

**CITY OF NOVI LIBRARY BOARD
MINUTES, SPECIAL MEETING
BUDGET STUDY SESSION
February 10, 2018**

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 Craig Messerknecht, President, at 8:10 a.m.

2. Roll Call

Trustee Michener performed the roll call.

Library Board

Craig Messerknecht, President

Tara Michener, Vice-President

Melissa Agosta, Treasurer (Absent and excused)

Ramesh Verma, Secretary (Absent and excused)

Bill Lawler, Board Member

Doreen Poupard, Board Member

Geoff Wood, Board Member

Library Staff

Julie Farkas, Director

Julie Pröttengeier, Office Assistant

3. Pledge of Allegiance

The Pledge of Allegiance was recited.

4. Approval and Overview of Agenda

A motion was made to approve the February 10, 2018 Library Board Budget Session Agenda.

1st—Doreen Poupard

2nd—Geoff Wood

The motion passed unanimously.

Documents provided at meeting:

- 2018-2019 Budget Narrative (Updated February 9, 2018)
- 2018-2019 Proposed 268 Budget (Draft 2: 2/10/2018)
- 2018-2019 Proposed 269 Budget (Draft 1: 1/13/2018)
- 2017 Wage Comparison Study
- Novi Library Policy Manual Administration Financial

5. Welcome

Trustee Messerknecht welcomed and thanked the Board for attending the meeting.

6. LED Project Update

20 companies attended the pre-bid meeting on January 30, 2018. The bids from the companies are due on February 20, 2018 and a meeting will be held on February 23, 2018 to determine which company the Library will go with. Ms. Farkas reported that Sue Morianti will be in attendance to assist and, again, Ms. Farkas thanked Ms. Morianti for all the work she did in putting this bid together. Trustee Messerknecht requested that Ms. Farkas ask Charles Boulard, City of Novi staff member, to be in attendance for the meeting.

- Ms. Farkas informed the Board that by focusing on only the public area and the parking lot most of the fixtures can be retrofitted.
- An LED pre-construction meeting is scheduled with the chosen company on March 7, 2018.

7. 2018-2019 Proposed 268 and 269 Library Budgets

A. Budget Narrative

1. Unexpected Costs as of February 10, 2018

No changes from January 13, 2018.

2. Technology (Budget 986.000) Capital Improvements

No changes from January 13, 2018.

3. New Delivery Van Capital Purchase (Budget 983.000 Vehicles)

Ms. Farkas reported that she had spoken with the City of Novi and was informed that the Library would not have the option of making monthly payments on a new van as was suggested by Board members at the January Budget Session meeting. The City informed Ms. Farkas that the Library could continue to use the current van for another year, which would allow her to remove the \$28,000 expenditure from the proposed 2018-2019 budget.

- Ms. Farkas said that the City would continue to work with the Library on the purchase of a new van if the Board decides to delay the purchase until 2019-2020.

A motion was made to not purchase a new van at the price of \$28,000 in the 2018-2019 fiscal year.

1st—Doreen Poupard

2nd—Tara Michener

The motion passed unanimously.

- Ms. Farkas said she would move the \$28,000 from 268-000.00-983.00 from the proposed 2018-2019 Fund 268 budget to the projected Fund 268 2019-2020 budget.

4. Capital Improvement Projects

a. Computer Lab remodel to create a Makerspace Lab—Fund 269 Budget

- The Board and Ms. Farkas discussed the importance of moving forward with this project in order to be on the cutting edge of technology. They also discussed the opportunity of finding sponsorships from local companies for the Makerspace Lab.

A motion was made to purchase the Makerspace project for a total of \$72,200.

1st—Doreen Poupard

2nd—Tara Michener

The motion passed unanimously.

b. Upholstery Project (Budget 990.00 Furniture)

The amount of \$15,000 remains unchanged for the proposed 2018-2019 Fund 268.

c. Lending Library Kiosk—Fund 269 Budget

Ms. Farkas included a list of questions that were asked about the Lending Library by the Board and the City on page 15 of the Budget Narrative. Some of the questions answered were:

- There is an option for the kiosk to be in a garage setting with a door that opens up.
- Although the kiosk is movable, the work required to move it is extensive. Once installed, the kiosk will need to remain in its location.
- A \$35,000 canopy would be an option, but since the kiosk will be in an enclosed setting the canopy will not be needed.
- There is not a kiosk in Michigan to view. There will be a kiosk to view at the upcoming Public Library Association meeting in March that Ms. Farkas will be attending. Ms. Farkas will have a demo meeting the company while there.
- Ms. Farkas said that the cost of maintenance for going with the larger kiosk would be the same with either kiosk and that there would be no maintenance for the first 2 years.
- Board members were in agreement that it is important for patrons to be able to browse through materials instead of having to take the first item presented in the kiosk and because of this feel the larger kiosk is better.

A motion was made to put the amount of \$67,000 in the proposed 2018-2019 Fund 269 toward the purchase of the Lending Library Kiosk.

