

**Flint Public Library  
Finance and Budget Committee  
November 21, 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

Mr. Larkin called the Finance Committee meeting to order at 5:33 p.m.

Mr. Larkin requested a motion to approve the agenda as presented. Director Schwartz requested the addition of a closed session to discuss union negotiations prior to the discussion of the General Fund budget amendment. Mr. Richardson made a motion to approve with the request for the closed session to discuss union negotiations, Mr. Schlinker 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 October 24, 2019 meeting. Mr. Richardson made a motion and Ms. January seconded to accept and file the October 24, 2019 minutes. Mr. Larkin called the question, all present voting aye. Motion carried.

**Old Business**

*Financial Statements and Investment Report for the period ending October 31, 2019.* Mr. Larkin asked Mrs. Palmer to review the financial statements and investment report for the fiscal year ending October 31, 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. Mr. Watchorn moved and Ms. January seconded forwarding with the committee's recommendation for approval, the financial statements and the investment report for the period ending October 31, 2019 to the Board of Trustees. All present voting aye.

Mr. Schlinker made a motion the committee go into closed session for the purpose of discussing union negotiations. Ms. January seconded, Mr. Larkin called the questions, all present voting aye; the committee went in to closed session at 5:49 p.m.

Mr. Larkin called the committee to order and leaving the closed session at 6:10 p.m... Mr. Richardson made a motion to affirm the decisions made during the closed session, seconded by Mr. Schlinker. Mr. Larkin called the question, all present voting aye. Motion carried.

*General Fund Budget Amendment #1*

Mr. Larkin called upon Director Schwartz and Mrs. Palmer to review the general fund budget amendment #1. Director Schwartz and Mrs. Palmer reviewed the general fund budget amendment in detail with the committee. Discussion ensued. Mr. Schlinker

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**Flint Public Library  
Finance and Budget Committee  
November 21, 2019  
Room 205, 5:30 PM**

made a motion that Resolution 19-340 for the amendment of the general fund budget amendment be recommended for adoption to the Board of Trustees:

BOARD OF TRUSTEES OF  
FLINT PUBLIC LIBRARY  
RESOLUTION 19-340

FLINT PUBLIC LIBRARY 2020 GENERAL FUND APPROPRIATIONS ACT AS AMENDED

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Minutes of a regular meeting of the Board of Trustees of the Flint Public Library, County of Genesee, State of Michigan, held in the Library on December 5, 2019 at 5:30 PM, prevailing Eastern Standard Time.

PRESENT: \_\_\_\_\_

ABSENT: \_\_\_\_\_

The following preamble and resolution were offered by Trustee, \_\_\_\_\_ and supported by Trustee, \_\_\_\_\_:

WHEREAS, the Flint Public Library (the "Library") was established by Agreement dated October 1, 1998, entered into among the City of Flint and the School District of the City of Flint (collectively the "Parties") under the provisions of Act 24, Michigan Public Acts of 1989, as amended ("Act 24"); and

WHEREAS, the Flint Public Library Board of Trustees has an obligation to approve a balanced budget by July 1<sup>st</sup> of each year, and

WHEREAS, the Flint Public Library Board of Trustees adopted a balanced budget for the fiscal year ending June 30, 2020 (FY 20) on June 6, 2019; and

WHEREAS, the FY 20 budget needs amending due to known changes in operating revenue and grants awarded, and

WHEREAS, amending for known changes in operating expenditures and grants expenditures, and

WHEREAS, a new activity center, Development Capital Campaign is added to the general fund to account for the receipts and expenditures of the capital campaign private funds that will take place as a result of the approval by City of Flint voters on November 5, 2019 and certified by the Board of Canvassers of the County of Genesee for the bond proposal funding the Flint Public Library building renovation, and

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The Board of Trustees of the Flint District Library hereby adopts the amended general operating appropriations for fiscal year 2020;
2. The Board of Trustees of the Flint District Library estimated total revenues and total expenditures of the general operating fund as amended are as follows:

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Finance and Budget Committee  
November 21, 2019  
Room 205, 5:30 PM**

Estimated Revenues - operations						\$3,469,114
Estimated Revenues - grants & special programs						1,244,620
Fund Balance - assigned, committed or reserved						1,813,111
Fund Balance - unreserved, uncommitted and unassigned						1,750,224
<b>Total Fund Balance July 1 Available to Appropriate</b>						<b>\$3,563,335</b>
<b>Total Estimated Available to Appropriate</b>						<b>\$8,277,069</b>
Estimated Expenditures						
Governing Board						\$36,350
Administration						427,027
Automated Systems						208,570
Facilities						652,260
Library & Program Services						2,102,839
Development						114,080
Development -capital campaign						196,649
Grants & Special Programs						1,456,137
<b>Total Appropriated</b>						<b>\$5,193,912</b>

The Library will use \$226,326 from special programs and grants assigned fund balance, will add \$14,810 for special programs and grants for FY 20, and will use \$268,661 from unreserved, uncommitted and unassigned fund balance for the FY 20 budget net expenditure over revenue.

