



**CITY OF NOVI LIBRARY BOARD
MINUTES, SPECIAL MEETING
BUDGET STUDY SESSION
January 15, 2022**

1. Call to Order

The meeting was held at the Novi Public Library, 45255 Ten Mile Road. The meeting was called to order by Kathy Crawford, President at 10:00 a.m.

2. Roll Call

Roll Call by Secretary, Brian Bartlett

Library Board

Kathy Crawford, President

Kat Dooley, Vice President

Sreeny Cherukuri, Board Member (arrived 10:03am)

Brian Bartlett, Secretary

Tara Michener, Board Member

Geoffrey Wood, Treasurer (absent/excused)

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 15, 2022 Library Board Budget Session Agenda.

1st—Trustee Dooley

2nd—Trustee Michener

Roll Call vote was taken. Motions passes with 5 yes votes. Trustee Wood absent/excused.

Trustee Cherukuri arrived at 10:03 a.m.

5. Public Comment

No public comment

6. **2022-2023 Budget Narrative, Proposed 268 and 269 Library Budgets – Julie Farkas, Library Director**

A. **2022-2023 Budget Narrative- 1st draft as of 1/15/22**

(Pages 3-5 include answers to Trustee Michener's financial related questions from the December Board Meeting)

1. **Unexpected Costs as of January 15, 2022**

- No material amounts above current contingencies.

2. **Technology Capital Improvements**

Computers and security cameras are on a 5 year cycle for replacements.

- See budget narrative for scheduled areas.

3. **Capital Improvements Projects**

A. **Upholstery Project**

- Phase 4: Fiscal Year 22/23 upholstery improvements (or new) to second floor study rooms.

B. **Youth Area Design Upgrades (3 Phases of work proposed)**

- Fiscal Year 22/23 youth area (Phase 2) Baby Garden. Friends Wish List.
- Fiscal Year 23/24 youth area (Phase 3) Hanging Mobiles. Friends Wish List.

C. **Teen Area Renovation Project (3 phases of work proposed)**

- Fiscal Year 22/23 teen area renovation (Phase 2) includes new vinyl signage to the glass. Friends Wish List.
- Fiscal Year 23/24 teen area renovation plans can be found on page 6 of the budget narrative.

D. **Main Entrance Area**

- Building and Grounds Committee are looking at a more permanent solution. Engaging an architect for a drawing – estimate \$7,500

E. **Discontinuance of Music CD Materials and Re-Design the Space**

- Downloading and streaming music opportunities have phased out cd collections. Community has been notified that cd collection is cancelled. New bench and table for the area – estimate \$6,700

4. **Employee Compensation for 2022-2023**

Director Farkas is recommending a salary increase of 3% for all staff members hired prior to 1/1/22 and meeting expectations. This percentage is factored in permanent and temporary salaries accounts, 268-704.000 and 268-705.000. The Department of Labor announced a minimum wage increase from \$9.65 to \$9.87 effective 1/1/22.

5. **Health Insurance**

The contribution has not changed, still 20% employee, 80% City. City has instituted a monetary reward for members engaging in approved wellness activities.

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

- The building assessment is on page 9

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

- The warranty assessment is on pages 10-11, includes information on parking lot repair work.

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

A detailed summary of fund 268 overage/usage is on page 11.

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

For Novi Library to remain at the excellent level a minimum 15% of the overall budget is specific to collections.

10. Budgets: 268 Library General Fund (Includes Year End for 21/22, Proposed Budget for 22/23, 23/24 & 24/25) and 269 Library Contributed Fund(Included Year End for 21/22 and Proposed Budget for 22/23)

Pages 12-15 (Fund 268 refer to columns a-g)

11. Friends Wish List 2022-2023 (as of 1/15/22)

Page 16

12. Historical Commission Budget 2021-2022 (December 16, 2020)

Page 17

13. Term Limit Expirations for Board Members

Term limit expirations are at the bottom of page 17.

