

**DETROIT LIBRARY COMMISSION PROCEEDINGS
SPECIAL MEETING
APRIL 6, 2023**

NOTED

This meeting was held in Main Library's Galleria. Due to COVID-19 restrictions, seating capacity was limited to the first 25 guests, and seating was arranged to provide social distancing. The meeting was also available for virtual viewing.

President Hayden Friley called the Special Meeting of the Detroit Library Commission to order at 1:38 p.m.

Present: President Hayden Friley, Commissioners Adams, Frierson-Haynes, Hicks, Jackson

Excused: Commissioners Peterson-Mayberry, Short

Administrative Staff: Mondowney, Brown, Bruni, Dale, Funchess, Korenowski, Norfolk, Powell, Simon, Simmons, Williams

Present Also: Russ Bellant, Douglas Blount, Camille Brewer, Stacy Brooks, D'Andre Herron, Rhonda Jones, Carolyn Mosley, Tracey Massey, Christine Peele, Yvette Rice, Tim Turner, Brian Vance

FY2024 DETROIT PUBLIC LIBRARY BUDGET DISCUSSION

President Hayden Friley: You have before you, one agenda item for the special meeting which is the FY2024 Detroit Public Library Budget. At this point, I will look for some direction from the Commissioners for the items we need to discuss and any information from the staff that is present as to the concerns of the budget coming to the Detroit City Council.

Commissioner Hicks: In one of the Detroit City Council hearings, there was an item suggested by Councilmember Scott Benson that he would take fifteen million dollars of our fund balance and move it into [I guess] the operational side [I assume he meant] of our budget.

Minutes were approved at the April 18, 2023 Commission Meeting

Commissioner Hicks: I don't know if the item was seconded and moved into their Executive Committee and if it was, when would they actually discuss it. I would like clarification and discussion around this matter.

Jo Anne G. Mondowney
Executive Director: I would like to play the conversation via Zoom that occurred on Thursday, March 30, 2023. I received a call from the office of Detroit City Council to answer additional questions regarding DPL's FY2024 budget. Mr. Antonio Brown, Chief Financial Officer, was also asked to be on the call.

DETROIT CITY COUNCIL – EXECUTIVE SESSION – MARCH 30, 2023

Council President Mary Sheffield: Good afternoon.

Chief Financial Officer
Antonio Brown: Good afternoon. This is Antonio

Executive Director
Jo Anne G. Mondowney: Good afternoon. This is Mrs. Mondowney

Council President Mary Sheffield: A couple of questions came up during our budget. I will start with member Benson and member Johnson had a question as well.

Councilmember Scott Benson: Mine is less of a question and more of supporting a motion.

The conversation during the budget hearing was regarding the construction of new state-of-the art Libraries and how to do that. I looked at your fund balance and the ideal motion was to move part of that fund balance [meaning] your budget would move \$15 million out of that fund balance into a new line item for the construction of and capital improvements for existing and new Libraries.

- Councilmember Benson: My colleagues had some concerns about that and wanted to see where you all fell with that.
- Jo Anne G. Mondowney: Approval would have to come from the Library Commission for consideration to do that. It would first have to be proposed and voted on by the Library Commission.
- Councilmember Benson: My understanding is part of the budget approval process is that the Library Commissions sends us its budget. City Council approves that budget. So, in all reality, that change can be made here. So, the feedback is looking for your feedback on that. What I may be hearing is that you would like to take that back to Library Commission. What I'm saying is that is really a procedure for Detroit City Council at this stage in the budget process.
- Jo Anne Mondowney: The process that we have traditionally gone through as it relates to the budget is for the Library Commission to approve what Administration has put forth to them. Once that is approved by the Library Commission, it then has a second approval by the Mayor and the City Council. If we are talking about amending a line item, the process has been any amendment comes through the Commission for approval and then to the Mayor and City Council. As I think I hear you, this would still be amending that line item. It would then have to come from a resolution from the Library Commission back to the Mayor and City Council for approval.
- That is how I understand it. I stand corrected if you are saying you can do that as it is but I am sure that is not the process.

Councilmember Benson: Through the opinion from our law department, what is the process?

Council President Sheffield: No one is present at the meeting from the law department. We can try to get someone from that department. Will come back to Councilmember Benson.

Councilmember Latisha Johnson: One of the thoughts that Councilmember Benson had was being able to leverage any capital funding if dollars were shifted to utilize for opening branches or capital improvements of existing branches that you could utilize that \$15 million and leverage it to get some additional support from the philanthropic community or potentially the City of Detroit to move forward with capital improvements and/or new facilities.

My reasoning for having this discussion in the budget hearing is relative to the Monteith Branch Library utilizing fund balance to address the capital improvements needed to reopen. Can you speak on the ability or inability to do so?

Jo Anne G. Mondowney: Currently our inability is based on the structural needs that have to be in place for the Monteith Library.

