



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

FINAL ANNUAL BUDGET

Fiscal Year
2022-2023



Administrative Headquarters
15616 E US Highway 24
Independence, MO 64050
mymcpl.org

Budget Message

Fiscal Year 2022-2023

The 2021-22 fiscal year was full of unpleasant occurrences that, like the proverbial bad penny, kept turning up. The lingering effects of the Covid-19 pandemic resulted in starting, and stopping, and then restarting services and programs. Rising inflation and a competitive post-pandemic job market created additional unique challenges. Every indication is that some of these issues are most likely to continue into FY2022-23.

With that said, there were clear signs that many things were returning to pre-pandemic levels. In December 2021, MCPL had its strongest activity of any December in the past ten years. As story times and book discussion programming returned, they quickly reached capacity. Surprisingly, at a time when more customers started to use physical resources again, the growth of digital and online services continued as well. Great efforts to stay connected to the public we serve paid off greatly and will likely continue to pay off into FY2022-23.

What seems like a lifetime ago, in 2016, Mid-Continent Public Library provided a vision for library service to the community. Known at the time as Proposition L, the Library made a promise to enhance access, buildings, collections, and services if the public was willing to increase the library levy. The voters of the district resoundingly endorsed this vision at the polls. The Library has worked hard to fulfill those promises and is able to do so every year due to the resources that come from the community. MCPL could not do any of this without voter support.

MCPL pursued grant funding for several trial services during the pandemic to supplement those critical tax dollars. Wi-Fi To Go was one such service. Allowing people to borrow portable wi-fi devices proved to be a valuable service, and this budget includes ongoing funding now that the grant funding has concluded. Other initiatives like notary and passport services, and loaning chromebook computers will be evaluated for retention in this year.

Despite supply chain and construction inflation issues in FY2021-22, MCPL was able to continue work on the Capital Projects Plan. In the coming year, the Green Hills Library Center, North Oak, Grain Valley, and East Independence will be completed or nearly completed. Once finished, those projects will complete the multi-year Capital Project and Replacement Plan on schedule. In addition, MCPL is working with the city of Riverside to build a new library building, with updated amenities and services.

MCPL financed the construction program which resulted in financial savings and delivering new facilities very quickly. The Library has 16 years of payments remaining on bonds used to finance the reimagined library buildings. With more customers seeking activities outside their homes, the redesigned libraries are ready and ideally positioned for the public's desire for a modern library experience.

For decades, libraries have found it challenging to recruit and retain a workforce that is representative of the populations they serve, and MCPL is no different. Staff will investigate developing an internship program focusing on creating a more diverse and inclusive workforce and creating a more welcoming workplace. Preliminary resources have been designated to start this program and will be used mostly as matching funds for grants being pursued for this effort.

It is important to follow two rules of thumb for the coming year. First, it is not wise to use 2020 or 2021 as benchmarks for nearly anything. Both years were highly unusual in terms of spending, revenues, and services delivered. The Library will learn from these unusual years, and now must get back to pre-pandemic conditions before we start benchmarking year-over-year services. Second and somewhat related, it will take MCPL a while to know what a “normal” year looks like. In fact, you must go back to FY2016-17 when all locations were operational and not decommissioned for remodeling or construction. At that time, MCPL didn’t have programming rooms, all the support for personal technology, curbside service, collaboration rooms, outdoor wi-fi, and the like. It will take a while for MCPL to know what “normal” really looks like.

Libraries all over the world are reimagining themselves following the pandemic and MCPL is no different. Leadership from the Board of Trustees and the Library’s independent status have positioned MCPL well. It is also crucial to understand that the entire organization, including every member of the Library staff, worked hard to manage resources and operate in a challenging environment since March 2020. I am personally very grateful and honored to be able to serve with such an incredible group of people. Thank you to the Board and staff for helping navigate such challenging times. Thanks to the collective effort, MCPL is in a great position to enrich our citizens and communities through expanding access to innovation, information, ideas, and inspiration and to provide a great library experience.



Steven V. Potter

Library Director and CEO

Strategic Plan

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

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

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

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

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

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

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

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



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

- Strategic Priority #1 – MCPL will cultivate literacy skills that prepare children and families for lifelong success.
- Strategic Priority #2 – MCPL will connect citizens to innovative services and resources that expand opportunity and build community.

- Strategic Priority #3 – MCPL will build the capacity of individuals and organizations to create and share their stories.

Executing the Strategic Plan

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

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

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

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

BUDGET STRUCTURE

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

Budgets are prepared for each of the following fund types:

Governmental Funds:

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

Proprietary Fund:

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

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

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

Budgetary Policies and Procedures

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

Applies to all Funds:

- The Library is required by Missouri Statutes to prepare budgets for all funds. The final budget for the year must be filed with the County Commissions of Clay and Platte Counties and the County Executive office of Jackson County.
- No later than the third Tuesday of May, the Library Director shall submit a proposed budget for the fiscal year commencing the following July 1 to the Board. On the third Tuesday of June, the Board shall adopt the final budget. If the Board fails to adopt the budget on or before that date, the budget as submitted or amended, goes into effect.
- The level at which the Board approves each budget becomes the "legal level of control." This is the level at which transfer of appropriation requires Board action. For the General Fund, the Board approves the budget at the activity level, as follows: Payroll and Benefits, Library Materials, and Library Operations. All other funds are budgeted at the total expenditure level.
- Every year, each county provides a notice of aggregate assessed valuation for the Library to set the property tax levy. A public hearing on the tax levy is conducted at the Library to obtain taxpayer comments before the approval of the final budget.
- All rates for customer fines, fees, and other charges are established by the Board. Unencumbered appropriations lapse at year-end and may be re-appropriated at the beginning of the succeeding budget year.
- By Library practice, revenues and expenditures are monitored and reported to the Board monthly by the Finance Director to determine if estimates are on target.

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

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

Practices that apply only to the Capital Project Fund:

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

Practices that apply only to the Debt Service Fund:

- The fund is used to account for debt repayments of the 2018 Series Certificates of Participation with proceeds of \$80,574,567.50, with a total par amount of \$72,925,000.00, and a total net premium of \$7,649,567.50. The initial payment date was March 1, 2019, and the last payment date is March 1, 2039.
- The funding source for the annual payment is from the General Fund, subject to annual appropriation by the Library Board.

Restrictions that apply only to the Permanent Fund:

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

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

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

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

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

Budget Calendar:

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

Library Organization & Structure

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

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

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

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

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

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

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

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

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

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

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

The Library has reciprocity agreements with the Henry County Library, Kansas City Public Library, North Kansas City Public Library, Ray County Public Library District, Rolling Hills Consolidated Public Library, and St. Joseph 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 and are in a neighboring county including Cass County Library, Johnson County Library, Kansas City Kansas Public Library, Levenworth Public Library, Olathe Public Library, Trails Regional Library, and others.

The Mid-Continent Public Library system consists of the following 32 branches, totaling over 675,000 square feet:

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

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

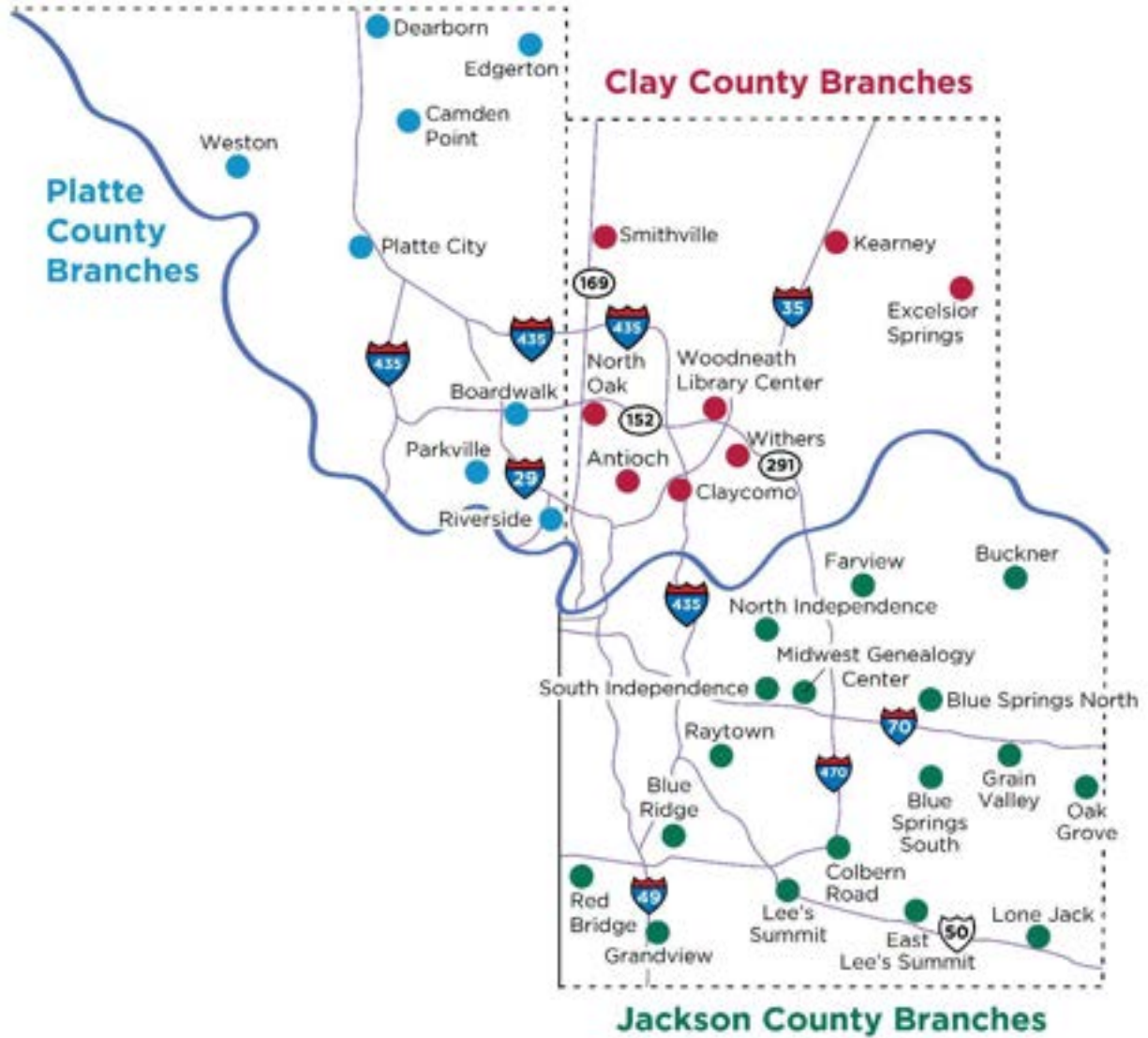
In 1995, Mid-Continent Public Library started to license online reference resources, providing equal access to extensive magazine and periodical resources to all the libraries in the system. Later that year, the Library launched the first public library website in the metropolitan area. Bringing these concepts together, the Library built an extensive digital library collection, requiring vendors to provide remote access to content. This permitted people to use the Library's considerable resources from home any time of the day or night. The Library became an early adopter of downloadable eBooks and eAudiobooks. In time, this commitment to digital resources led to one of the largest digital collections in the nation and became the Library's "Virtual Branch." These efforts over many years made the Library ideally positioned to provide virtual service during the COVID-19 pandemic.

