

Delivery Report for SCLS Board of Trustees

July, 2021

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Safety Procedures:

Delivery is monitoring the conditions of the COVID-19 virus and associated variants both locally and nationwide. It can be assumed that a return to stricter protocols may occur. That would include mask-wearing, greater social distancing, and other sanitary behaviors. At this time, we do not expect to alter our frequency of service, scheduling, or implementing any quarantine due to increased local infections. Our staff is over 90% vaccinated according to their volunteering of that information.

Budget Prep, 2022:

Delivery has submitted a fee schedule to member libraries that represents a 3% increase in delivery fees for 2022 (over 2021). Each increment of 1% nets just short of \$4,000 in revenue. It was determined that 3% was aligned with our needs with these factors in mind:

- Delivery **reduced** member fees for 2021 to 2019 levels by 1%. This will return us to the revenue path we had pre-pandemic.
- Member fees over the last 8 years have gone up a **total** of 4.5% with relatively little change in overall service frequency.
- Delivery has a new pending contract with the UW System that will effectively drop revenue by \$133,000 over each of the next two years.
- Insurance (both employee and fleet) has gone up higher than planned in 2021.
- Staff wages have remained flat to this point in budget planning.

With new State Aid, we anticipate closing our current budget shortfall in the next few weeks and will present to the Board of Trustees in September (on schedule).

UW System Contract:

Delivery has negotiated a new 2.5 year services agreement that will take effect in August, 2021. The key points:

- The remainder of 2021 will match the scale of the current agreement both in service level and fees.
- In January 2022, SCLS will operate the network 5-days a week (service is currently 4 days). This will add a total of 3 routes for the week.
- The contract size will be reduced by 15%. This is not insignificant, but we have a plan to mitigate the impact by utilizing management staff to complete some

scheduled routes, aligning our staff schedules to targeted route blocks, and applying resources from new state aid.

- SCLS proceeds into 2022 as the statewide delivery coordinator. That comes with responsibilities to move PLSR objectives forward, acting as fiscal agent for the network, and introducing standards of service across all delivery operators statewide. This comes with financial support for these activities in the form of state grants.