Getting those things that have been put on the table that need to be fixed is an issue. You may recall in Mr. Corley's ten-year financial review; he spoke to the fact about the \$15 million that could be possibly placed in a line item to leverage more dollars.

Jo Anne G. Mondowney:

I also think that the General Obligation Bond that the people of Detroit approved in February 2009 that was to be allocated to the Library for capital improvement that amounted to about \$25 million would also contribute to leverage for capital improvements for the Library.

Councilmember Johnson:

Can you speak a little more about your inability to reopen Monteith Branch?

Jo Anne G. Mondowney:

In 2009, there was Plante Moran Cresa that did an in-depth facilities assessment of all of our Library Branches. We are currently working with civil engineers from Wayne State that are taking a comprehensive look at what needs to be done. We don't have the funding right now to address all of the issues. The staffing is another critical aspect. It's not just fixing it up, it's also getting the staff to reopen the Library which we are now being challenged with staffing issues. It just won't happen overnight.

Councilmember Johnson:

Thank you for the information. I am sure you are aware that I have a number of District 4 residents that are particularly in the Jefferson-Chalmers community who are asking me to provide support to the Monteith Branch to reopen because of how necessary it is for the community. It sounds like you are saying that above and beyond the improvements to the building itself, you would have some challenges with staffing that particular Branch.

Jo Anne G. Mondowney:

Yes. Staffing is a major factor with all our closed Branches.

- Irvin Corley: What is the current estimate to upgrade and provide capital improvements to the Monteith Branch? How much staffing is needed and the annual cost?
- Jo Anne G. Mondowney: When the Cresa study was completed in August 2009, it was estimated close to \$3 million but with inflation, it's closer to \$4 million for capital improvements to Monteith Branch. The estimate cost for minimal staffing for our 21 locations would roughly be around \$795,000 that includes staffing and overhead to maintain the Branches.
- Councilmember Coleman A. Young II: I would like to ask about July 1, 2025, my understanding is that the tax captures that would go to the DDA will no longer be in effect. It will be about \$3 million you will be receiving July 1, 2025. Has that come into your budget decision when discussing capital improvements?
- Antonio Brown
Chief Financial Officer: The current budget that you have before you do not reflect any adjustments to our income from 2025 based on legal opinion. When we submitted this current budget, we were not under the impression that our tax captures would be completely eliminated after 2025 with the new millage. If that is the case, when we receive millage funds and it does not have any tax captures involved in it, it will help stabilize our use of fund balance. Currently, we are using \$3 - \$4 million in fund balance which we are using to offset some capital improvements.

Antonio Brown

If we were exempt from tax captures and we do receive the 3 million, it would improve our budget position. We get our tax projections from the City of Detroit Treasury Department after the revenue conference have concluded. All of our current revenues related to property taxes come from the City of Detroit. At the time of the submission of the revenue projections, tax captures were still in effect for 2025, 2026, and 2027. Outside of the legal opinion we received a couple of weeks ago, we had no information that we would be exempt from tax captures starting July 1, 2025.

Councilmember Benson:

We have been joined by Oscar King.

Council President Sheffield:

Mr. King, do you have anything additional you would like to add to the conversation?

Oscar King

Lobbyist for Detroit Public Library:

Nothing other than the fact that we are rigorously pursuing to redress this through Lansing through legislation.

Councilmember Benson:

Has anyone shown up from the Law Department?

Council President Sheffield:

Yes. Mr. Anderson is on the line.

Grant Anderson

Law Department:

Good afternoon. Grant Anderson, Law Department.

- Councilmember Benson: Mr. Anderson, there is an opinion from your office regarding the City Council budget process and its authority to make changes. Does the City Council have the authority to make line-item modifications to the Library's budget or do we need to send the modification back to Library Commission for approval?
- Grant Anderson: I am not familiar with that particular opinion. If I could get that question submitted in writing, I can get a response within a week.
- Councilmember Benson: No. There is an opinion from the Law Department.
- Grant Anderson: In that case, if we can move this matter to the end of the session, I can find the attorney that offered that opinion to give a more in-depth response.
- Councilmember Benson: Does the Finance Department have an opinion?
- Steve Watson
Finance Department: I apologize. I have a copy of the opinion but we would need the attorney who drafted it present.
- Council President Sheffield: We will revisit this matter when we receive the opinion from the Law Department.
- Thank you to the representatives from the Library. We will be in touch with you soon.

FY2024 DETROIT PUBLIC LIBRARY BUDGET DISCUSSION - CONTINUED

Jo Anne G. Mondowney:

They have not been in touch with us and I wanted you to hear what we were asked to talk about. It didn't appear that anybody really had the opinion. Steve Watson had the opinion but he didn't speak on it.

You heard me say the process was as far as we know, all approvals start with the Commission first. There is nothing to respond to because we don't have anything in writing. It doesn't appear that it was any opinion that was sanctioned by anybody. The opinion should have been in front of the City Council if they were to vote on it.

