

PUBLIC MEETING AGENDA
KALAMAZOO PUBLIC LIBRARY BOARD OF TRUSTEES
BOARD ROOM – THIRD FLOOR, CENTRAL LIBRARY
315 S Rose St., Kalamazoo, MI 49007
October 24, 2016, 4:00 p.m.

Approval of Agenda

- I. RECOGNITIONS, RESOLUTIONS AND COMMUNICATIONS
- II. PERSONS REQUESTING TO ADDRESS THE BOARD
- III. CONSENT CALENDAR
 - A. Minutes of the Meeting of September 26, 2016
 - B. Personnel Items
- IV. FINANCIAL REPORT
 - A. Financial Reports for the Period Ending September 30, 2016
- V. REPORTS AND RECOMMENDATIONS
 - Recommendations
 - A. 2015 – 2016 Audit
 - Reports
 - B. First Quarter Strategic Planning Statistics
 - C. Pika (Catalog Discovery Tool) Demonstration – Michael Cockrell
- VI. COMMITTEE REPORTS
 - A. Finance and Budget Committee
 - B. Personnel Committee
 - C. Fund Development Committee
 - D. Director’s Building Advisory Committee
- VII. OTHER BUSINESS
 - A. Director's Report
- VIII. PERSONS REQUESTING TO ADDRESS THE BOARD
- IX. COMMENTS BY TRUSTEES
- X. ADJOURNMENT

Kalamazoo Public Library
OFFICIAL MINUTES OF THE BOARD OF TRUSTEES
PUBLIC MEETING
Date: September 26, 2016
Time: 4:00 p.m.
Location: Washington Square Branch Library, Community Room

TRUSTEE ROLL CALL:

Present: Robert Brown, Bruce Caple, Lisa Godfrey, Kerria Randolph, and James VanderRoest

Absent: Cheryl TenBrink, Valerie Wright

CALL TO ORDER:

President Caple called the meeting to order at 4:00 p.m.

AGENDA APPROVAL:

The agenda was amended to allow for an executive session of the Board of Trustees prior to adjournment.

I. RECOGNITIONS, RESOLUTIONS, COMMUNICATIONS

A. *Resolution Honoring the Bill and Melinda Gates Foundation and its Contribution to Building the Capacity of Public Libraries*

Executive Summary: Over the past 20 years, the Bill and Melinda Gates Foundation has invested an estimated \$1 billion in public libraries. The foundation is now ending its work with public libraries and moving on to other priorities. The Urban Library Council, of which we are a member, will present the foundation with the ULC Executive Leadership Award on behalf of all ULC member libraries and is suggesting that each ULC member library ask their governing board to pass a resolution recognizing the foundation’s contributions to public libraries. The resolutions will be gathered by ULC and presented to the foundation along with the leadership award.

KPL received more than 50 PCs through the foundation. They were placed in branches, in the Tech Center at Central, and our computer lab, and came loaded with Internet Explorer and MS Office. The foundation guidelines required that the PCs be available for public use at no cost and with no staff intervention needed. They were to provide access to external information, namely the internet, and personal productivity or reference software....word processing, spreadsheets, educational software for example.

Some of the equipment came directly to us, some through the Southwest Michigan Library Cooperative to which the foundation provided grants. For many small libraries, these Gates Computers, as they were called, were the first and for a while, the only PCs they had for the public. For larger libraries like us, it greatly expanded our tech capability long before home PCs were popular.

MOTION: L. GODFREY MOVED AND K. RANDOLPH SUPPORTED THE MOTION TO ADOPT THE RESOLUTION HONORING THE BILL AND MELINDA GATES FOUNDATION AND ITS CONTRIBUTION TO BUILDING THE CAPACITY OF PUBLIC LIBRARIES.

Discussion: No

Roll Call Vote: L. Godfrey – yes; K. Randolph – yes; R. Brown – yes; B. Caple – yes.

II. PERSONS REQUESTING TO ADDRESS THE BOARD

No one addressed the Board.

III. CONSENT CALENDAR

- A. *Minutes of the Meeting of August 22, 2016*
- B. *Personnel Items*

IV. FINANCIAL REPORTS

- A. *Financial Reports for the Month Ending August 31, 2016*

Recommendation: Director Rohrbaugh recommended the board accept the Financial Reports for the month ending August 31, 2016.

Discussion: President Caple stated that if there were any questions regarding the Financial Reports that should be directed to J. VanderRoest, he would be joining the meeting before long.

MOTION: L. GODFREY MOVED AND R. BROWN SUPPORTED THE MOTION TO ACCEPT THE FINANCIAL REPORTS FOR THE MONTH ENDING AUGUST 31, 2016.

MOTION CARRIED 4-0.

V. REPORTS AND RECOMMENDATIONS

REPORTS:

- A. *Orientation for New Employees – Terry New*

Report: Director Rohrbaugh introduced Terry New, Human Resources Manager. She began by passing around the orientation documents which are given to each new employee. She explained the current orientation model draws upon her own experiences as a new KPL employee, stating it took her approximately one year to develop a full understanding of KPL services.

Shortly thereafter she happened to read Dr. Atul Gawande's *The Checklist Manifesto* in which he advocates the use of checklists in the operating room and elsewhere in the business world. She explained the ways in which she has applied a checklist format to the presentation of the orientation process and stated new employees are assigned peer mentors who act as a first connection and periodically render assistance and guidance to the new employee.

On their first day, employees meet with her to complete HR paperwork & benefits, the IT department to create an email account and be introduced to network and computer use protocols, and Susan Lindemann, Head of Facilities Management for safety training. After that, they utilize the orientation checklist to meet with staff from all library departments as their schedule allows.

Disposition: Trustees thanked T. New for her report.

B. 2016 Summer Reading Challenge Wrap-Up

Report: Director Rohrbaugh introduced Michael Cockrell, Head of Adult Services and Andrea Vernola, Lead Teen Librarian.

A. Vernola began the report by explaining that in addition to M. Cockrell and herself, the Summer Reading Team consists of Kala Luzia, Jill Lansky, Kevin King, Farrell Howe, and Nancy Davis-Smith. She then distributed statistics regarding signups and prize collection rates. She stated that 5,912 patrons signed up for the Summer Reading Challenge this year, more than any year on record. She said that large school outreach efforts are to thank for that number.

She continued, stating 2,666 completed 15 days of the challenge, 2,270 completed 30 days, 1,879 completed 45 days, and 1,447 completed 60 days. Approximately 4,800 books were given away to children, tweens, and teens, and more than 6,000 prizes were distributed. She estimates that this resulted in at least 14,000 interactions between patrons and staff.

She reported that for the first time an online tool was used for the Summer Reading Challenge. While this initially constituted a learning curve for patrons, by the end of the program, very few questions regarding its use were being asked. A survey was conducted, and many patrons reported using both the Beanstack online tool and the paper game boards to record their progress. Patrons also reported frustration with the calendar recording tool online, an issue which will be addressed in next year's version of Beanstack, along with an improved age entry function to better track the demographics of users and ensure that proper prizes are awarded.

J. VanderRoest arrived at the meeting.

A. Vernola stated prizes for adults this year consisted of raffle tickets to win gift certificates to the Friends of KPL Bookstore for the 15, 30, and 45 day prizes. The 60 day prize was a colorful ceramic mug. Babies, children, tween, and teens earned books for the 15, 30, and 45 day prizes, and the 60 day prizes were t-shirts for babies and children, and keychain wallets for teens and tweens.

Bonus activity lists were categorized into 'learning tracks' this year. Previously, interest in completing bonus activity lists had been fairly low, with 450 total patrons completing the list in 2015. In 2016, 1,053 learning track lists were completed. M. Cockrell stated he would like to integrate the adult learning tracks directly into the Summer Reading Challenge to provide more of a 'challenging' experience for adult patrons. He also stated that many patrons expressed satisfaction with the books recommendations that were being provided by Beanstack, especially for children.

Discussion: President Caple asked whether there were any adult learning track activities aimed at reading to children. M. Cockrell said there were not, because they wanted to avoid the presumption that all the adults taking part in the Summer Reading Challenge had children in their lives to read to. A. Vernola stated it was certainly something that was considered, and that many of the children's learning tracks had family-oriented objectives.

Director Rohrbaugh expressed her thanks to Janice Snell and the Friends of KPL for funding the majority of the Summer Reading Challenge. She stated she intended to thank the entire Friends Board at the next meeting.

L. Godfrey asked whether the books that were redeemed from the Friends Bookstore using the gift certificates constituted a loss in revenue for the bookstore. Director Rohrbaugh stated the library purchased the gift certificates directly from the Friends, and she presumed many patrons spent more than just the balance of the gift certificate. A. Vernola agreed and said the goal was to drive foot traffic to the bookstore.

L. Godfrey then stated she found the online tool to be cumbersome and felt that many of the adult learning tracks were too focused on usage of social media. M. Cockrell asked if the board had any suggestions for learning track activities. L. Godfrey stated she would have liked to see activities that were more stimulating. J. VanderRoest said he felt many of them were more geared towards young adults. L. Godfrey suggested the posting of book reviews on social media outlets would be more engaging and more aligned with the act of reading in general.

M. Cockrell stated since 'reading' was only one of the tracks, the goal was to create additional bonus activities around themes of 'lead', 'explore', 'move', and 'create'. He said the goal was for patrons to share their creations with the KPL social media accounts in order to raise visibility of the Summer Reading Challenge. Director Rohrbaugh stated another benefit would be to drive traffic to the KPL social media sites. A. Vernola stated she thought it was important to keep in mind that to many people, social media is a very real space. M. Cockrell also explained that one particular activity that generated a lot of responses was the taking of photos of Murals throughout Kalamazoo.

J. VanderRoest summarized his response to the conversation regarding bonus activities by stating that he believes if KPL is going to continue the Summer Reading Challenge, most of the activities should directly involve reading at some point in the process. A. Vernola stated that preliminary research conducted by the Summer Reading Challenge team determined that the sort of activities that were being offered this year are indicative of best & common practices regarding summer reading programs, especially in urban libraries. She said increasingly, such programs are being viewed as summer 'learning' programs, and the responses that KPL staff have received from organizations such as KidNet have been positive. Furthermore, she explained that since all educational facets of science, technology, engineering, reading, art, and math experience 'summer slide' when it comes to school age children, it seems to make sense to adopt a broad approach.

J. VanderRoest said he understood and suggested perhaps the title of the program should be changed to the 'Summer Learning Challenge'. He also stated that while many patrons he spoke to expressed frustration with the online reading log calendar, on the positive side, both he and his wife were very pleased with the quality of the adult 60 day prizes.

Disposition: Trustees thanked A. Vernola and M. Cockrell for their report.

C. Washington Square Update – Steve Siebers

Report: Director Rohrbaugh introduced Steve Siebers, Lead Washington Square Branch

Librarian. S. Siebers began by welcoming the board to the Washington Square Library. He reminded those in attendance that a branch tour would commence following the meeting. He then said, in regards to the board resolution honoring the Bill & Melinda Gates Foundation, that while he was in library school he was awarded a grant from the foundation which paid for the second year of his classes.

He stated he has served as the manager of the Washington Square location since March of this year, and in addition to making a handful of changes to the collection spaces, which would be pointed out during the tour, he has heavily prioritized outreach to area preschools.

Regarding outreach, he stated that story times had not been held at Washington Square for a while prior to his acceptance of the position, and Kevin King, Head of Branch and IT Services had suggested outreach as a way to reinvigorate connections with area youth. S. Siebers said he agreed and outreach to preschools seemed like a logical way to ensure he was reaching children of a specific age who were residents of the surrounding community.

In addition to the three head start programs that were already being visited, he has added Learning Village, Loy Norrix Preschool, the YMCA, the YWCA, and the Bread and Roses Alternative Daycare to the list. He stated that response, especially from the Bread and Roses kids and staff has been very positive. Additionally, he said he will be starting a new outreach program with the Caring Network tomorrow. Since one of the focuses of the Caring Network is working with teen moms, it seemed like a good fit, and S. Siebers was contacted to provide story time outreach services. He also stated a relationship is in the works with the Hispanic American Council, but it remains unclear at this time whether anything will come of it.

