

NOTICE

Milwaukee County
Federated Library System
Board of Trustees

Monday, July 16th, 2018

9:00 A.M.

*This meeting will be conducted in the
Meeting Room of the
Shorewood Public Library
3920 N. Murray Ave.
Shorewood, WI 53211*

AGENDA

1. Call to order
2. Adoption of agenda
3. Approval of minutes: the MCFLS Board of Trustees meeting on Monday, June 18th, 2018

Action

Attachment A

Page 3

4. Public comment

Please note: Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through sign language interpreters or other auxiliary aides.

Board of Trustees—Administrative reports requiring action

5. Mid-year budget revision

Action Attachment B **Page 10**

6. Financial Report—May, 2018

Action Distributed at meeting

Administrative Informational Items

7. Public Library System Redesign (PLSR). Recommendations were released June 11th. Comment period runs through July 20th. Member library directors met July 11th to review the two models under consideration.

Attachment C **Page 13**

8. Director's Report

Attachment D **Page 17**

9. Tour of the Shorewood Public Library

Next meeting date: August 20th, 2018, 9:00 a.m., North Shore Library, 6800 North Port Washington Road, Glendale, WI 53217

Milwaukee County Federated Library System
Board of Trustees

Regular Monthly Meeting held Monday, June 18, 2018
At the Oak Creek Public Library
8040 South Sixth Street
Oak Creek, WI 53154

ROLL CALL

Present: Paul Ziehler, President
Nik Kovac, Treasurer
Kurt Glaisner, Trustee
Martin Lexmond, Trustee

Excused: Paula Penebaker, Vice President

Staff: Steve Hesel, Director
Judy Kaniasty, Business Manager
Jennifer Schmidt, Library Systems Administrator

Others: Pat Laughlin, LDAC Chair and Hales Corners Library
Dawn Lauber, Milwaukee Public Library
Jill Lininger, Oak Creek Public Library
Wendi Unger, Baker Tilly Virchow Krause, LLP

CALL TO ORDER. President Ziehler called the regularly scheduled monthly meeting of the Milwaukee County Federated Library System Board of Trustees to order at 9:05 a.m.

ADOPTION OF AGENDA. President Ziehler referred to the agenda. Treasurer Kovac moved and Trustee Glaisner seconded a motion to adopt the agenda as distributed. Unanimously approved.

APPROVAL OF MINUTES. President Ziehler referred to the minutes of the Wednesday, May 23, 2018 meeting, which is shown as Attachment A of the agenda packet. Trustee Glaisner moved and Treasurer Kovac seconded a motion to approve the minutes as presented. Unanimously approved.

PUBLIC COMMENT. Jill Lininger, Director of the Oak Creek Public Library, welcomed the MCFLS Board to the Oak Creek Public Library noting she was happy to host this morning's meeting and offered a tour if there was interest after the meeting.

LIBRARY DIRECTORS ADVISORY COUNCIL. LDAC Chair Pat Laughlin reviewed her report of the June 7, 2018 DLAC meeting which is shown as Attachment B of the agenda packet. Director Hesel noted the MCFLS Board is welcome to attend the July 11 PLSR model recommendation discussion; it was noted to note on the agenda that a quorum of the MCFLS could be present at this informational discussion. Trustee Glaisner stressed the importance of doing everything possible to lower the Hoopla costs for member libraries by uniting with other libraries, library systems and possibly nationally in a united front.

BOARD OF TRUSTEES—ADMINISTRATIVE REPORTS REQUIRING ACTION

2017 MCFLS Audit. Wendi Unger, Partner at Baker Tilly Virchow Krause, LLP thanked the MCFLS Board for the opportunity again to perform the MCFLS audit and she reviewed the draft audit materials distributed separately. President Ziehler noted that the MCFLS Treasurer should be added as a signer to the audit letter in the future. (The Director, Board President and Business Manager currently are the signers.) Trustee Glaisner moved and Trustee Lexmond seconded a motion to Accept the Audit and Place it on File. Unanimously approved.

2019 County Budget Request. President Ziehler referred to the 2019 County budget request which was discussed last month and has been updated and shown as Attachment C of the agenda packet. President Ziehler thanked Trustee Glaisner who primarily worked up the narrative to provide a more marketing approach to the County Board. Director Hesper noted that the number of library users shows a decrease and that is due to the new way of reporting that statistic which the State required to only reflect the users that were current for the past three years. Treasurer Kovac moved and Trustee Lexmond seconded a motion to submit the 2019 County Budget Request as shown as Attachment C. Unanimously approved.

Financial Report – May, 2018. President Ziehler referred to the May, 2019 financial report, which was distributed at meeting and shown as Exhibit 2 attached to these minutes. Director Hesper reported that next month the second half of the County payment should arrive and that the mid-year revision will be presented next month for action. Trustee Glaisner moved and Treasurer Kovac seconded a motion to approve the May, 2018 financial report as presented. Unanimously approved.

