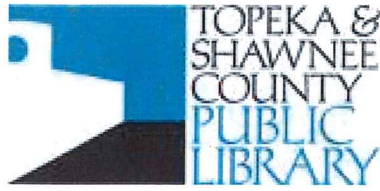


July 10, 2019

Board of Trustees 2020 Budget Work Session #2

Legend of Documents:

1. Budget Work Session Agenda for July 10th Session
2. Select Pages from Funding Matrices for the Facilities Master Plan Initiatives
3. Graph of Budgeted Expenditures – 10-year Retrospective with 2020 Proposed Budget
4. Graph of Mill Rate Values - 10-Year Retrospective with 2020 Proposed Budget
5. Assessed Value and Tax Revenue Information and Mill Levy Impact on Residential and Commercial Properties
6. Summary of Proposed 2020 Budget
7. High-Level 2020 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 3, 2019



**July 10, 2019: Budget Work Session #2
(Anton Room 202, noon to 3:00 pm)**

July 10, 2019: Budget Work Session #2 (Anton Room 202, noon to 3:00 pm)

Meeting Purpose: Review proposed FY 2020 budget, including county property valuations

Expected Product: Reach consensus on the FY 2020 budget proposal to allow action at the July 18th 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 Torrey, Chief Financial Officer
- Review proposed documents to be published: Budget Summary, Notice of Budget Hearing – Kim Torrey, Chief Financial Officer

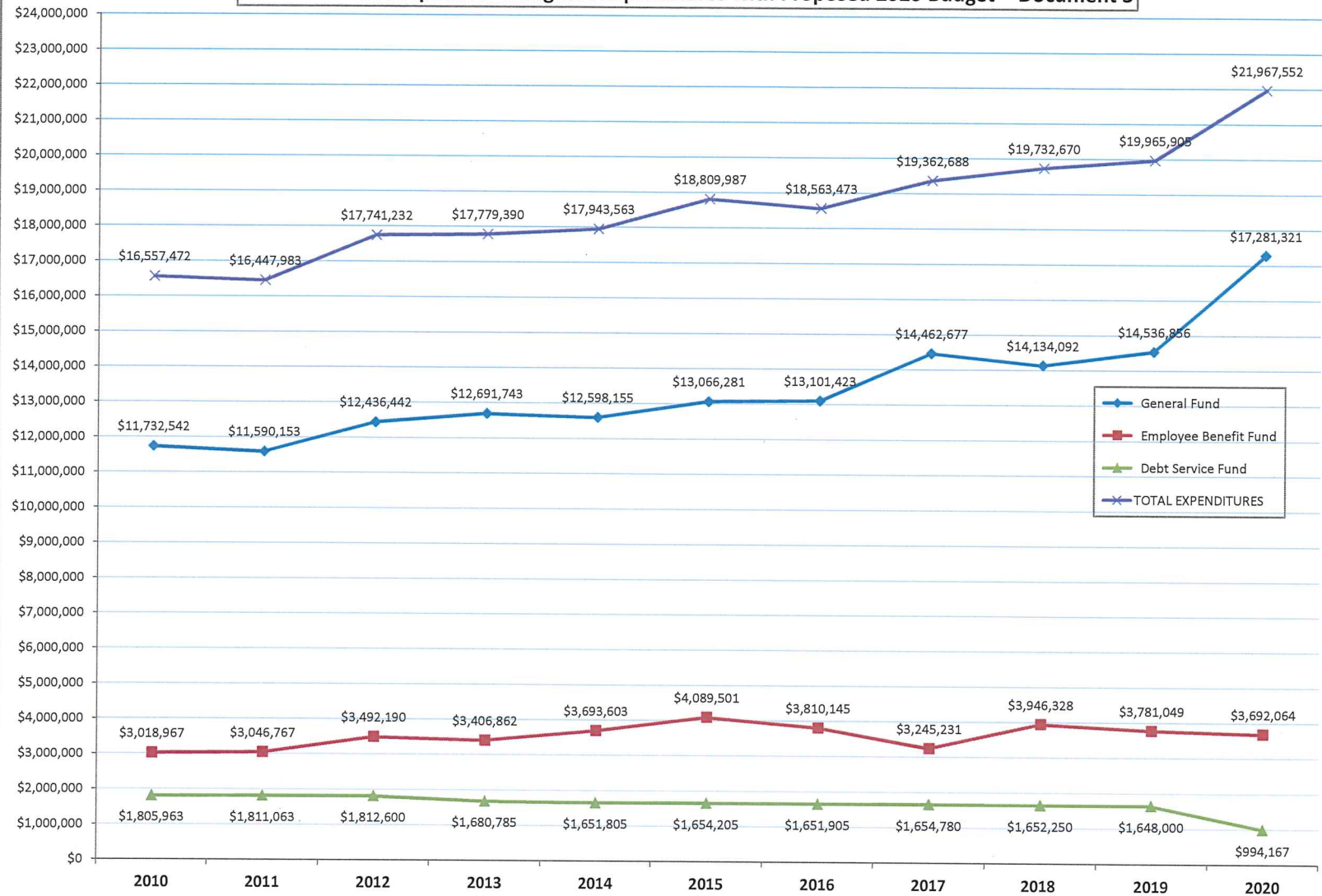
Lunch will be provided at this session.

Facilities Master Plan

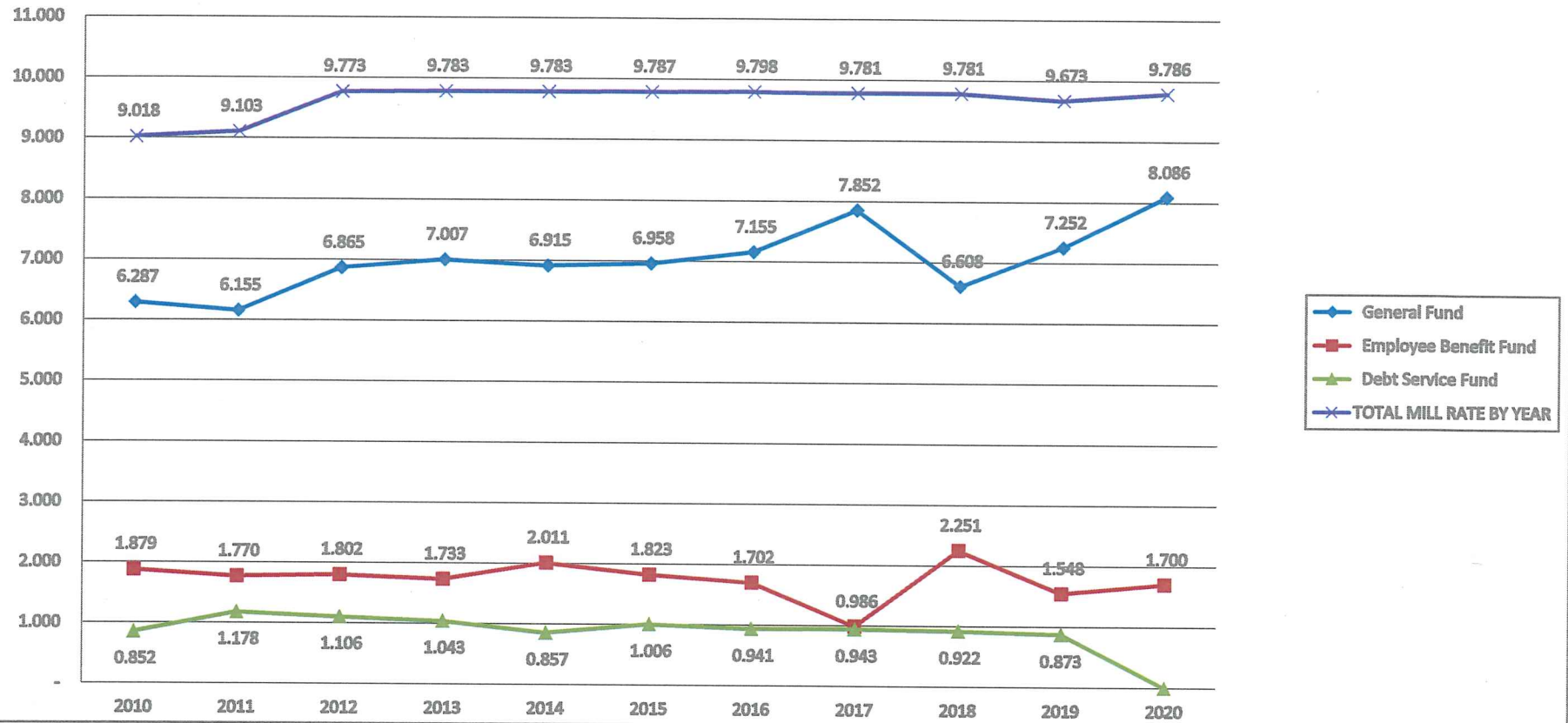
PROJECT TASKS	Est Purch	EST COST	FUNDING SOURCES					TOTAL FUNDING
			GENERAL	CAP IMPROVMNT	FRIENDS	FOUNDATION	STATE AID	
Public spaces on second level and Topeka Room	Design	\$800,000.00	\$800,000.00					\$800,000.00
Architectural Fees for 2021	Design	\$200,000.00	\$200,000.00					\$200,000.00
Living Room redesign	Design	\$100,000.00	\$100,000.00					\$100,000.00
Floor in YS (A15) + new YS carpet (need cost for carpet)	Maint	\$85,000.00	\$85,000.00					\$85,000.00
Staff spaces	Design	\$100,000.00	\$100,000.00					\$100,000.00
Bathrooms	Design	\$100,000.00	\$100,000.00					\$100,000.00
Create Pedestrian Plaza	Design	\$25,000.00	\$25,000.00					\$25,000.00
Meeting Room AV Upgrade	Digital Services	\$75,000.00	\$75,000.00					\$75,000.00
Wood paneling (A14)	Maint	\$18,000.00	\$18,000.00					\$18,000.00
Interior finishes (A13) (Painting in other areas)	Maint	\$51,750.00	\$51,750.00					\$51,750.00
Move Gallery Storage	Design						\$450,000.00	\$450,000.00
Café Flooring		\$75,000.00	\$75,000.00					\$75,000.00
Café Furniture		\$50,000.00	\$50,000.00					\$50,000.00
Café Equipment		\$25,000.00	\$25,000.00					\$25,000.00
Subtotal		\$1,704,750.00	\$1,704,750.00	\$0.00	\$0.00	\$450,000.00	\$0.00	\$2,154,750.00
Budget				\$1,112,933.00				\$1,112,933.00
Remaining			-\$1,704,750.00	\$1,112,933.00	\$0.00	-\$450,000.00	\$0.00	-\$1,041,817.00

