

**LAKELAND LIBRARY COOPERATIVE
FINANCE COMMITTEE MINUTES – Unofficial
Monday, April 4, 2022, at 2:00 p.m.
Via ZOOM**

Present: Karen McKinnon (AL) Chair, Diane Kooiker (HO), Maggie McKeithan (OS), Dale Parus, Ex Officio (IC)

Staff Present: Carol Dawe, Janet Cornell

- 1) **CALL TO ORDER:** The meeting was called to order at 2:00 p.m. by Karen McKinnon.
- 2) **APPROVAL OF AGENDA:** Maggie McKeithan moved, supported by Diane Kooiker, to approve the agenda as presented - *motion carried*.
- 3) **APPROVAL OF MINUTES:** Diane Kooiker moved, supported by Maggie McKeithan, to approve the Finance Committee minutes from June 30, 2021, as presented – *motion carried*.
- 4) **NEW BUSINESS:**
 - a) Fund Balance Review– In the past, the fund balance accounts were kept in a spreadsheet to report the changes during the fiscal year with the auditor and Finance Committee. After the capital funds were separated from the operating fund, the spreadsheet needed revision to reconcile the changes between the funds. Janet Cornell shared details of the reports for FY20-21 and FY21-22 and answered questions to clarify some of the changes. The FY20-21 report is reconciled with the amounts listed in the audit and the current report includes the budget transfers approved by the board for this fiscal year. Diane Kooiker suggested adding a notes field explaining some of the adjustments and transfers between funds. No motion to approve the reports was entertained as the reconciling documents that are supported were not provided.
 - b) Budget Amendment Draft - The amendment addresses an increase in state aid this fiscal year and the allocation of the additional revenue to the funds as follows:
 - i) Operating Budget – Includes \$124,000 increase in state aid revenue with \$70,000 of the increase being transferred to the capital budget. Additional expenditures include \$30,464 in salaries and \$4,318 in benefits for adjustments in personnel including a new full-time position. Also included in the expenditures are \$10,000 for strategic planning, \$1,000 for emarc fees on the ARPA grant content acquired and \$8,218 for additional IT expenses.
 - ii) Capital Budget – The budget amendment includes \$20,000 for changes in Bibliocore for a linked catalog with Grand Rapids and KDL, an additional \$50,000 towards procurement for new trucks, and the \$70,000 of funds transferred to capital from state aid revenue in the operating fund.
 - (1) Carol Dawe explained the difficulties associated with replacing the trucks. Due to supply shortages and manufacturing problems, it has been impossible to get quotes and place an order on new trucks. Used trucks is another avenue explored but even that has difficulties as most are purchased quickly due to the high demand. She suggested increasing the availability of funds to purchase the trucks and asking the board permission for her to act when trucks become available with oversight by the board treasurer.

Dale Parus commented that some of the expenditures address the sustainability of the cooperative while the remaining reflect indirect and incidental costs. Diane Kooiker moved, supported by Maggie McKeithan to approve the changes to the budget as indicated with

conditional approval of the increases in salaries and benefits for the new full time position dependent upon the approval by the Personnel Committee and Board. – *motion carried.*

- c) 2022-2023 Budget Preparation – Carol Dawe shared the difficulty in budget preparation due to the complex formulas involved in calculating the cost per library. In the past few years, she has worked to reduce the complexity of budgeting and to present the budget to the board so everyone can understand what is included in it. She suggested looking at alternative ways we can calculate the cost per library to make it more equitable and easier to calculate. Diane Kooiker reflected that it is based on billing per capita, but even that doesn't work well with some of the costs being passed on to the libraries. Carol followed up that she would work through some scenarios along with the current formulas and present the most equitable solutions to the finance committee with the budget for the coming year.

5) **NEXT MEETING:** There will not be another meeting scheduled until the next budget planning process unless it becomes necessary.

6) **ADJOURNMENT:** Diane Kooiker moved to adjourn the meeting – *motion carried.* The meeting was adjourned at 3:09 p.m.