ADMINISTRATIVE INFORMATIONAL ITEMS

Public Library System Redesign (PLSR). President Ziehler referred to the two recommended PLSR models W & Y which are shown as Attachment D of the agenda packet. Director Hesper noted that the recommended models were released June 11th and the comment period runs through July 20 and that the LDAC will be discussing the two models in depth at a meeting on July 11 from 10-noon at the Oak Creek Public Library. Director Hesper will also be a PLSR Summit Participant on July 30 and 31 to review all comments received and to begin the process of forming the final model which will be recommended to the State Superintendent of Public Instruction by the end of August. Director Hesper noted that initially there were three models developed by Russell Consulting—X, Y and Z which included varying levels of State administrative involvement—regional governance, State and regional governance and State governance. Then an additional model was developed by the Director of Northern Waters Library System and after further thought, models X and Z were eliminated leaving only W and Y to be considered at this time. After the LDAC July 11th meeting Director Hesper will put together a comparison of the models outlining pros and cons and including the LDAC positions on major topics for the next MCFLS Board meeting set for July 16 so a communication can be forwarded to PLSR before the July 20 deadline.

[Treasurer Kovac and Trustee Lexmond left the meeting at 10:12 a.m.]

Nominations for the MCFLS Board of Trustees. President Ziehler reported that Treasurer Kovac, Trustee Glaisner and he have been reappointed to the MCFLS Board as their terms had expired. Names for three other slots have been forwarded to County Executive Abele for consideration and it is hoped that

the appointments will be made soon as there are two vacancies currently running on the Board and Trustee Lexmond will serve until his replacement is named. A citizen member, local library board member and county supervisor are needed.

MCFLS Summary of System Services with Infographics. Director Hesel distributed a revised marketing brochure, which is shown as Exhibit 2 attached to these minutes. It was asked that a copy also be shared with Vice President Pennebaker, Treasurer Kovac and Trustee Lexmond for their input.

Director's Report. Director Hesel reviewed his report, his is shown as Attachment E of the agenda packet.

NEXT MEETING. Scheduled for July 16, 2018 at 9:00 a.m. at the Shorewood Public Library, 3920 N. Murray Ave., Shorewood, WI 53211

ADJOURNMENT. With no further business to be addressed, the meeting was adjourned at 10:23 a.m.

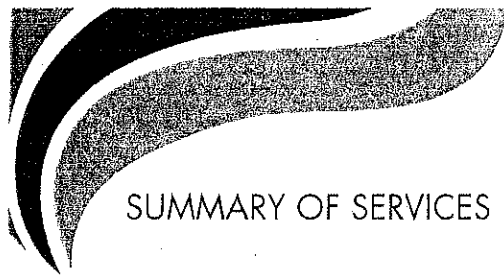
M.C.F.L.S.
Financial Report
For the Five Months Ending May 31, 2018

