

SWAN Business Plan 2010

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Executive Summary

The System Wide Automation Network (SWAN) provides an optimum tool for sharing resources among over 80 member libraries in parts of Cook, DuPage and Will counties. Libraries must share their resources in order to meet the needs of their residents for materials in high demand as well as items that are difficult to obtain. Sharing resources allows a patron at their home library to retrieve and check out materials that are not currently available or are not in the collection at their home library. Patrons served by SWAN can also go to any member library and check out materials in person. Patrons from libraries that are independent of the SWAN consortium must utilize a much more elaborate process for requesting material from other libraries.

This business plan represents a thoughtful, detailed and accurate analysis of the current state of SWAN's business operation. The SWAN consortium has been a part of the services previously offered, supplemented by member subscription fees, through the Metropolitan Library System (MLS). SWAN became an independent government instrumentality in September 2010; in time SWAN may become wholly supported by member contributions.

The business plan reviews the current costs met by member contribution and includes the areas of financial support provided by MLS in order to allow the reader to see all of the current costs and obligations. The FY11 SWAN budget is \$1,995,122. According to the baseline cost document (see Appendix A, p17) the estimated contributions by MLS total \$435,098, for a grand total of \$2,430,220. It is important to note where the full costs are currently apportioned to fully grasp the complexities in choosing a strategic plan to go forward.

The plan provides a detailed description of SWAN including summaries of each of the products and services provided to members. An overview of operational procedure is provided along with a description of the current physical location. The structure governing the consortium is described and includes a summary of SWAN's personnel. The SWAN advisory council became the governing board of SWAN in September 2010.

An overview of the revenue and expenses is included in the plan and also includes a summary of SWAN's current financial status.

The business of SWAN going forward is to provide continued service and support for sharing resources among member libraries utilizing member fees as its primary revenue stream. However, SWAN recognizes that the support that MLS and the Illinois State Library have provided is valuable, and wants to continue to work with these entities to provide service to the SWAN membership. This business plan provides a starting point for analyzing strategic initiatives to continue SWAN's operation. The business plan should be used as the baseline from which to compare the advantages and disadvantages of these scenarios.

The future of SWAN is now completely in the hands of the membership. The potential challenge of operating SWAN solely on membership fees offers us a great opportunity for refining, consolidating and improving the efficiency of the consortium.

General Company Description

SWAN is an organization of member libraries participating in an integrated library system (ILS) with the mission to improve services for Member Libraries by sharing resources, technology and a planned process of individual and collective growth. SWAN's vision is that SWAN will set the standard of excellence as a library technology consortium. SWAN works to focus consortium resources on shared strategic initiatives while building upon a tradition of excellence and dedicated service.

As an organization SWAN values:

- Collaboration
- Cooperation
- Commitment
- Innovation
- Reliability

Currently SWAN's strategic initiatives are to:

- Provide excellent customer service,
- Optimize work effectiveness,
- Formalize SWAN action/decision making process,
- Foster a collaborative and cooperative consortium culture,
- Create operational excellence/product leadership,
- Diversify and grow.

The Business We Are In

At its core, SWAN provides for the automating of library tasks, including but not limited to a shared online catalog, circulation activities, interlibrary loan, patron file maintenance, library materials acquisition and serials control. To achieve this, Member Libraries jointly finance an ILS for the automation of library functions with the staff and equipment required to manage and run the system.

Target Market and Industry

SWAN's market is, simply put, libraries. Public, school, academic and special libraries may belong to the consortium and enjoy the benefits of resource sharing as well as the efficiencies of an automated system. Adding libraries to the consortium provides an increasingly diverse and strong set of resources for patrons and helps to ensure financial stability and potential for SWAN. Some libraries choose to be stand-alone operations, and there are several other ILS systems in Illinois, but there is recognition within the state that supporting and growing ILS systems is beneficial to the residents of Illinois.

Detailed Description of Business

With more than 1.2 million titles and 7.2 million items, SWAN is one of the largest systems in the world and is an invaluable resource not just to its members but also nationally and internationally. There is a strong commitment to resource sharing and successful reciprocal borrowing and interlibrary loan programs. The database has more than 1.2 million registered patrons and the system manages almost 11.8 million circulation transactions annually.

Technology has provided the opportunity for innovation within SWAN by enhancing services and enabling many patron-centered self-service features. Some of those features include book cover images, contents and reviews of materials, the patron account management, personal reading lists, and patron-placed holds and renewals. Patrons are also able to

share recommendation information with each other by rating materials. The consortium has installed a search interface (Encore) that leverages Web 2.0 technologies by allowing users to access multiple resources with one simple search. In addition, the membership has added options for patron self-registration, digital signatures, and digital patron photos.

History

SWAN was formed in 1974 when staff from nine public libraries located in the south suburban Chicago area formed the System Wide Automation Network (SWAN) consortium. Currently, 80 libraries (including 72 public libraries, 3 community college libraries, and 2 special libraries) make up the consortium. SWAN recently became an intergovernmental instrumentality (September 2010). Previously, the Metropolitan Library System had been the legally recognized agent for SWAN.

Strengths and Core Competencies

A key component to the consortium is member cooperation. By sharing the cost of central site equipment, computer and database maintenance staff, and telecommunications, libraries of all sizes and types have realized the advantages of automated resource sharing and found it possible to offer their patrons the best in resource sharing. The common patron database provides for efficient and quick interlibrary loans. In addition, libraries who could normally not afford to offer their patrons the best and newest in technology in an online catalog are able to do so through their membership in SWAN.

The original commitment to providing enhanced and effective services has guided SWAN members through their shared history. That libraries of all types and sizes have worked together for thirty-four years is proof of this commitment. Within the consortium, each member library has retained its own identity, but each has stayed committed to working toward a common vision of enhanced customer service and operational excellence. Through the ILS, SWAN member libraries serve their communities better and faster, clearly proving to be the taxpayer's best available return on investment.

Importantly, reliability has been the top priority for SWAN. The SWAN staff work very closely with the members to ensure limited downtime (the average amount of downtime is less than 1% of available uptime) and a high quality, authoritative database. A history of strategic initiatives plus a tradition of excellence and commitment has made SWAN a consortium known around the world for cooperation and collaboration plus service, stability and innovation.

Challenges

There are several challenges facing SWAN. The first is economic. SWAN has always received a portion of financial support from the Metropolitan Library System. With state funding of systems in jeopardy, SWAN members may need to fully support SWAN. This will require study of SWAN services and potential changes in operations and services. The second challenge is the capacity of the current ILS software in relation to adding new members, expanding functionality, and providing consistent levels of service despite a wide range of old and new technology in operation in the member libraries. The third challenge is continuous evaluation of new technology, determining its value to SWAN and its operations.

Long Term / Strategies

Because of the state's economic condition, SWAN is undergoing a detailed review of its finances and services and the support it has received from Metropolitan Library System. Once this has been completed, a new strategic plan can be developed for the future of SWAN.

Products and Services

SWAN maintains an online catalog for its 80 Members. Access is also provided to 86 Internet Only Libraries and 1 Enhanced Access Library. The catalog lists more than one million titles of books, periodicals, cassettes, videos, CDs, DVDs and other library materials. The catalog shows which libraries own a given title and whether the item is currently on the shelf. SWAN's online catalog may be searched by Author, Title, Subject, Author/Title combination and Keyword. Keyword searching includes contents notes and Boolean searching. All searches may be limited by format, publication date and language.

Products and services provided by the SWAN consortium are currently reliant on the Innovative Interfaces Inc. integrated library system branded, "Millennium." Millennium's modules reliably support simple, everyday library transactions for patrons while at the same time meeting the demands of the most sophisticated cataloger, circulation manager, or web librarian.

Millennium Products and Services

Acquisition - Combines ordering and invoicing and provides instant generation of order records when a new bibliographic record is created. EDIFACT and MARC electronic data exchange (EDI) provide a rapid, direct connection to book and media sellers. Innovative libraries also take advantage of productivity tools such as Inventory Express to access multiple vendors, including Amazon.com, Baker & Taylor, BWI, Coutts Information Services, Midwest Tape, and Ingram Book Group in real time.

Millennium Administration - Gives systems librarians and IT staff quick access to code changes, network access reports, and options for changing behaviors and graphics on the public access catalog.

Cataloging Application - Provides libraries the fundamental tool for building a catalog of their holdings. This fully integrated staff module allows for precise metadata handling, in-client connection to vendors and content providers, and flexible reporting. The built-in Millennium Editor provides either guided record creation or work forms that cater to expert catalogers. "Create Lists" provides customized reports on anything catalogers want to know about the database—without leaving the client or relying on systems administrators. Production of shelf ready new material is facilitated by libraries utilizing the spine label printing tool.

Circulation Module - Provides the automation of services libraries are known for: check in, check out, registration of patrons, management of patron records and reservation of patron requests for material. Full integration with Millennium ensures that items just returned or cataloged are immediately shown as "available" in the online catalog. Sophisticated holds handling allows patrons to use the online catalog to request books directly. Millennium Circulation also allows libraries to work together without sacrificing local functions. For example, each location or branch sets its own rules and collects its own statistics for maximum efficiency. Individual patron records may be enhanced through the addition of digital signatures and photographs.

Millennium Serials - Enables library staff to handle all periodical material types while the system automatically adjusts to changes in title and publication patterns with ease. The full extent and status of the library's serials collection is shown in the online patron catalog, in real time.

Federated Searching – Libraries which choose to join a consortium of subscription research database buyers may have the consortium's electronic resources integrated within the patron interface to the catalog which allows simultaneous (federated) search of both the library catalog and the consortium databases.

Online Patron Search Interface –Provides direct service to patrons of the member libraries through these public interfaces. WebPac utilizes standard library search techniques while Encore offers a more user focused searching experience.

There are a number of services/products that are purchased by the SWAN consortium in addition to the integrated library system, Millennium. Most of these provide enhancements to the Millennium system.

ContentCafe – Provides book covers, some media covers, reviews and tables of contents that enhance the catalog for the public. These images can also be used by member libraries for production of brochures and other public material.

E-commerce – provides an integrated publicly available tool for the patron to pay fines and fees with a major credit card. SWAN manages the finances and provides regular crediting of each library's account. E-Commerce is an ILL licensed product.

Online Registration – Provides enhanced library card registration by an automatic generation of a number key that patrons can utilize to begin searching and requesting material during times when the library is closed. A library card can then be generated using the number key by the library that the patron can pick up and verify when convenient.

