



106 Washington Avenue, Oshkosh, Wisconsin 54901-4985

MEMORANDUM

DATE: August 22, 2019
TO: Oshkosh Public Library Board of Trustees
FROM: Jeff Gilderson-Duwe, Library Director
RE: 2020 Library Operating Budget

In this month's packet, I have included a proposed 2020 operating budget. The budget proposal was formulated after discussing guidelines with the library board at its July 25, 2019 regular meeting. The budget proposal was submitted to the Oshkosh City Manager for review. On September 10, 2019, I will meet with the city manager and city Finance Director to discuss the proposal. After meeting with the city manager, if necessary, I will bring a revised 2020 operating budget proposal for library board consideration at its September 26, 2019 regular meeting.

What follows are the major features of the budget proposal submitted to the city manager:

Expenditures:

Total Proposed Expenditures Not Including Retirement Payout Reserve: \$ 3,759,900
Total Proposed Expenditures INCLUDING Retirement Payout Reserve: \$ 3,849,900

Personnel: Excluding Retirement Payout Reserves, total wages and fringe benefits costs are expected to increase by \$90,800 (3.4%) compared with the amount budgeted for 2019.

Contractual Services: Proposed expenditures for contractual services are decreased by \$35,200 (9.8%). This is due mainly to two factors: 1) a decrease in budgeted expenditures for contracted labor from Winnefox (a plan for adding a third Administrative Specialist to the office was abandoned) and 2) a zero contribution in 2020 to the library's technology reserve account with Winnefox.

Advertising: I propose an decrease in this line from \$10,000 to \$5,000 to reflect estimated actual expenditures in 2019. This ought to be sufficient to handle routine operational needs for advertising services. If one-time or extraordinary needs for advertising services arise, I may seek library board approval for trust funds for those purposes.

Promotional Services / Miscellaneous Contractual Services: The 2020 operating budget proposal spreads the same expenditure amount -- \$7,800 – over two budget lines rather than putting the entire amount into promotional services as we did in 2019. This is because the city expenses fees for program performers / speakers as “Miscellaneous Contractual Services” rather than as “Promotional Services.”

Promotional Materials: Our shift away from event-by-event publicity and promotion to seasonal program calendars has increased the amount of printing that we do. The proposed \$13,500 increase in this line over last year’s budget is driven by this shift.

Other Materials & Supplies: The 2020 library operating budget proposal increases spending on the miscellany of supplies that we purchase for public programming – craft programs, do-it-yourself programs, program refreshments, etc. We are proposing to increase the budget for these materials from \$8,700 to \$15,000.

Revenues:

Total Non-Levy Revenues:	\$938,200
Total Surplus Applied (Retirement Payout Reserve):	<u>\$ 90,000</u>
	\$1,028,200

Grants & Aids: Overall decrease of \$19,400 (2.2%) is driven by two factors: 1) a decrease of \$50,000 in the contract with Winnefox for cataloging and database maintenance; and 2) increases in funding from Winnebago and Fond du Lac counties adding up to \$28,000.

Carryover Surplus Applied: I propose that the library board designate \$90,000 of the undesignated fund balance as a Retirement Payout Reserve for 2020. This is my estimate of the funds that would be required if all employees eligible to retire in 2020 did so.

The latest estimate of undesignated fund balance is approximately \$606,300, or about 16% of total budgeted expenditures for 2019.

Total Levy Request: \$2,821,700 (increase of \$125,600, or 4.7% over the 2019 city levy)