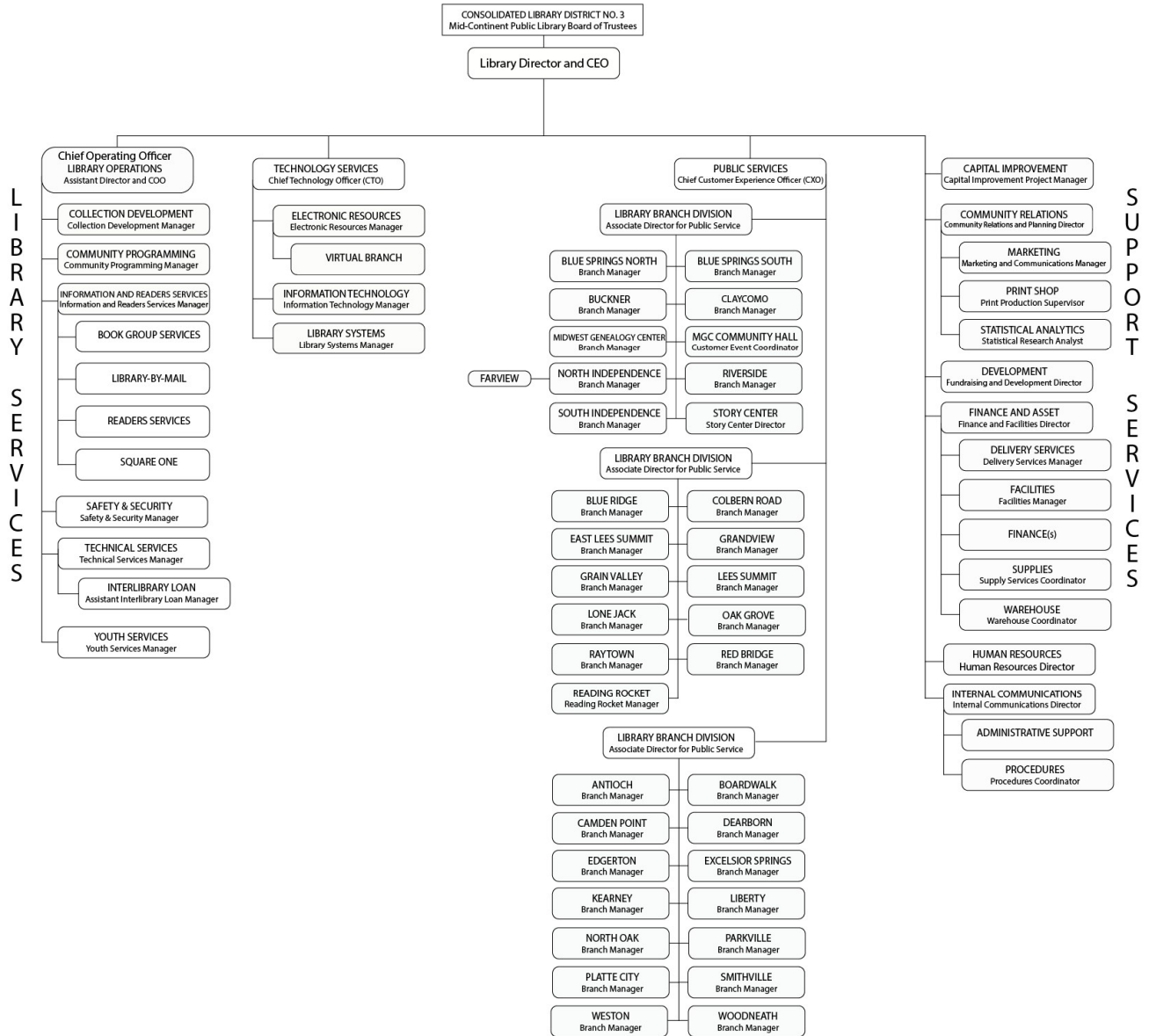
Beginning in 2019, the North Independence Branch started to manage an extended service facility at a separate location called the Farview Neighborhood Library. This location offers traditional library services, such as book circulation, early literacy programs, and public computers, but is also home to a food pantry operated by Community Services League. The Fort Osage School District retains ownership of the building and provides the space to both organizations at no cost for the duration of a three-year trial.

In addition, the Library operates two unstaffed self-service Library-To-Go sites: one at the Hillcrest Community Center and another at the Marlborough Community Center. The services at the "Library-To-Go" sites consist of an automated material handling system and computers with access to the Library catalog, online resources, and the internet. Through this service model, the Library can extend services to underserved and at-risk communities for a fraction of what it would cost to build or establish a new library building.

Mid-Continent Public Library Branches



Mid-Continent Public Library Organizational Chart of Responsibilities



Consolidated Library District No. 3

Known as

Mid-Continent Public Library

Board of Trustees

June 30, 2020

Michelle Wycoff, Clay County, President

Ronald Thiewes, Clay County, Vice President

Charlotte Hoverder, Platte County, Treasurer

John Laney, Jackson County

Michael Lazio, Platte County

Yummy Pandolfi, Platte County

Jane Rinehart, Clay County

Steve Roling, Jackson County

Brent Schondelmeyer, Jackson County

Trent Skaggs, Clay County

Joycelyn Tucker Burgo, Jackson County

Rita Wiese, Platte County

Senior Administrative Staff

Steven Potter, Library Director and CEO

Susan Wray, Assistant Library Director and COO

Ritchie Momon, Chief Customer Experience Officer

Bryan Gash, Chief Technology Officer

Jim Staley, Community Relations and Planning Director

Qun Fang, Finance and Facilities Director

Diana Reiter, Fundraising and Development Director

Jennifer Ridley, Human Resources Director

Teresa Johnson, Internal Communications Director

Budget Summary of Revenues, Expenditures, and Changes in Fund Balance
All Governmental Funds
FY July 1, 2020 - June 30, 2021

	General Fund	Capital Project Fund	Grant & Gift Fund	Debt Service Fund	James A. Leathers Scholarship Fund	Community Foundation Fund	Endowment Fund	Total Budget
Beginning Fund Balance	\$ 27,022,120	\$ 63,223,274	\$ 280,750	\$ 354,571	\$ 16,090	\$ 326,280	\$ 85,330	\$ 91,308,415
Revenues:								
Property Taxes	52,900,360	-	-	6,230,000	-	-	-	59,130,360
Grants & Contributions	689,500	680,000	276,740	-	-	7,600	40,000	1,693,840
Interest on Investments	232,500	850,000	-	-	150	1,770	2,030	1,086,450
Fines, Fees, and Other	520,000	-	-	-	-	-	-	520,000
Miscellaneous Income	60,000	2,076,840	40,000	-	-	-	-	2,176,840
Total Revenues	54,402,360	3,606,840	316,740	6,230,000	150	9,370	42,030	64,607,490
Expenditures:								
Payroll and Benefits	32,565,465	-	-	-	-	-	-	32,565,465
Library Materials	11,615,000	-	-	-	-	-	-	11,615,000
Library Operations	10,221,895	-	316,015	6,574,730	2,000	10,000	-	17,124,640
Capital Projects	-	44,477,496 ⁽²⁾	-	-	-	15,000	-	44,492,496
Total Expenditures	54,402,360 ⁽¹⁾	44,477,496	316,015	6,574,730	2,000	25,000	-	105,797,601
Transfers In (Out)	-	-	-	-	-	-	-	-
Changes in Fund Balance	-	(40,870,656)	725	(344,730)	(1,850)	(15,630)	42,030	(41,190,111)
Ending Fund Balance	\$ 27,022,120	\$ 22,352,618	\$ 281,475	\$ 9,841	\$ 14,240	\$ 310,650	\$ 127,360	\$ 50,118,304

(1) Details are presented under the tab of "General Fund."

(2) Details are presented in the Capital Project Fund section under the tab of "Other Funds."

Instead of considering the budget by line item, the budget can also be considered by the services the Library provides. The entire Library budget of \$105,797,601 can be divided among six core programs (or services): Materials & Lending, Programming & Information Services, Public Technology, Public Space, Community Involvement, and Support Services. All six programs are closely tied to the mission, goals, and objectives of the Library.

1. Materials & Lending (6010)

This program includes the Library's acquisition, classification, and maintenance of its lending collection. This includes borrowing and lending to other libraries, the creation of online records, and the inventory maintenance and control of the collection, along with the actual purchase and loan of digital and physical Library materials.

2. Programming & Information Services (6020)

This program includes the acquisition and maintenance of the Library's digital collection, events, and information-based programming. This category also includes online learning, online research, and mission-enhancement programming like Square One Small Business Services, The Story Center, and reading initiatives (e.g., the Summer Library Program).

3. Public Technology (6030)

This program includes public access to technology, which encompasses public Wi-Fi, computers, copy machines/printers, public fax machines, and other similar services.

4. Public Space (6040)

This program includes the Library's physical presence as a programming element and public destination. This category includes utilities, insurance, lawn care, snow removal, and other contracted services.

5. Community Involvement (6050)

This program includes the efforts that the Library undertakes as a community connector. Programming and initiatives are designed to connect people with information, with other components of the community, to foster collaboration, and to build stronger communities.

6. Support Services (8000)

This program includes overhead that is associated with managing a public service organization. Expenses like continuing education, resource development, insurance, telecommunication, and the associated personnel are found in this category.

Total Budget by Programs
Fiscal Year July 1, 2020 to June 30, 2021

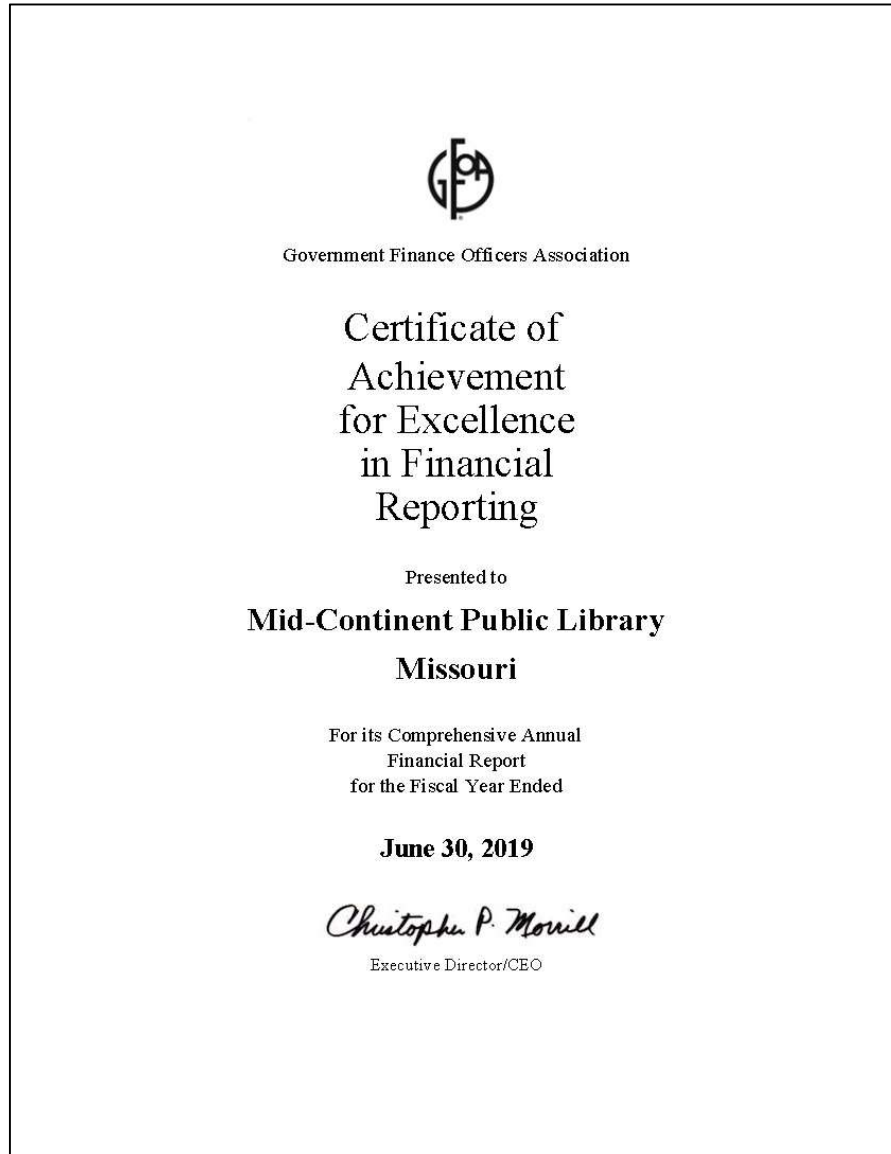
	Total Budget	Material Lending	Programming & Info Serv.	Public Technology	Public Space	Community Involvement	Support Services
Payroll & Benefits	\$ 32,565,465	\$ 10,746,603	\$ 9,769,640	\$ 4,884,820	\$ 976,964	\$ 1,302,619	\$ 4,884,820
Library Materials	11,615,000	8,399,408	3,215,592	-	-	-	-
5260 Leased Space	267,640	-	-	-	267,640	-	-
5270 Leased Equipment	63,425	4,425	-	-	-	-	59,000
5300 Furniture and Equipment	607,415	119,310	350,000	69,000	-	-	69,105
5320 Vehicle Operations	58,565	20,000	-	-	33,565	-	5,000
5330 Technology Services	1,720,320	656,810	-	180,850	-	-	882,660
5380 Library and Office Supplies	703,925	346,148	134,278	85,250	85,000	5,000	48,250
5420 Resource Development	98,000	-	-	-	-	98,000	-
5430 Community Relations & Planning	390,000	-	-	-	-	390,000	-
5440 Library Engagement Services	781,365	-	781,365	-	-	-	-
5450 Contracted Services	1,534,150	-	-	-	1,380,735	-	153,415
5460 Professional Fees	260,400	25,000	-	-	-	-	235,400
5470 Continuing Educ. & Conventions	326,465	-	-	-	-	-	326,465
5490 Membership and Dues	84,270	-	-	-	-	-	84,270
5510 Utilities	1,401,600	-	-	-	1,261,440	-	140,160
5540 Postage and Freight	242,935	237,935	-	-	-	-	5,000
5570 Voice, Data & Internet	1,050,700	158,325	-	46,500	-	-	845,875
5660 Building Repair & Maintenance	745,735	-	-	-	745,735	-	-
5740 Travel and Transportation	120,000	39,000	52,000	-	-	-	29,000
5770 Insurance	438,000	-	-	-	-	-	438,000
5800 Miscellaneous / Debt payment	6,579,730	-	-	-	-	-	6,579,730
7020 Buildings	40,792,496	-	-	-	40,792,496	-	-
7030 Land	3,350,000	-	-	-	3,350,000	-	-
Total:	\$ 105,797,601	\$ 20,752,964	\$ 14,302,874	\$ 5,266,420	\$ 48,893,575	\$ 1,795,619	\$ 14,786,150
% of FY 2020-21 Total Budget	100.0%	19.6%	13.5%	5.0%	46.2%	1.7%	14.0%