WAN / VPN Network – The consortium maintains security on the shared catalog which includes many private and confidential patron records, by means of consortium controlled VPN access at each library member. A separate and SWAN controlled firewall is installed at each member library at the library's expense to exclude other library internet traffic from comingling with the secure data.

SWAN Service Units

SWAN Support – The Support team acts as the day-to-day helpdesk for the member libraries. Phone calls from the membership regarding software problems, network issues and requests for software changes are initially handled by this group. The team provides daily services to members that must be done at the consortium level such as running daily notices to patrons and correcting circulation blocks and errors.

SWAN Member Services – This team is responsible for training member library personnel on various aspects of the Millennium system. Member Services helps the Support team to track member library issues and contributes to the documentation available for learning and understanding the Millennium system.

SWAN Special Projects Group – This group consists of technical specialists in the ILL Millennium system. They provide support for regular upgrades and new features. The group also explores applications software outside of the Millennium system that can be used to enhance and extend SWAN services.

SWAN Database Maintenance – This team is responsible for traditional data entry of MARC records and other forms of metadata that reside within the integrated library system. They are charged with administration of Bibliographic and Authority control within the ILS; providing instruction to members on data entry; administration of the interaction of data sources outside the ILS with the Millennium system; administration of the search capabilities available to the public patron and library staff through the web interfaces (WebPac Plus and Encore).

SWAN Administration – Responsibilities include but are not limited to, the creation, presentation and management of the SWAN budget; coordination of communications among member libraries and overseeing the products and services offered by SWAN.

SWAN Direct Benefits to the Public

The SWAN consortium provides a direct benefit to the public population of the member libraries. Residents of the areas represented by the libraries have a fundamental need to access information in pursuit of educational, cultural and recreational goals. The quality of life of our communities is improved through the material and services our libraries provide.

A single library regardless of its size, cannot effectively meet all of the needs of the members of its community. Sharing material across inter-agency boundaries improves the efficient delivery of material and conserves the use of local funds. A consortium catalog of resources, efficiently managed and universally accessible to member communities, provides the single most efficient means of sharing our resources.

The SWAN consortium very effectively manages a wide variety of requirements from relatively small special libraries to the largest public institutions. The organization provides a shared space for member libraries to jointly discuss the greater good for all concerned. The benefits translate directly to improved patron service at all member libraries.

Operational Plan

Production

The management office of the SWAN consortium is located in Burr Ridge, IL which is currently the headquarters of the Metropolitan Library System. The consortium uses an integrated library system (ILS) called Millennium by Innovative Interfaces, Inc. (III) jointly purchased by the member libraries. The ILS provides a secure online catalog that is used by both consortium member library staff and patrons.

Consortium member expenses are determined by formulaic method using a number of factors to determine each member's annual fee (see Appendix C, p21, for the FY11 SWAN Fee Chart). Costs include annual expenditures for the repair and maintenance of SWAN equipment to run the online database, the ILS products and services, additional IT support, as well as SWAN personnel expenses and supplies.

While Innovative maintains the integrity and security of the software as well as providing support, SWAN runs its own hardware and software to provide an additional layer of protection. SWAN staff is also trained to provide IT support for the ILS. SWAN and member library staff are trained to work on the database records. Only SWAN staff and professional staff at specific member libraries are allowed to create and maintain new authority records. Strict rules forbid manipulation of one library's records by another. Security sensitive or proprietary information located on the SWAN website may be accessed only by authorized member library personnel.

The SWAN consortium provides customer service on a number of levels. SWAN is available online for staff and patrons nearly 23 hours a day, 7 days a week. Innovative provides ready support and the ILS software contains an online training manual. The SWAN website provides timely training materials and updates. Member library staff are trained to teach and assist patrons with the use of the SWAN online catalog. The consortium also contracts with Versatile, an independent IT company, for additional support both for internal software and hardware issues at the main office and for member libraries. The main areas of SWAN support through Versatile include library WAN management, client software, and printer configuration.

Both SWAN staff and member library staff can create reports and notices that manage their database maintenance, patron records, interlibrary loan requests and financial interactions with other member libraries. Library patrons may use the online catalog to place and cancel holds, renew materials, and create reading lists. Only authorized staff can create new authority records. Record purges of both items and patrons take place on a regular basis to maintain the integrity of the catalog.

The SWAN consortium, member libraries and Innovative are all involved with product development. Innovative annually asks for new product ideas and enhancements. Both SWAN staff and member libraries have an opportunity to make suggestions through the Innovative Users Group (IUG).

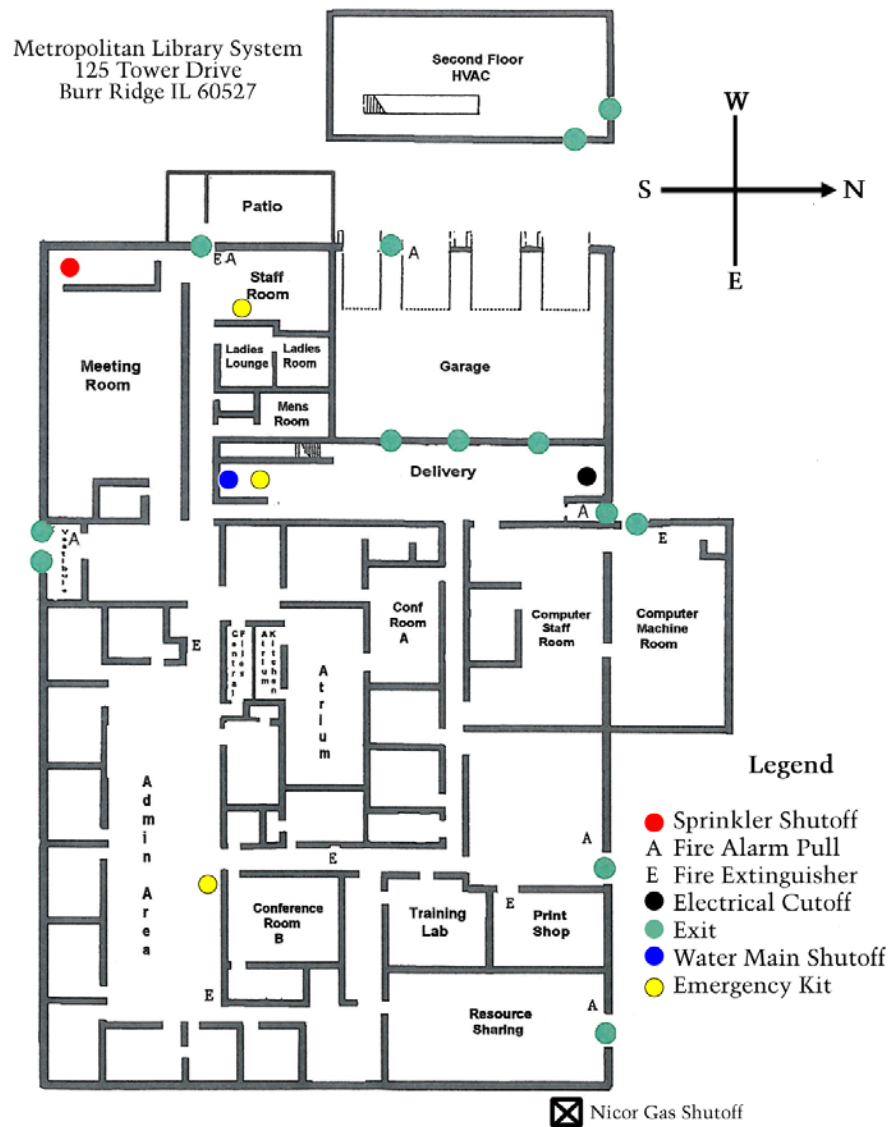
Location

SWAN is located in a suburb of Chicago, currently in the Metropolitan Library System headquarters. The address is 125 Tower Drive, Burr Ridge, Illinois, 60527.

The 22,000 square foot building was built specifically for the system in 1969. The data center that houses the SWAN and MLS servers and other computer equipment is in a separate enclosed space within the computer staff room, and has a raised floor, separate HVAC system, an emergency Halon fire extinguishing system, and a backup battery power unit. The entire building is serviced by a gas generator backup power unit. With the exception of the backup gas generator, the building is entirely electric. The building includes a four-dock loading zone used by the Delivery service.

Access to the building is typically through the back door from the back parking lot, which leads through the active Delivery department sorting area. There is a covered circle drive front entrance, but no parking in the front of the building.

SWAN maintains 24-hour on-site staff Monday – Friday, and daytime staff Saturday and Sunday.



Governance

SWAN is established pursuant to the intergovernmental cooperation clause as set forth in Article VII, Section 10 of the Constitution of the State of Illinois; and the Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq. SWAN has been voluntarily established by contracting public libraries, academic and school libraries, and special libraries to provide the services of an integrated library system. The SWAN Members are dedicated to improving services by sharing resources, technology, and a planned process of individual and collective growth. Library governing boards elect to join SWAN by approving the SWAN Intergovernmental Agreement and are in turn approved for membership by the SWAN Members. Each Member is expected to abide by the policies and procedures established by SWAN. See Appendix E on page 24 for the Intergovernmental Agreement.

The affairs of SWAN are managed by the SWAN Council and Director in conjunction with the SWAN Members. The SWAN Council consists of seven Member administrators elected by the membership. Governance Groups A, B and C each have two representatives. One at-large member is elected from any Governance Group. The SWAN Council meets regularly with the SWAN Director and the Members meet minimally on a quarterly basis. Voting may occur at membership meetings or through electronic means. The annual budget is voted on at a membership meeting. See Appendix F on page 33 for the latest SWAN Bylaws.

Currently SWAN contracts with the Metropolitan Library System for a variety of services including housing the system, assuming utility costs, and provision of staff.

Personnel

SWAN has 14 full time employees and 7 part time employees for a total of 21.

SWAN categorizes employees into three types of labor, Library Professionals, Other Professionals, and Support Services. These categories are determined by position education and experience requirements.

| Labor Type | Employees |
|----------------------|------------------|
| Library Professional | 4 |
| Other Professional | 3 |
| Support | 14 |
| Total | 21 |

New employees are found through a variety of methods, including open postings, formal recruiters, and staff recommendations.

The pay structure consists of thirteen pay ranges, separated by exempt and non-exempt statuses. Included in the ranges are minimum, midpoint, and maximum salaries.

Training is typically done on-the-job, depending on the position. There are no formal ongoing training requirements for SWAN staff.

SWAN is divided into several service units; SWAN Support, SWAN Member Services, SWAN Special Projects Group, SWAN Database Maintenance, and SWAN Administration. See the SWAN Service Units section on page 7 for a detailed description of each service unit.

There are written job descriptions in place for all employees.

