

**Library Board of Trustees:
Finance Committee Meeting
Meeting Agenda
May 16, 2023 at 6 p.m.
Hudson Area Public Library
700 1st Street, Hudson WI 54016**

LBOT Finance Committee and Regular Board Meeting
Time: May 16, 2023 06:00 PM Central

Join Zoom Meeting
<https://us02web.zoom.us/j/88183759903?pwd=Q1VuRWlQQUt0ZEVzSDNHMWU2UVYyQT09>

Meeting ID: 881 8375 9903
Passcode: 084586

Find your local number:
<https://us02web.zoom.us/u/kLnlywiSW>

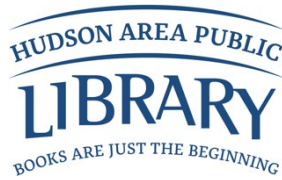
1. Call to order, roll call, certification of compliance with open meeting laws and public records laws, introduction of visitors and staff
2. **ACTION ITEM:** Approve Agenda
3. **ACTION ITEM:** Disposition of the prior committee meeting minutes
4. **ACTION ITEM:** Recommendation to approve financial reports and recommend bill payment.
 - a. Discussion and possible action on invoices that are not recurring expenditures or are not within the approved 2023 Budget, if any
 - b. Discussion and possible action on regularly recurring expenditures that are within the approved 2023 Budget
 - c. Discussion and possible action on the financial report
 - d. Discussion and possible action on recommendation to pay monthly invoices, as presented on the Library Claims Form
5. **POTENTIAL ACTION ITEM:** Summer staffing adjustment
6. **POTENTIAL ACTION ITEM:** Preliminary 2024 budget proposal to city
7. **Adjourn**

NEXT MEETING DATE: June 20, 2023

Finance Committee Members: Paul Berning, Bryan Wells, Kristine McCarthy. Emailed to Committee Members, Joint Municipalities, Board Members, and Media the week of May 8, 2023.

NOTES: Some agenda items may be taken up earlier in the meeting, or in a different order than listed. Notice is hereby given that a majority of the Hudson Area Joint Library Board of Trustees may be present at the foregoing meeting. This may constitute a meeting of the Library Board of Trustees pursuant to State ex. Rel. Badke v. Greendale Village Board, 174 Wisc. 2d 553, 494 N.W. 2d 408 (1993), although the Board of Trustees will not take any formal action at this meeting. Upon reasonable notice, an interpreter or other auxiliary aids will be provided at the meeting to accommodate the needs of the public. Please contact the Library Director at 715-386-3101 for accommodation.

Hudson Area Public Library ... books are just the beginning



**Library Board of Trustees:
Finance Committee
Meeting Minutes
April 18, 2023 at 6:15 p.m.**

1. Call to order by Wells at 6:17 p.m. Roll call, certification of compliance with open meeting laws and public records laws, introduction of visitors and staff
Board members present: Wells (Chair), Berning
Staff: Shelley Tougas, Michelle Saifullah

2. **ACTION ITEM:** Approve Agenda
Motion by Berning to approve agenda
Second by Wells
Discussion: None
Motion carried – 2 Ayes/0 Nays

3. **DISCUSSION: Disposition of the prior committee meeting minutes**
Motion by Berning to approve the minutes
Second by Wells
Discussion: None
Motion carried – 2 Ayes/0 Nays

4. **DISCUSSION and recommendation to approve financial reports and recommend bill payment**
Motion by Berning to approve items 4 a-e
Second by Wells
Discussion: None
Motion carried – 2 Ayes/0 Nays

5. **DISCUSSION: Preliminary 2024 budget proposal to city**
Discussion: Tougas said the city administrator would like a budget proposal soon so he can share it with the council and propose options for council discussion. Berning asked staff to present a 6-year budget comparison at the next meeting.

