

**Administrative Council Meeting
January 19, 2018 10:00 a.m. - 2:00 p.m.**

Sacramento Public Library, North Natomas Branch
4660 Via Ingoglia
Sacramento, CA 95835

- | | | |
|---|------------------|--------------|
| 1. Welcome | Lightbody, Chair | |
| 2. Public Invited to Address the Council | Lightbody | |
| 3. Approval of the Agenda (Action Item) | Lightbody | |
| 4. Approval of Minutes of Administrative Council Meeting, June 16, 2017
(Action Item) | | Attachment 1 |
| 5. Link+ Study (Document to be Distributed Separately) | Lightbody | |
| A. Presentation from Tom Jacobson, Consultant, Third Chapter, on NLS Study for the
Feasibility for Link+ | | |
| B. Sharing by Solano County and Napa County Libraries about Link+ | | |
| C. Discussion of Next Steps | | |
| 6. NLS Bylaws | Hunt/Dodd | |
| A. Approve Revision of NLS Bylaws (Action Item) | | Attachment 2 |
| B. NLS Membership Eligibility Discussion | | |
| 7. Approve NLS Operating Reserve Policy (Action Item) | Brinkley/Yon | Attachment 3 |
| 8. New Executive Committee Member (Action Item) | Brinkley | Attachment 4 |
| 9. CalPERS Update (Document to be Distributed Separately) | Brinkley | |
| 10. Professional Development Workshop | Lightbody | |
| A. Power, Influence and Accountability - Cheryl Gould, Fully Engaged Libraries | | |
| 11. Adjournment | | |

Working lunch to be provided.



NorthNet
Library System
Connecting Northern California Libraries

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**NorthNet Library System Administrative Council Annual Meeting
Solano County Library, Fairfield Cordelia Branch Library
June 16, 2017**

Draft Minutes

Name	Library
David Dodd	Benicia Public Library
Mel Lightbody	Butte County Library
Stacey Costello	Colusa County Library
Lori Easterwood	Folsom Public Library
Vanessa Christman	Humboldt County Library
Christopher Veach	Lake County Library
Deb Probst	Lassen Library District
Kathryn Hunt	Lincoln Public Library
Danis Kreimeier	Napa County Library
Yolande Wilburn	Nevada County Library
Eve Nyren	Placer County Library
Rivkah Sass	Sacramento Public Library
Sarah Houghton	San Rafael Public Library
Henry Bankhead	San Rafael Public Library
Michael Perry	Siskiyou County Library
Suzanne Olawski	Solano County Library
Bonnie Katz	Solano County Library
Tracy Gray	Sonoma County Library
Chris Kreiden	St. Helena Public Library
James Ochsner	Sutter County Library
Todd Deck	Tehama County
Greta Galindo	Woodland Public Library
Scott Love	Yolo County Library
Carol Frost	Pacific Library Partnership
Jacque Brinkley	NorthNet/Pacific Library Partnership

Meeting called to order by Past Chair, Lightbody at 9:30 a.m.

Lightbody welcomed the members and asked for introductions.

No public in attendance.

Motion to approve Agenda.

Dodd asked if the meeting agenda included any discussion of Link+ study. Brinkley reported that the ILL RFP will be discussed as part of the NLS 2017/18 Plan of Service.

Houghton moved; Hunt seconded. Approved.

Motion to approve Minutes of June 7, 2016 AC Annual Meeting.

Olawski moved; Sass seconded. Approved.

Motion to approve Finance Committee's recommendation for NLS Exec Committee to use the Consumer Price Index to annually review and adjust Member Dues, beginning FY 2018/19.

Dodd moved; Easterwood seconded. Approved.

Kreimeier presented slate of nominations for NLS Officers and Executive Committee members. She thanked all candidates for their willingness to accept their nomination.

Motion to approve the slate of nominations.

Perry moved; Love seconded. Approved.

Frost and Brinkley presented the NLS 2017/18 Plan of Service. Frost explained that the Plan is developed with input from the Executive Committee and NLS administrative support and submitted to the CA State Library on June 1. The Plan of Service is reviewed by State Library and staff of the California Library Services Board for compliance. Plans will be submitted to the CLSB for approval at meeting of 10/05/2017.

Discussed Plan of Service, CLSA Budget and proposed Communications and Delivery goals and initiatives for 2017/18, including ILL Study RFP contract that was awarded to Third Chapter Partners with Tom Jacobsen as consultant. Tom is drafting a comprehensive survey for NLS members to begin this project. Survey will be released early July. Tom will make site visits to selected libraries to get additional input to support the research and supplement survey results. Deliverables include project recommendations regarding feasibility and cost benefit analysis of expanding Link+ in NLS. Consultant projects recommendations to be presented to Executive Committee in early Fall 2017.

Kreimeier asked for the criteria used to define "rural" library, as used in the Plan of Service/System Demographics. Frost and Brinkley will report back to membership on CLSA definition of rural.

