

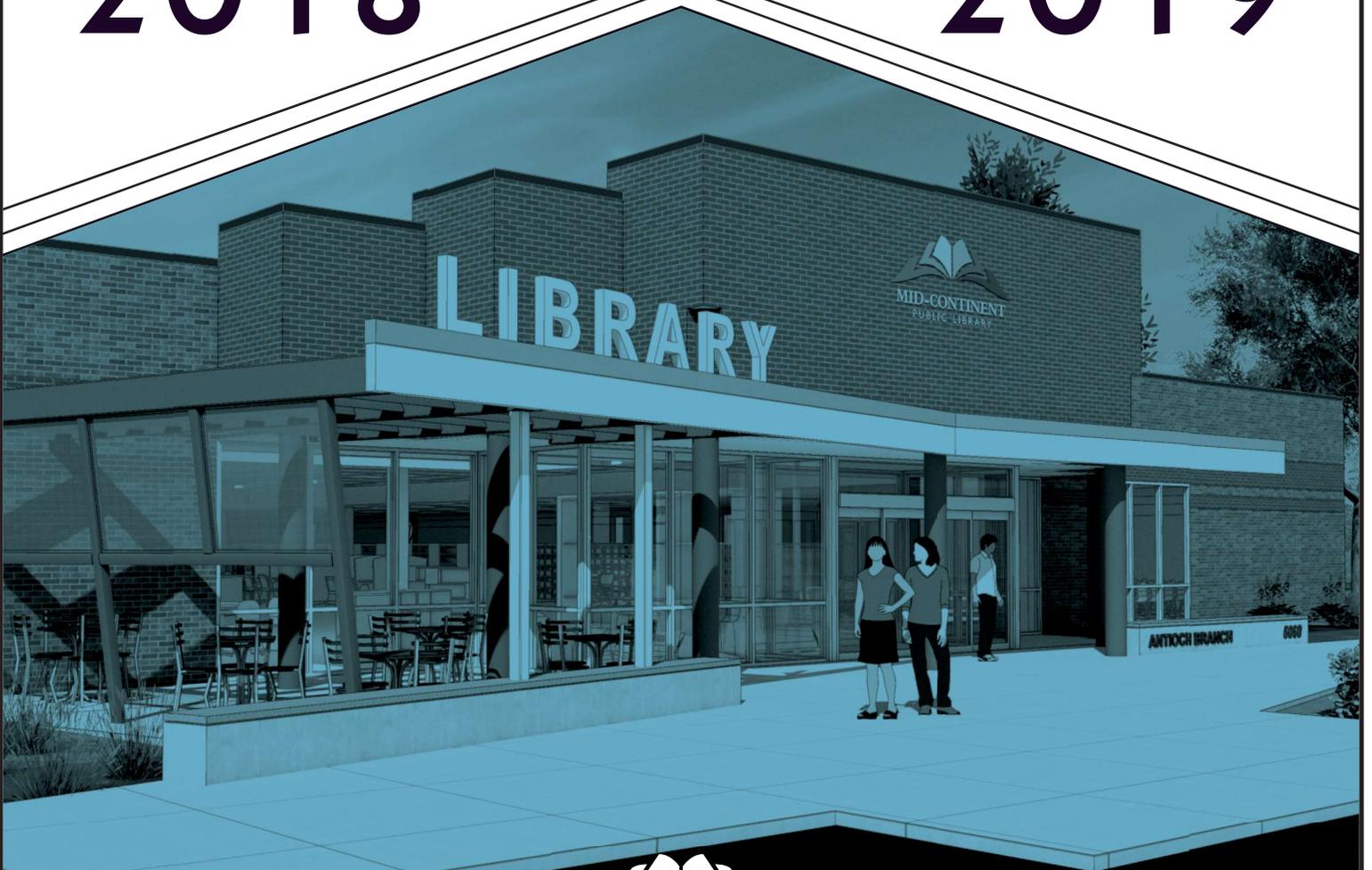
Consolidated Public Library District #3 (known as)
Mid-Continent Public Library

FINAL ANNUAL BUDGET

Fiscal Year

2018

2019



mymcpl.org



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

BUDGET MESSAGE

Fiscal Year 2018-19

Heading into the 2018-2019 fiscal year, Mid-Continent Public Library finds itself in a very interesting and favorable position. The public's affirmation of the Library's vision in the November 2016 election permitted MCPL to engage with the public to make detailed plans in fiscal year 2017-2018. In 2018-2019, Mid-Continent Public Library will work to execute plans, keep the resulting promises, and position the Library for future success.

One of the most noticeable activities commencing in the coming year will be the activation of the Facilities Assessment and Capital Plan ("Capital Plan"). The Library will reinvest in buildings, create new spaces, and reimagine existing spaces to be more useful for today's library user. The Capital Plan has a construction budget of \$84.5 million and a total budget of \$113.2 million (including fees, furniture, fixtures, and equipment). Prices can change from month to month and year to year, but the design team, construction team, and staff are committed to keeping within these budgets.

The Capital Plan is comprised of four phases. As the new fiscal year begins, Phase One will be just underway. This phase includes extensive remodels of six branches as well as an addition to the Midwest Genealogy Center and new buildings in Liberty and Lee's Summit. Before the end of the fiscal year, work on Phases Two and Three will also have begun. These phases are comprised of 21 projects including remodels, additions, and new construction. Current information on the Capital Plan is always available at mymcpl.org/community.

After much consideration, the Board chose to accelerate the Capital Plan. By accelerating the program, MCPL will be able to save over \$40 million and will be able to complete the projects 18 years sooner than had the Library pursued a "pay as you go" strategy. More importantly, the Library facilities would be repurposed to meet the needs and wants of current and future Library users. MCPL was able to receive a Moody's AA2 rating and secure the necessary financing in May 2018.

In addition to the Library's investment in its physical facilities, Mid-Continent Public Library is also renewing a commitment to investing in the collection of resources and materials. Over the past two years, using the additional resources approved by taxpayers, the Library has been able to increase the collection budget by a total of 14.5%. MCPL continues to allocate a larger percentage of budget revenue to materials than peer libraries (22% compared to the peer average of 12%).

The Library continues to add valuable resources to the collection but also recognizes that a critical role for a modern library is to help people find and evaluate the best information available. To achieve this, the Library is investing in any library's greatest resource: the library staff. This investment includes the addition of needed positions as well as an effort to bring current staff salaries and benefits into competition with the labor market.

Lastly, Mid-Continent Public Library will execute a new strategic plan in 2018-2019. This plan will set a direction and refresh the guiding principles for the organization. The new plan will help the Library with resource allocation, alignment of activities, and the ability to better engage in the community in a meaningful way as outlined in the book *The Purpose-Based Library*. The premise of this book, and the foundation of the new Strategic Plan, is that libraries identify conditions and situations that stand in the way of allowing a community to grow and prosper. Once identified, a library should develop a “library-appropriate response” and cooperate with other community groups to address those needs within the community. Finally, a library can become the keeper of community progress using dashboard metrics. Mid-Continent Public Library’s new plan can be viewed in detail at mymcpl.org/planning.

Libraries are needed more today than ever before. Thanks to the vision of the Library Board and the support of the public, Mid-Continent Public Library is now in an ideal position to fill this vital role in our community.

A handwritten signature in black ink that reads "Steven V. Potter". The signature is written in a cursive, flowing style.

Steven V. Potter
Library Director and CEO

Strategic Plan 2018

On May 15, 2018, the Board of Trustees adopted a new Strategic Plan for Mid-Continent Public Library. This new plan was the culmination of many months of preparation. The Library's intent is that this new plan will achieve the following:

- The plan should prioritize activities necessary for the Library to help improve our community.
- The plan should incorporate input from the community, Library customers, and internal stakeholders.
- The plan should allow everyone on the Library staff and Board of Trustees to easily identify how their work fits into the strategic direction of the Library.
- The plan should display, explicitly and implicitly, the value of the Library system.
- The plan should build logically out of the framework provided by *The Purpose-Based Library*.
- The plan should function, above all, as a directional document that reminds every stakeholder of the organization's aspirations.
- The plan should be "evergreen," meaning the plan should serve as a guide for the foreseeable future.

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.

For the first time in a planning process, the Board also adopted several value statements:

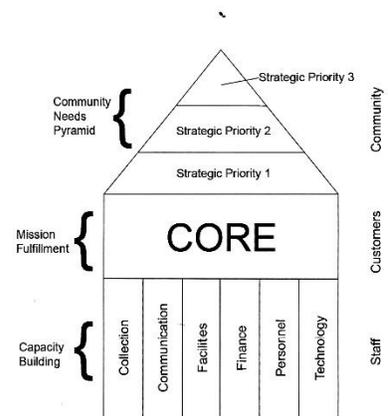
- Intellectual Freedom – The Library believes in the right of every individual to have access to quality information from all perspectives and in a format they find useful.
- Inclusion – The Library believes in the right of every individual to access library services regardless of income, education,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

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

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

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

Strategic Priorities – To increase relevancy to the community, the Library must find and address the gaps between where the community is and where it wants to be. The Library will develop a “library-appropriate response” to address those gaps. So long as the need exists in the community, it is appropriate for MCPL to continue to work to decrease the gap. Addressing these priorities successfully occurs when the Library has a strong foundation in the organizational pillars and is successfully meeting the core services. Outcome measures, frequently developed by the outside community, capture the Library’s success in this arena. This approach is very different from traditional library planning. For the Library to have the



greatest influence in a community, it must identify the areas of greatest need, coordinate with other community organizations, adopt a “library-appropriate response,” and work to address those needs. Once an area is identified as a community need, it is appropriate for the Library to continue to work at addressing that need until the issue is resolved. Listed below are MCPL’s three strategic priorities:

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

Executing the Strategic Plan

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

Periodically, MCPL will employ an industrial engineer to improve processes. Past projects increased organizational throughput around resource-sharing activities, resulting in annual savings of \$600,000 and addressing an end-of-year ordering process that previously embargoed as much as \$300,000 in orders. A two-tiered performance study helped to decrease the time it takes for a newly available item to reach the shelf. With the adoption of the 2018 Strategic Plan, MCPL will work to realign processes and procedures to operate more effectively and efficiently.

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

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

BUDGET STRUCTURE

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

Budgets are prepared for each of the following fund types:

Governmental Funds:

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

All budgetary policies are established by Missouri Statutes and/or the Library Board policy. Budgetary procedures are established by the Library administration. The implementation of policies and procedures is the responsibility of the Library Director.

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

Applies only to the General Fund, “the principal operating fund”:

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

Applies only to the Capital Project Fund:

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

Applies only to the Debt Service Fund:

- The fund is used to account for debt repayments of the 2018 Series Certificates of Participation with a projected proceed of \$80 million. The initial payment date is March 1, 2019, and the last payment date is March 1, 2039.
- The funding source of annual payment is from the General Fund, subject to annual appropriation by the Library Board.

Applies only to the Permanent Fund:

- Contributions made to the Genealogy Endowment Fund need to be 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.

Applies only to the Internal Service Fund, the “Self-Funded Health Insurance Fund”:

- This fund is used to account 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 to cover 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 trend and rate increase occurring simultaneously. It also allows the medical plan more options when calculating the degree and amount of risk the Library is willing to assume on a self-funded basis.

- The Library Board may authorize necessary fund transfers to this fund from the General Fund to cover any unexpected claims or to restore the contingency reserve.

Budget Calendar:

March Budget requests are submitted to the Finance and Facilities Director.

April The proposed personnel budget is presented to the Library Board.
The non-binding tax levy is submitted to Clay, Jackson, & Platte Counties as required in RSMo 137.

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

June A public hearing on tax levy shall be held at the Library as required in RSMo 137.
Public comment on the budget is encouraged as part of the hearing.
The final Annual Budget is approved by the Library Board as outlined in section 182.645.

August The final tax levy is submitted to Clay, Jackson, & Platte Counties, as outlined in RSMo 137.