2020

TSCPL 10-Yr Retrospective - Budgeted Expenditures with Proposed 2020 Budget - Document 3



TSCPL 10-Yr Retrospective - Actual Mill Rate Values with Proposed 2020 Budget - Document 4



**Topeka and Shawnee County Public Library
Assessed Value and Tax Revenue Information
FY 2020 Budget - July 10, 2019**

Valuation Information for 2019

Assessed values minus TIF

	2019 Budget	Final Base for 2019 Levies	Difference
Total	\$ 1,677,050,096	\$ 1,657,901,299	\$ (19,148,797)

Actual 2019 Mill Rate	
7.337	General
1.566	Employee Benefit
0.883	Debt Service
9.786	Levied
9.673	Budgeted
0.113	Increase

Valuation Information for 2020 Budget, as of July 1, 2019

Assessed values minus TIF

	2020 Budget	Base for 2019 Levies	Change
Total	\$ 1,706,572,536	\$ 1,657,901,299	\$ 48,671,237
Value of One Mill	\$ 1,706,573	\$ 1,657,901	\$ 48,672

Revenues Generated @ Current Levy	\$ 16,700,523	\$ 16,221,862	\$ 478,661
(subject to statutory property tax limit formula)**		(originally budgeted)	(from original)*

* \$2,357 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 (\$883,369) but the Board of Trustees increased mill levy to 9.786; resolution/publication of vote is required

Mill Rate Impact Analysis

Total Valuation 2020	\$ 1,706,572,536	Proposed 2020 Mill Rate	9.786
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Annual Impact on Residential Properties*						
Mill Rate	Additional Revenues	\$50,000	\$100,000	\$200,000	\$300,000	
9.786	Total Current Mill	\$ 56.27	\$ 112.54	\$ 225.08	\$ 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).						

Annual Impact on Commercial Properties**						
Mill Rate	Additional Revenues	\$50,000	\$100,000	\$200,000	\$300,000	
9.786	Total Current Mill	\$ 122.33	\$ 244.65	\$ 489.30	\$ 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 2020 - All Budgeted Funds - Proposed Budget
 Board Budget Work Session #2 - July 10, 2019**

Document 6

	2018 Actuals Cash Basis	% of Total	2019 Budget Adopted	% of Total	2019 Budget Adjusted	% of Total	2020 Budget Proposed	% of Total	(Over)/Under 2019 (-) 2020 Budgets
Beginning Cash Balance January 1	\$ 5,849,379		\$ 5,619,402		\$ 5,619,402		\$ 4,055,214		
Revenues:									
Ad Valorem Property Tax	\$ 15,232,307		\$ 16,221,862		\$ 16,221,862		\$ 16,700,518		\$ (478,656)
Delinquent Tax	\$ 209,532		\$ -		\$ 25,000		\$ 25,000		\$ (25,000)
Motor Vehicle Tax	\$ 1,877,501		\$ 1,884,108		\$ 1,884,108		\$ 1,866,906		\$ 17,202
Recreational Vehicle Tax	\$ 17,913		\$ 17,273		\$ 17,273		\$ 17,959		\$ (686)
16/20 M Vehicle Tax	\$ 7,588		\$ 7,288		\$ 7,288		\$ 7,110		\$ 178
In Lieu of Tax	\$ 805		\$ 7,538		\$ 7,538		\$ 3,776		\$ 3,762
Watercraft Special Tax			\$ 9,818		\$ 9,818		\$ 9,763		\$ 55
Commercial Vehicle Fees	\$ 63,169		\$ 63,888		\$ 63,888		\$ 63,356		\$ 532
Estimated Uncollectible Tax					\$ (363,032)				\$ -
Revitalization Rebates	\$ (203,937)		\$ (206,617)		\$ (206,617)		\$ (238,990)		\$ 32,373
Sub-total Tax Revenues	\$ 17,204,878	96.2%	\$ 18,005,158	96.7%	\$ 17,667,126	96.9%	\$ 18,455,398	92.4%	\$ (450,240)
E-Rate Reimbursement	\$ 38,519		\$ 73,250		\$ 23,993		\$ 25,193		\$ 48,057
Reimbursements-Friends, Foundation, Retirees, County	\$ 259,505		\$ 245,530		\$ 244,220		\$ 215,765		\$ 29,765
Refund - Blue Cross/Blue Shield	\$ -				\$ -				\$ -
Refund - Workers Compensation	\$ -				\$ -				\$ -
Fees and Fines	\$ 167,135		\$ 172,155		\$ 153,155		\$ 141,815		\$ 30,340
Sub-total Reimbursements & Fees	\$ 465,159	2.6%	\$ 490,935	2.6%	\$ 421,368	2.3%	\$ 382,773	1.9%	\$ 108,162
State Aid	\$ 50,002	0.3%	\$ 53,000	0.28%	\$ 49,629	0.27%	\$ 53,000	0.27%	\$ -
Investment Income	\$ 161,739	0.90%	\$ 66,400	0.36%	\$ 90,400	0.50%	\$ 80,000	0.40%	\$ (13,600)
Cash Transfer to Close Debt Service Fund							\$ 994,167		
Total Revenues	\$ 17,881,778	100.0%	\$ 18,615,493	100.0%	\$ 18,228,523	100.0%	\$ 19,965,338	95.0%	\$ (355,678)
	-		-		-		0		

**Topeka and Shawnee County Public Library
 FY 2020 - All Budgeted Funds - Proposed Budget
 Board Budget Work Session #2 - July 10, 2019**