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

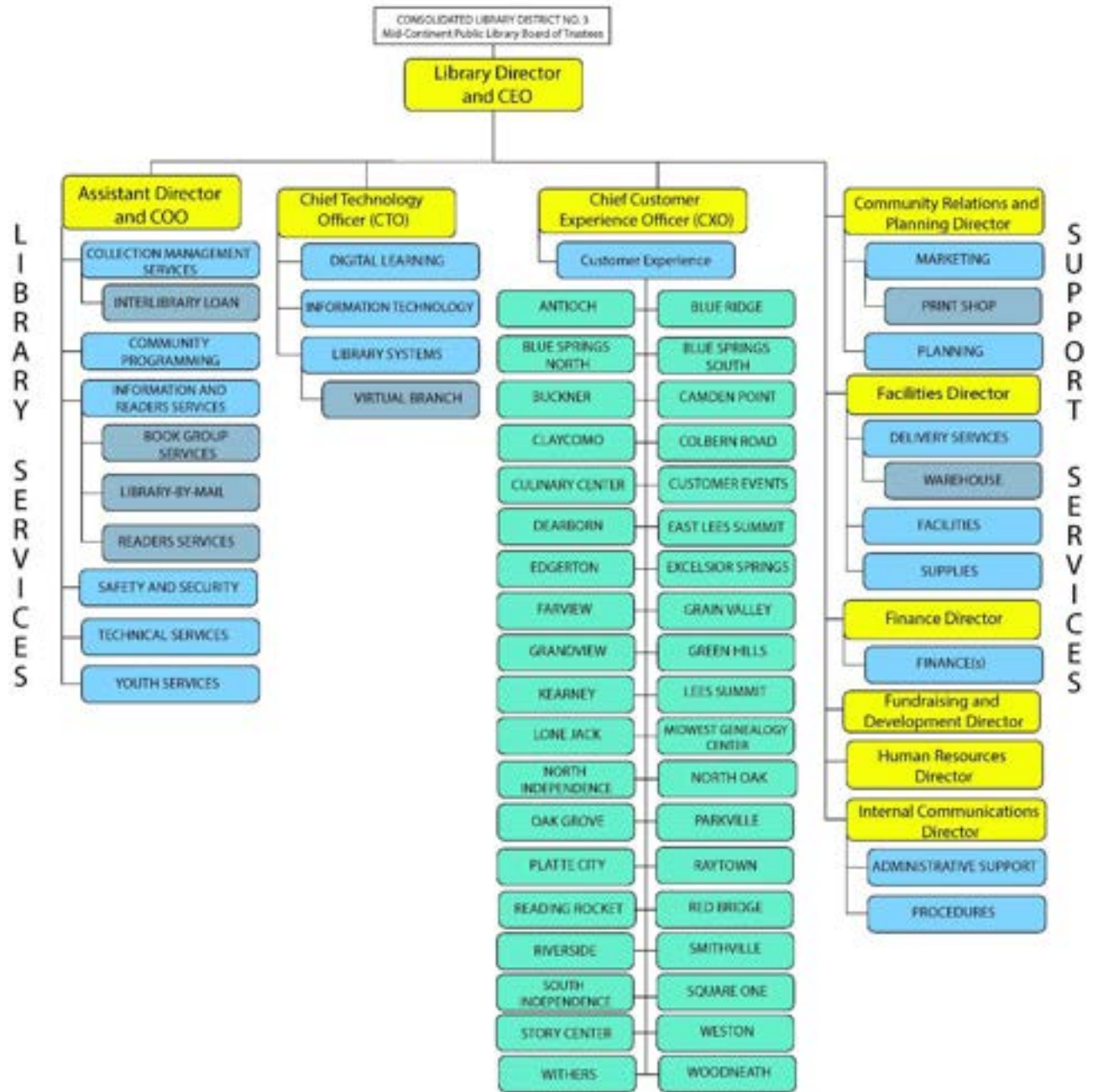
Beginning in 2019, the North Independence Branch started to manage an extended service facility at a separate location called the Farview Neighborhood Library. This location offers traditional library services, such as book circulation, early literacy programs, and public computers, but is also home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

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

Mid-Continent Public Library Branches



Mid-Continent Public Library Organizational Chart of Responsibilities



Consolidated Library District No. 3

Known as

Mid-Continent Public Library

Board of Trustees

September 30, 2022

Ronald Thiewes, Clay County, President

Michael Lazio, Platte County, Vice President

John Laney, Jackson County, Treasurer

Joycelyn Tucker Burgo, Jackson County

Gordon Cook, Platte County

Lori LeMunyon, Clay County

Dr. Yummy Pandolfi, Platte County

Brent Schondelmeyer, Jackson County

Noelle Stepp, Clay County

Rita Wiese, Platte County

Dr. Susan B. Wilson, Jackson County

Michelle Wycoff, Clay County

Senior Administrative Staff

Susan Wray, Acting Library Director and CEO

Ritchie Momon, Chief Customer Experience Officer

Bryan Gash, Chief Technology Officer

Jim Staley, Community Relations and Planning Director

Qun Fang, Finance Director

Diana Reiter, Fundraising and Development Director

Jennifer Ridley, Human Resources Director

Teresa Johnson, Internal Communications Director

Jake Wimmer, Facilities Director

Budget Summary of Revenues, Expenditures, and Changes in Fund Balance
All Governmental Funds
FY July 1, 2022 - June 30, 2023

	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	\$ 35,185,453	\$ 22,102,697	\$ 459,920	\$ 14,194	\$ 12,204	\$ 347,620	\$ 144,535	\$ 58,266,623
Revenues:								
Property Taxes	54,710,000			6,580,000				61,290,000
Grants & Contributions	705,000	5,000	394,000			19,500	10,000	1,133,500
Interest on Investments	60,000				130	2,661	3,520	66,311
Fines, Fees, and Other	500,000							500,000
Miscellaneous Income	102,000	1,500,000	17,600					1,619,600
Total Revenues	56,077,000	1,505,000	411,600	6,580,000	130	22,161	13,520	64,609,411
Expenditures:								
Payroll and Benefits	33,955,900							33,955,900
Library Materials	11,482,697							11,482,697
Library Operations	10,638,403	417,650	368,910	6,575,231	2,000	20,000		18,022,194
Capital Projects		19,859,952						19,859,952
Total Expenditures	56,077,000 (1)	20,277,602 (2)	368,910	6,575,231	2,000	20,000	-	83,320,743
Transfers In (Out)	-	-	-	-	-	-	-	-
Changes in Fund Balance	-	(18,772,602)	42,690	4,769	(1,870)	2,161	13,520	(18,711,332)
Ending Fund Balance	\$ 35,185,453	\$ 3,330,095	\$ 502,610	\$ 18,963	\$ 10,334	\$ 349,781	\$ 158,055	\$ 39,555,291

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

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

Instead of considering the budget by line item, the budget also can be considered by the services the Library provides. The entire Library budget of \$83,320,743 can be divided among six core programs (or services): Materials & Lending, Programming & Information Services, Public Technology, Public Space, Community Involvement, and Support Services. All six programs are closely tied to the mission, goals, and objectives of the Library.

1. Materials & Lending (6010)

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

2. Programming & Information Services (6020)

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

3. Public Technology (6030)

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

4. Public Space (6040)

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

5. Community Involvement (6050)

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

6. Support Services (8000)

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

**Total Budget by Programs
Fiscal Year July 1, 2022 to June 30, 2023**

	<u>Total Budget</u>	<u>Material Lending</u>	<u>Programming & Info Serv.</u>	<u>Public Technology</u>	<u>Public Space</u>	<u>Community Involvement</u>	<u>Support Services</u>
		6010	6020	6030	6040	6050	8000
Payroll & Benefits	33,955,900	12,087,406	9,534,649	2,752,757	1,720,473	1,720,473	6,140,143
Library Materials	11,482,697	8,449,205	3,033,492				
5260 Leased Space	301,100	-	-	-	301,100	-	-
5270 Leased Equipment	78,600	-	7,100	-	-	-	71,500
5300 Furniture and Equipment	191,495	-	20,579	19,690	78,526	-	72,700
5320 Vehicle Operations	253,265	204,000	-	1,000	29,765	-	18,500
5330 Technology Services	1,782,070	-	-	868,178	-	-	913,893
5380 Library and Office Supplies	597,915	277,808	130,908	78,800	50,200	-	60,200
5420 Resource Development	58,700	-	-	-	-	58,700	-
5430 Community Relations & Planning	478,000	-	-	-	-	478,000	-
5440 Library Engagement Services	573,645	-	573,645	-	-	-	-
5450 Contracted Services	1,668,975	-	-	-	1,613,724	-	55,251
5460 Professional Fees	365,200	-	-	-	-	-	365,200
5470 Continuing Educ. & Conventions	241,598	-	-	-	-	-	241,598
5490 Membership and Dues	90,890	-	-	-	-	90,890	-
5510 Utilities	1,522,100	-	-	-	1,357,090	-	165,010
5540 Postage and Freight	316,410	316,410	-	-	-	-	-
5570 Voice, Data & Internet	1,004,020	271,635	-	233,430	-	-	498,955
5660 Building Repair & Maintenance	537,920	-	-	-	509,624	-	28,296
5740 Travel and Transportation	45,000	-	-	-	-	-	45,000
5770 Insurance	546,500	-	-	-	-	-	546,500
5800 Miscellaneous / Debt payment	6,582,232	-	-	-	-	-	6,582,231
7020 Buildings/Land	20,646,511	-	709,559	-	19,936,952	-	-
Total:	\$ 83,320,743	\$ 21,606,463	\$ 14,009,932	\$ 3,953,854	\$ 25,597,454	\$ 2,348,063	\$ 15,804,976
% of Total Budget	100%	26%	17%	5%	31%	3%	19%

The Library Board has established a Fund Balance Policy on the reporting and classifying of fund balances within governmental funds. The categories and classifications of the General Fund balance and Capital Project Fund balance at the end of the fiscal year 2021-2022 are presented as follows:

	<u>General Fund</u>	<u>Capital Project Fund</u>
Nonspendable:		
Prepaid expenditures	\$ 195,402	\$ 299,796
Restricted for:	-	-
Assigned to:		
Compensated absences:	2,400,000	-
Reading Rocket:	-	340,650
Technology upgrade	-	1,000,000
Long-term capital plan	-	20,462,251
Unassigned:		
Library operating:	<u>32,590,051</u>	<u>-</u>
Fund balances as of June 30, 2022	<u>\$ 35,185,453</u>	<u>\$22,102,697</u>

The unassigned General Fund's balance of \$32,590,051 represents the residual net resources after non-spendable, restricted, and assigned, and is over 50 percent of next year's operating budget. The target range of this portion of the fund balance is 20 percent to 50 percent of the subsequent year's operating budget. Until substantial tax revenues are received in December, the Library utilizes this unassigned fund balance to fund its operations.

