

Memo

To: Library Director
From: Chair, Board of Directors
CC: Directors
Date: Sept. 29, 2003
Re: Next Year's Budget

First, let me say how glad we are that you decided to take the job. The Anyville library is the key source for information for many of our patrons, particularly senior citizens on a fixed income. On the average, each day we have 100 casual visitors who take out books and use our Web stations, and in addition run afternoon and weekend children's reading programs and book clubs for adults throughout the year. These are popular programs, and a great way for people in our rural county to get together on a regular basis. We have many great ideas for improving the library and know you can help us realize them.

However, we've got a tiny problem. The budget for this year (see attached) is projected to run in the red by about \$75,000. This was one of the reasons your predecessor decided to leave. Please review the document and give us your ideas about how to bring our budget in lines.

Some items of interest:

- 1) We're currently staffed to be open 6 days a week, 6 hours a day. We were told by the former director that a manager and two staff (one professional and one support) runs about \$65.00 per hour plus 30% benefit overhead, but I'm not really sure about these figures.
- 2) The computer equipment costs are covered by a grant, but computer technical services are paid by the library.
- 3) Staff members are heavily involved in many professional organizations, both at the state and federal level. This allows them to gain new ideas and network, and balances off some of the effects of low salaries. However, it drives up travel costs.
- 4) Utilities seem high, but we were told it was due to the fact that patrons like nice lighting and a warm room when they come in.
- 5) Duplication costs are somewhat offset by revenues, but many of the costs are also related to Inter-Library Loan. This also affects postage.
- 6) Postage and copying costs are also affected by our repeated attempts to collect on overdue fines. Patrons currently owe \$35,000 in back fines, and a collection company has guaranteed collection of 50% of these fines, if we agree to pay them 20% of the collected amount.
- 7) The miscellaneous budget seems high, but no one seems to know why. Should we get the books audited, which would cost \$2,000?

- 8) We just were made a tax district five years ago, and the assessed valuation has not been increased since that time. While the library has broad support, people in town are sensitive about new taxes.
- 9) Book fair and state aid revenues are stable, but donations are going up. Some patrons are willing to help finding grants and donations.

I really hope you can come up with a plan in the next week. Please send me a memo detailing your ideas.

Attachment: Annual Budget

	Salary	Per hour pay	Hrs. worked per week	Total
EXPENDITURES				
Personnel				
Director	45,000			45,000
Asst. Director	30,000			30,000
Professional Staff		\$15.00	160	124,800
Support Staff		\$10.00	200	104,000
Benefits @ 30%				91,140
<i>Subtotal Personnel</i>				394,940
Other Than Personnel				
Services				
Office Equipment	3,320			
Computer Equipment	37,600			
Furniture	5,000			
Publication Acquisitions	15,000			
Book Acquisitions	20,000			
Software	5,000			
Staff Travel	10,000			
Rent	15,540			
Utilities	12,640			
Telephone	1,500			
Duplication	17,500			
Postage	10,000			
Building Maintenance	4,000			
Computer Technical Services	16,500			
Insurance	3,600			
Miscellaneous	10,000			
Meeting costs	3,000			
<i>Subtotal OTPS</i>	190,200			190,200
Total Expenditures				585,140
REVENUES				
Tax Assessments (\$5.00 per 1,000 assessed valuation)				300,000
Overdue fines				4,000
Copying revenues				7,750
Book fair revenues				35,000
State Aid				100,000
Donations				25,000
Grants for computer system upgrades				37,600
Total Revenues				509,350
Balance/Shortfall				-75,790