

**Metropolitan Library System
Final Plan of Service
Approved at the 9/21/2009 MLS Board of Directors Meeting**

MLS was notified of a 16.5% cut in funding from the Illinois State Library on 8/11/2009. This funding cut takes effect in FY2010, beginning 7/1/2009. This represents approximately \$530,879 of MLS's budget. MLS was also informed that Delivery and automation services (SWAN) must be funded at FY09 levels.

In light of ongoing conversations regarding MLS service priorities with Advisory Groups, the MLS Board of Directors, and member Focus Groups, MLS is proposing the following changes to member services and internal support.

In planning staff changes, MLS focused on minimizing the impact on direct member services. While some member-facing positions are affected, the majority of staff changes are in internal services.

Focus Group Feedback

Based on feedback from the membership during the two-week Focus Group period, the following modifications were made to the Plan of Service:

- MLS will still no longer reimburse for items Lost in Transit/Damaged in Delivery, but staff will provide oversight of lost items to assist libraries in loss prevention.
- The Reciprocal Borrowing service was tiered differently to allow libraries give libraries more options in how they participate in the service. Each tier is \$250 per annum, and the highest potential amount paid by each library remains at \$1000.
- The Consulting section was changed to reflect member feedback regarding consulting questions and type-specific services, and reorganized by service area for easier viewing.
- MLS will continue to pursue group purchases, but will transition purchases to direct billing where possible. Purchases requiring centralized billing will be evaluated for continuation based on the value of the discount and the number of members the purchase will serve.
- A portion of conferences and travel were reinstated so staff can bring back ideas and opportunities from national forums.
- ILA membership will continue to be supported by MLS, and we will try to negotiate a lower fee.

Member Services

SWAN

While services will be funded at FY09 levels, SWAN and MLS will be looking at ways to offer services more efficiently and at a greater member benefit. The FY10 SWAN budget was approved by the members and the MLS Board in December 2008, and FY11 SWAN budget planning is scheduled to occur September – November 2009.

Cost Savings: FY2010 SWAN budget passed in 12/2008, no changes.

Delivery

A recent restructuring of the Delivery department, initiated prior to the budget cuts, maintains the five-day a week delivery services and increases the two-driver trucks from three days to four. While this is a service improvement, there were cost savings.

Cost Savings: **\$28,981**

Lost in Transit/Damaged in Delivery

MLS will no longer reimburse for items Lost in Transit or Damaged in Delivery. MLS staff will continue to provide oversight by evaluating reports returned from the membership to assist in loss identification and prevention. 368 items in FY09 were reported lost or damaged, and processing the reimbursements takes considerable staff time.

Cost Savings: **\$1,000** in direct costs

Resource Sharing

No changes in service are planned for Resource Sharing services. Due to an existing state grant for providing statewide CE on Resource Sharing topics, MLS will not encumber a portion of Resource Sharing salary costs for FY10.

Cost Savings: \$30,000 already budgeted in FY10 (not included in Total Cost Savings)

Continuing Education

Continuing Education will be supported by one less administrative support staff member (see Administrative Support restructuring below). One staff member instead of two will provide all support for scheduled classes. MLS will offer less continuing education classes after the October 2009 – March 2010 calendar ends, and will evaluate the efficacy of the current print calendar and online learning options.

Cost Savings: Part of Administrative Support Restructuring

Reciprocal Borrowing

MLS will provide reciprocal borrowing service for participating libraries and charge according to the tiers below to recoup direct staff costs. MLS commits to funding this service through FY10, regardless of income generated through member fees. If member fees are not sufficient to support the service beginning FY11, the service will no longer be offered.

MLS will offer four tiers of service at \$250 annually per tier. Libraries must sign up for at least the first tier to participate in the service.

- Tier 1: Reciprocal borrowing (RB) debits & credits for losses, including CPL and other systems.
- Tier 2: ILL debits and credits for losses.
- Tier 3: Transmittals and updates to one of two collection agencies for RB losses.
- Tier 4: Transmittals and updates to one of two collection agencies for internal patron losses.