For the eleventh consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Mid-Continent Public Library for its Annual Comprehensive Financial Report for the fiscal year that ended on June 30, 2021. 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 an “unmodified opinion” concerning the 2021-2022 fiscal year financial statements. Full details can be found in the Library’s Annual Comprehensive Financial Report

General Fund Detail Statement of Revenues and Expenditures

<u>Account Number</u>	<u>Actual 2020-21</u>	<u>Actual 2021-22</u>	<u>Budget 2022-23</u>
<u>Revenues:</u>			
3210 Property Tax - Clay	\$ 17,944,645	\$ 18,912,546	\$ 18,361,544
3230 Property Tax - Jackson	31,629,743	32,763,800	32,066,615
3250 Property Tax - Platte	11,007,682	10,868,597	10,861,841
3260 Property Tax - transfers*	(6,158,142)	(6,844,622)	(6,580,000)
Property Taxes	54,423,927	55,700,321	54,710,000
3290 Governmental Grant	904,139	784,219	700,000
3330 Private Grant	-	-	0
3500 Contributions	(959)	14,276	5,000
Grants & Contributions	903,179	798,495	705,000
3370 Investment Income	(20,033)	(50,745)	60,000
3390 Fines, Fees and Other	270,816	475,194	500,000
3800 Miscellaneous Income	49,447	140,294	102,000
Total Revenues	\$ 55,627,336	\$ 57,063,559	\$ 56,077,000
<u>Expenditures:</u>			
5010 Payroll	\$ 21,798,382	\$ 22,908,760	\$ 24,930,769
5030 Social Security	1,623,036	1,698,090	1,855,566
5050 Unemployment Compensation	13,318	3,987	5,000
5060 Tuition Reimbursement	22,047	20,353	30,000
5070 Retirement	3,080,150	3,058,502	3,328,793
5080 Medical Insurance	3,624,989	3,373,894	3,570,000
5090 Life and Disability Insurance	62,343	48,989	58,872
5100 Employee Assistance Program	18,494	16,526	18,000
5110 Employee Resources	123,980	140,428	158,900
Payroll and Benefits	30,366,739	31,269,529	33,955,900
5150 Books	2,111,508	3,115,584	3,699,455
5160 Electronic Books	1,985,262	1,807,774	1,742,858
5180 Periodicals	196,424	288,618	280,000
5190 Microfilm	9,095	-	40,000
5200 Electronic Resources	3,114,099	2,516,651	2,390,872
5230 A-V Materials	2,050,601	1,979,701	1,966,000
5240 Library Material Processing	632,868	788,245	910,892
5250 Live Programs	292,412	418,970	452,620
Library Materials	10,392,270	10,915,543	11,482,697

* for FY 2022-23, \$6,580,000 is for Debt Service Fund.

(Continued)

General Fund Detail Statement of Revenues and Expenditures

<u>Account Number</u>	<u>Actual 2020-21</u>	<u>Actual 2021-22</u>	<u>Budget 2022-23</u>
5260 Leased Space	244,176	245,682	301,100
5270 Leased Equipment	42,926	75,306	78,600
5300 Furniture and Equipment	210,605	94,915	191,495
5320 Vehicle Operations	65,438	103,131	253,265
5330 Technology Services	1,602,968	1,672,076	1,782,070
5380 Library and Office Supplies	416,821	446,890	597,915
5420 Resource Development	68,573	73,829	58,700
5430 Community Relations and Planning	505,370	400,113	478,000
5440 Library Engagement Services	430,111	369,594	553,645
5450 Contracted Services	1,263,275	1,478,538	1,668,975
5460 Professional Fees	201,887	326,520	365,200
5470 Continuing Edu. & Conventions	40,264	132,537	241,598
5490 Membership and Dues	59,241	60,826	90,890
5510 Utilities	1,070,642	1,194,739	1,522,100
5540 Postage and Freight	221,680	217,214	316,410
5570 Voice, Data & Internet	973,304	700,543	1,004,020
5660 Building Repair & Maintenance	436,370	464,825	537,920
5740 Travel and Transportation	21,533	63812	45,000
5770 Insurance	430,593	465,986	546,500
5800 Miscellaneous Services	2,713	4,052	5,000
Library Operations	8,308,492	8,591,128	10,638,403
Total Expenditures	<u>\$ 49,067,500</u>	<u>\$ 50,776,200</u>	<u>\$ 56,077,000</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>\$ 6,559,836</u>	<u>\$ 6,287,359</u>	<u>\$ -</u>
Net Fund Transfer	(5,525,000)	(1,035,000)	-
Net Changes in Fund Balance	<u>\$ 1,034,836</u>	<u>\$ 5,252,359</u>	<u>\$ -</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 \$32,590,051. Before the substantial tax revenues for fiscal year 2022-23 are received beginning in December 2022, the Library needs to utilize this fund balance to operate.

Revenues:

General Fund’s new budgeted revenues as compared to the previous year’s actual revenues are as follows:

<u>Source</u>	<u>2022-2023 Budget</u>	<u>2021-2022 Actual</u>	<u>% Inc/Dec</u>
Property Tax	\$54,710,000	\$55,700,321	-1.8%
Grants and Contributions	705,000	798,495	-11.7%
Investment Income	60,000	(50,745)	160.0%
Fines, Fees, and Other	500,000	475,194	5.2%
Miscellaneous Income	102,000	140,294	-27.3%
Totals	\$56,077,000	\$57,063,559	-1.7%

As seen in the above projection, the General Fund’s revenue is expected to have a small decrease from the previous year’s actual. The decrease reflects a net impact of a voluntary reduction of the tax levy for property tax revenue, the recovery of fines & fees and investment income, and new passport services in Miscellaneous Income. The actual tax rate to be levied for 2022 is 32.40 cents per \$100 assessed valuation, as a result of reduction of 2.28 cents from the tax rate ceiling of 34.68 cents.

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 reduced tax levy, the Library projects a 2.9 percent decrease 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 reduced tax levy, the Library projects a 2.1 percent decrease 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 reduced tax levy, the Library projects no change in total tax revenues.

Property Tax: Transfer – This amount represents new tax revenue budgeted from the Geeral Fund to be transferred to the Debt Service Fund to assure obligations associated with Certificates of Participation Bond are met annually. For FY 2022-23, a transfer amount of \$6,580,000 is budgeted for the Debt Service Fund.

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

Fines, Fees, and Other – This source of revenue trends with the circulation of Library materials and the number of visitors to the branch. For FY 2022-23, it is expected to have an increase from in-branch sales of book bags, flash drives, earbuds, and printing/copying/faxing services with the recovery of the full library services.

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

Miscellaneous Income – The majority of this revenue is from the sale of discarded Library materials, meeting room rental, auction proceeds of obsolete furniture and equipment, and the new passport service.

The total budgeted operating revenue is \$56,077,000.

Expenditures:

FY 2022-23 General Fund’s budgeted expenditures as compared to the previous year’s estimates are as follows:

<u>Activities</u>	<u>2022-23 Budget</u>	<u>2021-22 Actual</u>	<u>% Inc/Dec</u>
Payroll and Benefits	\$33,855,977	\$31,269,520	8.3%
Library Materials	11,582,620	10,915,544	6.1%
Library Operations	<u>10,638,403</u>	<u>8,591,129</u>	<u>23.8%</u>
Total	\$56,077,000	\$50,776,193	10.4%

Operating expenditures of \$56,077,000 are proposed for FY 2022-23 based on the revenue projections.

Payroll and Benefits – The new fiscal year’s budget for Payroll and Benefits reflects a decrease of 1.0 authorized benefits-eligible FTEs. This decrease is an intentional reallocation of resources to continue to attract and retain quality staff with fair and competitive compensation and benefits. For further information, please refer to the Payroll and Benefits section.

Library Materials – As 20.6 percent of the operating budget, Library Materials will continue to be one of the highest investments in the United States in terms of the percentage of overall operating budget, according to the *Public Library Data Services Survey*. This reflects a 6.1 percent 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 23.8 percent over last year’s actual. The majority of the increase is from Vehicle Operation, Library Engagement Services and Utilities account as a result of new buildings placed into service and the addition of new mission enhancement programs.

