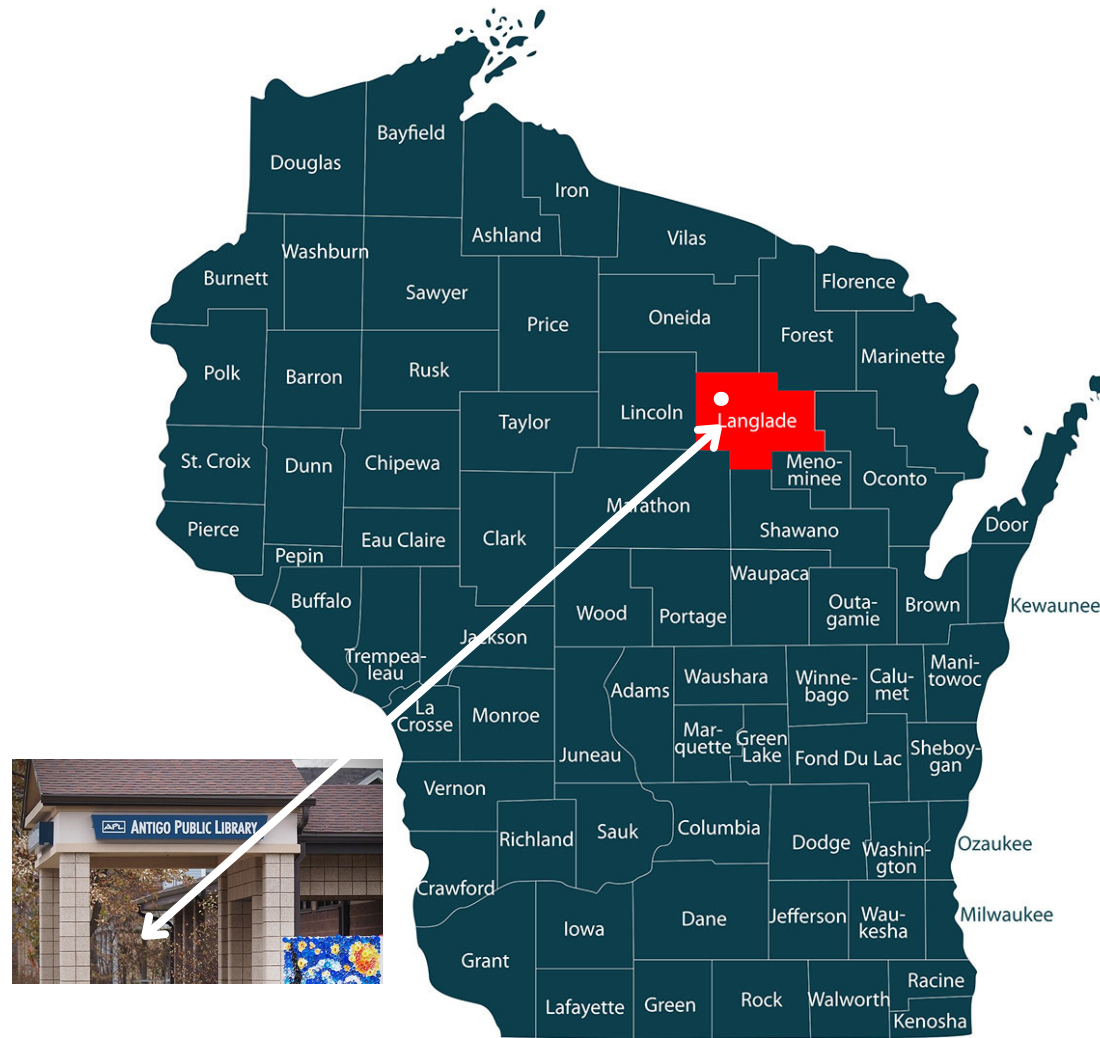