The Library Board has established a Fund Balance Policy on the reporting and classifying of fund balances within governmental funds. The categories and classifications of the General Fund balance and Capital Project Fund balance at the end of the fiscal year 2019-2020 are presented as follows:

	<u>General Fund</u>	<u>Capital Project Fund</u>
Nonspendable:		
Prepaid expenditures	\$ 300,000	\$ -
Restricted for:	-	-
Assigned to:		
Compensated absences:	2,700,000	-
Woodneath historic home	-	1,844,042
Woodneath collaboration room & sign	-	55,000
Long-term capital plan	-	61,324,232
Unassigned :		
Library operating:	<u>24,022,120</u>	<u>-</u>
Fund balances as of June 30, 2020	<u>\$ 27,022,120</u>	<u>\$63,223,274</u>

The unassigned General Fund's balance is the residual net resources after non-spendable, restricted, and assigned and is at 44.2 percent of next year's operating budget. The target range of this portion of the fund balance is 20 percent to 50 percent of the subsequent year's operating budget. Until substantial tax revenues are received in December, the Library utilizes this unassigned fund balance to fund its operations.

For the ninth consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Mid-Continent Public Library for its Comprehensive Annual Financial Report (CAFR) for the fiscal year that ended on June 30, 2019. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.



In addition, and pursuant to RSMo 182.647, all Library accounts are audited by an outside independent auditing firm. The auditors expressed “unmodified opinion” concerning the 2018-2019 fiscal year financial statements. This is also known as a “clean audit.” Full details can be found in the Library’s Comprehensive Annual Financial Report.

General Fund Detail Statement of Revenues and Expenditures

<u>Account Number</u>	<u>Actual 2018-19</u>	<u>Estimate 2019-20</u>	<u>Budget 2020-21</u>
<u>Revenues:</u>			
3210 Property Tax - Clay	\$ 16,870,638	\$ 16,950,000	\$ 16,848,330
3230 Property Tax - Jackson	29,896,115	31,200,000	31,589,920
3250 Property Tax - Platte	10,999,069	10,800,000	10,692,110
3260 Property Tax - transfers	(7,301,740)	(7,259,000)	(6,230,000)
Property Taxes	50,464,082	51,691,000	52,900,360
3290 Governmental Grant	787,915	657,000	657,000
3330 Private Grant	-	-	29,500
3500 Contributions	2,188	22,000	3,000
Grants & Contributions	790,103	679,000	689,500
3370 Investment Income	576,874	400,000	232,500
3390 Fines, Fees and Other	634,714	475,000	520,000
3800 Miscellaneous Income	62,835	35,000	60,000
Total Revenues	<u>\$ 52,528,608</u>	<u>\$ 53,280,000</u>	<u>\$ 54,402,360</u>
<u>Expenditures:</u>			
5010 Payroll	\$ 20,638,604	\$ 23,444,000	\$ 23,858,822
5030 Social Security	1,529,682	1,793,400	1,786,950
5050 Unemployment Compensation	7,905	5,000	15,000
5060 Tuition Reimbursement	23,180	20,000	30,000
5070 Retirement	2,600,219	2,801,570	3,048,773
5080 Medical Insurance	3,222,365	3,694,800	3,482,000
5090 Life and Disability Insurance	72,588	81,300	87,920
5100 Employee Assistance Program	15,958	15,400	20,000
5110 Employee Resources	191,590	210,000	236,000
Payroll and Benefits	28,302,091	32,065,470	32,565,465
5150 Books	3,046,261	3,100,000	3,314,445
5160 Electronic Books	1,239,314	1,600,000	1,619,138
5180 Periodicals	290,493	300,000	300,000
5190 Microfilm	24,966	60,000	50,000
5200 Electronic Resources	2,501,724	2,750,000	2,651,592
5230 A-V Materials	1,875,906	1,750,000	2,092,250
5240 Library Material Processing	822,575	850,000	1,023,575
5250 Live Programs	542,827	500,000	564,000
Library Materials	10,344,066	10,910,000	11,615,000

(Continued)

General Fund Detail Statement of Revenues and Expenditures

<u>Account Number</u>	<u>Actual</u> <u>2018-19</u>	<u>Estimate</u> <u>2019-20</u>	<u>Budget</u> <u>2020-21</u>
5260 Leased Space	95,169	248,360	267,640
5270 Leased Equipment	53,689	65,000	63,425
5300 Furniture and Equipment	221,498	600,000	257,415
5320 Vehicle Operations	105,110	220,000	58,565
5330 Technology Services	1,425,106	1,700,000	1,720,320
5380 Library and Office Supplies	592,470	680,000	703,925
5420 Resource Development	145,419	100,000	98,000
5430 Community Relations and Planning	357,154	350,000	390,000
5440 Library Engagement Services	366,385	420,000	465,350
5450 Contracted Services	1,126,249	1,450,000	1,534,150
5460 Professional Fees	205,683	230,000	260,400
5470 Continuing Edu. & Conventions	161,556	325,000	314,465
5490 Membership and Dues	53,278	82,360	84,270
5510 Utilities	1,125,392	1,250,000	1,401,600
5540 Postage and Freight	285,362	225,000	242,935
5570 Voice, Data & Internet	1,114,029	1,080,000	1,050,700
5660 Building Repair & Maintenance	524,616	550,000	745,735
5740 Travel and Transportation	133,753	110,000	120,000
5770 Insurance	344,275	400,000	438,000
5800 Miscellaneous Services	1,479	5,000	5,000
Library Operations	8,437,672	10,090,720	10,221,895
Total Expenditures	<u>\$ 47,083,829</u>	<u>\$ 53,066,190</u>	<u>\$ 54,402,360</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>\$ 5,444,779</u>	<u>\$ 213,810</u>	<u>\$ 0</u>
Net Fund Transfer	(3,700,000)	(4,500,000)	-
Net Changes in Fund Balance	<u>\$ 1,744,779</u>	<u>\$ (4,286,190)</u>	<u>\$ 0</u>

General Fund

Fund Description:

The General Fund represents the Library’s operating budget. It is used to account for all financial resources, except those required to be accounted for in another fund. It reflects most of the critical issues affecting the Library, from establishing the level of service to determining the needs for staffing and benefits.

The new fiscal year will start with an unassigned fund balance of \$24,022,120. Before the substantial tax revenues for fiscal year 2020-21 are received beginning in December 2020, the Library needs to utilize this fund balance to operate.

Revenues:

Fiscal year 2020-21 General Fund budgeted revenues as compared to the previous year’s actual revenues are as follows:

<u>Source</u>	<u>2020-2021 Budget</u>	<u>2019-2020 Estimate</u>	<u>% Inc/Dec</u>
Property Tax	\$52,900,360	\$51,691,000	2.3%
Grants and Contributions	689,500	679,000	1.5%
Investment Income	232,500	400,000	-41.9%
Fines, Fees, and Other	520,000	475,000	9.5%
Miscellaneous Income	60,000	35,000	71.4%
Totals	\$54,402,360	\$53,280,000	2.1%

As can be seen from the above projection, the General Fund’s revenue is expected to have a 2.1 percent increase from the previous year’s actual. The increase reflects a decision to keep more property tax revenue in the General Fund. Typically, there would be a planned transfer of tax revenue to the Capital Project Fund. *If not for the decision to eliminate that transfer this year, the revenue would show overall decreases.* The budgeted property tax revenue is based on a voter-approved tax levy of 40 cents per \$100 assessed valuation, plus mandatory rate adjustment required by Article X, Sections 18-24, of the Missouri Constitution (sometimes referred to as the “Hancock Amendment”).

The Underlying Revenue Assumptions for these Revenue Sources are as follows:

Property Tax: Clay – This source of revenue encompasses all taxes from Clay County, including Real Estate, Personal, Railroad & Utilities, Financial Institution, Replacement, Payment in Lieu of Taxes, and Interest. Based on the county’s assessment and the historical trend, the Library projects a **0.6 percent decrease** in total tax revenues due to a projected lower personal property tax assessment.

Property Tax: Jackson – This source of revenue encompasses all taxes from Jackson County, including Real Estate, Personal, Railroad & Utilities, Financial Institution, Replacement, Payment in Lieu of

Taxes, and Interest. Based on the county's assessment and the historical trend, the Library projects a **1.2 percent increase** in total tax revenues due to a projected larger amount of delinquent tax revenue received in FY 2020-21.

Property Tax: Platte – This source of revenue encompasses all taxes from Platte County, including Real Estate, Personal, Railroad & Utilities, Financial Institution, Replacement, Payment in Lieu of Taxes, and Interest. Based on the county's assessment and the historical trend, the Library projects a **1 percent decrease** in total tax revenues due to a projected lower personal property tax assessment.

Property Tax: Transfer – This amount represents new tax revenue budgeted from the Operating Fund to be transferred to the Capital Project Fund and/or the Debt Service Fund to assure obligations associated with Certificates of Participation Bond and the Capital Improvement and Replacement Plan are met annually. For FY 2020-21, a transfer amount of \$6,230,000 is budgeted for the Debt Service Fund.

Grants and Contributions – Missouri Athlete and Entertainers Tax and State Aid to Public Libraries are appropriated by the State General Assembly and administrated by the State Library. Telecom E-Rate Reimbursement is a federal grant to offset the internet access and broadband connection cost (approximately 80 percent of the cost of the eligible services). Contributions are budgeted based on past experiences and fundraising efforts. Major grants and gifts will be budgeted in the Grant and Gift Fund of the Special Revenue Funds and the Capital Project Fund.

Fines, Fees, and Other – This source of revenue trends with the circulation of Library materials and the economy and is expected to have an increase from in-branch sales of book bags, flash drives, earbuds, and printing/copying/faxing services with the reopening of the full library services.

Investment Income – The Library has contracted an investment management firm to invest its funds in a manner that will provide the highest investment return with the maximum security, while meeting the daily cash flow needs and complying with all state statutes governing the investment of public funds.

Miscellaneous Income – The majority of this revenue is from the sale of discarded Library materials, meeting room rental fees, auction proceeds of obsolete furniture and equipment, and the Library's special book printing service. The proceeds will be spent on acquiring new Library materials.

The total budgeted operating revenue is \$54,402,360.

Expenditures:

FY 2020-2021 General Fund’s budgeted expenditures as compared to the previous year’s actual expenditures are as follows:

<u>Activities</u>	<u>2020-21 Budget</u>	<u>2019-20 Actual</u>	<u>% Inc/Dec</u>
Payroll and Benefits	\$32,565,465	\$32,065,470	1.6%
Library Materials	11,615,000	10,910,000	6.5%
Library Operations	10,221,895	10,090,720	1.3%
Total	\$54,402,360	\$53,066,190	2.5%

Operating expenditures of \$54,402,360 are proposed for FY 2020-21 based on the revenue projections.