Motion to approve NLS FY 2017/18 Plan of Service.

Hunt moved; Ochsner seconded. Approved.

Frost presented the NLS /PLP Administrative Contract for FY 2017/18. Over the last year, Peninsula Library Services (PLS) reviewed all contracts held with outside agencies and determined that there were inconsistencies in how contracts are handled. With this review, all contracts were modified and NLS contract was adjusted to more accurately reflect actual costs of NLS administrative oversight, as PLP has been supplementing much of the admin costs. The contract presented is a 6% increase over the FY 2016/17 contract and includes time for System Coordinator and increased staff support time based on

2016/17 activities and projected projects that will require support for 2017/18. Projected projects expected to require PLP admin support include working with the attorney contracted to research Legacy Systems and CalPERS obligations; Link+ study; Zip Books expansion.

Frost announced that PLP's CFO, Donna Truong, is retiring June 30, 2017, and that a Controller has been selected, but she is unable to give official notification until background clearance has been obtained. She expects to make official announcement of candidate week of June 20th.

Dodd asked if in the future, the contract for NLS Administrative Services would be through an RFP process. Lightbody responded that an RFP was sent out two years ago with only one response. However, the Executive Committee does intend to put out an RFP for FY 2018/19 and will be working on that Fall 2017.

Frost continued that that NLS Budget is healthy and that even with an increased administrative contract, NLS would not be required to use reserves to meet the expense. Frost reminded members that CLSA allows up to 25% of CLSA funding to be allocated to Administration. She also mentioned that the NLS member dues structure will be adjusted annually using the CPI which will bring additional funds to the budget. Frost also mentioned that in this past year, Sonoma County Library administration met with PLP to review NLS contract and administrative responsibilities in consideration of taking over the contract. Upon review of the complexity and scope of administrative functions required, they declined any further consideration.

Lightbody invited Administrative Council Members to sit on the Ad Hoc committee to review the contract and future RFP and any proposals submitted. She stressed that this is an important process to have reviewed by all who wish to participate.

Discussion continued as to how PLS/PLP reviewed contract details. Frost reported that the review will continue with the new controller and can come back to the Executive Committee to present. Lightbody asked if PLS Study from last year re: contract review is available to review. Frost will ask PLS Advisory Committee if available for sharing with NLS. Frost also mentioned that she would prefer to review the Study results with NLS Exec Committee, if it is available.

Motion to Approve FY 2017/18 NLS/PLP Contract.

Sass moved; Kreimeier seconded. Approved.

Frost and Brinkley presented the FY 2017//18 Member Dues and Fees.

Gray asked for clarification on Budget and Delivery charges. Delivery is based on actual cost and unrelated to service population, on which a portion of member dues is calculated.

Motion to Approve FY 2017/18 NLS Membership Dues and Fees.

Kreimeier moved; Houghton seconded. Approved.

Frost and Brinkley presented the FY 2017/18 Budget. Frost commented that the NLS budget is healthy and significantly larger than original budget of FY 2016/17. Funds are yet to be allocated within the

Communications and Delivery budget and will be determined once the Link+ study is completed and consultant's recommendations are reviewed by the Executive Committee. NLS also received funding for administration of the CLSA Zip Books expansion project. Also unallocated as of yet in the NLS C&D budget is funding for contractual services. Contract services can include consultants or other services yet to be identified. Also, approved by the Executive Committee this year, is 2017/18 Califa membership paid for all NLS member libraries. NLS members are encouraged to make use of this benefit. Frost also noted that while not printed on the Budget page, the NLS Fund Balance is at \$385,000. Brinkley reported that, at the request of former NLS Chair and EC members, she will draft a Reserve Policy for Exec Committee to review and consider for adoption.

Sass asked about C&D and the CLSA allocation. She expressed that she had concern with how contracts are allocated, i.e. Califa contract. Frost referred to pg. 17 of Agenda Packet and reviewed line items of the Budget and again stated that not all funds had been allocated and that the NLS Executive Committee oversees and approves appropriate expenditures from this budget.

Probst asked for clarification on what is included in Delivery charges. Lightbody explained that Delivery is the physical movement of materials from one library to another, but this service is not used in North State due to geographical distances and related costs to move materials.

Perry asked if libraries were unable to utilize their entire CLSA allocation, how would that be handled considering restrictions on use of C&D funds. Frost reported that she was unaware of any library that was not fully expending their C&D funds. Frost also reported that she and other System Directors have worked over the past year to make recommendations to the CA Library Services Board on revisions to the CLSA regulatory language in order to broaden definitions currently used that significantly limit "How we share resources" and how libraries define "delivery."

Dodd offered to review Reserve Policy documents when drafted.

Motion to Approve NLS Budget

Perry moved; Wilburn seconded. Approved.

New Business

In absentia, Jeanne Amos, El Dorado County, presented Library to Go memo to encourage and invite libraries to join Library to Go OverDrive consortium.

