

Delivery Report for SCLS Board of Trustees

May, 2022

Prepared by: Corey Baumann - Delivery Services Coordinator

Cost Formula & Budget– Delivery:

The Cost-Formula workgroup has provided assistance in revamping our distribution of member fees. We have developed a formula that effectively assigns cost values to members in appropriate proportions to members that evaluates impacts on the delivery service. The primary categories are:

- Volume: Assessing the cost for SCLS to execute direct handling of materials (primarily sorting and loading/unloading at the delivery facility)
- Stop Count: Assessing the cost associated with the movement of those materials over the road (time, fleet expenses, fuel, supplies, equipment, and maintenance). This was assembled and distributed **equally** based on a per-stop cost. The result is a charge that is the same regardless of a location's proximity to our Madison location. The stop charge is no different if it is in Wood County or Dane County.
 - A Box Truck "Discount" was applied to all locations that are served by the efficient use of our large truck fleet. This equipment makes us very efficient in moving large amounts of materials in a dense area and allows us to save resources. It was felt that it would help mute some of the significant swings **and** effects of employing the precise parameters of the formula categories.
- Base Fee: When the discount pulled some of the resources out, a base fee that would be assessed that fills that gap back in and provides for the same \$1,000 per location fee to help offset the cost of some administrative functions.
- Applying State Aid to fill the remaining gap: For the remaining gap, SCLS is in position to allocate more state aid funding to close the gap on the delivery budget for 2023. This will help ease in the new fee structure and all counties will benefit from that application.

It appears that the new fee structure will impact counties with reduced fees for 6 of the 7 member counties. Dane County is the one county that sees an increase under this new plan. SCLS has been in direct communication with Dane County to explain why that occurred. Every attempt has been made to evaluate that data and look for opportunities to soften that impact.

The cost-formula team will meet again to go over the final formula as the budget is applied and will make a formal vote to advance this to the Administrative Council ahead of the July All-Director's Meeting where Delivery fees are voted on.

Library Visits Planned/Scheduled:

- Cambria/Amanda Wakeman 5/3/22
- Randolph/Laura Gaastra 5/3/22
- Rock Springs/Becky Anderson
- Sauk City/Lisa Thomas
- Mazomanie/Brian Cole