

**CITY OF NOVI LIBRARY BOARD
MINUTES, SPECIAL MEETING
BUDGET STUDY SESSION
January 13, 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 8:07 a.m.

2. Roll Call

Trustee Michener performed the roll call.

Library Board

Craig Messerknecht, President
Tara Michener, Vice-President
Melissa Agosta, Treasurer (Arrived 8:40)
Ramesh Verma, Secretary (Arrived 8:20)
Bill Lawler, Board Member
Doreen Poupard, Board Member
Geoff Wood, Board Member (Arrived 8:30)

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 January 13, 2018 Library Board Budget Session Agenda.

1st—Doreen Poupard

2nd—Bill Lawler

The motion passed unanimously.

Documents provided at meeting:

- 2018-2019 Budget Narrative
- 2018-2019 Proposed 268 Budget (Draft 1: 1/13/2018)
- 2018-2019 Proposed 269 Budget (Draft 1: 1/13/2018)
- Fund 268+269 Revenue and Expenditure Report through 12/31/17
- Fund 268+269 Balance Sheets For the City of Novi through 12/31/17
- 2018-2019 Proposed Novi Public Library Salary Structure
- 2017 Wage Comparison Study
- Novi Library Wage Comparison (Minimum, Maximum, Midpoint)

5. Welcome

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

6. LED Project Update

On January 11, 2018 a meeting was held with the LED consultant informing Ms. Farkas and the Building Committee that the original estimate of \$70,000 was under budget. The new projected cost of the project is \$170,500 which does not include the cost of converting the Whole Meeting room space to LED lighting. The money for this project is to come out of the 2017-2018 Fund 269 budget and the price includes a 10% contingency.

- Ms. Farkas informed the Board that the project can be done in stages. These suggested stages are:
 - Interior lighting upgrades in public areas; Cost \$88,000; Return on investment (ROI) 3-4 years.
 - Parking lot lighting upgrade; Cost \$4,500; ROI 3-4 years
 - Exterior lighting upgrades; Cost \$51,000; ROI 10 years
 - New interior lighting (fixtures/ballasts); Cost \$27,000
 - Large Meeting Room; unknown cost
- By working on the project in stages the areas with the fast return on investment can be addressed first.
- Ms. Farkas informed the Board that she will ask for bids on all areas of the Library and that the plan is to award the bid on March 1, 2018.
- The contract with the consultant includes one on site visitation during installation as well as a punch list review.
- The Board is in agreement to focus on the \$88,000 for interior lighting upgrades and the \$4,500.00 parking lot lighting update since they both see the fastest return on investment. With a current budget of \$70,000, the Board would need to increase the amount by \$22,500.00 for a total of \$92,500.
- Trustee Poupard advises that Ms. Farkas and the Board to continue to plan for further LED updates as prices continue to rise.

A motion was made to amend the 2017-2018 Fund 269 budget to increase by \$22,500 over the projected \$70,000 in order to pay for the interior lighting in the public areas and also the parking lot lighting.

1st—Doreen Poupard

2nd—Bill Lawler

The motion passed unanimously.

- The time line is crucial as the work needs to be completed by the end of the 2017-2018 fiscal year. Trustee Messerknecht asked about including a penalty if the work is not completed on time. Ms. Farkas said that she would discuss this option with the City.

7. 2018-2019 Proposed 268 and 269 Library Budgets

A. Budget Narrative

1. Unexpected Costs as of January 10, 2018

- The 2017-2018 year-end line for account 268-000.00-734.500 will be increased from \$74,000 to \$84,000 due to an invoice missing the 2016-2017 cut-off date (\$5,920), and the need to replace 2 remotes in the large meeting room (\$4,325).

