



**CITY OF NOVI LIBRARY BOARD  
MINUTES, SPECIAL MEETING  
BUDGET STUDY SESSION  
January 9, 2020**

**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 Melissa Agosta President, at 4:04 p.m.

**2. Roll Call**

Roll Call by Secretary, Kat Dooley

**Library Board**

Melissa Agosta, President

Craig Messerknecht, Vice President (departed at 6:05 p.m.)

Kat Dooley, Secretary

Geoffrey Wood, Treasurer

Bill Lawler, Board Member (departed at 6:14 p.m.)

Tara Michener, Board Member

Torry Yu, Board Member (departed at 6:22 p.m.)

**Library Staff**

Julie Farkas, Director

Barbara Cook, Bookkeeper

**3. Pledge of Allegiance**

The Pledge of Allegiance was recited.

**4. Approval and Overview of Agenda**

A motion was made to approve the January 9, 2020 Library Board Budget Session Agenda.

1<sup>st</sup>—Kat Dooley

2<sup>nd</sup>—Geoffrey Wood

The motion passed unanimously.

**5. Public Comment**

None.

## **6. 2020-2021 Proposed 268 and 269 Library Budgets – Julie Farkas, Library Director**

### **A. 2020-2021 Budget Narrative**

#### **1. Unexpected Costs as of January 9, 2020**

- As of January 9, 2020, account 268-941.000 grounds maintenance will be increased from \$45,400 to \$50,900 for year-end 19/20, due to north end grounds work scheduled for spring 2020.
- Director Farkas informed the Board that the Library is still working through some HVAC issues with mixing boxes, which are not releasing heat. Costs will be researched for these equipment failures. This would affect account 268 - 934.000 building maintenance. Director Farkas will keep the Board posted on this topic.

#### **2. Technology Capital Improvements**

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

- Fiscal Year 20/21 replacements for physical computers will cost \$31,200 and will cover these areas: 1<sup>st</sup> Floor and 2<sup>nd</sup> Floor Reference Desk, Public Adult and Youth, Teen Stop.
- Fiscal Year 20/21 replacements and upgrades to security cameras will cost \$21,000 and specific locations included are: parking lot, 2 patio doors, DVDs, Youth Study Rooms, Youth Media and Southwest Windows. (account 268-986.000)

#### **3. Capital Improvements Projects**

##### **A. Upholstery Project (Budget 990 Furniture)**

- Fiscal Year 20/21 upholstery improvements will cost \$17,000. The 2<sup>nd</sup> floor study rooms will be reupholstered and 2 tables and 8 chairs will be added to the lower level. (account 268-990.000)

##### **B. Youth Area Renovation Project (3 Phases of work proposed) – 269 Account**

- Fiscal Year 20/21 Youth Department (Phase 1) enhancements will cost \$16,636 for painting, maple trim, mural, 3 branch pinwheel table, 3 stools, and moving of existing manipulatives to east wall. (Refer to toddler alcove design) (account 269-742.231)
- Fiscal Year 21/22 Youth Department (Phase 2) enhancements include cabinet, washing machine, puppet stage and storage.
- Fiscal Year 22/23 Youth Department (Phase 3) enhancements will include an entryway to youth play area with stacked cubed designs.
- The Friends of the Novi Library are graciously contributing a Baby Garden and Hanging Mobiles for Fiscal Years 20/21 and 21/22, respectively.

##### **C. Teen Area Renovation Project (3 phases of work proposed) – 269 Account**

- Teen Librarian, Lindsay Gojcaj and the Teen Advisory Board (TAB) created a new plan for the 2<sup>nd</sup> floor teen space. The newly renovated space will increase seating to 29 spaces when the renovation is completed.
- Fiscal Year 20/21 teen area renovation (Phase 1) will cost \$13,156 and includes a laptop counter with 7 chairs, charging units, mounted OPAC, laptop tables for 4 existing chairs, new vinyl signage for the glass, and various electrical costs. (Refer to the teen space diagram). (account 269-742.231)
- Fiscal Year 21/22 teen area renovations (Phase 2) include reupholstering existing chairs & benches, and clarus board tops.

- Fiscal Year 22/23 teen area renovation (Phase 3) is the consideration of adding a door to the teen space.
- The Friends of the Novi Library are graciously contributing 4 new study tables/ 4 reading chairs for Fiscal Year 21/22.

