

COMMITTEE NOTES

Finance & Audit Committee Meeting Kansas City Public Library Board of Trustees June 18, 2013

The Finance & Audit Committee of the Board of Trustees of Kansas City Public Library, pursuant to official notification, met Tuesday, June 18, 2013, at 3:30 p.m. at the Central Library, 14 West 10th Street, Kansas City, Missouri.

MEMBERS PRESENT: David Mayta (Chair)
Rose Marie Bell
Leon Dixon
Olivia Dorsey
Claudia Oñate Greim
Billie Howard Barnes
Jonathan Kemper (ex officio)

STAFF PRESENT: Crosby Kemper III, Chief Executive
Claudia Baker, Director of Development
Reed Beebe, Purchasing Manager
Lillie Brack, Central Library Director
Crystal Faris, Director of Teen Services
Naphtali Faris, Early Literacy Manager
Kathleen Hinton, Finance Manager
Joel Jones, Director of Branch and Outreach Services
Pam Kannady, Director of Human Resources
Steven Knapp, Library and Business Systems Manager
Cheptoo Kositany-Buckner, Deputy Director
Eli Paul, Director of Missouri Valley Special Collections
Heather Pedersen, Administrative Officer
Debbie Siragusa, Chief Financial Officer
Mary Thompson, Outreach Manager

Mayta called the meeting to order at 3:33 p.m.

Discussing the proposed preliminary budget C. Kemper stated that the preliminary numbers from the tax assessor are modestly good compared to the last couple of years but that there is uncertainty related to protested property taxes, including up to 60,000 residential properties in the Library's district that may have their values adjusted down. He also stated that the budget includes an additional \$1 million in E-Rate revenue, which would be used for network and VoIP system upgrades.

Dorsey arrived at 3:43 p.m.

Siragusa reviewed the major items in the proposed budget with the Committee. She stated that conservative revenue projections were used to account for some of the uncertainty in tax revenue, but that total revenue is still expected to be up about \$150,000.

Oñate Greim arrived at 3:59 p.m.

Discussing the budget for salary and benefits Siragusa reported that the proposed budget includes one additional year of allocation of funds from the materials budget for the salary of the Collection Development Manager position. The shift in allocation is partially offset by savings in the databases and electronic resources expenditures resulting from a comprehensive review. The budget also includes a 2% one-time lump sum payout for all staff to be effective July 1, 2013 and with payment coinciding with the date of each employee's annual review. Additionally, the budget includes a contingency for a 5% increase for health insurance which the Library would pay on behalf of employees.

Discussing the materials budget C. Kemper reported that the Library is experiencing a decrease in book circulation and an increase, though considerably smaller in scale, of circulation in electronic materials. He recommended that reevaluation of the Library's policy to have materials expenditures at approximately 15% of the total budget be held off until national trends and the Library's circulation patterns become more clear.

Bell arrived at 4:20 p.m.

Howard Barnes arrived at 4:25 p.m.

C. Kemper stated that the budget shows a deficit of \$100,000 due to anticipated expenditure of available General Fund balance for proposed capital expenditures. He also noted that Library staff will be working on a 3-5 year capital plan for the garage to prepare for maintenance and upgrades.

The Committee discussed grant funding and long-range plans to develop revenue sources and replace funding from grants that are nearing completion.

Motion by Oñate Greim to refer to the Board the recommendation of the Chief Executive and the Finance and Audit Committee to adopt a preliminary 2013-2014 Library Operating Budget (General Fund) of \$19,111,422, Gifts/Grants Fund Budget of \$1,923,843, Building Corporation – Debt Service Fund Budget of \$725,493, Capital Development Fund Budget of \$200,000, and Library Parking Garage (Enterprise Fund) budget of \$420,000, and approve changes in fund transfers and Salary Schedule as noted on the attached schedules. Second by Dorsey. Approved unanimously. (LBM 3848)

The meeting concluded at 4:30 p.m.

David Mayta, Chair
Finance & Audit Committee

Date