
M E M O



Date: August 25, 2010

To: Chair J.J. McCament and Members of the Board of Trustees

From: Clifford Jo, Director of Finance & IT

Subject: Budget Study Session—financials

Enclosed are three charts that will be discussed during next week's Board study session on the budget.

1. At the beginning of the meeting, I will review the Library's fundamental budget model. This model discusses the relationship among the operating budget, capital budget, and cash reserves. No materials are enclosed, but instead this will be a brief, interactive presentation to you.
2. We will then review the assumptions related to property taxes, which make up about 97% of our revenues. (See first chart attached, 1 page.)
3. The next step will be a review of the operating budget for the next 5 years (second chart attached, 2 pages). Items in orange are items based on the latest offer to the union. Items in yellow are items for which we have little or no control over increases, due to mandatory or contractual cost increases, such as fuel and postage.
4. The final chart is the cash flow chart (last attached, 1 page), which incorporates all of the above elements. It summarizes our task during this budget season and future years. Included at the bottom is a summary of the capital budget.