SWAN Committee of the Whole Meeting Administrators & Directors

February 5, 2019
10:00 a.m. – 12:00 p.m.
Oak Brook Public Library, 600 Oak Brook Road, Oak Brook, IL 60523
Meeting Room

Agenda

1. Call to Order

2. Introduction of Visitors

3. Overview and Discussion of Proposed FY20 Budget, Membership Fees and Reserves (Exhibit pgs. 2-15)

4. Overview of SWAN Strategic Plan 2019-2023 (Exhibit pgs. 16-23)

5. Next Membership Meeting: SWAN Quarterly March 7, 2019

6. Adjourn

(Member Comment after each agenda item)

Please note: there will be no live streaming of this meeting.

INFORMATION AND GUIDELINES
Fiscal Year 2020
SWAN Budget
To Be Approved March 7, 2019

Introduction

The SWAN fiscal year 2020 (July 1, 2019 – June 30, 2020) budget will be approved at the March 7, 2019 SWAN Quarterly meeting. This document is an overview of the FY20 budget for the SWAN Board and Membership.

Summary of SWAN FY20 Budget

The total operating budget for SWAN increased 6%. The increase is largely due to licensing increases with OCLC and EBSCO, and increased notice printing volume with Unique Management. The SirsiDynix increase is due to the addition of licensing for BLUEcloud Mobile at $70,450, however, this will be paid from SWAN reserves, not from membership fees (for details, see the #5400 budget line description). Notice printing through Unique Management increased due to the added print volume of 19 new member libraries.

Highlights from SWAN Expense Budget	Revised FY19	FY20	Increase Amt	% Change
SirsiDynix Maintenance Subtotal	$404,539	$486,780	$82,241	20%
EBSCO Discovery Service Web Services Bundle	$68,631	$100,167	$31,537	46%
Proxy Service for Subscription database integration into Enterprise EDS: OpenAthens through EBSCO	$37,500	$53,432	$15,932	42%
Unique Management Notice Printing	$22,100	$45,300	$23,200	105%
OCLC Subscription Total	$215,912	$242,991	$27,079	13%
ProQuest Syndetic Solutions (book jackets, enhanced content)	$17,031	$17,590	$559	3%
EBSCO Novelist Select (reviews content)	$33,781	$55,444	$21,663	64%

Personnel budget remained flat, with 0% increase. Buildings and grounds budget increased slightly.

State LLSAP funding through RAILS decreased $74,306, which is -12%, resulting in a $879 increase for each public library in SWAN based on the membership fee formula.

RAILS LLSAP Funding Grant

Fiscal year 2020 is the start of the new consortia funding model for RAILS. There are 6 consortia in RAILS that receive funding. The SWAN FY20 budget includes revenue received from RAILS in the form of an annual grant. For the FY20 SWAN budget, revenue line #4090 Other Revenue is decreasing from FY19. The approach RAILS took within the new grant structure is that LLSAP using services from RAILS will no longer have those expenses deducted from the LLSAP funding amount.

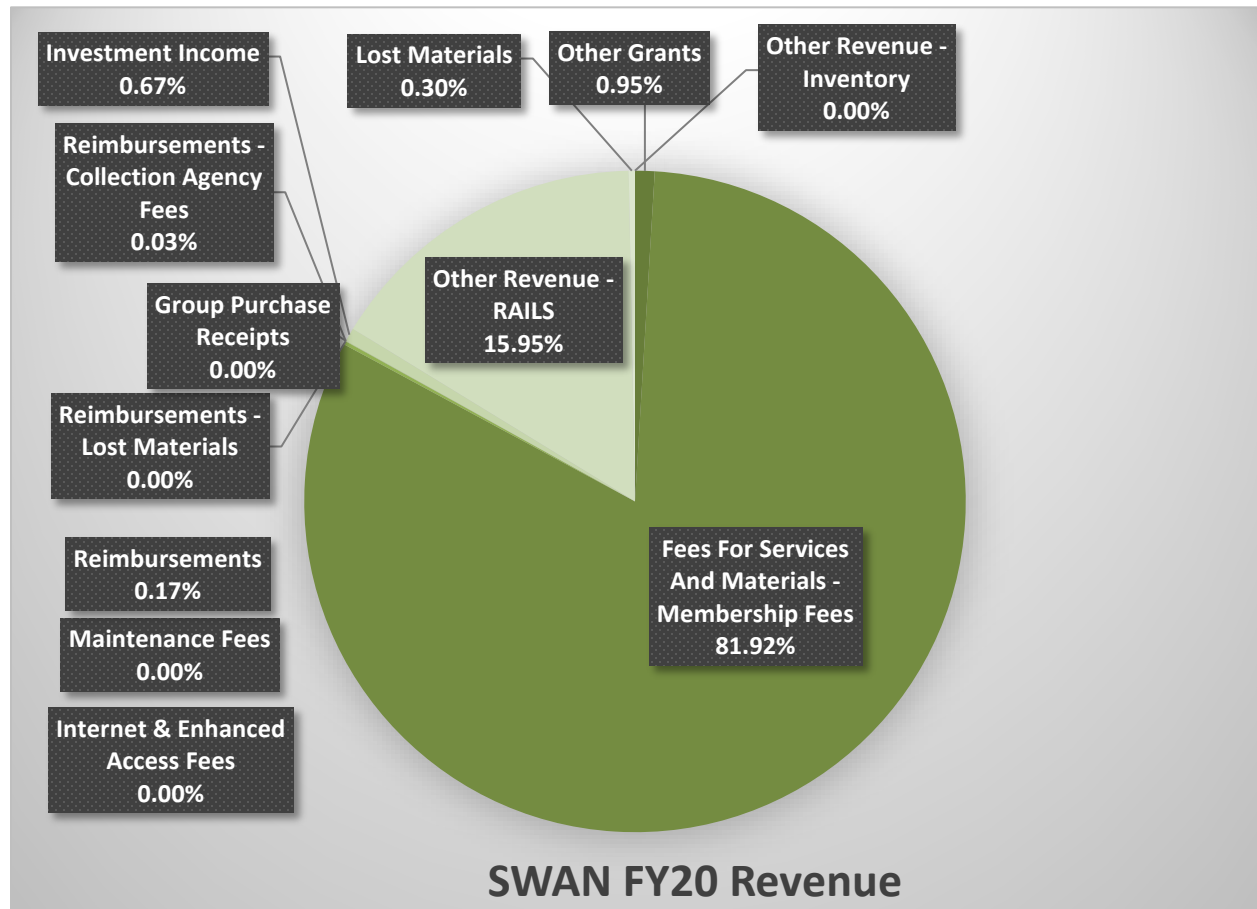|	FY17	Revised FY17	FY18	Revised FY19	FY20
RAILS support	$565,927	$565,927	$572,581	$664,167	$524,679
SWAN rent charged by RAILS for use of 125 Burr Ridge	$(113,527)	$(19,052)	$(0)	$(0)	$(0)
Other expenses charged by RAILS to SWAN (IT support, etc.)	$(103,257)	$(74,875)	$(66,739)	$(65,182)	$(0)
Total RAILS support to SWAN	**$349,143**	**$472,000**	**$505,842**	**$598,985**	**$524,679**

Explanation of FY20 SWAN Fees

The SWAN membership fee formula was studied and revised in FY19. This is the second year of the membership fee formula, which now uses separate formula for academic, public, school, and special libraries.