Library Organization & Structure

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

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

Jackson County Public Library was established in 1947. In April 1963, its operating levy was increased from 10 cents to 20 cents per \$100 assessed valuation. Platte County Public Library District, the first county library district in Missouri, was established in 1941 with 10 cents per \$100 assessed valuation operating levy. Clay County Public Library District was not established until April 1965 with an operating levy of 20 cents per \$100 assessed valuation.

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

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

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

On November 8, 2016, voters from all three counties approved a new operating levy of 40 cents per \$100 assessed valuation for Mid-Continent Public Library.

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

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

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

The Mid-Continent Public Library system consists of the following 31 branches totaling 498,000 square feet:

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

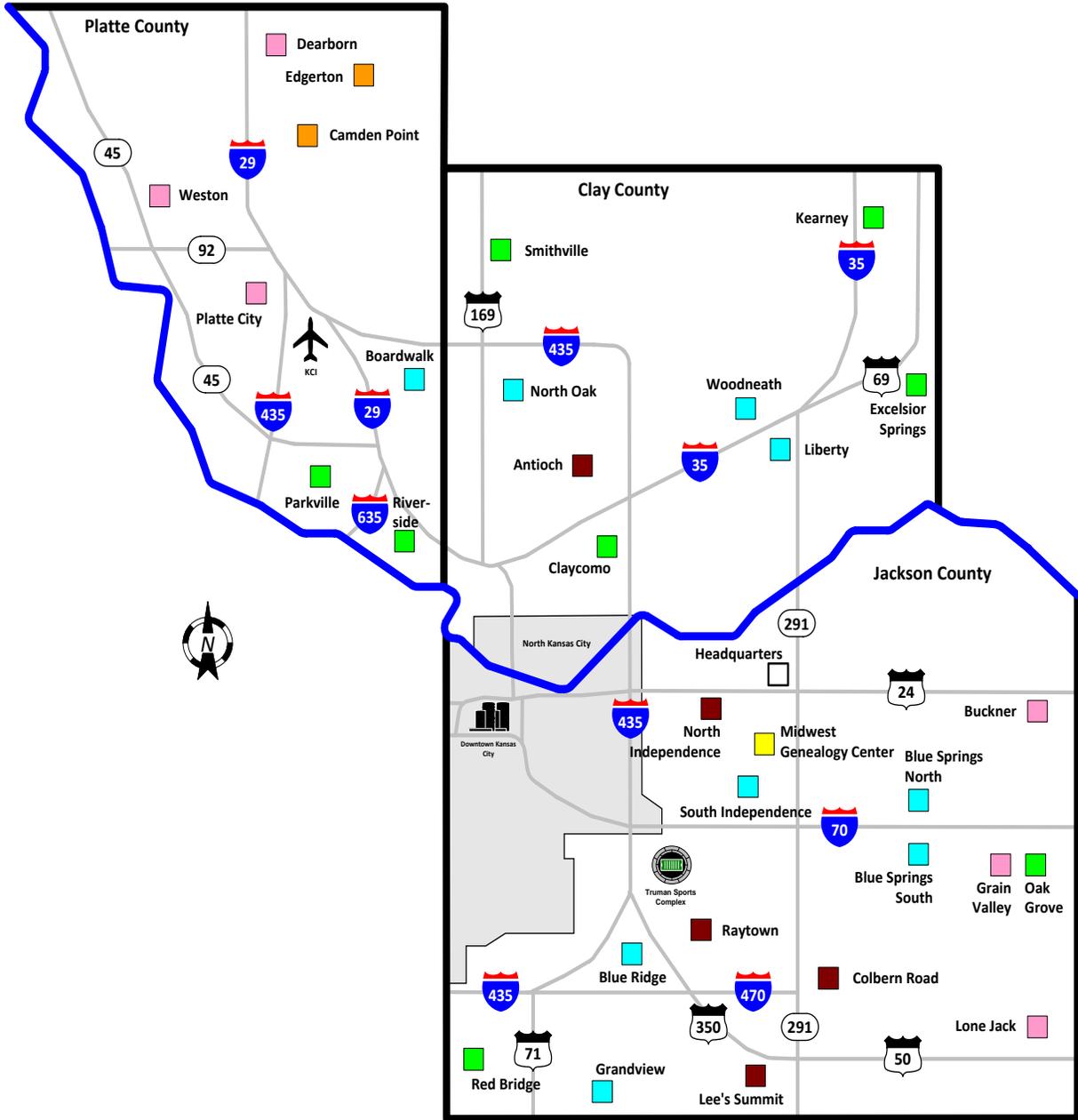
All of the above branches offer a wide variety of programs and services aimed at meeting expectations of customers ranging from preschool-aged children to senior citizens.

With storytelling as a service enhancement, the Library is able to offer new and exciting programs and services through The Story Center inside 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

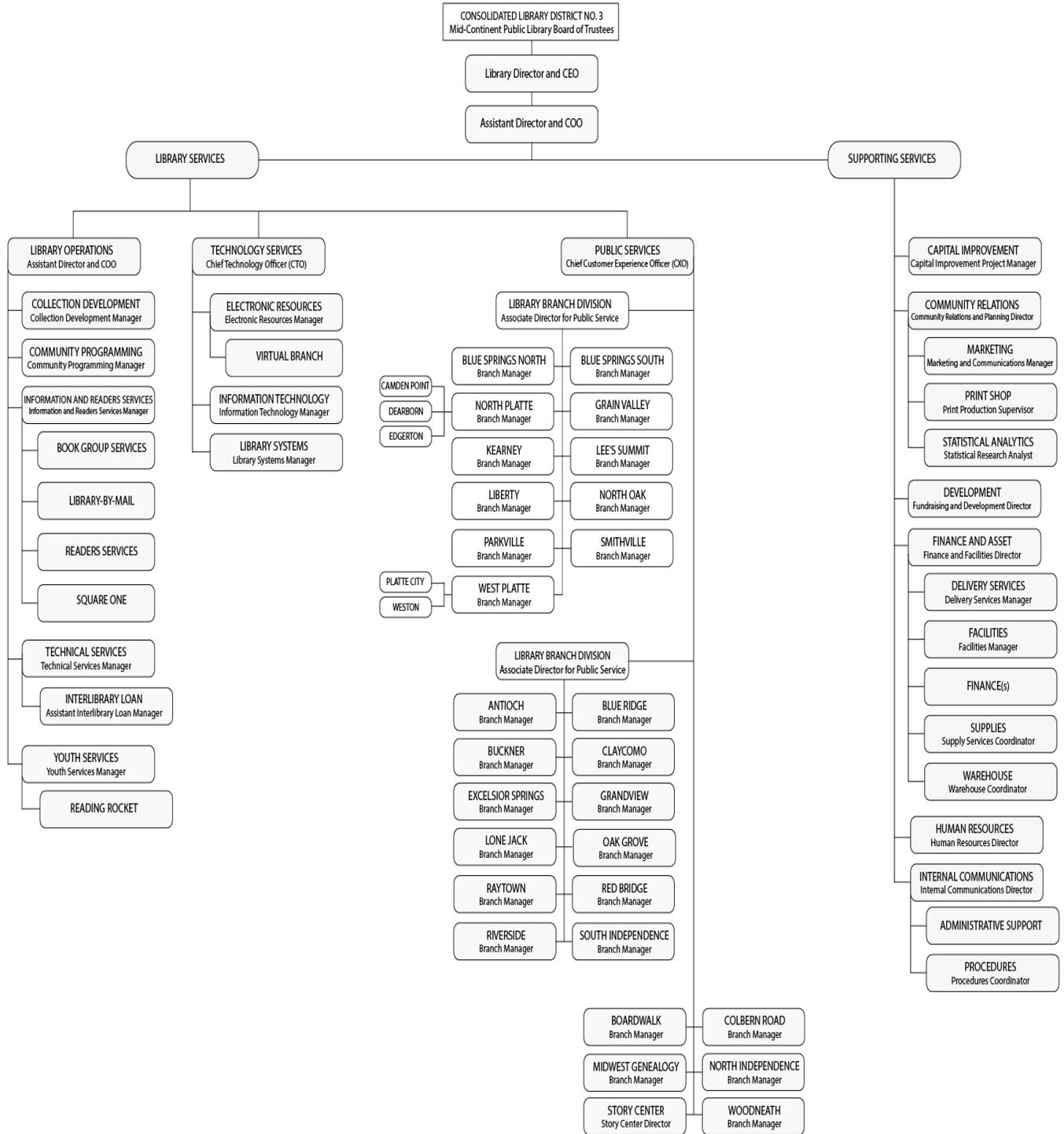
Machine (EBM) are two important facets of The Story Center. The award-winning Woodneath Press serves as the Library's in-house publishing division, working with authors of various backgrounds and genres to develop and distribute professionally published works. The Espresso Book Machine, used by the Woodneath Press to print books on demand, is a state-of-the-art device that prints, binds, and trims paperback books.

In addition, the Library operates three unstaffed self-service sites called "Library-To-Go." The services at the "Library-To-Go" sites consist of an automated material handling system and computers with access to the Library catalog, databases, and internet. Although they only offer abbreviated services, the Library considers Library-To-Go sites to be Library branches, as well. This new concept in library service is offered at the locations of three local community centers: Hillcrest Community Center, Marlborough Community Center, and Platte County Resource Center. Through this service model, the Library can extend services to underserved and at-risk communities for a fraction of what it would cost to build or establish a new library building.

Mid-Continent Public Library Branches



Mid-Continent Public Library Organizational Chart of Responsibilities



Consolidated Library District No. 3

Known as

Mid-Continent Public Library

Board of Trustees

June 30, 2018

Ms. Joycelyn Tucker Burgo, Jackson County, President

Ms. Cheryl McGinness, Platte County, Vice President

Ms. Michelle Wycoff, Clay County, Treasurer

Mr. Gordon Cook, Platte County

Mr. John W. Laney, Jackson County

Ms. Jane Rinehart, Clay County

Mr. Steve Roling, Jackson County

Mr. Brent Schondelmeyer, Jackson County

Mr. Trent Skaggs, Clay County

Mr. Ronald Thiewes, Clay County

Mr. Lee Valentine, Platte County

Ms. Rita Wiese, Platte County

Senior Administrative Staff

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

Budget Summary of Revenues, Expenditures, and Changes in Fund Balance
All Governmental Funds
For FY 2018-2019

	General Fund	Capital Project Fund	Grant & Gift Fund	Debt Service Fund	James A. Leathers Scholarship Fund	Community Foundation Fund	Genealogy Endowment	Total Budget
Beginning Fund Balance	\$27,696,323	\$ 94,803,484	\$ 9,340	\$ -	\$ 23,600	\$ 291,600	\$ 43,762	\$ 122,868,109
Revenues:								
Property Taxes	47,870,328	-	-	7,500,000	-	-	-	55,370,328
Grants & Contributions	675,000	1,029,000	597,475	-	-	6,150	-	2,307,625
Interest on Investments	275,000	250,000	-	20,000	200	3,000	50	548,250
Fines, Fees, and Other	680,000	-	12,000	-	-	-	-	692,000
Miscellaneous Income	50,000	615,000	-	-	-	-	-	665,000
Total Revenues	49,550,328	1,894,000	609,475	7,520,000	200	9,150	50	59,583,203
Expenditures:								
Payroll and Benefits	29,319,588	-	-	-	-	-	-	29,319,588
Library Materials	11,000,000	-	-	-	-	-	-	11,000,000
Library Operations	9,230,740	-	299,225	6,587,210	2,000	5,000	-	16,124,175
Capital Projects	-	36,555,878	310,000	-	-	20,000	-	36,885,878
Total Expenditures	49,550,328	36,555,878	609,225	6,587,210	2,000	25,000	-	93,329,641
Transfers In (Out)	-	-	-	-	-	-	-	-
Changes in Fund Balance	-	(34,661,878)	250	932,790	(1,800)	(15,850)	50	(33,746,438)
Ending Fund Balance	\$27,696,323	\$ 60,141,606	\$ 9,590	\$ 932,790	\$ 21,800	\$ 275,750	\$ 43,812	\$ 89,121,671
Page # of Budget Details	21-22	48	52	49	53	51	54	

Instead of considering the budget by line item, the budget can also be considered by the services the Library provides. The entire budgeted expenditure of \$93,329,641 can be divided among six core programs (or services): Materials & Lending, Programming & Information Services, Public Technology, Public Space, Community Involvement, and Support Services. All six programs are closely tied to the mission, goals, and objectives of the Library.

