

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

# FINAL ANNUAL BUDGET

Fiscal Year  
**2021-2022**

[mymcpl.org](http://mymcpl.org)



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

# **BUDGET MESSAGE**

## **Fiscal Year 2021-2022**

The 2020-21 fiscal year has been one none of us will forget. It caused considerable disruption in every aspect of life, including the public library. Yet, Mid-Continent Public Library found a way to provide significant services while maintaining safety for both customers and employees alike. The opportunity to pause services gave the Library several unique opportunities. The great challenge in the coming year will be returning to a new normal that incorporates lessons learned during the pandemic.

It is important to recognize that the past year's financial performance was somewhat unexpected. MCPL relies on local taxes for 95 percent of its revenue, specifically a property tax approved by the voters in 2016. Many governments and tax-assisted organizations have migrated to sales and use taxes over the past few decades. Between stay-at-home orders and more purchases from out-of-town eCommerce stores, many local governments saw sales tax revenue decrease substantially. MCPL braced for a similar decrease in property tax by decreasing revenue projections last year, increasing liquidity in the operating fund, and freezing spending in certain areas. Surprisingly, the default and delay in paying property taxes that happened in 2008-2010 did not appear to occur in 2020.

The pandemic made the issue of rural broadband and issues around digital inclusion even more pronounced. As families tried to work from home, attend school from home, and find financial relief or apply for jobs from home, spotty or nonexistent internet service made this challenging to impossible. The Library was able to create strong external internet connections and started a short-term loan program of personal Wi-Fi devices to help address these issues for families in need. These services proved to be very popular and MCPL will continue to expand these services in the coming years.

During the pandemic, publishers slowed many of their printings and new releases. This decreased the number of books the Library could buy. Consequently, MCPL chose to pay off a multi-year, perpetual license to the digital *Kansas City Star*. Doing so bolsters our collection and assures our community perpetual digital access to the paper of record for the region from 1880 to present. Paying off this debt also prepares the Library to move more resources to print and eBook purchases in the coming year as publishers ramp their production back up again.

At the end of FY 2020-21, MCPL transferred funds previously left in the Operating Fund to the Capital Project Fund. This transfer typically would have been made following FY 2019-20, however, leaving the resources in the fund balance provided liquidity if conditions were worse than expected. As things worked out, these funds were not needed for that purpose. Transferring those funds put the Library back on track with the long-term financial plan to fully fund the Capital Project and Replacement Plan and to start putting funds aside to maintain the improved buildings. To be clear, this transfer does not retire the debt associated with the Capital Project Plan – there are still about 17 annual payments left to retire that debt.

During FY 2020-21, MCPL was able to continue work on the Capital Projects Plan. At the end of the year, all but four projects are complete or underway. In the coming year, the substantially remodeled Blue Ridge and Lee's Summit Branches, along with the new Woodneath Auditorium, new North Oak Branch and new Green Hills Library Center should be complete with the new Grain Valley Branch well underway. The remaining projects to complete maintenance work at three buildings along with constructing the new East Independence Branch will likely also be underway in the coming year. Once finished, those projects will complete the multi-year Capital Project and Replacement Plan in six years, as anticipated.

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

It is important to follow two rules of thumb for the coming year. First, is that it is not wise to use 2020 as a benchmark. The year was highly unusual in terms of spending, revenues, and services. The Library will learn from this most unusual year. But to assume what happened over the last year is the "new normal" is not a good idea. MCPL must get back up to speed again before we start benchmarking year-over-year services. Second and somewhat related, it will take MCPL a while to return to the same service levels experienced in the last "normal" year (FY 2018-2019). That day will come with time. As people become more comfortable attending programs and interacting in public, MCPL will provide greater outcomes and higher outputs than 2019.

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



Steven V. Potter  
Library Director and CEO

## Strategic Plan

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

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

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

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

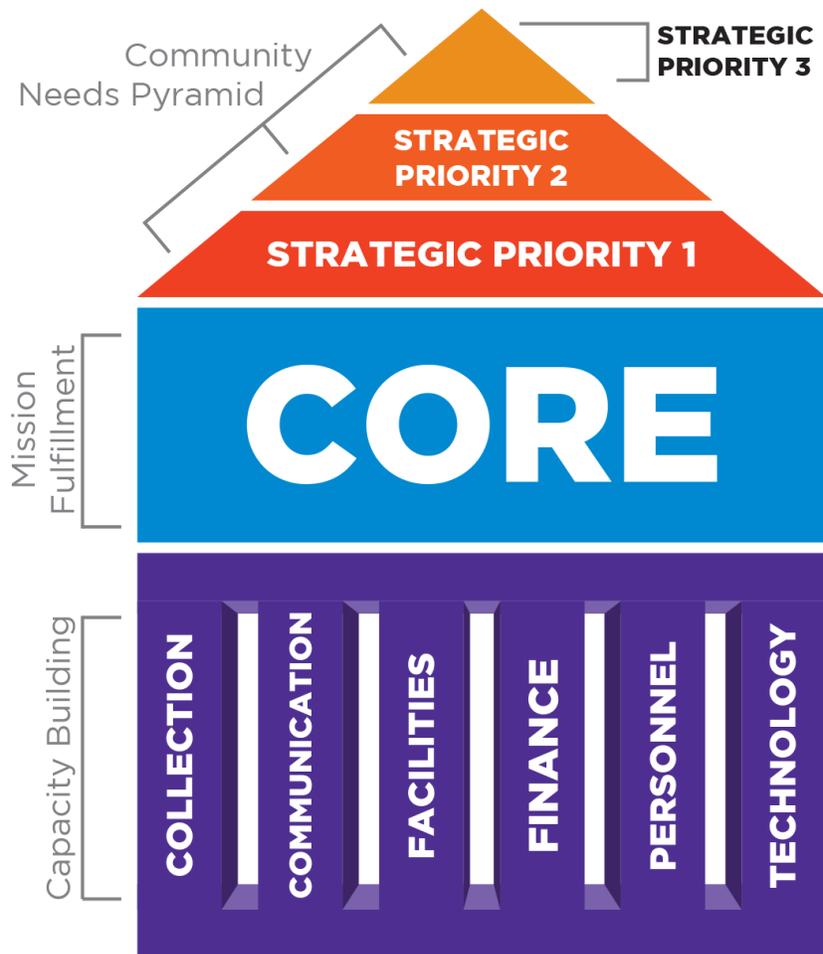
- **Intellectual Freedom** – The Library believes in the right of every individual to have access to quality information from all perspectives and in a format they find useful.
- **Inclusion** – The Library believes in the right of every individual to access library services regardless of income, education,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

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

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

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

**Strategic Priorities** – To increase relevancy to the community, the Library must find and address the gaps between where the community is and where it wants to be. The Library will develop a “library-



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

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

## Executing the Strategic Plan

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

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

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

<b><u>Organizational Pillar</u></b>	<b><u>Board Liaison</u></b>	<b><u>Staff Liaison</u></b>	<b><u>Sample Measurement</u></b>
<b>Collection</b>	Board President	Assistant Library Director	Turnover rate, holds ratio, Interlibrary Loan requests, variable service cost
<b>Communication</b>	Board President	Community Relations Director / Internal Communications Director	Earned media recognition, social media impressions
<b>Facilities</b>	Building Committee Chair	Library Director / Finance & Facilities Director	Annual operation cost, annual maintenance
<b>Finance</b>	Finance & Audit Committee Chair / Fundraising & Development Committee Chair	Finance & Facilities Director / Development Director	Days in A.P., days of cash on hand, ratio of unrestricted net assets, development overhead ratio to gifts
<b>Personnel</b>	Personnel Committee Chair	Human Resources Director / Chief Customer Experience Officer	Employee satisfaction survey
<b>Technology</b>	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 will also be accounted for in this fund.
- **Special Revenue Funds** – These funds are used to account for revenues derived from specific grants, contributions, or other restricted revenue sources. The uses and limitations of each special revenue fund are specified by the Library Board, Federal and State Statutes, or other external restrictions.
  - Grant & Gift Fund
  - Community Foundation Fund – Truman Heartland Community Foundation
  - James A. Leathers Scholarship Fund
- **Permanent Fund** – The Library currently has two permanent funds: Genealogy Endowment Fund and The Story Center Endowment Fund. These funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used to support the Library.

### **Proprietary Fund:**

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

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

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

## **Budgetary Policies and Procedures**

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

### **Applies to all Funds:**

- The Library is required by Missouri Statutes to prepare budgets for all funds. The final budget for the year must be filed with the County Commissions of Clay and Platte Counties and the County Executive office of Jackson County.
- 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 re-appropriated at the beginning of the succeeding budget year.
- By Library practice, revenues and expenditures are monitored and reported to the Board monthly by the Finance and Facilities Director to determine if estimates are on target.

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

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

**Practices that apply only to the Capital Project Fund:**

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

**Practices that apply only to the Debt Service Fund:**

- The fund is used to account for debt repayments of the 2018 Series Certificates of Participation with proceeds of \$80,574,567.50, with a total par amount of \$72,925,000, and a total net premium of \$7,649,567.50. The initial payment date was March 1, 2019, and the last payment date is March 1, 2039.
- The funding source for the annual payment is from the General Fund, subject to annual appropriation by the Library Board.

**Restrictions that apply only to the Permanent Fund:**

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

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

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

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

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

### **Budget Calendar:**

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

## **Library Organization & Structure**

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

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

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

On November 10, 1965, the 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.

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

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

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

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

<b>Prop L Results</b>	<b>Yes</b>	<b>No</b>	<b>Total</b>	<b>% Yes</b>
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%
<b>Total</b>	<b>221,482</b>	<b>133,934</b>	<b>355,416</b>	<b>62.3%</b>

The Library has reciprocity agreements with the Henry County Library, Kansas City Public Library, North Kansas City Public Library, Ray County Public Library District, Rolling Hills Consolidated Public Library, and St. Joseph Public Library to extend Library use privileges to customers in those library districts. Reciprocity is also extended to customers serviced by any public library that has delivery service and belongs to the Mid-America Library Alliance and are in a neighboring county including Cass County Library, Johnson County Library, Kansas City Kansas Public Library, Levenworth Public Library, Olathe Public Library, Trails Regional Library, and others.

The Mid-Continent Public Library system consists of the following 32 branches, totaling over 600,000 square feet:

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

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

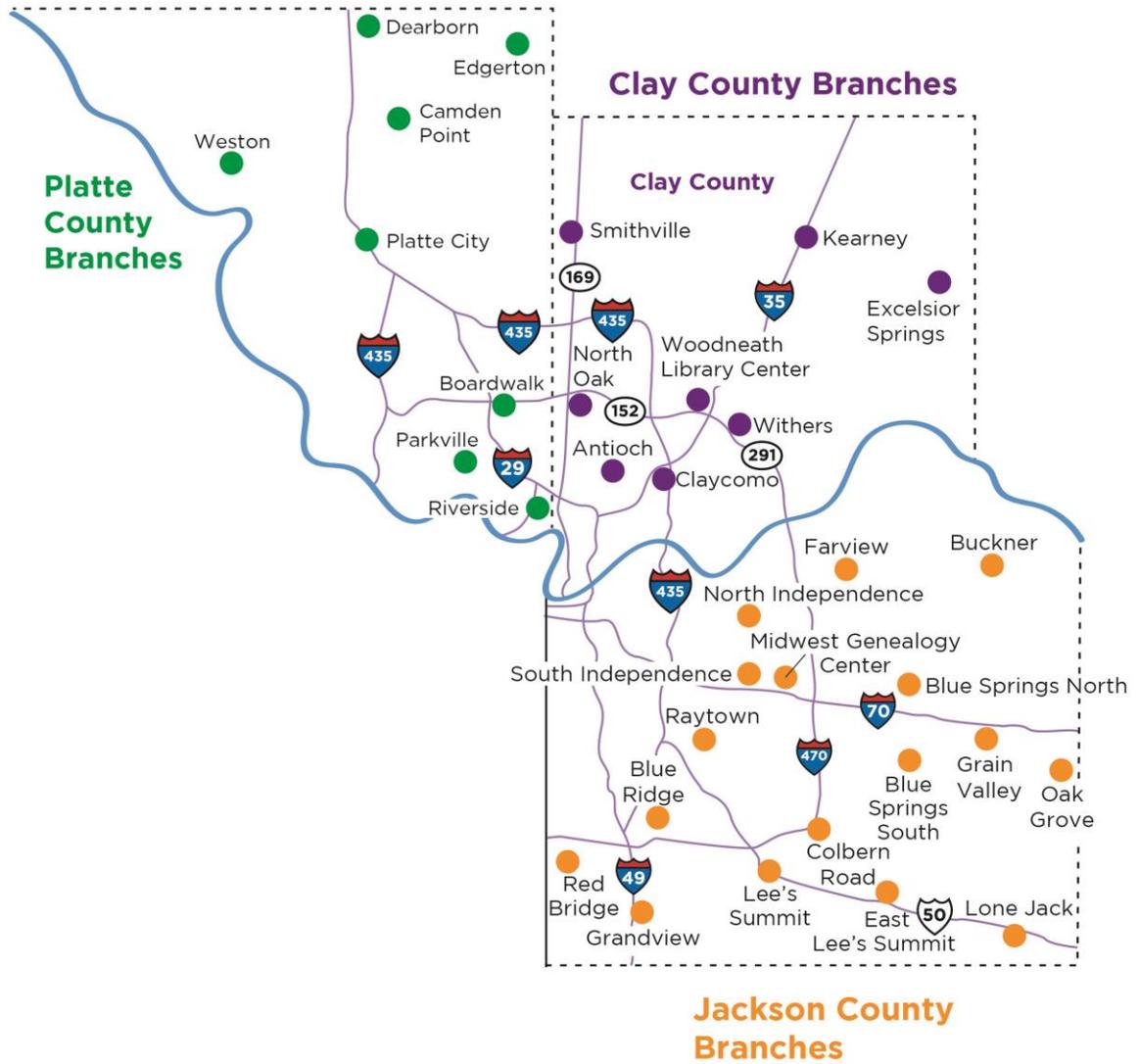
In 1995, Mid-Continent Public Library started to license online reference resources, providing equal access to extensive magazine and periodical resources to all the libraries in the system. Later that year, the Library launched the first public library website in the metropolitan area. Bringing these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

