ATTENDANCE

Task Force Members				
NAME	PRESENT		NAME	PRESENT
Jim Woodward, Chair	YES		Leonora Kaufmann	YES
Jeff Armstrong	YES		Gloria Kelley	YES
Bob Bisanar	YES		Bill Millett	YES
Alan Blumenthal	YES		Bernie Simmons	YES
Pamela Davies	YES		Scott Stone	YES
Michael DeVaul	YES		Julie Szeker	YES
Geneal Gregory	YES		Connie Wessner	NO
Andy Heath	YES		Ed Williams	YES
Carol Hull	YES			
Non-Task Force Members				
Cyndee Patterson, The Lee Institute	YES		Barbara Moran, UNC Chapel Hill	NO
Alli Celebron-Brown, The Lee Institute	YES		Nancy Burnap, MarketWise	YES
Jeanne Kutrow, The Lee Institute	YES		Cordelia Anderson, Library	YES
Vance Yoshida, La Piana Consulting	YES		Danny Diehl, Mecklenburg County	NO

Task Force members were welcomed by Dr. Jim Woodward. Dr. Woodward commented that he very much appreciated their service to the community by serving on the Task Force. Dr. Woodward welcomed the visitors attending the meeting. He commented that visitors were welcome at all of the Task Force meetings and the fact that there were so many visitors at each meeting was indicative of the importance of the work of the Task Force.

A motion to approve the minutes from the November 16, 2010 meeting was seconded. The minutes were unanimously approved as written.

Dr. Woodward turned the meeting over to Vance Yoshida and Cyndee Patterson. Mr. Yoshida welcomed everyone to the 4th meeting of the Task Force and reviewed the agenda for the meeting, reminding Task Force members that after each presentation there would be time for questions.

Mr. Yoshida introduced Sean Hogue, Consultant, Vertere Capital Advisors who gave a presentation on Baseline Financial Models and Location Analysis. Mr. Hogue used PowerPoint as a framework for his presentation. Copies were given to Task Force members and are available on http://charmeck.org/libraryfuture.

Mr. Hogue's presentation focused on the financial modeling tool that he developed that assists in analyzing and forecasting how key financial decisions can impact the operations of the Library.

Mr. Hogue reviewed the Model Inputs of revenues and expenses. Mr. Hogue stated that 90% of the Library's revenue comes from Mecklenburg County, with the remaining revenue coming from branch operations, ABC funding, contributions from the municipalities, City of Charlotte, federal funding, and contributions. Staff expenses, including branch salaries, shared salaries, fringe salary expense, unemployment expense and termed payout, account for 75% of the operating cost of the Library.

Mr. Hogue stated that the unemployment costs and term payouts have become a significant factor due to the number of layoffs in the past year. Mr. Hogue explained that government entities have the option to reimburse the state for actual unemployment costs rather than having a payroll tax for unemployment. The Library has used the reimbursement option to cover unemployment costs.

Mr. Hogue explained that there are costs that are allocated to the branches as well as non-allocated costs. Expenses allocated to the branches include shared salaries, books acquired for the entire system, supplies acquired for the entire system, lease for a specific branch. Non-allocated costs include utilities, rent, and hard dollar costs associated with a specific library. Allocation is based on the relative activity at a branch – heavily used branches take up more resources than those that are not used as heavily and are therefore allocated a larger portion of the expenses.

Question: Are all central expenses allocated to the branches, including the Main Library?

Mr. Hogue replied that this is correct.

Question: Is ImaginOn treated the same way?

Mr. Hogue replied that ImaginOn is considered a branch.

Mr. Hogue continued by explaining the model drivers include facility statistics, hours – the more hours a branch is open, the more activity there can be and the more revenue it can generate, inflation assumptions, location status and positions. Mr. Hogue stated that staff positions are the biggest driver in the model. The cost of staff positions drive how much it costs to run a branch, how many hours a location can stay open, how many locations can stay open, unemployment costs, and term payout costs.

Question: The Library elected to reimburse the state for payroll costs and reimburses the government for 100% of the costs?