1. Materials & Lending (6010)

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

2. Programming & Information Services (6020)

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

3. Public Technology (6030)

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

4. Public Space (6040)

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

5. Community Involvement (6050)

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

6. Support Services (8000)

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

Total Budget by Programs FY 2018-19

	Total Budget	Material Lending	Programming & Info Serv.	Public Technology	Public Space	Community Involvement	Support Services
Payroll & Benefits	\$ 29,319,588	\$ 15,832,578	\$ 6,157,113	\$ 2,052,371	\$ 1,172,784	\$ 1,759,175	\$ 2,345,567
Library Materials	11,000,000	7,864,695	3,135,305				
5260 Leased Space	52,160				49,160		3,000
5270 Leased Equipment	65,825	4,425					61,400
5300 Furniture and Equipment	225,910	137,565	25,595	28,000	6,720	450	27,580
5320 Vehicle Operations	431,265	65,000	310,000		49,265		7,000
5330 Technology Services	1,677,021	518,847	130,000	453,446			574,728
5380 Library and Office Supplies	710,075	261,000	250,075	59,000	65,000		75,000
5420 Resource Development	150,050					150,050	
5430 Community Relations & Planning	400,000					400,000	
5440 Library Engagement Services	756,375		756,375				
5450 Contracted Services	1,416,445				1,274,801		141,644
5460 Professional Fees	250,000	30,000					220,000
5470 Continuing Educ. & Conventions	258,925	33,325	40,350			17,600	167,650
5490 Membership and Dues	65,409	23,500				16,159	25,750
5510 Utilities	1,275,000				1,083,000		192,000
5540 Postage and Freight	275,000	270,000					5,000
5570 Voice, Data & Internet	801,390	272,200		77,095	63,000		389,095
5660 Building Repair & Maintenance	523,515				457,015		66,500
5740 Travel and Transportation	130,000	39,000	52,000				39,000
5770 Insurance	377,600	94,400	94,400		94,400		94,400
5800 Miscellaneous / Debt Service	6,592,210	2,500					6,589,710
7020 Buildings	35,575,878				35,575,878		
7030 Land	1,000,000				1,000,000		
Total:	\$ 93,329,641	\$ 25,449,035	\$ 10,951,213	\$ 2,669,912	\$ 40,891,023	\$ 2,343,434	\$ 11,025,024
% of FY 2018-19 Total Budget		27.3%	11.7%	2.9%	43.8%	2.5%	11.8%

The Library Board has established a Fund Balance Policy on the reporting and classifying of fund balances within governmental funds. The categories and classifications of General Fund balance and Capital Project Fund balance at the end of the fiscal year 2017-18 are presented as follows:

	<u>General Fund</u>	<u>Capital Project Fund</u>
Nonspendable:		
Prepaid expenditures	\$ 300,000	\$ -
Restricted for:	-	-
Assigned to:		
Compensated absences:	2,250,000	-
Special account for the Story Center	15,000	-
Woodneath historic home - Private donation	-	136,000
Woodneath historic home - Kemper (remaining)	-	50,000
Woodneath historic home	-	307,134
Other capital projects	-	810,350
Emergency repair	500,000	-
Long-term capital plan	3,700,000	93,500,000
Unassigned :		
Library operating:	<u>20,931,323</u>	<u>-</u>
Fund balances as of June 30, 2018	<u>\$27,696,323</u>	<u>\$94,803,484</u>

The unassigned General Fund's balance is the residual net resources after nonspendable, restricted, and assigned, and is at 42% of next year's operating budget. The target range of this portion of the fund balance is 20% to 50% of the subsequent year's operating budget. Until substantial tax revenues are received in December, the Library utilizes this unassigned fund balance to fund its operations.

For the seventh consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Mid-Continent Public Library for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended on June 30, 2017. 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.



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Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

General Fund Detail Statement of Revenues and Expenditures

<u>Account Number</u>	<u>Actual 2016-17</u>	<u>Estimate 2017-18</u>	<u>Budget 2018-19</u>
<u>Revenues:</u>			
3210 Property Tax - Clay	\$ 12,677,804	\$ 15,886,990	\$ 16,024,525
3230 Property Tax - Jackson	22,111,913	28,833,060	29,026,110
3250 Property Tax - Platte	7,632,873	10,229,910	10,319,693
3260 Property Tax - adjustment	17,100	(7,750,000)	(7,500,000)
Property Taxes	42,439,690	47,199,960	47,870,328
3290 MO Athlete & Entertainment Tax	48,000	47,000	50,000
3330 Grants	47,007	-	50,000
3350 State Aid	91,851	290,000	300,000
3430 Telecom E-Rate	468,592	370,000	250,000
3500 Contributions	22,792	10,000	25,000
Grants & Contributions	678,242	717,000	675,000
3370 Investment Income	60,704	250,000	275,000
3390 Fines, Fees and Other	715,256	750,000	680,000
3800 Miscellaneous Income	106,821	50,000	50,000
3850 Membership	6,774	-	-
Total Revenues	<u>\$44,007,487</u>	<u>\$48,966,960</u>	<u>\$49,550,328</u>
<u>Expenditures:</u>			
5010 Payroll	\$ 17,764,889	\$ 19,449,660	\$ 21,609,293
5030 Social Security	1,342,250	1,536,523	1,653,111
5050 Unemployment Compensation	97	7,000	15,000
5060 Tuition Reimbursement	21,070	30,000	30,000
5070 Retirement	2,305,370	2,461,880	2,695,616
5080 Medical Insurance	2,580,489	2,698,365	3,000,000
5090 Life and Disability Insurance	60,274	68,000	79,413
5100 Employee Assistance Program	9,700	19,000	19,755
5110 Employee Resources	162,240	170,000	217,400
Payroll and Benefits	24,246,379	26,440,428	29,319,588
5150 Books	2,594,964	3,003,975	3,291,445
5160 Electronic Books	1,301,788	1,350,000	1,250,000
5180 Periodicals	300,460	330,000	315,000
5190 Microfilm	15,155	20,000	20,000
5200 Electronic Resources	2,763,480	2,855,000	2,597,305
5230 A-V Materials	1,490,590	1,791,000	2,007,250
5240 Library Material Processing	868,173	941,000	1,001,000
5250 Live Programs	273,262	320,000	518,000
Library Materials	9,607,872	10,610,975	11,000,000

(Continued)

General Fund Detail Statement of Revenues and Expenditures

<u>Account Number</u>	<u>Actual</u> <u>2016-17</u>	<u>Estimate</u> <u>2017-18</u>	<u>Budget</u> <u>2018-19</u>
5260 Leased Space	60,730	56,400	52,160
5270 Leased Equipment	91,474	50,090	65,825
5300 Furniture and Equipment	150,130	295,000	225,910
5320 Vehicle Operations	53,868	180,000	121,265
5330 Technology Services	1,366,363	1,900,000	1,677,021
5380 Library and Office Supplies	563,940	608,570	710,075
5420 Resource Development	124,970	155,000	145,050
5430 Community Relations and Planning	321,132	375,000	400,000
5440 Library Engagement Services	284,782	400,000	457,150
5450 Contracted Services	1,066,326	1,075,750	1,416,445
5460 Professional Fees	280,281	250,000	250,000
5470 Continuing Edu. & Conventions	131,190	195,000	256,925
5490 Membership and Dues	68,272	55,000	65,409
5510 Utilities	1,020,313	1,139,960	1,275,000
5540 Postage and Freight	239,882	210,000	275,000
5570 Voice, Data & Internet	988,950	930,210	801,390
5660 Building Repair & Maintenance	479,827	560,000	523,515
5740 Travel and Transportation	134,675	136,470	130,000
5770 Insurance	374,204	365,000	377,600
5800 Miscellaneous Services	562,459	10,000	5,000
Library Operations	8,363,768	8,947,450	9,230,740
Total Expenditures	<u>\$ 42,218,019</u>	<u>\$ 45,998,853</u>	<u>\$ 49,550,328</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>\$ 912,504</u>	<u>\$ 2,968,107</u>	<u>\$ -</u>
Net Fund Transfer	(222,237)	(832,000)	-
Net Changes in Fund Balance	<u>\$ 690,267</u>	<u>\$ 2,136,107</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 \$20,931,323. Before the substantial tax revenues for Fiscal Year 2018-19 are received beginning in December 2018, the Library needs to utilize this fund balance to operate.

Revenues:

Fiscal year 2018-19 General Fund budgeted revenues as compared to the previous year's actual revenues are as follows:

<u>Source</u>	<u>2018-19 Budget</u>	<u>2017-18 Estimate</u>	<u>% Inc/Dec</u>
Property Tax	\$47,870,328	\$47,199,960	1.4%
Grants and Contributions	675,000	717,000	-5.9%
Fines, Fees, and Other	680,000	750,000	-9.3%
Investment Income	275,000	250,000	10.0%
Miscellaneous Income	50,000	50,000	0.0%
Totals	\$49,550,328	\$48,966,960	1.2%

As can be seen from the above projection, the General Fund's revenue is expected to have a 1.2% increase from the previous year's actual. The budgeted Property Tax revenue in General Fund is based on a tax levy of 40 cents per \$100 assessed valuation with additional \$7,500,000 of new tax revenue budgeted in the Debt Service Fund.

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 Interests. Based on the county's assessment and the historical trend, the Library projects a 0.9% increase in total tax revenues.

Property Tax - Jackson – This source of revenue encompasses all taxes from Jackson County, including: Real Estate, Personal, Railroad & Utilities, Financial Institution, Replacement, Payment in Lieu of Taxes, and Interests. Based on the county's assessment and the historical trend, the Library projects a 0.7% increase in total tax revenues.

Property Tax - Platte – This source of revenue encompasses all taxes from Platte County, including: Real Estate, Personal, Railroad & Utilities, Financial Institution, Replacement, Payment in Lieu of Taxes, and Interests. Based on the county’s assessment and the historical trend, the Library projects a 0.9% increase in total tax revenues.

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

Fines, Fees, and Other – This source of revenue trends with the circulation of Library materials and the economy and is expected to have a decrease from in-library sales of book bags, flash drives, earbuds, and printing/copying/faxing services due to the closing of some branches for renovation. The Library will continue to have a contracted service for collecting late fees and lost materials from customers.

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

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

The total budgeted operating revenue is \$49,550,328, or a 1.3% increase from the previous year.

Expenditures:

Fiscal year 2018-19 General Fund budgeted expenditures as compared to the previous year’s actual expenditures are as follows:

<u>Activities</u>	<u>2018-19 Budget</u>	<u>2017-18 Estimate</u>	<u>% Inc/Dec</u>
Payroll and Benefits	\$29,319,588	\$26,440,428	10.9%
Library Materials	11,000,000	10,610,975	3.7%
Library Operations	<u>9,230,740</u>	<u>8,947,450</u>	<u>3.2%</u>
Total	\$49,550,328	\$45,998,853	7.7%

Operating expenditures of \$49,550,328 are proposed for FY 2018-19 based on the revenue projections.

Payroll and Benefits – The new fiscal year’s budget for Payroll and Benefits will increase by 10.9%. This increase will allow the Library to fund new positions for enhanced services, and to take steps to adjust the pay scale closer to the fair market value. For further information, please refer to the Payroll and Benefits section.

Library Materials – As 22.2% of the operating budget, it will continue to be one of the highest in the nation in terms of the percentage of overall budget, according to the *Public Library Data Services Survey*. This reflects a 3.7% budgetary increase over the previous year. For further information, please refer to the Library Materials section.