**D. Digital Marketing Displays – 269 Account – Proposed by April Stevenson with assistance by Barb Rutkowski and Keith Perfect.**

- Fiscal Year 20/21 initiative to digitize the Kiosks by adding 3 vertical touch screens will cost approximately \$31,000-\$40,000 (including electrical work). These kiosks will be located in the main lobby, 1<sup>st</sup> floor youth area, and 2<sup>nd</sup> floor adult area. (269 account 742.233)

**E. Main Entrance Area – Update as of January 9, 2020**

- The main entrance area design is for next fall, impacting budget fiscal year 20/21. This is a temporary enclosure to protect the Library's main entrance. Approximate cost for the design, build and install is \$15,000. Trustees discussed the main entrance area design, colors and the signage on the enclosure. Director Farkas will offer the vendor our color packet for the design. Director Farkas is seeking approval for Fiscal Year 20/21 for \$15,000 to plan for the enclosure.
- **269 Library Contributed Fund – Fiscal Year 2020-2021** page 7 also includes lighting upgrades for patio and wall mounts on the building for \$6,800 (269-976.045) and iCube budget at \$5,000 (269-976.046). The fiscal year 29/20 and proposed 20/21 marketing sponsorship revenue (269.665.235) is \$5,500 per year. Please see Novi Public Library Educational/Outreach Sponsorship sheet for opportunities.

President Agosta recommended panoramic videos of before and after renovations. Director Farkas was very interested in this idea.

Trustees discussed door options for teen space. Trustee Wood inquired about a white noise generator to help dampen teen's voices as an option to a door.

Trustee Dooley had some recommendations for features for the digital marketing displays. The display should come with a software package. Is this software equipped to accept video, animation and can the display be updated with the social media feed? Also, Trustee Dooley recommends a good software support package.

Trustee Agosta inquired about the decrease in budget for Raising a Reader. Director Farkas explained that last fiscal year brochures were purchased and we do not have that expense this coming budget.

Board Members discussed potential employers renting iCube space and staff for team building.

**4. Employee Compensation for 2020-2021**

The Library is using the performance management tools set for the by the City of Novi. Director Farkas recommends a scale of 0%-3.5% for performance salary increases in fiscal year 20/21. A 2.5% average is factored in the budget lines. Director Farkas pointed out that there is an increase in minimum wage from \$9.45 to \$9.65 an hour, effective January 1, 2020. There is no need at this time to

make any other adjustments to salaries, as this minimum wage increase does not compromise the integrity of the salary structure that is currently in place.

**5. Health Insurance**

The contribution has not changed, still 20% employee, 80% City. The City is offering a self-funded option and this has no impact on the Libraries budget.

**6. Building Assessment Information for Future Planning of the 269 Contributed Funds Account**

- The building assessment on page 9 was also distributed at last year's budget meeting.
- Air Duct Cleaning is highlighted at the bottom of page 9, the cost is \$25,000 and this is included in building maintenance 268-934.000 for Fiscal Year 20/21.

**7. What is currently under warranty with the Library building? (Information gathered as of budget time: January 2015)**

- The Library parking lot paving is factored into the 21/22 budget.
- Discussion took place about hiring a building consultant for inspection and forward planning needs.

The Board requested Director Farkas add the consultant to the budget for \$5,000.

**8. What has been the fund balance overage/usage over the past few years?**

Director Farkas included a detailed summary of fund 268 overage/usage on page 10. The last four years include overages to the fund balance.

**9. QSAC (Quality Services Assessment Checklist) – Library of Michigan**

Charts for QSAC are included on pages 11 and 12.

**10. Project Updates for 2019-2020**

On the bottom of page 12 are project updates. Lending Library time frame is June 2020. Director Farkas was excited to announced that June 1<sup>st</sup> is the 10<sup>th</sup> anniversary of the Library Building

**11. Friends Wish List 2020-2021**

The 20/21 Wish List totals \$13,500 and Friends generously, annually contribute approximately \$15,300 to various programs. Resulting in the Library potentially receiving \$28,800 in support in the 2020-2021 fiscal year.

**12. Historical Commission Budget 2020-2021 (December 18, 2019)**

The Historical Commission 20/21 Budget was approved in December.

**13. Fines and Fees**

Through June 30, 2019, fines and fees revenue totaled \$69,892. Considerable discussion took place among Board Members over Library fines and fees. The 20/21 Budget account 268-657.000 Library Book fines only includes revenue from lost books and not revenue from fines.