In addition to the permanent staff, SWAN has a contract in place with Versatile Computer Services, Inc. since 1996 (<http://www.versatilecsi.com/>). Versatile provides support including library WAN management, client software, and printer configuration.

Vendors

SWAN uses a number of vendors to ensure that services to the member libraries are provided and maintained in a quality manner. Some vendors provide services while others provide goods.

The primary vendor is Innovative Interfaces, Inc. which provides the software and maintenance support needed to run SWAN.

Other vendors include:

- Actual Software, Inc. Broadcast fax
- AT&T Phone/fax telecommunications
- AT&T Datacomm Cisco maintenance (SmartNet)
- Baker & Taylor Software for Content Café
- CDW Government Inc. Various computer supplies
- Central Management Services T1 telecommunications
- Creative Data Products Paper purchases for notices
- Data Center Services Computer room floor cleaning
- Emerson (Liebert) Backup UPS units
- Illinet-OCLC Cataloging services
- Innovative Interfaces, Inc. Software, maintenance support
- Iron Mountain Backup tapes offsite storage
- Marcive Inc. Database maintenance
- Paypal E-Commerce services
- Sun Services Servers and maintenance of servers
- Verisign SSL certificate
- Versatile Computer support services, equipment and supplies

SWAN has been using each of these vendors for a number of years.

Vendors providing everyday types of supplies such as for office use are not listed.

Revenue & Expenses

Revenue

The FY11 SWAN (Computer Fund) budget has been set at \$1,995,122 with all revenues derived from reimbursements, fees and other charges paid by the 80 Member Libraries plus interest income earned on deposits. Fees and reimbursements provided from the SWAN Member Libraries are gathered through quarterly billing. Currently MLS provides support of an estimated \$435,098; see Appendix A on page 17 for the Baseline cost detail.

Fees provided by Member Libraries for the support of SWAN have been determined through the following list of charges.

1. Number of Staff Access Fee: SWAN Access Licenses represent the number of dedicated access points purchased by each library for use by its staff accessing the various SWAN modules. The SWAN access fee of \$32 per month per SWAN Access License reflects that libraries making heavier use of the SWAN server pay a higher level of the cost.
2. Patron Circulation Access Fee: The formula is calculated from the annual circulation of each member library's card holders at all SWAN libraries. The fee derived is used to cover all operating expenses not covered by other revenues.
3. Unlimited OPAC Fee: This fee is based upon the number of SWAN access licenses each library has multiplied by \$5 per month.
4. SWAN/ICN Telecommunications Fee: This is a flat annual fee of \$385 assessed to each SWAN member to recoup operating costs associated with the Illinois Century Network.
5. Reserve Fund Fee: This assessment is calculated by a formula based upon the number of staff user licenses held by each library during the previous fiscal year. This fund may be adjusted to increase or decrease reserve fund fees.
6. Database Maintenance Fee: This fee was developed to sustain the costs associated with cataloging and maintenance of the SWAN database. It is based on the total number of titles held by each member library as of August of each year. The total amount is divided by 12 to arrive at a monthly charge and billed on a quarterly basis.

Libraries can only sustain Member status by contributing at least 1% of the total SWAN operating cost.

Other Fees

1. SWAN Internet Access: For libraries not circulating on SWAN, a fee of \$606.50 is charged per year for access to SWAN's bibliographic database and the ability to place holds. This fee is current as of August, 2010.
2. SWAN Enhanced Access: This annual fee of \$5,868.50 is for those libraries not circulating on SWAN but wishing to have the capability of placing and maintaining holds via either WebPAC or staff modules. The library staff would have access to the SWAN circulation system for entering and maintaining patron records. This fee is current as of August, 2010.

Expenses

All expenditures are reviewed on a monthly basis for approval by the SWAN Council after preparation by the appropriate executive and administrative SWAN staff.

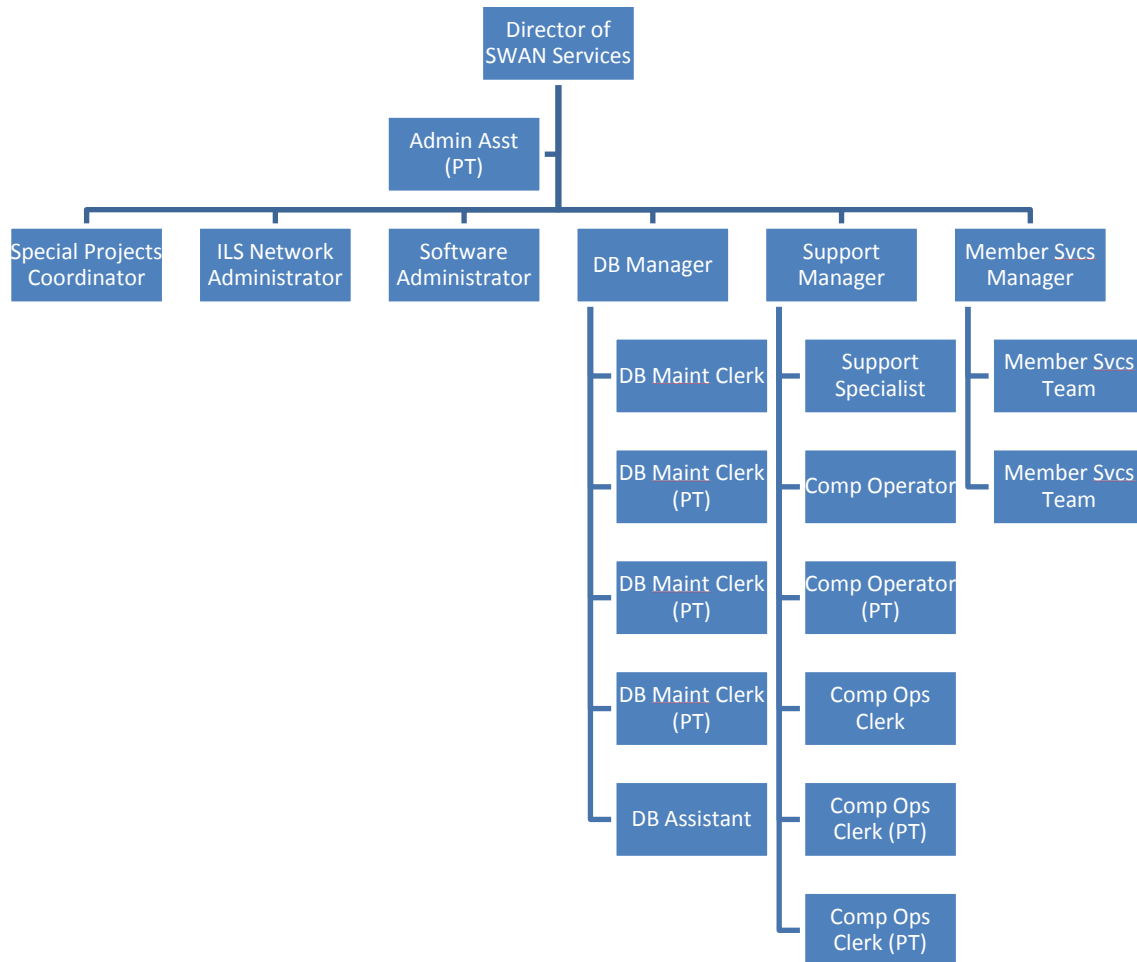
At the present time, MLS covers expenditures for building and grounds, office operations, accounting, information technology, human resources, and supplies. All costs associated with health, dental and life insurance benefits for SWAN staff and the full salary and benefits for the SWAN Director and administrative support are also paid by MLS. All other benefits for SWAN staff and expenses associated with SWAN operation are borne by the resources gathered as noted above from the SWAN Member Libraries.

Management and Organization

The SWAN Director is responsible for administering the policies adopted by the Members, supervising the total operation of SWAN, and serving as advisor to the Council. The SWAN Director develops the program, implements the long range plan, hires, fires, and evaluates the personnel and independent contractors, purchases materials, and undertakes such other activities as may be necessary for the operation of SWAN.

The SWAN Director requires special and distinctive competencies to run the business of SWAN. A highly technical background in public libraries provides the skills necessary to assess, evaluate, and deliver the important technology aspect of the service, in addition to the high level management required. If the SWAN Director was unavailable to work for a short period of time (less than two months), SWAN staff could manage the day-to-day business, but would not be able to conduct or implement long-range strategic planning. In case of a permanent absence, the SWAN Council would initiate a search for a new SWAN Director.

SWAN Organization Chart as of July 2010



Current Financial Status

July 2010 Financial Highlights

Computer Fund revenues are \$369,000 over budget and expenses are \$43,600 under budget for an overall positive variance of \$412,600 through July. Revenue is higher from quarterly billing. Interest income has a \$200 unfavorable variance from continued low interest rates. Salaries & Benefits expense is under budget by \$4,300 through July. Equipment Rental, Repair & Maintenance has had minimal activity. Consulting fluctuates throughout the year based on payment of invoices and is currently \$10,600 under budget. Miscellaneous is over by \$700 due to continued increased E-commerce activity. Capital Outlay was for renewal of Content Café from Baker & Taylor.

Explanation of Calculations: The information above is from July financial statements and compares actual year-to-date expense with the annual budget amount divided by 12 and multiplied by 1 for the year-to-date budget amount through July.

| SWAN Cash / Capital Plan Balance as of 7/31/10 | |
|--|----------------|
| Cash Balance | \$1,206,823.39 |
| Less 3 months operating cash (using FY2011 Budgeted Expenses for compilation) | \$-476,905.50 |
| Balance for Capital / Other Needs | \$729,917.89 |

Baseline Costs

The SWAN Business Plan Committee (BizCom) defined “baseline costs” for the purposes of this plan as *costs for existing services, staff, location, technology, and overhead as they are in the current environment, subsidized by MLS*. Please note that the costs listed in the Baseline Costs document are estimates of what has been contributed by MLS and provide an overview of the types of expenses required to run SWAN. See Appendix A on page 17 for the baseline costs.

Capital Plan

SWAN maintains a Capital Plan, which is a record of items over \$5000 that SWAN plans to purchase within the next five years. See Appendix D on page 23 for the FY11 Capital Plan.

Excess Cash

As of July 2010, the SWAN cash balance is \$1,206,823.39. SWAN earmarks three months of operating cash (\$476,905.50) to use in cases of cash flow issues, leaving the available cash balance at \$729,917.89. The excess cash (sometimes referred to as the Reserve Fund) is intended for emergencies, planned replacements of ILS equipment and software, enhancements to the integrated library system, and other expenses as approved by SWAN members. All expenditures from the excess cash require prior approval by SWAN Members at a Member meeting.

