

**2015 Budget Summary**  
**Public Hearing – August 14, 2014, 5:30 pm, Marvin Auditorium 101C**

**Overview**

For the past few budget years, the Board of Trustees and Library management have worked to develop a budget review and preparation process that is based on a comprehensive assessment of operational and strategic needs. This is a logical and responsible progression for funding, and more importantly accomplishing, the approved initiatives in the strategic, information technology, community and facilities plans, as well as fulfilling Topeka and Shawnee County Public Library's (TSCPL) mission and goals.

Tools such as the multi-year, Major Initiatives Funding Matrix (please see Schedule A) are now in place for review and planning by all three Boards - Library, Friends of the Library and the Library Foundation - to work together toward a common mission and set of goals.

As a result, the Library has progressed in the implementation of its strategic plan for the benefit and betterment of the community, while wisely using its limited resources and maintaining a stable mill levy rate.

TSCPL Trustees and management have practiced very good stewardship in use of tax resources with a fluctuation of only 1.19 mills in the past eleven years (high to low) and a fluctuation of only .68 mills for the past five years. Since 2005, the mill levy has actually *decreased* by .36 mills. Further, the decline in the local economy, coupled with an increase in the portion of resources needed for the rising costs of employment benefits, was recognized and managed with a decrease in the mill levy rate (2008) and with an approved flat mill levy in 2012-2015. The use of additional strategic and financial planning tools to anticipate and plan for needs will enhance this pattern of excellent stewardship. Please refer to Schedule B which provides a graphical depiction of mill levy rates for the three funds with taxing authority for the past 10 years, as well as the 2015 proposed budget. Schedule C provides a graphical depiction of expenditures for the three funds with taxing authority for the past 10 years, as well as the 2015 proposed budget. *Budgeted expenditure authority increases, due to one-time funding for one-time projects, but is not the result of additional tax revenues.*

TSCPL has crafted a 2015 budget that does not increase the total mill levy and actually expands services, including locating materials dispensers and lockboxes within the community and designing a program vehicle to support the strategic initiative and community partnerships for kindergarten readiness for children in Topeka and Shawnee County. The TSCPL 2015 "Budget Summary", published in the July 28, 2014 edition of the *Topeka Capital Journal*, is proposed with these goals:

- Fund the 2015 budget year operations within the resources provided at the 2014 total mill levy rate (9.783), including the items planned on the Major Initiatives Funding Matrix in accordance with the strategic plan.

- Slightly modify the split of the total mill levy between the General, Employee Benefit and Debt Service funds.
  - *Debt Service Fund* - Last year, the reserve cash balance was reduced by \$250,000 to \$750,000, based on consultant information that the Debt Service Fund does not need to maintain this level of reserve, unless for financial hardship. This allowed the mill levy specified for debt service to be reduced since a portion of expenditures was paid from existing cash balance. This was an expected *temporary measure* to reduce the fund balance to an adequate reserve, after which the mill levy for debt service must return to the full level since debt service expenditures will remain generally the same.
  - *Employee Benefit Fund* – The 2014 mill levy split was increased for the Employee Benefit Fund due to an increase in the KPERS rate and Blue Cross Blue Shield’s projected medical insurance cost increase of 10%. Premium costs actually resulted in rates about 10% lower (about a 20% swing) and 2013 favorable claims experience resulted in a refund from the insurance company.
- Maintain prudent and sufficient cash balances to: (1) fund next year operations before tax revenues are received; (2) allow for unforeseen situations; and (3) maintain the Library’s exceptional financial rating of Aa2.
- Continue cost containment strategies during 2015 to stabilize health insurance costs, provide high quality health benefits to employees and comply with federal health care reform, with modifications in effect for the 2016 budget and benefit plan year. Introduce a qualified high-deductible health plan in the 2015 plan year with pre-loaded Health Savings Accounts provided by the Library as a likely one-time incentive to move to this plan. Allow for start-up costs/reserve if self-insurance is the best decision for the Library.

The total ad valorem tax to be levied is proposed to be \$14,688,989 to fund expenditures in the General (operating), Employee Benefit, and Debt Service funds. Assessed valuations as of July 1, 2014 will produce \$894 more per mill above 2014. At a flat, combined levy of 9.783, revenue increases by \$8,746 for the three taxed funds and is entirely due to increased property valuations at a flat total mill levy. The change from the budgeted to actual valuations for the 2014 budget produced an additional \$2,319 in annual ad valorem tax revenue. Thus, the total increase in ad valorem tax revenue from the 2014 budget is \$11,065. Motor vehicle taxes experienced an unexpected (and unexplained) decrease in 2014 of about \$283,000, but have returned to more usual levels by increasing about \$245,000 in 2015.

The published budget also includes the State Aid Fund whose source is from the State of Kansas.

When comparing 2015 and 2014 total budgeted expenditures, the increase appears to be almost \$3.88 million. However, municipal governments are allowed to include a fund balance carry forward, categorized as a “miscellaneous expenditure” or “cash basis reserve” (for debt service) in the proposed budget. This balance is necessary to fund payroll, debt service and other operating expenditures in the new year, before tax revenues are distributed in mid to late January. The fund balance carry forward for all three taxed funds represents \$2,325,000 of the expenditure increase. Further, several *one-time savings* adjustments were made to the 2014 estimate and corresponding *one-time spending* is proposed for 2015 as follows:

Expenditure authority increase – Budget Summary	\$3,880,000
Less portion in 2015 expenditures for cash carry forward	( 2,325,000)
Adjusted increase from 2014 to 2015	<u>\$1,555,000</u>

Expected 2014 expenditure savings from budgeted:

Health insurance 10% decrease instead of vendor-projected 10% increase	\$ 424,000
Workers compensation savings	19,200
Postponement of telephone system update to 2015	200,000
Postponement of radio upgrade to 2015	35,000
State Aid reduction to actual	12,200
Other expenditure decreases	<u>3,200</u>
Total 2014 Adjustments	<u>\$ 693,600</u>

2015 increase in expenditure authority for *one-time*  
purchases/projects using *one-time* funding:

Changes in health plan (health savings accounts and possible self-insurance startup)	\$ 600,000
Partial funding of Bookmobile #3	100,000
Dispensers for community/replace DVD dispenser	250,000
Expenditure authority decrease elsewhere	<u>( 88,600)</u>
Total 2015 Net Increase in Expenditure Authority	<u>\$ 861,400</u>

Total Change from 2014 Estimate to 2015 per Budget Summary \$1,555,000

Additionally, the reported 2014 revenues represent the latest estimates (since the approved budget), including: (1) health insurance refund for actual 2013 claims experience (\$270,503); (2) erate reimbursement increase for approved internet cost increase (\$32,378); and (3) a 2% uncollectible tax revenue allowance (\$318,582) and decrease in fee revenues and interest income (\$42,520). These revisions are important to the 2015 budget to recognize carry forward cash available to apply to budget year expenditures, instead of finding new-year revenue, but gives the appearance of a larger change between 2014 and 2015 expenditure budgets.

Please refer to the enclosed Schedule D “Key to 2014 and 2015 Comparison-Notice of Budget Hearing” to assist with understanding TSCPL’s budget year-to-year.

Schedule E is also enclosed and provides revenue source definitions to help with understanding that portion of the budget.

TSCPL is a library district and was established under Kansas law (K.S.A. 12-1263) as a municipal corporation. Unlike most libraries in Kansas and other states, it is a stand-alone municipality. It is not under the umbrella of another government. TSCPL must have its own staff for services that in many other libraries are provided free-of-charge and whose costs are not allocated for accounting purposes. Examples of these services include, but are not limited to, accounting, procurement, payroll, human resources, events management, security, motor pool, information technology, clerical support, marketing and communications, janitorial, building and grounds maintenance and support, capital improvements, mailroom, utilities, telephone and internet services. Thus, this difference in governmental structure and accounting for all costs must be taken into consideration when comparing the TSCPL budget to other

Kansas and out-of-state libraries. Support costs not paid or allocated to a library can be very significant.

