

**DETROIT LIBRARY COMMISSION PROCEEDINGS****SPECIAL MEETING****DECEMBER 1, 2016**

President Adams called the Special Meeting of the Detroit Library Commission to order at 11:50 a.m.

Present: President Adams, Commissioners De Santis, Jackson, Thomas, Weaver

Administrative Staff: Mondowney, Brown, Bruni, Funchess, Ibegbu, Johnson, Moore, Powell, Simmons

Also Present: Deborah Dorsey, Carolyn Mosley, Yvette Rice

Excused: Commissioner Inniss-Edwards

**COMMITTEE ON FINANCE****Authorization to Approve the Proposed Budget for Fiscal Year Ending June 30, 2018****Introduction**

The Library received the "FY2018 Departmental Budget Request Submission Information" from the Chief Financial Officer of the City of Detroit, due, December 9, 2016. The budget development process is in accordance with State of Michigan Public Act 181 of 2014, Section 6(4) which requires the City of Detroit to submit a Four-Year Financial Plan at least 100 days prior to commencement of the fiscal year, or July 1, 2017. The City of Detroit will submit the FY 2018 Budget and FY 2018-2021 Four-Year Financial Plan to the Financial Review Commission on March 23, 2017.

Minutes were approved at the December 20, 2016 Commission Meeting

## **Overview**

During the FY 2017 Budget development process, administration also included a 3-year forecasting spending plan for FY 2018 – 2020. The FY18 Projected Budget showed a \$33,848,664 spending plan, with \$30,246,072 of anticipated revenues, leaving a funding gap of \$3,602,591. The recommended Proposed Budget for FY18 is \$32,888,262 with a use of \$1,837,292 from fund balance.

In FY15, the audited ending fund balance for the Library was \$17,354,978. It is estimated for FY16, due to the increase in delinquent property taxes that the ending fund balance will be \$20,554,978. In FY17, the Library Commission approved a balanced budget of \$33,160,643 including a use of \$1,899,535 from fund balance, leaving an anticipated available fund balance for FY18 of \$18,655,443. If approved, the use of \$1,837,292 from fund balance in FY18 will leave an approximate remaining fund balance of \$16,818,151. The attached Fund Balance Policy, approved in 2004, requires that the DPL maintains a minimum fund balance of 10% - 15% of the general operating budget. The total remaining fund balance for FY18 will not go below the required minimum balance of \$4,971,531.

## **Revenues**

The total FY18 Proposed Budget revenues are \$32,888,262 which includes the use of \$1,837,292 from fund balance. The Proposed FY18 revenues of \$31,050,970 are approximately \$800,000 higher than the Projected FY18 revenues stated earlier. The major contributing factors to this increase are from higher budgeted amounts for delinquent property taxes, State Aid, and reimbursements from administrative off-sets received from the Detroit Library Cooperative.

## **Expenditures**

Overall FY18 proposed budgeted expenditures are \$960,402 less than the projected FY18 expenditures.

This is due to the less than projected sick leave payouts upon retirement and reduction of projected tax captures.

## **COMMISSION ACTION**

After a thorough discussion, the following action was taken:

Commissioner Thomas moved approval. Commissioner Jackson supported. The motion passed unanimously.

The meeting was adjourned at 12:16 p.m.

Minutes were approved at the December 20, 2016 Commission Meeting