

LIBRARY BUDGET NARRATIVE

The Library's budget for the 2010-2011 fiscal year is \$905,610. This represents a 4.3% reduction from last year's original budget, which was \$945,849. Several unanticipated building issues (HVAC, lighting, and handicapped door entrance) resulted in an increase to this original budget figure.

The upcoming fiscal year's budget is only \$48,071 or 5.6% more than the Library's actual expenditures for 2006-2007, which was \$853,513. Inflation has increased 8.5% during that same time period.

Tax Revenue. The first six years the Library was in its new building, the Library's tax revenue rose from \$630,329 (2002-2003) to \$780,257 (2007-2008)—a 23.8% increase. Over the past three years, tax revenue has dropped from \$780,257 (2007-2008) to the upcoming fiscal year's estimate of \$730,000 (2010-2011)—a 6.4% decrease. In addition, the Library's interest income has also dropped during this period. In 2006-2007, interest income on the Library's fund balance was \$41,127. In 2010-2011, interest income is projected to be \$1,700.

We engaged in some major cuts last year. Funds for Minor Equipment Purchase, Minor Furniture Purchase, and Public Relations were completely eliminated from the 2009-2010 operating budget. Nearly every budget line was significantly cut, including Children's Services Program (56.7%), Adult Programming (66.2%), Library Supplies (41.2%), and Computer Supplies (26%). We also eliminated a full-time employee last year through attrition and left it open using part-time employees to fill in who do not receive benefits and receive lower salaries.

As a result, there weren't many places to make additional cuts in this upcoming year's budget without significantly affecting the Library's ability to provide the current level of service. These were the areas in which we were able to make additional cuts:

Security. We eliminated security coverage at the Library during the high school lunch hours. This reduced our security hours nearly in half (.5 FTE to .3 FTE).

Full-time Staff. In 2010-2011 the library reduced its personnel budget from 15.3 FTE to 14.7 FTE. While there wasn't a significant overall decrease, in reality, there has been a significant change in staff composition. Over the past two years, two full-time employees left and were replaced with part-time employees who do not receive benefits and receive lower salaries. Over two years, these losses through attrition represent 20% of the library's full-time staff (10 to 8). Part-time staff members primarily work on the circulation desks. Full-time people also work the desk, but perform the vital tasks necessary to provide patron services, such as processing and cataloging new materials, arranging adult and children's programs, sending and receiving inter-library loan materials, and creating book displays.

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(continued)**

This budget has a 5.2% decrease in Salaries & Wages and Employee Benefits from the current year's budget. However, we have reduced these areas by \$57,800 over the past two years, which is about a 8.9% decrease.

Courier Fees. Last year, the Library contacted KCMLIN, the organization which provides courier, and requested that they re-evaluate their fee structure. They formed a committee that created a new fee structure and reduced our courier expense from \$25,500 to only \$7,500. This allowed significant reductions to the Automation Services budget line.

These are some other noteworthy areas of this upcoming fiscal year's budget:

Computer Supplies. The Library has a computer replacement plan which involves replacing each computer in the building after four years. Most computers are used by the public and experience a lot of wear. Due to last year's cuts to the Computer Supplies budget, the Library was unable to maintain the computer replacement schedule. However, this year we began purchasing refurbished computers from a local company, Synetic Technologies, at only 25% the cost of new computers. As a result, we were able to maintain our Computer Supplies line at the 2009-2010 level.

Maintenance. The Library acknowledges that certain budget lines, such as those for Building Maintenance and Equipment Maintenance, contain inadequate funds. This was also the case with the current fiscal year's budget. When large, unanticipated building maintenance issues arose, such as lighting and HVAC repairs, transfers of additional funds from the fund balance were made to cover the expenses.

Benefits. The Library has small full-time staff receiving benefits; currently, only eight employees. The overall cost for employee benefits, including those required by law (FICA and workers' compensation), will total \$140,770 in the new fiscal year. This is almost identical to the \$140,595 expended on benefits in 2005-2006. As mentioned earlier, this has been primarily accomplished by replacing full-time staff with part-time staff.