### **How Was the 2015 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 patron 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 patrons.
- The voice over internet protocol telephone system upgrade has been postponed pending the network consultant's analysis in 2014 and the planned submission of the project for rate funding and related deadlines (project could not start until July 1, 2015 or later). The 2014 budget, Special Projects line item, was adjusted (for 2015 budget preparation purposes only) to show \$200,000 in savings from the telephone system project in 2014 that will carry forward as cash available to complete this project in 2015, rather than new year revenues. This also frees \$200,000 in the Special Projects line item base budget for other projects, like the partial financing of Bookmobile #3 and library materials dispensers for placement in the community to enhance service equity.
- Overall, expenditures for the four budgeted funds increased from the 2014 budget by \$861,424. However, this is not being funded from increased tax revenues and represents an increase in budgeted spending authority to use some *one-time* revenues and cash carry forward. These one-time situations include the Blue Cross claims experience refund (\$270,500), the 2014 health insurance premium change of 20% from the vendor-projected budget estimate (\$424,000) and the delay of the telephone system update project with equivalent cash forwarded to 2015 (frees up \$200,000 in the base budget that is already funded by existing tax revenues). The total of these one-time resources is \$894,500 and spending authority is requested to increase by about \$861,500.
- The shrinkage concept, to anticipate expected salary savings in advance for budget reallocation, was piloted in 2014 with no adverse effects (actual turnover seems to be in alignment with expected turnover). A shrinkage factor of 1.5% was applied to 2015 gross salaries, allowing about \$127,630 to be directed elsewhere in the budget.
- Two new categories of revenues have been set by state law and are separately identified with amounts provided by Shawnee County. Watercraft must now be segregated and the tax shall be based on the county's average tax rate. Commercial vehicle fees began on January 1, 2014. These two sources total \$66,051 for the three taxing funds. It appears that at least the watercraft is not a new revenue source.

- The split of the total mill levy between the General, Employee Benefit and Debt Service funds was slightly modified, as explained on page 2.
- The 2015 budget includes somewhat atypical issues, but much of these can be controlled and anticipated through careful and prudent financial management planning, use of the funding matrix and the benefit of stable property valuations. As the Board of Trustees and staff work to be more strategic, the development of budget forecasts should improve and issues better anticipated.

### **What does the Community Receive for its Funding Dollars?**

- The Library's beautiful and spacious facility is open 78 hours per week to provide a multitude of services to patrons of all ages with varying expectations and needs.
- An extraordinary Kids' Library has transformed into an engaging space just for kids, with more exciting changes forthcoming.
- About 85,700 members of the community are also library members by owning a library card.
- During 2013, nearly 800,000 visitors came to the building, including nearly 153,000 using its meeting rooms and nearly 85,000 attending programs.
- Countless visitors use the 178 public computers to search and apply for jobs, research, learn and correspond.
- Nearly 2.3 million books, periodicals, music CDs, movies and games were borrowed by Library customers in 2013.
- Last year, over 277,000 reference questions were answered by Library staff through various formats including in person or by telephone, text, email and online chat.
- The Digital Branch welcomed over 593,000 unique visitors in 2013, with over 1.1 million total visits.
- Nearly 141,000 digital downloads occurred in 2013.
- Bookmobiles stop during the day and evening in 25 locations throughout the city and county, with the Adventuremobile visiting many schools and day cares throughout the year to provide services and programs to children. Over 100,000 patrons visited the Bookmobiles. Red Carpet serves 40 facilities to provide library services to elderly and homebound patrons.
- Summer reading 2013 had 7,481 children reading over 53,500 hours; helping to prevent the "summer slide" that stalls or decreases reading levels attained during the school year.
- In 2013, the Library provided an estimated \$30 million value to the community representing a \$2 return for every tax dollar spent.

### **Understanding the Budget Document**

There are four funds that are required by Kansas law to be budgeted; General, Employee Benefit, Debt Service and State Aid funds. All except the State Aid Fund have ad valorem property tax as their main source of revenue.

The General Fund is the source for the majority of operational expenditures (gross salaries, information technology equipment and maintenance, utilities and telecommunications, vehicle costs, supplies, insurance, professional service contracts,



special projects, marketing, printing, postage, library materials purchased for patron checkout, etc).

The Employee Benefit Fund is used to pay the employer-paid portion of benefits for employees, most of which are mandatory (social security, Medicare, state retirement (KPERs), medical and dental insurance, workers compensation insurance, unemployment insurance, the administration of the cafeteria benefit plan and the employee assistance program.)

The Debt Service Fund is used to pay the principal and interest on the bond issue for the building expansion project (opened in January 2002). The debt payments conclude in 2019.

State Aid is provided from the Kansas State Library, but is a declining revenue source.

### **General Fund Budget** (pages 6, 6a)

Page 11 shows the estimated tax rate for the 2015 General Fund budget is 6.956 mills; an increase of .041 mills from the 2014 General Fund tax rate of 6.915 mills. The net total mill levy change is zero between 2014 and 2015 for the three taxing funds.

#### **Revenues**

- Ad valorem property tax (net of revitalization rebates) is 84.3% of the total projected revenue for 2015; 85.8% in 2014.
- Vehicle taxes are 9.4% of the total projected revenue for 2015 compared to 8.4% in 2014. In 2014, total vehicle taxes unexpectedly decreased, with very little explanation, by nearly \$283,000 across the budgeted funds, but have returned to more usual numbers. (Estimates are provided by Shawnee County.)
- In-lieu-of-tax revenues, although a small portion of total revenues, decreased by about \$24,000 in 2014, but appear to have stabilized, with a decrease of only about \$1,400 in 2015.
- Tax revenues represent the amount if 100% is collected, but historically there is an uncollectible amount of less than 5%. However, this can range from a few thousand dollars to a few hundred thousand dollars so careful review occurs during the year.
- Other revenue sources from fines, fees, reimbursements and interest are 5.6% of the total projected revenue for 2015.

#### **Expenditures**

The total General Fund budgeted expenditures for 2015 are \$14,266,281 (including an allowable fund balance carry forward of \$1.2 million classified as "miscellaneous expense".) This is a 3.4% increase (\$468,126) from the 2014 adopted budget of \$13,798,155 (including fund balance carry forward). About \$255,500 of this represents one-time spending due to the receipt of one-time resources.

The "miscellaneous expense" of \$1.2 million for fund balance carry forward represents the amount needed to carry over into the beginning of 2016, to pay expenses prior to tax revenues being received the third week of January. The fund balance carry forward and miscellaneous lines in the budget cannot be more than 15% of the total General Fund expenditure budget. TSCPL's combined percentage is 8.4%.

**Gross Salaries** (Benefits are budgeted in the Employee Benefit Fund.)

The budget includes funding for a maximum of 235 full-time and part-time employees. At any given time, approximately 225 positions are usually filled due to turnover and seasonal staffing.