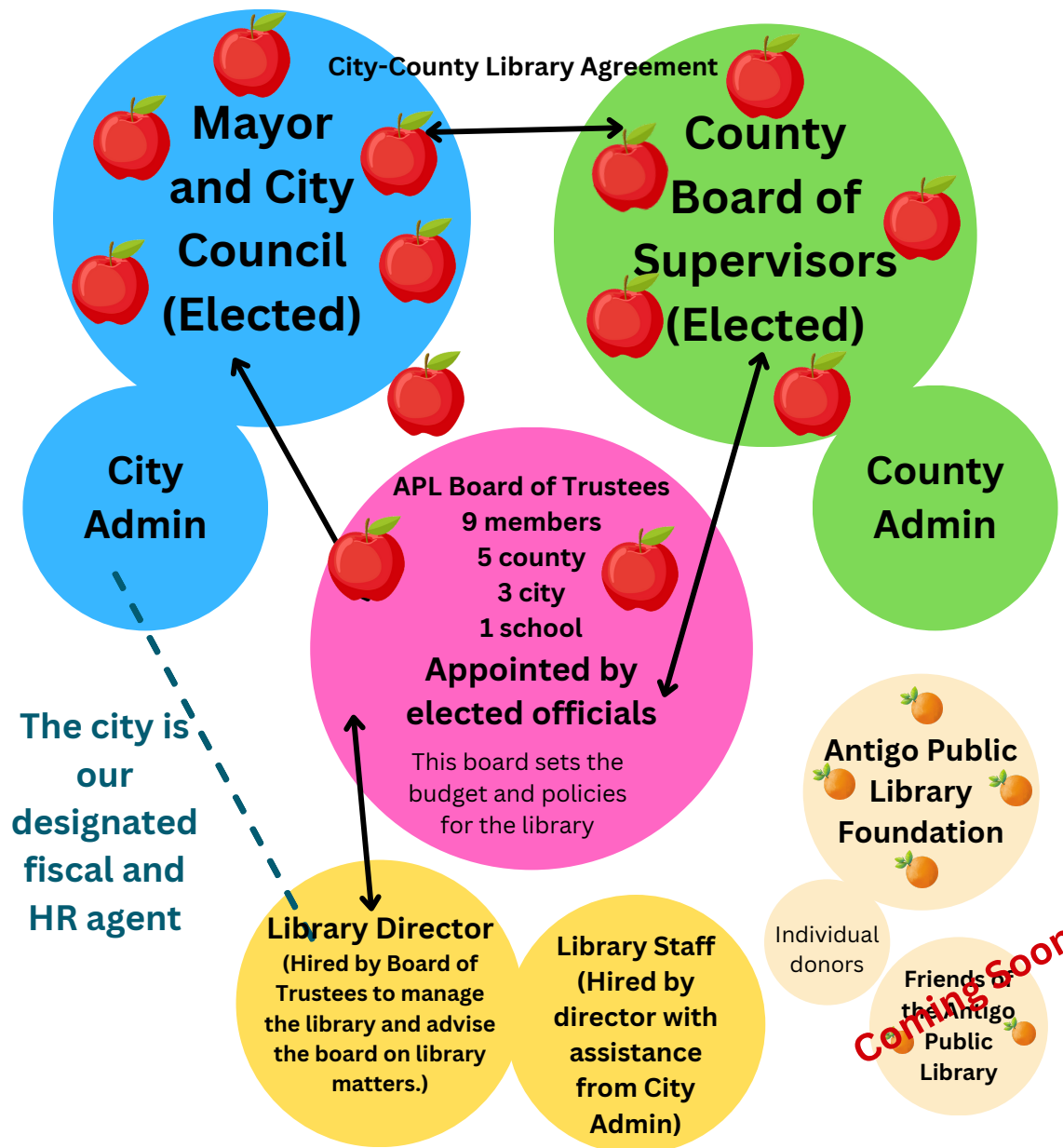
What Kind of Library Do YOU Want?