2. Technology (Budget 986.000) Capital Improvements

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

- 4 new Service Desk computers (2 Youth; 2 Adult). Cost: \$4,800
- New security cameras are planned for the East/West meeting rooms, the racecar area in the youth department, the staff entrance, staff lockers, and computer lab. Cost: \$21,000
- Upgrade the Board Room digital equipment. Cost: \$13,800
- New security gates at the entrance. Cost: \$15,000

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

The Library will no longer be sharing a van with the City of Novi and will need to purchase its own. The Library will be able to save considerable money by purchasing a van at the price the City is paying to replace their fleet of vans.

- \$28,000 is being budgeted for the purchase of the 2018 Ford Transit Van. The \$28,000 includes \$2,000 for adding the name and logo of the Library to the exterior of the van. Ms. Farkas is unsure if leasing is an option, but she would find out.
- Board members requested that Ms. Farkas ask the City if they would accept a monthly payment plan, interest free.
- Ms. Farkas explained to the Board that there is an opportunity to make money from the van by offering sponsorships. Businesses in the community could pay a set amount of money that would allow them to have a magnet placed on the van advertising their business. The sponsorship would off-set some of the expenses of the van.
- Ms. Farkas was told that the van should get 5-7 years of use out of it and then could be sold. She also informed the Board that insurance is included because the Library is under the umbrella of the City.

4. Capital Improvement Projects

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

The Library is looking to convert the current computer lab into a "Makerspace" lab which is a growing trend in libraries. Using existing equipment (3 D printer, conversion equipment) and purchasing new equipment (laser cutter, sewing machines, button maker and design software), the Library would create a space for creative projects. The Makerspace can be used for programming, drop-in lab hours, as well as a room rental since it will have movable tables and chairs. A new floor would be added to make clean up easy. The Library would be reducing the number of computers in the lab from 24 to 12 and these 12 remaining computers would be replaced with laptops.

- The amount for this project is \$72,200—a design fee of \$2,500; furniture, signage, and flooring for \$36,200; and hardware/software (12 laptops) for \$33,500. Ms. Farkas is using money from Fund 269 for this project
- Ms. Farkas has included on the Friend's Wish List \$2,800 to be used toward this project.
- Ms. Farkas is also looking to add a part-time staff person or intern to help with the Makerspace lab.

b. Upholstery Project (Budget 990.00 Furniture)

- 2nd floor and ottomans from the 1st floor. Cost: \$15,000

c. Lending Library Kiosk—Fund 269 Budget

A new option for the Lending Library kiosk was presented to the Board. The original kiosk held more items but did not offer self-selection and would require the Library to purchase additional equipment to accommodate returns. The new kiosk, although holding fewer items, has a built in return system, self-selection capability, and built in security cameras.

- Ms. Farkas is looking to purchase the new option which is the Envisionware Model 24L-234 for a one-time cost of \$65,000. She would also add a \$2,000 contingency to the budget for a grand total of \$67,000 out of Fund 269.
- Ms. Farkas has budgeted \$31,850 in Fund 268 for operating costs which includes materials, personnel, technology maintenance and operating supplies.
- Ms. Farkas will continue to meet with the City as the Lakeshore Park plan continues to make sure the kiosk will interface with the design.

Break 9:30-9:45

5. Salary Study

2008 was the last time the Novi Library conducted a salary study. Using DSLRT (Detroit Suburban Libraries Roundtable) and Library of Michigan statistics, Ms. Farkas and the HR Committee conducted a salary study. By conducting the study on their own the Library did not have to retain the services of a consultant which saved significant money. Fifteen Class 6 sized libraries were compared in the study.

- Ms. Farkas is looking to add \$55,987 to adjust the salaries of 23 full and part-time employees for the 2018-2019 fiscal year. Going forward, each year a different group of salaries will be looked at and adjusted as needed. Ms. Farkas hopes to be on a 4 year rotation for looking at salaries.
- Ms. Farkas gathered the statistics from other libraries looking at the minimum and maximum range of salaries compared to salaries at the Novi Library. Ms. Farkas then met with Tia Gronlund-Fox, head of HR for the City of Novi, for guidance. Ms. Gronlund-Fox suggested that Ms. Farkas take the median salaries from the 15 libraries and compare them with Novi.
- After much discussion, the Board supports increasing the salaries but cautioned the process for doing so needs to be thought-out and done as fiscally responsible as possible. Ms. Farkas will take the feedback from the meeting and meet again with Ms. Gronlund-Fox to discuss options.