- Salary expenditures comprise 57.6% of the expenditure budget in 2015; 58.5% of the expenditure budget in 2014; (or 62.9% and 64.1% respectively, when fund balance carry forward is subtracted from total expenditures.)
- The proposed 2015 salary schedule for new employees is the same as the 2014 salary schedule, i.e. no adjustment for a cost-of-living or inflationary increase.
- The careful consideration and review of every vacant position, as well as eight retirements in 2014, have kept gross salaries only \$1,285 above those budgeted for 2014 (with the annualization of 2014 merit pay, but before any 2015 merit raise). These savings help fund a modest merit increase for staff in 2015.
- Staffing levels remain constant, except about 880 security hours (off-duty law enforcement officers) were added related to the compliance with the State's concealed weapon law. This represents an annual cost increase of about \$22,600 including employer taxes.
- Merit pay increases are included in a range of 0-3% based on performance. The budget is created using a 2.2% increase on each employee's job anniversary date. Increases are granted strictly based on performance and no increase is guaranteed. The cost of the pay increases to be paid in 2015 is estimated at about \$101,000.
- The shrinkage concept, in which 98.5% of the gross salaries and related percentage-based fringe benefits are funded for regular staff, has been continued for 2015 as a way to anticipate savings and better plan/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 obtain authority to spend savings in a future year.
- For the 2015 budget, a 1.5% reduction from gross maximum salaries for regular staff (not maintenance, facilities, shelve, or security) allows savings of \$108,020 in gross salary and \$19,610 in related percentage-based fringe benefits to be budgeted elsewhere (total \$127,630).

**Information Technology (Digital Branch) Plan and Expenditures**

Information technology is vital to keep pace with the ever-changing world, the use of the Digital Branch, and the relevancy of the Library to its constituency.

- In accordance with the previously approved strategic and information technology plans, the 2015 budget can fund the prioritized initiatives.
- Contracted Digital Services' budget includes increases for the annual support costs of the new security gates and checkouts (\$18,000) which is offset by the cost of support for the previous equipment, the move of the wireless system maintenance from Telecommunications to Contracted (\$14,000), and the elimination of the annual support for the old financial system (\$6,000). Total cost increase is about \$25,000.
- Digital Services Support budget decreases by \$25,000 as projects are completed. The network consultant analysis and probable purchase of new equipment and software to upgrade the network in 2014 will minimize these purchases in 2015. The conversion of radios from analog to digital has been delayed from 2014 to 2015, with cash subsequently carried forward (\$35,000).

The telephone system upgrade is expected to minimize the radio upgrade cost. Computer replacements have recovered from the years in which the budget was insufficient and have stabilized at 70 units.

- Telecommunications' budget includes the annualized fees now that the library-wide wireless project, new AT&T contract and expansion of the internet "pipe" into the Library (to accommodate the many wireless devices) are complete (\$8,500 increase from the 2014 budget, which is net of the move of the wifi equipment/software support to Contracted). As previously mentioned, erate reimbursement also will increase now that the increased internet expenditures have been approved.

### **Strategic, Community and Facilities Plans**

The 2015 budget continues the progression to fund initiatives to fulfill these plans and best meet the needs of the Library's community.

The Library building is still the main source of library services. It is now over 12 years old and carpeting, furniture, café equipment and overall maintenance of the facility must be planned and acted upon to avoid the excessive cost caused when maintenance issues are deferred. Additionally, new technologies and requirements, such as the move to LED lighting and more environmentally safe alternatives, must be implemented. Plans for expanding library services outside the physical building will improve service equity for all patrons, regardless of the location of their homes.

- The 2015 budget includes a Special Project budget of \$575,000 with funding for: (1) the replacement of the DVD dispenser and the purchase of new dispensers to be placed in the community to allow planned or unplanned choices by customers to select materials within a dispenser upon entry of a library card number (\$250,000); (2) the voice over internet protocol telephone implementation (\$200,000); (3) one-half the cost of a lockbox (\$25,000) for the third location in the community; (4) possible contribution for Bookmobile #3 (for community-wide kindergarten readiness) if Foundation and Friends contributions are insufficient (\$100,000). The other half of the lockbox project is anticipated to originate from private sources. The total Special Projects line item increases by \$180,270 over 2014.
- The Furniture and Equipment budget increases by \$15,200. This is primarily due to the addition of replacement loading and unloading bins for the automated materials handling system (\$13,200) and furnishings to increase work space and functionality in the Genealogy and Local History area (\$10,000). A base budget remains for replacement of public furniture, café equipment, security equipment and \$5,000 for any unexpected general library needs. Standard vehicles will all have been replaced by the end of 2014.
- A line item for the purchase of art for the Gallery has been restored. Past budgets eliminated this funding, but a modest budget of \$5,000 is proposed.
- The Contracted Facilities budget increases by \$31,000 based on 2013 actual due to fluctuations in services due to weather, such as snow removal. This also takes into consideration aging equipment such as chillers and air handlers that require expert service.
- The Contracted Office Equipment budget decreases by almost \$50,000, based on 2013 actual. Leased copiers have now all been replaced at lower cost and maintenance agreements for lesser used equipment, like microfiche readers, have been eliminated. Service professionals will be called when needed for one-off needs. Funding is included for the possible lease of a fax self-service kiosk and vending machine for the sale of items like headphones and flash drives that



are currently sold by Circulation. Vendors to provide and service these machines without cost to the Library will be sought first.

- The Contracted Professional Services' budget is increased by \$27,800 based on 2013 actual. The erate fees have been added as a separate budget line for full disclosure of the cost to obtain erate revenues and the impact if this program were to cease. The Library is using more professional consulting services for specialized issues in order to become fully educated before spending limited resources on major projects. This ultimately saves money. Possible consulting service needs in 2015 include continuation of the special collection digitation project, health insurance plan design, funding methodology development and employee education, roof replacement, telephone system request for proposal assistance, and security system analysis.

### **Library Materials**

Funding reductions in recent years caused a deep cut in the amount available for library materials; the stuff patrons check out. Accordingly, a reduction in circulation occurred because there was just not enough new stuff to check out. At this point, the collections are recovering from the multi-year reductions.

- The 2015 budget retains library materials at a level identical to 2014, with the exception that State Aid will no longer be used for the purchase of materials since it is a diminishing resource that may eventually be eliminated. In fact, 2014 State Aid funds will likely be used for one-time purposes, such as network equipment and software upgrades. The materials' budget represents 12.5% of the total General Fund budget (and 13.0% without Special Projects), but drops to 8.6% of the four budgeted funds.
- As e-content for e-readers evolves, more of the Library Materials budget will need to be allocated for purchase of materials in this format. This market is currently very volatile and changes are occurring quickly as libraries and publishers strive to resolve their differences and work together. Pricing for this form of material will evolve as well and will likely cause future changes in the needs of the Library Materials budget. This is one reason for maintaining a flat materials budget.

### **Other Expenditures**

- Cataloging/ILL services to assist with cataloging materials are decreased by \$3,000 based on a new pricing model.
- Conferences/Staff Training –Training needs exist for many staff, both those in the librarian profession and in other professions needed to support the Library. The budget for these two line items is increased by \$36,100, including on-site training for meeting leadership and facilitation which was piloted from Friends of the Library money in 2014. The Library recently won a national innovator award for work within the community using this training. Thus, the return on investment has been proven.
- Additional cost to insure art loaned and borrowed on a “wall-to-wall” basis, meaning when the art leaves the wall hook of the owner to when it is returned to that location, as well as insuring new vehicles, has been added at an estimated cost of \$1,600.
- With the plan to deploy more staff within the community to improve service equity county-wide, an additional 1,000 miles in personal vehicles are budgeted at a cost of \$509.

- By Kansas Statute, the 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 5.3% increase from 2014 actual (\$4,242) is budgeted.
- Market increases of \$4,130 are budgeted for postage/shipping and printing, but an additional \$28,000 in postage and \$32,000 in printing are budgeted for a pilot project to mail *Library News* to non-library-cardholder households in Shawnee County.

Utilities and vehicle fuel costs are budgeted at the same amount as 2014 due to the recent weather extremes, rate increases sought by the utility providers and unpredictable fuel prices. Vehicle repair has been decreased by an additional \$5,000 due to the purchase of another van and one Bookmobile (summer 2015). This line item has been reduced as the Library has been able to replace old vehicles, many of which are 20 years old.

Facilities supplies increase (\$1,500) and Library/Office supplies increase (\$3,000) both based on 2013 actual expenditures.