Brian Bartlett – 3/1/22

Kathy Crawford – 3/1/24

Sreeny Cherukuri – 3/1/24

Tara Michener-3/1/23

Kat Dooley-3/1/24

Torry Yu-3/1/22

Geoffrey Wood-3/1/23

Student Representatives

Abhay Kakarla- 8/31/23

Rida Salim – 8/31/23

B. 268 Library Fund Budget Document – 1st draft as of 1/15/22

a. 2020-2021 Approved (1/23/2020)

Pages 12-14, Library Budget 268 spreadsheet, column a.

b. 2020-2021 Audited (6/30/2021)

Pages 12-14, Library Budget 268 spreadsheet, column b.

c. 2021-2022 Approved (1/28/21)

Pages 12-14, Library Budget 268 spreadsheet, column c.

d. 2021-2022 Year End (1/15/22)

FY 2021-2022 revenue and expenditures, can be found on pages 12-14 of the Library Budget 268 spreadsheet under column d. Trustees should review all revenue and expenditure accounts, including those highlighted in yellow. Specific accounts noted below were mentioned during the budget meeting.

Revenue - 268

The projected revenue is \$3,350,566.97 for the 21/22 fiscal year ending 6/30/22.

- 403.000-Tax Revenue Current Levy: \$3,085,760.50
 - Increase from \$3,005,458 to \$3,085,760.50
- 633.100-Insurance Reimbursement: \$89,230.69
 - Increase from 0 to \$89,230.69 (storm damage)
- 657.000-Library Book Fines: \$8,000
 - Decrease from \$48,000 to \$8,000 (Fees only; no fines)

Expenditures – 268

The projected expenditures are \$3,452,159.03 for the 21/22 fiscal year ending 6/30/22.

- 704.000-Permenant Salaries: \$983,000
 - No monetary change; 19FT; 3 open positions; 3% increase
- 705.000-Temporary Salaries: \$710,000

- Decrease from \$725,000 to \$710,000; 45PT; 5 open; 3% increase
- 728.000-Postage: \$500
 - Decrease from \$2,000 to \$500
 - FY 22/23 increase for NPL at your door
- 734.500-Computer Supplies Equipment: \$133,530.69
 - Increased from \$24,300 to \$133,530.69
 - NPL was affected by 2 storms causing the significant increase to this expense account.
- 806.000-Legal Fees: \$15,000
 - Increased from \$7,500 to \$15,000
- 817.000-Custodial Services: \$90,000
 - Decreased from \$93,000 to \$90,000
 - No cleaning on closed days as Director negotiated in contract
- 880.268-Library Programming: \$15,000
 - Decreased from \$28,000 to \$15,000
 - Virtual programs continue
- 880.271-Adult Programming: \$4,000
 - Decreased from \$8,000 to \$4,000
- 956.000-Conferences/Workshops: \$8,000
 - Decreased from \$17,000 to \$8,000
 - Virtual conferences/workshops continue
 - Director Farkas is attending an in state Directors program related to DEI this year
- 976.100-Parking lot improvements: \$10,700
 - Increased from \$5,000 to \$10,700
- 986.000-Camera/Computer Replacement: \$32,200
 - No change. Replacements will be purchased.

Position vacancies and staffing challenges were discussed, including substitute (on-call) staffing positions.

Trustee Michener thanked Director Farkas for the information in the packet which clarifies that account 268-657.000 is reflective of both, fines and fees revenue collected. Trustee Michener asked when the dollar breakdown for fines and fees collected will be available. Director Farkas said that the request has been submitted to TLN.

The storm damage to equipment was discussed. Trustee Michener suggested a contingency account for the insurance deductible. Director Farkas will look into this for future budgets. Trustee Michener asked for the Library to put measures in place to protect equipment. Building and grounds is discussing a generator and Director Farkas will have the committee review the technology plans and consider additional measures for protection. The building was hit with brown outs causing the surge and problems. Trustee Dooley asked how old the damaged equipment was. Director Farkas answered that it was not under warranty. Trustee Dooley asked the library to look into extended warranties.

The Lending Library Kiosk was discussed. The materials were purchased based on the survey sent to the members of the community. Unpopular Items will be

recirculated into main library to look for an opportunity for further usage. The biggest challenge was getting the machine fully functional. Challenges included communication to the main building as well as weather challenges with snow and bugs attracted to the area due to the lake environment. The machine is equipped with a heating and cooling element. Director Farkas will provide a full report of popular check out's to the board at an upcoming meeting. The Kiosk is filled 2 to 3 times a week. Contests such as Polar Prizes and reading challenges continue in order to promote the kiosk. Items purchased for the lending library are tracked in account 742.010 however, this expenditure could be combined with account 742.000 in the future.