Mr. Hogue replied that the Library did elect to reimburse the government at a dollar for dollar rate than use the experience related payroll tax. Mr. Hogue

stated that historically this has been a wise decision for the Library due to limited layoffs. With the increased layoffs during the past year, this has been a large expense for the Library.

Question: Can you change that election?

A Task Force member stated that you can change the option, prospectively. A Mecklenburg County employee stated that the County opts for the payroll expense.

Mr. Hogue continued his presentation by stating that the financial modeling tool gives a snapshot of current conditions and can be used as a model for the future. He continued with an explanation of facility statistics as a driver for the model. Mr. Hogue explained that as Library locations are closed, the model is set up to automatically reallocate the operating expenses among the remaining locations. In addition, hours of operation drive revenues that can be earned at a branch (copy income, print income, fines and fees) and drive staffing costs. The staffing costs change dramatically when they go from the current one-shift model (40 hours per week) to a 66 hour per week model.

Mr. Hogue explained that every decision results in some type of offset and has a varying degree of financial impact to the operations of the Library. Controllable inputs (branch operation revenues, fines and fee structures, hours, utilities) have a minor impact to the model. Inputs that cannot be controlled (Mecklenburg County revenue, unemployment expense, term payouts) have a major impact on the model.

Mr. Hogue commented that the easy thing to do is to look at the "easy" stuff, but when you get to a severe budget situation, the only place to go is to staffing, but then you must consider the other impacts including unemployment and term payout expenses.

Dr. Woodward commented that the modeling tool balances revenues with expenses and identifies the direct costs associated with a branch and the allocated costs to the branch. Dr. Woodward stated, "Suppose I close branch "A," this model could readily identify the net savings to the Library system as whole. Is that correct?"

Mr. Hogue responded that Dr. Woodward's statement was correct.

Dr. Woodward then stated, "Let's look at the flip side. Suppose you cut the budget by $1M. This model could identify how many positions need to be cut to offset that revenue. Is that correct?"

Mr. Hogue responded that Dr. Woodward's statement was correct and that you could then decide internally about cutting hours, reallocating overhead costs, cutting positions, etc.

Question: I am trying to understand what the model would do. It is a fiscal year model that assumes next year's budget is "x" and what does that mean in relation to expenses?

Mr. Hogue stated that it is a fiscal year model and you could also look at the inverse, if you increase the budget by "x" and what does that mean in relation to expenses.

Mr. Hogue continued by presenting the FY 11 approved budget and the draft of the FY 12 budget.

Question: Is the FY 12 budget adopted by the Library Board?

Mr. Hogue stated that the Library Board has not adopted the FY 12 budget. It was prepared using the ending FY 11 budget and there are some caveats.

Question: Are you anticipating less of a reimbursement from the Children's Theater for FY 12?

Mr. Hogue stated that the decreased reimbursement from the Children's Theater reflects the consolidation of the Library's maintenance with Mecklenburg County.

Question: How do you define temporary employees?

Mr. Hogue stated that temporary employees are actually part time non-benefit employees, but that these employees may very well have been employed for numerous years. The term "temporary employee" could be considered a misnomer.

Mr. Hogue continued by explaining some of the caveats associated with the draft FY 12 budget. The Mecklenburg County revenue for FY 12 is based on the funding number from the end of FY 11. Mr. Hogue explained that this is an estimated figure and represents a best guess. In addition, Mr. Hogue explained that the one time gifts from the municipalities and the City of Charlotte will not be repeated, so are not represented in the FY 12 budget.

Mr. Hogue explained that during FY 11, branch operation expenses were decreased due to reduction in branch operating hours. In the draft FY 12 budget, some of the branch operating hours have been adjusted.

In addition, Mr. Hogue explained that about $2M in expenses come off in the draft FY 12 budget with the assumption that unemployment is taken back down to zero with no additional reductions in staff.

Question: The money from the municipalities and the City of Charlotte, is that considered an outright grant? Was there any cost associated with the gift, like a lease adjustment?