For public libraries in SWAN, the LLSAP grant revenue is divided equally among the libraries and appears in the membership fee chart as an award applied to the SWAN fee. State LLSAP funding through RAILS decreased $74,306, which is -12%, resulting in a $879 increase for each public library in SWAN based on the membership fee formula.

Libraries Joining SWAN

The FY20 budget includes a full year of membership fees with the addition of Green Hills Public Library District joining SWAN.

REVENUE

SWAN FY20 Revenue

Investment Income 0.67%
Reimbursements - Collection Agency Fees 0.03%
Group Purchase Receipts 0.00%
Reimbursements - Lost Materials 0.00%
Reimbursements 0.17%
Maintenance Fees 0.00%
Internet & Enhanced Access Fees 0.00%
Lost Materials 0.30%
Other Grants 0.95%
Other Revenue - Inventory 0.00%
Other Revenue - RAILS 15.95%
Fees For Services And Materials - Membership Fees 81.92%

#4050 Other Grants

The RAILS Continuing Education grant revenue for the annual user group event, also known as the SWANstravaganza, is recorded in this budget line. Annual event expenses will offset a portion of this budget line (refer to #5280 Conferences & Continuing Education Meetings).

#4060 Fees for Services & Materials

This is the total of all full membership fees from 97 libraries, including the 19 new libraries, and a full year of Green Hills Public Library District fees. Brookfield Zoo Library is no longer a SWAN member.

#4061 Internet & Enhanced Access Fees

The FY20 budget eliminates the Internet Access membership level. The budget reflects that the cost of participation at $605 per library will not be reflected as revenue to SWAN.

#4070 Reimbursements

The FY20 budget plan for Reimbursements is $7,600 in fees paid to SWAN for for food and refreshments at the summer event. This revenue is partially offset by expenses in the #5280 Conferences & Continuing Education Meetings. Prior to FY19, this line was not used in SWAN's budget. Various expenses in the past include reimbursement from LINC and MAGIC for printing of promotional material during the New 19 project.
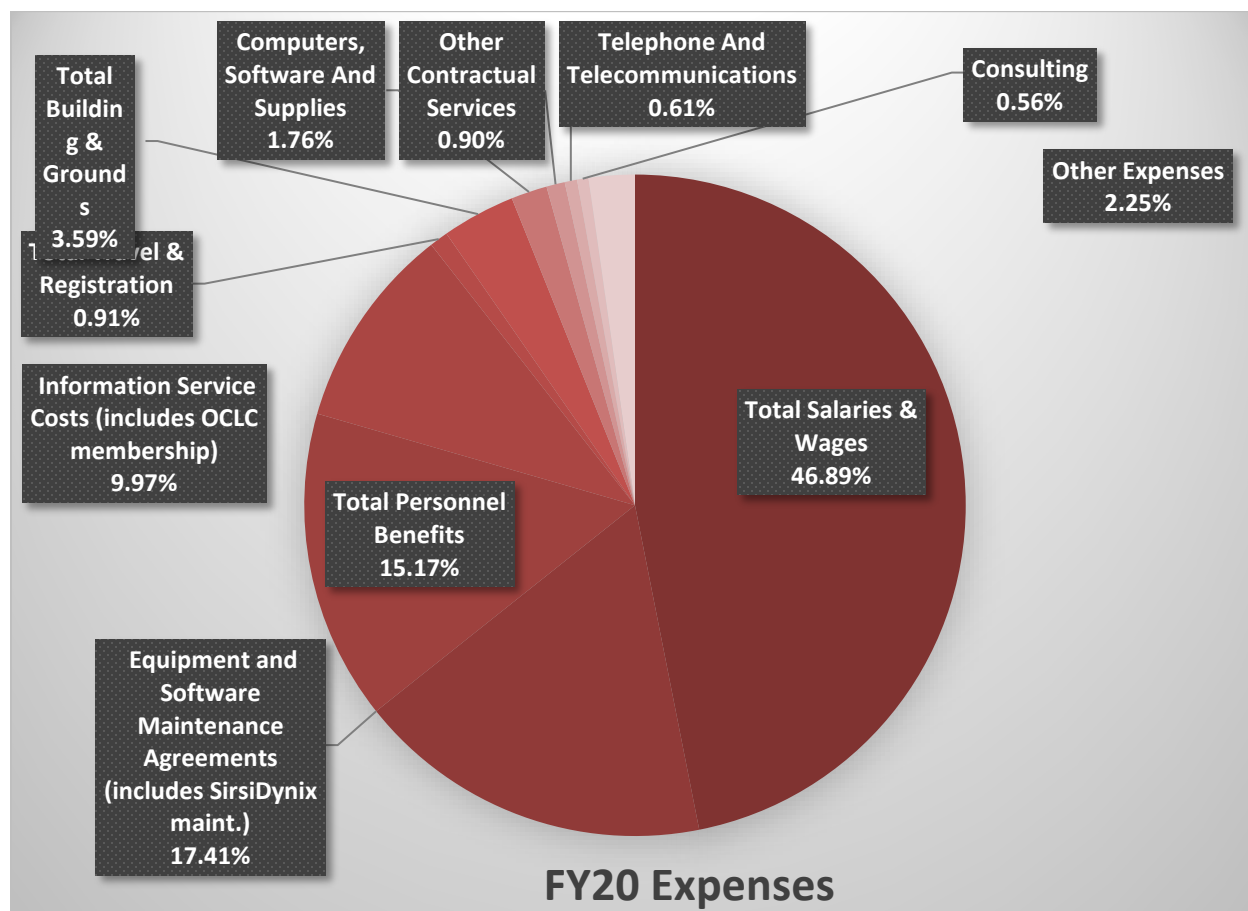
#4075 Group Purchase Receipts
Depending on the fiscal year, SWAN will coordinate a group purchase on behalf of its member libraries. The revenue in this budget line offsets the expense in budget line #5485 Group Purchases. Refer to the description of the expenses in #5485 for any planned group purchases for the budget.

#4090 Other Revenue
RAILS funding support to SWAN is reflected in this budget line. This support is included in the FY20 SWAN Membership Fees as an award that reduces fees for public libraries. State LLSAP funding through RAILS decreased $74,306, which is -12%, resulting in a $879 increase for each public library in SWAN based on the membership fee formula.

EXPENSES

FY20 Expenses

- Computers, Software And Supplies 1.76%
- Other Contractual Services 0.90%
- Telephone And Telecommunications 0.61%
- Consulting 0.56%
- Total Building & Grounds 3.59%
- Other Expenses 2.25%
- Total Travel & Registration 0.91%
- Information Service Costs (includes OCLC membership) 9.97%
- Total Salaries & Wages 46.89%
- Total Personnel Benefits 15.17%
- Equipment and Software Maintenance Agreements (includes SirsiDynix maint.) 17.41%

#5000, #5010 & #5020 Salaries

The FY20 personnel budget has no change from the FY19 budget.