6. Employee Compensation for 2018-2019

The Library will continue to use the performance management tool set forth by the City of Novi. At the time of the meeting, the City has not indicated their percentages. Ms. Farkas is basing the compensation for meets expectations on what the City implemented a year ago. The scale is as follows:

- 0%--Unsatisfactory
- 1.0%--Improvement needed
- 2.5%--Meets expectations
- 3.5%--More than meets expectations
- 5%--Exceeds expectations

- Based on current staffing and last year's percentages the estimated amount, which is included in the proposed 2018-2019 permanent/temporary salary lines, is \$34,350. This compensation increase would go into effect July 1, 2018.

7. Fund balance overage/usage over the past few years

- The 2016-2017 fiscal year ended with no use of Fund balance.

8. Friends Wish List 2018-2019

- The sales from the Book Nook are lower than last year so Ms. Farkas has reduced the amount in her Wish List for 2018-2019. The Wish List totals \$12,000 and with the added annual contributions of \$15,300 that the Friend's make to various programs the Library could receive \$27,300 in support in the 2018-2019 fiscal year.

9. Outstanding Fines at the Library

- As of January 11, 2018 there is \$38,710.23 in outstanding fines and lost items on Novi Library materials.

10. Term Limit Expirations for Board Members

- Trustee Bill Lawler, Trustee Craig Messerknecht, and Trustee Doreen Poupard have terms expiring on March 1, 2018.

B. 2018-2019 Proposed Fund 268 Budget

1. Revenue

Revenue is expected to go up \$100,000 for the 2018-2019 fiscal year budget. The proposed revenue is \$3,028,030.

- 664.000-Interest on Investments: \$36,000
 - Trustee Messerknecht suggested that interest rates are slowly rising and this number could be increased.

2. Expenditures

Salaries are proposed to increase 9.6% which includes the salary study numbers, the performance management compensation and the conversion of a part-time Early Literacy Librarian to full-time. Ms. Farkas included all of the numbers and can make adjustments from there.

- 704.000-Permanent Salaries: \$877,000
 - Includes making a part-time position full-time as well as the salary study adjustments.
- 705.000-Temporary Salaries: \$717,000
 - Includes the hiring of an Outreach driver, a Makerspace intern and salary study adjustments.
- 742.000-Books: \$180,000
 - The amount allocated to this account has gone down, but that money is being added to 744.000, Audio Visual Materials, to allow for new downloadable service from Hoopla.
- 855.000-TLN Automation: \$60,000
 - Ms. Farkas has yet to hear an accurate number on this. Since the Library is converting to a new system with TLN this amount could increase.
- 983.000-Vehicles: \$28,000 for the purchase of a van
- 986.000-Internal Tech/Capital Outlay: \$34,000
 - 4 service desk computers, Board Room upgrade and security gates.
- 986.000-Data Processing: \$21,000
 - 7 new security cameras.

8. Board Member's Individual Reflections

Trustee Messerknecht offered the Board members an opportunity to express their thoughts on the proposed 2018-2019 Fund 268 Budget.

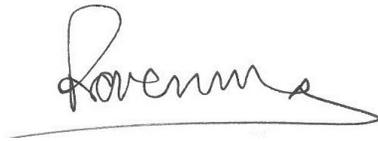
The next budget session is scheduled for Saturday, February 10, 2018 at 8:00 a.m.

A motion was made to adjourn the meeting at 11:45 a.m.

1st—Doreen Poupard

2nd—Geoff Wood

The motion passed unanimously.



Ramesh Verma, Trustee

January 25, 2018

Date