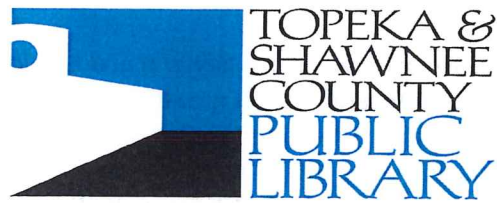
Document 6

	2018		2019		2019		2020		(Over)/Under 2019 (-) 2020 Budgets
	Actuals Cash Basis	% of Total	Budget Adopted	% of Total	Budget Adjusted	% of Total	Budget Proposed	% of Total	
Expenditures:									
Gross Salaries	\$ 7,911,535	43.6%	\$ 8,773,039	43.8%	\$ 8,773,039	44.3%	\$ 8,853,967	45.8%	\$ (80,928)
Employer-Paid Fringe Benefits	\$ 1,523,788	8.4%	\$ 1,544,664	7.7%	\$ 1,522,564	7.7%	\$ 1,580,688	8.2%	\$ (36,024)
Health/Dental Insurance @ Bdgt Yr Increase: 8%/9%	\$ 1,740,943	9.6%	\$ 2,236,385	11.2%	\$ 2,041,145	10.3%	\$ 2,111,376	10.9%	\$ 125,009
Sub-total Salaries and Benefits	\$ 11,176,266	61.6%	\$ 12,554,088	62.7%	\$ 12,336,748	62.3%	\$ 12,546,031	64.9%	\$ 8,057
Library Materials & Collections	\$ 1,764,798	9.7%	\$ 1,836,600	9.2%	\$ 1,836,600	9.3%	\$ 1,902,500	9.8%	\$ (65,900)
Facilities & Utilities	\$ 718,321	4.0%	\$ 821,517	4.1%	\$ 826,517	4.2%	\$ 890,817	4.6%	\$ (69,300)
Furniture & Equipment	\$ 120,421	0.7%	\$ 103,000	0.5%	\$ 103,000	0.5%	\$ 104,200	0.5%	\$ (1,200)
Payments to Other Libraries	\$ 108,836	0.6%	\$ 113,189	0.6%	\$ 113,189	0.6%	\$ 115,060	0.6%	\$ (1,871)
Postage/Printing/Marketing	\$ 189,716	1.0%	\$ 271,960	1.4%	\$ 271,960	1.4%	\$ 248,663	1.3%	\$ 23,297
Programming	\$ 23,069	0.1%	\$ 30,000	0.1%	\$ 30,000	0.2%	\$ 32,000	0.2%	\$ (2,000)
Technology & Telecommunications	\$ 696,738	3.8%	\$ 863,800	4.3%	\$ 860,429	4.3%	\$ 827,001	4.3%	\$ 36,799
Vehicle Operations	\$ 66,455	0.4%	\$ 68,500	0.3%	\$ 76,500	0.4%	\$ 76,500	0.4%	\$ (8,000)
Special Projects	\$ 936,090	5.2%	\$ 935,000	4.7%	\$ 935,000	4.7%	\$ 1,757,750	9.1%	\$ (822,750)
Other Operating Expenditures	\$ 677,933	3.7%	\$ 773,251	3.9%	\$ 774,627	3.9%	\$ 816,058	4.2%	\$ (42,807)
Sub-total Other Operating Expenditures	\$ 5,302,377	29.2%	\$ 5,816,817	29.1%	\$ 5,827,822	29.4%	\$ 6,770,549	35.1%	\$ (953,732)
Debt Service	\$ 1,652,250	9.1%	\$ 1,648,000	8.2%	\$ 1,648,000	8.3%	\$ -	0.0%	\$ 1,648,000
Total Expenditures	\$ 18,130,893	100.0%	\$ 20,018,905	100.0%	\$ 19,812,570	100.0%	\$ 19,316,580	100.0%	\$ 702,325
Cash Carry Forward Balance & Cash Basis Reserve							\$ 2,000,000		
Cash Transfer to General Fund and Cap Impr Fund							\$ (2,703,972)		
Plus Prior Year Cancelled Purchase Orders							0		
Ending Cash Balance December 31	\$ 5,619,402		\$ 4,215,990		\$ 4,055,214		\$ 0		
Total Mill Levy	9.787		9.826				9.786		
							(0)		

Topeka and Shawnee County Public Library
FY 2020 - All Budgeted Funds - Budget High-Level Summary
Board Budget Work Session #2 - July 10, 2019

Document 7

	2018 Actuals Cash Basis	2019 Budget Adopted	2019 Budget Adjusted	2020 Budget Proposed
Beginning Cash Balance January 1	\$ 5,849,379	\$ 5,619,402	\$ 5,619,402	\$ 4,055,214
Revenues:				
Sub-total Tax Revenues	\$ 17,204,878	\$ 18,005,158	\$ 17,667,126	\$ 18,455,398
Sub-total Reimbursements & Fees	\$ 465,159	\$ 490,935	\$ 421,368	\$ 382,773
State Aid	\$ 50,002	\$ 53,000	\$ 49,629	\$ 53,000
Investment Income	\$ 161,739	\$ 66,400	\$ 90,400	\$ 80,000
Cash Transfer to Close Debt Service Fund				\$ 994,167
Total Revenues	\$ 17,881,778	\$ 18,615,493	\$ 18,228,523	\$ 19,965,338 (0)
	-	-	-	
Expenditures:				
Sub-total Salaries and Benefits	\$ 11,176,266	\$ 12,554,088	\$ 12,336,748	\$ 12,546,031
Sub-total Other Operating Expenditures	\$ 5,302,377	\$ 5,816,817	\$ 5,827,822	\$ 6,770,549
Debt Service	\$ 1,652,250	\$ 1,648,000	\$ 1,648,000	
Cash Carry Forward Balance & Cash Basis Reserve				\$ 2,000,000
Cash Transfers to General Fund and Cap Impr Fund				\$ 2,703,972
Total Expenditures	\$ 18,130,893	\$ 20,018,905	\$ 19,812,570	\$ 24,020,552 (0)
	-	-	-	
Expenditures Net of Cash Carry forward				\$ 19,316,580
Plus Prior Year Cancelled Purchase Orders	19,138		19,859	
Ending Cash Balance December 31	\$ 5,619,402	\$ 4,215,990	\$ 4,055,214	\$ (0)
Total Mill Levy	9.787	9.826		9.786 (0)
	-	-	-	



Budget Narrative/Staff Recommendation
Board of Trustees 2020 Budget Work Session #2 - July 10, 2019

Staff Budget Recommendation

- Fund the 2020 budget year operations and projects within the resources provided at a total mill levy of 9.786 which is the same total rate as 2019.
- Allow for an increase in the mill levy rate based on the statutory computation (see pages 2 and 11 of the required budget form) and on the following resolution.

Resolution

Whereas, the Topeka and Shawnee County Public Library Board of Trustees levies a tax in the amount of 8.903 mills to fund the 2019 annual budget to maintain and support the Library (the "budget levy"); and levies a tax in the amount of .883 mills to repay the principal and interest on general obligation bonds issued to construct, remodel, furnish and equip the Library building (the "bond levy") resulting in a total levy of 9.786 mills; and

Whereas, the bond levy will expire upon final payment of outstanding bond obligations in September 2019;

Whereas, the Board has determined that the 2019 budget levy itself is insufficient to meet the increasing costs to adequately fund planned replacement and repairs to the Library building and its physical plant, to maintain the bookmobile fleet, to enhance the collections and circulation systems, and to meet the increasing appetite of residents of the Library district for state-of-the art services and programming; and

Now therefore, the Board in session on this 21st day of March, 2019, resolves to increase the budget levy for 2020 and following years to not exceed 9.786 mills, which equals the 2019 budget and bond levies.

Elizabeth Post, Vice Chair
 Kerry Gastott Storey, Chair
on behalf of Kerry Gastott Storey

Beth Dobler
 Beth Dobler, Secretary

The requirement to pass a resolution prior to the adoption of a budget and publish a notice of vote (K.S.A. 79-2925b) was met with the proposed 2020 budget. This requirement applies to local taxing authorities in which a majority of governing body members vote to set a budget which increases ad valorem property taxes beyond the prior year, adjusted by certain types of valuation increases and the *Consumer Price Index for All Urban Consumers* (2 year). There was

no opposition to the mill levy increase. The proposed budget is at exactly the amount of ad valorem property tax allowed by a total budget levy of 9.786 mills.

- 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. However, favorable claims experience in 2018 and 2019 have 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.

The 2020 mill levy split between the General Fund and the Employee Benefit Fund has reverted to more usual rates and cash balances.