Audit

An audit is performed every year by a licensed outside accounting firm. See pages 35-37 of the audit for the schedule of revenues, expenses and changes in net assets for the Computer Fund. The FY09 audit is available at:

<http://www.mls.lib.il.us/aboutus/MLSFinalFY2009audit.pdf>. The FY10 audit will be available by the end of September 2010.

Appendix A: Baseline Costs

Appendix A: SWAN Baseline Costs – p1 of 2 [Costs in the General Fund column are estimates of what has been contributed by MLS.]

| | Computer Fund | General Fund | Total | Notes |
|--|------------------|----------------|------------------|---|
| REVENUES | | | | |
| Fees for Services & Materials | 416,135 | 0 | 416,135 | |
| Reimbursements | 1,248,482 | 0 | 1,248,482 | |
| Interest Income | 6,000 | 0 | 6,000 | |
| Other Revenue | 350,000 | 0 | 350,000 | Staff Licenses |
| G / (L) Disposal Capital Assets | 0 | 0 | 0 | |
| Total Revenue | 2,020,617 | 0 | 2,020,617 | |
| EXPENSES | | | | |
| SWAN Salaries & Wages | | | | |
| SWAN Library Professionals | 221,611 | 0 | 221,611 | |
| SWAN Other Professionals | 203,099 | 0 | 203,099 | |
| SWAN Support Services | 396,006 | 0 | 396,006 | |
| Total SWAN Salaries & Wages | 820,716 | 0 | 820,716 | |
| SWAN Payroll Taxes & Benefits | | | | |
| SWAN Social Security | 58,001 | 0 | 58,001 | |
| SWAN Unemployment Compensation | 6,716 | 0 | 6,716 | |
| SWAN Workmen's Compensation | 3,283 | 0 | 3,283 | |
| SWAN Retirement IMRF | 64,125 | 0 | 64,125 | |
| SWAN Health, Dental & Life Insurance | 0 | 110,000 | 110,000 | MLS currently paying - \$ per Scott |
| SWAN Other | 0 | 0 | 0 | Flexible Spending |
| Total Payroll Taxes & Benefits | 132,125 | 110,000 | 242,125 | |
| MLS Salary & Wages + Payroll Taxes & Benefits | 0 | 226,206 | 226,206 | SWAN Director, Admin Asst, Network Mgr, Web & App Developer, Sr Accountant, Finance Dir |
| <i>Subtotal: All Salary Wages Payroll Taxes Benefits</i> | <i>952,841</i> | <i>336,206</i> | <i>1,289,047</i> | |
| Printed Library Materials | 500 | 0 | 500 | |
| Building & Grounds | | | | |
| Utilities | 0 | 41,567 | 41,567 | 1/3 of FY11 MLS |
| Property Insurance | 0 | 4,250 | 4,250 | 1/3 of FY11 MLS |
| Custodial Service & Supplies | 0 | 5,133 | 5,133 | 1/3 of FY11 MLS |
| Repairs & Maintenance | 0 | 15,647 | 15,647 | 1/3 of FY11 MLS |
| Other Building Maintenance | 0 | 4,153 | 4,153 | 1/3 of FY11 MLS |
| Total Building & Grounds | 0 | 70,750 | 70,750 | |
| Travel, Meeting & Continuing Education | | | | |
| In-State Travel | 1,500 | 0 | 1,500 | |
| Out-of-State Travel | 7,660 | 0 | 7,660 | |
| Registration Fees | 3,000 | 0 | 3,000 | |
| Total Travel, Meeting & Continuing Education | 12,160 | 0 | 12,160 | |

Appendix A: SWAN Baseline Costs – p2 of 2 [Costs in the General Fund column are estimates of what has been contributed by MLS.]

| | Computer Fund | General Fund | Total | Notes |
|---|------------------|----------------|------------------|--|
| Liability Insurance | 0 | 3,533 | 3,533 | 1/3 of FY11 MLS |
| Supplies, Postage & Printing | | | | |
| Computer Supplies | 10,000 | 6,333 | 16,333 | 19 SWAN PCs x \$1000 replacement cost/3 year refresh cycle |
| Office Supplies | 27,500 | 6,333 | 33,833 | 100% of FY11 SWAN; 1/3 of FY11 MLS |
| Postage/Shipping | 36,825 | 0 | 36,825 | Notices |
| Total Supplies, Postage & Printing | 74,325 | 12,667 | 86,992 | |
| Telephone & Telecommunications | 30,800 | 4,000 | 34,800 | 100% of FY11 SWAN (already 50% of Opt-E-Man/ICN); 1/3 of FY11 MLS Telephone |
| Equipment Rental, Repair & Maintenance | | | | |
| Equipment Rental | 0 | 5,875 | 5,875 | 1/3 of FY11 MLS |
| Equipment Repair & Maintenance | 310,065 | 0 | 310,065 | 100% of FY11 SWAN (already 50% of MLS) |
| Total Equipment Rental, Repair & Maintenance | 310,065 | 5,875 | 315,940 | |
| Professional Services | | | | |
| Accounting | 2,950 | 1,033 | 3,983 | 100% of FY11 SWAN (already 1/3 of audit); 1/3 of MLS payroll service per Scott |
| Legal | 1,000 | 0 | 1,000 | |
| Consulting | 217,928 | 0 | 217,928 | Versatile + MARCIVE |
| Total Professional Services | 221,878 | 1,033 | 222,911 | |
| Contractual Services | | | | |
| Information Service Costs | 186,003 | 233 | 186,236 | OCLC; 1/3 FY11 MLS (survey software) |
| Other | 2,000 | 800 | 2,800 | 100% of SWAN (already 25% Iron Mountain); 1/3 of remaining FY11 MLS Special Services |
| Total Contractual Services | 188,003 | 1,033 | 189,036 | |
| Depreciation | 87,500 | 0 | 87,500 | |
| Membership Dues - Professional | 150 | 0 | 150 | IUG, WILIUG, IOUG |
| Miscellaneous | 7,200 | 0 | 7,200 | E-commerce bank fees |
| Capital Outlay | | | | |
| Computers/Servers etc. | 109,700 | 0 | 109,700 | Spares expense, III and other hardware/software |
| Total Capital Outlay | 109,700 | 0 | 109,700 | |
| <i>Subtotal Overhead (everything except salary)</i> | <i>1,042,281</i> | <i>98,892</i> | <i>1,141,173</i> | |
| Total Expenses - Baseline | 1,995,122 | 435,098 | 2,430,220 | |

Appendix B: FY11 Revenue & Expense

Appendix B: SWAN Revenue & Expense – p1 of 2

Metropolitan Library System Computer Fund Revenue & Expense Report Fiscal Year 2011 Budget - Final

| | FY2010 Through April | FY2010 Budget | FY2011 Budget | Budget % change |
|---|-------------------------|------------------|------------------|--------------------|
| Revenues | | | | |
| Fees for Services & Materials | 373,241 | 373,241 | 416,135 | 11.49% |
| Reimbursements | 1,068,707 | 1,136,882 | 1,248,482 | 9.82% |
| Interest Income | 3,642 | 12,500 | 6,000 | -52.00% |
| Other Revenue | 459,022 | 445,000 | 350,000 | -21.35% |
| G / (L) Disposal Capital Assets | 0 | 0 | 0 | 0.00% |
| Total Revenue | 1,904,612 | 1,967,623 | 2,020,617 | 2.69% |
| Expenses | | | | |
| Personnel | | | | |
| Salaries & Wages | | | | |
| Library Professionals | 116,750 | 140,108 | 221,611 | 58.17% |
| Other Professionals | 102,680 | 123,224 | 203,099 | 64.82% |
| Support Services | 326,802 | 411,101 | 396,006 | -3.67% |
| Total Salaries & Wages | 546,232 | 674,433 | 820,716 | 21.69% |
| Payroll Taxes & Benefits | | | | |
| Social Security | 39,272 | 47,910 | 58,001 | 21.06% |
| Unemployment Compensation | 1,056 | 1,033 | 6,716 | 550.15% |
| Workmen's Compensation | 2,698 | 2,698 | 3,283 | 21.68% |
| Retirement IMRF | 18,101 | 26,807 | 64,125 | 139.21% |
| Health, Dental & Life Insurance | 64,312 | 80,674 | 0 | 0.00% |
| Other | 0 | 0 | 0 | 0.00% |
| Temporary Help | | | | 0.00% |
| Recruiting | 0 | 0 | 0 | 0.00% |
| Total Payroll Taxes & Benefits | 125,439 | 159,122 | 132,125 | -16.97% |
| Library Materials | | | | |
| Printed Materials | 395 | 500 | 500 | 0.00% |
| Travel, Meeting & Continuing Education | | | | |
| In-State Travel | 2,092 | 3,805 | 1,500 | -60.58% |
| Out-of-State Travel | 0 | 3,891 | 7,660 | 96.86% |
| Registration Fees | 3,261 | 2,635 | 3,000 | 13.85% |
| Total Travel, Meeting & Continuing Education | 5,353 | 10,331 | 12,160 | 17.70% |

Appendix B: SWAN Revenue & Expense p2 of 2

| | | | | |
|---|------------------|------------------|------------------|----------------|
| Supplies, Postage & Printing | | | | |
| Computer Supplies | 565 | 7,750 | 10,000 | 29.03% |
| Office Supplies | 0 | 27,500 | 27,500 | 0.00% |
| Postage / Shipping | 27,622 | 40,940 | 36,825 | -10.05% |
| Total Supplies, Postage & Printing | 28,187 | 76,190 | 74,325 | -2.45% |
| Telephone & Telecommunications | 4,980 | 12,301 | 30,800 | 150.39% |
| Equipment Rental, Repair & Maintenance | 253,058 | 275,000 | 310,065 | 12.75% |
| Professional Services | | | | |
| Accounting | 2,842 | 2,839 | 2,950 | 3.91% |
| Legal | 0 | 1,000 | 1,000 | 0.00% |
| Consulting | 159,698 | 227,006 | 217,928 | -4.00% |
| Total Professional Services | 162,540 | 230,845 | 221,878 | -3.88% |
| Contractual Services | | | | |
| Information Service Costs | 159,689 | 159,559 | 186,003 | 16.57% |
| Agreements w/System Libs & Others | 0 | 0 | 0 | 0.00% |
| Outside Printing | 0 | 200 | 0 | 0.00% |
| Other | 833 | 2,000 | 2,000 | 0.00% |
| Total Contractual Services | 160,522 | 161,759 | 188,003 | 16.22% |
| Depreciation | 73,120 | 148,675 | 87,500 | -41.15% |
| Membership Dues - Professional | 40 | 150 | 150 | 0.00% |
| Miscellaneous | 6,615 | 4,200 | 7,200 | 71.43% |
| Capital Outlay | | | | |
| Computers/Servers etc. | 133,143 | 160,192 | 109,700 | -31.52% |
| Debt Service | | | | |
| Principal | | | | |
| Interest | | | | |
| Total Expenses | 1,499,624 | 1,913,698 | 1,995,122 | 4.25% |
| Total Revenue over Expenses | 404,988 | 53,925 | 25,495 | -52.72% |