Sass invited NLS members to register for Project Outcomes training at Sacramento Public Library on October 6. Flyers were distributed. Sass will send Brinkley a flyer to post on the NLS website.

Perry provided historical background and progress to date for North State and CalPERS, including lessons learned and advice to other systems with regards to CalPERS payments on retirees and system obligations.

In absentia, Sara Jones, Marin County Free Library and Past Chair, CLA Leg Committee provided summary of CLA Legislative Committee actions – (see notes attached). Jones also mentioned that IMLS,



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while funded through FY 2017/18, is at risk of elimination for 2018/19 and encouraged all members to sign up for alerts and stay engaged with the on-going communications.

Here is most up to date on the fight to save IMLS:

<http://www.ala.org/advocacy/advleg/federallegislation/fight-for-libraries>

Frost and Sass reviewed highlights of Jones' email notice and shared about their experience in D.C. at National Legislative Day meetings.

Lightbody asked for clarification on continued funding from the State of \$1 million for CENIC. Frost confirmed that this funding is in the State budget.

Guest Speakers from two LSTA projects presented on their successful implementation of respective projects – **Student Success** (Rhea Gardner, Woodland Public Library and Henry Bankhead, San Rafael Public Library) and **Libraries Lead the Way** (Cherelyn Hunt, Solano County Library and Angelina Cacioppo, Sonoma County Library).

Patrick Sweeney, Political Director, EveryLibrary, presented via Skype to the membership.

Kreimeier and Napa County staff facilitated two Harwood-based Community Conversations with "Aspirations for NLS" as the theme. It was recommended that Frost and Brinkley contact the other system coordinators to coordinate a Plenary Session at CLA to expand on the outcomes of this activity.

Meeting Adjourned at 2:30 p.m.



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To: NLS Administrative Council
From: Mel Lightbody, Chair
Subject: NLS Bylaws Revision for Term of Service, Chair and Vice Chair
Date: January 19, 2018

The NLS Executive Committee recommends approval from the NLS Administrative Council to revise the NLS Bylaws regarding the term of service from one year to two-year terms for NLS Chair and Vice Chair. The NLS Executive Committee approved this revision at their meeting of August 18, 2017.

NLS Bylaws with revision to read:

Section 3. Council Officers

a. Chair

The Chair-Elect shall assume the office of Chair on July 1 of the year following the Chair-Elect's service as Vice-Chair. The Chair shall hold office *for two years* or until he or she shall resign, be removed, or otherwise disqualified to serve, or until his or her successor shall be qualified. It shall be the duty of the Chair to preside at meetings of the Council; to prepare the agendas for meetings of the Council in consultation with the System Administrator; to execute contracts and other instruments on behalf of NLS as authorized by the Council or Executive Committee; to appoint committees as authorized by the Council; and to represent NLS as occasion demands. If the office of Chair becomes vacant by death, resignation, or removal, the Chair-Elect shall serve for the unexpired term.

b. Chair-Elect

At the annual meeting, the Council shall elect from among its members a Chair-Elect who shall serve as Vice-Chair. The Vice-Chair shall take office July 1. He or she shall hold office as Vice-Chair *for two years* or until he or she shall resign, be removed, be otherwise disqualified to serve, or until a successor shall be elected and qualified. He or she shall succeed to the office of Chair on July 1 of the following year. The Vice-Chair shall, in the absence or disability of the Chair, perform all the duties of the Chair and when so acting shall have the powers of, and be subject to the restrictions upon the Chair. If the office of Chair-Elect becomes vacant by death, resignation, or removal, the Executive Committee shall appoint a Chair-Elect who shall serve until the next regular meeting, when the appointment shall be confirmed by the Council. If the appointee is not confirmed, a Chair-Elect shall then be elected by the Council.



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To: NLS Administrative Council
From: Mel Lightbody, Chair
Subject: NLS Operating Reserves Fund Policy
Date: January 19, 2018

The NLS Executive Committee recommends approval from the NLS Administrative Council of the following Operating Reserves Fund Policy. The NLS Executive Committee approved this policy at their meeting of August 18, 2017.

PURPOSE

The purpose of the Operating Reserves Fund Policy for NorthNet Library System is to ensure the stability of the mission, bylaws, and ongoing operations of the organization. The Operating Reserves Fund is intended to provide an internal source of funds for situations such as sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The Reserves Fund may also be used for one-time nonrecurring expenses that will build long-term capacity, such as staff development or research and development. Other purposes for the use of the Operating Reserves may be established as necessary, if funds are available.

Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of NorthNet Library System for Operating Reserves to be used and replenished within a reasonably short period of time. Operating Reserves Fund policy will be implemented in concert with the other governance and financial policies of NorthNet Library System and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

DEFINITIONS AND GOALS

The Operating Reserves Fund is defined as the designated fund set aside by action of the NLS Administrative Council. The minimum amount to be designated as the Operating Reserves will be established in an amount sufficient to maintain ongoing operations for a set period of time, measured in months. The Operating Reserves serve a dynamic role and will be reviewed and adjusted in response to internal and external changes. The target minimum Operating Reserves Fund is equal to **three months** of the operating budget costs. The calculation of operating budget costs includes all recurring, predictable expenses such as contracts that support communication and delivery products and services, fiscal and administrative services, insurance, and ongoing professional services. Reimbursable or pass-through programs, depreciation, in-kind, and other non-cash expenses are not included in the calculation.

The amount of the Operating Reserves Fund target minimum will be calculated each year after approval of the annual budget, reported to the Executive Committee, and included in the regular financial reports



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To: NLS Administrative Council
From: Mel Lightbody, Chair
Subject: New Executive Committee Member
Date: January 19, 2018

Due to the departure of Vanessa Christman, a new member was needed to fill the vacant seat.

At the November 15, 2017 NLS Executive Committee meeting, David Dodd from Benicia Public Library was nominated and recommended for approval from the Administrative Council to fill this vacancy, and to complete the two-year term ending June 30, 2019.

Report on the Study of Interlibrary Loan for the NorthNet Library System

January 19, 2018

Tom Jacobson, Consultant
Third Chapter Partners

NLS Goals of Study

- Inventory and document current methods of ILL for NLS member libraries, including type of ILL, vendor, cost, frequency, term of contract, and any other pertinent information.
- Inventory and document current methods of delivery for NLS member libraries that supports ILL, including vendor, cost, frequency, term of contract, and any other pertinent information. Delivery to non-public members are not eligible to be supported with CLSA funds.
- Interview libraries as necessary to understand priorities for ILL services.
- Develop and analysis of the cost/benefits for all NLS public libraries to participate in LINK+ system-wide. Identify one-time costs and ongoing costs, including time for individual ILS vendors to develop code/software on their end to be able to take advantage of the III APIs. Identify ILS compatibility with LINK+, including workload issues (processing and check out).

Survey Summary

Sent to all NLS Public and Academic Libraries
 41 Public Libraries, 37 fully responded
 No responses from academic libraries

For time period July 1, 2016 - June 30, 2017

Using ILL Services:	# of Libraries
0 Services	1
1 Service	14
2 Services	21
3 Services	1

OCLC Summary

35 Libraries use OCLC*

9,679 items borrowed at a cost of **\$86,193.94**

On average, 277 items borrowed for a cost of **\$2,463** or **\$8.91** per item

One library paid **\$797.50** per item, another paid **\$1.47** per item

*Number of Libraries during survey period of 7/1/2016-6/30/2017; one of the libraries ceased ILL as of 7/1/2017
 NOTE: Pricing does not include cost of labor

ZipBooks Summary

16 Libraries use ZipBooks

10,144 items bought at a cost of \$145,059.20*

On average, 634 items acquired for a cost of \$9,066 or \$14.30 per item

One library acquired 474 items, another acquired 1,027 items

*Based on an average price of \$14.30 per item, as established in the Galecia Group report of August 12, 2016
NOTE: Cost of items currently covered by a grant from the California State Library and CALIFA
NOTE: Pricing does not include cost of labor

LINK+ Summary

9 Libraries use LINK+

85,252 items borrowed at a cost of \$160,190.31

On average, 9,472 items borrowed for a cost of \$17,799 or \$1.88 per item

One library paid \$10.25 per item, another paid \$.73 per item

In the past year, a number of NLS libraries have joined LINK+: Napa County Library, Solano Community College, Dixon Public Library, Benicia Public Library, St. Helena Public Library, and Solano County Library.

NOTE: Pricing does not include cost of labor

NorthNet ILL Questionnaire Summary

	OCLC	ZipBooks	LINK+
# of Libraries Participating	35	16	9
# of Items Acquired	9,679	10,144	85,252
Total Money Spent	\$86,193.94	\$145,059.20	\$160,190.31
Average Cost/Item	\$8.91	\$14.30	\$1.88
Average # of Items/Participant	277	634	9,472
Highest Cost per Item (# of Items)	\$797.50 (4)	\$14.30 (474)	\$10.25 (800)
Lowest Cost per Item (# of Items)	\$1.47 (1,730)	\$14.30 (1,027)	\$.73 (54,759)

NorthNet ILL Questionnaire Yolo County Library

	OCLC	ZipBooks	LINK+	eBooks
# of Items Borrowed/Acquired	332	536	10,596	1,218
# of Items Loaned	1,031	n/a	6,864	n/a
Total Cost	\$7,250	\$7,664.80	\$32,015	\$78,103
Average Cost/Item Borrowed or Acquired	\$21.84	\$14.30	\$3.02	\$64.12