#5070 Health, Dental, Life & Disability Insurance

The FY20 budget used the completed open enrollment as a basis for the budget. A small 1% increase to expenses is included.

#5110 Print Materials
This budget line is used for the cost of outside printing of materials for the membership. There is a reduction in this line.

#5140 Rent
GASB requires SWAN to record the expense of the 93-month lease prorated per month over the duration of the lease with all anticipated increases. The rent expense will be recorded in #5140 as $5,846.31 for each month of the 7 year 9-month lease term. The revised FY17 amount $52,616.79 was for nine months. The amount of $70,155.72 will be recorded each year for FY18 through FY24, and $17,539.38 for FY25, per GASB. The FY20 budget line #5140 includes of the renter's operating expense at $27,432 and real-estate taxes at $7,980 on top of the rent expense, as is required in SWAN's lease.

#5150 Utilities
The FY20 budget is based on actual utility costs for the Quail Ridge facility, which is a slight increase from the prior year.

#5160 Property Insurance
The FY20 budget includes the 800 Quail Ridge furniture and equipment, and the RAILS 125 Tower Drive data center equipment. SWAN will retain some equipment in the RAILS data center related to the voice notification (SVA) system in the RAILS data center, but all other SWAN servers are no longer there.

#5180 Custodial Service & Supplies
Based on actual expenses for FY18, the FY20 budget was increased $1,300.

#5190 Other Building Maintenance
This budget line supports the security system for the Quail Ridge facility.

#5250 In-State Travel, #5260 Out-Of-State Travel, & # 5270 Registrations and Meeting, Other Fees
The increase for travel and conference registration allows four SWAN staff to attend COSUGI in the April 2020 location (currently undecided); attendance of one staff at SirsiDynix Consortia Special Interest Group meeting in October 2019 (out of state in Cleveland, Ohio); attendance for one staff at one IT conference. Local conferences from Management Association and ILA are also included in the FY20 budget.

#5280 Conferences and Continuing Education Meetings

This line is used for event speaker honorariums, materials and supplies, travel for speakers, meeting expenses, etc. Meeting space expenses for the annual library user event are recorded in this budget line. The majority of the expenses for the annual event are reimbursed in line #4050 Other Grants and #4070 Reimbursements. Expenses associated with training for new SWAN positions would be recorded in this budget line.

#5300 Liability Insurance
The FY20 budget line in FY19 reflects current expenses for directors and officers, business, crime, and cybercrime insurance.

#5310 Computers, Software and Supplies
This budget line is for expenses associated with SWAN staff virus protection, security, Microsoft Office, GoToAssist remote desktop for library support, and software used to prepare download installation for SWAN library ILS clients. SWAN's use of cloud-based servers is included in this budget line, which increased the budget in FY19 by around $39,900. The expense is offset partially by expenses eliminated from the on-premise data center server licensing in #5400 Equipment Repair and Maintenance Agreements was reduced by ($17,705) in FY19. Refer to the Reserves budget explanation on how the 5-year server replacement schedule has been eliminated due to SWAN's transition to cloud-based server infrastructure.

#5320 General Office Supplies & Equipment
Office supplies for the facility are budgeted for FY18 based on actual expenses for restocking of consumed supplies for SWAN staff, which is anticipated to be 56% lower than FY19. Two fiscal cycles ago, SWAN eliminated notice paper purchase (pressure seal mailers) for an annual savings of $5,134.

#5380 Telephone and Telecommunications
The annual expense for Internet service provider for the Quail Ridge facility and Skype for Business phone service.

#5390 Equipment Rental
The annual expense for the office copier.

#5400 Equipment Repair and Maintenance Agreements
This line includes budgeted SirsiDynix maintenance and costs for supporting the SWAN ILS on-premise servers. Increases include additional SirsiDynix services and licensing for 19 new full member libraries. FY20 will be the 5th and final year of the SirsiDynix agreement, which expires April 30, 2020 (2 months before FY20 ends). There have been no maintenance escalations for the 5 years of the SWAN contract with SirsiDynix. The SirsiDynix expense for FY20 is estimated at $486,780, which includes BLUEcloud Mobile licensing. SWAN is offsetting the BLUEcloud Mobile expense of $70,450 through use of its reserves for FY20.

The EBSCO Discovery Service subscription was moved out of the SirsiDynix maintenance bundle and is now directly invoiced to SWAN by EBSCO. The FY20 cost for EBSCO Discovery Service increased due to licensing the 19 additional libraries, plus a 5% annual escalation by ESBCO. The annual cost for Discovery Service in FY20 is $100,167. EBSCO Discovery Service is used to integrate all online subscription content into the "Article Search" feature integrated into Enterprise.

The #5400 line also includes the subscription to the EBSCO provided proxy service OpenAthens. The annual cost of this subscription increased from $32,500 to $50,250 for all 97 libraries in FY19. The FY20 budget includes a 5% EBSCO maintenance escalation increase of $3,182. OpenAthens is a requirement to allow the integrated EBSCO Discovery Service (EDS) "Article Search" in Enterprise authenticate home or remote patrons against the SWAN patron database.

Maintenance and support for all SWAN Global Maintenance Enabled SonicWall Hardware (100 nodes) is budgeted with a 5% anticipated increase, for a total amount of $11,576. The SonicWall "GMS" allows SWAN to operate with virtual private network (VPN) security throughout its ILS network traffic. The use of a VPN within SWAN will remain even with ILS servers transitioned to a cloud based infrastructure.

#5430 Consulting
The FY20 budget for Consulting includes services for HR Source for benchmarking,

#5440 Contractual Staff
Unique Integrated Communications is an answering service utilized for evening and weekend SWAN membership support.

#5450 Information Service Costs
SWAN provides OCLC membership for all libraries. This budget line includes $211,800 total OCLC costs. The FY19 OCLC expense increased $60,761 due to the 19 libraries becoming SWAN members, and an anticipated 3% increase overall. In FY20, OCLC subscription expenses increased due to an annual increase higher than expected, plus 8 out of the 19 new libraries having higher subscription costs.

The enhanced catalog expenses such as book jacket covers and audiovisual material artwork in the SWAN Enterprise OPAC are recorded in this budget line.

The RAILS Catalog Grant funded a catalog database update which replaced the authority database, and converted the bibliographic database from AACR2 to RDA. Moving forward, the SWAN operating budget will continue catalog database updates throughout the year through MARCIVE. For FY20, this expense increased from $7,090 to $10,090 so that SWAN can maintain the 100% compliant RDA standard database.

#5480 Other Contractual Services
SWAN began contracting with Unique Management Services for notice printing in November 2016. The service cost is per printed notice; the number of notices printed decreased once SVA telephone notification began and decreased further once item automatic renewals begin in July 2017. But due to

increased volume of notice printing with 19 new libraries, the cost of Unique printing notices is now $34,400 annually.

This budget line includes Unique Management National Change of Address (also known as NCOA) for the first time in FY20. The NCOA service will scan the entire 1.2 million registered patrons and provide SWAN a change of address that is recommended to be part of SWAN patron database maintenance. The NCOA is budgeted for $10,000 for FY20. SWAN underwent its first NCOA update in December 2018 as part of the New 19 grant funded by RAILS.

