



**CITY OF NOVI LIBRARY BOARD
MINUTES, SPECIAL MEETING
BUDGET STUDY SESSION
January 29, 2012**

1. Call to Order and Roll Call

Library Board

Larry Kilgore, President
Mark Sturing, Secretary
Scott Teasdale, Board Member
Ramesh Verma, Board Member

Absent and Excused

Willy Mena, Vice President (9 a.m. arrival)
David Margolis, Treasurer
Larry Czekaj, Board Member

Library Staff

Julie Farkas, Director
Mary Ellen Mulcrone, Assistant Director
Marcia Dominick, Administrative Assistant

The meeting was held at the Novi Public Library, Board Room, 45255 W. Ten Mile Road, Novi, Michigan, 48375, and was called to order by Larry Kilgore, President, at 8 a.m.

2. Introduction of Budget Proposal

a. Year-End Projections

The 2011-2012 Extrapolated Year End was reviewed with highlights listed.

Revenues

- 268-000.00-403.000 – Property Tax Revenue – \$2,234,000 - no change
- 268-000.00-567.000 – State Aid - \$19,500. Receive two checks annually.
- 268-000.00-657.000 – Library book fines - \$55,000 – 20% increase; self checks, drive-up pay options; credit/debit card usage; increase in fines.

- 268-000.00-658.000 – State penal fines – \$64,306 – based on State Highway violations.
- 268-000.00-664.000 – Interest on Investments – \$16,393 – provided by City of Novi Finance Department.
- 268-000.00-665.000 – Miscellaneous Income – \$14,000 – Library card replacements; headphones; guest passes, etc.
- 268-000.00-665.100 – Copier – \$2,600 - less photocopying being completed; more scanning.
- 268-000.00-665.200 – Electronic Media -\$3,000 – DVDs, CDs, Video Games (replacements and fines); extended usage to one week for all media.
- 268-000.00-665.266 – SRP T-shirt sales \$150 – based on a year-to-year basis
- 268-000.00-267.000 – Library Program, Book It! - \$0.00 – Walker Fund estimated gross \$10,000.
- 268-000.00-665.290 – Library Fundraising Revenue - \$590 – i.e. Shop for a Cause and other fundraising opportunities.
- 268-000.00-665.300 – Meeting Room - \$10,500 – seven (7) rental opportunities
- 268-000.00-665.400 – Gifts and Donations - \$9,500 – Unrestricted gifts/donations; annual donation drive.
- 268-000.00-665.404 – Novi Township Assessment - \$6,128 – provided by City of Novi Finance Department.
- 268-000.00-665.500 – Book Rental \$0.00 – no longer offered as of 2009.
- 268-000.00-665.650 – Library Café – \$5,000 – Library receives 10% of sales

Total Revenues

2011-2012 Approved Budget: \$2,413,450
2011-2012 Year End Projections: \$2,440,667
Increase \$27,217

Expenditures

Personnel Services

- 268-000.00-716.000 – Insurance – \$180,000 - 20% increase 11/12; 2 new full time employees - projected increase.
- 268-000.00-718.000 – Pension DB - \$25,444 – City reports that account is fully funded as of January 2012
- 268-000.00-718.200 – Pension DC - \$20,000 – Based on salary (6.0% cost)
- 268-000.00-720.000 – Worker's Comp - \$4,000

Total Personnel Services

2011 – 2012 Approved \$1,764,450
2011-2012 Year-end Budget \$1,753,644
Savings \$10,806

Supplies & Materials

- 268-000.00-727.000 – Office Supplies - \$15,500 – paper, print cartridges, etc.

The remainder of the line items in this category remain relatively the same.

