

**METROPOLITAN LIBRARY COMMISSION  
OF OKLAHOMA COUNTY**

**FINANCE COMMITTEE  
AGENDA**

Members: Allen Coffey, Chair  
Fran Cory  
Jim Shonts  
Judy Smith  
Beth Toland

Wednesday, June 8, 2016  
at 3:30 pm  
Downtown Library  
300 Park Avenue  
Oklahoma City, OK 73102  
Telephone: (405) 231-8650

- I. Call to Order and Establishment of Quorum – Allen Coffey, Chair
- II. Discussion, Consideration, and Possible Action: Report and Recommendations from Long-Range Planning Committee meeting April 28, 2016
- III. Discussion, Consideration, and Possible Action: Report and Recommendations from Administration
  - MLC FY 2016-2017 Preliminary Budget

## **REPORT AND RECOMMENDATIONS** **FROM LONG-RANGE PLANNING COMMITTEE**

**The Long-Range Planning Committee met on April 28, 2016 for:**

- I. Strategic Plan Update
- II. Discussion, Consideration and Possible Action: MLS Capital Projects Priorities
- III. Discussion, Consideration and Possible Action: Oklahoma City General Obligation Bond Capital Projects
- IV. Discussion, Consideration and Possible Action: FY 2016-17 Capital Projects

**During its meeting, the Committee:**

Reviewed and discussed all items.

### **COMMISSION ACTION**

- 1. Approve Capital Projects Priority List – Tabled by Commission 05-19-19
- 2. Approval of the OKC GO Bond Project List – Approved by Commission 05-19-16

### **FINANCE COMMITTEE ACTION**

- 1. Include funds to support the Belle Isle Library in the preliminary FY 2016-17 budget
- 2. Include funds to support the Bethany Library Project in the preliminary FY 2016-17 budget
- 3. Move funds to support the Del City Library Project from the 2016-17 Operating Budget to the Capital Reserves

***Administration recommends no action on above Finance Committee recommendations until the final budget is presented to the committee in August.***

**METROPOLITAN LIBRARY COMMISSION**  
**OF OKLAHOMA COUNTY**

**LONG-RANGE PLANNING COMMITTEE**

**MINUTES**

DATE: Thursday, April 28, 2016      TIME: 3:00 p.m.  
MEETING PLACE: Village Library, 10307 N. Penn  
The Village, OK  
(405) 755-0710

Written public notice of the time, date, and place of this meeting was given to the County Clerk of Oklahoma County, March 28, 2016. Notice of the time, date, place, and agenda for this meeting was posted by the Secretary of the Commission in prominent public view at the Village Library, and the Downtown Library, 300 Park Avenue, Oklahoma City, on April 26, 2016, in conformity with the Oklahoma Open Meeting Act.

**COMMITTEE MEMBERS PRESENT:**

Penny McCaleb, Chair  
Deanna Hannah  
Mary Sosa  
Beth Toland  
Susan Tucker

**COMMITTEE MEMBERS EXCUSED:**

Tracy McDaniel  
Alyne Strube

**COMMISSION MEMBERS PRESENT:**

Cynthia Friedemann

**ESTIMATE OF OTHERS PRESENT: 10**

**I.** In the absence of a quorum Ms. Penny McCaleb, Chair referred to the Strategic Plan Update – requiring no action.

Mr. Rogers referred to the matrix which defines the mission, the vision, and the 20-year goal. The idea behind the matrix is that it provides all the key fundamental aspects behind the strategic plan with the exception of the metrics and it provides all the high level pieces. The mission, vision, and 20-year goal have been adopted by the commission. We see this as a relationship building process, which means we want to spark, build and hold our library members: spark members with undefined or weak relationships with Metro Library, build members with limited relationships, and hold members who generate high levels of value from their relationship with Metro Library. Mr. Rogers referred to the Prioritized Clusters and Outcomes. Each library has identified which of the clusters are most common in their service area. They've also identified who they feel they can make the most difference and are creating business plans which will be tied to specific activities. Mr. Rogers referred to the Organizational Measurements and explained each. Questions and discussion followed. Mr. Rogers provided handouts of Library Unbound. Library Unbound is the Library's new strategic plan, and all activities in the plan will focus on delivering the following experiences: Collection Anywhere – experiences that focus on delivering information anywhere, anytime; TeXperiences – experiences that use technology to enhance effectiveness and efficiency; Playful Learning – experiences that engage members in play and focus on learning; and InterReach – experiences that reach into the community from the local library. Examples of what each experience may include were also provided. Discussion followed.

