



BALDWIN PUBLIC LIBRARY
MINUTES, SPECIAL MEETING
May 6, 2009

1. Call to Order and Roll Call

The meeting was called to order at 7:31 p.m. by President Ann Conigliaro. A quorum was established by roll call.

Library Board present:

Ann Conigliaro
Michael Earl
Andrew Harris
Ronald Vander Molen
Ileane Thal
David Underdown

Absent and Excused:
None

Library Staff

Martha L. Custer, Library Director
Doug Koschik, Associate director
Matthew Church, Associate Director

2. Budget discussion and Public Comment

President Conigliaro moved the budget discussion to the beginning of the agenda. She said the meeting with the city on Monday night did not go well, and the library is faced with revenue insufficient to fund the budget.

Director Marti Custer had put together a memorandum for the Board, clarifying points the city made in their presentation. Ileane Thal asked for clarification about the amount of fund balance, and Custer responded that the city numbers are significantly different from ours. She noted that based on our spending plans, the library would be spending down the fund balance \$500,000.

Andrew Harris pointed out that the board had passed a motion to create a capital project fund of \$875,000, and the city refused to create that capital fund, which made the difference. David Underdown said there was still a \$200,000 difference, and Custer explained that the city did not have information about the cyclical nature of library operation to accurately project the fund balance.

David Bloom remarked that he didn't know if the library board had identified projects, but the position of the city is that you have the money, it doesn't matter where the money is.

Thal asked if the library needed to have a 15% reserve for emergencies. Conigliaro said it was still an unresolved issue because the board had not determined what is a realistic fund balance.

Harris said that one of the issues was that we overbudget, and Custer explained that publishing is a very cyclical business. Earl said this budget has seasonal adjustments.

Conigliaro talked about the city's PowerPoint presentation with suggestions for revenue sources, and said the board should discuss them. Vander Molen asked if she had seen any revenue suggestions that would be feasible, and Conigliaro said there were no big ticket items.

Custer told the board that the State distribution will be cut by 4%. She referred to the revenue sheet with original projections along with new projections. Conigliaro noted that the city had increased projected interest income by \$82,000, and also addressed that we show less revenue than we actually have. They say the revenue could increase by 1.6 million dollars if we charge various fees. There are some areas that would be painful to cut. Vander Molen remarked that they could use money from the funds, and Custer said that using it would leave the library very vulnerable.

Earl said there were improvements in technology that could create efficiencies and return on investment in the future. He suggested the board could transfer some of the money, and retain some for the reserve; a combination of both. Thal asked if that would leave a balance in the general fund for emergencies. Custer said the balance would be small.

Underdown remarked on the \$275,000 charge for the services of the city. The city questioned why the library had cut the budget for their services. Custer said the city had presented the contract for \$275,000 which would be in the May board packet.

Earl suggested that the Director and staff create several scenarios using the funds and several not using them, to show whether it means layoffs or closings so the board could evaluate where to make the cuts in the best interests of the community.

Vander Molen asked if they should talk about a goal for a reserve, and Earl said they could say 15%, but if it went below for a period of time and planned to increase it in a couple of years it might be okay.

Custer asked for direction from the board for reducing the budget, and said we could not cut across the budget because a lot of costs are fixed. Earl said to consider what is nice and what is necessary, and what the community needs. Also consider what it looks like if we use the capital fund, and if we don't use it. Look at revenue streams and see what is possible.

Public Comment

Members of the public questioned potentially furnishing service to the City of Bloomfield Hills, and AV services. A former member of the City Commission said the library should develop an honest budget. Several members of Friends of the Library spoke in support of the public and library operations and said they were ashamed of the City Commission.

Conigliaro said that collections may be reduced, but closing is the path of last resort.

Motion to go into closed session

1st Thal
2nd Harris

Roll call vote:
Yes:
Earl
Underdown
Conigliaro
Harris
Vander Molen

Thal

No:
None

Board members went into closed session with their attorneys....

Closed session ended at 10:15 p.m. on a motion by David Underdown and second by Michael Earl.

President Conigliaro said in light of the budget crisis thrust upon them, they had an exhaustive discussion, and until the budget issues were handled they were taking no further action.

3. Adjourn

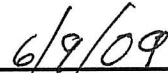
Motion to adjourn:

1st Harris

2nd Vander Molen

The motion was approved unanimously, and the meeting adjourned at 10:17 p.m.


Ileana Thal, Secretary


Date

Minutes amended May 18, 2009