

WYANDOTTE COUNTY LIBRARY BOARD

ZOOM MEETING

April 20, 2021

4:00 PM

CALL TO ORDER

The meeting was called to order by Jody Boeding, Vice Chair.

Attendees: Pat Pettey, Chair, John "Tiny" McTaggart, Judy Anderson, Korri Hall, Micki Hill, Erica Simpson, and Jim Jarsulic

Absent: Don Jolley, Chuck Stites.

Support advisors: Carol Levers, Director of KCK Public Library; Jack Granath, Director of Bonner Springs Library; Aaron Froelich of Turner Library, Branch Manager.

UG Support staff: Debbie Jonscher, Deputy CFO; Reggie Lindsey, UG Budget Manager, Jeff Conway, UG Legal Department and Lisa Rangel, UG Administrative Support.

INTRODUCTIONS/ANNOUNCEMENTS

No new announcements.

APPROVAL OF MINUTES – John McTaggart made a motion to approve March 16, 2021 minutes, seconded by Jody Boeding. Motion was unanimous.

NEW BUSINESS

Debbie presented [two different personal property tax statements](#), one for Turner (USD 202) and one for Kansas City, Kansas (USD 500) outlining the mill levy and where you can find the breakdown on these taxes.

Turner Tax Statement (USD 202)

MILL LEVIES	PRIOR YEAR	CURRENT YEAR	% CHANGE
State	1.500000	1.500000	0.00
County	39.263448	39.327324	0.16
COUNTY LIBRARY	6.122014	6.129017	0.11
K. C. K. COMMUNITY JR. COLLE	27.559729	27.425977	-0.49
KANSAS CITY	38.398337	38.470262	0.19
TURNER SCHOOL DIST 202	63.818033	60.908781	-4.56
Grand Total:	176.661561	173.761361	-1.64

Kansas City, Kansas (USD 500)

MILL LEVIES	PRIOR YEAR	CURRENT YEAR	% CHANGE
State	1.500000	1.500000	0.00
County	39.263448	39.327324	0.16
K. C. K. COMMUNITY JR. COLLE	27.559729	27.425977	-0.49
KANSAS CITY	38.398337	38.470262	0.19
KANSAS CITY SCHOOL DIST. 500	49.604351	49.651909	0.10
USD 500 LIBRARY	11.144573	11.168934	0.22
Grand Total:	167.470438	167.544406	0.04

Reggie presented the [County Library Fund](#) reflecting historical data, current data and proposed data with a 3% expense increase. The *current* column is the 2021 forecasted budget and the *proposed* column is a 2022 forecast with a 3% increase built in on the expenditure side. I like to try and keep reserves at about 9% which is how much it was for 2021. As far as fund balance for 2021 it's at \$2,163,199, up from \$1,814,811, a \$350K increase year over year in your ending fund balance. You all are doing well with your fund balance at almost have a 64%. The bottom half of the page reflects what I propose for the county library allocations. Korri asked, what does the 3% mean. Will it reflect 6 or 9 on the tax bill? Reggie said this is

