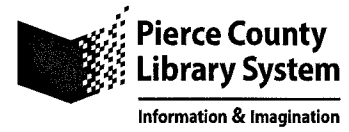


M E M O



Date: July 29, 2011

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

From: Clifford Jo, Finance & Business Director

Subject: 2012 Salary Savings Discussion

For the 2012 fiscal year budget, to help reduce the pain of budget reductions, the Library is considering a salary savings strategy. "Salary savings" means that a percentage of the budget is automatically reduced at the bottom line for personnel costs. That percentage is calculated by reviewing historical trends and analysis to show that personnel turnover (unfilled positions, delayed recruitments, resignations, etc) causes some portion of the personnel budget not to be spent.

Following is data of the personnel budget and actuals from 2002 – 2010. Personnel costs include salaries and wages, overtime, voluntary retirement incentive, FICA, and employee benefits (health care, retirement).

PERSONNEL BUDGET TO ACTUALS COMPARISON 2002 – 2010

Fiscal Year	Original Budget	Actuals	\$ Difference	Percent Difference
2002	9,249,567	9,130,404	(119,163)	-1.29%
2003	10,302,070	10,059,901	(242,169)	-2.35%
2004	10,803,752	10,325,687	(478,065)	-4.42%
2005	11,236,934	10,740,277	(496,657)	-4.42%
2006	12,007,228	11,843,234	(163,994)	-1.37%
2007	16,594,716	14,215,752	(2,378,964)	*-14.34%
2008	19,168,513	17,633,116	(1,535,397)	-8.01%
2009	20,275,222	18,482,919	(1,792,303)	-8.84%
2010	18,719,865	17,329,888	(1,389,977)	-7.43%
Average	14,261,985	13,306,798	(955,188)	-5.83%

*2007 is an exception due to the levy lid-lift, as it took more time to fill positions.

Given our experience with staffing turnover and unfilled positions, the Library is considering allocating a small portion of the personnel budget to salary savings. We are interested in hearing your thoughts on this.