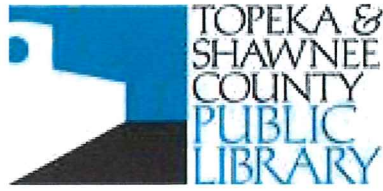


July 8, 2020

Board of Trustees 2020 Budget Work Session #2

Legend of Documents:

1. Budget Work Session Agenda for July 8th Session
2. Select Pages from Funding Matrices for the Facilities Master Plan Initiatives
3. Graph of Budgeted Expenditures – 10-year Retrospective with 2021 Proposed Budget
4. Graph of Mill Rate Values - 10-Year Retrospective with 2021 Proposed Budget
5. Assessed Value and Tax Revenue Information and Mill Levy Impact on Residential and Commercial Properties
6. Summary of Proposed 2021 Budget
7. High-Level 2021 Budget Summary
8. Narrative
9. Draft “Notice of Budget Hearing” & Comparison Key
10. TSCPL Special District Budget Required Format
11. Minutes – Board Budget Work Session #1, June 1, 2020



Topeka and Shawnee County Public Library Agenda
Board of Trustees
2021 Budget Work Session #2

July 8, 2020: Budget Work Session #2 (Zoom meeting, noon to 3:00 pm)

<https://tscpl.zoom.us/j/91192919075> Meeting ID: 911 9291 9075

Meeting Purpose: Review proposed FY 2021 budget, including county property valuations

Expected Product: Reach consensus on the FY 2021 budget proposal to allow action at the July 16th Board meeting for publication requirements

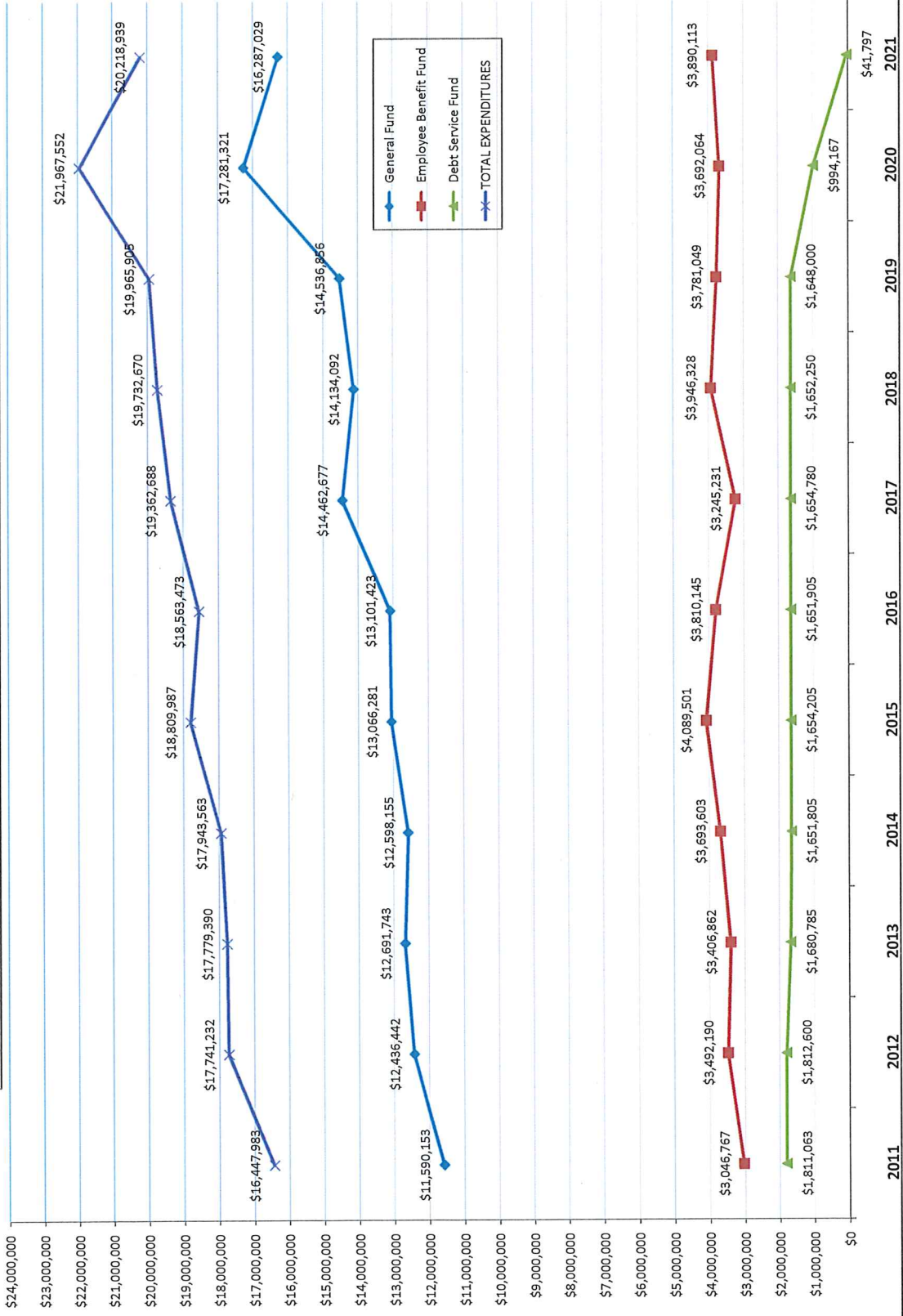
Agenda

- Review listing of future infrastructure projects and other facilities projects with estimated costs – Thad Hartman, Chief of Staff
- Review updated information for property valuations and other key expenditures for the budgeted funds: General, Employee Benefit and State Aid – Kim Strube, Chief Financial Officer
- Review proposed documents to be published: Budget Summary, Notice of Budget Hearing – Kim Strube, Chief Financial Officer
- Discuss the possible impact of COVID-19 and an economic recession

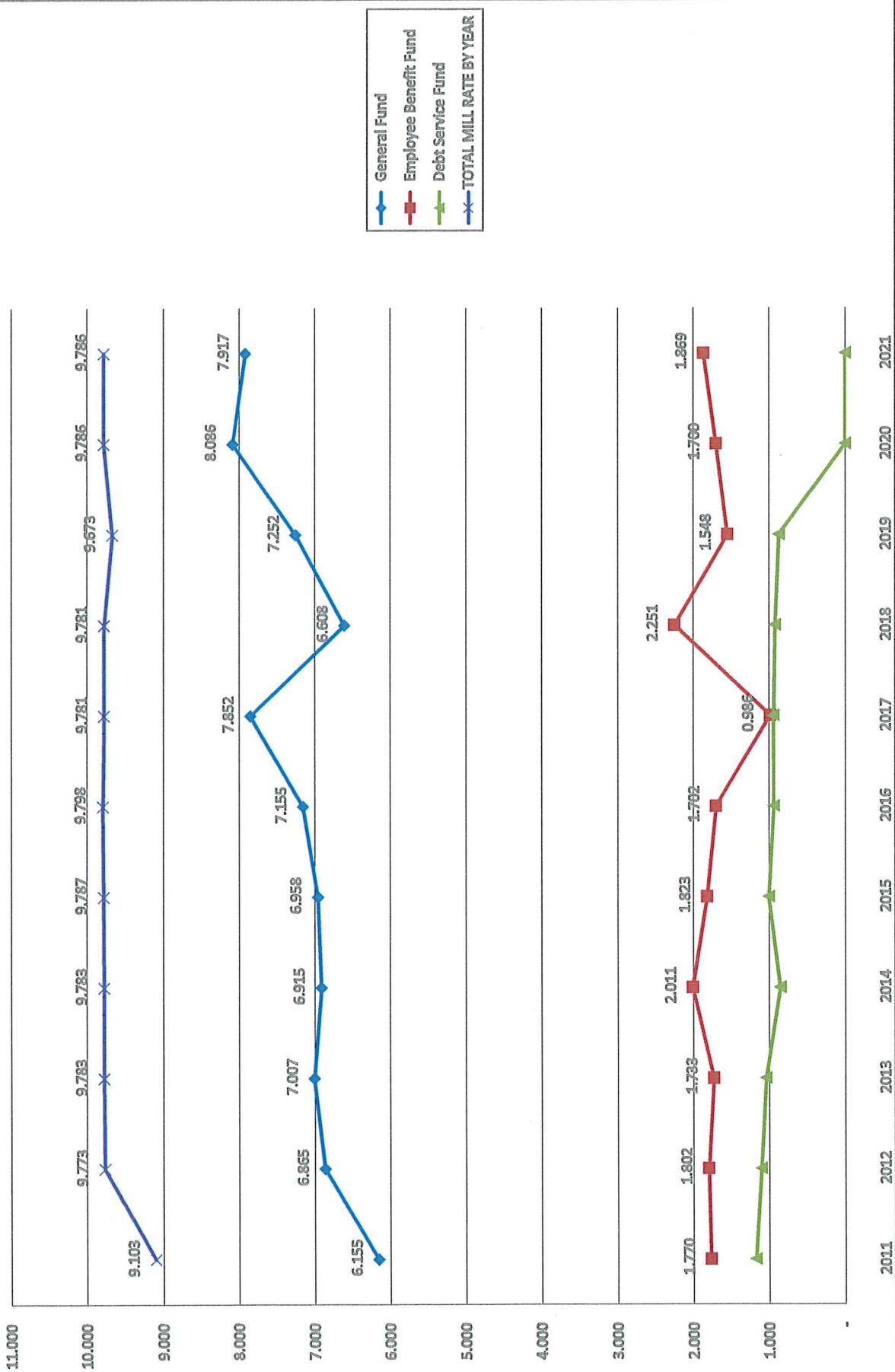
Facilities Master Plan

PROJECT TASKS	EST COST	FUNDING SOURCES						TOTAL FUNDING
		GENERAL	CAP IMPROVMT	FRIENDS	FOUNDATION	STATE AID		
Public spaces on second level and Topeka Room	\$600,000.00	\$547,000.00				\$53,000.00	\$547,000.00	
Architectural Fees	\$75,000.00	\$75,000.00					\$75,000.00	
Wood paneling (A14)	\$18,000.00	\$18,000.00					\$18,000.00	
Interior finishes (A13) (Painting in other areas)	\$51,750.00	\$51,750.00					\$51,750.00	
Exterior masonry (A9)	\$4,025.00	\$4,025.00					\$4,025.00	
Exterior masonry mortar and sealant (A10)	\$11,500.00	\$11,500.00					\$11,500.00	
Pedestrian paving (A11)	\$8,625.00	\$8,625.00					\$8,625.00	
Railings (A12)	\$17,250.00	\$17,250.00					\$17,250.00	
Subtotal	\$786,150.00	\$733,150.00	\$0.00	\$0.00	\$0.00	\$53,000.00	\$786,150.00	
Budget		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Remaining		-\$733,150.00	\$0.00	\$0.00	\$0.00	-\$53,000.00	-\$786,150.00	