3. The Board of Trustees of the Flint District Library has caused to be levied and collected a general property tax on all real and personal property within the City of Flint a millage of 4.0 mills for the operation of the Flint Public Library on the summer 2019 tax roll.
4. The Board of Trustees of the Flint District Library hereby designates the Director of Library Services and the Director of Finance the right to assign fund balance as of June 30, 2020 for the amounts of prepaid expenses and accounts payable as necessary for the final reporting on the Financial Statements of the Flint Public Library as of June 30, 2020.

AYES: Members: \_\_\_\_\_  
 NAYES: Members: \_\_\_\_\_

RESOLUTION DECLARED ADOPTED.

\_\_\_\_\_  
 Secretary, Board of Trustees

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**Flint Public Library  
Finance and Budget Committee  
November 21, 2019  
Room 205, 5:30 PM**

I hereby certify the foregoing is a true and complete copy of a resolution adopted by the Board of Trustees of the Flint Public Library, County of Genesee, State of Michigan, at a regular meeting held on December 5, 2019 and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Open Meetings Act.

Dated, \_\_\_\_\_

\_\_\_\_\_  
Secretary, Board of Trustees

Ms. January seconded the motion. Mr. Larkin called the question, all present voting aye to approve Resolution 19-340 Flint Public Library 2020 General Fund Appropriations Act as Amended and present to the Board of Trustees. Motion carried.

*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 final voting statistics with the committee, the bond proposal passed with 70% of the vote affirmative, the operating millage renewal passed with 74% of the vote affirmative.
- Director Schwartz has been working with various donors regarding their donations to the capital campaign.

**New Business**

*Capital Projects Funds budget and Debt Service Funds budget*

Mr. Larkin called upon Director Schwartz and Mrs. Palmer to review the resolution to create the funds. Director Schwartz explained that the Library wanted transparent and accurate accounting on the building renovation in all funds both public and private. Mrs. Palmer reviewed the Flint Public Library Account Changes FY 20 Library Renovation Projections document that details the flow of transactions for the building renovation project and the financing, as reproduced below:

**General Fund**

New Activity Center – Development Capital Campaign

**Activity in accounts:**

Receipt of all capital campaign contributions

Payment of all expenses related to capital campaign

Net amount of receipts less expenses transferred to a new fund, Capital Projects Private

**Capital Projects – Public (New fund)**

Bond Sale net proceeds deposited to this account

Payment of expenses of renovation from this account

Use this fund until public funds and interest earning are exhausted

**Capital Projects – Private (New fund)**

Grants for renovation deposited and accounted for in this fund

Transfer from general fund development capital campaign to this fund

Payment of expenses of renovation from this account

Funds left, if any will be set up in an account for the maintenance of the new building

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**Flint Public Library  
Finance and Budget Committee  
November 21, 2019  
Room 205, 5:30 PM**

Note: A schedule will show both capital projects funds individually and in total for ease in following actual costs of total project.

Both capital projects funds will require an audit each year.

**Debt Service 2020 Library Building and Site Bonds (New fund)**

- Bond liability recorded in this fund along with bond issuance costs
- Debt millage receipts deposited into this fund in a separate bank account
- Interest earnings on the receipts recorded in this fund
- Debt millage payments of principle and interest be paid form this fund
- Fund closed when bonds paid in full.
- Requires a separate audit each year until bonds repaid

All of above will be in financial report monthly and in year-end report.

Set up of funds approved via phone call and email with Plante Moran, Pam Hill, on 11/20/2019.

