



**CITY OF NOVI LIBRARY BOARD
MINUTES, SPECIAL MEETING
BUDGET STUDY SESSION
January 21, 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

Kat Dooley, Secretary

Geoffrey Wood, Treasurer

Bill Lawler, Board Member

Tara Michener, Board Member

Torry Yu, Board Member

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 21, 2020 Library Board Budget Session Agenda.

1st—Kat Dooley

2nd—Tara Michener

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 (updated as of January 20, 2020; see info in red)

- The proposed and projected tax revenue from the City of Novi has been corrected and is reflected in the budget-2nd draft.

1. Unexpected Costs as of January 9, 2020 (updated as of January 20, 2020)

- Director Farkas informed the Board that the Library is still working through some HVAC issues with mixing boxes. Director Farkas does not anticipate that these expenses will impact the budget at this time.
- Director Farkas is currently working with the City of Novi to finalize invoices and reports on the flood damage that occurred. There is no final cost at this time.

2. Technology Capital Improvements (5 yr. cycle for replacements)

- Fiscal Year 20/21 Technology Capital Improvement expenditures were moved to the Capital Outlay section of the 268 budget. (account 268-986.000)

3. Capital Improvement Projects

A. Upholstery Project (Budget 990 Furniture)

- No changes from previous budget study session

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

- No changes from previous budget study session
- Director Farkas commented that this is an area where money could be saved if the Board chooses not to approve for this budget.

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

- No changes from previous budget study session.
- Director Farkas commented that this is an area where money could be saved if the Board chooses not to approve for this budget.

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

- Director Farkas responded to Trustee Dooley's recommended features for the digital marketing displays. April Stevenson confirmed that the display will have all the features recommended and that the vendor provides software support.
- Director Farkas commented that this expenditure is not critical to marketing and an area where money could be saved if the Board chooses not to approve for this budget.

E. Main Entrance Area – Update as of January 20, 2020

- Additional costs to take down and put up the enclosure panels are \$2,200 per year. Also, if the panels require off-site storage and transportation an additional fee would be charged. The updated color palette was sent to the vendor for a more colorful rendition of the enclosure. The \$2,200 is in account 268-934.000 and the \$15,000 for the enclosure is in Capital Outlay account 268-976.000.
- **269 Library Contributed Fund – Fiscal Year 2020-2021** on page 8 is updated as of January 20, 2020. This includes digital marketing displays, Youth and Teen Area Renovations (phase 1), and the lighting upgrades for patio and wall mounts.

4. Employee Compensation for 2020-2021

No changes from previous budget study session.

5. Health Insurance

No changes from previous budget study session.

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

Account

No changes from previous budget study session.

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

- Professional Building Assessment expenditure of \$5,000 was included in account 268-816.000.

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

No changes from the previous budget study session.

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

Page 13 was updated to include the tentative date of June 1, 2020 for the Lending Library Kiosk in Lakeshore Park.

10. Project Updates for 2019-2020

No changes from previous budget study session.

11. Friends Wish List 2020-2021

There are no changes from the previous budget study session; however, if the youth area renovation is not approved by the Board some aspects of this renovation could be moved into the Wish List, which is approved by Friends.

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

No changes from previous budget study session

13. Fines and Fees

Traverse City District Library was added to the Fine Free Michigan Libraries category.

Director Farkas corrected the date typo as requested by Trustee Lawler and the date now reads December 10, 2019.

Based on the fines and fees discussion from the previous budget session Director Farkas informed the Board that there are 25,244 active library cards of that 5,298 or 21 percent have a fine on them.

Trustee Dooley discussed the Digital Display as an opportunity for a Marketing Sponsorship package. Director Farkas acknowledged and discussed adding this to the Sponsorship Brochure. Trustee Michener suggested a clause or policy be added to protect the NPL from any possible future negativity associated with a sponsor, if that were to occur. Director Farkas will contact the attorney to find out what kind of language could be added to the brochure and/or donation form to represent the best interest of the Library. Also, Director Farkas will investigate options for the longevity of the sponsorships. Marketing Sponsorship account 269-665.235 was added to the 269 Contributed Fund.

The trustees discussed the 269 contributed fund budget expenditures for Digital Display Marketing, and teen & youth renovations – phase 1. The teen area has not been renovated for 10 years. Also, the youth area has the opportunity for renovation with the relocation of the Novi Special. Trustees provided solid reasons for their support of the teen and youth renovations. Also, trustees openly discussed larger expenditures that could potentially impact the budget down the road and the importance of keeping the Library in positive future financial position.

A motion was made to approve the 269 Contributed Fund Budget draft "as is" with all suggested expenditures for 2020-2021 Fiscal Year.

1st—Geoffrey Wood

2nd—Torry Yu

The motion passed unanimously.

Please note: Official approvals for all Budget documents will be at the Library Board Budget Session on January 23, 2020.

14. Term Limit Expiations for Board Members

No changes from previous budget study session.