Below are those fund accounts that warrant mention:

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

Red Bridge leased facility	\$ 249,600
Grain Valley leased facility	46,500
Offsite Storage	<u>5,000</u>
	\$ 301,100

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

		Project
Print Shop equipment	\$ 68,500	
Icemaker / dishwasher	7,100	5006
Postal meter and other	<u>3,000</u>	
	\$ 78,600	

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:

Public service furniture and equipment	\$ 139,795
Administrative office furniture & equipment	16,700
Equipment maintenance services	<u>35,000</u>
	\$ 191,495

Vehicle Operations (5320): The Library maintains a fleet of delivery trucks, maintenance trucks, and administrative vehicles. This account includes any new vehicle purchase, fuel, and service costs. Below are the major categories of such expenditures:

Fuel	\$ 84,000
One new delivery truck and a trailer	57,500
Vehicle maintenance	<u>111,765</u>
	\$253,265

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

Branch supplies	\$ 261,815
Cleaning supplies	20,200
Inventory for in-library sales	14,000
Technical services supplies	114,150
Library cards	11,250
Delivery/Mailroom supplies	14,500
Safety supplies	20,000
Printing and paper supplies	117,000
Other	<u>25,000</u>
	\$ 597,915

Resource Development (5420): Private investment expands the Library's financial base to extend beyond revenues provided through property taxes. Philanthropic support of the Library is important in meeting immediate needs as well as building financial stability for the future. The Resource Development budget supports the work of identifying, obtaining, and properly stewarding new sources of funding in effort to achieve the organizational vision and mission. The budget provides funds for

costs associated with donor identification, cultivation, recognition, and retention at all levels including, but not limited to, fundraising campaigns, direct mail, and special events. Other budget items related to this account include fundraising-related marketing and consulting assistance focused on specific campaigns, improvements to online giving, and management of Raiser’s Edge NXT (fundraising software).

In fiscal year 2022-23, fundraising strategies will focus on closing operating fund shortfalls, supporting innovative pilot programs, acquiring new donors, cultivating existing prospects, increasing giving from current donors, and strengthening relationships with fundraising volunteers. The Resource Development budget line will allow staff to implement a tiered fundraising plan in an effort to reach all potential donor segments through a variety of vehicles: major gifts, grants, online giving, direct mail, sponsorships, membership programs, and planned giving. Budgeted funds will cover costs related to producing fundraising materials (print and digital), recognizing donors, supporting strategic partnerships, and utilizing specialized consulting assistance to achieve optimal results. The work of development staff will focus on supporting the Strategic Plan priorities and bolstering the work of mission-enhancement initiatives found in the Strategic Plan (The Story Center, Square One Small Business Services, Midwest Genealogy Center, Culinary Center, and The Reading Rocket). Funds raised as a result of development activities may be directed to the Library’s General Fund, Capital Project Fund, Special Revenue Fund, Permanent Fund (endowment funds), the MCPL Foundation, or Community Foundation funds held for the benefit of the Library.

The total budget for this account is \$58,700 as detailed below:

Direct mail campaigns	\$	22,000
Contract/consulting		8,000
Marketing/promotion		18,700
Grant match		10,000
	\$	<u>58,700</u>

Community Relations and Planning (5430): The Library believes a critical component of good service to its customers is to understand who they are and how they perceive current library service. We then must 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.

This budget line has 5 major categories. “Marketing Support” includes building blocks for the rest of the budget like photography services, display fixtures, promotional items, etc. “Communication Services” is comprised of digital platforms that aid in conducting our communications activities. These include creative workflow software as well as tools that help us monitor and archive social media. Most of the Library’s printing needs are conducted in house, but there are instances where outside printing is more efficient. The “Outside Printing” category exists for those instances, and the majority of the

funds in that line go to the quarterly Beyond the Books publication. The largest category in the budget is “Campaign Advertising.” This category includes the direct spending to advertise Library services and includes digital, print, radio, and display advertising. The final category is “Planning Expenses.” The majority of this category is the customer relationship management system used to understand library usage and also to conduct email communication with customers.

Marketing support	\$	53,000
Communications services		30,000
Outside printing		55,000
Campaign advertising		300,000
Planning expenses		40,000
	\$	<u>478,000</u>

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

The annual Summer Library Program is specifically designed to encourage families to build a habit of reading to maintain children’s reading levels over the summer. This is a 12-week program for all ages that offers children and teens to earn up to three books for their home library. Adults are also encouraged to participate to model the importance of reading to the youth in their life.

The Library will continue to provide quality early literacy experiences for children 0-5 years old to help them develop the skills they need to be prepared to learn to read. This initiative is supported by Storytime programs and outreach partnerships with childcare centers.

Reading initiatives for children and teens will focus on the continued development of literacy skills through programs, including book groups. These programs will provide an opportunity for youth to build critical thinking and ability to verbally express ideas, relating topics to themselves and others.

The Reading Rocket, the Library’s mobile early literacy vehicle, continues to take early literacy programming, training, resources, and Forever Books to places within the service area where families and care facilities have limited or no access to the Library. Visitors receive early literacy-rich programming where appropriate, and, each child receives a Forever Book for their home library.

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

including the system-wide Readers' Advisory Certification Program, which is open to staff at every level.

The newly created Culinary Center at Green Hills Library builds the capacity of individuals and organizations to learn about food, foodways, and the food industry. This mission-enhancement program Also helps teach literacy skills through cooking and works with entrepreneurs to launch food-based businesses.

The Library's event venues, the Community Hall at the Midwest Genealogy Center and the Woodneath Auditorium, allows the Library to provide enhanced services to our customers and staff. Each venue can accomodate 400 people and is equipped with state-of-the-art audio-visual technology, allowing the Library to expand existing programs, host in-house trainings, and create new and exciting programs and events. The venues can be rented by the community for meetings, conferences, classes, performances, and other events.

The operating budget for this account is \$553,645. Identified services are summarized below:

		Project code
Summer Library Program	\$ 310,000	5004
Program support	27,000	5004
AWE computers and grant match	50,000	5004
Reading Rocket	37,720	5005
Winter Reading Challenge	23,000	5007
Other reading initiative activities	26,800	5007
Square One Small Business	6,825	1012
Story Center supplies	11,785	1005
Events supplies	23,010	5008
Culinary Center supplies	<u>37,505</u>	5006
	\$ 553,645	

Contracted Services (5450): This account was created to report outsourced services: lawn care, pest control, snow removal, building security, and 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	\$ 179,000
Pest control	40,000
Security monitoring/system maintenance	151,265
Lawn care	325,010
Building cleaning services	800,000
Carpet/Window cleaning & disinfection	<u>173,700</u>
	\$ 1,668,975

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

Payroll, HR & Job application	\$	125,200
Legal		40,000
Auditing		38,500
Debt service		5,000
Banking and credit card services		26,500
Internal control review		35,000
Capital plan review		60,000
Customer records		20,000
Other business consulting		15,000
	\$	<u>365,200</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 \$241,598, with \$183,715 for conferences and \$57,883 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. Also, a system-wide recycling program and energy efficiency study has been implemented under the Library’s sustainable operation policy. In 2018, the Library entered an agreement with MC Power and Independence Power & Light to hedge against rate increases by making deposits for solar energy. The agreement will continue to be in effect for a minimum of five years with automatic one-year renewals thereafter until December 31, 2043. The total budget is \$1,550,100, as detailed below:

Trash and recycling	\$	91,100
Shredding		24,000
MC Power Solar		20,000
Utility review		15,000
Electricity, Gas, & Water		<u>1,372,000</u>
	\$	1,522,100

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 \$316,410, as detailed below:

UPS	\$	81,410
Postal		60,000
Customer notices		<u>175,000</u>
	\$	316,410

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 \$45,000.

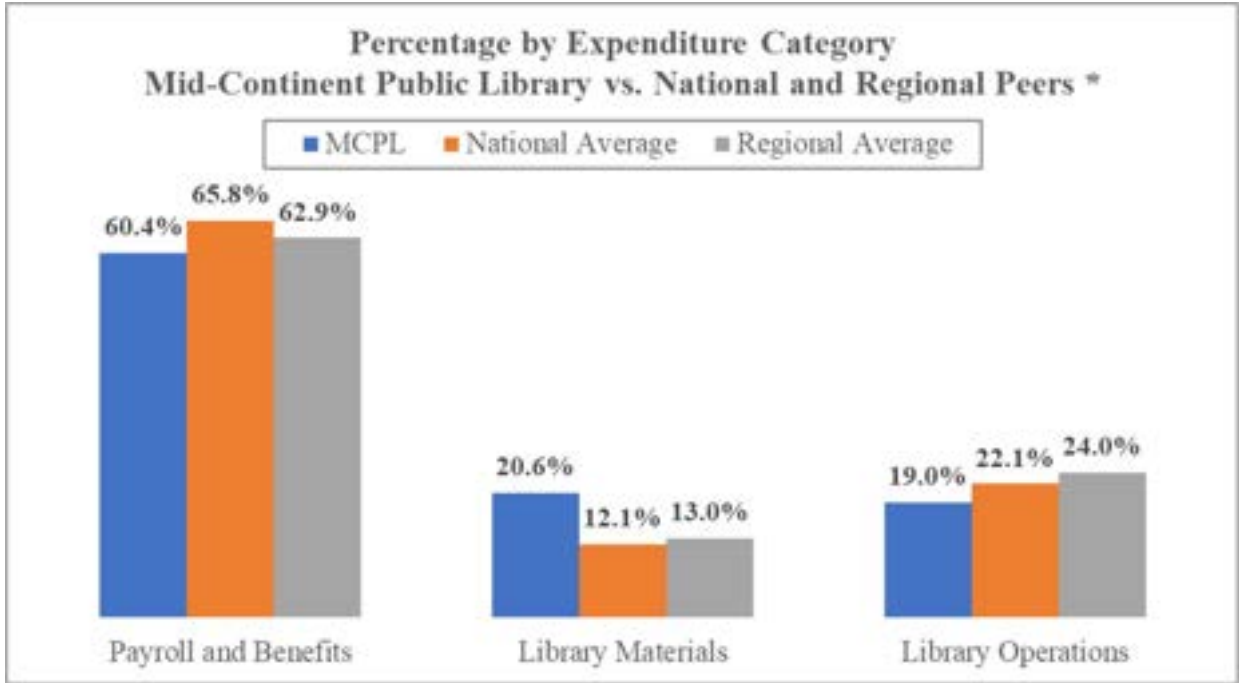
Insurance (5770): The Library carries various types of insurance for protection from unforeseeable and potentially serious situations. Below are the major types of insurance policies the Library carries:

Director & Officer	\$	64,000
Property & Liability		224,000
Automobile		30,000
Cybercrime and active shooter		13,000
Workers compensation		204,500
Crime Protection & Surety Bond		<u>11,000</u>
	\$	546,500

Additional information about the Library Operations budget can be found in the Payroll and Benefits, Library Materials, Technology, and Building Maintenance/Improvement section. The total Library Operations budget is \$10,638,403, or 19 percent of the total operating budget.

