

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

FINAL ANNUAL BUDGET

Fiscal Year
2019-2020



mymcpl.org



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

BUDGET MESSAGE

Fiscal Year 2019-20

There is an old expression that says “Rome wasn’t built in a day.” The same could be said about developing a modern public library. Over the past several years, MCPL has focused on four defined areas for improvement; *Access*, *Buildings*, *Collection*, and *Service*. Sometimes, these areas are collectively called MCPL’s ABCs. Looking back, it is easy to see that significant progress was made at Mid-Continent Public Library last year. Even more progress will be made in the coming year.

Mid-Continent Public Library will continue to explore more ways for people to *Access* Library collections and Library services in the coming year. In addition to an improved website, issuing online accounts to children in the Library district through their school district, and increased hours, one of the most exciting new points of access is a collaborative effort with the Fort Osage School District and the Community Services League. These three partners are committed to trial a service in the Farview neighborhood in eastern Independence. This service outlet is within a mile of the Library district’s greatest “at-need” neighborhood. Along with traditional library service, the partners will provide access to services like early literacy programs, public computers, and a community food pantry. With significant collaboration among all three partners, this new service will be launched with modest investment from the Library but should provide great impact to the community.

Execution of the “Capital Improvement and Replacement Plan” will continue as the Library reinvests in its *Buildings*. The Library set an aggressive schedule, but if the schedule holds, 20 branches will have been reimaged, renovated, and reopened to provide modern library service to the community by June 30, 2020. Meanwhile, five projects involving new construction will be underway this year. The final six projects will begin during the following fiscal year. As a result of this schedule, MCPL will see significant savings on this capital investment and will start building a reserve fund for scheduled maintenance, repair, and other unforeseen emergency expenses as early as 2022.

The core of any library is the high-quality information found in its *Collection*. Mid-Continent Public Library continues to allocate a higher percentage of its budget for collection than nearly any other library in the United States. MCPL is investing in new resources like Vox Books, the innovative “read along” picture books for children. MCPL will begin providing *Foundational Skills for Work*, an online learning resource for people seeking to improve their skills in order to be more competitive in the workplace. In each of the past three years, the Library has meaningfully increased its collections budget. These increases have returned collection resources to the highest level since before “the great recession” of 2008.

While library *Service* can be illustrated in any number of ways, one meaningful way to illustrate service is by MCPL’s investment in the people that connect the public with the resources they need. As was outlined in the book, *The Purposed Based Library*, MCPL expects staff to be customer-centric and for

branches to respond to the needs of local communities. This commitment requires the Library to invest in staff. The Library is increasing pay ranges for staff by 4%. This will help keep salaries “market competitive” and will put the Library on track to meet the new Missouri \$12.00 minimum wage for all positions before 2023. In addition, MCPL is reinvesting in staff by increasing training and continuing education resources along with a continued commitment to its tuition reimbursement program. These programs will help the next generation of MCPL leaders access the education they need to provide world-class service to the community. These investments pay off. Businesses and industries frequently use a measurement called the “net promoter score” to measure the affinity people have for a business. Apple’s score is 72 and Amazon’s is 68. MCPL’s score is 91.8.

Upgrades and progress can take a long time. Fortunately, MCPL has a focused Library Board willing to see its vision take shape and a dedicated staff to make the necessary improvements. The Library would not be in a position to make such improvements had the public not endorsed the Library’s vision. Support of “Proposition L” in 2016 is what is making all this possible. Thanks to you, Mid-Continent Public Library is continuing to position itself to fill a vital role in this community for many years to come.

A handwritten signature in black ink that reads "Steven V. Potter". The signature is written in a cursive style with a large, prominent 'S' and 'P'.

Steven V. Potter
Library Director and CEO

Strategic Plan

On May 15, 2018, the Board of Trustees adopted a new strategic plan for Mid-Continent Public 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.

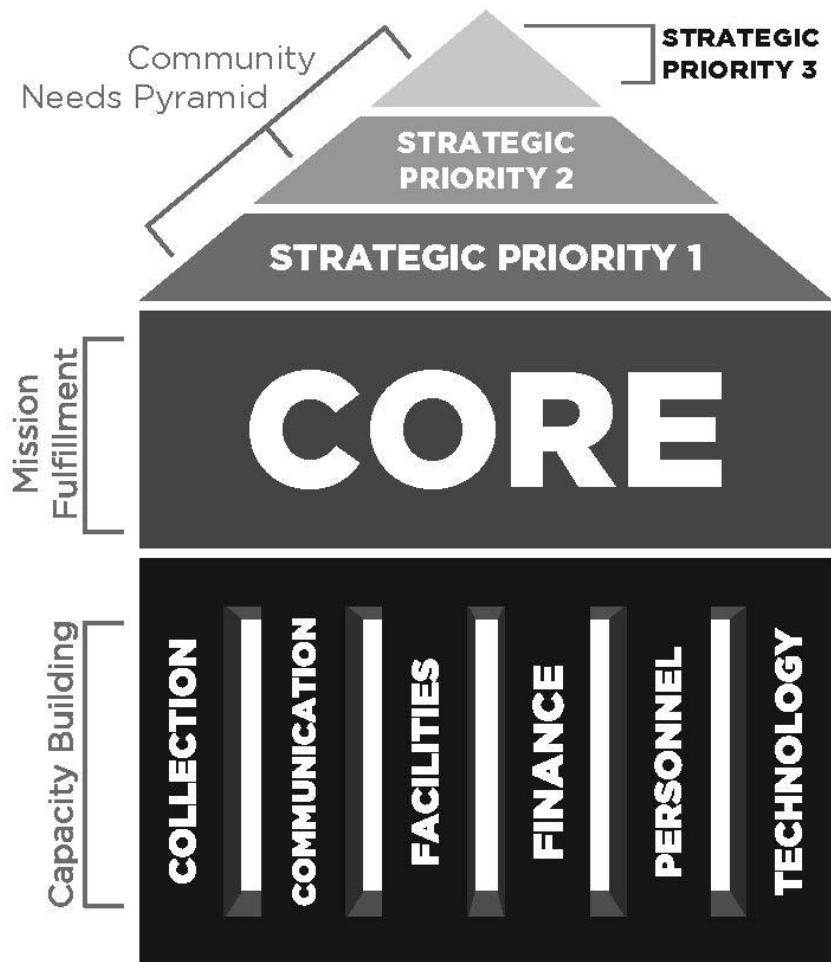
- **Intellectual Freedom** - The Library believes in the right of every individual to have access to quality information from all perspectives and in a format they find useful.
- **Inclusion** - The Library believes in the right of every individual to access library services regardless of income, education, 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 greatest influence in a 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 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, ILL requests, variable service cost
Communication	Board President	Community Relations Director / Internal Communications Director	Earned media recognition
Facilities	Building Committee Chair	Library Director / Finance & Facilities Director	Annual operation cost, annual maintenance
Finance	Finance & Audit Committee Chair / Fundraising & Development 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 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 and interest income 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 and Greater Kansas City 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 illustrates 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 reappropriated 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.

Policies 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% to 50% 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.)

Practice that applies 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.

Practice that applies 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 applies 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.

Practice that Applies 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.

- 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, & Platte Counties as required in RSMo 137.

May The Proposed Annual Budget is presented to the Library Board and available to the public. Board Committees review and modify the Proposed Annual Budget.

June A public hearing on tax levy shall be held at the Library as required in RSMo 137.
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, & 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 10 cents per \$100 assessed valuation operating levy. 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.

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.

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.

Below is a breakout of the 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 31 branches totaling over 500,000 square feet:

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

All of 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.

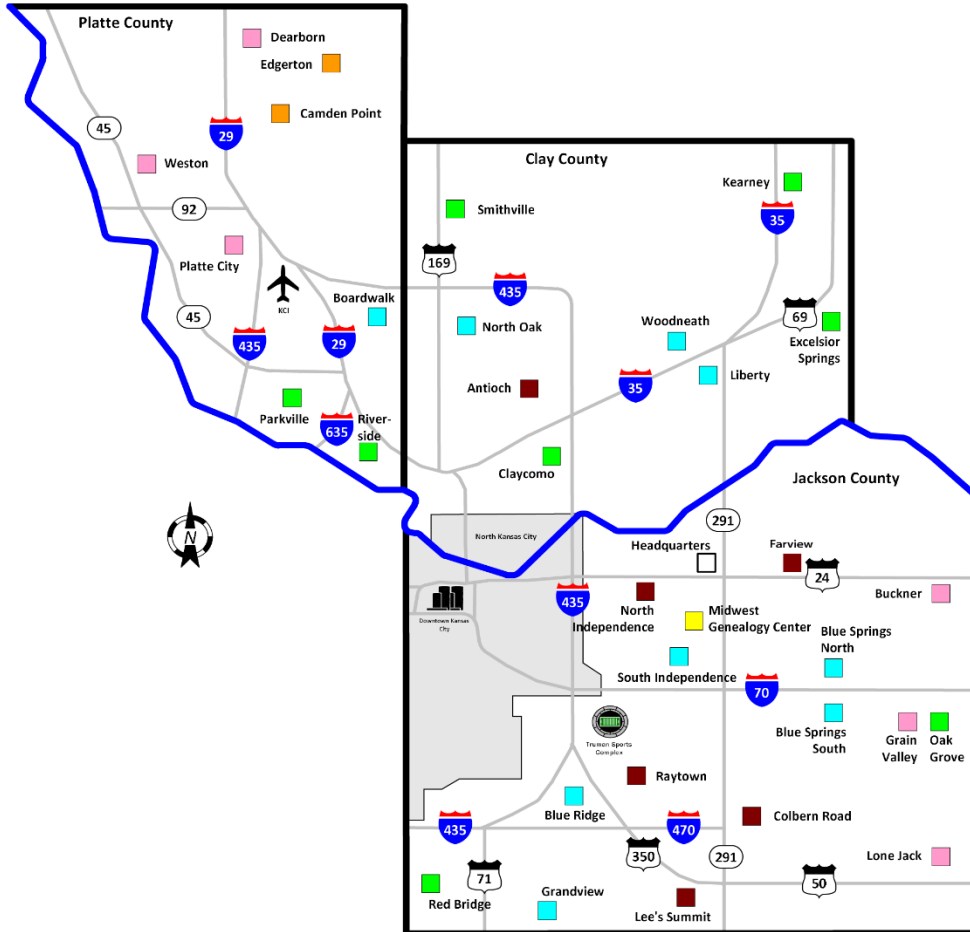
With storytelling as a service enhancement, the Library is able to offer new programs and services through The Story Center housed at the Woodneath Library Center. Established in 2013, The Story Center celebrates and develops writers, performers, and filmmakers through access to free resources, workshops, 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.

