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WINNEFOX LIBRARY SYSTEM

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MEMORANDUM

DATE: September 17, 2018
TO: Winnefox Library System Board of Trustees
FROM: Jeff Gilderson-Duwe, Director
SUBJECT: 2019 Winnefox, WALs, and WCTS budget proposals

Background

The 2019 system budget proposal comes to the board in a time of uncertainty – the three-year Public Library System Redesign Process (PLSR) is in the final-report writing stage. Although we do not know the specific recommendations that will emerge from the process, we are confident that they call for more collaboration over larger geographic areas of the state (up to and including statewide efforts). During 2018, building upon a history of successful collaboration, Winnefox pursued two new service-delivery arrangements that embody this spirit: 1) a process to explore creation of a joint-venture library automation platform with OWLSnet; and 2) formation of a cooperative continuing education (CE) support service with the OWLS, Nicolet, and Manitowoc-Calumet library systems.

The 2019 budget proposal will support continuing efforts at collaboration, including moving to materials delivery to all Winnefox libraries every weekday, which will respond to many requests from our member libraries and align us with the delivery schedules in effect with many of the OWLSnet libraries. This budget proposal also supports plans to utilize system aid increases authorized by the state legislature for 2018 and 2019 (termed “special project” funds in this budget). The GaleCourses online learning product will be purchased in both years to support the lifelong learning goals of member library patrons. In 2019, individual project grants will be offered to member libraries to support their efforts in the areas of lifelong learning and workforce development.

Personnel:

The 2019 budget proposal includes addition of a 0.75 FTE Administrative Specialist position, with significant support from Oshkosh Public Library, to assist with OPL accounting tasks, and two (2) 0.285 FTE driver positions, that will enable our move to a five-weekday delivery schedule.

The 2019 budget proposal maintains the regional competitiveness of Winnefox's pay plan by recommending that all three major facets be funded adequately:

- The entire pay matrix is proposed to be adjusted by 2.5% across the board;
- Step increases are budgeted for all eligible staff members; and
- Performance pay bonuses are budgeted for all full-time staff and for delivery drivers (\$10,000 in total).

Two developments with fringe benefits are reflected in the Winnefox, WALs and WCTS budgets.

- Health insurance cost changes are still being assessed; we have used an assumption of a 2% increase in health insurance premiums, which is in line with guidance offered earlier this summer by the Wisconsin Department of Employee Trust Funds (ETF).
- State retirement contribution level is decreasing from 13.4% to 13.1% of participant's gross pay. Winnefox will pay half – i.e., 6.55%.

Highlights of the three Winnefox unit budgets are detailed below:

Winnefox: Where the 2017 budget was proposed with surplus revenues, the 2018 proposal is for a balanced budget between revenues and expenditures.

1. Revenues
 - a. No change in base state funding (\$885,885) for 7th year.
 - b. \$29,500 increase for special project (on top of \$29,500 increase received in 2018).
 - c. Added revenues for four-system CE collaborative (NEWI): \$10,000.
 - d. 2018 actual interest revenues guided an estimate of \$25,000 for 2019 – up \$17,500
2. Expenses
 - a. Overdrive: Requesting \$56,867 for statewide collection—up \$5,122. Looks like all libraries will contribute full amount. Expecting \$65,000 for Winnefox Advantage, a collection of eBooks and eAudiobooks available only to Winnefox library patrons. Also 4th year of Winnebago County \$10,000 special project grant for Overdrive Advantage content.

WALS

1. Revenues
 - a. 2019 Winnefox funding of WALS is \$83,694 -- down \$44,587, and closing in on the goal of reducing the system share of support to 10% (will be 10.8% in 2019).
 - b. 2019 member library support for WALS is \$688,925 – up \$12,418 (1.84%) over the 2018 level.
2. Expenses
 - a. Capital expenditures are proposed to be \$26,600 – down \$36,400 in large part because we have reached the long-term automation system replacement reserve level of \$500,000 and no major server purchases are planned in 2019.

WCTS:

1. Revenues
 - a. We are requesting a 2.61% increase in county funding.
2. Expenses
 - a. Over 90% of WCTS budget is personnel.