TSCPL 10-Yr Retrospective - Budgeted Expenditures with Proposed 2021 Budget - Document 3



TSCPL 10-Yr Retrospective - Actual Mill Rate Values with Proposed 2021 Budget - Document 4



**Topeka and Shawnee County Public Library
Assessed Value and Tax Revenue Information
FY 2021 Budget - July 8, 2020**

Valuation Information for 2020

Assessed values minus TIF		Final Base
	2020 Budget	for 2020 Levies
Total	\$ 1,706,572,536	\$ 1,691,199,327
		Difference
		\$ (15,373,209)

Actual 2020 Mill Rate	General
8.070	General
1.716	Employee Benefit
0.000	Debt Service
9.786	Levied
9.786	Budgeted
0.000	Increase

Valuation Information for 2021 Budget, as of July 1, 2020

Assessed values minus TIF	2021 Budget	Base for 2020 Levies	Change
Total	\$ 1,733,247,692	\$ 1,691,199,327	\$ 42,048,365
Value of One Mill	\$ 1,733,248	\$ 1,691,199	\$ 42,049

Revenues Generated @ Current Levy \$ 16,961,565 \$ 16,700,518
(subject to statutory property tax limit formula)** (originally budgeted)

* (\$150,445) of this is due to the change in the valuations on which the mill rates were set by the County Clerk & levy rounding
** statutory limit would have been \$649,955 but the Board of Trustees is keeping the mill levy flat at 9.786; no resolution/publication of vote required

Mill Rate Impact Analysis

Total Valuation 2021 \$ 1,733,247,692 Proposed 2021 Mill Rate 9.786

Mill Rate	Additional Revenues	Annual Impact on Residential Properties*
9.786	\$ 56,27	\$ 112.54
	\$ 200,000	\$ 337.62

Formula: Increased Property Tax / Value of one mill = Increased Mill Rate
Value of Home X .115 = Assessed Value; Assessed Value X Mill Rate / 1,000 = Annual Tax
* Residential properties are assessed at 11.5% of value pursuant to K.S.A. 79-1439(b)(1)(A).

Mill Rate	Additional Revenues	Annual Impact on Commercial Properties**
9.786	\$ 122.33	\$ 244.65
	\$ 200,000	\$ 489.30
	\$ 733.95	\$ 733.95

Formula: Increased Property Tax / Value of one mill = Increased Mill Rate
Value of Property X .25 = Assessed Value; Assessed Value X Mill Rate / 1,000 = Annual Tax
** Commercial, industrial, railroad and improved ag land properties are assessed at 25% of value pursuant to K.S.A. 79-1439(b)(1)(F).

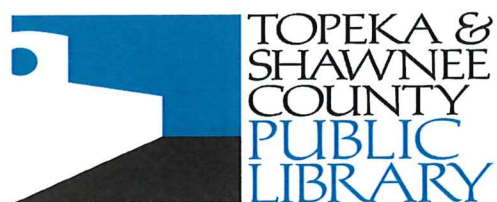
Topeka and Shawnee County Public Library
 FY 2021 - All Budgeted Funds - Proposed Budget
 Board Budget Work Session #2 - July 8, 2020

	2019 Actuals Cash Basis	% of Total	2020 Budget Adopted	% of Total	2020 Budget Adjusted	% of Total	2021 Budget Proposed	% of Total	(Over)/Under 2020 (-) 2021 Budgets
Beginning Cash Balance January 1	\$ 5,619,402		\$ 5,502,047		\$ 5,502,047		\$ 3,112,284		
Revenues:									
Ad Valorem Property Tax	\$ 15,758,399		\$ 16,700,518		\$ 16,700,518		\$ 16,961,565		\$ (261,047)
Delinquent Tax	\$ 267,037		\$ 25,000		\$ 25,000		\$ 25,000		\$ -
Motor Vehicle Tax	\$ 1,903,182		\$ 1,866,906		\$ 1,866,906		\$ 1,896,247		\$ (29,341)
Recreational Vehicle Tax	\$ 18,269		\$ 17,959		\$ 17,959		\$ 18,273		\$ (314)
16/20 M Vehicle Tax	\$ 7,846		\$ 7,110		\$ 7,110		\$ 7,369		\$ (259)
In Lieu of Tax	\$ 3,561		\$ 3,776		\$ 3,776		\$ 3,508		\$ 268
Watercraft Special Tax	\$ 59,601		\$ 9,763		\$ 9,763		\$ 9,815		\$ (52)
Commercial Vehicle Fees	\$ -		\$ 63,356		\$ 63,356		\$ 59,488		\$ 3,868
Estimated Uncollectible Tax	\$ (211,894)		\$ (238,990)		\$ (365,063)		\$ (193,123)		\$ (45,867)
Revitalization Rebates	\$ 17,806,001	96.2%	\$ 18,455,398	92.4%	\$ 18,090,335	92.9%	\$ 18,788,142	97.8%	\$ (332,744)
Sub-total Tax Revenues									
E-Rate Reimbursement	\$ 28,624		\$ 25,193		\$ 23,993		\$ 18,259		\$ 6,934
Reimbursements-Friends, Foundation, Retirees, County	\$ 275,025		\$ 215,765		\$ 230,142		\$ 243,608		\$ (27,843)
Refund - Blue Cross/Blue Shield	\$ -		\$ -		\$ -		\$ -		\$ -
Refund - Workers Compensation	\$ -		\$ -		\$ -		\$ -		\$ -
Fees and Fines	\$ 153,608		\$ 141,815		\$ 42,476		\$ 61,000		\$ 80,815
Sub-total Reimbursements & Fees	\$ 457,257	2.5%	\$ 382,773	1.9%	\$ 296,611	1.5%	\$ 322,867	1.7%	\$ 59,906
State Aid	\$ 49,629	0.3%	\$ 53,000	0.27%	\$ 49,946	0.26%	\$ 53,000	0.28%	\$ -
Investment Income	\$ 203,948	1.10%	\$ 80,000	0.40%	\$ 44,000	0.23%	\$ 3,850	0.02%	\$ 76,150
Cash Transfer to Close Debt Service Fund	\$ -		\$ 994,167		\$ 994,167		\$ 41,797		\$ -
Total Revenues	\$ 18,516,835	100.0%	\$ 19,965,338	95.0%	\$ 19,475,059	94.9%	\$ 19,209,656	99.8%	\$ (196,688)

(0)

Topeka and Shawnee County Public Library
 FY 2021 - All Budgeted Funds - Proposed Budget
 Board Budget Work Session #2 - July 8, 2020

	2019 Actuals Cash Basis	% of Total	2020 Budget Adopted	% of Total	2020 Budget Adjusted	% of Total	2021 Budget Proposed	% of Total	(Over)/Under 2020 (-) 2021 Budgets
Expenditures:									
Gross Salaries	\$ 8,395,904	45.0%	\$ 8,853,967	45.8%	\$ 8,803,967	45.9%	\$ 8,844,867	47.9%	\$ 9,100
Employer-Paid Fringe Benefits	\$ 1,650,795	8.8%	\$ 1,580,688	8.2%	\$ 1,577,688	8.2%	\$ 1,590,181	8.6%	\$ (9,493)
Health/Dental Insurance @ Bldgt Yr Increase: 20%/6%	\$ 1,684,830	9.0%	\$ 2,111,376	10.9%	\$ 2,067,376	10.8%	\$ 2,299,932	12.4%	\$ (188,556)
Sub-total Salaries and Benefits	\$ 11,731,529	62.9%	\$ 12,546,031	64.9%	\$ 12,449,031	64.9%	\$ 12,734,980	68.9%	\$ (188,949)
Library Materials & Collections	\$ 1,777,514	9.5%	\$ 1,902,500	9.8%	\$ 1,902,500	9.9%	\$ 1,902,500	10.3%	\$ -
Facilities & Utilities	\$ 807,140	4.3%	\$ 890,817	4.6%	\$ 890,817	4.6%	\$ 875,017	4.7%	\$ 15,800
Furniture & Equipment	\$ 21,360	0.1%	\$ 104,200	0.5%	\$ 54,200	0.3%	\$ 100,000	0.5%	\$ 4,200
Payments to Other Libraries	\$ 112,682	0.6%	\$ 115,060	0.6%	\$ 114,384	0.6%	\$ 116,672	0.6%	\$ (1,612)
Postage/Printing/Marketing	\$ 216,030	1.2%	\$ 248,663	1.3%	\$ 228,663	1.2%	\$ 251,794	1.4%	\$ (3,131)
Programming	\$ 29,098	0.2%	\$ 32,000	0.2%	\$ 27,000	0.1%	\$ 32,000	0.2%	\$ -
Technology & Telecommunications	\$ 870,350	4.7%	\$ 880,001	4.6%	\$ 955,389	5.0%	\$ 766,722	4.1%	\$ 113,279
Vehicle Operations	\$ 76,136	0.4%	\$ 76,500	0.4%	\$ 71,500	0.4%	\$ 86,500	0.5%	\$ (10,000)
Special Projects	\$ 629,306	3.4%	\$ 1,704,750	8.8%	\$ 1,704,750	8.9%	\$ 786,150	4.3%	\$ 918,600
Other Operating Expenditures	\$ 740,783	4.0%	\$ 816,058	4.2%	\$ 784,058	4.1%	\$ 827,808	4.5%	\$ (11,750)
Sub-total Other Operating Expenditures	\$ 5,280,599	28.3%	\$ 6,770,549	35.1%	\$ 6,733,261	35.1%	\$ 5,745,163	31.1%	\$ 1,025,386
Debt Service	\$ 1,648,000	8.8%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -
Total Expenditures	\$ 18,660,128	100.0%	\$ 19,316,580	100.0%	\$ 19,182,292	100.0%	\$ 18,480,143	100.0%	\$ 836,437
Cash Carry Forward Balance & Cash Basis Reserve							\$ 2,050,000		
Cash Transfer to General Fund and Cap Impr Fund							\$ 1,791,797		
Plus Prior Year Cancelled Purchase Orders	0						(0)		
Ending Cash Balance December 31	\$ 25,938						\$ 21,442		
Total Mill Levy	\$ 5,502,047						\$ 3,112,284		
	9,787						9,786		
	-						0		