Respectfully submitted by,
Janet Cornell

LAKELAND LIBRARY COOPERATIVE
MENU SERVICES FORMULAS FOR COST TO LIBRARIES
Adopted by the Board: May 11, 2017

Charges divided equally for all member libraries

- Administration Department budget

Charges divided by percentage of holdings added by Sierra member libraries (previous calendar year)

- MARC SkyRiver

Charges divided by percentage of holdings added by Sierra participating member libraries that use the Lakeland cataloging center (previous calendar year)

- Cataloging Department budget

Charges divided 50% Per Capita and 50% equally by LLC Shared ILS participating member libraries

- Authority Control

Charges divided 50% Per Capita and 50% equally by Sierra participating member libraries

- ILS Department budget

Charges divided 50% Per Capita and 50% equally by participating member libraries

- Syndetics

Charges divided by previous calendar year circulation for participating member libraries

- Shoutbomb

Charges for 50% of IT budget divided 50% Per Capita and 50% Equal for ILS Tech Support; and 50% of IT budget Equal for Lakeland Administration IT functions

- IT Department budget

Charges divided equally for all participating member libraries

- Delivery Department budget

Charges divided by Per Capita by participating member libraries

- MeL Delivery – RIDES

LAKELAND LIBRARY COOPERATIVE
MENU SERVICES FORMULAS FOR COST TO LIBRARIES
REVISION NOTES
JULY 2022

To provide clear and transparent cost formulas, the following changes to the Menu Services Formulas for Cost to Libraries are recommended:

- **“Member libraries” has been changed to “Participating libraries” and therefore the number of groupings by formula has been consolidated.**
- **Cataloging Services and SkyRiver are still formulated by holdings added but it’s averaged over 3 years. This stabilizes pricing for all participating libraries when some libraries are faced with large purchasing projects in any given budget year due to new buildings, renovations or grants. (This was implemented for the FY21-22 budget year.)**
- **The IT Budget remains split between Administrative and ILS. It is now listed under both formulas.**
- **Shoutbomb is now charged the same as Authority Control and Syndetic. The change was minimal, and it reduced the number of formulas needed.**

LAKELAND LIBRARY COOPERATIVE
MENU SERVICES FORMULAS FOR COST TO LIBRARIES
Adopted by the Board: May 11, 2017
Amended: July, 2022

Charges divided equally for all participating libraries

- Administration
- Delivery
- IT Operations

Charges divided by Per Capita by participating libraries

- MeL Delivery – RIDES

Charges divided by percentage of holdings added, averaged over 3 previous years by participating libraries

- Cataloging Services
- SkyRiver Cataloging Utility

Charges divided 50% Per Capita and 50% equally by participating libraries

- Authority Control
- ILS
- IT Support for ILS
- Shoutbomb
- Syndetics



Lakeland Library Cooperative FY2022-2023 Services Agreement

Please sign via Adobe or return via e-mail to Carol Dawe, Cooperative Director, prior to April 15th, 2022.

The Lakeland Library Cooperative is pleased to provide the following services:

All member libraries (except where noted):

- Administration
- IT Support
- Delivery
 - 3-day delivery (All LLC libraries except Grand Rapids, Herrick, Kent and MADL)
 - 5-day delivery (Herrick, Kent and MADL)
 - No delivery (Grand Rapids)
- E-mail
- Syndetics (except for Kent)

Shared Integrated Library System (ILS) member library participants:

- Cataloging by Lakeland staff or at approved Library Cataloging Centers: Herrick, Hackley and Loutit
- Integrated Library System (ILS) and associated services:
 - Authority Control
 - Bibliocore
 - I-tiva
 - Patron Point
 - Shoutbomb
 - SkyRiver
- IT Support for ILS
- RIDES Delivery

If an unanticipated change occurs to your revenue, you can request consideration of a change to your Services Agreement at that time. If you have any questions or concerns, please contact Carol Dawe.

I agree to receive these services for FY2022--2023 from October 1, 2022 - September 30, 2023.

Library

Director Signature

Date