The Finance and Audit Committee of the Board of Trustees of the Kansas City Public Library, pursuant to official notification, met Tuesday, September 24, 2013, at 4:00 p.m. at the Central Library, 14 West 10th Street, Kansas City, Missouri.

MEMBERS PRESENT: David Mayta (Chair)  
Olivia Dorsey  
Jonathan Kemper (ex officio)

MEMBERS ABSENT: Claudia Oñate Greim

OTHER TRUSTEES PRESENT: Leon Dixon

STAFF PRESENT: Crosby Kemper III, Chief Executive  
Claudia Baker, Director of Development  
Lillie Brack, Central Library Director  
Cheptoo Kositany-Buckner, Deputy Director  
Bob Pedersen, Senior Human Resources Generalist  
Heather Pedersen, Administrative Officer  
Debbie Siragusa, Chief Financial Officer

Mayta called the meeting to order at 4:07 p.m.

Discussing the proposed ad valorem tax rate, Siragusa stated that Library staff recommended that the ad valorem tax rate for 2013 be set at the maximum 50.00 cents per assessed $100 valuation.

Discussing the proposed final 2013-2014 Library Operating Budget, C. Kemper noted that there were some changes between the final budget and the preliminary budget adopted by the Board at its June 18, 2013 meeting due to the final official assessed valuation information from Jackson County, which reflects a decrease of $3,482,528 compared to assessed valuation information the Library had in June. However, Siragusa had reduced the preliminary revenue projections in anticipation of a reduction in valuation, resulting in a net property tax revenue increase of $25,387 from the preliminary budget.

The recommended final General Fund Operating Budget of $19,136,809 includes two changes: 1) an increase of $25,387 in Capital Expenditures due to the adjustment in assessed valuation and revenue projections, and 2) an additional transfer of $2,000,000 from the General Fund to the Building Corporation – Debt Service Fund, which would allow for the early redemption of outstanding bonds. Siragusa noted that current investment earnings are significantly less than the interest paid on the outstanding bonds.
Additionally, there is continued risk of receiving less IRS subsidy on the Build American Bonds due to Federal Government budget issues. Inclusion of the transfer of an additional $2,000,000 in the budget sets up the potential for the redemption of bonds to take place, however, an actual bond redemption would be brought back to the Board at that time for discussion and Board approval.

The Committee discussed the budget for the Capital Plan. Siragusa reported that a request to contract for garage repair and maintenance is underway and will be brought to the Board for approval at the October meeting.

Dorsey arrived at 4:17 p.m.

Siragusa reviewed the items before the Committee and discussion of these items for the benefit of Dorsey.

Motion by J. Kemper to refer to the Board the recommendation of the Chief Executive and the Finance and Audit Committee to fix the Library's 2013 ad valorem tax rate at 50.00 cents per $100 assessed valuation pursuant to the provisions of 67.110 RSMo. Second by Dorsey. Approved unanimously. (LBM 3868)

Motion by J. Kemper to refer to the Board the recommendation of the Chief Executive and the Finance and Audit Committee to adopt a final 2013-2014 Library Operating Budget General Fund of $19,136,809, Building Corporation – Debt Service Fund Budget of $2,725,493, and approve changes in fund transfers as noted on the attached schedules. Second by Dorsey. Approved unanimously. (LBM 3869)

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

The meeting adjourned at 4:19 p.m.

Respectfully submitted,

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David Mayta, Chair                                      Date
Finance and Audit Committee