

*MHLS REPORT TO THE DIRECTORS ASSOCIATION DECEMBER 7, 2012,  
EXECUTIVE DIRECTOR - Mike Nyerges*

1. **PROPOSED 2013 MHLS BUDGET:** Attached is a summary of Mid-Hudson's budgets that include actual revenue and expenditures for 2011, estimated year-end revenue and expenditures for 2012, as well as the 2012 budget, the proposed 2013 budget and projections for 2014. Year-end fund balances are included.

Overall expenditures are projected to rise 4% in 2013.

Personnel expenditures will increase from 52% of the total budget in 2011 to 55% of the total in 2013, a not an unreasonable percentage considering the importance of staffing to System services and the deep cuts in staffing last January.

Bottom-line personnel costs will increase 8.3% in 2013 over our adjusted budget of July, but up 12% from what we now expect to spend for personnel this year.

Drivers of these increases include:

- Increase in retirement costs and planning for a 12% increase in the costs of health insurance.
- Anticipating coverage for new family plans, which in a small staff can have a large affect.
- Salary adjustments that include a new role of assistant director and an across-the-board increase of 1%, which is part of our CSEA salary agreement.
- Changes in personnel this year that expanded a half-time IT staff to full-time and shifting the focus of the chief IT staff away from "machines" to coordinate IT services with the members, beginning with a focus on e-rate.
- A temporary--one-year--part-time communications specialist that will create online tutorials to support the public's use of Sierra as part of a redesign and rebuilding of the System's website.
- We are also projecting the cost of an additional full-time position in 2014, but this is only blue-sky thinking at present.

Professional development opportunities continue to be a high priority in 2013 and include funding for continuing education programs for member libraries and staff education, travel and conference attendance. Funding to bring in outside experts as part of the System's education program for member libraries will double; and system staff training in 2013 include certifications in IT, MS Office and Project Management in addition to conference attendance at NYLA, ALA and IUG.

Capital repairs and improvements are also funded at increased levels that will include an asbestos abatement project, work on the auditorium facade, and the possibility in 2014 of installing new energy efficient windows and an exterior insulation finishing system (EIFS) on the office building, both of which will reduce future energy costs.

We're also proposing a post-Sandy and "worse case" scenario in state funding for 2013 and 2014 and basing our budgeting on what the System received in 2011. This is 4% below what the System expects to receive this year.

The State Comptroller's Mid-Year report on the state's financial health noted lower than expected General Fund tax collections have been off-set by unexpected revenues, but a number of uncertainties still threaten the state's finances, including Federal budget action and the impacts of Sandy.

An additional \$30,000 is also being shown in member library fees for the annual cloud-fee.

2. **SENYLRC STRATEGIC PLANNING:** Southeastern's strategic planning process continues and Merribeth and I participated in a discussion in November with a consultant hired by SENYLRC, who is conducting a series of discussions among Southeastern's members on SENYLRC's mission and the quality of its services, and on the potential for greater regional affiliation in library services. The

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discussion is part of a strategic planning process by Southeastern, which you may be aware of and I've mentioned in my reports before. It's certainly fun to talk about the possibility of greater regional collaboration but we were also pretty honest about SEAL, its usefulness--a plus--but its difficult-to-use downside. As you may know, Merribeth is a Southeastern Board member and I participated on a panel discussion and spoke with a consultant earlier in the year about this process. (Come to think of it, Jim Cosgrove is also on the SENYLR board.)

3. **NYLA TAKEAWAYS:** Among the many takeaway ideas from this year's NYLA Conference was the increasing importance of connecting to your community, collaborating with others and creating a new sense of membership for your patrons.

And according to Polly-Alida Farrington, "Young moms are into Twitter!"

**OCLC Vice-President George Needham** spoke to theme when he cited Alan Kay "The best way to predict the future is to create it." He repeatedly stressed the importance of libraries becoming engaged and community centers, although he might spin it differently and say libraries need to create "centers of community."

He spoke about a focus group of library patrons having recently been asked what they associate libraries with and they answered "Books." No surprise. But the surprise followed when they were asked what they'll associate libraries within five years. They responded "Community." Maybe our patrons are already there!

George Needham's word on Technology: Mobile. Library products and services delivered on the network need to be easily available and embedded in the ebb and flow of daily life. But technology is only one driver of the future. Needham also identified four other drivers, economy, politics, changing media and media use, and changing communities.

Other remarks by George Needham:

- FEMA doesn't see libraries as "first responders," but it does see libraries as "first restorers."
- Libraries can help address one of the challenging trends in media, the transition from a broadcasting model to a narrow-casting one.
- Will student debt, which now exceeds consumer debt, and continuing high unemployment result in a public less willing to support increases for the services libraries provide?

**The futurist Gary Golden** spoke to theme as well as the guest speaker of the Malcolm Hill Lecture on Friday and built a case for libraries to rethink their relationship with patrons and what "membership" means and how the library benefits individuals in their daily lives. He suggested that libraries explore how they can empower learners and help guide individual achievement. He suggested that libraries look to developments in online computer-mediated services, which can be personalized, particularly in education and health care. Online services now mediate and guide individual achievement and personal outcomes from dieting to learning quadratic equations. (Think Kahn Academy!)

Space as a service is also a trend and is leading to more library and community collaboration, including with highly organized Makerspaces or with looser affiliations, such as Skillshare and teachers operating outside of traditional schools.