July 2018 Page 6 MCFLS Board

| 1 | | <u>Annual Budget</u> | <u>Year to Date</u> | <u>%</u> | <u>Balance</u> | <u>%</u> |
|----|--------------------------------|----------------------|---------------------|----------|----------------|----------|
| 2 | | | | | | |
| 3 | General Revenues | | | | | |
| 4 | State Aid Revenue | \$ 2,766,162 | \$ 2,766,162 | (100.00) | \$ - | 0.00 |
| 5 | Milwaukee County Allocation | \$ 66,650 | \$ 33,325 | (50.00) | \$ 33,325 | (50.00) |
| 6 | West Milwaukee Contract -Other | \$ 48,160 | \$ 48,160 | (100.00) | \$ - | 0.00 |
| 7 | Interest on Invested Funds | \$ 4,000 | \$ 338 | (8.45) | \$ 3,662 | (91.55) |
| 8 | Member Forms/Supplies Revenue | \$ 25,000 | \$ 7,322 | (29.29) | \$ 17,678 | (70.71) |
| 9 | Member Postage Revenue | \$ 25,000 | \$ 10,590 | (42.36) | \$ 14,410 | (57.64) |
| 10 | Member OCLC Revenue | \$ 113,232 | \$ 113,233 | (100.00) | \$ (1) | 0.00 |
| 11 | Member Telecomm. Revenue | \$ 16,800 | \$ 600 | (3.57) | \$ 16,200 | (96.43) |
| 12 | Member III Softwre Maint-Basic | \$ 198,088 | \$ 198,088 | (100.00) | \$ - | 0.00 |
| 13 | Member III Softwre Maint-Other | \$ 43,050 | \$ 43,050 | (100.00) | \$ - | 0.00 |
| 14 | Member Tech. Assist.-Time Rev. | \$ 15,000 | \$ 5,035 | (33.57) | \$ 9,965 | (66.43) |
| 15 | Member Special Projects Revenu | \$ 80,000 | \$ 11,748 | (14.69) | \$ 68,252 | (85.32) |
| 16 | Member Cataloging Contract Rev | \$ 149,006 | \$ 149,006 | (100.00) | \$ - | 0.00 |
| 17 | Member Database Revenue | \$ 77,132 | \$ 76,460 | (99.13) | \$ 672 | (0.87) |
| 18 | Member Catalog Enhancement Rev | \$ 24,160 | \$ 24,160 | (100.00) | \$ - | 0.00 |
| 19 | Member Ecommerce Transaction | \$ 9,000 | \$ 2,143 | (23.81) | \$ 6,857 | (76.19) |
| 20 | TNS Calls/Notices Revenue | \$ 5,600 | \$ 2,188 | (39.07) | \$ 3,412 | (60.93) |
| 21 | Carryover Revenue | \$ 35,000 | \$ - | 0.00 | \$ 35,000 | (100.00) |
| 22 | Staff Benefits/Co-Pay Revenue | \$ 31,134 | \$ 10,218 | (32.82) | \$ 20,916 | (67.18) |
| 23 | Member Digital Content Rev | \$ 194,179 | \$ 185,215 | (95.38) | \$ 8,964 | (4.62) |
| 24 | Total General Revenues | \$ 3,926,353 | \$ 3,687,041 | (93.90) | \$ 239,312 | (6.10) |
| 25 | | | | | | |
| 26 | Special Revenues | | | | | |
| 27 | W. Milwaukee Borrowing Revene | \$ 52,437 | \$ 52,437 | (100.00) | \$ - | 0.00 |
| 28 | Ecommerce Revenue | \$ 200,000 | \$ 91,656 | (45.83) | \$ 108,344 | (54.17) |
| 29 | Total Special Revenues | \$ 252,437 | \$ 144,093 | (57.08) | \$ 108,344 | (42.92) |
| 30 | | | | | | |
| 31 | Total Revenues | \$ 4,178,790 | \$ 3,831,134 | (91.68) | \$ 347,656 | (8.32) |
| 32 | | | | | | |
| 33 | | <u>Annual Budget</u> | <u>Year to Date</u> | <u>%</u> | <u>Balance</u> | <u>%</u> |
| 34 | | | | | | |
| 35 | General Expenditures | | | | | |
| 36 | Fringe Benefits Expense | \$ 182,281 | \$ 61,075 | 33.51 | \$ 121,206 | 66.49 |
| 37 | Salaries Expense | \$ 381,600 | \$ 123,999 | 32.49 | \$ 257,601 | 67.51 |
| 38 | Telephone Renewal Expense | \$ 1,600 | \$ 679 | 42.44 | \$ 921 | 57.56 |
| 39 | Member Ecommerce Transaction E | \$ 9,000 | \$ 2,139 | 23.77 | \$ 6,861 | 76.23 |
| 40 | TNS Calls/Notices Expense | \$ 5,600 | \$ 1,311 | 23.41 | \$ 4,289 | 76.59 |
| 41 | Mileage Reimbursement Expense | \$ 200 | \$ 104 | 52.00 | \$ 96 | 48.00 |
| 42 | Conference/Training Expense | \$ 5,500 | \$ 1,306 | 23.75 | \$ 4,194 | 76.25 |
| 43 | Memberships Expense | \$ 6,800 | \$ 3,566 | 52.44 | \$ 3,234 | 47.56 |
| 44 | Continuing Education Expense | \$ 8,500 | \$ 6,749 | 79.40 | \$ 1,751 | 20.60 |
| 45 | Office Supplies Expense | \$ 1,000 | \$ 253 | 25.30 | \$ 747 | 74.70 |
| 46 | Copy Machine Maint. Expense | \$ 1,200 | \$ 220 | 18.33 | \$ 980 | 81.67 |
| 47 | MCFLS Printing Expense | \$ 500 | \$ - | 0.00 | \$ 500 | 100.00 |
| 48 | MCFLS Printing for Mem Expense | \$ 5,000 | \$ - | 0.00 | \$ 5,000 | 100.00 |
| 49 | MCFLS WI Pub Lib Consortium Ex | \$ 10,616 | \$ 10,616 | 100.00 | \$ - | 0.00 |
| 50 | MCFLS Buying Pool | \$ 110,000 | \$ 30,000 | 27.27 | \$ 80,000 | 72.73 |
| 51 | MCFLS Database Expense | \$ 15,000 | \$ 6,053 | 40.35 | \$ 8,947 | 59.65 |
| 52 | Member Database Expense | \$ 77,132 | \$ 73,504 | 95.30 | \$ 3,628 | 4.70 |

