



**CITY OF NOVI LIBRARY BOARD
MINUTES, SPECIAL MEETING
BUDGET STUDY SESSION
February 11, 2012**

1. Call to Order and Roll Call

Library Board

Larry Kilgore, President
Willy Mena, Vice President
Mark Sturing, Secretary
David Margolis, Treasurer
Scott Teasdale, Board Member

Absent and Excused

Larry Czekaj, Board Member (8:17 a.m. arrival)
Ramesh Verma, 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 8:10 a.m.

2. Usage Statistics and Annual Information

a. Library Usage Comparisons from 2001-2011

Provided at the January 29, 2012 Budget Study Session.

b. Self Checkout Statistics 2010-2011 in comparison to current fiscal year

Provided at the January 29, 2012 Budget Study Session.

c. Support Services Statistics 2010-2011 in comparison to current fiscal year

Provided at the January 29, 2012 Budget Study Session.

d. Check outs by collection types, media types, adult and youth materials

Provided at the January 29, 2012 Budget Study Session.

e. Help Now – Online tutoring resource statistics

Provided at the January 29, 2012 Budget Study Session.

3. Policy Recommendations (Seeking approval on both policies 2/11/12)

a. Travel and Other Expense Reimbursement

A motion was made to approve the Travel and Other Expense Reimbursement Policy as suggested.

1st – Willy Mena

2nd – Scott Teasdale

The motion was approved unanimously.

Travel and Other Expense Reimbursement Policy as amended:

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 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.

Mileage portion of the Policy did not change.

b. Policy B-7 Drive-up Window Service Policy

There was a great deal of discussion regarding the change to the time allowed to provide materials be available at the Drive-up window from a 4-hour timeframe reducing it to 2-hours and the logistics involved. The staff has determined that they can adequately provide the materials within the two-hour timeframe.

A motion was made to approve the change to the B-7 Drive-up Window Service Policy as suggested.

1st – Willy Mena

2nd – Mark Sturing

The motion was passed unanimously.

Policy B-7: Drive-Up Window Service Policy as amended:

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 2 hours in advance.

A. Miscellaneous

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

4. Engage Magazine to Novi Homeowners and Businesses

Sheryl Walsh, City of Novi Neighborhood and Business Relations Director, asked that if the Board is not receiving their copy of the Engage Magazine, to inform Sheryl, not contact the Novi Post Office. She is aware of certain sections of the City not receiving their publication. The Library Board asked that this item be placed on the February 15, 2012 Board Meeting agenda.

5. Defined Benefit Pension Plan

Based on the most recent actuarial valuation, the Library DB Plan is 108% funded. Since the plan is closed, and no new employees will be entering the plan, it is unlikely that the Library will have additional contributions. The City will continue to receive annual valuations, which include the Library employee DB Pension Plan.

6. Worker's Compensation and Unemployment Insurance

The Library has Worker's Compensation Insurance, and the City of Novi chose to fund unemployment on a pay-as-you-go basis through an opt-out provision.

7. Proposed Full Time Facilities Assistant

To be discussed during the budget discussion.

8. 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.

At the January 29, 2012 Budget Study Session, a member of the Board suggested that the full time staff receive \$500 and the part-time staff receive \$250. This suggested compensation was addressed with the City Manager and Director of Finance for the City of Novi, where both commented that they were not opposed to the plan.

After a lengthy discussion, the Board felt that the staff deserved the compensation, but like to plan ahead for such expenditures. The funds would be expensed from the salaries budget lines as there is a surplus of funds this budget year. It was suggested that a special budget line be created for such expenditures.

A motion was made that the Board offer full time employees \$500, part-time \$250 as one – time payment as of March 31, 2012.

1st – Mark Sturing

Friendly Amendment: Include quality of work.

2nd – David Margolis

Discussion: A Board member voiced that he supports the motion, however, would eliminate the verbiage that includes the quality of work. Doesn't agree to tie it to good work as it creates expectations.

Motion was withdrawn.

A motion was made to move that the Board offer full time employees \$500, part-time \$250 as a one-time discretionary payment as of March 31, 2012.

Roll call vote:

Larry Czekaj – yes
Larry Kilgore – yes
David Margolis – yes
Willy Mena – yes
Mark Sturing – yes
Scott Teasdale – yes

The roll call vote was 6-yes, 0 – no; the motion was passed unanimously.