A Budget Proposal and Community Conversation



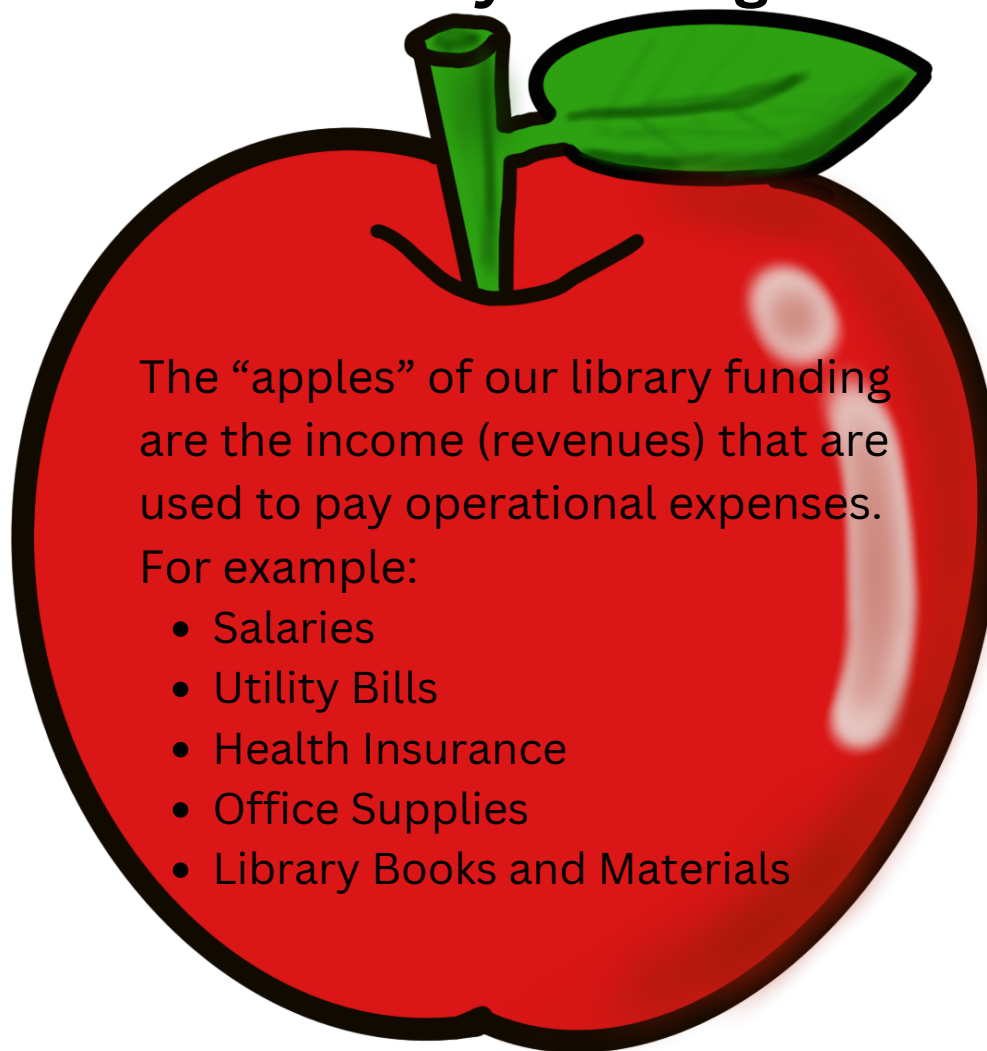


In the state of Wisconsin, in the county of Langlade, on a downtown street in Antigo sits a public library that supports and provides services to all residents of Langlade County. It is called the Antigo Public Library and it is our community library. The Antigo Public Library has branches in Elcho and White Lake.



The Antigo Public Library exists due to an agreement made between the city of Antigo and Langlade County to operate the library. This agreement includes payments of income (revenues) to the Antigo Library Board of Trustees, the governing body of the library made up of city and county appointees. These revenues (income), shown here in apples, are used to operate the library. This agreement also states that the library will be operated according to the Antigo Public Library Bylaws.

The Apples of the APL Library Funding

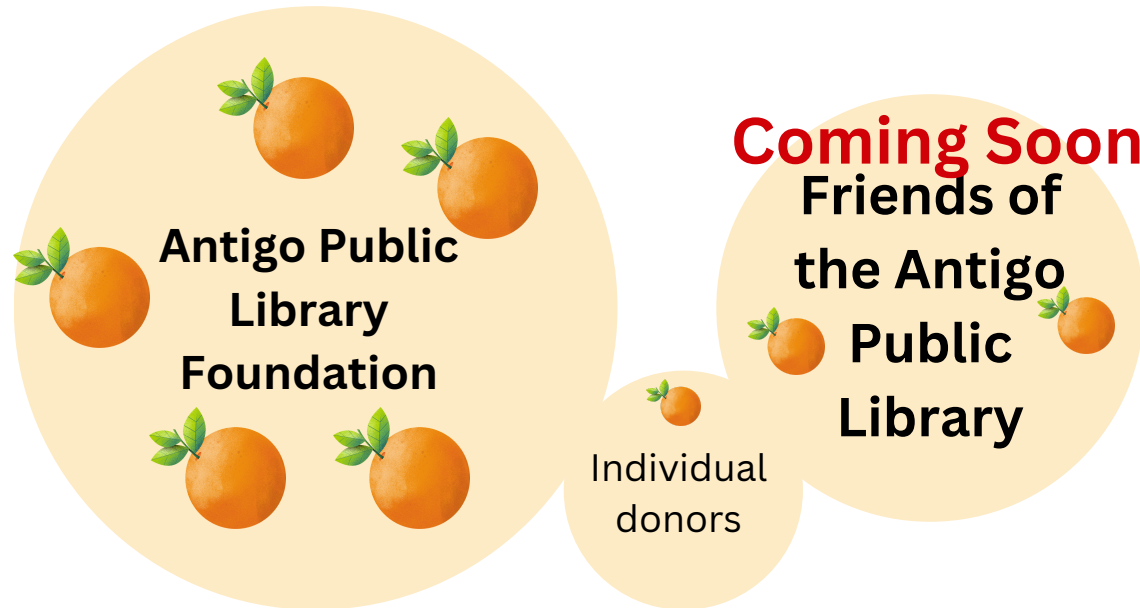


The “apples” of our library funding are the income (revenues) that are used to pay operational expenses.

