

Recommendations from the October 23, 2014 minutes

Budget

The membership fee review committee met and gathered financial information to compose options for a more equitable fee schedule for membership. Eight different scenarios were reviewed based on various formulas. The committee recommended a tiered plan with a base rate plus .5% of the total operating fund with libraries grouped by size and total revenue. The library groupings are consistent and driven by statistics reported to the State Library annually. The formula was approved by the committee with direction provided to Dianna to send out a letter via email to the library directors that the new fee schedule will be provided by November 1st. The committee wanted Jamie Pardee, State Library Fiscal Officer to prepare a budget chart of how the cash balance has been declining and to include the contact information of each Advisory Committee member in the email.

Background: For years a library's SEO membership fee was calculated based on the number of terminals that the library reported were touching the automation system—both staff terminals and OPACs. That formula made sense within SEO's original mission of providing automation and other services to smaller and under-funded libraries in southeast Ohio. However, in SEO's current role as a library consortium with a state-wide reach and a membership of libraries of greatly varied sizes, it is no longer a useful measure. Libraries of similar size may pay very different fees, and the current level of fees is not adequate to fund consortium operations.

Goal: To create a new fee structure that will generate annual revenue that fully funds SEO operations and maintains a cash reserve of approximately half of the annual operation costs. This new fee structure should in general charge a membership fee proportional with each library's size when compared to other SEO member libraries. A rate charged against a statistic that varies from year to year will likely need small regular adjustments depending upon whether the fee formula generates too little or too much revenue.

Babette Wofter made a motion that starting Fiscal Year 2016, July 1, 2015 – June 30, 2016 the committee accepts option #7 which is tiered plan with a base rate beginning at \$3,000 plus .5% of the total operating fund. Amanda Bennett seconded the motion. Motion passed.