M.C.F.L.S.
Financial Report
For the Five Months Ending May 31, 2018

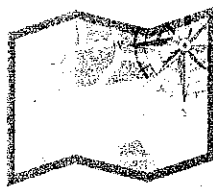
| | | | | | | |
|----|-----------------------------------|--------------|--------------|--------|--------------|--------|
| 53 | MCFLS Catalog Enhancement Expe | \$ 67,677 | \$ 34,482 | 50.95 | \$ 33,195 | 49.05 |
| 54 | Member Catalog Enhancement Exp | \$ 24,160 | \$ 24,160 | 100.00 | \$ - | 0.00 |
| 55 | MCFLS Postage Expense | \$ 600 | \$ 50 | 8.33 | \$ 550 | 91.67 |
| 56 | Member Postage Expense | \$ 25,000 | \$ 10,950 | 43.80 | \$ 14,050 | 56.20 |
| 57 | Member Forms/Supplies Expense | \$ 25,000 | \$ 6,564 | 26.26 | \$ 18,436 | 73.74 |
| 58 | Telephone Expense | \$ 4,450 | \$ 787 | 17.69 | \$ 3,663 | 82.31 |
| 59 | Meetings Expense | \$ 500 | \$ 127 | 25.40 | \$ 373 | 74.60 |
| 60 | Insurance Expense | \$ 11,252 | \$ 11,257 | 100.04 | \$ (5) | (0.04) |
| 61 | Legal Expense | \$ 500 | \$ - | 0.00 | \$ 500 | 100.00 |
| 62 | Audit Expense | \$ 12,000 | \$ 1,450 | 12.08 | \$ 10,550 | 87.92 |
| 63 | Payroll Service Expense | \$ 4,000 | \$ 1,645 | 41.13 | \$ 2,355 | 58.88 |
| 64 | III Software Support Expense | \$ 241,138 | \$ 117,029 | 48.53 | \$ 124,109 | 51.47 |
| 65 | Member Telecomm. Expense | \$ 16,800 | \$ - | 0.00 | \$ 16,800 | 100.00 |
| 66 | MCFLS Telecomm. Maint. Expense | \$ 10,000 | \$ 1,490 | 14.90 | \$ 8,510 | 85.10 |
| 67 | OCLC Expense | \$ 125,461 | \$ 100,000 | 79.71 | \$ 25,461 | 20.29 |
| 68 | MCFLS Computer Room Equipment | \$ 5,000 | \$ 3,263 | 65.26 | \$ 1,737 | 34.74 |
| 69 | MCFLS Equipment Expense | \$ 15,650 | \$ 12,931 | 82.63 | \$ 2,719 | 17.37 |
| 70 | Member Special Projects Expens | \$ 80,000 | \$ 7,299 | 9.12 | \$ 72,701 | 90.88 |
| 71 | Sorting and Delivery Expense | \$ 291,700 | \$ 94,138 | 32.27 | \$ 197,562 | 67.73 |
| 72 | South Central Delivery Expense | \$ 21,250 | \$ 10,625 | 50.00 | \$ 10,625 | 50.00 |
| 73 | Auto Payment/Maintenance Exp. | \$ 1,000 | \$ 31 | 3.10 | \$ 969 | 96.90 |
| 74 | MPL Resource Contract Expense | \$ 179,801 | \$ 43,501 | 24.19 | \$ 136,300 | 75.81 |
| 75 | MPL Rent Lease Contract Exp. | \$ 128,530 | \$ 32,133 | 25.00 | \$ 96,397 | 75.00 |
| 76 | ILS Expense | \$ 36,450 | \$ 9,113 | 25.00 | \$ 27,337 | 75.00 |
| 77 | MCFLS Catalog Cont Exp to MPL | \$ 276,676 | \$ 69,154 | 24.99 | \$ 207,522 | 75.01 |
| 78 | Member Catalog Contract Exp. | \$ 149,006 | \$ 37,252 | 25.00 | \$ 111,754 | 75.00 |
| 79 | Internet Expense | \$ 19,500 | \$ 4,035 | 20.69 | \$ 15,465 | 79.31 |
| 80 | Contingency Expense | \$ 48,741 | \$ 3,104 | 6.37 | \$ 45,637 | 93.63 |
| 81 | Member Digital Content Exp | \$ 194,179 | \$ 194,179 | 100.00 | \$ - | 0.00 |
| 82 | Marketing | \$ 10,000 | \$ 497 | 4.97 | \$ 9,503 | 95.03 |
| 83 | Total General Expenditures | \$ 2,847,550 | \$ 1,152,820 | 40.48 | \$ 1,694,730 | 59.52 |
| 84 | | | | | | |
| 85 | Special Expenditures | | | | | |
| 86 | W. Milwaukee Borrowing Expense | \$ 52,437 | \$ 52,439 | 100.00 | \$ (2) | (0.00) |
| 87 | RB - MCFLS Payment Expense | \$ 1,078,803 | \$ 1,078,804 | 100.00 | \$ (1) | (0.00) |
| 88 | Ecommerce Expense | \$ 200,000 | \$ 91,656 | 45.83 | \$ 108,344 | 54.17 |
| 89 | Total Special Expenditures | \$ 1,331,240 | \$ 1,222,899 | 91.86 | \$ 108,341 | 8.14 |
| 90 | | | | | | |
| 91 | Total Expenditures | \$ 4,178,790 | \$ 2,375,719 | 56.85 | \$ 1,803,071 | 43.15 |
| 92 | | | | | | |
| 93 | Revenue/Expenditures +/- | | \$ 1,455,415 | | | |



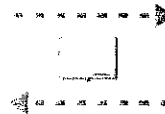
SUMMARY OF SERVICES



MCFLS provides access to specialized collections and materials from across Wisconsin and the world.