Payroll and Benefits – Although there is a hiring freeze in place, the new fiscal year’s budget for Payroll and Benefits reflects an increase of up to 1.6 percent. This increase reflects the funding of all frozen but not filled positions and an increase in the total authorized positions, allowing the Library to consolidate half-time positions to full-time positions. This plan also adjusts the pay scale to maintain competitive market compensation. For further information, please refer to the Payroll and Benefits section.

Library Materials – As 21.4 percent of the operating budget, Library Materials will continue to be one of the highest investments in the United States in terms of the percentage of overall budget, according to the *Public Library Data Services Survey*. This reflects a 6.5 percent budgetary increase over the previous year. For further information, please refer to the Library Materials section.

Library Operations – The new fiscal year’s budget in this category will increase by 1.3 percent over last year’s actual. The majority of the increase is from Building Maintenance, Insurance, Technology Services, and Contracted Services account.

Below are those fund accounts that warrant mention:

Leased Space (5260): The Library has the following facility leases for branch services and storage:

Boardwalk Branch common area	\$ 2,000
Red Bridge leased facility	\$ 218,280
Grain Valley leased facility	42,360
Offsite Storage	5,000
	<u>\$ 267,640</u>

Leased Equipment (5270): The Library periodically leases specialized equipment and computers if depreciation warrants lease rather than purchase. Identified leases for the new fiscal year are summarized below:

Mailing machine	\$ 4,425
Print Shop equipment	54,000
Other	<u>5,000</u>
	\$ 63,425

Furniture and Equipment (5300): This account includes any furniture and equipment purchased by the Library costing over \$300 per item. Below are the major categories of such purchases:

Furniture and Equipment for branches	\$ 107,310
Support Service furniture and equipment	124,605
Equipment maintenance services	<u>25,500</u>
	\$ 257,415

Library and Office Supplies (5380): This account includes cleaning and bathroom supplies, office and programming supplies, and any furniture or equipment under \$300 per item. The Library has committed to explore safer, more cost-efficient, and eco-friendly products or services. Below are the major categories of such purchases:

Branch supplies	\$ 278,555
Cleaning supplies	60,000
Inventory for in-library sales	13,000
Technical services supplies	191,350
Library cards	15,000
Delivery/Mailroom supplies	3,520
Promotional supplies	8,500
Printing and paper supplies	119,000
Other	<u>15,000</u>
	\$ 703,925

Resource Development (5420): The Library recognizes the need for revenue diversification and increased private investment to achieve the organizational vision and mission. The Resource Development budget supports the work of identifying, obtaining, and properly stewarding new sources of funding acquired outside of tax-related revenues. The account provides funds for costs associated with donor identification, cultivation, recognition, and retention at all levels including, but not limited to, fundraising campaigns, direct mail, and special events. Other budget items related to this account include fundraising-related marketing and consulting assistance focused on specific campaigns and management of Raiser’s Edge NXT (fundraising software).

In fiscal year 2020-21, fundraising strategies will focus on acquiring new donors, cultivating existing prospects, increasing giving of current donors, and strengthening relationships with fundraising

volunteers. The Resource Development fund will allow staff to implement a tiered fundraising plan in an effort to reach all potential donor segments through a variety of vehicles: major gifts, grants, online giving, direct mail, sponsorships, membership programs, and planned giving. Budgeted funds will cover costs related to producing fundraising materials (print and digital), recognizing donors, supporting strategic partnerships, and utilizing specialized consulting assistance to achieve optimal results.

Fundraising efforts for fiscal year 2020-21 will focus on supporting the Strategic Plan priorities and bolstering the work of mission-enhancement initiatives found in the Strategic Plan (Reading Rocket, Midwest Genealogy Center, The Story Center, and Square One Small Business Services). For a detailed list of fundraising project priorities for the coming year, please see descriptions of the Capital Project and Special Revenue Funds. Funds raised as a result of development activities may be directed to the Library’s General Fund, Capital Project Fund, Special Revenue Fund, Permanent Fund (endowment funds), the MCPL Foundation, or Community Foundation funds held for the benefit of the Library.

The total budget for this account is \$98,000 as detailed below:

Annual fund mailing	\$	18,000
Contract/consulting		24,500
Cultivation		17,000
Marketing/promotion		11,000
Special events		27,500
	\$	<u>98,000</u>

Community Relations and Planning (5430): The Library believes that a critical component of good service to its customers is to understand who they are and inform them about all of the resources offered through in-branch messaging channels, digital communication, social media, public relations, and paid and earned media. Activities in this account include research and planning around service needs and customer satisfaction, public information initiatives, general Library promotion related to the collection, resources and programs, tactics to increase the number of active cardholders, and the creation of tools to decrease barriers to access.

Highlights for next year’s budget focus activities and finite resources on the Library’s strategic priorities: cultivation of literacy skills, connecting citizens to services, allowing them to expand opportunity (such as Square One Small Business Services), and building the capacity for people and organizations to create and share stories. In addition, communications strategies are in place to continue to inform the public about the status of construction projects, as well as the services and resources available to customers across the system.

General marketing	\$	59,000
Communications		40,000
Outsourced printing		56,000
Genealogy marketing		27,000
Data collection		36,000
Advertising/goal marketing		165,000
Misc expenses		7,000
	\$	<u>390,000</u>

Library Engagement Services (5440): This account includes budgets for reading initiatives, the Reading Rocket, Information and Readers’ Services, and The Story Center.

The Summer Library Program (SLP) is an annual 10-week program for all ages that fosters exploration and critical thinking through reading, literacy activities, and attendance of Library programs. It is also the largest system-wide event of the year. The 2019 SLP saw 27,273 individuals register for the program. Over 73 percent of registrants participated by logging at least one activity, with 16,893 total program completions. Of those registered, 64 percent of children and teens earned at least 250 points and the opportunity to select a book for their home library. The Library continues to share SLP participant information with seven school districts in its service area, and reports indicate that SLP participation has had a positive effect on fall reading test scores.

The Reading Rocket, the Library’s mobile early literacy vehicle, continues to take early literacy programming, training, and resources to places within the service area where families and care facilities have limited or no access to the Library. In FY 2019-20, the Reading Rocket participated in over 53 individual events and welcomed a total of 3,593 visitors. Visitors received early literacy-rich programming, and, in-part from a grant provided by CommunityAmerica Credit Union, each child received gently used books for their home library.

The budget also includes provisions for staff training and equipment for early literacy, grade-level reading, and school-aged program facilitation for all Library branches.

The Library’s Information and Readers’ Services Department focuses on community engagement in the form of adult reading programs, such as the increasingly popular Winter Reading Challenge, as well as Square One Small Business Services for community entrepreneurs, Library-By-Mail for the homebound, and Book Group Services for in-system branches as well as for small libraries across the state of Missouri. This budget enables Square One Small Business Services specialists to attend business expos and other business outreach events, allowing them to spread the word about resources the Library has to offer. In addition, this fund covers all the supplies, postage, and promotional materials Library-By-Mail needs to serve homebound customers who cannot otherwise access materials at their local branch. Book Group Services purchases sets of discussable titles and organizational supplies that help book group facilitators provide quality discussions. Finally, this budget covers staff trainings in readers’ advisory, including the system-wide Readers’ Advisory Certification Program, which is open to staff at every level.

The operating budget for this account is \$465,350. Identified services are summarized below:

		<u>Project code</u>
Summer Library Program	\$ 310,000	5004
Equipment for the Early Literacy space at Branches	10,000	5004
YSD and Branch Staff Training	5,000	5004
Grant-funded activities	25,000	5004
Other program materials and supplies	12,450	5004
Reading Rocket supplies	15,000	5005
Reading Rocket maintenance	25,000	5005
Readers' Services marketing/outreach	8,600	5007
Winter Reading Challenge	23,000	5007
Reader's Advisory Certification/staff training	7,000	5007
Promotional materials and postages	4,800	5007
Supplies: LBM, Book Groups, Square One	10,000	5007
Special supplies for The Story Center	9,500	1005
	\$ 465,350	

Contracted Services (5450): This account was created to report outsourced services: lawn care, branch security, and building cleaning. We believe that, through outsourcing, the Library can access skilled expertise, focus on core activities, and increase efficiency. Identified services are summarized below:

Snow Removal	\$ 163,500
Pest Control	30,000
Security Monitoring	26,650
Alarm panel upgrade	27,000
Lawn Care	336,000
Branch Security	285,000
Building Cleaning Services	528,000
Carpet/Window Cleaning	138,000
	\$ 1,534,150

Professional Fees (5460): The Library contracts certain professionals to perform specific activities or for professional consultation. Highlights for this budget include the payroll service, HR management, legal, banking, investment, and auditing services. Identified professional services for the new fiscal year are summarized as below:

Payroll, HR & Job Application	\$	128,000
Legal		30,000
Auditing		36,000
Debt Service		5,000
Banking and credit card services		26,400
Customer records		25,000
Other Business Consulting		10,000
	\$	<u>260,400</u>

Continuing Education & Convention (5470): The Library highly values continuing education and professional training. Examples of educational opportunities for our employees and Board Members include attending conferences presented by the American Library Association, Public Library Association, Missouri Library Association, and other professional associations. Equally beneficial are workshops presented by the Mid-America Library Alliance, Amigos, and other events based on the Library’s need. The total budget is \$314,465, with \$271,860 for conferences and \$42,605 for workshops and training.

Utilities (5510): This account was created to record electricity, gas, and water usage of all Library facilities, as well as trash/shredding services. A system-wide recycling program and energy efficiency study have also been implemented under the Library’s sustainable operation policy. In 2018, the Library entered an agreement with MC Power and Independence Power & Light to hedge against rate increases by making deposits for solar energy. The agreement will continue to be in effect for a minimum of five years with automatic one-year renews thereafter until December 31, 2043. The total budget for next year is \$1,401,600, as detailed below:

Trash and recycling	\$	71,200
Shredding		22,400
MC Power Solar		20,000
Utility Audit		13,000
Electricity, Gas, & Water		<u>1,275,000</u>
	\$	1,401,600

Postage and Freight (5540): The Library has taken several opportunities to reduce shipping costs, including outsourcing mailing customer notices, and negotiating a contract with UPS. The total budget for next year is \$242,935, as detailed below:

UPS	\$	72,935
Postal		30,000
Customer Notices		<u>140,000</u>
	\$	242,935

Travel and Transportation (5740): The Library reimburses its employees and the Library Board members for using personal vehicles for Library business at the standard rate set by the Internal Revenue Service. By encouraging carpooling and utilizing the teleconference system, the Library will be able to control the increase of cost. The total budget for next year is \$120,000.

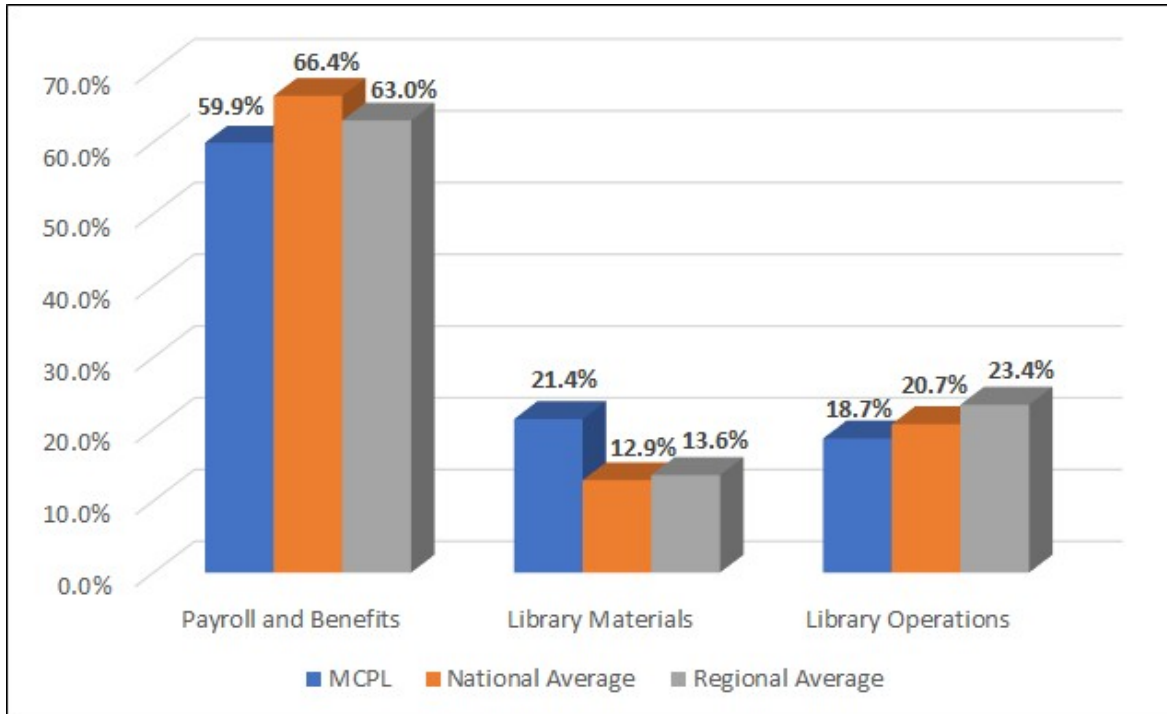
Insurance (5770): The Library carries various types of insurance for protection from unforeseeable and potentially serious situations. Below are the major types of insurance policies the Library carries:

Director & Officer	\$	54,000
Property & Liability		144,000
Automobile		23,000
Cybercrime and active shooter		30,000
Umbrella		5,500
Computer		6,000
Security Officers		5,000
Workers Compensation		165,000
Crime Protection & Surety Bond		5,500
	\$	<u>438,000</u>

Additional information about the Library Operations budget can be found in the Payroll and Benefits, Library Materials, Technology, and Capital Improvement Plan section. The total Library Operations budget is \$10,221,895, or 18.8 percent of the total operating budget.

