

To: HANNIBAL FREE PUBLIC LIBRARY BOARD OF TRUSTEES  
From: HALLIE YUNDT SILVER  
Date: June 9, 2022  
RE: BUDGET RECOMMENDATION

The budget for FY21-22 started with less projected revenue than the previous year. Low interest rates accounted for much of the decrease. We planned to transfer funds from the Capital Outlay account to cover larger capital projects. The fiscal year will end with an amended budget that includes funds transferred from Undesignated reserves, which were needed to defray expenses associated with the Plumbing Emergency on April 14, 2022. We anticipate reimbursement from MIRMA, probably during FY22-23, where the revenue is budgeted. Ralls County Library was late with a payment, which was received after the books for FY20-21 closed although the Auditor included the late payment before it was received. The Auditor's decision to accrue in FY19-20 and FY20-21 was confusing, so information from the City Financial Report for these years is shown on the spreadsheet except for interest earnings.

The budget for FY22-23 starts with about the same revenue as the previous year. We plan to transfer funds from the Capital Outlay account to cover larger capital projects.

With the exception of FY21-22, we have not needed to use reserves as carry-over for operating expenditures since at least 2007, yet this budget tool must be available to the Library for the difficult upcoming budget years. It is for this reason that State Statutes require the Library to maintain Operating reserves of at least a year's expenditure budget, identified in our budget as Cash Flow and Undesignated Reserves. We also maintain and utilize Capital Outlay reserves. And, the Designated Accounts provide funding from interest earnings for some of the Books & Materials Accounts.

As is usual, we always begin the year in July with many budgetary unknowns, both revenues and expenditure. The largest revenue stream, Property Taxes, resolves itself by February. The Library Board's decision to grant salary increases, if any, in January keeps the personnel budget as tight as possible until much of the revenue is realized. Expenditures to further the Strategic Plan are again included in this year's budget. Several larger capital projects are planned. Details follow on subsequent pages of this recommendation.

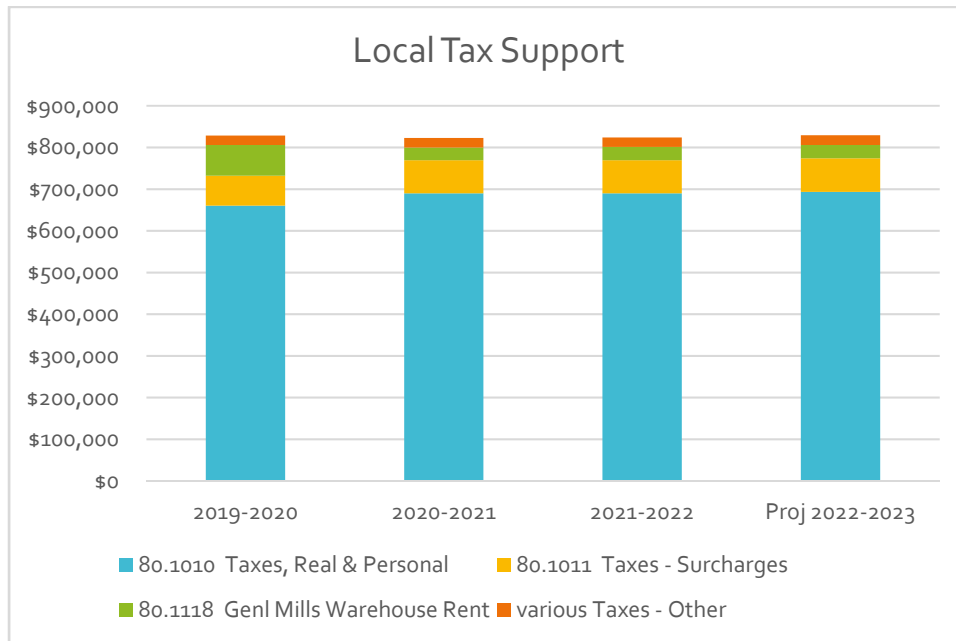
## **REVENUES**

***Revenue 80.1010, Taxes, Real & Personal*** – Understanding Property and other Taxes, 80.1010 through 80.1014 – Hannibal Free Public Library's largest revenue centers – is crucial to understanding the budget. After a public hearing, when the Library Board adopts the budget in June for the upcoming fiscal year, all revenues are projections. The Library Board sets the tax levy rate in August after a public hearing. When revenue in 80.1010 is realized to any great extent annually in January, February, and March, this revenue must be used to operate through the following January. In other words, the tax cycle overlaps fiscal years, which

begin in July. So, we must have an overall budget plan for the next eighteen to twenty-four months. When developing a budget for 80.1010, several additional factors must be considered, including: the two-year assessment cycle, the cap set by the Hancock Amendment on the property tax rate, new business construction and housing starts, and the level of default every year. Some years, as was the case in FY14-15, one or more disputed assessments remained unresolved until the following year. Historically, we see a dip in Property Taxes every few years, perhaps because of similar disputes.

