

**Flint Public Library
Finance and Budget Committee
October 24, 2019
Room 205, 5:30 PM**

Members present: Brian Larkin, Mathew Schlinker, Jim Richardson, Andrew Watchorn, April January
Staff present: Director of Library Services Kay Schwartz
Director of Finance, HR & Facilities Connie Palmer
Guests: Ms. Pam Hill, Partner Plante Moran
Ms. Ashley Frase, Manager Plante Moran

Mr. Larkin called the Finance Committee meeting to order at 5:30 p.m.

Mr. Larkin requested a motion to approve the agenda as presented. Mr. Schlinker made a motion to approve, Mr. Richardson seconded, all present voting aye. Motion carried.

A call was made to the public. No public in attendance requested to address the committee.

The committee reviewed the minutes from the September 26, 2019 meeting. Mr. Richardson made a motion and Mr. Schlinker seconded to accept and file the September 26, 2019 minutes. Mr. Larkin called the question, all present voting aye. Motion carried.

Old Business

Presentation of annual financial report for the fiscal year ending June 30, 2019 and auditor's opinion on the same.

Mr. Larkin introduced Ms. Pam Hill, CPA, and partner from Plante Moran to present the auditors opinion and results. Ms. Hill stated that after the completion of the audit, Plante Moran has given the financial statements an unmodified, clean opinion. Ms. Hill then asked Ms. Ashley Frase, CPA, manager from Plante Moran to review the statements in detail with the committee. Ms. Frase reviewed the Governmental Fund Balance Sheet, the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance.

Ms. Frase referred the committee to Note 8, Agent Defined Benefit Pension Plan for the Municipal Employees Retirement System that covers staff hired after July 1, 2000 and full time staff as of July 1, 2012. Ms. Frase noted that this plan has a positive net position of \$106,065 as of December 31, 2018, the measurement date for the plan. This situation could change depending investment changes and staffing changes. Mrs. Palmer noted that this particular plan does not include a retiree health insurance component.

Ms. Frase referred the committee to Note 9, Michigan Public School Employees' Retirement System. This plan is part of the State of Michigan Office of Retirement Services and only applies to current employees who transferred to the Flint Public Library when the Library was spun off from the Flint Community Schools in 2000. Eight employees who are part of this plan. The Library is responsible for a proportionate share of liability in the plan, .006659 percent as of the measurement date of September 30, 2018 resulting in a liability of \$2,001,960. The plan provides for retiree's health benefits

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of which the Library's proportionate share is .005624 percent, resulting in a liability of \$447,020 as of the measurement date of September 30, 2018.

Ms. Hill referred the committee to the combined auditor's opinion letter and report on internal controls. Ms. Hill stated during the course of the audit, a review of the internal controls was conducted, specifically the online banking controls. For the year audited, the auditor had noted a significant deficiency in the controls. Sample transactions were reviewed and no discrepancies were found. When this was brought to the attention of management in September 2019, the Library worked with its financial institution to put the suggested controls in place. Ms. Hill stated that this has, "fully mitigated the online banking internal control deficiency for future years" as stated on page 3 in the letter to the board of trustees.

Discussion ensued. Mr. Larkin called for a motion recommending the Financial Report with Supplemental Information as of June 30, 2019 and the auditor's opinion on the same to the Board of Trustees for approval. Mr. Richardson made the motion and Mr. Watchorn seconded. Mr. Larkin called the question, all present voting aye. Mr. Larkin thanked the auditors for their presentation.

Financial Statements and Investment Report for the period ending September 30, 2019. Mr. Larkin asked Mrs. Palmer to review the financial statements and investment report for the fiscal year ending September 30, 2019. Mrs. Palmer reviewed the financial statements and the investment schedule with the committee. 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. Ms. January moved and Mr. Watchorn seconded forwarding with the committee's recommendation for approval, the financial statements and the investment report for the period ending September 30, 2019 to the Board of Trustees. All present voting aye.

Capital Projects update

Mr. Larkin asked Director Schwartz to provide an update on the renovation plan for the library. Director Schwartz reported the following:

- Director Schwartz reviewed the information campaign related to the ballot proposals with the committee.
- The Community Foundation of Greater Flint has awarded a \$50,000 capital grant to the Library for the renovation of the library.
- Win Cooper of Cooper Commercial is negotiating three potential locations for temporary space during the renovation.
- The Learn for Life luncheon was held on October 21, 2019 at the Library. This was very successful and allowed donors to see the current status of the building.

New Business

None

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Director Report

The Director's report is as stated in the updates under capital projects update. .

Board Report

Mr. Larkin reported that the Board of Trustees had appointed the following officers at their last meeting:

President:	Ms. Linda Pylpiw
Vice President:	Ms. Rita Stanley
Secretary	Mr. Moses Bingham
Treasurer	Mr. Brian Larkin

The board was notified that the Flint Board of Education enthusiastically and unanimously approved Heather Kale to fill the remainder of the trustee term vacated by David McGhee. Ms. Kale will be sworn in at the November 7, 2019 meeting.

There being no further business to discuss, Mr. Larkin called for a motion to adjourn, Mr. Schlinker made the motion and Ms., January seconded. All present voting aye, meeting adjourned at 7:10 p.m.

Respectfully submitted,
Connie Palmer

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