### **Debt Service Fund Budget (page 7)**

#### **Reserve Fund**

The reserve fund was \$1 million since 2010 and was around \$1.5 million before that. In December 2012, upon completion of the 10<sup>th</sup> year bond reporting, the consultant reported that the Bond and Interest Fund was overfunded. There was no finding or penalty as a result, but there was no need to retain this level of cash reserve.

In the 2014 budget, the reserve fund balance was lowered by \$250,000, from \$1 million to \$750,000. This was a temporary measure that allowed a portion of the debt service expenditures to be paid from the cash balance and not tax revenues. Keeping a flat mill levy, this allowed more revenues to be applied to fund the employee benefit cost increases and bridge the gap from the unexpected decline in the motor vehicle taxes. This allowed a one-year decrease in the portion of the mill levy allocated to debt service, after which the mill levy would need to return to regular levels. The 2015 budget shows this restoration of the portion of the mill levy for debt service.

The total budget for 2015 is \$2,404,205 and includes \$750,000 as a cash basis reserve for debt service payments (similar to a fund carry forward balance that is considered an "expenditure" in the budget year).

Page 11 shows the estimated tax rate for the 2015 Debt Service Fund budget is 1.005 mills; an increase of .148 mills from the 2014 Debt Service Fund tax rate of .857 mills. The net total mill levy change is zero between 2014 and 2015 for the three taxing funds.

#### **Revenue**

- Ad Valorem Property tax is 90.7% of the total projected revenue in 2015; in 2014 it was 89.2%.
- Vehicle taxes are 8.7% of the total projected revenue in 2015; in 2014 they were 10.5%. Total vehicle taxes unexpectedly decreased by nearly \$283,000 across the budgeted funds in 2014. They have returned to usual levels. However, the

decrease in the mill levy for debt service in 2014 reduces the amount of vehicle taxes allocated to the fund in 2015. (Estimates are from Shawnee County)

### **Expenditures**

The principal payment for 2015 is \$1,410,000, due September 1. Interest payments of \$122,087.50 are due March 1 and September 1. These amounts are from the State Treasurer's amortization schedule for General Obligation Refunding Bond. (See Statement of Indebtedness on page 5.)

The cash basis reserve (\$750,000) cannot be more than the principal and interest payments due in 2015 which are \$1,654,175. It must be sufficient to ensure cash is available when the principal and interest payments are due.

### **Employee Benefit Fund (page 8)**

The total budget for 2015 is \$4,464,501 (including fund balance carry forward "Miscellaneous Expense" of \$375,000). This is an increase of \$395,898 or 9.7% from the 2014 adopted budget of \$4,068,603 (including fund balance carry forward).

Page 11 shows the estimated tax rate for the 2015 Employee Benefit Fund budget is 1.822 mills; a decrease of .189 mills from the 2014 rate of 2.011 mills. The net total mill levy change is zero between 2014 and 2015 for the three taxing funds.

The TSCPL executive management team has been working with a consultant concerning health plan design and funding options to achieve the tandem goals of providing high quality health benefits to employees and containing costs. This was the planned approach after a 13%-14% increase in premiums for 2013 and a vendor-projected additional 10% increase in 2014.

- However, actual 2014 premiums *decreased* by 10% instead. Had that been known during 2014's budget preparation, the medical insurance line item would have decreased by \$406,000. Based on this and actual participation, it appears medical insurance will be under-budget by \$424,000 in 2014.
- Additionally, 2013 actual claims experience resulted in a refund check from Blue Cross Blue Shield of \$270,503.
- These *one-time* funding sources allow some *one-time* expenditures to be paid from other than tax resources. Budgeting to use this savings to modify the health plan and/or its funding methodology also avoids a potential future mill levy increase to enact this type of change and reduces tax revenues currently allocated to the Employee Benefit Fund.
- The savings is budgeted to pre-load Health Savings Accounts (\$200,000 total) to incent employees to adopt the new qualified high-deductible health plan to be offered in the 2015 plan year. Also, the possibility of self-insuring the health plan in 2016 requires budgeting one-time funding (\$400,000) to pay start-up costs and establish a reserve account with a third party administrator.

For budget purposes, health insurance premium costs are anticipated to increase by another 5.5% if the existing plans are continued. This is based on the latest estimate from the insurance provider and represents a cost increase of \$150,000 above the expected 2014 expenditures, but is still \$274,000 below the 2014 budgeted expenditures.

The net, combined KPERS employer rates increase by a statutorily mandated .72% of gross salaries.

The administrative cost for the cafeteria benefit plan is moved from the General Fund to the Employee Benefit Fund in 2015 since this is a benefits cost. This is budgeted at \$6,050.

### **Revenue**

- Ad valorem property tax is 83.3% of the total projected revenue in 2015; in 2014 it was 86.4%.
- Vehicle taxes are 10.4% of the total projected revenue in 2015; in 2014 they were 7.2% of the total projected revenue. Total vehicle taxes unexpectedly decreased, with little explanation, by nearly \$283,000 in 2014 across the budgeted funds. The 2015 estimates project these revenues at more usual levels. (Estimates are from Shawnee County.)
- Reimbursements from the Friends of the Library, the Library Foundation, Shawnee County and retiree premium payments in 2015 are 5.7% of the total projected revenue; in 2014 they were 6.3%.

### **Expenditures**

- FICA and Medicare rates (6.2% and 1.45%, respectively) will remain the same in 2015 as in 2014.
- Kansas Public Employees Retirement System (KPERS) – The 2015 employer rate will be 9.48% compared to 8.84% in 2014. This is a .64% statutorily required increase for the employer's retirement contribution. The death and disability insurance rate also increases from .85% to 1.0% on 7/1/15. This rate is for all employers.
- Workers Compensation Insurance – This policy was rebid in 2012 and resulted in cost savings. TSCPL continues to do very well in management of workers' compensation claims and another \$15,000 in savings is anticipated.
- Unemployment Compensation Insurance – The rate is set by the State of Kansas and will remain at .1% in 2015.
- Health/Dental Insurance – Rates are projected to increase by 5.5% for 2015, based on preliminary claims and benefit information from Blue Cross and Blue Shield. The actual rates will not be known until October. This line item also includes the previously explained costs for one-time pre-loading of Health Savings Accounts and start-up costs if the Library elects to become self-insured. These are a portion of the possible actions under consideration to permanently reduce the cost of health care benefits, yet retain a quality health plan for employees.
- The shrinkage concept, i.e. a 1.5% reduction from gross maximum salaries for regular staff (not maintenance, facilities, shelvers, or security) allows savings of \$19,610 in related percentage-based fringe benefits to be budgeted to fund other cost increases.

### **State Aid Fund (Page 9)**

Grants-in-aid to libraries, K.S.A. 75-2556, is revenue received from the Kansas State Library. The State Librarian determines the amount of the grant-in-aid for which each eligible local public library is to receive based on the latest population census figures. This amount continues to decrease. However, the budget is estimated at a maximum amount to set sufficient budget authority (\$70,000) without the need for a later budget amendment. Actual 2015 revenues are expected to be much the same as those received in 2014.

## **Non-Budgeted Funds (Page 10)**

Only the actual revenues and expenditures for 2013 are required to be reported.

- (1) Capital Improvement Fund:** A special accruing fund established under K.S.A. 12-1268 which provides for an amount, not to exceed 20% of any annual General Fund budget prepared, published and approved by the Board of Trustees, to be set aside in a special fund for major capital improvements or major equipment purchases. No new money can be transferred to this fund until the Library is free of bonded indebtedness in 2020. (Last bond payment due in 2019.) The Major Initiatives Funding Matrix (Schedule A) includes a plan for strategic spending of these limited funds through 2018 for qualifying projects.
- (2) Other Special Revenue:** Funds received that are restricted for a specific purpose. These funds originate primarily from the Friends of the Library and The Library Foundation and a couple of small federal and state grants.
- (3) Permanent Funds:** Endowment funds under which TSCPL can spend the interest received on the funds, but cannot spend the principal. Enacting documents establishing the endowments specify the restrictions on the use of these funds and that they be retained by the Library instead of the Library Foundation.