B. Budget Document

2019-2020 End of Year

No changes from previous budget study session.

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

Report distributed at previous budget study session. No changes.

D. Fines & Fees

Director Farkas read the social media response to the patron inquiring about the Novi Library going fine free. The social media response was, "Thank you for your question. The Library Board has been discussing the fine free topic but no decisions have been made at this time. If you would like to discuss further please feel free to contact Julie Farkas at 248-869-7233."

An in-depth discussion of Library Book fines and how that will affect revenues was discussed among the Trustees. Trustees discussed that there should be a solid plan to recover this lost revenue as the library expenditures are outpacing revenues. Suggestions consisted of performing an internal study to determine if going fine free is a good fit for the Novi Library, along with gathering additional information about the pros and cons of going fine free and other comparable libraries experiences. Overall, all Trustees are in favor of considering, researching, and exploring going fine free. There is support for further research, meetings and discussions on this topic. Trustee Michener is confident with her research and supports attaining fine free status for the Novi Library.

Trustee Michener made a motion for the removal of book fines fees from revenue as the draft budget line currently reads. No Board member seconded the motion, therefore it was not put to vote.

Book fine fees revenue will be added back to Library Budget 268 for 2020-2021.

Director Farkas will continue to reach out to Libraries that have and have not made the decision to eliminate library book fines.

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

The Novi Public Library's Leaving a Legacy brochure was discussed. Director Farkas is adding Digital Marketing and Lending Library Kiosk sponsorship opportunities to the brochure. Sponsorship details concerning pricing and years were discussed. The Trustees were comfortable with Director Farkas ideas for terms and pricing.

Director Farkas will inform the City that she is pursuing some marketing sponsorship opportunities as the Board recommended.

7. Board Members Individual Reflections

President Agosta offered the Board members an additional opportunity to express their thoughts.

Trustee Michener appreciates the data points received beforehand, packet on fines, and that the Ted Talk, she requested, was emailed to the Trustees for review. Additionally, Trustee Michener appreciates the different perspectives among the Trustees and values these differences. Trustee Michener is excited to see what happens with the sponsorships.

Trustee Dooley reflected on completing a full year as a Trustee and has more stake and education about the process. Trustees Dooley appreciates strategic planning efforts from previous Trustee Doreen Poupard and current Trustee Geoffrey Wood. The strategic planning committee has thoughtfully provided information for the community to access. Trustee Dooley acknowledged that this budget complements the three year strategic plan goals.

Trustee Lawler is pleased to have Board approval for most of the expenditures that were recommended. Trustee Lawler commented that the budget expenditures are well supported, reasonable and good for the Library and the patrons.

Trustee Yu acknowledged that the Library is celebrating a 10 year anniversary this year. Trustee Yu appreciates Director Farkas and the staff for keeping it fresh each day with new projects such as the youth renovation that continue to grow the Library. Trustee Yu is excited about the sponsorship potential and the positive interest in this. Trustee Yu is interested in additional research about the Library fines and together determining if that is the right direction for the Novi Library, since this would be a good opportunity. Overall, Trustee Yu is happy with how the Board is moving forward.

Trustee Wood reported that the Library financially has experienced 4 good years in a row and working on a 5th. Trustee Wood believes the budget process is a solid one and most Board members are experienced with the process. The current fiscal year projection is approximately \$2,000 revenues over expenditures and this is an example of what to strive for. Trustee Wood expressed the ability to renovate and keep the building fresh, while maintaining a fairly balanced budget by not overspending or underspending. Trustee Wood appreciates the dedication and hard work of Director Farkas and the Library team in preparing the budgets.

Trustee Messerknecht agreed that there is a good budgeting process in place. Trustee Messerknecht appreciates the variety and uniqueness of ideas brought to the Board from Director Farkas and the Library staff. The Board responsibly reviews these suggestions and practices good fiscal management. Overall, this process allows for a good balance in running the Library to its best potential.

Trustee Agosta thanked all Board members and Director Farkas for their participation in the Board budget sessions. Trustee Agosta appreciates the level of honesty and respect at the meetings. Also, she sends a big thank you from her heart to the staff for the visions presented for the Novi Library.

Director Farkas appreciates the Board and their support of the staff visions.

South Lyon District Library has a Trustee willing to teach Board Members about reading a line by line budget. The Board appreciates the offer but is comfortable with their knowledge of the financials.

At the February 19th Library Budget meeting, a closed session will be requested to discuss the Mid-Year review for Director Farkas. Administrative Assistant, Marcia Dominick will email the paperwork to the Trustees for completion.

8. Public Comment

None

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

Official approvals for all Budget documents will occur at the Library Board Budget Session on January 23, 2020)

10. Official Approval of Budget Information: Thursday, January 23, 2020

11. Adjourn

A motion was made to adjourn the meeting at 5:41 p.m.

1st—Tara Michener

2nd—Kat Dooley

The motion passed unanimously.



Kat Dooley, Secretary

February 19, 2020

Date