



Library

ADMINISTRATIVE REGULATIONS

TAB: Administration

DOCUMENT NUMBER: 50-30-30

SECTION: Finance

SUBJECT: K.S.A. 12-1257 Special Fund (Special Use Fund)

SUMMARY

This regulation describes the types of expenditures that may be made from the library's special fund. It also describes the types of expenditures that may not be made from that fund but that must instead be made from the library's operating fund. The library's special fund was established by the Board of County Commissioners in 1979 pursuant to K.S.A. 12-1257. While the statute refers to the fund as a "special fund," the library and Board of County Commissioners have for many years referred to the fund as the library's "special use fund." Both designations are sometimes used in this regulation.

EFFECTIVE DATE:

July 21, 2011

Reviewed

October 11, 2018
October 22, 2020

POLICY:

Statutory Authorization of Special Use Fund

a. K.S.A. 12-1257 provides that the Board of County Commissioners, at the request of the library board, "may make an annual levy of not to exceed one mill upon all taxable tangible property within the county for the purpose of creating a special fund to be used for the acquisition of sites, and for the constructing, equipping, repairing, remodeling and furnishing of buildings for county library purposes. . ." In addition, the statute authorizes the Board of County Commissioners, at the request of the library board, to "issue bonds of such county in an aggregate amount not exceeding 2% of the assessed tangible valuation of such county, the proceeds of which shall be placed in such special fund and may be used for the purposes herein enumerated.

BOCC and Library Use of

b. The following history and description of purpose of the special use fund are relevant to understanding this

Special Use
Fund
and Purpose

regulation.

1. The Board of County Commissioners has since 1979 adopted fourteen resolutions making use of the library's special fund authority pursuant to K.S.A. 12-1257. An index of those resolutions and a summary of the stated purposes for each is set out in Appendix A of this regulation.

2. Chief counsel to the Board of County Commissioners, and counsel to the Johnson County Library, on June 21, 2006 issued a joint memorandum describing the purposes for which the funds in the library's special use fund may be expended. A copy of that memorandum is attached as Appendix B to this regulation.

3. On January 11, 2007, the County Auditor issued Report No. 2007-01 entitled "Library Special Use Fund Management and Financial Review." Among other things, the County Auditor recommended that the library establish "appropriate guidelines for the use of this special fund. The guidelines should make a clear distinction between the types of expenditures allowed in the Special Use Fund and those allowed in the Library Operating Fund."

4. The library has agreed with the recommendation of the County Auditor and has accordingly adopted this regulation.

Types Of
Expenditures
That May Be
Made From
The Special
Use Fund

c. The library may make expenditures from the Special Use Fund that are clearly and explicitly authorized under the terms of the statute and approved by the Board of County Commissioners. In addition, the following expenditures are appropriately made from the Special Use Fund:

1. Amounts sufficient to service the debt incurred by the library under the terms of K.S.A. 12-1257.

2. Sums paid for construction, renovation, or library infrastructure projects for which the Board of County Commissioners has granted budget approval.

3. Sums used to pay for major technology upgrades that include servers, routers, substantial hardware acquisition, and software acquired with budget approval granted by the Board of County Commissioners.

4. Transfers of funds from the Special Use Fund to

Project Accounts for expenditures for approved construction or major maintenance projects. Project accounts shall continue to be maintained for such projects. Such accounts may be maintained over the course of more than one budget year to pay for authorized projects given budget approval by the Board of County Commissioners.

Types of Expenditures That May Not Be Made From the Special Use Fund

d. The following expenditures may not be made from the library's Special Use Fund but must instead be made from the library's Operating Fund:

1. All personnel expenditures.
2. Expenditures made with respect to ongoing or day-to-day maintenance or repair of library facilities and properties.
3. Expenditures made for ongoing day-to-day property and facility maintenance items such as snow removal and lawn care. This prohibition extends to items of equipment, such as lawn and garden tools, that are used in such ongoing or day-to-day maintenance.
4. Expenditures that relate to the annual replacement of staff and public computers, copiers, furniture, vehicles, and other equipment that is acquired and used by the library on a three to five year cycle or more.

