

**Flint Public Library
Finance and Budget Committee
May 26, 2016
Room 205, 5:30 PM**

Members present: Jim Richardson, Matthew Schlinker, Mort Krasner, Linda Gulley

Staff present: Kathryn Schwartz, Connie Palmer

Mr. Richardson called the Finance Committee meeting to order at 5:36 p.m.

The agenda was approved with the addition under Old Business of Presentation of Amendment for FY 16. All present voting aye for the change.

A call was made to the public, no public in attendance wished to speak.

The committee reviewed the minutes from the April 27, 2016 meeting. A motion was made by Ms. Gulley and seconded by Mr. Schlinker to accept and file the April 27, 2016 minutes. Mr. Richardson called the question, all present voting aye. Motion carried.

New Business

Presentation on City of Flint Property Values

Mr. Richardson asked Director Schwartz to introduce Mr. William Fowler, City of Flint Assessor. Mr. Fowler presented to the committee information on the assessed and taxable values of property in the City of Flint. (Please see memo to Director and spreadsheets attached to these minutes for the details of the presentation.) Discussion ensued. Mr. Richardson thanked Mr. Fowler for his presentation and taking the time to meet with the Finance Committee.

Monthly Financial Statements and Investment schedule for the period ending April 30, 2016.

Director Schwartz requested that the review of the financial statements occur in conjunction with the review of the budget amendment for FY 16. Mr. Richardson asked those in attendance if that was acceptable, all present agreed.

Old Business

General Fund Amendment 4 for FY 16

Mr. Richardson asked Director Schwartz to go through the amendment as presented. Director Schwartz reviewed the amendment, summarized by the notes below.

The operating budget for the General Fund for FY 16 requires amending as the result of the receipt of additional grant revenue from the Flint-Genesee Literacy network and additional state aid from the State of Michigan for the UAAL payment to the Michigan Public School Personnel Retirement System (MPERS); also known as the stabilization payment.

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We have taken this opportunity to forecast projected revenues and expenses for FY 16 based on information available as of May 20, 2016. The highlights are detailed below.

Revenues

We have projected revenues will increase by \$102,534 from our last budget amendment. This figure includes the following:

- State Aid – State aid was increased by the receipt of the stabilization payment of \$82,831 and small increase in our regular state aid of \$15,483.
- Sales, Fees, Fines – This category has a decrease of \$690 in total based on actual activity through April, 2016. We are projecting that we will received penal final revenue in the amount of \$123,384.
- Investment Income- Investment income was increased \$3,400 based on estimates through April, 2016.
- Gifts, Donations – Gifts and donations were increased \$2,711. This includes an increase in the gifts received from the Community Foundation of Greater Flint Fund for the Flint Public Library, an increase in restricted use donations and an increase in miscellaneous revenue.
- This category includes the Ruth Mott Foundation operating grant portion allocated to general fund of \$275,000. This is a calendar year grant through December 31, 2016. It is estimated at this time approximately \$222,000 will not be spent in FY 16 and will be assigned to FY 17. We have included the assignment of the funds in Resolution 16-301. Please note that it is likely this figure will require adjustment before the end of FY 16 and we will present the adjustment with the final budget amendment on June 30, 2016.
- Reimbursements – A small adjustment due to the 1.86% increase in rates from Blue Cross Blue Shield in May, 2016 increased the total reimbursements for FY 16.

Expenditures

We have projected expenditures will decrease \$160,872 from our last budget amendment. The majority of the decrease is attributable to a reduction in the expenses budgeted for in Administration, Automated and Technical Services, and Library and Public Services from the Ruth Mott Foundation operating grant. These items are included in the budget as presented for FY 17.

The projected expenditures include the additional stabilization payment to the State of Michigan of \$82,831 for MPSERS. The expense was allocated amongst activity centers based on current staff participating in MPSERS.

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Grants and special programs have been projected for anticipated expenditures through June 30, 2016. Grants not exhausted in FY 16 of \$38,388 will be assigned to FY 17.

