

**Item:** WLS Technology Services

**Background:** In 2016 a new, cost-based Finance Model was developed by the Public Library Directors Association (PLDA) Finance Committee in conjunction with WLS and approved by both PLDA and the WLS Board. The Model implementation began in 2017 to take place over a four-year period with an escalation ladder. Yearly escalation costs are determined based on services in place as of September 30<sup>th</sup> of the previous year, and no restrictions were included for what cost factors may or may not be terminated by the member libraries.

In 2019, as the end of the model period draws near, the overall Finance Model was scheduled for review to assess the validity of the cost factors used and reliability the model going forward. However, the network and migration issues that WLS faced in early 2019 caused much disruption to IT services provided; and an extension of the deadline for service changes was extended to October 31<sup>st</sup>.

**Status:** In October, WLS was notified by Mount Vernon Public Library that the library would no longer be on the WLS network as of 1/1/2020. This change in service for one library had negative implications for the current Finance Model and was discussed at the PLDA general meetings.

The PLDA Finance Committee met on 11/1/2019 and 1/14/2020 to review the Model, in particular the Network Connectivity column and how to safe guard the model from collapsing if a large number of member libraries decided to cancel their WLS network services. Wilson Arana, Manager of IT Services, was asked to draft a proposal to present to the general PLDA membership at their January 16<sup>th</sup> meeting. A copy of this proposal is attached.

A lengthy discussion was held at that meeting of the Network Connectivity Proposal as well as IT funding and the proposed 2020 IT budget. A vote on the proposal was tabled, pending further information; and the following resolution was passed:

"Resolved that the Public Library Directors Association of Westchester County requests a 5-year reporting of the WLS IT expenses and revenues for the purpose of reviewing fund balances." [Motion passed with one abstention.]

As WLS moves forward with the requested audit of WLS IT operations and development of our 2022-2026 Plan of Service, we would like to explore with the WLS Board potential future directions for WLS service requirements.

January 28, 2020

## Finance Model - Network Connectivity Proposal

The purpose of this proposal is to ensure stability for the member libraries of the cooperative. The current contract for network connectivity is active until May 2022. Until then, all libraries will agree to the following requirements, to prevent further unexpected cost increases.

1. For the year 2021, if a member library wants to terminate their network connection with WLS, they must submit a written request by July 31, 2020. They will also be subject to Early Termination Fees (ETFs), which are based on the speed of the circuit.
2. For the year 2022, if a member library wants to terminate their network connection with WLS, they must submit a written request by July 31, 2021. They will also be subject to Early Termination Fees, which are based on the speed of the circuit. ETF will only apply until May 2022.
3. Libraries wishing to not be part of future contract negotiations after the expiration of the current network contract, which expires May 2022, must submit a written request no later than December 31, 2021.

ETFs are based purely on our service provider (Lightpath/Altice) and are not designated by WLS:

100mb circuit - number of months left until contract is fulfilled (May 2022) x \$590 = ETF

300mb circuit - number of months left until contract is fulfilled (May 2022) x \$800 = ETF

Going forward, WLS will explore new network options and will make PLDA members aware of contract negotiations and how the finance model will be impacted.

There will be a more formal agreement to come once a network concept is developed and before WLS begins contract negotiations with potential vendors in the future.