Library Operations – The new fiscal year’s budget in this category will increase by 3.2% over last year’s actual. The majority of the increase is from Contracted Services, Utilities, and Postage and Freight account.

Below are those fund accounts that warrant mention:

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

Boardwalk Branch	\$ 2,000
Grain Valley Branch	42,360
Offsite Storage	<u>7,800</u>
	\$52,160

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

Mailing machine	\$ 4,425
Print Shop equipment	56,400
Other	<u>5,000</u>
	\$65,825

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

Furniture and Equipment for branches	\$127,805
HQ office furniture	36,105
Equipment maintenance services	<u>62,000</u>
	\$225,910

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

Branch supplies	\$233,575
Cleaning supplies	65,000
Inventory for in-library sales	16,500
Labels for self pick-up holds	100,000
Library cards	50,000
Delivery/Mailroom supplies	12,500
Cataloging supplies	98,500
Printing and paper supplies	119,000
Other	<u>15,000</u>
	\$710,075

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

In fiscal year 2018-19, fundraising strategies will focus on completing the capital campaign for the adaptive reuse of the Woodneath historic home and National Endowment for the Humanities Challenge Grant match, managing and enhancing grant prospects and awards (with emphasis on supporting Purpose-Based Library initiatives) and growing opportunities for endowment and planned giving.

The total budget for this account is \$145,050 as detailed below:

Annual fund mailing	\$	10,000
Contract/consulting		50,000
Cultivation		10,000
Legacy luncheon		19,050
Marketing/promotion		21,000
Woodneath Capital Campaign Events		35,000
	\$	<u>145,050</u>

Community Relations and Planning (5430): The Library believes that a critical component of good service to our customers is to understand who they are and inform them about all of the resources we have to offer 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 resources and programs, tactics to increase the number of active cardholders, and the creation of tools to decrease barriers to access.

Highlights for next year’s budget are updates on new services as well as support for early literacy, adult, youth, general and business programs, construction projects, and other initiatives. In addition, communications strategies are in place to help inform the public about the improvements in facilities and materials being added because of the increase in the Library’s funding through Proposition L, as well as the services and resources already available that customers may not know about.

General marketing	\$	50,000
Communications		25,000
Outsourced printing		82,000
Genealogy marketing		27,000
Data collection		38,500
Advertising/goal marketing		170,500
Misc expenses		7,000
	\$	<u>400,000</u>

Library Engagement Services (5440): Starting this fiscal year, all three budgets for reading initiatives, information and readers’ services, and The Story Center will have been combined in this new account.

As part of the Library’s reading initiatives, the Summer Learning Program (“SLP”) is a 10-week program that encourages creative exploration, active skill building, and critical thinking skills to help decrease the “summer slide” that occurs when students are away from the classroom for an extended period of time. In 2017, 18,681 individuals (77.6% of all those registered) participated in the Summer Learning Program, and 15,782 children and teens completed the program. Of the participants who registered, 84.5% earned at least 250 points from logging minutes/books read, completing literacy activities, and attending programs. The Library continues to share SLP participant information with

nine school districts in its service area. Preliminary reports indicate that participation in the Library's SLP does have a positive outcome on the fall reading test scores.

The Reading Rocket, a mobile early literacy vehicle, takes early literacy programming, training, and resources out to underserved parts of the Library's service area—focusing primarily on transportation deserts. In 2017, the Reading Rocket had over 16,000 visitors at 157 individual events in Jackson, Clay, and Platte Counties. Each visitor to the Reading Rocket receives an early literacy-rich program experience and a gently used book to keep for their home library. The budget also includes staff training and equipment for early literacy, grade level reading, and school-aged program facilitation.

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

The operating budget for this account is \$457,150. Identified services are summarized below:

		<u>Project code</u>
Summer Learning Program	\$ 308,000	5004
Reading Boosters Grade Level Reading program	1,500	5004
YSD and Branch Staff training	5,000	5004
YSD Booking Support	4,000	5004
Southeast Enterprise	6,200	5004
YSD Literacy Initiatives	1,500	5004
YSD Outreach	4,500	5004
Reading Rocket	6,400	5004
SLP Effectiveness Study	50,100	5004
Branch Program Equipment Support	9,500	5004
I.R.S. Marketing	3,000	5007
Winter Reading Challenge	20,000	5007
Reader's Advisory Certification	8,000	5007
Book Group In-Service	500	5007
LBM Promotional Material	1,200	5007
Supplies: LBM, Book Groups, Square One	7,000	5007
Postage	1,300	5007
Business Outreach	5,000	5007
Business Expos	600	5007
I.R.S. Staff Training	2,000	5007
Special Supplies for the Story Center	<u>11,850</u>	1005
	\$ 457,150	

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

Snow Removal	\$ 120,000
Sorting	12,825
Pest Control	24,000
Security monitoring	15,000
Lawn care	320,000
Branch Security (7761 hours)	384,620
Building Cleaning Services	500,000
Carpet/window cleaning	<u>40,000</u>
	\$ 1,416,445

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

Payroll, HR & Job Application	\$	115,000
Legal		35,000
Auditing		36,000
Collection		30,000
Banking		6,000
Credit card		18,000
Other business consulting		10,000
	\$	<u>250,000</u>

Continuing Education & Convention (5470): The Library highly values continuing education and professional training. Examples of educational opportunities for our employees and Board Members include attending conferences presented by the American Library Association, Public Library Association, Missouri Library Association, and other professional associations. Equally beneficial are workshops presented by the Mid-America Library Alliance, Amigos, and other events based on the Library’s need. The total budget for this is \$256,925, with \$213,375 for conferences and \$43,550 for workshops and trainings.

Postage and Freight (5540): The Library has taken several opportunities to reduce the shipping cost, including outsourcing mailing customer notices, and negotiating a contract with UPS. The total budget for next year is \$275,000, as detailed below:

UPS	\$	50,000
Postal		35,000
Customer Notices		186,000
Other		4,000
	\$	<u>275,000</u>

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 significantly below the growth rate of fuel price. The total budget for next year is \$135,000.

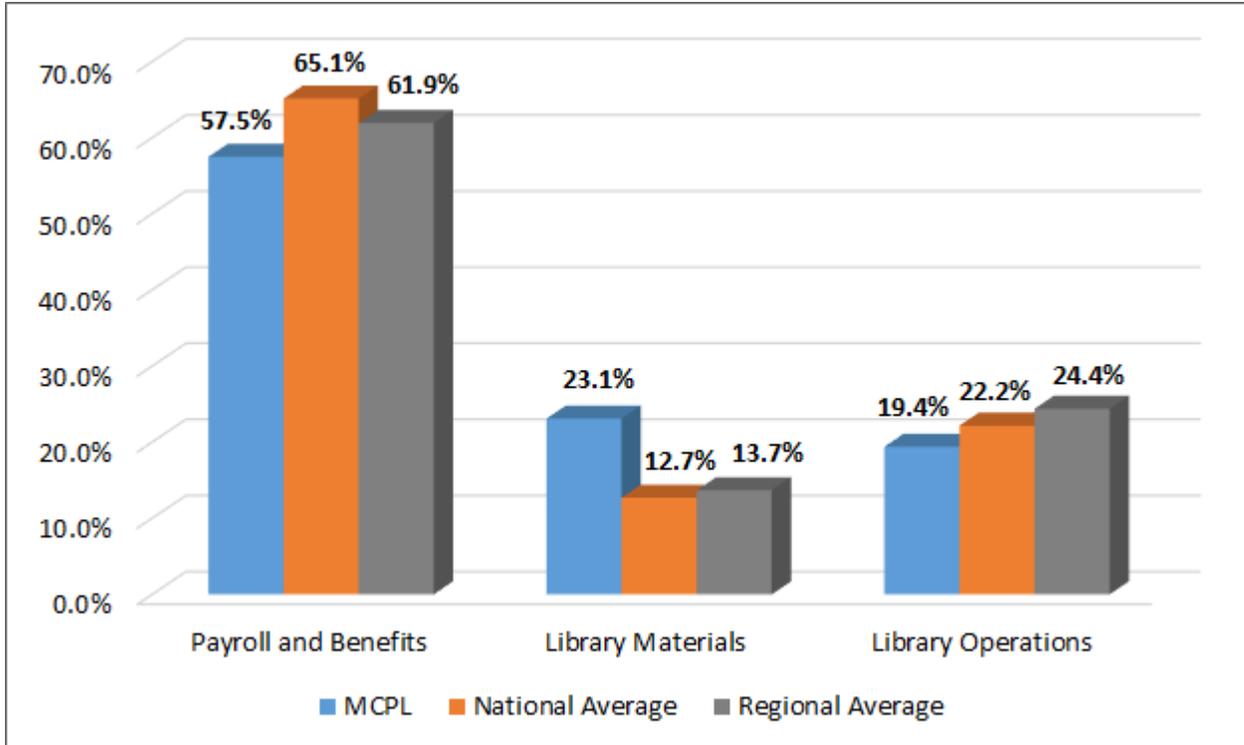
Insurance (5770): The Library carries various types of insurance for protection from unforeseeable and potentially serious situations. Below are the major types of insurance policies the Library carries:

Director & Officer	\$	65,000
Property & Liability		130,000
Automobile		25,000
Umbrella		5,100
Computer		5,000
Security officers		3,500
Workers Compensation		135,000
Fine Art		1,000
Crime Protection		5,000
Other:		3,000
		<hr/>
	\$	377,600

Additional information about the Library Operations budget can be found in the Payroll and Benefits, Library Materials, Technology, and Capital Improvement Plan section. The total Library Operations budget is \$9,230,740, or 18.6% of the total operating budget.

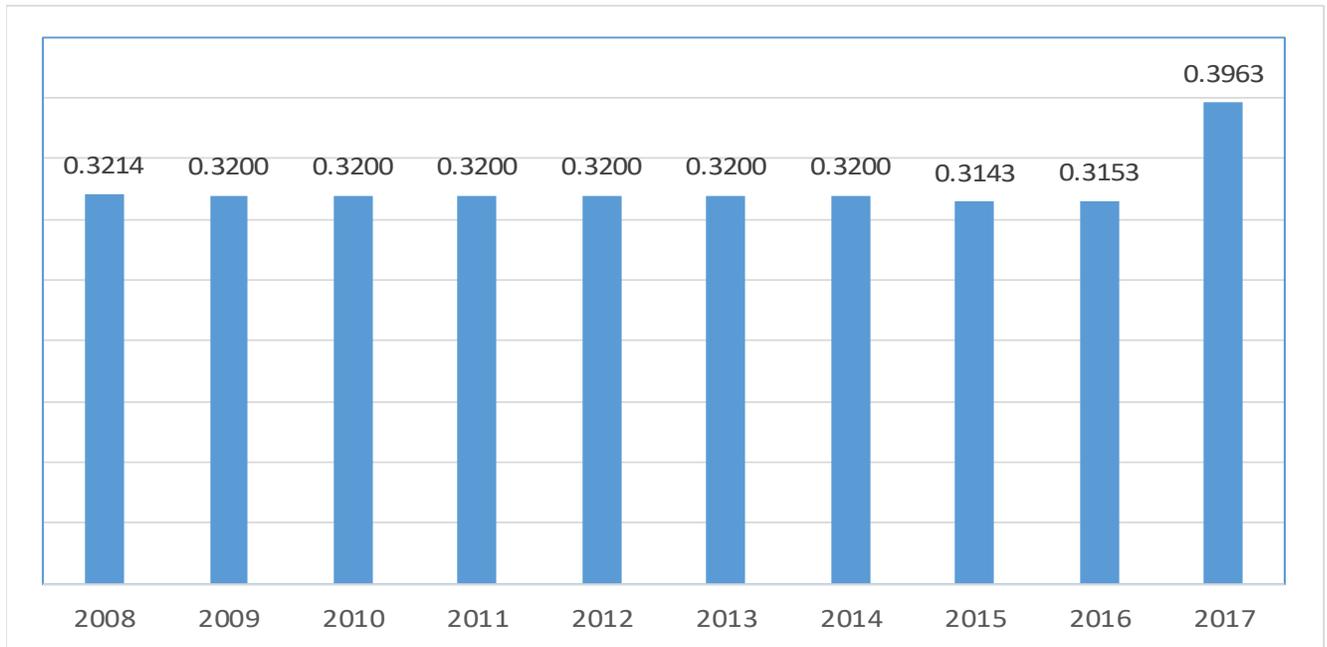
The Library's Operating Budget represents staff's best judgment for providing the highest level of service to the public, while remaining within the tax levy authorized by District voters. This proposal is consistent with the Library's Strategic Plan and should enable us to fulfill our commitment to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