**II.** Roll was called to establish a quorum at 3:30 . Present: Hannah, Sosa, Toland, Tucker, McCaleb.

**III.** Ms. McCaleb referred to Discussion, Consideration and Possible Action: MLS Capital Projects Priority List

Mr. Rogers referred to the Capital Projects Priority List (Document III - Attachment A). The list is an update to the Capital Projects Priority List presented to the committee last year. It outlines each project based on general needs staff has identified after comparing each location to our system wide benchmarks for facilities. The benchmarks were adopted by staff based on the criteria established and used as part of the design and building of the Patience S. Latting Northwest Library. Mr. Rogers explained the benchmarks and reported they are currently under review to make sure they are in line with the new Strategic Plan. Questions and discussion followed.

Mr. Rogers reported the Capitol Hill and Jones projects are still underway. We anticipate opening Capitol Hill in the winter of 2017 and Jones in the late fall of this year. Discussion followed.

One of the projects that has changed since last year is the Del City Project. Last year the project was No. 1 on the list and it is now No. 4. The Del City sales tax has not come in as they hoped so they have had to delay that project. It is likely to be 2019 or 2020 before the design development for the project begins.

Mr. Rogers reported the Belle Isle Library and Bethany Library projects will be happening fairly quickly.

Mr. Rogers referred to priority No. 3, the Collection Anywhere Center. Collection Anywhere is a new collection management model which will be housed at the former Maintenance Center. Discussion followed.

Edmond has extended its sales tax and is interested in renting a storefront that would be made available as a second library to test drive the market.

Mr. Rogers highlighted the remaining projects on the list. Questions and discussion followed.

Mr. Rogers highlighted and explained Attachment B – MLS Needs Assessment. The chart provides a more graphical view of the projects' design and construction phases along with a timeline to see how the projects will flow. Not every project from the priority list was included on the timeline. Discussion followed.

Ms. McCaleb called for a motion.

**Ms. Beth Toland moved to recommend to the Metropolitan Library Commission approval of the Capital Projects priority list. Ms. Mary Sosa seconded. No further discussion. Motion passed unanimously.**

**IV.** Ms. McCaleb referred to the OKC General Obligation Bond Capital Projects.

Mr. Rogers reported OKC Public Works staff have been in contact with Library staff to request a list of future projects to be funded through General Obligations Bonds. The proposed General Obligation Bond Project List outlines the projects staff believe should be funded through the bond process. Questions and discussion followed.

Ms. McCaleb called for a motion.

**Ms. Susan Tucker moved to recommend to the Metropolitan Library Commission approval of the Oklahoma City General Obligation Bond Project List. Ms. Toland seconded. No further discussion. Motion passed unanimously.**

**V.** Ms. McCaleb referred to the FY 2016-17 Capital Projects.

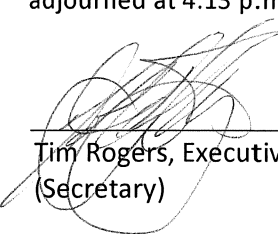
Mr. Rogers explained in order to move forward with capital projects in FY 2016-17, funding must be allocated from the Library's capital reserves to the operating budget. Staff is requesting that the Long-Range Planning Committee recommend to the Finance Committee inclusion of the new Bethany and renovated Belle Isle Library projects in the FY 2016-17 operating budget. In addition, because Del City has requested to delay design processes for the new Del City Library, we are asking that the remaining funding budgeted for the Del City project be placed back into capital reserves until it is needed. Questions and discussion followed.

**Ms. Toland moved to recommend to the Finance Committee that funds to support the Belle Isle Library be included in the preliminary FY 2016-17 budget. Ms. Tucker seconded. No further discussion. Motion passed unanimously.**

**Ms. Deanna Hannah moved to recommend to the Finance Committee that funds to support the Bethany Library Project be included in the preliminary FY 2016-17 budget. Ms. Toland seconded. No further discussion. Motion passed unanimously.**

**Ms. Tucker moved to recommend to the Finance Committee that funding to support the Del City Library Project be moved from the 2016-17 operating budget to the capital reserves. Ms. Sosa seconded. No further discussion. Motion passed unanimously.**

**VI.** Ms. McCaleb called for additional questions and comments. There being no further discussion, the meeting was adjourned at 4:13 p.m.



