

MARICOPA COUNTY LIBRARY DISTRICT BOARD OF DIRECTORS MINUTE BOOK

**FORMAL SESSION
July 25, 2007**

The Board of Directors of Maricopa County Library District, Phoenix, Arizona, convened in Formal Session at 9:00 a.m., July 25, 2007, in the Board of Supervisors' Auditorium, 205 W. Jefferson, Phoenix, Arizona, with the following members present: Fulton Brock, Chairman, District 1; Andrew Kunasek, Vice Chairman, District 3; Don Stapley, District 2 and Mary Rose Wilcox, District 5. Absent: Max W. Wilson, District 4. Also present: Fran McCarroll, Clerk of the Board; Shirley Million, Minutes Coordinator; David Smith, County Manager and Victoria Mangiapane, Deputy County Attorney. Votes of the Members will be recorded as follows: aye-no-absent-abstain.

MINUTES

Motion was made by Director Wilcox, seconded by Director Stapley, and unanimously carried (4-0-1) to approve the minutes of the meetings held on December 4, 2006, March 21, 2007, April 18, 2007, and May 2, 2007.

PERSONNEL AGENDA

Motion was made by Director Wilcox, seconded by Director Stapley, and unanimously carried (4-0-1) to approve the Library District Personnel Agenda (Exhibit D). Exhibit D will be found at the end of this set of minutes. (ADM2800-001)

DONATIONS

Motion was made by Director Wilcox, seconded by Director Stapley, and unanimously carried (4-0-1) to approve the following:

- Donation reports received for June 2007 as on file in the Clerk of the Board's office and retained in accordance with ASLAPR approved retention schedule. (ADM2800-006)
- Accept cash donations to the District's 2007 Summer Reading Program from the New Friends of the Maricopa County Library District in Sun Lakes in the amount of \$915.00 and the Friends of the Queen Creek Library in the amount of \$500.00. Approve and accept donations of furniture for "baby space" valued at \$1,855.00 and Weston Woods DVD/book kits for the juvenile collection valued at \$4,062.74 for the Southeast Regional Library donated by the Friends of the Southeast Regional Library. Material donations total \$5,947.74. Cash donations total \$1,415.00. Approve to amend the budget for the Library District (650), Library District Fund (244) increasing revenues and expenditures in the amount of \$1,415.00. (C6508001000) (ADM2800-006)
- Non-Cash donation valued at \$3,329.81

BUDGETING FOR RESULTS ACCOUNTABILITY POLICY

Motion was made by Director Wilcox, seconded by Director Stapley, and unanimously carried (4-0-1) to approve changes to the Budgeting for Results Accountability Policy (B1001) for the Library District to provide for establishing appropriated budgets at varying levels and to make other technical adjustments. (C4908008600) (ADM2808)

A. Purpose

The purpose of the Budgeting for Results Accountability Policy is to provide guidelines and direction on managing Board-approved budgets to elected, appointed and judicial branch agencies so that they can be accountable and comply with the law.

B. Introduction

A.R.S. §42-17106 specifies that the County may not incur expenditures in excess of the amounts appropriated by the Board of Supervisors in the annual budget. A Special District may not exceed its duly adopted budget without an action by its Board of Directors amending its budget. The Budgeting for Results Accountability Policy provides Departments/Special Districts with flexibility in managing their allocated public resources in order to achieve results for customers while upholding accountability for spending within legal appropriations.

C. Definitions

Appropriation Adjustment: A change in an appropriated budget, which must be approved by the Board of Supervisors/Board of Directors.

Appropriated Budget: A budget legally adopted by the Board of Supervisors/Board of Directors, which authorizes expending funds or incurring obligations for a specific purpose, referred to as "budget items" in A.R.S. §42-17106. Appropriations may be set at different levels as directed by the Board of Supervisors/Board of Directors.

Appropriation Level: The level of detail to which a budget is appropriated by the Board of Supervisors/Board of Directors, such as by department and fund, project, activity, etc.

Department: All County/District departments, including elected and judicial branch agencies and/or offices as well as appointed departments and/or offices.

Detailed Budget: The detailed budget plan within an appropriated budget. In Maricopa County, detailed budgets are specified by month, function, organizational unit, program/activity/service, object/source, and position.

Function: Classification of expenditures and revenues by recurring vs. non-recurring uses, including projects.

Special District: Special Districts for which the Maricopa County Board of Supervisors acts as the District Board of Directors, including the Flood Control, Library, and Stadium Districts.

D. Policy Guidelines

1. At a minimum, the Office of Management and Budget shall validate that all detailed budget adjustments balance and reconcile to appropriations set by the Board of Supervisors/Board of Directors.

