



MINUTES
BUDGET COMMITTEE MEETING
Wednesday, August 11 - 1:00 p.m. at MHLS

Members Present:

Marie F. Smith, Chair; Muriel Verdibello

Staff Present:

Josh Cohen; Fred VanTassell, Linda Vittone

The committee reviewed the budget for 2005 and the 2006 budget projections.

- Spending for 2005 appears to be on target as budgeted.
- The projected operating deficit for 2006 is \$112,364. The Operating Fund balance is \$132,635, which is below the 58% limit.
- The 2006 budget does not reflect the increase in State Aid of \$76,722, which was slated to go into effect in 2002. However, there is anticipation that the State Aid may be increased in 2006 by \$76,000 (not reflected in current budget projections).
- The \$34,540 in the Capital Fund from the telecom money is not reflected in the Operating Fund balance.

The budget reflects:

- A negotiated salary increase of 3%. December will be the end of a three-year union contract.
- Increase in revenues for the automation reimbursement.
- Decrease of \$7,000 for delivery service to SENYLRC, which will not be renewed.
- The rest of the budget presents no changes in programming.

Recommendations:

- **Personnel Committee** - consider a way to reduce the cost of benefits, the amount of salary increase to offer and the length of the contract.
- **Incentive Committee** - consider reducing the current amount offered as cash grants to libraries. (For example, reduce amount of conference reimbursement since they should be included in the library's budget especially when presented for 414 vote.)
- Request that the libraries give back part of the LLSA funding to the System (30%).
- Charge for Out-of-System interlibrary loans.
- That if the System receives the additional \$76,000 in State Aid consideration be given to putting it into a reserve fund and using it to offset future budgetary shortfalls.

The committee feels the member libraries should not bear the full burden of reducing the potential budget deficit. Therefore, it is our strong recommendation the staff and Personnel Committee explore ways to reduce the cost of employee/retiree benefits for fiscal year 06.

Respectfully submitted,

Marie F. Smith

Marie F. Smith, Chair