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Tim Rogers, Executive Director  
(Secretary)

## **REPORT AND RECOMMENDATION FROM ADMINISTRATION**

In order to better meet the stipulations of statute (65 O.S. §4-105), Library staff prepares a preliminary budget for the Finance Committee and the Commission to consider and approve prior to the beginning of the fiscal year. The data included in the preliminary budget is based on projections made by staff for future revenue and incomplete fiscal year expenditures, and is rarely accurate. In addition, the preliminary budget often puts the cart before the proverbial horse, in that the Commission is asked to make decisions about personnel related issues – such as performance increases and staffing priorities – before staff has access to the fullest and best information. The preliminary budget process is rigorous and involves a large number of management staff and other specialists from around the system, making it a somewhat costly endeavor.

In an attempt to mitigate the inaccuracy of the preliminary budget, Library staff presents a final budget for review and approval by the Commission in August which includes the certified revenue report from the County Assessor's Office and an expenditure report current as of the close of the previous fiscal year. The final budget phase requires staff to revisit all of the ground covered in the preliminary budget and reassess it with the new information. Staff then confirm or realign annual priorities and present them to the Finance Committee and Commission in August or September.

In conversations with other library staff across the state, we found that it is not uncommon for commissions and boards to approve a preliminary budget that shows no increases or decreases in revenue or expenditures from the previous fiscal year. In fact, we found no library except the Metropolitan Library System that speculatively projects revenue prior to receiving a report or notice from their respective assessor. Staff also recognized that the process described above forces staff to manage two budget analysis and development processes that – while not entirely separate – do represent a substantial duplication of effort by managers and administrators with little benefit. A specific issue identified by the executive director is that the Commission is asked to make personnel related decisions based on incomplete data too early in the budget process. Personnel decisions – which cover approximately 40% of the Library's operating expenditures – are made in May or June, months before the final revenue numbers are available. This means that they are divorced from the priorities finalized in August.

Based on the above information, staff asks that the Finance Committee approve a flat preliminary budget recommendation that shows no increases or decreases to revenue or expenditures. Staff will bring the final budget recommendation to the Finance Committee as soon as final revenue numbers are released from the County. The final budget will represent the full recommendation of the staff and will align with the Library's strategic plan, its annual business plans, and the priorities set by the Commission and Administration.

### **ADMINISTRATIVE RECOMMENDATION AND COMMITTEE ACTION:**

To approve the Metropolitan Library System Preliminary Budget FY 2016-17, showing no increases or decreases to revenue or expenditures. Staff will bring the final budget recommendation to the Finance Committee as soon as final revenue numbers are released from the County.

# METROPOLITAN LIBRARY SYSTEM

## Comparative Schedule of Revenue Sources

		2016-17 Preliminary (a)	2015-16 Budget (b)	2015-16 Actual (Projected) (c)	Changes from 2015-16 Budget Dollar % (d) (e)		Changes from 2015-16 Actual (Projected) Dollar % (f) (g)	
<b>Projected Ad Valorem Taxes</b>								
1	Tax Levy at 5.2 mills	\$34,028,123.00	\$34,028,123.00	\$34,028,123.00	\$0.00	0.00%	\$0.00	0.00%
2	Less: 10% Reserve for Delinq.	(3,093,466.00)	(3,093,466.00)	(3,093,466.00)	0.00	0.00%	0.00	0.00%
3	Total Ad Valorem Taxes	30,934,657.00	30,934,657.00	30,934,657.00	0.00	0.00%	0.00	0.00%
<b>Projected Miscellaneous Income</b>								
4	State Aid (90% of prior year actual)	253,347.30	253,347.30	253,347.30	0.00	0.00%	0.00	0.00%
5	Fines (90% of prior year actual)	495,000.00	495,000.00	495,000.00	0.00	0.00%	0.00	0.00%
6	Total Miscellaneous Income	748,347.30	748,347.30	748,347.30	0.00	0.00%	0.00	0.00%
<b>Carryover From Prior Year</b>								
Tax Revenue:								
7	Current taxes coll. into 10% reser.	1,894,782.78	1,894,782.78	1,900,000.00	0.00	0.00%	(5,217.22)	-0.27%
8	Back year taxes	1,126,352.29	1,126,352.29	1,100,000.00	0.00	0.00%	26,352.29	2.40%
Miscellaneous Income:								
9	Transfer from Gift or Copy Fund	0.00	0.00	100,000.00	0.00	0.00%	(100,000.00)	0.00%
10	Fines collected over budget	55,000.00	55,000.00	55,000.00	0.00	0.00%	0.00	0.00%
11	State Aid collected over budget	20,902.18	20,902.18	0.00	0.00	0.00%	20,902.18	0.00%
12	Investment Income	217,091.45	217,091.45	230,000.00	0.00	0.00%	(12,908.55)	-5.61%
13	Flexible Benefits balances	1,634.20	1,634.20	3,668.27	0.00	0.00%	(2,034.07)	-55.45%
14	Other Miscellaneous	197,306.65	197,306.65	200,000.00	0.00	0.00%	(2,693.35)	-1.35%
Cancelled & Lapsed Appropriation:								
15	Cancelled Prior Years Approp.	479,064.05	479,064.05	400,000.00	0.00	0.00%	79,064.05	19.77%
16	Lapsed Current Year Approp.	8,897,150.25	8,897,150.25	7,400,000.00	0.00	0.00%	1,497,150.25	20.23%
17	Total Carryover	12,889,283.85	12,889,283.85	11,388,668.27	0.00	0.00%	1,500,615.58	13.18%
18	<b>Total Budget Revenue Sources</b>	44,572,288.15	44,572,288.15	43,071,672.57	0.00	0.00%	1,500,615.58	3.48%
19	Prior Year Reserve	13,865,014.83	13,865,014.83	14,232,020.98	0.00	0.00%	(367,006.15)	-2.58%
20	<b>Total Available for Budget</b>	<u>\$58,437,302.98</u>	<u>\$58,437,302.98</u>	<u>\$57,303,693.55</u>	<u>\$0.00</u>	<u>0.00%</u>	<u>\$1,133,609.43</u>	<u>1.98%</u>

