



## WINNEFOX LIBRARY SYSTEM

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### MEMORANDUM

**DATE:** September 21, 2015  
**TO:** Winnefox Library System Board of Trustees  
**FROM:** Jeff Gilderson-Duwe  
**SUBJECT:** 2016 System budget proposal

#### **Background**

In 2016, for the fifth consecutive year, state aids revenues to Winnefox will be \$885,885. One year ago, when I asked the Board to approve a 2015 budget that drew on reserve funds to make up for a revenue shortfall, we committed to bringing forward a 2016 budget proposal that brings expenditures into balance with revenues. In order to accomplish that, we propose to cease offering graphic design services to member libraries, laying off the graphic designer at the end of 2015. We earlier proposed also to cease offering printing services but now plan to continue offering them on a limited basis.

Winnefox's pay plan applies to all system employees and consists of three parts: 1) a pay rate matrix that was established in 2012 to be competitive with public and private employers in the Fox Valley region; 2) a step system that allows Winnefox to hire in new employees at a below-market pay rate and that allows the employee to progress to a market average pay rate for their work as they gain knowledge and experience over several years; and 3) a "pay for performance" program that rewards employees for meeting or exceeding the requirements of their positions.

In 2016, I recommend that Winnefox maintain market area competitiveness by increasing the pay rates by 2 percent across the board, by authorizing pay steps for the 7 full-time employees and 3 van drivers who are eligible, and by funding the "pay for performance" system in the amount of \$11,996.

Two pieces of good news in the personnel cost area are that both employer and employee contributions to the state retirement system will decrease slightly in 2016, and that we expect to be able to hold the line on health insurance expenditures.

## **Winnefox**

Our 2016 expenditures proposal is \$22,333 below estimated revenues for the year. We already know that 2017 state aids revenues will be the same as for the previous 5 years, so this expected surplus could be applied later to assist in balancing 2017 expenditures. Alternatively, these funds may make it possible to implement recommendations for new collaborative service models that may emerge from our discussions with the Outagamie-Waupaca Library System (OWLS).

Revenues: as mentioned above, state aids will be same amount as they have been every year since 2012. Additional revenues (\$4,352) will come to Winnefox through a new accounting services contract with the Mid-Wisconsin Federated Library System.

Expenditures: Most expenditure categories are down in response to ceasing graphic design services; contractual services costs are up to cover an agreement for a new grant funding service provided by CESA 6; and some administrative services costs were shifted from WCTS to Winnefox.

## **WALS**

Revenues: For the second year, the proportion of member library support versus Winnefox support for WALS is proposed to shift gradually, decreasing the system subsidy. The 2016 share of 83.7% local library funding / 16.3 % Winnefox funding compares to 82.9% / 17.1 % in 2015. The long-term goal is to gradually reduce Winnefox support to 10% of total WALS funding.

Expenditures: SirsiDynix Symphony software maintenance costs are up due to the addition of two modules to the system; capital equipment costs will increase due to the need to replace network equipment located at Elisha D. Smith Public Library in Menasha; and administrative services costs are reduced as we are sending out fewer notice forms in the mail these days.

## **WCTS**

Revenues: 3% increase in county funding has been requested; new fees to libraries are being added for use of rotating materials circuits and for DVD/CD repair.

Expenditures: In order to bring 2016 expenditures into line with expected revenues, a staffing reduction is being proposed; some administrative services costs have been shifted to the Winnefox budget; and a rent decrease is reflected in the budget.

## Winnefox Library System 2016 Budget Summary

	2014 Actual	2015 Budget	2016 Budget	Difference 15 - 16	% Difference
State System Aids	885,885.00	885,885.00	885,885.00	0.00	0.00%
Interest Revenue	2,481.14	3,000.00	3,000.00	0.00	0.00%
Contractual Revenue	120,955.19	105,179.05	110,562.41	5,383.36	5.12%
Printing Revenue	10,687.66	7,000.00	5,000.00	-2,000.00	-28.57%
Overdrive Revenue from libraries	85,121.00	102,039.55	109,911.47	7,871.92	7.71%
Other Revenues	3,712.84	1,000.00	1,500.00	500.00	50.00%
Grant Revenue	0.00	0.00	0.00	0.00	#DIV/0!
<b>Total Operating Revenue</b>	<b>1,108,842.83</b>	<b>1,104,103.60</b>	<b>1,115,858.88</b>	<b>11,755.28</b>	<b>0.01</b>
Transfer from reserve--WALS fee assistance	1,984.40	1,488.30	992.20	-496.10	-33.33%
Transfer from reserve--operations	0.00	37,187.11	0.00	-37,187.11	-100.00%
<b>Total Operating Funds</b>	<b>1,110,827.23</b>	<b>1,142,779.01</b>	<b>1,116,851.08</b>	<b>-496.10</b>	<b>-33.33%</b>

