Rochester Hills Public Library
Board of Trustees Meeting
January 8, 2024

I. The Board of Trustees of the Rochester Hills Public Library held a regular meeting on Monday, January 8, 2024. The President called the meeting to order at 7:18 pm in the boardroom of the library. The presiding officer was Melinda Deel.

A quorum of the board was present including Melinda Deel, Anne Kucher, Madge Lawson, Julianne Reyes, and Harper West.

Robert Bonam was absent with prior notice given.

Guests included Library Director Juliane Morian, City of Rochester Liaison Alice Moo, and Oakland Township Library Board President, Michael Tyler.

One member of the public was present.

II. The member of the public wished the board, “Happy New Year.”

III. Minutes
   A. On a motion by Ms. Kucher, which Ms. Reyes, seconded, the board unanimously approved the minutes from December 11, 2023 with no changes.

IV. Treasurer’s Report was reviewed and filed.

V. Monthly Bills
   A. On a motion by Ms. Lawson, which Ms. Kucher seconded, the board unanimously approved the monthly bills for December 2023, which totaled $547,533.38

VI. Communications
   A. The board reviewed and filed the communications.

VII. Director’s Report and Statistical Report
   A. The board reviewed and filed the director’s report, statistical report, and year-end strategic plan update.

VIII. Committee Reports
   A. Finance Committee
      1. Ms. Deel asked Ms. Morian to provide a summary of the Finance Committee meeting since Mr. Bonam was not present. Ms. Morian explained that the Finance Committee met on December 21st and discussed infrastructure needs and fund balance. Ms. Morian presented estimated costs for necessary
equipment that was nearing end of life in the building and totaled $7M. Ms. Morian explained that for forecasting purposes, those costs could be averaged over 10 years (acknowledging that there was no way to perfectly distribute costs over 10 years, and noting that some years could see expenses of $1M, while other years may only see expenses of $300,000) for a theoretical look at expenses vs. revenue. Ms. Morian then presented a forecast of revenue over the next ten years with predictions for moderate growth, but not enough to offset the infrastructure expenses. The board discussed ways that revenue could be increased and addressed ideas such as pursuing donations, grants, or appealing to the voters for a new millage. Ms. Deel asked that Ms. Morian append the slides summarizing the Finance Committee discussion to the meeting minutes as a record.

2. On a motion by Ms. Lawson, seconded by Ms. Kucher, the board assigned $675,000 of general fund balance to the roof replacement project. Ms. Morian confirmed this was the amount RHPL received from a settlement when the roof was improperly installed in 1992, and is less than half of the $1.5M estimated cost for replacing the roof.

B. Policy Committee

1. The committee presented a draft of Gov-6 Library Board Ethics and Conflict of Interest Policy. The committee felt it was best to present this as a first reading since it was crafted by the attorney at Foster Swift, and was significantly different than the previous draft of the same policy presented in November.
   a. Ms. West pointed out that the policy included references to employees. The sentiment of the board was to strike any reference to employees from this policy and create a policy solely for board members (noting that employees have their own conflict of interest personnel policy).
   b. Mr. Tyler asked for legal clarity regarding the line, “...Board members are expected to support the decision of the Board even if the Board member did not vote in favor of the decision.” Ms. Deel concurred that legal insight regarding this clause would be beneficial. Ms. Morian will reach out to the attorney for clarification.
   c. Ms. Kucher stated that she would like to see additional training on the Michigan Library Privacy Act and Freedom of Information Act (both were specifically enumerated in this policy).
   d. The board completed their first reading and will defer to the Policy Committee to make any additional edits before presenting the policy for a second reading.

2. On a motion by Ms. Kucher, seconded by Ms. West, the board unanimously approved the BENR-3 Legal Insurance Personnel Policy and vacating a need for a second reading.
IX. Other Business - none

X. Board Comments
   A. Ms. Deel expressed gratitude for the support from the board in unanimously being elected to the role of President. She said that she appreciated the trust placed in her.
   B. Ms. Deel stated that she was excited for an upcoming collaborative program being offered by the Rochester Hills Youth Council and hosted at the Rochester Hills Public Library called, “Exam Cram.” The event will take place on Saturday, January 13th and provide refreshments and an opportunity for students to recharge before mid-term exams the following week.
   C. Ms. Kucher stated that she would not be in attendance for the February board meeting because of a travel conflict.

XI. Questions from the Liaisons
   A. Mr. Tyler stated that the Oakland Township Library Board meeting originally scheduled for January 18, 2023 will be rescheduled for a future date because there would not have been a quorum of attendees.