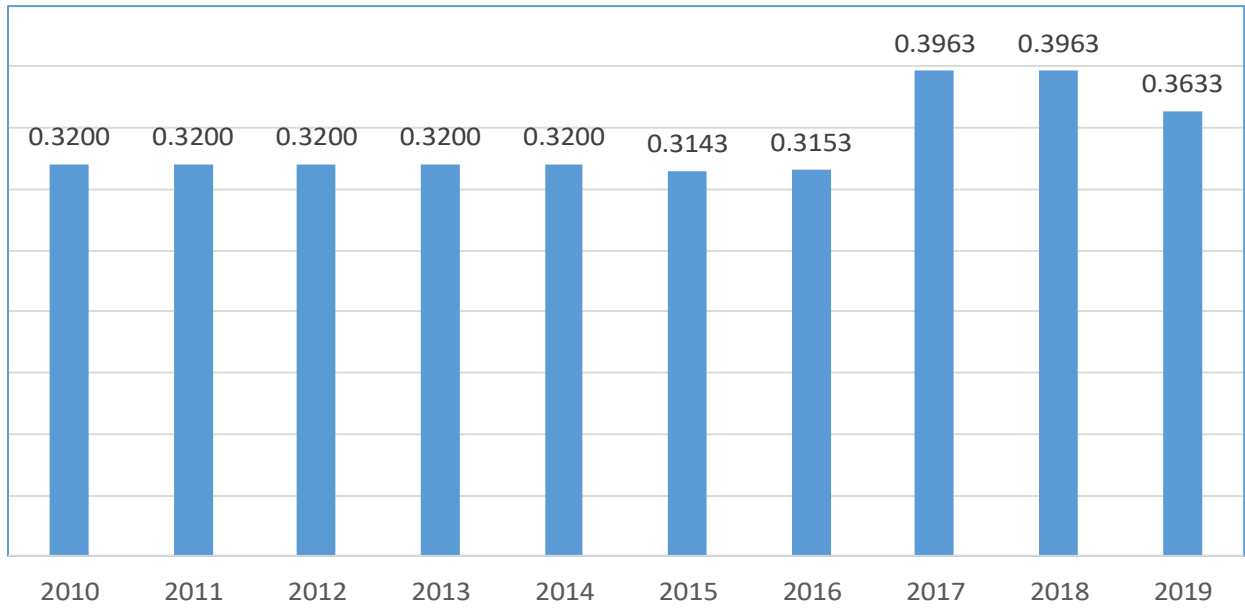
The Library’s Operating Fund Budget represents staff’s best judgment for providing the highest level of service to the public, while remaining within the tax levy authorized by district voters. This proposal is consistent with the Library’s Strategic Plan and should enable the Library to fulfill its commitment to quality service for the community, both now and in the future.

**Percentage by Expenditure Category
Mid-Continent Public Library vs. National and Regional Averages***



*Regional and National Averages are based on data reported for the 2019 Public Library Data Service Report collected by the Public Library Association. The regional data is from 19 libraries in Missouri and its eight surrounding states with service populations of 200,000 to 999,999. The national data are from 47 U.S. libraries with service populations of 500,000 to 999,999.

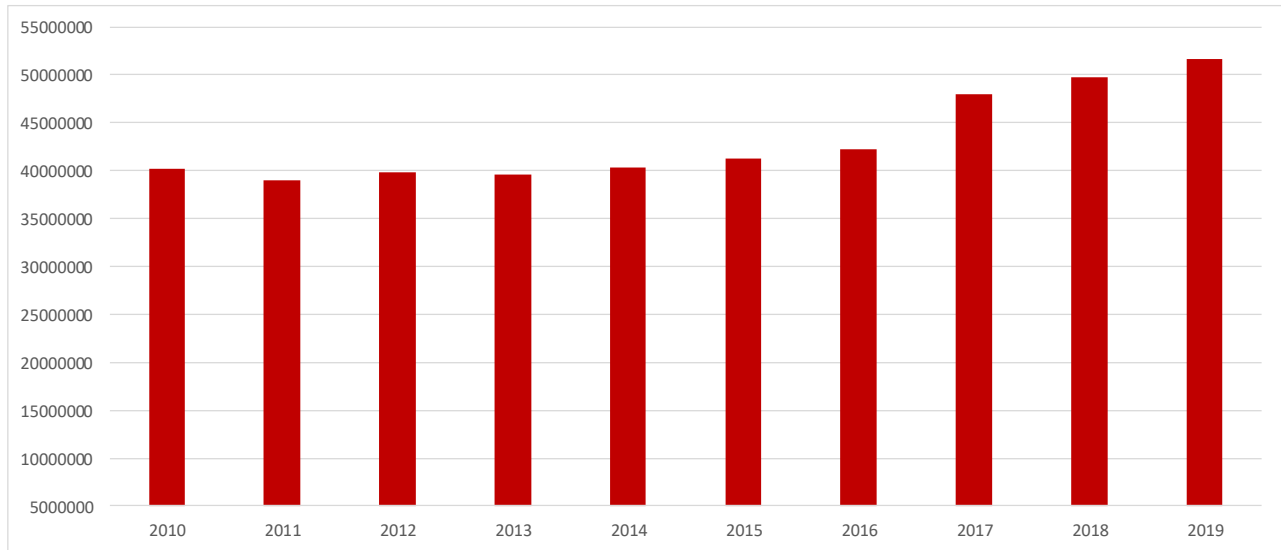
Trend of Actual Tax Rate*



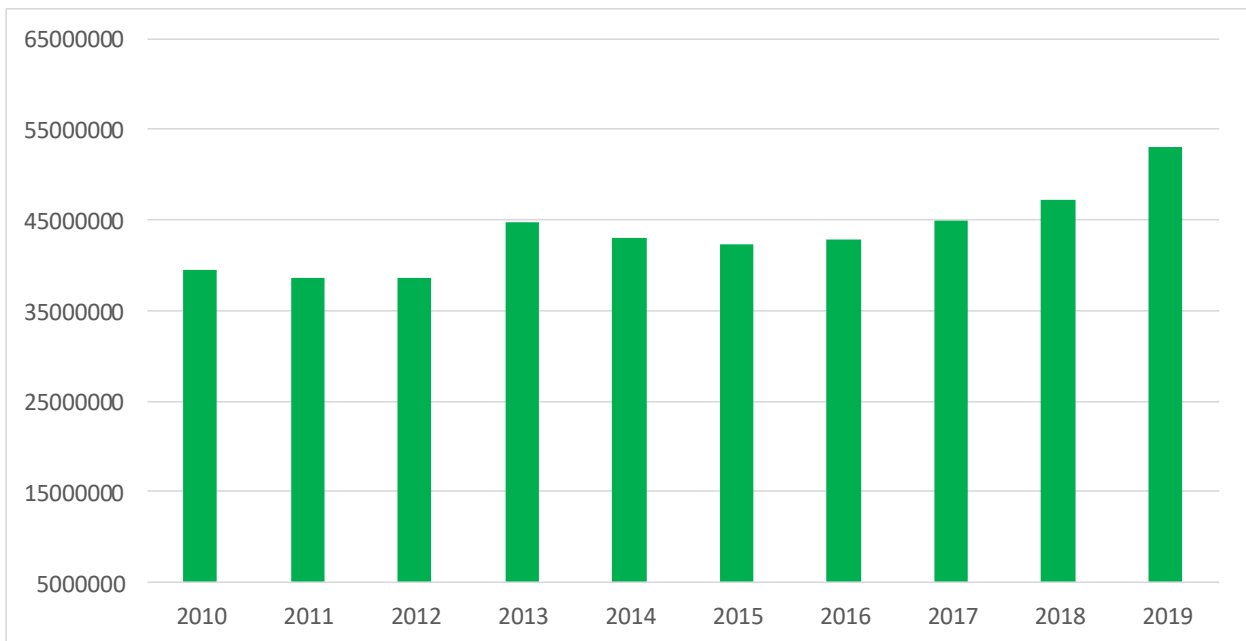
***Voted Levy:**

	<u>Operating Levy</u>	<u>Building Levy</u>
From 1983 to 1991	35-cent	10-cent
From 1991 to 2016	32-cent	0
From 2016 to present	40-cent	0

Trend of General Fund Tax Revenues



Trend of General Fund Expenditures



Payroll and Benefits

Staffing

Although under a hiring freeze, the FY 2020-21 staffing budget reflects an increase in the maximum number of benefits-eligible FTEs from the current approved level of 410.5 to 412. The additional 1.5 FTEs will be used to convert some part-time positions to full-time positions. The cost of these conversions is being mitigated by a reduction in the overall part-time hourly budget.

The budget for 2020-21 also contains a 2 percent pool for performance pay along with a 1.25 percent pool to adjust the pay ranges for benefits-eligible positions. An adjustment to the pay ranges will keep the Library on track with the annual Missouri minimum wage increases scheduled through 2023. These incremental changes will enable the Library to continue attracting and retaining quality staff.

Benefits

The Library participates in the Missouri Local Government Employees Retirement System (LAGERS), a multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan, which provides retirement benefits to plan members and beneficiaries based on earnings and years of service. The Library's cost for this important component of the employee benefit program will be 17.1 percent of covered earnings for FY 2020-21, which is an increase from the 16.2 percent contribution rate from the previous fiscal year. The contribution rate is actuarially determined each year. The Library makes the full contribution to the program on the eligible employee's behalf. Missouri LAGERS is recognized as being in the top 10 percent of public pension plans due to its 95.5 percent prefunded ratio.

The Library also makes the legally required matching contribution of 7.65 percent of covered earnings for employee Social Security Benefits.

The Library provides a health, dental, and vision insurance benefit program to all full-time employees. The health insurance program is extended to a small group of qualified retirees with significant years of full-time service to the Library. Half-time employees have access to these plans but must pay the full premium costs while the Library pays the premium for individual coverage for full-time employees. In 2019-20, the Library Board of Trustees adopted a funding policy for the Library's Self-Funded Health Insurance Fund. Medical claims costs followed a trajectory that allowed us to build up a healthy reserve in the Fund as intended for the 2019-20 fiscal year. This budget shows a decrease in the medical insurance line that is intended to keep the Health Insurance Fund within the balance range set in the Board Policy. Please refer to the section on Other Funds for more information on the Self-Funded Health Insurance Fund.

The Library also provides access to an Employee Assistance Program (EAP) for all employees and family members living with them. This confidential service addresses many issues that can distract an

employee from being productive at work such as marital, emotional, legal, and financial problems. This program can divert potential medical plan claims and provide

supervisors with a tool to help employees experiencing problems that interfere with their home and work lives. The cost of the program has increased this year due to an enhancement to the short-term counseling benefit available to employees.

The Library has a health and wellness program with a goal of providing its employees with the tools to make healthier choices and improve their overall well-being and quality of life. Much of the cost of the program is offset by Blue Cross Blue Shield of Kansas City. The health and wellness program is also intended to help control healthcare costs and to support the benefits provided by the Employee Assistance Program.

The Library provides term life insurance and long-term disability insurance at no cost to all full-time employees.

Staff Development

The Library provides ongoing leadership training to managers and supervisors in both the classroom and on the job. The Library regularly conducts mandatory training courses, such as classes on avoiding discrimination practices, retaliation, and sexual harassment, for all staff and leadership.

The Library has a tuition reimbursement program for eligible employees who enroll in a graduate library science degree program or other job-appropriate college courses. The number of courses eligible under the program is limited by the availability of budgeted funds. Reimbursement is at the rate of 50 percent of the cost per credit hour and applies to tuition and the information technology fee only.