Cost Savings: **\$40,452 for FY10** (\$53,000 for FY11)

Consulting Services

Consulting Services will be offered with one less full-time consultant. Consulting staff will focus on the core mission of developing member libraries, and will strive to balance collaborative projects that affect multiple members with individual member services.

Cost Savings: **\$93,374**

Service Area	MLS Will Continue	MLS Will No Longer
Board Development	Staff will attend board meetings, consult with directors on board issues and conduct board training on request.	Staff can no longer provide strategic planning or executive search services to boards. Members will be referred to other providers.
CE to Me		Staff will not be available to provide in-services for a fee. Members will be referred to other providers.
Collaborative Projects	Staff will evaluate opportunities for collaboration. Projects undertaken must impact a sizable portion of the MLS membership or be an effort that MLS is uniquely suited to coordinate.	Participate in every collaborative opportunity presented.
Consulting Calls/Emails from members	Staff will continue to answer member questions within a reasonable amount of time.	Staff can no longer guarantee an answer within one business day. Depending on the time of year, calls will be returned within 2-4 business days.
Group Purchases/Discounts	Staff will work with existing vendors to bill libraries directly. If vendors will not bill directly, and the opportunity serves a large or underserved portion of the membership, MLS will continue the purchase. New purchases will be evaluated for the impact on the membership.	Purchases that do not serve a large or underserved portion of the membership will not be supported after FY10.
Illinois State Library Projects	Staff will continue to support required ISL projects.	Optional projects will be evaluated on similar criteria as collaborative projects.
Member Services by Type	Advisory groups will continue, though some may meet less frequently. All member groups will continue to receive CE, Consulting, and Networking Group support.	MLS will no longer pursue aggressive initiatives to expand Special and Academic library participation in the system.
MLS <i>E-announce</i>	The newsletter will primarily consist of announcements, CE notices, grants, and articles such as legal opinions and conference reports.	Longer articles written by MLS staff will no longer be produced.
Networking Groups	Staff will provide communication, calendar and marketing support for member groups, and will facilitate groups where staff expertise exceeds member knowledge.	Staff will no longer prepare agendas, handouts, and facilitate the direction of networking groups. Staff may not attend every group meeting.

Internal Support

Human Resources and Administrative Support

MLS will streamline internal support by reducing support in the Human Resources area. Transactional duties will be absorbed by other staff, and strategic duties will be accessed through outside consulting on a mission-critical basis. Additionally, MLS will reorganize how administrative support is provided. Critical member services performed by these staff members will be handled by other staff or discontinued (see service section above for details). Note that cost savings listed include severance paid out to employees at 1 week of salary for every year employed, to a maximum of 8 weeks.

Cost Savings: **\$203,081**

Staff Benefit Changes

Employees will be asked to take on a greater percentage of the costs of health care, effective FY11 (not included in Total Savings below). MLS will cancel the supplementary life insurance, also effective FY11.

Cost Savings

- Reduce Employee Tier paid portion by 10%: \$8,874 (effective FY11)
- Reduce Family Tier paid portion by 10%: \$15,833 (effective FY11)
- Cancel supplementary life insurance: \$15,000 (effective FY11)

Expense/Maintenance Reductions

The following reductions in internal operations will take place:

- Buyout or sublet of the Chicago office (potential savings of \$50,000 - \$100,000 in FY11, not included in Cost Savings below).
- Only retain institutional association membership in ILSDO, MAI, and ILA.
- Reduction in lawn care service.
- Reduction in outside consulting.
- Reduction in funds for attending conferences and events. Budget reduced, staff will continue to attend selected conferences/events.
- Elimination of reimbursement for MLS Board travel.
- Elimination of Library Day bus.

Cost Savings: **\$32,172** in FY10

Total Savings

These service changes will save an estimated **\$399,060 for FY10**. The remaining difference will be absorbed by MLS's fund balance for FY10. Funding and services will continue to be examined as planning commences for FY11. The total savings amounts listed in this document are for service changes only, to be used for planning purposes. For exact total FY10 savings, see the revised FY10 budget.