

**DETROIT LIBRARY COMMISSION PROCEEDINGS
SPECIAL MEETING
NOVEMBER 21, 2023**

NOTED

The meeting was held in Main Library's Galleria. The meeting was also available for virtual viewing.

President Hayden Friley called the Special Meeting of the Detroit Library Commission to order at 2:42 p.m.

A roll call attendance was taken with the following results:

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

Excused: Commissioners Peterson-Mayberry, Short

Administrative Staff: Mondowney, Brown, Korenowsky, Simon, Williams

Present Also: Deborah Dorsey, Carolyn Mosley, Yvette Rice

APPROVAL OF THE PROPOSED FY2025 BUDGET

Introduction

The Detroit Public Library received the "FY2025 Budget and 2026-2028 Four Year Financial Plan" submission request from the Deputy Chief Financial Officer and Budget Director of the City of Detroit on July 25, 2023. The budget development process is in accordance with the 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 the start of the fiscal year, July 1, 2024. The City of Detroit will finalize its budget with the approvals of the City Council and Mayor by April 2024.

The Detroit Public Library enlightens and empowers people by providing diverse and dynamic pathways to literacy and learning.

The Library holds a unique position as an organization that consistently contributes to the quality of life for the people of Detroit. It provides impactful programs and services that enhance the education and work life for many residents, and it creates entertaining and enriching experiences, all in safe and welcoming environments for everyone.

The Library also offers a broad range of online services, including e-books, streaming movies, and a variety of virtual programs ranging from fun-filled story times to stimulating author talks. These valued services also complement and support the Detroit Public School Community District's initiatives, especially as it relates to the availability of technology, tutorial services, literacy, and children's and teen programming.

FY 2025 – FY 2028 Spending Plan: Stable, Sustainable, Strategic

During fiscal year 2025, we recommend operating Main Library, 20 branch locations, the Mobile Library, and the Library for the Blind and Physically Handicapped. The total cost to provide these services, including salaries and benefits, operational expenses, and other obligations is **\$38,850,160**.

We recognize that the continued use of fund balance in order to balance our budgets is not sustainable. However, we are fortunate to have a fund balance of approximately **\$33,172,388**, that will allow us, strategically, upon Commission approval, to proactively and modestly renovate several library branches over the next four years. Modest branch renovations will prevent branch closures due to facilities issues that deny our residents continuous service.

Budget

Revenue:

The total projected FY2025 revenue is **\$38,850,160**. This amount includes revenue from two major funding sources: local property taxes estimates received by the City of Detroit's Treasury Department (current property taxes, prior year property taxes, NEZ, IFT, OPRA, and personal property taxes) of **\$36,118,860**, and State Aid, Renaissance Zone and county revenue of **\$2,686,187**. The estimated other revenue, which includes interest and earnings on investments, is **\$45,113**. It is important to note that after the anticipated FY2025 tax capture, in the amount **\$4,286,713**, we will receive the total estimated local property taxes, in the amount of **\$36,118,860**.

Expenses:

The operation of 20 branch locations, Main Library, Special Services and the Mobile Library will cost an estimated \$22,589,808. The average cost to operate a branch library is \$782,412. The estimated annual cost to operate Main Library is \$6,420,455. The Mobile Library's annual cost to operate is \$427,087. Special Services (Library for the Blind and Physically Handicapped) is \$94,026.

The total proposed FY2025 estimated expenditure is \$38,850,160. Major sources of the expenditures are employee salaries and benefits, operation expenditures (i.e., utilities, computer systems, print and non-print material, repairs and maintenance), pension and retiree expenditures, and debt service. The spending plan budgets a total of **\$23,528,551** for salaries and benefits (pension and retiree settlement agreement included), **\$14,607,367** in operating expenses, and **\$714,242** for debt service. **It is important to note that the City of Detroit's FY2024 projected tax capture amount is \$4,116,694. The City of Detroit's projected tax capture amounts for FY2025-FY2027 are as follows: FY 2025 - \$4,286,713, FY2026 - \$4,402,455, FY2027 - \$4,521,321, and \$4,643,397. Over the next four years, the City of Detroit's total projected tax capture amount is \$17,853,886.**

Administration of the Detroit Public Library requests approval of the Proposed FY 2025 Spending Plan.

DISCUSSION

Commissioner Hicks stated that in the past, the Commission received a more detailed compilation of the budget. He wanted to know why it was reduced to 9-10 pages?

Mr. Antonio Brown, Chief Financial Officer, stated that this was his 9th budget presentation as DPL's Chief Financial Officer. The documents that the Commissioners received, which included an executive budget summary, a detailed budget for the year and three years of projections, is how the budget has been presented for the past nine years.

Commissioner Jackson asked if there was a deadline to submit the budget?

Mr. Brown stated that the City of Detroit asked DPL to have the budget finalized by October 31, 2023. An extension was requested because the Commission did not have the opportunity to review the budget. We are beyond the 15-day grace period that was granted to DPL by the City of Detroit.

COMMISSION ACTION

Commissioner Hicks made a motion that the Commission do not attempt to approve the budget in this meeting due to lack of sufficient detailed budget documents.

The motion was not supported. The motion failed

Commissioner Hicks made a motion that Mr. Antonio Brown be directed by the Commission to bring forward the detailed listing of budget revenues and expenses.

The motion was not supported. The motion failed.

Commissioner Jackson made a motion to approve the proposed FY2025 budget. Commissioner Adams added a friendly amendment to the motion that included Mr. Antonio Brown, CFO, providing the Commission with detailed supporting documents within 30 days of the budget approval. Commissioner Jackson accepted the amendment. Commissioner Adams supported the motion.

A roll call vote was taken with the following results:

- | | |
|---------------------------|-----|
| ➤ Adams | Yes |
| ➤ Frierson-Haynes | Yes |
| ➤ Hicks | No |
| ➤ Jackson | Yes |
| ➤ President Hayden Friley | Yes |

The motion passed.

ADJOURNMENT

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 |
| ➤ Jackson | Yes |
| ➤ President Hayden Friley | Yes |

The meeting was adjourned at 3:22 p.m.