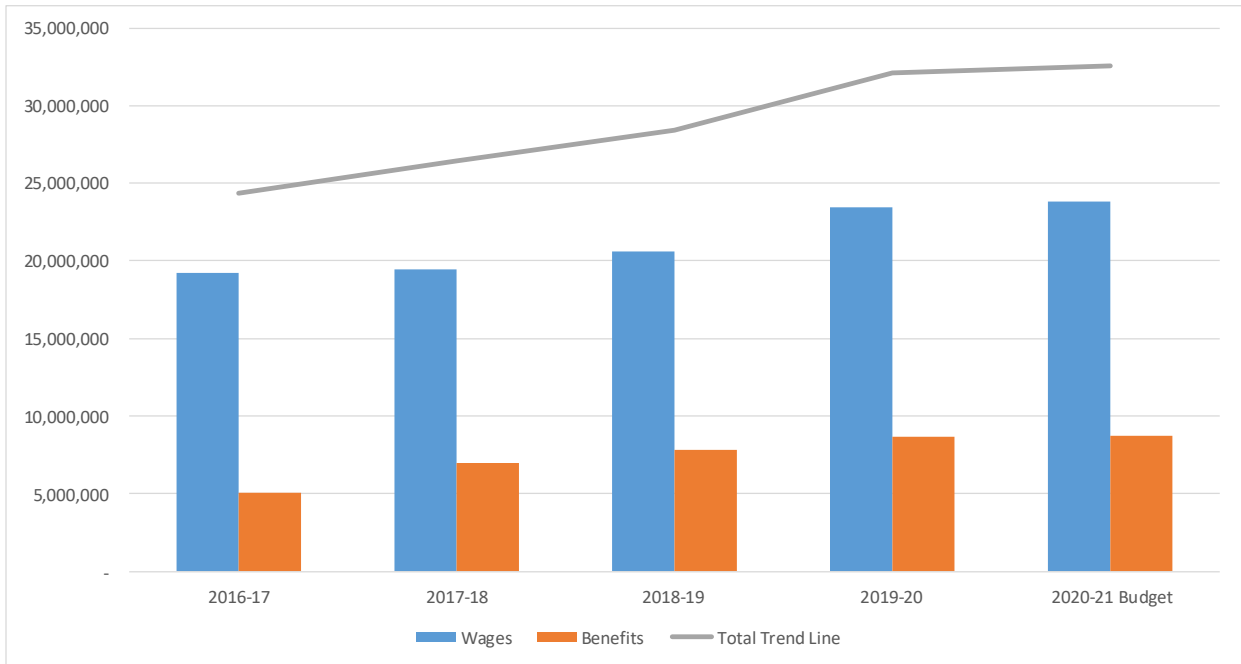
The Library employs a number of initiatives and tools to ensure that the right people are hired for the most appropriate positions that match their experience and skills. Hiring managers and Human Resources staff are always aware of the Library's inclusiveness objectives. Background checks are performed on all newly hired employees who are 18 years of age and older.

Identified Employee Resources Account budgets are summarized below:

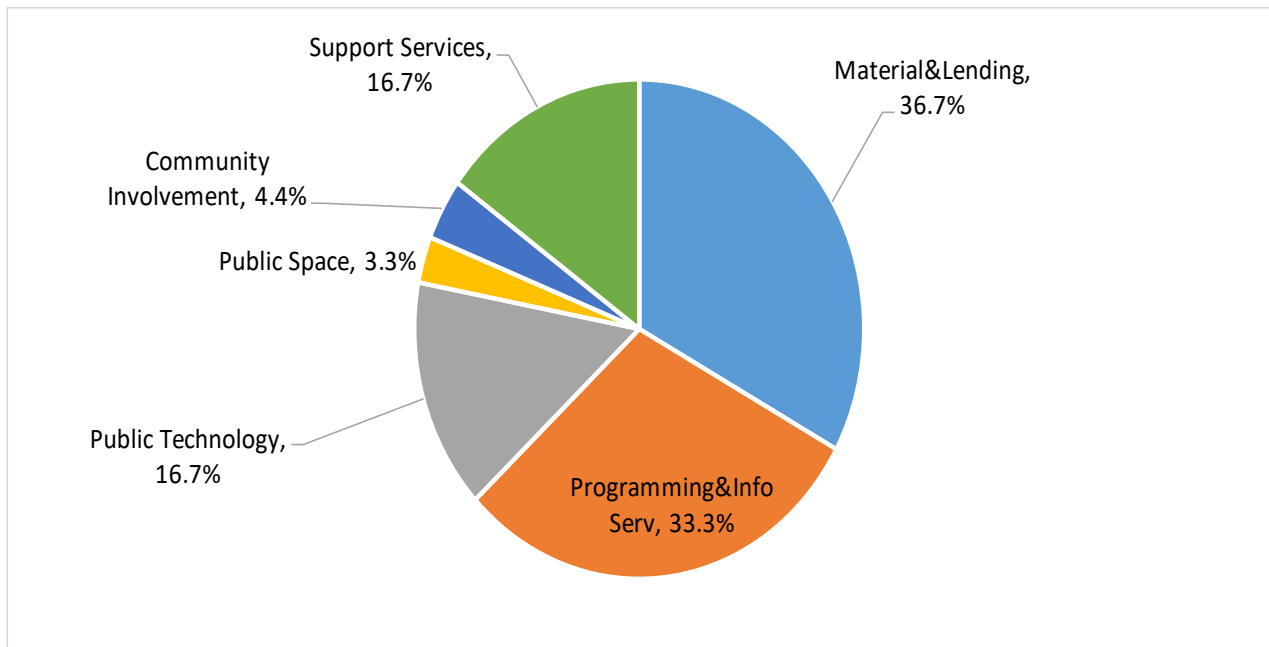
New Hire Background Check Fees	\$	12,500
Section 125 Plan Fees		6,000
457 Retirement Plan Admin fees		21,500
Staff Development Day		15,000
Management Development/Training/Consulting		22,500
Job Certification Training/Analysis		25,000
Exceptionality		67,000
Recognition		9,000
Family Fun Day		40,000
Awareness Training (Safe Personnel)		6,000
Diversity Promotion and Recruiting		7,500
New Hire Orientation		4,000
	\$	<u>236,000</u>

The total payroll and benefits budget for FY 2020-21 is \$32,565,465, or 59.9 percent of the total General Fund budget.

Trend of Total Payroll and Benefits Expenditures



Payroll & Benefits Budget Allocation by Programs



Library Materials:

Library Collection:

The Library is dedicated to allocating a significant percentage of annual revenue to the acquisition of new materials. The Library believes that if it cannot purchase new and high-demand items, it will quickly lose relevance. According to the *Public Library Data Service* reports, when compared to other libraries in the United States that also serve between 500,000 and 1 million people, the percentage of Mid-Continent Public Library's operating revenue to this purpose is higher than most of its peers.

Physical Collection – Print:

The Library's material budget allows for the purchase of books for children, teens, and adults; reference books; and circulating and reference genealogy print material. Staff continuously evaluate print reference materials and may choose to purchase them in digital form for reasons of timeliness, cost-effectiveness, or when digital content is the only option. According to the 2019 *Public Library Data Service* report, Mid-Continent Public Library **ranks sixth** in the nation, amongst the 47 library districts serving between 500,000 and 1 million residents, in dollars budgeted for print material.

Physical and Digital Collection – Audiovisual Materials:

The Library's material budget allows for the purchase of non-print media such as DVDs and spoken word and music on CDs. The Library provides access to downloadable music and audiobooks that customers can listen to on a computer, MP3 player, or smartphone. In addition, the Library subscribes to several streaming video services. According to the 2019 *Public Library Data Service* report, Mid-Continent Public Library **ranks third** for library budget allocation for audiovisual resources amongst libraries serving between 500,000 and 1 million people. The budget reflects an increase in this area due to the increase in eAudiobook usage.

Physical and Digital Collection – Periodicals:

The Library's material budget allows for the purchase of physical magazine and newspaper subscriptions within each location, as well as a digital collection through *Flipster* and *RBdigital*, which provide access to online magazines 24 hours a day, 7 days a week, including many popular titles.

Digital Collection – Electronic Books:

The Library's material budget allows for the purchase or licensing of individual Electronic Books (eBooks), which are titles that are licensed or purchased individually and are intended and formatted to be read on computers, smartphones, tablets, or other eBook reading devices. The eBook collection includes titles that are popular among readers of bestsellers and genre fiction. The eBook format can be accessed from anywhere and is available 24 hours a day, 7 days a week. The Library **ranks eighth** of

the 47 library districts in its peer group for expenditures on eBooks. Part of the expenditures may be funded by any allocations made through the State of Missouri Athletes and Entertainers Tax.

The annual eBook and downloadable audiobook circulation continue to increase. Due to this, there is a slight increase in the budget. The Collection Development librarians dedicate a significant amount of time to curating and rotating displays that highlight the digital children, teen, and adult collections. In addition, the ongoing addition of student digital cards have resulted in greater demand for juvenile, teen, and “classic” eBook titles.

Microfilm:

The Library’s material budget allows for the purchase of magazines and newspapers on microfilm, census microfilm, and microfiche. Generally, the Library believes that microforms are losing importance as a delivery method of most archival information. The sole exception are genealogy resources, where microforms are still heavily used.

Electronic Resources:

The Library’s material budget allows for the purchase of several quality, professional, and juried digital resources. According to the 2019 *Public Library Data Service* report, Mid-Continent Public Library **ranked first** in allocating more resources in actual dollars on electronic resources than any other library serving between 500,000 and 1 million people. Nearly all of the Library’s licensed resources are available to the people of the Library District 24 hours a day, 7 days a week, through their computer, tablet, or smartphone. Digital resources, including indexes and content, cover many topics and are continuously or regularly updated.

The Library’s material budget allows for the subscription to several popular online services including: *Tutor.com’s Live Homework Help*, *Lynda.com*, *GrantSelect*, *CultureGrams*, and *National Geographic for Kids*. The Library, in partnership with Literacy KC and the Kansas City Public Library, continues to offer Career Online High School. This program enables customers who did not earn a high school diploma to do so through an accredited school and to learn career skills that ready them for the job market. The program saw its most recent graduating class in the first week of March 2020.

Library Material Processing

In addition to acquiring physical and digital content, the Library’s material budget allows for the processing costs associated with obtaining and creating the online catalog records for the Library’s books and other materials, the pre-processing and shipping of many items, and the platform fees for *OverDrive* and the *RDA Toolkit*.

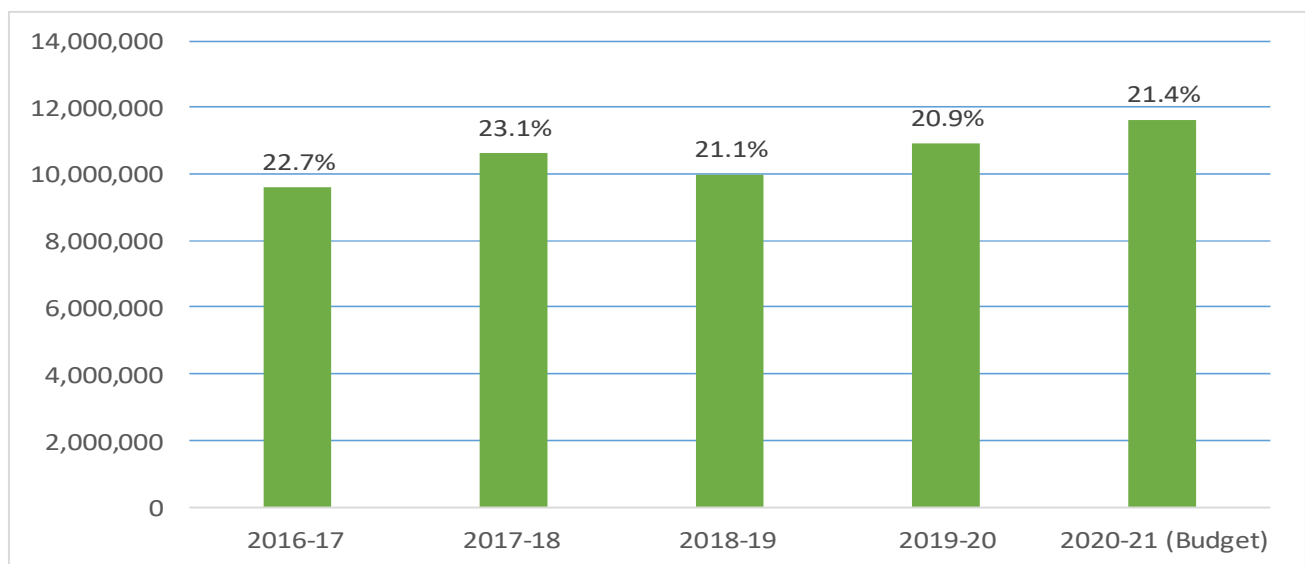
Live Programming:

Community Programming is a vital way in which MCPL connects with community through performances, presentations, discussions, and interactive activities.

The Library provides two main types of programming: Ongoing Branch Programming and Special Events. Ongoing branch programming provides the MCPL community access to Library programs and events on a regular basis at all MCPL locations. Through branch programming, the Library delivers the bulk of its programming opportunities, striving to create opportunities that are as dynamic as the range of communities we serve. Branch programming focuses on connecting the Library with a wide variety of audiences and interest areas. Branch programming delivers programs in a wide range of subjects, including STEAM (science, technology, engineering, arts, and math), the arts, local history, social issues, storytelling, English Language Learning (ELL), music, and many more.