Ten On-Site Visits

Humboldt County Library

Sacramento Public Library

Lake County Library

Shasta Public Libraries

Lincoln Public Library

Siskiyou County Public Library

Lassen Public Library

Sonoma County Libraries

MARINet

Yolo County Library

Marin County Free Library

Highlights of site visits

Libraries not using LINK+

- want to understand the implications of staffing if they implemented it
- The most northern or eastern NLS libraries are concerned about whether delivery can get to them.
- Are concerned about the LINK+ standard of fulfilling in 3-5 days

Libraries using LINK+

- Love it, and think it's worth the investment

(see the appendix of the report for a fuller analysis of the visits)

What is LINK+ and its components

INN-Reach is the proprietary software from Innovative Interfaces that powers LINK+

It works for libraries that are on Innovative, and can work through a 'connector' – called a DCB (Direct Consortial Borrowing) system on all the library software which all NLS public libraries use

There is a delivery component – Tricor is the delivery vendor

64 member libraries (academic and public) within California participate, with 6,858,657 titles and 21,167,331 items in the LINK+ database. 92% fulfillment rate.

What is LINK+ and its components

- **Patron-initiated discovery and requesting of material**
- **Commitment by members to turn around request promptly (daily checking of requests)**
- **Delivery to user within 5-7 days, if not faster**
- **Each participating member must lend and borrow, and can choose the materials to loan and exempt from lending (not meant for best-sellers)**
- **Can use Tricor for delivery and use local delivery for 'last mile' Current policy is 5 days a week courier – **can be negotiated****
- **Participate in the LINK+ Operations Group and Annual Meeting**

Response from Request for Quote from Innovative Interfaces

Costs

- **One-time implementation fee** (not needed for libraries currently using LINK+)
- **Annual Subscription**
- **Supplies** (start-up cost for supplies and ongoing)
- **Courier Services** (MARINet — uses its own courier to move material to and from its members; Sprint moves all material between MARINet libraries, and Tricor makes a single stop at the MARINet headquarters to drop-off and pick-up LINK+ items that are coming and going from all MARINet libraries.

Costs

	Year 1	Year 2	Year 3	Year 4	Year 5
LINK+ Implementation for new members	\$349,450	n/a	n/a	n/a	n/a
Annual LINK+ subscription for all 54 public and academic libs	\$311,000	\$320,330	\$329,940	\$339,838	\$350,033
Supplies	~\$1,000/new lib	~ \$100 per library	~ \$100 per library	~ \$100 per library	~ \$100 per library
Courier	TBD	TBD	TBD	TBD	TBD
Total	\$699,450*	\$325,730	\$335,238	\$345,238	\$355,433

*Approximately 39 of the 54 NLS Libraries will require start-up supplies

Things to Note about Cost

- Innovative did not provide granular subscription pricing by library, but rather one single price for all 54 libraries. Understanding that not all NLS members will likely participate, or participate immediately, they are prepared to provide revised pricing upon receipt of a specific list of participating libraries.
- Cost would be shared/distributed by NLS formula
- NLS Libraries currently on LINK+ pay ~\$200,000. The shared \$311,000 would result in reduced costs for these libraries.
- NLS libraries that responded to survey currently pay \$86,193 for OCLC ILL. These funds could be directed to LINK+.
- LINK+ is an acceptable use of CLSA funds
- Governor including \$1.5M one-time in budget for online systems for use by public libraries to support efficient access to resources” which would include the possibility of paying for connection costs to LINK+ for NLS
- Waiting for pricing for Delivery

More to Note

- **LINK+ Feasibility:** Both LINK+ and Innovative Interfaces are very interested in expanding the LINK+ network, and as such are open to discussion and flexibility. For example, LINK+ is willing to establish less frequent courier requirements for remote libraries
- **SkyRiver:** Innovative Interfaces is open to discussing the inclusion of SkyRiver (a cataloging module similar to OCLC) within the same price, allowing libraries to redirect funds from OCLC to LINK+ while retaining both a cataloging utility as well as a highly effective resource sharing network
- **Courier Service:** This remains a critical challenge. California is an extremely large, geographic diverse state, and as such moving library material around the state quickly is difficult. This is further underscored by the fact that Innovative Interfaces is having a hard time getting the LINK+ courier Tricor to simply respond with a proposal of adding the NLS libraries — even the couriers find this challenging. Carol Frost continues to work with ILL on obtaining this cost.

Courier Services Require Multiple, Regional Solutions to be Negotiated with Innovative

1. Establish what Tricor can handle at a reasonable cost

2. Determine the gaps, developing a separate plan for each gap in coverage, and prioritizing each based on interest by NLS member libraries and ease of solution

3. Create a “last mile” strategy that establishes a hub for each gap that Tricor can readily deliver to, and then use one or more local couriers to move items from the hub to the libraries. For example, at the north end of the state, Redding is well situated for a hub. It is easily accessible via I-5, and is situated right before heading into the mountains. From there a local courier(s) can move material north to Siskiyou, northeast to Modoc, and east to Lassen counties.