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

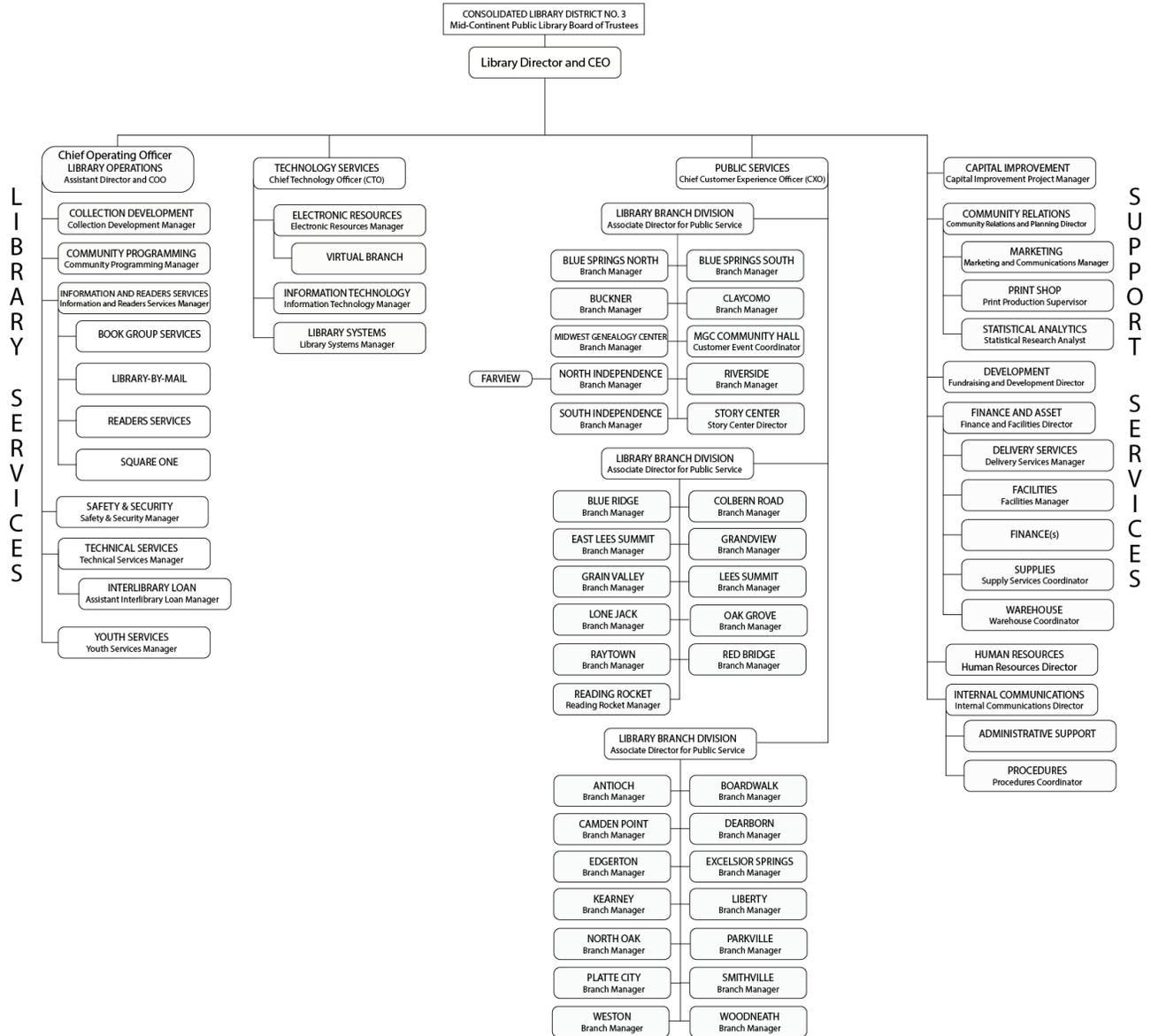
Beginning in 2019, the North Independence Branch started to manage an extended service facility at a separate location called the Farview Neighborhood Library. This location offers traditional library services, such as book circulation, early literacy programs, and public computers, but is also home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

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

# Mid-Continent Public Library Branches



# Mid-Continent Public Library Organizational Chart of Responsibilities



## **Consolidated Library District No. 3**

### **Known as**

## **Mid-Continent Public Library**

### **Board of Trustees**

**June 30, 2021**

Michelle Wycoff, Clay County, President

Ronald Thiewes, Clay County, Vice President

Charlotte Hoverder, Platte County, Treasurer

Joycelyn Tucker Burgo, Jackson County

Michael Lazio, Platte County

John Laney, Jackson County

Lori LeMunyon, Clay County

Yummy Pandolfi, Platte County

Steve Roling, Jackson County

Brent Schondelmeyer, Jackson County

Noelle Stepp, Clay County

Rita Wiese, Platte County

### **Senior Administrative Staff**

Steven Potter, Library Director and CEO

Susan Wray, Assistant Library Director and COO

Ritchie Momon, Chief Customer Experience Officer

Bryan Gash, Chief Technology Officer

Jim Staley, Community Relations and Planning Director

Qun Fang, Finance and Facilities Director

Diana Reiter, Fundraising and Development Director

Jennifer Ridley, Human Resources Director

Teresa Johnson, Internal Communications Director

**Budget Summary of Revenues, Expenditures, and Changes in Fund Balance**  
**All Governmental Funds**  
**FY July 1, 2021 - June 30, 2022**

	General Fund	Capital Project Fund	Grant & Gift Fund	Debt Service Fund	James A. Leathers Scholarship Fund	Community Foundation Fund	Endowment Fund	Total Budget
<b>Beginning Fund Balance</b>	<b>\$ 26,697,858</b>	<b>\$ 45,837,268</b>	<b>\$ 104,706</b>	<b>\$ 8,425</b>	<b>\$ 14,102</b>	<b>\$ 339,780</b>	<b>\$ 96,847</b>	<b>\$ 73,098,986</b>
Revenues:								
Property Taxes	55,037,690	-	-	6,580,000	-	-	-	<b>61,617,690</b>
Grants & Contributions	522,000	50,000	300,000	-	-	6,800	6,000	<b>884,800</b>
Interest on Investments	100,000	250,000	-	-	60	9,290	5,020	<b>364,370</b>
Fines, Fees, and Other	400,000	-	-	-	-	-	-	<b>400,000</b>
Miscellaneous Income	50,000	1,500,000	20,000	-	-	-	-	<b>1,570,000</b>
<b>Total Revenues</b>	<b>56,109,690</b>	<b>1,800,000</b>	<b>320,000</b>	<b>6,580,000</b>	<b>60</b>	<b>16,090</b>	<b>11,020</b>	<b>64,836,860</b>
Expenditures:								
Payroll and Benefits	33,245,727	-	-	-	-	-	-	<b>33,245,727</b>
Library Materials	12,143,149	-	-	-	-	-	-	<b>12,143,149</b>
Library Operations	10,720,814	-	400,000	6,575,000	2,000	-	-	<b>17,697,814</b>
Capital Projects	-	35,208,080 (2)	-	-	-	-	-	<b>35,208,080</b>
<b>Total Expenditures</b>	<b>56,109,690 (1)</b>	<b>35,208,080</b>	<b>400,000</b>	<b>6,575,000</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>98,294,770</b>
Transfers In (Out)	-	-	-	-	-	-	-	-
<b>Changes in Fund Balance</b>	<b>-</b>	<b>(33,408,080)</b>	<b>(80,000)</b>	<b>5,000</b>	<b>(1,940)</b>	<b>16,090</b>	<b>11,020</b>	<b>(33,457,910)</b>
<b>Ending Fund Balance</b>	<b>\$ 26,697,858</b>	<b>\$ 12,429,188</b>	<b>\$ 24,706</b>	<b>\$ 13,425</b>	<b>\$ 12,162</b>	<b>\$ 355,870</b>	<b>\$ 107,867</b>	<b>\$ 39,641,076</b>

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

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

Instead of considering the budget by line item, the budget can also be considered by the services the Library provides. The entire Library budget of \$98,294,770 can be divided among six core programs (or services): Materials & Lending, Programming & Information Services, Public Technology, Public Space, Community Involvement, and Support Services. All six programs are closely tied to the mission, goals, and objectives of the Library.

1. Materials & Lending (6010)

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

2. Programming & Information Services (6020)

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

3. Public Technology (6030)

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

4. Public Space (6040)

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

5. Community Involvement (6050)

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

6. Support Services (8000)

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

**Total Budget by Programs  
Fiscal Year July 1, 2021 to June 30, 2022**

	<u>Total Budget</u>	<u>Material Lending</u> <b>6010</b>	<u>Programming &amp; Info Serv.</u> <b>6020</b>	<u>Public Technology</u> <b>6030</b>	<u>Public Space</u> <b>6040</b>	<u>Community Involvement</u> <b>6050</b>	<u>Support Services</u> <b>8000</b>
Payroll & Benefits	\$ 33,245,727	\$ 11,968,462	\$ 9,308,804	\$ 2,659,658	\$ 1,662,286	\$ 1,662,286	\$ 5,984,231
Library Materials	12,133,149	8,792,865	3,340,284	-	-	-	-
5260 Leased Space	304,276	-	-	-	304,276	-	-
5270 Leased Equipment	73,400	-	-	-	-	-	73,400
5300 Furniture and Equipment	163,100	98,400	-	54,000	-	-	10,700
5320 Vehicle Operations	160,265	98,000	-	-	22,265	-	40,000
5330 Technology Services	1,760,920	-	-	880,460	-	-	880,460
5380 Library and Office Supplies	692,510	316,705	132,205	80,750	113,800	2,500	46,550
5420 Resource Development	120,000	-	-	-	-	120,000	-
5430 Community Relations & Planning	480,000	-	-	-	-	480,000	-
5440 Library Engagement Services	879,250	-	879,250	-	-	-	-
5450 Contracted Services	1,830,880	-	-	-	1,647,792	-	183,088
5460 Professional Fees	275,400	25,000	-	-	-	-	250,400
5470 Continuing Educ. & Conventions	414,200	-	-	-	-	-	414,200
5490 Membership and Dues	79,905	-	-	-	-	79,905	-
5510 Utilities	1,430,875	-	-	-	1,287,788	-	143,087
5540 Postage and Freight	226,868	226,868	-	-	-	-	-
5570 Voice, Data & Internet	947,430	280,000	-	166,430	-	-	501,000
5660 Building Repair & Maintenance	675,435	-	-	-	675,435	-	-
5740 Travel and Transportation	120,000	50,000	50,000	-	-	-	20,000
5770 Insurance	493,100	-	-	-	-	-	493,100
5800 Miscellaneous / Debt payment	6,580,000	-	-	-	-	-	6,580,000
7020 Buildings/Land	35,208,080	-	-	-	35,208,080	-	-
Total:	\$ 98,294,770	\$ 21,856,300	\$ 13,710,543	\$ 3,841,298	\$ 40,921,722	\$ 2,344,691	\$ 15,620,216
% of FY 2021-22 Total Budget	100%	22%	14%	4%	42%	2%	16%

