

**DETROIT LIBRARY COMMISSION PROCEEDINGS****SPECIAL MEETING****DECEMBER 1, 2015****12:30 P.M.**

President Quarterman called the Special Meeting of the Detroit Library Commission to order at 12:40 p.m.

Present: President Quarterman, Commissioners Davis, Inniss-Edwards, Jackson

Administrative Staff: Mondowney, Brown, Bruni, Call, Ibegbu, Johnson, Moore, Powell, Norfolk, Simmons, Williams

Also Present: Deborah Dorsey, Mike McElgunn, Carolyn Mosley, Yvette Rice

Excused: Commissioners Adams, Merritt, Thomas

**COMMITTEE ON FINANCE****Authorization to Approve the Proposed Budget for Fiscal Year Ending June 30, 2015**

The Library received the "FY2017 Departmental Budget Request Submission Information" from the Chief Financial Officer of the City of Detroit, due December 4, 2015. 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, 2016. The City of Detroit will submit the FY 2017 Budget and FY 2017-2020 Four-Year Financial Plan to the Financial Review Commission on March 23, 2016.

Minutes were approved at the December 15, 2015 Commission Meeting

## Overview

During the FY 2016 Budget development process, administration also included a 3 - year forecasting spending plan for FY 2017 – 2019. In the attached **FY 2017 Projected Budget and FY 2017 Proposed Budget** document, there are several adjustments to the spending plan for 2017. The total recommended budget for revenues and expenditures is **\$33,143,542**, with the use of **\$1,899,535** from fund balance.

In FY14, the audited ending fund balance for the Library was \$10,893,676. It is estimated FY15 fund balance will increase by approximately \$4,300,000, for an ending fund balance of \$15,193,676. In FY16, there was approval for the use of \$1,971,200 from fund balance. Anticipated available fund balance for FY17 will be \$13,222,476. If approved, the use of \$1,899,535 from fund balance in FY17, the remaining fund balance will be approximately \$11,211,941. 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 anticipated fund balance for FY17 will not go below the required minimum balance of \$4,971,531.

## Revenues

The amendment to increase overall revenues by \$204,616 from the forecasted number includes the administrative chargeback of the Detroit Library Cooperative. This administrative chargeback totals \$204,616. The administrative chargeback for the Cooperative is to offset the salary costs and services incurred by administering the Detroit Library Cooperative.

## Expenditures

There are several adjustments to expenditure line items. The following are decreases to the projected budget line items:

- Contracted Services of Janitorial service - \$319,956; the original amount of \$935,642 was an in error.
- Insurance Premiums - \$101,167; the insurance renewal rates are anticipated to be lower than originally projected
- Purchased computer services - \$85,000; Acquisition-Equipment - \$186,000; Acquisition-Library Materials - \$281,685; the original projections included cost of purchasing computers. After further analysis, administration believes leasing computers is a more cost efficient option to replace obsolete technology throughout the Library system.

The total reduction of expenditures is \$973,808.

The following are increases to the projected expenditure line items:

- Repairs & Maintenance-Buildings and Grounds - \$109,967; the increase will cover planned projects for Main Library landscaping Phase 2, ADA striping of all branch parking lots, and snow removal/grass cutting of all sites.
- Rentals-Building - \$7,000; to cover the lease agreements for our branches
- Rentals-Office Equipment - \$7,600; there are several Xerox copiers that leases are expiring, and we anticipate increases in the renewals.
- Telecommunications - \$12,450; Increased maintenance expense of the new Print Management System
- IPO-Pur Svcs-Staff Service - \$433,907; this is an increase in the Central Service charge. This charge is allocated to us by the City of Detroit.
- Capital Outlay - \$407,500; Increased expenditure is to fund Phase 2 of Wilder Branch renovation, and covers planned repairs at Duffield Branch, and renovations at Edison Branch.
- State Aid 16(4) - \$125,000; State Aid Library Services - \$75,000; these expenditures have been itemized to appropriately account for State Aid expenditures.

The total increase in expenditures is \$1,178,424.

The recommendation is to increase overall expenditures by \$204,616 from the forecasted 2017 budget.

Authorization is requested to approve the proposed 2017 budget and continuing contracts.

### **COMMISSION ACTION**

Commissioner Davis moved approval of the proposed 2017 budget and continuing contracts. Commissioner Jackson supported. The motion passed unanimously.

### **Authorization to Approve the Fiscal Year 2016 Operating Budget Amendment**

The Detroit Public Library's **\$32,760.440** budget for Fiscal Year 2016, beginning July 1, 2015 was approved at the April 15, 2015 Special Commission meeting. During the discussion of the FY 2016 "Budget to Actual" Comparison document at the October 12, 2015 of the Committee in Finance, it was noted that due to the anticipation of additional revenues, the FY 2016 general fund budget would require an amendment.

Authorization is requested to amend the FY 2016 budget to reflect the increase in revenues by **\$474,000**. The sources of the increased revenues are as follows: (1)

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**Renaissance Zone - \$129,384; (2) State Aid - \$140,000; (3) Detroit Library Cooperative - \$204,616.**

### **COMMISSION ACTION**

Commissioner Davis moved approval of the fiscal year 2016 operating budget amendment. Commissioner Jackson supported. The motion passed unanimously.

### **Authorization to Contract with Dell for the Lease of Desktop Computers**

Dell is the sole source desktop computer vendor for the Detroit Public Library. The computers to be leased will be used to replace obsolete computers at DPL branches which have reached end of their life cycle.

Leasing the new desktops will allow DPL to keep up with changing trends in technology as well as provide required management and maintenance. The current average age of computers in DPL is 8 years, far exceeding the industry standard of 4 years.

DPL currently has about 800 computers that are dedicated to public use. 75% of these are in obsolete condition. The proposed lease agreement will attempt to reduce this percentage and provide for computer maintenance.

Authorization is requested to contract with Dell for a lease of 200 computers to be used at several branches of the Detroit Public Library. The total cost for this 4-year lease is \$103,010, at an annual cost of \$25,753.

### **COMMISSION ACTION**

Commissioner Davis moved approval to contract with Dell for the lease of desktop computers. Commissioner Jackson supported. The motion passed unanimously.

The meeting was adjourned at 1:15 p.m.