- *Debt Service Fund* – The elimination of the debt service in 2019 will result in the bond levy rate to be allocated to the General Fund.
- 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 General Fund for the one-time projects, the ending cash balance has been increased by \$50,000.
- 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, 2019 is \$1,283,387.
- 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.
.5% this

Challenges/Issues for the 2020 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. A 5%

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 eight 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 \$478,656 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 \$28,416 less than 2019.
- Reimbursements and fees decreased \$60,105 which is net of some offsets: (1) decreased refunds from the Friends of the Library for salary and fringes; the Friends reimbursement will change to 50% from 80% beginning in 2020; (2) the renewal of the 2 year contract with Shawnee County Parks and Recreation in November 2017 which reimburses 50% of a computer technician's salary/fringe costs for support of the computers in the community centers; this may be renewed by the County, but revenues were conservatively not budgeted in 2020; and (3) an additional decrease in overdue fine revenues due to the decision to no longer charge fines on children's materials.
- E-rate revenues for reimbursement dropped from 90% to 80% of select internet and telecommunication costs decrease by \$48,057. E-rate discounts were discontinued for local and long distance telephone service in 2019.
- State Aid decreases by about 1% per the recent trend in these revenues.

Special Projects/Major Initiatives Funding Matrix/Facilities Master Plan

- The Major Initiatives Funding Matrix is a multi-year planning and funding tool that has proven successful for all three Boards – Library, Foundation and Friends. However, with the Facilities Master Plan encompassing most of the priority needs on the Funding Matrix, two documents have been prepared for: (1) the initiatives within or related to the Facilities Master Plan; and (2) for all other initiatives. Select pages from each for the 2020 proposals are included in the budget work session packet.
- All items for 2020 on both matrices are funded at least in part 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 2021, an upgrade to meeting room audio/visual equipment, and carpeting for the youth services area. Please refer to the Facilities Master Plan funding matrix for 2020 for a complete summary. The Special Project line item includes \$1,704,750 for these projects. This funding is available from savings from a revenue increase from assessed valuations and an increase to the total budget levy.

The projects currently underway are: (1) the construction of Claire's Courtyard; (2) redesign and remodeling of the circulation plaza, including flooring replacement in the rotunda; (3) two monument signs for the north side of the building; and (4) roof replacement.

These design projects are planned for 2020:

- Relocation of public services and technical services staff office space \$900,000
- Living room redesign \$100,000
- Bathroom renovations \$100,000
- Café flooring, equipment and furniture \$150,000
- Pedestrian Plaza construction \$25,000
- Miscellaneous exterior and interior repairs, including wood paneling \$69,750

These projects, together with architectural fees of \$200,000 for 2021 project design, the meeting room audio/visual equipment upgrade of \$75,000 and \$85,000 for carpeting in the youth services area total \$1,704,750. These projected costs are estimates only and will change.

Some of the project costs are planned on the matrix to be funded with known funds available from the Library Foundation. If the full funding in the operating budget is not needed, the cash can be again carried forward to 2021 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, shelveers 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 2020 budget, a 1.85% reduction from gross maximum salaries for regular staff allows savings of \$144,063 in gross salary and \$25,009 in related percentage-based fringe benefits to be budgeted elsewhere (total \$169,072).
- Care must be used when implementing this type of strategy. Performance pay is budgeted at an average rate of 2.51% on a maximum 3%. Savings from turnover provides for funding any pay increases in excess of 2.51%. Some salary savings is needed to fund leave payouts upon termination or retirement which aren't budgeted.
- At the end of 2018, at least 40 employees were eligible to accept KPERS full or reduced retirement. During 2018, four employees retired and four have retired or submitted notice thus far in 2019. 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 (2019)

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 2019 estimates (for budget preparation purposes only) include:

- A 2% uncollectible tax revenue reduction of \$363,032 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 2018 actuals and 2019 year-to-date revenues. Interest earnings are expected to increase due to favorable bid rates. Total fee and interest income are decreased \$52,098.
- General Fund expenditures have been adjusted for: (1) an increase in cataloging services based on 2019 year-to-date actuals (\$3,000+); (2) contracted e-rate services expected this year (\$2,500-); (3) increase in vehicle insurance for the addition of the Adventuremobile to the fleet (\$876+); (4) vehicle repair costs (\$8,000+); and (5) electricity costs (\$5,000+). Total expenditures are increased \$14,376.
- Employee Benefit Fund revenues have been adjusted for the expiration of the County's community center support contract in November 2019. Total revenues are decreased \$1,310.
- 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 (\$195,240+); and (2) decrease in workers compensation from the annual audit (\$22,100+). Total expenditures are decreased \$217,340.
- The Debt Service Fund interest earnings were increased by \$4,000.
- State Aid revenues and expenditures are decreased by \$3,371 to the actual amount received of \$49,629. This source continues to decline; 2018 revenues were \$50,002.
- All of these adjustments impact the amount of cash available to help fund the 2020 budget.

2020 Schedule of Transfers Projection

The debt incurred with the bond issue will be paid in full in September 2019. A one-time cash transfer has been budgeted 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.

A second cash transfer is planned from the General Fund to the Capital Improvement Fund (non-budgeted) in 2020 for \$1,709,805. Statue allows the Board of Trustees to direct a transfer annually from the General Fund not to exceed 10% of the money credited to the fund. These funds will be utilized for infrastructure needs and building improvements.

2020 Revenue Projections

Assessed valuations as of July 1, 2019 will produce \$48,672 more per mill. At a flat, combined levy of 9.786, revenue increases by \$476,304 for the three taxed funds. The change from the budgeted to actual valuations for the 2019 budget produced an additional \$2,352 in annual ad valorem tax revenue. Thus, the total increase in ad valorem tax revenue from the 2019 budget could be \$478,656. The debt service mill levy is 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. These additional funds are budgeted in the general fund.

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 decreases by a net \$28,416 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 \$48,057 less than the 2019 adopted budget amount.

Fee revenues have stabilized since the decision was made in 2016 to enact auto-renewals and to eliminate overdue fines on kid materials.

Other fees decreased slightly based on 2018 actuals and 2019 year-to-date figures. Investment income is increased due to favorable bid rates for a net decrease of \$16,740.

For the four budgeted funds, net revenues are expected to increase from the 2019 budget by \$355,678.

2020 Expenditure Projections

Overall, expenditures for the four budgeted funds decrease from the approved 2019 budget by \$702,325. This is somewhat misleading since this decrease is mostly due to the elimination of the debt service payment in 2020. The net decrease detail is: (1) a decrease due to the elimination of debt service \$1,648,000; (2) an increase in the special projects budget line for facilities master plan projects of \$822,750; and (3) an net increase in salary and other operating expenditures of \$122,925.

The General Fund increases the Special Projects budget line by \$822,750 from 2019 and the cash transfer to close the Debt Service Fund to the General Fund is an increase of \$994,167. Thus, this is clearly a one-time redirection of revenues and a spend down of the cash balance in the Debt Service Fund.

Salaries and Fringe Benefits:

- The Library has 233 full-time and part-time positions, *but is not funding six full-time Librarian positions and one 50% time Public Services Specialist position*. There were 225.5 positions funded in 2019. At any given time, approximately 205 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 59.7% of the total budgeted expenditures and 65.1% of the General Fund and Employee Benefit Fund expenditures.

- Overall, gross salaries increase by \$80,928 from the 2019 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 2020. 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 2.51% overall since turnover has historically offset any costs above this rate. The annualized cost of the gross pay increase is estimated at almost \$222,000, to begin in 2020 and finish in 2021. The portion estimated to be paid in 2021 is about \$97,300.
- The careful consideration and review of every vacant position, as well as four retirements in 2018 and at least four in 2019, have kept gross salaries starting only about \$88,410 above those budgeted for 2019 (with the annualization of 2019 merit pay, but before any 2020 merit raise). These savings help fund a modest merit increase for staff in 2020. Staffing levels remain constant with no increase.
- Budgeted employee benefit costs decrease by about \$88,985, primarily due to the previously explained significant decreases in the cost of the medical insurance plans. A 5% 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 2020. 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, but recent experience anticipates an increase in future ratings and cost. A 16% decrease in workers compensation over 2019 actual to-date is projected, and is \$4,800 less than the 2018 budget.

Information Technology (Digital Branch) Plan and Expenditures

- In accordance with the previously approved strategic and information technology plans, the 2020 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 includes increases for Communico event management software (\$20,000), increased annual cost for Aruba Wireless (\$30,000), OrangeBoy annual fees (\$15,675), Board document management system (\$20,000) and various new software to include the Beanstack application. 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 increase for 2020 is \$181,801.
- Digital Services Support budget decreases by \$163,400 and will fund: (1) 80 replacement personal computers on the regular 4-year cycle; (2) laptops for Public Services; (3) gaming systems maintenance and replacement; and (4) iPads for meeting room and Dolly Parton

Imagination Library (DPIL) sign up. This budget line item fluctuates from year to year as equipment is purchased and new purchases are planned.