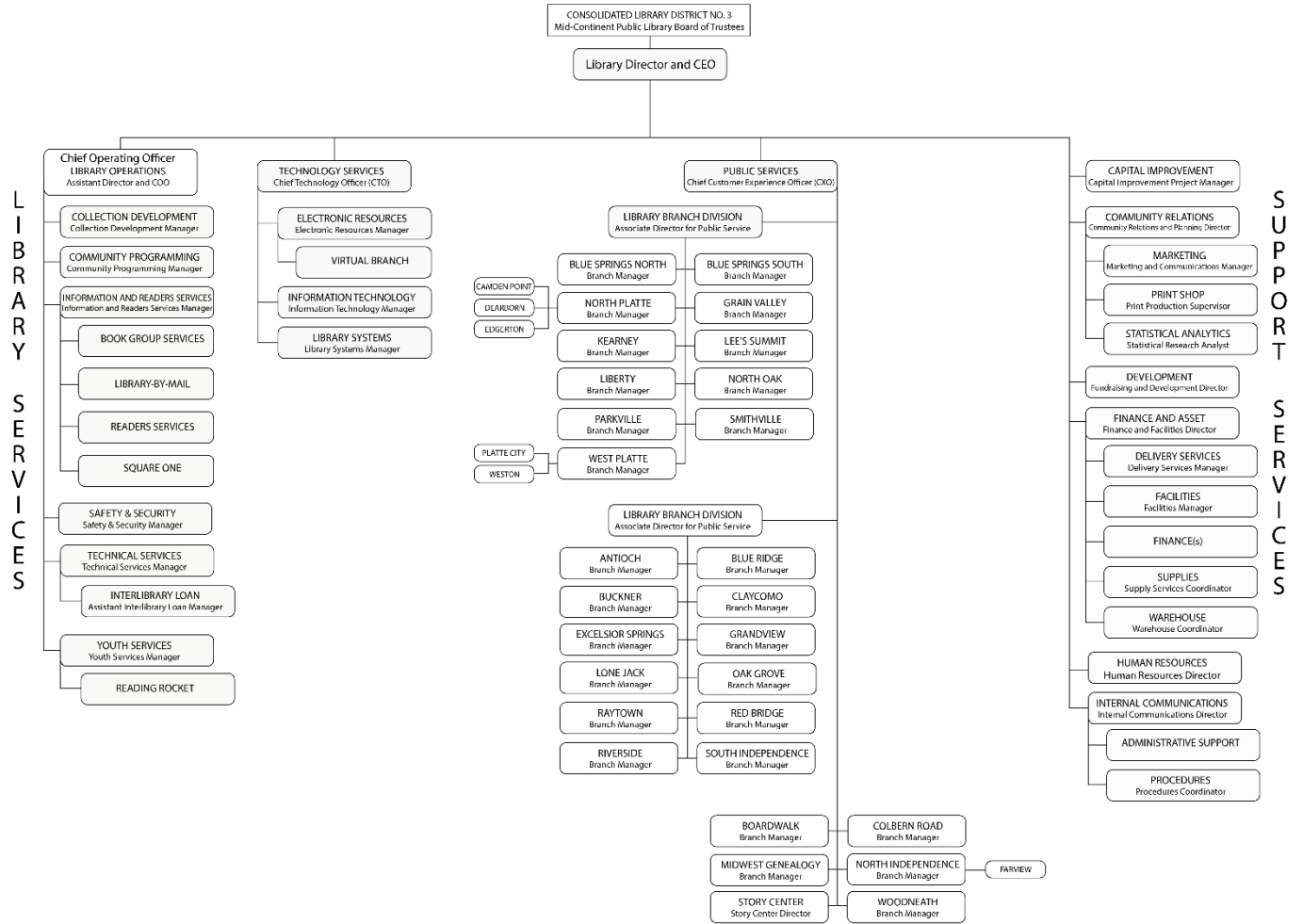
Beginning in 2019, the North Independence Branch will manage an extended service facility at a separate location, called the Farview Neighborhood Library. That location will offer traditional library services, like book circulation, early literacy programs, and public computers. The Community Service League will operate a food pantry within the space. 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 at the Hillcrest Community Center and 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. Although they only offer abbreviated services, the Library considers Library-To-Go sites are considered to be Library branches. 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, 2019

Ms. Joycelyn Tucker Burgo, Jackson County, President

Ms. Michelle Wycoff, Clay County, Vice President

Mr. Ronald Thiewes, Clay County, Treasurer

Mr. Gordon Cook, Platte County

Ms. Charlotte Hoverder, Platte County

Mr. John W. Laney, Jackson County

Ms. Jane Rinehart, Clay County

Mr. Steve Roling, Jackson County

Mr. Brent Schondelmeyer, Jackson County

Mr. Trent Skaggs, Clay County

Mr. Lee Valentine, Platte County

Ms. Rita Wiese, Platte County

Senior Administrative Staff

Steven Potter	Library Director and CEO
Susan Wray	Assistant Library Director and COO
Jennifer Ridley	Human Resource Director
Qun Fang	Finance and Facilities Director and CFO
Bryan Gash	Chief Technology Officer
Teresa Johnson	Internal Communications Director
Ritchie Momon	Chief Experience Officer
Diana Reiter	Fundraising and Development Director
Jim Staley	Community Relations and Planning Director

Budget Summary of Revenues, Expenditures, and Changes in Fund Balance
All Governmental Funds
For FY July 1, 2019- June 30, 2020

	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	\$ 29,754,703	\$ 82,813,502	\$ 160,412	\$ 923,063	\$ 15,873	\$ 298,300	\$ 98,663	\$ 114,064,516
Revenues:								
Property Taxes	52,054,430	1,259,000	-	6,000,000	-	-	-	59,313,430
Grants & Contributions	667,000	25,000	448,000	-	-	7,000	30,000	1,177,000
Interest on Investments	400,000	1,000,000	-	-	150	1,500	1,500	1,403,150
Fines, Fees, and Other	550,000	-	-	-	-	-	-	550,000
Miscellaneous Income	50,000	1,276,847	-	-	-	-	-	1,326,847
Total Revenues	53,721,430	3,560,847	448,000	6,000,000	150	8,500	31,500	63,770,427
Expenditures:								
Payroll and Benefits	32,113,499	-	-	-	-	-	-	32,113,499
Library Materials	11,500,000	-	-	-	-	-	-	11,500,000
Library Operations	10,107,931	-	428,000	6,572,000	4,000	34,000	-	17,145,931
Capital Projects	-	36,730,352	-	-	-	-	-	36,730,352
Total Expenditures	53,721,430	36,730,352	428,000	6,572,000	4,000	34,000	-	97,489,782
Transfers In (Out)	(3,000,000)	3,000,000	-	-	-	-	-	-
Changes in Fund Balance	(3,000,000)	(30,169,505)	20,000	(572,000)	(3,850)	(25,500)	31,500	(33,719,355)
Ending Fund Balance	\$ 26,754,703	\$ 52,643,997	\$ 180,412	\$ 351,063	\$ 12,023	\$ 272,800	\$ 130,163	\$ 80,345,161

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 \$97,489,782 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 the Library's 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 Learning 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, 2019 to June 30, 2020**