\$577,600	FY2011-2012 (TIFs paid off)
\$613,929	FY2012-2013
\$614,325	FY2013-2014
\$571,663	FY2014-2015
\$665,504	FY2015-2016
\$632,494	FY2016-2017
\$666,310	FY2017-2018 (included \$1,500 in back taxes for St. Elizabeth Hospital)
\$694,560	FY2018-2019
\$660,259	FY2019-2020
\$699,634	FY2020-2021
\$693,478	FY2021-2022 (as of April 30, 2022)

The anticipated revenue in 80.1010 for FY22-23 is projected at the amount of revenue collected as of April 30, 2021, \$693,478. This projection reflects our usual budgeting pattern.



**Revenue 80.1011, Taxes – Surcharges** – Instead of collecting personal property tax on business merchandise and inventory, Missouri counties assess a surcharge on the value of commercial real estate. It is distributed proportionally in the same manner as 80.1010 taxes are divided. Revenues collected here usually increase annually. However, the increment of increase varies widely, and sometimes there is little or no increase at all. This account is projected at the revenue collected as of April 30, 2022.

**Revenue 80.1012, Taxes - Interest** – This account is for interest collected on back taxes owed from the previous two years. It is projected at the 3-year average.

**Revenue 80.1013, Taxes – Railroad & Utilities** – This is a volatile account. It is projected at the 3-year average.

**Revenue 80.1014, Taxes – Financial Institution** – More volatility, this account is projected at the 3-year average.

**Revenue 80.1040, Grants (not LSTA)** – The budget is amended to fund this account after non-Federal grants are received.

**Revenue 80.1060, Interest** – This account had been used to budget interest generated by investment of Unrestricted and Cash Flow funds. Since the auditor customarily moved funds between this account and 80.1085, Interest (Designated Funds), the Library Board determined to designate 80.1060 as the sole account into which operating interest will be deposited at the City. Since FY17-18, 80.1060 has been used for interest received on Unrestricted, Designated, Cash Flow, and Capital Outlay funds. Although grouped together as one revenue account, expenditures from the revenue are budgeted by specific Designated Fund. Note that interest generated by investments of the Capital Improvements account is not budgeted in the Library’s operating budget. Instead, this interest remains in the Capital Outlay account, allowing it to grow and/or to be used per Library Board decision.

**Revenue 80.1061, Fines** – Included here are overdue fines, collection agency fees, and similar fines and fees. Revenue for this account has decreased as circulation of physical books and other materials declines. This account has been reduced significantly because of the Library Board’s decision on May 12, 2020, to discontinue collection of overdue fines.

**Revenue 80.1062, Non-Resident Fees** – Library patrons are assessed a fee if they reside outside the City of Hannibal or Ralls County. The Library Board reviews the fee annually in November or December. For FY14-15 through FY17-18, the fee was \$40 for an individual or \$80 for a family, which equated to the average property taxes paid by families who reside in the City limits. In October 2018, after lengthy consideration, the Library Board discontinued to offer the Individual Non-Resident Fee and instead to charge \$80 in 2019 for everyone living at one residential address. The fee was increased to \$90 in 2021, and \$100 in 2022.

**Revenue 80.1063, Fax Income** – Revenue generated for this account has always been volatile. However, the sharp decrease in FY19-20 and FY20-21 is better explained by the effects of the Coronavirus pandemic when the Library was closed to the public for a number of months. While use of the fax by the public increased in FY21-22, use has not returned to pre-pandemic levels, if it ever returns.

**Revenue 80.1064, Inter-Library Loan** – Inter-Library Loan (ILL) was not considered a basic service, and Hannibal Free Public Library had charged a fee when patrons request books, magazine articles, and other materials from other libraries. Mid-year in FY15-16, the fee was discontinued for items that can be obtained from other libraries free of charge, turning ILL into a basic service. Because of this change in service definition, no revenues are budgeted although some fees will be collected should a patron request an item from a library that charges to lend ILLs.

**Revenue 80.1064, Copier Income** –Included here are fees collected for computer printouts, photocopies, and microfilm copies. Fees assessed offset much of the purchase of toner and paper for the public-use printers as well as Golden Ruler’s service contract on the photocopier. This is another volatile account most years. Nevertheless, the sharp decrease in FY19-20 and FY20-21 is better explained by the effects of the Coronavirus pandemic when the Library was closed to the public for a number of months. Here again, usage has not returned to pre-pandemic levels. Fees were increased in FY21-22 to offset increased costs for toner and paper.

