



106 Washington Avenue, Oshkosh, Wisconsin 54901-4985

MEMORANDUM

DATE: June 22, 2022
TO: Oshkosh Public Library Board of Trustees
FROM: Jeff Gilderson-Duwe
SUBJECT: Carryover Fund Designation

The library ended 2021 with an estimated \$444,272 in undesignated fund balance with the City of Oshkosh. We often refer to the undesignated fund balance as “carryover funds,” since the amount represents accumulated fund surpluses “carried over” from past years’ operating budgets.

Please see the table below for detail of the fund balance calculation:

2020 – 2021 Carryover	\$ 532,700
2021 Levy Revenue (Actual)	\$ 2,772,700
2021 All Other Revenue (Actual)	\$ 916,934
2021 Total Operating Funds under Library Board Authority	\$ 4,222,334
2022 Expenditures (Actual – estimated)	\$ 3,778,062
2021 – 2022 Carryover (estimated)	\$ 444,272

In most years since 2009, the library board has designated portions of the carryover surplus funds to be used for specific purposes. This practice was initiated in response to an unpublished 2006 opinion letter from the Wisconsin Department of Justice that stated “a library board may not maintain unexpended monies as “generic funds on hand.”

My recommendations for designating the uses of the library’s carryover surplus in 2022 are below:

“Connecting People with Information”

- 1. I recommend that the library board designate \$55,000 of the carryover fund balance to cover retirement benefits payouts during the remainder of 2022.**

I do not at present have notification of any employees planning to retire in 2022, but half of the year remains. If all eligible employees were to retire yet this year, we would require about \$55,000 to cover retirement payout obligations.

- 2. I recommend that the library board designate up to \$50,000 of the undesignated fund balance to cover previously unbudgeted maintenance, repair, and equipment replacement projects for the library building and grounds.**

Examples of such projects that have already occurred or are planned in 2022 are: 1) digital cabling for City telephone system upgrade (estimated total net cost of \$25,000); 2) replacement of exterior book drops and carts (\$15,300); 2) installation of humidification equipment and controls on two HVAC units (\$10,000); and 3) miscellaneous smaller repair or maintenance projects (examples include sealing mortar on masonry around the dumpster enclosure; removing peeling wall covering in lower level Conference Room and painting the wall; repairing and painting stairwell drywall after a patron kicked holes in it, etc.).

- 3. I recommend that the library board designate up to \$50,000 of the undesignated fund balance to cover previously unbudgeted costs in support of identified Strategic Plan projects.**

Examples of projects called for in the 2022 Strategic Action plan that may have unbudgeted costs include implementing a new customer service model and staff engagement plan; a facility development planning process; a public web site redesign process; and potential library outreach initiatives.

- 4. I recommend that the library board designate the remaining carryover surplus balance of \$289,272 for future capital projects that may arise out of the library facility development plan slated for completion in 2023.**