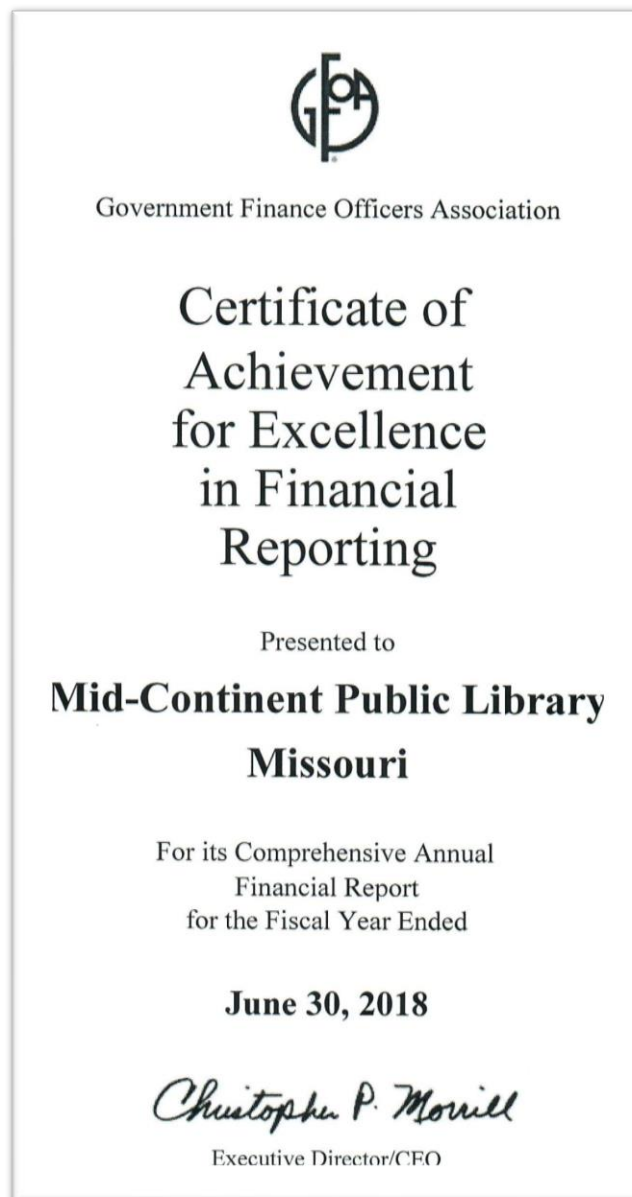
	Total Budget	Material Lending	Programming & Info Serv.	Public Technology	Public Space	Community Involvement	Support Services
Payroll & Benefits	\$ 32,113,499	\$ 17,341,289.46	\$ 6,743,834.79	\$ 2,247,944.93	\$ 1,284,539.96	\$ 1,926,809.94	\$ 2,569,079.92
Library Materials	11,500,000	8,222,181	3,277,819	-	-	-	-
5260 Leased Space	248,361	-	-	-	238,695	-	9,666
5270 Leased Equipment	65,825	4,425	-	-	-	-	61,400
5300 Furniture and Equipment	317,090	193,088	35,925	39,301	9,432	632	38,712
5320 Vehicle Operations	216,465	32,625	155,598	-	24,728	-	3,514
5330 Technology Services	1,684,520	521,167	130,581	455,474	-	-	577,298
5380 Library and Office Supplies	676,850	248,788	238,374	56,239	61,959	-	71,491
5420 Resource Development	145,000	-	-	-	-	145,000	-
5430 Community Relations & Planning	400,000	-	-	-	-	400,000	-
5440 Library Engagement Services	938,250	-	938,250	-	-	-	-
5450 Contracted Services	1,569,500	-	-	-	1,412,551	-	156,949
5460 Professional Fees	230,000	27,600	-	-	-	-	202,400
5470 Continuing Educ. & Conventions	375,575	48,338	58,528	-	-	25,529	243,179
5490 Membership and Dues	82,360	29,590	-	-	-	20,347	32,423
5510 Utilities	1,388,400	-	-	-	1,179,323	-	209,077
5540 Postage and Freight	285,000	279,818	-	-	-	-	5,182
5570 Voice, Data & Internet	836,180	284,017	-	80,442	65,735	-	405,986
5660 Building Repair & Maintenance	587,325	-	-	-	479,820	-	107,505
5740 Travel and Transportation	130,000	39,000	52,000	-	-	-	39,000
5770 Insurance	388,230	97,058	97,058	-	97,058	-	97,058
5800 Miscellaneous / Debt payment	6,581,000	-	-	-	-	-	6,581,000
7020 Buildings	36,730,352	-	-	-	36,730,352	-	-
7030 Land	-	-	-	-	-	-	-
Total:	\$ 97,489,782	\$ 27,368,985	\$ 11,727,968	\$ 2,879,401	\$ 41,584,192	\$ 2,518,317	\$ 11,410,920
% of FY 2019-20 Total Budget	100.0%	28.1%	12.0%	3.0%	42.7%	2.6%	11.7%

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 General Fund balance and Capital Project Fund balance at the end of the fiscal year 2018-19 are presented as follows:

	<u>General Fund</u>	<u>Capital Project Fund</u>
Nonspendable:		
Prepaid expenditures	\$ 400,000	\$ -
Restricted for:	-	-
Assigned to:		
Compensated absences:	2,250,000	-
Woodneath historic home	-	1,162,189
Woodneath collaboration room & sign	-	55,000
Emergency repair	500,000	-
Long-term capital plan	3,000,000	81,596,313
Unassigned :		
Library operating:	<u>23,604,703</u>	<u>-</u>
Fund balances as of June 30, 2019	<u>\$ 29,754,703</u>	<u>\$82,813,502</u>

The unassigned General Fund’s balance is the residual net resources after nonspendable, restricted, and assigned, and is at 43.9% of next year’s operating budget. The target range of this portion of the fund balance is 20% to 50% 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 eighth 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 the Mid-Continent Public Library for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended on June 30, 2018. 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 FY2017-18 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 2017-18</u>	<u>Estimate 2018-19</u>	<u>Budget 2019-20</u>
<u>Revenues:</u>			
3210 Property Tax - Clay	\$ 16,479,813	\$ 16,677,991	\$ 17,190,434
3230 Property Tax - Jackson	29,040,573	29,504,871	30,469,060
3250 Property Tax - Platte	10,114,313	11,168,835	11,653,936
3260 Property Tax - Transfer	(7,605,757)	(7,500,000)	(7,259,000)
Property Taxes	48,028,942	49,851,697	52,054,430
3290 Governmental Grant	641,495	647,000	657,000
3330 Private Grant	-	-	-
3500 Contributions	78,183	10,000	10,000
Grants & Contributions	719,678	657,000	667,000
3370 Investment Income	259,393	300,000	400,000
3390 Fines, Fees and Other	649,210	500,000	550,000
3800 Miscellaneous Income	84,762	55,000	50,000
Total Revenues	<u>\$49,741,985</u>	<u>\$51,363,697</u>	<u>\$53,721,430</u>
<u>Expenditures:</u>			
5010 Payroll	\$ 19,360,567	\$ 20,578,055	\$ 23,444,394
5030 Social Security	1,515,549	1,620,000	1,793,496
5050 Unemployment Compensation	4,872	10,000	15,000
5060 Tuition Reimbursement	21,914	30,000	30,000
5070 Retirement	2,444,520	2,695,000	2,801,573
5080 Medical Insurance	2,631,030	3,194,850	3,694,804
5090 Life and Disability Insurance	67,177	66,245	81,332
5100 Employee Assistance Program	16,645	16,000	15,400
5110 Employee Resources	168,481	180,850	237,500
Payroll and Benefits	26,230,755	28,391,000	32,113,499
5150 Books	2,542,471	3,100,000	3,317,445
5160 Electronic Books	1,428,137	1,150,000	1,450,000
5180 Periodicals	347,323	315,000	300,000
5190 Microfilm	21,412	21,210	120,000
5200 Electronic Resources	2,895,621	2,431,200	2,757,305
5230 A-V Materials	1,699,079	1,682,590	1,992,250
5240 Library Material Processing	761,895	850,000	1,035,000
5250 Live Programs	388,131	450,000	528,000
Library Materials	10,084,069	10,000,000	11,500,000

(Continued)

General Fund Detail Statement of Revenues and Expenditures

<u>Account Number</u>	<u>Actual</u> <u>2017-18</u>	<u>Estimate</u> <u>2018-19</u>	<u>Budget</u> <u>2019-20</u>
5260 Leased Space	63,462	95,500	248,361
5270 Leased Equipment	49,041	65,000	65,825
5300 Furniture and Equipment	243,234	225,000	317,090
5320 Vehicle Operations	215,552	80,000	216,465
5330 Technology Services	1,842,290	1,600,000	1,684,520
5380 Library and Office Supplies	581,469	600,000	676,850
5420 Resource Development	158,409	145,000	145,000
5430 Community Relations and Planning	345,314	350,000	400,000
5440 Library Engagement Services	300,204	457,000	476,250
5450 Contracted Services	1,111,946	1,250,000	1,569,500
5460 Professional Fees	229,693	225,000	230,000
5470 Continuing Edu. & Conventions	183,038	200,000	375,575
5490 Membership and Dues	42,578	60,000	82,360
5510 Utilities	1,142,944	1,280,000	1,388,400
5540 Postage and Freight	208,327	275,000	285,000
5570 Voice, Data & Internet	960,677	875,000	836,180
5660 Building Repair & Maintenance	491,482	475,000	587,325
5740 Travel and Transportation	122,477	110,000	130,000
5770 Insurance	403,895	370,000	388,230
5800 Miscellaneous Services	5,839	4,000	5,000
7020 Building Improvement	-	200,000	-
Library Operations	8,701,871	8,941,500	10,107,931
Total Expenditures	<u>\$45,016,695</u>	<u>\$47,332,500</u>	<u>\$53,721,430</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>\$ 4,725,290</u>	<u>\$ 4,031,197</u>	<u>\$ -</u>
Net Fund Transfer	(832,000)	(3,730,000)	(3,000,000)
Net Changes in Fund Balance	<u>\$ 3,893,290</u>	<u>\$ 301,197</u>	<u>\$ (3,000,000)</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 \$23,604,703. Before the substantial tax revenues for Fiscal Year 2019-20 are received beginning in December 2019, the Library needs to utilize this fund balance to operate.

Revenues:

FY 2019-20 General Fund budgeted revenues as compared to the previous year's actual revenues are as follows:

<u>Source</u>	<u>2019-20 Budget</u>	<u>2018-19 Estimate</u>	<u>% Inc/Dec</u>
Property Tax	\$52,054,430	\$49,851,697	4.4%
Grants and Contributions	667,000	657,000	1.5%
Fines, Fees, and Other	550,000	500,000	10.0%
Investment Income	400,000	300,000	33.3%
Miscellaneous Income	50,000	55,000	-9.1%
Totals	\$53,721,430	\$51,363,697	4.6%

As can be seen from the above projection, the General Fund's revenue is expected to have a 4.6% increase from the previous year's actual. The budgeted Property Tax revenue in General Fund is based on a tax levy of 40 cents per \$100 assessed valuation. Projections include estimates for mandatory rate adjustments 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 3.1% increase in total tax revenues.

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 3.3% increase in total tax revenues.

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 4.3% increase in total tax revenues.

Property Tax – Transfer – This amount represents new tax revenue budgeted from the Operating Fund to be transferred to the Capital Project Fund and the Debt Service Fund to assure obligations associated with Certificates of Participation Bond and the Capital Improvement and Replacement plan are met annually. For this fiscal year, \$7,259,000 was budgeted for this purpose.

Grants and Contributions – Missouri Athlete and Entertainers Tax and State Aid to Public Libraries are appropriated by the State General Assembly and administered by the State Library. Telecom E-Rate Reimbursement is a federal grant to offset the internet access and broadband connection cost, (approximately 80% 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 Grant and Gift Fund of the Special Revenue Funds, and 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 due to the closing of some branches for renovation.