Total Supplies & Materials

2011-2012 Approved \$503,700

2011-2012 Year-end Budget \$492,300

Savings \$11,400

Services & Charges

- 268-000.00-801.925 – Public Information (cable) - \$900 – Bright House Cable monthly fees
- 268-000.00-802.100 – Bank Services - \$2,500 – based on credit card transactions
- 268-000.00-803.000 – Independent Audit - \$670 – less than last year
- 268-000.00-806.000 – Legal Expenses - \$1,500 – not foreseeing an increase
- 268-000.00-809.000 – Membership & Dues - \$5,000 – ALA, MLA, OCHR, Chamber, Rotary
- 268-000.00-816.000 – Professional Services - \$2,500 – lower than budgeted
- 268-000.00-817.000 – Custodial Services - \$45,000 – Will be hiring a full time employee at new budget. There are greater demands on the building. There will not be the need for a contract employee after the 2011-12 budget year.
- 268-000.00-851.000- Telephones - \$16,000 – TelNet, Verizon, Mobile/Outreach, AT&T, SunTel
- 268-000.00-855.000 – TLN Automation Services - \$58,100 – Increase in internet connection; adding catalog user account.
- 268-000.00-800.267 – Library Programming – Book It! – \$1,000 - Expenses for fundraising event.
- 268-000.00-800.268 – Programming - \$20,000 – Youth/Adult pgms; Community Read; authors, performers
- 268-000.00-900.000 – Design, Printing, Publishing – \$28,750 – higher than budgeted; Engage publication – typically \$4,500-\$6,000 x 3 publications a year.
- 268-000.00-910.000 – Property & Liability Insurance - \$13,005 – City reports 2% increase for the next two years
- 268-000.00-921.000- Heat - \$14,000 – lower than budgeted
- 268-000.00-922.000 – Electricity - \$82,000 – higher than expected; after-hour events
- 268-000.00-923.000 – Water/Sewer - \$4,500 – lower than budgeted; well used for watering grounds
- 268-000.00-934.000 – Building Maintenance - \$36,000 – elevator inspections; windows; carpets; mats.
- 268-000.00-941.000 – Grounds Maintenance - \$19,500 – a quote will be gathered for the replacement of the Prairie grass/Red Fescue that edges Ten Mile Road.
- 268-000.00-942.100 – Records Storage - \$200 – Corrigan charged monthly.

- 268-000.00-942.000 – Office Equipment Lease - \$13,500 – going out for lease bids in 2013
- 268-000.00-956.000 – Conference & Workshops - \$17,500 – PLA (3 attending); IT staff person attending VMware Training.

Total Services & Charges

2011 – 2012 Approved \$415,337

2011-2012 Year-end Budget \$394,575

Savings \$20,762

Total Expenditures - \$2,640,519

Projected Savings \$42,968

Budgeted Fund Balance Usage: \$270,037

Anticipated Fund Balance Usage: \$199,852

Projected Savings: \$70,185

b. 1st Draft 2012-2013 Budget

Julie is anticipating a 10%-15% usage of the fund balance, but would like to stay near the 10% mark.

It is anticipated that the Library will lose \$400,000 in tax revenue the 2012-2013 fiscal year.

Funds were saved in the good years to be used for future usage, thus creating a fund balance. The Library is very conservative in its approach to spending. The Library Board will be discussing a policy for the usage of the fund balance. With the Library having a fund balance, the Board felt it unwise to go for the Headlee increase.

The Library plans on increasing services without spending more funds.

Revenues

- 268-000.00-403.000 – Property Tax Revenue - \$2,239,000 – provided by the City of Novi Finance Department; \$5,000 increase in tax revenue projected.
- 268-000.00-567.000 – State Aid – \$17,500 - two checks annually
- 268-000.00-657.000 – Library Book Fines - \$57,000 – 20% increase; self check-outs, drive-up pay options; increase in debit/credit usage for fine payments
- 268-000.00-658.000 – State Penal Fines - \$65,500 – based on highway ticket fines
- 268-000.00-664.000 – Interest on Investments - \$25,000 – provided by the City of Novi Finance Department; same for the Walker Fund Account (269)
- 268-000.00-665.000 – Miscellaneous Income - \$14,500 – Library card replacement; guest passes, etc.
- 268-000.00-665.100 – Copier - \$2,500 – less photocopying
- 268-000.00-665.200 – Electronic Media - \$3,500 – replacement; loss; usage

- 268-000.00-665.267 – Library Program – Book It! – \$0.00 - Walker Fund \$10,000 estimated gross
- 268-000.00-665.290 – Library Fundraising Revenue - \$1,000 – fundraising opportunities
- 268-000.00-665.300 – Meeting Room - \$12,000 – increase in usage
- 268-000.00-665.400 – Gifts and Donations - \$5,000 – annual donation drive; unrestricted.
- 268-000.00-665.404 – Novi Township Assessment - \$6,130 – Provided by the City of Novi Finance Department

Total Revenue

2012-2013 Fiscal Year - \$2,453,780

Expenditures

Julie is anticipating hiring two full time employees, Information Services and Facilities. With this change in personnel, there will be an increase in the insurance, social security, etc. line items to reflect the additional staffing.

The Library Board requested Julie investigate the use of a City facilities person or someone from Novi Schools instead of hiring a full time facilities person.

- 268-000.00-704.000 – Permanent Salaries - \$889,000 – adding back two full time employees, facilities and information services
- 268-000.00-705.000 – Temporary Salaries - \$561,000 – increase building monitor hours; sub usage increase
- 268-000.00-715.000 – Social Security - \$111,000 – provided by the City of Novi Finance Department
- 268-000.00-716.000 – Insurance - \$212,000 – provided by the City of Novi Finance Department
- 268-000.00-718.000 – Pension DB - \$0.00 - City reported that account is fully funded as of January 2012. Board is questioning if accurate.