9. Additional Landscaping on Library Grounds

The Facilities Department was asked to investigate the cost of reseeding the area in front of the Library parking lot along 10 Mile Road to improve its curb appeal. Three quotes were received including the cost to reseed with a Kentucky Blue grass mixture and fix a flooded portion of the lawn. The area in question is fully sprinkled with well water. The area now has red fescue/prairie grass and in the summer, doesn't look like it is maintained. The reason for this type of grass was to deter geese from the landscape.

A Board member requested that additional landscape materials be added to the grounds to enhance its appeal. He requested that a Landscape AdHoc Committee be created to provide a more permanent landscape plan. Larry Czekaj, David Margolis and Larry Kilgore have volunteered to be on this committee. The Landscape Committee will be placed on the Library Boards Regular Agenda.

It was suggested not to delay in moving forward with the replacement of the grass along 10 Mile Road. Other suggestions were to get input from outside sources such as Michigan State, City Beautification Committee or professional sources.

10. What does it cost the Library for a Library Board Trustee to be a Michigan Library Association member?

The cost is \$50 per trustee annually. The Board has agreed to obtain a membership.

11. Microfilm Project Update

The master copy of the Novi News microfilm is stored offsite with copies located in the Library. The Library is missing copies of the Novi News for years 1959, 1970, 1973-1977, as well as other sections. As of March 2012, all original copies of the Novi News will have been duplicated. Willy Mena requested that the Northville District Library be contacted to see if they have copies of the missing copies of the Novi News to fill in the years that are missing from the Northville Record editions. The process to move from scanned to online access is being investigated through the Oakland County Historical Resource. Willy requested to receive a sample of what the items will look like.

12. Sealing the Library Parking Lot

The recommended normal sealing process is usually completed every 5 years. Julie has placed the cost for sealing in the 2013-14 budget year. A Board member requested that

any expenditure in excess of \$5000 not be included in the regular budget, but placed in the Contingency Budget line and earmark the funds for this purpose.

13. Renewal of Library Card

The renewal of Library cards is completed on a yearly basis allowing staff to update patron information, such as address, email address, etc. In July 2012, the Library would like to require patrons to pay their outstanding balance in full before a library card can be renewed. The Library Board is in full support of this renewal procedure.

The Library Network will be contacted to see if verbiage can be included on the patron notice of library card renewal notices.

14. Change in Days Open/Days Closed

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.

- 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.

A motion was made to exchange Good Friday with the Saturday prior to Easter Sunday and Martin Luther King, Jr. Day with the Saturday of Labor Day weekend.

1st – Mark Sturing
2nd – Willy Mena

The motion was passed unanimously

A consideration of the Board to close Sunday, December 23rd and Sunday, December 30th due to the lack of patron usage these days, was requested. These would not be paid holidays for the Library staff, but general closures. This consideration would be for the year 2012 only.

A motion was made to close December 23 and December 30 for 2012 and consider them unpaid closures.

1st - Willy Mena
2nd – Scott Teasdale

The motion was withdrawn.

A motion was made for the year 2012 to close December 23rd and December 30th due to the lack of expected patron traffic.

1st – Mark Sturing
2nd – Scott Teasdale

The motion was passed unanimously.

15. Strategic Planning Committee Information

Due to not all Board members receiving this information, the recommended timeline vote for the Strategic Planning Committee will be brought to the February 15, 2012 Regular Board Meeting.

There was a recess called of the meeting at 10:28 a.m.
The meeting reconvened at 10:38 a.m.

16. 2nd Draft of the Library Budget

Julie provided more accurate figures for the Permanent Salaries (268-000.00-704.000) and Temporary Salaries (268-000.00-705.000) budget lines. Julie anticipates hiring two full time employees, one in the Facilities Department, and another in the Information Services Department. These positions were eliminated through staff leaving and not being replaced.

A Board member proposed for the 2012-2013 budget, that the Interest on Investments could be increased with taking reserved funds and placing them in accounts that receive a higher interest rate, thus earning a higher percent on the Library's funds. This would be for long-term investments, not funds that will be required within the next couple of years. Board members agreed with his sentiment, but stated that we don't own the assets. Other members stated that there are State guidelines that must be followed. The Library Board discussed having a discussion with the City regarding the investment of Library funds. A member of the Board stated that he would not support making a change to the Budget, if proposed. Discussion on the long and short-term investments, exactly what can be invested in, and other ways to invest funds that don't have restrictions. The City tolerance is a zero percentage risk. The Finance Committee will meet with Tom Schultz, City Attorney, and staff members from the City to discuss investment guidelines.