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, auction 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 \$53,721,430, or a 4.6% increase from the previous year.

Expenditures:

FY 2019-20 General Fund budgeted expenditures as compared to the previous year’s actual expenditures are as follows:

<u>Activities</u>	<u>2019-20 Budget</u>	<u>2018-19 Estimate</u>	<u>% Inc/Dec</u>
Payroll and Benefits	\$32,113,499	\$28,391,000	13.1%
Library Materials	11,500,000	10,000,000	15.0%
Library Operations	<u>10,107,931</u>	<u>8,941,500</u>	<u>13.0%</u>
Total	\$53,721,430	\$47,332,500	13.5%

Operating expenditures of \$53,721,430 are proposed for FY 2019-20 based on the revenue projections. In addition, the Library will transfer \$3,000,000 from assigned fund balance to Capital Project Fund as part of the funding for Facilities Assessment and Capital Plan

Payroll and Benefits –The new fiscal year’s budget for Payroll and Benefits will increase by 13.1%. This increase will allow the Library to fund new positions for enhanced services, and to take steps to adjust the pay scale closer to the fair market value. For further information, please refer to the Payroll and Benefits section.

Library Materials – As 21.4% 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 15% 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 13% over last year’s actual. The majority of the increase is from Leased Space, Vehicle Operation, 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	\$198,000
Grain Valley leased facility	42,360
Offsite Storage	<u>6,001</u>
	\$248,361

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	56,400
Other	<u>5,000</u>
	\$65,825

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	\$176,180
Support Service furniture and equipment	81,910
Equipment maintenance services	<u>59,000</u>
	\$317,090

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	\$231,785
Cleaning supplies	50,000
Inventory for in-library sales	10,065
Labels for self pick-up holds	80,000
Library cards	50,000
Delivery/Mailroom supplies	12,500
Cataloging supplies	98,500
Printing and paper supplies	119,000
Other	<u>25,000</u>
	\$676,850

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 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 2019-20, fundraising strategies will focus on implementing a system-wide direct mail appeal as well as a secondary targeted appeal, building sponsorship revenues for the Legacy Luncheon and LitUp event, acquiring grant funding for innovative projects, and completing the capital campaign (including campaign donor recognition) for the adaptive reuse of the historic home on the Woodneath campus. In addition, funds will be used to engage a variety of new donors around the new construction and improvements related to the capital plan.

The total budget for this account is \$145,000 as detailed below:

Annual fund mailing	\$	25,000
Contract/consulting		44,000
Cultivation		10,000
Legacy luncheon		20,000
Marketing/promotion		16,000
Special events		30,000
	\$	<u>145,000</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 are updates on new services and resources, as well as support for early literacy, adult, youth, small business, and genealogy programs and services, and other initiatives. 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		66,000
Genealogy marketing		27,000
Data collection		36,000
Advertising/goal marketing		165,000
Misc expenses		7,000
	\$	<u>400,000</u>

Library Engagement Services (5440): This account includes budgets for reading initiatives, information and readers’ services, and The Story Center.

The Summer Learning Program (SLP) is a 10-week program for all ages that fosters exploration and critical thinking through reading, literacy activities, and attendance at programs. Adult participation in SLP was added in 2018, promoting modeled and shared reading in an effort to decrease “summer slide” during the months students are away from the classroom. 2018 SLP saw 24,971 individuals (79.9% of registrants) participate, with 21,366 total program completions. Of those registered, 81.6% 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 nine 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 children have limited access to the Library. In 2018, the Reading Rocket participated in over 50 individual events and welcomed a total of 5,378 visitors. Visitors receive early literacy-rich programming and a gently-used book 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 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 \$476,250. Identified services are summarized below:

		<u>Project code</u>
Summer Reading	\$ 308,000	5004
Reading Boosters Grade Level Reading Program	1,500	5004
YSD and Branch Staff Training	5,000	5004
YSD Booking Support	4,000	5004
Southeast Enterprises	4,000	5004
YSD Literacy Initiatives	1,500	5004
YSD Outreach	4,500	5004
SLP Effectiveness Study	50,100	5004
Branch Program Equipment Support	11,700	5004
Grant Match	25,000	5004
I.R.S. Marketing	3,000	5007
Winter Reading Challenge	23,000	5007
Reader's Advisory Certification	5,000	5007
Book Group In-Service	500	5007
LBM Promotional Material	1,200	5007
Supplies: LBM, Book Groups, Square One	10,000	5007
Postage	1,300	5007
Business Outreach	5,000	5007
Business Expos	600	5007
I.R.S. Staff Training	2,000	5007
Special Supplies for The Story Center	<u>9,350</u>	1005
	\$ 476,250	

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	\$ 150,000
Sorting	35,000
Pest Control	30,000
Security Monitoring	15,500
Lawn Care	300,000
Branch Security	285,000
Building Cleaning Services	600,000
Carpet/Window Cleaning	<u>154,000</u>
	\$ 1,569,500

Professional Fees (5460): The Library contracts certain professionals to perform specific activities or for professional consultation. Highlights for next year's 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	\$	115,000
Legal		35,000
Auditing		36,000
Debt Service and Retirement Plan		10,000
Banking		6,000
Credit Card Services		18,000
Other Business Consulting		10,000
	\$	<u>230,000</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 \$375,575, with \$335,060 for conferences and \$40,515 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 5 years with automatic one-year renews thereafter until December 31, 2043. The total budget for next year is \$1,388,400, as detailed below:

Trash	\$	60,000
Shredding		20,400
MC Power Solar		20,000
Utility Audit		13,000
Electricity, Gas, & Water		<u>1,275,000</u>
	\$	1,388,400

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 \$285,000, as detailed below:

UPS	\$	95,000
Postal		50,000
Customer Notices		<u>140,000</u>
	\$	285,000

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 \$130,000.

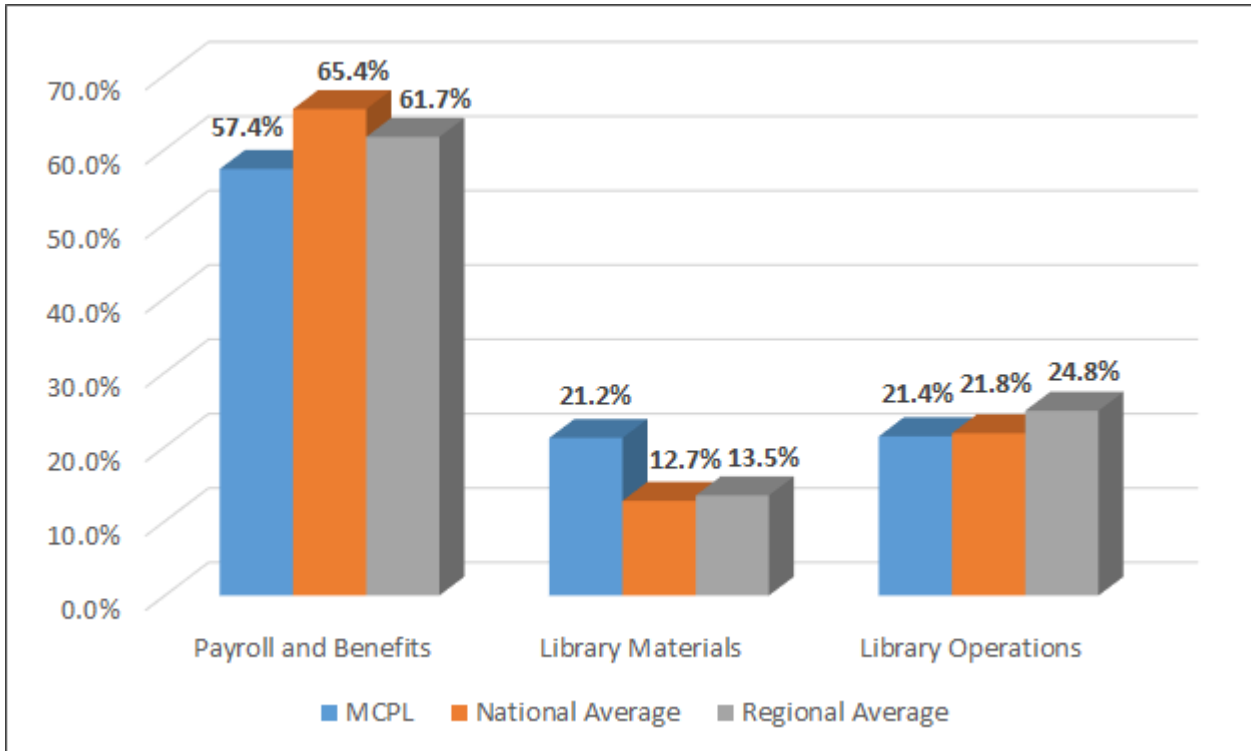
Insurance (5770): The Library carries various types of insurance for protection from unforeseeable and potentially serious situations. Below are the major types of insurance policies the Library carries:

Director & Officer	\$	54,000
Property & Liability		126,068
Automobile		20,709
Earthquake		13,687
Umbrella		5,100
Computer		5,000
Security Officers		3,222
Workers Compensation		150,000
Crime Protection & Surety Bond		5,444
Other:		5,000
	\$	<u>388,230</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 \$10,107,931, or 18.8% of the total operating budget.