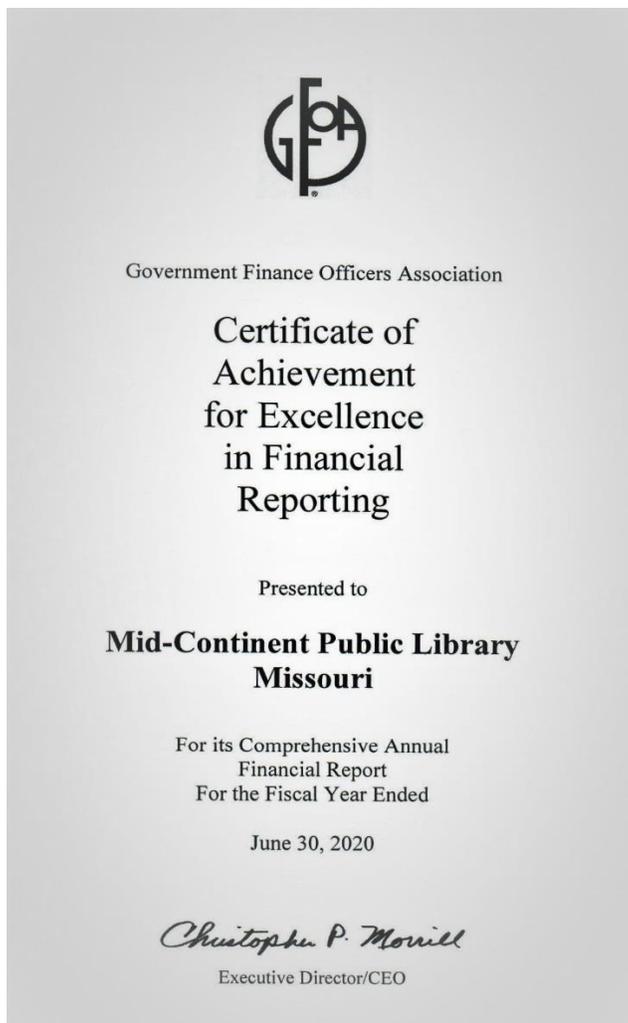
The Library Board has established a Fund Balance Policy on the reporting and classifying of fund balances within governmental funds. The categories and classifications of the General Fund balance and Capital Project Fund balance at the end of the fiscal year 2020-2021 are presented as follows:

	<u>General Fund</u>	<u>Capital Project Fund</u>
Nonspendable:		
Prepaid expenditures	\$ 300,000	\$ -
Restricted for:	-	-
Assigned to:		
Compensated absences:	2,550,000	-
Woodneath historic home	-	414,826
Technology upgrade	-	1,250,000
Long-term capital plan	-	44,172,442
Unassigned:		
Library operating:	<u>23,847,858</u>	<u>-</u>
<b>Fund balances as of June 30, 2021</b>	<b><u>\$ 26,697,858</u></b>	<b><u>\$45,837,268</u></b>

The unassigned General Fund's balance of \$23,847,858 represents the residual net resources after non-spendable, restricted, and assigned, and is at 42.5 percent of next year's operating budget. The target range of this portion of the fund balance is 20 percent to 50 percent of the subsequent year's operating budget. Until substantial tax revenues are received in December, the Library utilizes this unassigned fund balance to fund its operations.

## Ten Consecutive Years

For the tenth consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Mid-Continent Public Library for its Comprehensive Annual Financial Report for the fiscal year that ended on June 30, 2020. **Of 21,000 GFOA member institutions, only 4,337 received this recognition in 2019 and only 19 others were public libraries.** In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.



In addition, and pursuant to RSMo 182.647, all Library accounts are audited by an outside independent auditing firm. The auditors expressed “unmodified opinion” concerning the 2019-2020 fiscal year financial statements. This is also known as a “clean audit.” Full details can be found in the Library’s Comprehensive Annual Financial Report

## General Fund Detail Statement of Revenues and Expenditures

<u>Account Number</u>	<u>Actual 2019-20</u>	<u>Estimate 2020-21</u>	<u>Budget 2021-22</u>
<b><u>Revenues:</u></b>			
3210 Property Tax - Clay	\$ 16,957,433	\$ 17,910,000	\$ 18,094,800
3230 Property Tax - Jackson	31,493,253	31,550,000	32,451,300
3250 Property Tax - Platte	10,215,366	10,950,000	11,071,590
3260 Property Tax - transfers	(7,493,799)	(6,230,000)	(6,580,000)
<b>Property Taxes</b>	<b>51,172,253</b>	<b>54,180,000</b>	<b>55,037,690</b>
3290 Governmental Grant	857,589	605,000	517,000
3330 Private Grant	40,162	-	2,000
3500 Contributions	23,163	2,000	3,000
<b>Grants &amp; Contributions</b>	<b>920,914</b>	<b>607,000</b>	<b>522,000</b>
3370 Investment Income	386,207	40,000	100,000
3390 Fines, Fees and Other	454,227	275,000	400,000
3800 Miscellaneous Income	43,963	50,000	50,000
<b>Total Revenues</b>	<b>\$ 52,977,564</b>	<b>\$ 55,152,000</b>	<b>\$ 56,109,690</b>
<b><u>Expenditures:</u></b>			
5010 Payroll	\$ 22,491,022	\$ 22,527,400	\$ 24,615,208
5030 Social Security	1,667,011	1,687,500	1,837,163
5050 Unemployment Compensation	1,057	15,000	15,000
5060 Tuition Reimbursement	21,904	22,000	30,000
5070 Retirement	2,786,188	3,180,000	3,236,308
5080 Medical Insurance	3,595,385	3,700,000	3,257,000
5090 Life and Disability Insurance	85,115	66,000	55,797
5100 Employee Assistance Program	15,890	18,500	18,000
5110 Employee Resources	148,179	300,000	181,250
<b>Payroll and Benefits</b>	<b>30,811,750</b>	<b>31,516,400</b>	<b>33,245,727</b>
5150 Books	3,066,950	2,750,000	3,699,455
5160 Electronic Books	1,996,466	1,893,000	1,730,585
5180 Periodicals	289,040	300,000	300,000
5190 Microfilm	30,944	20,000	50,000
5200 Electronic Resources	2,738,450	3,000,000	2,776,284
5230 A-V Materials	1,840,509	1,900,000	1,989,250
5240 Library Material Processing	696,836	850,000	1,023,575
5250 Live Programs	400,776	350,000	564,000
<b>Library Materials</b>	<b>11,059,971</b>	<b>11,063,000</b>	<b>12,133,149</b>

(Continued)

## General Fund Detail Statement of Revenues and Expenditures

<u>Account Number</u>	<u>Actual</u> <u>2019-20</u>	<u>Estimate</u> <u>2020-21</u>	<u>Budget</u> <u>2021-22</u>
5260 Leased Space	254,917	260,000	<b>304,276</b>
5270 Leased Equipment	49,435	58,000	<b>73,400</b>
5300 Furniture and Equipment	562,209	200,000	<b>163,100</b>
5320 Vehicle Operations	224,624	55,000	<b>160,265</b>
5330 Technology Services	1,642,616	1,700,000	<b>1,760,920</b>
5380 Library and Office Supplies	656,780	650,000	<b>692,510</b>
5420 Resource Development	106,541	55,000	<b>120,000</b>
5430 Community Relations and Planning	337,819	425,000	<b>480,000</b>
5440 Library Engagement Services	355,039	375,000	<b>479,250</b>
5450 Contracted Services	1,120,015	1,500,000	<b>1,830,880</b>
5460 Professional Fees	226,302	350,000	<b>275,400</b>
5470 Continuing Edu. & Conventions	179,083	75,000	<b>412,200</b>
5490 Membership and Dues	51,864	80,000	<b>79,905</b>
5510 Utilities	1,055,338	1,200,000	<b>1,430,875</b>
5540 Postage and Freight	188,451	220,000	<b>226,868</b>
5570 Voice, Data & Internet	1,009,688	950,000	<b>947,430</b>
5660 Building Repair & Maintenance	408,007	650,000	<b>675,435</b>
5740 Travel and Transportation	92,480	30,000	<b>120,000</b>
5770 Insurance	386,015	410,000	<b>493,100</b>
5800 Miscellaneous Services	(1,353)	5,000	<b>5,000</b>
<b>Library Operations</b>	<b>8,905,869</b>	<b>9,248,000</b>	<b>10,730,814</b>
<b>Total Expenditures</b>	<b><u>\$ 50,777,591</u></b>	<b><u>\$ 51,827,400</u></b>	<b><u>\$ 56,109,690</u></b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>			
<b>Expenditures:</b>	<b><u>\$ 2,199,973</u></b>	<b><u>\$ 3,324,600</u></b>	<b><u>\$ 0</u></b>
Net Fund Transfer	(4,500,000)	(5,525,000)	-
<b>Net Changes in Fund Balance</b>	<b><u>\$ (2,300,027)</u></b>	<b><u>\$ (2,200,400)</u></b>	<b><u>\$ 0</u></b>

## General Fund

### Fund Description:

The General Fund represents the Library’s operating budget. It is used to account for all financial resources, except those required to be accounted for in another fund. It reflects most of the critical issues affecting the Library, from establishing the level of service to determining the needs for staffing and benefits.

The new fiscal year will start with an unassigned fund balance of \$23,847,858. Before the substantial tax revenues for fiscal year 2021-22 are received beginning in December 2021, the Library needs to utilize this fund balance to operate.

### Revenues:

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

<u>Source</u>	<u>2021-2022 Budget</u>	<u>2020-2021 Estimate</u>	<u>% Inc/Dec</u>
Property Tax	\$55,037,690	\$54,180,000	1.6%
Grants and Contributions	522,000	607,000	-14.0%
Investment Income	100,000	40,000	150.0%
Fines, Fees, and Other	400,000	275,000	45.5%
Miscellaneous Income	50,000	50,000	0.0%
Totals	\$56,109,690	\$55,152,000	1.7%

As can be seen from the above projection, the General Fund’s revenue is expected to have a 1.7 percent increase from the previous year’s actual. The increase reflects a projected increase in property tax revenue and a slow recovery in fines and fees from the impact of COVID-19. The budgeted property tax revenue is based on a voter-approved tax levy of 40 cents per \$100 assessed valuation, plus mandatory rate adjustment required by Article X, Sections 18-24, of the Missouri Constitution (sometimes referred to as the “Hancock Amendment”).

### The Underlying Revenue Assumptions for these Revenue Sources are as follows:

**Property Tax: Clay** – This source of revenue encompasses all taxes from Clay County, including Real Estate, Personal, Railroad & Utilities, Financial Institution, Replacement, Payment in Lieu of Taxes, and Interest. Based on the county’s assessment and the historical trend, the Library projects a 1.0 percent increase in total tax revenues due to a projected higher property tax assessment and new construction.

**Property Tax: Jackson** – This source of revenue encompasses all taxes from Jackson County, including Real Estate, Personal, Railroad & Utilities, Financial Institution, Replacement, Payment in Lieu of Taxes, and Interest. Based on the county’s assessment and the historical trend, the Library projects a 2.9

percent increase in total tax revenues due to a projected higher property tax assessment, new construction, and lack of “clawback” due to previous year’s settlement of tax dispute.

**Property Tax: Platte** – This source of revenue encompasses all taxes from Platte County, including Real Estate, Personal, Railroad & Utilities, Financial Institution, Replacement, Payment in Lieu of Taxes, and Interest. Based on the county’s assessment and the historical trend, the Library projects a 1.1 percent increase in total tax revenues due to a projected higher property tax assessment and new construction.

**Property Tax: Transfer** – This amount represents new tax revenue budgeted from the Operating Fund to be transferred to the Capital Project Fund and/or the Debt Service Fund to assure obligations associated with Certificates of Participation Bond and the Capital Improvement and Replacement Plan are met annually. For FY 2021-22, a transfer amount of \$6,580,000 is budgeted for the Debt Service Fund.