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



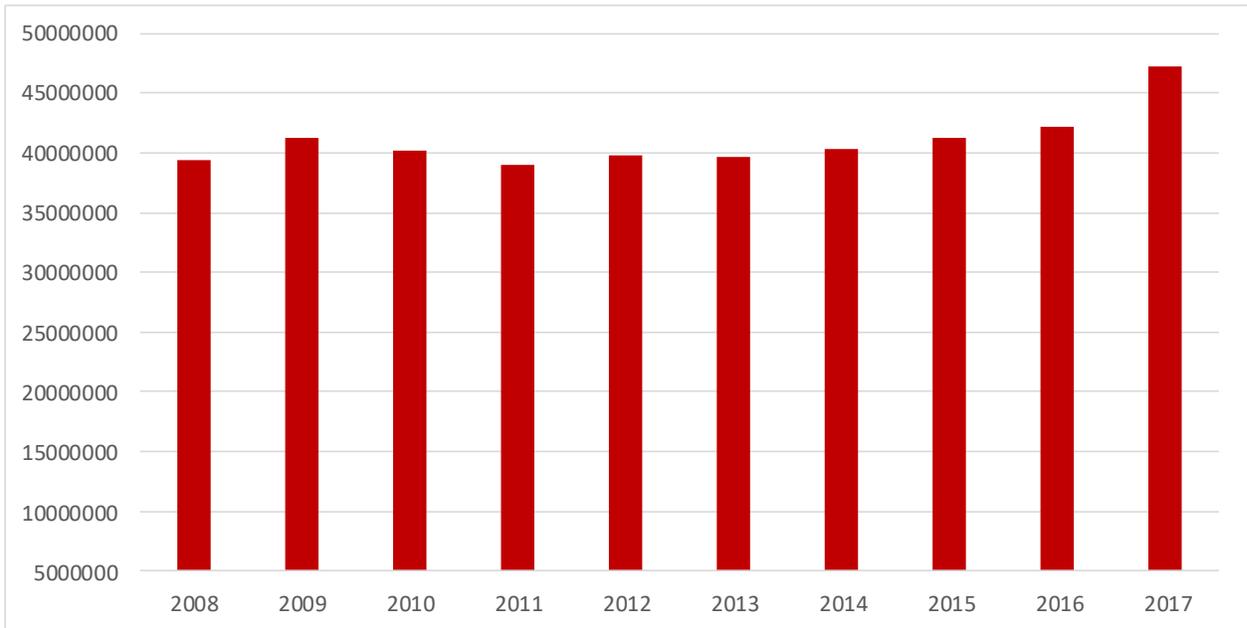
*Regional and National Averages are based on data reported for the *2017 Public Library Data Service Report* collected by the Public Library Association. The Regional data is from 19 libraries in Missouri and its eight surrounding states with service populations of 200,000 to 999,999. The National data are from 47 U.S. libraries with service populations of 500,000 to 999,999.

Trend of Tax Rate*

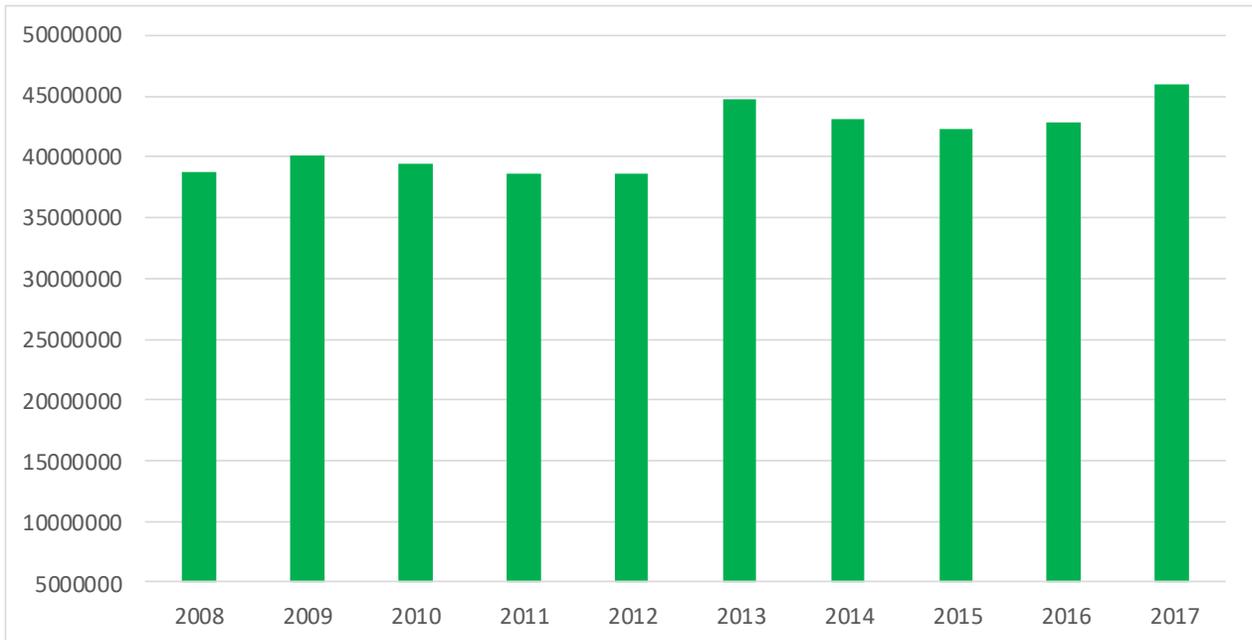


*In 1983, a 15-cent increase was passed for a total of a 35-cent operating levy for the Library and a 10-cent building levy. In 1991, the district voters reset the operating levy to 32 cents and retired the building levy. However, before 2008, provisions of State regulations allowed governments to collect up to the highest voter-approved levy: 35 cents for the Library. In 2008, the Missouri General Assembly reformed tax regulations so that governments could collect the most recently voted levy rather than the highest voted levy. On November 8, 2016, voters approved a new operating levy of 40 cents for the Library.

Trend of General Fund Tax Revenues



Trend of General Fund Expenditures



Payroll and Benefits

Staffing

The FY 2018-19 Payroll and Benefits budget continues to reflect increased staffing to support expanded services promised during the levy campaign.

The 2017 labor market study showed that a significant number of the public service staff worked under the same job description, which reflected a tradition of considering these jobs to be generalists. The reality is that there were well-defined specialized jobs included in the generalist description. A couple of public service generalist job descriptions have been expanded into several specialized job descriptions. This differentiation will recognize the specialized nature of our public service positions while providing for more advancement opportunities. This will also allow the Library to set more competitive salaries for these positions.

The budget for FY 2018-19 provides for a 6% compensation pool that will allow for labor market inflation and increasing the Library's overall competitive position in the labor market. This is the second year of a two-year plan to address the Library's position with other similarly situated positions in the labor market. This should complete the plan for catching up to the labor market.

Benefits

The Library participates in the Missouri Local Government Employees Retirement System (LAGERS), a multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan, which provides retirement benefits to plan members and beneficiaries based on earnings and years of service. The Library's cost for this important component of the employee benefit program will be 16.6% of covered earnings for FY 2018-19, the same as FY 2017-18. The contribution rate is actuarially determined each year. The Library makes the full contribution to the program on the employee's behalf. The retirement plan budget line shows a small increase due to increased payroll and a greater allowance for non-covered wages.

As of June 30, 2017, the LAGERS system had a ratio of assets to liabilities of 94.8%. This strong prefunded ratio continues to place LAGERS in the top 10% of public pension plans in Missouri and the nation.

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

Another major component of the full-time salaried employee benefit program is the health and dental insurance plans. This benefit is also extended to a few qualified retirees. Half-time salaried employees have access to these plans but must pay the full premium costs while the Library pays the full premium for full-time salaried employees. The medical plan budget line reflects an increase due to increased staffing and an upward trend in claims activity.

The Library's Self-Funded Health Insurance Fund allows the Library to smooth the ups and downs of claims management. It is the stated objective to use the Fund to smooth the variation of claims experience over a rolling three years. After several favorable claims years, the Plan is experiencing an upward trend in claims. The reserve that has accumulated due to favorable claims experience will now be used to cushion a period of unfavorable experience. Please refer to the section on Other Funds for more information on the Self-Funded Health Insurance Fund.

The Library also provides access to an Employee Assistance Program (EAP) for all employees and family members living with them. This confidential service addresses many issues that can distract an employee from being productive at work such as marital, emotional, legal, and financial problems. This program can divert potential medical plan claims and provide supervisors with a tool to help employees experiencing problems that interfere with their home and work lives. The program continues to increase the number of Library employees and their families who use the many services offered.

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

There are no significant changes in the structure of the employee health insurance program for FY 2018-19.

Staff Development

The Library provides ongoing leadership training to managers and supervisors in both the classroom and on the job. The Library continues to focus time and training resources on customer service training for all employees to ensure that customer service remains the central focus of the Library's culture. Diversity awareness and recruiting continue to be an important priority for the Library. The Library conducts ongoing staff awareness training. This includes courses such as avoiding discrimination practices, retaliation, and sexual harassment.

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

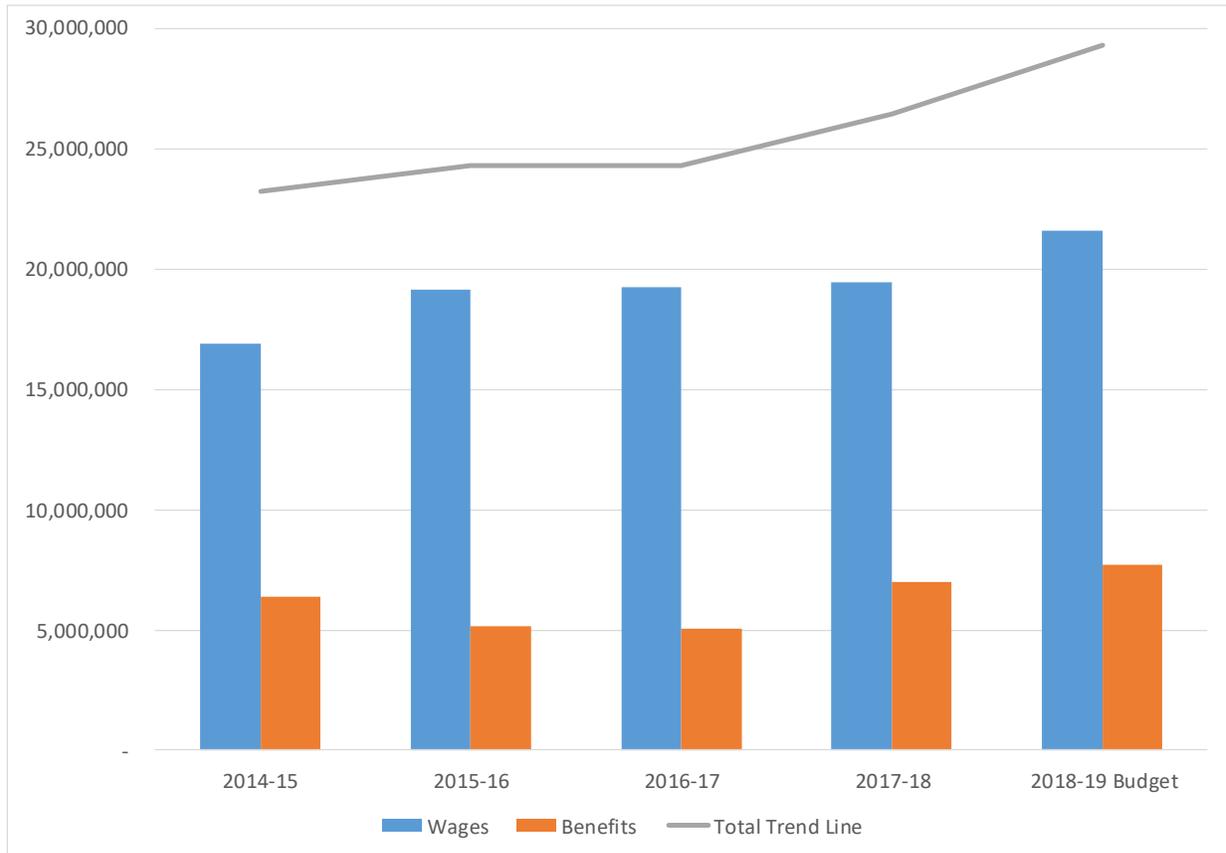
The Library employs a number of initiatives and tools to ensure that the right people are hired for the most appropriate positions that match their experience and skills. Hiring managers and Human Resources staff are always aware of the Library's inclusiveness objectives. Background checks are performed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