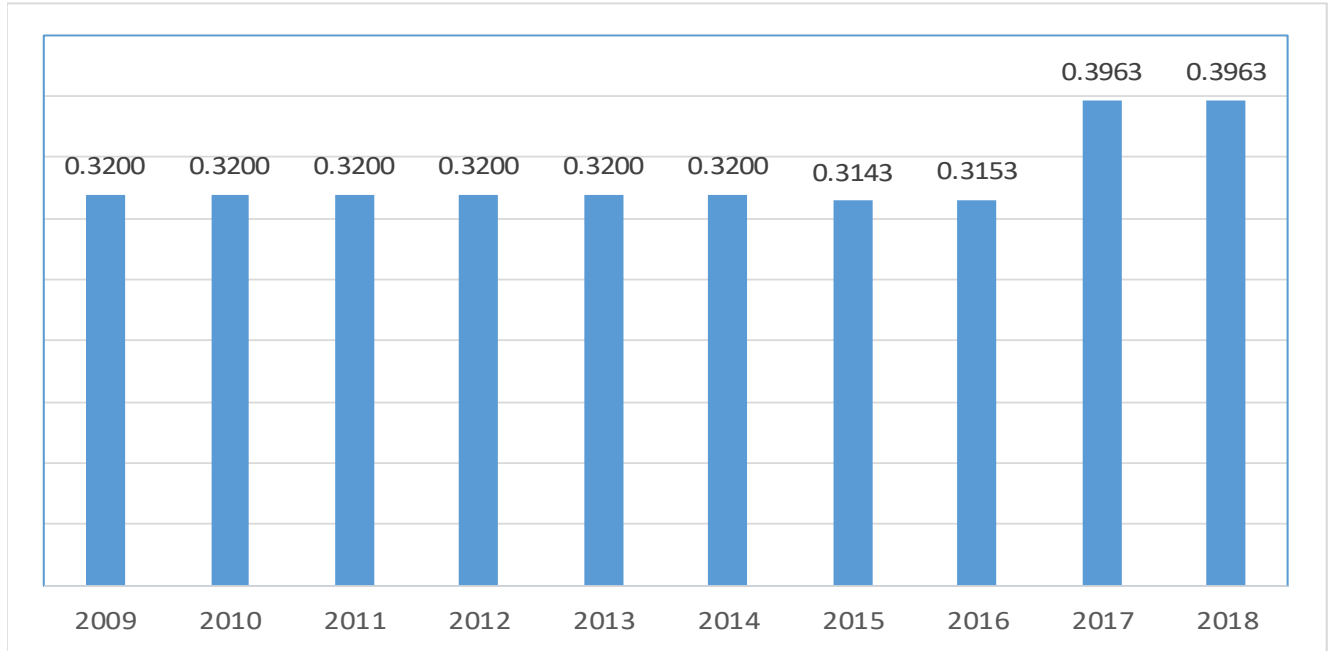
The Library's Operating Budget represents staff's best judgment for providing the highest level of service to the public, while remaining within the tax levy authorized by District voters. This proposal is consistent with the Library's Strategic Plan and should enable us to fulfill our commitment to 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 2018 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.

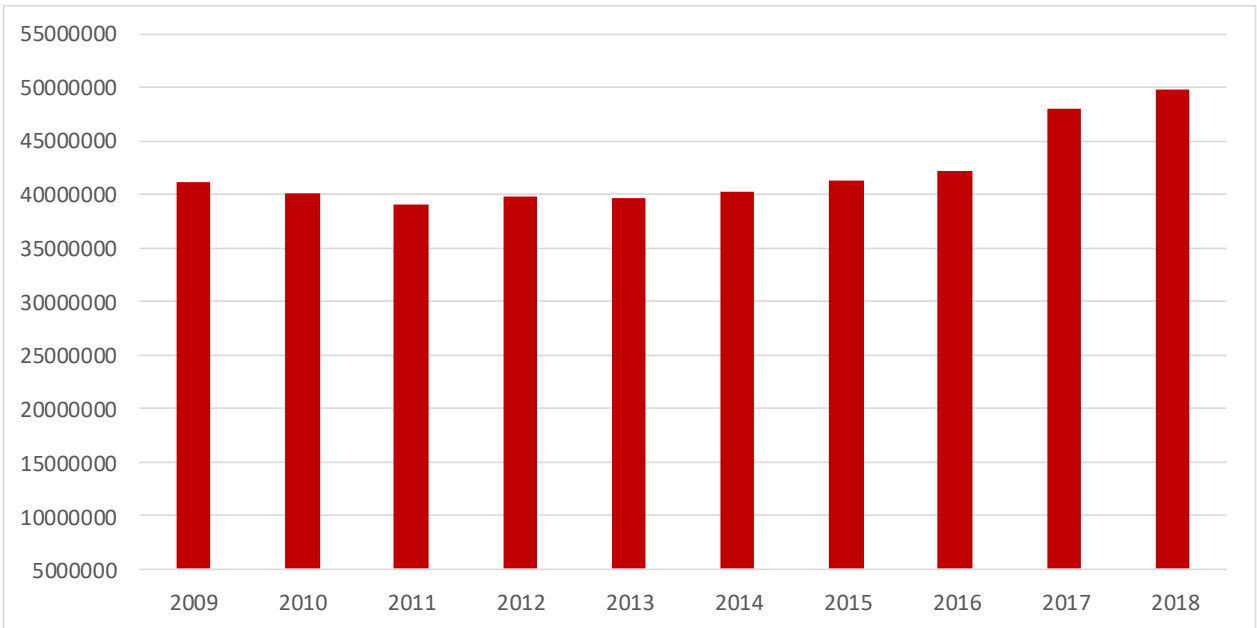
Trend of Tax Rate*



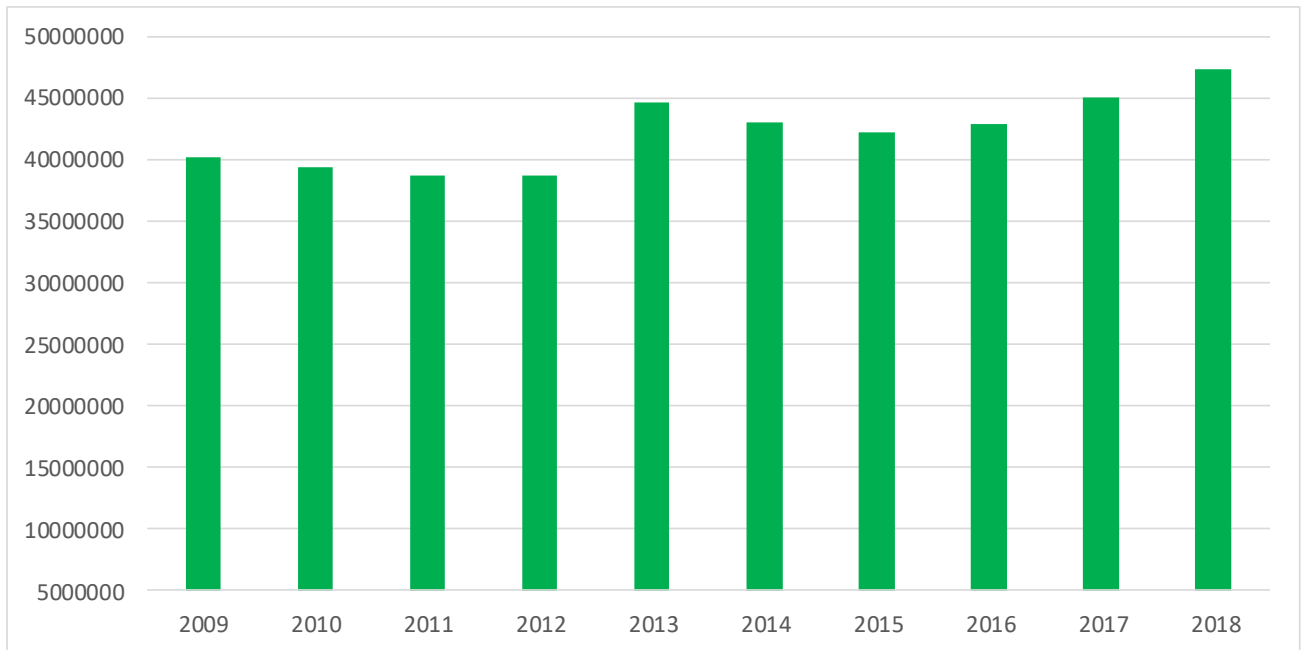
***Voted Levy:**

	<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

The FY 2019-20 staffing budget reflects an increase of benefits-eligible FTEs from the current approved level of 396.5 to a new ceiling of 410.5. The wages and salaries budget for up to 14 additional FTEs is being pro-rated to 50% so that the leadership team of the Library can accomplish its 2019 goal of addressing capacity and to ensure that current and new positions align with the strategic plan.

The budget for FY 2019-20 includes a 4% pool to adjust pay grades and pay ranges and to account for labor market inflation. In addition, the pool of funds will permit an incremental adjustment to stay on track with the increases to the Missouri minimum wage being phased in through 2023. These changes allow the Library to recruit and retain quality staff in the current highly competitive labor market. In addition, the FY 2019-20 budget contains a pool equal to 3% of salaries to be allocated based on performance.

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 16.2% of covered earnings for FY 2019-20. This is a reduction from the 16.6% funding rate the Library paid in the previous two fiscal years. The contribution rate is actuarially determined each year. The Library makes the full contribution to the program on each eligible employee's behalf. Although the contribution percentage decreased, the retirement plan budget shows a small increase in dollars due to the increase in payroll for eligible employees. As of June 30, 2018, the LAGERS system had increased its ratio of assets to liabilities to 95.6%. This strong prefunded ratio continues to place LAGERS in the top 10% of public pension plans in Missouri and the nation.

In addition, the Library makes the mandated matching contribution of 7.65% of covered earnings for employees to the Social Security program.

The Library provides a health, dental, and vision insurance benefit program to all full-time employees and pays the full premium on behalf of these employees. Half-time employees have access to these plans but must pay the full premium. The health insurance program is extended to a small group of qualified retirees with significant years of service to the Library. The medical plan budget line reflects an increase due to increased staffing and an upward trend in claims activity. The Library's Self-Funded Health Insurance Fund allows the Library to smooth the fluctuations inherent in medical claims management. It is the stated objective of the Library to use the Fund to smooth the variation of claims experienced over a rolling three years. The plan is experiencing a second year of an upward trend in claims costs after several years of favorable claims history. The Library made changes to the structure of the employee health plan for the 2019 calendar year in order to mitigate the increase in plan costs

associated with the uptick in claims. The budget for FY 2019-20 shows an increase to ensure that the Library continues to have a healthy reserve and can cover the costs related to increased claims. Please refer to the section on Other Funds for more information on the Self-Funded Health Insurance Fund.