Recommendation

Director Schwartz is recommending the adoption of the fourth budget amendment calling for excess revenues over expenditures of \$250,848, the assignment of approximately \$222,000 of the excess revenue over expenditures from the Ruth Mott Foundation operating grant to complete the work begun towards the strategic initiatives, the assignment of \$25,000 for technology improvements, \$38,388 assigned to grants and special programs, \$2,000 to restricted contributions and adding \$3,848 to unassigned, uncommitted and unrestricted fund balance.

This recommendation is presented as the assigned funds are specifically budgeted in the FY 17 budget as presented. Adjustments for actual expenditures for the Ruth Mott Foundation operating grant through June 30, 2016 and the receipt of the property tax settlement from the Genesee County Treasurer will be reflected in the final budget amendment for FY16. The final amendment will be presented on June 30, 2016.

Director Schwartz and Mrs. Palmer throughout the presentation compared the results through April 30, 2016 to the projected budget for FY 16.

Resolution 16-301, Approval to amend general operating budget for fiscal year ending June 30, 2016, was presented to the committee. A motion was made by Mr. Krasner and seconded by Mr. Schlinker to recommend Resolution 16-301 to the Board of Trustees for approval. Discussion ensued. Mr. Richardson called the question, all present voting aye. Motion carried.

Presentation of Operating Budget for FY 17

Mr. Richardson asked Director Schwartz to go through the operating budget for FY 17. Director Schwartz and Mrs. Palmer reviewed the budget.

The highlights of the proposed budget are as follows:

- A decrease in property tax revenue
- A continuation of current service hours to the public of 45 hours per week
- Expected receipt of Priority 2 Erate reimbursement for technology capital purchases of \$45,577- Assigned fund balance of \$25,000 from FY 16 will be used towards other technology upgrades
- An increase in penal fine revenues
- A shift in the materials budget that reflects the additional use of technology for digital initiatives, reducing the amount spent on materials

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- Continuation of the collaboration with the Flint Cultural Center Corporation for outside maintenance services and a new collaboration for custodial services and light maintenance
- Continuing the collaboration with the Flint Institute of Arts for security services
- Establishing a campaign goal of \$125,000 for the Annual Campaign for operations
- The use of assigned fund balance from the Ruth Mott foundation operating grant of \$222,000 to complete the analysis and plan for our direction in digital initiatives in the first half of FY 17
- The use of unrestricted, unassigned, and uncommitted net assets of approximately \$13,695

Discussion ensued regarding the property tax revenues, penal fines, state aid revenues, personnel expenditures, materials expenditures and facilities maintenance costs. Director Schwartz presented Resolution 16-302 Flint Public Library 2017 General Fund Appropriations Act for the committee's approval and recommendation to the Board. A motion was made by Mr. Schlinker and seconded by Mr. Krasner to recommend Resolution 16-302 to the Board of Trustees for approval. Discussion ensued. Mr. Richardson called the question, all present voting aye. Motion carried

Director's Report

Director Schwartz reported on the following items:

- The Library is planning a variety of programming this summer for Children, Teens, and "Tweens (9-12).
- The summer reading program is being reworked to visit more outreach sites than we did last year. Library staff will work with YouthQuest sites. We have engaged a school library specialist for summer reading outreach, specifically to go to Flint Housing Commission sites, YMCA safe places, etc. We are also partnering with Christ Enrichment Services this summer.
- A marketing blitz for the summer programs for children and teens is in process. A supplement that has information related just to these programs has been placed at the appropriate places in the community and additional copies were provided for the Flint-Genesee Area Chamber of Commerce Youth Quest sites. A smaller booklet for the Every Child Ready to Read program was created and distributed by the Genesee Intermediate School District to their City of Flint Head Start sites. Every Child Ready to Read will have a drop in story time during the summer.
- A Michigan State University undergraduate communications class was at the library surveying patrons on how people are getting information on the water crisis. We have requested a copy of the final report.

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Board Report

Mr. Richardson reported the board had heard the information from Director Schwartz's report at its last meeting. The Board adopted Resolution 16-300 approving the Adoption of the "80/20" Option under P.A. 152. The 2017 Budget Overview as presented to Finance in April was presented to the Board. Director Schwartz was authorized to contract for custodial services with the Flint Cultural Center Corporation.

There being no further business to discuss, Mr. Richardson adjourned the meeting at 7:25 p.m.

Respectfully submitted,
Connie Palmer