For example:

- Salaries
- Utility Bills
- Health Insurance
- Office Supplies
- Library Books and Materials

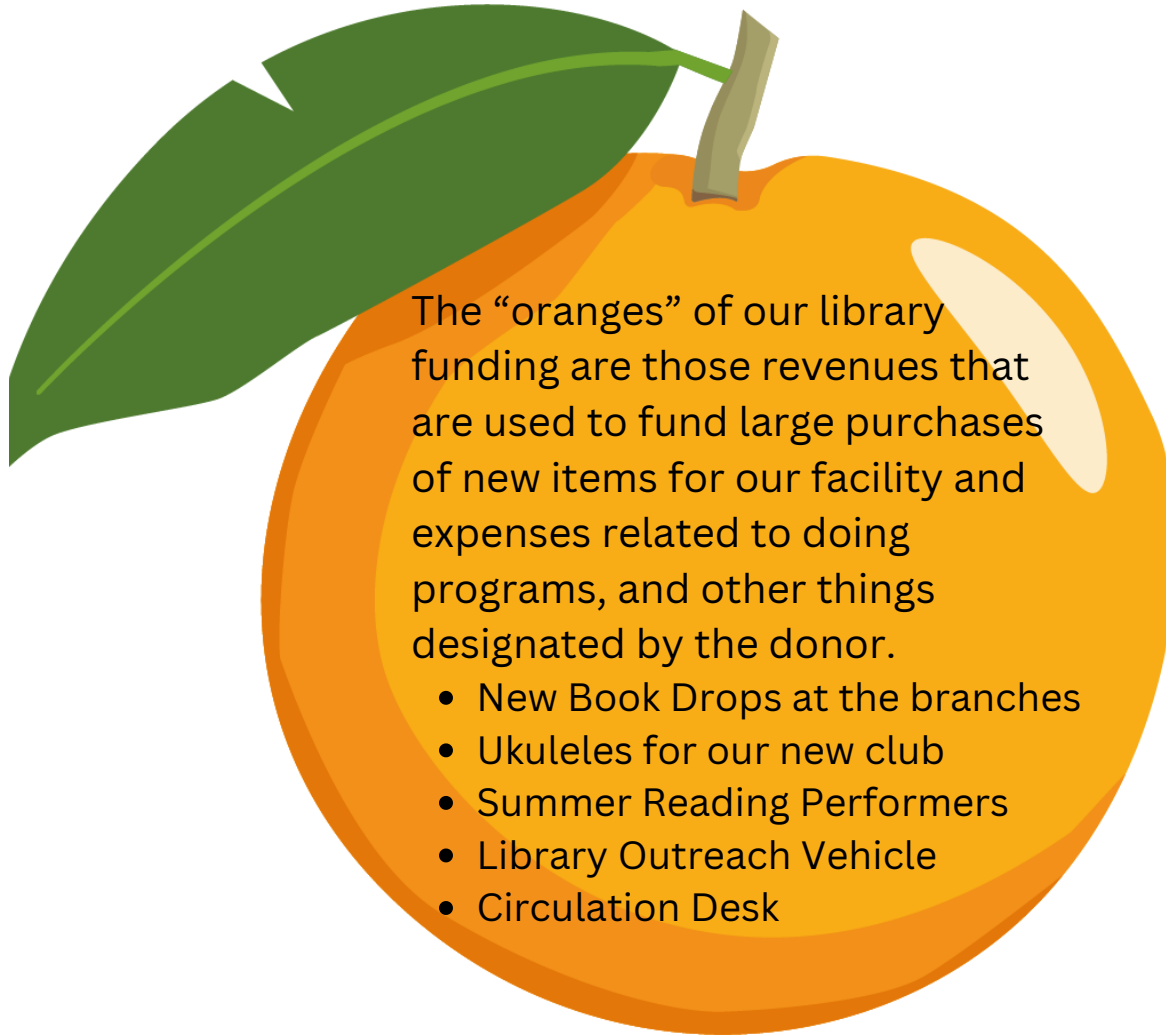
Because the library is a taxpayer supported government entity, it receives most of its “apples” from taxes paid to the city and county who each agreed to give the library the same number of “apples.” Other “apples” come from fees the library charges for some services like copying, faxing, etc. If we have extra “apples” at the end of the year they go into an “apple” savings to pay future expenses.