S. Siebers then stated the Boys and Girls Club nearby seems to be engaged in efforts with many of the same goals as KPL, and the services provided by that organization seem popular. As a result, we can assume that there exist demographics being targeted by outreach efforts that are being served, even if it's not by the library. S. Siebers stated he has visited the Director of the Boys and Girls Club to talk about potential partnerships, and will continue to do so. He explained the Boys and Girls Club is currently conducting a summer learning program not unlike KPL's Summer Reading Challenge. He explained since school has been in session, he has been active in attending workshops where he can assist kids with homework assignments. At one such session, he was able to see their collection of books that kids choose from when they have completed their assignments, and stated he felt his expertise could be leveraged to improve the quality of the collection.

Discussion: K. Randolph asked whether S. Siebers has offered Spanish language story times. S. Siebers stated efforts to create & engage a regular patron base who would be interested in such story times have not had much traction. Instead, he has been looking for Spanish language preschools with whom the library can partner for outreach purposes to that end, but it does not appear there are any such schools. He reported that a bilingual story time will be held Saturday, October 1st, and plans are in the works for a Day of the Dead celebration on October 5th.

In closing, S. Siebers showed trustees the removable magnetic decals he places on his car when he is out performing outreach services. They were created through a Friends of KPL mini-grant, and one is written in English, the other in Spanish.

Disposition: Trustees thanked S. Siebers for his report.

D. Legislative Update – Diane Schiller

Report: D. Schiller reported over the past several months, there have been a handful of legislative items passed, but none apply directly to the library. These include an adjustment of the ‘Good Samaritan’ law which provides protection for individuals reporting drug overdoses. Additionally, a bill has gone to Gov. Snyder allowing for regulated marijuana dispensaries to supply edibles for medical purposes.

Other legislation seems to be languishing in committees. The fall legislative schedule will be sparse until after the election. They are off with the exception of one day in October and five days in November.

The Michigan Library Association recently published a release that explained they had spoken to the Chair of the Tax Policy Committee, where the legislation regarding the TIF capture of public library revenue is currently sitting. The Chair of the Committee indicated to the MLA that the bill was being considered for a public meeting taking place yet this fall.

The previously-reported upon series of FOIA-related bills have passed the House as of last Thursday, and have gone on to the Senate. These bills would subject the State Legislature, Governor’s office, etc. to the same treatment & conditions under FOIA as KPL, for example.

She also stated there were a couple lawsuits which may or may not affect certain portions of state funding, which could ultimately affect library revenue. One was filed with the Michigan Court of Appeals by local government officials claiming the state has routinely shorted Michigan cities money. The other concerns the 3% MPSERS health subsidy. The Michigan Attorney General decided he was not going to participate, but Governor Snyder’s office has appealed for, theoretically, the last time.

Discussion: J. VanderRoest asked whether the library receives many requests for information under FOIA. D. Schiller stated it is sporadic. One regularly-occurring request comes from a group interested in tracking how KPL conducts purchasing activities. On occasion, we receive other requests for different types of information.

L. Godfrey asked whether D. Schiller had any information regarding Gilbert’s pushing for property and sales tax capture for development in Detroit. D. Schiller stated she hadn’t heard about it, but she would look.

As a last thought, D. Schiller stated at a recent MERS work session, she heard there may be potential reforms to the retirement process for government employees. The Governor’s office has formed three separate taskforces to examine a variety of issues that concern the unfunded liability within MERS. L. Godfrey asked whether the goal was to fix the liability or exacerbate it. D. Schiller stated the goal was to fix it, but such efforts necessitated a balancing act of sorts.

Disposition: Trustees thanked D. Schiller for her report.

VI. COMMITTEE REPORTS

- A. *Finance and Budget Committee* – No meeting.
- B. *Personnel Committee* – No meeting.
- C. *Fund Development and Allocations Committee* – No meeting.
- D. *Director's Building Advisory Committee* – No meeting.

VII. OTHER BUSINESS

A. *Director's Report*

Report: Director Rohrbaugh began by sharing exciting news regarding a very generous bequest from the estate of Irving Schensul, whose family owned a number of restaurants, including a popular cafeteria in downtown Kalamazoo for many years. The funds will come through an endowment at the Kalamazoo Community Foundation. Mr. Schensul passed away in 2001, and many long-time KPL employees would remember him well. Director Rohrbaugh stated she recalled her time as a reference librarian, welcoming Mr. Schensul to the library each and every morning when the doors opened. He was a very frequent user of various business publications including *Value Line* and *The Wall Street Journal*.

She then passed around materials related to Irving Schensul, his family, his businesses, etc. that Patrick Jouppi and Alex Merrill located in the Local History Room at Central Library. She explained that upon his passing in 2001, the bulk of his estate was inherited by his nephew, who has now passed away. Upon transfer of his estate to the Kalamazoo Community Foundation, two endowments were created in Irving's name; one to benefit the Kalamazoo Public Library, and one to benefit the Congregation of Moses.

Director Rohrbaugh stated she was excited to announce that the library's portion will be \$2.5 million. Communication from the Kalamazoo Community foundation indicates the funds should come to them by the end of the calendar year, and that the library will be able to draw interest as early as January of 2018. The estimated interest generated annually is approximately \$125,000. Director Rohrbaugh explained over the next year, there will be a discussion regarding how the funds should be spent, and she suggested the funds benefit services that interested Mr. Schensul. She stated this should be viewed as a testament to KPL's strong customer service skills; staff clearly made an impression on Mr. Schensul, and that is something the library can be proud of.

She then reported during conversations with the Kalamazoo Community Foundation, the topic of Reading Together came up, at which point she was able to share plans for bringing a pair of high-profile authors to Kalamazoo in honor of the program's 15th anniversary. The foundation, after news of the bequest came out, contacted Director Rohrbaugh and told her they would like to provide \$50,000 from the endowment in order to fund these author visits. More details will be provided before long.

She then drew Trustees' attention to a number of items on the Director's Report, beginning with communication between herself at Loaves and Fishes, who are opening a location at the Douglass Community Center. They plan to open in December with open hours taking place on Tuesday and Thursday afternoons.

Director Rohrbaugh then stated Youth Services staff had created a very well-received display of books in the Children's Room at Central Library entitled 'Resist Bias'. Images of the display have been shared by a number of local organizations on Facebook and it has generated positive attention.

She then reported the Oshtemo branch had recently hosted the Commission on Middle East Affairs for the purposes of conducting a town hall meeting on the topic of refugees from the Middle East arriving in Kalamazoo. Twelve families have relocated to the area, and more are on the way. KPL staff are currently engaged in collecting items for welcome bags for these families.

Lastly, Director Rohrbaugh stated the Local History Room had recently received a large collection of scrapbooks, correspondence, ledgers, and photos from the Milham family. She drew a parallel between this donation and the bequest from Irving Schensul and reminded those in attendance of what an honor it is for the library to be held in such high esteem by local families.

Discussion: President Caple asked when the Reading Together Committee will be ready to announce the title of the next Reading Together selection. Director Rohrbaugh stated it should be any day now. M. Cockrell agreed.

L. Godfrey asked what a 'life safety monitoring panel' is. S. Lindemann explained that is the panel that controls fire safety and smoke detection within a facility.

L. Godfrey then asked how local organizations became aware of the 'Resist Bias' display in the Children's Room. A. Vernola explained someone from the Kalamazoo Community Foundation took a photo of it, shared it on social media, and then it was re-shared by other parties.

K. Randolph asked whether the 1, 2, 3, Play With Me series would be expanded to other locations besides Central Library and the Oshtemo branch. Sue Warner, Head of Youth Services explained 1, 2, 3, Play With Me is a proprietary model requiring attendance by librarians at specific training sessions. Upon completion of training, specific locations are certified as official 1, 2, 3, Play With Me locations. While it would be great to expand to other locations, it would require additional staff training.

President Caple recalled the restrictions on this particular program were quite specific when it was initially adopted, and asked for a review of those restrictions. S. Warner explained that appropriate KPL staff were identified and then sent to a three-day training series so their locations could become designated. Further funding would be required to train additional staff. Currently, Bill Caskey, Lead Children's Librarian and Nancy Davis-Smith, Lead Oshtemo Librarian, are certified.

J. VanderRoest asked if public dumping had been an issue at KPL facilities, and whether that is what has spurred the construction of a new dumpster enclosure at Oshtemo. S. Lindemann explained that historically it had been an issue specifically at the Oshtemo location.

President Caple stated he was pleased to see a Director's Report item calling attention to the professional and calm demeanor of Chris Hawley, Lead Security Guard at KPL. President Caple

explained that he had also witnessed occasions of Chris’s professional handling of delicate situations in the past.

VIII. PERSONS REQUESTING TO ADDRESS THE BOARD

No one addressed the Board.

IX. COMMENTS BY TRUSTEES

- L. Godfrey explained she had spoken to someone earlier in the day who had previously lived out of the KPL service district, and is now an Eastwood patron. It was described as a wonderful opportunity. She then asked if she was recalling correctly that former Library Director Saul Amdursky had known Irving Schensul. Director Rohrbaugh stated that in addition to knowing him as a patron, S. Amdursky knew Mr. Schensul from the Congregation of Moses. President Caple asked whether a public announcement would be made. Director Rohrbaugh said she would have to check with the Kalamazoo Community Foundation.
- J. VanderRoest expressed his desire that the record show that although he arrived at the meeting after the Resolution Honoring the Bill and Melinda Gates Foundation and its Contribution to Building the Capacity of Public Libraries was adopted, the resolution has his full support. Secondly, he drew attention to Banned Books Week, currently in progress, and stated that commitment to standing against censorship in all its forms is a commendable undertaking.
- R. Brown stated last Saturday, he witnessed a KPL security guard pursuing a patron into Bronson Park. A brief conversation ensued, and the guard then returned to the library with a stack of DVDs that were presumably stolen. The exchange was pleasant and professionally handled.
- K. Randolph had no comments.
- President Caple had no comments.

X. EXECUTIVE SESSION

MOTION: R. BROWN MOVED AND J. VANDERROEST SUPPORTED THE MOTION TO MOVE TO CLOSED SESSION TO DISCUSS A PERSONNEL ISSUE.

Roll Call Vote: L. Godfrey – yes; k. Randolph – yes; R. Brown – yes; J. VanderRoest – yes; B. Caple – yes.

MOTION CARRIED 5-0.

Trustees moved to an executive session at 5:16 P.M.

MOTION: J. VANDERROEST MOVED AND L. GODFREY SUPPORTED THE MOTION TO RETURN TO OPEN SESSION.

Roll Call Vote: L. Godfrey – yes; K. Randolph – yes; R. Brown – yes; J. VanderRoest – yes; B. Caple – yes.

MOTION CARRIED 5-0.

Trustees moved to open session at 5:40 P.M.

XI. ADJOURNMENT

Hearing no objection, President Caple adjourned the meeting at 5:41 P.M.

X _____
Kerria Randolph
Secretary

MEMO

TO: Library Trustees

FROM: Ann Rohrbaugh
Library Director

RE: **Personnel Items**

DATE: October 24, 2016

New Hire

Nnamdi Dike will be joining the administration staff as the Head of Finance & Budget effective November 1, 2016. Nnamdi comes to this position with over 20 years of experience in financial management and analysis and governmental finance administration and has most recently held the position of Accounting Manager for Allegan County.

Retirement

Nancy Davis-Smith has announced her retirement from her position as FTE 1.0 KPLA Lead Branch Librarian IV in Branch & IT Services effective December 31, 2016. Nancy's career at the library began in February 1975.

