1. **Call to Order**
   The meeting was held at the Novi Public Library, 45255 W. Ten Mile Road, Novi, Michigan, 48375, and was called to order by Tara Michener, President, at 8:28 a.m.

2. **Welcome New Board Member – Katherine (Kat) Dooley**
   President Michener introduced and welcomed new Board Member, Kat Dooley. Kat is a resident of Novi and is employed in Novi. Kat is a community advocate. She is involved in Novi Rotary, Housing and Community, and resides on her HOA Board. Kat is honored to be a part of the Novi Library Board.

3. **Roll Call**
   Roll Call by Secretary, Bill Lawler
   **Library Board**
   Tara Michener, President
   Melissa Agosta, Treasurer
   Bill Lawler, Secretary
   Craig Messerknecht, Board Member
   Kat Dooley, Board Member
   Geoff Wood, Board Member
   Torry Yu, Board Member
   **Library Staff**
   Julie Farkas, Director
   Barbara Cook, Bookkeeper

4. **Pledge of Allegiance**
   The Pledge of Allegiance was recited.

5. **Approval and Overview of Agenda**
   A motion was made to approve the January 19, 2019 Library Board Budget Session Agenda.
   1st—Melissa Agosta
   2nd—Kat Dooley
   The motion passed unanimously.
   **Documents provided at meeting:**
   - 2019-2020 Budget Narrative
6. **Public Comment**

None.

7. **2019-2020 Proposed 268 and 269 Library Budgets – Julie Farkas, Library Director**

   A. **2019-2020 Budget Narrative**

   1. **Unexpected Costs as of January 14, 2019**

      a. The technology budget unexpected costs total $400.00. Therefore, the 2018-2019 year-end for account 734.500 will be increased from $58,000 to $58,400.

      b. Building Maintenance is highlighted in yellow and this area has been a struggle this year due to faulty equipment. The detail is listed on page 1 and the 2018-2019 year-end for account 934.000 will be increased from $98,000 to $108,322.50. This is an increase of $10,322.50.

      c. Director Farkas inquired about a 5-year maintenance contract for the Lending Library in order to secure a cost savings. Lending Library offered a 5-year contract for $27,720, which is a substantial savings of $16,280 if the agreement is entered into prior to the installation of the machine. The maintenance contract would not go into effect until the kiosk is received. A trustee asked if this could go into the 2019-2020 budget. Director Farkas said she will ask the vendor if the payment can be made out of the 2019-2020 budget and inform the Board of the vendor’s response.

      A Trustee inquired whether the budget numbers are actually changed to reflect the year-end adjustments. Director Farkas responded that the City changes the numbers once they are submitted. Some of the trustees’ do not support amending the budget numbers. A trustee asked if someone from the City’s Finance Department could explain why the numbers are amended from the approved budget. Director Farkas will reach out to the Finance Department and get an explanation to the Board.

   2. **Technology (Budget 986.000) Capital Improvements**

      The computers are on a 5-year cycle of replacement. Security cameras are on a rotation of 5-7 years.

      - No upgrades are scheduled for Technology Capital Improvements for physical computers for 2019-2020.

      - The building has been open for 8 years and we are on a cycle to replace and upgrade security cameras. The cost is $17,500 and the specific locations included are: elevator, hall-admin., 2nd floor corner stacks, study rooms, teen room, adult workstations, and the north stairs. This expense is included the 269 budget for 2019-2020. (269 account 742.233)

      - The cost to upgrade the second floor meeting room to digital equipment is $14,000 and this cost is factored into the 268 budget for 2019-2020.
3. **New Delivery Van Capital Purchase (Budget 983,000 Vehicles)**
   The Library sold their van about a year ago. The Library is appreciative that the City of Novi, Parks and Recreation Services, allows the Library to use their van. However, the Library will need to purchase its own van. Director Farkas is open to allowing Parks and Recreation to borrow the Library van, should it be purchased. The Library will be able to save considerable money by purchasing a van at the price the City is paying to replace their fleet of vans.
   - $28,500 is being budgeted for the purchase of the 2019 Ford Transit Van. This expense is included the 269 Budget for 2019-2020.
   - Director Farkas explained to the Board that there is an opportunity to make money from the van by offering sponsorships. Businesses in the community could pay a set amount of money to advertise their business on the van.
   - A trustee was aware of Ford offsetting or crediting the wrap cost on the Transit model and inquired if Ford will offset the wrap cost for the Library. Director Farkas said she will contact her representative at Ford and find out.