Appendix C: SWAN Fees Chart FY11

Appendix C: SWAN Fees Chart FY11 – p1 of 2

| LIBRARY | Agency CODE | Staff Licenses | Operating Budget Staff / SWAN Access Fee \$32/mo. | Operating Budget Patron Circ Access Fee | FY2011 Patron Circ Formula | FY2011 Unlimited OPAC Fee | FY2011 SWAN / I/CN Telecom Fee | FY2011 Reserve Fund Fee** | Required Addtl Fee to ± Prior Year | Estimated FY11 TOTAL | FY11 % OF TOTAL | FY11 Database Fee** | FY2011 Grand Total | Change from Prior Year | % Increase FY10 - 11 | # of staff licenses added |
|----------------|-------------|----------------|---|---|----------------------------|---------------------------|--------------------------------|---------------------------|------------------------------------|----------------------|-----------------|---------------------|--------------------|------------------------|----------------------|---------------------------|
| Accom | AOS | 6 | \$2,304 | \$10,240 | 1.50% | \$395 | \$395 | \$1,300 | \$1,153 | \$14,742 | 1.12% | \$4,923 | \$20,665 | \$0 | 0.00% | 0 |
| Alpena | AMS | 13 | \$4,063 | \$10,240 | 1.50% | \$756 | \$395 | \$2,000 | \$0 | \$18,297 | 1.31% | \$8,651 | \$27,948 | \$1,779 | 7.02% | 0 |
| Bedford Pk | BPS | 19 | \$3,465 | \$6,827 | 1.00% | \$640 | \$395 | \$1,300 | \$0 | \$17,077 | 0.89% | \$5,169 | \$22,246 | \$2,517 | 16.60% | 0 |
| Beverly | BOS | 2 | \$768 | \$6,827 | 1.00% | \$120 | \$395 | \$750 | \$0 | \$8,850 | 0.63% | \$1,696 | \$10,546 | \$2,244 | 27.05% | 0 |
| Belwood | BWS | 8 | \$3,072 | \$6,827 | 1.00% | \$460 | \$395 | \$1,300 | \$0 | \$17,077 | 0.86% | \$5,696 | \$11,740 | \$1,154 | 9.99% | 0 |
| Berkley | BKS | 3 | \$1,162 | \$6,827 | 1.00% | \$180 | \$395 | \$750 | \$0 | \$8,294 | 0.66% | \$3,231 | \$12,525 | \$2,758 | 27.58% | 1 |
| Berwyn | BYS | 20 | \$8,652 | \$17,096 | 2.50% | \$1,380 | \$395 | \$2,700 | \$0 | \$30,363 | 2.16% | \$9,966 | \$40,329 | \$2,039 | 7.00% | 0 |
| Bloss Island | BIS | 10 | \$3,846 | \$10,240 | 1.50% | \$600 | \$395 | \$1,300 | \$0 | \$22,368 | 1.16% | \$8,001 | \$32,369 | \$1,769 | 8.72% | 0 |
| Brookview | BVS | 2 | \$3,465 | \$6,827 | 1.00% | \$540 | \$395 | \$1,300 | \$0 | \$12,046 | 0.89% | \$4,557 | \$17,045 | \$472 | 2.86% | 0 |
| Brookview | BRS | 8 | \$3,072 | \$6,827 | 1.00% | \$460 | \$395 | \$1,300 | \$0 | \$18,890 | 1.36% | \$5,444 | \$24,731 | \$2,301 | 10.29% | 0 |
| Brookfield | BFS | 8 | \$3,072 | \$13,653 | 2.00% | \$460 | \$395 | \$1,300 | \$0 | \$8,850 | 0.63% | \$1,696 | \$10,546 | \$2,244 | 27.05% | 0 |
| Brookfield Zoo | BZS | 2 | \$768 | \$6,827 | 1.00% | \$120 | \$395 | \$750 | \$0 | \$8,850 | 1.47% | \$8,850 | \$30,065 | \$0 | 0.00% | 0 |
| Camden City | CAS | 21 | \$3,072 | \$6,827 | 1.00% | \$1,260 | \$395 | \$2,700 | \$1,493 | \$8,769 | 0.93% | \$1,275 | \$10,252 | \$2,132 | 20.65% | 0 |
| Chicago | CHS | 2 | \$768 | \$6,827 | 1.00% | \$120 | \$395 | \$750 | \$0 | \$8,850 | 0.63% | \$1,696 | \$10,546 | \$2,244 | 27.05% | 0 |
| Chicago Hls | CHS | 8 | \$3,072 | \$6,827 | 1.00% | \$460 | \$395 | \$1,300 | \$0 | \$12,046 | 0.86% | \$5,562 | \$20,608 | \$1,641 | 8.67% | 0 |
| Chicago Ridge | CRS | 8 | \$3,072 | \$6,827 | 1.00% | \$460 | \$395 | \$1,300 | \$0 | \$17,223 | 0.86% | \$5,159 | \$22,382 | \$1,737 | 11.22% | 1 |
| Contra | CS | 21 | \$8,654 | \$13,653 | 2.00% | \$1,260 | \$395 | \$2,700 | \$0 | \$26,062 | 1.85% | \$7,041 | \$33,103 | \$1,965 | 8.29% | 0 |
| Carleton Hls | CHS | 2 | \$3,072 | \$6,827 | 1.00% | \$460 | \$395 | \$1,300 | \$0 | \$16,827 | 0.86% | \$3,763 | \$16,827 | \$1,189 | 8.10% | 0 |
| Cleveland | CWS | 5 | \$1,900 | \$6,827 | 1.00% | \$300 | \$395 | \$1,300 | \$0 | \$16,732 | 0.79% | \$4,168 | \$14,900 | \$2,468 | 20.14% | 0 |
| Cleveland | CYS | 4 | \$3,465 | \$10,240 | 1.50% | \$540 | \$395 | \$1,300 | \$0 | \$12,921 | 1.13% | \$5,360 | \$17,317 | \$1,927 | 10.94% | 0 |
| Cuba | COS | 12 | \$4,063 | \$6,827 | 1.00% | \$720 | \$395 | \$2,000 | \$0 | \$14,540 | 1.03% | \$7,842 | \$23,382 | \$1,395 | 6.47% | 0 |
| Duquesne Grove | DOS | 37 | \$14,208 | \$37,546 | 5.00% | \$2,220 | \$395 | \$2,700 | \$0 | \$57,059 | 4.05% | \$8,208 | \$62,867 | \$4,242 | 7.31% | 2 |
| Easton | ECS | 18 | \$5,172 | \$10,240 | 1.50% | \$1,080 | \$395 | \$2,700 | \$0 | \$21,317 | 1.51% | \$9,501 | \$30,818 | \$3,764 | 13.91% | 0 |
| Eastwood Pk | EPS | 3 | \$1,162 | \$6,827 | 1.00% | \$220 | \$395 | \$750 | \$0 | \$9,059 | 4.05% | \$9,059 | \$62,269 | \$4,333 | 7.48% | 0 |
| Eastwood Pk | EFS | 37 | \$14,208 | \$37,546 | 5.00% | \$2,220 | \$395 | \$2,700 | \$0 | \$15,921 | 1.13% | \$9,796 | \$27,717 | \$1,740 | 8.29% | 0 |
| Eastwood Pk | EVS | 17 | \$2,668 | \$10,240 | 1.50% | \$420 | \$395 | \$1,300 | \$0 | \$16,033 | 1.07% | \$5,027 | \$20,065 | \$1,731 | 9.44% | 0 |
| Flossmoor | FMS | 2 | \$4,608 | \$6,827 | 1.00% | \$600 | \$395 | \$2,000 | \$1,412 | \$16,952 | 1.13% | \$5,861 | \$21,843 | \$0 | 0.00% | 0 |
| Fossil Pk | FPS | 5 | \$5,166 | \$10,240 | 1.50% | \$800 | \$395 | \$2,700 | \$0 | \$24,003 | 1.37% | \$5,628 | \$24,913 | \$4,561 | 20.65% | 0 |
| Fossil Pk | FVS | 16 | \$5,144 | \$17,096 | 2.50% | \$960 | \$395 | \$2,000 | \$0 | \$26,295 | 1.89% | \$7,427 | \$34,927 | \$4,326 | 14.69% | 4 |
| Frankfort | FBS | 12 | \$4,063 | \$6,827 | 1.00% | \$720 | \$395 | \$2,000 | \$0 | \$14,540 | 1.03% | \$3,366 | \$17,906 | \$1,633 | 9.37% | 0 |
| Glenwood-Lyn | GWS | 12 | \$2,304 | \$6,827 | 1.00% | \$360 | \$395 | \$1,300 | \$1,166 | \$19,462 | 0.92% | \$6,443 | \$25,905 | \$2,450 | 10.22% | 0 |
| Grange Prairie | GPS | 6 | \$2,304 | \$6,827 | 1.00% | \$360 | \$395 | \$1,300 | \$0 | \$17,176 | 0.79% | \$4,206 | \$21,382 | \$1,663 | 8.56% | 0 |
| Harvey | HAS | 19 | \$3,768 | \$6,827 | 1.00% | \$600 | \$395 | \$2,000 | \$0 | \$13,672 | 1.13% | \$8,150 | \$22,028 | \$2,450 | 12.52% | 0 |
| Hicksville | HCS | 4 | \$1,536 | \$6,827 | 1.00% | \$240 | \$395 | \$750 | \$0 | \$9,738 | 0.69% | \$4,043 | \$13,783 | \$1,215 | 9.07% | 0 |
| Hinsdale | HOS | 16 | \$5,144 | \$13,653 | 2.00% | \$960 | \$395 | \$2,000 | \$0 | \$23,147 | 1.64% | \$8,842 | \$31,984 | \$2,441 | 8.29% | 0 |
| Hogans | HOS | 2 | \$768 | \$6,827 | 1.00% | \$120 | \$395 | \$750 | \$0 | \$8,850 | 0.63% | \$3,029 | \$11,879 | \$2,309 | 24.13% | 0 |
| Homewood | HWS | 14 | \$5,376 | \$17,096 | 2.50% | \$840 | \$395 | \$2,000 | \$0 | \$25,687 | 1.82% | \$8,966 | \$32,656 | \$2,167 | 7.11% | 0 |
| Indian Prairie | INS | 23 | \$8,652 | \$27,306 | 4.00% | \$1,380 | \$395 | \$2,700 | \$0 | \$40,003 | 2.89% | \$11,697 | \$52,270 | \$1,634 | 3.02% | 0 |
| Jandole | JOS | 3 | \$1,162 | \$6,827 | 1.00% | \$180 | \$395 | \$750 | \$0 | \$9,294 | 0.66% | \$3,214 | \$12,508 | \$2,317 | 20.74% | 0 |
| Jandole | JOS | 18 | \$6,912 | \$13,653 | 2.00% | \$1,080 | \$395 | \$2,000 | \$0 | \$24,730 | 1.76% | \$6,983 | \$31,613 | \$3,707 | 13.29% | 2 |
| La Grange | LAS | 11 | \$4,244 | \$10,240 | 1.50% | \$660 | \$395 | \$2,000 | \$0 | \$17,598 | 1.24% | \$6,516 | \$24,037 | \$1,663 | 8.56% | 0 |
| La Grange Pk | LPS | 11 | \$2,304 | \$6,827 | 1.00% | \$360 | \$395 | \$1,300 | \$0 | \$11,176 | 0.79% | \$4,206 | \$15,382 | \$1,395 | 9.51% | 0 |
| Lions | LIS | 6 | \$3,846 | \$6,827 | 1.00% | \$600 | \$395 | \$1,300 | \$0 | \$12,952 | 0.92% | \$4,315 | \$14,315 | \$4,014 | 38.07% | 4 |
| Northam | NOS | 14 | \$5,376 | \$10,240 | 1.50% | \$840 | \$395 | \$2,000 | \$0 | \$18,841 | 1.34% | \$6,136 | \$24,977 | \$1,435 | 6.10% | 0 |
| Maitland | MIS | 10 | \$3,072 | \$6,827 | 1.00% | \$660 | \$395 | \$2,000 | \$0 | \$14,096 | 1.00% | \$5,315 | \$19,411 | \$2,022 | 14.93% | 0 |
| Maywood | MWS | 11 | \$4,244 | \$6,827 | 1.00% | \$660 | \$395 | \$2,000 | \$0 | \$9,738 | 0.69% | \$3,076 | \$11,414 | \$2,165 | 23.38% | 0 |
| McCook | MCS | 4 | \$1,536 | \$6,827 | 1.00% | \$240 | \$395 | \$750 | \$0 | \$18,080 | 1.40% | \$4,498 | \$24,178 | \$1,222 | 5.32% | 0 |
| Melrose Park | MPS | 22 | \$8,448 | \$6,827 | 1.00% | \$1,320 | \$395 | \$2,700 | \$0 | \$18,080 | 1.40% | \$4,498 | \$24,178 | \$1,222 | 5.32% | 0 |
| Midlothian | MOS | 7 | \$2,668 | \$6,827 | 1.00% | \$420 | \$395 | \$1,300 | \$0 | \$11,620 | 0.83% | \$4,738 | \$16,358 | \$1,336 | 8.90% | 0 |
| Midlothian | MOS | 3 | \$1,162 | \$6,827 | 1.00% | \$180 | \$395 | \$750 | \$0 | \$9,294 | 0.66% | \$3,052 | \$16,348 | \$2,098 | 26.70% | 0 |
| Morton Ansonia | MAS | 4 | \$1,536 | \$6,827 | 1.00% | \$240 | \$395 | \$750 | \$0 | \$9,738 | 0.69% | \$3,448 | \$13,186 | \$2,366 | 22.21% | 0 |
| Morton College | MCS | 4 | \$1,536 | \$6,827 | 1.00% | \$240 | \$395 | \$750 | \$0 | \$9,738 | 0.69% | \$3,448 | \$13,186 | \$2,366 | 22.21% | 0 |
| McCormy | MCS | 2 | \$768 | \$6,827 | 1.00% | \$120 | \$395 | \$750 | \$0 | \$8,850 | 0.63% | \$2,481 | \$11,331 | \$2,197 | 24.01% | 0 |
| No. Riverside | NRS | 8 | \$3,072 | \$6,827 | 1.00% | \$460 | \$395 | \$1,300 | \$0 | \$12,046 | 0.86% | \$5,163 | \$17,209 | \$1,108 | 7.49% | 0 |
| Northlake | NLS | 13 | \$4,962 | \$10,240 | 1.50% | \$780 | \$395 | \$2,000 | \$0 | \$18,397 | 1.31% | \$6,688 | \$25,085 | \$2,100 | 8.15% | 0 |
| Oak Lawn | OAS | 28 | \$9,684 | \$20,480 | 3.00% | \$1,560 | \$395 | \$2,700 | \$0 | \$35,109 | 2.49% | \$8,929 | \$44,038 | \$3,059 | 6.83% | 0 |
| Oak Park | OAS | 47 | \$18,048 | \$37,546 | 5.00% | \$2,670 | \$395 | \$2,700 | \$0 | \$61,499 | 4.37% | \$5,717 | \$67,216 | \$87,296 | 100.00% | 47 |
| Oak Park | OFS | 29 | \$11,036 | \$20,480 | 3.00% | \$1,740 | \$395 | \$2,700 | \$2,099 | \$38,510 | 2.73% | \$14,027 | \$52,537 | \$0 | 0.00% | 0 |
| Oak Park | OFS | 6 | \$2,304 | \$10,240 | 1.50% | \$360 | \$395 | \$1,300 | \$0 | \$14,989 | 1.04% | \$5,807 | \$20,456 | \$1,071 | 10.36% | 0 |
| Palos Hills | PHS | 4 | \$1,536 | \$6,827 | 1.00% | \$240 | \$395 | \$750 | \$0 | \$9,738 | 0.69% | \$2,366 | \$12,104 | \$2,031 | 20.11% | 0 |
| Palos Park | PPS | 1 | \$4,662 | \$13,653 | 2.00% | \$780 | \$395 | \$2,000 | \$464 | \$22,264 | 1.68% | \$8,607 | \$30,871 | \$0 | 0.00% | 0 |
| Park Forest | PFS | 11 | \$4,244 | \$6,827 | 1.00% | \$660 | \$395 | \$2,000 | \$0 | \$14,096 | 1.00% | \$3,148 | \$17,244 | \$3,133 | 25.81% | 2 |