The Library 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 like marital, emotional, legal, and financial problems. This program can divert potential medical plan claims, and provides supervisors with a tool to help employees experiencing problems that interfere with their home and work life. The cost of the program has decreased this year due to a change in the contract with the EAP provider that did not impact the services available to employees.

To help control healthcare costs and to support the efforts of the Employee Assistance Program, the Library has a health and wellness program for all employees. Much of its cost is offset by Blue Cross and Blue Shield of Kansas City. This program helps promote healthy lifestyles with a long-term goal of creating more healthy and productive employees with a better quality of life and a better work/life balance.

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 both in a classroom setting and on the job. Some training is provided by leaders from within the Library and other training opportunities are provided by outside experts.

This upcoming year, the Library is investing in a training day for all staff focusing on increasing diversity and inclusion awareness so that the Library can continue to improve the quality of service to both external and internal customers from all backgrounds and circumstances. The Library conducts annual mandatory training courses for all staff and leadership such as avoiding discrimination practices, retaliation, active shooter preparedness, and sexual harassment.

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% of the cost per credit hour and applies to tuition and the information technology fee only.

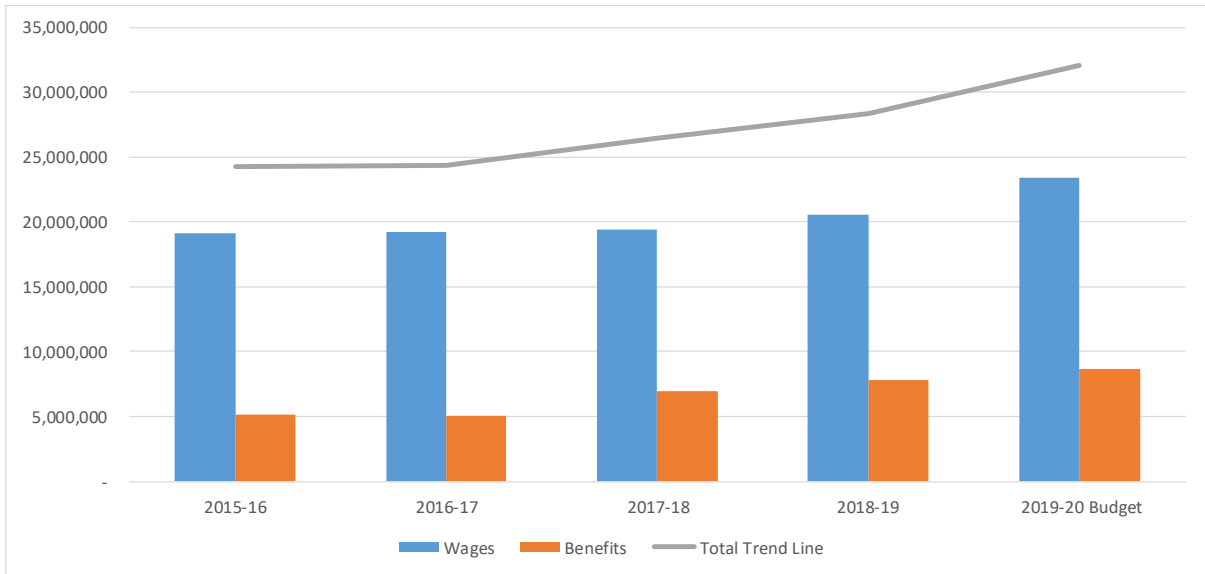
The Library employs several initiatives and tools to ensure that the right people are hired for the positions based on their experience and skills. Hiring managers and Human Resources staff are always aware of the Library's inclusiveness objectives. Background checks are performed on all newly hired employees who are 19 years of age and older.

Identified Employee Resources Account budgets are summarized below:

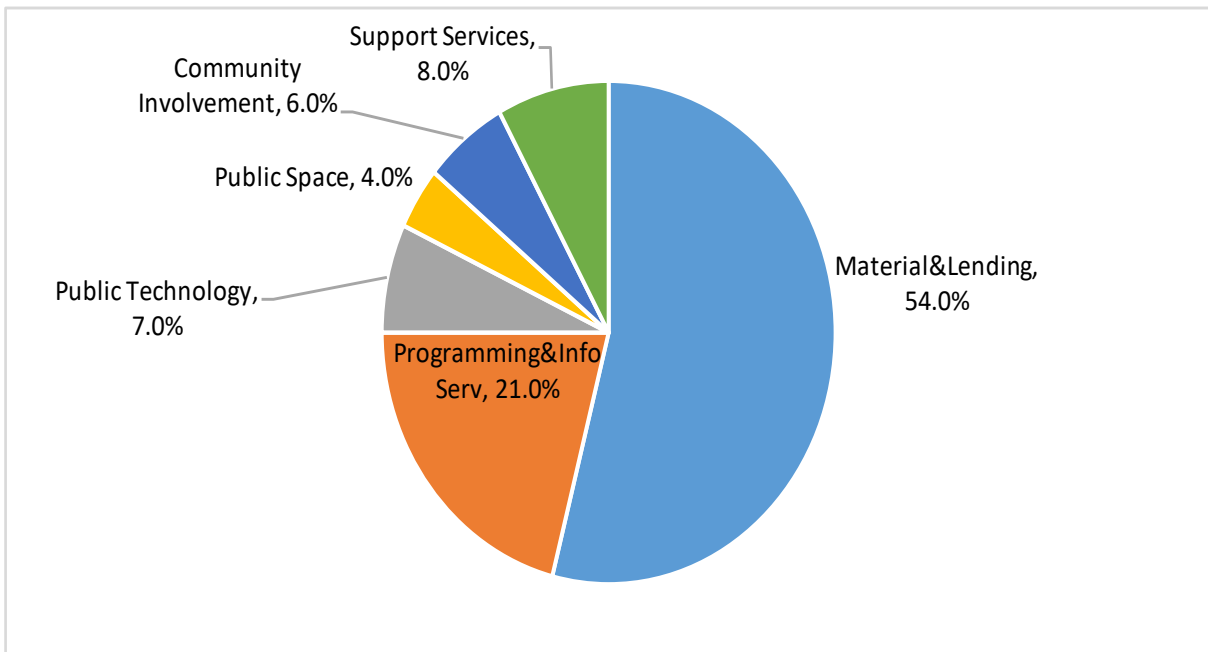
New Hire Background Check Fees	\$	11,000
Section 125 Plan Fees		4,500
Staff Development Day		35,000
Management Development/Training/Consulting		25,000
Custom Survey		20,000
Job Certification Training		15,000
Exceptionality		56,500
Recognition		7,500
Family Fun Day		40,000
Awareness Training (Safe Personnel)		5,000
Diversity Promotion, Recruiting, NHO		14,000
Explore Your Future Retirement Planning		4,000
	\$	<u>237,500</u>

The total payroll and benefits budget for FY 2019-20 is \$32,113,499, or 59.8% 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 comparing other libraries in the United States that also serve between 500,000 and 1 million people, Mid-Continent Public Library routinely allocates the largest percentage of its revenue to this purpose.

Physical Collection – Print:

The Library’s material budget allows for the purchase of books for children, teens and adults, and reference books, as well as 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 2018 *Public Library Data Service* report, Mid-Continent Public Library ranks fifth in the nation, amongst the 49 library districts servicing 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 2018 *Public Library Data Service* report, Mid-Continent Public Library ranks seventh for library budget allocation for audiovisual resources amongst libraries serving between 500,000 and 1 million people.

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 “best-sellers” 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 49 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 continues to increase. 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 2018 *Public Library Data Service* report, Mid-Continent Public Library allocated 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 second graduating class in spring of 2019.

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:

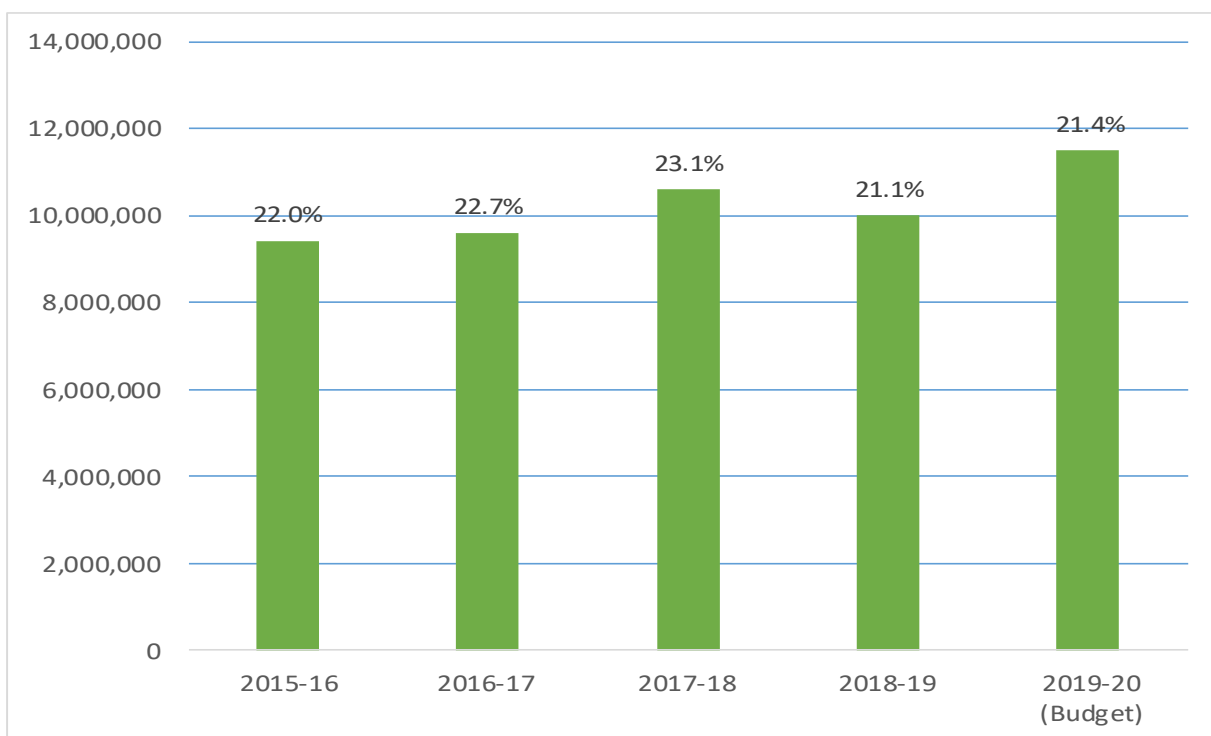
Community Programming is a vital way in which MCPL connects with community through performances, presentations, discussions, and interactive activities.