**Budget Narrative/Staff Recommendation
Board of Trustees 2021 Budget Work Session #2 - July 8, 2020**

Staff Budget Recommendation

- Fund the 2021 budget year operations and projects within the resources provided at a total mill levy of 9.786 which is the same total rate as 2020.

Adoption of a flat mill levy between the current and next budget years requires that an additional \$388,908 in ad valorem taxes, allowed within the statutory computation (see pages 2 and 11 of the required budget form), be forfeited. Because the computation is based on dollars, these additional funds would be authorized without the requirements to pass a resolution prior to the adoption of a budget and publish a notice of vote (K.S.A. 79-2925b). However, it would increase the total mill levy rate from 9.786 to 10.010 (+.0224 mills) and is incongruent with the Board of Trustees strategy to maintain a flat mill levy rate. A flat mill levy still allows an increase in ad valorem tax revenues of \$261,047 due to increased property valuations.

- Modify the split of the total mill levy between the General and Employee Benefit funds.
 - *Employee Benefit Fund* – In recent years, a greater proportion of the total mill levy had to be allocated from the General Fund to the Employee Benefit Fund due to increasing employee benefit costs, including KPERS rate increases required by Kansas law. Favorable claims experience in 2018 and 2019 resulted in the Employee Benefit Fund having some cash available to fund the current year's expenditures and the mill levy to partially return to the General Fund.

Unfortunately, the latest review of health plan usage with Blue Cross Blue Shield resulted in instructions to expect a premium increase of approximately 10% for the 2021 plan year. Because there are two more months remaining in this review period, and more significant claims could be processed which would increase the loss ratio beyond the current rate of 79%, a 20% increase is budgeted. The dental plan has a rate increase cap of 6% for the 2021 plan year.

Thus, the mill levy change between the General Fund and Employee Benefit Fund will be slightly broader than originally expected.

- Maintain prudent and sufficient cash balances to: (1) fund next year operations before tax revenues are received; (2) allow for unforeseen situations, such as the medical plan increases; and (3) maintain the Library's exceptional financial rating of Aa2. With the increased spending in the Employee Benefits Fund for anticipated increased costs, the ending cash balance has been increased by \$50,000 to maintain a responsible carryforward balance.
- Continue the design concept projects on the Facilities Master Plan in phases in accordance with the specific funding matrix and timeline. Infrastructure projects are expected to be funded by

the Capital Improvement Fund (not a budgeted fund) and any available operating funds. The available fund balance as of May 31, 2020 is \$1,204,952.

- Use existing resources with a focus on supporting strategies and tactics for implementation of the Community Impact Goals:
 1. Every child will be ready for kindergarten.
 2. Everyone will discover their passion for learning.
 3. Everyone will continue learning new ways to live their best life.
 4. Topeka & Shawnee County will be an engaged community of readers.
 5. The library will be a learning organization committed to excellence in: leadership, planning, customer focus, process management and partner focus.
- Lead and fund technological advancements, including electronic materials, to support the expectations and requirements of customers and the community, and to demonstrate how technology can enhance learning and living.

Challenges/Issues for the 2021 Budget

Employee Benefits

- As a result of actions from the TSCPL executive management team, the health plan is stabilized, while still providing employees with exceptional, accessible benefits at a reasonable cost. However, as previously described, the 2021 plan year has, or is expected to have, a significant increase. This is solely based on usage, as well as the way in which the current providers project costs and necessary reserves. A 20% price increase is projected for health insurance and a 6% increase is expected with dental insurance.

At this point, the budget has been conservatively projected to account for the potential worst case. Funding to offset these costs is sourced from: (1) additional funding dollars from the increased valuations; (2) salary savings through not funding four vacant positions; and (3) maintaining the shrinkage rate for expected employee turnover and the length of time positions are held open.

Revenues

- Property valuations have increased and provide an additional \$261,047 in revenues at a *flat* mill levy rate from the prior year.
- Motor/commercial/watercraft vehicle tax and fee and revitalization rebate estimates provided by Shawnee County are \$26,046 more than 2020.
- Reimbursements and fees decreased \$59,906 which is net of some offsets: (1) the renewal of the 2 year contract with Shawnee County Parks and Recreation in November 2019 which reimburses 50% of a computer technician's salary/fringe costs for support of the computers in the community centers; this was renewed by the County and revenues are budgeted in 2021 but were not budgeted in 2020 and (2) an additional decrease in overdue fine revenues due to the decision to no longer charge fines on children's materials, the implementation of auto-renewals, and a decline in circulation.

- E-rate revenues for reimbursement dropped from 90% to 80% of select internet and telecommunication costs decrease by \$6,934. In 2019, E-rate discounts were discontinued for local and long distance telephone service by the Federal Communications Commission, which administers the program.
- State Aid decreases by about 1% per the recent trend in these revenues but is budgeted at the same amount as 2020 to preserve spending authority.

Special Projects/Facilities Master Plan

- The Facilities Master Plan encompasses the priority needs and upcoming special projects. A document is included in the budget work session packet that lists the initiatives of the Facilities Master Plan.
- All items for 2021 on the Facilities Master Plan are funded in the proposed operating budget. Funding from The Library Foundation, the Friends of the Library and the Capital Improvement Fund may also be necessary for the proposed projects.
- The Special Projects line item is primarily for select design concept phases on the Facilities Master Plan. Also included are architectural design fees for projects scheduled for 2022, public space reconfiguration on the second level, and interior finishes. Please refer to the Facilities Master Plan funding matrix for 2021 for a complete summary. The Special Project line item includes \$786,150 for these projects. This funding is available from savings from the operating budget and a revenue increase from assessed valuations.

The projects currently underway are: (1) restroom renovations; (2) demolition of the Hearing Aid Building at 1719 SW 10th Ave; (3) paving and landscaping of the lot at 1001 Garfield; (4) upgrading the fire alarm panel; and (5) re-design and remodel of the Millennium Cafe.

These design projects are planned for 2021:

- Create public space on the second level and Topeka room \$600,000
- Miscellaneous exterior and interior repairs, including wood paneling \$111,150

These projects, together with architectural fees of \$75,000 for 2022 project design, total \$786,150. These projected costs are estimates only and will change.

Some of the project costs will be funded with State Aid funds. If the full funding in the operating budget is not needed, the cash can be carried forward to 2022 to be reappropriated for that year's budget.

Staff Resources

- When salary savings occur, the Board has several choices: (1) allow the savings to increase the balance carried forward to the next year to fund cost increases or new projects at a stable mill levy; (2) allow the savings to increase the balance carried forward to reduce new year revenues, if in excess of costs; or (3) decide late in the budget year to redirect the savings elsewhere.
- In 2015, a gross salary reduction of 1.5% was enacted (on regular staff salaries only – not maintenance, shelvers or security). This allows for a modest reduction in budgeted maximum salaries and anticipates salary savings from retirements and normal turnover so that the funds can be directed by the Board for other purposes during budget preparation. This is referred to in other governmental organizations as shrinkage or vacancy credits. Reallocating expected

savings during budget preparation avoids either last-minute decisions/projects to use savings or waiting until the next budget when the savings are available in cash carried forward.

- For the 2021 budget, a 1.85% reduction from gross maximum salaries for regular staff allows savings of \$143,891 in gross salary and \$25,354 in related percentage-based fringe benefits to be budgeted elsewhere (total \$169,245).
- Care must be used when implementing this type of strategy. Performance pay is budgeted at an average rate of 2.64% on a maximum 3%. Savings from turnover provides for funding any pay increases in excess of 2.64%. Some salary savings is needed to fund leave payouts upon termination or retirement which aren't budgeted.
- At the end of 2019, at least 41 employees were eligible to accept KPERS full or reduced retirement. During 2019, four employees retired and two have retired or submitted notice thus far in 2020. If that trend continues, salary savings can be expected as higher paid employees leave and positions are reviewed, possibly reallocated, and filled with lower paid employees.