6. **ADJOURN:**
Motion by Berning to adjourn at 6:32 p.m.
Second by Wells
Motion carried – 2 Ayes/0 Nays

Respectfully submitted,
Shelley Tougas

Hudson Area Public Library ... books are just the beginning

Monthly Expenditure Statement
April 30, 2023
Hudson Area Public Library

Acct Code	Object Description	Budget w/ grants	MTD	YTD	Balance	%YTD
240-55111	Library					
Personnel						
121	Full-Time	\$ 278,439	\$ 21,419	\$ 61,263	\$ 217,176	22%
125	Part-Time	\$ 268,316	\$ 18,770	\$ 57,310	\$ 211,006	21%
151	FICA	\$ 41,827	\$ 3,009	\$ 8,873	\$ 32,954	21%
152	WRS	\$ 28,633	\$ 2,048	\$ 6,099	\$ 22,534	21%
154	Health Insurance	\$ 71,203	\$ 4,321	\$ 12,982	\$ 58,221	18%
Personnel Total:		\$ 688,418	\$ 49,567	\$ 146,528	\$ 541,890	21%
Contractual Services						
212	Legal Services	\$ 5,000.00	\$ -	\$ -	\$ 5,000	0%
213	Professional Services	\$ 15,500.00	\$ 1,250.00	\$ 5,000.00	\$ 10,500	32%
216	IFLS Ops	\$ 47,500.00	\$ -	\$ 47,527.00	\$ (27)	100%
217	IFLS Courier	\$ 3,500.00	\$ -	\$ 2,400.00	\$ 1,100	69%
225	Telephone	\$ 4,600.00	\$ 338.18	\$ 1,015.94	\$ 3,584	22%
249	Contract Maint.	\$ 750.00	\$ -	\$ -	\$ 750	0%
294	Programming: Adults	\$ 5,000.00	\$ 270.57	\$ 1,917.42	\$ 3,083	38%
295	Programming: Children	\$ 23,000.00	\$ 1,486.85	\$ 4,224.30	\$ 18,776	18%
298	Maint. Agmts / Leases	\$ 10,500.00	\$ 83.91	\$ 2,287.79	\$ 8,212	22%
299	Other Contract Services	\$ -	\$ -	\$ -	\$ -	
Contractual Services Total:		\$ 110,350.00	\$ 3,429.51	\$ 64,372.45	\$ 45,977.55	58%
Supplies & Expenses						
311	Postage	\$ 800	\$ 85.50	\$ 244	\$ 556	31%
312	Office Supplies	\$ 10,000	\$ 881.24	\$ 1,144	\$ 8,856	11%
324	Memberships	\$ 1,500	\$ 140.00	\$ 140	\$ 1,360	9%
326	Advertising	\$ 500	\$ -	\$ -	\$ 500	0%
338	Staff Development	\$ 2,000	\$ -	\$ 194	\$ 1,806	10%
339	Travel / Conferences	\$ 1,100	\$ -	\$ 468	\$ 633	43%
396	Technology	\$ 9,000	\$ 247.09	\$ 1,560	\$ 7,440	17%
399	Activity Supplies/Tech renew	\$ 4,000	\$ 98.73	\$ 456	\$ 3,544	11%
Supplies & Expenses Total:		\$ 28,900	\$ 1,453	\$ 4,206	\$ 24,694	15%
Collection						
395	Books	\$ 60,000	\$ 6,072	\$ 17,425	\$ 42,575	29%
397	Periodicals	\$ 4,100	\$ 840	\$ 1,515	\$ 2,585	37%
398	Audio-Visual	\$ 21,000	\$ 543	\$ 2,714	\$ 18,286	13%
Collection Total:		\$ 85,100	\$ 7,455	\$ 21,654	\$ 63,446	25%
Fixed Charges						
510	Workers Comp	\$ 850	\$ -	\$ 832	\$ 18	98%
511	Public Liability	\$ 2,400	\$ -	\$ 1,334	\$ 1,066	56%
513	Public Officials	\$ 2,800	\$ -	\$ 1,668	\$ 1,132	60%
517	Property Insurance	\$ 3,000	\$ -	\$ -	\$ 3,000	0%
519	Unemployment	\$ -	\$ -	\$ -	\$ -	
532	Occupancy Agreement	\$ 99,535	\$ 8,295	\$ 33,178	\$ 66,357	33%
Fixed Charges Total:		\$ 108,585	\$ 8,295	\$ 37,012	\$ 71,573	34%
812	Furniture and Furnishings	\$ -	\$ 15,818.02			
829	Other Repair and Improvements	\$ -	\$ -			
Capital Expenses Total:			\$ -			Remaining
Total Expenditures		\$ 1,021,353	\$ 70,255	\$ 273,773	\$ 747,580	73%
%of Year Completed						100%

FC: Summer Staffing Adjustment

Recommendation: Approve summer staffing adjustments including the use of no more than \$2,800 in unrestricted funds.