New in this FY20 budget line is HR Source (formerly Management Association) Engage HR contractual services. SWAN will utilize Engage HR on an as-needed basis, which is budgeted at $1,800 annually.

Also included in this budget line is Unique Management Collection services for SWAN is $350 annually.

#5485 Group Purchase
This budget line in FY20 reflects one group purchase arrangement. SWAN negotiated a group discount during the Innovative Express Lane self-check transition to Envisionware OneStop. All the expenses in this budget line are offset within the revenue line #4075 Group Purchase Receipts.

Prior fiscal years reflected the replacement and offsetting revenue for end-of-life SonicWall firewalls. These firewalls have been replaced.

RESERVES
Please refer to the SWAN Six Year Reserves Plan. The costs of the 2015 ILS migration were lower than anticipated, leaving SWAN reserves in a healthy position. The move to an independent facility for SWAN was completed in FY17, so it is no longer included in the updated plan.

SWAN will not collect a reserve contingency for FY20, as was also done for FY16, FY17, FY18, and FY19. The SWAN Treasurer assesses reserves commitment based on 6-year plan, and update the reserve worksheet at the start of each new fiscal year.

The reserves worksheet includes $95,000 revenue received from the Joining Fee for the 19 new libraries. However, the worksheet reflects a big change in that SWAN's server infrastructure will no longer be budgeted for and expensed/depreciated. Prior to FY19, the worksheet reflected $123,000 expense for the first part of a server replacement, specifically the storage area network (also called a SAN) and included $48,000 for second part of the server replacement, as part of a plan to replace our entire ILS server infrastructure acquired in 2012. With the use of cloud based servers, the capital plan no longer requires SWAN to spend the $123,000 and $48,000.

The cost for an ILS migration at $465,740 is based on the most recent SirsiDynix migration. The five-year agreement with SirsiDynix ends April 30, 2020.

		FY18 Actual	FY19 Budget (Revised)	FY20 Budget Draft	Chart of Accounts Definition & Description of Budget Line Use
Revenue					
4050	**Other Grants**	253,747.92	1,200	5,000	Grants awarded to LLSAP that do not originate from a State or federal government source are classified as other grants. RAILS LLSAP Catalog Grant for one-time costs of adding new member libraries, and RAILS Continuing Education grant are recorded in this line.
4060	**Fees For Services And Materials - Membership Fees**	1,775,863.67	2,468,716	2,740,626	Any fees for services and materials LLSAP charges its member libraries are generally recorded as revenue in the proprietary fund. Full membership fees are recorded in this line.
4061	**Internet & Enhanced Access Fees**	8,490.99	7,300	-	This revenue line is a breakout of the Fees for Services & Materials as defined in the Chart of Accounts
4062	**Maintenance Fees**		-	-	
4070	**Reimbursements**	15,570.00	30,500	7,600	Library reimbursement for one-time migration costs and/or reimbursement for event meals included in this budget line. Consist of amounts charged to a third party equal to a cost incurred from an external source on behalf of that third part. For example, if the LLSAP purchases an item or service for a member library and then bills the member library for the cost of the item or service.
4071	**Reimbursements - Lost Materials**	6,027.54	-	-	Breakout line for Reimbursements: reciprocal borrowing and interlibrary loan losses.
4072	**Reimbursements - Collection Agency Fees**	70.00	900	900	Breakout line for Reimbursements: reciprocal borrowing and interlibrary loan loss collection agency fees.
4075	**Group Purchase Receipts**	3,534.15	-	721	Breakout line for Reimbursements: group purchases such as credit card swipes, and Envisionware for member libraries.
4080	**Investment Income**	21,792.65	6,800	22,000	Investment earnings by the LLSAP on its investments are recorded as investment income in the fund in which the related investments are recorded.
4090	**Other Revenue - RAILS**	503,448.00	598,985	524,679	Any revenue that cannot be classified in any of the above accounts should be included as other revenue in the fund to which it relates. Examples of other revenue include, but are not limited to, donations from private sources, fines and donated services by one fund of the LLSAP on behalf of another fund of the LLSAP. The RAILS general fund paying for the LLSAP resource sharing services is recorded in this budget line.
4091	**Lost Materials**	13,359.24		-	Reimbursed losses from reciprocal borrowing and inter library loan. Chicago Public Library reimbursements would be recorded within this budget line.
4095	**Other Revenue - Inventory**		-	-	
Total Revenue		**2,601,904**	**3,114,401**	**3,301,526**	
Expenses					
5000	**Library Professionals**	311,235.30	323,900	323,900	Salaries or wages paid to employees whose position descriptions ordinarily require an MLS, MIS, or above.
5010	**Other Professionals**	813,620.45	964,700	964,700	Salaries or wages paid to employees whose position descriptions ordinarily require a bachelor's degree or above, excluding library professionals.
5020	**Support Services**	251,490.22	258,200	258,200	Salaries or wages paid to employees whose positions are not classified as library professionals or other professionals.
	Total Salaries & Wages	**1,376,346**	**1,546,800**	**1,546,800**	
5030	**Social Security Taxes**	100,547	118,400	118,400	Payroll taxes and fringe benefits-- employer's share only. Social Security taxes (FICA).
5040	**State Unemployment Ins.**	1,270	-	-	
5050	**Worker's Compensation**	3,648	2,200	2,200	
5060	**Retirement Benefits**	133,299	141,600	140,900	Payroll taxes and frindge benefits - employer's share only. Retirement benefits - IMRF contributions, pension, etc.
5070	**Health, Dental, Life And Disability Insurance**	186,186	232,300	234,600	Payroll taxes and fringe benefits-- employer's share only. Health, dental and life insurance
5080	**Other Fringe Benefits**	-	2,500	2,500	Tuition reimbursement benefit for employees