Total Personnel Services

2012-2013 Fiscal Year - \$1,812,300

Supplies & Materials

- 268-000.00-727.000 – Office Supplies - \$17,500 – paper; print cartridges – slight increase.
- 268-000.00-728.000 – Postage - \$2,100 – slight increase due to anticipated increase in postage costs.
- 268-000.00-734.500 – Computer Supplies Equipment - \$12,000 – 60 terminals; computer lab – replacement completed in sections- on a 7 year plan. Fund Balance Plan may include replacement for computer terminals.
- 268-000.00-740.000 – Operating Supplies - \$31,700 – anticipating RFID tagging.

- 268-000.00-741.000 – Uniforms - \$300 – anticipating a new facilities employee
- 268-000.00-742.000 – Books - \$190,000 – 5% decrease, but increase in media/electronic resources.
- 268-000.00-742.100 – Book Fines - \$500 – new category for paying fines to other libraries collected in 657.000 for lost items.
- 268-000.00-743.000 – Periodicals - \$17,000 – one week checkout; adding more subscriptions.
- 268-000.00-744.000 – Audiovisual Materials - \$53,400 – Freegal downloadable music, etc.
- 268-000.00-745.300 – Online Resources - \$44,800 – Brainfuse, Homework Help; Help Now – cost is based on usage; adding Morning Star resources.

Total Supplies & Materials

2012-2013 Fiscal Year - \$485,500

Services & Charges

- 268-000.00-801.925 – Public Information (Cable) - \$950 - \$75 monthly charge
- 268-000.00-802.100 – Bank Services - \$2,500 – remains same as last year.
- 268-000.00-803.000 – Independent Audit - \$700 – provided by the City of Novi Finance Department
- 268-000.00-806.000 – Legal Expenses - \$2,000 – Nothing foreseen.
- 268-000.00-816.000 – Professional Services - \$5,000 – no consultant is being used for Strategic Plan.
- 268-000.00-817.000 – Custodial Services - \$36,000 – reduction in cleaning contractual service person. Board requested Julie investigate the use of a contract service that uses the team approach. Julie informed the Board that a person would be required for after-hour events, monitoring, etc.
- 268-000.00-855.000 – TLN Automation Services – \$64,400 – Increase in internet costs; user accounts for staff.
- 268-000.00-880.000 – Community Promotion - \$5,000 – Community Read; Summer Reading promotions.
- 268-000.00-880.267 – Library Programming – Book It! - \$1,000 – Expenses for event, entertainment, decorations.
- 268-000.00-880.268 – Programming - \$20,000 – Friends help fund this account
- 268-000.00-900.000 – Design, Printing, Publishing - \$28,750 – Engage costs included
- 268-000.00-910.000 – Property & Liability Insurance - \$13,300 – Provided by the City of Novi Finance Department – 2% increase
- 268-000.00-921.000 – Heat – \$16,000 – slight increase
- 268-000.00-922.000 – Electricity - \$86,000 – After-hours usage; cleaning crew starting one hour earlier so lights not on as long
- 268-000.00-923.000 – Water & Sewer – \$5,500 – provided by the City of Novi Finance Department; 2% reduction from City of Detroit; use of well for watering landscape
- 268-000.00-934.000 – Building Maintenance - \$48,500 – cleaning of furniture/building/windows/carpets; security/fire alarm; elevators.

- 268-000.00-935.000 – Vehicle Maintenance - \$2,000 – nothing foreseen
- 268-000.00-941.000 – Grounds Maintenance - \$25,000 – landscape, snow (unknown), parking lot sweeps, salt
- 268-000.00-942.100 – Records Storage - \$200 – Corrigan - monthly charges
- 268-000.00-942.000 – Office Equipment Lease - \$13,500 – new lease agreements in spring 2013
- 268-000.00-956.000 – Conferences & Workshops - \$12,500 – reduced; MLA, Staff In-service.

Total Services & Charges

2012-2012 Fiscal Year - \$418,100

Anticipated Fund Balance Usage \$262,120

c. 2013-2014 Budget Forecast

Provided in the 2012-2013 Proposed Budget, Draft 1, Revised: 1/29/2012.

3. 2012-2013 Budget Proposal Comparisons – by David Margolis, Treasurer

David Margolis, Treasurer, provided a 2012-2013 Budget Proposal Comparison, Initial Draft, dated January 26, 2012.