- The telecommunications budget has decreased by \$2,200 due to the bid process for services eligible for e-rate reimbursement.

Strategic, Community and Facilities Plans

The 2020 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 is almost solely for the design concept phases on the Facilities Master Plan and includes \$1,704,750 for these projects. This funding is from expenditure savings in the operating budget and a revenue increase from a cash transfer from the Debt Service fund to close the fund.
 - Relocation of public services and technical services staff office space \$900,000
 - Living room redesign \$100,000
 - Bathroom renovations \$100,000
 - Café flooring, equipment and furniture \$150,000
 - Pedestrian Plaza construction \$25,000
 - Miscellaneous exterior and interior repairs, including wood paneling \$69,750
 - Architectural design fees for the 2021 projects \$200,000
 - Carpeting in youth services area \$85,000
 - Audio/Visual equipment upgrade in meeting rooms \$75,000

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 increases by \$1,200 and is comprised of: (1) first public chair replacement cycle (\$50,000); (2) benches/furniture for downtown plaza (\$5,000); (3) one-half the cost of two Smartlockers for placement within the community (\$30,000 – remainder paid by the Library Foundation); (4) furniture for new staff training space (\$5,000); (5) drone for marketing use (\$1,200); and (6) 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 2020 budget (\$8,000).
- The Contracted Facilities budget increases by \$59,300 (based on projections starting with 2018 actual expenditures). The increase is mainly comprised of the estimated cost to re-key the

building, an addition of \$15,000 to the landscape budget and an upgrade to the controls on the storage system. 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 increases by \$5,590 (based on projections starting with 2018 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-off needs.
- The Contracted Professional Services budget decreases by \$34,680 (based on projections starting with 2018 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.
 - The decision to move from ADP to Paycom for human resources/payroll/timekeeping/leave management software services. The 2017 budget anticipated staying with ADP, but an upgrade was needed and service pricing would have increased. Thus, the 2018 budget is a reduction from those projected increases and an even further reduction since Paycom's base services are less expensive.
 - Bidding of the annual audit services.
 - Re-categorizing future architectural services fees from Contracted Professional Services to instead be part of the project cost and budgeted in the Special Projects line item.
 - Elimination of the contract to administer COBRA.
- Possible professional service needs in 2020 include: (1) translation service for Spanish language publication; (2) continuation of digitation and preservation of special collections; (3) art appraisals for a few select pieces; (3) projected increase in courier services; and (4) a \$10,000 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 2020 budget allows for a 3.5% increase in the funding for library materials. This is in a large part due to the increasing demand for digital materials and the associated costs. The materials' budget represents 12.2% of the total General Fund budget (and 13.7% without Special Projects), but drops to 9.8% of the four budgeted funds.
- The budget reflects changes in customer demand for digital materials. Digital downloads by customers, particularly for Overdrive ebooks/eaudio and Hoopla content, continues to increase. From January to December 2018, customer usage of Hoopla increased by 19% over the same time period in 2017. For that same comparative time period, Overdrive checkouts increased by 20%. Purchase requests submitted by customers continue to accelerate in Overdrive. In 2018, TSCPL received 18,606 Overdrive purchase requests compared with 2,472 requests for physical and audiobooks. It is imperative to meet customer demands for ebook/eaudio materials by continuing to generously allocate resources for digital content from Overdrive and Hoopla.

- If the State Library's funding continues to deplete, TSCPL needs to plan for continuation of databases that are currently paid and access made available 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 databases as an individual library if necessary.

Other Expenditures

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

- Cataloging and interlibrary loan service database costs increase by \$15,874 based on communications from the vendor (OCLC) and 2019 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 2020 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 2020 is a conference year. Thus, the budget for this line item is increased by \$30,010. The estimated cost for the Public Library Association conference is \$47,500 so the conference budget actually decreases by \$17,490 from the prior year.
- Insurance is increased by \$1,752 based on 2019 actual expenditures to-date, which includes the addition of the Adventuremobile to the fleet. The pricing is locked for all but vehicles through 2020, but the Library receives the benefit of any rate decreases. No addition in the vehicle fleet is anticipated in 2020.
- Marketing budget line item remains flat from 2019.
- Membership/Dues have been increased by \$6,094 to pay toward a professional membership fee for each member of the leadership team.
- 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 3.8% increase from 2019 actual now known (\$3,968) is budgeted at a total of \$115,060 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 decrease from 2019 for these line items is \$22,797.
- Programming and staff training budgets have been increased \$2,000 for higher insurance costs to borrow higher priced items.
- Supplies increase by \$22,400 based on 2018 actual expenditures and an increase of \$9,100 for additional gallery/office supplies, \$4,940 for replacement tables in Marvin Auditorium and replacement carts and chair for Technical Services and Circulation. A base for the replacement of staff office chairs continues.

- Electric costs have increased so an additional \$10,000 has been budgeted. However, the utility market can become volatile and is subject to weather.
- Vehicle repair is increased by \$8,000 based on 2019 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 2020. No fleet additions are projected.

The Lingo bookmobile has been replaced with the Adventuremobile in 2019. The Red Carpet vehicle is no longer repairable and will be replaced with a cargo van in 2019. Large vehicle repairs can be expensive and the Library will have three Bookmobiles – the Adventuremobile, the Learn and Play bus, the Red Carpet vehicle (replaced with van in 2019) and the box truck.

- Debt service is eliminated in September 2019 in accordance with the repayment schedule.

How Was the 2020 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 proposed to carefully use any 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 on 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 \$2,476,000. The 2020 budgeted General Fund ending cash carry forward is increased by \$50,000 to \$1,650,000 to preserve cash and have it available in the event of unforeseen situations and for the 2021 budget since some revenue reductions may be permanent.
- The Employee Benefit Fund 2020 budgeted ending cash carry forward is \$350,000 in the event of further unforeseen situations and cost increases. 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.
- 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 2019 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 on the Facilities Master Plan. The funding available in 2020 is solely from 2019 savings carried forward to 2020 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 of course to fund more of these projects from non-operating sources. The Library Foundation and Friends of the Library are already contributing to the completion of many components of the Plan. Further, resolutions requesting fund raising by the Library Foundation for additional projects have been approved and efforts are underway.

- The elimination of the debt service in 2019 provided an opportunity to allow the Library to continue to fund the Facilities Master Plan projects in 2020 and future years without incurring debt if the total amount of current funding is maintained. The Board of Trustees approved an increase to the total mill levy to increase the number of dollars into the operating fund but maintaining the same total mill levy as 2019.
- The 2020 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 other initiatives funding matrices, 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.

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

will meet on August 8, 2019 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.tsopl.org>, or hard copies from TSCPL and will be available at this hearing.

SUPPORTING COUNTIES
 Shawnee County (home county)

BUDGET SUMMARY

Proposed Budget 2020 Expenditures and Amount of 2019 Ad Valorem Tax establish the maximum limits of the 2020 budget. Estimated Tax Rate is subject to change depending on the final assessed valuation.

FUND	Prior Year Actual for 2018		Current Year Estimate for 2019		Proposed Budget Year for 2020		
	Expenditures	Actual Tax Rate*	Expenditures	Actual Tax Rate*	Budget Authority for Expenditures	Amount of 2019 Ad Valorem Tax	Estimate Tax Rate*
General	13,163,910	6.612	14,551,232	7.337	18,931,321	13,799,614	8.086
Debt Service	1,652,250	0.923	1,648,000	0.883	994,167		
Employee Benefits	3,264,731	2.252	3,563,709	1.566	4,042,064	2,900,904	1.700
State Aid	50,002		49,629		53,000		
Non-Budgeted Funds	1,336,436						
Totals	19,467,329	9.787	19,812,570	9.786	24,020,552	16,700,518	9.786
Less: Transfers	0		0	1	2,703,972	3	2
Net Expenditures	19,467,329		19,812,570	5	21,316,580	6	
Total Tax Levied	15,562,334		16,221,862	4	xxxxxxxxxxxxxx		
Assessed Valuation	1,590,296,753		1,657,901,299		1,706,572,536		
			8		7		

Outstanding Indebtedness,

	2017	2018	2019
Jan 1,			
G.O. Bonds	4,650,000	3,150,000	1,600,000
Revenue Bonds	0	0	- 0
Other	0	0	0
Lease Pur. Princ.	0	0	0
Total	4,650,000	3,150,000	1,600,000

*Tax rates are expressed in mills.