Revisions of the Current Year Estimates (2020)

It is recommended that the current year be reviewed and revised as necessary when preparing the budget. This ensures sufficient funds are available, assists with budget year projections and calculates more accurate cash carry forward balances for use in the budget year. Changes in the 2020 estimates (for budget preparation purposes only) include:

- Due to the COVID-19 pandemic, the Library closed on March 16, 2020. A curbside service plan was implemented on May 26, but the Library remained closed to the public until June 15, 2020. The closure was in accordance with the Stay at Home order from the Shawnee County Health Department. Beginning June 15, 2020, phase three of seven of the Library's reopening timeline began, which allowed the Library is open to the public with limited services and limited hours. The Library's management team continues to confer and rely on guidance from the Shawnee County Health Department on when each phase of the re-opening plan should occur.

Several 2020 budget estimates have been revised (for budget preparation purposes only), mostly because of COVID and the Library's closure, and include:

- A 2% uncollectible tax revenue reduction of \$365,063 for the three tax funds has been projected. Recent years' tax revenue collections have been high, but this is not within the Library's control. In 2012, tax revenues were about \$291,500 less than projections. A tax revenue shortfall of about \$364,000 occurred in 2010. Including a possible uncollectible amount helps prevent overspending in the budget year.
- General Fund reimbursements and fee revenues, including overdue fines and e-rate reimbursements, have been decreased based on 2019 actuals and 2020 year-to-date revenues. The Library suspended all overdue fines beginning March 15, 2020 through December 31, 2020 due to COVID. The General Fund overdue fees budget has been decreased \$105,000 and meeting room charges have been reduced by \$5,000. Interest earnings have also been adjusted since rates have fallen to nearly zero. Total fee and interest income are decreased by \$144,511.
- General Fund expenditures have been adjusted for: (1) a decrease in conferences/external training by \$90,000 due to a moratorium on all travel, effective March 15, 2020; (2) contracted professional services for recruiting fees for the Foundation Executive Director and the Library Chief Executive Officer positions (\$60,000+); (3) increase in contracted digital services for the

additional cost to upgrade the Library's wi-fi system (\$50,000+); (4) decrease in the furniture/equipment line item to offset the cost of the wi-fi upgrade (\$50,000-); (5) digital services support for additional laptops for staff working from home due to COVID (\$28,442+); (6) mileage and programming costs (\$7,000-); (7) postage/shipping (\$20,000-) due to the closure; (8) shelver positions have been furloughed effective June 15, 2020 to December 15, 2020 (\$50,000-); and (9) vehicle gas has been decreased due to the closure (\$5,000-). Total expenditures are decreased \$84,234.

- Employee Benefit Fund revenues have been adjusted for the renewal of the County's community center support contract in November 2019. Total revenues are increased \$14,377.
- Employee Benefit Fund expenditures have been adjusted for: (1) decreases in projected costs for health and dental insurance premiums and employer contributions to the health savings accounts (\$44,000-); and (2) decrease in workers compensation from the annual audit (\$3,000-). Total expenditures are decreased \$47,000.
- The Debt Service Fund interest earnings were decreased by \$1,000.
- State Aid revenues and expenditures are decreased by \$3,054 to the actual amount received of \$49,946; 2019 revenues were \$49,629.
- All of these adjustments impact the amount of cash available to help fund the 2021 budget.

2021 Schedule of Transfers Projection

The debt incurred with the bond issue was be paid in full in September 2019. A one-time cash transfer has been budgeted in 2020 from the Debt Service Fund to the General Fund in the amount of \$994,167 to close the fund. This amount includes the 2020 projected cash forward, motor/commercial/watercraft vehicle tax and an estimate for delinquent taxes which may be received. This amount also includes estimated interest earnings. Because residual back taxes continue to be deposited to the Debt Service Fund, another transfer of \$41,797 is budgeted in 2021. This transfer will be from the Debt Service Fund to the General Fund.

A cash transfer is planned from the General Fund to the Capital Improvement Fund (non-budgeted) in 2021 for \$1,750,000. K.S.A. 12-1268 allows the Board of Trustees to direct a transfer annually from the General Fund not to exceed 20% of the money credited to the fund. These funds will be utilized for infrastructure needs and building improvements.

2021 Revenue Projections

Assessed valuations as of July 1, 2020 will produce \$42,049 more per mill. At a flat, combined levy of 9.786, revenue increases by \$411,492 for the three taxed funds. The change from the budgeted to actual valuations for the 2020 budget produced \$150,445 less in annual ad valorem tax revenue. Thus, the total increase in ad valorem tax revenue from the 2020 budget could be \$261,047. The debt service mill levy was eliminated in 2019 with the retirement of the bond. The Board approved a mill levy increase for the 2020 budget in the amount equal to the 2019 debt service mill.

Please refer to the Document 5 for a summary comparison of assessed valuations, the value of one mill and the annual impact of the Library's levy on residential and commercial property at various values.

Motor (all categories)/commercial/water vehicle tax/fee revenues and revitalization rebates increases by a net \$26,046 per estimates provided by Shawnee County.

E-rate revenues for reimbursement dropped from 90% to 80% of select internet and telecommunication services and e-rate discounts were discontinued for local and long distance telephone service in 2019. E-rate reimbursements are projected to be \$6,934 less than the 2020 adopted budget amount.

Fee revenues continue to decline since the decision was made in 2016 to enact auto-renewals and to eliminate overdue fines on kid materials. The decrease in circulation of physical materials has also impacted fee revenues.

Other fees decreased slightly based on 2019 actuals and 2020 year-to-date figures. Investment income is decreased due to unfavorable interest rates for a net decrease of \$76,150.

For the four budgeted funds, net revenues are expected to increase from the 2020 budget by \$196,688.

2021 Expenditure Projections

Overall, expenditures for the four budgeted funds decrease from the approved 2020 budget by \$836,437. The net decrease detail is: (1) a net increase in health insurance of \$188,546; (2) a decrease in the special projects budget line for facilities master plan projects of \$918,600; and (3) a net increase in salary and other operating expenditures of \$106,383.

Salaries and Fringe Benefits:

- The Library has 226 full-time and part-time positions *but is not funding four full-time positions*. There were 233 total positions in the 2020 budget, but 8 positions were considered inactive and were eliminated in the 2021 budget. There were 225 positions funded in 2020. At any given time, approximately 210 positions are usually filled due to turnover and seasonal staffing.
- Human resources are the most important expenditure in providing exceptional library services to the community. Salaries and fringe benefits comprise 57.1% of the total budgeted expenditures and 63.1% of the General Fund and Employee Benefit Fund expenditures.
- Overall, gross salaries decrease by \$9,100 from the 2020 budget. These numbers are before any shrinkage factor is applied.
- The shrinkage concept, in which 98.15% of the gross salaries and related percentage-based fringe benefits are funded for regular staff, is being continued in 2021. This provides a better plan to fund library operations and the funding matrix initiatives to fulfill the strategic plan. It will also assist with avoiding last minute, end-of-year spending decisions and projects or the one-year delay or budget amendment required to use the savings in a future year.
- An up to 3% merit pay increase is included for employees. This is granted strictly based on performance and no increase is guaranteed. This is budgeted at 2.64% overall since turnover has historically offset any costs above this rate. The annualized cost of the gross pay increase is estimated just above \$230,000, to begin in 2021 and finish in 2022. The portion estimated to be paid in 2022 is about \$109,500.
- The careful consideration and review of every vacant position, as well as four retirements in 2019 and at least two in 2020, have kept gross salaries starting only about \$9,100 below those budgeted for 2020 (with the annualization of 2020 merit pay, but before any 2021 merit raise).

These savings help fund a modest merit increase for staff in 2021. Staffing levels remain constant with no increase.

- Budgeted employee benefit costs increase by about \$198,000, primarily due to the previously explained significant increases in the cost of the medical insurance plans. A 20% increase in health insurance and a 6% increase in dental insurance are budgeted. To retain employees in the health savings accounts, the employer contributions will remain the same for at least 2021. The retiree health premium subsidy by TSCPL will also remain at \$300 monthly, regardless of coverage.
- Unemployment will remain unchanged at .1% of gross wages. Workers compensation ratings continue to decrease. A 9% decrease in workers compensation over 2020 actual to-date is projected and is \$9,300 less than the 2020 budget.

Information Technology (Digital Branch) Plan and Expenditures

- In accordance with the previously approved strategic and information technology plans, the 2021 budget can fund the prioritized initiatives. Information technology is vital to keep pace with the ever-changing world, the use of the Digital Branch, the community impact goals and the relevancy of the Library to its constituency.
- Contracted Digital Services' budget decreases but will fund: (1) Digital Asset Management system software (\$20,000+), and (2) additional Windows 10 licenses (\$2,000+). This line item consists mostly of support/subscription/access agreements for existing software and systems, so the budget is only impacted by the cost differential of support costs for old and new equipment, as well as the completion of one-time projects replaced by new projects. The total decrease for 2021 is \$75,279.
- Digital Services Support budget increases by \$6,400 and will fund: (1) 80 replacement personal computers on the regular 4-year cycle; (2) 3-D camera for Gallery virtual tours; (3) an inventory wand for circulation and collections; and (4) iPads for Gallery exhibits and the Kids Library. This budget line item fluctuates from year to year as equipment is purchased and new purchases are planned.
- The telecommunications budget has increased by \$8,600 due to the bid process for services eligible for e-rate reimbursement and the addition of wireless cards and cell phones.

Strategic, Community and Facilities Plans

The 2021 budget continues the incorporation of an emphasis on strategic planning based on the Community Impact Goals. This is a logical and responsible progression for funding the approved initiatives in the strategic, information technology and facilities plans, as well as fulfilling the Library's mission and goals.

- In July 2016, the Board approved the Facilities Master Plan. This approval was contingent upon it being a multi-year plan, to be done in phases likely over 10 years, and subject to available public and private funding, with each project specifically approved by the Board.

