

REPORT OF THE DIRECTOR

Winnefox Library System

Wednesday, July 29, 2009

2010 WINNEFOX BUDGET OUTOOK & RESERVE USE PROPOSAL

The recently passed state budget reduces funding of the Winnefox Library System for the 2010-2011 biennium. Our 2010 funding will be \$953,879, which is \$36,742 (or 3.68%) less than 2009. For 2011 we will receive an increase of \$30,436 over 2010 funding. Preliminary work on the 2010 budget focused on reducing expenditures while preserving services to member libraries. Member library directors were surveyed and engaged in conversations about budget reduction priorities in January and June. The memo included as Exhibit A. provides more detail on our budget outlook. It also puts forward a proposal to expend unallocated reserves in 2010 to sustain some services that would otherwise be cut (i.e. that we plan for 2010 expenditures that will be greater than our 2010 revenues). Discussion. **Action Requested:** approve plans to expend reserves in 2010 as detailed in Exhibit A.

WINNEFOX RESERVE FUNDS

Historically, Winnefox has carried a very healthy fund balance in reserve. Our 2008 end-of-year fund balance stands at \$644,554 and reflects the amount we have in reserve as long as spending stays within budget. The Wisconsin Department of Public Instruction recommends that reserve funds be allocated by the board rather than being left in one large unallocated reserve. The memo included as Exhibit B. recommends a number of changes to existing allocated reserve accounts, suggests establishment of two new reserve accounts, and asks the board to consider setting a policy for keeping a cash flow reserve. Discussion. **Action Requested:** approve recommendations contained in Exhibit B.

MISCELLANEOUS REPORTS -

- **Report of System Activities, July 21, 2009:** Mark Arend's latest report of system highlights is included as Exhibit C.
- **Report of 2010 Cross County Reimbursement under Act 420:** Exhibit D. contains Mark Arend's summary of planned billing for 2010.
- **Report on Federal Broadband Stimulus Grant for fiber to libraries:** Exhibit E. contains a memo from Winnefox Technology Coordinator Karen Boehning detailing the state's plans to seek stimulus funds to bring faster Internet connections to Winnefox libraries via fiber optic cable.

Respectfully submitted,

Jeff Gilderson-Duwe
Executive Director