A Library employee stated that there is a separate arrangement with each municipality in the County. Mecklenburg County maintains a capital ledger account balance with the municipalities. For example, Cornelius and Mint Hill got an amount credited to their capital ledger account equal to what they donated. In a sense, the donations were an additional County contribution; they did not come directly from the municipalities' operating budgets.

Mr. Hogue continued by commenting that employment expenses represent 75% of the total operating budget. The other expenses include both fixed and variable costs – book expenses, information technology, utilities, programming expenses. Mr. Hogue commented that almost every line item in the budget was adjusted over the past year. These were the easy cuts to make before making the decision to close locations and cut staff.

Question: The County increased the FY 11 revenue figure by $5M over their original figure?

Mr. Hogue stated this was correct. The County proposed an original budget, added an additional $3.5M and then picked up the Library maintenance and security costs which totaled another $2M, resulting in an increase of $5M over the starting amount. The final approved FY 11 budget is the starting point for the draft FY 12 budget.

Question: Is there is any conversation around building maintenance and security coming back to the Library's budget?

Mr. Hogue replied that there is not any current conversation around this topic. It is possible that the County could suffer another reduction in revenue and look for ways to cut costs and reconsider this decision. The assumption, though, is that this is not a one-time adjustment.

Question: When does Mecklenburg County make budget decisions?

Ms. Patterson responded that the discussion in held in May and final budget is adopted in June. Dr. Woodward commented that the County Manager is obligated to propose a budget in late April. Dr. Woodward commented that the County Manager's budget recommendation is very important. Anything that is added to one budget must come out of another budget. Or there must be an increase in projected revenues.

Question: In FY 12, do we all believe that there will be a decreased revenue flow from what is presented here?

Dr. Woodward stated that the County Manager is obligated to recommend a budget based on projected revenue. No one expects that to be increased. The question becomes how much of that will be borne by the Library? The draft FY 12 budget is based on an assumed 4% reduction in County funding.

Mr. Hogue commented that even if the funding level stays the same as FY 11, there are still holes and some decisions must be made. But if there is a cut,

using the modeling tool, you can have an answer very quickly on what the options might be.

Question: Is there a potential for a reduction in County funding for this fiscal year?

Mr. Hogue responded that there is that possibility.

Question: When we would know about a reduction?

Charles Brown, Director, Charlotte Mecklenburg Library responded that it can vary and could come anytime in January, February or March. It is most likely that we would know something in early January

Question: Can you make any recommendations around defining the value of a Library versus walking through a park? How do we make sure the County Manager and the County understand importance of libraries versus parks? What can we do to ensure that our voices are heard? Are the cuts at Parks and Rec the same as those at Library?

Dr. Woodward responded that the County Manager understands the Library and has been responsive to extent he can to assist the work of this Task Force. The elected officials understand the support of this community for Libraries. The FY 11 budget was a big adjustment over the County Manager's original recommendation, with an additional $5.5M in funding. The key is for the budget proposal to be presented in a format so that the elected officials understand the consequences. If you do "x" – this happens. The Task Force has an obligation to present the impacts of budget decisions.

Question: Do we have any benchmarks? How do we know these percentages for expenses make sense?

Mr. Hogue responded that it's difficult to compare libraries. For example, in Wake County, some of their expenses run through a different line of the County, so you don't always have an idea of what you're comparing. You can look at historical normals for the Library. What has this system done historically? Why do we need this level of staff? If we make a change there what is the impact? Then you can add in information technology and logistics - individual components can be very small, but the cumulative impact is larger.

A Task Force member commented, "I think we should start from a different perspective. What do we need, not from what do we have? We get stuck in brick and mortar – do we need this one, do we need that one? We need to talk about what we need to serve our customers. I would like to see us build up from a zero based budget. People will see where we're going, not just what we need to do get through next year and then the next year. What do we want this system to be? How do we best serve our customers?"

A Task Force member commented, "We need to determine how we define core services. How do we define success? Is it by the number of people we've reached or the number of individuals we serve?"

Question: Has the Library developed a plan to address the $800,000 budget gap off of flat revenue? There is an expected tax revenue shortfall. We don't know what the number looks like, but if the Library gets a pro rata share of that shortfall, what does that look like?