The Plan encompasses both infrastructure needs and building remodeling and renovation to ensure relevancy and to support the way in which customers need to use the Library now, as well as support the Community Impact goals.

- As previously mentioned in the Challenges/Issues section of this document, the Special Projects line item includes funding for design and construction including:
 - Create public space on the second level and Topeka room \$600,000
 - Miscellaneous exterior and interior repairs, including wood paneling \$111,150
 - Architectural design fees for the 2022 projects \$75,000

This funding is from expenditure savings in the operating budget and a revenue increase from assessed valuations.

Other portions of these projects may be funded from the Library Foundation and the Friends of the Library. Infrastructure projects can be funded by the non-budgeted Capital Improvement Fund.

- The Furniture and Equipment budget decreases by \$4,200 and is comprised of: (1) first public chair replacement cycle (\$50,000); (2) one-half the cost of two Smartlockers for placement within the community (\$30,000 – remainder paid by the Library Foundation); (3) Canon camera body replacement (\$2,000); and (4) base for overall Library needs (\$5,000). Most furnishings will be part of the Facilities Master Plan.
- A line item for the purchase of art for the Gallery was restored in 2015 and continues in the base 2021 budget (\$8,000).
- The Contracted Facilities budget decreases by \$24,300 (based on projections starting with 2019 actual expenditures). The Facilities Master Plan encompasses most of the infrastructure costs and can be paid by the Capital Improvement Fund. This line item includes all the support contracts for the major building systems and allows for cost increases for renewals, as well as any type of professional repair and service, such as snow removal, pest control, trash disposal, fire alarm testing, etc.
- The Contracted Office Equipment budget decreases by \$40 (based on projections starting with 2019 actual expenditures). This line item is primarily for public and staff copies and related maintenance and fees, and postage and mailing equipment leases. Service professionals will be called when needed for one-time needs.
- The Contracted Professional Services budget increases by \$64,150 (based on projections starting with 2019 actual expenditures). The Library is using more professional consulting services for specialized issues in order to become fully educated before spending resources on major projects. This ultimately saves money. However, some changes have occurred that have resulted in savings.
 - Bidding of the annual audit services.
 - Re-categorizing future architectural services fees from Contracted Professional Services to be included in the total project cost and budgeted in the Special Projects line item.
 - Elimination of the contract to administer COBRA.
- Possible professional service needs in 2021 include: (1) consulting and website development for Communications and Marketing; (2) continuation of digitation and preservation of special collections; (3) projected increase in courier services; and (4) a \$20,000 placeholder for unexpected consulting needs.

Other expenditures paid in this line item are credit card processing and bank fees, new hire and employee testing, courier service between libraries, and notary fees

Library Materials

- The 2021 budget allows for the same funding level as 2020 for library materials. The materials' budget represents 13.1% of the total General Fund budget (and 13.8% without Special Projects) but drops to 10.3% of the four budgeted funds.
- The library materials budget for 2021 reflects the library's response in providing digital collections during the extended closure due to the COVID-19 pandemic. Given the continued uncertainty with COVID, the library materials budget plans for robust digital content in 2021.
- If the State Library's funding to public libraries continues to decline, TSCPL needs to plan for continuation of databases that are currently paid and made accessible by the State Library. They can provide access statewide at a substantial discount. State Library staff have confirmed that database funding is intact for this year. It appears that the State Library can continue to provide this service for another year. However, for forthcoming budget years sufficient budget should be maintained to continue to fund databases without the State Library subsidy.

Other Expenditures

Expenditures are increased for basic operating costs and for conferences, including attendance by Trustees.

- Cataloging and interlibrary loan service database costs decrease by \$430 based on communications from the vendor (OCLC) and 2020 year-to-date actuals.
- Conferences – Training needs exist for many staff, both those in the librarian profession and in other professions needed to support the Library. Managers submitted specific proposals for conferences for 2021 and the CEO requested funds for Trustees to attend national conferences. Several staff serve on national councils and boards and must attend the conferences. The Public Library Association conference is held every other year and 2021 is not a conference year. Thus, the budget for this line item is decreased by \$46,580. The estimated cost for the Public Library Association conference is \$47,500 so the conference budget increases by \$926 from the prior year.
- Note: It is likely the moratorium on travel, which was instituted in March 2020, will continue through 2021. As such, the conference line item will act as a placeholder and preserve the Library's budget authority in the event travel to conferences is allowed at some point in the year.
- Insurance is increased by \$194 based on 2020 actual expenditures to-date. The pricing is locked for all but vehicles through 2022, but the Library receives the benefit of any rate decreases. No addition in the vehicle fleet is anticipated in 2021.
- Marketing budget line item remains flat in 2021.
- Membership/Dues budget line item remains flat in 2021.
- By Kansas statute, TSCPL is required to support 50% of the budget requests for the libraries in Rossville and Silver Lake. These costs continue to increase. An additional 1.3% increase from 2020 actual now known (\$1,550) is budgeted at a total of \$116,672 for both libraries.

- Market increases are budgeted for postage/shipping and printing, as well as continued distribution by mail of *Library News* to all district households. However, the publication and mailing of *Library News* will be reduced to 4 mailings from 6 beginning in 2020 which will result in estimated savings of \$25,000. Soffit banners will become a new method of marketing and are an increase in the base Printing budget. Total increase from 2020 for these line items is \$3,131.
- Programming and staff training budgets remain flat in 2021.
- Supplies decrease by \$4,620 based on 2019 actual expenditures and an increase of \$4,500 for additional gallery/office supplies. A base for the replacement of staff office chairs and gallery/office supplies continues.
- Electric costs have been increased by 2% or \$7,200, per the state budget indices. However, the utility market can become volatile and is subject to weather.
- Vehicle repair is increased by \$10,000 based on 2020 actual expenditures to-date. Mechanical issues with the bookmobiles continue to occur and are expensive to repair. The base budget for vehicle fuel should suffice in 2021. No fleet additions are projected.

How Was the 2021 Budget Accomplished and Will this Continue Every Year?

- The continued use of data-driven, process improvement techniques, and the objective review of each vacant position have stabilized the amount of the budget spent on salaries, without a sacrifice in the quality or quantity of customer services. This is now a standard and proven practice at TSCPL with tangible benefits and should provide budget flexibility in the future as retirements and opportunities occur.
- Process improvement will be even more important as technology drives the use of the Library and the needs of its customers.
- The entire budget is crafted to use one-time funding sources for one-time expenditures so the mill levy remains stable. The increase in property valuations and other expenditure savings allows the budget to fund nearly all requested purchases and projects, including projects in the Facilities Master Plan and the non-Facilities Master Plan funding matrix. The General Fund unencumbered cash balance carried forward to 2020 is estimated to be about \$2,444,000. The 2021 budgeted Employee Benefit Fund ending cash carry forward is increased by \$50,000 to \$400,000 to preserve cash and have it available in the event of unforeseen situations and for the 2022 budget since some revenue reductions may be permanent. However, the health plan costs have been conservatively estimated to avoid such situations and costs may eventually be reduced based on data at the time of renewal and/or plan changes.
- The General Fund 2021 budgeted ending cash carry forward is \$1,650,000 in the event of further unforeseen situations and cost increases.
- A standard budget process must be done every year. The formula of beginning cash balance plus budgeted revenues minus budgeted expenditures and budgeted cash carry forward balance must total zero. Thus, any amount of starting cash over the budgeted cash carry forward to the next year represents cash to be “spent” in the budget year. The budget process and required format make some assumptions that are not likely to happen, including that almost the whole expenditure authority in 2020 will be spent and that expenditures will be significantly more than

revenues, and that revenue collections will be 2% short. Historically, that is not what has occurred, but the budget needs to be conservative in its presentation.

- There is no base budget for projects in the Facilities Master Plan. The funding available in 2021 is solely from 2020 savings carried forward to 2021 and from the State Aid Fund. Future movement along the Facilities Master Plan timeline for project completion may be possible with additional funding from the mill levy increase in 2020. The other option is to fund more of these projects from non-operating sources. The Library Foundation and Friends of the Library have already contributed to many projects in the Plan. Further, resolutions requesting fund raising by the Library Foundation for additional projects have been approved and efforts are underway. It should also be noted that The Library Foundation in particular has done much of the heavy lifting financially during the first years of the Facilities Plan implementation. Given the downturn in the economy and investments, it would be prudent to allow the Foundation time to grow assets under management in the near future.
- The 2021 budget includes some atypical issues, but much of these can be controlled and anticipated through careful and prudent financial management planning, use of the Facilities Master Plan, and the benefit of stable property valuations. As the Board of Trustees and staff work to be more strategic, the development of budget forecasts continues to improve and issues are better anticipated.

While 2021 tax revenue estimates provided by Shawnee County are equivalent to 2020 revenue amounts and have not been adjusted in response to the COVID-19 pandemic, management has prepared several scenarios to address the possibility of significant tax reductions. The chart below summarizes the potential cost savings in the 2021 budget should cuts be necessary.

