



**CITY OF NOVI LIBRARY BOARD
MINUTES, BUDGET STUDY MEETING
FEBRUARY 27, 2010**

1. Call to Order and Roll Call

Library Board

Laura M. Casey, President
Mark Sturing, Treasurer
Willy Mena, Secretary
Larry Czekaj, Board Member
Larry Kilgore, Board Member
David Margolis, Board Member (departs at 10 a.m.)

Absent and Excused

Ramesh Verma, Vice President
Emily Bank, Student Representative
Satya Dalavayi, Student Representative

Library Staff

Julie Farkas, Director
Margi Karp-Opperer, Assistant Director
Mary Ellen Mulcrone, Assistant Director
Marcia Dominick, Administrative Assistant

The meeting was held at the Novi Public Library, Local History Room, 45245 W. Ten Mile Road, Novi, Michigan 48375, and was called to order by Laura M. Casey, President at 8:05 a.m.

2. Public Comment

There was no public comment.

3. Year End Projection 2009-2010 Fiscal Year

Julie informed the Board that there were changes made to the original draft 2009-2010 FY budget:

- Sick Bank Payout – 268-000.00-709.000 – the original projection was \$26,000, but due to calculations at 50% of the hourly rate of pay allowed per policy, the figure was reduced to \$13,000.
- The projected fund balance for 2009-2010 is approximately \$128,805.
- Records Storage – 268-000.00-942.100 – Corrigan contract will expire July 1, 2010 and records previously stored at Corrigan will now be retained at the new Library facility.

Discussion:

- Grand Opening expenditures will remain higher due to not knowing the final figures for the event.
- The Community Promotion (268-000.00-880.000) and the Design, Printing and Publishing (268-000.00-900.000) are high due to the 50th Anniversary Celebration

and the Community Reads Program. There may be grant opportunities that will be explored for additional funding.

- Gifts and Donations (268-000.00-665.400) – figure not as high as expected; funds received for this line item are for unspecified donations; determined funds are being allocated as Walker donations.

4. Proposed Budget 2010-2011 – Draft #2

The Library Board requested that Julie Farkas provide a draft budget without the inclusion of the fund balance.

Two proposed 2010-2011 fiscal year budgets were provided; one indicating the use of fund balance dollars (\$432,075) and the other without.

Proposed 2010-2011 Budget

Revenues

- Property Taxes – 268-000.00-403.000 – Proposed Budget \$2,390,000.00. This is due to a decrease in property taxes of -10.2% with an expected decrease in the 2011/2012 fiscal year of -9.1%. Figure provided by the City of Novi Finance.
- Township Taxes – 268-000.00-404.000 – Proposed Revenue \$6,900. This is due to a decrease in property taxes similar to City property taxes. Figure provided by the City of Novi Finance.
- State Aid – 268-000.00-567.000 - The Library receives two checks annually. With the unknowns in State cuts, the Library may see a decrease. Proposed revenue \$15,000.
- Library Book Fines – 268-000.00-657.000 – Proposed budget \$30,000 – this is due to the increase in traffic in the new building.
- State Penal Fines – 268-000.00-658.000 – Proposed Budget \$70,000.
- Interest on Investments – 268-000.00-664.000 – Proposed budget \$10,100 – figure provided by the City of Novi Finance.
- Miscellaneous Income – 268-000.00-665.000 – Proposed budget: \$3,000.
- Copier – 268-000.00-665.100 – Proposed budget \$4,000. With new building opportunities, expect to receive additional traffic.
- Electronic Media 268-000.00-665.200 – Proposed budget \$12,000. With new building opportunities and additional materials.
- Meeting Room – 268-000.00-665.300 – Proposed budget \$6,500. Additional rooms available for rental options.
- Gifts and Donations – 268-000.00-665.400 – Proposed budget \$500.
- Book Rental – 268-000.00-665.500 – Proposed budget \$0.00. No longer offered.
- Library Café – No line item number at this time - \$4,500. This figure is based on 10% of sales and figures provided by the Farmington Library.
- Other revenue – Grants (248-000.00-666.000) – Unknown figure.
- Appropriation of Fund Balance – 268-000.00-680.000 – \$432,075.

