

Walworth County Library Planning Committee  
County Board Room 114  
Walworth County Government Center  
100 W. Walworth Street, Elkhorn, Wisconsin  
July 13, 2021

Facilitator Steve Ohs called the meeting to order at 6:10 pm.

Committee Members Present: Susan Pruessing, Nancy Russell, Emily Kornak, Walter Burkhalter, Edgar “Skip” Mosshamer, Brian Broga, Peter Wautlet, Catherine “Katie” James

Excused: Jill Rodriguez

Walworth County Administrator Ex-Officio Member: Mark Luberda

Public: None

Agenda: Emily Kornak moved and Nancy Russell seconded to approve the agenda. All were in favor and the motion carried.

Approval of Previous Minutes: Skip Mosshammer moved and Brian Broga seconded to approve the minutes of July 7, 2021. All were in favor and the motion carried.

Public Comment: None

Unfinished Business:

A. Rough Draft of Plan Statement:

Comments: Period after the “regional coordination”. Remove “in a manner that accords with Wisconsin law.” Steve will put all comments into a draft and include this in the final plan. Mark Luberda likes the idea that this preliminary. He noted that after the process concludes the committee can look back to see if the statement meets the needs of the committee.

New Business:

A. Review history of reimbursement under Wis. Stat. 43.12 in Walworth County:

Steve Ohs provided a narrative of the history of the current plan and the current formula. The current plan’s formula calculated some libraries to receive reimbursements below 70% of their cost of service to non-library county residents. State statutes require a minimum of 70% reimbursement of county funding. LLS staff, the Board of Trustees, county member libraries and Administrator Luberda worked to find a solution to bring funding to a level compliant with the Department of Public Instruction (DPI). DPI now considers the matter resolved and the libraries have been fully compensated for the historical shortfalls.

The statutes require that the amount of library expenditures is divided by the library’s total circulation. This amounts to the “cost of circulation” which is multiplied by the number of circulations to non-library county residents. This total is 100% of the reimbursable county costs. The county is required to reimburse a minimum of 70% of those costs. Because there is a wide variance in library size, operating budget, and service population, these costs per circulation also vary widely.

The current formula uses a three-year average of circulations to minimize fluctuations in library usage due to outside factors such as building renovations. The current formula also uses an averaging of the libraries’ costs throughout the county. This combination of factors in the current formula is what developed into some libraries receiving less than 70% minimum reimbursements.

Katie James asked how the county sets the tax levy for the library reimbursements. Steve responded that LLS uses the data collected each year from the libraries, and that information is put into a spreadsheet to determine the total amount of the county request. That is sent to the county. The county uses that amount to set the library tax levy for the next year. Mark Luberdia noted that the statutes require counties to reimburse a minimum of 70% of the costs of non-library resident use. However, Walworth County has historically funded 100% of those reimbursable costs for the libraries in the previous year as calculated according to statutes. He further explained that this tax levy isn't a tax to all municipalities in the county, but only those without their own municipal library. Each municipality with a library is also required to fund at a certain statutory amount based on equalized values. Nancy Russell commented that as long as she's been on the board, the library funding has been at 100%. She feels that even if the funds got tight, the County Board would probably still make every attempt to continue reimbursing libraries at the 100% level.

Steve Ohs explained that the funds that the county sends to LLS are distributed to the libraries according to the formula as set in the current plan. Having already disbursed 100% of the Walworth County funds according to the formula, LLS found ourselves not having the funds to bring the underfunded libraries up to the 70% minimum. Skip Mosshamer asked for another explanation on 70% minimum of what amount? Steve said we first take the total of the library operating expenditures divided by the total library circulation and then multiply by the circulations made to non-library residents. That total is then multiplied by .7 to get the minimum funding request of 70% of the costs. This 70% reference in the spreadsheets represents the minimum according to the statutes.

We've found some libraries on the low side, sub-70% and some libraries on the high side. The current formula method of determining the library reimbursements has caused the problem of some libraries receiving less than the 70% minimum while some other libraries were receiving well over 100% reimbursement of their costs. This is the issue we have to work through.

B. Funding formula examples for use in 2022 County Plan of Library Service:

Using a series of spreadsheet examples, Steve Ohs began going through Models 1 through Model 4. The data used in these models comes from the "Home County Data" tab of the worksheet. There is also a worksheet tab showing the impact these different models would have on the library funding. Also included is a spreadsheet showing the funding calculations for library use in other counties by Walworth County non-library residents.

Brian Broga asked if Model #1 is showing a request for over 100% funding in order to bring the underfunded libraries up to 70%? He feels Model #1 isn't viable and should be taken off the table. Emily Kornak noted that this model shows how the problem started by averaging the costs out. This brings some libraries well below 70%, some well over 100%, and some in the middle.

Steve Ohs noted that another option is to take the formula right out of the statutes and reimburse at 100% to all of the libraries. This is shown in Model #2. Model #3 shows the possibility of taking the total aggregate of 100% funding and multiplying that amount by the libraries' percentage of circulation to non-library resident usage. Walter Burkhalter noted that the statutory amount of 100% that is being referred to comes from the calculation methods used in the statutes and not the actual statutory requirement of 70%.

