



**CITY OF NOVI LIBRARY BOARD
MINUTES, SPECIAL MEETING
BUDGET STUDY SESSION
January 20, 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 6:00 p.m.

2. Roll Call

Roll Call by Secretary, Brian Bartlett

Library Board

Kathy Crawford, President

Kat Dooley, Vice President

Sreeny Cherukuri, Board Member

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 20, 2022 Library Board Budget Session Agenda.

1st—Trustee Dooley

2nd—Trustee Cherukuri

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

5. Public Comment

No public comment

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

A. 2022-2023 Budget Narrative- 2st draft as of 1/20/22

- The budget narrative was updated and is found on pages 1-18
- Page 3 is an update from TLN regarding separating fines and fees revenue. TLN is working on this project. Finance committee will be bringing information to a spring meeting to support continued discussions of fine free. The current budget does not include fine revenue-only fee revenue generated from lost/damaged material.
- Page 3 (at the bottom) is a response from the City regarding investment accounts. The conclusion is that 268 maintains a higher fund balance than 269. Trustee Cherukuri expressed that foundations have more access to better investment vehicles than a municipality. Trustee Michener would like more information on foundations. The Finance Committee continues to look at this option and a presentation to the Board will happen when more information is gathered.
- Page 6 is an update on the main entrance. \$7,500 is the estimated cost for the architectural rendering, however, the 269 budget line remains at \$10,000.
- Page 6 (at the bottom) is updated information regarding discontinuance of music cd's and redesigning of that area. The Friends may have enough money in their budget to cover this expense. This will be evaluated at the Friends next meeting.
- Page 8 is information that was budgeted regarding NPL@ your door service. Trustee Michener asked Director Farkas to confirm how many bags were ordered for this service. The worksheet is based on 70 bags and at a previous meeting 60 bags were quoted.
- Page 11 (at the bottom) a few more questions are addressed. A 3% inflation rate was included in several specific expense accounts for the projected 23/24 and 24/25 budgets.
- Page 11 (at the bottom) Revenue line description for account 268-657.000 can be changed from Library Book Fines to Library Book Fees, if in the future the board approves to permanently waive fines.
- Page 11 (at the bottom) Insurance Contingency was included in account 268-734.500. At the meeting this evening, the Trustees asked the contingency be moved to account 268-910.001. Director Farkas will move the \$10,000 to 268-910.001.
- Page 12 is an explanation of the back-up systems for IT hardware. Each power cord is already plugged into its own UPS – Uninterruptable Power Supply. Trustee Michener asked that more be done so that the damage to the equipment doesn't happen again. Director Farkas will let buildings and grounds review the hardware and the failures to research measures to curb the failures from occurring again.
- Page 12(at the bottom) discusses LSTA –Library Services and Technology Act.
- Page 17 Friends Wish List updated for removal of cd furniture/addition of bench and configuration for dispensing of library cards at kiosk. Trustees asked about the podcast room on the Wish List. This is a storage room that will be repurposed into a podcast room for patrons.
- President Crawford and Trustees discussed recognizing the Friends generosity at an upcoming meeting with a tangible tribute. As well as creating a plate in

the iCube to display a plaque on furniture to acknowledge the Friends donated those specific item(s).

- Page 18 Historical commission budget was approved 1/19/22.
- Page 16 professional services includes \$15,000 to engage a professional for strategic planning purposes. President Crawford asked if Director Farkas will look into firms the City has used for strategic planning. Other Trustee's prefer Director Farkas choose a strategic planning firm familiar with the library industry. Recommendations will be secured from both types of firms. Trustee Cherukuri mentioned random vs. representative sampling.
- Trustees discuss a repeated pattern where the 268 budget is initially approved in the red (fund usage) but by year end the library ends in the black – surplus (contributing to the fund balance). Trustee Bartlett discussed the (staff) payroll lines as the largest expenditures, and how they impact the bottom line.

B. 268 Library Fund Budget Document – 2nd draft as of 1/20/22

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

Pages 13-15, Library Budget 268 spreadsheet, column a.

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

Pages 13-15, Library Budget 268 spreadsheet, column b.

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

Pages 13-15, Library Budget 268 spreadsheet, column c.

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

Pages 13-15, Library Budget 268 spreadsheet, column d.

Revenue - 268

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

Expenditures – 268

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

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

Pages 13-15, Library Budget spreadsheet, column e

Revenue -268

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

Expenditures – 268

The proposed expenditures are \$3,567,377 for the 22/23 Fiscal Year.

- Updates include: AST expenditure was removed from account 268 (will be expensed from account 269), insurance contingency of \$10,000 (will be moved from account 734.500 to account 910.001), and professional services expenditure increased to include a strategic planning service.

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

Pages 13-15, Library Budget spreadsheet, column f

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

Pages 13-15 Library Budget spreadsheet, column g

C. 269 Library Contributed Fund Budget Document -2nd draft as of 1/20/22

Page 16, Library Budget spreadsheet – no changes from 1st draft

Revenue -269

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

Expenditures – 269

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

7. Public Comment

No public comment

8. Board Members Individual Reflections

Trustee Michener appreciates the energy put into the budgeting process, by the staff and the Trustees. The Trustees asked a lot of questions during the sessions, which is helpful in understanding and clarifying various budget topics making the sessions beneficial for whom the Trustees serve. She is looking forward to a fresh year and is eager for the Board DEI Committee to start meeting again.

Trustee Cherukuri said a great thing about Novi is how the City was developed with forward thinking. The City was incorporated about 50 years ago and the library is built on that foundation; with a sense of growth. However, in Novi buildable land is reducing and incremental revenue from new houses will curtail in the near future, while financially entities will be entering an inflationary period. Therefore, the library having a positive fund balance is very beneficial.

Trustee Crawford appreciates the time put into the budget and the review of each line item. She continued to emphasize the importance of the Trustees feeling comfortable asking questions in order to understand and ensure the best budget moving forward.

Trustee Yu said this is the 4th budget he has worked through. He found the process productive as the trustees asked a lot of questions which allowed an opportunity for clarification. He thanked Director Farkas, the library staff and the Trustees for building the framework for making this the best budget.

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

No approvals. Budget will be brought to the 1/27/22 board meeting for approval.

10. Library Board Meeting: 1/27/22 at 7 p.m. at City of Novi Council Chambers

11. Adjourn

A motion was made to adjourn the meeting at 7:10 p.m.

1st—Tara Michener

2nd—Torry Yu

Roll Call vote was taken. The motion passes unanimously with 7 yes votes.



Brian Bartlett, Secretary

1-27-2022

Date