

**SWAN Committee of the Whole Meeting**  
**RAILS – 125 Tower Drive, Burr Ridge, Illinois 60527**  
**November 9, 2011**  
**Minutes**

**Council:** Cindy Rauch (Homewood), Jamie Bukovac (Indian Prairie), Melissa Gardner (Broadview), Rich Wolff (Tinley Park), Mike Davis (Chicago Heights), Sheila Sosnicki (Palos Park), and Jeannie Dilger-Hill (La Grange).

**Call to Order:** Cindy called the meeting to order at 9:32 am.

Jamie moved and Melissa seconded to add "topics from the floor" to end of the agenda. Motion approved.

**Introductions:** All attendees introduced themselves.

Ruthann Swanson (Alsip), Jim Deiters (Blue Island), Kim Litland (Brookfield PL), Kathy McSwain (Chicago Ridge), Jane Schoen (Cicero), Jane Schulten (Crete), Ron Stoch (Eisenhower), MaryBeth Campe (Elmhurst), Nicki Seidl (Evergreen), Megan Millen (Flossmoor), Pierre Gregoire (Frankfort), Karen Keefe (Hinsdale), Judy Young (Hodgkins), Dixie Conkis (LaGrange Park), Al Morrow (McCook), Kathy Berggren (Matteson), Cynthia Maiello Gluecklich (Melrose Pk), Mary Beth Sharples (Midlothian), Sharon Highler (Northlake), James Casey (Oak Lawn), Dee Brennan (Oak Park), Mary Weimar (Orland Pk), Scott Remmenga (Orland Pk), Robin Wagner (Orland Pk), Elaine Savage (Palos Hts), Ruth Faklis (Prairie Trails), Sheri Starr (Prairie Trails), Meg Klinkow (So Holland), Lisa Korajczyk (Steger South), Sarah Cottonaro (Stickney Forest View), Anne Kozak (Thomas Ford), Christine Kuhn (Westmont), Susan McNeil-Marshall (Woodridge), Carol Hall (Worth), Stacy Whitman (Eisenhower)

**SWAN Organization & Its Responsibility for Managing Employees**

Cindy Rauch thanked everyone for coming. We need feedback on the budget as we move forward with decision-making. Council is nearing a decision: in the interest of running efficiently, we feel it is vital to take on responsibility of managing our own employees. They would be on SWAN payroll.

Reasons include:

1. Establish clear commitment to staff about their employer and continuity of their jobs.
2. RAILS is being directed by State Library to put into place a salary scale that could negatively effect current employees. We would have no control over this. This could have ramifications to SWAN operations: could lose employees.
3. No control over external expenses, such as health insurance. If employees are SWAN's, it could choose a benefits package.
4. Would help SWAN better evaluate and supervise employees. Aaron evaluates staff, but his hands are tied about increases.
5. Staffing needs may change when/if SWAN migrates to a new ILS. Continuing with RAILS could make those changes cumbersome and not as nimble as SWAN needs to be.
6. Stability: state funding structure being what it is, we are still tied to RAILS if we want state money.

Jamie added that in negotiating a new contract, RAILS will likely ask SWAN to pick up benefits and unemployment, which SWAN currently doesn't pay but other LLSAPs do. Taking on employees would give SWAN control over those benefits.

Cindy shared that she talked with Michael Piper in advance to let him know SWAN is beginning these discussions. Ruth Fakis asked if they (RAILS) would consider grandfathering current staff at their current salaries. Cindy said the personnel committee of RAILS is not anywhere near making that decision.

Meg Klinkow Hartmann asked if the discussion with Michael Piper included the idea of "secession." Cindy clarified that she told him we were mostly thinking of taking on staff in next fiscal year. John is interested in maintaining ties if possible, but he and Michael were not prepared to speak for whole RAILS board. John indicated that he personally wants us to continue to collaborate, and that he did not personally endorse any SWAN decision to take on its own employees.

Aaron added that John even proposed the idea of a multi-year contract, because he is concerned about the political ramifications of severing ties.

Mary Beth Sharples asked about the RAILS board's response to SWAN's request to change the area and per capita language. Aaron responded that they did, but they continue to revise the area and per capita grant.

Ruth Fakis supported the decision, and suggested running 2 budgets. Jamie responded that we will share budget info later in the meeting. SWAN is looking at making the change July 1, and the SWAN Council has a checklist to follow to make those changes.

Kathy Berggren wanted to clarify: library systems have control of the LLSAP staff, not the LLSAP entities. If the library system sets up a compensation scale that SWAN doesn't agree with, SWAN would have no recourse. Kim Litland asked to see these RAILS salary scales. Cindy gave some info on the comparison scales they are considering. These are on the RAILS website for the RAILS Personnel Committee, but there is no completed compensation scale for RAILS yet.

Scott Remmenga asked about the discussion regarding facilities. Our goal is to continue to contract for facilities, IT, etc. in FY 2013.

Ron Stoch asked about pre-merger LLSAPs. CCS is already independent. How can state change their requirements for LLSAPs if they were previously supporting CCS? It was clarified that CCS has not received state money.

Susan McNeill Marshall asked if we become independent, how will that affect working with other LLSAPs? Jamie said we are still planning to contract with system for next year. Jamie said that SWAN having its employees at this point will put SWAN fiscally closer to being able to guarantee future success.

