



106 Washington Avenue, Oshkosh, Wisconsin 54901-4985

## MEMORANDUM

**DATE:** May 16, 2023  
**TO:** Oshkosh Public Library Board of Trustees  
**FROM:** Jeff Gilderson-Duwe  
**SUBJECT:** Carryover Fund Designation

The library ended 2022 with \$366,480 in the 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’ budgets.

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

<b>2021 – 2022 Carryover</b>	<b>\$ 529,273</b>
<b>2022 Revenues</b>	<b>\$ 3,832,509</b>
<b>2022 Revenues plus Carryover</b>	<b>\$ 4,361,782</b>
<b>2022 Expenditures</b>	<b>\$ 3,995,302</b>
<b>2022 – 2023 Carryover</b>	<b>\$ 366,480</b>

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 This practice was initiated in response to an unpublished 2006 opinion letter from the Wisconsin Department of Justice that stated “a library board may not maintain unexpended monies as generic funds on hand.”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 2023 are below:

*“A Library in Every Life”*

- 1. I recommend that the library board designate \$60,000 of the carryover fund balance to cover retirement benefits payouts during the remainder of 2023.**

The Library has not paid out any retirement benefits thus far in 2023. Between my own expected accumulated sick leave payout and other potential payouts, I believe that it would be prudent of the Board to earmark \$60,000 for this purpose.

- 2. I recommend that the board designate \$50,000 to spend on library materials.**

With the 2023 operating levy freeze experienced by the Library, the budget line hit hardest by the need to reduce expenditures was Library Materials, which was set \$80,000 below the 2022 level. After consulting with the Head of Collection Development, we believe that a restoration *this year* of \$50,000 will allow acceptable materials acquisitions. Planning for the 2024 operating budget may call for additional funds, especially to keep pace with demand for electronic content.

- 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.**

One such project is a consultant-led rebranding of Oshkosh Public Library. The rebranding project will help OPL to better connect with our patrons, community and stakeholders with a clear brand message, visual identity and brand standards.

- 1. I recommend that the library board designate up to \$30,000 of the undesignated fund balance to cover previously unbudgeted maintenance and/or repair projects for the library building and grounds.**

One project that is pending this summer is the reconstruction of the decorative planting beds to the North of the Library main entrance. This work will be done at a cost of about \$13,000. Although no other projects are known at present, we believe it would be prudent to allow for at least one other of a similar scale and cost.

- 2. I recommend that the library board designate the remaining carryover surplus balance of \$176,480 for future capital projects that may arise out of the library facility development plan slated for completion in 2024.**