		FY18 Actual	FY19 Budget (Revised)	FY20 Budget Draft	Chart of Accounts Definition & Description of Budget Line Use
5085	Wellness Benefits	2,244	5,100	5,100	As a benefit to all employees, SWAN will reimburse up to $35 per month/$420 per year for wellness-related activities. This benefit will be considered taxable income, and paid via the payroll process. Wellness-related activities are those that result in a direct physical, nutritional, or other health-related benefit.
5100	Recruiting	425	900	900	Costs for personnel search, advertising of the position.
	Total Personnel Benefits	**427,618**	**503,000**	**504,600**	
5110	Print Materials	15,047.34	10,730	8,000	Books, periodicals, newspapers, pamphlets, continuations, standing orders, loose-leaf services, etc.
5130	E-Resources	389.00	500	500	Subscription to online publications.
	Total Library Materials	**15,436**	**11,230**	**8,500**	
5140	Rent	102,631.05	101,044	105,904	Rent/lease payments for use of property and buildings not owned.
5150	Utilities	6,169.31	5,400	6,400	Charges for electricity, heat and water, but not telephone charges.
5160	Property Insurance	1,476.00	1,476	1,500	Insurance premiums for build and ground and all contents.
5170	Repairs & Maintenance	1,419.29	200	1,180	Expenditures for lawn care, snow removal, maintenance supplies, other facility maintenance.
5180	Custodial Service & Supplies	10,369.77	8,500	8,500	Includes costs for janitors and caretakers who are not employees, cleaning supplies, etc.
5190	Other Building Maintenance	150.00	100	100	Includes trash removal, exterminating, window washing, fire and alarm service.
	Total Building & Grounds	**122,215**	**116,720**	**123,584**	
5250	In-State Travel	3,103.06	2,200	2,200	Expenditures for overnight lodging, fares for airfare, planes, trains, taxicabs, auto rental, meals, etc. incurred in Illinois.
5260	Out-Of-State Travel	4,207.94	11,000	11,000	Same items listed above incurred outside of Illinois
5270	Registrations And Meeting, Other Fees	3,048.35	2,900	2,900	Includes costs and fees for staff and board members enrolling in seminars, conferences, and educational courses. Includes board meeting expenses, official functions, and meals at meetings.
5280	Conferences and Continuing Education Meetings	19,842.89	14,000	14,000	Costs for honorariums, materials and supplies, travel for speakers, meeting expenses, etc.
	Total Travel & Registration	**30,202**	**30,100**	**30,100**	
5290	Public Relations	857	-	-	Charges for publicity, advertising, classified advertising, promotional materials, outside printing and design of promotional materials. Includes library awareness activities and monogramming of promotional type clothing.
5300	Liability Insurance	8,550	8,900	8,900	Insurance premiums for bonding, errors and omissions, personal and director's liability, umbrella packages, etc.
5310	Computers, Software And Supplies	29,221	62,481	62,426	Software and supplies below $5,000.
5320	General Office Supplies And Equipment	3,603	9,000	4,000	Paper, office supplies, such as pencils, paper clips, etc. and equipment costing less than $5,000.
5330	Postage	900	900	900	Stamps, postage machine refills, overnight express, UPS, parcel insurance, etc.
5370	Other Supplies		-	-	
5380	Telephone And Telecommunications	19,082	20,100	19,400	Tolls and taxes for local and long distance voice calls, data lines, data circuits, and FAX lines.
5390	Equipment Rental	3,936	3,700	3,700	Payments made for use of equipment, computers, copy machines, etc., which are neither owned nor part of a lease-purchase agreement.
5400	Equipment and Software Maintenance Agreements	356,088	491,683	653,700	Actual charges to service, fix or maintain equipment, computers, copy machines, and includes expenditures for contracts to service or perform preventative maintenance or repairs on equipment, copy machines, etc. for a fixed price. Line used by LLSAP for vendor maintenance for integrated library system, server operating system maintenance, and other server infrastructure expenses.
5410	Legal	2,840	1,800	5,000	Fees for attorneys' services, including retainers.

		FY18 Actual	FY19 Budget (Revised)	FY20 Budget Draft	Chart of Accounts Definition & Description of Budget Line Use
5420	Accounting	9,700	10,000	8,445	Fees for audits, outside services for bookkeeping and payroll processing, etc.
5430	Consulting	13,065	65,100	2,000	Fees paid to professionals outside of LLSAP for services other than legal or accounting, such as computer consultants, independent library consultants, or appraisers.
5435	Payroll Service Fees	3,088	3,800	3,900	Breakout line for Contractual Staff budget: payroll service fees, costs associated with reporting requirements.
5440	Contractual Staff	2,400	2,400	2,400	Fees paid directly to persons engaged in contractual work or service arrangements with the LLSAP.
5450	Information Service Costs	228,055	277,300	336,200	Computer and software services and fees, online services such as OCLC, Dialog, automation services, database services, system use fees, library circulation system, retrospective conversion, etc. Ebook services, Novelist, MARCIVE, catalog enhancements.
5460	Contract Agreement W/ Systems, Member Libraries & Cooperatives	158,748	-	-	May include domain name registration, online survey tools for use purchased in a specified period of time, website encryption services, and other outside services. Contract for notice printing, collection services for unreturned materials are recorded in this line.
5480	Other Contractual Services	16,948	22,100	45,300	May include domain name registration, online survey tools for use purchased in a specified period of time, website encryption services, and other outside services. Contract for notice printing, collection services for unreturned materials are recorded in this line.
5485	Group Purchases	3,309	-	721	Breakout line for Contractual Services: see Revenue line #4075 Group Purchase Receipts for expense reimbursements.
5495	(Gain)/Loss on Asset Disposal				
5500	Professional Association Membership Dues	100	400	400	Costs for various individual or LLSAP memberships in professional organizations.
5510	Miscellaneous	5,325	1,000	1,000	Includes, but is not limited to, bank charges, printed checks, cash shortages and overages, lost books and equipment, allowable interlibrary loan charges (including photocopying charges), and film rentals
5515	Miscellaneous - E-Commerce Fees	3	-	-	
5590	Interest		-	-	
Subtotal Expenses		*2,837,633*	*3,188,514*	*3,371,976*	
5490	Depreciation	52,793	34,167	31,647	For proprietary funds and government-wide financial statements only. Depreciation charges are intended to allocate the cost of a fixed asset over the estimated useful life of the unit in a systematic and rational manner using the straight-line method.
5025	Vacation Expense	25,608.87	2,800	10,000	Per GASB, Vacation Expense is the account created to segregate the amount of the expense incurred by SWAN for the current years' addition or subtraction to the balance of earned but unused staff vacation time. The Balance Sheet reflects the fact that Compensated Absences has been adjusted for the year-end to show, as of June 30 of the given fiscal year, the current value of this earned but unused vacation. This is more a potential than actual liability as employees most likely will use most of their vacations while being employed.
			-		
Total Expenses		**2,837,633**	**3,188,514**	**3,371,976**	**Total operating expenses, not including Depreciation or Vacation Expense.**
Deduction from Reserves		235,729	74,113	70,450	
Total Revenue (from above)		**2,601,904**	**3,114,401**	**3,301,526**	
Excess of revenues over (under) estimated expenses		(235,729)	(74,113)	(70,450)	

SWAN Six Year Reserves Plan: Updated for FY20 Budget

Capital Expenditures (anything over $5,000)	FY19 July 2018-June 2019	FY20 July 2019-June 2020	FY21 July 2020-June 2021	FY22 July 2021-June 2022	FY23 July 2022-June 2023	FY24 July 2023-June 2024
Prior Year Balance: End of fiscal year, final audit, see "Unrestricted" on Balance Sheet	$1,766,915	$1,692,164	$1,621,714	$1,568,814	$1,558,814	$1,558,814
Reserves collected & Impact Fee	$9,362	$0	$0	$0	$0	$0
Server replacement: no longer required with cloud-based Infrastructure-as-a-Service	$0	$0	$0	$0	$0	$0
Vendor services: estimated consulting for server OS upgrades, migrations, etc.	($10,000)			($10,000)		
Firewall replacement: no longer required with cloud-based Intrastructure-as-a-Service	$0	$0	$0	$0	$0	$0
Reserves needed for deficit budget	($74,113)	($70,450)	$0	$0	$0	$0
Future ILS Migration Budget ($465,740)						
Funds for SWAN staff computer replacement			($52,900)			
Total	**$1,692,164**	**$1,621,714**	**$1,568,814**	**$1,558,814**	**$1,558,814**	**$1,558,814**
Maintain 4 months operating in reserve (policy)	($1,038,134)	($1,123,992)	($1,180,191)	($1,239,201)	($1,301,161)	($1,366,219)
Over/(Under) Reserve Policy	**$654,030**	**$497,722**	**$388,622**	**$319,612**	**$257,652**	**$192,594**
Operating Budget (5% increases each year after FY20)	$3,114,401	$3,371,976	$3,540,574	$3,717,603	$3,903,483	$4,098,657.49

* Cloud subscription: Infrastructure-as-a-Service (IaaS) is the recommended direction for SWAN for its future servers. IaaS is a subscription that will be an expense in the operating budget. The result is there is no server hardware purchased, therefore no need to budget as a capital expenditure.

