

Fayetteville Public Library
Long Term Revenue Committee
March 31, 2015 3 pm
Minutes
Prepared by S. Daniel, Office Manager

Present: J. Parry, M. Rice, J. Butt, G. Faucette and D. Ferritor
Staff present: D. Johnson, S. Daniel, B. Holt
Press: Dan Holtmeyer
Citizens: Lorraine O'Neal
City staff: P. Becker

- I. Call to order: J. Parry called the meeting to order at 3:05 pm.
- II. Approval of minutes: **D. Ferritor moved to approve minutes of March 10, 2015. M. Rice seconded. All voted aye.**
- III. New Developments
 - a. The Stone Family has appealed Judge Beaumont's ruling to quiet the title to the City Hospital property. It may take 6-18 months to receive an appellate court decision.
 - b. An Arkansas legislative committee is proposing a revenue stabilization act that cuts \$1 million from the state library's budget. This will mean a reduction in the \$143,000 FPL receives annually. Depending on how the cut is distributed (equal vs unequal % reduction, FPL could lose from \$24,000 to \$90,000). The State Librarian, Carolyn Ashcraft, considers this act to be a done deal. She has been told to remove the \$1 million from her budget. The best hope is to get the money restored next year. The original budget was \$5.7 million; the cut being proposed is 18% to take effect in July.
- IV. Discussion of options
Staff are asked to take the whittled down list of options from this meeting to create a spreadsheet that identifies the cost saved or revenue generated. This spreadsheet will be provided to the committee by April 21st.
 - a. Recommend staff explore bidding out café operation. All equipment is owned by Arsaga's so a new company would have capital costs.
 - b. Recommend staff explore charging for special events, like the distinguished author series using a 2 tiered approach – closed event for invited guests willing to pay and a public event that would be free. Preference for putting money into events that attract more people, and these big events bring in potential donors who, as a result, become more involved. The NEH grant provides some money for events. Recommend sponsorships be found for distinguished authors. Charging for large events, holding fewer such events, looking for models from other institutions, and finding sponsors will reduce the cost.
 - c. With a \$340,000 deficit projected for 2016 and increasing with the years, a millage must be explored. Two votes, one now for operations and another for the expansion, is an uphill climb. A millage vote may need to be part of a longer term plan that is based on demonstrating the library has done everything possible to cut costs and increase revenue. A fall millage vote is probably too soon. A millage passed in the fall would apply in 2016 and be collected in 2017. The goal is to address short term problems to get to the long term solution. One mil in Fayetteville doesn't generate as much revenue as a mil in Bentonville or Rogers, in part due to the presence of tax-exempt properties such as the UA.
 - d. Recommend staff explore charging for library cards. Because FPL would lose its e-rate discount if it charged for cards, the recommendation is for 2 types of cards, one for borrowers that comes with a fee and another that would be free and allow computer use. Library research confirms when cards are not free, card holder numbers decline. Suggest scholarships for the neediest families, a family friendly fee structure, and no charge for cardholders under 18. Citizens already pay property taxes to support FPL; they shouldn't have to pay again for a card. No consensus yet.
 - e. Increasing fines and fees: Agreement to limit DVD checkouts to prevent losses. Revenue from fines and fees is \$116,000 yearly. Recommend asking staff to consider raising fines and fees and reviewing and adjusting annually.
 - f. Knowing the city hospital purchase, should \$2 million go back into investments? That would restore the Foundation transfer of \$125,000 annually. The library had agreed to forego the transfer for 7 years. May not be the best time to go back into market as it is high right now. May take 12-15 months for Supreme Court to rule. The \$2 million, if it had been in the market, would have made approximately \$600,000. Becker noted FPL shouldn't even be talking about an expansion right now if the library budget is so shaky. General agreement to ask the foundation to reactivate the transfer.

- g. Charge for room rentals: Recommend charging more for the Walker Room, Board Room and Staff Training Room. Did not recommend charging for study rooms. Recommend staff develop a rental plan, 2 tiered, for large rooms.

V. Summary of recommendations

Suggestion	Recommendation
Close on Sundays and/or Mondays	Not recommended
Personnel Freeze	<ul style="list-style-type: none"> * No new positions created for 3 years * Attrition related openings filled at Executive Director's discretion for 3 years * Wage freeze
Collection Reduction	<ul style="list-style-type: none"> * Reduce participation in e-book consortium by ?? percent * Maintain 2015 \$70,000 book budget cut for three years
DVD Circulation Policy	Reduce the number of DVDs a patron can check out at one time from 50 to 10.
Author & Special events	<ul style="list-style-type: none"> * Hold fewer special events * Create a two tiered system where the event is free but the reception is a paid, ticketed event. * Seek sponsorships to underwrite author events for not net cost to library.
Deferred Maintenance	Reexamine deferred maintenance for potential reductions. Fund to be sacrosanct.
City Property Funds	Return \$2 million dollars to the Foundation for investment and resume \$120K transfer
Reduce/eliminate programs	Not recommended
Coffee shop rental increase	Submit RFP for coffee space
Fines & Fees	<ul style="list-style-type: none"> * Recommend adjustment to fines and fee schedule * Implement annual plan to review fines and fees schedule
Meeting Room Rental	Create a rental fee schedule for the Walker Room, Ann Henry Board Room, and Staff Training Room. Do not charge for study rooms

Library Card Fee	Explore a two tiered library card system: one card for borrowers that comes with a fee and another card that would be free and allow for computer use. Also investigate a "family" card.
Reduce lawn care	Not recommended
Property Millage	Define the millage increase required to operate for the next 8 years. A fall millage vote is too soon. Vote may need to be part of a longer term plan based on demonstrating FPL has done everything possible to cut costs and increase revenue

The committee will next meet on April 28th at 3:30 pm in the staff training room. Prioritized recommendations will be presented to the board at a special meeting, date to be determined.

Adjournment: D. Ferritor moved to adjourn; M. Rice seconded. All voted AYE. The meeting adjourned at 5:45 pm