NPL at your Door will be launched in February, 2022. Trustees discussed this opportunity for barrier free. The library card holder can specify the dates to utilize this service and this is done per library card. Once this is initiated there is no option to check out items, in person, at the library for that cardholder. There is no postage discount for the library to mail items to patrons. The postage fee is based on weight.

Trustee Dooley asked about account 742.666 Books-Misc. grants Director Farkas said this relates to expenses related to grants.

Trustees asked about account 742.100 which represents lost items. These are fees the Novi library pays other libraries for lost books. It currently reads as book fines. Director Farkas will contact the City to see if the description can be changed to book fees. Sometimes these fees are not recovered from the patron who lost the item and it becomes lost revenue for the library.

Trustees discussed building cleaning. The building is being sanitized thoroughly on a monthly basis, by a vendor. Also, the staff continues high touch sanitization twice a day in addition to daily cleaning by the vendor. The building filters have been upgraded. There are also circulation fans (designed by Ford Motor Company) with filters that are in work areas throughout the building.)

Summer Reading brochures were discussed and will continue to be published and distributed to the schools. This was skipped one year (during COVID)

Trustee Michener had some thoughts regarding parking lot improvements in the narrative. Trustee Michener asked if the crushed limestone is necessary. Additionally, if the bioswale in the parking lot is removed what is the impact on water drainage, etc. and how is this additional volume handled from a 100 year storm scenario. Director Farkas explained this would have to be completely redone and it is estimated at \$125,000. Trustee Michener also asked if permeable pavement is an option.

Trustee Bartlett cautioned that budgeted expenditures do not account for future financial impact of inflation. He suggested a potential 4% increase which he said is below what the federal government is predicting. Director Farkas mentioned that some accounts do take an increase of cost in consideration but she will contact that City for a financial recommendation

as far as the overall inflation impact. Trustee Bartlett is suggesting this change for budgets after fiscal year 22/23.

Trustees discussed grants. Although the library does not have a dedicated staff writer for grants, the staff does apply for grant opportunities. Currently, staff support is not available to write larger grant opportunities, such as LSTA. Trustees discussed putting funds toward grant writing or finding a volunteer who is interested in grant writing.

Millage to supplement the library budget was discussed. Trustee Bartlett explained a justification would need to be created in conjunction with the City for an override, and the voters would be notified. Expect this to take one or two election cycles.

Trustee Crawford asked about the City and High School sharing in cost to repair the Library Parking lot since the City and High School have events where the Library parking lot is utilized. Director Farkas mentioned that the library staff continues to park in the school parking lot on a daily basis. Trustees suggested it is worth a discussion between Director Farkas, the City and High School.

e. **2022-2023 Proposed (1/15/2022)**

Pages 12-14, Library Budget spreadsheet, column e

Revenue - 268

The proposed revenue is \$3,397,404 for the 22/23 Fiscal Year.

- 403.000-Tax Revenue: \$3,209,191
 - From the City
- 657.000-Library Book Fines: \$8,000
 - As discussed represents fees only

Expenditures – 268

The proposed expenditures are \$3,657,977 for the 22/23 Fiscal Year.

- 704.000-Permenant Salaries: \$1,039,792
 - Includes 3% increase
- 705.000-Temporary Salaries: \$725,000
 - Includes 3% increase
- 734.000-Computer Software/Licensing: \$83,000
 - Cost increases
- 740.000-Operating Supplies: \$28,000
 - Cost increases/library cards supply
- 742.00-Library Books: \$197,000
 - Increase includes youth and DEI materials
- 743.000- Library Periodicals: \$18,000
 - Some have moved to digital format
- 744.000-Audio visual materials: \$136,000
 - Increase result of downloadable materials
- 745.300-Electronic Resources-online: \$70,000
 - Adding Consumer Reports
- 816.000-Professional Services: \$9,000

- Trustees asked Julie to increase this to include a strategic planning consultant.
 - Includes DEI staff training
- 976.100- Parking Lot Improvements: \$12,500
 - Budgeted for patch improvements
- 986.000-Internal Tech - AST: \$115,800
 - Expense will be removed from this account (268) and kept in account 269
- 986.000- Computer Camera Replacements: \$83,000
 - Areas being upgraded discussed under budget narrative

Various Discussions surrounding the 22/23 proposed budget:

Trustee Michener mentioned opportunities for employees in the current job market and inquired about incentives for part time library staff such as earned time off, etc. to keep up the morale.