Chart 1: Proposed Fee Chart for FY20 SWAN Budget
(July 1, 2019 - June 30, 2020)

SWAN Library	Type	Public Library Base Fee	Public Library Funding Fee	School Library	Special Library	Academic Library	Base + Funding Fees (No State LLSAP Grant)	State LLSAP Grant Discount	Fee Total FY20
Acorn Public Library District	Public	$ 17,336	$ 10,247				$ 27,583	($5,703)	$ 21,880
Alsip-Merrionette Park Public Library District	Public	$ 17,336	$ 23,330				$ 40,665	($5,703)	$ 34,962
Batavia Public Library District	Public	$ 17,336	$ 34,244				$ 51,580	($5,703)	$ 45,877
Bedford Park Public Library District	Public	$ 17,336	$ 13,167				$ 30,503	($5,703)	$ 24,800
Beecher Community Library District	Public	$ 17,336	$ 2,993				$ 20,329	($5,703)	$ 14,626
Bellwood Public Library	Public	$ 17,336	$ 17,060				$ 34,396	($5,703)	$ 28,693
Bensenville Community Public Library District	Public	$ 17,336	$ 15,318				$ 32,654	($5,703)	$ 26,951
Bensenville Elementary School District #2	School			$ 17,500			$ 17,500		$ 17,500
Berkeley Public Library	Public	$ 17,336	$ 3,772				$ 21,107	($5,703)	$ 15,404
Berwyn Public Library	Public	$ 17,336	$ 34,543				$ 51,879	($5,703)	$ 46,176
Bloomingdale Public Library	Public	$ 17,336	$ 29,013				$ 46,349	($5,703)	$ 40,646
Blue Island Public Library	Public	$ 17,336	$ 11,100				$ 28,436	($5,703)	$ 22,732
Bridgeview Public Library	Public	$ 17,336	$ 10,703				$ 28,039	($5,703)	$ 22,336
Broadview Public Library District	Public	$ 17,336	$ 11,994				$ 29,330	($5,703)	$ 23,627
Brookfield Public Library	Public	$ 17,336	$ 21,821				$ 39,157	($5,703)	$ 33,454
Calumet City Public Library	Public	$ 17,336	$ 14,092				$ 31,428	($5,703)	$ 25,725
Calumet Park Public Library	Public	$ 17,336	$ 1,606				$ 18,942	($5,703)	$ 13,239
Carol Stream Public Library	Public	$ 17,336	$ 35,460				$ 52,795	($5,703)	$ 47,092
Chicago Heights Public Library	Public	$ 17,336	$ 7,715				$ 25,051	($5,703)	$ 19,348
Chicago Ridge Public Library	Public	$ 17,336	$ 13,549				$ 30,885	($5,703)	$ 25,182
Cicero Public Library	Public	$ 17,336	$ 21,199				$ 38,535	($5,703)	$ 32,832
Clarendon Hills Public Library	Public	$ 17,336	$ 7,309				$ 24,645	($5,703)	$ 18,942
Crestwood Public Library District	Public	$ 17,336	$ 5,257				$ 22,593	($5,703)	$ 16,890
Crete Public Library District	Public	$ 17,336	$ 17,748				$ 35,084	($5,703)	$ 29,381
Dolton Public Library District	Public	$ 17,336	$ 11,546				$ 28,882	($5,703)	$ 23,179
Downers Grove Public Library	Public	$ 17,336	$ 45,524				$ 62,859	($5,703)	$ 57,156
Eisenhower Public Library District	Public	$ 17,336	$ 33,159				$ 50,495	($5,703)	$ 44,792
Elmwood Park Public Library	Public	$ 17,336	$ 15,584				$ 32,920	($5,703)	$ 27,217
Evergreen Park Public Library	Public	$ 17,336	$ 11,251				$ 28,587	($5,703)	$ 22,884
Flossmoor Public Library	Public	$ 17,336	$ 12,954				$ 30,290	($5,703)	$ 24,587
Forest Park Public Library	Public	$ 17,336	$ 17,634				$ 34,970	($5,703)	$ 29,267
Frankfort Public Library District	Public	$ 17,336	$ 22,726				$ 40,062	($5,703)	$ 34,359
Franklin Park Public Library District	Public	$ 17,336	$ 17,297				$ 34,633	($5,703)	$ 28,930
Geneva Public Library District	Public	$ 17,336	$ 48,626				$ 65,962	($5,703)	$ 60,259
Glen Ellyn Public Library	Public	$ 17,336	$ 41,337				$ 58,673	($5,703)	$ 52,970
Glenwood-Lynwood Public Library District	Public	$ 17,336	$ 10,754				$ 28,089	($5,703)	$ 22,386
Grande Prairie Public Library District	Public	$ 17,336	$ 14,259				$ 31,595	($5,703)	$ 25,892
Green Hills Public Library District	Public	$ 17,336	$ 24,105				$ 41,441	($5,703)	$ 35,738
Harvey Public Library District	Public	$ 17,336	$ 8,101				$ 25,437	($5,703)	$ 19,734
Hillside Public Library	Public	$ 17,336	$ 11,484				$ 28,820	($5,703)	$ 23,117
Hinsdale Public Library	Public	$ 17,336	$ 27,244				$ 44,580	($5,703)	$ 38,877
Hodgkins Public Library District	Public	$ 17,336	$ 5,483				$ 22,819	($5,703)	$ 17,116
Homewood Public Library District	Public	$ 17,336	$ 22,105				$ 39,441	($5,703)	$ 33,738
Indian Prairie Public Library District	Public	$ 17,336	$ 35,534				$ 52,869	($5,703)	$ 47,166
Itasca Community Library	Public	$ 17,336	$ 14,624				$ 31,959	($5,703)	$ 26,256
Justice Public Library District	Public	$ 17,336	$ 3,200				$ 20,536	($5,703)	$ 14,833
Kaneville Public Library District	Public	$ 17,336	$ 823				$ 18,158	($5,703)	$ 12,455
La Grange Public Library	Public	$ 17,336	$ 22,777				$ 40,113	($5,703)	$ 34,409
LaGrange Park Public Library District	Public	$ 17,336	$ 18,001				$ 35,337	($5,703)	$ 29,634
Lansing Public Library	Public	$ 17,336	$ 23,233				$ 40,569	($5,703)	$ 34,866
Lyons Public Library	Public	$ 17,336	$ 6,790				$ 24,126	($5,703)	$ 18,423
Markham Public Library	Public	$ 17,336	$ 4,660				$ 21,996	($5,703)	$ 16,293
Matteson Area Public Library District	Public	$ 17,336	$ 23,986				$ 41,322	($5,703)	$ 35,619
Maywood Public Library District	Public	$ 17,336	$ 12,407				$ 29,742	($5,703)	$ 24,039
McCook Public Library District	Public	$ 17,336	$ 3,850				$ 21,186	($5,703)	$ 15,483
Melrose Park Public Library	Public	$ 17,336	$ 10,159				$ 27,495	($5,703)	$ 21,792
Messenger Public Library of North Aurora	Public	$ 17,336	$ 16,974				$ 34,310	($5,703)	$ 28,607
Midlothian Public Library	Public	$ 17,336	$ 12,493				$ 29,829	($5,703)	$ 24,126
Morton Arboretum	Special				$ 12,500		$ 12,500		$ 12,500
Nancy L. McConathy Public Library District	Public	$ 17,336	$ 2,411				$ 19,747	($5,703)	$ 14,044
National University of Health Sciences	Academic					$ 14,333	$ 14,333		$ 14,333
North Riverside Public Library District	Public	$ 17,336	$ 9,846				$ 27,181	($5,703)	$ 21,478
Northlake Public Library District	Public	$ 17,336	$ 16,241				$ 33,576	($5,703)	$ 27,873
Oak Brook Public Library	Public	$ 17,336	$ 10,548				$ 27,883	($5,703)	$ 22,180
Oak Lawn Public Library	Public	$ 17,336	$ 53,737				$ 71,073	($5,703)	$ 65,370
Oak Park Public Library	Public	$ 17,336	$ 66,393				$ 83,729	($5,703)	$ 78,026
Palos Heights Public Library	Public	$ 17,336	$ 13,965				$ 31,301	($5,703)	$ 25,598
Palos Park Public Library	Public	$ 17,336	$ 4,346				$ 21,682	($5,703)	$ 15,979