APPENDIX A

SUMMARY OF RESOLUTIONS ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS TO CREATE A SPECIAL FUND FOR THE JOHNSON COUNTY LIBRARY PURSUANT TO K.S.A. 12-1257

1. Res. 049-79, adopted May 21, 1979

- a. Set annual 12-1257 levy of one-half mill; authorized issuance of bonds in the amount of \$4,000,000.
- b. Stated Purposes:
 - i. Purchase of building sites at Oak Park, DeSoto, Gardner, Spring Hill, Stanley, Maintenance site.
 - ii. Construction of new improvements at Oak Park, DeSoto, Gardner, Spring Hill, Stanley, Maintenance building.
 - iii. "The equipping, repairing, maintaining, remodeling, and furnishing of furniture and equipment, to include books, computers, shelving, tables and chairs" at all library locations.

2. Res. 060-84, adopted May 3, 1984

- a. One-half mill levy.
- b. Stated Purposes:
 - i. Purchase site for Lenexa/Shawnee area library.
 - ii. Construct new improvements there and any other location (library)
 - iii. To "equip, repair, maintain, remodel, and furnish furniture and equipment, including books, computers, shelving, table and chairs" at new or any other library sites.

3. Res. 98-87, adopted September 3, 1987

- a. Bonds in the amount of \$1,865,000.
- b. Stated Purposes:

Microform conversion:	\$400,000
Building improvements:	\$265,100
Library computer:	\$1,200,000

4. Res. 04-88, adopted January 14, 1988

- a. Authorized issuance of temporary notes in the amount of \$384,270.

- b. Related to bonds authorized in Res. 98-87.
5. Res. 63-88, adopted May 19, 1988
- a. Issue bonds in the amount of \$215,000.
 - b. Stated Purposes: for improvements at Corinth; temporary notes authorized.
6. Res. 63-90, adopted June 7, 1990
- a. Increased 12-1257 mill levy limit to 1.0 mills, the statutory limit.
 - b. Stated Purposes: construction of branch library buildings in Shawnee and Leawood; constructing new improvements at those sites and any other library locations; "equipping, repairing, maintaining remodeling, and furnishing furniture and equipment, including books, computers, shelving, tables, and chairs at new library branch buildings and any other library location."
7. Res. 91-90, adopted September 27, 1990
- a. Authorized issuance of bonds in amount of \$2,165,000.
 - b. Stated Purposes: construction of Shawnee branch library and purchase of computer and other equipment.
8. Res. 093-91, adopted December 12, 1991
- a. Authorizes issuance of bonds in the principal amount of \$2,250,000
 - b. Stated Purposes: construction and equipping of Leawood branch library facility.
9. Res. 061-94, adopted July 28, 1994
- a. Authorized issuance of bonds in principal amount of \$3,100,000.
 - b. Stated Purposes: Remodeling and renovation of Antioch branch library facility.
10. Res. 103-94, adopted October, 1994
- a. Authorizes issuance of bonds in principal amount of \$345,000.
 - b. Stated Purposes: Upgrading computer system at Central Resource Library.
11. Res. _____, adopted sometime after September 20, 1995
- a. Resolution by BOCC yet to be located.
 - b. Resolution of Library Board (enclosed) dated September 20, 1995.
 - c. Requests issuance of bonds in the amount of \$3,059,291.

- d. Stated Purposes: Construction of addition to Lackman branch facility and for equipping, furnishing and remodeling of same.
12. Res. 048-98, adopted April 30, 1998
- a. Authorizes issuance of bonds in principal amount of \$6,415,000.
 - b. Stated Purposes: Acquiring, constructing, furnishing and equipping Blue Valley branch library facility.
13. Res. 116-00, adopted March 2, 2000
- a. Authorizes issuance of bonds in principal amount of \$3,390,000.
 - b. Stated Purposes: Construction, furnishing, and equipping of Gardner branch library facility.
14. Res. 038-10, adopted July, 2010
- a. Authorizes issuance of bonds in principal amount not to exceed \$800,000.
 - b. Stated Purposes: Acquisition of land for the future Monticello Library.

APPENDIX B

**JOINT MEMORANDUM ISSUED ON JUNE 21, 2006 BY DON JARRETT, CHIEF COUNSEL,
BOARD OF COUNTY COMMISSIONERS, AND FRED LOGAN, LIBRARY BOARD
COUNSEL, ON THE PURPOSES FOR WHICH
FUNDS IN THE LIBRARY'S SPECIAL USE FUND MAY BE EXPENDED**