Elizabeth Dobler
 Secretary

**Topeka and Shawnee County Public Library
Key to 2018 and 2019 Budget Comparison
Board Budget Work Session #2 - July 10, 2019**

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

1 - Actual Tax Rate 2019	9.786
2 - Estimated Tax Rate 2020	<u>9.786</u>
Net Change	0

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 2019 (2020) Budget Ad Valorem Tax	\$ 16,700,518
4 - Total Tax Levied 2019	<u>\$ 16,221,862</u>
Total Increase in Annual Ad Valorem Tax Revenues	\$ 478,656

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

7 - Assessed Valuation - 2020	\$ 1,706,572,536
8 - Assessed Valuation - 2019 (final)	<u>\$ 1,657,901,299</u>
Total Increase in Assessed Valuation	\$ 48,671,237
Increased Value of One Mill	\$ 48,672
Increased Revenues based on Budgeted Valuation	\$ 476,304
Reduction in Revenues due to Statutory Computation of Maximum Tax*	\$ -
Decrease due to Final Valuation & Setting of 2019 Mill Levy by Cty Clerk	\$ 2,352
Increased Revenues At Flat Mill Levy	\$ 478,656

Why does the Library need an over \$20 million budget and why did it increase over 2019?

5 - Net Expenditures 2019	\$ 19,812,570
Add Back Revisions to 2019 Estimates for 2020 Budget:	
General Fund - Facilities Master Plan projects carryforward	\$ -
General Fund known cost increases - net	\$ (14,376)
Employee Benefit Fund - 2018 health plan cost increase	\$ -
Employee Benefit Fund known savings - net	\$ 217,340
State Aid Reduction to Actual	<u>\$ 3,371</u>
Original 2019 Expenditure Authority - excluding cash carry forward	\$ 20,018,905
6 - Net Expenditures 2020	\$ 21,316,580
Less Cash Carry Forward/Reserves classified as "Expenditures":	
General Fund	\$ (1,650,000)
Employee Benefit Fund	<u>\$ (350,000)</u>
2020 Actual Authority for Expenditures	\$ 19,316,580
Actual Decreased Expenditure Authority in 2020	\$ (702,325)
% Decrease in Expenditure Authority in 2020*	-3.51%
Actual Increased Taxes due to Increased Property Valuations	\$ 478,656
% Increase in Ad Valorem Tax Revenues in 2020*	2.95%

*most of the spending authority decrease is due to the elimination of debt service

CERTIFICATE

To the Clerk of Shawnee County, State of Kansas

We, the undersigned, officers of

Topeka & 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 2020; and

(3) the Amount(s) of 2019 Ad Valorem Tax are within statutory limitations for the 2020 Budget.

Table of Contents:		Page No.	2020 Adopted Budget		
			Budget Authority for Expenditures	Amount of 2019 Ad Valorem Tax	County Clerk's Use Only
Computation to Determine Limit for 2020		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	18,931,321	13,799,614	
Debt Service	10-113	8	994,167		
Employee Benefits	12-16,102	8	4,042,064	2,900,904	
State Aid		9	53,000		
		9			
Non-Budgeted Funds		10			
Totals		xxxxxxx	24,020,552	16,700,518	
Budget Summary		11			
Neighborhood Revitalization Rebate		12	Resolution required?	Vote publication required?	Yes

County Clerk's use only for November 1,2019 - 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		
0	0		
Total Assessed Valuation	0		

Assisted by:

Address:

Email:

Attest: _____, 2019

County Clerk

Governing Body

Computation to Determine Limit for 2020

	Amount of Levy
1. Total tax levy amount in 2019 budget	+ \$ <u>16,221,862</u>
2. Debt service levy in 2019 budget	- \$ <u>1,463,467</u>
3. Tax levy excluding debt service	\$ <u>14,758,395</u>

2019 Valuation Information for Valuation Adjustments

4. New improvements for 2019:	+ <u>14,037,209</u>	
5. Increase in personal property for 2019:		
5a. Personal property 2019	+ <u>44,954,823</u>	
5b. Personal property 2018	- <u>41,447,522</u>	
5c. Increase in personal property (5a minus 5b)	+ <u>3,507,301</u>	
		(Use Only if > 0)
6. Valuation of property that has changed in use during 2019:		<u>6,525,866</u>
7. Total valuation adjustment (sum of 4, 5c, 6)		<u>24,070,376</u>
8. Total estimated valuation July, 1,2019	<u>1,706,572,536</u>	
9. Total valuation less valuation adjustment (8 minus 7)		<u>1,682,502,160</u>
10. Factor for increase (7 divided by 9)		<u>0.01431</u>
11. Amount of increase (10 times 3)		+ \$ <u>211,138</u>
12. 2020 budget tax levy, excluding debt service, prior to CPI adjustment (3 plus 11)		\$ <u><u>14,969,533</u></u>
13. Debt service levy in this 2020 budget		<u>0</u>
14. 2020 budget tax levy, including debt service, prior to CPI adjustment (12 plus 13)		<u><u>14,969,533</u></u>
15. Consumer Price Index for all urban consumers for calendar year 2018		<u>0.025</u>
16. Consumer Price Index adjustment (3 times 15)		\$ <u>368,960</u>
17. Maximum levy for budget year 2020, including debt service, not requiring 'notice of vote publication' or adoption of a resolution prior to adoption of the budget (14 plus 16)		\$ <u><u>15,338,493</u></u>

If the 2020 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 & Shawnee County Public Library
Shawnee County

2020

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

2019 Budgeted Funds	Tax Levy Amount in 2019 Budget	Allocation for Year 2020				
		MVT	RVT	16/20M Veh	Comm Veh	Watercraft
General	12,162,389	1,399,719	13,465	5,331	47,501	7,320
Debt Service	1,463,467	168,424	1,620	641	5,716	881
Employee Benefits	2,596,006	298,763	2,874	1,138	10,139	1,562
	0	0	0	0	0	0
	0	0	0	0	0	0
Total	16,221,862	1,866,906	17,959	7,110	63,356	9,763

County Treas Motor Vehicle Estimate 1,866,906

County Treas Recreational Vehicle Estimate 17,959

County Treas 16/20M Vehicle Estimate 7,110

County Treas Commercial Vehicle Tax Estimate 63,356

County Treas Watercraft Tax Estimate 9,763

MVT Factor 0.11509

RVT Factor 0.00111

16/20M Factor 0.00044

Comm Veh Factor 0.00391

Watercraft Factor 0.00060

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

Budgeted Year: 2020

Library found in: Topeka & 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>2019</u>	Proposed Year <u>2020</u>
Unencumbered Cash Balance Jan 1	\$12,162,389	\$13,799,614
Receipts:	\$0	\$0
Ad Valorem Tax	\$1,272,889	\$1,399,719
Delinquent Tax	\$11,669	\$13,465
Motor Vehicle Tax	\$4,924	\$5,331
LAVTR	\$0	\$0
	<u>\$0</u>	<u>\$0</u>
TOTAL TAXES	\$13,451,871	\$15,218,129
Difference in Total Taxes:	\$1,766,258	
Qualify for grant:	Qualify	

Second test:

Assessed Valuation	\$1,657,901,299	\$1,706,572,536
Did Assessed Valuation Decrease?	No	
Levy Rate	7.337	8.086
Difference in Levy Rate:	0.749	
Qualify for grant:	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.

