



*Library Board members will not respond to questions. It is an opportunity to voice your thoughts with the Novi Public Library Board of Trustees.*

No Public Comment

## **2025-2026 Budget Narrative, Proposed 271 and 272 Library Budgets – Julie Farkas, Library Director**

Director Farkas: There is information included in the Board packet about how the City of Novi does year-end projections, information about Library investments and about the Library's DB Pension.

Discussion about the Library's DB Pension, how the Library pays it and if we should change how we pay it. Board members would like more information from the City about the pension fund investments and their annual rate of return. Director Farkas will get this information.

### **A. 2024-2025 Year End**

Director Farkas: Went through items in fund 271 and fund 272 that are being updated from the 2024-2025 Approved Budget for the 2024-2025 Year-End Budget. Significant unexpected costs for fund 271 were BMS software updates, HVAC mixing boxes, air curtain repairs, youth area painting and replacing a restroom accessibility button. Significant unexpected costs for fund 272 were a new firewall, electrical work on the new teen area, doors for the information desks, additional chair replacement for the 2<sup>nd</sup> floor public area and a reserve study of the Library to get a complete building analysis for future capital needs. We are spending less than budgeted in fund 272 for new parking lot lighting. With these updates, fund 271 is showing around a \$450,000 deficit for the year.

Trustee Sturing: Thinks the deficit will actually be much smaller by the end of the fiscal year.

### **B. 2025-2026 Budget Narrative – 1<sup>st</sup> Draft as of January 18, 2025**

Director Farkas: Went through some of the highlights proposed in the 2025-2026 budget:

- Preliminary architectural plans for a 1<sup>st</sup> floor redesign, including the youth area and main entrance. The youth area should be upgraded to meet community needs and the main entrance should be looked at for better ways to optimize heating. We have gotten complains from both patrons and staff about how cold it is in the lobby and 1<sup>st</sup> floor.
- Parking lot update in summer 2025
- Replacing staff chairs, which are 14 years old
- Staff work area upgrades to create more private office spaces for managers using cubicle-type walls up to the ceiling with doors and soundproofing
- Adding 2 more of the single use booths for the public

Discussion about the single use booths. Board members would like more information about the current booth, like how many hours per day it is being used, how many people use it per day and the average amount of time people are spending in it. Also discussed

branding and sponsorship opportunities for the single use booths. The first booth was purchased by the Friends of the Novi Public Library.

Director Farkas: Discussed employee compensation for 2025-2026. Minimum wage is increasing every year for the next three years, so that will have to be factored in. Proposing a 4% increase for all staff. The City is doing a 3% increase for their staff. The Library wants to implement an employee tuition reimbursement program for next year. Included some statistics showing comparisons between Novi Public Library and Canton Public Library, which is a class 6 library with a significantly larger population than Novi. Our usage numbers are comparable and, in some cases, much higher. Also included answer to Board member question about the insurance policy for the library building.

Discussion about insurance on the library building. Board members think the amount seems very low because it would cost much more to build this building now, in addition to replacing everything inside. This insurance policy would not cover the Library in the case of a total loss.

C. 2025-2026 271 Library Fund Budget Document – 1<sup>st</sup> Draft as of January 18, 2025 (including projections for 2027-2030)

Director Farkas: Went through line items that have any significant change from the 2024-2025 budget. Moved 658,000 State Penal Fines down a little bit based on new legislation. Moved 665,000 Interest on Investments up a little bit.

Trustee Sturing: Thinks Interest in Investments will be higher and proposes moving it up to \$100,000. Also does not think 567,000 State Aid will see a decrease from this year to next, so proposes moving it up to \$66,000. Director Farkas will make those changes.

Discussion about how 669,500 Unrealized Gain (Loss) Invest is extremely hard to predict.

Discussion about 675,650 Library Café. Director Farkas wants to continue to not charge rent for the space because they are just breaking even as it is. But it has a lot of positives and is a great offering for patrons. Board members agreed.

Discussion about 704,000 and 705,000 Permanent and Temporary Salaries (respectively). Proposed budget included a 4% increase. Board members decided on 3% increase instead. Director Farkas will update these numbers, as well as 715,000 Social Security.