Trustee Michener recommends the Board watch the Ted Talk about fines. Director Farkas will email the Board Members the link to the Ted Talk.

Trustee Agosta suggested asking the guest for a donation in lieu of the fines.

Trustee Lawler asked for clarification on page 15 about the date the listed Libraries are going fine free. Director Farkas acknowledged the date is a typo and the date should read Dec. 10, 2019. Also, Trustee Lawler asked about plans to make up the lost revenue with the elimination of book fines. Projected fines revenue lost is approximately \$63,000 for Fiscal Year 20/21. Trustee Michener discussed the potential elimination of guest book fines be consistent with the June

1<sup>st</sup> date. Director Farkas acknowledged and already has the tentative date of June 1<sup>st</sup> on the budget spreadsheet.

Additional discussions of possible millage and the potential elimination of book fines revenue took place among Board Members. Director Farkas will let the Board know the number of Library cards that currently have a fine for the next meeting.

Trustee Dooley asked for clarification on Chicago Public Library's decision to eliminate book fines triggering a 240% increase in book returns.

Trustee Wood requested Director Farkas contact the City and ask what is driving the \$1 million dollar increase in tax revenue between fiscal year 20/21 and fiscal year 21/22.

#### **14. Term Limit Expiations for Board Members**

Melissa Agosta – 3/1/22

Bill Lawler – 3/1/21

Craig Messerknecht – 3/1/21

Tara Michener-3/1/20

Kat Dooley-3/1/21

Torry Yu-3/1/22

Geoffrey Wood-3/1/20

#### **Student Representatives**

Tarun Tangirala- 12/31/20

Open Position

#### **B. Budget Document**

##### **2019-2020 End of Year**

2019-2020 End of Year changes were discussed among Board Members. End of Year Changes in the blue column are highlighted in yellow. Below is the summary of accounts affected.

#### **Revenue**

The projected revenue is \$3,147,424.71 for the 19/20 Year End Projection.

- 567.000-State Aid: \$40,000
  - The State Aid report has been filed.
- 658.000-State penal fines: \$118,345
  - Based on actual amount received
- 665.100-Copier: \$600.00
  - Decrease in usage and working to allow use of debit card to pay for copies
- 665.289-Adult programming-\$4,610
  - Increased based on amount collected
- 665.300-Meeting Room-\$40,000.00
  - Decreased based on tracking the revenue of rooms.
- 665.650-Library Café-\$5,030
  - Based on new lessee contract and a small reimbursement for \$30 owed to Library.

## Expenditures

The projected expenditures are \$3,154,818.40 for the 19/20 Year End Projection.

- 704.000-Permanent Salaries: \$920,000
  - Decreased. Includes a temporary employee moving into a permanent position.
  - Three Full Time workers left in the last 6 months.
- 704.210-Vacation Payout: \$4,704
  - Increased. This occurred in November 2019
- 705.000-Temporary Salaries: \$660,000
  - Decreased. Currently three part time vacancies.
- 715.000-Social Security: \$112,000
  - Decreased due to staff vacancies.
- 716.000- Insurance: \$192,000
  - Decreased due to staff vacancies
- 716.999-Ins. Employee Reimbursement: \$-38,000
  - Decreased. Number provided by City.
- 718.200-Pension Defined Contribution: \$37,700
  - Increased. Number provided by City.
- 741.000-Uniforms: \$300
  - Decreased from \$389 to \$300
- 802.100-Bank Services: \$5,000
  - Increased. Based on demand.
- 803.000-Independent Audit: \$475
  - Decreased. Library's portion.
- 804.000-Medical Services: \$1,200
  - Decreased. Based on future services
- 806.000-Legal Fees: \$7,500
  - Increased. Attorney to review Café name and Library Policy's.
- 808.100-Rubbish: \$1,300
  - Increased. Accurate amount.
- 818.000-TLN Central Services: \$3,495
  - Decreased. Accurate amount.
- 851.000-Telephone: \$16,500
  - Decreased. Based on current charges and usage
- 855.000-TLN Automation Services: \$62,000
  - Decreased significantly to a more accurate amount.
- 861.000-Gasoline and oil: \$600
  - Decreased. Based on expected usage
- 862.000-Mileage: \$200
  - Decrease. Based on reimbursements.
- 900.000-Print, Graphic Design, Publish: \$32,000
  - Decreased. New Engage cycle and sponsorship based.
- 910.000-Property and Liability: \$12,544
  - Decreased. Accurate amount.
- 922.000-Electricity: \$93,000
  - Decreased. Based on invoices.
- 934.000-Building Maintenance- \$87,500
  - Increased. Roof Maintenance for Spring 2020
- 941.000 Grounds Maintenance-\$50,900
  - Increased. North Drain repair for Spring 2020

