

**CITY OF NOVI LIBRARY BOARD
MINUTES, SPECIAL MEETING
BUDGET STUDY SESSION
January 21, 2021**

1. Call to Order

The meeting was held virtually with assistance from the City of Novi. The meeting was called to order by Melissa Agosta President, at 5:05 p.m.

2. Roll Call

Roll Call by Secretary, Torry Yu

In accordance with the Open Meetings Act, all members stated their physical location by stating the county, city and state from which they are attending remotely.

Library Board

Melissa Agosta, President

Kat Dooley, Vice President

Bill Lawler, Board Member (signed on at 5:20pm)

Craig Messerknecht, Board Member

Tara Michener, Board Member

Geoffrey Wood, Treasurer

Torry Yu, Secretary

Library Staff

Julie Farkas, Director

Barbara Cook, Bookkeeper

3. Pledge of Allegiance

The Pledge of Allegiance was recited.

4. Approval and Overview of Agenda

Under section 5 public comment, the speaker time limit was changed to 3 minutes instead of 5 minutes. A motion was made to approve the January 21, 2021 Library Board Budget Session Agenda, as amended.

1st—Kat Dooley

2nd—Craig Messerknecht

The motion passed unanimously.

5. Public Comment

None

6. 2021-2022 Budget Narrative, Proposed 268 and 269 Library Budgets – Julie Farkas, Library Director

A. 2021-2022 Budget Narrative- 2nd draft as of January 21, 2021 (Includes 2021-2022 269 Contributed Funds Budget as well as supplemental information for board discussion)

1. Unexpected Costs

- No changes

2. Technology Capital Improvements

- No changes

3. Capital Improvements Projects

A. Upholstery Project

- No changes

B. Youth Area Renovation Project (3 Phases of work proposed)

- No changes

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

- No changes

D. Digital Marketing Displays

- Updated in red – on hold at this time

E. Main Entrance Area

- Updated in red – on hold at this time

4. Employee Compensation for 2021-2022

Updated in red, that the Department of Labor announced a hold to the minimum wage increase for 1/1/21.

5. Health Insurance

No changes

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

Updated in red, air duct cleaning is in the 2020-2021 budget account 268-934.000. Seven vendors took a tour and 5 bids were received. Information to follow in the next Board packet.

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

On page 8 in red is the parking lot update, highlighting information that was presented to the Buildings/Grounds committee on 1/14/21. DPW staff member Aaron Staup walked the library parking lot and found no major hazards. He recommends a crack seal and overband replacement, at an estimated cost of \$5,000, which is included in the 2020-2021 budget, 268-976.100. The complete replacement could cost upwards of \$125,000 as projected in future fiscal years budgeting.

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

Updated in red, the library has gained additional funds in the amount of \$597,985.21 based on this twelve year review on page 9.

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

No changes.

10. New Service for Novi Community – NPL at Your Door

Updated in red, Director Farkas will find out if the mail bags are traceable through the postal service and she will inquire if other libraries offering this service experienced loss of materials by the postal service.

11. Patron Point Library Service and Marketing (compiled by Maryann Zurmuehlen, Head of Support Services)

Page 15 includes new information about Patron Point receiving a Platinum Award in 2021 from Library Works. Director Farkas reached out to the support services manager, Maryann Zurmuehlen and she determined there is not another vendor able to offer the same integration of library functions for new cards and renewals in addition to the marketing function. Auburn Hills has this system and Director Farkas is happy to reach out to them.

12. Friends Wish List 2021-2022

No changes

13. Historical Commission Budget 2021-2022

No changes

14. Term Limit Expirations for Board Members

Updated in red are corrections to Trustee Michener and Trustee Wood's expiration dates from 3/1/20 to 3/1/23.

B. 268 Library Fund Budget Document – 2nd draft as of January 21, 2021

a. 2019-2020 Audited (6/30/2020)

FY 2019-2020 revenue and expenditures (audited) can be found on the Library Budget 268 spreadsheet under column a.

b. 2020-2021 Approved (1/23/20)

FY 2020-2021 revenue and expenditures as approved 1/23/20, can be found on the Library Budget 268 spreadsheet under column b.

c. 2020-2021 due to COVID-19 Yr. End (1/21/21)

FY 2020-2021 revenue and expenditures approved 5/28/20, can be found on the Library Budget 268 spreadsheet under column c.

d. 2020-2021 COVID-19 Yr. End (1/21/21)

FY 2020-2021 revenue and expenditures COVID Year End (June 2021), can be found on the Library Budget 268 spreadsheet under column d. Director Farkas highlighted in yellow revenue and expenditure accounts that have monetary changes. Below are specific accounts that were mentioned in the meeting.

Revenue - 268

The projected revenue is \$3,123,886.24 for the 20/21 Year End Projection.