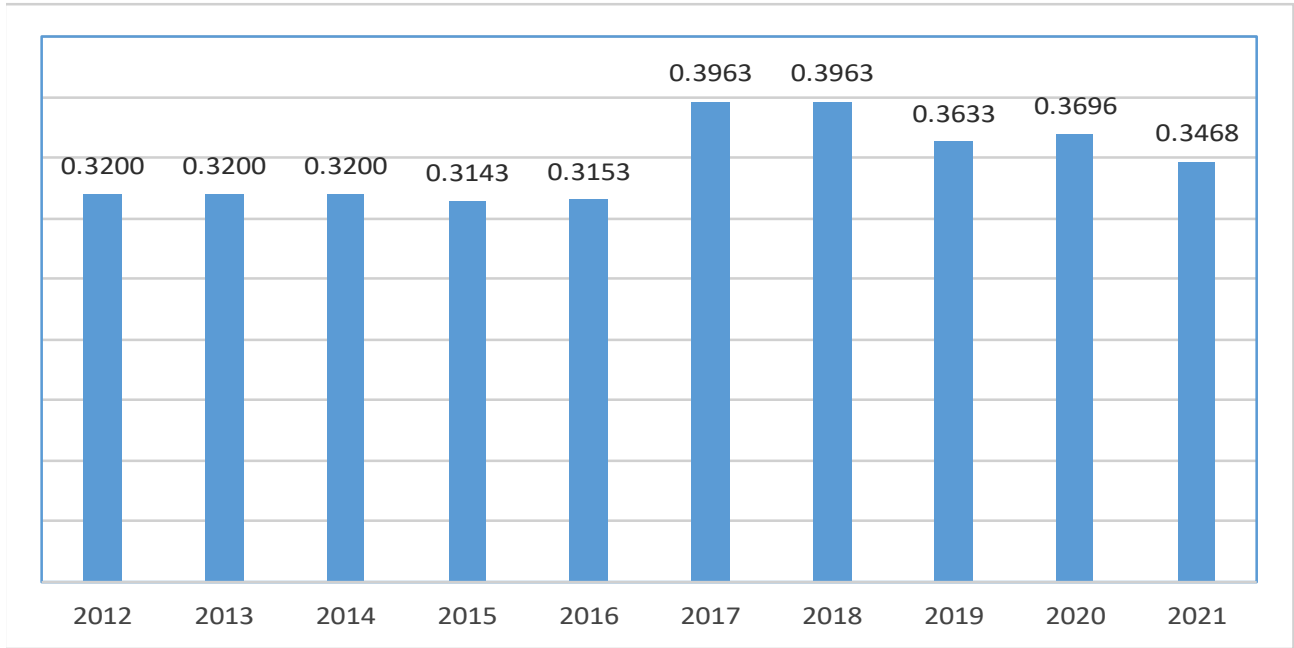
The Library's Operating Fund Budget represents staff's best judgment for providing the highest level of service to the public, while remaining within the authorized tax levy. This budget is consistent with the Library's Strategic Plan and should enable the Library to fulfill its commitment to quality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

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



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

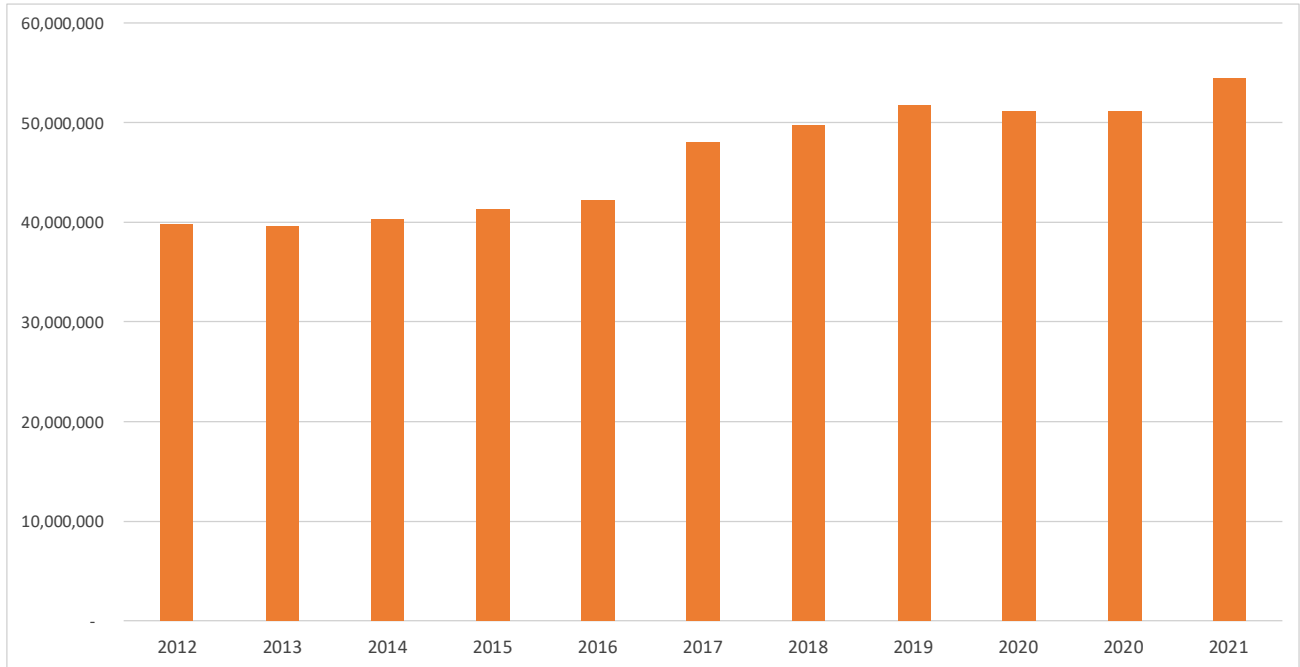
History of Actual Tax Rate



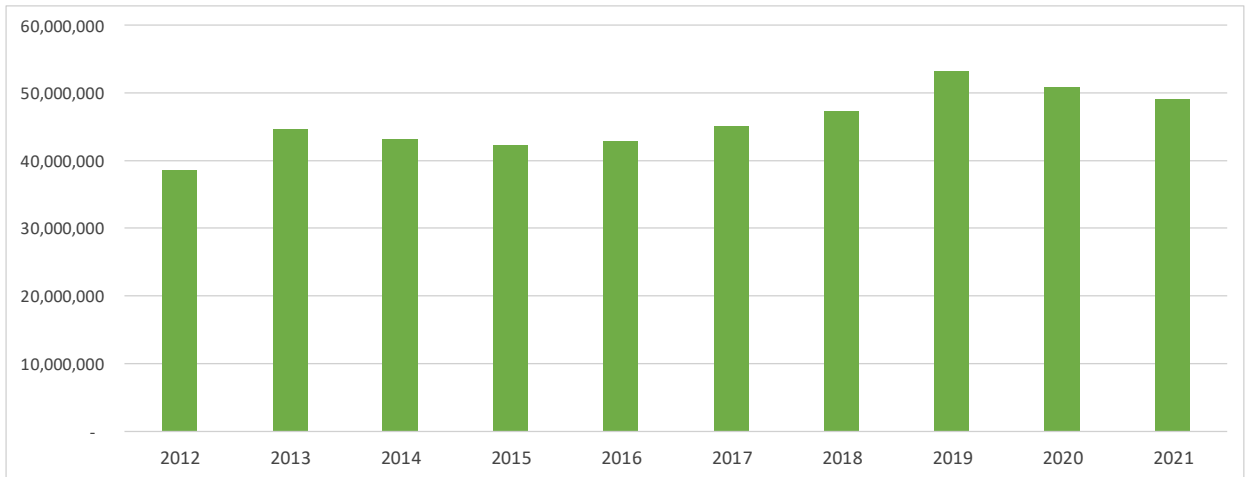
***Voted Levy:**

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

Trend of General Fund Tax Revenues
2002-2021



Trend of General Fund Expenditures
2002-2021



Payroll and Benefits

Staffing

The Library practices the value of good stewardship by attracting and retaining quality staff who efficiently provide library services to our communities.

Ensuring that we have the right people working in the right places is our goal and requires a commitment to continuously evaluating the organizational structure up against current community needs and the service delivery models that will meet them. To attract and support the people who provide excellent service to the community, the Library strives to provide fair compensation and benefits that align as much as possible with the compensation and benefits offerings found in our local communities and other public libraries for the same or similar positions.

This year, we intend to use capacity evaluation and shifting of positions to reduce authorized benefits-eligible FTEs from 418.5 to 417.5. Positions will be shifted from Facilities, Technical Services, Youth Services, and some branches to staff the Culinary Center and meet increasing needs in the Information Technology and Safety & Security departments.

The Human Resources team is working with the Library leaders and managers to build new job descriptions from start to finish. This is the first complete job description evaluation and update since 2011. Alongside this project, a market compensation analysis is being conducted which will result in an updated wage structure. This budget includes planned spending to make incremental base pay adjustments that are indicated by the results of this work, including the implementation of a \$15.00 minimum hourly wage for front line customer service employees, delivery drivers, and staff custodians.

The budget for part-time staff is being increased over the dollars spent in FY 2021-2022 to account for:

- An hourly wage increase to \$12.25 for our Library Pages and Circulation Aides who replace library materials back on the shelves. These are exclusively part-time positions and the increase accounts for the increases to the Missouri Minimum Wage.
- An implementation of a \$15.00 minimum hourly wage for front line customer service employees, delivery drivers and staff custodians
- The continuing shift to having fewer dedicated Library Pages and more Customer Service Associates who are empowered and compensated to provide excellent, comprehensive customer service in addition to reshelving library materials
- The return to a full schedule of programming following the service interruption due to the Covid-19 pandemic
- Additional locations and services including full staffing of the East Lee's Summit and Green Hills locations and additional hours required for passport and room reservation services

Benefits

The library is a self-insured employer for Unemployment Compensation. This allows the library to save money by only paying for the cost of claims instead of a premium based on covered wages. This line item is being reduced to reflect the historic cost.

The tuition reimbursement budget is used to assist benefits-eligible staff who are pursuing their Master of Library Science or another degree directly related to their position at MCPL. The budget for this benefit is capped at \$30,000.

MCPL employees who are full-time or half-time are members of the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is a financially stable defined benefit pension system that is 95.6% funded. MCPL participates in LAGERS to retain experienced staff and provide them with support when they are ready to exit the workplace. LAGERS benefits contribute to a stable local economy with 93% of LAGERS benefits paid to residents of Missouri with almost \$53 million paid to beneficiaries in Clay, Jackson, and Platte Counties in 2021.

