

Deerfield Public Library
Finance Committee Minutes
September 13, 2010

Meeting was called to order at 7:07 p.m.

Present: Board members: Committee Chair Sunday Mueller, Jeff Rivlin. Staff: Library Director Mary Pergander, Business Manager Carol Dolin.

Visitor: Matt Kiefer, Reporter, Deerfield Review

Ms. Mueller and Mr. Rivlin continued to review the the preliminary appropriations budget as proposed by the management team and revised by Ms. Pergander. The preliminary budget proposes a 5.1% levy increase with a potential shortfall of \$41,774. As requested at the September 11 meeting, Ms. Pergander added a column to the budget illustrating the impact of a balanced budget as proposed, which would require a 6.5% increase to the levy request. Ms. Pergander reported that Library financial consultant Steve Larson recommends a zero levy increase because of the economic conditions. He strongly recommends no increase in the salaries line. A third option of a zero levy increase was considered briefly and dismissed as inconsistent with past practice and insufficient considering Library needs.

The 5.1% and 6.5% levy increase budgets were examined side by side. Ms. Mueller and Mr. Rivlin questioned assumptions regarding projected revenues. They explored and rejected alternatives to increase revenues, including implementing fees for meeting room use. Ms. Mueller questioned whether \$750,000 is sufficient for pre-remodel expenses through April 2012. Ms. Pergander recommended adding \$250,000 to \$500,000 to Available from Reserves Revenue and Pre-remodel Expense categories. No funds have yet been expended from the Reserves and, should the referendum pass, these funds could be drawn against the \$2 million the Board has committed to the project. Mr. Rivlin and Ms. Mueller agreed.

Expense categories were examined to identify potential areas for reduction. Health insurance and retirement expenses have increased dramatically due to the mix of employees and types and levels of coverage. Changes have been made in insurance co-pays and deductibles to control costs, but these costs are not likely to decrease in the coming year. The automation line is a significant expense. Ms. Mueller asked if this budget could be broken down differently to better illustrate what is spent and how it is spent. Ms. Pergander said this information is in the Technology Plan and Head of Automation Rebecca Wolf is updating the report to address these questions for the full board.

After deliberating for some time, the materials, salaries, training, and professional services budget lines were identified as categories for potential cuts. Ms. Mueller asked what percentage of the tuition/education budget is spent on formal tuition versus seminars and other kinds of professional development. She also asked for a breakdown of professional fees for the past two or more years. Ms. Dolin will provide reports for these categories before the Board meeting.

Ms. Mueller and Mr. Rivlin agreed to take both budgets as proposed to the Board along with the additional reports. They will invite further discussion regarding the budget lines to cut to reach a balanced budget without a significant increase in the levy request.

The meeting adjourned at 8:47 p.m.