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

**Fines, Fees, and Other** – This source of revenue trends with the circulation of Library materials and the number of visitors to the branch. For FY 2021-22, it is expected to have an increase from in-branch sales of book bags, flash drives, earbuds, and printing/copying/faxing services with the recovery of the full library services.

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

**Miscellaneous Income** – The majority of this revenue is from the sale of discarded Library materials, meeting room rental fees, auction proceeds 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 \$56,109,690.

**Expenditures:**

FY 2021-2022 General Fund’s budgeted expenditures as compared to the previous year’s actual expenditures are as follows:

<u>Activities</u>	<u>2021-22 Budget</u>	<u>2020-21 Actual</u>	<u>% Inc/Dec</u>
Payroll and Benefits	\$33,245,727	\$31,516,400	5.5%
Library Materials	12,133,149	11,063,000	9.7%
Library Operations	<u>10,730,814</u>	<u>9,248,000</u>	<u>16.0%</u>
Total	\$56,109,690	\$51,827,400	8.3%

Operating expenditures of \$56,109,690 are proposed for FY 2021-22 based on the revenue projections.

**Payroll and Benefits** – The new fiscal year’s budget for Payroll and Benefits reflects an increase of 6.5 FTEs. This increase is needed when all three branches in Lee’s Summit are open and operational. For further information, please refer to the Payroll and Benefits section.

**Library Materials** – As 21.6 percent of the operating budget, Library Materials will continue to be one of the highest investments in the United States in terms of the percentage of overall operating budget, according to the *Public Library Data Services Survey*. This reflects a 9.7 percent increase over the previous year. For further information, please refer to the Library Materials section.

**Library Operations** – The new fiscal year’s budget in this category will increase by 16 percent over last year’s actual. The majority of the increase is from Continued Education/Conference, Vehicle Operation, and Contracted Services account as a result of the full recovery of library services.

Below are those fund accounts that warrant mention:

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

Boardwalk Branch common area	\$ 2,000
Red Bridge leased facility	\$ 250,680
Grain Valley leased facility	46,596
Offsite Storage	<u>5,000</u>
	\$ 304,276

*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:

Print Shop equipment	\$ 68,400
Other	<u>5,000</u>
	\$ 73,400

*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	\$ 123,400
Support Service furniture and equipment	10,700
Equipment maintenance services	<u>29,000</u>
	\$ 163,100

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

Branch supplies	\$ 264,410
Cleaning supplies	93,800
Inventory for in-library sales	11,000
Technical services supplies	174,500
Library cards	-
Delivery/Mailroom supplies	5,000
Promotional supplies	15,500
Printing and paper supplies	118,000
Other	<u>10,300</u>
	\$ 692,510

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

In fiscal year 2021-22, fundraising strategies will focus on acquiring new donors, cultivating existing prospects, increasing giving of current donors, and strengthening relationships with fundraising volunteers. The Resource Development fund will allow staff to implement a tiered fundraising plan in an effort to reach all potential donor segments through a variety of vehicles: major gifts, grants, online giving, direct mail, sponsorships, membership programs, and planned giving. Budgeted funds will cover costs related to producing fundraising materials (print and digital), recognizing donors, supporting strategic partnerships, and utilizing specialized consulting assistance to achieve optimal results.

Fundraising efforts for fiscal year 2021-22 will focus on supporting the Strategic Plan priorities and bolstering the work of mission-enhancement initiatives found in the Strategic Plan (Reading Rocket,

Midwest Genealogy Center, The Story Center, and Square One Small Business Services). For a detailed list of fundraising project priorities for the coming year, please see descriptions of the Capital Project and Special Revenue Funds. Funds raised as a result of development activities may be directed to the Library’s General Fund, Capital Project Fund, Special Revenue Fund, Permanent Fund (endowment funds), the MCPL Foundation, or Community Foundation funds held for the benefit of the Library.

The total budget for this account is \$120,000 as detailed below:

Annual fund mailing	\$	36,000
Contract/consulting		20,000
Cultivation		18,000
Marketing/promotion		13,000
Special initiatives		33,000
	\$	<u>120,000</u>

*Community Relations and Planning (5430):* The Library believes that a critical component of good service to its customers is to understand who they are and inform them about all of the resources offered through in-branch messaging channels, digital communication, social media, public relations, and paid and earned media. Activities in this account include research and planning around service needs and customer satisfaction, public information initiatives, general Library promotion related to the collection, resources and programs, tactics to increase the number of active cardholders, and the creation of tools to decrease barriers to access.

Highlights for this budget include a focus on welcoming customers back to the Library after the disruptions caused by the pandemic. This will mean trying to increase the number of active cardholders, the quantity of physical and virtual activity, and increasing the level of customer satisfaction. Communication will also continue to spotlight the Library’s strategic priorities and inform the public about the status of construction projects and the new spaces brought about by the implementation of the Capital Improvement Plan.

General marketing	\$	70,000
Communications		30,000
Outsourced printing		50,000
Genealogy marketing		25,000
Data collection		35,000
Advertising/goal marketing		270,000
	\$	<u>480,000</u>

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

The Library is updating the approach to the Summer Library Program (SLP) in 2021. With the COVID-19 pandemic, addressing summer loss is more important than ever for our community. The Library has created an SLP program that encourages families to create a habit of reading at least 20 minutes a day

to earn and win prizes throughout the summer. The updated 12-week program for all ages allows children and teens to earn up to three books for their home library. Adults will earn a commemorative enamel pin. While it was still able to host an SLP in the summer of 2020, the Library looked very different than in years past. Families read and completed activities to earn prizes, and the Library mailed prizes to the homes of prize winners. MCPL staff were grateful to be able to deliver some joy and normalcy to customers during a challenging summer.

Throughout COVID-19 protocols, the Reading Rocket, the Library's mobile early literacy vehicle, continues to take early literacy programming, training, resources, and Forever Books to places within the service area where families and care facilities have limited or no access to the Library. In FY 2020-21, the Reading Rocket welcomed 2,083 visitors at 18 individual events at local food pantries and charities, schools, and at various KC Parks in partnership with the Kansas City Symphony. Visitors received early literacy-rich programming where appropriate, and, each child received a Forever Book for their home library.

The Library's Information and Readers' Services Department focuses on community engagement in the form of Square One Small Business Services for community entrepreneurs, Library-By-Mail for the homebound, Book Group Services for in-system branches as well as for small libraries across the state of Missouri, and adult reading programs, such as the increasingly popular Winter Reading Challenge, which had over 4,600 participants in 2021. This budget enables Square One Small Business Services specialists to attend business expos and other business outreach events, allowing them to spread the word about resources the Library has to offer. In addition, this fund covers all the supplies, postage, and promotional materials Library-By-Mail needs to serve homebound customers who cannot otherwise access materials at their local branch. Book Group Services purchases sets of discussable titles and organizational supplies that help book group facilitators provide quality discussions. Finally, this budget covers staff trainings in readers' advisory, including the system-wide Readers' Advisory Certification Program, which is open to staff at every level.

The budget also includes provisions for staff training and equipment for early literacy, grade-level reading, and school-aged program facilitation for all Library branches.

The operating budget for this account is \$479,250. Identified services are summarized below:

		<u>Project code</u>
Summer Library Program	\$ 310,000	5004
Early literacy and children/teen programs	8,200	5004
YSD and Branch Staff Training	4,000	5004
Grant-funded activities	25,000	5004
Other program materials and supplies	17,750	5004
Reading Rocket supplies	30,000	5005
Reading Rocket maintenance	20,000	5005
Readers' Services marketing/outreach	8,600	5007
Winter Reading Challenge	23,000	5007
Reader's Advisory Certification/staff training	7,000	5007
Supplies: LBM, Book Groups, Square One	16,200	5007
Special supplies for The Story Center	9,500	1005
	\$ 479,250	

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

Snow removal	\$ 163,500
Pest control	30,700
Security monitoring/system maintenance	94,495
Lawn care	373,825
Branch security	285,000
Building cleaning services	753,360
Carpet/Window cleaning	130,000
	\$ 1,830,880

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

Payroll, HR & Job Application	\$ 128,000
Legal	45,000
Auditing	36,000
Debt service	5,000
Banking and credit card services	26,400
Customer records	25,000
Other business consulting	10,000
	\$ 275,400

*Continuing Education & Convention (5470):* The Library highly values continuing education and professional training. Examples of educational opportunities for our employees and Board Members include attending conferences presented by the American Library Association, Public Library Association, Missouri Library Association, and other professional associations. Equally beneficial are workshops presented by the Mid-America Library Alliance, Amigos, and other events based on the Library’s need. The total budget is \$412,200, with \$365,616 for conferences and \$46,584 for workshops and training.

*Utilities (5510):* This account was created to record electricity, gas, and water usage of all Library facilities, as well as trash/shredding services. A system-wide recycling program and energy efficiency study have also been implemented under the Library’s sustainable operation policy. In 2018, the Library entered an agreement with MC Power and Independence Power & Light to hedge against rate increases by making deposits for solar energy. The agreement will continue to be in effect for a minimum of five years with automatic one-year renewals thereafter until December 31, 2043. The total budget for next year is \$1,430,875, as detailed below:

Trash and recycling	\$ 75,475
Shredding	22,400
MC Power Solar	20,000
Utility audit	13,000
Electricity, Gas, & Water	<u>1,300,000</u>
	\$ 1,430,875

*Postage and Freight (5540):* The Library has taken several opportunities to reduce shipping costs, including outsourcing mailing customer notices and negotiating a contract with UPS. The total budget for next year is \$226,868, as detailed below:

UPS	\$ 76,868
Postal	50,000
Customer notices	<u>100,000</u>
	\$ 226,868

*Travel and Transportation (5740):* The Library reimburses its employees and the Library Board members for using personal vehicles for Library business at the standard rate set by the Internal Revenue Service. By encouraging carpooling and utilizing the teleconference system, the Library will be able to control the increase of cost. The total budget for next year is \$120,000.

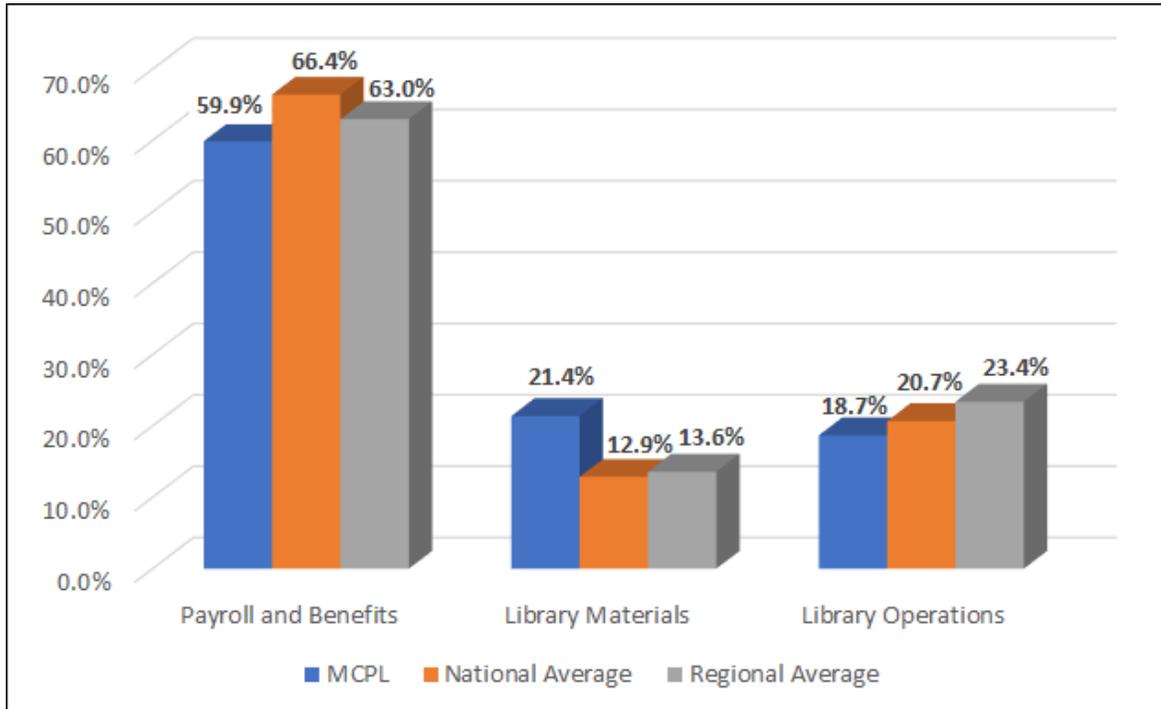
*Insurance (5770):* The Library carries various types of insurance for protection from unforeseeable and potentially serious situations. Below are the major types of insurance policies the Library carries:

Director & Officer	\$	64,000
Property & Liability		187,100
Automobile		27,500
Cybercrime and active shooter		19,000
Workers compensation		184,500
Crime Protection & Surety Bond		11,000
	\$	<u>493,100</u>

Additional information about the Library Operations budget can be found in the Payroll and Benefits, Library Materials, Technology, and Capital Improvement Plan section. The total Library Operations budget is \$10,730,814, or 19.1 percent of the total operating budget.