The Proposed Revenue for 2010-2011 Fiscal Year: \$2,984,575.00 with the use of fund balance dollars.

The Proposed Revenue for 2010-2011 Fiscal Year: \$2,552,500.00 without the use of fund balance dollars.

Expenditures

Julie provided a chart indicating the salary ranges for staff in relation to the Library Organization Chart.

Personnel Services – 72.9% of revenue.

- Permanent Salaries – 268-000.00-704.000 – The salaries did not change from the 09-10fy so remains at \$1,008,500.
- Temporary Salaries – 268-000.00-705.000 – remains the same as the 09-10fy at \$492,500.
- Sick Bank Payout – 268-000.00-709.100 – Per policy will not be offered.
- Social Security – 268-000.00-715.000 – \$114,000. Figure provided by the City of Novi.
- Insurance – 268-000.00-716.000 – \$197,000. Figure provided by the City of Novi.
- Pension – 248-000.00-718.000 – \$48,000. Figure provided by the City of Novi.
- Unemployment Insurance – 268-000.00-719.000 - \$0.00.
- Workers' Compensation – 248-000.00-720.000 – \$2,250. Figure provided by the City of Novi.

Total Personnel Services is \$1,862,250.00.

Supplies & Materials – 22.6% of revenue.

Supplies

- Office Supplies – 268-000.00-727.000 – \$31,500
- Postage – 268-000.00-728.000 – \$6,000.
- Computer Supplies – 268-000.00-734.000 – \$151,000. (This figure should be for line item – 268-000.00-734.500).
- Computer Supplies Equipment – 268-000.00-734.500 – \$7,000. (This figure should be for line item – 268-000.00-734.000)
- Operating Supplies – 268-000.00-740.000 – \$23,000

Materials

- Books – 268-000.00-742.000 – \$215,000
- Books – Misc. Grants - \$0.00.
- Periodicals – 268-000.00-743.000 – \$14,500
- Audiovisual Materials – 268-000.00-744.000 – \$43,100
- Electronic Media – 268-000.00-745.200 – \$35,500
- Online Resources– 268-000.00-745.300 – \$50,500.

Total Supplies & Materials is \$ 577,100.00.

Services & Charges – 21% of revenue.

- Bank Services – 268-000.00-802.100 – \$750.00.
- Independent Audit – 268-000.00-803.000 –\$1,500.
- Medical Service – 268-000.00-804.000 –\$500.
- Legal Expenses - 268-000.00-806.000 –\$2,000.
- Memberships & Dues – 268-000.00-809.000 –\$5,500.
- Professional Services – 268-000.00-816.000 –\$25,000.
- Custodial Services – 268-000.00-817.000 – \$45,600.
- TLN Central Services – 268-000.00-818.000 –\$2,500.
- Telephone – 268-000.00-851.000 – \$15,500.00.
- TLN Automation Services – 268-000.00-855.000 –\$50,000.
- Mileage – 268-000.00-862.000 –\$800.
- Community Promotion – 268-000.00-880.000 –\$21,000.
- Programming – 268-000.00-880.268 – \$23,000.
- Design, Printing, Publishing – 268-000.00-900.000 –\$24,000.

- Insurance – 268-000.00-910.000- Proposed budget - \$19,000.
- Heat – 268-000.00-921.000 –\$42,000.
- Electricity – 268-000.00-922.000 –\$142,000.
- Water and Sewer – 268-000.00-923.000 –\$12,000.
- Office Equipment Maintenance – 268-000.00-932.000 – \$0.00.
- Building Maintenance – 268-000.00-934.000 – \$50,500.
- Vehicle Maintenance – 268-000.00-935.000 –\$3,000.
- Grounds Maintenance – 268-000.00-941.000 – \$20,200.
- Office Equipment Lease – 268-000.00-942.000 – \$16,375.
- Conferences & Workshops – 268-000.00-956.000 – \$12,500.