4. 3. Usage Statistics and Annual Information

a. Library Usage Comparisons from 2004-2011

Included in the packet of information provided at the Budget Study Session.

b. Self Check-out Statistics 2010-2011 in Comparison to Current Fiscal Year

Included in the packet of information provided at the Budget Study Session.

c. Support Services Statistics 2010-2011 in Comparison to Current Fiscal Year

Included in the packet of information provided at the Budget Study Session.

d. Check-outs by Collection Types, Media Types, Adult and Youth Materials

Included in the packet of information provided at the Budget Study Session.

e. Help Now – Online Tutoring Resource Statistics

Included in the packet of information provided at the Budget Study Session.

5. Policy Recommendations

a. Travel and Other Expense Reimbursement

i. Expense Reimbursement – change in language due to IRS regulations (see attached).

The Library Board has taken this recommendation into review.

Present: Travel and Other Expense Reimbursement Policy:

The Library reimburses staff for out of pocket expenses incurred in the course of Library business provided that the expense was approved in advance by a Department Head, or if you are a Department Head, if the expense is within your budget and is otherwise reasonable. Travel expenses, including transportation, lodging and meals should be

budgeted in advance by your Department Head or the Director. The meal allowance for out of town travel is up to \$50.00 per day and does not include alcoholic beverages. The expense report form is on the Library intranet.

Proposed revision to highlighted section: The meal allowance for out of town travel is determined by the IRS regulations pertaining to per diem which indicates a flat rate per day allowed for meals and incidentals for out-of-town travel.

b. Policy B7: Drive-up Window Service Policy

The Library Board has taken this recommendation into review.

Present: Drive-Up Window Service Policy:

The purpose of the drive-up window is to provide fast and convenient service to patrons who don't have time for a full library visit. The services provided at the window will be limited to pick up of holds and paying of fines. Transactions should be completed in less than 2 minutes as to minimize the wait of other drive up window patrons. Any patron requiring more staff interaction will be asked to pull into a parking space and come into the building. Holds must be pre-arranged by phoning the library at least 4 hours in advance.

Patrons must have a valid library card to complete window service transactions.

Approved: May 1, 2010

Proposed revision to highlighted section:

Holds must be pre-arranged by phoning the library at least 2 hours in advance.

Both policies will be discussed at the Regular Library Board meeting of February 15, 2012.

6. Staff Compensation

Julie Farkas recommended that the Library staff receive a one-time bonus to be given to each regularly scheduled staff member in the amount of \$250. This would be at a cost of approximately \$18,000.

The staff has not had an increase in salary for three (3) years and full time staff realized a 10% increase in healthcare.

The Library Board determined that if they approve this request, the funds would be deducted from this year's budget. Board members stated that they supported this concept, but would like the full time employees, as of a certain employment date, receive \$500, and part-time employees receive \$250. The Board requested that Julie inquire with the City Manager if this will cause a conflict with City employees.

This proposal will be brought forward at the February 15, 2012 Regular Board Meeting.

7. Renewal of Library Card

Library cards need to be renewed on a yearly basis to verify residency and changes to their information. At this time, if a patron has a fine, they can continue to check out materials as long as it has not met the \$25 maximum fine limit. The Library is proposing that when a patron renews their library card, that they pay all fines prior to having their card renewed. Currently, five (5) libraries follow this procedure.

The Library Board had mixed reviews of this policy. No determination was made.

8. Change in Days Open/ Days Closed

Julie is proposing the following changes to Library Closing Dates;

- Currently closed Martin Luther King, Jr. Day (January).
- Proposed closing the Saturday of Labor Day weekend (September) instead.
- Currently closed Good Friday.
- Proposed closing the Saturday between Good Friday and Easter Sunday instead.

In the HR Manual, we have designated Martin Luther King, Jr. Day and Good Friday as paid holidays for the staff. Julie is not recommending a change in this policy except to change the days in which the paid holiday occurs, nor is she looking to take away such a benefit to the staff.

9. Strategic Planning Committee Information

Provided information at the Budget Study Session of materials distributed at the Strategic Planning Committee session. Julie is seeking the Board's approval on the scope of the strategic planning process, and the recommended timeline. The Strategic Plan is expected to take approximately 9 months.

10. Other Supplemental Information

The Library Board received CDs of the most recent DSLRT (Detroit Suburban Libraries Roundtable) report.

The next Library Budget Study Session will take place on Saturday, February 11, 2012, 8 a.m. at the Library.

11. Adjourn

A motion was made to adjourn the meeting at 12:15 p.m.

1st – Mark Sturing

2nd – Willy Mena

The motion was passed unanimously.



February 15, 2012

Mark Sturing, Secretary

Date