Trustee Cherukuri asked where surveys expense would show up if performed by a consultant. These would be expensed under professional services account 816.000

Director Farkas can look into adding on to City contracts as an addendum if there is an opportunity to continue with the same high standard of service expected, but at a better price point.

f. 2023-2024 Projected (1/15/2022)

Pages 12-14, Library Budget spreadsheet, column f

g. 2024-2025 Projected (1/15/2022)

Pages 12-14, Library Budget spreadsheet, column g

C. 269 Library Contributed Fund Budget Document -1st draft as of 1/15/22

Page 15, Library Budget spreadsheet

Revenue -269

The proposed revenue for 22/23 is \$42,500

Expenditures – 269

The proposed expenditures for 22/23 are \$171,000

- 742.231-Building/Ground/Furniture: \$27,500
 - Reupholstering furniture continues
- 976.044-Auto Lending Library: \$2,500
 - Software upgrade to dispense library card at machine
- 976.047-Automated Return System: \$115,800
 - This amount is budgeted in both 268 and 269 to allow trustees to determine which account they recommend. Director Farkas and the Trustees recommends expensing to this account (269).
 - This is the cost to replace the entire system as it is out of warranty and is 12 years old, this spring.
- 976.048-Main Entrance Design: \$10,000
 - Includes amount specifically budgeted for architectural drawing for entrance.

Trustee Cherukuri asked about how many full time employees the AST Machine replaces. He is interested in re-visiting discussions about having transition students or offering opportunities for unemployed individuals to perform this job instead.

Director Farkas will add to an April or May, 2022 Board agenda (Finance Committee) the option to discuss transferring money from 268 to 269.

Trustee Cherukuri asked for additional information on interest on investments account 269-664.000. He wants to make sure interest is being allocated to the correct account. He is inquiring what the fund balances are in each interest account 268 and 269.

D. Revenue and Expenditures Report through 1/10/22 (distributed at meeting)

Printed 1/10/22 ending 12/31/21, distributed to Trustees at the meeting to consider activity recorded for the past 6 months.

7. Public Comment

Jason Michener:

- I. From an engineering standpoint he suggests the Trustees look into UPS- Uninterruptible Power Supplies, which are a combination surge protector and battery.
- II. The school had a bond in 2019 which includes renovation and improvements which dramatically changes the landscape and perhaps parking lot implications, which Jason feels makes it a good time to have discussions with the school.
- III. Also, Jason suggests incentives for those writing grants, such as gift cards to support local businesses.

8. Board Members Individual Reflections

Trustee Michener enjoyed the opportunity to review the library financials and felt that the Trustees had a good discussion, encompassing all the Trustees different levels of expertise. Trustee Michener is looking forward to the 2022 year and hopes to work together like this moving forward.

9. Consider approval of 2021-2022 Year End, 2022-2023 268 and 269 Library Budgets, 2023-2024 & 2024-2025 Projected Budgets

No approvals. Further budget discussions to continue at the next budget meeting.

10. 2nd Budget Session: Thursday, January 22, 2022 at 6-8 p.m. at Novi Public Library, Board Room 2nd floor

11. 2 Policy Considerations:

HR Policy – Communication Devices and Usage Policy (1st draft)

Public Policy- NPL @ Your Door Usage Policy (1st draft)

Trustees are asked to review both policies included in the budget packet.

The Communications Devices and Usage Policy is updated from the City to include medical device interaction and international travel.

The NPL @ Your Door Usage Policy was discussed: 60 bags are ready for the pilot. Trustee Yu asked if a patron is signed up for NPL@ Your Door Service if they are able to use their library card to check out items at another TLN library. Director Farkas will get this information. Trustee Cherukuri wants to make sure that patrons continue to visit the Library - in person. Trustee Michener would like to know if the library picks up new users from this service. Trustees will keep an eye on this newly offered service in regards to the Trustees questions/discussions.

12. Library Board Meeting 1/27/22 at 7pm

13. Adjourn

A motion was made to adjourn the meeting at 12:42 p.m.

1st—Tara Michener

2nd—Torry Yu

Roll Call vote was taken. The motion passes with 6 yes votes. Trustee Wood is absent/excused.



Brian Bartlett, Secretary

1-27-2022

Date