## **Budget Summary (Page 11) and Certificate (Page 1)**

These documents establish the maximum expenditure authority for the budgeted funds for 2015. Only estimated mill levy rates are presented. The TSCPL Board of Trustees sets the budgeted expenditures but does not establish the actual mill levy rates. The actual tax rates will be determined by the County Clerk based on the total assessed valuation as of November 1 for the TSCPL District.

## What does the TSCPL 2015 budget proposal mean to a residential taxpayer in Shawnee County?

The following table displays the annual cost of the TSCPL total mill levy of 9.783 for property at various values. The formula is provided so that property taxes in support of the TSCPL can be calculated based on specific property values.

**Total Assessed Valuation for 2015 Budget Purposes per the Shawnee County Clerk:  
\$1,501,481,100 (value of one mill = \$1,501,481)**

### Impact of Mill Levy on Residential Properties\*

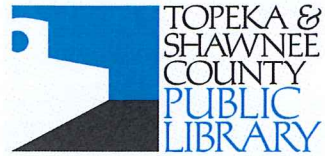
		\$50,000	\$100,000	\$200,000	\$300,000
9.783	Total Proposed Mill	\$56.25	\$112.50	\$225.01	\$337.51
<b>Formulas:</b>					
Amount of Property Tax / Value of one mill = Mill Rate					
Value of Home X .115 = Assessed Value; Assessed Value X Mill Rate / 1,000 = Total Tax					

\* Residential properties are assessed at 11.5% of value pursuant to K.S.A. 79-1439(b)(1)(A). Commercial, industrial, railroad and improved ag land properties are assessed at 25% of value pursuant to K.S.A. 79-1439(b)(1)(F).

#### Enclosures:

Schedule A – Major Initiatives Funding Matrix  
 Schedule B - Graph of TSCPL Levy Rates – 10-year Retrospective and 2015 Proposed Budget  
 Schedule C – Graph of TSCPL Expenditures – 10-year Retrospective and 2015 Proposed Budget  
 Schedule D - Key to Understanding the “Notice of Budget Hearing”/”Budget Summary”  
 Schedule E - Revenue Source Definitions





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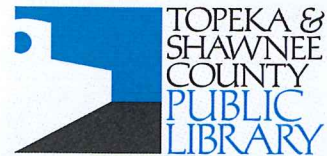
**Funding Plan for Strategic, Information Technology, Community and Facilities Initiatives - 2013-2018  
As of August 14, 2014 - Public Budget Hearing**

**Legend:**

completed
in process
moved to an earlier year
moved to a later year
new to the funding matrix

**Proposed Funding Source:**

Initiative	Plan Type	Priority	Estimated Cost	Operating Budget		Existing Non-Budgeted Fund	Friends of TSCPL	The Library Foundation	Capital Improvement Fund
<b>2013</b>									
Van Replacement	Community								
Pickup Replacement	Community								
Partnership with Cty Parks & Rec - support	Community								
Lockboxes (2) - Pilot Project (dispensers on hold)	Community								
Community Survey	Community								
Gallery storage shelves (custom)	Facilities								
Gallery rolling racks for paintings (custom)	Facilities								
Furniture Replacement	Facilities								
Café Equipment Repair/Replace	Facilities								
Upgrade Parking Lot Lights to LED	Facilities								
Carpeting-Media, Auditorium, Stairs	Facilities								
Furniture Replacement - The Edge - partial	Facilities								
Internet "Pipe" Expansion (monthly rate change)	IT								
Off-site Backup - move to new vendor	IT								
Video Camera Upgrade	IT								
Office Professional 2010 Licenses (150)	IT								
Podcasting Upgrade	IT								
Replace Large-Format Printer	IT								
Radio Frequency Identification (RFID) (2014)	IT								



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**Funding Plan for Strategic, Information Technology, Community and Facilities Initiatives - 2013-2018**  
**As of August 14, 2014 - Public Budget Hearing**

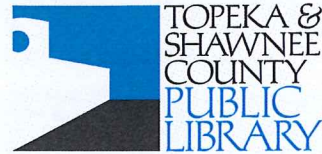
Legend:

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Proposed Funding Source:

Initiative	Plan Type	Priority	Estimated Cost	Operating Budget		Existing Non-Budgeted Fund	Friends of TSCPL	The Library Foundation	Capital Improvement Fund
Polaris Support (additional for customization)	IT								
Digitization Project - Special Collections	Prof Serv								
Kids Library - Phase III (shelving picture books)	Strategic								
Kids Library - Phase III (reading seating/tables)	Strategic								
Kids Library - Phase III (learning centers)	Strategic								
Professional Services for eMuseum	Prof Serv								
Bookmobile #1 Replacement	Community								
Replace Radios for Support (digital) (2015)	IT								
Furniture Replacement - The Edge (2014)	Facilities								
Upgrade Interior Lighting to LED - <b>on hold</b>	Facilities								
<b>Sub-total</b>			\$ -	\$ -		\$ -	\$ -	\$ -	
<b>Balance of Capital Improvement Fund</b>									
<b>Unencumbered Balance of Capital Improvement Fund 5/31/14:</b>									\$ 2,333,584
<b>2014</b>									
		move \$83,000 to network upgrade							
Self-Check Machines & Remaining RFID	Community		\$ 64,800	\$ 64,800	SP				
Partnership with Cty Parks & Rec - support	Community		5,000	5,000	OP				
Bookmobile #2 Replacement	Community		254,209	-			\$ 50,000	\$ 204,209	
Art Exhibits - Rental, Shipping & Signage (3 main)	Community	commit 2014	27,500					27,500	
Lockboxes & Dispensers - Loc #2	Community		50,000	25,000	SP			25,000	
Mini Van Replacement #2	Community		35,000	35,000	FE				
Concrete Work Front Walks/Curbs (2015)	Facilities		-						-





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**Proposed Funding Source:**

Initiative	Plan Type	Priority	Estimated Cost	Operating Budget		Existing Non-Budgeted Fund	Friends of TSCPL	The Library Foundation	Capital Improvement Fund
Furniture Replacement - The Edge (2013)	Facilities		9,078					9,078	
Gallery Lighting Replacement	Facilities		150,000						\$ 150,000
Café Equipment Repair/Replace	Facilities		10,000	10,000	OP				
Upgrade Parking Lot Lights to LED	Facilities		5,000	5,000	OP				
Furniture Replacement	Facilities		16,667						16,667
Upgrade Interior Lighting to LED <b>on hold</b>	Facilities		26,667						26,667
Security System Software for Controlled Access	Facilities		22,000	22,000	FE				
Replace Radios for Support (digital) (2015)	IT			-					
VOIP Telephone System** (2015)	IT			-					
Network upgrade	IT		120,000	120,000	SP/SA				
Community Center Equipment (Paris & SN No)	IT		16,930	16,930	SP				
HP Storage Upgrade	IT		40,000	40,000	OP				
Digital Media Lab	IT		12,000				12,000		
<b>Sub-total</b>			<b>\$ 864,851</b>	<b>\$ 343,730</b>		<b>\$ -</b>	<b>\$ 62,000</b>	<b>\$ 265,787</b>	<b>\$ 193,334</b>
<b>Balance of Capital Improvement Fund</b>									<b>\$ 2,140,250</b>
SP - Special Projects (originally included \$200K VOIP telephone moved to 2015 and \$5K for possible Bookmobile unfunded cost) & using \$83,000 of unneeded RFID for network upgrade + \$37,000 State Aid; FE - Furniture & Equipment (plus \$5K base budget not included on matrix); OP - operating budget									
<b>2015</b>									
Lockbox - Loc #3	Community		\$ 50,000	\$ 25,000	SP			\$ 25,000	
Dispensers - various including DVD	Community		250,000	250,000	SP				
Library News Communitywide - Pilot Project	Community		60,000	60,000	OP				
Lobby Reconfig related to Self-Check	Community	amt updated	200,000	30,000	SA				\$ 170,000
Partnership with Cty Parks & Rec - support	Community	amt updated	6,000	6,000	DS				
Bookmobile #3 Replacement	Community		400,000	100,000	SP			300,000	
Mini Van Replacement	Community	prev purchase	-	-					
Art Exhibits - Rental, Shipping & Signage (3 main)	Community	commit 2014	-	-				-	
Library Collection for Bookmobile #2	Community		100,000			100,000			
Concrete Work Front Walks/Curbs (2014)	Facilities		56,000						56,000
Carpeting-Youth Services	Facilities		45,000						45,000