Chart 1: Proposed Fee Chart for FY20 SWAN Budget
(July 1, 2019 - June 30, 2020)

SWAN Library	Type	Public Library Base Fee	Public Library Funding Fee	School Library	Special Library	Academic Library	Base + Funding Fees (No State LLSAP Grant)	State LLSAP Grant Discount	Fee Total FY20
Park Forest Public Library	Public	$ 17,336	$ 19,602				$ 36,938	($5,703)	$ 31,235
Prairie State College	Academic					$ 18,667	$ 18,667		$ 18,667
Prairie Trails Public Library District	Public	$ 17,336	$ 18,226				$ 35,562	($5,703)	$ 29,859
Richton Park Public Library District	Public	$ 17,336	$ 8,817				$ 26,153	($5,703)	$ 20,450
River Forest Public Library	Public	$ 17,336	$ 12,387				$ 29,722	($5,703)	$ 24,019
River Grove Public Library District	Public	$ 17,336	$ 4,239				$ 21,575	($5,703)	$ 15,872
Riverdale Public Library District	Public	$ 17,336	$ 4,452				$ 21,788	($5,703)	$ 16,085
Riverside Public Library	Public	$ 17,336	$ 10,736				$ 28,072	($5,703)	$ 22,369
St Charles Public Library District	Public	$ 17,336	$ 77,805				$ 95,141	($5,703)	$ 89,438
Schiller Park Public Library	Public	$ 17,336	$ 10,020				$ 27,356	($5,703)	$ 21,653
South Holland Public Library	Public	$ 17,336	$ 19,565				$ 36,901	($5,703)	$ 31,198
Steger-South Chicago Heights Public Library District	Public	$ 17,336	$ 4,038				$ 21,374	($5,703)	$ 15,671
Stickney-Forest View Public Library District	Public	$ 17,336	$ 11,824				$ 29,160	($5,703)	$ 23,457
Sugar Grove Public Library District	Public	$ 17,336	$ 6,172				$ 23,508	($5,703)	$ 17,805
Summit Public Library District	Public	$ 17,336	$ 2,695				$ 20,031	($5,703)	$ 14,328
Theosophical Society in America	Special				$ 12,500		$ 12,500		$ 12,500
Thomas Ford Memorial Library	Public	$ 17,336	$ 13,448				$ 30,784	($5,703)	$ 25,081
Thornton Public Library	Public	$ 17,336	$ 1,312				$ 18,648	($5,703)	$ 12,945
Tinley Park Public Library	Public	$ 17,336	$ 52,590				$ 69,926	($5,703)	$ 64,223
Town and Country Public Library District	Public	$ 17,336	$ 15,806				$ 33,142	($5,703)	$ 27,439
University Park Public Library District	Public	$ 17,336	$ 5,312				$ 22,648	($5,703)	$ 16,945
Villa Park Public Library	Public	$ 17,336	$ 20,991				$ 38,327	($5,703)	$ 32,624
West Chicago Public Library District	Public	$ 17,336	$ 21,744				$ 39,080	($5,703)	$ 33,377
Westchester Public Library	Public	$ 17,336	$ 12,484				$ 29,820	($5,703)	$ 24,117
Westmont Public Library	Public	$ 17,336	$ 18,715				$ 36,051	($5,703)	$ 30,348
William Leonard Public Library District	Public	$ 17,336	$ 1,869				$ 19,205	($5,703)	$ 13,502
Wood Dale Public Library District	Public	$ 17,336	$ 23,840				$ 41,176	($5,703)	$ 35,473
Woodridge Public Library	Public	$ 17,336	$ 37,109				$ 54,444	($5,703)	$ 48,741
Worth Public Library District	Public	$ 17,336	$ 7,695				$ 25,031	($5,703)	$ 19,328

System Wide Automated Network

SWAN Strategic Plan

Organization Objectives for 2019 – 2023

SWAN Board Approved
1-25-2019

Introduction

This document is intended as a guide for the SWAN Board and Executive Director over the five years between 2019 – 2023. The tactical plan will be updated each year.

Identity: Defines how decisions are made

Mission: Defines the problem in society the organization is trying to solve

Vision: What is the organization's solution?

Purposes of this Strategic Plan

    A.   Sets high level **strategic objectives** (*where* you are trying to go)

    B.   Articulates the underlying **rationale** (*why* you are trying to go there)

    C.   Establishes agreed upon **markers** (*how* you will know you are making progress)

    D.   Provides **guiding principles** for execution (*what* is the right path)

Identity, Mission, and Vision

Identity

SWAN provides resources and services to member libraries and the constituencies they serve and is governed as a representative democracy of elected Board members who represent the entire membership. Decision making is driven by the patron experience, patron rights, and security.

Mission Statement

SWAN seeks to improve patron ease of access to information, resources, and services through serving our member libraries. SWAN is dedicated to supporting our community of member libraries by sharing resources and technology.

Vision Statement

SWAN sets the standard of excellence for member and patron experience. We are the catalyst in creating and nurturing an ecosystem of ingenuity and collaboration. We engage in open dialogue with our membership and use purposeful communication in our community. We utilize careful planning of our key resources and are ready to seize opportunities as they arise.

