



**PUBLIC LIBRARY FINANCE COMMITTEE MEETING AGENDA**

**TUESDAY, JANUARY 27, 2026 AT 3:00 PM**

**100 S. WATER ST., WATERTOWN, 2ND FLOOR CONFERENCE ROOM**

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**1. CALL TO ORDER / ROLL CALL**

**2. NEW BUSINESS**

- A.** Discuss and take action: Library Fund Balance policy
- B.** Discuss and take action: 2026 budget and fund balance
- C.** Discuss and take action: Employment of PT Custodian
- D.** Discuss and take action: LGIP/Endowment Account investment plan

**3. ADJOURNMENT**

*Persons requiring other reasonable accommodations for any of the above meetings, may contact the office of the City Clerk at [cityclerk@watertownwi.gov](mailto:cityclerk@watertownwi.gov) phone 920-262-4000*

*A quorum of any City of Watertown Council, Committee, Board, Commission, or other body, may be present at this meeting for observing and gathering of information only*

# FUND BALANCE POLICY

## PURPOSE

The Board of Trustees [Board] of the Pewaukee Public Library [Library] is committed to fiscal responsibility and to serving as a prudent steward of all funds collected, donated or appropriated for library purposes [Library Funds or the Library Fund]. Chapter 43.58 of the Wisconsin Statutes grants the Board exclusive control over the expenditure of all Library Funds. The Library Fund is segregated into separate sub-accounts for purposes of carrying on certain activities and the Library Funds therein are further classified into separate categories as discussed below.

The Board strives to use all Library Funds as budgeted each fiscal year. As used herein, "Fund Balance" is defined as the difference between the Library Fund's assets and liabilities, at any given time, representing the net resources available for expenditure. "Excess Funds" are calculated as total revenues minus total expenditures to and from the Library Fund, in a given fiscal year, and represent unspent Library Funds eligible for carryover to the following fiscal year.

Maintaining an appropriate Fund Balance in the Library's unassigned library fund is a core component of fiscal responsibility and is essential to Library's fiscal stability. This provides stability and financial support by:

- Ensuring consistent operational cash flows;
- Covering revenue shortfalls;
- Providing emergency operational funds for building maintenance or equipment repairs;
- Providing emergency operational funds for unexpected expenses, such as mid-year benefit adjustments, contract increases, uninsured casualty events, or unexpected weather events.

The policy establishes a clear framework for managing the library's Fund Balance in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54.

## CLASSIFICATION OF FUND BALANCES

The Library Funds within the Fund Balance shall be further classified into the following five categories, as provided by GASB Statement No. 54, which establishes the extent to which there are restraints on the specific purposes for which such funds may be spent:

1. **Nonspendable** – Funds that cannot be spent because they are not in a liquid or spendable form, such as inventories or prepaid expenses.
2. **Restricted** – Funds legally or externally restricted for specific purposes, including through grants, laws, regulations, or donor-imposed limitations.
3. **Committed** – Funds the Board has formally designated for specific purposes through official action, including funds committed for use in satisfying contractual obligations. The designation by the Board to commit funds for a purpose must be made prior to the end of the fiscal year, but the amount, if any, may be determined in the subsequent fiscal year. These funds cannot be reallocated without further Board approval.

4. **Assigned** – Funds the Library intends to use for specific purposes as identified in planning or budgeting but that do not meet the criteria for restricted or committed classifications. This includes budget allocations for specific projects or needs.
5. **Unassigned** – The residual funds in the general fund not classified elsewhere, available for general use

## **DONATIONS**

The Library accepts cash donations for both committed and uncommitted uses. Donated funds with a mutually agreed-upon purpose between the donor and the Board will be classified as **committed**. All other donations, whether by gift, devise, or bequest made to the Library, but without a specified purpose, will initially be classified as **restricted**, as such funds are to be held in trust for library purposes, until the Board formally commits them to a specific use.

Donated funds shall not be used to cover general Library operational expenses, including salaries, utilities, or routine maintenance, unless expressly directed as such by the donor.

## **MINIMUM/MAXIMUM UNASSIGNED FUND BALANCE**

At fiscal year-end, all Excess Funds shall carry forward to the succeeding fiscal year and be assigned to the appropriate Fund Balance classification.

The Board will review the Fund Balance's status following receipt of the annual audit report, comparing the funds within the Fund Balance classified as "unassigned" to the Library's current total operating budget. The goal is to maintain the unassigned portion of the Fund Balance between **15% to 20%** of the Library's operating budget.

