

REPORT OF THE DIRECTOR

Winnefox Library System

Wednesday, January 28, 2004

ELECTION OF OFFICERS

The Nominating Committee, consisting of Merry Whipple (Neenah), Kay Roethel (Berlin) and Jo DeirAntonia (Oshkosh) have recommended a slate of officers for 2004. A report from the Committee will be available at the meeting. Discussion. **Action Requested:** open the meeting to nominations from the floor and then elect a slate of officers for 2004.

TRUSTEE APPOINTMENTS

On behalf of the Board, I would like to welcome back those trustees that have been reappointed, and welcome our newly appointed trustees:

Fond du Lac County - John E. Muentner Sr. (Fond du Lac County Board - new appointee 3 years)
Deanna Boone (Ripon - new appointee 3 years)
Marquette County - Paul Wade (Marquette County Board - reappointed 3 years)
Winnebago County - Lurton Blassingame (Oshkosh - reappointed 3 years)
Thomas Willadsen (Oshkosh - new appointee 3 years)
Carol Stinson (Omro - new appointee 3 years)

We will schedule an orientation session(s) for new trustees as soon as possible.

RESOLUTIONS OF APPRECIATION

We would like to take this opportunity to express our appreciation for the service to the Winnefox Library System by retiring trustees Jerry Keifenheim (Fond du Lac County), Carol Marchant-Ferber (Campbellsport), Don Stolley (Oshkosh) and Dorothy Nimmer (Winneconne). We have prepared Resolutions of Appreciation for each for your approval. Discussion. **Action Requested:** approve Resolutions of Appreciation as contained in Exhibit A.

2003 YEAR END FINANCIAL REPORTS

The financial reports, included for your information, constitute the end-of-year close-out figures for 2003. In general, we have ended 2003 in much better financial condition that we anticipated at budget time.

The Winnefox Cooperative Technical Services subprogram ended the year in balance. Our overall Program Revenues just about equaled overall Program Expenditures.

The Winnefox budget ended the year with an operating surplus of \$28,016 (shown as Net Income on the WLS Balance Sheet. It is important to remember that when we prepared the 2003 Winnefox operational budget, we anticipated spending about \$26,000 more than we would receive in revenue (thus dipping into our fund equity). Instead of ending the year with a \$26,000 deficit as anticipated, we have a \$28,016 surplus! That is in general because Total Operational

Expenditures were about \$55,000 lower than anticipated while Total Operating Revenue was about \$11,000 less than budgeted.

The primary reason for decreased revenues was lower Interest earnings again - in all the budgets. As for Winnefox expenditures, the Personnel decreases were due largely to the vacant Marketing position while the Contractual Services over expenditure was due to the contract for marketing services. Administrative Supplies & Expenses were under expended in almost every category with most of the saving coming in Postage. We spent less by some amount in almost every other budget category.

As far as the WALS subprogram budget is concerned, we ended the year in good financial position. Most of the areas of over and under expenditure were due to the fact that we are implementing the SIRSI upgrade later than we anticipated at the time of budget development. In general, we expended about \$210,000 less than we anticipated. That is mostly due to spending \$218,000 less in shared capital expenditures for the upgrade. That will mostly be spent in the first half of 2004 as we are scheduled to come up online on Mar. 16th. We over expended in Maintenance due to the fact that we are paying maintenance on the existing system for longer than we anticipated since we anticipated being under warranty for the new system by now. We over expended in Contractual Services for OCLC cataloging charges - cataloging more and an adjustment in OCLC billing. And our Telecommunications costs went over due to our decision to not accept the E-Rate discount.

On the WALS Revenue side, we took in \$232,475 more than anticipated mostly due to \$162,000 in Fond du Lac start up revenues (which came from multiple sources: federal LSTA grants; Winnefox grants; Fond du Lac County grants and Fond du Lac PL) and \$80,000 in Direct Capital Reserve revenues for existing WALS Member libraries from the Fond du Lac start up fees. Discussion. **Action Requested:** none.

WCTS COLLECTION ENRICHMENT GRANT PROGRAM PROPOSAL Exhibit B contains a proposal to implement a collection enhancement grant proposal for WCTS member libraries. The program would use approximately \$20,000 of undesignated fund equity and \$30,000 in a previously designated grant reserve fund over a three-year period. The grants would gradually phase down over three years from \$1,500 to \$1,000 to \$500 per library. The grants are targeted at establishing new collections (i.e. DVD's, books on CD, music CD's, etc.) or enhancing existing collections (i.e. expanding them or adding genres). This would provide an important source of funding to facilitate resource sharing among our libraries in the shared automation system. Discussion. **Action Requested:** approve grant program as proposed above and contained in Exhibit B.

**2004 ANNUAL SALARY
ADJUSTMENT PROPOSAL**

The resultant changes in the health benefit program of the City of Oshkosh have produced some savings over the amount of increase we anticipated in the budget. As a result, we are recommending a 2.5% adjustment to salaries for 2004 rather than the

2% we included in the budget. Discussion. **Action Requested:** approve recommendation of 2.5% annual salary adjustment retroactive to first pay period of 2004.

**2004 ANNUAL SYSTEM PLAN
APPROVED BY DLTCL**

Exhibit C contains the letter of approval from the Division of Libraries and Community Learning for our 2004 Annual System

Plan. We are always pleased to receive this notification since it comes with our first System Aids funding distribution which represents 75% of our total. We will be receiving \$837,003 in system aids for 2004 - the same level as we received in 2003. Discussion. **Action Requested:** none.

**LEGISLATIVE ISSUES - WLA
2004 LEGISLATIVE AGENDA**

Exhibit D is a list of legislative issues prepared by Mark Arend that affect public libraries. Mark I will discuss these issues with you as a precursor to

WLA Legislative Day. Discussion. **Action Requested:** consider actions contingent upon discussion at meeting.

MISCELLANEOUS REPORTS -

- **REPORT OF THE ASSISTANT DIRECTOR** - please take the time to review Mark's report on System activities. It's contained as Exhibit E.
- **TRUSTEE MANUALS** - It is the time of year when we need you to bring in your red trustee notebooks (if you have them) for updating by the staff. Please try to remember to do that for this meeting. It makes it easier for staff to do it if they have all of them at one time. We will be asking you whether you want your notebook back or plan to rely upon the web version of the manual. Most of you indicated you would prefer the latter when we demonstrated the online version of the manual - <http://www.winnefox.org/trustees/>.
- **WINNEFOX AUTOMATED LIBRARY SERVICES (WALS) UPDATE** - as you may know, we are involved in final preparations for an upgrade from our DRA Classic computer system to a SIRSI Unicorn system. I've included a newsletter insert and draft of a brochure as Exhibit F (that the libraries will be receiving shortly) for your information. This is a major undertaking and the staff at WALS and OPL are burning the midnight oil to try and make this as smooth a transition as possible for all 25 libraries - since we all come up "live" the same day - Mar. 16th.

Respectfully submitted,

John V. Nichols
Director