The library is facing staffing issues this summer, which is the busiest time of year. The Foundation's program grant includes funding for summer program aides to support librarians during Summer Read Program events.

This year, we have staff who need to reduce their hours during the summer. In addition to programming support, staff need support for communications.

The library has the opportunity to hire a summer intern to do communications and provide back-up program support. The expenditure can be mostly accommodated within the approved budget due to the temporary reduction in regular staff hours, the SRP grant, and unspent funds for insurance premiums.

The adjustments may require the use of no more than \$2,800 in unrestricted funds.

FC: 2024 Budget Proposal for City

Recommendation: Approve 2024 Budget Proposal for City of Hudson

Background: The Finance Committee and Board reviewed a draft proposal at the previous meeting. President Berning requested six years of budget data. The data and revised proposal follow.

Seven-year budget comparison: see table on following page

Key points - revenue:

- From 2017 to 2023, revenues grew a total of 2.84 percent, which is an average of .41 percent a year over the seven years.
- The City of Hudson increased its contribution 4.8 percent over seven years, an average of .69 percent a year.
 - NOTE: this does not include the reduction in the building fee (beginning in 2022) of about \$46,000, which provided substantial support for the library.

Key points – expenditures:

- The library's expenditures outpaced the revenue due to grants and unrestricted funds. The seven-year increase was nearly 20 percent.
 - Twenty percent of the 2023 budget revenue is donations.
 - Without grants and unrestricted funds, the library would have closed up to three days a week.
 - The largest growth in expenses has been personnel: 42 percent
 - FTEs have ranged from 11 to 13.6
 - The growth is partially related to the board's commitment to market-rate adjustments to attract and retain quality employees.

Budget Overview	2017		2018		2019		2020		2021		2022		2023		AVERAGE	2017-2023 PERCENT CHANGE	
	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	APPROVED BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	Ins check excluded	APPROVED BUDGET	BUDGET			
REVENUES																	
City of Hudson	\$	347,310	\$	347,310	\$	350,217	\$	357,221	\$	364,365	\$	364,365	\$	364,365	\$	356,450	4.80%
Village of N. Hudson	\$	84,084	\$	83,791	\$	84,133	\$	85,799	\$	86,569	\$	85,495	\$	85,954	\$	85,118	2.20%
Town of Hudson	\$	203,201	\$	201,228	\$	202,544	\$	206,594	\$	203,455	\$	204,197	\$	203,398	\$	203,517	0.96%
Town of St. Joseph	\$	86,374	\$	86,374	\$	88,101	\$	89,863	\$	91,660	\$	94,410	\$	91,390	\$	89,739	5.60%
St. Croix County	\$	54,146	\$	59,000	\$	65,514	\$	64,438	\$	61,321	\$	60,012	\$	73,595	\$	62,575	
Other Counties	\$	6,436	\$	6,003	\$	9,243	\$	8,803	\$	11,196	\$	9,756	\$	11,925	\$	9,052	
Library Revenues	\$	27,634	\$	19,236	\$	16,536	\$	15,000	\$	8,130	\$	11,703	\$	9,000	\$	15,320	
Other Revenue	\$	7,725	\$	8,316	\$	15,461	\$	3,359	\$	3,212	\$	6,132	\$	500	\$	6,386	
Total Revenues	\$	816,910	\$	811,258	\$	831,748	\$	831,077	\$	829,909	\$	836,070	\$	840,127	\$	828,157	2.80%

EXPENDITURES - Inc. grant expenses																	
Personnel	\$	485,204	\$	526,147	\$	495,701	\$	590,340	\$	547,391	\$	631,791	\$	688,418	\$	566,428	42%
Full time salaries	\$	165,537	\$	161,102	\$	142,424	\$	167,178.00	\$	197,788	\$	237,379	\$	278,439	\$	192,835	
Part time salaries	\$	202,468	\$	244,627	\$	273,084	\$	302,000.00	\$	223,318	\$	248,748	\$	268,316	\$	251,794	
FICA	\$	26,614	\$	29,615	\$	31,786	\$	36,000.00	\$	31,294	\$	36,216	\$	41,827	\$	33,336	
WRS	\$	20,287	\$	20,267	\$	17,743	\$	20,162.00	\$	21,804	\$	25,791	\$	28,633	\$	22,098	
Health insurance	\$	70,298	\$	70,535	\$	59,348	\$	65,000.00	\$	73,187	\$	83,657	\$	71,203	\$	70,461	
Library Materials	\$	91,708	\$	82,025	\$	86,377	\$	92,000	\$	74,669	\$	65,738	\$	85,100	\$	82,517	-7.20%
Contractual Services	\$	109,799	\$	84,569	\$	89,840	\$	102,890	\$	112,995	\$	106,958	\$	115,350	\$	103,200	5%
Supplies & Expenses	\$	28,503	\$	37,033	\$	41,520	\$	31,513	\$	23,711	\$	23,704	\$	47,100	\$	33,298	
Fixed Charges	\$	141,444	\$	143,740	\$	145,054	\$	147,967	\$	148,686	\$	102,874	\$	108,585	\$	134,050	-23%
General Operating Expense Total	\$	856,658	\$	873,514	\$	858,492	\$	964,710	\$	907,452	\$	931,065	\$	1,044,553	\$	919,492	SEE NOTE