Hourly Staff

Separations

Morgan Barbour – Library aide Eastwood/Powell
Bill Gallagher – FM

Employee Anniversaries

- Mary Wischman – 43 yrs.
- Charlene LaGrone – 29 yrs.
- Karl Knack – 21 yrs.
- Beth Timmerman – 18 yrs.
- Christine Hann – 17 yrs.
- Ben Bruex – 17 yrs.
- Vikender Jaglan – 16 yrs.
- Tami Russell - 9 yrs.
- Martha Lohrstorfer – 6 yrs.
- SaConna Johnson – 5 yrs.
- Andrea Vernola – 5 yrs.
- Gwen Oosterhouse – 4 yrs.
- Mikki Henry – 3 yrs.
- Justin Barnes – 2 yrs.
- Abigail Pylar – 2 yrs.
- Mary Griswold – 2 yrs.

MEMO

TO: Library Trustees

FROM: Ann Rohrbaugh
Library Director

RE: **Financial Reports for the Month
Ending September 30, 2016**

DATE: October 24, 2016

Recommendation:

I recommend the Board accept the Financial Reports for the month ending September 30, 2016.

Executive Summary:

Notes to the reports are included for your information.

James E. VanderRoest, Treasurer

**Kalamazoo Public Library
Financial Reports for September 2016**

Combined Balance Sheet

Accounts receivable in the General Operating fund includes the recognition of the invoice for the County Law Library contract for third quarter (\$16,273). Additional receivables recognized in September include reimbursement from WMU's School of Medicine for funding of Ready to Read distributed books.

Government Cash Investment Report

Short term interest rates remain low, prompting a significant portion of available funds to be held in the Insured Cash Sweep account (ICS) at First National Bank (\$4,214,895). An additional \$1,630,695 has been invested in certificates of deposit at First National Bank and Flagstar Bank. A total of \$6,917,595 in governmental pooled cash was on hand as of September 30th.

Sources and Uses of Funds

Electronic Resources

Sources of funds during September included the receipt of \$21,477 in Renaissance Zone reimbursements through the State of Michigan. Uses of Funds were typical for the month of September consisting primarily of Salaries, Benefits and Materials. Electronic transfers included transfers between KPL accounts and payments associated with salaries and benefits.

General Operating Fund

Revenue recognized during September included the previously mentioned Renaissance Zone reimbursement (\$21,477) and revenue recognition for the invoice for the Law Library contract (\$16,273). Expenditures totaled \$935,742 during September and combined with encumbrances as represent a year-to-date commitment equal to 27.46% of the Preliminary Budget. The \$10,750 transfer received in September is the August board meeting approved grant from the Library's Local History and Community Information fund at the Kalamazoo Community Foundation.

Capital Improvement Plan

Expenditures totaled \$27,858 during September and included payments for projects to purchase portable devices such as iPads and laptops (\$12,442 – project 878), PC and digital lab replacements (\$11,084 - projects 831 and 884), and Oshtemo dumpster enclosure replacement (\$3,044 – project 823). Open purchase orders total \$114,972 as of September 30th and consist primarily of an open order to Dell for replacement staff PC's.

Special Revenue Fund

A \$10,750 transfer out of the Agency portion of the Local History & Community Information Service fund held at the Kalamazoo Community Foundation corresponds to the transfer in recognized in the General Fund. Expenditure totaled \$508.72 for carryover balances in the Friends Mini-Grants. A Close Estimate Budget revision will recognize fiscal year 15-16 budget unspent and carried over into the current fiscal year.

Endowment Fund

The August reported market value of the Endowment Fund portfolio totaled \$3,955,510. While we have not yet received the custodian statement for September from Ameritrade, September 30th reporting from Arcadia Investment Management reveals a total portfolio value of \$3,733,503, a \$222,007 decrease in market value from August 31st values reported through Ameritrade. An Asset Allocation Summary and quarterly analysis as of September 30th from Arcadia Investments is included at the end of the internal financial reports.

**Kalamazoo Public Library
Combined Balance Sheet
September 30, 2016**

	Operating	Capital	Special Revenue	Endowment
Assets				
Cash & Equivalents				
Cash & Checking	\$3,027,024.47	\$2,154,008.47	\$106,117.52	\$413,559.26
Investments	\$1,630,695.53	\$0.00	\$70,061.91	\$3,541,951.34
Total Cash & Equivalents	\$4,657,720.00	\$2,154,008.47	\$176,179.43	\$3,955,510.60
Accounts Receivable				
Accounts Receivable	\$18,523.07	\$0.00	\$0.00	\$0.00
Total	\$18,523.07	\$0.00	\$0.00	\$0.00
Other Assets				
Other Assets	\$122,466.38	\$0.00	\$0.00	\$0.00
Total Other	\$122,466.38	\$0.00	\$0.00	\$0.00
Total Assets	\$4,798,709.45	\$2,154,008.47	\$176,179.43	\$3,955,510.60
Liabilities and Fund Balance				
Current Liabilities				
Accounts Payable	\$97.16	\$0.00	\$0.00	\$0.00
Salaries Payable	\$9,487.93	\$0.00	\$0.00	\$0.00
Retirement Payable	\$45,582.62	\$0.00	\$0.00	\$0.00
Total Accounts Payable	\$55,167.71	\$0.00	\$0.00	\$0.00
Net Assets				
Fund Balance	\$4,743,541.74	\$2,154,008.47	\$176,179.43	\$3,955,510.60
Total	\$4,743,541.74	\$2,154,008.47	\$176,179.43	\$3,955,510.60
Total Liabilities & Fund Balance	\$4,798,709.45	\$2,154,008.47	\$176,179.43	\$3,955,510.60

**Kalamazoo Public Library
Governmental Cash Investment Report
As of September 30, 2016**

<u>Cash and Investment Accounts</u>	<u>\$</u>	<u>Notes</u>
<u>Checking/Electronic Transfer Accounts</u>		
Fifth Third Bank General Check	\$ 51,105.13	Variable interest checking
Flagstar Bank General Checking	\$ 381,794.26	Variable interest checking
First National Bank	\$ 490,401.88	Variable interest checking
First National Bank Limited Transfers	\$ 268.03	Restricted use ACH only
First National Bank Public Transfers	\$ 26,230.37	Checking-ACH only
Fifth Third Bank Arcadia Checking	<u>\$ 4,865.08</u>	Employee Section 125 Program
Subtotal - Checking	\$ 954,664.75	
<u>Money Market/Liquid Funds</u>		
First National Bank-ICS	\$ 4,214,895.51	Insured Cash Sweep/CDARS (multiple)
First National Bank Money Market	\$ 47,433.03	Liquid, PA 20 money market
Flagstar Bank - Interest bearing	<u>\$ 56,777.80</u>	Liquid, PA 20 interest bearing
Subtotal - Funds	\$ 4,319,106.34	
<u>Certificates of Deposit (maturity date order)</u>		
Flagstar Certificate of Deposit #112085255	\$ 508,387.68	150 days @ .65%, maturity 12/8/2016
First National Bank Certificate of Deposit #31008618	\$ 309,609.86	3/22/17 maturity, 6 mo terms .3%;.5%;1.0%
First National Bank Certificate of Deposit #31009673	\$ 309,504.20	3/24/17 maturity, 6 mo terms .3%;.5%;1.0%*
Flagstar CDARS #1019029804	<u>\$ 503,193.79</u>	26 wk @ .24969% Maturity 11/3/2016
Subtotal - CDARS/CDs	\$ 1,630,695.53	
Total Investments General Pooled Funds	\$ 6,904,466.62	
<u>Other non-interest bearing</u>		
Paypal deposit account	\$ 3,606.66	
Petty Cash/Midwest Bus Exch/To be deposited	<u>\$ 9,522.71</u>	
Total General Cash & Investment Accounts	\$ 6,917,595.99	

**KALAMAZOO PUBLIC LIBRARY
SOURCES AND USES OF FUNDS
Governmental Pooled Funds
For the month ending September 30, 2016**

	September	
BEGINNING CASH BALANCE *	\$	7,834,304
* Including short-term investments		
 <u>SOURCES OF CASH:</u>		
Property Tax Receipts	\$	14
IFT/CFT, PILOT, Other receipts	\$	21,477
State Aid/Renaissance Zone Reimbursement	\$	-
USF Refund/Law Library Contract/District Ct. Penal Fines	\$	-
Interest Income	\$	938
Library Fines & Fees	\$	13,385
Other Sources: Gifts, Grants, & Reimbursements	\$	10,750
Other Gifts (Ready to Read, etc)	\$	2,200
TOTAL SOURCES OF CASH	\$	48,765
 <u>USES OF CASH:</u>		
Salaries & Wages	\$	(421,050)
Benefits	\$	(169,551)
Materials	\$	(120,531)
Operating Expenditures	\$	(17,497)
Facilities	\$	(55,141)
Technical Services	\$	(68,374)
Purchased Services	\$	(50,138)
Other	\$	(41,295)
Capital Expenditures	\$	(22,538)
Prepaid Expenditures	\$	(357)
TOTAL USES OF CASH	\$	(966,472)
 ENDING CASH	 \$	 6,916,596
 <u>Pooled Cash & Investment Accounts</u>		
<u>Checking & other liquid accounts</u>		
Fifth Third General	\$	51,105
Flagstar General	\$	381,794
First National NOW & ACH Transfer Accounts	\$	516,900
Fifth Third Arcadia Admin	\$	4,865
Midwest Business Exchange Account/Paypal	\$	12,129
Pooled Cash Accounts	\$	966,794
 <u>Pooled Investments</u>		
Flagstar Bank MM & CD's	\$	1,068,359
First National Bank MM, ICS Savings, & CD's	\$	4,881,443
Pooled Investment Accounts	\$	5,949,802
 Total Pooled Cash & Investments	 \$	 6,916,596

**Kalamazoo Public Library
Sources & Uses of Funds
Electronic Transfers
September 2016**

Date	Description	From	To	Amount
9/1/2016	MERS Employer Contribution	1st National ACH	Municipal Employees Retirement System	\$ (31,737.70)
9/1/2016	Transfer to 1st National ACH	1st National Checking		\$ (32,000.00)
9/1/2016	Transfer from 1st National Checking		1st National ACH	\$ 32,000.00
9/2/2016	MERS HCSP	Fifth Third Bank	MERS Employees HCSP accounts	\$ (1,115.02)
9/7/2016	MPSERS Employer Contributions	1st National Bank	MPSERS	\$ (12,907.69)
9/15/2016	KPLA/KPLSP Union Dues	Fifth Third Bank	Union Treasurer Accounts	\$ (2,373.62)
9/15/2016	Transfer to 1st National Limited ACH	1st National Checking		\$ (6,200.00)
9/15/2016	Transfer from 1st National Checking		1st National Limited ACH	\$ 6,200.00
9/15/2016	Employee Health Equity H.S.A.	1st National Bank	Health Equity Employee Accounts	\$ (4,557.91)
9/15/2016	403B Employee Contributions	1st National ACH	MG Trust/Journey Retirement/ Employee Accts	\$ (6,189.76)
9/15/2016	Employee Fifth Third H.S.A.	Fifth Third Bank	Fifth Third Employee Accounts	\$ (554.00)
9/15/2016	ADP Payroll 9/15/2016	Flagstar General	Net Payroll - ADP 9/15/2016	\$ (145,830.26)
9/15/2016	Child Support	Flagstar General	ADP to State of Michigan Disbursement Center	\$ (307.63)
9/15/2016	Garnishments	Flagstar General	ADP to various	\$ (357.37)
9/15/2016	Employee/Employer Social Security	Flagstar General	ADP to SSA/IRS	\$ (31,613.39)
9/15/2016	Federal Withholding Taxes	Flagstar General	ADP to SSA/IRS	\$ (19,184.68)
9/15/2016	Michigan Withholding Taxes	Flagstar General	ADP to State of Michigan	\$ (7,276.74)
9/15/2016	MPSERS Employer Contributions	1st National Bank	MPSERS	\$ (12,853.63)
9/20/2016	MERS HCSP	Fifth Third Bank	MERS Employees HCSP accounts	\$ (995.62)
9/22/2016	Transfer to 1st National Checking	1st National ICS		\$ (800,000.00)
9/22/2016	Transfer from 1st National ICS		1st National Checking	\$ 800,000.00
9/30/2016	Employee Fifth Third H.S.A.	Fifth Third Bank	Fifth Third Employee Accounts	\$ (554.00)
9/30/2016	Employee Health Equity H.S.A.	1st National Bank	Health Equity Employee Accounts	\$ (4,557.91)
9/30/2016	ADP Payroll 9/30/2016	Flagstar General	Net Payroll - ADP 9/30/2016	\$ (141,381.54)
9/30/2016	Child Support	Flagstar General	ADP to State of Michigan Disbursement Center	\$ (267.57)
9/30/2016	Garnishments	Flagstar General	ADP to various	\$ (309.30)
9/30/2016	Employee/Employer Social Security	Flagstar General	ADP to SSA/IRS	\$ (31,225.57)
9/30/2016	Federal Withholding Taxes	Flagstar General	ADP to SSA/IRS	\$ (19,080.56)
9/30/2016	Michigan Withholding Taxes	Flagstar General	ADP to State of Michigan	\$ (7,148.96)
Total Electronic Transfers September 2016				\$ (482,380.43)