MCPL provides health, dental, and vision insurance for eligible full-time employees. In 2011, MCPL established an internal health insurance fund to allow the library to retain any savings when employee health care costs are lower than the premium paid to a health insurance company. The health insurance fund is funded from the budget and employee contributions. Claims, administrative fees, and reinsurance premiums are paid from the health insurance fund. The balance allowed in the health insurance fund is governed by the MCPL health insurance fund policy and the amount of funding from the budget is determined by the current balance of the fund and the projected costs for the upcoming plan year. MCPL contracts with Lockton to provide actuarial analysis of past plan performance and project future health plan costs.

Dental and vision insurance has been marketed for the 2023 plan year enabling MCPL to mitigate any potential cost increases to those plans while still providing access to comprehensive coverage for eligible employees.

Full-time employees also receive life insurance and long-term disability insurance as part of their MCPL benefits package. The premium amount is based on the current salary level of eligible employees.

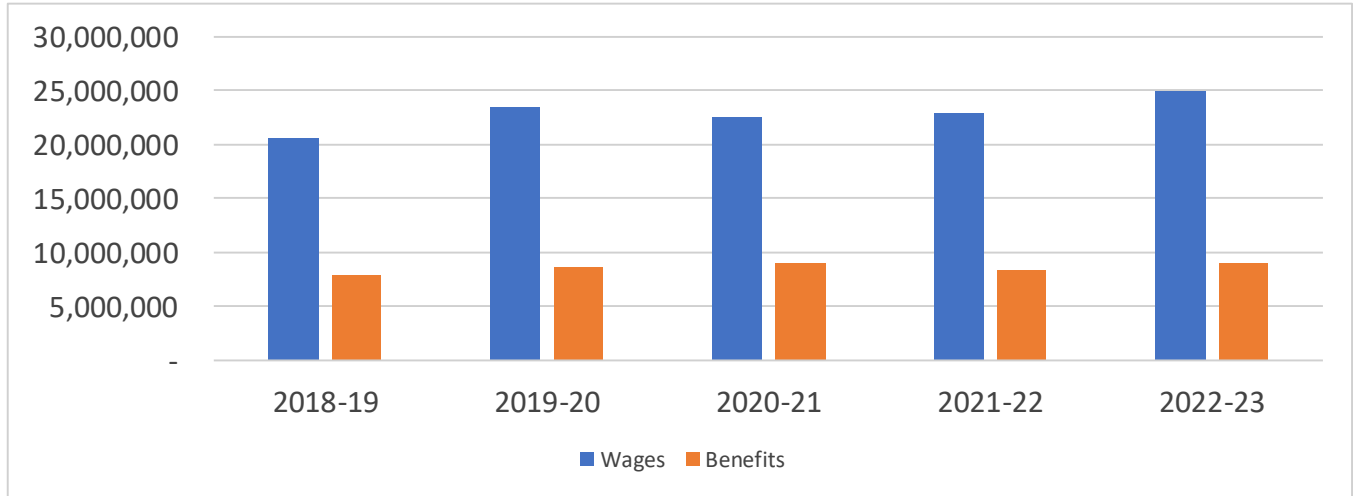
The Employee Assistance Program is a benefit that provides resources to staff that help address personal challenges and pursue work/life harmony. Employees and their families can access short-term counseling, financial and legal referrals, and educational webinars and materials on a variety of issues. The employee assistance program provider also provides training for managers and crisis response teams as needed.

Additional budget of \$158,900 for Human Resources Administration is allocated to pay for

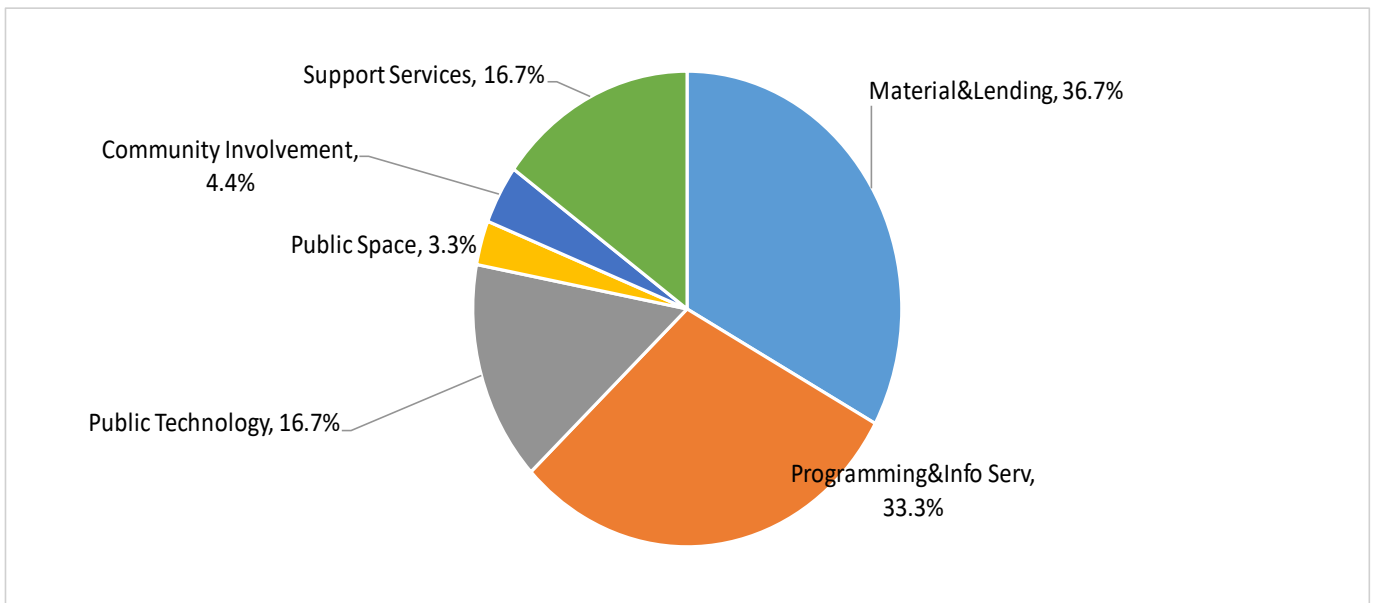
- Background Checks
- 457(b) and Flexible Spending Account plan fees
- Mandatory Annual Compliance Training for Staff
- HR Training and Consulting for Managers
- Recruiting and Onboarding
- Employee Recognition and Engagement
- ADAAA and Workplace Safety Accommodations

The total payroll and benefits budget for FY 2022-23 is \$33,955,900, or 60.5 percent of the total General Fund budget.

Trend of Total Payroll and Benefits Expenditures



Payroll & Benefits Budget Allocation by Programs



Library Materials:

Library Collection

The Library is dedicated to allocating a significant percentage of annual revenue to the acquisition of new materials. The Library believes that if it cannot purchase new and high-demand items, it will quickly lose relevance. According to data from the FY2019 Public Libraries Survey, when compared to other libraries in the United States that also serve between 500,000 and 1 million people, the percentage of Mid-Continent Public Library's operating revenue for this purpose is higher than most of its peers.

Physical Collection – Print:

The Library's material budget allows for the purchase of books for children, teens, and adults; reference books; and circulating and reference genealogy print material. Staff have moved to purchasing them in digital form for reasons of timeliness and cost-effectiveness. According to data from the FY2019 Public Libraries Survey, Mid-Continent Public Library ranks fourth in the nation, amongst the 57 library districts serving between 500,000 and 1 million residents, in dollars expended 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, tablets, or smartphone. In addition, the Library subscribes to streaming video services. According to data from the FY2019 Public Libraries Survey, Mid-Continent Public Library ranks sixth 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 OverDrive, which provide access to online magazines 24 hours a day, 7 days a week, including many popular titles.

Digital Collection:

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 format can be accessed from anywhere and is available 24 hours a day, 7 days a week. The Collection Development librarians dedicate a significant amount of time to curating and rotating displays that highlight the digital children, teen, and adult collections.

The Library's material budget also allows for the subscription to several popular online databases and services including: *Live Homework Help from Tutor.com*, *LinkedIn Learning for Library*, *GrantSelect*, *CultureGrams*, and *National Geographic for Kids*. The Library, in partnership with Literacy KC and the Kansas City Public Library, continues to offer an accredited high school diploma through SmartHorizon 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 Library ranks fifth of the 57 library districts in its peer group for expenditures on digital resources. Part of the expenditures may be funded by any allocations made through the State of Missouri Athletes and Entertainers Tax.

Microfilm:

The Library's materials 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.

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.

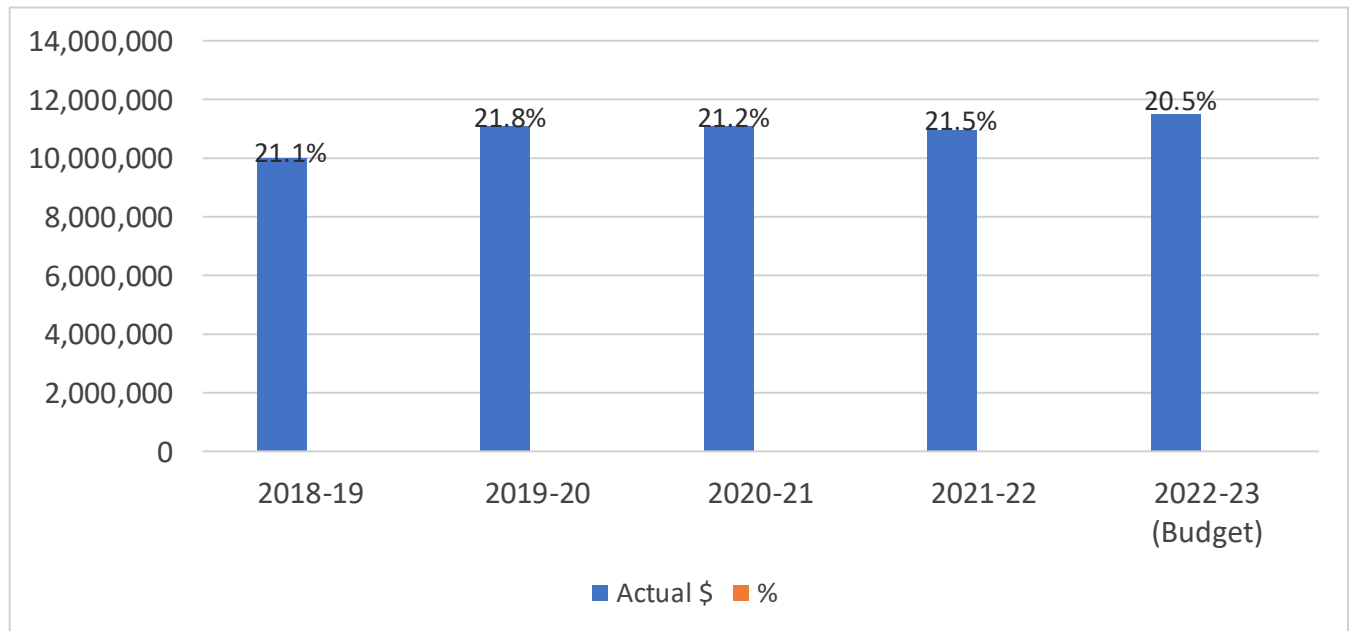
Live Programming

Community Programming is a vital way that MCPL connects with community through performances, presentations, discussions, and interactive activities. The Library began offering virtual programs during 2020 and 2021. As in person program returns, the Library will continue to offer virtual programs that can be watched simultaneously as well as archiving select programs for later viewing.