Library special events are large system-wide opportunities that make a regional impact. Examples of special events include LitUp, a teen book festival; Veterans Salute; Romance GenreCon; the Storytelling Celebration; Access Art; and the Jackson-Clay County Spelling Bee, among others. The scale of these events includes multiple programs taking place during a single day. The planning and execution of these events is always a dynamic partnership between the Library and vital community partners and presenters.

**Library Material Expenditures with the Percentage of Total Operating Expenditures
From 2016 to 2020**



The total Library materials budget for FY 2020-21 is \$11,615,000, or 21.4 percent of the total General Fund budget.

Technology and Capital Improvement

Technology

The goal of the Library's technology budget is to enhance or create new services to better serve the educational, recreational, and informational needs of Library customers.

The software/hardware contracts cover the technical support and licensing for about 90 servers, the Library operating system, financial management system, RFID scanners and security gates, self-checkout machines, 500 public access computers, free Wi-Fi, and all of the other applications it takes to provide access to our customers.

The Internal Data Connection is the contracted service provided by local telephone companies to connect all branches and Library-To-Go sites with the Administrative Headquarters over a new fiber optic network. The Library's internet access, VOIP phone system, and video conferencing are all built on this network. The internet services from AT&T will help to meet the growing demand for faster internet and Wi-Fi access.

One of the most noticeable activities commencing in the coming year will be the activation of the Facilities Assessment and Capital Plan ("Capital Plan"). The Library continues to reinvest in buildings, create new spaces, reimagine existing spaces, and enhance technology services to be more useful for today's Library user. The additional technology enhancements and updates that will come from this Capital Plan will be in the form of new desktop computers and laptops, improved internet and Wi-Fi speeds, updated apps, and new tools for collaboration.

This year, MCPL will require all employees to take online cyber security training. With so many more applications and services being hosted in the cloud, staff need to be more aware and vigilant concerning spoof attacks, phishing attacks, and the like.

Last, but most importantly, the Library understands that the Library environment is changing substantially. A traditional library was frequently defined and limited by its building and the availability of the collection found in those four walls. Contemporary Library customers frequently are much more concerned with the ability to access services how they want them, when they want them, and even where they want them. Responding to this call for access, Mid-Continent Public Library has invested heavily in its Virtual Branch services. MCPL has released new software applications to help customers find information easier, including the new discovery service allowing a customer to easily see items, not only available at MCPL, but also at neighboring libraries. Through technology, the Virtual Branch provides excellent services to MCPL's customers and is essential to its "Access Your World" brand message.

Identified projects or purchases for the fiscal year 2020-21 are summarized on the next page with the funding account numbers within the General Fund:

General Fund’s Technology Plan for FY 2020-21

<u>Projects/Purchases</u>	<u>Budget</u>	<u>Funding Account</u>
Software and hardware support contracts	\$ 1,313,620	5330
Learning management system	45,000	5330
Contingency repair, wiring, and grant matching	361,700	5330
Internet by AT&T	46,500	5570
Cell phones	44,000	5570
Mobile internet	30,000	5570
Data connections	725,650	5570
Virtual Library		
Electronic resources	2,651,592	5200
Downloadable audio/video	1,000,000	5230
eBooks/e-Reference	<u>1,619,138</u>	5160
Subtotal:	<u>5,270,730</u>	
Total:	<u>\$ 7,837,200</u>	

Operating Budget for Building Maintenance and Improvement:

The expenditure items covered under this operating budget include equipment, fixture, repair, and maintenance, and other assets that will improve or maintain the value of Library facilities. The funding for this plan is from the General Fund.

Major Maintenance Projects:

1. Heating and cooling system: The Library will spend \$54,780 for special maintenance at the Woodneath Library Center, Midwest Genealogy Center, North Independence Branch, Red Bridge Branch, and Blue Springs Warehouse.
2. Lighting projects: The Library will continue to replace parking lot lights with LED light bulbs for a total of \$51,020.
3. Parking lot and roof maintenance: The Library will maintain and/or sealcoat the parking lots and inspect/repair roofs at various locations for a total cost of \$140,260.
4. General maintenance/inspections/office space: The Library will reconfigure office spaces, replace or repair the fire alarm system and building access control, and conduct necessary inspections for elevators, alarm systems, and backflow to meet our certification requirements for a total of \$118,785. In addition, the Library will need \$227,500 for routine work orders, shop supplies, and equipment maintenance.
5. Branch small projects: The Library will spend a total of \$154,390 to improve the safety, utilization, and access of our public spaces, based on each branch's requests.

In addition to the projects mentioned above, the Library will also budget over \$44 million in its Capital Project Fund for new construction, major renovations, and property acquisitions as outlined in the Facilities Assessment and Capital Plan as adopted by the Board on September 16, 2014.

General Fund's Building Maintenance Plan for FY 2020-21

	<u>Budget</u>
HVAC	
Woodneath	\$ 18,000
WN building auto system update	3,000
BSW, NI, GN, ES, RB	12,780
MGC	21,000
	<hr/> 54,780
 Lighting	
Parking lights and Poles	14,850
LED pole lights: BU, PC, KE, AN	33,170
Light bulb recycling	3,000
	<hr/> 51,020
 Roofs	
Repairs	28,400
Preventive maintenance	39,360
	<hr/> 67,760
 Office space	
Office Moving	30,000
Office Painting	5,500
	<hr/> 35,500
 General maintenance	
Maintenance work orders	227,500
Book drops	1,500
NI exterior power wash	1,200
New fire alarm system - WE	16,000
Remote control for the gate reader - HQ	3,800
Sliding doors	12,000
Sliding walls - NI, HQ, SM, WN, MGC	10,000
Card reader on staff door at SM	3,000
	<hr/> 275,000
 Inspections	
Backflow	5,500
Fire alarm	15,000
Elevators	14,285
	<hr/> 34,785
 Parking lot and sidewalk	
Saltguarding and asphalt repair	65,000
Ice guard at PC	7,500
	<hr/> 72,500

(Continued)

General Fund's Building Maintenance Plan for FY 2020-21

Branch small projects	<u>branch</u>	
Corner Guards	BS	3,300
Windows	Various	9,595
Spyhole on exit door	DE	200
One side wall painting	CL	300
Light over outdoor trash container	ED	330
Paint bollards and light pole bases	ES	450
Reseal and restripe parking lot	ES	8,170
Electric outlet in manager office	GN	440
"No Parking" Paint for Book Drop	LJ	800
Countertop for Circ Desk	LJ	5,500
End Panels x3	MGC	3,300
Bottle Filling Stations x2	MGC	6,600
Relocating compact shelving	MGC	82,500
Children's Floor Desk Lowered	NI	1,315
Drive Thru Window Awning	NI	6,420
Install Access Control Pad for Workroom	OG	3,300
Children area painting	PC	1,450
2 Tinted workroom windows	RT	800
2 Bathroom deadbolts for basement bathroc	RT	600
Garbage disposal for breakroom	RT	300
Acoustic panels for Barn	WN	8,000
New light bulbs for Barn	WN	600
Touch up paint around building	WN	3,300
Water bottle filling station	WN	3,300
Window repair	WN	1,320
Privacy film for interior branch windows	CXO	2,200
		<hr/>
		154,390
	Total	<u>\$ 745,735</u>

COVID-19 and Operating Fund Expenditures

As explained earlier, because the Library's fiscal year starts six months before the annual revenues typically are received, there is a lag between expenses and revenues. The delay between revenue receipts and budget year allow the Library to adjust spending through the year in cases when revenues slow or when certain expenses may grow faster than inflation.

With so much uncertainty around the economy over the next 12 months, it is very difficult to estimate revenue. Traditionally, libraries are "counter-cyclical" when it comes to service demand relative to the economy, which means that when the economy turns down and people have less disposable income, they rediscover library services. Keeping this in mind, creating an "austerity" budget does not make sense if a library intends to fulfill community needs and its mission. However, it is both wise and prudent for a library to create more conservative revenue projections and to identify possible accounts to target to slow, reduce, or eliminate spending if revenues do not meet projections.

Mid-Continent Public Library staff will track the following accounts closely, holding some expenditures until the second half of the year to assure that expenses can slow if revenues do not meet expectations.

Payroll Expenses – A hiring freeze was put in place in March 2020 for all non-management positions. The Library can add another 40 percent to any salary savings from additional benefits and training savings. Consequently, freezing these expenses can be significant. This freeze will not be lifted until economic conditions stabilize.

Human Resources Department Support – With decreased hiring, and a decrease in live programs, MCPL will not need to pay for as many background checks. In addition, the Library's "Family Fun Day" and "Exceptionality" programs will be curtailed.

Live Programs – Live Programs have been cancelled for the first two months of the fiscal year (at least). There will be savings in this area. However, there is no intention to decrease expenses for Library collections unless necessary.

Office Supplies and Print – Decreasing the inventory of office supplies is something MCPL frequently has done during economic downturns. This account will be focused upon and tightened if necessary.

Furniture and Equipment – This line has several replacement items that can be delayed for future years. Items like replacement task chairs, office desks, etc., can be delayed.

Contracted Services – Much of the Library's contracted services tend to scale up or down based on need and demand. These expenses can be adjusted based on need and based on revenue.

Conference and Continuing Education – These expenses, while important, can always be curtailed or lessened based on revenue. In addition, the COVID-19 pandemic has caused the cancellation of many training and conference opportunities.

Utility Costs – COVID-19 created a situation where buildings had to be closed. When buildings are closed, electric, gas, water, trash, and recycling costs can be lowered by putting the buildings in a “low energy” mode and suspending hauling service.

Building Maintenance – Standard and preventative building maintenance is necessary to continue. However, several maintenance projects can be postponed and deferred and will be if revenues do not meet expectations.

Capital Project Fund

Fund Description:

The Capital Project Fund is used to account for financial resources set aside for the purchase of major capital assets and/or the construction and renovation of Library properties. The revenues for this fund are derived from transfers from the General Fund, special taxes, investment income, sales of real properties, grants, and contributions. The voter-approved mandate to improve Library services and facilities funded through “Proposition L” in 2016 also provides resources in this fund.

Budgetary control over individual projects is established on a project basis for the life of the project and lapses only when the project is reduced or closed out by Board actions. However, any remaining unrestricted project fund balance at the end of the fiscal year is re-appropriated at the beginning of each year and included in the annual budget.

Work continues on the Elbridge Arnold home, perhaps better known as the Crouch Family home, on the Woodneath Campus. The historic home is undergoing restorative work for its adaptive reuse as The Story Center at Mid-Continent Public Library. The total cost to restore the interior and exterior of the home for use as a public structure is nearly \$3.1 million. A capital campaign is in its final phase to raise all remaining private funds to cover costs related to construction as well as supplement The Story Center’s existing programs and collection. Thanks to the generosity of local foundations, civic partners, corporations, and individuals, 88 percent of the capital campaign goal has been raised and will ensure the appropriate completion of the home by the end of 2020. A grant made by JE Dunn Construction in the amount of \$100,000 was provided for the project through the MCPL Foundation, resulting in the \$2.9 million amount listed in the Capital Project Fund Detail.

In addition to the work to complete the campaign supporting the historic home at Woodneath, Development staff will focus efforts in the coming year to raise private funds to support the installation of an elevator at the Blue Ridge Branch at an estimated cost of \$230,000 and a portion of the costs to build a new Reading Rocket.

In FY 2014-15, the Library Board approved a Facilities Assessment and Capital Plan to maintain and guide the development of 31 branches. This plan was created to ensure the Library would be able to continue to provide first-class services and amenities and remain relevant and vital to the communities. In FY 2016-17, the Library was engaged with the SDA+Helix design team to refresh and provide additional detail to the Library’s Facilities Assessment and Capital Plan (2014). During FY 2015-16, two standing committees of the Board of Trustees endorsed the idea of accelerating the construction schedule to complete the work in less than 10 years. In 2017, The Library engaged JE Dunn to act as Construction Manager, using the “Construction Manager At-Risk” building delivery model. In 2018, the Library developed an accelerated construction and delivery schedule, financed by Certificates of Participation bonds, so that construction and delivery could be completed in no more than six calendar years.

