

Fayetteville Public Library
Long Term Revenue Committee - Organizational Meeting
February 10, 2015 2 pm
Minutes
Prepared by S. Daniel, Office Manager

Present: J. Parry, M. Rice, G. Faucette, J. Butt, and D. Ferritor. K. Agee, not a committee member, also present for a brief period at the beginning of the meeting.

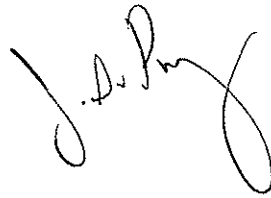
Staff present: D. Johnson, S. Foley, S. Daniel, and S. Davis

Press: Dan Holtmeyer

- I. Call to order: J. Parry called the meeting to order at 2:00 pm.
- II. Approval of minutes: **M. Rice moved to approve minutes of January 13, 2015 and January 27, 2015. G. Faucette seconded. All voted aye.**
- III. Results of staff research
 - a. D. Johnson defined "library services" to include those identified by the Public Library Data Service (PLDS) as well as programs, program attendance, computer sessions, electronics resource use, and database use. Cardholders are purged after 3 years of inactivity. HOMEWORK: How many of the 74,000 card holders actually make a transaction in any given year? A mean population of 96,260 typically circs 864,498 items. Fayetteville with a pop of 80,697 circulated 1,271,021 items. Fayetteville's circs per capita are 15.8; the national mean is 9.0. HOMEWORK: How many cards are sold to nonresidents?
 - b. Programming supplies and services history: FPL started tracking these in 2006. The spreadsheet breaks out supplies and services, and subtracts restricted grants and endowment funding resulting in net spending from general revenues. Programming expenses are 10 times as high as 2006; net from library general revenues has increased about 5 times. The FINRA grant ends in February, 2015. In 2014, FPL hosted 1772 programs, which works out to \$48/program. Bottom line: FPL paid \$95,242 to get \$222,335 worth of programming. Part of the increase is that FPL took on the cost of the distinguished author series, a program formerly financed by the Foundation.
 - c. 10 year history of staff and hours paid: The number of staff reported for unemployment tax purposes has remained relatively constant since 2006. FTEs grew from 41.29 in 2006 to 48.48 in 2014. However, in response to auditors' concerns that PTO banks had gotten too high, FPL bought back PTO hours in 2013 and 2014 which makes the FTE numbers for those years artificially high. About 58% of FPL's budget goes to personnel, which is relatively low for a nonprofit. The UA spends about 72% of its budget on personnel costs. HOMEWORK: For our benchmark libraries, what % of their budgets go to personnel? Want to be able to compare FPL to our cohorts. As we go forward, the minimum wage increase will kick in, and will increase what we pay employees at the lower end of the wage scale. FPL staff have had very small raises over time - only cost of living and, in some cases, no raise at all.
 - d. PLDS Survey: FPL serves more people than our benchmarks and peers on almost every metric.
 - e. Benchmark libraries fee structure: Staff researched setting all our fees to the highest rate charged by benchmarks and peers to determine the revenue change. Renting meeting rooms has the potential to be a significant revenue generator, but it may reduce the use of the rooms. HOMEWORK: What revenue would result if we charged for each resident library card? This would be the biggest money raiser compared to other options considered. A user fee of this nature is regressive. And, we may not be able to charge a millage and then turn around and charge for the service. HOMEWORK: Determine if there is an AG opinion on this. Users' fees are an easier sell politically than a tax increase, but need to consider cost of administering the fee as well as the social cost. Would customer irritation lead to fewer cardholders?
 - f. Billed status for 2014: \$70,998.65 is the value of 3710 items in billed status. Blu-rays, DVDs, RNR-DVDs and RNR Blu-rays account for about half of all items in billed status. In 5 years, CDs and DVDs may give way to streaming. Right now, we allow up to 50 CDs and DVDs to be checked out; might want to drop this limit.
 - g. Cost of major events: Dave Barry size events cost about \$16,000 in facilities and human resources. Gala-size events cost about \$71,000. For both sizes you have to close at least part of the library which is a forgone opportunity cost. On the other hand, new people come to the events that wouldn't otherwise. As well, the events bring good will and good marketing. If you add the cost of the honorarium we pay speakers, the costs for both events are approximately 1/3 soft cost (personnel) and 2/3 hard cost (AV and facility costs). A Levon Helm event costs a lot per person, but there is a large benefit. HOMEWORK: Find the cost per person for this size event.
 - h. Library millage for AR communities: The column labeled "lib tax units" is the millage. In some cases, the millage covers a number of counties. So, for example, Southeast AR Regional Library gets 5 mills, one for each of the 5 counties.

For the next meeting, all members agreed to have read the research and be ready to discuss.
HOMEWORK: Invite the Mayor, or a representative of the Mayor's office to attend.
HOMEWORK: What about cutting hours? How about charging for parking?
HOMEWORK: Send every committee member a copy of the Democrat Gazette editorial by John Wells.

J. Parry declared the meeting adjourned at 3:07 pm.

A handwritten signature in black ink, appearing to read 'J. Parry', is written in a cursive style.