**Revenue 80.1066, Lost Book Fee** – Patrons who fail to return overdue books and other materials are assessed replacement fees, which are used to replace the actual lost title or the information contained in the lost title. Patrons are also assessed a fee when materials are returned in worse condition than checked out. Patrons who fail to pay for their lost materials are no longer referred to the Library’s collection agency. Depending on the amount owed, they may also be prosecuted. We collect quite a bit of revenue in this account toward the end of the fiscal year because people are getting ready for the Summer Reading Program. Revenues fluctuate from year to year.

**Revenue 80.1069, Miscellaneous Other** –In FY10-11 and before, over-the-desk receipts were co-mingled, deposited in this account, and the auditor separated the funds after the year concluded. We now use this account for non-sales tax revenue that does not seem to go in another account. For example, when Friends reimburse the Library for supplies, the check is deposited in this account. FY21-22’s revenue was projected at a placeholder \$100. The anticipated insurance settlement from the Plumbing Emergency in April 2021 is budgeted in this account in FY22-23.

**Revenue 80.1075, Gifts** – Businesses and individuals give the Library cash donations to use to purchase materials, to pay for programs, and for other purposes. Like expenditures of interest from Designated Funds and Federal Grants, expenditures on gifts may cross fiscal

years. The Library Board is provided detailed information on these funds early in each fiscal year. Caitlin Greathouse's fundraising campaigns for Summer Reading Program generate revenue in each budget year, which is deposited in this account.

**Revenue 80.1085, Interest (Designated Funds)** – No longer used. See 80.1060, above.

**Revenue 80.1087, Transferred from Other Accounts** – This account is used to show transfers from reserves into the operating account. In FY21-22 and FY22-23, the account is used to show funds held in reserve for Capital Outlay and needed for expenditure on capital projects.

**Revenue 80.1089, Hannibal Library Press** – This account is used for revenue generated from sale of books the Library publishes as well as the rights to the Library's on-line publications that the Library sells. Sales taxes are paid on the non-donation part of the proceeds in this account.

**Revenue 80.1091, Used Book Sales** – Sales taxes are also paid on the proceeds in this account each January. In years previous to COVID-19, we typically held two book sales plus the on-going sale in the vestibule each year. No book sales were possible in calendar year 2020. The on-going sale in the vestibule was discontinued, and we held three book sales in calendar year 2021. We plan to hold three book sales in calendar year 2022, which will perhaps become our new normal. Periodic sale of surplus computer equipment is also included in this account. Additionally, we include the sale of earbuds, jump drives, etc., in this account.

**Revenue 80.1094, Carryover** – Carryover is the amount needed to balance the Operating Budget, so Revenues and Expenditures are the same number. Technically not Revenue, the audit shows Carryover as the difference between revenue and expenditure. Note that Capital Outlay is handled separate from the Operating budget. From FY07-08, we have ended each fiscal year with Operating expenditures lower than revenues. The Plumbing Emergency in April 2022 caused the budgeting of some Carry-Over in FY21-22. No Carry-Over is proposed for FY22-23.

**Revenue 80.1097, State Aid** – “The method for distribution and allocation of Missouri state aid to public libraries is defined in RSMo 181.060. The general assembly appropriates money for state aid to public libraries and have determined specific requirements that libraries must meet to be certified or qualified to receive state aid. The state aid appropriation is distributed to qualifying public libraries on an equal per capita rate based upon the population according to the latest federal census.” (MOSL website) Hannibal Free Public Library qualifies for the per capita appropriation. We do not qualify for State Aid Equalization payments.

**Revenue 80.1098, State Aid – A&E** – “The Non-Resident Professional Athletes and Entertainers Tax is a tax on the earnings of professional athletes and entertainers when playing or

performing in the State of Missouri. It is collected by the State of Missouri and in the case of public libraries, is to be used to purchase print books, audio and video resources, magazines, eBooks, electronic subscriptions and other collection development materials.” (MOSL website) The Missouri State Library recommends not budgeting A&E revenue until the checks arrive as it is not funded/released every year. When it is funded, the amount varies widely. Funds are used to purchase children’s books and, in some years, to purchase large print books.