Ending balance	\$	(39,748)	\$	(62,256)	\$	(26,744)	\$	(133,633)	\$	(77,543)	\$	(94,995)	\$	(204,426)	\$	-	
Ending balance after grant revenue	\$	(1,604)	\$	(9,716)	\$	25,006	\$	(70,633)	\$	(25,243)	\$	3,005	\$	-	\$	-	
Friends of the Library grants	\$	10,150	\$	14,235	\$	14,350	\$	17,000	\$	14,000	\$	25,000	\$	20,000	\$	16,391	
Hudson Area Library Foundation grants	\$	22,994	\$	36,865	\$	37,200	\$	36,000	\$	36,500	\$	73,000	\$	183,176	\$	60,819	
Other grant	\$	5,000	\$	1,440	\$	200	\$	10,000	\$	1,800	\$	-	\$	1,250	\$	3,282	
Unrestricted funds budgeted																	

Operating expenses 2017-2023 percent change

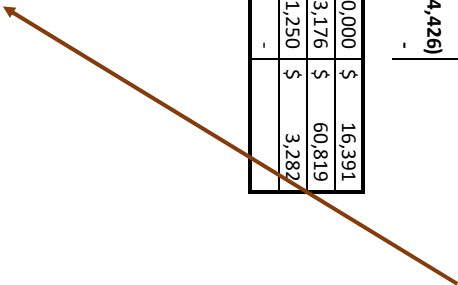
Note: \$18,200 in 2023 budget is one-time spending on teen space upgrade (Petersen grant)

Operating expenses \$1,044,553
Less: Teen project \$ 18,200
Net operating expenses \$1,026,353

Percent change: 20%

20% of the 2023 operating expenses are covered by donations.

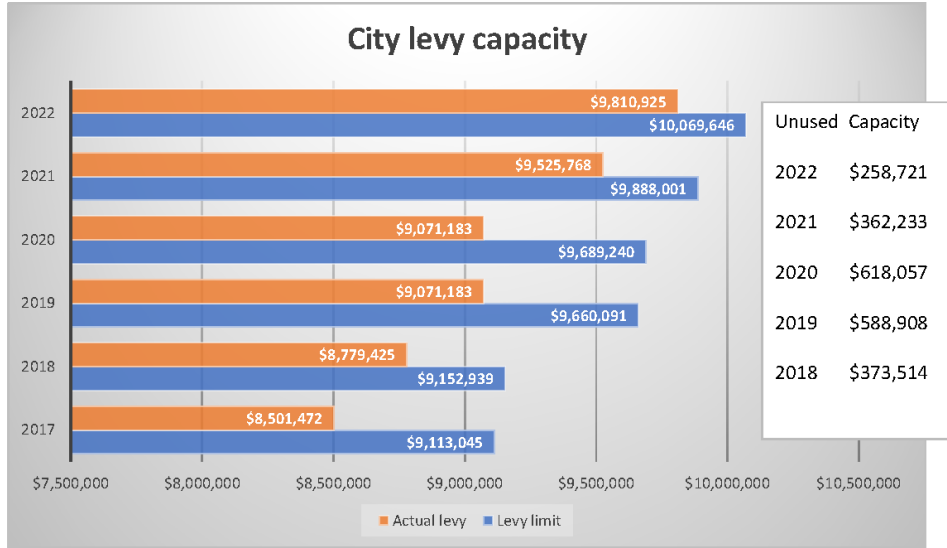
Increase in operating expenditures has primarily been covered by donations and unrestricted funds, not municipal revenue.