4. **Capital Improvement Projects**
   b. **Upholstery Project (Budget 990.00 Furniture)**
   - The Capital Improvements projects include reupholstering the furniture in the 1st floor study rooms, costing $15,000. Details can be found on page 5. This cost is factored in the 269 budget for 2019-2020. (269 account 742.231)

c. **Lending Library – 2nd payment and operational costs**
   - The Lending Library was paid a deposit of $32,750 in December 2018 and we carry a contingency of $2,000 (both transactions from the 269 account 976.044).
   - Detailed operational costs for the Lending Library include materials, personnel, technology maintenance, operating supplies and TLN Automation Services, which total $25,850. These expenditures are included in various 268 accounts and can be found on page 5.

5. **Salary Study**
   A salary study was completed about a year ago. The newly developed salary structure is being used by administration. Director Farkas pointed out that there is an increase in minimum wage from $9.25 to $9.45 an hour, which will go into effect in March 2019. This wage was adjusted on the salary structure along with an intern position rate of pay from $11.52 to $12.00 per hour.

6. **Health Insurance**
   The contribution has not changed, still 20% employee, 80% City.

7. **Employee Compensation for 2018-2019**
   Director Farkas included a 2% increase for staff that meets expectations or above. However, more than meets or exceeds expectations in the past received a higher percentage. Director Farkas is asking the Board for a more than meets or exceeds option, recommending a 3% increase, costing about $6,000.
• One trustees comment is that like most businesses, we rely on the backs of our strongest employees and believes the Library’s effectiveness is related to the core of the outstanding employees. Additionally, there would be a cost to integrate new employees. The trustees were all in agreement with this thought process and the trustees agreed that they would like to offer more but within close proximity to what the City is offering.

• Director Farkas will ask the City what they are planning for salary increases for the employees and how they determine stipends for part time and full time employees and provide that information to the Board.

8. **Building Assessment Information for Future Planning of the 269 Contributed Funds Account**
   Keith Perfect, Facilities Assistant II, provided preliminary quotes for major building repairs and/or replacements on page 7. The Trustees appreciate Keith’s work in gathering the preliminary quotes.

9. **What is currently under warranty with the Library building? (Information gathered as of budget time: January 2015)**
   Director Farkas included a summary from January 2015, on page 8, which indicates which warranties are active and no longer active.

10. **What has been the fund balance overage/usage over the past few years**
    Director Farkas included a detail of fund 268 overage/usage over the past few years on page 8. The last three years include overages to the fund balance.

11. **QSAC (Quality Services Assessment Checklist) – Library of Michigan**
    The Novi Library has received the essential and the enhanced levels for the QSAC (Quality Services Assessment Checklist). The library is currently working on excellent status. In order to acquire excellent status the library has to maintain that 15% of the overall budget is specific to collections.

12. **3 Goal recommendations made by Novi resident, Michael Duchesneau (Library Board meeting on December 19, 2018)**
    Director Farkas included a response to Mr. Duchesneau, a Novi Resident who made goal recommendations at the December Library Board Meeting, on page 10 and 11. This information is also included in the January Board Packet with an update to the Bylaws regarding the Library student representatives.

13. **Projects Currently in the Works for 2019-2020**
    Director Farkas included a list of projects that will continue into 2019-2020 on the bottom of page 11.

14. **Friends Wish List 2019-2020**
    The Wish List totals $12,050 (please eliminate the button maker) and Friends generously contribute approximately $15,300 to various programs. Resulting in the Library potentially receiving $27,350 in support in the 2019-2020 fiscal year.
15. **Historical Commission Budget 2019-2020 (Approved 1/16/2019)**
Director Farkas included the Historical Commissions 2019-2020 Budget on page 13. These funds are supported by the City of Novi and Director Farkas submits this budget to the City on behalf of the Historical Commission.

16. **Outstanding Fines at the Library**
As of June 30, 2018, there are $35,560.05 in outstanding fines and lost items on Novi Library materials.

17. **Term Limit Expirations for Board Members**
Terms expiring in 2019 include Trustee Melissa Agosta and Trustee Torry Yu whose terms expire on March 1, 2019.