	10% Reduction in Tax Revenue	15% Reduction in Tax Revenue	20% Reduction in Tax Revenue
Estimated Amount of Revenue Shortfall	\$ 1,895,276	\$ 2,842,914	\$ 3,790,551
Proposed Expenditure Reductions by Budget Line Item:			
Salaries and Fringe	\$ (303,659)	\$ (303,659)	\$ (303,659)
Conferences	\$ (120,000)	\$ (120,000)	\$ (120,000)
Contracted Digital Services	\$ (20,000)	\$ (20,000)	\$ (20,000)
Library Materials	\$ (142,688)	\$ (475,625)	\$ (951,250)
Furniture/Equipment	\$ (80,000)	\$ (80,000)	\$ (80,000)
Gallery Art Purchase	\$ (4,000)	\$ (8,000)	\$ (8,000)
Memberships/Dues	\$ (6,000)	\$ (6,000)	\$ (6,000)
*Special Projects	\$ -	\$ (79,630)	\$ (551,642)
Transfer to Capital Improvement Fund	\$ (1,218,929)	\$ (1,750,000)	\$ (1,750,000)
Total Expenditure Reductions	\$ (1,895,276)	\$ (2,842,914)	\$ (3,790,551)

*Special Projects would be paid from Capital Improvement Fund instead of General Fund

**Topeka and Shawnee County Public Library
Key to 2019 and 2020 Budget Comparison
Board Budget Work Session #2 - July 8, 2020**

Has the amount of tax requested increased or decreased? *Remained flat*

1 - Actual Tax Rate 2020	9.786
2 - Estimated Tax Rate 2021	9.786
Net Change	<u>0</u>

The mix of the levy between General Fund, Employee Benefit Fund and Debt Service Fund has changed, but the total remains the same.

Even though the levy is less is the Library receiving more ad valorem tax dollars? *Yes*

3 - Total Amount of 2020 (2021) Budget Ad Valorem Tax	\$ 16,961,565
4 - Total Tax Levied 2020	\$ 16,700,518
Total Increase in Annual Ad Valorem Tax Revenues	<u>\$ 261,047</u>

Did the Library ask for this additional revenue? *No*

7 - Assessed Valuation - 2021	\$ 1,733,247,692
8 - Assessed Valuation - 2020 (final)	\$ 1,691,199,327
Total Increase in Assessed Valuation	<u>\$ 42,048,365</u>
Increased Value of One Mill	<u>\$ 42,049</u>
Increased Revenues based on Budgeted Valuation	<u>\$ 411,492</u>
Reduction in Revenues due to Statutory Computation of Maximum Tax*	\$ -
Decrease due to Final Valuation & Setting of 2020 Mill Levy by Cty Clerk	<u>\$ (150,445)</u>
Increased Revenues At Flat Mill Levy	<u>\$ 261,047</u>

Why does the Library need an over \$20 million budget and why did it increase over 2020?

5 - Net Expenditures 2020	\$ 19,181,975
Add Back Revisions to 2020 Estimates for 2021 Budget:	
General Fund - Facilities Master Plan projects carryforward	\$ -
General Fund estimated cost decreases due to COVID and library closure - net	\$ 84,234
Employee Benefit Fund - 2020 health plan cost decrease	\$ -
Employee Benefit Fund known savings - net	\$ 47,000
State Aid Reduction to Actual	<u>\$ 3,371</u>
Original 2020 Expenditure Authority - excluding cash carry forward and transfers	<u>\$ 19,316,580</u>
6 - Net Expenditures 2021	\$ 20,530,142
Less Cash Carry Forward/Reserves classified as "Expenditures":	
General Fund	\$ (1,650,000)
Employee Benefit Fund	<u>\$ (400,000)</u>
2021 Actual Authority for Expenditures	<u>\$ 18,480,142</u>
Actual Decreased Expenditure Authority in 2021	<u>\$ (836,438)</u>
% Decrease in Expenditure Authority in 2021*	<u>-4.33%</u>
Actual Increased Taxes due to Increased Property Valuations	<u>\$ 261,047</u>
% Increase in Ad Valorem Tax Revenues in 2021*	<u>1.56%</u>

NOTICE OF BUDGET HEARING
 The governing body of
Topeka and Shawnee County Public Library
Shawnee County

will meet on August 13, 2020 at 5:30 PM at 1515 SW 10th Avenue, Topeka, Kansas for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of tax to levied. Detailed budget information is available at <http://www.tscpl.org>, or hard copies from TSCPL and will be available at this hearing.

SUPPORTING COUNTIES
 Shawnee County (home county)

BUDGET SUMMARY

Proposed Budget Expenditures and Amount of -1 Ad Valorem Tax establish the maximum limits of the budget. Estimated Tax Rate is subject to change depending on the final assessed valuation.

FUND	Prior Year Actual for -2		Current Year Estimate for -1		Proposed Budget Year for		
	Expenditures	Actual Tax Rate*	Expenditures	Actual Tax Rate*	Budget Authority for Expenditures	Amount of -1 Ad Valorem Tax	Estimate Tax Rate*
General	13,626,874	7.337	17,197,087	8.070	17,937,029	13,722,658	7.917
Debt Service	1,648,000	0.883	994,167		41,797		
Employee Benefits	3,335,625	1.566	3,645,064	1.716	4,290,113	3,238,907	1.869
State Aid	49,629		49,946		53,000		
Non-Budgeted Funds	1,662,495						
Totals	20,322,623	9.786	21,886,264	9.786	22,321,939	16,961,565	9.786
Less: Transfers	0		2,703,972	1	1,791,797	3	2
Net Expenditures	20,322,623		19,182,292	5	20,530,142	6	
Total Tax Levied	16,221,862		16,700,518	4	xxxxxxxxxxxxxxx		
Assessed Valuation	1,657,901,299		1,691,199,327		1,733,247,692		
			8		7		

Outstanding Indebtedness,

	-3	-2	-1
Jan 1,			
G.O. Bonds	1,600,000	0	0
Revenue Bonds	0	0	0
Other	0	0	0
Lease Pur. Princ.	0	0	0
Total	1,600,000	0	0

*Tax rates are expressed in mills.

Elizabeth Dobler
 Secretary

CERTIFICATE

To the Clerk of Shawnee County, State of Kansas
 We, the undersigned, officers of
Topeka and Shawnee County Public Library
 certify that: (1) the hearing mentioned in the attached publication was held;
 (2) after the Budget Hearing this budget was duly approved and adopted
 as the maximum expenditures for the various funds for the year 2021; and
 (3) the Amount(s) of 2020 Ad Valorem Tax are within statutory limitations for the 2021 Budget.

Table of Contents:		Page No.	2021 Adopted Budget		
			Budget Authority for Expenditures	Amount of 2020 Ad Valorem Tax	County Clerk's Use Only
Computation to Determine Limit for 2021		2			
Allocation of MVT, RVT, 16/20M Veh		3			
Schedule of Transfers		4			
Statement of Indebt. & Lease/Purchase		5			
Computation to Determine State Library Grant		6			
Fund	K.S.A.				
General	75-2551	7	17,937,029	13,722,658	
Debt Service	10-113	8	41,797		
Employee Benefits	12-16,102	8	4,290,113	3,238,907	
State Aid			53,000		
Non-Budgeted Funds					
Totals		xxxxxxx	22,321,939	16,961,565	
Budget Summary		11			
Neighborhood Revitalization Rebate			Resolution required?	Vote publication required?	No

County Clerk's use only for November 1,2020 - Final Assessed Valuation:			
County Name	Valuation	County Name	Valuation
Shawnee County	0		
0	0		
0	0		
0	0		
0	0		
0	0		
0	0		
0	0		
Total Assessed Valuation	0		

Assisted by: _____

Address: _____

Email: _____

Attest: _____, 2020

_____ County Clerk

_____ Governing Body

Computation to Determine Limit for 2021

	Amount of Levy
1. Total tax levy amount in 2020 budget	+ \$ <u>16,700,518</u>
2. Debt service levy in 2020 budget	- \$ <u>0</u>
3. Tax levy excluding debt service	\$ <u>16,700,518</u>

2020 Valuation Information for Valuation Adjustments

4. New improvements for 2020:	+ <u>20,750,460</u>	
5. Increase in personal property for 2020:		
5a. Personal property 2020	+ <u>36,586,810</u>	
5b. Personal property 2019	- <u>39,062,215</u>	
5c. Increase in personal property (5a minus 5b)	+ <u>0</u>	
		(Use Only if > 0)
6. Valuation of property that has changed in use during 2020:		<u>14,763,188</u>
7. Total valuation adjustment (sum of 4, 5c, 6)		<u>35,513,648</u>
8. Total estimated valuation July, 1,2020	<u>1,733,247,692</u>	
9. Total valuation less valuation adjustment (8 minus 7)		<u>1,697,734,044</u>
10. Factor for increase (7 divided by 9)		<u>0.02092</u>
11. Amount of increase (10 times 3)		+ \$ <u>349,346</u>
12. 2021 budget tax levy, excluding debt service, prior to CPI adjustment (3 plus 11)		\$ <u>17,049,864</u>
13. Debt service levy in this 2021 budget		<u>0</u>
14. 2021 budget tax levy, including debt service, prior to CPI adjustment (12 plus 13)		<u>17,049,864</u>
15. Consumer Price Index for all urban consumers for calendar year 2019		<u>0.018</u>
16. Consumer Price Index adjustment (3 times 15)		\$ <u>300,609</u>
17. Maximum levy for budget year 2021, including debt service, not requiring 'notice of vote publication' or adoption of a resolution prior to adoption of the budget (14 plus 16)		\$ <u>17,350,473</u>

If the 2021 adopted budget includes a total property tax levy exceeding the dollar amount in line 17 you must, prior to adoption of such budget, adopt a resolution authorizing such levy and, subsequent to adoption of such budget, publish notice of vote by the governing body to adopt such budget in the official county newspaper and attach a copy of the published notice to this budget.

In no event will published notice of the vote be required if the total budget year tax levy is \$1,000 or less.