“Oranges” recently allowed us to replace the rusted out bookdrops at our two branches. In 2008 oranges purchased the library outreach vehicle which is still in use today.

It takes more than apples to run the Antigo Public Library. The Library offers quality programs, interactive experiences, furnishings, outreach and much more that requires funding outside the realm of your public tax dollar. Funding for these items comes from individual donors and the Antigo Public Library Foundation. We are also in the process of starting a Friends of the Library group to assist with both advocating and raising oranges to support the library.

The Oranges of the APL Library Funding

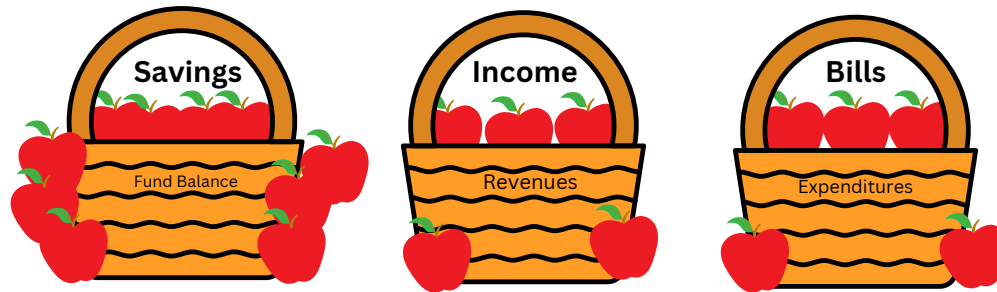


The “oranges” of our library funding are those revenues that are used to fund large purchases of new items for our facility and expenses related to doing programs, and other things designated by the donor.

- New Book Drops at the branches
- Ukuleles for our new club
- Summer Reading Performers
- Library Outreach Vehicle
- Circulation Desk

The APL Library “oranges” come from individual and organizational donors. Because we are a taxpayer supported government entity, the purpose of these gifts and funds is to enhance the library building, services and programs rather than to pay operational expenses. The library needs both apples and oranges to fund the library but they are different in origin and purpose.

How Do the Apples Work?



Let's look at how the budgeting process works for the library board apples.

Just like in a household budget, there are bills, income and, sometimes, savings.

In order to pay all your bills you have to have income to do so. If your income one year doesn't cover the bills and you are fortunate to have money in your savings, you can use that to help you. If you are out of savings and don't have enough income, you either have to cut your bills or find more income. If one year you find that you have income left after paying your bills, you have the opportunity to save those funds for future use.

The library board budget is really no different than this.

There is one difference the library has in comparison to other county or city departments. A city department that doesn't have its own board does not have its own savings account (fund balance). Instead, if that department has leftover funds at the end of its year, it returns them to a general fund which is shared by all the departments. The reason for this difference is a state law that requires library boards to manage library income. These savings accounts work in similar ways, but the library board has its own.

Struggle #1

The Library Savings Account (Fund Balance) has been one of the big struggles for the Antigo Library Board for much of the library's history.

There have been no rules or policies about this library board savings account. How big should it grow? What can it be used for?

This has led to tensions in the city/county/library board relationships. Elected officials ask “why do we need to increase funding if the library has some money in savings?” Library directors wonder when this account grows if there is something specific they should do with the funds. When it starts to decrease they wonder what will happen when it is gone. “Will the county and city increase our funding when the time comes where we can no longer make things work?”

As questions rage, problems with library funding grow. Because the library has had this savings account, the library has received no increases in apple income from the city and county since 2011.

Fortunately the fund balance struggle is finally on its way to being resolved. In a recent meeting with leaders from the library, city and county an agreement was made to create a fund balance policy to guide our future steps during the budget creation and approval process. This policy will guide how big the savings should be, what it can be used for, and how it can or should affect requests for funding increases.

A proposed fund balance policy will be part of this presentation.



Struggle #2

Unfortunately, the second struggle is much larger and more difficult to resolve. It is connected to the first struggle.

Struggle #2 is that the library is facing a serious funding crisis for 2025. If not resolved there will be deep cuts to hours and services at our library.

Imagine if you were working a job where the pay didn't come anywhere close to supporting the family and the household bills. Imagine that they never gave you a raise. Imagine that you tried so many ways to get a job with better income or to get where you worked to increase your pay but nothing worked. The only way you would survive was if you had another source of funds to pay the bills. So imagine you did have a savings account and you used that to keep you from falling behind on bills. As the cost of your food, clothes and healthcare increases, the amount of savings you must use starts to increase at a faster and faster rate to keep those bills paid. You cut all the extras out to make that savings last as long as you can, but at some point it is inevitable that you will run out of savings and be faced with a huge gap between your bills and your income.