**Kalamazoo Public Library
General Operating Fund
September 30, 2016**

	Month	Encumbrance	Year to Date	Budget	Variance	% Complete
Revenue						
Property Taxes	\$14.29	\$0.00	\$587.01	\$10,391,156.00	(\$10,390,568.99)	0.01%
Other Taxes	\$21,477.22	\$0.00	\$21,477.22	\$102,700.00	(\$81,222.78)	20.91%
Fines and Fees	\$13,385.06	\$0.00	\$36,777.06	\$180,000.00	(\$143,222.94)	20.43%
District Court Penal Fines	\$0.00	\$0.00	\$0.00	\$255,000.00	(\$255,000.00)	0.00%
Local Support	\$660.00	\$0.00	\$5,274.98	\$225,000.00	(\$219,725.02)	2.34%
Interest Income	\$938.04	\$0.00	\$2,061.11	\$15,000.00	(\$12,938.89)	13.74%
State Aid and Reimbursements	\$0.00	\$0.00	\$0.00	\$211,388.00	(\$211,388.00)	0.00%
Other	\$17,823.70	\$0.00	\$55,553.64	\$113,600.00	(\$58,046.36)	48.90%
Total Revenue	\$54,298.31	\$0.00	\$121,731.02	\$11,493,844.00	(\$11,372,112.98)	1.06%
Expenditures						
Salaries						
Administrator Salaries	\$56,565.60	\$0.00	\$173,472.72	\$665,190.00	\$491,717.28	26.08%
Librarian Salaries	\$114,279.58	\$0.00	\$346,838.12	\$1,353,555.00	\$1,006,716.88	25.62%
Supervisory Technical Salaries	\$70,220.21	\$0.00	\$203,987.99	\$786,815.00	\$582,827.01	25.93%
Library Assistant Salaries	\$127,156.64	\$0.00	\$386,604.32	\$1,569,840.00	\$1,183,235.68	24.63%
Hourly Staff	\$52,430.73	\$0.00	\$124,351.64	\$695,000.00	\$570,648.36	17.89%
Substitute Salaries	\$5,089.89	\$0.00	\$13,568.15	\$89,000.00	\$75,431.85	15.25%
Vacancy Credit	\$0.00	\$0.00	\$0.00	(\$50,000.00)	(\$50,000.00)	0.00%
Total	\$425,742.65	\$0.00	\$1,248,822.94	\$5,109,400.00	\$3,860,577.06	24.44%
Benefits						
Employee Insurance	\$89,079.72	\$0.00	\$259,718.67	\$1,060,680.00	\$800,961.33	24.49%
Retirement	\$54,723.21	\$0.00	\$163,221.53	\$784,718.00	\$621,496.47	20.80%
Employer FICA-Medicare	\$31,419.47	\$0.00	\$92,068.54	\$391,755.00	\$299,686.46	23.50%
Other Benefits	\$2,790.96	\$0.00	\$29,159.10	\$211,000.00	\$181,840.90	13.82%
Total	\$178,013.36	\$0.00	\$544,167.84	\$2,448,153.00	\$1,903,985.16	22.23%
Materials						
Adult Books	\$57,988.95	\$54,773.73	\$168,611.97	\$513,300.00	\$344,688.03	32.85%
Juvenile Books	\$10,419.21	\$12,124.89	\$30,490.58	\$103,500.00	\$73,009.42	29.46%
Periodicals	\$1,001.72	\$0.00	\$24,763.61	\$44,876.00	\$20,112.39	55.18%
Audio-Visual Material	\$28,403.23	\$35,409.54	\$118,800.08	\$368,500.00	\$249,699.92	32.24%
Digital Materials	\$21,448.23	\$0.00	\$91,028.09	\$157,147.00	\$66,118.91	57.93%
Total	\$119,261.34	\$102,308.16	\$433,694.33	\$1,187,323.00	\$753,628.67	36.53%
Facilities						
Fuel	\$248.29	\$0.00	\$598.76	\$66,500.00	\$65,901.24	0.90%
Electricity	\$19,921.78	\$0.00	\$47,545.01	\$200,000.00	\$152,454.99	23.77%
Water	\$553.33	\$0.00	\$686.45	\$5,820.00	\$5,133.55	11.79%
Custodial Supplies	\$3,131.15	\$1,185.92	\$10,912.22	\$76,200.00	\$65,287.78	14.32%
Grounds Maintenance	\$3,847.49	\$4,660.00	\$10,892.49	\$38,486.00	\$27,593.51	28.30%
Vehicle Maintenance	\$136.70	\$0.00	\$712.38	\$3,300.00	\$2,587.62	21.59%
Building Repair	\$22,602.41	\$7,020.00	\$39,811.10	\$97,010.00	\$57,198.90	41.04%
Building Operations	\$4,428.55	\$65,520.50	\$99,514.40	\$132,868.00	\$33,353.60	74.90%
Total	\$54,869.70	\$78,386.42	\$210,672.81	\$620,184.00	\$409,511.19	33.97%
Operating Expenses						
Supplies	\$8,181.72	\$2,320.00	\$15,195.10	\$97,875.00	\$82,679.90	15.53%
Misc. Operating Expenses	\$5,587.62	\$5,525.00	\$28,378.09	\$112,928.00	\$84,549.91	25.13%
Postage & Freight	\$4,532.78	\$0.00	\$16,248.21	\$46,350.00	\$30,101.79	35.06%
Rent	\$2,980.67	\$1,050.00	\$9,467.01	\$34,100.00	\$24,632.99	27.76%
Processing Supplies	\$1,433.07	\$675.11	\$7,942.28	\$60,140.00	\$52,197.72	13.21%
Total	\$22,715.86	\$9,570.11	\$77,230.69	\$351,393.00	\$274,162.31	21.98%

**Kalamazoo Public Library
General Operating Fund
September 30, 2016**

	Month	Encumbrance	Year to Date	Budget	Variance	% Complete
Technical Services						
F&E Repair & Maintenance	\$4,544.59	\$1,769.06	\$18,368.00	\$74,098.00	\$55,730.00	24.79%
Telecommunications	\$7,309.47	\$0.00	\$22,155.15	\$94,830.00	\$72,674.85	23.36%
Software as Service	\$2,084.00	\$0.00	\$150,922.00	\$194,050.00	\$43,128.00	77.77%
Software Licensing & Maint.	\$50,883.33	\$0.00	\$163,156.04	\$257,667.00	\$94,510.96	63.32%
Cataloging & Processing	\$4,910.90	\$0.00	\$38,354.63	\$80,300.00	\$41,945.37	47.76%
Total	\$69,732.29	\$1,769.06	\$392,955.82	\$700,945.00	\$307,989.18	56.06%
Purchased Services						
Security	\$10,845.46	\$0.00	\$30,162.58	\$183,500.00	\$153,337.42	16.44%
Insurance	\$1,780.23	\$0.00	\$54,668.42	\$89,000.00	\$34,331.58	61.43%
Legal Services	\$168.00	\$0.00	\$216.00	\$5,000.00	\$4,784.00	4.32%
Contracted Services	\$21,760.13	\$1,875.00	\$39,898.56	\$137,256.00	\$97,357.44	29.07%
Printing Services	\$13,992.85	\$0.00	\$14,323.85	\$94,500.00	\$80,176.15	15.16%
Advertising	\$2,237.79	\$0.00	\$10,599.52	\$55,500.00	\$44,900.48	19.10%
Total	\$50,784.46	\$1,875.00	\$149,868.93	\$564,756.00	\$414,887.07	26.54%
Other Expenditures						
Tax Charge Backs	\$0.00	\$0.00	\$1,268.46	\$50,000.00	\$48,731.54	2.54%
Staff Development	\$1,915.30	\$0.00	\$3,091.80	\$47,620.00	\$44,528.20	6.49%
Travel & Conference	\$1,422.48	\$0.00	\$2,377.37	\$46,247.00	\$43,869.63	5.14%
Board Expenses	\$9.46	\$0.00	\$576.46	\$5,780.00	\$5,203.54	9.97%
Programming	\$11,275.31	\$0.00	\$41,028.90	\$176,704.00	\$135,675.10	23.22%
Total	\$14,622.55	\$0.00	\$48,342.99	\$326,351.00	\$278,008.01	14.81%
Total	\$935,742.21	\$193,908.75	\$3,105,756.35	\$11,308,505.00	\$8,202,748.65	27.46%
Transfers						
Transfers In						
1-7901-0-0	(\$10,750.00)	\$0.00	(\$10,750.00)	\$0.00	\$10,750.00	0.00%
Total Transfers In	(\$10,750.00)	\$0.00	(\$10,750.00)	\$0.00	\$10,750.00	0.00%
Transfers Out						
1-7902-0-0	\$0.00	\$0.00	\$0.00	\$300,000.00	\$300,000.00	0.00%
Total	\$0.00	\$0.00	\$0.00	\$300,000.00	\$300,000.00	0.00%
Total	(\$10,750.00)	\$0.00	(\$10,750.00)	\$300,000.00	\$310,750.00	(3.58%)
BEGINNING FUND BALANCE	\$5,614,235.64	\$0.00	\$7,522,908.32	\$7,522,908.32	\$0.00	100.00%
NET SURPLUS/(DEFICIT)	(\$870,693.90)	(\$206,003.58)	(\$2,985,370.16)	(\$114,661.00)	(\$2,870,709.16)	2603.65%
ENDING FUND BALANCE	\$4,743,541.74	(\$206,003.58)	\$4,537,538.16	\$7,408,247.32	(\$2,870,709.16)	61.25%