just the increase for expenditures, so we won't be adjusting the revenue at all. Judy asked, if we do this 3% increase, will the ending balance be over \$2M? Reggie said yes, \$2.1M. Judy asked, the 63.64% of what? Reggie said, of your expenditures, the \$3.7M. Judy asked, how much more do you predict will be collected and distribute at 3%? So, there will be almost \$300K going into the reserve fund for the next year? Reggie said, more than likely it will go into the reserve fund, but it's also set up for emergencies. We forecast it to go into the reserves or fund balance. Judy said, so the emergency would only be for libraries, not for the county. Reggie said, just for the libraries. Erica asked, is the forecasted amount put in each year? I was thinking it was only going to go up by \$30K or so, but it's just for that year? Reggie said, we put in a reserve each year and I try to base it around 9%. Current year 2021 is \$317K. We would put the \$317K in our reserve right now and if we don't spend it, it will go to our fund balance. Erica said, then it will roll over and we'll do a separate \$344,943K. Reggie said yes. Debbie said, correct. If you don't spend the reserve in 2021 or 2022, your fund balance would increase by over \$600K. Korri said, is that the amount our commissioners are eyeballing? Reggie said, they can't actually take your money but there may be pressure to reduce your mill. Korri said, with the new law proposed, the committee could appeal and see our money just sitting there and not doing anything with it. If I were an outsider looking in, that's what I would think. Judy said, as a taxpayer, I'm wondering if we're collecting too much. Jody said, we trying to look ahead to see if there will be greater needs in the PET area that the county library fund could be used for. Much of the surplus is increased valuation especially in the Piper area. That is what's contributing to the growth of the fund. One thing the reserve could be used for is if you don't increase the tax levy, you could still give the same amounts to the libraries and fund it out of the reserve, or you can hold the reserve for future needs. That's a bigger discussion, whether there is a need for an additional library in the PET area, which would most likely be Piper because that's where the next biggest population is. However, there is no proposal before the library board currently. Turner came with a proposal as we discussed last month. Erica said Piper is currently working on a proposal, but it is not done. The superintendent of the schools spoke with me and had spoken with the Piper USD 203 School Board. There might be a potential expansion of services where those funds could potentially be used, but again, it's not there yet. Jody said we are getting down to the time where we typically set the tax levy and send it to the UG for inclusion in their budget. I'm not sure if there is enough time in this year. Pat said, there is some concern about how large the reserve fund is and that there could be some criticism of this board that we could be taxing too much to create this reserve. There is discussion of the reserve and what it could be used for and one of the things was funding the libraries at the existing rate, would reduce the reserve. Although just by the growth of the valuation, we are more likely to take in more money, but if we lower the rate, it will reduce the reserve. Then there is a question if we should build the reserve to increase library services in Piper. Pat said, we thought Piper was going to come with a proposal eight years ago. Jody is correct, it would not occur in this cycle and if we look at the timeframe with Turner, that was community driven and as everyone knows, we do not own any properties so anything that occurs is a joint venture. There would have to be a proposal to come forward from Piper with a location for that to happen, so we know that's down the road. I really think we should think about a 5% increase for this year because I think we'll be looking at 3% due to the change in the law. Reggie said I can show a 5% if you'd like, as well as an 8%. Erica asked, if constituents were to ask about our large reserve fund, what would we say as their representatives to ease their mind that we are not stock piling? Pat said, we've always had a reserve fund and it is concerning if it gets too large, but we also know that a reserve fund is a contingency for any emergencies that come forward. It is also known if you don't go for any kind of an increase, you could potentially be pulling from your reserve fund. The other piece is a request for a library expansion in the PET area. There is no way for the library board to consider for an expansion if there is no money there for an expansion. I would have to look back when we moved forward with the Turner library. It was a joint interlocal agreement between the UG, Turner School District and the Library Board because they all have taxing authority. Erica said, the school board requested a copy of that from the UG which they have received and will be using that to begin the process of the draft or guideline. Pat said, that's a good guideline to go by because that's an example of what was involved. Erica asked, what type of guideline would it be? Pat said, we meet again in September for the Library Board so that would be the first opportunity to consider any kind of proposal. Then it would be a matter of the steps involved from there. A lot of it depends on what's available and consider the library standards. It could potentially be approved in a year but more likely an 18-mo process. Jody said, I don't recall the timeframe, but I know it

takes a long time because each entity has a lawyer to look it over, then it goes to the governing body. With a 3-4 party contract, there is a lot involved. Micki said, if it weren't for the safety net of the reserve fund, the libraries would be in bad position right now from all the expenses in meeting COVID standards. Jody said, I think Bonner did use some library funds for protective equipment, is that correct? Jack said, that is correct. Korri said, it would be helpful for those individuals in the PET area to know those things, so they know how to answer community questions. I would stand firmly behind our increases as long as I understand them. Pat said, you are correct, getting good information for all of the board is important. Jody said, with SB-13 going into effect, we might need to dip into the reserve because of it. We might need to see how that plays out in 2022. We might have to use that reserve to fund the needs that we're funding now with the tax levy. Pat said, that's why I think it's important to look at 5% or potentially 8% because we may just be maintaining with zero increase next year.