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**As of August 14, 2014 - Public Budget Hearing**

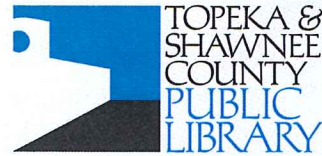
**Legend:**

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new to the funding matrix

**Proposed Funding Source:**

Initiative	Plan Type	Priority	Estimated Cost	Operating Budget		Existing Non-Budgeted Fund	Friends of TSCPL	The Library Foundation	Capital Improvement Fund
Furniture Replacement	Facilities	move fr CI	17,000	17,000	FE				-
Upgrade Interior Lighting to LED <b>on hold</b>	Facilities		26,667						26,667
Automated Materials Machine Load/Unload Bins	Facilities		13,200	13,200	FE				
Furnishings for Genealogy/Local History Space	Facilities		10,000	10,000	FE				
Café Equipment Repair/Replace	Facilities	move fr CI	10,000	10,000	FE				-
Asphalt for Parking Lot	Facilities		145,000						145,000
Upgrade Parking Lot Lights to LED	Facilities	move fr CI	5,000	5,000	OP				-
Replace Radios for Support (digital) (2013) *	IT		35,000	35,000	DS				
VOIP Telephone System** (2014)	IT		200,000	200,000	SP				
Collection Mgmt Software (digitization local hstry)	IT		10,000	10,000	DS				
Kids Library - Phase IV-outdoor sculpture (2016)	Prof Serv								
<b>Sub-total</b>			<b>\$ 1,638,867</b>	<b>\$ 771,200</b>		<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ 325,000</b>	<b>\$ 442,667</b>
<b>Balance of Capital Improvement Fund</b>									<b>\$ 1,697,583</b>
* may be resolved by the VOIP telephone system without additional cost; ** moved to 2015 to qualify for e-rate submission for up to 90% reimbursement - project could not start until 7/1/15 or after									
DS - Digital Services Support; FE - Furniture & Equipment; OP - operating budget; SA - State Aid; SP - Special Projects									
<b>2016</b>									
Lockboxes & Dispensers - Loc #4 (2015)	Community		\$ 50,000	\$ 25,000				\$ 25,000	
Partnership with Cty Parks & Rec - support	Community		5,000	5,000					
Kids Library - Phase IV-outdoor sculpture (2015)	Community		75,000					75,000	
Automated Materials Machine Load/Unload Bins	Facilities		13,200	13,200					
Furniture Replacement	Facilities		16,666						\$ 16,666
Upgrade Interior Lighting to LED	Facilities		26,666						26,666
Café Equipment Repair/Replace	Facilities		10,000						10,000
Upgrade Parking Lot Lights to LED	Facilities		5,000						5,000
Replace Roof	Facilities		1,000,000						1,000,000
Bricks on the Dock	Facilities		30,000						30,000
<b>Sub-total</b>			<b>\$ 1,231,532</b>	<b>\$ 43,200</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>\$ 1,088,332</b>
<b>Balance of Capital Improvement Fund</b>									<b>\$ 609,251</b>





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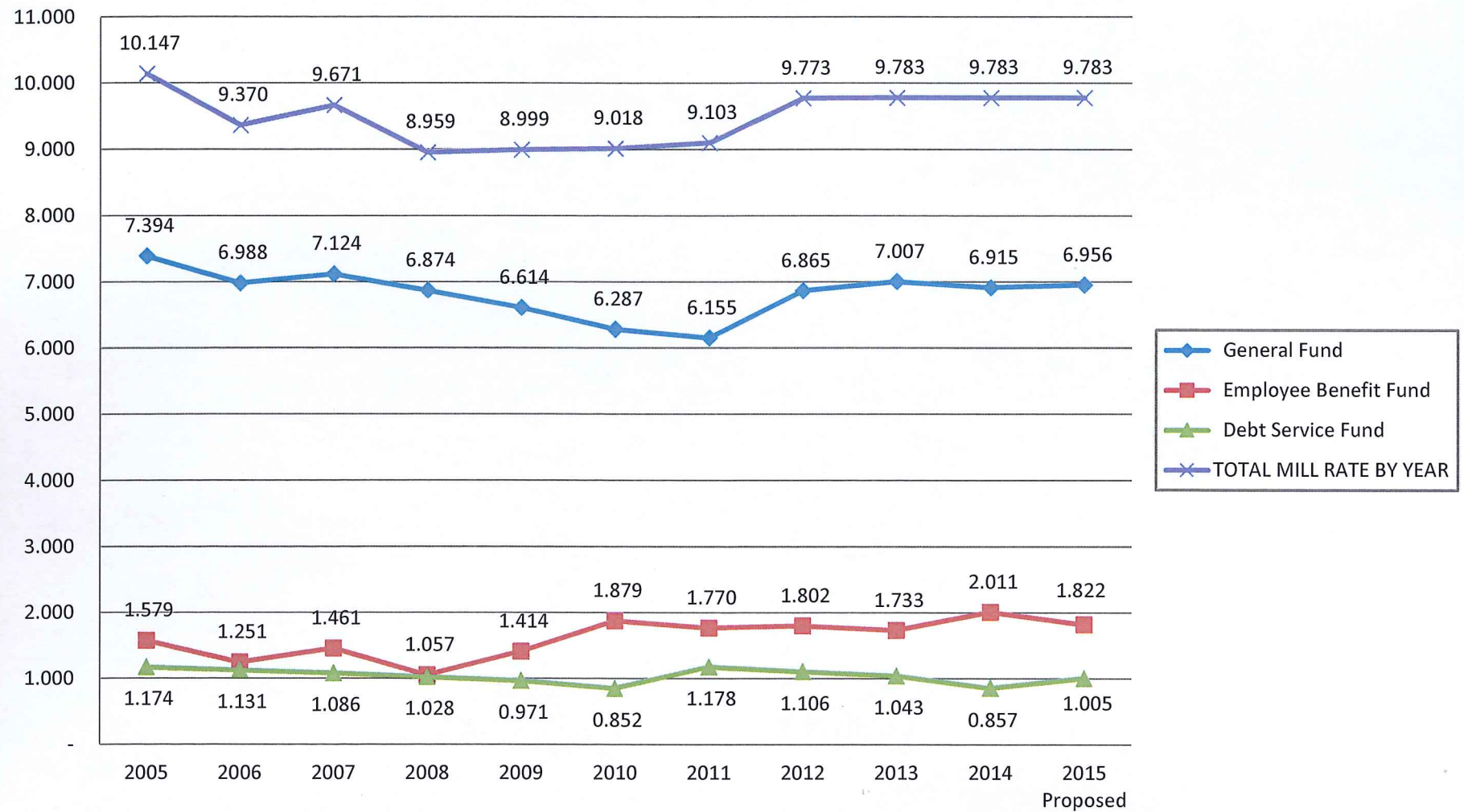
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**As of August 14, 2014 - Public Budget Hearing**

