

MUNICIPAL CORPORATIONS COMMITTEE

DATE: May 21, 2009

CALLED TO ORDER: 5:30 p.m.

ADJOURNED: 5:52 p.m.

ATTENDANCE

ATTENDING MEMBERS

Michael McQuillen, Chairman
Jeff Cardwell
Maggie Lewis
Robert Lutz
Dane Mahern
Christine Scales

ABSENT MEMBERS

Jackie Nytes

AGENDA

PROPOSAL NO. 150, 2009 - approves the Library Capital Project Fund Plan of the Indianapolis-Marion County Public Library
"Do Pass"

Vote: 6-0

MUNICIPAL CORPORATIONS COMMITTEE

The Municipal Corporations Committee of the City-County Council met on Thursday, May 21, 2009. Chairman Michael McQuillen called the meeting to order at 5:30 p.m. with the following members present: Jeff Cardwell, Maggie Lewis, Robert Lutz, Dane Mahern, and Christine Scales. Absent was Jackie Nytes.

PROPOSAL NO. 150, 2009 - approves the Library Capital Project Fund Plan of the Indianapolis-Marion County Public Library (IMCPL)

Becky Dixon, Chief Financial Officer (CFO), IMPCL, stated that each year, under the state statute, libraries are required to put together a three-year capital project plan and have it approved by the library board as well as the library's fiscal body. She said that this plan includes an estimated tax levy to meet the needs of the plan. Ms. Dixon stated that this plan is done on an annual basis, and each year it is updated to make changes as things are completed or other priorities become known throughout the course of the year. She said that the library is asking for approval of the plan itself by the City-County Council.

Ms. Dixon stated that they have put together an estimate of how the funds will be spent. She said that they have also put together an estimated tax rate based on the last information received regarding assessed value. Ms. Dixon stated that since the plan was advertised, they have received some additional information on the library's assessed value. She said that it is higher than what is presented on the plan, and as a result of that, it will lower the property tax rate accordingly, while the assessed value will increase.

Ms. Dixon reviewed a handout (attached as Exhibit A) to discuss how the library is planning to spend the funds. Ms. Dixon stated that for 2010, the library is requesting funds in the amount of \$305,000 for maintenance and repairs to some facilities. She said that they are scheduled to replace two vehicles for a total of \$66,000, and also scheduled for computer repairs for \$897,500. Ms. Dixon stated that the library has a refurbishment program where the library refurbishes the computers every four to five years. These are the computers that are used by the public in all the branches. Ms. Dixon stated that the plan calls for an emergency allocation fund for \$100,000. She said that last year, the library had to use some of the emergency allocation funds due to some of the Heating Ventilation and Air Conditioning (HVAC) units being stolen from one of the branches. Ms. Dixon stated that the total amount that the library is requesting is \$1,368,500. She said that this total is about \$700,000 less than requested for 2009. She said that they have cut back their requests in order to cut back costs and reduce the amount of taxes from the public.

Chair McQuillen stated that the previous report rated conditions of the buildings and asked if any of the buildings have decreased in condition since then. Ed Olson, Director of Facilities, stated that they have not decreased. He said that they are in the process of

bringing the East Washington Street and Shelby Street branches, which were listed in poor condition on that report, up to fair condition by the end of the summer. Chair McQuillen asked if the East Washington Street branch was one of the locations that lost the HVAC unit. Mr. Olson answered in the negative, stating this branch was in Brightwood.

Councillor Mahern asked why the renovation and remodeling total for 2010 is lower and the total for 2011 is higher. Mr. Olson stated that there are three locations (West Indianapolis, Lawrence and Southport) which are in desperate need of additional work space. He said that these three locations are land-locked and there is no where to go. He said that some funds were put in the plan so that the library can do some type of structure at these branches to add space.

Councillor Mahern asked why the whole amount is not spread out over the next three years instead of having the majority of the funds needed in 2011. Mr. Olson stated that with budget constraints, the library is looking at their operations; and part of that is an evaluation of cost utilization, and they did not want to move that up until they knew what their budget was going to look like, and if the additions to the properties would be in the best interest of the library. Ms. Dixon stated that the library does not have an exact number on the impact of the property tax cap. She said that they are estimating between \$2.1 million and \$4 million in lost revenue because of the cap. Until they have a better understanding of the true impact of the cap, they are trying to hold off on some major improvements to see how the money comes into the library and what other cuts they have to make in their overall operations before investing in the capital plan. She said that the property tax delay has had an impact on budgets as well.

Councillor Mahern stated that he would like to see the money balanced between the three years instead of one year having funds and another year having none. Ms. Dixon stated that the years 2010 and 2011 will look totally different a year from now when they come back. Councillor Mahern stated that he understands that, but would like for them to have the funds in case something goes wrong, so that the library is not taking it from other places. Ms. Dixon thanked Councillor Mahern for his suggestions.

Councillor Lutz asked if once funds are allocated under the plan, the library has to get permission from the Department of Local Government Finance (DLGF). Ms. Dixon answered in the affirmative. She said that once a plan is in place for that current budget year, any changes to the plan requires going to DLGF. She said that a year from now, the library can make adjustments because they are putting a new plan out and have a little more specific information. Councillor Lutz asked if there are any other operating funds that might be dedicated to those particular areas, aside from the capital project plan. Ms. Dixon stated that they do not budget any excess as far as capital. She said that they do budget funds for repair and maintenance in the operating fund for routine maintenance and upkeep of the facilities. She said that they try and allocate anything major to this fund.

Councillor Lutz stated that in 2007, the library logged 738,808 hours of computer session and in 2008, that increased to one million hours. Ms. Dixon stated that there is a constant need for and use of the library's public computers, especially now. She said that a lot of people are using those computers to file their unemployment claims.

Councillor Scales stated that President Obama's administration is providing stimulus funds to libraries for computers and educational programs. She asked if Ms. Dixon has tried to access any of those funds. Ms. Dixon stated that their Information Technology (IT) department is looking into what funds would be available for computers. She said that she has been working with the Office of Finance and Management (OFM) and the State Department of Energy to try and acquire some energy conservation grant money. Councillor Scales asked about the possibility of getting funds for computers, specifically because \$300,000 is a large percentage of the budget. Ms. Dixon stated that the \$300,000 is an estimated price for a computer server. The library's collection system software that maintains all of the library's accounts and materials is going to sunset, and the library is in the process of looking at other collection systems. She said that the library has anticipated that they would have to acquire a new server to handle the new system.

Councillor Scales stated that on April 15, 2009, the library lost the lawsuit against the engineering firm Thornton Tomasetti and asked if the \$712,000 that the library is responsible for paying is due contractually to this company or are punitive fines assessed to the library. Ms. Dixon stated that those funds were for work that had been completed, but the library had not paid while the trial was ongoing. She said that the money is available and was part of the original budget that was put together.

Councillor Cardwell moved, seconded by Councillor Lutz, to send Proposal No. 150, 2009 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 6-0.

There being no further business, and upon motion duly made, the meeting was adjourned at 5:52 p.m.

Respectfully Submitted,

MM/lw

Michael McQuillen, Chairman