**Kalamazoo Public Library
Capital Improvement Plan
September 30, 2016**

	Actual	Encumbrance	Year-to-Date +Encumbrance	Budget	Variance	Year to Date
Expenditures						
Furnishings						
Furnishings Reserve						
810 - Furnishings Reserve	\$0.00	\$0.00	\$0.00	\$151,772.00	\$151,772.00	\$0.00
Total Furnishings Reserve	\$0.00	\$0.00	\$0.00	\$151,772.00	\$151,772.00	\$0.00
Central Library						
889 - Children's Room Table/Chairs	\$0.00	\$0.00	\$0.00	\$8,328.00	\$8,328.00	\$0.00
892 - Local History Room Furniture	\$0.00	\$0.00	\$0.00	\$1,016.00	\$1,016.00	\$0.00
Total Central Library	\$0.00	\$0.00	\$0.00	\$9,344.00	\$9,344.00	\$0.00
Branch Libraries						
815 - Workspaces & Public Areas-Oshtemo	\$0.00	\$0.00	\$0.00	\$11,443.00	\$11,443.00	\$0.00
881 - Eastwood/Powell - furniture	\$0.00	\$0.00	\$0.00	\$1,200.00	\$1,200.00	\$0.00
Total Branch Libraries	\$0.00	\$0.00	\$0.00	\$12,643.00	\$12,643.00	\$0.00
System-Wide Projects						
814 - Chairs - Multiple Departments	\$856.02	\$2,587.89	\$3,443.91	\$18,750.00	\$15,306.09	\$856.02
Total System-Wide Projects	\$856.02	\$2,587.89	\$3,443.91	\$18,750.00	\$15,306.09	\$856.02
Total Furniture & Equipment	\$856.02	\$2,587.89	\$3,443.91	\$192,509.00	\$189,065.09	\$856.02
Building Alterations						
Building Reserve						
820 - Building Alterations Reserve	\$0.00	\$0.00	\$0.00	\$268,352.00	\$268,352.00	\$0.00
Total Building Reserve	\$0.00	\$0.00	\$0.00	\$268,352.00	\$268,352.00	\$0.00
Structural Projects						
807 - Washington Square Attic	\$0.00	\$0.00	\$0.00	\$50,000.00	\$50,000.00	\$0.00
Total Structural Projects	\$0.00	\$0.00	\$0.00	\$50,000.00	\$50,000.00	\$0.00
Mechanical Projects						
841 - Central Louvers on AHU-2	\$0.00	\$0.00	\$0.00	\$45,000.00	\$45,000.00	\$0.00
887 - Generators-all sites	\$0.00	\$0.00	\$0.00	\$75,000.00	\$75,000.00	\$0.00
895 - Central Freight Elevator	\$0.00	\$0.00	\$0.00	\$4,640.00	\$4,640.00	\$0.00
Total Mechanical Projects	\$0.00	\$0.00	\$0.00	\$124,640.00	\$124,640.00	\$0.00
Control & Security Systems						
827 - Security Systems	\$0.00	\$16,086.40	\$28,937.40	\$34,029.00	\$5,091.60	\$12,851.00
Total Control & Security Systems	\$0.00	\$16,086.40	\$28,937.40	\$34,029.00	\$5,091.60	\$12,851.00
Other Facilities Projects						
806 - Central Restrooms	\$0.00	\$0.00	\$0.00	\$100,000.00	\$100,000.00	\$0.00
808 - Oshtemo Smart Drop - Design Phase	\$0.00	\$0.00	\$0.00	\$5,000.00	\$5,000.00	\$0.00
811 - Carpet Master Plan	\$0.00	\$0.00	\$0.00	\$84,949.00	\$84,949.00	\$0.00
823 - Oshtemo Building Projects	\$3,044.00	\$0.00	\$3,794.00	\$15,000.00	\$11,206.00	\$3,794.00
824 - Eastwood Drop Ceiling	\$0.00	\$0.00	\$0.00	\$2,932.00	\$2,932.00	\$0.00
893 - Delivery Vehicle	\$0.00	\$0.00	\$0.00	\$7,044.00	\$7,044.00	\$0.00
Total Other Facilities Projects	\$3,044.00	\$0.00	\$3,794.00	\$214,925.00	\$211,131.00	\$3,794.00
Total Building Alterations	\$3,044.00	\$16,086.40	\$32,731.40	\$691,946.00	\$659,214.60	\$16,645.00

**Kalamazoo Public Library
Capital Improvement Plan
September 30, 2016**

	Actual	Encumbrance	Year-to-Date +Encumbrance	Budget	Variance	Year to Date
Computer & Technology						
Computer & Tech. Reserve						
830 - Computer & Technology Reserve	\$0.00	\$0.00	\$0.00	\$72,809.00	\$72,809.00	\$0.00
Total Computer & Tech. Reserve	\$0.00	\$0.00	\$0.00	\$72,809.00	\$72,809.00	\$0.00
Public Technology & Hardware						
831 - PC Replacement	\$8,943.95	\$96,297.93	\$204,684.87	\$145,371.00	(\$59,313.87)	\$108,386.94
843 - Branch digital signage	\$0.00	\$0.00	\$1,228.45	\$6,069.00	\$4,840.55	\$1,228.45
844 - USB Charging Stations	\$0.00	\$0.00	\$3,071.55	\$3,072.00	\$0.45	\$3,071.55
884 - Digital Lab Equipment	\$2,140.48	\$0.00	\$2,140.48	\$5,895.00	\$3,754.52	\$2,140.48
Total	\$11,084.43	\$96,297.93	\$211,125.35	\$160,407.00	(\$50,718.35)	\$114,827.42
Portable Technology						
878 - Portable Devices	\$12,442.33	\$0.00	\$12,442.33	\$14,710.00	\$2,267.67	\$12,442.33
Total Portable Technology	\$12,442.33	\$0.00	\$12,442.33	\$14,710.00	\$2,267.67	\$12,442.33
Other Tech/Computer Equipment						
854 - Other Tech/Computer Equipment	\$431.84	\$0.00	\$20,655.84	\$161,200.00	\$140,544.16	\$20,655.84
855 - Telephone System	\$0.00	\$0.00	\$0.00	\$11,845.00	\$11,845.00	\$0.00
879 - Office scanners	\$0.00	\$0.00	\$0.00	\$1,558.00	\$1,558.00	\$0.00
Total Other Tech/Computer Equipment	\$431.84	\$0.00	\$20,655.84	\$174,603.00	\$153,947.16	\$20,655.84
RFID/Circulation						
852 - RFID/ILS Equipment	\$0.00	\$0.00	\$0.00	\$8,326.00	\$8,326.00	\$0.00
Total RFID/Circulation Tech.	\$0.00	\$0.00	\$0.00	\$8,326.00	\$8,326.00	\$0.00
Total Computer & Technology	\$23,958.60	\$96,297.93	\$244,223.52	\$430,855.00	\$186,631.48	\$147,925.59
Total Expenditures	\$27,858.62	\$114,972.22	\$280,398.83	\$1,315,310.00	\$1,034,911.17	\$165,426.61
Transfers						
Transfers In/(Out)						
Transfers from other funds						
800 - Capital Improvement Plan	\$0.00	\$0.00	\$0.00	(\$600,000.00)	(\$600,000.00)	\$0.00
Total	\$0.00	\$0.00	\$0.00	\$600,000.00	\$600,000.00	\$0.00
Total Transfers	\$0.00	\$0.00	\$0.00	\$600,000.00	\$600,000.00	\$0.00
TOTAL BEGINNING FUND BALANCE	\$741,183.44	\$0.00	\$776,563.10	\$776,563.10	\$0.00	\$776,563.10
TOTAL NET SURPLUS/(DEFICIT)	(\$27,858.62)	(\$114,972.22)	(\$280,398.83)	(\$715,310.00)	(\$434,911.17)	(\$165,426.61)
TOTAL ENDING FUND BALANCE	\$713,324.82	(\$114,972.22)	\$496,164.27	\$61,253.10	(\$434,911.17)	\$611,136.49

Kalamazoo Public Library
Special Revenue Income Statement
September 30, 2016

	Month	Encumbrance	Year to Date	Budget	Variance	% Complete
Revenue						
Local Support						
233 - Ready to Read - Gifts	\$2,000.00	\$0.00	\$12,500.00	\$1,000.00	(\$11,500.00)	1250.0%
235 - Ready to Read - Spelling Bee	\$200.00	\$0.00	\$200.00	\$21,800.00	\$21,600.00	0.9%
301 - Gifts & Memorials - Materials	\$0.00	\$0.00	\$200.00	\$2,500.00	\$2,300.00	8.0%
Total Local Support	\$2,200.00	\$0.00	\$12,900.00	\$25,300.00	\$12,400.00	51.0%
Other						
235 - Ready to Read - Spelling Bee	\$0.00	\$0.00	\$0.00	\$1,200.00	\$1,200.00	0.0%
Total Other	\$0.00	\$0.00	\$0.00	\$1,200.00	\$1,200.00	0.0%
Total Revenue	\$2,200.00	\$0.00	\$12,900.00	\$26,500.00	\$13,600.00	48.7%
Expenditures						
Materials						
Adult Books						
301 - Gifts & Memorials - Materials	\$0.00	\$76.95	\$287.64	\$3,000.00	\$2,712.36	9.6%
Total Adult Books	\$0.00	\$76.95	\$287.64	\$3,000.00	\$2,712.36	9.6%
Juvenile Books						
233 - Ready to Read - Gifts	\$0.00	\$0.00	\$1,755.20	\$12,000.00	\$10,244.80	14.6%
235 - Ready to Read - Spelling Bee	\$0.00	\$0.00	\$0.00	\$18,000.00	\$18,000.00	0.0%
301 - Gifts & Memorials - Materials	\$0.00	\$0.00	\$145.88	\$500.00	\$354.12	29.2%
Total Juvenile Books	\$0.00	\$0.00	\$1,901.08	\$30,500.00	\$28,598.92	6.2%
Audio-Visual Material						
301 - Gifts & Memorials - Materials	\$0.00	\$0.00	\$0.00	\$100.00	\$100.00	0.0%
Total Audio-Visual Material	\$0.00	\$0.00	\$0.00	\$100.00	\$100.00	0.0%
Total	\$0.00	\$76.95	\$2,188.72	\$33,600.00	\$31,411.28	6.5%
Other Expenditures						
Miscellaneous Disbursements						
233 - Ready to Read - Gifts	\$0.00	\$0.00	\$0.00	\$5,000.00	\$5,000.00	0.0%
235 - Ready to Read - Spelling Bee	\$0.00	\$0.00	\$0.00	\$4,500.00	\$4,500.00	0.0%
301 - Gifts & Memorials - Materials	\$0.00	\$0.00	\$0.00	\$500.00	\$500.00	0.0%
377 - Friends Mini-Grants - 2016	\$751.31	\$0.00	\$751.31	\$0.00	(\$751.31)	0.0%
379 - Friends Mini-Grants 2015	(\$242.59)	\$0.00	\$242.21	\$0.00	(\$242.21)	0.0%
Total Miscellaneous Disbursements	\$508.72	\$0.00	\$993.52	\$10,000.00	\$9,006.48	9.9%
Total	\$508.72	\$0.00	\$993.52	\$10,000.00	\$9,006.48	9.9%
Total	\$508.72	\$76.95	\$3,182.24	\$43,600.00	\$40,417.76	7.3%
Transfers						
Transfers Out						
4-7902-0-3						
397 - KCF - Local History and Community Information	\$10,750.00	\$0.00	\$10,750.00	\$0.00	(\$10,750.00)	0.0%
Total	\$10,750.00	\$0.00	\$10,750.00	\$0.00	(\$10,750.00)	0.0%
Total	\$10,750.00	\$0.00	\$10,750.00	\$0.00	(\$10,750.00)	0.0%