Expenditures – 268

The projected expenditures are \$3,167,504.94 for the 20/21 Year End Projection. Allowing for a year end fund usage of \$43,618.70.

e. 2021-2022 Proposed Budget (1/21/21)

FY 2021-2022 proposed revenue and expenditures amounts can be found on the Library Budget 268 spreadsheet under column e. The January 7th projected budget projects using \$233,833 of the fund balance. The current projected budget projects using \$165,528 of the fund balance.

Revenue -268

The proposed revenue, at January 7th meeting were \$3,296,117. The current proposed revenue is reduced to \$3,244,172. This is due to the changes provided by the City. (item D. Financial Revenue update from City of Novi document).

Expenditures – 268

The proposed expenditures, at the January 7th meeting were \$3,529,950. The current proposed expenditures decreased to \$3,409,700. Expenditure Categories below were discussed. Comparison is between 1st budget session to current budget session.

- Total Personnel Services
 - Decreased from \$2,126,250 to \$2,121,000
 - No changes to salaries
- Total Supplies and Materials
 - Decreased from \$673,000 to 647,000
 - Patron Point expenditure moved to fund 269-742.233
 - Director Farkas commented that based on reviewing the Trustee's individual reflections, the majority of the Trustees wanted to keep the books/collections original budget amount.
- Services and Charges
 - No changes. Expenditures category remains the same at \$604,500
- Capital Outlay
 - Decreased from \$126,200 to \$37,200
 - Entrance enclosure of \$15,000 removed
 - Parking lot paving of \$79,000 removed and replaced with \$5,000 for crack seal and overband replacement.

Fund 269

Projected revenues are \$47,500 and expenditures are \$58,400 projecting to use \$10,900 of the fund balance. Patron Point \$26,000 was added to account 269-742.233. Additionally, Diversity, Equity and Inclusion revenue and expense accounts were created to allow for donations for this specific opportunity. Trustee Michener emphasized this would not take away from anything else and added it is a great opportunity.

Trustee Dooley echo's Trustee Michener and stressed the importance of having a path for funding, (for corporate giving, for public giving) when building out DEI initiatives. She added that this is an enhancement to what was budgeted in account 268. Trustee Dooley said that initiatives like this could get cut or threatened (at budgeting times) so it is important to have this path in 269, to protect the growth and enhancement of the DEI initiative.

f. 2022-2023 Proposed Budget (1/21/21)

Column f. Future AST replacement budgeted for 22/23 or 23/24 fiscal year for \$159,000. AST life span is between 12-15 years.

g. 2023-2024 Projected Budget (1/21/21)

Column g.

C. Revenue & Expenditure Report through 1/11/2021

Printed 1/11/21 ending 12/31/20.

D. Financial revenue update from City of Novi as of 1/4/21

Document included in packet

7. Board Members Individual Reflections

Trustee Michener said having a focus on collections is important, a library needs to have books/materials since that is what they are known for. She added that the library worked hard to achieve the QSAC ranking and it is important to keep that. Being known for being excellent is a good thing in the library world. Trustee Michener added that to lose this designation looks worse than to have never had it at all. Adding that it is stellar to be able to keep that designation during a pandemic. Continuing to do the DEI work is important and she personally has been doing a lot of work with the anti-defamation league. Trustee Michener said the world is not doing well when it comes to race relations and harmony. So the libraries work focusing on the library being a welcome place and investing in that is part of humanity and is important. She feels the library is heading in a good direction and there is a lot of work to be done.

Trustee Agosta is very comfortable with the changes and what she is hearing this evening. She is thankful that the full parking lot paving is no longer included (in this budget). Commenting that last year the board approved a budget using \$141,000 and usually by fiscal year end the library ends up in the positive. However, she is concern about the projected fund usage of \$500,000 and the fairly large expenses that will be coming up in the next few years.

Trustee Dooley is happy with everything Julie outlined and presented in the budget. She definitely wants to keep the QSAC accreditation, and although the baseline is 15% to strive for 16% percent and beyond is a reflection of listening to the community and what they want. She wants the library staff to know they are appreciated, they do outstanding work and wants them to feel supported. Trustee Dooley said Patron Point is something that she feels will be a huge benefit for the community. Pushing the library in a good direction with communications, management of expectations and customer service. Adding that these are important things that can always be improved. She is also concern about the large projected fund usage in future years. Trustee Dooley mentioned account 269 and the ability to grow and protect this account creating the ability to take care of things as they come up and to continue to keep enhancing the account in order to bring in amazing enrichments for the community.

