



106 Washington Avenue, Oshkosh, Wisconsin 54901-4985

## MEMORANDUM

**DATE:** April 18, 2019  
**TO:** Oshkosh Public Library Board of Trustees  
**FROM:** Jeff Gilderson-Duwe  
**SUBJECT:** Carryover Fund Designation

The library ended 2018 with \$606,300 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>2017 – 2018 Carryover</b>	<b>\$ 479,500</b>
<b>2018 Revenues</b>	<b>\$ 3,581,800</b>
<b>2018 Revenues plus Carryover</b>	<b>\$ 4,061,300</b>
<b>2018 Expenditures</b>	<b>\$ 3,455,000</b>
<b>2017 – 2018 Carryover</b>	<b>\$ 606,300</b>

Every year 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 This practice was initiated in response to an unpublished 2006 opinion letter from the Wisconsin Department of Justice that stated “a library board may not maintain unexpended monies as “generic ‘funds on hand.’”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 2019 are below:

*“Connecting People with Information”*

- 1. I recommend that the library board re-affirm its designation of \$62,000 of the carryover fund balance to cover retirement benefits payouts during the remainder of 2019.**

The Library has paid out about \$68,000 in retirement benefits thus far in 2019. When the library's 2019 budget was approved, the library board designated a retirement payout reserve of \$130,000 to be drawn from carryover funds as necessary. This leaves \$62,000 of the reserve. I do not at present have notification of any other employees planning to retire in 2019, but more than half of the year remains. I believe the previously reserved amount is an appropriate amount to cover any other retirement payout obligations that may arise this year.

- 2. I recommend that the library board designate up to \$60,000 of the undesignated fund balance to cover previously unbudgeted costs in support of identified Strategic Plan projects.**

Examples of projects called for in the 2019 Strategic Action plan that may have unbudgeted costs include a library re-branding campaign, strategic planning process, and employee engagement initiatives.

- 3. I recommend that the library board designate up to \$35,000 of the undesignated fund balance to cover previously unbudgeted maintenance and/or repair projects for the library building and grounds.**

The only known project pending at this time is repair of the terrace retaining wall outside the lower level conference room on the building's north side. These funds will allow us to address other issues as they may arise.

- 4. I recommend that the library board designate the remaining carryover surplus balance of \$449,300 for future capital projects that may arise out of the library facility development plan slated for completion in 2019.**