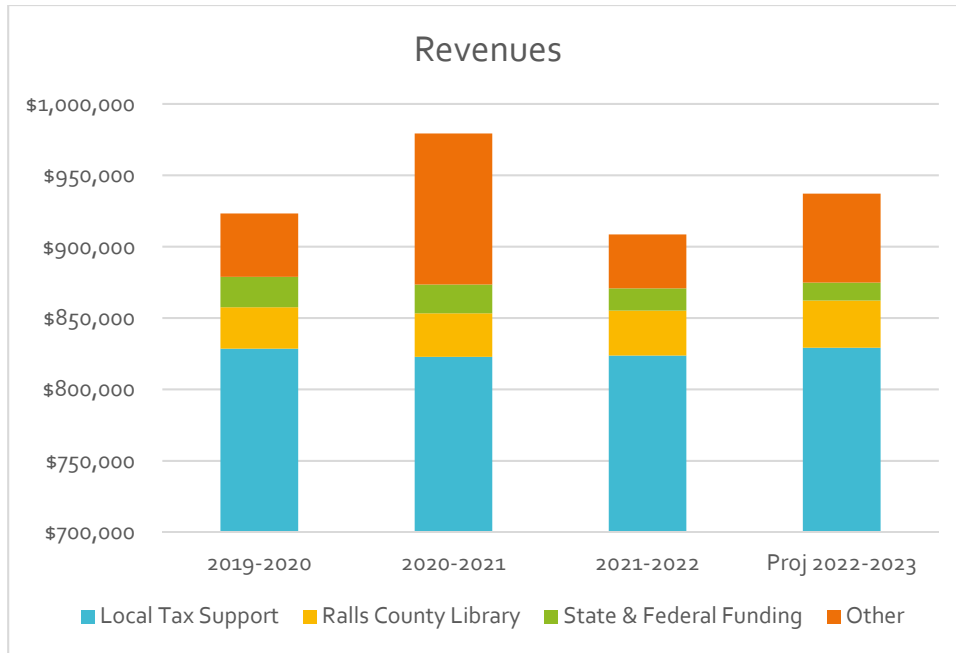
**Revenue 80.1099, Federal Grants** – The Library participates in Library Services Technology Act (LSTA) grants administered at the Federal level by the Institute of Library & Museum Services (IMLS) and at the State level by the Missouri State Library (MOSL). The Library Board approves application for the grants and accepts the grant award before the funds are budgeted either as revenues or expenditures, and before the grant projects are begun. Federal grants have a cycle all their own, and revenues and/or expenditures may need to be tracked over several of the Library’s fiscal years. Some LSTA grant revenues are refunds after expenditures are made. Some are a combination of refund and pay forward.

Revenue is budgeted only after the grant is awarded. Included in FY21-22 are all or part of the grants awarded: the two Summer 21 and Summer 22 grants. Included in FY22-23 are all or part of the grants awarded to date: the two Summer 22 grants. The Penworthy STEAM grant is included in FY21-22 but it is likely to be expensed and reimbursed in FY22-23.

**Revenue 80.1118, General Mills Warehouse Rent** – The City is generous in its appropriation of these funds, but the Library recognizes that each fiscal year may be the last year of this appropriation. The decisions whether to appropriate and the amount of the appropriation are made annually when the City develops its budget.

**Revenue 80.1175, Gifts to Trust** – This account is used to account for bequests and other gifts given to Designated Reserves.

**Revenue 80.1203, Ralls Co.** – Ralls County Library pays Hannibal Free Public Library semi-annually to provide services to residents of Ralls County. The plan has been to request that the fee increase by \$1,000 per calendar year until a cap of \$40,000 is reached, after which time the fee is intended to increase by a COLA. Because Ralls County Library uses a January fiscal year, sometimes payments overlap our July fiscal year. In other words, some years the revenue reflects one payment followed by three payments the next year.



**MANDATORY OPERATIONAL RESERVES**

Missouri Public Library Standards require “The library district maintains an operational reserve fund to cover up to one year of expenses, and a separate capital fund for maintaining facilities and the replacement of furniture and equipment.” The Library’s accounts include Designated (Restricted), Undesignated, Cash Flow, and Capital Outlay. The Library Board reviews operational cash flow and investments monthly. Each year in December, before the current year’s property taxes start arriving, the Library Board re-designates funds to be able to meet the State Standards.

**EXPENDITURES – PERSONNEL**

Personnel turn-over and staff reorganization have become expected phenomena in recent years. FY20-21 was a very calm year as far as turn-over. There were several promotions. The Library experienced a retirement and several resignations in FY21-22, and reorganization is underway. Two part-time employees have been hired by year’s end. A promotion is planned soon after FY22-23 begins, which will result in another part-time vacancy. The Director’s retirement in December 2022 was announced before inflation barreled ahead, but paperwork has not been completed yet.

Per the 2014 (most recent) Missouri Public Library Standards, personnel expenditures should be “...commensurate with other Missouri libraries and the regional marketplace and...not exceed 60 to 70% of the total budget.” Our budget is typically within this range. In FY20-21 and FY21-22, because of the large capital project expenditure, only operating expenditures were included when the percentage was calculated. Note that FY21-22 personnel expenses in the chart below reflect budgeted amounts. They will skew lower when the fiscal year is completed since we operated part of the year with several vacant positions. Also note that FY22-23 personnel expenses in the chart below reflect the proposed mid-year 5% COLA increase.