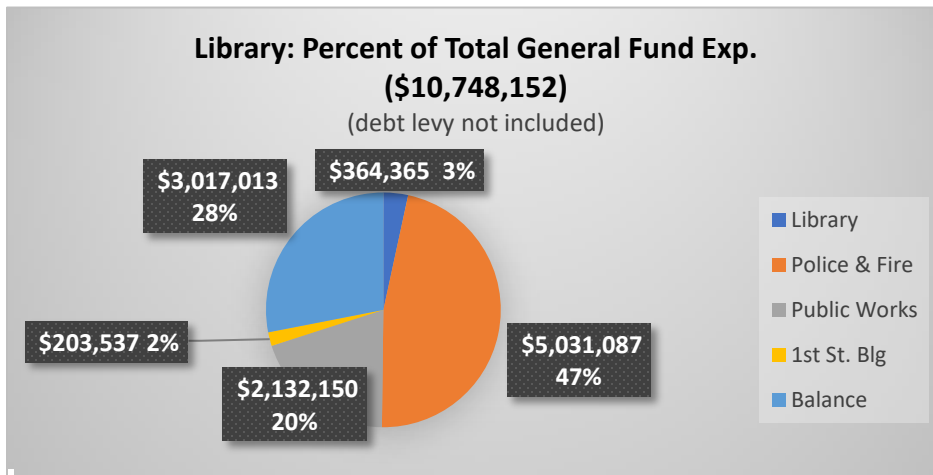
The City Budget and Library Expenditure

Available tax capacity vs. used:

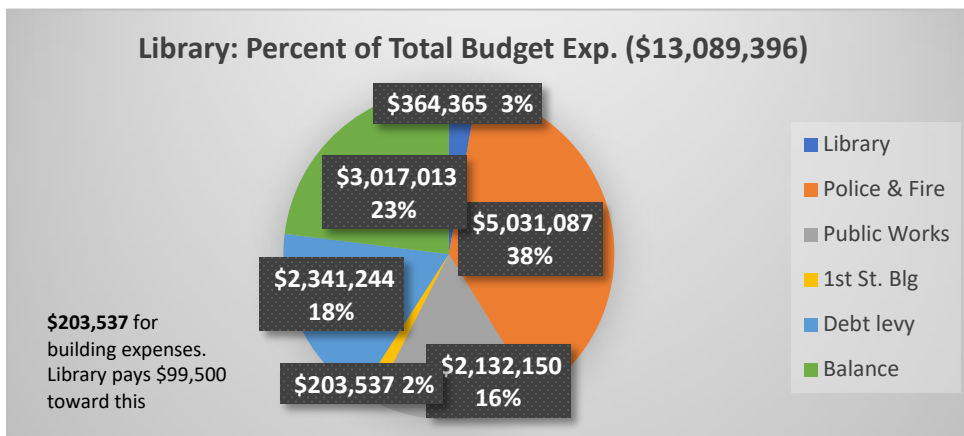
The Council has made it a priority to minimize property tax increases while providing the best services.



Library and the City Budget



Note: Of the \$364,365 paid to the library, about \$115,000 is paid back to the city in building fees and administrative support fees.



2024 Budget Proposal for City

Proposed text:

As the Hudson Area Public Library transitions from a joint library to a municipal library, Library Trustees have looked for opportunity among the challenges. Our community now has the chance to solve the library's longstanding funding issues and provide revenue comparable to other municipal libraries locally and to those across the state with similar populations. Twenty percent of the library's current budget is funded by donations, an unsustainable and unstable source of revenue. Trustees urge the Common Council to support a funding solution that is sufficient, sustainable and stable.

To that end, the Library Board of Trustees respectfully requests the following actions from the Common Council:

- accept the full transfer of levy capacity from the former partners (estimated at \$380,742);
- fund the library in 2024 at \$745,107;
- charge minimal fees to the library, which is now a city department, so the library can use the new funding for personnel, the collection and other services;
- consider use of reserves if the Council seeks to mitigate property tax increases.