Appendix C: SWAN Fees Chart FY11 – p2 of 2

| LIBRARY | Agency CODE | Staff Licenses | Operating Budget Staff SWAN Access Fee \$32/mo. | Operating Budget Patron Circ Access Fee | FY2011 Patron Circ Formula* | FY2011 Unlimited OPAC Fee | FY2011 SWAN / ICN Telecom Fee | FY2011 Reserve Fund Fee** | Required Add'l Fee to Prior Year | Estimated FY11 TOTAL | FY11 % OF TOTAL | FY11 Database Fee** | FY2011 Grand Total | Change from Prior Year | % Increase FY10 - 11 | # of staff licenses added |
|------------------|-------------|----------------|---|---|-----------------------------|---------------------------|-------------------------------|---------------------------|----------------------------------|----------------------|-----------------|---------------------|--------------------|------------------------|----------------------|---------------------------|
| Prince Tls | RTS | 12 | \$4,658 | \$10,240 | 1.56% | \$720 | \$395 | \$2,000 | \$0 | \$17,853 | 1.27% | \$5,225 | \$24,178 | \$2,115 | 9.59% | 0 |
| Rochon Pk | RFS | 8 | \$2,304 | \$6,827 | 1.00% | \$360 | \$395 | \$1,300 | \$0 | \$11,178 | 0.79% | \$3,210 | \$14,388 | \$1,391 | 10.71% | 1 |
| River Forest | RFS | 10 | \$3,640 | \$10,240 | 1.56% | \$600 | \$395 | \$1,300 | \$0 | \$16,385 | 1.16% | \$5,016 | \$21,401 | \$1,633 | 8.10% | 0 |
| River Grove | RGS | 3 | \$1,152 | \$6,827 | 1.00% | \$180 | \$395 | \$750 | \$0 | \$9,294 | 0.66% | \$2,076 | \$11,370 | \$2,071 | 21.74% | 0 |
| Riverside | RGS | 3 | \$1,020 | \$6,827 | 1.00% | \$200 | \$395 | \$1,300 | \$0 | \$10,732 | 0.76% | \$2,432 | \$13,164 | \$2,204 | 20.11% | 0 |
| Riverside | RGS | 10 | \$3,442 | \$6,827 | 1.00% | \$600 | \$395 | \$1,300 | \$1,370 | \$14,322 | 1.02% | \$5,800 | \$21,212 | \$0 | 0.00% | 0 |
| Scholar Pk | SPS | 4 | \$1,600 | \$6,827 | 1.00% | \$300 | \$395 | \$1,300 | \$0 | \$10,732 | 0.76% | \$5,345 | \$16,077 | \$1,205 | 8.19% | 0 |
| So. Holland | SHS | 13 | \$4,968 | \$6,827 | 1.00% | \$780 | \$395 | \$2,000 | \$1,098 | \$10,092 | 1.14% | \$3,383 | \$24,465 | \$0 | 0.00% | 0 |
| So. Suburban Ctl | STS | 4 | \$1,536 | \$6,827 | 1.00% | \$240 | \$395 | \$750 | \$0 | \$9,738 | 0.69% | \$2,068 | \$11,807 | \$2,058 | 21.11% | 0 |
| Steger-S.Chgo | STS | 3 | \$1,152 | \$6,827 | 1.00% | \$180 | \$395 | \$750 | \$0 | \$9,294 | 0.66% | \$2,842 | \$12,136 | \$2,292 | 22.79% | 0 |
| Stickney-FY | SFS | 4 | \$3,072 | \$6,827 | 1.00% | \$480 | \$395 | \$1,300 | \$0 | \$12,064 | 0.86% | \$4,434 | \$16,498 | \$2,410 | 17.15% | 0 |
| Summit | SAS | 4 | \$1,536 | \$6,827 | 1.00% | \$240 | \$395 | \$750 | \$0 | \$9,738 | 0.69% | \$2,563 | \$12,301 | \$2,289 | 21.70% | 0 |
| Thomas Ford | TFS | 10 | \$3,442 | \$10,240 | 1.56% | \$600 | \$395 | \$1,300 | \$0 | \$15,395 | 1.16% | \$5,674 | \$22,039 | \$1,066 | 5.00% | 0 |
| Thorton | THS | 2 | \$768 | \$6,827 | 1.00% | \$120 | \$395 | \$750 | \$0 | \$8,850 | 0.63% | \$1,186 | \$10,035 | \$1,659 | 22.44% | 0 |
| Talley Pk | TFS | 21 | \$8,064 | \$27,308 | 4.00% | \$7,260 | \$395 | \$2,700 | \$0 | \$35,715 | 2.82% | \$3,303 | \$43,018 | \$3,112 | 7.80% | 0 |
| University Pk | UPS | 4 | \$1,536 | \$6,827 | 1.00% | \$240 | \$395 | \$750 | \$0 | \$9,738 | 0.69% | \$2,218 | \$12,047 | \$2,218 | 22.78% | 0 |
| Westchester | WCS | 11 | \$4,224 | \$10,240 | 1.56% | \$660 | \$395 | \$2,000 | \$0 | \$17,599 | 1.24% | \$5,538 | \$24,047 | \$1,780 | 7.99% | 0 |
| Westmont | WMS | 9 | \$3,456 | \$17,090 | 2.50% | \$540 | \$395 | \$1,300 | \$0 | \$22,747 | 1.62% | \$7,026 | \$29,772 | \$2,416 | 8.83% | 0 |
| Wm. Leonard | WLS | 2 | \$768 | \$6,827 | 1.00% | \$120 | \$395 | \$750 | \$0 | \$8,850 | 0.63% | \$502 | \$9,352 | \$2,065 | 26.69% | 0 |
| Woodbridge | WRS | 18 | \$6,912 | \$20,480 | 3.00% | \$1,080 | \$395 | \$2,700 | \$2,428 | \$14,035 | 2.42% | \$13,845 | \$47,560 | \$0 | 0.00% | 0 |
| Worm | WOS | 3 | \$1,020 | \$6,827 | 1.00% | \$300 | \$395 | \$1,300 | \$0 | \$10,732 | 0.76% | \$3,374 | \$14,106 | \$1,040 | 7.96% | 0 |
| TOTALS | | 875 | \$335,000 | \$946,502 | 124.59% | \$52,500 | \$38,600 | \$725,750 | \$13,223 | \$1,405,245 | 100.00% | \$415,135 | \$1,824,380 | \$715,501 | 17.07% | 64 |