Janitorial Contract. Like the City, the Library is currently contracted with Hi-Genes Janitorial. The contract can be terminated after an annual review with notice. The City re-bid the janitorial contract for the upcoming fiscal year to save money by reducing the number of days the buildings are cleaned. We didn't feel that this is an option for the Library. The Library experiences heavy traffic with 16,000 to 20,000 people entering the building each month. Due to this traffic, the building requires daily cleaning.

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(continued)**

Cost Increases. The only notable expenditure increases for the upcoming fiscal year have been for the Internet provider and email. MOREnet, our Internet provider, increased their rates from \$6,000 to \$6,650. This fee includes access to many Gale electronic resources. MOREnet also handles all the e-rate reimbursement paperwork related to their Internet service for member-libraries.

Kansas City Public Library had been providing the Library with free email for the past few years. This year they decided to no longer provide consortium members the service. As a result, we migrated to Google Apps email this summer. This new expense will be \$1,150 each year. We determined that it would be a better option than maintaining our own in-house email server.

**City of North Kansas City
Public Library Fund
Estimated Statement of Financial Position
For Years Ending September 30, 2010 & 2011**

	FY 2010	FY 2011
Beginning Balance October 1		
Total Fund Balance	\$ 323,027	\$ 302,873
Reserve for Retiree Health Insurance	(160,000)	(160,000)
Unreserved Fund Balance (Available for Appropriation)	\$ 163,027	\$ 142,873
 Revenues		
Estimated Fiscal Year Revenues	\$ 861,134	\$ 781,000
Transfer In - Gaming Fund	4,000	4,000
Transfer In - Library Reserve	110,800	96,524
Total Revenues	\$ 975,934	\$ 881,524
 Expenditures		
Projected Fiscal Year Expenditures	\$ 996,088	\$ 905,610
Total Expenditures	\$ 996,088	\$ 905,610
 Estimated Revenues Over (Under) Expenditures	\$ (20,154)	\$ (24,086)
 Ending Balance September 30		
Estimated Unreserved Fund Balance	\$ 142,873	\$ 118,787

**City of North Kansas City
Public Library Reserve Fund
Estimated Statement of Financial Position
For Years Ending September 30, 2010 & 2011**

	<u>FY 2010</u>	<u>FY 2011</u>
Beginning Balance October 1		
Unreserved Fund Balance (Available for Appropriation)	\$ 4,690,174	\$ 4,793,874
Revenues		
Transfer In - Gaming Fund	\$ 200,000	\$ 200,000
Interest	14,500	14,500
Total Revenues	<u>\$ 214,500</u>	<u>\$ 214,500</u>
Expenditures		
Projected Fiscal Year Expenditures	\$ 110,800	\$ 96,524
Total Expenditures	<u>\$ 110,800</u>	<u>\$ 96,524</u>
Revenues Over (Under) Expenditures	\$ 103,700	\$ 117,976
Ending Balance September 30		
Estimated Unreserved Fund Balance	<u><u>\$ 4,793,874</u></u>	<u><u>\$ 4,911,850</u></u>