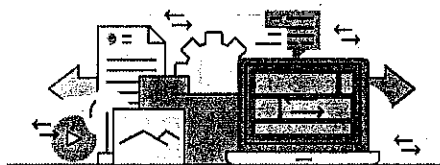
MCFLS provides access to specialized collections and materials through agreements with the Milwaukee Public Library.



MCFLS also funds an Interlibrary Services contract with Milwaukee Public Library to provide materials from across Wisconsin and the world.

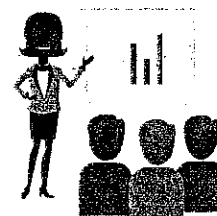


MCFLS brokers purchases of databases, e-books and other online resources and provides excellent continuing education opportunities for library staff.



482,000 10 YEARS

In 2017, Milwaukee County residents checked out more than 482,000 digital items continuing a decade pattern of growth.



MCFLS provides access to continuing education programs which feature nationally prominent speakers and local experts.

709 N 8th St, Milwaukee, WI 53233, USA +1 414-286-3210 www.mcfls.org



SUMMARY OF SERVICES



MCFLS manages CountyCat, the shared library automation system, and makes the resources of the 15 member libraries easily available to all County residents



| In 2017 more than 64 million items were circulated at MCFLS member libraries



\$130m

| This service alone annually represents almost \$130 million in value to the public



| In 2017 libraries received 850,000 items that were not available in their own collection



MCFLS administers a wide area network, offers PC and helpdesk support and provides delivery services



| Currently MCFLS charges a very low rate of \$70/hour to libraries to install and repair computer equipment



| MCFLS delivers materials to all Milwaukee County libraries and residents can pick up and return items at any location



| MCFLS staff serve as project consultants for member libraries

709 N 8th St, Milwaukee, WI 53233, USA | +1 414-286-3210 | www.mcfls.org

| | | | | |
|----|--------------------------------|------------------------|-----------------------|---------------|
| 1 | | | | |
| 2 | | Original Budget | Revised Budget | Change |
| 3 | General Revenues | | | |
| 4 | State Aid Revenue | \$ 2,766,162 | \$ 2,766,162 | \$ - |
| 5 | Milwaukee County Allocation | \$ 66,650 | \$ 66,650 | \$ - |
| 6 | West Milwaukee Contract -Other | \$ 48,160 | \$ 48,160 | \$ - |
| 7 | Interest on Invested Funds | \$ 4,000 | \$ 2,000 | \$ (2,000) |
| 8 | Member Forms/Supplies Revenue | \$ 25,000 | \$ 25,000 | \$ - |
| 9 | Member Postage Revenue | \$ 25,000 | \$ 25,000 | \$ - |
| 10 | Member OCLC Revenue | \$ 113,232 | \$ 113,232 | \$ - |
| 11 | Member Telecomm. Revenue | \$ 16,800 | \$ 9,000 | \$ (7,800) |
| 12 | Member III Softwre Maint-Basic | \$ 198,088 | \$ 198,088 | \$ - |
| 13 | Member III Softwre Maint-Other | \$ 43,050 | \$ 43,050 | \$ - |
| 14 | Member Tech. Assist.-Time Rev. | \$ 15,000 | \$ 15,000 | \$ - |
| 15 | Member Special Projects Revenu | \$ 80,000 | \$ 80,000 | \$ - |
| 16 | Member Cataloging Contract Rev | \$ 149,006 | \$ 149,006 | \$ - |
| 17 | Member Database Revenue | \$ 77,132 | \$ 77,132 | \$ - |
| 18 | Member Catalog Enhancement Rev | \$ 24,160 | \$ 24,160 | \$ - |
| 19 | Member Ecommerce Transaction | \$ 9,000 | \$ 9,000 | \$ - |
| 20 | TNS Calls/Notices Revenue | \$ 5,600 | \$ 5,600 | \$ - |
| 21 | Carryover Revenue | \$ 35,000 | \$ 68,403 | \$ 33,403 |
| 22 | Staff Benefits/Co-Pay Revenue | \$ 31,134 | \$ 28,082 | \$ (3,052) |
| 23 | Member Digital Content Rev | \$ 194,179 | \$ 194,179 | \$ - |
| 24 | MemberMKE Mixers Revenue | | \$ 1,400 | \$ 1,400 |
| 25 | Total General Revenues | \$ 3,926,353 | \$ 3,948,304 | \$ 21,951 |
| 26 | | | | |
| 27 | Special Revenues | | | |
| 28 | W. Milwaukee Borrowing Revene | \$ 52,437 | \$ 52,437 | \$ - |
| 29 | Ecommerce Revenue | \$ 200,000 | \$ 200,000 | \$ - |
| 30 | Total Special Revenues | \$ 252,437 | \$ 252,437 | \$ - |
| 31 | | | | |
| 32 | Total Revenues | \$ 4,178,790 | \$ 4,200,741 | \$ 21,951 |
| 33 | | | | |
| 34 | | | | |
| 35 | | Original Budge | Revised Budget | |
| 36 | | | | |
| 37 | General Expenditures | | | |
| 38 | Fringe Benefits Expense | \$ 182,281 | \$ 161,845 | \$ (20,436) |
| 39 | Salaries Expense | \$ 381,600 | \$ 340,208 | \$ (41,392) |
| 40 | Telephone Renewal Expense | \$ 1,600 | \$ 1,600 | \$ - |
| 41 | Member Ecommerce Transaction E | \$ 9,000 | \$ 9,000 | \$ - |
| 42 | TNS Calls/Notices Expense | \$ 5,600 | \$ 5,600 | \$ - |
| 43 | Mileage/Auto Maint Expense | \$ 200 | \$ 700 | \$ 500 |
| 44 | Conference/Training Expense | \$ 5,500 | \$ 8,000 | \$ 2,500 |
| 45 | Memberships Expense | \$ 6,800 | \$ 8,000 | \$ 1,200 |
| 46 | Continuing Education Expense | \$ 8,500 | \$ 8,750 | \$ 250 |
| 47 | Office Supplies Expense | \$ 1,000 | \$ 1,000 | \$ - |
| 48 | Copy Machine Maint. Expense | \$ 1,200 | \$ 1,200 | \$ - |
| 49 | MCFLS Printing Expense | \$ 500 | \$ 500 | \$ - |
| 50 | MCFLS Printing for Mem Expense | \$ 5,000 | \$ 5,000 | \$ - |
| 51 | MCFLS WI Pub Lib Consortium Ex | \$ 10,616 | \$ 10,616 | \$ - |