Brian Broga reiterated that the statutory amount is using one year's worth of data and not using average costs for all libraries or for a three-year average of circulations. Brian noted that the statutes define how to calculate the rate. We should not use any other method to calculate the rate of reimbursement. Walter Burkhalter noted that counties throughout the state do not all reimburse at the 100% rate. There are a significant amount that do not, and Walter thanked Walworth County for being one that does reimburse at the 100% level.

Peter Wautlet asked how did the former county plan move away from the statutory amount? What was the reasoning? Mark Luberta noted that he thinks it may have been changed to minimize fluctuations from year to year. A three-year rolling average of circulation numbers minimizes fluctuations and stabilizes funding from year to year. The averaging of the costs per circulation probably came from the idea that some libraries were be rewarded for operating at a higher cost per individual unit and those operating at a lower rate would get reimbursed at a lower level. By averaging the costs they may have thought they were averaging out the rewarding of reimbursements. The ability to use the amount over 70% minimum was probably distributed according to this thinking. But over the years that 30% extra was distributed in such a way as to have some libraries fall under the 70% minimum. Mark Luberta suggested the committee look at this as two pools: a 70% minimum and an additional 30% to distribute. If the group decides to do something outside of the 100% funding, they should look at making sure the 70% funding is met first. Skip Mosshamer agreed; this would ensure the statutes are met. Nancy Russell acknowledged that COVID impacted the libraries greatly in 2020.

Walter Burkhalter gave the historical reference of this law being enacted in 1997. Prior to 1997 the counties were not required to reimburse the libraries. The 70% reimbursement was a compromise because the counties did not want to pay 100% reimbursement. The purpose of this law is to reimburse libraries for their actual costs that they incur providing services to non-library residents. Katie James wanted to remind everyone that the committee is also set up to serve the county and finding the best use of the resources. Some libraries provide many other resources beyond checking out books. Emily Kornak stated that those extra expenses are included in the cost of operating expenses. Katie noted that libraries can get funds elsewhere. Walter explained the only expenses that cannot be used are federal dollars. Libraries should be reimbursed all of the extra expenses for use by non-library residents.

All data used in these models came from 2019. All 2019 data is contained on the "Home County Data" tab. Steve Ohs then went through the models based on the possible options. Brian Broga was not able to find the calculations; he will need to see an excel spreadsheet. He also asked to have the rate differences in a single column. There was a discussion about who is included in the percentages of circulations that are reimbursed. The reimbursable circulations are for residents who live in a municipality that does not have its own library. Walter Burkhalter wanted to also note that libraries located in a community such as Fontana do not have a large number of non-library residents in the surrounding area. Most of the communities around Fontana have libraries so funding for those circulations is not reimbursed.

Steve Ohs noted that the next Model #4 shows ways to allocate the remaining 30% in other ways. Each library would get the 70% minimum and the 30% would be reimbursed based on the percentage of circulation to those non-library residents. He would like the committee to compare each of these models.

Brian Broga noted that libraries should really get reimbursed at the 100%. Why would we give some libraries more and some less? Steve Ohs noted that for instance resource libraries are bigger and provide additional services to an area. Skip Mosshamer also asked why wouldn't we just go with 100% for all of the reimbursement. Walter thinks that 100% would work; but that Elkhorn should get a separate amount from the county because they offer more services. Walter also encourages that the formula be as simple as possible and follows the statutes. Skip wondered if those libraries way out of the average cost of services should get the full 100%. Walter noted that per capita funding should be looked at. All municipalities should be funding fully and not expect counties to pick up the extra costs. Nancy Russell would like to look at 100% funding for all of the actual costs of that library. Katie James feels Walter's idea of giving Elkhorn extra could eventually cause a problem later on. The county may decide to just go with 70% funding for the other libraries and give 30% to Elkhorn. Katie noted that at their library's film club, most of the attendees are coming from other municipalities that have libraries. While these attendees are using her library's services they seldom check out material. Steve noted the film club does not count toward circulations, but it does factor in as an expense.

Brian Broga noted that Racine is the resource library for the system and they get an additional amount from LLS each year. We also have LAC meetings and SHARE meetings monthly. The library directors talk and maybe they should decide among themselves if some library should get extra. Is there another way to address this? Steve's models were to provide examples. Peter Wautlet noted that his perception is that we have the statutory requirement to reimburse at 70% and then decide whether to reimburse the other 30% in that same manner or is it too simplistic? Is there something else that we need to take into account other factors? Are there other factors or should we stay with the 100% funding?

Next steps and meeting review:

Steve asked if any models should be off the table. Brian would like to take Model 1 off the table. Katie would like Steve to provide a cost of service per library column added. Skip is not prepared to agree to any of the models at this time. He does not want any model taken off the table.

Steve agreed to send the revised spreadsheets out to everyone for their review. All pieces of the calculations should be added to the columns of the data. Walter would like the cost per capita for the municipalities. This information is contained in the DPI statistics, "Municipal Funding Per Capita."

If committee members would like to reach out to any directors to ask their opinion that might be helpful. Steve will share the examples of the formulas and ask for their input. Brian noted that these conversations with directors should be one-on-one. Mark Lubberda reminded everyone to not talk to each other about the plan outside of the meeting. Steve can bring back different options given by the directors.

Next meeting: July 27 at 6:00 pm.

Adjournment: Skip made a motion to adjourn, Nancy Russell seconded. The committee adjourned at 7:43 pm.

Notes recorded by:

Janice Martin, Office Manager for Lakeshores Library System