* For details concerning the Patron Circ Formula, see the attachment with Quarterly Agenda Item 3b (Computer Fund Sub-Committee recommendations)

0% - 45% category moved from .80% to 1.00%

** For details concerning the Reserve Fund Fee, see the attachment with Quarterly Agenda Item 3c (Computer Fund Sub-Committee recommendations)

*** For details concerning the Database Fee, see the attachment with Quarterly Agenda Item 3d (Database Maintenance Assessment Chart)

Appendix D: Capital Plan

SWAN 5 Year Capital Plan Proposed For FY2011

| Capital Item* | Life | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 |
|--|------|----------------|---------------|----------------|---------------|----------|----------------|---------------|
| Production Server | 3 | | | 185,000 | | | 185,000 | |
| Report Server | 3 | | | | 67,500 | | | 67,500 |
| Catalyst Switch (1/3 of cost to SWAN) | 5 | | | | 15,000 | | | |
| Backup Generator (1/3 of cost to SWAN) | 20 | 34,713 | | | | | | |
| Forms Handling/Pressure Sealer (for notices) | 5 | | | | | | | |
| Digital Signatures (**maintenance of 12% of \$11,250 or \$112.50 per month after 12 months) | 5 | 11,250 | | | | | | |
| Millennium Circulation Patron Images (**maintenance of 12% of \$12,750 or \$127.50 per month after 12 months) | 5 | 12,750 | | | | | | |
| Encore - amount listed has 30% discount (**maintenance of 12% of original price of \$154,500 or \$18,540 every year forward after the first 18 months) | 5 | 108,150 | | | | | | |
| Online Patron Registration (**maintenance of 12% of \$12,500 or \$125 per month after 12 months) | 5 | | 12,500 | | | | | |
| Program Registration - amount listed has 2.5% discount (**maintenance of 6% of original price of \$59,000 or \$3,540 per year after 12 months) | 5 | | 44,250 | | | | | |
| Pathfinder Pro (**maintenance of 15% of original price of \$23,250 or \$3,487.50 per year after 12 months) | 5 | | 16,275 | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| TOTAL | | 166,863 | 73,025 | 185,000 | 82,500 | 0 | 185,000 | 67,500 |

* Capital = any items \$5,000 and over

** Maintenance to be included in operating budget

| | FY2009 | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | FY2015 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Reserve Fund Fee Allocation | | 120,950 | 125,750 | 125,750 | 125,750 | 125,750 | 125,750 |
| Estimated Running Balance*** | 612,045 | 659,970 | 600,720 | 643,970 | 769,720 | 710,470 | 768,720 |

*** This balance is separate from 3 month operating cash reserve

Appendix E: Intergovernmental Agreement

INTERGOVERNMENTAL AGREEMENT ESTABLISHING THE SYSTEM WIDE AUTOMATED NETWORK ("SWAN") AND AUTHORIZING MEMBERSHIP IN SWAN

WHEREAS, the Libraries that have signed this agreement are units of local government and the Constitution of the State of Illinois, 1970, Article VII, Section 10, authorizes units of local government to contract or otherwise associate among themselves in any manner not prohibited by law or ordinance or are entities with libraries that have the authority to contract for library services; and

WHEREAS, Chapter 5, Illinois Compiled Statutes, Act 220, Section 1, et seq., entitled the "Intergovernmental Cooperation Act," provides that any power or powers, privileges or authority exercised or which may be exercised by a unit of local government may be exercised jointly with another unit of local government; and

WHEREAS, the Libraries that have signed this Agreement have determined that it is in their best interest to join together to provide the services outlined in this Agreement and have decided to create an intergovernmental entity called "System Wide Automated Network" (hereinafter referred to as "SWAN"), voluntarily established by contracting Public Libraries, Library Districts and other entities with libraries to provide the services and integrated library system described and set forth in this Agreement.

NOW, THEREFORE, in consideration of the agreements hereinafter provided, and in further consideration of the execution of this Agreement by two-thirds of the libraries listed on Exhibit A, the Board of Trustees of the _____, (hereinafter referred to as "Library" or "Member") agree as follows:

1. Incorporation of Preambles. The above and foregoing preambles are incorporated herein and constitute a part of this Agreement.

2. Establishment of SWAN. The Libraries that have signed this Agreement hereby establish an intergovernmental entity, as contemplated by the Intergovernmental Cooperation Act, which shall be known as the System Wide Automated Network ("SWAN") for the purpose set forth in the next section. SWAN shall commence operations on September 1, 2010.

3. Purpose. The purpose of SWAN is to improve patron service by sharing resources, technology and a planned process of individual and collective growth. SWAN seeks to accomplish this purpose by automating tasks involved in library functions, including but not limited to circulation activities, interlibrary loans, the maintenance of patron files including delinquencies, the maintenance of library catalogs, the acquisition of library materials and serials control. The Members will jointly finance the acquisition and use of an integrated library system for automation of library functions.

4. Definitions.

“Enhanced Access Participant” - Those libraries or library districts that have dedicated access to the ILS for purposes of bibliographic searching, holds processing and patron maintenance, using their own telecommunications equipment. Bibliographic access is available to both the Participant's Library staff and patrons. Conditions and costs are defined in a separate Agreement for Enhanced Access to the SWAN Bibliographic Database, approved by a majority vote of Members and adopted by the SWAN Council.

“Equipment” - The server site hardware components including, but not limited to, the servers, disk drives, user access licenses, and all telecommunications equipment installed both at the server site and remotely at Member's libraries.

“Internet Access Participant” - Those libraries or library districts that access the ILS for purposes of bibliographic searching and holds processing, using their own equipment, shared SWAN support units, and SWAN's web-based catalogue. If shared SWAN support units and telecommunications equipment are used, access is limited to the Participant's Library staff only. Conditions and costs are defined in a separate Agreement for SWAN Internet Access approved by a majority vote of Members and adopted by the SWAN Council.

“Materials” - Print, non-print, electronic materials, and other items held by the Members for use.

“Member” - Any Library, Library District or other entity with a library which has executed an agreement which is accepted by SWAN on substantially the same terms as this Agreement as long as the Member uses the ILS as the primary means of recording circulation and all bibliographic records within two (2) years from the time this Agreement is executed.

“Software” - The computer instructions and programs used by SWAN.

“Integrated Library System” or “ILS”- The integrated library system used by SWAN including all equipment and software that is used for automation of library functions.

“Telecommunications” - The equipment and software needed to transmit data over telecommunications lines between the SWAN server site and Members.

“User Access License” - One non-transferable license for a single access for library staff to the SWAN equipment and software.

“Vendor” - Any vendor or vendors who provide and maintain the ILS pursuant to a contract with SWAN.

5. Swan Administrators' Council. There is hereby established a board of directors which shall be called the SWAN Administrators' Council (“Council”). The By-

laws contain the details regarding membership on the Council, elections, meetings, duties, operation and voting of the Council.

6. Obligations/Duties of Members. The obligations and duties of Members are as follows:

- A. To comply with such other reasonable rules and regulations as may be established by SWAN for the administration of the Agreement and ILS as well as all policies of SWAN, as amended.
- B. To appropriate or budget annually its liabilities for participation in SWAN and the ILS and to meet its obligations hereunder.
- C. To cooperate fully with any agent, employee, officer or independent contractor of SWAN in any matter relating to the purpose and powers of SWAN.
- D. To make payments promptly to SWAN as established in the By-Laws, Annual Fee Chart and this Agreement.
- E. To execute any agreement or other documents with Vendors, such as a confidentiality agreement, required for operation of or participation in the ILS.
- F. To act promptly on all matters requiring approval by the Members and to not withhold such approval unreasonably or arbitrarily.
- G. To make its library materials available for interlibrary loan in accordance with the ILLINET Interlibrary Loan Policy.
- H. To take no action inconsistent with this Agreement as originally written or hereafter amended.

7. Powers and Duties of SWAN. The powers and duties of SWAN to perform and accomplish the purposes set forth in this Agreement are as follows and shall be exercised through the SWAN Administrators' Council:

- A. To administer the ILS.
- B. To adopt by-laws consistent with law and with this Agreement to govern its operation, which by-laws shall include, among other things, provisions dealing with election of officers, meetings, voting, operational services, committees, budgeting and other policies.
- C. To employ or contract with agents, employees, vendors, independent contractors or other entities, including legal counsel, accountants and such

other persons as may be necessary to provide any services required for the ILS or its implementation, to store any of the equipment required to carry out the services outlined in this Agreement and to accomplish the purposes of SWAN.