Identified Employee Resources Account budgets are summarized below:

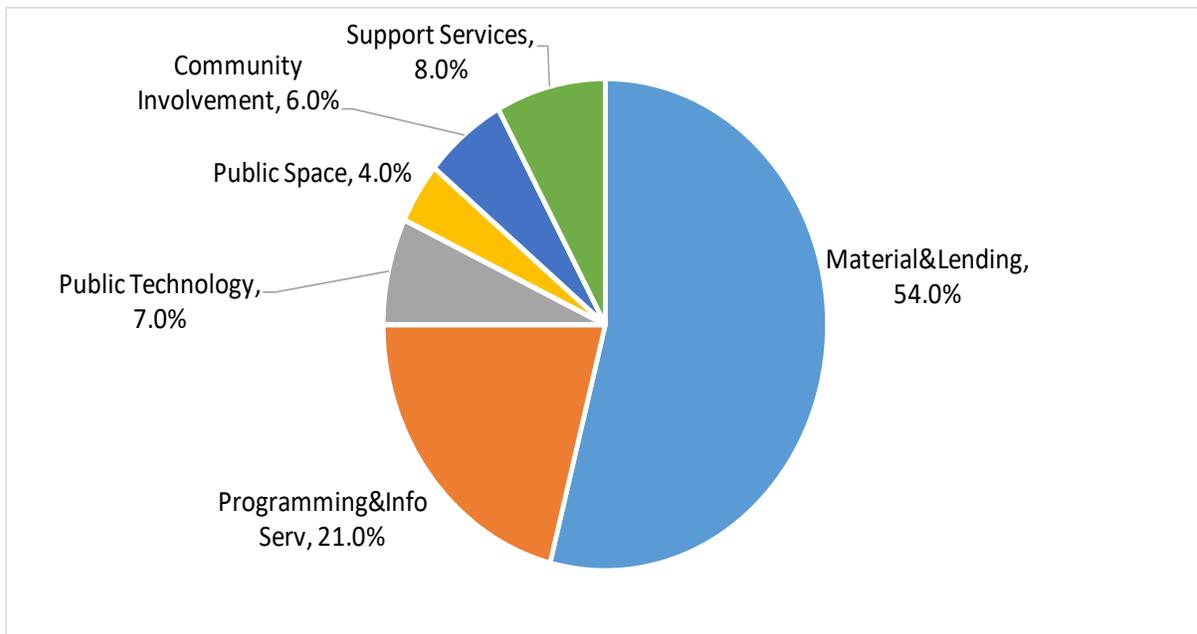
New hire background check fees	\$	11,000
Emergency preparedness training		20,000
Section 125 Plan fees		3,920
Staff development day		15,000
Management/leadership development		52,080
Awareness training		4,400
Job certification training		15,000
Exceptionality, recognition, fun day, etc.		82,000
Diversity promotion and recruiting		10,000
Explore your future retirement planning		4,000
		<hr/>
	\$	217,400

The total payroll and benefits budget for FY 2018-19 is \$29,319,588, or 59.2% of the total General Fund budget, and reflects an increase of 11% from previous fiscal year's actual number and a 7% increase over the previous year's 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 library materials. The Library believes that if it cannot purchase new and high-demand items, it will quickly lose relevance. According to the *Public Library Data Service* reports, when comparing other libraries in the United States that also serve between 500,000 and 1 million people, Mid-Continent Public Library routinely allocates the largest percentage of its revenue to this purpose.

Books:

As part of the Library's material budget, books include the purchase of books for children, teens, and adults. According to the *2017 Public Library Data Service* report, Mid-Continent Public Library ranks fourth in the nation for allocated resources in actual dollars on print material amongst the 47 library districts servicing between 500,000 and 1 million residents.

Electronic Books:

As part of the Library's material budget, Electronic Books (eBooks) are titles that are licensed or purchased individually and are intended and formatted to be used individually. They can be read on computers, smartphones, tablets, and other eBook reading devices. The Library ranks 12th of the 47 library districts in its peer group for expenditures on eBooks. Part of the expenditures will be funded by any allocations made through the State of Missouri Athlete and Entertainers Tax.

Staff continuously evaluate reference materials and purchase them in digital form when possible or if it is the only option. In addition, the Library purchases downloadable eBook titles that are popular among readers of "bestsellers" and genre fiction. The advantage to the eBook format is that it is frequently easier to search and to use and can always be accessed from any location. It is also available 24 hours a day, 7 days a week.

The yearly eBook circulation continues to increase. This year the collection development librarians began dedicating more time to the "bookshelves" on *OverDrive*, highlighting new titles and rotating what customers see upon login on a more frequent basis. In addition, with the pilot of student digital cards, more juvenile titles were checked out than ever before.

Periodicals:

As part of the Library's material budget, this account includes magazine and newspaper subscriptions. The Library offers subscriptions within each location as well as through *Flipster* and *RBdigital*, both of which are online magazine databases allowing 24 hours a day, 7 days a week access to many popular titles.

Microfilm:

As part of the Library's material budget, this account includes 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 one exception to this is with genealogy resources, where microforms are still heavily relied upon.

Electronic Resources:

As part of the Library's material budget, this account includes several high-quality, evaluated, digital resources. According to the *2017 Public Library Data Service* report, Mid-Continent Public Library allocated more resources in actual dollars on electronic resources than any other library serving between 500,000 and 1 million people. Nearly all of the Library's licensed resources are available to the people of the Library District 24 hours a day, 7 days a week through their computer, tablet, or smartphone. Many of these resources include indexes and collections that cover many topics or are added to annually. The Library subscribes to several online services through this account including Tutor.com's *Live Homework Help*, *Lynda.com*, *GrantSelect*, *CultureGrams*, and *National Geographic for Kids*. The Library, in partnership with Literacy KC and Kansas City Public Library, continues to offer *Career Online High School*, an online school in which those who did not earn a high school degree may do so through an accredited school and learn job skills readying them for the job market. The program saw its first graduating class in 2017.

Audiovisual Materials:

As part of the Library's material budget, this account includes nonprint media such as DVDs and spoken word or music on CDs. The Library provides access to downloadable audiobooks that customers can listen to on a computer, MP3 player, or smartphone. In addition, the Library will now subscribe to several streaming video services. According to the *2017 Public Library Data Service* report, Mid-Continent Public Library ranks 17th for library resource allocation of audiovisual resources in actual dollars among libraries serving between 500,000 and 1 million people.

Library Material Processing

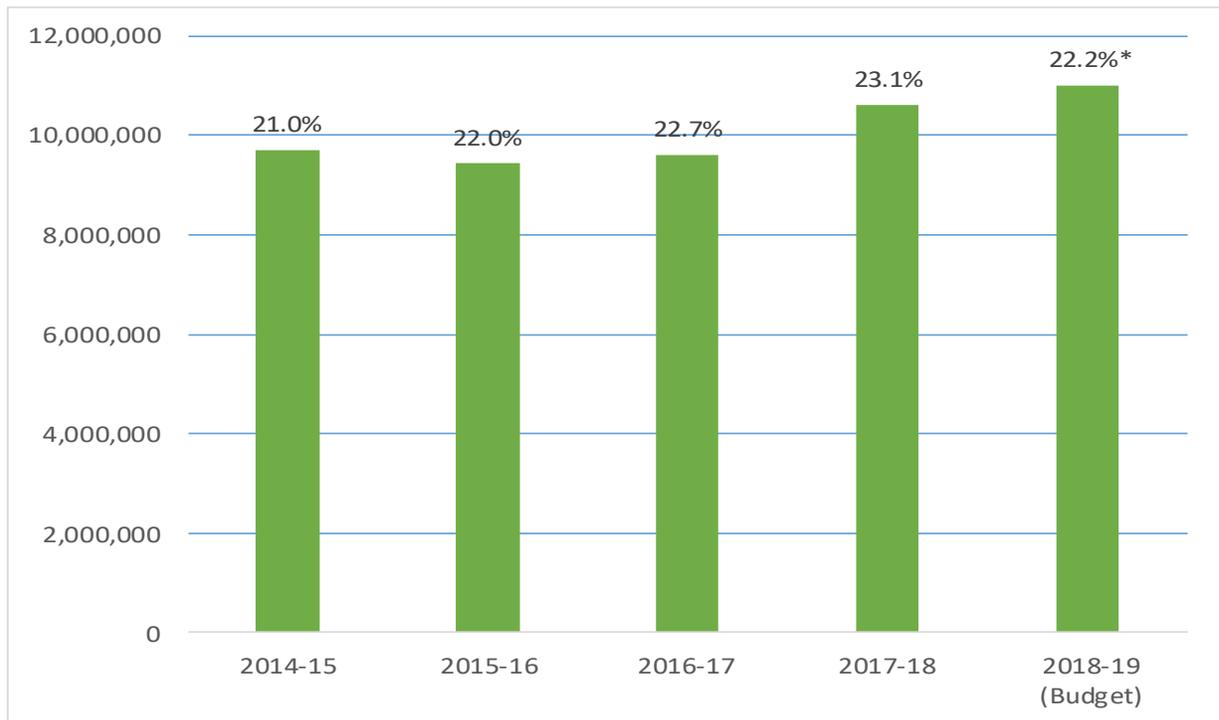
As an addition to the Library's material budget, this account contains the cost associated with obtaining and creating the records online to catalog the Library's books and other materials, pre-processing of many items, shipping, access fees for *OverDrive*, *the RDA Toolkit*, and *Title Source 360*.

Live Programming:

Programming at the Library is another way in which information is accessed by our customers. The Library provides two main types of programming: Special Events and General Programming. Special Events are large, systemwide programs that are, generally, planned and organized by a committee or team. They are offered at one or two sites and done on an annual basis. Examples of Special Events are the Veterans Salute, Access Art, and the new LitUp teen literature festival. General Programming are

programs that may be offered at many locations or a single site, but on a smaller scale than the aforementioned Special Events. These programs are either presented by Library staff or outside presenters contracted through our Community Programming Department. The Library provides special events and programs for all ages and include topics such as author events, science, arts, and animals as well as specialized programs relating to small business and storytelling.

**Library Material Expenditures with the Percentage of Total Operating Expenditures
From 2014 to 2018**



* The decrease in percentage of library materials to the total operating expenditures is due to the bigger increase in overall operating expenditure budget.

The total library materials budget for FY 2018-19 is \$11,000,000, or 22.2% of the total General Fund budget.

Technology and Capital Improvement

Technology

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

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

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

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

Last, but most importantly, the Library understands that the library environment is changing substantially. A traditional library was frequently defined and limited by its building and the availability of the collection found in those four walls. Contemporary library customers frequently are much more concerned with the ability to access services how they want it, when they want it, and even where they want it. Responding to this call for access, Mid-Continent Public Library has invested heavily in its Virtual Branch services. Through technology, the Virtual Branch provides excellent services to our customers and is essential to our "Access Your World" brand message.