Director Farkas: 734,000 Computer Software/Licensing is going up due to high usage of Patron Point/Spring Share database and email marketing system. Keeping an eye on 744,000 Audio Visual Materials (CD/DVD) for the future due to declining use. 745,200 Electronic Media (Digital Books) is increasing 10% to meet growing demand. Will remove 742,666 Books – Misc. Grants and 801,925 Public Information (Cable) because they haven't been used in several years.

Discussion about 802,100 Bank Service Charges. The Library has to pay credit card fees when patrons pay for something with a credit card, including printing/copying, lost item fees, meeting room rentals, iCube supplies, etc.

Discussion that 820.000 Property & Liability Insurance might need to go up because Board members think the Library's building insurance is very low and should be increased.

Discussion about 851.000 Telephone going up so the Library can provide additional hotspots that can be checked out by patrons. The ones we already have are checked out constantly.

Discussion about 880.268 Library Programming and if it should be increased or stay the same as last year. Board members decided to increase it, but Trustee Bartlett mentioned to make sure increasing programming does not overburden staff, as this was a concern from strategic planning.

Director Farkas: Increased 956.000 Conferences & Workshops because the Public Library Association conference, which happens every other year, will be in 2025-2026. It is out of state and the Library always sends some staff.

Discussion about what 921.000 Heat, 922.00 Electricity and 934.000 Building Maintenance each cover. The Library does not have a dedicated building maintenance staff member for bigger projects. Is this something we might want to consider in the future? IT does do a lot of looking ahead to needs throughout the building and the reserve study planned for spring 2025 will help with some of this work as well.

Discussion about new line item 957.000 Tuition and Other Reimbursements for a new employee tuition reimbursement program. Putting \$7,000 toward it for first year to gauge the interest and see how it goes.

Director Farkas: There is a significant increase in 986.000 Technology for new staff and public computers, additional security cameras, etc. This could be moved to fund 272 instead. Board members decided to keep it in fund 271.

D. 2025-2026 272 Library Contributed Fund Budget Document – 1<sup>st</sup> Draft as of January 18, 2025 (including projections for 2027-2030)

Director Farkas: Went through line items that have any significant change from the 2024-2025 budget. 976.000 Building Improvements/Furniture includes parking lot updates, architect for 1<sup>st</sup> floor redesign plans, new staff chairs, staff work area upgrades to create more private offices and 2 more single use booths. For 976.140 Automated Return System (AST), this machine needs to be replaced soon, so the Library will be going out for bids this year. We may have to put a deposit down this fiscal year and then pay the remainder next fiscal year, but since we are not sure yet, these numbers could change.

Discussion about Fund Balance sheet for funds 271 and 272. The City of Novi requires a fund balance of at least 28% of your total annual expenditures. Director Farkas will redo this sheet because the numbers are incorrect.

**Board Discussion pertaining to seeking additional operations monies from the Novi community in the future. Library's current building bond will sunset in 2026/2027**

Discussion about how the Board would like to ask for the same amount in a new bond proposal so there is not an increase to taxpayers. The Library needs to work with the City because they also have some bonds coming up and it would be helpful to have their support. The Library typically has good support from the community and can also use statistics from strategic planning to show that in comparison to other libraries, we are doing more with less money.

**Public Comment**

*In order to hear all citizen comments at a reasonable hour, the Library Board requests that speakers respect the three-minute time limit. This is not a question-answer session, therefore, Library Board members will not respond to questions. It is an opportunity to voice your thoughts with the Novi Public Library Board of Trustees.*

No Public Comment

**Board Members' Individual Reflections**

N/A

**Director Updates**

Get any additional questions about the 2025-2026 proposed budget to Director Farkas by Monday, January 27 so she has time to get answers and updates before the next budget session.

MLK Celebration at 2pm on January 18, 2025 – Novi Library

**Upcoming Dates:**

- 2025-2026 2<sup>nd</sup> Board Budget Session – Thursday, February 6, 2025
- 2025-2026 Budget Approval – Thursday, February 13, 2025

**Adjournment**

**Motion:** To adjourn the meeting at 1:41 PM

**Motion passes – 7-0**



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Kat Dooley, Secretary

February 13, 2025

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Date