Capital Plan Progress

<u>Building</u>	<u>Scope</u>	<u>Planned Start</u>	<u>Planned Finish</u>	<u>Status June 2020</u>
Antioch	Remodel	Jun-18	Nov-18	Complete
Blue Ridge	Remodel	Mar-21	Aug-21	Pending
Blue Springs North	Remodel	Oct-19	Dec-19	Complete
Blue Springs South	Remodel	Jul-18	Nov-18	Complete
Boardwalk	Replace-New	Jan-21	Feb-22	Pending
Buckner	Remodel	Sep-19	Nov-19	Complete
Camden Point	Minor Remodel	Nov-18	Jan-19	Complete
Claycomo	Minor Remodel	Dec-18	May-19	Complete
Colbern Road	New	Apr-20	May-21	Underway
Dearborn	Minor Remodel	Nov-18	Jan-19	Complete
Edgerton	Minor Remodel	Nov-19	May-19	Complete
Excelsior Springs	Remodel	Jun-18	Nov-18	Complete
Grain Valley	Replace-New	Apr-21	Mar-22	Pending
Grandview	Major Remodel	Aug-20	Feb-21	Pending
Kearney	Remodel	Nov-18	Jun-19	Complete
Lee's Summit	Major Remodel	Jun-21	May-22	Pending
Liberty	Replace-New	Nov-19	Aug-20	Underway
Lone Jack	Remodel	Oct-18	Jan-19	Complete
Midwest Genealogy	Addition	Aug-18	Jun-19	Complete
East Independence	New	Oct-21	Aug-22	Pending
East Lee's Summit	New	Apr-19	Mar-20	Complete
North Independence	Minor Remodel	Sep-19	Nov-19	Complete
North Oak	Replace-New	Aug-21	Jun-22	Pending
Oak Grove	Minor Remodel	Jul-18	Oct-18	Complete
Parkville	Remodel	Jul-20	Oct-20	Pending
Platte City	Minor Remodel	Sep-18	Nov-18	Complete
Raytown	Remodel	Aug-19	Dec-19	Complete
Red Bridge	Major Remodel	Mar-19	Aug-19	Complete
Riverside	Remodel	Oct-21	Mar-22	Pending
Smithville	Minor Remodel	Oct-21	Mar-22	Pending
South Independence	Remodel	Oct-20	Jan-21	Pending
Weston	Minor Remodel	Jul-18	Sep-18	Complete
Woodneath	Addition	Oct-20	Sep-21	Pending

Note: All dates beyond June 2019 are tentative and based on best estimates

Scope

- Minor remodel = standard building maintenance, furniture, fixture, and equipment upgrades
- Remodel = all the above but also includes increased scope, including collaboration rooms
- Major remodel = a “gut and replace” remodel that is tantamount to a “new building”
- Addition = A large programming space/auditorium addition

Below is the budget of the Facilities Assessment and Capital Plan with funding sources:

<u>Phase</u>	<u>Work Package</u>	<u>Locations</u>	<u>Construction Budget</u>	<u>Land Acquisition</u>
I	1	Midwest Genealogy Center - Community Hall	\$ 5,819,118	
		Blue Springs South, Excelsior Springs, Antioch,		
I	2	Oak Grove, Weston, Platte City	5,772,352	
I	3	Liberty	5,896,392	\$ 750,000
I	4	East Lee's Summit	6,120,064	\$ 750,000
II	5	Red Bridge	703,552	
		Camden Point, Claycomo, Dearborn, Edgerton,		
II	6	Kearney, Lone Jack	2,955,980	
		HQ, Blue Springs North, Buckner, North		
II	7	Independence, Raytown	4,481,186	
II	8	Woodneath - Auditorium	6,047,654	
III	9	Grain Valley	4,977,492	\$ 750,000
III	10	Colbern Road	9,672,225	\$ 200,000
		Blue Ridge, Grandview, Parkville, Riverside,		
III	11	South Independence	4,186,804	
IV	12	North Oak	5,636,468	\$ 750,000
IV	13	East Independence	6,412,582	\$ 750,000
IV	14	Boardwalk	10,613,260	\$ 1,500,000
IV	15	Lee's Summit	3,762,000	
IV	16	RS, HJ, SM	920,978	
		Unassigned Construction Resources	521,893	
		Total Construction Cost	\$ 84,500,000	
		Land Acquisition	5,450,000	
		Furniture Equipment & Fixtures	7,000,000	
		Design/Preparation	16,250,000	
		Total Capital Plan Budget	\$ 113,200,000	
Funding Sources:				
		Series 2018 Certificates of Participation	\$ 80,000,000	
		Capital Project Fund's Reserve	17,000,000	
		New Taxes Due to Increase in Assessed Valuation and Annual Operating Surplus	9,000,000	(2018 - 2024)
		Property Disposal	3,500,000	
		General Fund's Reserve	3,700,000	
		Total Funding	\$ 113,200,000	

Capital Project Fund Detail Statement of Revenues and Expenditures

Budget for FY 2020-2021

Revenues:

3500 Grant & Contribution - WN	\$	250,000
3500 Grant & Contribution - Reading Rocket		200,000
3500 Grant & Contribution - BR elevator		230,000
3800 TIF Revenue - WN		576,840
3370 Investment Income		850,000
3800 Disposal of property - BW+SM		1,500,000
		1,500,000

Total Revenues **\$ 3,606,840**

Expenditures:

	<u>Project to date as of 6/30/2020</u>		<u>Remaining Balance</u>	<u>Total Project Budget</u>
Woodneath historic home project	964,972	1,990,046	-	2,955,018
WN collaboration rooms & signage	11,623	55,000	-	66,623
New Reading Rocket vehicle	-	350,000	-	350,000
Blue Ridge elevator	-	230,000	-	230,000
 Capital Improvement Plan				
Work packages	36,560,703	30,237,525		
Design and preparation / FF&E	10,238,303	7,840,590		
Property acquisition	2,236,945	3,350,000		
	49,035,951	41,428,115	22,735,934	113,200,000
Moving and storage	445,340	424,335		
 Total Expenditures		 \$ 44,477,496		

Excess (Deficiency) of Revenues over (under)

Expenditures: **\$ (30,169,505)**

Ending Fund Balance: \$ 22,352,618

Debt Service Fund

Fund Description:

This fund was established to account for debt principal repayment and interest of Series 2018 Certificates of Participation, issued on May 16, 2018. The total amount of bond proceeds was \$80,574,567.50, with a total par amount of \$72,925,000 and a total net premium of \$7,649,567.50.

The funding source of annual payment is from the General Fund, subject to annual appropriation by the Library Board.

	<u>Budget</u> <u>2020-21</u>
Revenues:	
Property Taxes	\$ 6,230,000
Expenditures:	
Debt Service	6,574,730
Excess (Deficiency) of Revenues Over (Under)	
Expenditures:	<u>(344,730)</u>
Beginning Fund Balance	354,571
Ending Fund Balance	<u>\$ 9,841</u>

Debt Service Schedule
Certificates of Participation Series 2018

Period		<u>Principal</u>	<u>Coupon</u>		<u>Interest</u>		<u>Debt Service</u>
6/30/2019	\$	3,925,000	5.00%	\$	2,652,210	\$	6,577,210
6/30/2020		3,245,000	5.00%		3,326,981		6,571,981
6/30/2021		3,410,000	5.00%		3,164,731		6,574,731
6/30/2022		3,580,000	5.00%		2,994,231		6,574,231
6/30/2023		3,760,000	5.00%		2,815,231		6,575,231
6/30/2024		3,945,000	5.00%		2,627,231		6,572,231
6/30/2025		3,650,000	5.00%		2,429,981		6,079,981
6/30/2026		3,650,000	5.00%		2,247,481		5,897,481
6/30/2027		3,650,000	5.00%		2,064,981		5,714,981
6/30/2028		3,650,000	5.00%		1,882,481		5,532,481
6/30/2029		3,650,000	5.00%		1,699,981		5,349,981
6/30/2030		3,650,000	5.00%		1,517,481		5,167,481
6/30/2031		3,645,000	5.00%		1,334,981		4,979,981
6/30/2032		3,645,000	5.00%		1,152,731		4,797,731
6/30/2033		3,645,000	5.00%		970,481		4,615,481
6/30/2034		3,645,000	5.00%		788,231		4,433,231
6/30/2035		3,645,000	4.00%		605,981		4,250,981
6/30/2036		3,645,000	5.00%		460,181		4,105,181
6/30/2037		3,645,000	4.00%		277,931		3,922,931
6/30/2038		3,645,000	3.63%		132,131		3,777,131
	\$	72,925,000		\$	35,145,654	\$	108,070,654

Special Revenue Fund

Fund Description:

Through its fundraising and development efforts, the Library receives a variety of significant private and governmental contributions throughout the year. These revenues are restricted for special purposes in accordance with the Library’s mission, vision, and values. In addition to accepting special revenues through the Library’s charitable account, other avenues exist for donors to support the Library. More specifically, donors can support the Library through local community foundations (Greater Kansas City Community Foundation and Truman Heartland Community Foundation) and the Mid-Continent Public Library Foundation. These entities are governed independently and accept, manage, and regularly report fundraising activities to the Library.

The Community Foundations Fund of the Special Revenue Fund currently has seven sub funds: MCPL General Fund; MCPL Midwest Genealogy Center Capital Fund; MCPL Midwest Genealogy Center Program Fund; James A. Leathers Scholarship Fund; The Story Center Campaign Fund; MCPL Summer Reading Endowment Fund; and The Story Center Endowment Fund.

Community Foundation Fund – Detail Statement of Revenues and Expenditures

	<u>Actual</u> <u>2018-19</u>	<u>Estimate</u> <u>2019-20</u>	<u>Budget</u> <u>2020-21</u>
Revenues:			
Grants and contributions	\$ 30,937	\$ 1,000	\$ 7,600
Investment income	3,373	570	1,770
Total Revenues	<u>34,310</u>	<u>1,570</u>	<u>9,370</u>
Expenditures:			
Library operations	-	-	(25,000)
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>34,310</u>	<u>1,570</u>	<u>(15,630)</u>
Beginning fund balance	290,400	324,710	326,280
Ending fund balance			
Library General	\$ 188,228	\$ 190,228	\$ 182,828
Woodneath Library	786	546	346
Genealogy Capital Campaign	20,760	21,010	21,210
Genealogy Programs	26,619	28,019	29,269
Summer Reading Program*	49,269	48,269	53,469
Story Center	39,048	38,208	23,528
Total Ending Balance	<u>\$ 324,710</u>	<u>\$ 326,280</u>	<u>\$ 310,650</u>

*Up to 5% of the fund may be distributed, as long as the fund balance is over \$25,000.

The Grant and Gift Fund of the Special Revenue Fund comprises proceeds from grants and/or restricted gifts made directly to the Library for specific purposes or projects. Examples of funders in this category include Library Services and Technology Act (LSTA) grant funds awarded by the Missouri State Library, competitive federal grants from the Institute of Museum and Library Services (IMLS) and National Endowment for the Humanities (NEH), grants from private foundations (including the MCPL Foundation), corporations, and significant gifts from individuals. Expenditures are subject to the disbursement schedule of grant funds and the mutually agreed upon budget items as outlined in the approved funding proposals. In addition, the Library Lovers program (MCPL's self-sustaining affinity program managed by the MCPL Development staff) provides annual revenue through member participation.

Development staff will focus fundraising efforts on the following priorities in the upcoming fiscal year: arts programming for rural branches (\$2,400); author visits in collaboration with local school districts and community partners (\$5,000); Missouri bicentennial program series through The Story Center (\$30,000); early literacy projects (\$10,000); Forever Book Fund seed money (to provide giveaway books for Reading Rocket and other early literacy programs/events) (\$5,000); LitUp 2021 keynote speaker and author reception sponsorships (\$18,000); Lone Jack Reads project funding (\$32,000); general marketing and promotion for The Story Center and Square One Small Business Services (\$30,000); professional development support for MCPL staff (\$5,000); Reading Rocket planning grant (\$25,000); senior outreach programs (\$5,000); Story Center and Square One Small Business Services specialized collections and programs (\$93,500); Summer Library Program support (\$3,000); and technology plan projects (\$25,000). Other fiscal year fundraising priorities are outlined in the description for the Capital Project Fund.

Grant and Gift Fund – Detail Statement of Revenues and Expenditures

	<u>Actual</u> <u>2018-19</u>	<u>Estimate</u> <u>2019-20</u>	<u>Budget</u> <u>2020-21</u>
Revenues:			
Governmental grants	\$ 49,337	\$ 25,000	\$ 35,400
Private grants & gifts	102,366	366,659	265,840
Library Lovers membership	<u>-</u>	<u>11,000</u>	<u>15,500</u>
Total Revenues	<u>151,703</u>	<u>402,659</u>	<u>316,740</u>
Expenditures:			
Library Lovers activities	491	5,000	15,050
Library programs	<u>127,451</u>	<u>206,082</u>	<u>300,965</u>
Total Expenditures	<u>127,942</u>	<u>206,082</u>	<u>316,015</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>23,761</u>	<u>196,577</u>	<u>725</u>
Beginning Fund Balance	\$ 60,412	\$ 84,173	\$ 280,750
Ending Fund Balance	<u>\$ 84,173</u>	<u>\$ 280,750</u>	<u>\$ 281,475</u>

James A. Leathers Scholarship Fund of the Special Revenue Fund was established by the Library Board to provide funds to a student working toward a graduate degree in Library Science. The guidelines are as follows:

1. Missouri resident
2. Financial need
3. Scholastic ability and achievement
4. Full-time student
5. Must be interested in entering the public library field

Distribution of funds depends on availability and candidates' qualifications. The Library Board decides annually whether to award the scholarship.