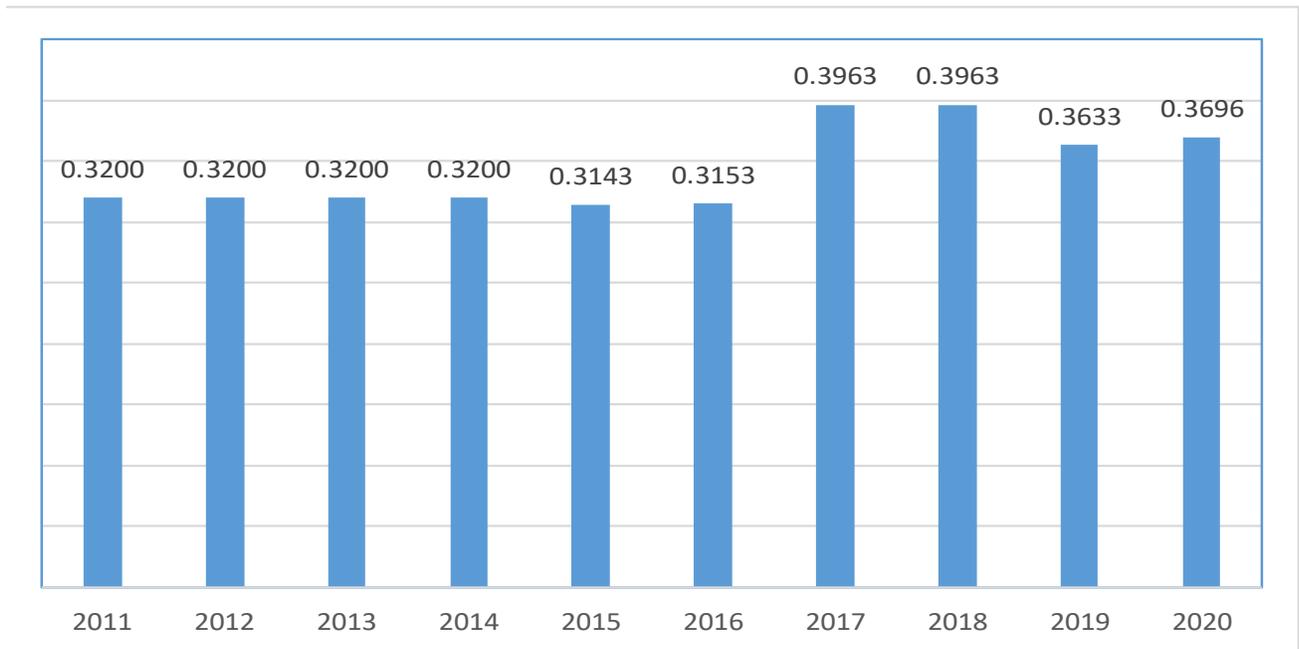
The Library’s Operating Fund Budget represents staff’s best judgment for providing the highest level of service to the public, while remaining within the tax levy authorized by district voters. This proposal is consistent with the Library’s Strategic Plan and should enable the Library to fulfill its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

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



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

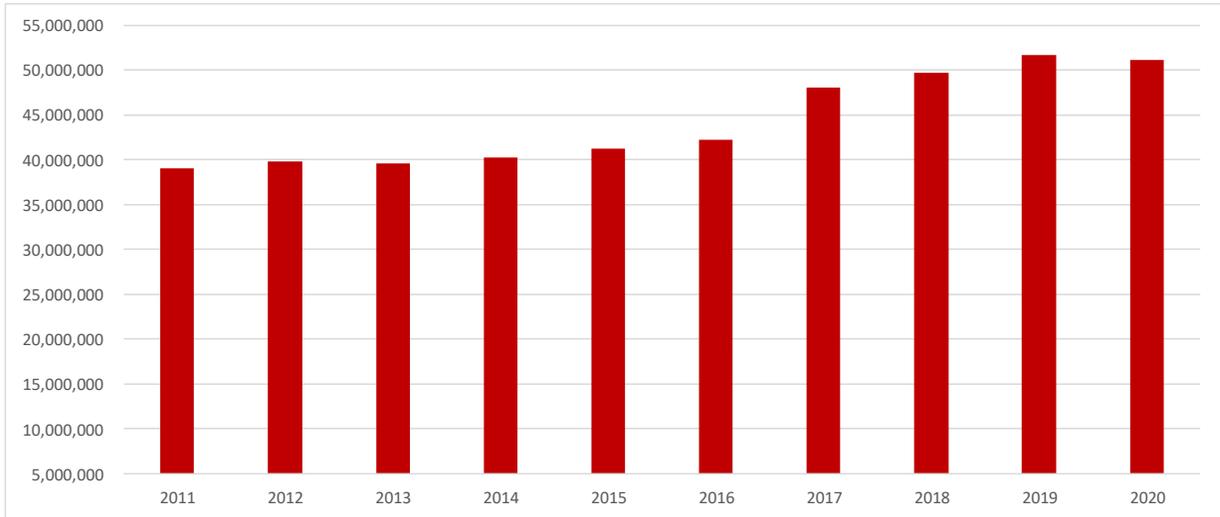
### Trend of Actual Tax Rate\*



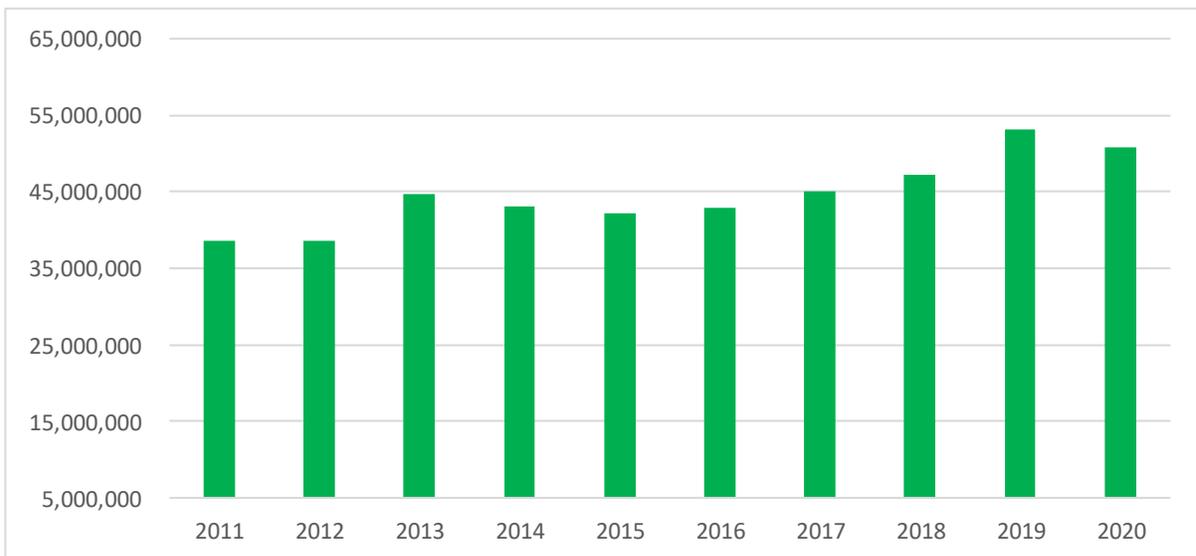
**\*Voted Levy:**

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

### Trend of General Fund Tax Revenues



### Trend of General Fund Expenditures



## **Payroll and Benefits**

### **Staffing**

The FY 2021-22 staffing budget reflects an increase of benefits-eligible FTEs from the current approved level of 412 to 418.5. The additional 6.5 FTEs will be used for additional staff required when all three branches in Lee's Summit are open and operational.

The budget for FY 2021-22 also contains an amount equal to approximately 2.5% of the total amount of current salaries to adjust the pay ranges for benefits-eligible positions. An adjustment to the pay ranges will keep the Library on track with the annual Missouri minimum wage increases scheduled through 2023. These incremental changes will enable the Library to continue attracting and retaining quality staff.

### **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 17.6% of covered earnings for FY 2021-22, which is an increase to the 17.1% contribution rate from the previous fiscal year. The contribution rate is actuarially determined each year. The Library makes the full contribution to the program on the eligible employee's behalf. Missouri LAGERS is recognized as being in the top 10% of public pension plans due to its 95.5% prefunded ratio.

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

The Library provides a health, dental, and vision insurance benefit program to all full-time employees. The health insurance program is extended to a small group of qualified retirees with significant years of full-time service to the Library. Half-time employees have access to these plans, but must pay the full premium costs while the Library pays the premium for individual coverage for full-time employees. In FY 2019-20, the Library Board of Trustees adopted a funding policy for the Library's Self-Funded Health Insurance Fund. Medical claims costs followed a trajectory that allowed us to build up a healthy reserve in the Fund as intended for the 2020-21 fiscal year. This budget shows a decrease in the medical insurance line that is intended to keep the Health Insurance Fund within the balance range set in the Board Policy. 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 Library has a health and wellness program with a goal of providing its employees with the tools to make healthier choices and improve their overall well-being and quality of life. Much of the cost of the program is offset by Blue Cross Blue Shield of Kansas City. The health and wellness program is also intended to help control impact healthcare costs and to support the benefits provided by the Employee Assistance Program.

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

### **Staff Development**

The Library provides ongoing leadership training to managers and supervisors in both the classroom and on the job. The Library regularly conducts mandatory training courses such as avoiding discrimination practices, retaliation, and sexual harassment for all staff and leadership.

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

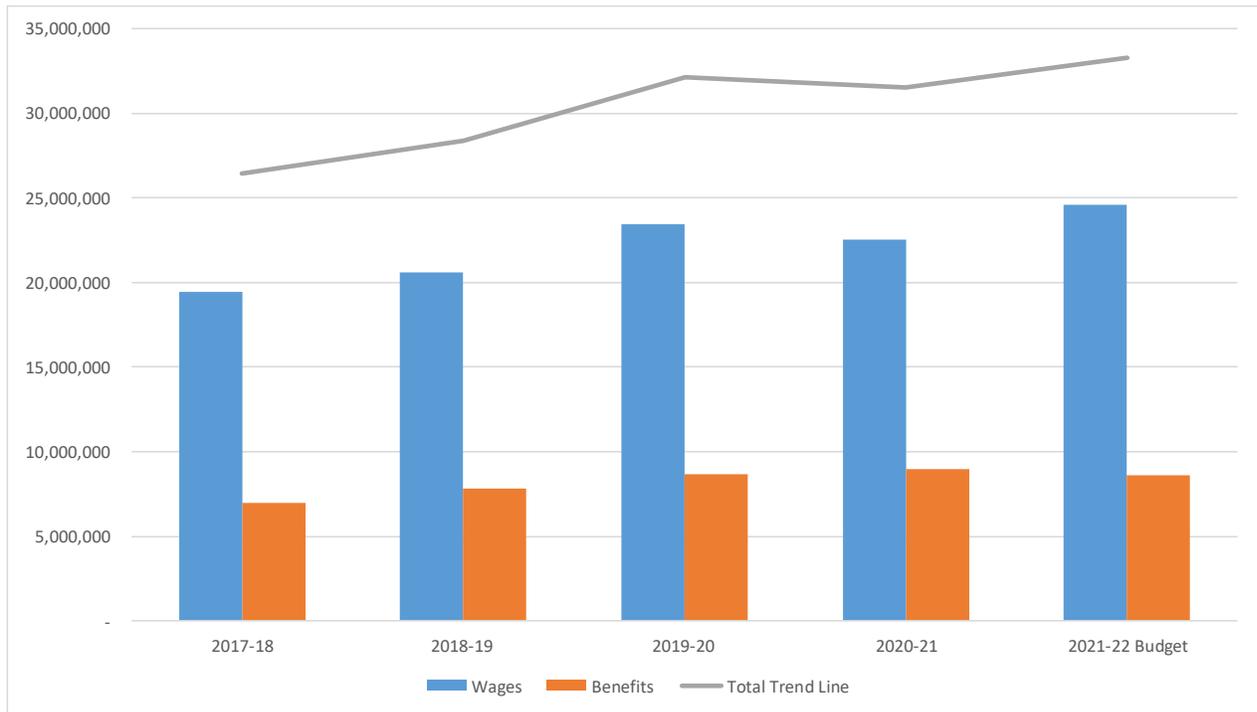
The Library employs initiatives and tools to ensure that the right people are hired for the most appropriate positions that match their experience and skills. Hiring managers and Human Resources staff are always aware of the Library's inclusiveness objectives. Background checks are performed on all newly hired employees who are 18 years of age and older.