Topeka and Shawnee County Public Library
Shawnee County

2021

Allocation of MV, RV, 16/20M, Commercial Vehicle, and Watercraft Tax Estimates

2020 Budgeted Funds	Tax Levy Amount in 2020 Budget	Allocation for Year 2021				
		MVT	RVT	16/20M Veh	Comm Veh	Watercraft
General	13,799,614	1,566,866	15,099	6,089	49,155	8,110
Debt Service	0	0	0	0	0	0
Employee Benefits	2,900,904	329,381	3,174	1,280	10,333	1,705
	0	0	0	0	0	0
	0	0	0	0	0	0
Total	16,700,518	1,896,247	18,273	7,369	59,488	9,815

County Treas Motor Vehicle Estimate 1,896,247

County Treas Recreational Vehicle Estimate 18,273

County Treas 16/20M Vehicle Estimate 7,369

County Treas Commercial Vehicle Tax Estimate 59,488

County Treas Watercraft Tax Estimate 9,815

MVT Factor 0.11354

RVT Factor 0.00109

16/20M Factor 0.00044

Comm Veh Factor 0.00356

Watercraft Factor 0.00059

**WORKSHEET FOR STATE GRANT-IN-AID TO PUBLIC LIBRARIES AND
REGIONAL LIBRARY SYSTEMS**

Budgeted Year: 2021

Library found in: Topeka and Shawnee County Public Library
Shawnee County

Two tests are used to determine eligibility for State Library Grant. If the grant is approved, then the municipality's library will be paid the grant on February 15 of each year.

First test:

	Current Year <u>2020</u>	Proposed Year <u>2021</u>
Unencumbered Cash Balance Jan 1	\$13,799,614	\$13,722,658
Receipts:	\$0	\$0
Ad Valorem Tax	\$1,399,719	\$1,566,866
Delinquent Tax	\$13,465	\$15,099
Motor Vehicle Tax	\$5,331	\$6,089
LAVTR	\$0	\$0
	<u>\$0</u>	<u>\$0</u>
TOTAL TAXES	\$15,218,129	\$15,310,712
Difference in Total Taxes:	\$92,583	
Qualify for grant:	Qualify	

Second test:

Assessed Valuation	\$1,691,199,327	\$1,733,247,692
Did Assessed Valuation Decrease?	No	
Levy Rate	8.07	7.917
Difference in Levy Rate:	(0.153)	
Qualify for grant:	Not Qualify	

Overall does the municipality qualify for a grant? **Qualify**

If the municipality would not have qualified for a grant, please see the below narrative for assistance from the State Library.

General Fund - Expenditures

	FY 2019 Actuals	FY 2020 Approved Budget	FY 2020 Adjusted Budget (for 2021 Estimates only)	FY 2021 Proposed Budget	Budgeted Expenditure Difference FY 2021 Proposed (-) FY 2020 Adopted
Cataloging & ILL Services	\$ 91,166	\$ 105,795	\$ 105,795	\$ 105,365	\$ (430)
Contracted-Digital Services	403,300	555,401	605,401	480,122	(75,279)
Contracted - Erate Services	2,159	2,267	2,267	1,643	(624)
Contracted-Facilities	320,575	353,400	353,400	329,100	(24,300)
Contracted-Office Equipment	50,524	50,940	50,940	50,900	(40)
Contracted-Professional	234,776	213,550	273,550	277,700	64,150
Digital Services Support	390,022	181,100	209,542	187,500	6,400
Furniture/Equipment	17,680	96,200	46,200	92,000	(4,200)
Gallery Art Purchases	3,680	8,000	8,000	8,000	-
Insurance	53,088	54,806	54,806	55,000	194
Marketing	46,290	47,500	47,500	47,500	-
Materials	1,777,514	1,902,500	1,902,500	1,902,500	-
Memberships/Dues	19,441	30,900	30,900	30,900	-
Mileage	8,868	9,500	7,500	9,200	(300)
Miscellaneous	11,917	5,000	5,000	5,000	-
Payments to other Libraries	112,682	115,060	114,384	116,672	1,612
Postage/Shipping	76,246	104,363	84,363	107,494	3,131
Printing	93,494	96,800	96,800	96,800	-
Programming	29,098	32,000	27,000	32,000	-
Salaries and Wages	8,395,904	8,853,967	8,803,967	8,844,867	(9,100)
Special Projects	629,506	1,704,750	1,704,750	733,150	(971,600)
Staff Conferences	92,863	166,580	76,580	120,000	(46,580)
Staff Training	28,156	30,000	30,000	30,000	-
Supplies	177,616	224,137	224,137	219,517	(4,620)
Telecommunications	59,399	90,500	90,500	99,100	8,600
Utilities	424,774	460,000	460,000	468,500	8,500
Vehicle Fuel and Maintenance	76,136	76,500	71,500	86,500	10,000
Fund Balance Carry Forward				1,650,000	1,650,000
TOTAL	\$ 13,626,874	\$ 15,571,516	\$ 15,487,282	\$ 16,187,030	\$ 615,514
Less Fund Balance Carryover Considered an "Expenditure" Only in the Budget Year					(1,650,000)
Net Budgeted Expenditure Difference					\$ (1,034,486)

Topka and Shawnee County Public Library

2021

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget Debt Service	Prior Year Actual for 2019	Current Year Estimate for 2020	Proposed Budget Year for 2021
Unencumbered Cash Balance Jan 1	806,781	804,582	16,697
Receipts:			
Ad Valorem Tax	1,421,923	0	XXXXXXXXXXXXXXXXXX
Delinquent Tax	25,784	25,000	25,000
Motor Vehicle Tax	179,593	168,424	0
Recreational Vehicle Tax	1,723	1,620	0
16/20M Vehicle Tax	756	641	0
Commercial Vehicle Tax	5,638	5,716	0
Watercraft Tax		881	0
Estimated Uncollectible Tax Revenue			
In Lieu of Tax	321		
Interest on Idle Funds	29,192	4,000	100
Neighborhood Revitalization Rebate	(19,129)		0
Miscellaneous			
Does misc. exceed 10% of Total Receipts			
Total Receipts	1,645,801	206,282	25,100
Resources Available:	2,452,582	1,010,864	41,797
Expenditures:			
Bond Principal Payment	1,600,000		
Bond Interest Payments	48,000		
Transfer to General Fund		994,167	41,797
Cash Basis Reserve (2021 column)			
Miscellaneous			
Does misc. exceed 10% of Total Expenditure			
Total Expenditures	1,648,000	994,167	41,797
Unencumbered Cash Balance Dec 31	804,582	16,697	XXXXXXXXXXXXXXXXXX
2019/2020/2021 Budget Authority Amount	2,398,000	994,167	41,797
Non-Appropriated Balance			
Total Expenditure/Non-Appr Balance			41,797
Tax Required			0
Delinquent Comp Rate:		0.0%	0
Amount of 2020 Ad Valorem Tax			0

Adopted Budget Employee Benefits	Prior Year Actual for 2019	Current Year Estimate for 2020	Proposed Budget Year for 2021
Unencumbered Cash Balance Jan 1	1,308,607	1,101,163	652,012
Receipts:			
Ad Valorem Tax	2,522,033	2,900,904	XXXXXXXXXXXXXXXXXX
Delinquent Tax	49,194		
Motor Vehicle Tax	431,407	298,763	329,381
Recreational Vehicle Tax	4,170	2,874	3,174
16/20M Vehicle Tax	802	1,138	1,280
Commercial Vehicle Tax	12,689	10,139	10,333
Watercraft Tax		1,562	1,705
Estimated Uncollectible Tax Revenue		-63,494	
In Lieu of Tax	570	812	691
Reimbursements and Refunds	108,301	79,728	89,008
Prior Year Canceled Encumbrances			
Interest on Idle Funds	33,096	5,000	500
Neighborhood Revitalization Rebate	-34,081	-41,513	-36,878
Miscellaneous			
Does misc. exceed 10% of Total Receipts			
Total Receipts	3,128,181	3,195,913	399,194
Resources Available:	4,436,788	4,297,076	1,051,206
Expenditures:			
Social Security & Medicare	599,997	677,328	676,632
KPERS	817,333	820,944	840,258
Workers' Compensation	57,415	60,279	54,000
Unemployment Tax	9,256	8,854	8,845
Health/Dental Insurance	1,841,940	2,067,376	2,299,932
Employee Assistance Program	6,523	6,478	6,881
Cafeteria Plan Admin Fees	3,161	3,805	3,565
Cash Forward (2021 column)			
Miscellaneous			400,000
Does misc. exceed 10% of Total Expenditure			
Total Expenditures	3,335,625	3,645,064	4,290,113
Unencumbered Cash Balance Dec 31	1,101,163	652,012	XXXXXXXXXXXXXXXXXX
2019/2020/2021 Budget Authority Amount	4,131,049	4,042,064	4,290,113
Non-Appropriated Balance			
Total Expenditure/Non-Appr Balance			4,290,113
Tax Required			3,238,907
Delinquent Comp Rate:		0.0%	0
Amount of 2020 Ad Valorem Tax			3,238,907

CPA Summary

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget State Aid	Prior Year Actual for 2019	Current Year Estimate for 2020	Proposed Budget Year for 2021
Unencumbered Cash Balance Jan 1	0	0	0
Receipts:			
State Aid	49,629	49,946	53,000
Interest on Idle Funds			
Miscellaneous			
Does misc. exceed 10% of Total Receipts			
Total Receipts	49,629	49,946	53,000
Resources Available:	49,629	49,946	53,000
Expenditures:			
Special Projects	336		53,000
Digital Services Support	17,293	49,946	
Staff Internal Development/Trng	32,000		
Cash Forward (2021 column)			
Miscellaneous			
Does misc. exceed 10% Total Expenditures			
Total Expenditures	49,629	49,946	53,000
Unencumbered Cash Balance Dec 31	0	0	0
2019/2020/2021 Budget Authority Amount	53,000	53,000	53,000

Adopted Budget	Prior Year Actual for 2019	Current Year Estimate for 2020	Proposed Budget Year for 2021
0			
Unencumbered Cash Balance Jan 1		0	0
Receipts:			
Interest on Idle Funds			
Miscellaneous			
Does misc. exceed 10% of Total Receipts			
Total Receipts	0	0	0
Resources Available:	0	0	0
Expenditures:			
Cash Forward (2021 column)			
Miscellaneous			
Does misc. exceed 10% Total Expenditures			
Total Expenditures	0	0	0
Unencumbered Cash Balance Dec 31	0	0	0
2019/2020/2021 Budget Authority Amount	0	0	0