Kalamazoo Public Library
Special Revenue Income Statement
September 30, 2016

	Month	Encumbrance	Year to Date	Budget	Variance	% Complete
BEGINNING FUND BALANCE						
233 - Ready to Read - Gifts	\$28,443.33	\$0.00	\$19,698.53	\$19,698.53	\$0.00	100.0%
235 - Ready to Read - Spelling Bee	\$60,625.32	\$0.00	\$60,625.32	\$60,625.32	\$0.00	100.0%
301 - Gifts & Memorials - Materials	\$4,625.68	\$0.00	\$4,742.30	\$4,742.30	\$0.00	100.0%
307 - ONEplace Nonprofit Services	\$570.23	\$0.00	\$570.23	\$570.23	\$0.00	100.0%
308 - Library Gifts	\$4,767.70	\$0.00	\$4,767.70	\$4,767.70	\$0.00	100.0%
310 - KPL Antiracism Transformation Team	\$851.82	\$0.00	\$851.82	\$851.82	\$0.00	100.0%
377 - Friends Mini-Grants - 2016	\$1,694.40	\$0.00	\$1,694.40	\$1,694.40	\$0.00	100.0%
379 - Friends Mini-Grants 2015	(\$242.59)	\$0.00	\$242.21	\$242.21	\$0.00	100.0%
380 - Friends Mini-Grants - Administration	\$1,045.85	\$0.00	\$1,045.85	\$1,045.85	\$0.00	100.0%
383 - History Room Mini-Grant	\$500.00	\$0.00	\$500.00	\$500.00	\$0.00	100.0%
387 - Oshtemo Mini-Grant	\$547.82	\$0.00	\$547.82	\$547.82	\$0.00	100.0%
388 - Eastwood/Powell Mini-Grant	\$897.67	\$0.00	\$897.67	\$897.67	\$0.00	100.0%
389 - Washington Square Mini-Grant	\$1.34	\$0.00	\$1.34	\$1.34	\$0.00	100.0%
390 - Teen Services Mini-Grant	\$97.67	\$0.00	\$97.67	\$97.67	\$0.00	100.0%
397 - KCF - Local History and Community Inform.	\$80,811.91	\$0.00	\$80,811.91	\$80,811.91	\$0.00	100.0%
TOTAL BEGINNING FUND BALANCE	\$185,238.15	\$0.00	\$177,094.77	\$177,094.77	\$0.00	100.0%
NET SURPLUS/(DEFICIT)						
233 - Ready to Read - Gifts	\$2,000.00	\$0.00	\$10,744.80	(\$16,000.00)	(\$26,744.80)	(67.2%)
235 - Ready to Read - Spelling Bee	\$200.00	\$0.00	\$200.00	\$500.00	\$300.00	40.0%
301 - Gifts & Memorials - Materials	\$0.00	(\$116.90)	(\$233.52)	(\$1,600.00)	(\$1,366.48)	14.6%
377 - Friends Mini-Grants - 2016	(\$751.31)	\$0.00	(\$751.31)	\$0.00	\$751.31	0.0%
379 - Friends Mini-Grants 2015	\$242.59	\$0.00	(\$242.21)	\$0.00	\$242.21	0.0%
397 - KCF - Local History and Community Inform.	(\$10,750.00)	\$0.00	(\$10,750.00)	\$0.00	\$10,750.00	0.0%
TOTAL NET SURPLUS/(DEFICIT)	(\$9,058.72)	(\$116.90)	(\$1,032.24)	(\$17,100.00)	(\$16,067.76)	6.0%
ENDING FUND BALANCE						
233 - Ready to Read - Gifts	\$30,443.33	\$0.00	\$30,443.33	\$3,698.53	(\$26,744.80)	823.1%
235 - Ready to Read - Spelling Bee	\$60,825.32	\$0.00	\$60,825.32	\$61,125.32	\$300.00	99.5%
301 - Gifts & Memorials - Materials	\$4,625.68	(\$116.90)	\$4,508.78	\$3,142.30	(\$1,366.48)	143.5%
307 - ONEplace Nonprofit Services	\$570.23	\$0.00	\$570.23	\$570.23	\$0.00	100.0%
308 - Library Gifts	\$4,767.70	\$0.00	\$4,767.70	\$4,767.70	\$0.00	100.0%
310 - KPL Antiracism Transformation Team	\$851.82	\$0.00	\$851.82	\$851.82	\$0.00	100.0%
377 - Friends Mini-Grants - 2016	\$943.09	\$0.00	\$943.09	\$1,694.40	\$751.31	55.7%
379 - Friends Mini-Grants 2015	\$0.00	\$0.00	\$0.00	\$242.21	\$242.21	0.0%
380 - Friends Mini-Grants - Administration	\$1,045.85	\$0.00	\$1,045.85	\$1,045.85	\$0.00	100.0%
383 - History Room Mini-Grant	\$500.00	\$0.00	\$500.00	\$500.00	\$0.00	100.0%
387 - Oshtemo Mini-Grant	\$547.82	\$0.00	\$547.82	\$547.82	\$0.00	100.0%
388 - Eastwood/Powell Mini-Grant	\$897.67	\$0.00	\$897.67	\$897.67	\$0.00	100.0%
389 - Washington Square Mini-Grant	\$1.34	\$0.00	\$1.34	\$1.34	\$0.00	100.0%
390 - Teen Services Mini-Grant	\$97.67	\$0.00	\$97.67	\$97.67	\$0.00	100.0%
397 - KCF - Local History and Community Inform.	\$70,061.91	\$0.00	\$70,061.91	\$80,811.91	\$10,750.00	86.7%
TOTAL ENDING FUND BALANCE	\$176,179.43	(\$116.90)	\$176,062.53	\$159,994.77	(\$16,067.76)	110.0%

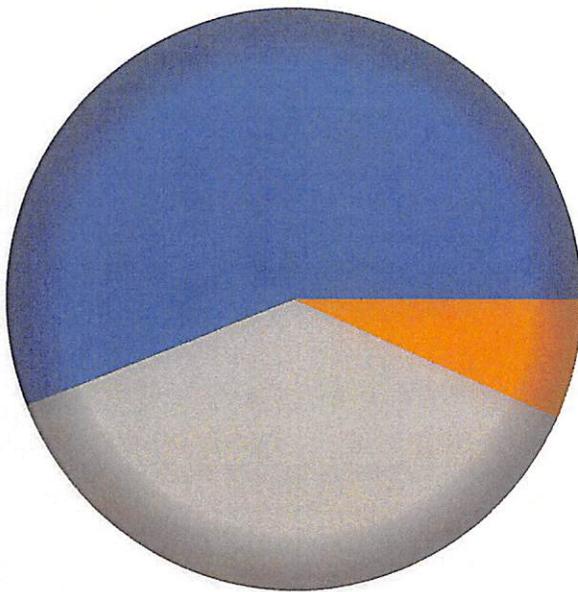
Endowment Fund
Report Date August 2016

	7/31/2016		%	8/31/2016		%
	<u>Cost</u>	<u>Market</u>	<u>Cost to</u>	<u>Cost</u>	<u>Market</u>	<u>Cost to</u>
	<u>Basis</u>	<u>Basis</u>	<u>Increase</u>	<u>Basis</u>	<u>Basis</u>	<u>Increase</u>
<u>Ameritrade Investments</u>						
Money Market Account - FDIC	\$ 408,782.46	\$ 408,782.46	0.0%	\$ 413,559.26	\$ 413,559.26	0.0%
Stocks	\$ 1,518,443.75	\$ 2,174,650.35	43.2%	\$ 1,518,443.75	\$ 2,204,260.10	45.2%
Fixed Income Investments	\$ 1,324,992.41	\$ 1,341,282.14	1.2%	\$ 1,324,992.41	\$ 1,337,691.24	1.0%
	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	
Total Value	<u>\$ 3,252,218.62</u>	<u>\$ 3,924,714.95</u>	<u>20.7%</u>	<u>\$ 3,256,995.42</u>	<u>\$ 3,955,510.60</u>	<u>21.4%</u>
<u>Fund Balance</u>						
Assigned for Children's Endowment		<u>\$ 20,661.98</u>			<u>\$ 20,661.98</u>	
Kalamazoo Public Library Endowment		<u>\$ 3,904,052.97</u>			<u>\$ 3,934,848.62</u>	
<u>Year to Date Revenue & Expenditures</u>						
Net Withdrawals/Deposits from/to Account		\$ -			\$ -	
Dividend and Interest Income		\$ 5,097.34			\$ 9,907.14	
Realized Gains (Losses) on Sale of Assets		\$ -			\$ -	
Unrealized Gains (Losses) on Market Value		\$ 89,147.67			\$ 115,133.52	
Arcadia Investment Management Fee/Other		<u>\$ (5,814.91)</u>			<u>\$ (5,814.91)</u>	
Net Change		\$ 88,430.10			\$ 119,225.75	

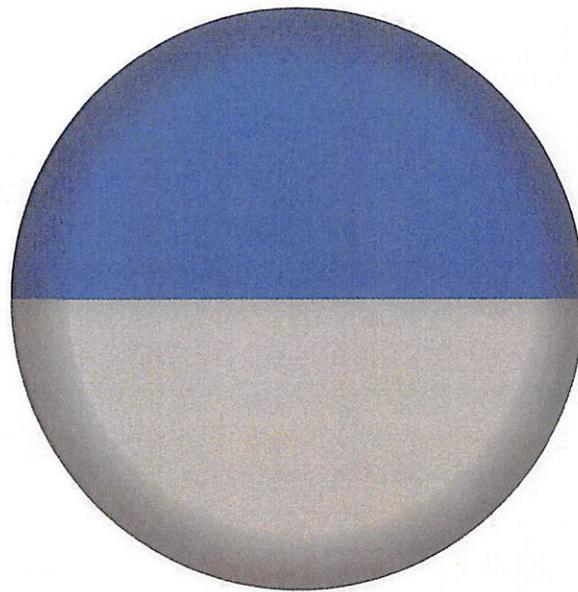
Summary:

Dividends and interest received during the month of August totaled \$4,776. The market value of the portfolio rose an additional \$26,018, increasing the total value of the portfolio to \$3,955,510 as of August 31st.

Asset Allocation
Kalamazoo Public Library Endwmnt



Current Allocation



Target Allocation

Security Type	Current Value	Current Percent	Target Percent	Target Minimum Percent	Target Maximum Percent
Cash and Money Funds	\$247,951	6.64%	0.00%	0.00%	20.00%
Fixed Income	\$1,396,393	37.40%	50.00%	40.00%	60.00%
Equities	\$2,089,159	55.96%	50.00%	40.00%	60.00%
Total	\$3,733,503	100.00%	100.00%		



Economy

Through June the U.S. economy posted three consecutive quarters of lackluster, sub-2% GDP growth. A pickup in consumer spending, supported by a firm labor market and (finally) some modest real wage growth, was just enough to keep the expansion intact through the first half of the year. Unfortunately, declines in business equipment spending and inventories are largely offsetting the household sector's contribution. In order to meet ongoing consumer demand, inventories will need to grow in coming months which should boost growth a bit and help keep the expansion intact. However, without a meaningful improvement in capital investment the economy will remain mired in a pattern of sluggish growth.

Stronger consumer spending has primarily been a function of the higher aggregate income resulting from employment gains rather than a fundamental change in household behavior. As profit growth stalled and international economic conditions deteriorated over the past three years, business managers have become increasingly cautious about purchasing expensive machinery or building new factories. A falloff in productivity points to a substitution of labor in place of new equipment, a process which cannot sustain economic growth over the longer term.

The expansion has reached seven years, making it the third longest ever. Most economic expansions have run out of steam before this point. However, the pace of the recovery has been well short of a typical business cycle. The rebound from the last recession was slow and uneven with weak wage gains and under-investment from the business sector. The imbalances which typically accumulate by this stage of growth phases are largely absent today. Both household and business balance sheets are strong with historically low debt service levels relative to income.

Expansions usually end from a combination of consumer overspending, extended household

balance sheets, excess business inventories, over investment in plant and equipment, and rising

corporate default rates. When these conditions lead to excessive wage and price increases, monetary tightening is implemented until the inflationary pressures abate. Even though these conditions are absent today and monetary policy remains accommodative, the recovery could falter from lack of commercial sector demand.

Following 2008's financial crisis, both fiscal and monetary policies were implemented to jump start the economy in most developed nations. In the U.S. the direct fiscal stimulus programs were relatively modest, but combined with the largely uncontrollable consequences of a deep recession (higher safety net spending and lower tax revenues) the budget deficit ballooned. In order to get the deficits under control, most governments tightened their budgets. Since sequestration in 2013, U.S. fiscal policy has tightened leading to a sharp drop in the annual budget deficit to less than 3% of GDP in each of the last two fiscal years.

Initially bond buying programs and liquidity creation (quantitative easing) sustained the recovery. But the lack of demand plaguing the domestic economy is a world-wide phenomenon and monetary policy is losing its potency. Interest rates are close to or below zero in many countries.

The diminishing impact of monetary programs is undermining business confidence and creating growing risk financial instability. If the public and private sectors are unwilling to take advantage of easy financial conditions, low rates hurt savers and foster deflationary forces.

The central banks in Europe and Japan, where negative interest rates have failed to spur economic growth, are almost out of options. The banking systems in both areas are undercapitalized and are further undermined by shaky loans and the inability to earn a reasonable margin in the current interest rate environment.