Anne Kozak asked where system is on a facilities decision regarding the various system buildings. They are still in preliminary stages, although they have received a report from a consultant. No decision has been made.

### **Excess Cash**

Jamie said the Finance Committee wanted to give a picture of SWAN's excess cash and created a worksheet (handout at the meeting). Jamie walked through the excess cash document: current cash

balance, 4 months operating expenses, and other dedicated committed funds. Then she talked about future capital expenses, including server replacements and a potential ILS migration. Other possible expenses include some software, admin transition costs and financial software, and costs related to a new facility. The future projection includes the full amount of excess cash for next three years. The SWAN Finance Committee was very conservative and used high numbers for the excess cash planning worksheet.

### **FY13 Budget**

Aaron reviewed the Info and Guidelines sheet. He recapped how fees are charged, reviewed personnel costs for FY11, FY12, and FY13. RAILS rates are slightly different for IMRF, unemployment, and health insurance. If we take on our own employees, many of these rates may change. Scott Remmenga suggested that many of these would go down, including IMRF and unemployment through LIMRiCC.

Dee Brennan advocated for increasing professional development line. She said now is time to be following changes in ILS and open source options.

Finance Committee will be looking at E-commerce merchant fees, to see if we can lower those. Nikki Seidl suggested looking into E-rate possibilities.

Aaron then walked through the seven membership fees and the fee chart. As a side note, he mentioned that a committee will be looking at ways to simplify this chart by next year.

Kathy Parker asked for clarification: Is Council recommending to take on all staff costs? Council said that we'd have to do that even if we contract. We're recommending hiring on staff since we have to pay anyway.

Pierre Gregoire said he assumes we don't anticipate any reorganization or cutting back on staff. Aaron said not in FY13 budget.

Ruth Faklis asked for clarification on Aaron's salary. Aaron said his salary is currently paid by RAILS, but would be covered by SWAN in FY13.

Questions arose about excess cash: if RAILS covers additional areas in the contract, would SWAN refund members? Differing opinions on whether SWAN should put that money into excess cash were expressed. Anne Kozak suggested the SWAN Council needed to have a discussion about how much SWAN can afford to put in reserves, because it impacts the reserves were able to put aside for our own libraries. At some point, we may have to decide how much we can afford. Mary Weimar is uncomfortable with vague language: keeping money "just in case." Megan Millen countered we don't all agree with that. It was suggested that we vote at June quarterly about whether to keep excess in reserves or refund to members. Ruth Faklis pointed out that some libraries could leave, and that would impact our budget as well. Christine Kuhn said she served on the committee that set up the "reserve fund" and it was during a period when SWAN was unhappy with its ILS vendor Innovative and wanted to set aside funds to be able to migrate. She wants to be sure we keep that \$800k or so for a potential migration at any time. She suggested a model for refunding any excess cash after we reach a certain level (adjusted yearly for CPI). She also asked if we stay the way we are now, what does that mean for the budget? Mary Beth Campe seconded her idea about a level to refund and suggested SWAN Council consider a reserve fund policy.

Kim Litland asked about the conversations with RAILS: are there official conversations? Cindy shared what discussions we'd had so far. Council has also attended some RAILS meetings, but not as invited attendees, and we've not been asked to speak. Aaron shares info from Tom Sloan and Su Bochenski. LLSAPs meet regularly and share info as well. Council will be meeting with other northern LLSAPs and the State Library on Nov. 29th. Discussion about the communication with RAILS followed.

Jim Casey asked if the six nearby PrairieCat libraries will become independent, will they receive money from the state? Jeannie clarified that the six libraries have until 12/31/2011 to decide, but if they leave, they won't get state money. Aaron also updated everyone on the IHLS migration, and that information is on the IHLS website.

Ruth Faklis asked why RAILS per capita money is not listed in income. The answer was SWAN doesn't actually see that money; it goes to RAILS, and they bill us for items not covered by that.

### **Other Topics from the Floor**

R2009B: Aaron said as of this morning that Millennium Acquisitions was still down. Ill said it would take 2 hours, but it took 2 days, but Acquisitions is up now. Client upgrade went well, with no downtime. Only 1 library did not do advance prep work, and they did not go up until they did.

Kathy Parker recommended that everyone go to the RAILS board meeting, to make sure our decision is presented in the right light. She doesn't want us to be seen as seceding from the union. Aaron recommended participating in the communication survey that has gone out from RAILS.

Karen Keefe asked about the conversation regarding the future of SWAN: do we expect to go on into perpetuity? Cindy said that Council is getting ready to do strategic planning. Her personal feeling is that we may want to consider the best way to operate for members in the future, and this may include looking to other LLSAPs; we have not talked about that as a board. Ruth Faklis feels we are adaptable, we've had many different ILS systems, and we'll be around for a long time.

Kathy Parker shared more info about personnel committee of RAILS. State Library won't give direction on the salary scale, but says "we'll know it when we see it."

Elaine Savage asked about when we'll be able to look at new enhancements and moving forward. Aaron shared her frustration. Jeannie responded that we really need to do strategic planning to ask members where we need to be focusing our efforts.

Mary Weimar had an interest in enhancements. Aaron explained that SWAN has to propose it and get it voted on through the Innovative Users Group (IUG). Ill won't build enhancements for individual customers.

Meeting was adjourned at 11:35 am.

Respectfully Submitted,

*Jeannie Dilger-Hill*

Jeannie Dilger-Hill  
SWAN Council Secretary