CPA Summary

2021

Topeka and Shawnee County Public Library
NON-BUDGETED FUNDS
(Only the actual budget year for 2019 is to be shown)

Non-Budgeted Funds

(1) Fund Name:		(2) Fund Name:		(3) Fund Name:		(4) Fund Name:		(5) Fund Name:	
Capital Improvement		Special Revenue		Permanent Funds				0	
Unencumbered	Cash Balance Jan 1	Unencumbered	Cash Balance Jan 1	Unencumbered	Cash Balance Jan 1	Unencumbered	Cash Balance Jan 1	Unencumbered	Cash Balance Jan 1
1,274,531	488,829	230,783							1,994,143
Receipts:									
Interest	19,215	Intergovt Revenue	2,100	Investment Growth	-16,708				
		Investment Income	10,967						
		Contributions	91,000						
		Component (Fdm)	1,311,321						
		Miscellaneous	2,500						
		Prior Yr Cancel Enc	28,702						
Total Receipts	19,215	Total Receipts	1,446,590	Total Receipts	-16,708	Total Receipts	0	Total Receipts	0
Resources Available:	1,293,746	Resources Available:	1,935,419	Resources Available:	214,075	Resources Available:	0	Resources Available:	0
Expenditures:									
Capital Outlay	1,000	Library Materials	17,954						
		Library Services	144,630						
		Miscellaneous	2,080						
		Capital Outlay	1,496,831						
Total Expenditures	1,000	Total Expenditures	1,661,495	Total Expenditures	0	Total Expenditures	0	Total Expenditures	0
Cash Balance Dec 31	1,292,746	Cash Balance Dec 31	273,924	Cash Balance Dec 31	214,075	Cash Balance Dec 31	0	Cash Balance Dec 31	0
									1,662,495
									1,780,745
									1,780,745

** Note: These two block figures should agree.

CPA Summary

NOTICE OF BUDGET HEARING
 The governing body of
Topeka and Shawnee County Public Library
Shawnee County

State of Kansas
 Special District

will meet on August 13, 2020 at 5:30 PM at 1515 SW 10th Avenue, Topeka, Kansas for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of tax to levied. Detailed budget information is available at <http://www.tscpl.org>, or hard copies from TSCPL and will be available at this hearing.

SUPPORTING COUNTIES
 Shawnee County (home county)

BUDGET SUMMARY

Proposed Budget 2021 Expenditures and Amount of 2020 Ad Valorem Tax establish the maximum limits of the 2021 budget. Estimated Tax Rate is subject to change depending on the final assessed valuation.

FUND	Prior Year Actual for 2019		Current Year Estimate for 2020		Proposed Budget Year for 2021		
	Expenditures	Actual Tax Rate*	Expenditures	Actual Tax Rate*	Budget Authority for Expenditures	Amount of 2020 Ad Valorem Tax	Estimate Tax Rate*
General	13,626,874	7.337	17,197,087	8.070	17,937,029	13,722,658	7.917
Debt Service	1,648,000	0.883	994,167		41,797		
Employee Benefits	3,335,625	1.566	3,645,064	1.716	4,290,113	3,238,907	1.869
State Aid	49,629		49,946		53,000		
Non-Budgeted Funds	1,662,495						
Totals	20,322,623	9.786	21,886,264	9.786	22,321,939	16,961,565	9.786
Less: Transfers	0		2,703,972		1,791,797		
Net Expenditures	20,322,623		19,182,292		20,530,142		
Total Tax Levied	16,221,862		16,700,518		XXXXXXXXXXXXXX		
Assessed Valuation	1,657,901,299		1,691,199,327		1,733,247,692		

Outstanding Indebtedness,

Jan 1,	2018	2019	2020
G.O. Bonds	1,600,000	0	0
Revenue Bonds	0	0	0
Other	0	0	0
Lease Pur. Princ.	0	0	0
Total	1,600,000	0	0

*Tax rates are expressed in mills.

Elizabeth Dobler
 Secretary

2021 Neighborhood Revitalization Rebate

Budgeted Funds for 2021	2020 Ad Valorem before Rebate**	2020 Mil Rate before Rebate	Estimate 2021 NR Rebate
General	13,722,658	7.917	156,245
Debt Service			0
Employee Benefits	3,238,907	1.869	36,878
			0
			0
			0
TOTAL	16,961,565	9.786	193,123

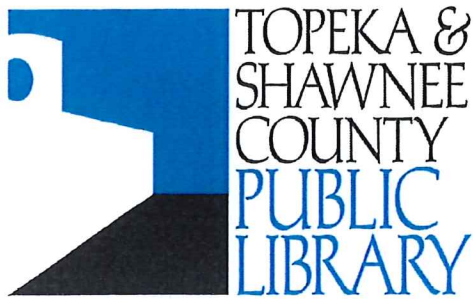
2020 July 1 Valuation: 1,733,247,692

Valuation Factor: 1,733,247.692

Neighborhood Revitalization Subj to Rebate: 19,734,657

Neighborhood Revitalization factor: 19734.657

**This information comes from the 2021 Budget Summary page. See instructions tab #13 for completing the Neighborhood Revitalization Rebate table.



Minutes
Board of Trustees Budget Work Session 1
June 1, 2020
9:00 am – 12:00 pm
Zoom Meeting
<https://tscpl.zoom.us/j/91917125608>
Meeting ID: 919 1712 5608

BOARD MEMBERS PRESENT

Liz Post, Board Chair, Jim Edwards, Vice Chair, Kacy Simonsen, Treasurer, Beth Dobler, Secretary, Jennifer Miller, Shawn Leisinger, Kristen O'Shea, and Joan Hicks.

BOARD MEMBERS ABSENT

David Monical and Kerry Storey.

OTHERS PRESENT

Chief Executive Officer Gina Millsap, Chief of Staff Thad Hartman, Chief Financial Officer Kim Strube, Chief Human Resources Officer Jesse Maddox, Library Counsel Chuck Engel, and Executive Assistant Margo Rangel.

CALL TO ORDER

Chair Liz Post welcomed everyone at 9:10 am to the first of two planned Board Budget Work Sessions.

Fiscal Year 2020 and 2021 Budget Overview

Chief Financial Officer Kim Strube reviewed the documents in the meeting packet.

Millsap and Strube facilitated a discussion about the challenges faced by possible decrease in revenues. Property valuation information will not be available from the County Clerk until June 15th. The 2021 budget could have multiple scenarios presented at the Board budget work session on July 8th, 2020 from noon to 3:00 pm.

Discussion followed with no further questions.

Facilities Master Plan update and funding

Chief of Staff Thad Hartman provided a detailed overview of current and completed projects for 2020 and projects slated for 2021.

Discussion followed with no further questions.

Review anticipated employee benefit expenses

Chief Human Resources Officer Jesse Maddox reviewed the health insurance loss ratio to date and noted an increase of insurance claims filed in April. Maddox suggested that we error on the side of caution by budgeting more monies for health insurance premiums in

2021 due to COVID-19 concerns. Data for FY2021 will not be available until September of this year. Maddox stated that if nothing unforeseen occurs, rates could remain flat for FY2021.

Discussion followed with no further questions.

Identify issues, concerns, and questions as we consider the economic, social, and operational impact of the COVID-19 crisis on TSCPL and the community

Chief Executive Officer Gina Millsap distributed a brief article about governance, [Generative Governance: Making Sense of Problems through Critical Inquiry](#), prior to the meeting that she has used recently in working with another board on the role and effectiveness of boards. She hopes the article is helpful and will stimulate a discussion and questions.

Discussion focused on updates on the reopening of the library on June 15 – phase 3, curbside services, the type of feedback we have received, and if changes are needed to the CEO position description.

Millsap stated that curbside services are going extremely well, and the library has received positive comments.

Hartman reported that staff are being scheduled in the building and on bookmobiles in preparation for phase 3 of the reopening plan that begins on June 15. Employees are reviewing training materials and returning forms that indicate they have completed safety training requirement to the Human Resources office before returning to work. Hartman commented that the library Human Resources Office has worked hard to ensure that our staff is prepared to return to work in the building. Staff is also preparing for the reopening of the library by ensuring customers may safely use the library.

Maddox stated that he and the CEO will develop and provide a draft of a process and timeline for the CEO recruitment process.

Succession Planning

Millsap shared some aspects of the interview process when she was a candidate for library director fifteen years ago. She encouraged the Board of Trustees to consider including the Friends of the Library and The Library Foundation board members in the interview process.

In terms of future planning for the library, Millsap said that these are the questions she and library staff are considering:

How do we maintain and improve service equity and access?

What will our service models be in the short term and long term as we look ahead to 2021?

Are the current community impact goals still relevant? Do we need to add or change any of the goals?

Millsap was asked what priorities or issues a new CEO should be prepared to address. She replied that the public library's role and TSCPL's responsibility in facilitating racial and social justice will be an important consideration in the next few years. She urged the Board to address this as well, so that the governance, operation, and the culture of the library are aligned and integrate diversity, inclusion, and equity in thought and action.

The trustees present agreed that a board meeting with an executive session should be scheduled soon to discuss what board requirements for the next CEO.

Adjournment

On a motion by Kristen O'Shea, seconded by Shawn Leisinger, the meeting was adjourned at 10:45 am.

Motion passed unanimously.

Next meeting:

July 8, 2020

12:00-3:00 pm

Zoom Meeting

Join Zoom Meeting <https://tscpl.zoom.us/j/91192919075>

Meeting ID: 911 9291 9075