Registered Investment Advisors

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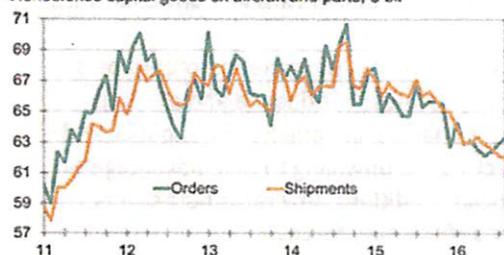
In the U.S., the Federal Reserve Open Market Committee (FOMC) does not want to be left without tools should the economy slip toward recession. Since it sees the positive tone of the labor market, sustained consumer spending and core year over year inflation near the 2% target as signs of an underlying sound economy, its preferred course of action is to gradually raise rates. When it embarked on the first of four planned 0.25% raises in the overnight rate early this year the dollar strengthened and the stock market fell sharply until further tightening was pushed into the future.

There has been much heated rhetoric from populist commentators on both ends of the political spectrum accusing the Fed of purposely propping up the stock market at the expense of the small saver. However, we believe the (FOMC) is primarily concerned about further strengthening the dollar.

U.S. manufacturers are already disadvantaged by cheap imports, and low commodity prices (in dollar terms) have already wreaked significant damage to the agricultural sector and the oil patch. As long as other central banks pursue policies implicitly designed to devalue their currency, most voting members of the Fed will be unwilling to raise rates unless domestic growth meaningfully accelerates.

Shipments Could Slowly Turn

Nondefense capital goods ex aircraft and parts, \$ bil



Sources: Census Bureau, Moody's Analytics

There is mounting pressure for governments to move away from fiscal austerity and introduce new fiscal stimulus programs. Japan has already done so and, following the Brexit vote, the new government in the UK announced a willingness to "reset" fiscal policy. Federal Reserve Chair Janet Yellen told the Senate Banking Committee that

U.S. fiscal policy had "not played a supportive role," and the European Central Bank's chief economist has emphasized monetary policy cannot be the only remedy to the current economic challenges.

In spite of the wide spread concern about the long-term impact of more public debt, more fiscal stimulus is likely on the horizon. Even though the U.S. debt grew significantly due to the large deficits incurred in 2009 – 2013, the government has more room to expand spending than projected when across the board spending cuts were allowed to take place with budget sequestration three years ago. Low bond yields have dramatically cut the cost of borrowing. Since early 2015, the Congressional Budget revised U.S. interest costs over the next decade downward by \$1.4 trillion.

In the current environment of falling durable good shipments and low business investment, there is little danger that government spending will crowd out private investment or spur an inflationary spiral as would be the case under more robust conditions. If properly implemented, it is possible government spending would lead to private investment required to meet new orders.

The Presidential election will almost certainly bring more fiscal stimulus no matter who is elected. Hillary Clinton has proposed a range of jobs programs, support for home purchases by low income families and targeted infrastructure spending, and Donald Trump has promised large tax cuts and aggressive rebuilding of bridges, the electrical grid, airports and a wall. A Republican led House of Representatives may resist the magnitude of deficit spending but will find it difficult to curb Executive Branch efforts to speed the pace of the expansion.

Although we are optimistic regarding the underlying strength of the U.S. economy, the unwillingness of private businesses to make long-term investments is a growing concern. If cautious managers continue to make only the commitments required to meet current orders there is a growing risk of a recession even though the economy is far from overheated.

In the near term, the strong dollar and political uncertainties at home and other developed markets will reduce the economy's upside potential. However, a large confident consumer sector and strong underlying household financial conditions will likely support the current pace of growth into next year. Eventually government action designed to spur more capital investment may be needed to sustain the expansion.

Financial Markets

Equities overcame concerns about slowing growth in developed markets, Brexit and geopolitical events to advance across the board over the last three months.

Index	3rd Q	1 yr.	3 yr.
S&P 500	3.85%	15.43%	11.91%
S&P Growth	4.76%	14.74%	12.75%
S&P Value	2.94%	15.98%	9.34%
S&P 400 Mid-Cap	4.14%	15.33%	9.35%
Russell 2000 Small-Cap	9.05%	15.47%	6.71%
MSCI EAFE (Int'l)	5.80%	3.48%	-2.18%
MSCI Emerging Markets	8.32%	14.07%	-2.92%

Emerging market benchmarks, which had fallen to very low relative valuations vs. developed markets, posted the best regional gains. China's economy appears to have stabilized in response to aggressive fiscal stimulus earlier this year giving emerging market companies, many of which are suppliers to Chinese manufacturers, room to advance. Dollar appreciation has offset much of the foreign market returns for U.S. investors since 2014. The dollar steadied when the Fed became more dovish following the Brexit vote allowing gains in overseas markets to be fully realized.

Developed markets in the U.S. and Europe bounced back quickly after the Brexit vote when investors realized changes to trade arrangements and regulations within the European Union would

evolve gradually. Investors move toward risk based assets such as was encouraged by central bank willingness to hold interest rates in check. The move toward fiscal stimulus in Canada, the UK and Japan, discussion of lower taxes in Germany and the likelihood of a fiscal policy shift in the U.S. provided investors hope of better economic growth in the coming year.

In the near-term, U.S. stock investors must continue to evaluate the conflicting data of increasingly confident consumers offset by cautious business decisions and disappointing profit growth. It will remain a difficult task to assess equity valuations with the positive factors of a stronger economy and low interest rates, counterbalanced by a near stagnant economy.

Over the longer-term, we continue to believe the underlying financial strength of both the consumer and business sectors will lead to equities offering superior return opportunities over fixed income instruments. It should be expected their upward trend will be periodically interrupted with periods of volatility as investors sort through the many economic and political crosscurrents of the next several months.

Bond yields are little changed from three months ago and remain near historic yields. Although the Federal Reserve has not yet raised rates, it is likely to do so later this year or early in 2017.

Fixed income investors have not yet experienced the negative total returns that result when rates rise, but current yields don't provide reasonable return opportunities for investors seeking real total returns. Bonds are useful primarily as a means of reducing portfolio volatility and preserving value in the event of a bear market. However, when rates do rise, long-term bonds will experience significant price declines and negative total returns. We believe short to intermediate-term investment grade securities offer the best value.

MEMO

TO: Library Trustees

FROM: Ann Rohrbaugh
Library Director

RE: **Acceptance of Audited
Financial Statements**

DATE: October 24, 2016

Recommendation:

I recommend board provisional acceptance of the Financial Statements and auditor opinion for the year ending June 30, 2016 from Rehmann Robson.

Executive Summary:

I recommend that the board accept the attached audited financial statements and report from Rehmann Robson for their financial statement audit for the year ended June 30, 2016. As stated in their report to the board, the Library received a "clean" opinion for the presentation of the financial statements and had no findings or deficiencies reported regarding internal control.

The Finance and Budget committee reviewed the audit and the auditor's opinion and recommends acceptance of the audit report and financial statements for fiscal year 2015-2016.

MEMO

TO: Library Trustees FROM: Ann Rohrbaugh
Library Director

RE: **Strategic Planning Statistics** DATE: October 24, 2016
First Quarter 2016 - 2017

Attached is the first quarter “Strategic Plan Quarterly Statistics 2016 – 2017.” Most goals are about where expected at this first quarter of the year. Comments on a few of them:

- 5.2: Digital collections – this is a new goal for this year. As we grow and promote digital services, we want to set targets and strive to meet them. The goal of 15% increase for the year seems to be a reasonable target.
- 5.4: Active cardholders – this is also a new goal for this year. Many libraries report number of cardholders. We want to focus on active cardholders and have decided on the definition of card use within the previous six months. Use includes traditional checkout and renewal as well as computer use for which a library card is required to log on, and use of digital materials in OverDrive, Hoopla, and Freegal. Of course there are library services which do not require a library card: program attendance and reading and studying here, among others. This number will be a moving snapshot of the previous six months when we report it quarterly. Our goal is that by year end we will have at least 11,200 active cardholders, that is, those who have used their card within the past six months.
- 7.1: Attendance at locally focused programs – our focus on these programs is primarily during the school year, not the summer. We expect we will reach the target by year end.

[Return to Agenda](#)

Strategic Plan Quarterly Statistics 2016-2017

Priority 1 - Create young readers and learners: early literacy

Children from birth to kindergarten will have materials, programs, and digital opportunities designed to ensure they will enter school ready to learn.

Goal 1: Children, birth to kindergarten, will have access to materials, programs, and digital opportunities to help them enter school ready to learn to read, write, and listen.								
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year to Date	2016-2017 Target	% of Target
1.1	The circulation of picture books, easy readers, and board books will increase by 5%.	42,501					171,500	24.8%
1.2	At least 11,000 children will attend or participate in programs or outreach events sponsored or co-sponsored by the library.	1,722					11,000	15.7%
1.3	This year, the library will distribute 10,000 gift books. (Ready to Read)	1,679					10,000	16.7%

Goal 2: Parents and caregivers will have the tools and skills needed to prepare children, birth to kindergarten, to learn when they enter school.								
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year to Date	2016-2017 Target	% of Target
2.1	At least once per year parents of young children will be surveyed on their satisfaction of the collections, programs, and physical space at the library.							
2.2	5,800 parents and caregivers of young children will attend or participate in programs or outreach events sponsored or co-sponsored by the library designed to support them in their role as parent or caregiver.	617					5,800	10.6%

Priority 2 - Stimulate imagination: reading, viewing, listening, and creating for pleasure

Residents of all ages will have access to materials, programs and services designed to enhance their leisure time.

Goal 3: Children, first to fifth grade, will have materials, programs, and services that stimulate their imagination and provide pleasurable reading, viewing, listening, and creating experiences.								
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year to Date	2016-2017 Target	% of Target
3.1	The circulation of children's fiction and non-fiction, all formats, will be maintained at its current level.	46,612					171,500	27.2%
3.2	The circulation of children's movies and music, all formats, will be maintained at its current level.	25,292					94,000	26.9%
3.3	At least 13,000 children will attend or participate in programs or outreach events sponsored or co-sponsored by the library.	3,463					13,000	26.6%

Strategic Plan Quarterly Statistics 2016-2017

3.4	At least 200 children will utilize digital tools.	54					200	26.0%
Goal 4: Teens and tweens will have materials, programs, and services that stimulate their imaginations and provide pleasurable reading, viewing, listening, and creating experiences.								
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year to Date	2016-2017 Target	% of Target
4.1	The circulation of teen fiction and non-fiction, all formats, will be maintained at its current level.	16,831					65,000	25.9%
4.2	At least 5,500 teens will attend or participate in programs or outreach events sponsored or co-sponsored by the library.	1,842					5,500	33.5%
4.3	At least once per year teens and tweens will be surveyed on their satisfaction of the collections, programs, and physical space at the library.							
Goal 5: Adults will have materials, programs, and services that stimulate their imaginations and provide pleasurable reading, viewing, and listening experiences.								
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year to Date	2016-2017 Target	% of Target
5.1	The circulation of adult reading collections will be maintained at its 2015-2016 level.	106,893					515,000	20.8%
5.2	The circulation of digital collections will increase by 15%.	34,125					137,400	24.8%
5.3	75% of surveyed patrons will report that Reading Together has had a positive impact on their lives.							
5.4	The number of active KPL cardholders will increase by 15%.	10,582					11,200	94.5%
5.5	At least once per year adults will be surveyed on their satisfaction of the collections, programs, and physical space at the library.							

Strategic Plan Quarterly Statistics 2016-2017

Priority 3 - Connect to the digital world: access and digital services

All patrons will have access, tools, and assistance needed to navigate the digital world.

Goal 6: Everyone in Kalamazoo will have free high-speed internet access in the library and digital opportunities tailored to their needs.								
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year to Date	2016-2017 Target	% of Target
6.1	The number of people who use library resources to connect to the digital world will be maintained at its current level. (PCs + WiFi)	39,996					135,000	29.6%
6.2	At least 800 people will utilize services in the digital lab.	221					800	27.6%
6.3	At least once per year patrons will be surveyed on their use and satisfaction of digital services, technology, the library website, library catalog, social media, and other digital resources at the library.							
6.4	Each year, at least 500 people will attend or participate in digitally based programs or outreach events, sponsored or co-sponsored by the library.	190					500	38.0%

Priority 4 - Discover and celebrate local: history, genealogy, information, and culture

Residents and visitors will have the resources, tools, and programs necessary to understand and appreciate local and family histories and the culture unique to Kalamazoo.