A motion was made to increase line item 268-000.00-664.000, Interest on Investments from \$25,000 to \$90,000.

1st – Mark Sturing

2nd – Larry Czekaj

A roll call vote was requested:

Larry Czekaj – no

Larry Kilgore – no

David Margolis – no

Willy Mena – no

Mark Sturing – yes

Scott Teasdale – no

The motion failed with a 1- yes, 5- no vote.

For the record, Mark Sturing is not wrong.

2012-2013 Proposed 2nd Draft

Revenues

- 268-000.00-403.000 – Property Tax Revenue - \$2,239,000 – provided by the City of Novi Finance Department
- 268-000.00-567.000 – State Aid - \$17,500 – two checks annually
- 268-000.00-657.000 – Library Book Fines - \$57,000 – self checks; drive-up pay options; credit/debit card usage; increase in fines
- 268-000.00-658.000 – State Penal Fines - \$65,500 – State Highway Violations
- 268-000.00-664.000 – Interest on Investments - \$25,000 – provided by the City of Novi Finance Department (voted against increasing to \$90,000)
- 268-000.00-665.000 – Miscellaneous Income - \$14,500 – Library card replacement; printing
- 268-000.00-665.100 – Copier - \$2,500 – more scanning instead of printing being completed
- 268-000.00-665.200 – Electronic Media - \$3,500 – DVDs, CDs, Video Games (replacement; fines)
- 268-000.00-665.266 – SRP – T-shirt sales - \$150 – year-to-year determination
- 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 – Shop for a Cause; general fundraising
- 268-000.00-665.300 – Meeting room - \$12,000 – 7 rental options
- 268-000.00-665.400 – Gifts and Donations - \$5,000 – Unrestricted gifts; annual donation drive
- 268-000.00-665.404 – Novi Township Assessment - \$6,130 – Provided by the City of Novi Finance Department
- 268-000.00-665.500 – Book Rental - \$0.00 – No longer offered
- 268-000.00-665.650 – Library Café - \$5,000 – 10% of sales

TOTAL REVENUES

2012-2013 Proposed: \$2,453,780

Expenditures

Personnel Services

- 268-000.00-704.000 – Permanent Salaries - \$898,000 – added two full time staff – Facilities, Information Services
- 268-000.00-705.000 – Temporary Salaries - \$561,000 – increase building monitor hours; sub usage increase
- 268-000.00-709.100 – Sick Bank Payout - \$0.00 – no longer offered
- 268-000.00-715.000 – Social Security - \$111,000 – two new full time employees projected increase; 7.65% of salaries
- 268-000.00-716.000 – Insurance - \$212,000 – two new full time employees projected increase
- 268-000.00-716.200 – HAS – Health Savings Account - \$10,800
- 268-000.00-718.000 – Pension DB - \$0.00 – City reports fully funded
- 268-000.00-718.050 – Pension – Additional DB – \$0.00
- 268-000.00-718.200 – Pension Defined Contribution - \$24,000 – Based on Salary (6% cost)
- 268-000.00-719.000 – Unemployment Insurance - \$2,000 – Report received as of February 7, 2012
- 268-000.00-720.000 – Worker's Compensation - \$2,500

Total Personnel Services

2012-2013 Proposed: \$1,821,300

Based on figures, the percentage is trending down in the Permanent and Temporary Salaries.

Based on projected figures for the Permanent and Temporary budget lines, there are no wage increases proposed through the 2014-15 fiscal years.

In the Strategic Plan, the Board would like to address the increase in hours of operation. The additional funds required to operate during these hours would have to come from Library reserves. The library is currently open on average 60 hours per week; 58 summer, 62 winter.

The Library will have someone from the City's facilities department sit on the interviews, as suggested.

Supplies and Materials

- 268-000.00-727.000 – Office Supplies - \$17,500 – paper; print cartridges
- 268-000.00-728.000 – Postage - \$2,100 – donor letters; annual report
- 268-000.00-734.000 – Computer Software/Licensing - \$73,000 – licenses; software; maintenance agreements
- 268-000.00-734.500 – Computer Supplies Equipment - \$12,000 – Equipment; hardware; supplies (replacement on 5 year plan – Capital Outlay)
- 268-000.00-740.000 – Operating Supplies - \$31,700 – Library cards, building supplies; processing supplies
- 268-000.00-741.000 – Uniforms - \$300
- 268-000.00-740.200 – Desk, Chairs, Cabinets, etc. - \$0.00

David Margolis suggested that all expected purchases that are an one-time basis, come from Capital Outlay and are to be funded accordingly.

