

Technology Contingency Fee Reduction Proposal for Technology

The contingency fund is used for the planned replacement of centralized hardware and bulk purchases of software licenses. The current cost to replace all HQ equipment and library network equipment would be \$815,000. This fund could handle a reduction of \$100,000 in 2022. The Technology Contingency history:

2021 = \$694,349

2020 = \$585,471 (replacement of HQ infrastructure in 2018 & 2019; purchase of wireless access points)

2019 = \$818,864

2018 = \$685,279

2017 = \$576,409

2016 = \$485,384

2015 = \$504,585

2014 = \$348,889

Proposal 1: Reduce 2022 Technology infrastructure fee by \$100,000, funded from contingency*

Proposal 2: Reduce 2022 Technology infrastructure fee by the net budget increase (after Rio and Marshfield fees are subtracted) of \$43,396 funded from contingency*

Proposal 3: Use budgeted amount of \$1,090,876

ILS Contingency Fee Reduction Proposal for ILS Committee

This is a reserve for development costs beyond the budgeted amount in ILS Contracted Development and for startup fees and unexpected costs. Recent expenditures from this account have included development costs for the codebase fusion & SIP setup. The ILS Contingency carryover amount history:

- 2021 \$383,824
- 2020 \$431,974
- 2019 \$420,963
- 2018 \$410,162
- 2017 \$478,650
- 2016 \$502,964
- 2015 \$530,750

This fund has no current plan for replenishment and the contingency amount has declined since 2015. In 2022 we are budgeting \$5,000 for development, but in the past we have budgeted as much as \$45,000 per year. Another potential use for this fund is to finance migration costs should we migrate to a new ILS. In 2017, Polaris quoted us \$120,000 for Implementation, training and Data Load. SirsiDynix would have been \$310,030, but then discounted it by \$229,530 to \$80,500. There would also possibly be fees from LibLime to extract the data. It would be prudent to reserve \$250,000 for a future migration. Since 2017, we have not been funding new development projects as we were doing the “codebase fusion” project. We are now moving forward with some projects that were put on hold. A spending scenario for the next few years could be as follows:

2021 \$50,000 on development and mobile app setup and miscellaneous setup needs (\$333,824 left)
2022 \$25,000 on development and setup needs (\$308,824 left)
2023 \$25,000 on development and setup needs (\$283,824 left)
2024 \$25,000 on development and setup needs (\$258,824 left)

If \$50,000 were used to offset ILS fees in 2022, the \$250,000 mark would be nearly reached by 2022 (if development costs continue at \$25,000-\$35,000 per year). Funds to cover ongoing development and startup could be included in the budget starting with the 2023 budget.

Proposal: Reduce 2022 ILS fee by \$50,000, funded from contingency*

Proposal 2: Reduce 2022 ILS by the net budget increase of \$21,181 (after Rio and Marshfield fees are subtracted) funded from contingency*

Proposal 3: Use budgeted amount of \$1,172,536

*Some libraries fees may still increase based on cost formula factors