The Proposed Budget: New and Enhanced Services and Resources

The proposed budget accomplishes the following:

Sunday Fun Days

- Open 11 a.m. to 3 p.m. Sundays during winter months with family activities.
 - Family movie with popcorn and lemonade
 - Ping pong and games
 - Rotating activities: bingo, scavenger hunts, crafts, technology exploration

Two new storytimes

- Weekly PJ and Snack Storytime
 - A storytime for families who can't attend morning storytimes
- Monthly Themed all-ages storytime

Purchases of e-book and e-audio materials to increase available titles and reduce wait times for Hudson Area Public Library patrons*

Outreach programs to senior living centers, day cares and food banks

Market-rate compensation to attract and retain qualified staff

*e-books at HAPL are currently provided through the fees paid to IFLS. HAPL has never purchased an e-book, which means HAPL patrons have long wait lists for requested e-materials. (The wait list for popular titles is about 3-4 months.)

Note: Programs/classes will continue to be funded through grants, not municipal revenue

The Proposed Budget

2024 Budget: Revenue	
Library Revenues	\$ 13,000
City of Hudson	\$ 745,107
St. Croix County - 150	\$ 440,000
Counties - 420	\$ 8,817
Misc.	\$ 1,500
Interest	\$ -
Net Change in Market Value	\$ -
TOTAL REVENUES	\$ 1,208,424

Note: St. Croix County revenue is based on estimates in county meeting packets from summer/fall of 2022. The county administrator will review IFLS data to finalize the 2024 amount.

2024 Budget: Expenditures	
PERSONNEL - 15 FTEs	\$ 929,085
Salaries & benefits	
CONTRACTUAL SERVICES	\$ 87,250
Ex: IFLS, city admin fee at \$15,500, telephone, maintenance agreements.	
SUPPLIES & EXPENSES	\$ 27,300
Ex: office supplies, technology postage, staff development.	
COLLECTION	\$ 83,100
Books, audio visual materials, periodicals, digital resources	
FIXED EXPENSES	\$ 47,450
Ex: city's building fee at \$40,00, property & liability insurance	
TOTAL EXPENDITURES	\$ 1,174,185

Due to the difference in revenue/expenses (+\$34,239), the library would not request annual funding increases as part of the regular city budget process in the years 2025 or 2026.

The Proposed Budget: Impact on HAPL's per capita funding

Changes to Hudson Area Public Library's per-capita funding (St. Croix County)

St. Croix County: per capita funding	2021	2024
Baldwin Public Library	\$ 44.10	
Deer Park Public Library	\$ 71.83	
Glenwood City Public Library	\$ 28.93	
Hammond Community Library	\$ 58.74	
Hudson Area Joint Library	\$ 23.71	\$ 49.19
Carleton A. Friday Memorial Library	\$ 41.82	
Hazel Mackin Community Library	\$ 69.44	
Somerset Public Library	\$ 35.89	
Woodville Community Library	\$ 56.74	
River Falls	\$ 54.18	
St. Croix County Average	\$ 48.54	
Wisconsin Average	\$ 54.87	
<i>In 2021, only 12 of the state's 384 libraries had lower per-capita funding than the Hudson Area Public Library</i>		
<i>In 2021, the Hudson Area Public Library was the 35th largest of the state's 384 libraries</i>		

Changes to Hudson Area Public Library's per-capita funding (similar population)

Library resident population: per capita funding (population 13,495 - 17,038)	Resident population	Extended Service Population	Per capita funding
Shorewood Public Library	13,495	13,495	\$ 68.84
Whitefish Bay Public Library	14,081	14,081	\$ 49.77
Irvin L. Young Memorial Library	14,133	15,478	\$ 37.35
Chippewa Falls Public Library	14,366	38,520	\$ 47.75
Greendale Public Library	14,393	14,450	\$ 40.58
Waunakee Public Library	14,673	21,236	\$ 79.91
Menomonie Public Library	15,582	34,219	\$ 28.17
Monroe Public Library	15,645	18,190	\$ 65.84
River Falls Public Library	15,689	22,212	\$ 54.18
Jack Russell Memorial Library	16,083	25,289	\$ 43.45
U.S.S. Liberty Memorial Public Library	16,423	17,809	\$ 42.90
Kaukauna Public Library	16,634	23,107	\$ 52.63
Beaver Dam Community Library	17,038	29,183	\$ 48.43
Population-based average	15,249	22,098	\$ 50.75
HAPL 2021	31,472	34,097	\$ 23.71
HAPL with proposed 2024 revenue	15,149	34,097	\$ 49.19

HAPL's pre-2024 resident/municipal population was 31,472 (per state definition)
Population used for 2024 is 15,149 (2021 U.S. Census Bureau)