A Task Force member commented that with a zero-based budget, you could consider selling the building the Main Library is currently housed in and opening another Library in a less expensive location.

Dr. Woodward stated that the Task Force will have a presentation on the latitude available around capital facilities. There is a great deal of variation among the Library sites.

A Task Force member commented that it is critical with a zero-based budget to come to an agreement around basic services. Some basic services may be site dependent and some may be site independent.

Question: Is the Library working on a zero-based budget?

Bob Sink, Co-Chair, Library Board of Trustees stated that the Board has started the process of looking at the "what ifs." This is something that has been done before based on previous cuts, but to fill the $800K gap it has to be looked at again. The Board will start with the assumption that there is an $800K gap to fill and if looks like it must close two branches, then the Board will recommend that. The Board realizes that there is underutilized space in the Main Branch. This issue was being addressed by the team that was looking at what to do around Spirit Square, but this effort was put on hold. Consideration was being given to thinking of consolidating some space and/or selling "air rights." Obviously, the market has changed, so this is not a short term solution. We are continuing to consider if there is some other user that could use some of the space in the Main Library. Mr. Sink stated that he does think that there needs to be an uptown Library location.

Mr. Hogue commented that a zero-based budget is fairly easy to come up with, but one of the limitations is that the Library's assets are on the Library's books and the Library's debt is on County's books. A lot of the decisions in the short turn tend to be constrained. For example, selling a location – the Library wouldn't realize all of the revenue or closing a location – there may still be a two year lease on the building.

Question: Can we see financing options?

Dr. Woodward stated that the Task Force will have a presentation on the ownership of the libraries and what latitude there is around the property and the potential benefits. Dr. Woodward reminded the Task Force that the Library

doesn't own the locations and buildings. Selling the locations would only result in a net decrease in operating costs, not in increased revenue.

Dr. Woodward stated that the Task Force will also look at national practices around a dedicated tax for libraries. The dedicated tax is not a short term fix – nobody will approve increased taxes in the coming year. But the option of a dedicated tax should be put on the table and/or recommended if the Task Force finds other communities that have used it successfully and it embraced by citizens of the community.

Dr. Woodward commented that the Task Force needs to look at the efficient utilization of space. You wouldn't build a building to run it at reduced hours. At some point reducing hours is foolish, you need to close branches and fully utilize the space remaining. You can then reach out to those who are not as ably served when a branch is closed. This is a long term issue for the Task Force to consider. In the short term reducing hours makes sense, but not in the long term.

Mr. Hogue commented that the modeling tool can project by month, by location, by year, incorporating any changes to costs and revenues and can have a real time answer to the effect of any recommendations

Dr. Woodward commented that there have been really good comments and good questions during the discussion. We will collect the topics and questions that have arisen and that will give us guidance going forward.

Mr. Hogue commented that the Task Force's homework is to determine the key drivers they want to look at. This will assist Mr. Hogue in understanding what he can show the Task Force – the impact of their ideas. Mr. Hogue stated that he will put status sheets for the branches on Basecamp and hopes to put the model on Basecamp, too, but isn't sure if it will work. The Task Force will be notified about the status of the posting.

Question: When do we expect to have the survey data? Until we have that, we don't know what community thinks or what the community wants.

Ms Patterson responded that the survey has been postponed to January 2011 because there was uncertainty around the questions to be asked. The Task Force needs to begin to frame those questions. In the next couple of meetings, there will be more time for discussion around the Task Force's interest in trade offs, and then we can begin to develop the questions and frame up the survey.

Question: Have you incorporated into the projections the revised fines and fees that go into effect January 1, 2011?

Mr. Hogue stated that these revised fines and fees have not been incorporated into the model yet; however, the projected increase in revenue is minimal.

Question: Among the Library employees, is there is a group that is specifically tasked with the check-in, check-out function? Or is the front line person an

ombudsman type person who can do some of everything? Is there any value in looking at check-in, check-out function?

