

COMMITTEE NOTES

Finance & Audit Committee Meeting Kansas City Public Library Board of Trustees June 28, 2011

The Finance and Audit Committee of the Board of Trustees of the Kansas City Public Library, pursuant to official notification, met Tuesday, June 28, 2011, at 3:00 p.m. at the Central Library, 14 West 10th Street, Kansas City, Missouri.

MEMBERS PRESENT: David Mayta (Chair)
Joan Caulfield
Claudia Oñate Greim
Jonathan Kemper (ex officio)

MEMBERS ABSENT: Olivia Dorsey

OTHER TRUSTEES PRESENT: Rose Marie Bell
Fran Daniel

STAFF PRESENT: Crosby Kemper III, Chief Executive
Claudia Baker, Director of Development
Reed Beebe, Purchasing Manager
Lillie Brack, Central Library Director
Dorothy Elliott, Deputy Executive Director for Branch and Outreach Services
Henry Fortunato, Director of Public Affairs and Communication
Kathleen Hinton, Finance Manager
Pam Kannady, Human Resources Director
Cheptoo Kositany-Buckner, Deputy Director
Heather Pedersen, Administrative Officer
Debbie Siragusa, Chief Financial Officer

Mayta called the meeting to order at 3:13 p.m.

C. Kemper stated that the proposed budget reflects the preliminary assessed valuation information provided by Jackson County, showing a projected \$200,000 decrease from last year's budget in overall property tax revenue. C. Kemper reported that the key components allowing for a balanced budget are the plan to keep 26 positions open during the course of the year and a flexible capital budget. He stated that the Library has begun analyzing workflow and plans to implement additional cross-training and self service technology to relieve stress caused by the continuation of reduced staff numbers. The largest negative impact of the reduced capital budget is the lack of funds for branch renovations. He added that the Library and Board will need to reach a strategic decision in the next couple of years about where funds could come from to renovate branches that are most in need.

J. Kemper arrived at 3:15 p.m.

Discussing the proposed preliminary budget report for FY 2011 – 2012 (LBM 3659), C. Kemper and Siragusa went through the budget line items with the Committee. C. Kemper commented that there were a number of tax revenue categories with unusually high and unpredictable activity during FY 2010 – 2011 but that staff used relatively conservative numbers in these categories for the preliminary budget.

Siragusa reported that the proposed budget is a deficit budget with recommendations to use \$246,000 out of the reserve fund for capital outlay in order to allow sufficient funds to perform regular maintenance and equipment replacement projects. She added that even with these budgeted expenditures the Library will increase the reserve by almost \$1 million as a result of the one-time revenue discussed earlier and categories that were underspent.

J. Kemper inquired about the status of expending the Kauffman Book Fund. Kositany-Buckner reported that staff are just beginning to expend the funds and plan to update the Board at the August meeting.

Discussing the budget for salary and benefits Siragusa reported that the proposed budget does not include funds for merit increases or a one-time payout as in previous years. The Library will re-evaluate this category in September after receiving the final assessed valuation report for property taxes. She added that the budget does include anticipated increases in health insurance premiums.

Motion by Caulfield to refer to the Board of Trustees the recommendation of the Finance and Audit Committee and Chief Executive to adopt a preliminary 2011-2012 Library Operating Budget (General Fund) of \$17,845,181, Gifts/Grants Fund Budget of \$1,050,000, Building Corporation – Debt Service Fund Budget of \$670,894, Capital Development Fund Budget of \$100,000, and Library Parking Garage (Enterprise Fund) budget of \$331,000, and approve changes in fund transfers as noted on the attached schedules. Second by Oñate Greim. Approved unanimously. (LBM 3659)

J. Kemper requested that Trustees and staff reconvene at 4:15 p.m. to allow Fortunato to update the Board on May events in advance of the agenda so that he could leave for an event at the Plaza Branch.

Motion by J. Kemper to adjourn the meeting. Second by Oñate Greim. Approved unanimously.

The meeting adjourned at 4:05 p.m.

Respectfully submitted,



David Mayta, Chair
Finance and Audit Committee

7/19/2011

Date