**City of North Kansas City
Public Library Fund
Operating Budget
Fiscal Year 2010 - 2011**

	<u>Actual</u> <u>2007-2008</u>	<u>Actual</u> <u>2008-2009</u>	<u>Budget</u> <u>2009-2010</u>	<u>YTD</u> <u>07/31/10</u>	<u>Estimated</u> <u>2009-2010</u>	<u>Proposed</u> <u>2010-2011</u>
<u>Revenues</u>						
Property Tax						
Real Estate Tax	\$ 377,736	\$ 388,486	\$ 389,000	\$ 395,788	\$ 380,988	\$ 390,000
Personal Property Tax	218,177	157,008	184,000	190,616	191,000	152,000
Commercial Surtax	175,219	180,884	174,000	168,399	174,000	174,000
Utility/RR/Fin Tax	9,125	13,978	14,000	13,412	13,978	14,000
	\$ 780,257	\$ 740,356	\$ 761,000	\$ 768,215	\$ 759,966	\$ 730,000
Other Revenue						
MO State Library Grants	\$ 6,463	\$ 8,683	\$ 34,331	\$ 2,160	\$ 34,331	\$ -
MO State Aid	7,026	8,755	8,750	6,092	8,750	-
Gifts & Donations	4,911	8,400	5,575	3,135	3,135	-
Reimbursement	37,470	21,351	19,300	14,308	19,300	19,300
Miscellaneous	29,050	34,775	42,250	31,882	34,000	30,000
Interest Earned	23,735	8,907	12,000	1,298	1,652	1,700
	\$ 108,655	\$ 90,871	\$ 122,206	\$ 58,875	\$ 101,168	\$ 51,000
Interfund Transfers In						
Trf from Gaming Revenues	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Trf from Library Reserve	-	114,109	110,800	-	110,800	96,524
	\$ 4,000	\$ 118,109	\$ 114,800	\$ 4,000	\$ 114,800	\$ 100,524
Total Revenues	\$ 892,912	\$ 949,336	\$ 998,006	\$ 831,090	\$ 975,934	\$ 881,524
Trf from/(to) Fund Balance	144,692	104,153	21,229	(13,773)	20,154	24,086
	\$ 1,037,604	\$ 1,053,489	\$ 1,019,235	\$ 817,317	\$ 996,088	\$ 905,610

*Totals may be off \$1 due to rounding.

**City of North Kansas City
Public Library Fund
Operating Budget
Fiscal Year 2010 - 2011**

	<u>Actual</u> <u>2007-2008</u>	<u>Actual</u> <u>2008-2009</u>	<u>Budget</u> <u>2009-2010</u>	<u>YTD</u> <u>07/31/10</u>	<u>Estimated</u> <u>2009-2010</u>	<u>Proposed</u> <u>2010-2011</u>
<u>Expenditures</u>						
Salaries & Wages						
Salaries-Full Time Staff	\$ 473,815	\$ 490,102	\$ 464,905	\$ 367,716	\$ 451,716	\$ 447,779
Overtime	41	14	-	10	14	-
	\$ 473,856	\$ 490,116	\$ 464,905	\$ 367,726	\$ 451,730	\$ 447,779
Employee Benefits						
FICA/FEM	\$ 35,674	\$ 36,847	\$ 36,090	\$ 27,514	\$ 35,075	\$ 34,786
Unemployment	-	560	-	293	293	-
Deferred Compensation	5,075	6,588	6,862	5,712	6,768	6,937
LAGERS	37,482	43,786	43,178	34,341	40,521	42,623
Long Term Disability Ins.	1,350	1,445	1,429	1,104	1,425	1,311
Health Insurance	47,871	60,815	60,135	50,804	55,052	49,913
Worker's Compensation	1,210	1,597	2,200	1,994	2,192	2,200
Education/Training	11,687	4,054	5,800	5,143	5,800	3,000
	\$ 140,349	\$ 155,692	\$ 155,694	\$ 126,905	\$ 147,126	\$ 140,770
Services						
Maintenance Agreements	10,356	\$ 6,675	\$ 10,000	\$ 6,860	\$ 7,500	\$ 7,000
Fees/Memberships	505	491	900	631	700	460
Property-Liability Insurance	14,249	10,320	15,000	11,921	11,921	13,000
Custodial Services	26,131	26,561	25,500	19,603	25,800	27,000
Accounting/Data Processing	5,000	5,000	5,000	4,167	5,000	5,000
Advertising & Marketing	1,255	294	300	-	300	300
Other Services	14,266	14,113	27,250	17,071	27,250	23,500
Automation Services	59,614	63,340	90,031	80,240	90,031	44,600
	\$ 133,571	\$ 126,794	\$ 173,981	\$ 140,493	\$ 168,502	\$ 120,860
Utilities						
Electricity	\$ 22,181	\$ 22,500	\$ 23,000	\$ 24,464	\$ 30,000	\$ 23,000
Telephone	9,928	8,746	9,000	7,997	9,000	9,000
Water	2,553	2,137	1,700	1,631	2,000	2,000
	\$ 34,662	\$ 33,383	\$ 33,700	\$ 34,092	\$ 41,000	\$ 34,000
Materials/Supplies						
Office Supplies	\$ 4,129	\$ 3,956	\$ 4,000	\$ 3,013	\$ 4,000	\$ 4,000
Computer Supplies	4,689	8,154	4,000	3,501	4,000	4,000
Computer Software	2,407	1,690	500	-	200	-
Postage/Meter Costs	6,282	5,157	6,200	4,128	5,100	5,400