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, 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 Clay-Jackson 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 2015 to 2019



The total Library materials budget for FY 2019-20 is \$11,500,000, or 21.4% 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, 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.

Recent migration to new services and software have resulted in MCPL providing increased access to resources for staff, increasing productivity. Deployment of Office 365 will allow increased staff collaboration. Implementation of the new VOIP system will save MCPL over \$200,000 annually.

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 our 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 it, when they want it, and even where they want it. 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 our customers and is essential to our "Access Your World" brand message.

Identified projects or purchases for the Fiscal Year 2019-20 are summarized on the next page with the funding account numbers within the General Fund:

General Fund's Technology Plan for FY 2019-20

<u>Projects/Purchases</u>	<u>Budget</u>	<u>Funding Account</u>
Software and hardware support contracts	\$ 1,194,820	5330
Farview Neighborhood Library	40,000	5330
SANS EndUser and Phishing security training for all staff	6,000	5330
Skype for business room setup	10,000	5330
Veeam O365 Backup license	5,000	5330
VMware Core servers update	65,000	5330
Contingency repair, wiring, and grant matching	363,700	5330
Internet by AT&T	54,500	5570
GPS and Radio communication	4,020	5570
Cell phones	40,000	5570
Mobile internet	35,000	5570
Data connections	637,660	5570
Virtual Library		
Electronic resources	2,757,305	5200
Downloadable audio/video	1,000,000	5230
eBooks/e-Reference	1,450,000	5160
Subtotal:	<u>5,207,305</u>	
Total:	<u>\$ 7,663,005</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 and lighting: The Library will spend \$46,500 for special maintenance at the Woodneath Library Center, Midwest Genealogy Center, North Independence Branch, and Blue Springs Warehouse.
2. Parking lot maintenance: The Library will maintain and/or sealcoat the parking lot at various branches for a total cost of \$112,500.
3. Building access control: The Library will spend \$38,500 to service all Library elevators, inspect fire alarm systems, and maintain some sliding doors at branches.
4. Work area repair and improvement: The Library will spend \$24,425 to make improvements for the public areas at various branch locations, and will spend up to \$106,700 to reconfigure office space, repair the floor, and replace the carpet of certain work areas at HQ. In addition, the Library will need \$228,300 for routine work orders, shop supplies, and equipment maintenance.

In addition to the projects mentioned above, the Library will also budget over \$36 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 Capital Improvement Plan for FY 2019-2020

	<u>Budget</u>
Parking Lot:	
Saltguarding and asphalt repair	\$ 60,000
Restriping, patching, & sidewalk sealant:	52,500
Building Access Control:	
Fire alarm and elevators	32,500
Sliding doors	6,000
 HVAC/Lighting maintenance - WN, MGC, NI, & BSW	 46,500
Work area repair/improvement:	
Branch public areas	24,425
HQ work area and floor stabilization	106,700
Branch work order requests and supplies	228,300
Lighting - LED pole lights	30,400
Total	<u>\$ 587,325</u>

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 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.

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.

The Elbridge Arnold home, perhaps better known as the Crouch Family home, on the Woodneath Campus is undergoing restorative work for its adaptive reuse as The Story Center at Mid-Continent Public Library. The interior and exterior work on the home is estimated to cost \$2.9 million. A capital campaign is underway to raise \$3.4 million to cover all costs related to construction as well as supplement The Story Center's existing programs and collection. More than \$3 million has been raised toward the completion of the campaign, which will allow the work on the home to proceed toward completion. Additional fundraising efforts will continue through FY 2019-20 to achieve the total fundraising goal and cultivate campaign donors for future support. We estimate that the historic home will be completed and ready for occupancy by The Story Center staff and for public use during the FY 2019-20.

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 is to ensure the Library will 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 ten 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 has 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

Building	Scope	Planned Start	Planned Finish	Status June 2020
Antioch	Remodel	June 2018	Nov 2018	Complete
Blue Ridge	Remodel	June 2020	Sept 2020	Underway
Blue Springs North	Remodel	Oct 2019	Dec 2019	Complete
Blue Springs South	Remodel	July 2018	Nov 2018	Complete
Boardwalk	Replace-New	May 2021	July 2022	Pending
Buckner	Minor Remodel	Sept 2019	Nov 2019	Complete
Camden Point	Minor Remodel	Nov 2018	Jan 2019	Complete
Claycomo	Minor Remodel	Dec 2018	May 2019	Complete
Colbern Road	Major Remodel	Feb 2020	Mar 2021	Underway
Dearborn	Minor Remodel	Nov 2018	Jan 2019	Complete
Edgerton	Minor Remodel	Nov 2019	May 2019	Complete
Excelsior Springs	Remodel	June 2018	Nov 2018	Complete
Grain Valley	Replace-New	Jan 2021	Dec 2021	Pending
Grandview	Remodel	June 2020	Oct 2020	Underway
Kearney	Remodel	Nov 2018	June 2019	Complete
Lee's Summit	Major Remodel	Mar 2021	Feb 2022	Pending
Liberty	Replace-New	Nov 2019	Aug 2020	Underway
Lone Jack	Remodel	Oct 2018	Jan 2019	Complete
Midwest Genealogy	Addition	Aug 2018	June 2019	Complete
East Independence	New	Apr 2020	Feb 2021	Pending
East Lee's Summit	New	April 2019	March 2020	Complete
North Independence	Minor Remodel	Sept 2019	Nov 2019	Complete
North Oak	Replace-New	Aug 2021	June 2022	Pending
Oak Grove	Minor Remodel	July 2018	Oct 2018	Complete
Parkville	Minor Remodel	Jun 2020	Aug 2020	Underway
Platte City	Minor Remodel	Sept 2018	Nov 2018	Complete
Raytown	Remodel	Aug 2019	Dec 2019	Complete
Red Bridge	Major Remodel	March 2019	Aug 2019	Complete
Riverside	Remodel	July 2020	Dec 2020	Pending
Smithville	Minor Remodel	July 2020	Dec 2020	Pending
South Independence	Remodel	Jun 2020	Aug 2020	Underway
Weston	Minor Remodel	July 2018	Sept 2018	Complete
Woodneath	Addition	Aug 2020	June 2021	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	5,869,515	\$ 750,000
I	4	East Lee's Summit	5,978,805	\$ 750,000
II	5	Red Bridge	600,000	
		Camden Point, Claycomo, Dearborn, Edgerton,		
II	6	Kearney, Lone Jack	2,606,064	
		HQ, Blue Springs North, Buckner, North		
II	7	Independence, Raytown	3,502,405	
II	8	Woodneath - Auditorium	6,047,654	
III	9	Grain Valley	4,977,492	\$ 750,000
III	10	Colbern Road	10,225,924	\$ 200,000
		Blue Ridge, Grandview, Parkville, Riverside,		
III	11	South Independence	3,763,743	
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	
		Unassigned Construction Resources	2,912,618	
		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 2019-20

Revenues:

Tax Revenues and Transfer-in	\$ 4,259,000
3330 Grant & Contribution - WN	25,000
3800 TIF Revenue - WN	576,847
3370 Investment income	1,000,000
3800 Disposal of property and other	<u>700,000</u>

Total Revenues **\$ 6,560,847**

Expenditures:

	<u>Project to date as of 6/30/2019</u>		<u>Remaining Balance</u>
Woodneath historic home project	614,563	2,100,000	240,455
Woodneath collaboration rooms & signage	9,693	55,000	-
Excelsior Springs entry way	-	84,000	-
Smithville parking lot	-	175,000	-
Capital Plan			
Work packages	-	23,646,456	
Design and preparation / FF&E	-	6,131,526	
Property acquisition	-	3,950,000	
Moving and storage	-	<u>588,370</u>	
	21,953,814	34,316,352	56,929,834

Total Expenditures **\$ 36,730,352**

Excess (Deficiency) of Revenues over (under)

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

Ending Fund Balance: \$ 82,813,502 \$ 52,643,997

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>2019-20</u>
Revenues:	
Property Taxes	\$6,000,000
Expenditures:	
Debt Service	6,572,000
Excess (Deficiency) of Revenues Over (Under)	
Expenditures:	<u>(572,000)</u>
Beginning Fund Balance	923,063
Ending Fund Balance	<u>\$ 351,063</u>

Debt Service Schedule
Certificates of Participation Series 2018

Period		Principal	Coupon		Interest		Debt Service
Ending							
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 five sub funds: MCPL General Fund, Midwest Genealogy Center Capital Fund, Midwest Genealogy Center Program Fund, MCPL Summer Reading Fund, and the Story Center at MCPL Fund,

Community Foundation Fund – Detail Statement of Revenues and Expenditures

	<u>Actual</u> <u>2017-18</u>	<u>Estimate</u> <u>2018-19</u>	<u>Budget</u> <u>2019-20</u>
Revenues:			
Grants and contributions	\$ 13,594	\$ 6,700	\$ 7,000
Investment income	3,446	1,200	1,500
Total Revenues	<u>17,040</u>	<u>7,900</u>	<u>8,500</u>
Expenditures:			
Library operations	-	-	34,000
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>5,500</u>	<u>7,900</u>	<u>(25,500)</u>
Beginning fund balance	264,068	290,400	298,300
Ending fund balance			
Library General	\$ 184,606	\$ 188,000	\$ 173,200
Woodneath Library	-	900	300
Genealogy Capital Campaign	20,382	20,800	21,400
Genealogy Programs	24,773	25,800	26,900
Summer Reading Program*	47,366	47,800	48,600
Story Center	13,273	15,000	2,400
Total Ending Balance	<u>\$ 290,400</u>	<u>\$ 298,300</u>	<u>\$ 272,800</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, 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.