**Break 10:06 am – 10:20 am**

B. **2018-2019 End of Yr.**
2018-2019 End of Year changes are discussed under Section 7. A 2019-2020 Budget Narrative

**2019-2020 268 Proposed Budget (Projected 20/21 and 21/22)**

1. **Revenue**
The proposed revenue is $3,136,439.00 for the 2019-2020 Proposed Budget.
   - 567.000-State Aid: $36,000
     - The State Aid report has been filed.
   - 657.000-Library book fines: $58,000
     - A trustee noticed that Library book fines are expected to decrease.
     - Trustees discussed Library book fines collected at one TLN Library that belong to another TLN Library.
   - 658.000-State penal fines $107,000
     - Discussion took place about the importance of State penal fines revenue to the Novi Public Library.
   - 665.289-Adult Programming-$3,000.00
     - A trustee asked to be provided with the expenses associated with the adult programming revenue.
   - 665.290-Library Fundraising-$4,000.00
     - A surplus of books that are donated but not utilized by the Library or Friends are sold and a percentage is earned by the Library.
   - 665.300-Meeting Room-$45,000.00
     - Discussions took place about meeting rooms and libraries fines.
     - HOA’s use of meeting rooms at the Library were discussed.
   - 665.650-Library Café-$5,000.00
     - New lessee in June 2019
2. Expenditures

The second phase of the salary adjustment is taken into effect. Also, the adjustment of 2% merit increase is included.

- 704,000-Permanent Salaries: $945,000
  - Includes a temporary employee moving into a permanent position in the support services department.

- 705,000-Temporary Salaries: $675,000
  - This can sometimes fluctuate.

- 728,000-Postage: $1,000
  - Increase due to returning items for repair. Also, to allow for consideration to send a postcard into the North end regarding Lending Library.

- 734,000-Computer/software licensing: $65,500
  - Reminder that 2018-2019 year end highlighted in yellow reflects cost of Lending Library Maintenance Contract.

- 734,500-Computer supplies equipment: $51,000
  - Discussion took place about years computers were replaced compared to years computers were not replaced and how it affects this account.

- 740,200-Desk, chairs, cabinets, etc.: $2,500
  - Increase at 2018-2019 year end to $750 as a result of some chairs that needed repair.

- 742,000-Books: $185,800
  - The amount allocated to this account has increased.

- 742,010-Lending Library Books: $10,000
  - Planning for Spring 2020

- 744,000-Audio/visual materials: $96,000
  - Costs increase based on demand.

- 855,000-TLN Automation: $74,000
  - This number is a more accurate reflection of costs based on the TLN contract.
  - The year end 2018-2019 is increased to $70,000 reflecting more accurate numbers provided by TLN contract.

- 922,000-Electricity: $100,000
  - This amount is still less than 2017-2018 audited of $115,543
  - A LED comparison will be taken into consideration when a full year is available.

- 934,000-Building Maintenance- $82,500
  - Reminder that year end increased as a result of unexpected costs the Library is experiencing.

- 941,000 Grounds Maintenance- $45,400
  - Burn of Bio swale rescheduled to Spring 2020

- 986,000-Internal Tech/Capital Outlay: $14,000
  - Cost to upgrade the second floor meeting room to digital equipment
2019-2020 269 Contributed Fund Proposed Budget
End of Year 2018-2019 LED Lighting Conversion Project increased from $15,000 to $20,000 but the overall project will still came in considerably under budget.

269 Capital Expenditures for 2019-2020: Library Van $28,500, Camera Replacement $17,500 and Public Furniture Replacement $15,000.

Discussion took place about capital expenditures and classifying them in 268 vs. 269 and maintaining a balanced budget in 268. After discussions, Treasurer Agosta and the Board asked Director Farkas to move $17,500 for security camera replacement from 269 to 268 and $28,500 for the Library van from 269 to 268 and including the $6,000 merit increase in 268. The 269 Furniture replacements will remain in 269.

C. Revenue & Expenditure Report through 12/31/18
Included in the packet

8. Board Member’s Individual Reflections
President Michener offered the Board members an additional opportunity to express their thoughts on the proposed 2019-2020 Budget. The Trustees were able to make reflections throughout the meeting.

9. Public Comment
None.

10. Approval of 2019-202 268 and 269 Library Budgets (which includes 268 Budgets 18/19 Yr. End, Projected budgets for 20/21 and 21/22
No approvals

11. Next Budget Session: Saturday, February 9, 2019 (8am-10am)

12. Adjourn

A motion was made to adjourn the meeting at 11:47 a.m.
1st—Melissa Agosta
2nd—Kat Dooley
The motion passed unanimously.

William Lawler, Secretary

February 28, 2019

Date