Reggie presented a [5% and 8% increase scenario](#). He said revenues would be based on the current mill rate, the increase is from valuations going up, so the mill rate would not increase but the expenditures that you would have access to, would. From the chart, you can see 8% would be \$3.9M and 5% would be at \$3.8M of expenditures. The ending fund balance, if you go with the lower expenditure amount, will end up having a larger fund balance of \$2M and the higher expenses would be \$1.9M. That's simply because you're spending more money on the expenditures. You will still have very healthy fund balances. At 8% you have a 55% fund balance and with the 5% you have a 60% fund balance. If you drop down on the chart, you will see the different amounts for the libraries. There is about a \$100K difference in what the libraries would get between the 8% and 5%. Micki said, Pat, you're on the floor, you know what's going on better than we do. How do you think the legislation is leaning? How do the libraries feel this will affect them in offering the quality services they do? Pat said, that bill has already been signed by the governor, so it has already passed. The new legislation does not come into effect until the next budget cycle. I think the libraries can provide some input. Aaron stated, I think it will help a lot because we're in a new era where a lot of people are moving towards our virtual platform like Hoopla and away from physical items like CDs and Audio books. With Hoopla, they charge us a different rate. Downloading audio books can be more expensive because you are charged each time you check out an item. Also, to add a book in Hoopla, you have to pay a higher rate than you would an audio book, physical book or audio music. With Spotify, stuff has gone down, and audio books are a whole different thing. I'm not sure how long the PPE procedure will continue but it will be a big thing moving forward. Jack said, my main concern is with staffing. If we're looking at years in the future where our budget is frozen, then we would be concerned about being able to pay for staff and be fully staffed. We currently have an open position, and it would be a bad situation to be in with an open position, and get busy again with no funds coming in. My priority would be to get fully staffed with this kind of an increase so if in a couple of years, we don't have an increase, we would still be in a good position. My second priority would be eBooks like Aaron mentioned. Carol said I agree with both Aaron and Jack. The last meeting, I was very conservative because of the attention we were getting with the increase and balance. When Reggie showed us the 5% and 8%, and explained the balances, I was floored. In looking at it now, I would agree to go with the 8% so if anything happens next year, we will have braced ourselves. People are still coming to the library and we need to meet their needs and if they still need to visit with a mask, and we still need to provide the hand sanitizer and sanitize our computers, I would agree with the 8%. Micki said, based on everything we've heard including PPE, we should look at the 8% to provide for the possibilities for the lean year. Erica asked, the idea of the 8% is not going to increase the current 6.14% or 11% distributed amongst the communities, the additional funds will be coming from the increase valuations, correct? Reggie stated, yes, that is correct. Pat asked, so with the 5% or 8% we will not see the increase in the mills for the library board? Reggie said, no. There will not be any increase in the mills, just the expenditures would be increased. Pat said, so we will be staying at the 6.129%? Reggie said, yes. Debbie said the only way you'll change that 6.129% is if you decide to increase your levy. Korri said, the mill rate stays at the 6.12% which is basically the assessed value, so how do you get a larger number if you keep the mill levy exactly the same? Erica said, I think it's because the property values are going up, so I will be paying more taxes next year. Debbie said, the 6.129% is your mill rate so that stays constant. Reggie is estimating \$3.4M in revenue but in your 2022, he's estimating \$3.7M. Your mill rate is staying the same so the reason that goes up is

because property valuations are going up, so the same mill will collect additional revenue. That's what he has built in here and that doesn't have anything to do with the percent. When he talks about increasing your expense down below, you can go as high as you want. That's just increasing the amount that will be distributed to the three libraries. Erica said, so the rate is not going up, it's just the valuations are higher, so the amount collected is higher. Korri said, is there cushion for when people may appeal the process? Reggie said, we do have a delinquency rate built in. Debbie said, we build the delinquency into the revenue because we assume a certain percentage may not get collected. Jody said, but if you hadn't estimate enough delinquency rate, that would come out of our reserves, correct? Debbie said, correct. We would distribute to the three libraries so where you would see the change would be in the ending balance in the reserves.

Jody said, we don't have to send out notices or have a hearing because we're raising more money than we did last year in this budget cycle, correct? Jeff said correct. **Korri Hall** made a motion to approve the 8% increase for the proposed 2022 budget. Motion seconded by Micki Hill. Jody said, this will draw some interest or maybe not, but as long as every member on the board is ready to deal with that. Korri said, yes, we are. We have COVID, Hoopla, staffing, ect. Pat said, keep in mind as we move into the 2022 calendar year and discussing that budget, if property valuations continue to grow and that 6.129% generated more money, we may be talking about reducing the mill rate. The Commissioners will provide some lead on that. Every voter will need to be notified if there is a growth. We won't have to send out an individual letter, there will be one letter that will be sent out to all taxing entities in WyCo and since we're under the UG, we will be on their letter. We will have different kinds of decisions to make next year so it's important to continue having these conversations, so we have a better idea on how this is going to impact. There's also the possibility of Piper bringing forth a proposal, so next year could be pretty busy. Jody said, then there will be a push, pull between funding the existing needs of the current libraries and funding a new library. Jeff said, I can enter the numbers for the 8% increase. I remember last year because of COVID, we streamlined it with only Pat's signature so we can do that again this year. Pat said, we don't have the document today to fill in the numbers. Tiny McTaggart said, we can amend the motion to proceed to prepare the document for approval next month. Pat said it will be May 18. Korri made an amended motion to proceed with preparation of the documents for an 8% increase, Micki seconded the amended motion. Motion carried unanimously. Pat said the final vote will be taken on May 18.

LIBRARY UPDATES

KCK Library - Carol Levers

- Provided an [overview report](#) of monthly events and statistics

Bonner Springs Library - Jack Granath

- Provided an [overview report](#) of monthly events and statistics

Turner Library – Aaron Froelich

- Provided an [overview report](#) of monthly events and statistics

Reggie asked if the board would like to see 3% or 1.5% proposal? The board agreed to 3%.

Adjournment

The next Special Meeting to adopt the budget is scheduled for May 18, 2021 @ 4:00 pm.