

**Flint Public Library
Finance and Budget Committee
October 24, 2018
Room 205, 5:30 PM**

Members present: Jim Richardson, Kathy Jackson, Matthew Schlinker, Andrew Watchorn

Staff present: Director of Library Services Kay Schwartz
Director of Finance, HR & Facilities Connie Palmer

Mr. Richardson called the Finance Committee meeting to order at 5:35 p.m.

Mr. Richardson requested a motion to approve the agenda as presented. Mr. Schlinker made a motion to approve the agenda as presented, Ms. Jackson supported. All present voting aye.

A call was made to the public; the following public comments were made:

- Mark Baldwin introduced himself to the committee. Mr. Baldwin lives in the 3rd ward in Flint and was in attendance to learn more about the library and the programs it offers. He is specifically concerned about programs for the children on the north side of Flint and what is available for the next generation.
- Dionne Johnson introduced herself to the committee. Ms. Johnson lives in Ann Arbor but owns several properties in Flint. She has participated in activities with Ballenger Park. She is also concerned about programs for the north side of Flint.
- Princess Belk was invited by Ms. Jackson to attend the meeting. Ms. Belk is concerned about the literacy needs of the children living on the north side of Flint.

Mr. Richardson welcomed the members of the public and thanked them for their comments.

The committee reviewed the minutes from the September 26, 2018 meeting. Mr. Watchorn made a motion and Mr. Schlinker seconded to accept and file the September 26, 2018 minutes. Mr. Richardson called the question, all present voting aye. Motion carried.

Old Business

Presentation of Financial Report with supplemental information for the year ended June 30, 2018 and auditor's comments and recommendations.

Mr. Richardson introduced Ms. Pam Hill, CPA Partner from Plante Moran, PLLC. Ms. Hill introduced Mr. James Terry, CPA who was the in charge for the audit. Ms. Hill reviewed the audit opinion letter with the committee. The library was given an unmodified opinion on its financial records and results; the equivalent of an A+. Plante Moran spent about 200 hours on the engagement. Ms. Hill thanked the staff for their work during the year and on the engagement.

Ms. Hill and Mr. Terry reviewed the financial report with the committee members. The Library has adequate fund balance as of June 30, 2018 within the parameters recommended. The library's net position after recording pension and OPEB liabilities is \$4,250,630 as of June 30, 2018. The governmental funds balance sheet reflects unassigned fund balance of \$2,410,444 which is approximately 61% of annual

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expenses. This compares to 54% the prior year. The largest revenue source is property taxes which amounted to 67% of revenues in the fiscal year. The largest expenditure is for staff and fringe benefits which accounts for 53% of expenditures. This is expected in an agency that provides public service to the community.

Mr. Richardson asked Ms. Hill to review note 8, Agent Defined Benefit Pension Plan and note 9, Michigan Public School Employees' Retirement System and the associated schedules in the supplemental information of the annual financial report. Ms. Hill reviewed the information in detail and responded to questions from committee members regarding the pension liabilities.

Mr. Richardson requested a motion to submit the Annual Financial Report with supplemental information for the year ended June 30, 2018 and the corresponding auditor's comments and recommendations to the Board of Trustees for their approval. Mr. Schlinker made the motion and Ms. Jackson seconded the motion. Mr. Richardson called the question, all present voting aye, motion passed. Mr. Richardson thanked Ms. Hill and Mr. Terry for their presentation.

New Business

Financial Statements and Investment Report for the period ending September 30, 2018. Mr. Richardson asked Mrs. Palmer to review the financial statements and investment report for the period ending September 30, 2018. Mrs. Palmer reviewed the financial statement and the investment schedule with the committee, noting the financial statements were preaudit. The committee reviewed the cash and cash investments, the property tax revenues and the flow of collections and the status of the budget to actual for each activity center and grants. Discussion ensued as the committee reviewed the statements in detail. Mr. Watchorn moved and Ms. Jackson seconded forwarding with the committee's recommendation for approval, the financial statements and the investment report for the period ending September 30, 2018 to the Board of Trustees. All present voting aye.

ACH Policy

Mrs. Palmer stated that a revised ACH policy will be brought to the next finance committee for consideration. Plante Moran has suggested that the policy be reviewed and adopted at the board level with a board resolution.

Director Report

Director Schwartz reported on the following:

- There was a power disruption on October 11, 2018 which led to a problem with a motor to one of the air handling units, resulting in a fire call. The only damage as a result was to the motor which has been replaced. The library closed that afternoon and opened at noon the next day.
- The Learn for Life luncheon was very successful. Final numbers will be available shortly but the results exceed the prior year results.
- Director Schwartz is continuing work on a strategy for funding the library renovation.

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Board Report

Mr. Richardson reported on the following items:

- The Board held its annual reorganization meeting and welcomed Ms. Kathy Jackson to the Board as an appointee of the City of Flint. The Board also acknowledged the renewal of Ms. Linda Pylpiw as an appointee of the City of Flint and Mr. Moses Bingham as appointee of the Flint Community Schools.

- The Board elected officers for the year:
 - President: Ms. Linda Pylpiw
 - Vice President: Mr. Brian Larkin
 - Secretary: Mrs. Reta Stanley
 - Treasurer: Mr. Jim Richardson

- Mr. Brian Larkin will be joining the Finance Committee starting in November, 2018. The Finance Committee will then have 3 board members, Mr. Richardson, Ms. Jackson and Mr. Larkin and 2 community members Mr. Schlinker and Mr. Watchorn. *(Note meeting change to Thursday effective in November 2018.)*

There being no further business to discuss, Mr. Richardson adjourned the meeting at 7:00 p.m.

Respectfully submitted,
Connie Palmer

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