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget General	Prior Year Actual for 2018	Current Year Estimate for 2019	Proposed Budget Year for 2020
Unencumbered Cash Balance Jan 1	4,289,983	3,504,014	2,476,295
Receipts:			
Ad Valorem Tax	10,290,148	12,162,389	xxxxxxxxxxxxxxxxxxxx
Delinquent Tax	159,647		
Motor Vehicle Tax	1,503,483	1,272,889	1,399,719
Recreational Vehicle Tax	14,362	11,669	13,465
16/20M Vehicle Tax	5,542	4,924	5,331
Commercial Vehicle Tax	50,151	43,162	47,501
Watercraft Tax		6,633	7,320
LAVTR			0
Reimbursements-Fdtn/Friends/Cty	156,879	163,246	150,414
Fees	167,135	153,155	141,815
E-Rate Reimbursement	38,519	23,993	25,193
Prior Year Canceled Encumbrances	19,103	19,824	
Estimated Uncollectible Tax Revenue		-267,043	
Transfer from Debt Service			994,167
In Lieu of Taxes (IRB)	544	5,384	2,964
Interest on Idle Funds	110,494	78,200	65,000
Neighborhood Revitalization Rebate	-138,066	-154,912	-197,477
Miscellaneous			
Does misc. exceed 10% of Total Receipts			
Total Receipts	12,377,941	13,523,513	2,655,412
Resources Available:	16,667,924	17,027,527	5,131,707
Expenditures:			
Salaries	7,911,535	8,773,039	8,853,967
Library Materials	1,764,798	1,836,600	1,902,500
Furniture, Equip & Digital Services Suppo	345,100	439,500	277,300
Operating Expenditures	2,095,575	2,448,904	2,712,939
Special Projects	936,090	935,000	1,704,750
Payments to Other Libraries	108,836	113,189	115,060
Transfer to Capital Improvement			1,709,805
Cash Forward (2020 column)			
Miscellaneous	1,976	5,000	1,655,000
Does misc. exceed 10% Total Expenditure			
Total Expenditures	13,163,910	14,551,232	18,931,321
Unencumbered Cash Balance Dec 31	3,504,014	2,476,295	xxxxxxxxxxxxxxxxxxxx
2018/2019/2020 Budget Authority Amount	15,684,092	16,136,856	18,931,321
		Non-Appropriated Balance	
		Total Expenditure/Non-Appr Balance	18,931,321
		Tax Required	13,799,614
		Delinquent Comp Rate: 0.0%	0
		Amount of 2019 Ad Valorem Tax	13,799,614

Qualifies for

CPA Summary

General Fund - Expenditures

	FY 2018 Actuals	FY 2019 Approved Budget	FY 2019 Adjusted Budget (for 2020 Estimates only)	FY 2020 Proposed Budget	Budgeted Expenditure Difference FY 2020 Proposed (-) FY 2019 Adopted
Cataloging & ILL Services	\$ 92,118	\$ 89,921	\$ 92,921	\$ 105,795	\$ 15,874
Contracted-Digital Services	354,075	373,600	373,600	555,401	181,801
Contracted - Erate Services	2,650	6,600	4,100	2,267	(4,333)
Contracted-Facilities	240,564	294,100	294,100	353,400	59,300
Contracted-Office Equipment	52,578	45,350	45,350	50,940	5,590
Contracted-Professional	226,848	248,230	248,230	213,550	(34,680)
Digital Services Support	229,361	344,500	344,500	181,100	(163,400)
Furniture/Equipment	115,740	95,000	95,000	96,200	1,200
Gallery Art Purchases	4,681	8,000	8,000	8,000	-
Insurance	50,027	53,054	53,930	54,806	1,752
Marketing	27,689	48,000	48,000	47,500	(500)
Materials	1,764,798	1,836,600	1,836,600	1,902,500	65,900
Memberships/Dues	10,968	24,806	24,806	30,900	6,094
Mileage	9,540	9,400	9,400	9,500	100
Miscellaneous	2,091	5,000	5,000	5,000	-
Payments to other Libraries	108,836	113,189	113,189	115,060	1,871
Postage/Shipping	80,826	110,160	110,160	104,363	(5,797)
Printing	81,200	113,800	113,800	96,800	(17,000)
Programming	23,069	30,000	30,000	32,000	2,000
Salaries and Wages	7,911,535	8,773,039	8,773,039	8,853,967	80,928
Special Projects	936,090	935,000	935,000	1,704,750	769,750
Staff Conferences	100,175	136,570	136,570	166,580	30,010
Staff Training	12,039	30,000	30,000	30,000	-
Supplies	183,841	201,737	201,737	224,137	22,400
Telecommunications	63,301	92,700	92,700	90,500	(2,200)
Utilities	412,930	450,000	455,000	460,000	10,000
Vehicle Fuel and Maintenance	66,340	68,500	76,500	76,500	8,000
Fund Balance Carry Forward				1,650,000	1,650,000
TOTAL	\$ 13,163,910	\$ 14,536,856	\$ 14,551,232	\$ 17,221,516	\$ 2,684,660
Less Fund Balance Carryover Considered an "Expenditure" Only in the Budget Year					(1,650,000)
Net Budgeted Expenditure Difference					\$ 1,034,660

Topeka & Shawnee County Public Library

2020

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget	Prior Year	Current Year	Proposed Budget
Debt Service	Actual for 2018	Estimate for 2019	Year for 2020
Unencumbered Cash Balance Jan 1	808,664	806,781	786,885
Receipts:			
Ad Valorem Tax	1,436,533	1,463,467	xxxxxxxxxxxxxxxxxxxx
Delinquent Tax	20,340	25,000	25,000
Motor Vehicle Tax	180,993	177,674	168,424
Recreational Vehicle Tax	1,727	1,629	1,620
16/20M Vehicle Tax	729	687	641
Commercial Vehicle Tax	6,087	6,025	5,716
Watercraft Tax		926	881
Estimated Uncollectible Tax Revenue		-35,578	
In Lieu of Tax	76	714	
Interest on Idle Funds	23,113	6,200	5,000
Neighborhood Revitalization Rebate	(19,231)	-18,640	0
Miscellaneous			
Does misc. exceed 10% of Total Receipts			
Total Receipts	1,650,367	1,628,104	207,282
Resources Available:	2,459,031	2,434,885	994,167
Expenditures:			
Bond Principal Payment	1,550,000	1,600,000	
Bond Interest Payments	102,250	48,000	
Transfer to General Fund			994,167
Cash Basis Reserve (2020 column)			
Miscellaneous			
Does misc. exceed 10% of Total Expenditure			
Total Expenditures	1,652,250	1,648,000	994,167
Unencumbered Cash Balance Dec 31	806,781	786,885	xxxxxxxxxxxxxxxxxxxx
2018/2019/2020 Budget Authority Amount:	2,402,250	2,398,000	994,167
		Non-Appropriated Balance	
		Total Expenditure/Non-Appr Balance	994,167
		Tax Required	0
Delinquent Comp Rate:	0.0%		0
Amount of 2019 Ad Valorem Tax			0

Adopted Budget	Prior Year	Current Year	Proposed Budget
Employee Benefits	Actual for 2018	Estimate for 2019	Year for 2020
Unencumbered Cash Balance Jan 1	750,732	1,308,607	792,034
Receipts:			
Ad Valorem Tax	3,505,626	2,596,006	xxxxxxxxxxxxxxxxxxxx
Delinquent Tax	29,545		
Motor Vehicle Tax	193,025	433,545	298,763
Recreational Vehicle Tax	1,824	3,975	2,874
16/20M Vehicle Tax	1,317	1,677	1,138
Commercial Vehicle Tax	6,931	14,701	10,139
Watercraft Tax		2,259	1,562
Estimated Uncollectible Tax Revenue		-60,411	
In Lieu of Tax	185	1,440	812
Reimbursements and Refunds	102,626	80,974	65,351
Prior Year Canceled Encumbrances	35	35	
Interest on Idle Funds	28,132	6,000	10,000
Neighborhood Revitalization Rebate	-46,640	-33,065	-41,513
Miscellaneous			
Does misc. exceed 10% of Total Receipts			
Total Receipts	3,822,606	3,047,136	349,126
Resources Available:	4,573,338	4,355,743	1,141,160
Expenditures:			
Social Security & Medicare	562,053	646,275	677,328
KPERS	732,179	803,259	820,944
Workers' Compensation	68,155	54,000	63,279
Unemployment Tax	7,378	8,448	8,854
Health/Dental Insurance	1,885,508	2,041,145	2,111,376
Employee Assistance Program	6,465	6,777	6,478
Cafeteria Plan Admin Fees	2,993	3,805	3,805
Cash Forward (2020 column)			
Miscellaneous			350,000
Does misc. exceed 10% of Total Expenditure			
Total Expenditures	3,264,731	3,563,709	4,042,064
Unencumbered Cash Balance Dec 31	1,308,607	792,034	xxxxxxxxxxxxxxxxxxxx
2018/2019/2020 Budget Authority Amount:	4,346,328	4,131,049	4,042,064
		Non-Appropriated Balance	
		Total Expenditure/Non-Appr Balance	4,042,064
		Tax Required	2,900,904
Delinquent Comp Rate:	0.0%		0
Amount of 2019 Ad Valorem Tax			2,900,904