	Personnel	Total Expenditures	Percentage
2019-2020	\$503,848	\$769,332	65.49%
2020-2021	\$525,301	\$778,085	67.51%
2021-2022	\$569,993	\$979,064	61.46%
2022-2023	\$593,978	\$1,344,557	65.10%

The standard for full-time equivalents (FTE) per 1,000 population served for public libraries our size is .29 with .45 as the average and .55 as the range. Our service territory population is about 28,000 when we count almost 18,000 for the City of Hannibal and just over 10,000 for Ralls County. This means that we should have a minimum of 8.12 FTE, an average of 12.6 FTE, and a maximum of 15.4 FTE. In May 2021, we met state standards with one temporary (fill-in) and fourteen regular staff members, or 10.01 FTE. We had a 15-hour vacancy to fill. In June 2021, we continued to meet state standards with one temporary (fill-in) and thirteen regular staff members, or 9.05 FTE. We are currently interviewing candidates for promotion to a full-time position.

Raises and salary increases are granted annually in January. Typically, the Library’s increase is intended to be more-or-less equivalent to the City’s increase of the previous July. In calendar year 2021, the Library Board granted a lift for the Shelves to the new Missouri minimum wage rate, and for other staff, a 1.0% adjustment to base of scale and the step increase. Calendar year 2022 saw the minimum-wage lift for Shelves; for other staff, there was a 2.0% adjustment to base of scale and a step increase for most employees; Associates 1 also received a lift of \$1. Proposed for January 2023, and included in budgeting for FY22-23, are lifts for the Shelves to the new Missouri minimum wage rate; for other staff, the proposed budget includes a 5% COLA lift to the base of the pay scale and no step increases.

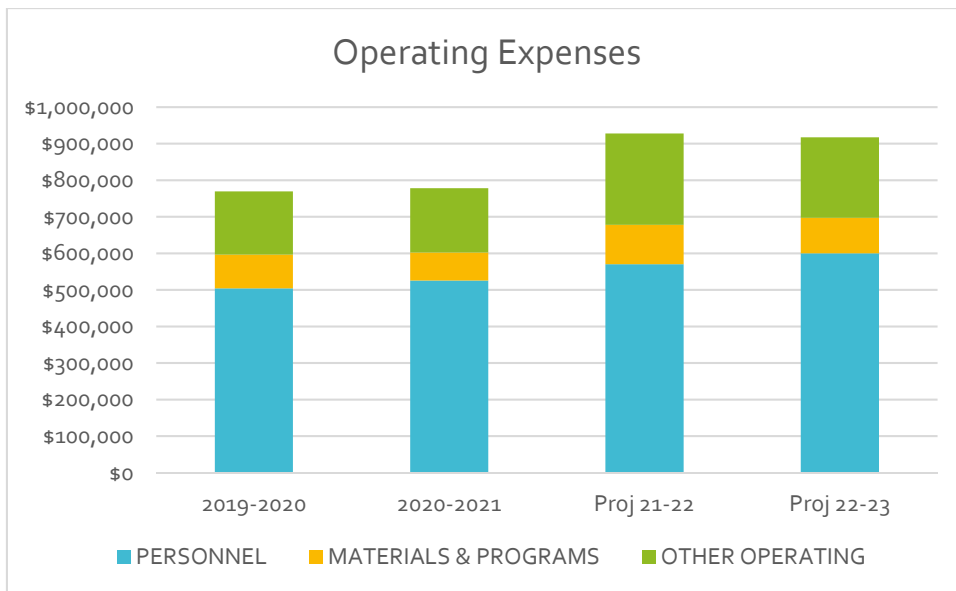
Because of inflation, the Library Board instructed the Director to look at budgeting mid-year



wage and salary increases at COLA's of 5% and 8%. Her conclusion is that projected revenues can support a COLA increase of 5%, but a COLA increase of 8% would mean operating in the red and using over \$26,000 from Undesignated reserves in FY22-23 and continuing to operate in the red in future years.

**Expenditures 80.60.101 Salaries to 80.60.109 Unused Sick Leave** – Salaries are calculated and budgeted based on each employee. Note that the Custodian's tool allowance of \$50 is also included in Salaries. Most other accounts are based on Full-Time Salaries and Wages, 80.60.101, and Part-Time Wages, 80.60.116. FICA is 7.65% of all salaries. LAGERS (Retirement) was calculated at 15.1% for FY21-22 and FY22-23. Unused Sick Leave was calculated at 1.4% in both fiscal years; it is kept in a fund by the City which is used for pay-out upon retirement.