XII. The regular meeting adjourned at 8:39 pm.

__________________________________________________
Anne Kucher, Secretary
## Infrastructure Needs

<table>
<thead>
<tr>
<th>Infrastructure Needs</th>
<th>Estimated Cost</th>
</tr>
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<tbody>
<tr>
<td>Full-size community bookmobile (35 ft)</td>
<td>$450,000</td>
</tr>
<tr>
<td>Mid-sized early literacy bus (28 ft)</td>
<td>$275,000</td>
</tr>
<tr>
<td>200KW whole building natural gas backup generator</td>
<td>$330,000</td>
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<tr>
<td>New metal seamed roof</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>New flat roof (membrane)</td>
<td>$95,000</td>
</tr>
<tr>
<td>New elevator</td>
<td>$100,000</td>
</tr>
<tr>
<td>Automated Materials Handling system</td>
<td>$325,000</td>
</tr>
<tr>
<td>1st floor exterior entrance, lobby &amp; bathrooms (adding a single-use)</td>
<td>$750,000</td>
</tr>
<tr>
<td>2nd floor bathrooms</td>
<td>$225,000</td>
</tr>
<tr>
<td>HVAC (air handlers, compressor, controls)</td>
<td>$200,000</td>
</tr>
<tr>
<td>Chiller System (chillers, condensors, tanks, plumbing, pumps)</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Ceiling tile replacement/refresh (both floors)</td>
<td>$120,000</td>
</tr>
<tr>
<td>LED upgrades for standard fixtures</td>
<td>$125,000</td>
</tr>
<tr>
<td>Youth room renovation</td>
<td>$750,000</td>
</tr>
<tr>
<td>MPR upgrades</td>
<td>$75,000</td>
</tr>
<tr>
<td>Lobby furniture</td>
<td>$60,000</td>
</tr>
<tr>
<td>South parking lot</td>
<td>$650,000</td>
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<tr>
<td></td>
<td>$7,030,000</td>
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**Averaged over 10 years:** $703,000
Assumes conservative annual revenue growth from property taxes ~2.75%
OTBS contract increases 3% yearly, but unclear if it will be renewed after 2028
Fines & Fees, State Aid, Donations will remain stagnant or only increase by 1%
Staff wages are projected to increase between 3-5% annually
Staff benefits are projected to increase approximately 1-2%
General maintenance and contracts typically increase 5% annually
New millage

- 10¢ on the taxable $1,000 of property taxes
- The average $400,000 home would see an increase of $20 annually
- Contract communities would be held to the same level of increase
- Expected to generate $703,210 in year one
Cost cuts already implemented

- 2010 - 2019
  - Freezing staff wages for 3 years
  - Cutting the library’s retirement contribution by 40%
  - Cutting back staff health care plans (medical, prescription, and dental)
  - Cutting budgets for supplies and specialized consulting
  - Reupholstered furniture and re-laminated study tables
Cost cuts already implemented

- 2020 - present
  - Reduced staff from 135 positions to 105;
  - Outsourced 5-person custodial department to a nightly cleaning service;
  - Eliminated 2.5 FTE positions with benefits (did not replace);
  - Deferred major furniture upgrades by acquiring second-hand furniture disposed of from other libraries;
  - Redesigned and coded website with internal team (did not outsource);
  - Developed in-house strategic plan and defrayed fees for research, surveys, metrics and tracking tools;
  - Managed major IT and facilities projects with internal team and eliminated consulting and installation fees;
  - Eliminated or re-bid service contracts (maintenance, internet, supplies, etc.);
  - Garden landscapes are maintained by volunteer gardeners at no cost to taxpayers;
  - Deferred replacement of Community Bookmobile and purchased small utility van to transport materials;
  - Eliminated long-term care insurance benefit for staff;
  - Installed LED lighting with internal team as a way to reduce utility costs over time.
The library benefits from generous donations made possible by an annual appeal in the fall. Typically the appeal yields $35,000 in revenue. It is unlikely that the community would support a second appeal for monetary donations.

The library has pursued three major grants ($50,000 or more), but was not awarded any of them because the community does not demonstrate enough need. It is unlikely that RHPL will be a strong candidate for grants in the future given our economic standing as one of the wealthiest communities in the state.
Current millage rate

- The current millage rate (Headlee-reduced) is in the bottom 5 for the metro Detroit area.
  - The only libraries that have a lower millage rate are Lincoln Park, Romulus, and Chesterfield Public Library
  - Novi Public Library has an equal millage to Rochester Hills, but has fewer obligations for building infrastructure costs.
- The cost of offering a high-caliber library experience has not been updated in over 100 years.
- RHPL is operating on a 20th century millage while delivering a 21st century library experience.