The Library provides two main types of programming: Ongoing Branch Programming and Special Events. Programming, whether in person or virtual, provides the MCPL community access to Library programs and events on a regular basis. 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 served. Branch programming focuses on connecting the Library with a wide variety of audiences and interest areas. Branch programming delivers programs in a wide range of subjects, including STEAM (science, technology, engineering, arts, and math), local history, social issues, literacy based storytimes, 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 Mid-Continent Public Library 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 2018-2022**



The total Library materials budget for FY 2022-23 is \$11,482,697 or 20.5 percent of the total General Fund budget.

Technology and Capital Improvement

Technology

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

The software/hardware contracts cover the technical support and licensing for about 90 servers, the Library operating system, financial management system, RFID scanners and security gates, self-checkout machines, 500 public access computers, free Wi-Fi in branch, Wi-Fi To Go, and Chromebooks To Go at home, and all of the other applications it takes to provide access to 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 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 and Windstream will help to meet the growing demand for faster internet and Wi-Fi access.

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

Most importantly, the Library understands 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 are frequently much more concerned with the ability to access services how they want them, when they want them, and even where they want them. Responding to this call for access, the Library has invested heavily in its Virtual Branch and online services. Through technology, the Virtual Branch provides excellent services to the Library's customers 24 hours a day, 7 days a week and is essential to MCPL's "Access Your World" brand message.

Identified projects or purchases for the fiscal year 2022-23 are summarized below with the funding account numbers in General Fund:

Library's Technology Budget for FY 2022-23

<u>Projects/Purchases</u>	<u>Budget</u>	<u>Funding Account</u>
Software and hardware support contracts	\$ 1,782,070	01-5330
Public internet (including mobile hot spot)	233,430	01-5570
Data connections	535,270	01-5570
Staff communication devices and services	90,000	01-5570
Virtual Library		
Electronic resources	2,390,872	01-5200
Downloadable audio/video	1,330,000	01-5230
eBooks/eReference	1,812,000	01-5160
Subtotal:	<u>5,532,872</u>	
Total:	<u>\$ 8,173,642</u>	

Operating Budget for Building Maintenance and Improvement:

The expenditure items covered under this operating budget include equipment, fixture, repair and maintenance, landscaping, cleaning, and other services that will improve or maintain the value of Library facilities, but generally not being considered as major capital replacement. The funding for this plan is from the General Fund.

Major Maintenance Projects:

1. Preventive maintenance: The Library will spend \$26,500 for the heating and cooling systems, \$67,760 for roofs, and \$65,000 for parking lots at various sites.
2. General maintenance and inspections: The Library will need \$303,700 for routine work orders, shop supplies, and equipment maintenance, \$10,500 for office reconfiguration, and \$64,460 for branch building improvement.
3. Landscape, pest control, and cleaning: The Library's estimate for snow removal is \$179,000. The contracted service for landscaping is \$325,010, and pest control is \$40,000. The Library has also outsourced the cleaning service for \$973,700 per year, including window/carpet cleaning and disinfection.

General Fund's Building Maintenance Plan for FY 2022-2023

	<u>Budget</u>
Building Repair and Maintenance 01-5660	
HVAC	\$ 26,500
Lighting	2,000
Roofs	67,760
Office moving and painting	10,500
Maintenance work orders	268,500
Book drops	1,500
Sliding doors	17,500
Sliding walls - NI, HQ, SM, WN, MGC	12,100
Supplies	2,100
Parking lot maintenance	65,000
Branch small projects	42,860
Corner guards at various branches	<u>21,600</u>
	537,920
Contracted Services 01-5450	
Landscaping	325,010
Snow removal	179,000
Pest control	40,000
Building cleaning	800,000
Disinfection	13,700
Carpet/window cleaning	<u>160,000</u>
	1,517,710
Total Building Maintenance	<u>\$ 2,055,630</u>

Capital Project Fund

Fund Description:

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

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

In 2021, the adaptive reuse of the Elbridge Arnold home on the Woodneath Library Center Campus was completed and the Story Center program staff moved into the space. Upon completion, there is about \$200,000 in funds for the house that may be returned to the undesignated fund balance for the Capital Project Fund.

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

In addition to the Facilities Assessment and Capital Plan, the Library has budgeted \$340,650 for a new Reading Rocket vehicle. A contract for this new vehicle was signed at the end of FY2021-22. The Library should take delivery of the vehicle this year. In addition, \$77,000 is budgeted to install security cameras at Woodneath Cultural Node, and \$54,150 for additional equipment and fixture at the Story Center.

Capital Plan Progress

<u>Building</u>	<u>Scope</u>	<u>Planned Start</u>	<u>Planned Finish</u>	<u>Status June 2021</u>
Antioch	Remodel	Jun-18	Nov-18	Complete
Blue Springs North	Remodel	Oct-19	Dec-19	Complete
Blue Springs South	Remodel	Jul-18	Nov-18	Complete
Buckner	Remodel	Sep-19	Nov-19	Complete
Camden Point	Minor Remodel	Nov-18	Jan-19	Complete
Claycomo	Minor Remodel	Dec-18	May-19	Complete
Colbern Road	New	Apr-20	May-21	Complete
Dearborn	Minor Remodel	Nov-18	Jan-19	Complete
Edgerton	Minor Remodel	Nov-19	May-19	Complete
Excelsior Springs	Remodel	Jun-18	Nov-18	Complete
Grandview	Major Remodel	Aug-20	Feb-21	Complete
Kearney	Remodel	Nov-18	Jun-19	Complete
Withers	Replace-New	Nov-19	Aug-20	Complete
Lone Jack	Remodel	Oct-18	Jan-19	Complete
Midwest Genealogy	Addition	Aug-18	Jun-19	Complete
East Lee's Summit	New	Apr-19	Mar-20	Complete
North Independence	Minor Remodel	Sep-19	Nov-19	Complete
Oak Grove	Minor Remodel	Jul-18	Oct-18	Complete
Parkville	Remodel	Jul-20	Oct-20	Complete
Platte City	Minor Remodel	Sep-18	Nov-18	Complete
Raytown	Remodel	Aug-19	Dec-19	Complete
Red Bridge	Major Remodel	Mar-19	Aug-19	Complete
South Independence	Remodel	Oct-20	Jan-21	Complete
Weston	Minor Remodel	Jul-18	Sep-18	Complete
Blue Ridge	Remodel	Apr-21	Oct-21	Complete
Green Hills	Replace-New	Apr-21	May-22	Complete
Grain Valley	Replace-New	Apr-22	Jul-23	In-Process
Lee's Summit	Major Remodel	Jul-21	May-22	Complete
East Independence	New	Jul-22	Nov-23	In-Process
North Oak	Replace-New	Nov-21	Dec-22	In-Process
Riverside	Replace-New	May-22	Dec-23	In-Process
Smithville	Minor Remodel	May-22	Jan-23	In-Process
Woodneath	Addition	Oct-20	May-22	Complete

Note: All dates beyond June 2023 are tentative and based on best estimates

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

Capital Project Fund Detail Statement of Revenues and Expenditures

Budget for FY 2022-23

Revenues:

3500 Grant & Contribution - WN	\$	505,000
3800 Disposal of property - RB		<u>1,000,000</u>

Total Revenues **\$ 1,505,000**

Expenditures:

	<u>Project to date as of 6/30/2022</u>		<u>Remaining Balance</u>	<u>Total Project Budget</u>
Reading Rocket Vehicle	9,450	340,650	-	350,100
Story Center	2,749,551	54,150	-	2,803,701
Security cameras at WN	-	77,000	-	77,000
New Riverside		1,500,000	2,000,000	3,500,000
Capital Improvement Plan				
Work packages	76,542,440	13,566,110		
Design and preparation / FF&E	16,495,793	3,448,720		
Properties (East Independence)	<u>4,056,322</u>	<u>1,000,000</u>		
	97,094,555	18,014,830		
Moving and storage	959,370	290,972		

Total Expenditures **\$ 20,277,602**

Excess (Deficiency) of Revenues over (under)

Expenditures: **\$ (18,772,602)**

Ending Fund Balance as of June 30, 2023 \$ 3,330,095

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.

	Budget
	<u>2022-23</u>
Revenues:	
Property Taxes	\$ 6,580,000
Expenditures:	
Debt Service	6,575,231
Excess (Deficiency) of Revenues Over (Under)	
Expenditures:	<u>4,769</u>
Beginning Fund Balance	14,194
Ending Fund Balance	<u>\$ 18,963</u>

Debt Service Schedule
Certificates of Participation Series 2018

Period	Ending	Principal	Coupon	Interest	Debt Service
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
<u>6/30/2023</u>		<u>3,760,000</u>	<u>5.00%</u>	<u>2,815,231</u>	<u>6,575,231</u>
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

* early payoff: \$43,760,000

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 Truman Heartland Community Foundation and the Mid-Continent Public Library Foundation. These entities are governed independently and accept, manage, and regularly report fundraising activities to the Library.