| | | | | |
|----|-----------------------------------|--------------|--------------|-----------|
| 52 | MCFLS Buying Pool | \$ 110,000 | \$ 110,000 | \$ - |
| 53 | MCFLS Database Expense | \$ 15,000 | \$ 20,000 | \$ 5,000 |
| 54 | Member Database Expense | \$ 77,132 | \$ 80,000 | \$ 2,868 |
| 55 | MCFLS Catalog Enhancement Expe | \$ 67,677 | \$ 72,000 | \$ 4,323 |
| 56 | Member Catalog Enhancement Exp | \$ 24,160 | \$ 24,160 | \$ - |
| 57 | MCFLS Postage Expense | \$ 600 | \$ 600 | \$ - |
| 58 | Member Postage Expense | \$ 25,000 | \$ 25,000 | \$ - |
| 59 | Member Forms/Supplies Expense | \$ 25,000 | \$ 25,000 | \$ - |
| 60 | Telephone Expense | \$ 4,450 | \$ 5,000 | \$ 550 |
| 61 | Meetings Expense | \$ 500 | \$ 500 | \$ - |
| 62 | Insurance Expense | \$ 11,252 | \$ 11,257 | \$ 5 |
| 63 | Legal Expense | \$ 500 | \$ 500 | \$ - |
| 64 | Audit Expense | \$ 12,000 | \$ 12,000 | \$ - |
| 65 | Payroll Service Expense | \$ 4,000 | \$ 4,000 | \$ - |
| 66 | Server Hardware Maintenance | | \$ 3,250 | \$ 3,250 |
| 67 | III Software Support Expense | \$ 241,138 | \$ 241,138 | \$ - |
| 68 | Member Telecomm. Expense | \$ 16,800 | \$ 16,800 | \$ - |
| 69 | MCFLS Telecomm. Maint. Expense | \$ 10,000 | \$ 10,000 | \$ - |
| 70 | OCLC Expense | \$ 125,461 | \$ 125,461 | \$ - |
| 71 | MCFLS Computer Room Equipment | \$ 5,000 | \$ 5,000 | \$ - |
| 72 | MCFLS Equipment Expense | \$ 15,650 | \$ 15,650 | \$ - |
| 73 | Member Special Projects Expens | \$ 80,000 | \$ 80,000 | \$ - |
| 74 | Sorting and Delivery Expense | \$ 291,700 | \$ 291,700 | \$ - |
| 75 | South Central Delivery Expense | \$ 21,250 | \$ 21,250 | \$ - |
| 76 | Auto Payment/Maintenance Exp. | \$ 1,000 | \$ 1,000 | \$ - |
| 77 | MPL Resource Contract Expense | \$ 179,801 | \$ 179,801 | \$ - |
| 78 | MPL Rent Lease Contract Exp. | \$ 128,530 | \$ 128,530 | \$ - |
| 79 | ILS Expense | \$ 36,450 | \$ 36,450 | \$ - |
| 80 | MCFLS Catalog Cont Exp to MPL | \$ 276,676 | \$ 276,676 | \$ - |
| 81 | Member Catalog Contract Exp. | \$ 149,006 | \$ 149,006 | \$ - |
| 82 | MCFLS Collection Dev Tool Exp. | | \$ 28,000 | \$ 28,000 |
| 83 | Internet Expense | \$ 19,500 | \$ 20,500 | \$ 1,000 |
| 84 | Contingency Expense | \$ 48,741 | \$ 81,671 | \$ 32,930 |
| 85 | Member Digital Content Exp | \$ 194,179 | \$ 194,179 | \$ - |
| 86 | Marketing | \$ 10,000 | \$ 10,000 | \$ - |
| 87 | Member MKE Mixer Expense | | \$ 1,400 | \$ 1,400 |
| 88 | Total General Expenditures | \$ 2,847,550 | \$ 2,869,498 | \$ 21,948 |
| 89 | | | | |
| 90 | Special Expenditures | | | |
| 91 | W. Milwaukee Borrowing Expense | \$ 52,437 | \$ 52,439 | \$ 2 |
| 92 | RB - MCFLS Payment Expense | \$ 1,078,803 | \$ 1,078,804 | \$ 1 |
| 93 | Ecommerce Expense | \$ 200,000 | \$ 200,000 | \$ - |
| 94 | Total Special Expenditures | \$ 1,331,240 | \$ 1,331,243 | \$ 3 |
| 95 | | | | |
| 96 | Total Expenditures | \$ 4,178,790 | \$ 4,200,741 | \$ 21,951 |

