

# Budgeting for the MHLS Member Assessment

Annually you need to budget for your library's share of the MHLS Member Assessment, based on the most current MHLS Member Assessment Table.

The MHLS System Services Advisory Committee is charged with creating the Assessment Table annually. It is discussed and endorsed by the Directors Association in the spring (for the following calendar year) and posted at <http://da.midhudson.org/>

The Assessment Table outlines the amount each member library will be invoiced by MHLS (bi-monthly) as their proportional share towards System services. The Member Assessment is determined by combining a General Fee with a formula of assessments based on system holds activity and Sierra usage, which have been approved by the MHLS Directors Association, to distribute the charges.

Here is a description of how to read the chart and the formula variables to take into account for future budgeting (*note that the following description is based on the 2018 Tentative Member Assessment Table created by Tom Lawrence (PPLD) and revised on 6/8/17, and the letters match the headers at the top of the columns*):

- A. **'Chartered population'**: Until a new census count or a chartered area revision for your library takes place and is recognized by the NYS Division of Library Development, this will not change.
- B. **'Circulation (3 year average)'**: This is the total annual circulation (as per Sierra) of your library, averaged over 3 years. Since it is the average of 3 years, the effect of an increase or decrease in one year of circulation will be spread out. Any activities that increase the number of people using the library and its materials (such as a new or improved facility, expanded programs, improved collections...) are factors that could contribute to an increase in circulation.
- C. **'Holds (3 year average)'**: This is the number of Holds Received (as per Sierra) by your library (the materials your library received from other libraries to fill your patrons holds), averaged over 3 years. Since it is the average of 3 years, the effect of an increase or decrease in one year of holds received will be spread out. Having a collection that does not meet the needs of your community, as well as any activities that increase the number of people using the library and library materials (such as a new or improved facility, expanded programs, improved collections) are factors that could contribute to an increase in holds.
- D. **'General fee'**: This is graduated based on Population (column A) and runs in 6 quantiles starting at \$600.



- E. **'Holds delivery fee'**: This is the Holds (column C) multiplied by the Holds Delivery Fee rate on the bottom of the last page of the table.
- F. **'Sierra: Total Licenses'**: This is the maximum number of simultaneous Sierra logins your library currently has assigned.
- G. **"Sierra Fee: Billable Licenses"**: Members pay an annual maintenance fee (currently \$300 per license) for each additional license beyond the first two (all member libraries receive two licenses free of annual maintenance charges). Note that these licenses are the basis for the Sierra Capital Fee (see K below), should the membership choose to assess that fee.
- H. **'Sierra Fee: General'**: This is based on whichever of the following is lower for your library:
- a. Circulation (column B) multiplied by the 2018 'Sierra Fee: Circ' rate on the bottom of the last page of the Assessment Table OR
  - b. Population (column A) multiplied by the 2018 'Sierra Fee: Pop' rate on the bottom of the last page of the Assessment Table
- For making budgeting decisions for future years, you could make a comparison by projecting what this would potentially be if the lower/higher aspect were to come into play by calculating it based on the other rate.
- I. **'Sierra Fee: Hosting'**: This is based on the library's portion of the \$12,500 members currently fund of the \$30,000 annual server fees for off-site server operations. In 2019 the members will fund \$15,000 of the \$30,000 fee, so this will increase.
- J. **'Sierra Fee: Licenses'**: For every Sierra license your library has over 2 (see K below), through the Member Assessment the library annually pays \$300 maintenance per license. If you are expanding your facility or adding new staff workstations, you will want to consider purchasing additional licenses (the MHLS Tech Department can advise you on this).
- K. **'Sierra Fee: Capital'**: \$600 per library annually (\$39,600 total) is deposited into the Members Capital Account for future ILS-related purchases, as per the Members Capital Fund Policy. The MHLS Board of Trustees has appropriated \$39,600 from the MHLS 2017 general operating funds (available due to everyone's advocacy efforts that support State funding of System General Support Aid) so the library 2017 Sierra Capital Fee is \$0. Each MHLS member library should include in the library's 2018 budget a planned payment of the \$600 Sierra Capital Fee for 2018.