- If the unassigned portion of the Fund Balance falls below **15%** of the annual operating budget, the Board will develop a plan, as part of the budget process, to restore compliance.
- If the unassigned portion of the Fund Balance exceeds **20%** of the annual operating budget, the excess amount will be applied to the following year's operations budget request to offset any projected amount above and beyond the maintenance of effort payments provided by the City of Pewaukee and the Village of Pewaukee for the Operations Budget.

The foregoing policy expresses the Board's general policy for purposes of Fund Balance decision-making and budgetary planning. However, the Board reserves the right to amend this policy or to decide matters concerning the Library's expenditures and finances in contravention of this policy, as specific circumstances may require from time-to-time.

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*This policy was reviewed by legal counsel for compliance with relevant local, state, and federal laws as of June, 2025.*

*Adopted by the Board of Trustees, June 18, 2025: Dale Noll, Library Board President*

# MEMO

## (Library)

To: Library Board of Trustees-Finance

From: Peg Checkai-Library Director

Date: 1/26/2025

Subject: Discuss how to balance library operations with the 2026 budget cuts

### Background

We are looking at a significant loss to the revenue line. Decisions need to be made for 2026 library operations noting impacts on fund balance and material lines and future implications to library operations.

### Budget Goal

Review available funds and make operation decisions.

### Financial Impact

Significant reduction in fund balance.

### Recommendation

Board's decision

# MONTHLY BUDGET 2026

Item B.

Description	Annual Budget	JAN	FEB	MAR	Year To Date	Budget Remaining	% Expense To Date
<b>SALARIES &amp; BENEFITS</b>	<b>\$750,000 is to be contributed by City into 11-48-12-30</b>						
<b>Salaries &amp; Benefits - Fund 11</b>							
Salaries (11-58-12-10)	<b>716,841</b>					<b>0.00</b>	<b>716,841</b> 0%
Longevity (11-58-12-12)	527					<b>0.00</b>	<b>527</b> 0%
Overtime (11-58-12-14)	0					<b>0.00</b>	<b>0</b> 0%
Retirement (11-58-12-33)	34,834					<b>0.00</b>	<b>34,834</b> 0%
Social Security (11-58-12-34)	54,879					<b>0.00</b>	<b>54,879</b> 0%
Medicare (11-58-12-35)	10,402					<b>0.00</b>	<b>10,402</b> 0%
Health Insurance (11-58-12-36)	91,191					<b>0.00</b>	<b>91,191</b> 0%
Life (11-58-12-37)	4,000					<b>0.00</b>	<b>4,000</b> 0%
Dental (11-58-12-38)	7,488					<b>0.00</b>	<b>7,488</b> 0%
	<b>920,162</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>920,162</b> 0%
<b>LIBRARY EXPENSES - Fund 11</b>							
<b>AMSO Allocation (11-58-12-17)</b>							
AMSO Allocation	66,950					<b>0</b>	<b>66950</b> 0%
	<b>66,950</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>66,950</b> 0%
<b>Supplies &amp; Programs (11-58-12-18)</b>							
AV Supplies	1,200					<b>0</b>	<b>1200</b> 0%
Book Supplies	2,000					<b>0</b>	<b>2000</b> 0%
Makerspace	500					<b>0</b>	<b>500</b> 0%
Marketing	500					<b>0</b>	<b>500</b> 0%
Office & Library Supplies	7,000					<b>0</b>	<b>7000</b> 0%
Photocopier Lease	6,300					<b>0</b>	<b>6300</b> 0%
Postage	0					<b>0</b>	<b>0</b> 0%
Adult Programs	1,500					<b>0</b>	<b>1500</b> 0%
Adult Summer Library Challenge	0					<b>0</b>	<b>0</b> 0%
Children Programs	2,500					<b>0</b>	<b>2500</b> 0%
Children Summer Library Challenge	0					<b>0</b>	<b>0</b> 0%
Teen Programs	0					<b>0</b>	<b>0</b> 0%
Teen Summer Library Challenge	0					<b>0</b>	<b>0</b> 0%
	<b>21,500</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>21,500</b> 5

# MONTHLY BUDGET 2026

Item B.