	2014 Actual	2015 Budget	2016 Budget	Difference 15 - 16	% Difference
Personnel	738,418.39	771,254.35	717,015.44	-54,238.91	-7.03%
Contractual Expenditures	65,785.33	51,664.81	57,965.48	6,300.67	12.20%
Administrative Supplies & Expenses	11,726.43	12,655.00	13,650.00	995.00	7.86%
Capital Expenditures	3,594.95	4,500.00	0.00	-4,500.00	-100.00%
Services: Collections	106,374.87	108,163.55	116,221.47	8,057.92	7.45%
Services: Delivery	60,149.61	37,983.00	37,923.00	-60.00	-0.16%
Services: Interlibrary Loan	1,571.10	6,700.00	5,100.00	-1,600.00	-23.88%
Services: Technology support	1,394.55	2,670.00	1,500.00	-1,170.00	-43.82%
Services: Printing and Graphics	14,292.89	13,650.00	14,100.00	450.00	3.30%
Services: Member Library Continuing Education	3,911.38	3,000.00	2,500.00	-500.00	-16.67%
Staff / Board Training, Travel, & Dues	6,019.81	3,750.00	4,250.00	500.00	13.33%
Interfund Transfers	125,800.00	124,800.00	123,300.00	-1,500.00	-1.20%
Funds Allocated to Member Libraries	1,984.40	1,488.30	992.20	-496.10	-33.33%
<b>Total Operating Expenditures</b>	<b>1,141,023.71</b>	<b>1,142,279.01</b>	<b>1,094,517.59</b>	<b>-47,761.42</b>	<b>-4.18%</b>

## Winnefox Automated Library Services 2016 Budget Summary

	2014 Actual	2015 Budget	2016 Budget	Difference 15 - 16	% Difference
Member Library Funding	580,872.40	605,580.00	632,910.00	27,330.00	4.51%
LSTA	19,100.00	19,700.00	19,100.00	-600.00	-3.05%
Winnefox Funding	125,800.00	124,800.00	123,300.00	-1,500.00	-1.20%
Other	1,172.50	1,600.00	1,500.00	-100.00	-6.25%
<b>Total Operating Revenue</b>	<b>726,944.90</b>	<b>751,680.00</b>	<b>776,810.00</b>	<b>25,130.00</b>	<b>3.34%</b>

	2014 Actual	2015 Budget	2016 Budget	Difference 15 - 16	% Difference
Personnel	218,260.76	252,792.07	255,939.53	3,147.46	1.25%
Contractual Expenditures	191,743.25	262,961.28	266,750.51	3,789.23	1.44%
Administrative Supplies & Expenses	8,671.23	18,385.50	16,341.98	-2,043.52	-11.11%
Maintenance	188,563.38	124,741.15	128,922.98	-500.00	-0.40%
Travel, Training, Dues	7,013.28	11,900.00	13,430.00	1,530.00	12.86%
Telecommunications	42,002.36	32,640.00	34,560.00	1,920.00	5.88%
<b>Total Operating Expenditures</b>	<b>656,254.26</b>	<b>703,420.00</b>	<b>715,945.00</b>	<b>12,525.00</b>	<b>1.78%</b>

Capital Expenditures	6,207.22	60,800.00	60,865.00	65.00	0.11%
<b>Total Expenditures</b>	<b>662,461.48</b>	<b>764,220.00</b>	<b>776,810.00</b>	<b>12,590.00</b>	<b>1.65%</b>

Winnefox Library System  
Cooperative Technical Services  
2016 Budget Summary

	2014 Actual	2015 Budget	2016 Budget	Difference 15 - 16	% Difference
<b>Operating Revenue</b>					
County Contracts	164,036.50	166,239.00	171,169.60	4,930.60	2.97%
Rotating Collections	9,573.00	10,050.00	10,400.00	350.00	3.48%
Other revenue	-161.85	1,070.00	3,400.00	2,330.00	217.76%
<b>Operating Revenue</b>	<b>173,447.65</b>	<b>177,359.00</b>	<b>184,969.60</b>	<b>7,610.60</b>	<b>4.29%</b>

	2014 Actual	2015 Budget	2016 Budget	Difference 15 - 16	% Difference
<b>Operating Expenditures</b>					
Personnel	151,837.72	163,675.04	160,629.60	-3,045.44	-1.86%
Contractual	10,349.45	10,495.43	6,700.00	-3,795.43	-36.16%
Administrative Supplies and Expenses	2,009.42	1,060.00	915.00	-145.00	-13.68%
Capital Expenditures	1,076.00	3,000.00	0.00	-3,000.00	-100.00%
Material Processing Supplies	7,860.34	5,585.00	5,575.00	-10.00	-0.18%
Staff Training Travel and Dues	724.94	850.00	750.00	-100.00	-11.76%
Grants	2,706.52	0.00	0.00	0.00	#DIV/0!
Rotating Collections	7,739.92	10,050.00	10,400.00	350.00	3.48%
<b>Total Operating Expenditures</b>	<b>184,304.31</b>	<b>194,715.47</b>	<b>184,969.60</b>	<b>-9,745.87</b>	<b>-5.01%</b>