- D. To purchase or lease equipment, machinery, or personal property necessary for the carrying out of the purpose of the ILS.
- E. To collect payments and assessments from Members.
- F. To procure insurance for the ILS that covers the Equipment and Telecommunications against risks of loss or damage for an amount equal to the replacement cost of the equipment, subject to the usual conditions, stipulations and exceptions.
- G. To hold title to the ILS.
- H. To pass an annual budget and present a financial plan.
- I. To carry out such other activities as are necessarily implied or required to carry out the purposes of the ILS.

8. Use of ILS. The Members will jointly determine the use of the ILS. SWAN does not warrant or guarantee the ILS, nor shall SWAN be liable for any damages resulting from the malfunction of the ILS.

9. LIMITATION OF LIABILITY/DAMAGES.

A. ANY SPECIFICATION, DESCRIPTION, OR OBJECTIVE IN THIS AGREEMENT CONCERNING THE OPERATION OF THE ILS IS A STATEMENT OF THE UNDERSTANDING OF THE PARTIES AS TO THE DESIGN AND SERVICE OBJECTIVES OF THE ILS, AND DOES NOT CREATE AN EXPRESS OR IMPLIED WARRANTY THAT THE ILS DOES OR WILL ALWAYS CONTINUE TO OPERATE AS DESCRIBED.

B. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, NEITHER SWAN NOR ITS OFFICERS, ADMINISTRATORS' COUNCIL MEMBERS, EMPLOYEES OR AGENTS SHALL BE LIABLE TO OR THROUGH THE MEMBER FOR ANY DAMAGES, INCLUDING BUT NOT LIMITED TO DIRECT (WITH THE EXCEPTION OF PERSONAL INJURY AND PROPERTY DAMAGE DIRECTLY CAUSED BY WILLFUL AND WANTON CONDUCT), INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO LOST PROFITS, LOST REVENUES OR FAILURE TO REALIZE EXPECTED SAVINGS) SUSTAINED OR INCURRED IN CONNECTION WITH THE PERFORMANCE OR NONPERFORMANCE OF SERVICES UNDER THIS AGREEMENT, AND ANY

AMENDMENTS THERETO, OR THE PROVISION, USE OR OPERATION OF THE ILS OR SERVICES PROVIDED PURSUANT TO THIS AGREEMENT AND ANY AMENDMENTS THERETO, REGARDLESS OF THE FORM OF ACTION AND WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE.

C. NEITHER PARTY TO THIS AGREEMENT, INCLUDING THEIR OFFICERS, ADMINISTRATORS' COUNCIL MEMBERS, EMPLOYEES AND AGENTS, SHALL BE LIABLE IN ANY WAY FOR DELAYS, FAILURE IN PERFORMANCE, LOSS OR DAMAGE DUE TO FORCE MAJEURE CONDITIONS OR CAUSES BEYOND SUCH PARTY'S REASONABLE CONTROL.

D. ANY ACTION IN LAW OR IN EQUITY ARISING FROM OR IN CONNECTION WITH ANY MATTER UNDER THIS AGREEMENT MUST BE BROUGHT WITHIN TWO YEARS AFTER THE CAUSE OF ACTION HAS ACCRUED. ANY SUCH ACTION SHALL BE LITIGATED IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS (AND IN NO OTHER STATE OR FEDERAL COURT) AND THE PARTIES HERETO CONSENT TO THE JURISDICTION OF THE SAID CIRCUIT COURT OF COOK COUNTY.

E. EXCEPT AS SET FORTH EXPRESSLY IN THIS AGREEMENT, NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARE MADE BY SWAN.

F. THE TERMS AND CONDITIONS IN THIS SECTION 9 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

10. Liability of SWAN, Its Employees and SWAN Administrators' Council Members.

A. The members of the SWAN Administrators' Council and employees of SWAN shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. They shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or independent contractor; nor for any loss incurred through investment of SWAN funds or failure to invest. They may participate in indemnification and self insurance programs. No Administrators' Council member or employee shall be liable for any action taken or omitted by any other Administrators' Council member or employee. No member of the SWAN Administrators' Council shall be required to give a bond or other security to guarantee the faithful performance of the Council member's duties hereunder, except as required by this Agreement or by law.

B. The liability of SWAN, its employees and SWAN Administrators' Council members is limited solely to the proceeds of payments of Members.

C. If any claim or action not covered by insurance is instituted against a SWAN Administrators' Council member or employee of SWAN allegedly arising out of an act or omission occurring within the scope of his or her duties or authority, SWAN shall at the request of them:

1. appear and defend against the claim or action; and
2. pay or indemnify the SWAN Administrators' Council member or employee for a judgment and court costs based on such claim or action, provided there shall be no indemnification for any portion of a judgment representing an award of punitive or exemplary damages; and
3. pay or indemnify the SWAN Administrators' Council member or employee for a compromise or settlement of such claim or action providing the settlement is approved by the SWAN Administrators Council.

D. The term "SWAN Administrators' Council member or employee" shall include former SWAN Administrators' Council members and employees. This indemnification resolution shall not apply if the SWAN Administrators' Council finds that the claim or action is based on malicious, willful or criminal claim or action is based on malicious, willful or criminal misconduct. In such case the action to be taken by the SWAN Administrators Council will be determined after an investigation of the facts.

E. Moreover, all Members shall indemnify and hold harmless SWAN, SWAN Administrators' Council members, employees and agents for any actions that it may take or fail to take, and such indemnity shall include, to the extent not indemnified under the provisions of this Section 10, all losses, costs, expenses, damages and claims of whatever kind and nature.

11. Notices. All notices of claims or any other notice required to be given pursuant to this Agreement, shall be in writing, shall be sent by certified mail and shall be addressed to:

SWAN
125 Tower Drive
Burr Ridge, Illinois 60527
Attention: SWAN Executive Director

And to: Insert address and contact for Member

12. Payments by Members – Assessments. Each Member shall pay all fees set forth on the SWAN Annual Fees Schedule, or any other costs and fees determined by the Members. Any Library joining SWAN whose records must be migrated or entered into SWAN must pay impact fees for joining SWAN.

13. Rights of Members. Rights of each Member of SWAN shall include the following:

A. To enforce the obligations of SWAN as set forth herein as a contractual obligation. This contract may be enforced in a court of law either by SWAN itself or by any of its Members. The consideration for the obligations imposed herewith shall be based upon the mutual promises and agreements of the Members set forth herein.

B. To participate on uniform and nondiscriminatory terms.

14. Amendments. The SWAN Administrators' Council may propose amendments to this Agreement at any time. The proposed amendment must be approved by a vote of at least two-thirds (2/3) of SWAN Members.

15. Patron Information. Patron information in the SWAN database remains the property of the Member that entered it. Use of such information shall be restricted to official use by members and Enhanced Access Participants in conformity with all applicable federal and state laws.

16. Waiver. The waiver by any Library signing this Agreement or by SWAN of any breach or violation of any provision of this Agreement shall not be deemed to be a waiver or a continuing waiver of any subsequent breach or violation of the same or any other provision of this Agreement.

17. Authority/Rights. Each of the Parties to this Agreement represents and warrants that it has the full right, power, legal capacity, and authority to enter into and perform its respective obligations hereunder and that such obligations shall be binding upon such Party without the requirement of the approval or consent of any other person or entity in connection herewith. This Agreement creates no rights, title or interest in any person or entity whatsoever (whether under a third party beneficiary thereof or otherwise) other than the Parties.

18. Execution of Agreement. This Agreement may be executed in counterparts, each of which will be signed by one Member Library, and each separate Agreement and all such collectively constitute one original. Facsimile signatures shall be sufficient.

19. Assignment. Under no circumstances shall this Agreement be assigned by any party or be construed as one of agency, partnership, joint venture or employment between the Parties. The Parties shall each be solely responsible for the conduct of their respective officers, employees and agents in connection with the performance of their obligations under this Agreement.

20. Term and Termination. This Agreement shall continue unless and until either SWAN or the Member terminates the Agreement by providing six (6) months' prior written notice. In addition, SWAN may terminate this Agreement if a Member breaches the Agreement, upon three months' prior written notice. If the Agreement is terminated, the Member must pay all unpaid costs incurred up to and including the time of termination. The obligation to pay all such costs survives the termination of this Agreement. If the Member terminates the Agreement, the Member shall pay all costs incurred by SWAN due to the Member's decision to leave SWAN, including any work performed by SWAN employees or agents after the termination of the Agreement.

21. Dissolution. If SWAN dissolves, all Members shall have the right of first refusal regarding the purchase of all equipment, property and other assets of SWAN and shall share in the proceeds, if any, of any such sales in the ratios/percentages represented in the then-current (at the time of the sale) SWAN Annual Fees Schedule. Surplus funds, if any, shall be distributed in the ratios/percentages represented in the then-current (at the time of the sale) SWAN Annual Fees Schedule.

22. Section Headings. The section headings inserted in this Agreement are for convenience only and are not intended to and shall not be construed to limit, enlarge or affect the scope or intent of this Agreement or the meaning of any provision hereof.

23. Validity and Savings Clause. In the event that any provision of this Agreement shall be declared by a final judgment of a court of competent jurisdiction to be unlawful or unconstitutional or invalid as applied to any Member, the lawfulness, constitutionality or validity of the remainder of this Agreement shall not be deemed affected thereby.

24. Governing Law. This Agreement shall be construed in accordance with the Constitution and laws of the State of Illinois.

25. Effective Date. For any Member who executes the Agreement before August 31, 2010, the Effective Date shall be September 1, 2010. For any Member who executes the Agreement after August 31, 2010, the Effective Date shall be the first day of the calendar month next following the month in which the Member has duly approved and executed this Agreement or a substantially similar agreement.

IN WITNESS WHEREOF, the Library whose signature is set forth below, acting under the authority of its Board of Trustees, has caused this Agreement to be executed by its duly authorized officers as of the date written on the first page.

BOARD OF LIBRARY TRUSTEES OF

By: _____
Its President

Attest:
By: _____
Its Secretary

Appendix F: Bylaws

The SWAN Bylaws are currently under revision, and the final version will be available upon approval of the SWAN membership.

Appendix G: MLS/SWAN Agreement

The MLS / SWAN Agreement is currently being developed, and the final version will be available via request to the SWAN Director.