1st—Geoff Wood

2nd—Doreen Poupard

The motion passed unanimously.

5. Salary Study

Ms. Farkas included the operating budgets for the comparison libraries used in the Salary Study as was requested by Board members. After two meetings with the City of Novi's Human Resource Department Ms. Farkas determined that the amount of \$56,000 was not an accurate amount and she would need the assistance of the HR department to determine what would be accurate. Because of this, Ms. Farkas pulled the \$56,000 from the proposed 2018-2019 budget.

- The Human Resource Department recommended that Ms. Farkas look at job descriptions from the comparison libraries to use as a guide. The Board agreed with this recommendation.
- The Board discussed the importance of adding an amount to the budget to allow for a salary increase instead of having to amend the budget at a later date.

A motion was made to put the \$56,000 back into the proposed 2018-2019 Fund 268 budget.

1st—Geoff Wood

2nd—Doreen Poupard

The motion passed unanimously.

- Ms. Farkas said she would add the \$56,000 to account 268-000.00-704.200(Wages—Non-pensionable)
- Trustee Poupard asked Ms. Farkas to thank the City HR Department for their help.

6. Employee Compensation for 2018-2019

Ms. Farkas has included \$32,000 for employee compensation based on 2.5% meets expectations.

7. Financial Policy

As requested by Trustee Wood, Ms. Farkas included the Novi Library Financial Policy.

- The policy the Library currently has does not include a percentage amount that should be kept in the fund balance. The Board discussed the possibility of changing the policy so that number is reflected. Ms. Farkas will contact the City of Novi to see if they have information about what the percentage of fund balance to budgeted expenditures should be.
- The Board also discussed the possibility of creating a policy for Fund 269 since one does not exist.
- The Library currently does not collect the full amount of the millage. A discussion about drawing more revenue from the millage was made but would not be pursued at this time.

B. 2018-2019 Proposed Fund 268 Budget

Based on removing \$28,000 for the van and adding \$56,000 for the salary study increases, the amount of fund balance usage changes to \$150,670.

- The Board expressed concern about the use of fund balance in order to balance the budget. Ms. Farkas said she would go through the budget and look at supplies, materials and services she can reduce.
- The Friends revenue continues to go down. Ms. Farkas said that over time the Book Nook space could be converted to rentable space that would bring in more revenue.
 - As book sales and membership goes down, the Board had a discussion about the diversity of the Friend's and whether it is a good representation of Novi.
- Ms. Farkas will actively look at ways to reduce expenditures. She will also look at grants for libraries and connect with Chamber businesses interested in sponsorships.
- Ms. Farkas reported that room rentals are doing very well and with the addition of the Makerspace that revenue can increase even more.
- The budget must be approved at the February 22, 2018 Board meeting to make the City's deadline.

8. Public Comment

9. Board Member's Individual Reflections

Trustee Michener believes the meeting offered a more in depth conversation about the budget. She feels the Library must stay state-of-the-art and progressive to keep patrons coming in, and she also sees the importance of staying financially responsible. Trustee Michener feels it is important to have information available to the entire community about the Friend's group by promoting their group at events and HOA meetings so that a more diverse group of citizens can get involved at the Library.

Trustee Lawler feels it is important to not overreact about the budget numbers. The Library has a sound history of making prudent decisions. He doesn't believe that dire decisions need to be made at this time.

Trustee Poupard feels the goal of the Board is not to just to balance the budget but provide good services and that the library mission statement needs to drive the budget as much as the numbers.

Trustee Wood feels that during this good economic time the Library should be building up the fund balance. He feels the Board and Ms. Farkas should focus throughout the year on how the Library can be generating revenue.

Trustee Messerknecht liked the discussions and hopes the Board can balance what the Library wants to do and to financially be able to make it happen. He reported that each year the Library does better with fund balance usage and is hopeful it will be the same for the 2018-2019 fiscal year.

Ms. Farkas thanked the following:

- She thanked each member of the Board for their help and expressed her appreciation at how well they work together.
- She thanked her department heads and all the staff for helping her put together the budget.
- She thanked the Novi Parks and Recreation Department, the Department of Public Services, the Human Resource department, and the Finance Department for their assistance and appreciates the amazing partnership the Library has with the City of Novi.
- Ms. Farkas wants to Board to know that she strongly agrees with the need to balance the budget and will look at ways to cut costs and pursue grants.

The Novi Library Board wants the department heads, the library staff and the City to know their work is greatly appreciated.

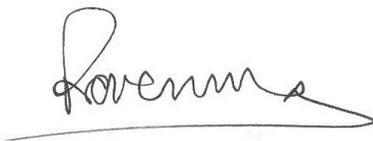
The budget will be voted on at the February 22, 2018 Library Board meeting.

A motion was made to adjourn the meeting at 10:30 a.m.

1st—Tara Michener

2nd—Bill Lawler

The motion passed unanimously.



Ramesh Verma, Trustee

February 22, 2018

Date