July 16th, 2018

To: MCFLS Board of Trustees

From: Steve Hesel, MCFLS Director

Re: 2018 Mid-year Revised Budget

An explanation of some of the changes to the mid-year budget for 2018:

- Line 11—reflects the amount credited to member libraries for TEACH payments in 2017. Libraries had already been billed \$600 each for the second half of 2017. One received a check for reimbursement, the others requested a credit for 2018 reflected here.
- Line 21—carryover amount from 2017 (see line 82 discussion for further explanation).
- Lines 38-39—less salary/benefits due to one less staff member for four months.
- Lines 44-45—travel and training for LSA and Director positions expected to increase.
- Line 53—Gale Courses and RBDigital magazine cost slightly higher than anticipated.
- Line 66—Added server maintenance support for Sierra database and app servers.
- Line 82—MCFLS cost for CollectionHQ, a collection development tool for members. The total carryover amount for 2018 was higher because funds for this strategic plan commitment were not expended in 2017.

PLSR Preliminary Model Frameworks

Summary of Framework Models

The preliminary results from the PLSR administrative/funding/governance discussions have led to two preliminary model frameworks for the library community to review: Model W and Model Y.

Model W is based on keeping the current regional system structure while changing the funding formula for aid distribution and improving system service standards.

- Model W was submitted by Sherry Machones, system director of Northern Waters Library System, as part of the model development meeting held on June 8th.
- This model keeps the current system structure unchanged. The rationale for doing so is based on the statewide survey of library directors that showed a high level of satisfaction with existing library systems.
- An alteration to Chapter 43 of state statutes is proposed in Model W that would allow a new funding formula to distribute state aid to systems based on a combination of population (85%), geographic area (7.5%) and shared revenue (7.5%). This new formula would result in a shift of more money to other systems and less funding to systems such as MCFLS. **See Attachment A for more details on the funding formula.**
- Model W focuses on improving local library services through an update of the library system standards of service and accountability structure.

Model Y would result in a 6-8 regional system model under a statewide services umbrella creating a statewide service philosophy with a more formalized regional structure.

- Model Y was one of three model frameworks originally submitted for consideration and appeared to have the greatest support of the three during the model development process.
- This model would reduce the number of library systems to 6-8 regional systems based heavily on the map provided by the delivery workgroup (**see Attachment B for a map of the proposed regions**).
- Model Y would include a statewide governing board and statewide service management team help to provide and monitor service expectations to ensure equitable service levels for all regional systems.
- Each of the new regional systems would see new budgets. The funding formula has yet to be determined.

Comparison of Both Frameworks

Here is a side-by-side comparison of both framework models as of June 11th, 2018. **Please note that this information is fluid and may change based on feedback from the library community and the summit taking place July 30th and 31st.**

| | MODEL W | MODEL Y |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Overview | Focuses on improving local library services throughout Wisconsin through update of library system standards of service and accountability structure, adoption of a more equitable library system funding formula while maintaining the current successful regional library system structure. | Reduces the number of systems to between 6 and 8, based on the delivery regions recommended by the Delivery Work Group. |
| Timeline | The timeline would need to be determined but changes could be implemented in the near future. | The timeline would need to be determined. |
| Rationale | There is a high level of satisfaction regarding library system services among the state's public libraries. This model builds on successes and offers remedies where inequity and dissatisfaction exist. | Increase in scale will create efficiencies and centralization will help ensure all libraries receive equitable services. |
| Implementation | Creation and implementation of revised library system standards followed by changes in the state's library system funding formula. | Method would need to be determined. |
| Structure | The structure currently in place would remain unchanged. | A statewide management team is responsible for delivering services. This would include a statewide portal and discovery layer. |
| Governance | The current governance structure would remain in place. DPI might have a larger role in overseeing system accountability through a revised set of system standards for service. | Provides for a statewide governing board for all library services, but systems remain with individual governing boards. |
| Funding | The current state aid to library systems formula in WI Stat. <u>43.24 (1) (a)</u> would be replaced with the formula outlined in <u>43.24 (1) (c)</u> . This revised formula factors in shared revenue payments instead of local funding. | Each of the new systems/regions will see new budgets based on the current formula. The only way the regions will see increased revenue is if the new larger systems include significantly higher levels of population. |

Attachment A. Funding formula changes.