Total Services & Charges is \$ 535,225.00.

Capital Outlay - .04% of revenue.

- Building Improvements – 268-000.00-976.000 – Proposed budget - \$5,000.
- Furniture – 268-000.00-990.000 – Proposed budget - \$5,000.

Total Capital Outlay is \$ 10,000

Total Expenditures: \$2,984,575.00.

Discussion:

As of December 2009, the Library's Fund Balance is \$2.1 million; the Walker Fund has \$1.5 million for a total of \$3.6 million. If the Library was to use their fund balance to offset the deficit, these funds could run out in 3-4 years. The discussion of providing minimal services and possibly reducing or eliminating programming was discussed. The Board asked Julie to provide a budget that lives within the \$2 million that is provided by the voters.

The personnel line doesn't include an increase in salaries or compensation for staff that will be increasing their work week from 37.5 hours to 40 hours per week.

The Library Board feels that they would be comfortable increasing the expenditures by \$100,000 - \$150,000 over last year's budget.

The new facility will double the number of computers, which doubles the number of licenses required. Presently, the Library has 57 computers and will be increasing to 180 in the new facility. The life span of the new computers is extended to 7 years instead of the traditional 3-4 years. The Library will also be increasing the number of self check-outs from one to six (6).

The RFID system – what is the warranty costs vs. the repair costs? The warranty for the system is \$16,000 per year or \$40,000 for a 3-year contract.

Kathy Smith-Roy, Director of Finance for the City of Novi, was not in favor of the Library Board having a reserve fund to fund computer purchases in the future.

Goals:

- The total budget not to increase by more than \$150,000.
- Future budgets – revenue/expenditures stay the same percentage; keep the gap constant.
- With the increase in the A/V line item, reduce the number of copies ordered.
- May have to reduce service levels.

- May have to reduce compensation and benefits.
- Look at building and grounds maintenance contracts for reductions in costs.

Julie was asked to provide the Library Board with the percentage of full time employees to part-time employees breakdown with other Class VI Libraries; the DSLRT study.

Julie provided the Board with a Programming Analysis for 2008-2009 for Youth, Teen, and Adult programs. The chart indicates the number of programs offered, attendance, staff hours spent on programs, and the cost to plan, prepare and execute the programs. The chart indicates that the cost for the adult programs is extremely higher than the Youth and Teen programs.

- Professional Services – 268-000.00-816.000 - The Library Board delayed the Long Range Plan for an additional year reducing the line item to between \$5,000 and \$10,000.
- The Board would like to see the new facility be energy conscience.
- Heat and Electricity – 268-000.00-921 & 922.000 – The figures come from BEI; the Board feels that these figures are too high.

The Library Board would like to extend an invitation to have Kathy Smith-Roy attend a Library Board meeting to discuss finances, either March 6 or March 17, 2010.

The City of Novi would like the Library Board to consider continuing to hold their meetings in Council Chambers instead of at the Library. If the Library Board meetings were held at the Library, meetings could be broadcast live on the Library's plasma televisions.

Larry Czekaj would like the Policy Committee to consider the types of food and beverages served at the new Library. Also, he would like to have restrictions on where foods/beverages can be consumed. He suggested that the café owner be brought in and made aware of the policy. Julie informed the Board that new policies are being created for the new facility and will be brought before the Library Board prior to opening.

5. Public Comment

There was no public comment.

6. Adjourn

A motion was made to adjourn at 10:20 a.m.

1st – Willy Mena
2nd – Larry Czekaj

The motion was passed unanimously.



Willy Mena, Secretary

March 17, 2010

Date