Identified Employee Resources Account budgets are summarized below:

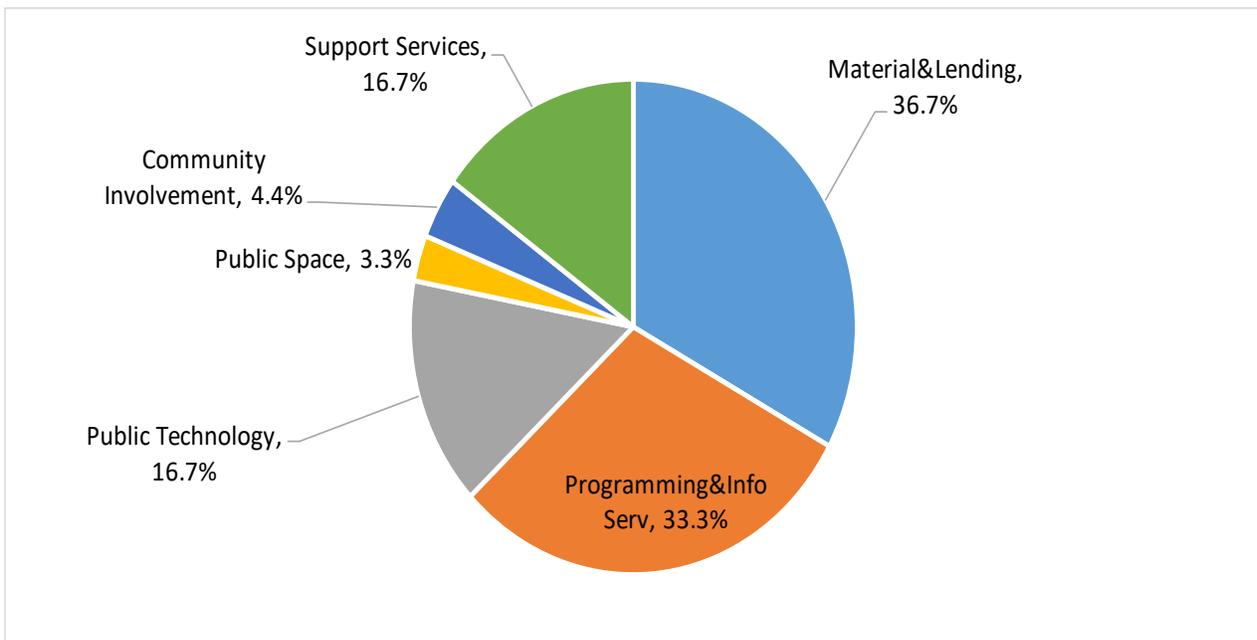
New Hire Background Check / Orientation	\$	13,000
Section 125 Plan Fees		6,000
457 Retirement Plan Admin fees		21,500
Staff Development Day		15,000
Management Development/Training/Consulting		30,000
Job Certification Training/Analysis		3,500
Exceptionality		69,750
Recognition		9,000
Awareness Training (Safe Personnel)		6,000
Diversity Promotion and Recruiting		7,500
	\$	<u>181,250</u>

The total payroll and benefits budget for FY 2021-22 is \$33,245,727, or 59.3 percent of the total General Fund budget.

## Trend of Total Payroll and Benefits Expenditures



## Payroll & Benefits Budget Allocation by Programs



## **Library Materials:**

### **Library Collection:**

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

#### *Physical Collection – Print:*

The Library's material budget allows for the purchase of books for children, teens, and adults; reference books; and circulating and reference genealogy print material. Staff continuously evaluate print reference materials and may choose to purchase them in digital form for reasons of timeliness, cost-effectiveness, or when digital content is the only option. According to the 2019 *Public Library Data Service* report, Mid-Continent Public Library **ranks sixth** in the nation, amongst the 47 library districts serving between 500,000 and 1 million residents, in dollars budgeted for print material.

#### *Physical and Digital Collection – Audiovisual Materials:*

The Library's material budget allows for the purchase of non-print media such as DVDs and spoken word and music on CDs. The Library provides access to downloadable music and audiobooks that customers can listen to on a computer, MP3 player, or smartphone. In addition, the Library subscribes to several streaming video services. According to the 2019 *Public Library Data Service* report, Mid-Continent Public Library **ranks third** for library budget allocation for audiovisual resources amongst libraries serving between 500,000 and 1 million people. The budget reflects an increase in this area due to the increase in eAudiobook usage.

#### *Physical and Digital Collection – Periodicals:*

The Library's material budget allows for the purchase of physical magazine and newspaper subscriptions within each location, as well as a digital collection through *Flipster* and *RBdigital*, which provide access to online magazines 24 hours a day, 7 days a week, including many popular titles.

#### *Digital Collection – Electronic Books:*

The Library's materials budget allows for the purchase or licensing of individual Electronic Books (eBooks), which are titles that are licensed or purchased individually and are intended and formatted to be read on computers, smartphones, tablets, or other eBook reading devices. The eBook collection includes titles that are popular among readers of bestsellers and genre fiction. The eBook format can be accessed from anywhere and is available 24 hours a day, 7 days a week. The Library **ranks eighth** of the 47 library districts in its peer group for expenditures on eBooks. Part of the expenditures may be funded by any allocations made through the State of Missouri Athletes and Entertainers Tax.

The annual eBook and downloadable audiobook circulation continued to increase, particularly as the COVID-19 pandemic took hold. Due to the continued and sustained demand, the budget has been slightly increased. The Collection Development librarians dedicate a significant amount of time to curating and rotating displays that highlight the digital children, teen, and adult collections. In addition, the ongoing addition of student digital cards have resulted in greater demand for juvenile, teen, and “classic” eBook titles.

#### *Microfilm:*

The Library’s materials budget allows for the purchase of magazines and newspapers on microfilm, census microfilm, and microfiche. Generally, the Library believes that microforms are losing importance as a delivery method of most archival information. The sole exception are genealogy resources, where microforms are still heavily used.

#### *Electronic Resources:*

The Library’s material budget allows for the purchase of quality, professional, and juried digital resources. According to the 2019 *Public Library Data Service* report, Mid-Continent Public Library **ranked first** in allocating more resources in actual dollars on electronic resources than any other library serving between 500,000 and 1 million people. Nearly all of the Library’s licensed resources are available to the people of the Library District 24 hours a day, 7 days a week, through their computer, tablet, or smartphone. Digital resources, including indexes and content, cover many topics and are continuously or regularly updated.

The Library’s material budget allows for the subscription to several popular online services including: *Tutor.com’s Live Homework Help*, *Lynda.com*, *GrantSelect*, *CultureGrams*, and *National Geographic for Kids*. The Library, in partnership with Literacy KC and the Kansas City Public Library, continues to offer Career Online High School. This program enables customers who did not earn a high school diploma to do so through an accredited school and to learn career skills that ready them for the job market. The program saw its most recent graduating class in the first week of March 2020.

### **Library Material Processing**

In addition to acquiring physical and digital content, the Library’s materials budget allows for the processing costs associated with obtaining and creating the online catalog records for the Library’s books and other materials, the pre-processing and shipping of many items, and the platform fees for *OverDrive* and the *RDA Toolkit*.

### **Live Programming:**

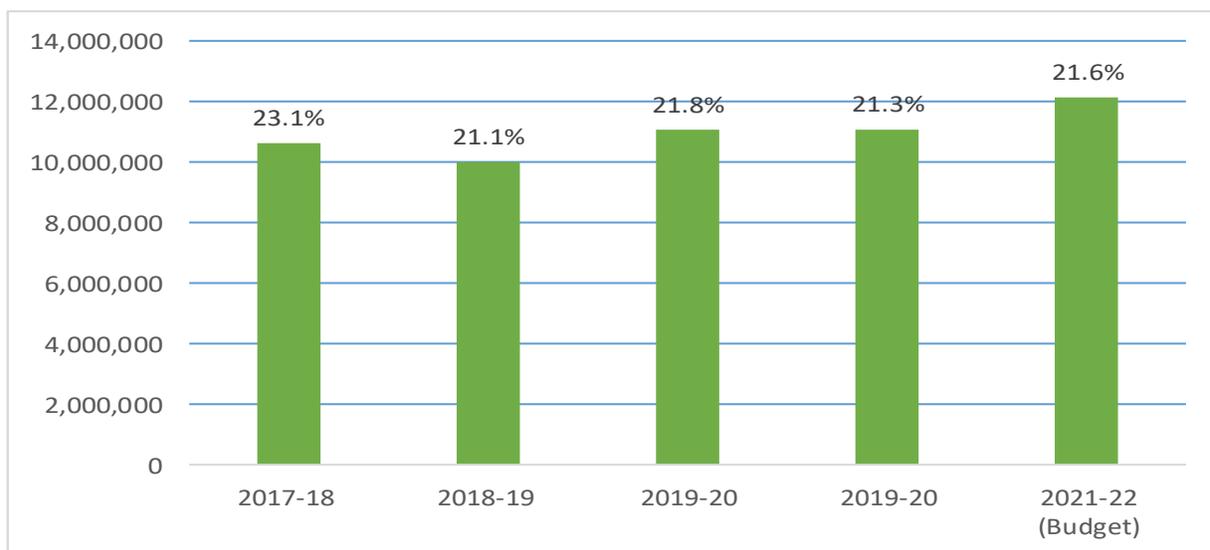
Community Programming is a vital way in which MCPL connects with community through performances, presentations, discussions, and interactive activities.

The Library provides two main types of programming: Ongoing Branch Programming and Special Events. During the COVID-19 pandemic, all programming pivoted to virtual or online events. These have proved popular and will continue even when in-person programming returns. Programming, regardless of the delivery method, provides the MCPL community access to Library programs and

events on a regular basis. Through branch programming, the Library delivers the bulk of its programming opportunities, striving to create opportunities that are as dynamic as the range of communities served. Branch programming focuses on connecting the Library with a wide variety of audiences and interest areas. Branch programming delivers programs in a wide range of subjects, including STEAM (science, technology, engineering, arts, and math), local history, social issues, storytelling, English Language Learning (ELL), music, and many more.

Library special events are large system-wide opportunities that make a regional impact. Examples of special events include LitUp, a teen book festival; Veterans Salute; Romance GenreCon; the Storytelling Celebration; Access Art; and the Jackson-Clay County Spelling Bee, among others. The scale of these events includes multiple programs taking place during a single day. The planning and execution of these events is always a dynamic partnership between the Library and vital community partners and presenters.

**Library Material Expenditures with the Percentage of Total Operating Expenditures  
From 2017-2021**



The total Library materials budget for FY 2021-22 is \$12,133,149, or 21.6 percent of the total General Fund budget.