FORMAL SESSION
July 25, 2007

2. All budgets are appropriated and controlled by the Board of Supervisors/Board of Directors at the level of department and fund, with appropriated budgets for any specific projects included within a department/fund. Where applicable, appropriation levels may be established by function, program/activity, or object of expenditure.
3. Appropriated budgets are not guaranteed from one fiscal year to the next. Each year, appropriated budgets for each department shall be recommended by the Office of Management and Budget according to the *Budgeting for Results Policy Guidelines (B1006)*.
4. Departments shall develop and maintain detailed revenue and expenditure budgets that will be loaded into the main financial system. Detailed budgets will be prepared by month, function, organizational unit, program/activity/service, object/source and position according to instructions developed by the Office of Management and Budget. Detailed budgets shall exactly equal appropriated budgets approved by the Board of Supervisors/Board of Directors. The Office of Management and Budget shall validate that all detailed budget adjustments balance and reconcile to appropriations set by the Board of Supervisors/Board of Directors.
5. Appropriated budgets shall be changed during the fiscal year only with Board of Supervisors/Board of Directors approval, with the exception of grants approved by the Board of Supervisors/Board of Directors in the previous fiscal year and carried over into the next fiscal year. The Office of Management and Budget may approve appropriation adjustments for carried-over grants if the Board of Supervisors/Board of Directors previously appropriated the grant, and the Department of Finance certifies the carried-over grant balance.
6. The Board of Supervisors/Board of Directors must approve all changes in project appropriations. All requests for changes in project appropriations must be accompanied by a request for Board of Supervisors/Board of Directors approval to amend the relevant five-year capital improvement program or other project plan approved by the Board of Supervisors/Board of Directors.
7. In order to maximize results, departments have the flexibility to incur expenditures that vary from their detailed budgets for the remainder of the current fiscal year, so long as they comply with the appropriated budget. This flexibility is accompanied by the responsibility to produce expected results while absorbing unanticipated spending increases. If a department requests an appropriated budget increase or contingency transfer for an unanticipated spending increase, the Board of Supervisors/Board of Directors may adopt appropriated budgets for that department at the level of program/activity and/or object of expenditure.
8. All positions must be fully funded in accordance with the *Funded Positions Policy (B3001)*. In order to create new positions, departments must first verify full-year funding. If a position loses funding, it shall be identified and eliminated.
9. Departments shall not recommend for approval any agreements that commit the County/Special District to expenditures for which funding is not identified in future years. Departments shall verify funding for all purchase requisitions or other contracts or agreements.

10. Department expenditures and revenues shall be monitored and reported on a monthly basis throughout the fiscal year. The Department of Finance shall prepare and submit to the Board a comprehensive monthly analysis of budget variances by department and fund or by lower appropriation level, and will investigate any negative year-to-date variances.
11. Any departments for which the Department of Finance reports a negative year-to-date expenditure or revenue variance must provide a written explanation and corrective action plan to the Department of Finance and the Office of Management and Budget. The Office of Management and Budget and the Department of Finance will review and approve all corrective action plans, and report them to the Board once they are finalized.
12. If there is a significant risk that a department will exceed its appropriated budget, the Board of Supervisors/Board of Directors may adopt appropriated budgets for that department at the level of program/activity and/or object of expenditure.
13. Departments shall not exceed their appropriated expenditure budgets. Departments shall be required to reduce expenditures to offset any shortfall in their budgeted revenue unless the Board of Supervisors/Board of Directors has approved other adjustments to offset the shortfall. At the close of the fiscal year, the Department of Finance will prepare and submit to the Board of Supervisors/Board of Directors a comprehensive report of audited actual expenditures and expenditures relative to all department appropriated budgets. The report will include an explanation of each instance in which expenditures exceeded appropriated budgets.
14. If a department exceeds its appropriated expenditure budget, the department's expenditures will be reviewed by the Office of Management and Budget to identify the causes of the overrun. The Office of Management and Budget will report its findings, along with a recommended corrective action plan, to the Board of Supervisors/Board of Directors. Corrective action plans may include (but will not be limited to) adopting appropriated budgets for that department at the level of program/activity and/or object of expenditure and a reduction of the department's appropriated budget in the subsequent fiscal year in an amount up to the amount of the overrun in the prior fiscal year.

SOLICITATION SERIAL

The action on the following item is subject to Civil Division's review and approval of the respective contract and subsequent execution of contract.

Motion was made by Director Wilcox, seconded by Director Stapley, and unanimously carried (4-0-1) to approve the renewal/extension of the following contract: (This is recommended with the concurrence of the using agency and the vendor, upon satisfactory contract performance and, when appropriate, after a market survey is performed). (ADM2810)

MARICOPA COUNTY LIBRARY DISTRICT BOARD OF DIRECTORS MINUTE BOOK

**FORMAL SESSION
July 25, 2007**

Until July 31, 2008

03032-S Digital Library Materials Flow Management System (\$550,000 estimate/one-year) Price agreement renewal to provide for maintenance and additional equipment and supplies to support and expand the Library Districts Digital Materials Flow Management System.

- 3M Company

MEETING ADJOURNED

There being no further business to come before the Board, the meeting was adjourned.

Fulton Brock, Chairman of the Board

ATTEST:

Fran McCarroll, Clerk of the Board