

COMMITTEE NOTES

Finance & Audit Committee Meeting Kansas City Public Library Board of Trustees June 17, 2014

The Finance & Audit Committee of the Board of Trustees of Kansas City Public Library, pursuant to official notification, met Tuesday, June 17, 2014, at 3:30 p.m. at the Central Library, 14 West 10th Street, Kansas City, Missouri.

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

MEMBERS ABSENT: Olivia Dorsey

TRUSTEES PRESENT: Rose Marie Bell
Leon Dixon
Billie Howard Barnes

STAFF PRESENT: Crosby Kemper III, Chief Executive
Naphthali Faris, Early Literacy Manager
Henry Fortunato, Director of Public Affairs and Library
Communication
Kathleen Hinton, Finance Manager
Joel Jones, Director of Branch and Outreach Services
Pam Kannady, Director of Human Resources
Cheptoo Kositany-Buckner, Deputy Director
Alex Krause, Project Director, Building a Community of Readers
Eli Paul, Director of Missouri Valley Special Collections
Heather Pedersen, Administrative Officer
Debbie Siragusa, Chief Financial Officer
Kaite Stover, Director of Readers' Services
Katie Taylor, Volunteer Coordinator
Steve Wieberg, Writer / Copy Editor
Steven Woolfolk, Assistant Director of Public Affairs

Mayta called the meeting to order at 3:48 p.m.

Discussing the proposed revised 2013-2014 budget Siragusa reported that the revision removes \$950,000 in E-rate Revenue along with a corresponding \$950,000 decrease in Capital Outlay Expenditures to adjust for E-rate funds not approved by the FCC. The Library's Priority One funding request (basic telecommunications) was approved, but all Priority Two E-rate funding requests (hardware and upgrades) are being denied due to an

increase in the funding of Priority One requests, leaving no remaining funds for Priority Two.

Motion by Mayta to refer to the Board the recommendation of the Chief Executive and the Finance and Audit Committee to adopt a revised 2013-2014 Library Operating Budget General Fund of \$18,186,809. Second by J. Kemper. Approved unanimously. (LBM 3932)

Discussing the proposed preliminary budget C. Kemper noted that the Library's revenue is growing slower than the inflation rate. The Library has managed to maintain its operations over the last number of years by shifting personnel, repurposing a small portion of the materials budget (which is currently about 12.7% of the operating budget), and reducing capital spending.

Oñate Greim arrived at 4:10 p.m.

The Committee discussed issues that may affect the Library's revenue over the next few years, including the potential impacts of TIF and Tax Abatement projects. Siragusa reported that Jackson County has recently had a number of personnel changes, including a new director of assessment and a new IT director, and that the taxing jurisdictions are hopeful that information about projects may become more transparent, particularly those that are scheduled to come back onto the tax rolls.

Siragusa reviewed the major items in the proposed budget with the Committee. She noted that for the most part the proposed budget is very similar to the current budget.

The budget includes estimated revenue and expenses for the Café, which will be operated by Library staff including two new part time positions. The Café will open in July and the hope for the first year is for the Café to simply break even on its budget.

Dixon arrived at 4:16 p.m.

The Library is expecting a significant reduction in Kauffman Foundation grant funding. The budget has been adjusted accordingly to reduce revenue and overhead expenses to account for the expected grant allocation. Some changes will be implemented immediately, which will include among other things a reduction in the number of Library events.

Discussing the budget for salary and benefits Siragusa reported that the budget includes a 2% cost of living increase for staff to be effective July 1, 2014. The last time the pay scale was adjusted was in 2012. There is also allocated funding of about 2% to continue personnel reorganizations as part of efforts to make improvements to the Library's staffing model. Some reorganization has already taken place and plans for the additional reorganization will be worked out at a later date.

The cost of the Library's healthcare benefits is expected to increase with the new contract effective January 2015 and an increase of 10% (for six-months) has been included in the preliminary budget. The Library's portion of the retirement fund premiums is also increasing by 0.5% and the preliminary budget reflects this change.

The capital budget includes \$200,000 from the Capital Development Fund for proposed expenditures for Central and a contingency budget.

Siragusa noted that approval of the budget includes approval of the salary schedule and FTE level.

Bell and Howard Barnes arrived at 4:28 p.m.

Motion by J. Kemper to refer to the Board the recommendation of the Chief Executive and the Finance and Audit Committee to adopt a preliminary 2014-2015 Library Operating Budget (General Fund) of \$18,673,243, Gifts/Grants Fund Budget of \$1,448,090, Building Corporation – Debt Service Fund Budget of \$621,143, Capital Development Fund Budget of \$200,000, and Library Parking Garage (Enterprise Fund) budget of \$420,000, and approve changes in fund transfers and Salary Schedule as noted on the attached schedules. Second by Oñate Greim. Approved unanimously. (LBM 3848)

The meeting concluded at 4:32 p.m.



David Mayta, Chair
Finance & Audit Committee

2/15/14

Date