**METROPOLITAN LIBRARY SYSTEM**

**Budget and Actual Comparisons**

Fiscal Year 2016-17 and 2015-16

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
Acct		2016-17	2015-16	2015-16	Changes from		Changes from	
No.	Description	Proposed	Budget	Actual (Projected)	2015-16 Budget		2015-16 Actual (Projected)	
					Dollar	Percent	Dollar	Percent
SALARIES, WAGES & BENEFITS:								
101	Salaries	\$18,823,207.00	\$18,823,207.00	\$16,979,581.84	\$0.00	0.00%	\$1,843,625.16	10.86%
103	Payroll Taxes	1,327,654.00	1,327,654.00	1,247,853.64	0.00	0.00%	79,800.36	6.40%
109	Workers Comp. Insurance	201,571.00	201,571.00	198,360.00	0.00	0.00%	3,211.00	1.62%
112	Group Insurance	3,544,075.00	3,544,075.00	3,132,075.15	0.00	0.00%	411,999.85	13.15%
113	Employees' Retirement	1,916,845.00	1,916,845.00	1,916,845.00	0.00	0.00%	0.00	0.00%
114	Unemployment Compen.	30,000.00	30,000.00	13,067.71	0.00	0.00%	16,932.29	129.57%
Total S. W. & Benefits		25,843,352.00	25,843,352.00	23,487,783.34	0.00	0.00%	2,355,568.66	10.03%
MAINTENANCE & OPERATIONS - CONTRACTUAL SERVICES								
201	Bldg, Property & Auto Insu.	302,290.00	302,290.00	270,948.78	0.00	0.00%	31,341.22	11.57%
205	Rent of Library Buildings	93,900.00	93,900.00	93,608.40	0.00	0.00%	291.60	0.31%
207	Janitorial Services	520,179.00	520,179.00	467,469.01	0.00	0.00%	52,709.99	11.28%
208	Maintenance of Facilities	475,572.00	475,572.00	364,697.10	0.00	0.00%	110,874.90	30.40%
211	Parking & Transportation	203,960.00	203,960.00	177,658.79	0.00	0.00%	26,301.21	14.80%
212	Travel Expenses	136,000.00	136,000.00	77,082.68	0.00	0.00%	58,917.32	76.43%
213	Professional Services	634,470.00	634,470.00	634,470.00	0.00	0.00%	0.00	0.00%
214	Security Services	500,000.00	500,000.00	539,709.19	0.00	0.00%	(39,709.19)	-7.36%
216	Telephone Services	371,412.00	371,412.00	190,452.80	0.00	0.00%	180,959.20	95.02%
217	Electrical Services	573,508.00	573,508.00	556,326.09	0.00	0.00%	17,181.91	3.09%
218	Gas Services	43,111.00	43,111.00	33,791.21	0.00	0.00%	9,319.79	27.58%
219	Water & Garbage Services	77,290.00	77,290.00	73,373.92	0.00	0.00%	3,916.08	5.34%
220	Veolia Energy Services	203,357.00	203,357.00	228,529.44	0.00	0.00%	(25,172.44)	-11.01%
226	Memberships	42,258.00	42,258.00	36,163.00	0.00	0.00%	6,095.00	16.85%
230	Other Library-Related Serv.	547,826.00	547,826.00	540,472.29	0.00	0.00%	7,353.71	1.36%
231	Automation Contractual	797,976.00	797,976.00	699,743.90	0.00	0.00%	98,232.10	14.04%
236	Network Catalog Services	90,100.00	90,100.00	65,304.45	0.00	0.00%	24,795.55	37.97%
Total Contractual Services		5,613,209.00	5,613,209.00	5,049,801.05	0.00	0.00%	563,407.95	11.16%