Trustee Yu is happy that Director Farkas is keeping the collections budget at its current rate. Adding that as a library, people come for the materials and although other services offered are important, the collections are key. Trustee Yu emphasized what he said two weeks ago that the DEI initiative is in the growing phase and investing into it is needed until it becomes part of regular spending. He is happy that Director Farkas was able to consult with DPW and get their professional judgement about the parking lot. Additionally, he happy with budget being proposed and is excited to see what the next year brings.

Trustee Lawler said Director Farkas continues to do an excellent job controlling the library's resources. Spending what is needed to spend and no more other than appropriate initiatives. He recognizes it would be easy to cave in a not spend anything right now, but feels that would be a mistake. He expects tough times coming, but yet it would be a mistake to not acquire new things that the library needs to acquire to remain a state of the art library. He is pleased with the prioritization that has been done. Nothing is spent that is not necessary and he does not see someone reflecting years from now, saying the library has been passed up by neighboring libraries. He feels this has been a productive session.

Trustee Wood said his comments from the last budget meeting still stand, adding that he is more comfortable with this budget. At the last meeting, he asked Director Farkas to bring back a budget using about ½ of what was projected and she came through with that. As mentioned last time by Trustee Wood the revenues are not increasing at the same rate as the expenditures (as pointed out by Trustee Messerknecht). Additionally, he has brought up in past conversations, when should the community be approached about increasing the millage? Ultimately, there is a fiduciary responsibility for the library and if the library wants to maintain all these levels then at some point the revenue portion of the budget needs to be fixed as a breaking point is coming. He recommends exploring as a board what steps need to be taken and when they should be taken.

Trustee Messerknecht said this is a good reflection of what was discussed at the last budget session. As a fiscal conservative he is always concern looking down the road as there are big expenditures coming up. He is glad to see the reduction in the fund usage in this budget session and typically it improves, as the year goes on, over what is projected. As far as collections that is the last place he would recommend to cut money as Trustee Yu said we are a library. Trustee Messerknecht said the parking lot plans make a lot of sense, it does not look like it needs to be done immediately and there is a need to plan for it down the road.

8. Public Comment

Sharon Trumpy, resides on Harvest Drive in Novi. She is an avid reader and grateful to the board for their hard work and is especially excited to hear about the boards commitment to collections. She is a huge fan of diverse books and own voices books and is looking forward to the new selections that will hopefully be coming to the library soon and for her black son to see more books that reflect his experience. She is also a member of Novi racial awareness, accountability and action. She wanted to thank Trustee Michener and Dooley for the comments she heard from them tonight about setting funds aside in account 269 for DEI initiatives. She is really hopeful that the general fund and the 269 fund can be used to make sure this is an ongoing commitment to the diversity in Novi's community. She thanked the board for their hard work and she is excited about what will come out of the DEI and the year to come.

Paula Henry, 23575 Stonehenge in Novi. President of PAASN (Parents of African American Students in Novi) She thanked Trustee Dooley and Michener for their support and the committee for support. She said the DEI needs to be a priority and she is happy that money is set aside in specifically the 269 fund. She definitely wants to protect it and continue to grow it so that it really makes a difference in the community as it relates to Diversity, Equity and Inclusion. She is super excited that everyone is excited about the future of the DEI. She is happy about what she heard tonight and thanks the board for their hard work.

Betsy Beaudoin, did not state address. Thanked the board for their hard work. Her family has been using the library a ton as she has 3 virtual learners at home. She is taking advantage of all of the great books and research. She wants to echo what Sharon and Paula and thanked the Trustees who have put the effort in the funding of the DEI initiative. Novi has been her home most of her life and she said it is a beautiful, diverse community and she would love to see the library continue to be a leader in these programs and make sure they are well funded and keep that funding protected. She would like to see an offering of many resources to everyone in the community, equally.

Monifa Henry, 49520 Waterstone Estates Circle Northville MI. NPAAS Northville Parents of African American Students, President. Thanked the board for the meetings and she noted that the board's considerations have been very well noted about the budget. She is here to support the DEI 269 fund that it be continuous to help educate the community by offering scholarships, or inviting speakers beyond February (Black History Month) and help embrace the Diversity, Equity and Inclusion that everyone is anticipating.

9. Consider approval of 2021-2022 268 and 269 Library Budgets (which includes 268 Budgets 20/21 Year End, Projected budgets for 22/23 and 23/24

No approvals.

10. Approval of 2021-2022 268 and 269 Library Budgets (which includes 268 Budgets, 20/21 Yr. End, Projected budgets for 22/23 and 23/24.

Approval will take place at the January 28, 2021 Board Meeting.

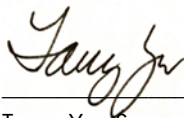
11. Adjourn

A motion was made to adjourn the meeting at 6:00 p.m.

1st—Tara Michener

2nd—Torry Yu

The motion passed unanimously.



Torry Yu, Secretary

January 28, 2021

Date