- 942.000-Office Equipment Lease: \$8,000
  - Decreased. New contract as of Fall 2019.
- 976.000-Building Improvements/Entrance: \$10,000
  - Discussed under **6. A. 2020-2021 Budget Narrative. Part E. Main Entrance Area**
- 983.000-Vehicles-Van: \$32,000
  - Increased. Includes vinyl wrap cost

**2020-2021 268 Proposed Budget (Projected 21/22 and 22/23)**

Discussed under **6. A. 2020-2021 Budget narrative**

**2020-2021 269 Contributed Fund Proposed Budget**

Discussed under **6. A. 2020-2021 Budget narrative**

**C. Revenue & Expenditure Report through 12/31/19**

Included to consider activity recorded for the past 6 months

**D. Fines & Fees**

Discussed under **6. A. 2020-2021 Budget narrative item 13. Fines and Fees**

**E. Sponsorship Brochure Drafts (related to 269 Marketing Sponsorship)**

Novi Public Library Leaving a Legacy brochure was created years ago when the building project was underway. Trustees agreed to eliminate the unavailable donor opportunities category from the brochure. Director Farkas would like to add an amount for the Lending Library Kiosk. Discussion took place about a possible business being featured on the kiosk and perhaps closing or attaining a negative reputation and how this would affect the Library. Director Farkas is open to additional suggestions and changes to the brochure. Discussion about the wording of Donations Received ensued. Some alternate wording suggestions were Completed Legacies or Legacies Received or Fulfilled Legacies.

**7. Board Members Individual Reflections**

President Agosta offered the Board members an additional opportunity to express their thoughts on the proposed 2019-2020 Budget. No additional comments, as the Trustees were able to express their thoughts throughout the meeting.

**8. Public Comment**

Novi resident, Mr. Duchesneau recommends continued focus on International Children's Book collection especially books qualifying for 1,000 Books Before Kindergarten. Mr. Duchesneau appreciated the discussion on book fines. His initial reaction is for the Library to continue to collect book fines, but will be supportive of whatever the Board decides. Also, he believes most people would honor giving the Library a donation. Mr. Duchesneau appreciates the forward-looking activities such as the canopy for the main entrance and the discussions of remodeling (where the race car resided). Mr. Duchesneau suggested that Library workers on minimum wage be increased, after a certain number of hours worked, as this is not a livable wage.

Novi resident, Mrs. Duchesneau recalls biking to her neighborhood library to check out 10 items and was surprised that the Novi Library allows 100 items to be checked out. Mrs. Duchesneau commented that some items are not returned to the Library because of the transient population in Novi. These books may be discovered as families are packing up to move from point A to point B and people don't bother to return the items. Mrs. Duchesneau supports a lost items fee charge for items not returned in order to replenish the Library's collection. Also, she would like to see more awareness of the costs to replace books. Mrs. Duchesneau would like

the ability for Lakeshore park materials checked out at the kiosk to be returned to the main Library. This brings Lakeshore residents to the Library and gives them the ability to take advantage of the many offerings at the Library.

**9. Consider approval of 2020-2021 268 and 269 Library Budgets (which includes 268 Budgets 19/20 Year End, Projected budgets for 21/22 and 22/23**

No approvals. President Agosta summarized the 268 proposed Budget for Fiscal Year 20/21. Indicating a current potential fund usage of \$168,188 which could be potentially increase for main entrance \$15,000, building consultant \$5,000 resulting in a potential fund usage of \$188,188. The potential fund usage could be decreased to \$125,188 if approximately \$63,000 of book fine revenue is returned to revenue for fiscal year 20/21.

**10. Next Budget Session: Tuesday, January 21, 2020 at 4:00 p.m.**

**11. Adjourn**

A motion was made to adjourn the meeting at 6:24 p.m.

1<sup>st</sup>—Tara Michener

2<sup>nd</sup>—Kat Dooley

The motion passed unanimously.



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Kat Dooley, Secretary

January 23, 2020

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Date