This is where the library sits. For well over a decade when the city and county have developed their budgets, they have kept the amount of apple income for the library the same.

This wasn't because our bills were staying the same. It was because the leadership in the city and county wished for us to use our savings up BEFORE requesting additional funds.

Some leaders offered assurances that once our savings had shrunk, they would resume increases in funding. Others did not make those promises. Leaders and library directors come and go and uncertainty rules.



**No increases in funding +
increases in bills = Budget Cut**



Did you know that the Antigo Public Library and its three branches offer 86 hours of service each week? The library welcomes 950 visitors each week and offers 20-25 programs each month?

Staff are out of the library 5-8 times each week visiting schools, daycares, assisted living centers and more to provide outreach to even more citizens.

All of this is achieved with 5 full-time and 8 part-time staff.

The library has had to use a combination of budget cuts and usage of its apple savings to continue operating and offering services to the community despite not receiving any increases in its apple income for 14 years. Our savings alone would not have gotten us through even half of that time period, changes had to be made.

Not all of the cuts were bad. The library was able to do some strategic cutting based on usage trends. For example, weekday evening usage of libraries dropped in the internet age. Cutting evening hours was a logical choice for keeping costs low. Our connection to Wisconsin Valley Library Service has allowed us to bring our patrons additional resources and services without big impacts on our budget.

We also started using “orange” income for programs and program materials. This is also a trend happening across the country and works well with most donors. Donors want to give in ways that enhance the library and programs do just that. Today every single program at the library from magic shows, to take and make bags to free book prizes are ALL made possible by “orange” income. We are grateful for our donors who make these programs possible and who are happy to give for the cause of quality library programs.

We no longer hire student pages and have volunteers and front desk staff do the shelving at the library. This helps staff be more aware of the collection and also provides a wonderful way for community members to contribute their time to the library.

All of these things and more helped to keep the library vital during times of uncertain apple income.

It is the costs of health insurance that has become the tipping point of our current crisis. Health insurance costs for the library have risen from 72,000 to 119,000 in four years. This is not a cost the library can control as our employees are city employees and we pay the insurance policies and rates offered to all city employees.

At the beginning of 2023, our apples savings account was 120,000. Although the final numbers have not been tallied for 2023, the estimate is that we will have used 23,000 of that amount to balance last year's budget.

This year (2024) we had another rise in insurance and had to balance the budget with 68,287.35 dollars of the approximately 97,000 we have in apple savings. The only way we won't use all of the 68,287.35 is if an employee leaves and there are gaps just as there were in 2023. While this is always possible, it is never guaranteed.

If we don't have any employee changes in 2024, our apple savings will dwindle to 30,000 by the end of 2024. This will not be enough to balance the 2025 budget. We have to act NOW to avoid a major crisis. The choices are for the library to be given an increase in funding or for there to be deep cuts to services and hours beginning in 2025.



Year	Budget Expenses	Total Budget Revenues	City and County Revenues (Part of Total)	Fund Balance (Savings)Used	Fund Balance for Next Year	Health Insurance Costs for the Library
2011	687,509.05	655,995.57	613,380	36,618.90	64,624.00	69K
2012	637,212.35	645,470.18	613,380	0	83,165.61	67K
2013	637,484.02	652,683.10	613,380	0	108,339.00	68K
2014	591,191.08	641,649.87	613,380	0	169,893.00	64K
2015	628,398.40	641,933.07	613,380	0	183,468.00	57K
2016	726,968.79	650,235.10	613,380	76,733.69 (furnishings were purchased)	106,733.00	56K
2017	638,107.18	667,916.51	613,380	0	136,543.00	59K
2018	640,325.52	662,868.16	613,380	0	159,085.53	66K
2019	687,944.55	647,423.04	613,380	39,621.51 (Part of this is HVAC repair)	119,464.42	66K
2020	622,094.42	627,653.03	613,380	0	125,023.00	71K
2021	640,620.11	646,150.21	613,380	0	130,624	72K
2022	653,528.40	643,160.98	613,380	10,367	120,257	82K
2023	673,000	650,000	613,380	23,000	97,000	99K
2024	718,155.88	649,868.53	613,380	70,000	25,000-30,000	119K
2025 (Projected)				25,000-30,000		

Black=actual expenses Red= Estimate waiting on final amount Green= Budgeted

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The chart above shows expenses, revenues, savings used and health insurance costs for the past 14 years. You can link to the budgets and recaps for these years by visiting: <https://www.antigopl.org/fundthelibrary>