David Singleton, Director of Library Services, Charlotte Mecklenburg Library responded that the Library does have some people who specialize in the check-in, check-out function, but the Library has been working over the past couple of years to get staff trained in a variety of functions, especially as the Library staff has become leaner. Part of it depends on location. In the smaller locations, the staff has to do everything; there is a lot of cross training. In the larger locations there is a little more specialization. Mr. Singleton stated that he can give the Task Force information based on classification level, but the Task Force would have to know that in the small locations the staff has to do everything. It would be difficult to get a pure number.

Mr. Hogue commented that the bigger question is can you reduce staff costs by shifting lower paid, part-time employees into the check-in, check-out function? Mr. Hogue stated that there wouldn't be a lot of cost savings doing this.

Question: What about bringing the check-in, check-out function to a regional platform? You could have the services and creative programs as part of the branch platform. Structure it so that in the short term you use the facilities to serve the community. Can you make it more efficient by moving some tasks to a regional platform and having some tasks in the branches?

Dr. Woodward commented that ultimately the Library is facing scarce resources and looking at use of the facilities and the staff is a good idea. It doesn't make sense to run locations inefficiently.

A Task Force member suggested that you could reduce the cost of the staff re-shelving the books by not having books at every library, instead having a regional location for the books. People could browse the stacks virtually and order a book from a particular location or their home and then pick it up at a branch or at a check-it-out location.

A Task Force member suggested that you could have lockers for the pickup of materials similar to red box locations.

Dr. Woodward commented that all of these ideas could be looked at as longer term options, but there is a capital constraint on the short term as all of the suggestions would require capital expenditures.

A Task Force member commented that it goes back to what is the mission of the Library? Part of what the Library offers is the joy of discovery. Looking at this book, leads to another book. It's being in the stacks, browsing and discovering. This is especially important to children in certain socio-economic levels who may not have access to books at home.

The Task Force took a ten minute break.

Mr. Yoshida called the meeting back to order and introduced Karen Beach, Director of Community Engagement, Charlotte Mecklenburg Library who gave a presentation on Volunteers in Libraries. Ms. Beach used PowerPoint as a framework for her presentation. Copies were given to Task Force members and available on http://charmeck.org/libraryfuture.

Ms. Beach began her presentation by offering statistics on volunteerism in the US and in North Carolina. In addition, Ms. Beach reviewed the historical use of volunteers in libraries and generally accepted guidelines around volunteers and employees and the ALA guidelines for volunteers. Specific information can be found in her PowerPoint presentation.

Ms. Beach stated that the state of North Carolina has a general statute addressing confidentiality around who has a library card; therefore, the Charlotte Mecklenburg Library does not use volunteers to check out materials. The High Point Library is the only Library in the state of North Carolina that does use volunteers to check out materials.

Ms. Beach reviewed the Library volunteer roles and stated that volunteers help in two of the four basic services, circulation and computer assistance. Volunteers do not help in the reference or readers advisory areas.

Ms. Beach stated that there has been a 75% increase in volunteer hours from FY 07 (15,000 hours) to FY 10 (27,000 hours). The Library is on target to double the volunteer hours for FY 11. If that target is met, the volunteer hours equate to 24 full-time employees.

Ms. Beach stated that the volunteers are performing tasks related to circulation – processing holds, pulling holds. The Library had a good volunteer program in place, which allowed them to grow the program quickly. The Library was able to leverage the outpouring of support that came during the budget crisis. The Library's Volunteer Coordinator partnered with a staff member from Library Experiences to identify new volunteer opportunities.

Ms. Beach presented comparisons for volunteer use at libraries around the country. Ms. Beach stated that when looking at volunteer hours, you don't know how other libraries are counting volunteer hours or what they're counting. For example, the Charlotte Mecklenburg Library does not include the hours served by the Board of Trustees or the hours served by Task Force members.

Question: What year are the statistics for?

Ms. Beach responded that the statistics for the comparison libraries are for the last fiscal year available. For the Charlotte Mecklenburg Library, the statistics used were for October 2010, representing the best month to date. These figures were used to project what the volunteer hours would look like over 12 months.