**City of North Kansas City
Public Library Fund
Operating Budget
Fiscal Year 2010 - 2011**

	<u>Actual 2007-2008</u>	<u>Actual 2008-2009</u>	<u>Budget 2009-2010</u>	<u>YTD 07/31/10</u>	<u>Estimated 2009-2010</u>	<u>Proposed 2010-2011</u>
Materials/Supplies (continued)						
Other Supplies	2,551	2,027	2,000	925	2,000	2,000
Building Maintenance	12,970	22,504	5,500	4,956	5,500	4,000
Equipment Maintenance	2,520	555	2,897	2,503	2,897	2,000
Library Supplies	1,738	4,078	2,000	1,886	2,000	2,000
Children's Services Program	16,354	16,020	13,825	10,090	12,000	9,000
Adult Programming	6,698	8,866	4,700	4,230	4,700	3,000
Journals/Periodicals	16,639	15,264	7,000	6,072	7,000	6,500
Audiovisual	28,635	21,814	25,000	16,267	25,000	25,000
Cataloging/Processing	10,678	11,342	6,850	4,147	6,850	5,300
Books	107,441	126,078	90,000	74,905	90,000	90,000
	<u>\$ 236,933</u>	<u>\$ 247,505</u>	<u>\$ 174,472</u>	<u>\$ 136,623</u>	<u>\$ 171,247</u>	<u>\$ 162,200</u>
Total Operating Exp	<u>\$ 1,019,371</u>	<u>\$ 1,053,489</u>	<u>\$ 1,002,752</u>	<u>\$ 805,839</u>	<u>\$ 979,605</u>	<u>\$ 905,610</u>
Capital Outlay						
Building Improvements	\$ 10,460	\$ -	\$ 16,483	\$ 11,478	\$ 16,483	\$ -
	<u>\$ 18,233</u>	<u>\$ -</u>	<u>\$ 16,483</u>	<u>\$ 11,478</u>	<u>\$ 16,483</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 1,037,604</u>	<u>\$ 1,053,489</u>	<u>\$ 1,019,235</u>	<u>\$ 817,317</u>	<u>\$ 996,088</u>	<u>\$ 905,610</u>

*Totals may be off \$1 due to rounding.

**City of North Kansas City
Public Library Fund
Personnel Budget
Fiscal Year 2010 - 2011**

	<u>Budget 2009-2010</u>	<u>Actual 2009-2010</u>	<u>Proposed 2010-2011</u>
Administration			
Library Director	1.00	1.00	1.00
Assistant Director	1.00	1.00	1.00
Business Manager	1.00	1.00	1.00
Children's Specialist	1.00	1.00	1.00
Security	0.50	0.30	0.30
	<u>4.50</u>	<u>4.30</u>	<u>4.30</u>
Public Services			
Library Associate I - FT	5.00	4.00	4.00
Library Associate I - PT	2.00	2.63	2.63
Hourly Staff	3.77	3.80	3.80
	<u>10.77</u>	<u>10.43</u>	<u>10.43</u>
Total:	<u><u>15.27</u></u>	<u><u>14.73</u></u>	<u><u>14.73</u></u>

Represents FTE instead of actual number of people