## **Technology and Capital Improvement**

### **Technology**

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

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

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

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

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

Identified projects or purchases for the fiscal year 2021-22 are summarized below with the funding account numbers in either General Fund, 01 or Capital Project Fund, 03:

**Library's Technology Budget for FY 2021-22**

<u>Projects/Purchases</u>	<u>Budget</u>	<u>Funding Account</u>
Software and hardware support contracts	\$ 1,760,920	01-5330
Public internet services	141,430	01-5570
Staff communication devices and services	86,000	01-5570
Data connections	575,000	01-5570
Self-checkout and storage system	1,250,000	03-5330
Virtual Library		
Electronic resources	2,618,514	01-5200
Downloadable audio/video	956,250	01-5230
eBooks/eReference	<u>1,700,000</u>	01-5160
Subtotal:	<u>5,274,764</u>	
Total:	<u>\$ 9,088,114</u>	

## **Operating Budget for Building Maintenance and Improvement:**

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

### **Major Maintenance Projects:**

1. Heating and cooling system: The Library will spend \$22,500 for preventive maintenance at various branches and \$67,500 to upgrade the control system at the Midwest Genealogy Center.
2. Parking lot and roof maintenance: The Library will maintain and/or sealcoat the parking lots for \$65,000 and inspect/repair roofs at various locations for a total cost of \$67,760.
3. General maintenance/inspections/office space: The Library will reconfigure office spaces, replace or repair the fire alarm system and building access control, and conduct necessary inspections for elevators, alarm systems, and backflow to meet our certification requirements for a total of \$99,005. In addition, the Library will need \$277,500 for routine work orders, shop supplies, and equipment maintenance.
4. Branch small projects: The Library will spend a total of \$69,670 to improve the safety, utilization, and access of our public spaces, based on each branch's requests.

In addition to the projects mentioned above, the Library will also budget over \$35 million in its Capital Project Fund for new construction, major renovations, and property acquisitions as outlined in the Facilities Assessment and Capital Plan as adopted by the Board on September 16, 2014.

**General Fund's Building Maintenance Plan for FY 2021-22**

	Budget
<b>HVAC</b>	
Preventive maintenance	\$ 22,500
Control system at MGC	67,500
	<hr/> 90,000
<b>Lighting</b>	
LED pole lights: ES	3,000
Light bulb recycling	3,500
	<hr/> 6,500
<b>Roofs</b>	
Repairs	28,400
Preventive maintenance	39,360
	<hr/> 67,760
<b>Office space</b>	
Office Moving	30,000
Office Painting	5,500
	<hr/> 35,500
<b>General maintenance</b>	
Maintenance work orders	277,500
Book drops	1,500
Sliding doors	15,000
Sliding walls - NI, HQ, SM, WN, MGC	12,100
Map blueprint cases	5,280
Power tools	1,500
	<hr/> 312,880
<b>Inspections</b>	
Backflow	6,500
Elevators	19,625
Electric Gate Maintenance	2,000
	<hr/> 28,125
<b>Parking lot and sidewalk</b>	
Saltguarding and asphalt repair	65,000
<b>Branch small repair projects</b>	<hr/> 69,670
<b>Total</b>	<b>675,435</b>

## 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 the construction and renovation of Library properties. The revenues for this fund are derived from transfers from the General Fund, special taxes, investment income, sales of real properties, grants, and contributions. The voter-approved mandate to improve Library services and facilities funded through “Proposition L” in 2016 also provides resources in this fund.

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

The Elbridge Arnold home on the Woodneath Library Campus will be completed and open to the public in FY 2021-22. The historic home has undergone several years of work for its adaptive reuse as The Story Center at Mid-Continent Public Library. The total cost to restore the interior and exterior of the home for use as a public structure is nearly \$3 million. Private funds raised through a capital campaign covered costs related to construction, furniture, fixtures, equipment, artwork, and exhibits for the project. Donor preview tours will be conducted throughout the summer and Story Center staff moved into the office space located on the second floor in June. A grand opening celebration for the public is scheduled for September 2021.

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

In addition to the Facilities Assessment and Capital Plan, the Library has budgeted \$230,000 to install an elevator at the Blue Ridge Branch, \$750,000 to replace self-checkout hardware, and \$500,000 to upgrade/replace enterprise storage system.

## Capital Plan Progress

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

Note: All dates beyond June 2021 are tentative and based on best estimates

### Scope

- Minor remodel = standard building maintenance, furniture, fixture, and equipment upgrades
- Remodel = all the above but also includes increased scope, including collaboration rooms
- Major remodel = a “gut and replace” remodel that is tantamount to a “new building”
- Addition = A large programming space/auditorium addition

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

<u>Phase</u>	<u>Work Package</u>	<u>Locations</u>	<u>Construction Budget</u>	<u>Land Acquisition</u>
I	1	Midwest Genealogy Center - Community Hall	\$ 5,819,118	
		Blue Springs South, Excelsior Springs, Antioch,		
I	2	Oak Grove, Weston, Platte City	5,772,352	
I	3	Liberty	5,896,392	\$ 750,000
I	4	East Lee's Summit	6,120,064	\$ 750,000
II	5	Red Bridge	703,552	
		Camden Point, Claycomo, Dearborn, Edgerton,		
II	6	Kearney, Lone Jack	2,955,980	
		HQ, Blue Springs North, Buckner, North		
II	7	Independence, Raytown	4,481,186	
II	8	Woodneath - Auditorium	6,047,654	
III	9	Grain Valley	4,977,492	\$ 750,000
III	10	Colbern Road	9,672,225	\$ 200,000
		Blue Ridge, Grandview, Parkville, Riverside,		
III	11	South Independence	4,186,804	
IV	12	North Oak	5,636,468	\$ 750,000
IV	13	East Independence	6,412,582	\$ 750,000
IV	14	Boardwalk	10,613,260	\$ 1,500,000
IV	15	Lee's Summit	3,762,000	
IV	16	RS, HJ, SM	920,978	
		Unassigned Construction Resources	521,893	
		Total Construction Cost	\$ 84,500,000	
		Land Acquisition	5,450,000	
		Furniture Equipment & Fixtures	7,000,000	
		Design/Preparation	16,250,000	
		<b>Total Capital Plan Budget</b>	<b>\$ 113,200,000</b>	
<b>Funding Sources:</b>				
		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	
		<b>Total Funding</b>	<b>\$ 113,200,000</b>	

## Capital Project Fund Detail Statement of Revenues and Expenditures

### Budget for FY 2021-22

**Revenues:**

3500 Grant & Contribution - WN	\$	50,000
3370 Investment Income		250,000
3800 Disposal of property - BW+SM		<u>1,500,000</u>
<b>Total Revenues</b>	<b>\$</b>	<b>1,800,000</b>

**Expenditures:**

	<u>Project to date as of 6/30/2021</u>		<u>Remaining Balance</u>	<u>Total Project Budget</u>
Woodneath historic home project	2,540,192	414,826	-	2,955,018
WN collaboration room & sign	11,623	55,000	-	66,623
Reading Rocket Vehicle	-	350,000	-	350,000
Self-checkout and storage system	-	1,250,000	-	1,250,000
Blue Ridge elevator	-	230,000	-	230,000
 Capital Improvement Plan				
Work packages	52,736,393	23,202,403		
Design and preparation / FF&E	16,546,728	6,016,383		
Properties (LS GN NO & GH)	<u>3,310,791</u>	<u>3,350,000</u>		
	72,593,912	32,568,786	9,537,302	114,700,000 *
Moving and storage	791,487	339,468		
<b>Total Expenditures</b>		<b>\$ 35,208,080</b>		

**Excess (Deficiency) of Revenues over (under)**

**Expenditures:** \$ (33,408,080)

Ending Fund Balance: \$ 12,429,188

\*This total project amount of \$114,700,000 includes a non-cash purchase of Green Hills property of \$1,500,000.

## Debt Service Fund

### Fund Description:

This fund was established to account for debt principal repayment and interest of Series 2018 Certificates of Participation, issued on May 16, 2018. The total amount of bond proceeds was \$80,574,567.50, with a total par amount of \$72,925,000 and a total net premium of \$7,649,567.50.

The funding source of annual payment is from the General Fund, subject to annual appropriation by the Library Board.

	<b>Budget</b>
	<b><u>2021-22</u></b>
<b>Revenues:</b>	
Property Taxes	\$ 6,580,000
<b>Expenditures:</b>	
Debt Service	6,575,000
<b>Excess (Deficiency) of Revenues Over (Under)</b>	
<b>Expenditures:</b>	<u>5,000</u>
Beginning Fund Balance	8,425
Ending Fund Balance	<u>\$ 13,425</u>

**Debt Service Schedule**  
**Certificates of Participation Series 2018**

<b>Period</b>		<b>Principal</b>	<b>Coupon</b>		<b>Interest</b>		<b>Debt Service</b>
<b>Ending</b>							
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
<b>6/30/2022</b>		<b>3,580,000</b>	<b>5.00%</b>		<b>2,994,231</b>		<b>6,574,231</b>
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
<b>6/30/2026</b>		<b>3,650,000</b>	<b>5.00%</b>		<b>2,247,481</b>		<b>5,897,481</b>
6/30/2027		3,650,000	5.00%		2,064,981		5,714,981
6/30/2028		3,650,000	5.00%		1,882,481		5,532,481
6/30/2029		3,650,000	5.00%		1,699,981		5,349,981
6/30/2030		3,650,000	5.00%		1,517,481		5,167,481
6/30/2031		3,645,000	5.00%		1,334,981		4,979,981
6/30/2032		3,645,000	5.00%		1,152,731		4,797,731
6/30/2033		3,645,000	5.00%		970,481		4,615,481
6/30/2034		3,645,000	5.00%		788,231		4,433,231
6/30/2035		3,645,000	4.00%		605,981		4,250,981
6/30/2036		3,645,000	5.00%		460,181		4,105,181
6/30/2037		3,645,000	4.00%		277,931		3,922,931
6/30/2038		3,645,000	3.63%		132,131		3,777,131
	\$	72,925,000		\$	35,145,654	\$	108,070,654

## Special Revenue Fund

### Fund Description:

Through its fundraising and development efforts, the Library receives a variety of significant private and governmental contributions throughout the year. These revenues are restricted for special purposes in accordance with the Library’s mission, vision, and values. In addition to accepting special revenues through the Library’s charitable account, other avenues exist for donors to support the Library. More specifically, donors can support the Library through Truman Heartland Community Foundation and the Mid-Continent Public Library Foundation. These entities are governed independently and accept, manage, and regularly report fundraising activities to the Library.

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

### Community Foundation Fund – Detail Statement of Revenues and Expenditures

	<u>Actual</u> <u>2019-20</u>	<u>Estimate</u> <u>2020-21</u>	<u>Budget</u> <u>2021-22</u>
<b>Revenues:</b>			
Grants and contributions	\$ 4,396	\$ 6,800	\$ 6,800
Investment income	(734)	13,490	9,290
<b>Total Revenues</b>	<u><b>3,662</b></u>	<u><b>20,290</b></u>	<u><b>16,090</b></u>
<b>Expenditures/Transfer out:</b>			
Library operations	-	(8,881)	-
<b>Excess (Deficiency) of Revenues Over (Under)</b>			
<b>Expenditures:</b>	<u><b>3,662</b></u>	<u><b>11,409</b></u>	<u><b>16,090</b></u>
Beginning fund balance	324,710	328,371	339,780
Ending fund balance			
Library General	\$ 193,157	\$ 186,776	\$ 189,276
Genealogy Capital Campaign	20,953	21,033	21,113
Genealogy Programs	28,407	30,857	33,307
Summer Reading Program*	48,390	60,390	68,390
Story Center	37,464	40,724	43,784
<b>Total Ending Balance</b>	<u><b>\$ 328,371</b></u>	<u><b>\$ 339,780</b></u>	<u><b>\$ 355,870</b></u>

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

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

**Grant and Gift Fund – Detail Statement of Revenues and Expenditures**

	<u>Actual</u> <u>2019-20</u>	<u>Estimate</u> <u>2020-21</u>	<u>Budget</u> <u>2021-22</u>
<b>Revenues:</b>			
Governmental grants	\$ 200,000	\$ 220,000	\$ 250,000
Private grants & gifts	9,605	100,000	60,000
Library Lovers membership	<u>-</u>	<u>9,000</u>	<u>10,000</u>
<b>Total Revenues</b>	<b><u>209,605</u></b>	<b><u>329,000</u></b>	<b><u>320,000</u></b>
<b>Expenditures:</b>			
Library Lovers activities	-	-	10,000
Library programs	<u>178,072</u>	<u>340,000</u>	<u>390,000</u>
<b>Total Expenditures</b>	<b><u>178,072</u></b>	<b><u>340,000</u></b>	<b><u>400,000</u></b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>			
<b>Expenditures:</b>	<b><u>31,533</u></b>	<b><u>(11,000)</u></b>	<b><u>(80,000)</u></b>
Beginning Fund Balance	\$ 84,173	\$ 115,706	\$ 104,706
Ending Fund Balance	<u>\$ 115,706</u>	<u>\$ 104,706</u>	<u>\$ 24,706</u>

**James A. Leathers Scholarship Fund** of the Special Revenue Fund was established by the Library Board to provide funds to a student working toward a graduate degree in Library Science. The guidelines are as follows:

1. Missouri resident
2. Financial need
3. Scholastic ability and achievement
4. Full-time student
5. Must be interested in entering the public library field

Distribution of funds depends on availability and candidates' qualifications. The Library Board decides annually whether to award the scholarship.