The Library pays for all individual Health Insurance coverage for full-time employees and 50% of any full-time employees' family plan. An increase of 5% is budgeted as a placeholder for Health Insurance in January 2023. We also pay retirees' individual Health Insurance for three years after retirement or until the employee turns 65 years old, whichever comes first.



**EXPENDITURES – MATERIALS & PROGRAMMING** - The Library Board has delegated responsibility to the Library Director to allocate appropriate dollar amounts into the accounts used to purchase materials and to provide public programs. Spending on Materials & Programming during the COVID years was reduced because use declined. Therefore, comparison with FY20-21 is not realistic. Revenue typically exceeds the projection, and the Library Board increased the Materials & Programming Budget in FY21-22 from \$92,716 to \$107,818. Materials & Programming is budgeted at \$97,352 in FY22-23, which does not include any anticipated LSTA or A&E funding that is never budgeted until received.

**EXPENDITURES – OPERATIONAL EXPENSES**

**80.60.206 Assessment & Co. Coll. Expense** - Assessment expense is set by Missouri Statute at 1.75% of all property taxes collected. By agreement with the City, we contribute an additional 1.5% to cover the Library's portion of the County Collector's fee.

**80.60.207 Matching Grant Money**- This account is often used when Federal LSTA grants require local matching funds. The Summer grants' voluntary \$500 in matching funds for children's books is included in the Materials & Programming budget.

**80.60.211 Capital Improvements** - Please see Capital Outlay, in the section below Operational Expenses. Note that this account is now 80.60.910.

**80.60.217 Cost Apportionment to General Fund** – Beginning in FY14-15, the City requested that the Library contribute to the General Fund to cover some of the services it provides. The amount requested is less than what the Library would have to pay another agency or commercial firm for bookkeeping and payroll services and/or to retain an attorney. Beginning in FY19-20, the City started to increase its fee by a COLA.

**80.60.231 Telephone** – E-rate had paid for 80% of our voice telephone for a number of years, but it was phased out. In addition to land lines, this account pays for minutes on the Custodian's Tracfone. Beginning in FY20-21, the account has paid to provide the Director's cell phone for business use. The Library plans to transition to VOIP in FY22-23.

**80.60.236 Postage** - We mail overdue notices, ILL packages, etc. Postage rates have increased. MOSL's courier service has expanded, which has reduced some of our expense for ILL mailing. Courier service is funded through Federal LSTA grants. In the last quarter of FY13-14, we started bringing costs more into line by declaring a moratorium on the loans we make to other libraries requiring delivery through the mail. This moratorium will continue into FY22-23, and perhaps beyond. In FY15-16 we started e-mailing Library Board packets, which has helped to reduce costs and provided a faster delivery of the packets.

**80.60.238 Printing & Advertising** - This account includes expenditures for ads for book sales, public hearings, and bids. It also includes printing outsourced brochures and other publicity items. The Summer grants used to pay the printing and advertising expenses associated with the Summer Reading Program, but in recent years more of the expense has needed to be from local funding. (Advertisements for personnel vacancies are budget in 80.60.270, Professional Development, below.)

**80.60.236 Audit** - The Library pays a pro-rated share of the City's audit.

**80.60.244 Library Supplies** – This account is used to purchase business and office supplies, toner, library borrower's cards, barcodes, book jackets, CD/DVD cases, and other supplies necessary to process books and other materials to get them ready for circulation.

**80.60.270 Professional Development** –The Professional Development account includes in prioritized order Library's memberships, hiring & training expenses, Library Planning Days, Assistant Director memberships, Assistant Director's MLA conference, IT Manager's conference, some Director memberships, Director's MPLD Conferences & GRLC meetings, and other conferences and travel.

Expenditure in the Professional Development account varies widely from year to year depending on several factors: 1. When expenditures must be reduced, this account is cut. Almost all expenditures occur before February, making it difficult to put money into the account as it becomes available after property taxes are received. 2. Conference attendance must be coordinated in order to have enough staff to cover Library operations while someone is away at a conference. 3. LSTA Show Me grants are used for attendance at some conferences, and we apply for a Show Me grant whenever the conference is out-of-state or not sponsored by the Missouri State Library, MOREnet, Missouri Library Association, Missouri Public Library Directors, or Grand River Library Conference. 4. Some hires are more expensive than others to accomplish, and we only incur hiring costs when there is turn-over. 5. Early in calendar year 2020, we saw pandemic cancellation of conferences, workshops, etc. By the autumn, virtual conferences were offered. In 2021 and 2022, we are seeing a hybrid of offerings.