As part of this process, I encourage NorthNet Library System to re-examine their current courier program — its overall goals and purposes — and as necessary reshape the program to be aligned with LINK+ needs. NLS’ use of Sprint in the North Bay Cooperative Library System seems very effective, but the use of AmTran in the Mountain Valley Library System seems less effective.

Recommended Next Steps if NLS decides to move forward with LINK+

- Each individual member library should determine if they are interested and able to participate in the next 12 months (NOTE: if NLS in general moves forward but a library is not able to participate immediately, they can always join at a future time)

- NLS will seek revised pricing from Innovative for LINK+ membership based on the actual number of libraries ready to move immediately

- NLS will work with Innovative and Tricor (the LINK+ courier) to determine cost and feasibility of Tricor meeting all delivery needs

- NLS may need an additional study to review current NLS courier services and to develop local “last mile” courier plan to cover gaps in the Tricor delivery map

- NLS will need to develop a funding formula for distributing cost and monies, including determining if NLS wants to add this service as an option using CLSA funds and if member libraries will look to cancel OCLC contracts and redirect funding to this project • NLS members will need to determine the level of assistance each will need with the implementation process, and work to develop a plan to provide aid and assistance.

NorthNet Libraries Dues and Fees 2017/18

Library	Population	% of Population	Budget	Base Cost	One-Time Installation & Training Cost	Link+ Subscription on Site License Year One Cost	Link+ Subscription on Site License Year Two Cost	Link+ Subscription on Site License Year Three Cost	Link+ Subscription Site License Year Four Cost	Link+ Subscription Site License Year Five Cost	TOTAL Link+ Cost
Alpine	1,151	0.02%	\$ 264,561	\$ 500	\$ 7,600	\$ 73	\$ 76	\$ 78	\$ 80	\$ 83	\$ 8,490
Bel-Tib	11,680	0.24%	\$ 2,112,345	\$ 2,000	Included	\$ 745	\$ 767	\$ 790	\$ 814	\$ 838	\$ 5,953
Benicia	27,695	0.57%	\$ 1,997,891	\$ 1,000	Included	\$ 1,765	\$ 1,818	\$ 1,873	\$ 1,929	\$ 1,987	\$ 10,373
Butte	226,404	4.64%	\$ 2,631,020	\$ 2,000	\$ 18,750	\$ 14,432	\$ 14,865	\$ 15,311	\$ 15,771	\$ 16,244	\$ 97,374
Colusa	22,403	0.46%	\$ 994,215	\$ 500	\$ 2,500	\$ 1,428	\$ 1,471	\$ 1,515	\$ 1,561	\$ 1,607	\$ 10,582
Del Norte	27,124	0.56%	\$240,142	\$ 500	\$ 7,600	\$ 1,729	\$ 1,781	\$ 1,834	\$ 1,889	\$ 1,946	\$ 17,280
Dixon	28,336	0.58%	\$1,032,819	\$ 1,000	Included	\$ 1,806	\$ 1,861	\$ 1,916	\$ 1,974	\$ 2,033	\$ 10,590
Dominican		0.00%		\$ 500	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000
El Dorado	185,602	3.80%	\$3,397,465	\$ 3,000	\$ 18,750	\$ 11,831	\$ 12,186	\$ 12,552	\$ 12,929	\$ 13,316	\$ 84,565
Folsom	78,525	1.61%	\$1,466,395	\$ 1,000	\$ 2,500	\$ 5,006	\$ 5,156	\$ 5,311	\$ 5,470	\$ 5,634	\$ 30,076
Humboldt	136,953	2.81%	\$3,522,740	\$ 3,000	\$ 2,500	\$ 8,730	\$ 8,992	\$ 9,262	\$ 9,540	\$ 9,826	\$ 51,850
Lake Cty	64,945	1.33%	\$983,544	\$ 500	\$ 7,600	\$ 4,140	\$ 4,264	\$ 4,392	\$ 4,524	\$ 4,660	\$ 30,080
Larkspur	12,572	0.26%	\$769,812	\$ 500	Included	\$ 801	\$ 825	\$ 850	\$ 876	\$ 902	\$ 4,755
Lassen	15,406	0.32%	\$122,964	\$ 500	\$ 7,600	\$ 982	\$ 1,012	\$ 1,042	\$ 1,073	\$ 1,105	\$ 13,314
Lincoln	48,165	0.99%	\$536,020	\$ 500	\$ 14,100	\$ 3,070	\$ 3,162	\$ 3,257	\$ 3,355	\$ 3,456	\$ 30,901
Marin	143,336	2.94%	\$15,479,887	\$ 4,000	Included	\$ 9,137	\$ 9,411	\$ 9,694	\$ 9,984	\$ 10,284	\$ 52,510
Mendocino	89,134	1.83%	\$2,679,772	\$ 2,000	\$ 14,100	\$ 5,682	\$ 5,852	\$ 6,028	\$ 6,209	\$ 6,395	\$ 46,266