**James A. Leathers Scholarship Fund – Detail Statement of Revenues and Expenditures**

	<u>Actual</u> <u>2019-20</u>	<u>Estimate</u> <u>2020-21</u>	<u>Budget</u> <u>2021-22</u>
<b>Revenues:</b>			
Grants and contributions	\$ -	\$ -	\$ -
Investment income	<u>172</u>	<u>60</u>	<u>60</u>
<b>Total Revenues</b>	<b><u>172</u></b>	<b><u>60</u></b>	<b><u>60</u></b>
<b>Expenditures:</b>	4,000	2,000	2,000
<b>Excess (Deficiency) of Revenues Over (Under)</b>			
<b>Expenditures:</b>	<b><u>(3,828)</u></b>	<b><u>(1,940)</u></b>	<b><u>(1,940)</u></b>
Beginning Fund Balance	19,870	16,042	14,102
Ending Fund Balance	<u>\$ 16,042</u>	<u>\$ 14,102</u>	<u>\$ 12,162</u>

## Permanent Fund

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

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

### Genealogy Endowment Fund Detail – Statement of Revenues and Expenditures

	<u>Actual</u> <u>2019-20</u>	<u>Estimate</u> <u>2020-21</u>	<u>Budget</u> <u>2021-22</u>
<b>Revenues:</b>			
Grants and contributions	\$ 5,000	\$ 6,000	\$ 6,000
Investment income	<u>(964)</u>	<u>8,020</u>	<u>5,020</u>
<b>Total Revenues</b>	<b><u>4,036</u></b>	<b><u>14,020</u></b>	<b><u>11,020</u></b>
<b>Expenditures:</b>	-	-	-
<b>Excess (Deficiency) of Revenues Over (Under)</b>			
<b>Expenditures:</b>	<b><u>4,036</u></b>	<b><u>14,020</u></b>	<b><u>11,020</u></b>
Beginning Fund Balance	78,792	82,828	96,847
Ending Fund Balance			
Genealogy Endowment	43,825	43,844	43,864
Story Center Endowment	<u>39,003</u>	<u>53,003</u>	<u>64,003</u>
<b>Total Ending Balance:</b>	<b><u>\$ 82,828</u></b>	<b><u>\$ 96,847</u></b>	<b><u>\$107,867</u></b>

## Internal Service Fund – Self-Funded Health Insurance

### Fund Description

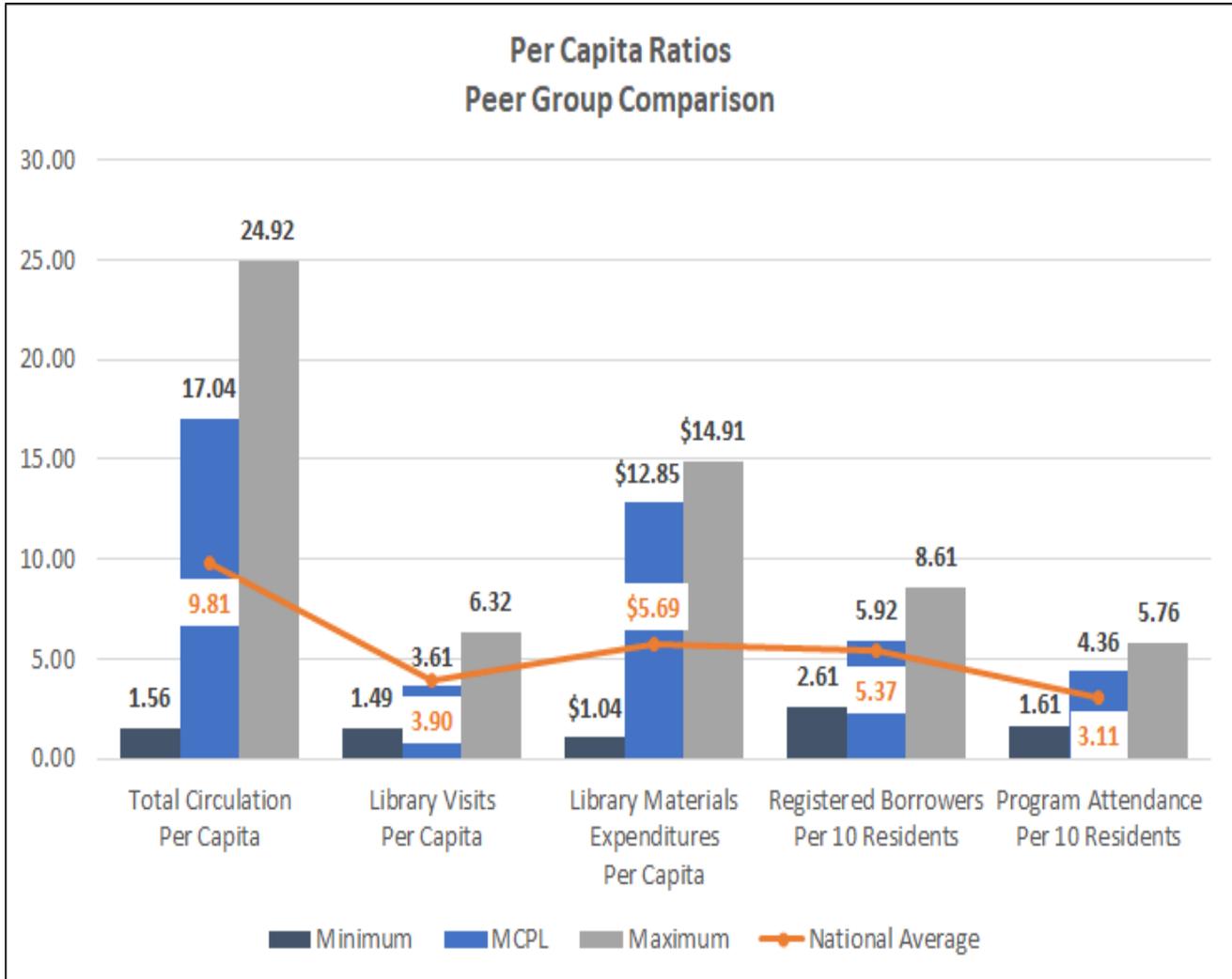
This fund is used to account for the expenses of health claims, plus related fixed fees and access fees. The Library has adopted a four-tier premium model called “Cost-Plus,” offered by Blue Cross Blue Shield of Kansas City. This funding model allows the Library to take on the risks and rewards around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

### Health Insurance Fund – Detail Statement of Revenues and Expenditures

	Actual 2019-20	Estimate 2020-21	Budget 2021-22
Revenues:			
Library's contribution	\$3,383,535	\$3,350,000	\$3,100,000
Employees' and retirees' contribution	440,000	450,000	480,000
<b>Total Revenues</b>	<b>3,823,535</b>	<b>3,800,000</b>	<b>3,580,000</b>
Expenditures:			
Administrative fees (Access & Stop Loss)	885,776	925,000	975,000
Claims expenses	2,312,265	2,700,000	3,070,000
<b>Total Expenses</b>	<b>3,198,041</b>	<b>3,625,000</b>	<b>4,045,000</b>
Excess (Deficiency) of Revenues Over (Under)			
<b>Expenditures:</b>	<b>625,494</b>	<b>175,000</b>	<b>\$ (465,000)</b>
Beginning Fund Balance	770,173	1,395,667	1,570,667
Ending Fund Balance	<u>\$1,395,667</u>	<u>\$1,570,667</u>	<u>\$1,105,667</u>
Minimum Fund Balance Required (3-mo claims + IBNR)			\$ 1,010,690
Maximum Fund Balance Required (6-mo claims)			\$ 1,535,000

## Mid-Continent Public Library Peer Group Comparisons

The Public Library Association produces annual statistical reports on North American libraries. The following graphs are taken from the *Public Library Data Service Statistical Report 2018* and compare MCPL with its peer group libraries. The peer group consists of surveyed libraries serving populations of 500,000 to 999,999 and includes such libraries as Boston Public Library, San Francisco Public Library, and St. Louis County Library.



## Miscellaneous Statistical Data

### From 2011 to 2020

Fiscal Year	# of Physical Collection Owned	# of Digital Materials Circulated	# of All Materials Circulated	# of Registered Borrowers	Population
2010-2011	3,419,516	N/A	9,060,906	496,205	762,446 (2)
2011-2012	3,402,625	N/A	9,305,242	545,980	762,446 (2)
2012-2013	3,482,436	N/A	9,120,528	497,365	762,446 (2)
2013-2014	3,629,127	948,955	8,969,209	510,888	762,446 (2)
2014-2015	3,524,692	1,160,987	8,844,347	502,523	762,446 (2)
2015-2016	2,982,264	1,413,212	9,189,534	512,419	762,446 (2)
2016-2017	3,027,121	1,613,904	9,005,844	487,653	762,446 (2)
2017-2018	3,088,644	2,031,354	8,968,852	508,536	762,446 (2)
2018-2019	2,637,045	2,579,667	9,039,612	559,842	762,446 (2)
2019-2020*	2,656,061	3,145,828	7,545,832 (3)	322,152	762,446 (2)

(1) Based on 2000 US Census

(2) Based on 2010 US Census

(3) Covid-19 Pandemic, Many Library Services Halted

## Miscellaneous Statistical Data

### Schedule of Service Locations

June 30, 2021

<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	35,000	69
Dearborn	206 Maple Leaf Ave. Dearborn, MO 64439	O	3,080	55
East Lee's Summit	2240 SE Blue Parkway Lee's Summit, MO 64063	O	18,500	69
Edgerton	404 Frank St. Edgerton, MO 64444	O	3,013	55
Excelsior Springs	1460 Kearney Road Excelsior Springs, MO 64024	O	10,133	69

(Continued)

## Miscellaneous Statistical Data

### Schedule of Service Locations

June 30, 2021

<u>Branch Libraries</u>	<u>Address</u>	<u>Owned (O) Leased (L)</u>	<u>Square Feet</u>	<u>Open Hours per Week</u>
Grain Valley	101 SW Eagles Parkway Grain Valley, MO 64029	L	4,200	59
Grandview	12930 Booth Ln Grandview, MO 64030	O	17,231	65
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
Lone Jack	211 N. Bynum Road Lone Jack, MO 64070	O	7,500	61
Midwest Genealogy Center	3440 S. Lee's Summit Road Independence, MO 64055	O	67,000	67
North Independence	317 W. 24 Hwy. Independence, MO 64050	O	45,952	69
North Oak	8700 N Oak Street Tfwy. Kansas City, MO 64155	O	15,580	69
Oak Grove	2320 S. Broadway St. Oak Grove, MO 64075	O	7,000	61
Parkville	8815 Tom Watson Pkwy. Parkville, MO 64152	O	17,664	69
Platte City	2702 N.W. Prairie View Road Platte City, MO 64079	O	15,638	61
Raytown	6131 Raytown Road Raytown, MO 64133	O	22,910	69
Red Bridge	453B E. Red Bridge Road Kansas City, MO 64131	L	14,352	69
Riverside	2700 N.W. Vivion Road Riverside, MO 64150	O	15,112	61
Smithville	120 Richardson St. Smithville, MO 64089	O	15,000	69

(Continued)

## Miscellaneous Statistical Data

### Schedule of Service Locations

June 30, 2021

<u>Branch Libraries</u>	<u>Address</u>	<u>Owned (O) Leased (L)</u>	<u>Square Feet</u>	<u>Open Hours per Week</u>
South Independence	13700 E 35th Street Independence, MO 64055	O	17,887	65
Weston	18204 Library Drive Weston, MO 64098	O	7,244	57
Withers	1665 S Withers Road Liberty, MO 64068	O	18,500	69
Woodneath	8900 N. Flintlock Road Kansas City, MO 64157	O	35,000	69
Library-To-Go 1	Hillcrest Community Center 10401 Hillcrest Road Kansas City, MO 64134	L	150	76
Library-To-Go 2	Marlborough Community Center 8200 Paseo Blvd. Kansas City, MO 64131	L	150	47
Farview	18109 E 12th St N Independence, MO 64056	L	5,700	40