In FY20-21, the Library maintained memberships in the following organizations and agencies: American Library Association, American Library Association's United for Libraries, COSUGI (SirsiDynix User Group), Grand River Library Conference, Hannibal Area Chamber of Commerce, Hannibal Arts Council, Missouri Library Association, and ProLiteracy. The Library pays the Director's and Assistant Director's membership in the Missouri Library Association. The Assistant Director's membership in Early Bird Kiwanis is paid by the Library, and the Director pays her own membership in the Women's Club of Hannibal. The Director's memberships in the Missouri Public Library Directors, American Library Association, and the Public Library Association were also paid. Membership in the Northeast Missouri Genealogical Society is free to the Library and the Director pays her own

personal membership. Note that membership in MOREnet was also maintained, but it was paid from Computer Contracts, and membership in the State Historical Society of Missouri is paid from Magazines-General. The same memberships are proposed for FY22-23.

Recruiting and hiring new staff as positions become available is the next priority in the Professional Development account. A variety of expenses may be incurred for new hires, current employees, and volunteers, including advertising and hiring expenses. Be Well at Work has covered non-DOT pre-employment exams and pre- and post-employment drug screens recently.

Hand Clapper Awards and other staff incentives are purchased from this account as a fun acknowledgement of staff successes.

**80.60.321 *Disastrous Events*** – This account was created by City to create a reserve fund that would accumulate until needed. The Library already has an Undesignated reserves fund, so it is budgeted at zero.

**80.60.347 *Building Contracts*** – This account is used for contracts with service providers. Current contracts paid from this account include: the Library’s share of Federally mandated actuarial studies, the AED service plan, elevator inspection, license, and service contracts; fire alarm monitoring and testing; fire extinguisher servicing and replacement; HVAC service, pest, bedbug, and termite control; photocopier service; hauling recycling; the safety deposit box; snow plowing; and the storage sheds. Other similar contracts are added as necessary. Should the contract term be longer than one year, the Library Board must approve it, per the Library’s procurement policy. Note that a City contract covers garbage hauling for which the Library does not currently pay a proportioned share.

**80.60.348 *Collection Agency*** – After studying the cost of the Collection Agency versus the overdue materials returned or paid for, we concluded that the Collection Agency did not provide the good return on its costs. The Library Board discontinued the contract in FY21-22.

**80.60.358 *Repairs*** – The building experiences a certain level of necessary repair annually. Costs range. Detail is provided under Capital Outlay, below, and in the spreadsheets that follow this narrative.

**80.60.435 *Sales Tax*** - We pay annually in January on revenue generated by the used book sale and the non-donation part of Hannibal Library Press publications. When staff members purchase Summer Reading t-shirts as a group, the Library credit card is used. Purchases are sold to staff and rung up as used book sale to ensure that sales tax is paid.

**80.60.450 *Computer Contracts*** - This account is used for contracts with service providers. Current contracts paid from this account include: ArchiveSocial, automated circulation system (SirsiDynix), Centurion Technologies (security), DMCA Designated Agent Directory

listing, Meraki Wi-Fi, RMC Imaging (microfilm scanners), Microsoft, MOREnet (Internet and tech support), NMT Corporation (cloud server and digitization), and OCLC (cataloging). MOREnet's contract is subsidized by the State's REAL program and Federal e-Rate and LSTA funding. The ZOOM account is provided through the MOREnet contract. The contract for the automated circulation system is currently renewed annually; migration to Missouri Evergreen, the shared public library catalog, needs to be considered again. In FY18-19, the Library selected Microsoft as the service provider for staff e-mail when MOREnet discontinued the service; accounts for Library Board members are included in the FY22-23 budget. Adobe Pro and QuickBooks were upgraded in FY19-20, and we added several other pieces of software to use for makerspace programming. Staff uses FaceBook Chat, FaceBook Live, ZOOM, and MOREnet's platform (was watch.more.net) for virtual programming and meetings. VOIP is being explored. Other similar contracts are added as necessary. Should the contract term be longer than one year, the Library Board must approve it, per the Library's procurement policy.

**80.60.529 Grants (non-Federal)** – This account is used for non-Federal grant projects.

**80.60.530 Federal Grants** – Please see the explanation under 80.1099, Revenue-Federal Grants. Expenditures budgeted here for FY21-22 include all or part of the following grants: the Summer grants. Part of the Summer 22 grants are included in the FY22-23 budget. The Penworthy STEAM grant is included in FY21-22 but it is likely to be expensed in FY22-23.

**80.60.531 Refunds & Misc.** – The primary use of this account is to refund patrons for lost-and-paid books and other materials. In addition, it is used to purchase items for which the Friends reimburse the Library. The account is also used as a catch-all when none of the other accounts seem appropriate.