Mr. Watchorn motioned and Mr. Schlinker seconded a motion to approve presentation of the following resolution to the Board of Trustees:

BOARD OF TRUSTEES OF  
FLINT PUBLIC LIBRARY  
RESOLUTION 19-337

FLINT PUBLIC LIBRARY ESTABLISHMENT OF 2020 CAPITAL PROJECTS FUND - PUBLIC,  
CAPITAL PROJECTS- PRIVATE AND DEBT SERVICE FUND 2020 LIBRARY BUILDING AND  
SITE BONDS

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PRESENT: \_\_\_\_\_

ABSENT: \_\_\_\_\_

The following preamble and resolution were offered by Trustee, \_\_\_\_\_ and supported by Trustee, \_\_\_\_\_:

WHEREAS, the Flint Public Library (the "Library") was established by Agreement dated October 1, 1998, entered into among the City of Flint and the School District of the City of Flint (collectively the "Parties") under the provisions of Act 24, Michigan Public Acts of 1989, as amended ("Act 24"); and

WHEREAS, voters in the City of Flint approved by a margin of 70% as certified by the Board of Canvassers of the County of Genesee the bond proposal allowing the Flint Public Library to issue and sell its unlimited tax general obligation bonds in an amount not to exceed \$12,600,000 to provide funds to pay a portion of the costs of the building renovation project; and that the Library will use other available funds of the Library to pay the portion of such costs not paid from bond proceeds; and

WHEREAS, the Board of Trustees have approved a resolution authorizing the issuance of the 2020 Library Building and Site Bonds (General Obligation Unlimited Tax); and,

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**Flint Public Library  
Finance and Budget Committee  
November 21, 2019  
Room 205, 5:30 PM**

WHEREAS, the Flint Public Library Board of Trustees in recognition of the voters confidence and of the need for transparency in the accounting of the funds wishes to establish funds in its accounting system to account for the building renovation funded by the proceeds of the bond sale as approved by voters in the City of Flint to be known as Capital Projects – Public, and

WHEREAS, the Flint Public Library Board of Trustees wishes to establish the capital projects fund in its accounting system that will account for the other available funds to be known as Capital Projects – Private, and

WHEREAS, the Flint Public Library Board of Trustees wishes to establish the Debt Service 2020 fund in its accounting system to account for the receipt of the millage assessed to repay the bonds issued with interest and the payments on the issued bonds, and

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The Board of Trustees of the Flint District Library hereby the Director of Library Services and the Director of Finance to create a Capital Projects – Public, Capital Projects – Private and Debt Service 2020 funds in the accounting system of the Flint Public Library, and
2. The Board of Trustees of the Flint District Library hereby designates the Director of Library Services and the Director of Finance the right to assign fund balance as of June 30, 2020 for the amounts of prepaid expenses and accounts payable as necessary for the final reporting on the Financial Statements of the Flint Public Library as of June 30, 2020.

AYES: Members: \_\_\_\_\_

\_\_\_\_\_

NAYS: Members: \_\_\_\_\_

RESOLUTION DECLARED ADOPTED.

\_\_\_\_\_  
Secretary, Board of Trustees

I hereby certify the foregoing is a true and complete copy of a resolution adopted by the Board of Trustees of the Flint Public Library, County of Genesee, State of Michigan, at a regular meeting held on December 5, 2019 and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Open Meetings Act.

Dated, \_\_\_\_\_

\_\_\_\_\_  
Secretary, Board of Trustees

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*Update on financial institutions and banking resolution to be presented to board in December*

Director Schwartz reviewed with the committee the need for additional a brokerage account that would allow the library to receive gifts of stock and other financial instruments, within the confines of Public Act 20, MCLA 129.91 et seq as amended. Discussion ensued. Motion by Mr. Watchorn and seconded by Schlinker concurring with the recommendation of the Director to add The Horizon Group of Raymond James & Associates, Inc. to the list of banking depository and investment institutions for this purpose. Mr. Larkin called the question, all present voting aye.

Mr. Richardson requested that the committee revisit the use of other institutions and accounts, including investment pools allowed under the Surplus funds Investment Pool Act, Act 367 of Public Acts of 1982, MCL 129.11 et seq. All present agreed. Mrs. Palmer will have the information available at the December 19, 2019 meeting.

**Director Report**

The Director's report is as stated in the updates under capital projects update and the resolutions presented to the committee.

**Board Report**

Mr. Larkin reported that the Board of Trustees had Ms. Heather Kale sworn in at the November 7, 2019 meeting. Mr. Larkin, on behalf of the Board and the Committee thanked Director Schwartz for all of her work in getting the project to this point and Mrs. Palmer for her work in bringing all the details together.

There being no further business to discuss, Mr. Larkin called for a motion to adjourn, Mr. Richardson made the motion and Ms. January seconded. All present voting aye, meeting adjourned at 7:30 p.m.

Respectfully submitted,  
Connie Palmer

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