Acct No.	Description	2016-17 Proposed	2015-16 Budget	2015-16 Actual (Projected)	Changes from 2015-16 Budget		Changes from 2015-16 Actual (Projected)	
					Dollar	Percent	Dollar	Percent
MAINTENANCE & OPERATIONS - COMMODITIES								
301	Printing & Printing Supplies	161,000.00	161,000.00	159,464.07	0.00	0.00%	1,535.93	0.96%
302	Postage	242,430.00	242,430.00	159,773.27	0.00	0.00%	82,656.73	51.73%
303	Supplies	429,375.00	429,375.00	334,217.18	0.00	0.00%	95,157.82	28.47%
310	Maintenance Supplies	85,000.00	85,000.00	82,646.85	0.00	0.00%	2,353.15	2.85%
321	Gasoline & Oil	50,000.00	50,000.00	22,258.79	0.00	0.00%	27,741.21	124.63%
322	Vehicle Parts & Repairs	30,000.00	30,000.00	20,759.56	0.00	0.00%	9,240.44	44.51%
330	Programming Activities	286,010.00	286,010.00	237,918.23	0.00	0.00%	48,091.77	20.21%
331	Other Commodities	20,800.00	20,800.00	16,513.24	0.00	0.00%	4,286.76	25.96%
	Total Commodities	1,304,615.00	1,304,615.00	1,033,551.19	0.00	0.00%	271,063.81	26.23%
BOOKS & MATERIALS								
401	Books & Materials	5,103,220.00	5,103,220.00	5,103,220.00	0.00	0.00%	0.00	0.00%
404	Government Documents	5,850.00	5,850.00	5,850.00	0.00	0.00%	0.00	0.00%
405	Book Repairs & Bindings	1,200.00	1,200.00	1,200.00	0.00	0.00%	0.00	0.00%
407	Periodicals & Subscriptions	192,930.00	192,930.00	192,930.00	0.00	0.00%	0.00	0.00%
	Total Books & Materials	5,303,200.00	5,303,200.00	5,303,200.00	0.00	0.00%	0.00	0.00%
OPERATION - CAPITAL OUTLAYS								
408	Furniture, Fixture, & Equip.	160,433.00	160,433.00	147,574.60	0.00	0.00%	12,858.40	8.71%
409	Motor Vehicles	54,000.00	54,000.00	49,386.72	0.00	0.00%	4,613.28	9.34%
410	Automation System & Equip.	381,200.00	381,200.00	247,950.50	0.00	0.00%	133,249.50	53.74%
	Total Capital Outlays	595,633.00	595,633.00	444,911.82	0.00	0.00%	150,721.18	33.88%
Total Operating Budget		38,660,009.00	38,660,009.00	35,319,247.40	0.00	0.00%	3,340,761.60	9.46%
CAPITAL IMPROVEMENTS								
450	Capital Projects	5,545,273.00	5,545,273.00	1,486,034.60	0.00	0.00%	4,059,238.40	273.16%
Total Budget before Reserves		44,205,282.00	44,205,282.00	36,805,282.00	0.00	0.00%	7,400,000.00	20.11%
RESERVES								
Capital Reserves - Current		367,006.15	367,006.15	367,006.15	0.00	0.00%	0.00	0.00%
Reserve Carryover - Prior		13,865,014.83	13,865,014.83	13,865,014.83	0.00	0.00%	0.00	0.00%
Total Reserves		14,232,020.98	14,232,020.98	14,232,020.98	0.00	0.00%	0.00	0.00%
Total Budget		\$58,437,302.98	\$58,437,302.98	\$51,037,302.98	\$0.00	0.00%	\$7,400,000.00	14.50%