CPA Summary

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget State Aid	Prior Year Actual for 2018	Current Year Estimate for 2019	Proposed Budget Year for 2020
Unencumbered Cash Balance Jan 1	0	0	0
Receipts:			
State Aid	50,002	49,629	53,000
Interest on Idle Funds			
Miscellaneous			
Does misc. exceed 10% of Total Receipts			
Total Receipts	50,002	49,629	53,000
Resources Available:	50,002	49,629	53,000
Expenditures:			
Special Projects	50,002		53,000
Digital Services Support		49,629	
Cash Forward (2020 column)			
Miscellaneous			
Does misc. exceed 10% Total Expenditures			
Total Expenditures	50,002	49,629	53,000
Unencumbered Cash Balance Dec 31	0	0	0
2018/2019/2020 Budget Authority Amount	55,000	53,000	53,000

Adopted Budget 0	Prior Year Actual for 2018	Current Year Estimate for 2019	Proposed Budget Year for 2020
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 (2020 column)			
Miscellaneous			
Does misc. exceed 10% Total Expenditures			
Total Expenditures	0	0	0
Unencumbered Cash Balance Dec 31	0	0	0
2018/2019/2020 Budget Authority Amount	0	0	0

CPA Summary

Topeka & Shawnee County Public Library

NON-BUDGETED FUNDS

2020

(Only the actual budget year for 2018 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		0		
Unencumbered		Unencumbered		Unencumbered		Unencumbered		Unencumbered		Total
Cash Balance Jan 1	1,951,991	Cash Balance Jan 1	445,851	Cash Balance Jan 1	206,532	Cash Balance Jan 1		Cash Balance Jan 1		2,604,374
Receipts:		Receipts:		Receipts:		Receipts:		Receipts:		
Interest	22,734	Intergovt Revenue	2,100	Investment Growth	24,251					
Prior Yr Cancel Enc	0	Investment Income	10,585							
		Contributions	88,220							
		Component (Fdm)	575,990							
		Miscellaneous	796							
		Prior Yr Cancel Enc	1,529							
Total Receipts	22,734	Total Receipts	679,220	Total Receipts	24,251	Total Receipts	0	Total Receipts	0	726,205
Resources Available:	1,974,725	Resources Available:	1,125,071	Resources Available:	230,783	Resources Available:	0	Resources Available:	0	3,330,579
Expenditures:		Expenditures:		Expenditures:		Expenditures:		Expenditures:		
Capital Outlay	695,244	Library Services	585,761							
Contracted-Professional	4,950	Capital/Art Outlay	2,175							
		Miscellaneous	306							
		Library Materials	48,000							
Total Expenditures	700,194	Total Expenditures	636,242	Total Expenditures	0	Total Expenditures	0	Total Expenditures	0	1,336,436
Cash Balance Dec 31	1,274,531	Cash Balance Dec 31	488,829	Cash Balance Dec 31	230,783	Cash Balance Dec 31	0	Cash Balance Dec 31	0	1,994,143 **
										1,994,143 **

** Note: These two block figures should agree.

CPA Summary

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

State of Kansas
 Special District

will meet on August 8, 2019 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 2020 Expenditures and Amount of 2019 Ad Valorem Tax establish the maximum limits of the 2020 budget. Estimated Tax Rate is subject to change depending on the final assessed valuation.

FUND	Prior Year Actual for 2018		Current Year Estimate for 2019		Proposed Budget Year for 2020		
	Expenditures	Actual Tax Rate*	Expenditures	Actual Tax Rate*	Budget Authority for Expenditures	Amount of 2019 Ad Valorem Tax	Estimate Tax Rate*
General	13,163,910	6.612	14,551,232	7.337	18,931,321	13,799,614	8.086
Debt Service	1,652,250	0.923	1,648,000	0.883	994,167		
Employee Benefits	3,264,731	2.252	3,563,709	1.566	4,042,064	2,900,904	1.700
State Aid	50,002		49,629		53,000		
Non-Budgeted Funds	1,336,436						
Totals	19,467,329	9.787	19,812,570	9.786	24,020,552	16,700,518	9.786
Less: Transfers	0		0		2,703,972		
Net Expenditures	19,467,329		19,812,570		21,316,580		
Total Tax Levied	15,562,334		16,221,862		xxxxxxxxxxxxxx		
Assessed Valuation	1,590,296,753		1,657,901,299		1,706,572,536		

Outstanding Indebtedness,

Jan 1,	2017	2018	2019
G.O. Bonds	4,650,000	3,150,000	1,600,000
Revenue Bonds	0	0	0
Other	0	0	0
Lease Pur. Princ.	0	0	0
Total	4,650,000	3,150,000	1,600,000

*Tax rates are expressed in mills.

Elizabeth Dobler
 Secretary

2020 Neighborhood Revitalization Rebate

Budgeted Funds for 2020	2019 Ad Valorem before Rebate**	2019 Mil Rate before Rebate	Estimate 2020 NR Rebate
General	13,799,614	8.086	197,477
Debt Service			0
Employee Benefits	2,900,905	1.700	41,513
			0
			0
			0
TOTAL	16,700,519	9.786	238,990

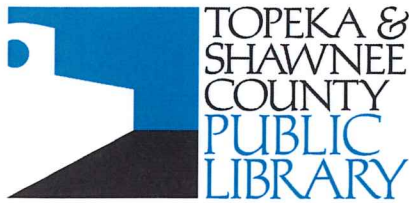
2019 July 1 Valuation: 1,706,572,536

Valuation Factor: 1,706,572.536

Neighborhood Revitalization Subj to Rebate: 24,421,655

Neighborhood Revitalization factor: 24421.655

**This information comes from the 2020 Budget Summary page. See instructions tab #13 for completing the Neighborhood Revitalization Rebate table.



Minutes
Board of Trustees Budget Work Session
June 3, 2019
9:00 – 12:00 PM
Menninger Room 206

BOARD MEMBERS PRESENT:

Liz Post, Board Chair, Jim Edwards, Vice Chair, Kacy Simonsen, Treasurer, Beth Dobler, Secretary, David Monical, Shawn Leisinger, and Kristen O'Shea via phone.

BOARD MEMBERS ABSENT:

Julie Swift, Jennifer Miller, Kerry Storey

OTHERS PRESENT:

Chief Executive Officer Gina Millsap, Chief Financial Officer Kim Torrey, Human Resources Director Jesse Maddox, Library Counsel Chuck Engel, and Executive Assistant Margo Rangel.

CALL TO ORDER:

Chief Financial Officer Kim Torrey, welcomed everyone at 9:02 AM to the first of two planned Board Budget Work Sessions. She asked everyone to introduce themselves and she provided a brief overview of the meeting agenda.

FISCAL YEAR 2020 BUDGET OVERVIEW:

Kim Torrey, Chief Financial Officer reviewed the documents in the meeting packet.

STRATEGY FOR CAPITAL FUND:

Millsap and Torrey facilitated a discussion about the capital fund and the funds that should be allocated to it once the debt service is retired in September, 2019.

Under the general topic of "What are the plans for the additional funds that will be available after the debt service is retired?" there was quite a bit of discussion about the future of library facilities.

Trustees requested a replacement schedule with projected costs for upgrading/replacing the physical plant before we have failures of boilers, chillers, etc.

Discussion also focused on upcoming changes to the building beyond 2020, with projected costs and possible addition of space to the library campus.

It was suggested that we organize our planning and discussion around three major areas:

- Infrastructure
- Future facilities updates (beyond 2020)
- Acquisition of additional space

BREAK: 10:30 AM TO 10:46 AM

Facilities Master Plan update and funding – Gina Millsap, Chief Executive Officer and Kim Torrey, Chief Financial Officer

Millsap and Torrey reviewed the document in the meeting packet.

Trustees said it would also be helpful to have:

1. Comprehensive list of all the infrastructure improvements that have been made since implementation of the facilities plan. This is to include: list of equipment, age of equipment, and the cost showing a comparison of the budgeted amount to actual cost.
2. List of projected infrastructure improvements with projected costs.
3. List of facilities projects beyond 2020 with projected costs.
4. Updated 2020 project list.
5. A list of Café equipment that the library would need to replace.

Review anticipated employee benefit expenses

Human Resources Director Jesse Maddox reviewed health insurance expenses to date and indicated that if nothing unforeseen occurs, rates should remain flat for FY2020.

Community Impact Goals Work Plans for 2019-2020

Gina Millsap, Chief Executive Officer distributed a handout prepared by chief of staff Thad Hartman that outlines strategies and tactics for each community impact goal. Millsap noted that not all tactics are included in this handout. This is meant to be representative of the types of activities library staff will implement with partners.

Meeting ended at 10:58 am

Next meeting:

July 10, 2019

12:00-3:00PM

Anton Room 202