- 268-000.00-742.000 – Books - \$190,000
- 268-000.00-742.100 – Book Fines - \$500 – new account to pay for lost items to other libraries
- 268-000.00-743.000 – Periodicals - \$17,000 – additional magazines based on patron usage
- 268-000.00-744.000 – Audiovisual Materials - \$53,400 – Freegal...
- 268-000.00-745.200 – Electronic Media - \$43,200 – 10% increase DVDs, Blu-Ray, Video Games
 - The 744 and 745.200 accounts are remaining the same and expect to receive additional funds from fundraising efforts and donations
- 268-000.00-745.300 – Online Resources - \$44,800 – Brainfuse; Homework Help, etc.

Total Supplies and Materials

2012-2013 Proposed: 485,500

Services and Charges

- 268-000.00-801.925 – Public Information - \$950 – Bright House Cable, monthly fee
- 268-000.00-802.100 – Bank Services - \$2,500 – credit card fees for fines/fees
- 268-000.00-803.000 – Independent Audit - \$700
- 268-000.00-804.000 – Medical Service - \$500 – Personnel physicals/drug screening
- 268-000.00-806.000 – Legal Expenses - \$2,000
- 268-000.00-809.000 – Memberships & Dues - \$5,000 – ALA; MLA; OCHR; Chamber; Rotary

- 268-000.00-816.000 – Professional Services - \$5,000 – for building assessment
- 268-000.00-817.000 – Custodial Services - \$36,000 – daily cleaning of building
- 268-000.00-818.000 – TLN Central Services - \$6,000 – daily delivery service (Monday – Friday)
- 268-000.00-851.000 – Telephone - \$16,800 – TelNet, Verizon, AT&T
- 268-000.00-855.000 – TLN Automation Services - \$64,400 – Increase in internet connection; catalog users
- 268-000.00-862.000 – Mileage - \$1,000
- 268-000.00-880.000 – Community Promotion - \$5,000 – Community Read; Summer Reading
- 268-000.00-880.267 – Library Programming – Book It! – \$0.00 – funds should be expensed from 269-Walker Fund to offset the revenue.
- 268-000.00-880.268 – Programming - \$20,000 – Youth/adult events
- 268-000.00-900.000 – Design, Printing, Publishing - \$28,750 – Engage publication, Community Read; annual report
- 268-000.00-910.000 – Property & Liability Insurance - \$13,300 – Provided by the City Finance Department
- 268-000.00-921.000 – Heat - \$16,000
- 268-000.00-922.000 – Electricity - \$86,000
- 268-000.00-923.000 – Water and Sewer - \$5,500 – Provided by the City Finance Department
- 268-000.00-932.000 – Office Equipment Maintenance - \$0.00
- 268-000.00-934.000 – Building Maintenance – \$48,500
- 268-000.00-935.000 – Vehicle Maintenance - \$2,000
- 268-000.00-941.000 – Grounds Maintenance - \$25,000 with an expected \$10,000 to be moved to Capital Outlay for Landscaping
- 268-000.00-942.100 – Records Storage - \$200 – Corrigan – off-site storage
- 268-000.00-942.000 – Office Equipment Lease - \$13,500 – new lease agreement in spring 2013
- 268-000.00-956.000 – Conferences and Workshops - \$12,500 – MLA, Staff in-service, etc.

Total Services & Charges

2012-2013 Proposed: \$418,100

This does not take into account the changes made to budget lines: 268-000.00-880.267 and 268-000.00-941.000 where changes were made to these account budget figures.

Total Expenditures

2012-2013 Proposed: \$2,724,900

Anticipated Fund Balance Allocation for 2012-2013: \$271,120

Notes:

- One-time items are to be moved to Capital Outlay
- It was remarked that the Personnel costs are of concern.
- Members of the Board voiced their support of the 2012-2013 Budget, but to continuously evaluate services provided.

The 2012-2013 Fiscal Year Budget will be brought to the February 15, 2012 Library Board Regular Meeting for approval.

17. Adjourn

A motion was made to adjourn the meeting at 12:07 p.m.

1st – Larry Czekaj

2nd – Mark Sturing

The motion was passed unanimously.



February 15, 2012

Mark Sturing, Secretary

Date