Question: These statistics are based on doubling the volunteer hours from last year?

Ms. Beach responded that the statistics are based on double the volunteer hours from last year. This represents a best case projection.

Question: You can only take the volunteer to full-time staff ratio to a certain point? Are you there?

Ms. Beach responded that in Cornelius, Matthews, Mint Hill & Davidson, the Library feels like they are at capacity when looking at volunteer to staff ratio. The Library has focused on those four locations due to the one-time funding they provided. The volunteer capacity has been ramped up to extend the staff and bring back a day of service.

Ms. Beach presented information on optimizing volunteer use, stating that there are no external standards and there has only been limited research to date. Specific information from a Canadian study can be found in Ms. Beach's PowerPoint presentation. In addition, Ms. Beach presented the volunteer use benchmarks established for the Charlotte Mecklenburg Library.

Ms. Beach stated that there are a lot of volunteers working within a compressed time frame with the staff and there are some challenges presented by this. In Matthews, Mint Hill, Cornelius and Davidson, the Library does think that the volunteer use is optimized. There is some room for growth at some of the other Library locations and attention is being turned to maximizing volunteer use at these locations.

Mr. Hogue commented that you can make some incremental changes in volunteer use, but you can only push it out so far and it only has so much impact.

Dr. Woodward commented that one of the tasks before the group is determining what the Task Force thinks is realistic to pursue given the support of volunteers. The Task Force doesn't want to leave this issue unsaid or come up with speculative or wild numbers. This may be something we can come up with soon. The Task Force could say that "x%" of the staffing of this Library, based on what's been done this year, could be done by volunteers. The Task Force needs to give to the decision makers what the Library can realistically get from the volunteers.

A Task Force member commented that in terms of realistic, the other point is that you can supplement your staff with volunteers, but it is not realistic to think you can operate a branch with volunteers.

Dr. Woodward asked Ms. Beach and Mr. Brown to come back to the Task Force and present to them what they think. If the Charlotte Mecklenburg Library ran the best volunteer program in the country, what is realistic? That information allows the Task Force to look at "if we run these branches with these services, what staff do you need and what volunteers do you need?" The Task Force can look at the specifics around what volunteers can provide.

Question: Would like to see what percentage of staff time volunteers can contribute for core services.

A Library employee stated that the statistics for the locations that Ms. Beach presented are the locations where it's the easiest to get volunteers. It is not realistic to think people will drive across town to volunteer.

Dr. Woodward commented that the number that is presented has to be a system-wide average.

Ms. Beach commented that the Library has been in a pilot or study mode and has been learning as the number of volunteers has increased.

Question: What role do the towns play in recruiting volunteers?

A Library employee stated that the role varies and it is a unique situation in each of the towns. Each town assigned a liaison to work with Library staff. It was different who each municipality assigned, some assigned a town employee and some assigned a resident. Davidson had a fundraising component that went along with its volunteer recruitment.

A Library employee stated that there was a lot of momentum and a lot of passion, given the budget situation. Hopefully that momentum can be leveraged, but until the Library has more time under its belt, they don't know about the sustainability of current volunteer levels.

Question: Are we in partnership with anyone for recruiting volunteers?

A Library employee responded that the Library works with a number of groups and is very familiar with the resources available. Two groups that need to be explored further are the faith community and the Latino community.

Question: If recruitment is not the challenge, what is?

A Library employee stated that recruitment in certain areas is a challenge. A lot of people said they would volunteer in Matthews, but when asked if they would be willing to volunteer in Sugar Creek or West Boulevard, they declined.

Ms. Beach stated that another challenge is that the Library will get groups or individuals who want to help for 3 hours total or 5 hours total. The Library needs sustained commitment and it is harder to use the episodic volunteers. The Library currently asks for a commitment of two hours per month for six months.

A Task Force member commented that at some point, fairly early on, there needs to be consensus around the table around how long this particular situation is going to last. When strategic planning is done, there's a certain amount of guessing. When looking at volunteers, I would look at it differently if I thought it would turn around in one year than if I thought it wouldn't turn

around for five years. What does the group as a whole think the future looks like? Does 2015 look like 2011 or like 2008?