	<u>Actual</u> <u>2017-18</u>	<u>Estimate</u> <u>2018-19</u>	<u>Budget</u> <u>2019-20</u>
Revenues:			
Governmental grants	\$ 58,156	\$ 45,527	\$395,000
Private grants & gifts	14,065	215,907	40,000
Library Lovers membership	<u>-</u>	<u>8,566</u>	<u>13,000</u>
Total Revenues	<u>72,221</u>	<u>270,000</u>	<u>448,000</u>
Expenditures:			
Library Lovers activities	-	-	13,000
Library programs	<u>145,723</u>	<u>170,000</u>	<u>415,000</u>
Total Expenditures	<u>145,723</u>	<u>170,000</u>	<u>428,000</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>(73,502)</u>	<u>100,000</u>	<u>20,000</u>
Beginning Fund Balance	\$133,914	\$ 60,412	\$160,412
Ending Fund Balance	<u>\$ 60,412</u>	<u>\$ 160,412</u>	<u>\$180,412</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>2017-18</u>	<u>Estimate</u> <u>2018-19</u>	<u>Budget</u> <u>2019-20</u>
Revenues:			
Grants and contributions	\$ -	\$ -	\$ -
Investment income	<u>206</u>	<u>250</u>	<u>150</u>
Total Revenues	<u>206</u>	<u>250</u>	<u>150</u>
Expenditures:	4,000	4,000	4,000
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>(3,794)</u>	<u>(3,750)</u>	<u>(3,850)</u>
Beginning Fund Balance	27,417	23,623	19,873
Ending Fund Balance	<u>\$ 23,623</u>	<u>\$ 19,873</u>	<u>\$ 16,023</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.

Genealogy Endowment Fund Detail – Statement of Revenues and Expenditures

	<u>Actual</u> <u>2017-18</u>	<u>Estimate</u> <u>2018-19</u>	<u>Budget</u> <u>2019-20</u>
Revenues:			
Grants and contributions	\$ -	\$ 54,700	\$ 30,000
Investment income	<u>31</u>	<u>200</u>	<u>1,500</u>
Total Revenues	<u>31</u>	<u>54,900</u>	<u>31,500</u>
Expenditures:	-	-	-
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>31</u>	<u>54,900</u>	<u>31,500</u>
Beginning Fund Balance	43,732	43,732	98,663
Ending Fund Balance			
Genealogy Endowment	43,763	43,798	43,838
Story Center Endowment	<u>-</u>	<u>54,865</u>	<u>86,325</u>
Total Ending Balance:	<u>\$ 43,732</u>	<u>\$ 98,663</u>	<u>\$130,163</u>

Internal Service Fund – Self-Funded Health Insurance

Fund Description

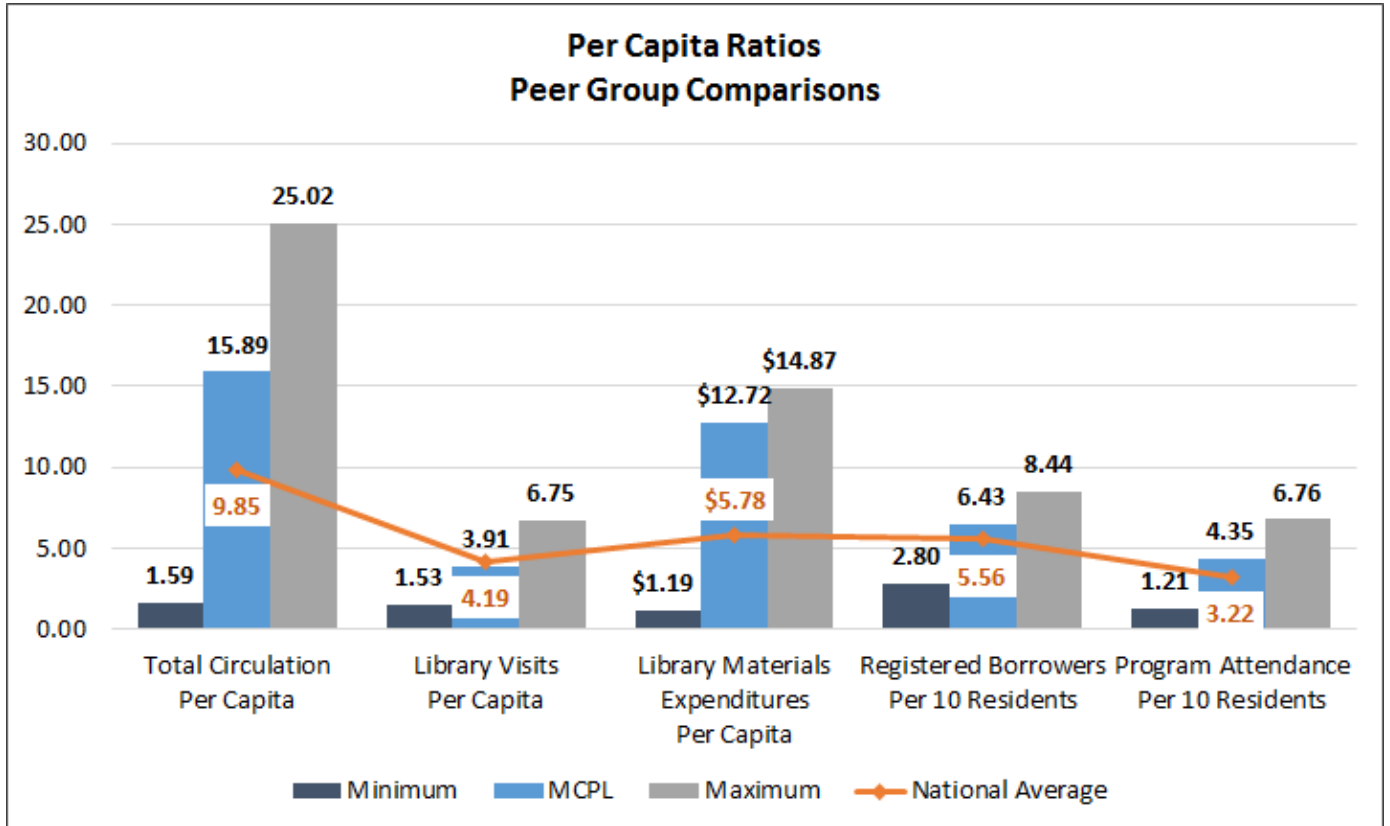
This fund is used to account for the expenses of health claims experience plus related fixed fees and access fees. The Library has adopted a four-tier premium model called “Cost-Plus” offered by Blue Cross Blue Shield of Kansas City. This funding model allows the Library to take on the risks and rewards 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

	<u>Actual</u> <u>2017-18</u>	<u>Estimate</u> <u>2018-19</u>	<u>Budget</u> <u>2019-20</u>
Revenues:			
Library's contribution	\$ 2,478,952	\$ 3,034,100	\$ 3,524,500
Employees' and retirees' contribution	<u>437,462</u>	<u>432,000</u>	<u>450,000</u>
Total Revenues	<u>2,916,414</u>	<u>3,466,100</u>	<u>3,974,500</u>
Expenditures:			
Administrative fees	519,023	695,000	750,000
Claims expenses	<u>2,816,138</u>	<u>3,037,500</u>	<u>3,040,000</u>
Total Expenses	<u>3,335,161</u>	<u>3,732,500</u>	<u>3,790,000</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>\$ (418,747)</u>	<u>\$ (266,400)</u>	<u>\$ 184,500</u>
Transfer in/out	<u>-</u>	<u>-</u>	<u>-</u>
Beginning Fund Balance	1,444,112	1,025,365	758,965
Ending Fund Balance	\$ 1,025,365	\$ 758,965	\$ 943,465

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 2009 to 2018

<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>
2008-2009	3,565,744	N/A	9,182,417	466,344	668,428 (1)
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)

(1) Based on 2000 US Census

(2) Based on 2010 US Census

Miscellaneous Statistical Data

Schedule of Service Locations

June 30, 2019

<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
Edgerton	404 Frank St. Edgerton, MO 64444	O	3,013	55
Excelsior Springs	1460 Kearney Road Excelsior Springs, MO 64024	O	10,133	69
Grain Valley	101 SW Eagles Parkway Grain Valley, MO 64029	L	7,000	61
Grandview	12930 Booth Lane Grandview, MO 64030	O	12,744	69

(Continued)

Miscellaneous Statistical Data

Schedule of Service Locations

June 30, 2019

<u>Branch Libraries</u>	<u>Address</u>	<u>Owned (O) Leased (L)</u>	<u>Square Feet</u>	<u>Open Hours per Week</u>
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	52,000	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
Smithville	120 Richardson St. Smithville, MO 64089	O	15,000	69
South Independence	13700 E 35th St. Independence, MO 64055	O	17,887	69

(Continued)

Miscellaneous Statistical Data

Schedule of Service Locations

June 30, 2019

<u>Branch Libraries</u>	<u>Address</u>	<u>Owned (O) Leased (L)</u>	<u>Square Feet</u>	<u>Open Hours per Week</u>
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