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

Community Foundation Fund – Detail Statement of Revenues and Expenditures

	<u>Actual</u> <u>2020-21</u>	<u>Actual</u> <u>2021-22</u>	<u>Budget</u> <u>2022-23</u>
Revenues:			
Grants and contributions	\$ 8,275	\$ 16,154	\$ 19,500
Investment income	16,397	(12,697)	2,670
Total Revenues	<u>24,672</u>	<u>3,457</u>	<u>22,170</u>
Expenditures/Transfer out:			
Library operations/transfer out	(8,881)	-	(20,000)
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>15,791</u>	<u>3,457</u>	<u>2,170</u>
Beginning fund balance	328,372	344,163	347,620
Ending fund balance			
Library General	\$ 186,133	\$ 186,983	\$ 185,646
Genealogy Capital Campaign	21,065	21,146	21,552
Genealogy Programs	31,605	35,033	38,355
Summer Reading Program*	63,184	66,932	78,184
Story Center	42,176	37,525	28,746
Total Ending Balance	<u>\$ 344,163</u>	<u>\$ 347,620</u>	<u>\$ 352,483</u>

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

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

Grant and Gift Fund – Detail Statement of Revenues and Expenditures

	<u>Actual</u> <u>2020-21</u>	<u>Actual</u> <u>2021-22</u>	<u>Budget</u> <u>2022-23</u>
Revenues:			
Revenue transfer (from General Fund)	\$ -	\$ -	\$ -
Grants and Contributions	407,322	606,894	411,600
Expenditures:			
Library programs	<u>(346,087)</u>	<u>(323,914)</u>	<u>(368,910)</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>61,235</u>	<u>282,980</u>	<u>42,690</u>
Beginning Fund Balance	\$ 115,706	\$ 176,941	\$ 459,921
Ending Fund Balance	<u>\$ 176,941</u>	<u>\$ 459,921</u>	<u>\$ 502,611</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>2020-21</u>	<u>Actual</u> <u>2021-22</u>	<u>Budget</u> <u>2022-23</u>
Revenues:			
Grants and contributions	\$ -	\$ 68	\$ -
Investment income	<u>68</u>	<u>25</u>	<u>130</u>
Total Revenues	<u>68</u>	<u>93</u>	<u>130</u>
Expenditures:	(2,000)	(2,000)	(2,000)
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>(1,932)</u>	<u>(1,907)</u>	<u>(1,870)</u>
Beginning Fund Balance	16,043	14,111	12,204
Ending Fund Balance	<u>\$ 14,111</u>	<u>\$ 12,204</u>	<u>\$ 10,334</u>

Permanent Fund

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

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

Genealogy Endowment Fund Detail – Statement of Revenues and Expenditures

	<u>Actual</u> <u>2020-21</u>	<u>Actual</u> <u>2021-22</u>	<u>Budget</u> <u>2022-23</u>
Revenues:			
Grants and contributions	\$ 5,000	\$ 55,000	\$ 10,000
Investment income	<u>9,543</u>	<u>(7,836)</u>	<u>3,520</u>
Total Revenues	<u>14,543</u>	<u>47,164</u>	<u>13,520</u>
Expenditures:	-	-	-
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>14,543</u>	<u>47,164</u>	<u>13,520</u>
Beginning Fund Balance	82,828	97,371	144,535
Ending Fund Balance			
Genealogy Endowment	43,867	43,881	43,902
Story Center Endowment	<u>53,504</u>	<u>100,654</u>	<u>78,629</u>
Total Ending Balance:	<u>\$ 97,371</u>	<u>\$ 144,535</u>	<u>\$158,055</u>

Internal Service Fund – Self-Funded Health Insurance

Fund Description

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

Health Insurance Fund – Detail Statement of Revenues and Expenditures

	Actual 2020-21	Actual 2021-22	Budget 2022-23
Revenues:			
Library's contribution	\$3,386,853	\$3,114,000	\$3,409,000
Employees' and retirees' contribution	440,000	549,890	420,000
Total Revenues	3,826,853	3,663,890	3,829,000
Expenditures:			
Administrative fees (Access & Stop Loss)	934,012	1,099,221	1,000,000
Claims expenses	2,810,151	2,753,499	3,225,000
Total Expenses	3,744,163	3,852,720	4,225,000
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	82,690	(188,830)	\$ (396,000)
Beginning Fund Balance	1,395,667	1,478,357	1,289,527
Ending Fund Balance	<u>\$1,478,357</u>	<u>\$1,289,527</u>	<u>\$893,527</u>
Minimum Fund Balance Required (3-mo claims + IBNR)			\$ 856,973
Maximum Fund Balance Required (6-mo claims)			\$ 1,394,663

Library Usage

MCPL evaluates its ability to provide the services needed to the community by constantly evaluating customer engagement, customer satisfaction, and customer activities and comparing those to other peer libraries and over time. These categories are shared and discussed quarterly with the Library Board.

Customer Engagement

The Library measures customer engagement by counting active cardholders and associated numbers. Active cardholders are customers who have used their cards in the last 12 months. As of March 31, 2022 there were 265,221 active cardholders. This was a 4.1% increase over the previous quarter and a 15.4% increase from the previous year. Active cardholder numbers continue to be impacted by the impacts of the pandemic, but the numbers have climbed steadily for the previous three quarters. Below are two charts MCPL uses to compare itself to other libraries with comparable budgets and sizes.



Customer Satisfaction

The Library measures customer satisfaction in a variety of ways, but the key number considered is the organization's Net Promoter Score. Net Promoter Score is a tool used across many industries to understand the customer experience at a comparable level. The Library has a traditionally high Net Promoter Score of over 90 on a scale of 0-100. The goal is to reach a score of 92, and the score on March 31, 2022 was 90.7.

Customer Transactions

The Library monitors many different types of customer activity, but the primary measure used to track core organizational health is a rolled up number called Customer Transactions. Customer Transactions are made up of traditional library uses like circulation of materials, various forms of digital access, physical space usage, attendance at events, and internet access. This number has obviously been impacted by the pandemic in past three fiscal years. As services have come back on line, however, the numbers have been increasing quickly and pointing towards a return to pre-pandemic levels.

As of March 31, 2022, 8.9 million transactions had taken place. That put the organization on pace to surpass the fiscal year goal of 10.6 million. The chart below shows the third quarter numbers and how they compare to the previous quarter and previous year. The large percentage changes in year-over-year numbers are indicative of the increase in activity as pandemic restrictions eased.

	Q3 FY21-22	Change from Last Quarter	Change from Q3 FY20-21
Circulation	2,256,276	5.5%	25.8%
Use of Virtual Resources	675,264	16.9%	6.1%
Internet Access	125,483	23.3%	182.8%
Program Attendance	12,267	2.7%	142.1%
Use of Physical Resources	38,032	0.5%	184.9%
Total Transactions	3,107,322	8.3%	24.6%

Miscellaneous Statistical Data

From 2012 to 2021

Fiscal Year	Full Time Equivalents	Number of Physical Collection Owned	Number of Materials Circulated	Number of Registered Borrowers	Population (1)
2012-2013	580.0	3,482,436	9,120,528	497,365	762,446
2013-2014	538.3	3,629,127	8,969,209	510,888	762,446
2014-2015	546.0	3,524,692	8,844,347	502,523	762,446
2015-2016	533.6	2,982,264	9,189,534	512,419	762,446
2016-2017	521.0	3,027,121	9,005,844	487,653	762,446
2017-2018	537.0	2,681,013	8,968,852	510,151	762,446
2018-2019	533.0	2,637,045	9,039,612	559,842	762,446
2019-2020	551.0	2,656,061	7,845,832	553,616	762,446
2020-2021	487.0	2,868,213	7,150,268	555,552	840,296
2021-2022	519.0	2,616,235	8,970,728	602,014	840,296

(1) Based on 2010 and 2020 U.S. census

Miscellaneous Statistical Data

Schedule of Service Locations

June 30, 2022

Branch Libraries	Address	Owned (O) Leased (L)	Square Feet	Open Hours per Week
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
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	35,000	69
Dearborn	206 Maple Leaf Ave. Dearborn, MO 64439	O	3,080	55
East Lee's Summit	2240 SE Blue Parkway Lee's Summit, MO 64063	O	18,500	69
Edgerton	404 Frank St. Edgerton, MO 64444	O	3,013	55
Excelsior Springs	1460 Kearney Road Excelsior Springs, MO 64024	O	10,133	69
Grain Valley	101 SW Eagles Parkway Grain Valley, MO 64029	L	7,000	61

(Continued)

Miscellaneous Statistical Data

Schedule of Service Locations

June 30, 2022

<u>Branch Libraries</u>	<u>Address</u>	<u>Owned (O) Leased (L)</u>	<u>Square Feet</u>	<u>Open Hours per Week</u>
Grandview	12930 Booth Ln Grandview, MO 64030	O	17,527	65
Green Hills	8581 N Green Hills Kansas City, MO 64154	O	35,000	69
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	22,500	69
Lone Jack	211 N. Bynum Road Lone Jack, MO 64070	O	7,500	61
Midwest Genealogy Center	3440 S. Lee's Summit Road Independence, MO 64055	O	67,000	67
North Independence	317 W. 24 Hwy. Independence, MO 64050	O	45,952	69
North Oak	8700 N Oak Street Tfwy. Kansas City, MO 64155	O	15,580	69
Oak Grove	2320 S. Broadway St. Oak Grove, MO 64075	O	7,000	61
Parkville	8815 Tom Watson Pkwy. Parkville, MO 64152	O	17,664	69
Platte City	2702 N.W. Prairie View Road Platte City, MO 64079	O	15,638	61
Raytown	6131 Raytown Road Raytown, MO 64133	O	22,910	69
Red Bridge	453B E. Red Bridge Road Kansas City, MO 64131	L	14,352	69
Riverside	2700 N.W. Vivion Road Riverside, MO 64150	O	15,112	61
Smithville	120 Richardson St. Smithville, MO 64089	O	15,000	69

(Continued)

Miscellaneous Statistical Data

Schedule of Service Locations

June 30, 2022

<u>Branch Libraries</u>	<u>Address</u>	<u>Owned (O) Leased (L)</u>	<u>Square Feet</u>	<u>Open Hours per Week</u>
South Independence	13700 E 35th Street Independence, MO 64055	O	17,887	65
Weston	18204 Library Drive Weston, MO 64098	O	7,244	57
Withers	1665 S Withers Road Liberty, MO 64068	O	18,500	69
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