Question: In terms of use of volunteers, are most people in this check-in, check-out mode as opposed to computer use. If I see someone reading to a child, is that a volunteer?

Ms. Beach stated that most of the volunteers are involved in circulation. Volunteers are being used for computer training and the Library is beginning to recruit specifically for this skill. There is a greater need for computer training and the staff can't do all of it. Ms. Beach stated that if you see someone reading one on one in the Library, it is not Library staff. Many tutors use the Library space for their students.

A Library employee stated that last year the Library circulated over 7 million items. The greatest need this past year has been for labor in this area and vast majority of our volunteer utilization has been in background tasks. The Library does use volunteers for some of the public service interaction, but they are needed most in circulation.

Dr. Woodward requested that the Library put together recommendations for the optimal use of volunteers and submit that information to the Task Force.

Ms. Beach continued by giving a presentation on Fundraising in Libraries, using PowerPoint as a framework for her presentation. Copies were given to Task Force members and can be found on http://charmeck.org/libraryfuture.

Ms. Beach presented statistics on giving both nationally and locally. Specific information can be found in her PowerPoint presentation.

Ms. Beach addressed why libraries are raising funds and stated that they are not raising funds for basic operations or to be used as a percentage of the operating budget. Fundraising dollars are used for program and service enhancements and for special capital and endowment needs. The only exception to this is the Carnegie Library of Pittsburgh which currently raises 6% of their operating budget.

Question: What is the total dollar figure that is raised for the Carnegie Library of Pittsburgh?

Ms. Beach responded that about $4M is raised to be used for the operating budget.

Ms. Beach reviewed the methods libraries used for fundraising (see PowerPoint) and stated that the Charlotte Mecklenburg Library uses all of the methods except telephone solicitations.

Ms. Beach stated that most of the libraries have a separate 501(c)(3) entity to accept donations, with a staff that does the fundraising. Because the Charlotte Mecklenburg Library is independent, donations are fully tax deductible and a

separate entity is not necessary. The Charlotte Mecklenburg Library has a Development Department. Ms. Beach commented that more corporations and foundations have a requirement that gifts be given to a 501(c)(3) organization. When that happens, the check is written to the Friends of the Library which is a 501(c)(3).

Ms. Beach stated that in the comparison of fundraising in libraries (see PowerPoint) the funds raised are not all from the same fiscal year, they are the most current figures available.

Question: Do the figures include earnings from endowments?

Ms. Beach responded that the figures do not include earnings from endowment.

Ms. Beach stated that the Charlotte Mecklenburg figure includes grants and contracts. Most libraries will show private grants, but don't show government grants. But not all of the libraries will be consistent, some include grants in fundraising and some don't.

Question: Are grant dollars included in the Library's budget?

Mr. Hogue responded that grants for specific programs are not including in either revenue or expense figures. For example, the Knight Foundation gave the Library a grant for $800,000 for computers. This was not included in the overall budget.

Mr. Hogue commented that $80,000 is included in the budget for straight fundraising.

Dr. Woodward commented that the Task Force needs to know the funding that is available for core services, what can be expected from straight fundraising.

Ms. Patterson commented that a rule in non-profits is "don't chase the dollars." The Task Force needs to have a conversation around whether the Library is chasing programming grants. Are they creating a program to get the dollars which results in the need to find funds to sustain the program?

Ms. Beach stated that the Charlotte Mecklenburg Library has an endowment of $2M. A Library employee stated that the endowment is now at $2.7M.

Ms. Beach reviewed methods the Library is currently using to increase fundraising (see PowerPoint). Ms. Beach stated that the Library is trying out new things, within reason.

Ms. Beach commented that Novello has never been a fundraising event, but was a signature event of the Library. Funds were raised for sponsorships to support the event, but the Library did not realize a profit.

Question: How much was raised on the Tom Wolfe event?

Ms. Beach responded that the final figures are not yet available, but close to $100K is projected as a net number.