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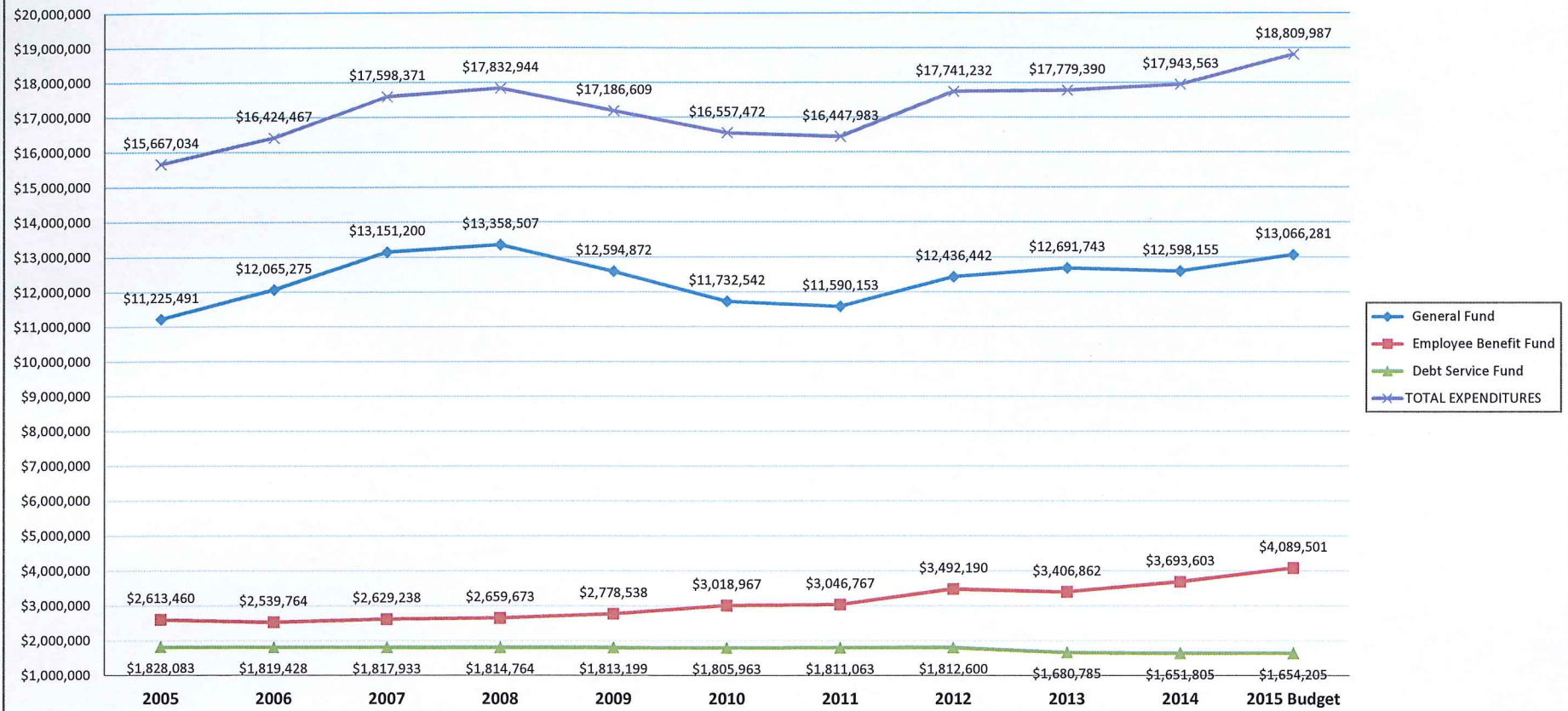
				Proposed Funding Source:					
Initiative	Plan Type	Priority	Estimated Cost	Operating Budget		Existing Non-Budgeted Fund	Friends of TSCPL	The Library Foundation	Capital Improvement Fund
<b>2017</b>									
Lockboxes & Dispensers - Loc #5 (2016)	Community		\$ 50,000	\$ 25,000				\$ 25,000	
Partnership with Cty Parks & Rec - support	Community		5,000	5,000					
Furniture Replacement	Facilities		16,666						\$ 16,666
Upgrade Interior Lighting to LED	Facilities		26,666						26,666
Café Equipment Repair/Replace	Facilities		10,000						10,000
Upgrade Parking Lot Lights to LED	Facilities		5,000						5,000
Replace Cracked Bricks North	Facilities		40,000						40,000
Replace/Repair Main Rain Water Runoff	Facilities		50,000						50,000
<b>Sub-total</b>			<b>\$ 203,332</b>	<b>\$ 30,000</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 148,332</b>
<b>Balance of Capital Improvement Fund</b>									<b>\$ 460,919</b>
<b>2018 &amp; Future</b>									
Lockboxes & Dispensers - Loc #6 (2017)	Community		\$ 50,000	\$ 25,000				\$ 25,000	
Partnership with Cty Parks & Rec - support	Community		5,000	5,000					
Repair Maple Paneling	Facilities		120,000						\$ 120,000
Solar Panels	Facilities	no timeline	800,000						after 2019?
Rainwater Storage	Facilities	no timeline	60,000						after 2019?
<b>Sub-total</b>			<b>\$ 1,035,000</b>	<b>\$ 30,000</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 120,000</b>
<b>Balance of Capital Improvement Fund</b>									<b>\$ 340,919</b>
<b>Total All Initiatives</b>			<b>\$ 4,973,582</b>	<b>\$ 1,218,130</b>		<b>\$ 100,000</b>	<b>\$ 62,000</b>	<b>\$ 740,787</b>	<b>\$ 1,992,665</b>
Less items with no timeline or funding plan:			(860,000)						
<b>Proposed Total of Initiatives to Fund</b>			<b>\$ 4,113,582</b>						

## TSCPL 10-Yr Retrospective - Mill Rate Values - Schedule B





**TSCPL 10-Yr Retrospective - Budgeted Expenditures - Schedule C**



**Topeka and Shawnee County Public Library  
Key to 2014 and 2015 Budget Comparison  
Public Budget Hearing - August 14, 2014**

**Has the amount of tax requested increased or decreased? *Neither; stayed the same.***

1 - Actual Tax Rate 2014	9.783
2 - Estimated Tax Rate 2015	9.783
<b>Net Change</b>	<b>0</b>

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 the same, is the Library receiving more ad valorem tax dollars? *Yes***

3 - Total Amount of 2014 (2015) Budget Ad Valorem Tax	\$ 14,688,989
4 - Total Tax Levied 2014	\$ 14,677,924
<b>Total Increase in Annual Ad Valorem Tax Revenues</b>	<b>\$ 11,065</b>

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

7 - Assessed Valuation - 2015	\$ 1,501,481,100
8 - Assessed Valuation - 2014 (final)	\$ 1,500,587,291
<b>Total Increase in Assessed Valuation</b>	<b>\$ 893,809</b>
<b>Increased Value of One Mill</b>	<b>\$ 894</b>
<b>Increased Revenues based on Budgeted Valuation</b>	<b>\$ 8,746</b>
<b>Increase due to Final Valuation &amp; Setting of 2014 Mill Levy by Cty Clerk</b>	<b>\$ 2,319</b>
<b>Increased Revenues At Flat Mill Levy</b>	<b>\$ 11,065</b>