**80.60.597 Banking Fee** – This account was established by the City when the City changed banks. US Bank charged service fees for items such as deposit slips. F&M Bank does not to assess such fees. Fees charged by HomeBank and Wedbush are not accounted on the City Financial Report. They are included on the Library's Investment Report. Sometimes the Auditor details them here, and sometimes in 80.60.750, Trust Fees, below.

**80.60.720 Utilities** – With newer heat pumps, we have experienced some energy savings. The budgeted amount for FY22-23 is a 3-year average plus a 10% increase recommended by the Hannibal Board of Public Works.

**80.60.722 Building Supplies** – This account is used to purchase paper towels, toilet paper, soap, gasoline for power equipment, work gloves, light bulbs, etc.—the supplies it takes to operate a public building. We typically restock several times throughout the year and again at the end of the fiscal year. Of necessity because of COVID-19, spending on personal protective equipment (PPE) and cleaning supplies was done in FY19-20 and FY20-21. We lost and had to replace a lot of supplies caused by the Plumbing Emergency in April 2022

**80.60.750 Trust Fees** – Until January 2015, trust fees of 1% were paid for quarterly on the average balance for asset management of the Library trust funds. Since then, the Library Board is managing its own investments, and large fees are no longer paid. A small fee is assessed when a brokered CD is purchased. Most recently, the fee is attached when the CD is sold. Since it is expended through the AMG account, it is tracked on the Investment spreadsheet.

**80.60.815 Unemployment** – Because the Library is a political subdivision, it pays unemployment only when a former employee’s claim is funded by the Missouri Department of Labor. The Library is currently not covering any claims.

**80.60.850 Bonding & MIRMA** – State statute requires that the Library carry a bond on the Library Board Treasurer and the Library Director. MIRMA provides the rest of the insurance coverage of the Library. This insurance also covers general liability, building and contents, and tort liability. Budgeted as a placeholder for FY22-23 is the equivalent of 10.73% of salaries. MIRMA’s fee will actually be set in May 2021.

## **CAPITAL OUTLAY**

The Roof & Skylight Project is the Library’s current major Capital Outlay project. Completion is anticipated in FY23-24. The Architect’s estimated costs are shown in the FY21-22 and FY22-23 Capital Outlay budgets with the understanding that amounts will necessarily change and be distributed over the upcoming two fiscal years once the bids are accepted.

We accomplished a number of smaller Capital Outlay projects during FY21-22 including: purchase of children’s chairs, installation of ceiling fans and light fixtures, the book drop replacement and move, replacement of the hydraulic operating valve and oil change in the elevator, masonry repairs, purchase of a public photocopier, and miscellaneous pieces of smaller equipment and minor repairs. Replacement of ceiling lights and fans in Teen Zone should be completed by the end of the fiscal year. Equipment purchases anticipated by the end of the fiscal year include: two book displayer book trucks, a ZOOM speaker,

The relocation of the Front Desk will be complete when the City has time to complete partition walls for the Circulation Workroom, probably in Fall 2022. In addition to the Roof & Skylight Project and construction of the Circulation Workroom, Capital Outlay plans for FY22-23 include: signage for the adult New Books area, slat-wall end panels for the stacks on the third floor, replacement windows in the Children’s Room, powder coating base shelves in the Children’s Room, replacement of curtains throughout the building, painting and wallpapering throughout the building, installation of a sidewalk outside Children’s Room on south wall, landscaping, sealing and striping of the parking lots, signs in the parking lots, sewer gas abatement, replacement of the two exterior steel doors, replacement of one of the commercial vacuum cleaners, installation of permanent equipment in the Woman’s Club Room, maker space equipment to digitize audiotapes and VHS recordings, additional security cameras, replacement of staff computers, and miscellaneous pieces of smaller equipment and minor repairs.

Staff time is always a factor to develop projects, draft specifications, oversee the bid process, and supervise completion of projects. We always plan more than we can accomplish and carry projects into future years.

Budget Accounts we have typically used for Capital Outlay projects include: 80.60.211 (Capital Improvements), 80.60.358 (Repairs), 80.60.911 (Capital Equipment-Other), 80.60.993 (Capital Equipment-Computer Upgrade & Replace). The City added two additional accounts to the Library's budget in FY20-21: 80.60.216 (Other Equipment, Not Capital) and 80.60.275 (Computer Equipment, Not Capital).

### **INVESTMENT IN CAPITAL OUTLAY ACCOUNT**

Beginning in FY18-19, because the Library is using funds designated by the Library Board as Capital Outlay, it became important to start replacing the funds for future large projects. It was decided to budget \$5,000 annually for this purpose each fiscal year. It was also decided that interest on Capital Outlay investments should remain designated as Capital Outlay. It was further decided that the Library Board would consider at how reserves are designated each December and allocate more funds to Capital Outlay provided the Library can continue to meet State Standards for its operating reserve.