Identified projects or purchases for the Fiscal Year 2018-19 are summarized on the next page with the funding account numbers within the General Fund:

General Fund's Technology Plan for FY 2018-19

<u>Projects/Purchases</u>	<u>Budget</u>	<u>Funding Account</u>
Software and hardware support contracts	\$ 1,212,821	5330
Additional RFID inventory scanners	25,000	5330
Bibliotheca RFID staff stations	10,000	5330
Dell NAS for SM DR site	20,000	5330
Fire system replacement for Data Center	50,000	5330
HVAC replacement for Data Center	50,000	5330
Laptops and specialty computing	80,000	5330
Matching funds for grant related projects	50,000	5330
Misc additions/replacements and contingency	179,200	5330
Branch WIFI	25,000	5570
Internet by AT&T	52,095	5570
GPS	2,220	5570
Radio	1,800	5570
Cell phones	36,000	5570
Mobile internet	25,000	5570
Data connections	596,770	5570
Virtual Library		
Electronic resources	2,597,305	5200
Downloadable audio/video	906,250	5230
ebooks/e-Reference	<u>1,250,000</u>	5160
Subtotal:	<u>4,753,555</u>	
Total:	<u>\$ 7,169,461</u>	

Capital Improvement Plan:

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

Major Maintenance Projects:

1. Heating and Cooling system and Lighting: The Library will spend \$42,815 for special maintenance at the Woodneath Library Center, Midwest Genealogy Center, South Independence Branch, and Smithville Branch.
2. Parking Lot Maintenance: The Library will repair and/or sealcoat the parking lot at various branches for a total cost of \$81,000.
3. Building Access Control: The Library will spend \$52,000 to service all Library elevators, inspect fire alarm systems, and to upgrade the software of the security system.
4. Work Area Repair and Improvement: The Library will spend \$26,400 to make improvements for the public areas at various branch locations, and will spend up to \$66,500 to repair the floor and replace the carpet of certain work areas at HQ. In addition, the Library will need \$247,300 for routine work orders, shop supplies, and equipment maintenance.

In addition to the projects mentioned above, the Library will also budget over \$36 million in its Capital Project Fund for new construction, major renovations, and property acquisitions as outlined in the Facilities Assessment and Capital Plan, which was adopted by the Board on September 16, 2014.

General Fund's Capital Improvement Plan for FY 2018-19

	<u>Budget</u>
Parking Lot:	
Saltguarding and asphalt repair	\$ 60,000
Restriping, patching, & sidewalk sealant:	21,000
Building Access Control:	
Fire alarm and elevator services	37,000
SEI software upgrade	15,000
Special equipment: carts, pallet jack, and thermal camera	7,500
HVAC/Lighting maintenance - WN, MGC, SI, & SM	42,815
Workarea repair/improvement:	
Office painting,	4,000
MGC bollard repair	15,000
New flooring for HR booking, IRS, ILL, and computer lab	66,500
BW's baby changing table	500
NI's community room's new window shade	400
New USB outlets at NI	2,500
WN's new floor power installation	2,500
WN's new lighting in Kids area	1,500
General maintenance orders and supplies	<u>247,300</u>
Total	<u><u>\$ 523,515</u></u>

Capital Project Fund

Fund Description:

The Capital Project Fund is used to account for financial resources set aside for the purchase of major capital assets and/or construction and renovation of Library properties. The revenues for this fund are derived from transfers from the General Fund, special taxes, investment income, sales of real properties, grants, and contributions.

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

The Elbridge Arnold home, perhaps better known as the Crouch family home, on the Woodneath Campus is undergoing restoration so that it will serve as the new home for the Library's Story Center program and staff. The interior and exterior work on the home is estimated to cost \$2.9 million. A capital campaign is underway to raise \$3.4 million to cover all costs related to construction as well as supplement The Story Center program. More than \$2.2 million has been raised through private sources in support of the campaign. Exterior renovation is expected to finish by fall of 2018. Work on the adaptive reuse of the interior of the historic home will proceed contingent upon campaign progress. The public portion of the campaign kicked off on April 6, 2018, and will conclude in October of 2018. Several public events are planned throughout the public campaign period to raise funds and awareness in support of The Story Center and the work on the historic home.

In FY 2014-15, the Library Board approved a Facilities Assessment and Capital Plan to maintain and guide the development of 31 branches. This plan is to ensure the Library will be able to continue to provide first-class services and amenities and remain relevant and vital to the communities. In FY 2016-17, the Library was engaged with the SDA+Helix design team to refresh and provide additional detail to the Library's Facilities Assessment and Capital Plan (2014). During FY 2015-16, two standing committees of the Board of Trustees have 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. Before the end of FY 2017-18, the Library will have an accelerated construction and delivery schedule having released bonds to help finance part of the plan so that construction and delivery is completed in no more than six calendar years.

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

<u>Phase</u>	<u>Work Package</u>	<u>Locations</u>	<u>Construction Budget</u>	<u>Land Acquisition</u>
I	1	Midwest Genealogy Center - Community Hall	\$ 5,819,118	
I	2	Blue Springs South, Excelsior Springs, Antioch, Oak Grove, Weston, Platte City	5,772,352	
I	3	Liberty	5,869,515	\$ 750,000
I	4	East Lee's Summit	5,978,805	\$ 750,000
II	5	Red Bridge	600,000	
II	6	Camden Point, Claycomo, Dearborn, Edgerton, Kearney, Lone Jack	2,606,064	
II	7	HQ, Blue Springs North, Buckner, North Independence, Raytown	3,502,405	
II	8	Woondneath - Auditorium	6,047,654	
III	9	Grain Valley	4,977,492	\$ 750,000
III	10	Colbern Road	10,225,924	\$ 200,000
III	11	Blue Ridge, Grandview, Parkville, Riverside, South Independence	3,763,743	
IV	12	North Oak	5,636,468	\$ 750,000
IV	13	East Independence	6,412,582	\$ 750,000
IV	14	Boardwalk	10,613,260	\$ 1,500,000
IV	15	Lee's Summit	3,762,000	
		Unassigned Construction Resources	2,912,618	
		Total Construction Cost	\$ 84,500,000	
		Land Acquisition	5,450,000	
		Furniture Equipment & Fixture	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 2018-19

Revenues:

3330 Grant & Contribution - WN Capital (1)	\$	1,029,000
3370 Investment income		250,000
3800 Disposal of property and other		615,000

Total Revenues \$ 1,894,000

Expenditures:

	<u>Project to date as of 6/30/2018</u>		<u>Remaining Balance</u>
Renovation of Woodneath old house			
Design and engineering - Tax Revenue		219,142	
Administrative cost - Tax Revenue		65,742	
Performance bond - Tax Revenue		22,250	
Elevator - Contributions		150,000	
Construction and FF&E - Contributions	500,000	<u>1,597,884</u>	400,000
		\$2,055,018	
Woodneath collaboration rooms & signage	9,693	\$55,000	
Capital Plan			
WP 1, 2, 50% of 3&4, 5, 6, 7,8	-	29,971,750	54,528,250
Design and preparation / FF&E	2,750,000	2,918,250	17,581,750
Property acquisition	750,000	1,000,000	3,700,000
Moving and storage	-	455,860	
Other improvement (security system)	-	<u>100,000</u>	
		\$ 34,445,860	

Total Expenditures **\$ 36,555,878**

Excess (Deficiency) of Revenues over (under)

Expenditures: \$ (34,661,878)

Beginning Fund Balance: **94,803,484** (2)

Ending Fund Balance: **\$ 60,141,606**

(1) \$200,000 will come from the Mid-Continent Public Library Foundation.

(2) The fund balance includes 80 million dollars of debt financing.

Debt Service Fund

Fund Description:

This fund is 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 is \$80,574,567.50 with a total par amount of \$72,925,000 and a total net premium of \$7,649,567.50. All related expenses and interest income will also be accounted in this fund.

The funding source of annual payment is from the General Fund and the investment income from the bond proceeds not being covered by this budget, subject to annual appropriation by the Library Board.

	<u>Budget</u> <u>2018-19</u>
Revenues:	
Property Taxes	\$ 7,500,000
Investment income	<u>20,000</u>
Total Revenues	<u>7,520,000</u>
Expenditures:	
Debt Service	6,577,210
Miscellaneous	<u>10,000</u>
Total Expenditures	6,587,210
Excess (Deficiency) of Revenues Over (Under)	
Expenditures:	<u>932,790</u>
Beginning Fund Balance	-
Ending Fund Balance	<u>\$ 932,790</u>

Debt Service Schedule
Certificates of Participation Series 2018

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

Special Revenue Fund

Fund Description:

Through its fundraising and development effort, the Library receives various governmental grants and private contributions throughout the year. These revenues are restricted for special purposes. In addition, the Library has established various fund accounts at the Greater Kansas City Community Foundation and the Truman Heartland Community Foundation to solicit donations and grants in support of the Library's services. Those community foundations manage these funds and report fund activities regularly to the Library.

Community Foundation Fund of the Special Revenue Fund currently has five sub funds: Library General, Midwest Genealogy Center Capital, Midwest Genealogy Center Program, Summer Reading Program, and The Story Center. The budgeted revenues are based on past experience and pledged contributions. The expenditure is for the purchase of artwork for the community hall at the Midwest Genealogy Center.

Community Foundation Fund – Detail Statement of Revenues and Expenditures

	<u>Actual</u> <u>2016-17</u>	<u>Estimate</u> <u>2017-18</u>	<u>Budget</u> <u>2018-19</u>
Revenues:			
Grants and contributions	\$ 4,228	\$ 12,240	\$ 3,150
Investment income	5,064	6,000	6,000
Total Revenues	<u>9,292</u>	<u>18,240</u>	<u>9,150</u>
Expenditures:			
Library operations	-	-	25,000
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>5,500</u>	<u>18,240</u>	<u>(15,850)</u>
Beginning fund balance	264,068	273,360	291,600
Ending fund balance			
Library General	\$ 182,302	\$ 186,000	\$ 184,000
Genealogy Capital Campaign	20,202	20,400	550
Genealogy Programs	23,139	25,000	26,500
Summer Reading Program*	35,108	47,000	49,500
Story Center	<u>12,609</u>	<u>13,200</u>	<u>15,200</u>
Total	<u>\$ 273,360</u>	<u>\$ 291,600</u>	<u>\$ 275,750</u>

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

Grant and Gift Fund of the Special Revenue Fund derives its revenues from grants or gifts made directly to the Library for specific purposes or projects. Expenditures are subject to the availability of funds and the request of donors or grantors.

	<u>Actual</u> <u>2016-17</u>	<u>Estimate</u> <u>2017-18</u>	<u>Budget</u> <u>2018-19</u>
Revenues:			
LSTA grants	\$ 141,673	\$ 23,000	\$287,475
Kauffman grants:	-	-	
Other private grants	5,500	15,000	310,000
Library Lovers membership	<u>-</u>	<u>12,000</u>	<u>12,000</u>
Total Revenues	<u>147,173</u>	<u>50,000</u>	<u>609,475</u>
Expenditures:			
Library Lovers' activities	-	-	11,750
New Reading Rocket (bus)		-	310,000
Library programs	<u>121,052</u>	<u>174,574</u>	<u>287,475</u>
Total Expenditures	<u>121,052</u>	<u>174,574</u>	<u>609,225</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>26,121</u>	<u>(124,574)</u>	<u>250</u>
Beginning Fund Balance	\$ 107,793	\$ 133,914	\$ 9,340
Ending Fund Balance	<u>\$ 133,914</u>	<u>\$ 9,340</u>	<u>\$ 9,590</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 2016-17</u>	<u>Estimate 2017-18</u>	<u>Budget 2018-19</u>
Revenues:			
Grants and contributions	\$ -	\$ -	\$ -
Investment income	<u>103</u>	<u>183</u>	<u>200</u>
Total Revenues	<u>103</u>	<u>183</u>	<u>200</u>
Expenditures:			
	4,000	4,000	2,000
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>(3,897)</u>	<u>(3,817)</u>	<u>(1,800)</u>
Beginning Fund Balance	31,314	27,417	23,600
Ending Fund Balance	<u>\$ 27,417</u>	<u>\$ 23,600</u>	<u>\$ 21,800</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.