**Why does the Library need an over \$20 million budget and why did it increase over 2014?**

5 - Net Expenditures 2014	\$ 17,324,948
Add Back Revisions to 2014 Estimates for 2015 Budget:	
Employee Benefit Fund - Pr Yr Refund	\$ 19,219
Employee Benefit Fund - 2014 Health Prm	\$ 424,000
General Fund known savings	\$ 38,216
General Fund - deferral of telephone system	\$ 200,000
State Aid Reduction to Actual	\$ 12,180
<b>Original 2014 Expenditure Authority - excluding cash carry forward</b>	<b>\$ 18,018,563</b>

6 - Net Expenditures 2015	\$ 21,204,987
Less Cash Carry Forward/Reserves classified as "Expenditures":	
General Fund	\$ (1,200,000)
Employee Benefit Fund	\$ (375,000)
Debt Service Fund	\$ (750,000)
<b>2015 Actual Authority for Expenditures</b>	<b>\$ 18,879,987</b>

<b>Actual Increased Expenditure Authority in 2015*</b>	<b>\$ 861,424</b>
<b>% Increase in Expenditure Authority in 2015</b>	<b>4.78%</b>

*\* increased spending authority is primarily for one-time expenditures with one-time resources*

<i>Health Savings Accounts</i>	\$ 200,000
<i>Possible health care self-insurance startup</i>	\$ 400,000
<i>Bookmobile #3</i>	\$ 100,000
<i>Materials dispensers</i>	\$ 250,000
	<b>\$ 950,000</b>
<b>Actual Increased Expenditure Authority in 2015</b>	<b>\$ 861,424</b>
<b>Decrease in Expenditure Authority for other than One-time Costs</b>	<b>\$ (88,576)</b>

NOTICE OF BUDGET HEARING

Schedule D  
State of Kansas  
Special District  
2015

The governing body of  
Topeka & Shawnee County Public Library (TSCPL)  
Shawnee County

will meet on August 14, 2014 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.

**BUDGET SUMMARY**

Proposed Budget 2015 Expenditures and Amount of 2014 Ad Valorem Tax establish the maximum limits of the 2015 budget. Estimated Tax Rate is subject to change depending on the final assessed valuation.

FUND	Prior Year Actual 2013		Current Year Estimate for 2014		Proposed Budget Year for 2015		
	Expenditures	Actual Tax Rate*	Expenditures	Actual Tax Rate*	Budget Authority for Expenditures	Amount of 2014 Ad Valorem Tax	Estimate Tax Rate*
General	12,033,305	7.007	12,359,939	6.915	14,266,281	10,444,222	6.956
Debt Service	1,681,412	1.043	1,651,805	0.857	2,404,205	1,509,009	1.005
Employee Benefi	3,211,618	1.733	3,250,384	2.011	4,464,501	2,735,758	1.822
State Aid	70,405		62,820		70,000		
Non-Budgeted F	570,704						
Totals	17,567,444	9.783	17,324,948	9.783	21,204,987	14,688,989	9.783
Less: Transfers	0		0		0		
Net Expenditures	17,567,444		17,324,948		21,204,987		
Total Tax Levied	14,280,835		14,677,924		xxxxxxxxxxxxxxxx		
Assessed Valuati	1,459,965,492		1,500,587,291		1,501,481,100		

Outstanding Indebtedness,

Jan 1, 2012

G.O. Bonds	12,060,000
Revenue Bonds	0
Other	0
Lease Pur. Princ.	0
Total	12,060,000

2013

G.O. Bonds	10,265,000
Revenue Bonds	0
Other	0
Lease Pur. Princ.	0
Total	10,265,000

2014

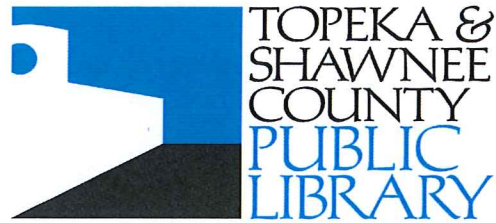
G.O. Bonds	8,890,000
Revenue Bonds	0
Other	0
Lease Pur. Princ.	0
Total	8,890,000

\*Tax rates are expressed in mills.

*Kerry Onstott Storey*  
Secretary

Page No.

Kerry Onstott Storey, Secretary Pro Tem



## **Revenue Source Definitions**

Ad Valorem Property Tax – Tax on all taxable tangible property in Shawnee County, excluding the Townships of Rossville and Silver Lake. The amount approved to fund the budget is converted to mills by the County Clerk when final property valuations are known (end of October).

Delinquent Tax – Taxes unpaid after the date when the penalty for non-payment begins. These are not budgeted because collection is uncertain.

Motor Vehicle Tax – Tax is based on the value of the vehicle and the previous year's county-wide average levy. It is paid when the vehicle is registered.

Recreational Vehicle (RV) Tax – Tax is assessed by weight of the RV, rather than the value of the RV, and is paid when the RV is registered. It is based on the levies in the previous year's budget.

16/20 Vehicle Tax – Tax is assessed like the motor vehicle tax when light trucks with a weight of 16,000 to 20,000 pounds are registered. The tax is collected like an ad valorem tax, in December and June.

In Lieu of Tax – Tax received from businesses that have issued industrial revenue bonds. These businesses do not pay taxes, but may be assessed an in lieu of tax amount to help pay for services.

Watercraft Assessments – K.S.A 79-5501 was amended by 2014 House Bill 2422, effective January 1, 2014, to change the calculation on watercraft to be based on the county average tax rate rather than being assessed like other personal property in the taxpayer's taxing unit. (Estimate is based on information from the County Clerk.)

Commercial Vehicle Fees – Collection of these fees began on January 1, 2014. (Estimate is based on information from the County Clerk.)

Slider – This has been phased out by the State of Kansas and is no longer a revenue source. Previously, it represented reimbursement from the State due to the loss of tax revenue caused by machinery and tax exemptions passed in the 2006 legislative session.

Reimbursement Foundation, Friends and Shawnee County – The Topeka & Shawnee County Public Library (TSCPL) initially pays the salaries and fringe benefits for employees on loan to The Library Foundation and all employees of the Friends of the Library. Occasionally, other small amounts are paid on behalf of these organizations.

New in 2013 was the reimbursement for a technical position as a result of a partnership agreement with Shawnee County Parks and Recreation. This partnership provides computer training and access, as well as programming, in the community centers to best utilize computer facilities, equipment and instructors. This cost-effectively boosts service equity to TSCPL customers without the need to invest in “bricks and mortar.” The revenues represent the reimbursement of the expected agreed-upon share for which these organizations are responsible.

Fees – TSCPL charges fees for a number of services or for non-compliance with library policies. These fees include: (1) overdue fees for materials not returned by the due date; (2) debt collection (recovery of cost to TSCPL for using an outside debt collection service); (3) interlibrary loan mailing fees; (4) mailing fees for patron-requested items; (5) non-resident library card fees; (6) copies, telephone and fax usage fees (staff and patrons); (7) obituary lookup fees; (8) meeting room and/or equipment usage fees; (9) vending machine income from the purchase of supplies; (10) charges for lost and damaged materials; and (11) fees for tax forms.

E-rate Reimbursement – A federal program in which approved, actual costs paid by TSCPL for internet, wireless, telephone and pager services, as well as some types of communications equipment, are reimbursed.

Miscellaneous – Up to \$5,000 of annual revenues not categorized elsewhere. Due to the infrequency of receipt or small dollar amount per transaction, it is more efficient to lump them in one miscellaneous category.

Investment Income – Interest on idle funds.

Neighborhood Revitalization Rebates – Neighborhood revitalization districts may qualify for property tax rebates based only on the valuation of new improvements to the property. In past budgets, the rebates were budgeted as expenditures and increased the expenditure authority. However, since the rebates represent the ad valorem property tax that TSCPL will not receive, the reporting was changed to the acceptable alternative reporting method as a revenue reduction, beginning with the 2013 budget. (Estimate is based on information from the County Clerk.)