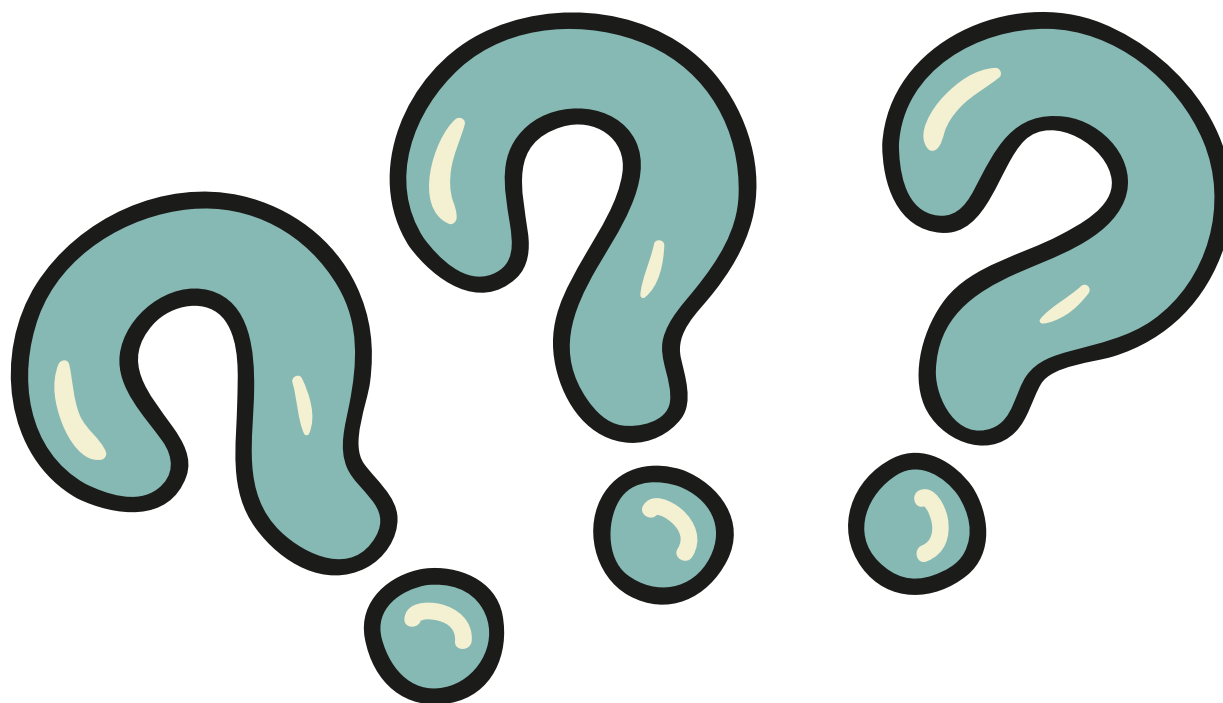
For some of the years below there were expenses and revenues associated with insurance claims or grants for a specific purpose that were not included in the budget. If the amounts going in and going out matched each other and did not impact the budget, they have not been included in this chart. For example, in 2023 we had damage done to the library due to a car driving into the wall. We paid 36K to get the damages repaired, but were reimbursed 35K. The 35K that went in and out the same year is not reflected on this chart. If you have any questions about this chart, please reach out to director@antigopl.org

There is a lot of history buried in the table on the previous page. However, there is no reason now to look back and point fingers or blame anyone. The time has come to figure out the answer to these three questions:

How can we get through this crisis?

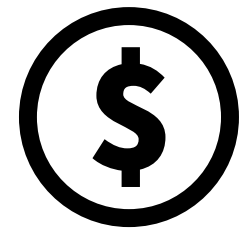
How can we prevent this kind of crisis from happening again?

What kind of library does the community want?





Getting Through the Crisis



2025-2027 Budget Requests

The actual increase in our budget is estimated to be less than 3%. However, because of the depletion of our savings (fund balance) we will have a gap of close to 100K between our revenues and expenditures. This can't be fixed in one year. In addition, the library must pay one-third of capital repairs and expenditures and we need to establish a fund for that since we no longer have savings.

Recommendations for 2025:

- Request an increase of 30K plus 2% from both the city and the county..
- This would mean a total of 336,609 plus 6732 each from the two entities for a total funding of 686,682.
- Use the remainder of our fund balance to get through 2025.
- Do a one year cut of 15K from our materials budget so that we can start a capital expenditure line in our budget of 15K.