Genealogy Endowment Fund Detail – Statement of Revenues and Expenditures

	<u>Actual</u> <u>2016-17</u>	<u>Estimate</u> <u>2017-18</u>	<u>Budget</u> <u>2018-19</u>
Revenues:			
Grants and contributions	\$ -	\$ -	\$ -
Investment income	<u>39</u>	<u>30</u>	<u>50</u>
Total Revenues	<u>39</u>	<u>30</u>	<u>50</u>
Expenditures:			
	-	-	-
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>39</u>	<u>30</u>	<u>50</u>
Beginning Fund Balance	43,693	43,732	43,762
Ending Fund Balance	<u>\$ 43,732</u>	<u>\$ 43,762</u>	<u>\$ 43,812</u>

Internal Service Fund – Self-Funded Health Insurance

Fund Description

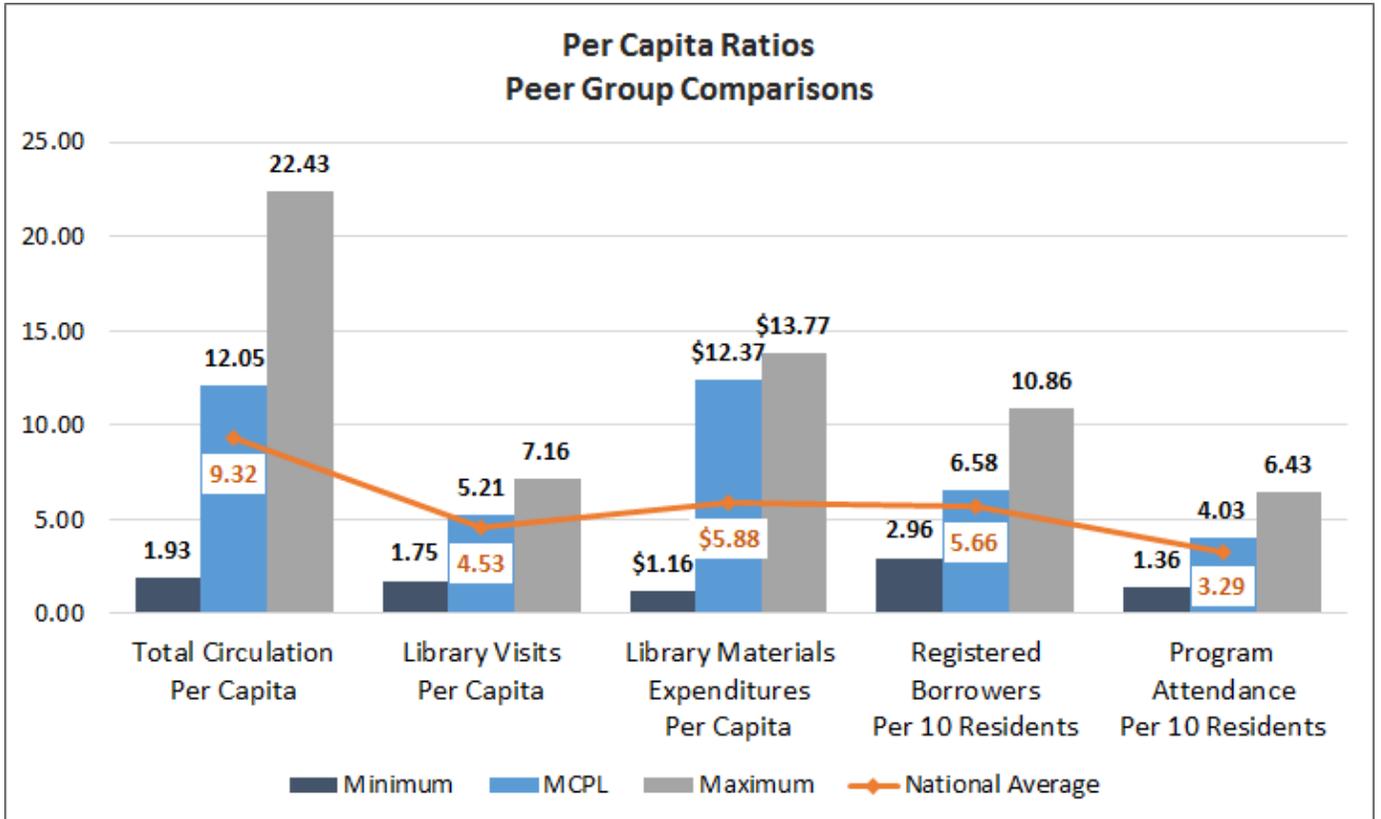
This fund is used to account for the expenses of health claims experience plus related fixed fees and access fees. The Library has adopted a four-tier premium model called “Cost-Plus” offered by Blue Cross Blue Shield of Kansas City. This funding model allows the Library to take on the risks and rewards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

Health Insurance Fund – Detail Statement of Revenues and Expenditures

	<u>Actual 2016-17</u>	<u>Estimate 2017-18</u>	<u>Budget 2018-19</u>
Revenues:			
Library's contribution	\$ 2,337,754	\$ 2,450,000	\$ 2,825,000
Employees' and retirees' contribution	<u>427,332</u>	<u>420,000</u>	<u>432,600</u>
Total Revenues	<u>2,765,086</u>	<u>2,870,000</u>	<u>3,257,600</u>
Expenditures:			
Administrative fees	450,279	460,375	483,394
Claims expenses	<u>2,621,991</u>	<u>2,605,000</u>	<u>2,735,250</u>
Total Expenses	<u>3,072,270</u>	<u>3,065,375</u>	<u>3,218,644</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures:	<u>\$ (307,184)</u>	<u>\$ (195,375)</u>	<u>\$ 38,956</u>
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>
Beginning Fund Balance	1,751,296	1,444,112	1,248,737
Ending Fund Balance	\$ 1,444,112	\$ 1,248,737	\$ 1,287,693

Mid-Continent Public Library Peer Group Comparisons

The Public Library Association produces annual statistical reports on North American libraries. The following graphs are taken from the *Public Library Data Service Statistical Report 2017* and compares MCPL with its peer group libraries. The peer group consists of surveyed libraries serving populations of 500,000 to 999,999 and includes such libraries as Boston Public Library, San Francisco Public Library, and St. Louis County Library.



Miscellaneous Statistical Data ⁽³⁾

From 2008 to 2017

<u>Fiscal Year</u>	<u># of Physical Collection Owned</u>	<u># of Digital Materials Circulated</u>	<u># of All Materials Circulated</u>	<u># of Registered Borrowers</u>	<u>Population</u>
2007-2008	3,435,518	N/A	8,260,899	462,579	668,428 (1)
2008-2009	3,565,744	N/A	9,182,417	466,344	668,428 (1)
2009-2010	3,419,516	N/A	9,455,412	481,050	668,428 (1)
2010-2011	3,419,516	N/A	9,060,906	496,205	762,446 (2)
2011-2012	3,402,625	N/A	9,305,242	545,980	762,446 (2)
2012-2013	3,482,436	N/A	9,120,528	497,365	762,446 (2)
2013-2014	3,629,127	948,955	8,969,209	510,888	762,446 (2)
2014-2015	3,524,692	1,160,987	8,844,347	502,523	762,446 (2)
2015-2016	2,982,264	1,413,212	9,189,534	512,419	762,446 (2)

(1) Based on 2000 US Census

(2) Based on 2010 US Census

(3) These measurements are traditional output metrics to capture the service activity. However, these measures do not capture the meaningful outcomes, steps toward mission fulfillment, or the impact the Library has on individuals or the community. Attempting to capture all of those is part of the goal of the recently adopted strategic plan, and a new set of statistical measurement will be developed accordingly.

Miscellaneous Statistical Data

Schedule of Service Locations

June 30, 2018

<u>Branch Libraries</u>	<u>Address</u>	<u>Owned (O) Leased (L)</u>	<u>Square Feet</u>	<u>Open Hours per Week</u>
Antioch	6060 N. Chestnut Ave. Gladstone, MO 64119	O	22,783	69
Blue Ridge	9253 Blue Ridge Blvd. Kansas City, MO 64138	O	21,280	69
Blue Springs North	850 NW Hunter Drive Blue Springs, MO 64015	O	15,204	69
Blue Springs South	2220 S. 7 Hwy. Blue Springs, MO 64014	O	17,896	69
Boardwalk	8656 N. Ambassador Drive Kansas City, MO 64154	O	14,961	69
Buckner	19 E. Jefferson St. Buckner, MO 64016	O	5,518	61
Camden Point	401 Hardesty St. Camden Point, MO 64018	O	3,080	55
Claycomo	309 NE 69 Hwy. Claycomo, MO 64119	O	9,733	61
Colbern Road	1000 NE Colbern Road Lee's Summit, MO 64086	O	15,204	69
Dearborn	206 Maple Leaf Ave. Dearborn, MO 64439	O	3,080	55
Edgerton	404 Frank St. Edgerton, MO 64444	O	3,013	55
Excelsior Springs	1460 Kearney Road Excelsior Springs, MO 64024	O	10,133	69
Grain Valley	101 SW Eagles Parkway Grain Valley, MO 64029	L	7,000	61
Grandview	12930 Booth Lane Grandview, MO 64030	O	12,744	69

(Continued)

Miscellaneous Statistical Data

Schedule of Service Locations

June 30, 2018

<u>Branch Libraries</u>	<u>Address</u>	<u>Owned (O) Leased (L)</u>	<u>Square Feet</u>	<u>Open Hours per Week</u>
Kearney	100 S. Platte Clay Way Kearney, MO 64060	O	15,000	69
Lee's Summit	150 NW Oldham Pkwy. Lee's Summit, MO 64081	O	17,500	69
Liberty	1000 Kent St. Liberty, MO 64068	O	17,300	69
Lone Jack	211 N. Bynum Road Lone Jack, MO 64070	O	7,500	61
Midwest Genealogy Center	3440 S. Lee's Summit Road Independence, MO 64055	O	52,000	67
North Independence	317 W. 24 Hwy. Independence, MO 64050	O	45,952	69
North Oak	8700 N Oak Street Tfwy. Kansas City, MO 64155	O	15,580	69
Oak Grove	2320 S. Broadway St. Oak Grove, MO 64075	O	7,000	61
Parkville	8815 Tom Watson Pkwy. Parkville, MO 64152	O	17,664	69
Platte City	2702 N.W. Prairie View Road Platte City, MO 64079	O	15,638	61
Raytown	6131 Raytown Road Raytown, MO 64133	O	22,910	69
Red Bridge	11140 Locust St. Kansas City, MO 64131	O	12,314	69
Riverside	2700 N.W. Vivion Road Riverside, MO 64150	O	15,112	61
Smithville	120 Richardson St. Smithville, MO 64089	O	15,000	69
South Independence	13700 E 35th St. Independence, MO 64055	O	17,887	69

(Continued)

Miscellaneous Statistical Data

Schedule of Service Locations

June 30, 2018

<u>Branch Libraries</u>	<u>Address</u>	<u>Owned (O) Leased (L)</u>	<u>Square Feet</u>	<u>Open Hours per Week</u>
Weston	18204 Library Drive Weston, MO 64098	O	7,244	57
Woodneath	8900 N. Flintlock Road Kansas City, MO 64157	O	35,000	69
Library-To-Go 1	Hillcrest Community Center 10401 Hillcrest Road Kansas City, MO 64134	L	150	76
Library-To-Go 2	Marlborough Community Center 8200 Paseo Blvd. Kansas City, MO 64131	L	150	47
Library-To-Go 3	Platte County Resource Center 11724 N.W. Plaza Circle, #200 Kansas City, MO 64153	L	N/A	45