Model W proposes a significant change to the funding formula that determines how state aid is distributed to library systems. The rationale given behind this change is to give more aid to less well-funded systems and ensure services are equitably provided across the state. **For MCFLS this would mean reduced funding overall if state aid remains the same and smaller increases if state aid is increased.**

The current formula under 43.24 (1) (a) means that state aid to any library system is generally based on the percentage of aid received by the system in the previous fiscal year. The original calculation for this formula to determine state aid was based on a percentage of population, geographic area and municipal/county support to libraries. This calculation is based on older data and that fact is cited as one of the reasons to use the new formula in Model W.

Model W proposes the statute be altered to use the formula proposed in 43.24 (1) (c). This section of the statute was put in place in case state aid to systems met or exceeded 11.25% of the total operating expenditures for public library services from local and county sources. At the time of the legislation—around 1996—that 11.25% threshold was the point where no system would see a net reduction in their state aid. Instead of library and system operating expenditures, this "11.25%" method uses estimated Wisconsin shared revenue and expenditure restraint payments to municipalities and counties.

Here is how the proposed funding formula changes may impact MCFLS. I've included two tables: one to show the effect on MCFLS with no increase in funding, and another assuming the average increase in state aid we've been given in the current fiscal year (3.275%). It should be noted that increases to state aid are NOT a given and we do not know what state aid will look like beyond 2019.

**Estimated State Aid to MCFLS under Proposed Model W
With no increase in overall funding after fiscal year 2019**

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------------------------------------------------|-------------|-------------|-------------|---------------|-------------|
| Current Funding Model (assumes no increase after 2019) | \$2,677,006 | \$2,766,162 | \$2,855,317 | \$2,855,317 | \$2,855,317 |
| Proposed Funding Model estimate (assumes no increase after 2019) | | | \$2,855,317 | \$2,775,463 * | \$2,677,863 |
| % Chg Year over Year w/ Proposed Model | | | | -2.8% | -3.5% |
| % Chg Between Models | | | | -2.8% | -6.2% |

**Estimated State Aid to MCFLS under Proposed Model W
With assumed 3.275% increase in state aid in 2020 and 2021**

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------------------------|-------------|-------------|-------------|---------------|-------------|
| Current Funding Model | \$2,677,006 | \$2,766,162 | \$2,855,317 | \$2,948,829 | \$3,045,403 |
| Proposed Funding Model estimate | | | \$2,855,317 | \$2,866,359 * | \$2,856,135 |
| % Chg Year over Year with Proposed Model | | | | 0.4% | -0.4% |
| % Chg Between Models | | | | -2.8% | -6.2% |

* Model W proposes a transition year in 2020 where 55% of the funding would be distributed using the current formula and 45% using the new formula. Funding from 2021 and moving forward would be entirely based on the new formula.

Attachment B. Proposed Model Y Regions/Delivery Hubs.

Here is the map proposed by Model Y to determine regional systems. This map is a starting point and the makeup of these regions may change after input from the library community.





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July 10th, 2018

June/July 2018 Director's Report

Summary of activities

1. Reviewed the implementation timeline and process for the MyPC project with Hieu and staff from Today's Business solutions (TBS).
2. Met with MPL staff and Jennifer to discuss and come up with solutions for inventory and in storage issues related to MPL items.
3. Met with Paula Kiely to discuss the PLSR model frameworks on June 27th.
4. Attended the PLSR Steering committee meeting on June 28th.
5. Sent approved county budget request on June 29th.
6. Dennis Carter met with Jennifer, Judy and I on July 2nd to discuss possible changes to our account with Innovative Interfaces.
7. Contacted Evans Gant from the County Executive's office for an update on board appointments On July 3rd. No response as of July 10th.
8. Reviewed mid-year budget numbers with Judy.
9. Created agenda, documents and prepared for PLSR frameworks discussions.
10. Discussed LibraryNOW accessibility issues for Seton Catholic Schools with Jennifer and Joan Johnson of MPL.
11. i-Tiva (the new system for telephone notification/renewals) went live on July 9th.
12. Met with MCFLS member library directors in a special meeting on July 11th to discuss the PLSR preliminary framework models.
13. Started preliminary work on the 2019 budget. Will complete in late July/early August.
14. Reached out to WiLS to assess possible strategic planning costs and timeline.
15. Assisted in the evaluation of proposals for the student data research analyst position with MPL.

Upcoming Activities

1. Meet with MPL staff and Dr. Latham to review the MPL/SOIS Fines Project and prepare for the WLA presentation later this year.
2. Meet with the Wauwatosa Public Library Board on July 18th.
3. Attend a WiLSWorld half-day session on building a marketing plan on July 25th.
4. Participate and contribute to the PLSR Summit taking place in Stevens Point, July 30th and 31st.
5. Complete preliminary work on the 2019 MCFLS budget.