Goal 7: Residents and visitors will have the resources, tools, and programs to understand and appreciate local and family histories and the culture unique to Kalamazoo.								
		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year to Date	2016-2017 Target	% of Target
7.1	At least 1,000 people will attend locally focused programs or outreach events sponsored or co-sponsored by the library.	112					1,000	11.2%
7.2	Hits on Local History cloud-based archives (archive.org, flickr commons, etc.) will increase by 30%.	141,528					440,000	32.2%

**Director's Report
October 2016**

From the director

1. In the past month, I have attended numerous DKI related meetings, including goals setting sessions; the WMED Common Read program; the Trustee Alliance conference; SMLC Board and Council meetings; numerous event with Dr. Needlman; many internal meetings; a few library programs.
2. I am temporarily heading CAMP; Michael Cockrell is overseeing Circulation, Kevin King, ILS. Staff in all of these areas are experienced, but need a link to and from a library department.
3. From the Friends of KPL October board meeting:
 - Bookstore revenue is up, primarily due to sales to dealers
 - Bookstore is now chip card compliant
 - Winter Bag of Books sale will be January 14
 - Friends will be a gold level sponsor at the Spelling Bee and will have a membership table
 - Friends approved \$5,000 contribution towards Reading Together!
4. The Friends of Michigan Libraries and the Trustee Alliance held workshops here on October 13 and 14th. The KPL Friends hosted; KPL staff gave tours. There was particular interest in The Hub. Several KPL Friends attended Thursday; Bob Brown, Bruce Caple, and I attended the trustee day on Friday.
5. As announced about ten days ago, this year's *Reading Together* title is "Writings on the Wall" by Kareem Abdul-Jabbar. He will be here on March 14, at Miller Auditorium for a presentation in an interview format. The RT Programming Committee has begun meeting to plan the programs for this 15th year.
6. Kevin King will chair the PLA *Public Libraries* Advisory Board, a committee on which he has been serving. Kevin has also been asked to serve on the PLA Technology Committee.

Create young readers

7. Librarians are setting up visits to all of the Head Start classrooms in our district. Each classroom will be visited monthly for a storytime.

8. Dr. Robert Needlman, the co-founder of the national *Reach Out and Read* program on which our *Ready to Read* program is based, visited last week. While Dr. Needlman was here (for the fourth time in twenty years!) he was the keynote speaker at a professional development seminar for early educators and caregivers, he spoke with community leaders and pediatricians at a social event at the Ladies' Library Association, and he was the presenter at WMU's Medical School's Pediatric Grand Rounds where he talked with 80 medical students and pediatricians about brain development and literacy in young children. It was a tremendous visit and we have renewed energy to continue our work with babies, toddlers, and preschoolers.
9. The Great Start Collaborative has re-structured their work plan to align with their strategic plan required by the Michigan Department of Education. They now have an Early Literacy Strategic Team; KPL will have a leading role in determining the work to be done in this area.
10. Two new programs were introduced in the Birth-5 programming:
 - **Tumble Toddlers** for beginning walkers was very popular. The Van Deusen room was set-up with small-scale obstacle courses, balls, a balance bar, stackable boxes, etc. The toddlers had free reign of the entire room. They were free to move and explore as they wished. The parents loved it and didn't want to leave. Tumble Toddlers will be offered once a month.
 - **Wee Code** was introduced at last month's Little Scientist program. Registration was to capacity. Preschoolers were given access to the Chromebooks to explore computer coding applications like Kodable, Lightbot, and Scratch Jr. Future sessions will include "unplugged" activities and games.

Stimulate imagination

11. First grade visits are underway. All 1,200 KPS first graders will visit twice in the fall and then again in the spring. For this first visit, each child will receive a KPL library card, hear stories, and learn how to choose and check out a book.
12. Children have been making videos to "stump" for their favorite character in our "Storybook Character Election". Their videos are on our website.
13. The inaugural GeekFest was a great success! The event, held in Mattawan, was a partnership of five area libraries. 520 attended with 181 from Kalamazoo zip codes. Feedback from attendees and comments posted on our Facebook page were quite positive. Plans are already underway for 2017 GeekFest.
14. Jill Lansky from Teen Services is serving on the work group for OurStory, an app being launched by *We Need Diverse Books*. The app uses a database of more than 1,200 curated books reflecting diverse characters and themes that can be searched for reading recommendations. It will be available on the internet and on mobile platforms in January. Jill was invited to participate by author Jason Reynolds who has visited KPL twice.

15. Author Gary Schmidt visited KPL, Maple Street Magnet School, and the Juvenile Home to talk with students about his work and his writing process. All of the students had read at least one of his books, had terrific questions, and enjoyed his visit.
16. ScienceFlix, a new online database of science activities for kids is now on our website on the kids section.
17. An interesting piece of data pulled from a recent look at our ebook patrons: our top two ebook power users are a 66 year old who has checked out 258 titles since July 1 and a 9 year old who has checked out 235 in the same time period! There is no such thing as a typical ebook user.

Connect to the online world

18. We are one of two libraries (the other is Nashville) selected by PLA to receive a free DigitalLearn.org website treatment. KPL will work with PLA and a consulting group to incorporate the digital literacy tools into our website, similar to those available through the Chicago Public Library. This will be a great resource for our patrons; we'll have a board report when the service is available.
19. We had an electronic recycling day at Washington Square earlier this month. Unwanted electronics could be recycled at no charge. We plan to offer this program quarterly, rotating between Washington Square and Oshtemo.
20. Our digital signage has been transitioned to a new software system. Weather, time/date and a RSS scroll have been added to the today's events, upcoming events, and general library information.

Celebrate local

21. Staff videos to promote the "Embracing Forgiveness" program and our fine forgiveness week are on our website and social media.
22. KPL joined over 70 other nonprofits and service agencies for the county-wide Project Connect; an annual event that connects individuals & families to free community services. Staff at our information table, answered library-related questions while promoting the breadth and depth of our services and hearing lots of positive comments about KPL from attendees and the other providers. A WiFi connected laptop allowed staff to check for valid library accounts, fine info, and more.

Operations

23. Self-serve faxing has been added to the services available on the Library Document Station located in the copy area. The price has been reduced from \$1.00 to \$.50 per page. The station

allows patrons to scan the document along with their personal information and fax details, and sends an email confirmation to the patron when the fax is complete. Although we will continue to provide fax service from the information desk, we hope eventually to move to a completely self-serve model.

24. We are also now offering color and 2-sided printing: \$.25 per page for color and \$.10 per page for 2-sided. Patrons select the type of printing desired from the printer tab on the print screen and the print job is sent to the print station by the information desk.
25. Sixty youth librarians, including eight from KPL, gathered here for a day-long STEM workshop presented by the Library of Michigan. The workshop featured a range of hands-on experiences with each attendee receiving a Little Bits Kits and a MakeyMakey Kit.
26. The fiction stacks on the first floor at Central have been adjusted slightly to better hit the eye-level “sweet spot” for fiction browsing patrons. The lowest level of shelving, determined too low for optimum browsing, has been removed.
27. In response to patron suggestions “thrillers” have been interfiled with “mysteries” rather than with general fiction. Spine labels and catalog records reflect this change.
28. In keeping with the Social Justice Resolution approved by the board in August, the public restrooms on the lower level of Central have been designated as friendly to all genders. The signage has been adjusted accordingly and icons show the facilities within each one. Staff have been given talking points to help in conversations with patrons. A copy is attached for trustee information.



Gender Friendly Restrooms – Staff Talking Points

Why did KPL provide these restrooms?

At Kalamazoo Public Library, we do our best to be responsive to the individualized needs of our patrons. We chose to make our lower-level restrooms friendly for all genders to meet the needs of patrons who require assistance using the restroom and have a caregiver of the opposite gender, as well as accommodate patrons who do not feel comfortable in gender-defined restrooms.

Where are these restrooms, and what do they look like?

There are two restrooms on the lower level that have been designated to meet the individualized needs of our patrons, including those who require assistance and have a caregiver of the opposite gender, and patrons who do not feel comfortable in gender-defined restrooms. The exterior signage on each door indicates the accommodations located in each restroom.

What if I don't want to use these modified restrooms?

Gender-specific restrooms are available on the 1st, 2nd and 3rd floor.

I am concerned about security.

Security staff performs frequent inspections of all of our restroom locations to ensure the health and safety of all of our patrons. Security will always announce their presence prior to entering a restroom for inspection.

I am concerned about privacy.

The friendly for all genders restrooms were designated to provide privacy for occupants. If you have used one of these restrooms and still have privacy concerns, please notify a KPL staff member.

For Staff: If you have a patron who has additional concerns that cannot be addressed with these talking points and you require assistance, please contact Susan Lindemann at X7883.

**KALAMAZOO PUBLIC LIBRARY
LIBRARY STATISTICS
September 30, 2016**

Agency	<u>Central Library</u>	<u>East wood</u>	<u>Oshtemo</u>	<u>Powell</u>	<u>Washington Square</u>	<u>Total</u>	<u>Year to Date</u>	<u>Prior Year to Date</u>	<u>% Change</u>
<u>BOOKS</u>									
-Adult	20,436	845	9,702	333	2,365	33,681	106,594	112,195	-5%
-ebook	4,938					4,938	15,141	13,356	13%
-Digital Magazine	426					426	1,650	1,061	56%
Teen	3,218	120	913	41	313	4,605	16,570	17,816	-7%
Juvenile	<u>14,812</u>	<u>873</u>	<u>8,908</u>	<u>376</u>	<u>1,276</u>	<u>26,245</u>	<u>89,644</u>	<u>92,458</u>	-3%
Total	<u>43,830</u>	<u>1,838</u>	<u>19,523</u>	<u>750</u>	<u>3,954</u>	<u>69,895</u>	<u>229,599</u>	<u>236,886</u>	-3%
<u>AUDIO-VISUAL</u>									
Audiobook									
-CD	1,598	58	922	15	103	2,696	8,666	9,254	-6%
-Digital	3,049					3,049	9,283	5,839	59%
Music									
-CD	3,143	216	916	286	412	4,973	15,463	19,781	-22%
-Digital	1,936					1,936	5,723	4,702	22%
Video									
-DVD	28,906	4,234	8,695	3,083	5,628	50,546	162,563	165,599	-2%
- Digital	778					778	2,328	1,599	46%
Total Non-Print Material	<u>39,410</u>	<u>4,508</u>	<u>10,533</u>	<u>3,384</u>	<u>6,143</u>	<u>63,978</u>	<u>204,026</u>	<u>206,774</u>	-1%
Total Circulation	<u>83,240</u>	<u>6,346</u>	<u>30,056</u>	<u>4,134</u>	<u>10,097</u>	<u>133,873</u>	<u>433,625</u>	<u>443,660</u>	-2%
Computer Usage									
Onsite Computer Use	6,135	490	1,292	339	661	8,917	31,855	29,668	7%
Total Online Impressions						309,155	1,552,177		
WiFi Users	2,493	0	0	0	0	2,493	8,141	6,564	24%
Database Statistics									
Database Sessions	1,279					1,279	3,846	2,837	36%
Database Searches	36,397					36,397	103,864	115,852	-10%
Total Registrations	836	41	126	16	43	1,062	2,567	1,946	32%

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<u>Programs/Tours</u>									
Adult Events	6	0	4	1	0	11	43	72	-40%
Attendance	647	0	61	6	0	714	1773	2742	-35%
Teen Events	7	3	3	3	0	16	102	73	40%
Attendance	249	18	10	8	0	285	2162	2180	-1%
Juvenile Events	24	16	31	9	8	88	306	242	26%
Attendance	1018	235	771	203	125	2352	8772	9184	-4%
Total Events	37	19	38	13	8	115	451	387	17%
Total Attendance	1914	253	842	217	125	3351	12707	14106	-10%
Law Library									
Visitors	298					298	790	775	2%
Phone Calls	94					94	338	300	13%
Questions Answered	369					369	1112	1183	-6%