Recommendations for 2026

- Request an additional 15,000 plus 2 percent from each entity.
- This would mean a total of 358,341. plus 7167 from each of the two entities for a total of 731016.
- Restore Materials budget and begin adding 2K-5K to our capital fund each year.

Recommendations for 2027

- Request an increase of 5,000 plus 2 percent from each entity.
- This would mean a total of 370,508 plus 7410 from each of the two entities for a total of 755,836

Preventing Future Crises

Create a Fund Balance Policy

- Designates a certain percentage of your annual budget that you will keep as a contingency.
- Should never be used for recurring expenses.

(This is what has gotten us to the place we are now. We used our fund balance for operating costs because this is what was asked of the Library Board of Trustees.)

- Amounts above that percentage should be used for one-time expenditures that do not add an extra financial burden to the library.
- Because according to State Law 43.58, library boards have exclusive control of the expenditure of library funds, a fund balance policy for the library must come from the library board of trustees and not another body.

The Antigo Public Library Fund Balance Policy Proposal: Currently in Committee

The Antigo Public Library Board of Trustees believes that sound financial management principles require that all public funding received should be expended on providing library services to the community. Fund balance is defined as the difference between the assets and liabilities of the library fund. Excess funds for any given fiscal year are determined by the following formula: total revenues minus total expenditures.

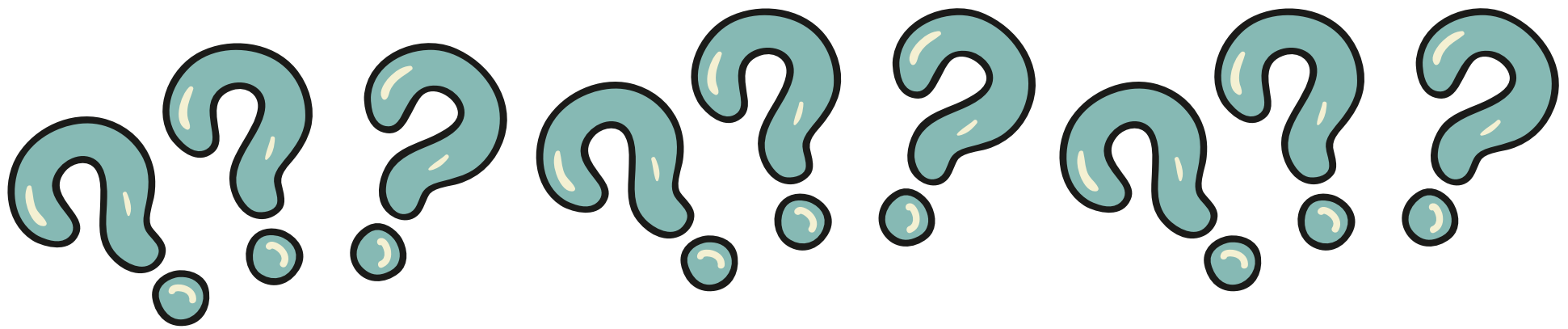
The Board of Trustees will make every reasonable effort to use all funds as budgeted. However, the Board will keep a portion of funds carried forward from a previous year as a contingency. The Board will keep a fund balance target of 10% of the Library's operating budget. Should the fund balance exceed 10% of the operating budget, the Library Board may determine to allocate spending from the Library's fund balance for non-recurring expenditures or to grow our capital funds budget, whichever need is greater.

Beyond 2026: City-County Library Agreement

If you go back to the chart at the beginning of this presentation, you will remember that the library exists through an agreement with the city and the county. The library is not a party to this agreement, we are a result of it. It renews every 10 years. The next renewal will be at the end of 2026, and the city and county are already discussing potential changes as part of the next renewal.

We would very much like to see the renewed agreement include language that ensures the library will receive automatic increases of 2% unless there are extenuating circumstances. For example, if BOTH the city and county were faced with making an overall budget cut that impacts most of their departments, it makes sense that the library might not get the 2% and might even be asked to cut if others are doing the same. On the flip side, there might be a reason on a particular year that the library needs to request a higher amount and if the economic climate allows for it, we would wish for these to be respectfully considered.

Right now a 2% increase would be about 15,000 meaning each entity would need to give us an increase of 7500. Doing something like this on a consistent basis is better for our citizens than allowing resources to run dry and then having to find larger amounts.



This leaves us all with an important question:

What Kind of Library Do YOU Want?

We want community voices to be part of the decision-making process for the future of the library

Visit <https://www.antigopl.org/fundthelibrary>

- Learn how the library is funded and operated
- Fill out a survey about what kind of library you want
- Get times for local meetings you can attend to support the library
- Find out the names of local stakeholders you can contact to advocate for the library