Objective 1: Develop a Shared and Accurate Diagnosis of Member Dissatisfaction Around the Existing ILS and OPAC (Staff Interface and Online Catalog)

Rationale

The SWAN software platform is at the center of the chosen mission for the SWAN organization. The membership survey and interviews conducted as part of the assessment and analysis revealed member dissatisfaction exists at a meaningful enough level.

Satisfactory solutions depend on proper diagnosis: "What are the contributors for member dissatisfaction?"

There are three possible contributors to the problem:

1. **SWAN staff** (i.e. should provide more training, adequate documentation, etc.)

2. **SWAN member libraries** (i.e. have different opinions on how software should work, should embrace common practices, need a role in developing solutions, etc.)

3. **Vendors** (i.e. need to invest more resources in product software development, development cycles are prone to delays, etc.)

SWAN is missing a *shared* diagnosis. The below actions will lead to a clearer understanding of where SWAN's member dissatisfaction stems from and will allow us to develop adequate solutions to counter it.

Markers

- A prioritized list of SWAN software platform related problems has been developed with input from member libraries and patrons (see Objective 4).
- SWAN Executive Director and the board systematically work through the list and develop initial diagnostic hypotheses that considers the role of all three potential contributors (staff, member libraries, vendors).
- Where there is disagreement or uncertainty, SWAN Executive Director proposes short term "triangulation" experiments to obtain more accurate data. Each experiment should intentionally modify one of the three potential contributors to discern what moves the meter on which problems.
- The experiments are agreed to by the board. Results are tracked and reported.
- At the end of this process, the Board and Executive Director agree on properly nuanced diagnoses of the major problems of the ILS and connected platforms.
- These findings are shared with the broader membership.

> **Guiding Principles**
>
> At this stage, the primary goals are gaining insight and developing a culture of collective ownership of problems.
>
> Research and performance enhancements SWAN completed within Objective 1 should not lose sight of finding ways to improve the patron experience as part of objective 4.

Objective 2: Deliver on the Solutions that Can Be Readily Implemented, While Focusing on Long Term Solutions

Rationale

With the (a) prioritized list of problems and (b) the shared and accurate diagnoses, SWAN should then be better positioned to execute solutions. The solutions that have the greatest possibility of success will be ones that depend on SWAN staff and member libraries. These solutions should have a measurable positive impact on member library staff and patrons.

Markers

- SWAN board and staff agree on the prioritized list of solutions to be executed (emphasizing ones that are most under SWAN control). This agreement is communicated to the broad membership.
- SWAN staff executes on the list.
- Member satisfaction shows improvement (i.e. compared to most recent net promoter scores).
- SWAN staff increases its engagement of SirsiDynix to impact performance improvement.
- Current contract with SirsiDynix is renewed while SWAN gathers membership feedback from Objective 1 and evaluates its options for its future library services platform.
- SWAN explores other community driven software solutions that can be implemented on top of the SirsiDynix Symphony ILS.
- A feasibility study is conducted about alternate software
- Board and Executive Director make a long-term decision about the ILS, catalog, or other components of SWAN's platform: accept the constraints of the library commercial market or more aggressively pursue the community driven, open source options.

> **Guiding Principles**
>
> SWAN board and members focus on research and development.
>
> SWAN will build solutions that steadily improve the ecosystem within the consortium to steadily improve SWAN's software platform.

Objective 3: Reconstitute as a Mission Driven 501c3 with Clear Representative Governance Practices

Rationale

A 501c3 organization will more clearly express a mission-centric identity than an "intergovernmental instrumentality." For the 501c3, a mission statement around an overarching "public good" is definitional. For an Illinois Intergovernmental Instrumentality, the "governmental" identities are definitional.

The "public good" requirement of a 501c3 reinforces the explicit inclusion of patron experience into a new mission statement. Practically speaking, becoming a 501c3 removes burdens hampering current governance such as insufficient quorums and barriers to participation (i.e. requirement to be physically present at meeting; prohibition of email as vehicle of decision-making). Another practical advantage will be to support grant seeking (Objective 6) as 501c3 is a more natural and understandable fundraising vehicle.

Reconstituting as a 501c3 provides a context for exploring new governance policies and practices which could include:

- Designated board seats by type, geography, size
- Term limits by libraries (not just by individuals)
- Expanding the number of board seats

Representative democracy sometimes means a board member must hold the proper tension of representing some defined constituency AND the greater public good – like a legislator.

Markers

- Board committee is formed to draft a new set of bylaws for 501c3 incorporation that addresses the representation issues.
- Executive Director completes study investigating all relevant implications and proposes an execution plan.
- Vote is taken.
- Plan is executed.
- Process is developed for SWAN staff to spend more time onsite at member libraries to serve as "eyes and ears" on behalf of the board, giving members greater confidence that their interests are being represented.
- New board is constituted. There could be overlap with current composition, but there is a true "reboot."
- Purpose and structure of all member meetings (whether quarterly or some other frequency) is clarified and communicated to the membership.
- Invest in board development and training, especially in this transition process

Objective 4: Increase Presence of the Patron Perspective

Rationale

Regularly receiving input from the patron as end user will be especially important as SWAN implements solutions for patron facing interactions. Simply inserting the words "patron experience" into the mission statement is not enough; this must be translated into practices that inject the patron perspective into decision making.

The patron perspective is the best way to achieve more standardization of resource sharing activities and act as a counterweight against (note: "counterweight" not "complete erasure of") the tendency towards library by library customization.

Markers

- SWAN board and membership embrace that patron perspective should serve a determinative role.
- SWAN has a defined structure and strategy to regularly convene patrons and access their input.
- SWAN staff can cite data about patron needs which includes member library staff insights.
- The practice of testing potential new features or ideas with patrons directly is built into the roll out process.

Objective 5: Strengthen the Collective Identity

Rationale

Community driven solutions depend on a collective responsibility.

There is a desire for opportunities to share expertise and provide other kinds of peer support.

Markers

- SWAN leadership—board and management—allocate resources towards building a collective identity.
- Vision and rationale for SWAN events like the recent member conference are communicated explicitly.
- SWAN staff adopts more peer learning and peer support responses, helping to connect members to the knowledge resident in the collective.
- Evidence of members proactively reaching out to other members and receiving the help they need.
- Survey feedback from collective identity building events show high levels of appreciation and the set goals were achieved.
- Explore grant funding for these initiatives (see Objective 6 for rationale).
- Choose topics and design collective events so as to reinforce other strategic objectives: i.e. events that anchor everyone more in patron perspectives.

Guiding Principles

SWAN must consistently and repeatedly provide the rationale for building collective identity. There are many avenues towards building the collective identity—shared experiences, leadership practices, organizational routines, messaging, etc. all are tools that should be used.

Objective 6: Seek External Funding Options to Support the Research & Development Initiatives of SWAN

Rationale

We want to keep membership fees low while embracing innovation.

Markers

- A grant writing capacity is either developed in house (i.e. freeing up some portion of Executive Director or Assistant Director time) or outsourced.
- A proposal pipeline is developed based on SWAN priorities that can be matched against funding opportunities.

- An experiment is run with corporate sponsorship and cross-network branding, testing the hypothesis that SWAN can leverage its geographic and numerical scope to attract sponsors.

Guiding Principles

Start small and experiment in this effort. Build on success.