James A. Leathers Scholarship Fund – Detail Statement of Revenues and Expenditures

	<u>Actual</u> <u>2018-19</u>	<u>Estimate</u> <u>2019-20</u>	<u>Budget</u> <u>2020-21</u>
Revenues:			
Grants and contributions	\$ -	\$ -	\$ -
Investment income	<u>248</u>	<u>219</u>	<u>150</u>
Total Revenues	<u>248</u>	<u>219</u>	<u>150</u>
Expenditures:	4,000	4,000	2,000
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>(3,752)</u>	<u>(3,781)</u>	<u>(1,850)</u>
Beginning Fund Balance	23,623	19,871	16,090
Ending Fund Balance	<u>\$ 19,871</u>	<u>\$ 16,090</u>	<u>\$ 14,240</u>

Permanent Fund

Genealogy Endowment Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes of providing additional support for the Midwest Genealogy Center. This specifically includes but is not limited to: 1. support of the genealogy circulating collection, and 2. support of the family research collection. The expenditures may be made at the sole discretion of the Library administration from the income of the fund. One-third of the income produced by the fund in any fiscal year shall be added to the corpus of the fund.

Story Center Endowment was established as a term of acceptance of the National Endowment for the Humanities Challenge Grant awarded to the Library in 2015. The Story Center Endowment will house resources that are legally restricted to the extent that only earnings, not principal, may be used for the purpose of acquiring new materials for The Story Center Collection. All interest earned on The Story Center Endowment Fund will be reinvested into the fund until the corpus reaches \$100,000 or annual interest totals \$4,000.

Genealogy Endowment Fund Detail – Statement of Revenues and Expenditures

	<u>Actual</u> <u>2018-19</u>	<u>Estimate</u> <u>2019-20</u>	<u>Budget</u> <u>2020-21</u>
Revenues:			
Grants and contributions	\$ 35,025	\$ 5,000	\$ 40,000
Investment income	<u>4</u>	<u>1,538</u>	<u>2,030</u>
Total Revenues	<u>35,029</u>	<u>6,538</u>	<u>42,030</u>
Expenditures:	-	-	-
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>35,029</u>	<u>6,538</u>	<u>42,030</u>
Beginning Fund Balance	43,763	78,792	85,330
Ending Fund Balance			
Genealogy Endowment	43,792	43,830	43,860
Story Center Endowment	<u>35,000</u>	<u>41,500</u>	<u>83,500</u>
Total Ending Balance:	<u>\$ 78,792</u>	<u>\$ 85,330</u>	<u>\$127,360</u>

Internal Service Fund – Self-Funded Health Insurance

Fund Description

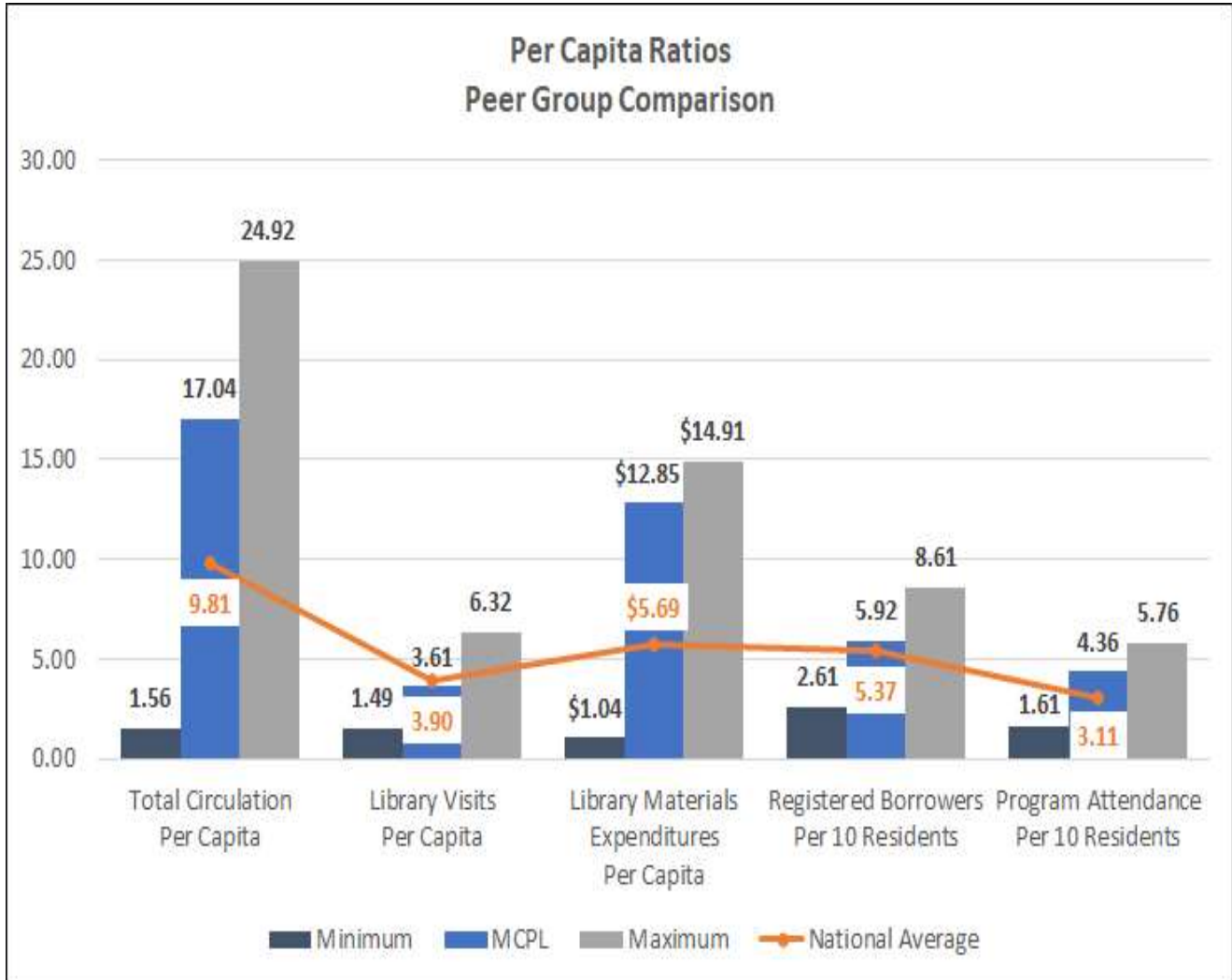
This fund is used to account for the expenses of health claims, plus related fixed fees and access fees. The Library has adopted a four-tier premium model called “Cost-Plus,” offered by Blue Cross Blue Shield of Kansas City. This funding model allows the Library to take on the risks and rewards around the Library’s claims experience. The insurance company maintains fiduciary responsibility, and the Library’s risk can be decreased by purchasing reinsurance and maintaining an adequate reserve fund. The Library’s contribution to this fund is from the General Fund’s payroll and benefit budget.

Health Insurance Fund – Detail Statement of Revenues and Expenditures

	Actual 2018-19	Estimate 2019-20	Budget 2020-21
Revenues:			
Library's contribution	\$3,030,709	\$3,350,000	\$3,325,000
Employees' and retirees' contribution	432,000	450,000	480,000
Total Revenues	3,462,709	3,800,000	3,805,000
Expenditures:			
Administrative fees (Access, Stop Loss, & Ad	684,377	850,000	1,175,000
Claims expenses	3,033,524	2,750,000	2,788,390
Total Expenses	3,717,901	3,600,000	3,963,390
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	(255,192)	200,000	184,500
Beginning Fund Balance	1,025,365	770,173	970,173
Ending Fund Balance	\$770,173	\$970,173	\$1,154,673
Minimum Fund Balance Required (3-mo claims + IBNR)			\$ 914,015
Maximum Fund Balance Required (6-mo claims)			\$ 1,376,993

Mid-Continent Public Library Peer Group Comparisons

The Public Library Association produces annual statistical reports on North American libraries. The following graphs are taken from the *Public Library Data Service Statistical Report 2018* and compare MCPL with its peer group libraries. The peer group consists of surveyed libraries serving populations of 500,000 to 999,999 and includes such libraries as Boston Public Library, San Francisco Public Library, and St. Louis County Library.



Miscellaneous Statistical Data

From 2010 to 2019

<u>Fiscal Year</u>	<u># of Physical Collection Owned</u>	<u># of Digital Materials Circulated</u>	<u># of All Materials Circulated</u>	<u># of Registered Borrowers</u>	<u>Population</u>
2009-2010	3,419,516	N/A	9,455,412	481,050	668,428 (1)
2010-2011	3,419,516	N/A	9,060,906	496,205	762,446 (2)
2011-2012	3,402,625	N/A	9,305,242	545,980	762,446 (2)
2012-2013	3,482,436	N/A	9,120,528	497,365	762,446 (2)
2013-2014	3,629,127	948,955	8,969,209	510,888	762,446 (2)
2014-2015	3,524,692	1,160,987	8,844,347	502,523	762,446 (2)
2015-2016	2,982,264	1,413,212	9,189,534	512,419	762,446 (2)
2016-2017	3,027,121	1,613,904	9,005,844	487,653	762,446 (2)
2017-2018	3,088,644	2,031,354	8,968,852	508,536	762,446 (2)
2018-2019	2,637,045	2,579,667	9,039,612	559,842	762,446 (2)

(1) Based on 2000 US Census

(2) Based on 2010 US Census

Miscellaneous Statistical Data

Schedule of Service Locations

June 30, 2020

<u>Branch Libraries</u>	<u>Address</u>	<u>Owned (O) Leased (L)</u>	<u>Square Feet</u>	<u>Open Hours per Week</u>
Antioch	6060 N. Chestnut Ave. Gladstone, MO 64119	O	22,783	69
Blue Ridge	9253 Blue Ridge Blvd. Kansas City, MO 64138	O	21,280	69
Blue Springs North	850 NW Hunter Drive Blue Springs, MO 64015	O	15,204	69
Blue Springs South	2220 S. 7 Hwy. Blue Springs, MO 64014	O	17,896	69
Boardwalk	8656 N. Ambassador Drive Kansas City, MO 64154	O	14,961	69
Buckner	19 E. Jefferson St. Buckner, MO 64016	O	5,518	61
Camden Point	401 Hardesty St. Camden Point, MO 64018	O	3,080	55
Claycomo	309 NE 69 Hwy. Claycomo, MO 64119	O	9,733	61
Colbern Road	1000 NE Colbern Road Lee's Summit, MO 64086	O	15,204	69
Dearborn	206 Maple Leaf Ave. Dearborn, MO 64439	O	3,080	55
East Lee's Summit	2240 SE Blue Parkway Lee's Summit, MO 64063	O	18,500	69
Edgerton	404 Frank St. Edgerton, MO 64444	O	3,013	55
Excelsior Springs	1460 Kearney Road Excelsior Springs, MO 64024	O	10,133	69

(Continued)

Miscellaneous Statistical Data

Schedule of Service Locations

June 30, 2020

<u>Branch Libraries</u>	<u>Address</u>	<u>Owned (O) Leased (L)</u>	<u>Square Feet</u>	<u>Open Hours per Week</u>
Grain Valley	101 SW Eagles Parkway Grain Valley, MO 64029	L	4,200	59
Grandview	12930 Booth Ln Grandview, MO 64030	O	12,744	65
Kearney	100 S. Platte Clay Way Kearney, MO 64060	O	15,000	69
Lee's Summit	150 NW Oldham Pkwy. Lee's Summit, MO 64081	O	17,500	69
Liberty	1000 Kent St. Liberty, MO 64068	O	17,300	69
Lone Jack	211 N. Bynum Road Lone Jack, MO 64070	O	7,500	61
Midwest Genealogy Center	3440 S. Lee's Summit Road Independence, MO 64055	O	67,000	67
North Independence	317 W. 24 Hwy. Independence, MO 64050	O	45,952	69
North Oak	8700 N Oak Street Tfwy. Kansas City, MO 64155	O	15,580	69
Oak Grove	2320 S. Broadway St. Oak Grove, MO 64075	O	7,000	61
Parkville	8815 Tom Watson Pkwy. Parkville, MO 64152	O	17,664	69
Platte City	2702 N.W. Prairie View Road Platte City, MO 64079	O	15,638	61
Raytown	6131 Raytown Road Raytown, MO 64133	O	22,910	69
Red Bridge	453B E. Red Bridge Road Kansas City, MO 64131	L	14,352	69
Riverside	2700 N.W. Vivion Road Riverside, MO 64150	O	15,112	61

(Continued)

Miscellaneous Statistical Data

Schedule of Service Locations

June 30, 2020

Branch Libraries	Address	Owned (O) Leased (L)	Square Feet	Open Hours per Week
Smithville	120 Richardson St Smithville, MO 64089	O	15,000	59
South Independence	13700 E 35th Street Independence, MO 64055	O	17,887	65
Weston	18204 Library Drive Weston, MO 64098	O	7,244	57
Woodneath	8900 N. Flintlock Road Kansas City, MO 64157	O	35,000	69
Library-To-Go 1	Hillcrest Community Center 10401 Hillcrest Road Kansas City, MO 64134	L	150	76
Library-To-Go 2	Marlborough Community Center 8200 Paseo Blvd. Kansas City, MO 64131	L	150	47
Farview	18109 E 12th St N Independence, MO 64056	L	5,700	40