According to Gary Golden, preparing for the future boils down to doing three things 1) identifying and monitoring change, 2) exploring implications with forecasts & scenarios, and 3) communicating the change. If the details were only as easy the summary!

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**The Regents plan 2020 Vision Plan for libraries**, *Creating the Future*, was also given some focus at the Conference. Merribeth and I participated in an open program that tasked groups to review and winnow down the recommendations of the plan to an essential few. The results of this has already been posted to the DLD website at <http://www.nysl.nysesd.gov/libdev/adviscns/rac/2020final/priorities.htm>

**Bernie Margolis, State Librarian**, was available for “grilling” at the Conference, but spoke on a number of occasions about advocating increasing the Public Library Construction Grant program from \$14 million to \$50 million. If this comes with more flexibility in the required match, this would be fantastic! Wish him luck!

**Also many thanks-yous and congratulations are due a number of Mid-Hudson people** who presented and participated in this year’s conference programs.

- Merribeth Advocate and Rebekkah Smith Aldrich led a sold-out pre-conference session on best practices for working with trustees in a positive environment.
- Rebekkah hosted a “Community Leadership” panel that included Erica Freudenberger and focused on outreach and the importance of being active in your community, as well as saying “yes” to community collaboration.
- Rebekkah joined New York City’s Christian Zabriskie, founder of Urban Librarians Unite and an assistant coordinator of young adult services at the Queens Library, in a high-energy presentation on building grassroots advocacy for libraries and (maybe) acting out a bit to draw attention to their importance.
- Merribeth Advocate served as a roundtable programmer for the Correctional Outreach Resource Team and organized its panel on Prison Libraries Supporting Education, which included Steve Almasi from Coxsackie Correctional Facility and Cassandra Beam from the Ulster Literacy Association.
- Gillian Thorpe from Cold Spring joined up with architect Paul Mays to discuss “affordable ideas” in rethinking the use and appearance of a library’s space.

MID-HUDSON LIBRARY SYSTEM 2012 BUDGET, PROPOSED 2013 BUDGET & PROJECTIONS

<b>Expenses</b>	<b>Actual 2011</b>	<b>2012 Budget</b>	<b>2012 Estimated</b>	<b>2013 Projected</b>	<b>2014 Projected</b>
Wages & Salaries	660,074	719,074	703,008	773,569	850,040
Retirement	73,409	133,827	103,988	126,272	174,318
FICA	54,021	55,009	55,009	59,178	65,028
Worker's Comp.	8,898	10,000	9,075	10,000	10,200
Medical Current	75,261	86,839	74,928	99,933	130,963
Medical Retired	153,381	174,540	174,540	185,134	207,350
Library Materials	178,492	157,433	152,098	166,608	166,608
Equipment	3,816	93,750	86,250	12,500	12,500
Utilities	23,965	26,345	24,345	26,500	27,295
Bldg/Bldg Equip Repairs	8,343	82,300	81,800	81,800	80,000
Insurance	17,207	17,900	17,452	18,050	18,411
Other Oper/Maint	19,527	25,000	25,000	22,000	22,000
Office Expense	8,680	10,300	11,234	13,900	13,900
Telecom/Postage	39,589	41,840	40,340	41,390	41,804
Publicity/Printing	2,305	10,500	7,555	8,750	8,500
Professional Developmen	15,060	31,250	31,250	40,225	30,000
Leases/Contracts	222,520	131,500	167,474	170,760	185,760
Delivery	314,418	332,112	337,200	327,200	333,744
Professional Fees	22,910	24,000	29,000	27,500	25,000
Transfers to Capital	84,325	57,600	63,600	73,871	54,600
All Other	42,443	18,362	21,698	17,800	16,000
Total	2,028,644	2,239,481	2,216,844	2,302,940	2,474,021

<b>Revenue</b>					
Estimated State Aid	1,383,072	1,328,606	1,444,952	1,383,072	1,383,072
Interest	4,653	4,000	3,400	3,000	3,000
Miscellaneous	77,043	66,400	71,757	71,450	71,450
Construction Grant	0	32,879	32,879	22,828	0
Reimbursements	207,090	176,139	184,452	192,358	192,358
From MHLS Capital	0	35,000	0	0	80,000
From Member's Capital	62,000	0	6,500	0	0
Automation	210,476	0	0	0	0
Delivery	216,481	0	0	0	0
Member Assessment	0	600,000	484,000	630,232	630,232
Total Revenue	2,160,815	2,243,024	2,227,940	2,302,940	2,360,112
Projected Expense	-2,028,644	-2,239,481	-2,216,844	-2,302,940	-2,474,021
Surplus/(Deficit)	132,171	3,543	11,096	(0)	(113,909)
Est.Fund Balance	1,616,108	1,619,651	1,627,204	1,627,204	1,513,295
Restricted Balance	-1,144,871	-1,343,689	-1,330,106	-1,381,764	-1,484,413
Capital/Building Reserve		-65,000	-65,000	-30,000	0
Sub-Total	471,237	210,962	232,098	215,440	28,882
Unrestricted Balance	150,000	150,000	150,000	150,000	150,000
Contingency	321,237	60,962	82,098	65,440	-121,118
MHLS Capital	116,097	164,097	205,097	254,368	174,368
Member's Capital	65,667	105,267	98,767	153,367	207,967