Mill Valley	14,910	0.31%	\$2,492,136	\$ 2,000	Included	\$ 950	\$ 979	\$ 1,008	\$ 1,039	\$ 1,070	\$ 7,046
Modoc	9,580	0.20%	\$303,801	\$ 500	\$ 7,600	\$ 611	\$ 629	\$ 648	\$ 667	\$ 687	\$ 11,342
Mono	13,713	0.28%	\$1,203,376	\$ 1,000	\$ 7,600	\$ 874	\$ 900	\$ 927	\$ 955	\$ 984	\$ 13,241
Napa County	136,375	2.80%	\$8,910,830	\$ 4,000	Included	\$ 8,693	\$ 8,954	\$ 9,223	\$ 9,500	\$ 9,785	\$ 50,155
Napa College		0.00%		\$ 500		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Nevada	98,828	2.03%	\$2,920,794	\$ 2,000	\$ 18,750	\$ 6,300	\$ 6,489	\$ 6,684	\$ 6,884	\$ 7,091	\$ 54,197
Orland	15,178	0.31%	\$304,037	\$ 500	\$ 7,600	\$ 968	\$ 997	\$ 1,026	\$ 1,057	\$ 1,089	\$ 13,237
Placer	198,404	4.07%	\$6,141,016	\$ 4,000	\$ 18,750	\$ 12,648	\$ 13,027	\$ 13,418	\$ 13,820	\$ 14,235	\$ 89,898
Plumas	23,026	0.47%	\$416,495	\$ 500	\$ 7,600	\$ 1,468	\$ 1,512	\$ 1,557	\$ 1,604	\$ 1,652	\$ 15,893
Roseville	135,868	2.78%	\$3,590,449	\$ 3,000	\$ 18,750	\$ 8,661	\$ 8,921	\$ 9,189	\$ 9,464	\$ 9,748	\$ 67,733
Sacramento	1,436,245	29.44%	\$36,557,025	\$ 5,000	Included	\$ 91,555	\$ 94,302	\$ 97,131	\$ 100,045	\$ 103,046	\$ 491,080
Sacramento Law		0.00%		\$ 500	\$ 7,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,100
St. Helena	6,033	0.12%	\$1,056,330	\$ 1,000	Included	\$ 385	\$ 396	\$ 408	\$ 420	\$ 433	\$ 3,042
San Anselmo	12,937	0.27%	\$861,447	\$ 500	Included	\$ 825	\$ 849	\$ 875	\$ 901	\$ 928	\$ 4,878
San Rafael	60,842	1.25%	\$3,793,413	\$ 3,000	Included	\$ 3,878	\$ 3,995	\$ 4,115	\$ 4,238	\$ 4,365	\$ 23,591
Sausalito	7,327	0.15%	\$902,127	\$ 500	Included	\$ 467	\$ 481	\$ 496	\$ 510	\$ 526	\$ 2,980
Shasta	178,605	3.66%	\$2,336,691	\$ 2,000	\$ 2,500	\$ 11,385	\$ 11,727	\$ 12,079	\$ 12,441	\$ 12,814	\$ 64,947
Siskiyou	44,688	0.92%	\$685,595	\$ 500	\$ 7,600	\$ 2,849	\$ 2,934	\$ 3,022	\$ 3,113	\$ 3,206	\$ 23,224
Solano College		0.00%		\$ 500	Included	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Solano	379,992	7.79%	\$16,180,304	\$ 5,000	Included	\$ 24,223	\$ 24,950	\$ 25,698	\$ 26,469	\$ 27,263	\$ 133,604
Sonoma	505,120	10.35%	\$16,771,709	\$ 5,000	\$ 28,200	\$ 32,200	\$ 33,166	\$ 34,161	\$ 35,185	\$ 36,241	\$ 204,152
Sutter	96,956	1.99%	\$1,313,825	\$ 1,000	\$ 2,500	\$ 6,181	\$ 6,366	\$ 6,557	\$ 6,754	\$ 6,956	\$ 36,314
Tehama	63,995	1.31%	\$562,420	\$ 500	\$ 7,600	\$ 4,079	\$ 4,202	\$ 4,328	\$ 4,458	\$ 4,591	\$ 29,758
Trinity	13,628	0.28%	\$324,583	\$ 500	\$ 7,600	\$ 869	\$ 895	\$ 922	\$ 949	\$ 978	\$ 12,712
Willows	13,553	0.28%	\$280,108	\$ 500	\$ 7,600	\$ 864	\$ 890	\$ 917	\$ 944	\$ 972	\$ 12,687
Woodland	59,616	1.22%	\$1,934,620	\$ 1,000	\$ 2,500	\$ 3,800	\$ 3,914	\$ 4,032	\$ 4,153	\$ 4,277	\$ 23,676
Yolo	159,280	3.26%	\$6,305,705	\$ 4,000	Included	\$ 10,154	\$ 10,458	\$ 10,772	\$ 11,095	\$ 11,428	\$ 57,906
Yuba	74,577	1.53%	\$360,567	\$ 500	\$ 7,600	\$ 4,754	\$ 4,897	\$ 5,044	\$ 5,195	\$ 5,351	\$ 33,340
Total	4,878,707	100.00%	154,740,995	\$ 72,500	\$ 274,050	\$ 311,000	\$ 320,330	\$ 329,940	\$ 339,838	\$ 350,033	\$1,997,691
Source: California Library Statistics											
2015-2016 budget (total operating expenditures from California State Library website)											
' & Certification of Population Figures for FY 17/18											
Base Dues											
Under 100,000 Pop. And Under \$1,000,000 Budget											
Under 300,000 Pop. And Under \$2,000,000 Budget											
Under 300,000 Pop. And Under \$3,000,000 Budget											
Under 200,000 Pop. And Over \$3,000,000 Budget											
Under 300,000 Pop. And Over \$5,000,000 Budget											
Over 300,000 Pop. or \$5,000,000 Budget											
Fees											
10% admin fee											
Delivery, OverDrive,Zinio & Database											



