



BOARD ACTION FORM

ITEM NO. 6a.

DATE OF MEETING: November 21, 2011

REQUESTED BY: Mike Taylor, Library Director

SHORT TITLE: Resolution Approving a FY2011-12 Budget Ordinance Amendment Increasing Revenue and Expenditures from Fines/Fees: \$5,500

BACKGROUND: Unique Management is a debt collection service that specializes serving public libraries. The library conducted a 90 day trial beginning in mid-July bringing in \$880 in overdue fines and \$1,520 worth of library materials (books, DVDs, CDs,) not returned. The trial was deemed successful and the library wishes to continue the service.

Accounts with a balance of \$25 or more were turned over to Unique Management (UM) after 60 days overdue. During the first 60 days after items are due, the library first seeks the return of materials through letters and phone calls. After that time, accounts are referred for debt collection. Under the trial, the library experienced a 28% return rate, or 8% higher than what the company expects on average. Sometimes library customers move with no forwarding address and the company has access to services to find new addresses. The company makes contact by phone and letter and uses a soft glove approach in communications. Accounts not settled 60 days after being turned are reported to the credit rating agencies. The library has the power to stop the process on an account should extenuating circumstances come to light.

Under the terms of the service, the library is charged \$8.95 per account, but is never billed more than the actual cash taken in on a monthly basis. The balance owed rolls over to the next month which will be paid off eventually by the revenue generated. Not only is the library getting back materials, but the experience of other libraries is that cash revenue will exceed costs of the service within the year. Therefore the service pays for itself and eventually generates additional income for the county. The service will be evaluated for termination if the costs exceed the benefits after a year. The service will be monitored through monthly reports to track the success of the approach. The Finance Officer has created a "Fee" line item for payment of monthly invoices and the budget for the remainder of the fiscal year are based on the average number accounts turned over (30) by the cost per account (\$8.95).

SPECIFIC ACTION REQUESTED: To consider a resolution to approve a FY 2011-12 Budget Ordinance Amendment projecting budgeted revenue and expenses for the Library Department from Unique Management Libraries at \$5,500.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.



Initial

RESOLUTION

NOW, THEREFORE BE IT ORDAINED by the Pender County Board of Commissioners that

a FY 2011-12 budget amendment is authorized as follows: Revenue from fines & fees be increased by \$5,500. Expenditures for debt collection are likewise budgeted for \$5,500 for the remainder of the fiscal year for the Library Department. The Chairman/County Manager is authorized to execute any/all documents necessary to implement this resolution.

Increase Revenues
General Fund 10334101 Library Fines:\$5,500.

Increase Expenditures
General Fund 630-401810 Fees: \$5,500.

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS

YEA VOTES: Brown ___ Tate ___ Blanchard ___ Rivenbark ___ Williams ___

George R. Brown, Chairman 11-21-11
Date

ATTEST 11-21-2011
Date