Ms. Beach presented information on the Friends of the Library (see PowerPoint), a separate 501(c)(3) organization that is focused on advocacy and grassroots fundraising. The Friends of the Library is coordinating efforts with the Library's Development Department.

Ms. Beach stated that in 2004, Vandever Batten conducted a fairly comprehensive study that concluded that the Library was not using its brand to raise as much money as was potentially available. The study is probably worth revisiting in terms of fundraising. There were a lot of interviews conducted for the study.

A former Library Board member commented that one of the key recommendations of the study was the creation of a Library Foundation and a utilization of volunteers to help in fundraising.

A Task Force member commented that from a fundraising perspective, "a crisis is a terrible thing to waste." This would be the time to look at the creation of a Library Foundation.

Dr. Woodward commented that a Library Foundation is appropriate for the long term and is absolutely worth considering.

Question: How much money can be raised to support the core services of this Library on an annual basis?

A library employee responded that $500K could be raised for core services – restricted funding that's unrestricted.

Dr. Woodward commented that over the next five years, that is a stretch goal for this Library. You can raise money for a children's program, but it is a challenge to raise unrestricted funds.

Question: How were the endowment funds raised?

A Library employee stated that the bulk of the endowment came from a challenge grant from the NEA. Most of the endowment funds are restricted.

Dr. Woodward gave an update on the Benchmarking Study being conducted by the Urban Institute. Data from Nashville and Wake County was distributed to Task Force members as an example of the type of information that is being collected. Dr. Woodward explained that each page of data represents a single fiscal year.

Dr. Woodward commented that when looking a city or county's revenues, it is critical to look at the total revenues and the general fund revenues and what pass throughs the total revenues include. For example, does the total revenue

include state dollars for schools? The general fund is what is available to fund the library.

Once the data is collected, you must go back to the sources to identify what is paid for in the Library budget. For example, do you pay for utilities? What are some of the big expense items that are included and not included? This will be done via a written survey and then with a follow-up telephone call. Mr. Brown will provide a point of contact for each library.

Dr. Woodward presented a list of some the topics that the survey will get ask for a yes/no answer on. The questions will address whether some of the typical items (maintenance, security, utilities) are included in the library's expense items.

Dr. Woodward commented that this information will give the Task Force a comparative read at how the Charlotte Mecklenburg Library looks. The Urban Institute will get data for the most recent fiscal year available, but may not be the 09-10 numbers.

Question: Would it be useful to get the number of branches in each system?

Dr. Woodward responded that data will be collected on the number of branches in each system.

Question: Can we get anything on volunteer hours?

Dr. Woodward responded that they will see if they can collect anything on that. They may have to go back a couple of years. It can be a challenge to get current fiscal year information.

Ms. Beach stated that the volunteer information that was presented to the Task Force looked at the comparable communities that the Task Force is using.

Dr. Woodward asked the Task Force to identify what other information they want identified about these communities? Some of the information can be collected during the survey, some during the follow-up calls.

Dr. Woodward commented that he expects to get the hard data fairly quickly, over next month. The follow-up data may take longer to collect due to the holidays. The Urban Institute will bring something back to the Task Force as quickly as possible.

Question: Is this Library consolidation committee moving forward?

Mr. Hogue responded that it is moving forward and he is the co-chair of the committee. The recommendations from the committee are in the process of being transmitted to the next level. They will be presented to the Director of Libraries and the County Manager next week. Mr. Hogue will review recommendations with the Task Force at the next meeting.

Ms. Patterson commented that the Task Force needs to get past the educational stage. Task Force members need to think about some of the topics that need to go into a final report that we can get our hands around fairly quickly. For example, volunteers, fundraising and there may be some other topics. Those topics can be addressed and recommendations developed sooner rather than later.

Mr. Yoshida reminded the Task Force that the next meeting is Tuesday, December 7 at 3:00 p.m. at the Morrison Library. Mr. Yoshida stated that a Task Force member made an important point for the group to think about. The Task Force needs to think about what things are going to be like from a funding standpoint for the next two to four years. If things aren't going to improve, this will play into the recommendations the Task Force comes up with.

The meeting was adjourned.