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MEMORANDUM

To: Board of Directors, NorthNet Library System
From: Isabel C. Safie
Date: January 17, 2018
Re: Accrued Pension Liability

Our final task is to provide NorthNet with a report of the present value of benefits for each (a) current retiree, (b) future retiree and (c) beneficiary for each of the legacy systems. The purpose of having this report is so that NorthNet can determine its total pension liability with regard to the former employees of the legacy systems.

Although the information available from CalPERS permit us to provide NorthNet with present value calculations, such information could be misleading for NorthNet as it incorrectly suggests that the total liability for the legacy systems can be dispensed by fully funding the present value with no further liability. That is not the case. Rather, as ongoing members of CalPERS (albeit with inactive contracts), the legacy systems will be subject to variations in funded status on the basis of investment earnings and variations in actuarial assumptions (e.g., mortality, cost of living adjustments). Further, as discussed below, when a contracting agency exits CalPERS it must pay a termination cost known as withdrawal liability.

The data available from CalPERS allowed us to determine the total accrued liability of each legacy system. Please note that the data presented in connection with this Memorandum is based on the member and financial data as of June 30, 2016. This is the most recent data made available by CalPERS. Data for the June 30, 2017 date will not be available until the annual valuation is issued later this year between August and November.

The enclosed spreadsheets provide NorthNet with detail on its pension liability per member. The spreadsheets have separate sections for current retirees, deceased members, and future retirees (terminated or transferred employees). The definitions of each term are included in the documents. Each section includes a breakdown of the accrued liability associated with the particular group of employees.

In summary, the total liability, value of plan assets and unfunded liability of each legacy system as of June 30, 2016 is as follows:

	Present Value of Projected Benefits	Market Value of Plan Assets	Unfunded Liability
North Bay:	\$2,621,543	\$1,970,346	\$651,197
North State:	\$2,163,506	\$1,517,446	\$646,060



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Mountain Valley: \$ 935,937 \$ 645,445 \$290,492

The key figures are the unfunded liability amounts as these are the amounts by which the plans were underfunded as of June 30, 2016 assuming that they continued as inactive contracting agencies.

To the extent that NorthNet is interested in exploring terminating the legacy systems' contracts with CalPERS, the liability in that scenario would be much higher than the legacy systems' liability as inactive contracting agencies reflected above. That is, when an agency terminates its contract with CalPERS, CalPERS will calculate the cost to exit the system using a variable rate of return that is much lower than the rate of return used to calculate ongoing liability. This variable rate, or discount rate as referred to by CalPERS, has hovered between 2.25% and 2.75% for the last few years which is a significant reduction from the 7.375% used to calculate ongoing liabilities.

The most recent actuarial reports for each legacy system provides us with a rough idea of what the withdrawal liability could be. This hypothetical termination liability is an estimate of the financial position of the plans had the contracts with CalPERS been terminated as of June 30, 2016 (again this is the most recent valuation date).

	Unfunded Termination Liability @1.75%	Unfunded Termination Liability @3.00%
North Bay:	\$2,850,007	\$2,341,757
North State:	\$2,197,071	\$1,869,584
Mountain Valley:	\$ 965,361	\$ 821,844

The preceding amounts are what each legacy system would have had to pay to CalPERS had it terminated its contract with CalPERS effective June 30, 2016 assuming the discount rate was the percentage reflected in the hypothetical. Please note that a voluntary termination cannot be effective until at least 1 year after a "Resolution of Intent to Terminate" is adopted. Since the discount rate (i.e., assumed rate of return) used by CalPERS to calculate the withdrawal liability is variable (mostly based on the 30 Year Treasury Yield), the actual unfunded withdrawal liability (which is not fixed until after the termination is effective) is a moving target.