Commissioner Adams:

Beyond their ability to change the budget, if they have such authority to amend the budget, these are operational decisions. All of these decisions must come before this body before we even get to the budgetary process.

I know that they have their own interest in their personal Libraries and their constituents but our reserves right now have been used for operations and Library tax captures. I am just astonished someone would propose that we use our reserves to improve, open, build facilities while our operations are under assault from these tax captures. We don't have sufficient funding for our current operations. That is why we are dipping into reserves.

Commissioner Adams:

For someone to even propose that we take a majority of our reserve out and spend it immediately to satisfy the needs of a couple of City Council members with their own self-interest, clearly, because they are not interested in us operating fully throughout the city is just astonishing to me.

I am awaiting something in writing or a request in writing which is what I was hoping we would have today. Something that would explain their position and why they think it's appropriate? Some kind of financial logical reasoning? Some commitments from philanthropical institutions? A commitment from the city? Have they amended their budget to match any funds they're proposing to take from our budget?

I just want to throw those things out there for consideration in case we do [at some point in the future] get a formal request [as should be done] from the City Council.

Commissioner Jackson:

First, I think that entire conversation was set up in an attempt to get the Director and Mr. Brown to concede to this \$15 million heist.

For a Branch to be built somewhere not knowing if \$15 million would even be sufficient to lay foundation. I think it was a trick bag to get the Director to say we would like to do that but smartly, you told them this has to go back to the Commission. That's what they don't want.

They are violating the laws of being a fiduciary. They are not our boss. We are governed by state law.

Jo Anne G. Mondowney:

At the March 17, 2023 Budget Hearing, there were things to try to get me to weigh in on what I feel. My response was you don't need to know what I feel. It has to go before the Commission. That's all I've ever said.

Commissioner Hicks:

I would like to ask for a courtesy transcript of Commissioner Adams remarks. We should empower the Administration to use the remarks liberally as they communicate with the City Council.

In the original request for this meeting, there was a question of having our legal counsel attend the meeting. The question is what our next steps and how do we implement them. The drafting should be done by legal counsel.

President Hayden Friley:

We need to determine what we want legal counsel to do and say as we go back to the City Council.

One of the things that's good for any organization is that you are consistent in your message. This is what Mrs. Mondowney did. They were asking her but she said it needed to go back to the Commission.

COMMISSION ACTION

Commissioner Adams moved the we forward all legal opinions from the City with respect to authority, budgetary matters that have come or are forthcoming to our legal counsel for a review and response. Commissioner Jackson supported.

Minutes were approved at the April 18, 2023 Commission Meeting

DISCUSSION

Commissioner Hicks asked if we could put a timeframe in the motion so that legal counsel can recognize the urgency in the matter.

Commissioner Hicks asked for a friendly amendment to the motion that our legal counsel pay some attention to the fact that we are a separate municipal corporation.

Mrs. Mondowney asked for clarification because we have not received any official correspondence from the City regarding the proposal to the \$15 million.

ADMENDMENT

Commissioner Adams moved that we forward all legal opinions from the City with respect to authority, budgetary matters that have come or are forthcoming to our legal counsel for immediate review and response including an opinion with respect to the City's authority over an independent municipal corporation.

A roll call vote was taken with the following results:

- | | |
|---------------------------|-----|
| ➤ Adams | Yes |
| ➤ Frierson-Haynes | Yes |
| ➤ Hicks | Yes |
| ➤ Jackson | Yes |
| ➤ President Hayden Friley | Yes |

The motion passed unanimously.

COMMISSION ACTION

Minutes were approved at the April 18, 2023 Commission Meeting

Commissioner Adams moved that our entire discussion today be transcribed and provided to each of the Commissioners for our review to further refine to respond to correspondence. Commissioner Jackson supported.

A roll call vote was taken with the following results:

- | | |
|---------------------------|-----|
| ➤ Adams | Yes |
| ➤ Frierson-Haynes | Yes |
| ➤ Hicks | Yes |
| ➤ Jackson | Yes |
| ➤ President Hayden Friley | Yes |

The motion passed unanimously.

NOTED

Commissioner Hicks requested a copy of the Detroit City Council's closing resolution be sent to all of the Commissioners.

Mrs. Mondowney said that last year, she included the closing resolution in her report that showed \$4 million was allocated to the Library for the HVAC system.

It was asked if there would be public comments.

President Hayden Friley said that there were no public comments.

ADJOURNMENT

Minutes were approved at the April 18, 2023 Commission Meeting

Commissioner Adams moved to adjourn. Commissioner Jackson supported.

A roll call vote was taken with the following results:

- Adams Yes
- Frierson-Haynes Yes
- Hicks No (I believed we should have public comments)
- Jackson Yes
- President Hayden Friley Yes

The meeting was adjourned at 2:30 p.m.