Description	Annual Budget	JAN	FEB	MAR	Year To Date	Budget Remaining	% Expense To Date
<b>Maintenance Contracts (11-58-12-19)</b>							
Building and Equipment	22,281					0	22,281 0%
Software and Subscriptions	18,942					0	18,942 0%
	<b>41,223</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>41,223</b>	<b>0%</b>
<b>Building Repairs &amp; Supplies (11-58-12-20)</b>							
Janitorial Supplies	8,000					0	8,000 0%
Janitorial Services	3,000						
Repairs & Expense	6,000					0	6,000 0%
	<b>17,000</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>17,000</b>	<b>0%</b>
<b>Property Insurance (11-58-12-21)</b>							
Property Insurance	21,000					0	21,000 0%
	<b>21,000</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>21,000</b>	<b>0%</b>
<b>Dues &amp; Fees (11-58-12-22)</b>							
Dues, Fees, ETC.	620					0	620 0%
	<b>620</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>620</b>	<b>0%</b>
<b>Continuing Education (11-58-12-23)</b>							
Continuing Education	1,200					0	1,200 0%
	<b>1,200</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,200</b>	<b>0%</b>
<b>Travel (11-58-12-24)</b>							
Travel	1,500					0	1,500 0%
	<b>1,500</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,500</b>	<b>0%</b>
<b>Utilities</b>							
Fuel (11-58-12-28)	12,000					0	12,000 0%
Electricity (11-58-12-30)	45,000					0	45,000 0%
Water (11-58-12-31)	5,100					0	5,100 0%
Telephone (11-58-12-32)	5,400					0	5,400 0%
	<b>67,500</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>67,500</b>	<b>0%</b>

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Item B.

Description	Annual Budget	JAN	FEB	MAR	Year To Date	Budget Remaining	% Expense To Date

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Item B.

Description	Annual Budget	JAN	FEB	MAR	Year To Date	Budget Remaining	% Expense To Date
<b>Café Charges (11-58-12-43)</b>							
Café Charges	23,674				0	23,674	0%
	<b>23,674</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>23,674</b>	<b>0%</b>
<b>Databases (11-58-12-44)</b>							
BRIDGES - Databases	1,826				0	1,826	0%
Movie License	671				0	671	0%
Newsbank Inc.	2,376				0	2,376	0%
Overdrive E-Content	0				0	0	
Overdrive Advantage	13,537				0	13,537	0%
TumbleBooks Inc.	800				0	800	0%
Udemy	0				0	0	
	<b>19,210</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>19,210</b>	<b>0%</b>
<b>Technology (11-58-12-45)</b>							
Fiber Optic - TEACH SERVICES	1,200				0	1,200	0%
Technology	1,000				0	1,000	0%
	<b>2,200</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,200</b>	<b>0%</b>
<b>Library Materials (11-58-12-46)</b>							
Adult Fiction	6,000				0	6,000	0%
Adult Nonfiction	6,000				0	6,000	0%
Children Books	8,000				0	8,000	0%
Large Print	4,000				0	4,000	0%
Materials - (Non-books)	500				0	500	
Reference - Subscriptions	1,680				0	1,680	0%
Reference - Materials	360				0	360	
Young Adult Books	0				0	0	
	<b>26,540</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>26,540</b>	<b>0%</b>
<b>Periodicals (11-58-12-47)</b>							
Periodicals/Newspapers	5,700				0	5,700	0%
Seasonal Periodical Purchases	0				0	0	
	<b>5,700</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,700</b>	

# MONTHLY BUDGET 2026

Item B.

Description	Annual Budget	JAN	FEB	MAR	Year To Date	Budget Remaining	% Expense To Date
<b>AV Materials (11-58-12-48)</b>							
Adult Talking Books	0				0	0	
Children AUDIO	0				0	0	
DVD	6,000				0	6,000	0%
Lucky Day	0				0	0	
	<b>6,000</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6,000</b>	<b>0%</b>
<b>Donation Purchases (11-58-12-50)</b>							
Purchase from Donation	0				0	0	
		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		
<b>TOTAL LIBRARY EXPENSES</b>	<b>321,817</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>321,817</b>	<b>0%</b>
<b>TOTAL EXPENSES INCLUDING SALARIES</b>	<b>1,241,979</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,241,979</b>	<b>0%</b>
<b>REVENUE - FUND 11</b>							
Fines (11-48-12-10)	1,200				0	1,200	0%
Misc. Fees (11-48-12-12)	5,000				0	5,000	0%
Use of Facilities Fee (11-48-12-14)	4,500				0	4,500	0%
Copier (11-48-12-18) <i>Will be adjusted for tax</i>	9,500				0	9,500	0%
Jefferson County Funds (11-48-12-22)	248,879				0	248,879	0%
Dodge County Funds (11-48-12-24)	91,500				0	91,500	0%
Adjacent County Funds (11-48-12-26)	9,728	922			922	8,806	9%
<b>DONATIONS 11-48-12-27</b>	<b>0</b>				<b>0</b>	<b>0</b>	
<b>General Fund Contribution (11-48-12-30) From Fund 1</b>	<b>750,000</b>				<b>0</b>	<b>750,000</b>	<b>0%</b>
Credit Card Rebate (11-48-12-56)	1,800				0	1,800	0%
<b>TOTAL FUND 11 REVENUE</b>	<b>1,122,107</b>	<b>922.00</b>	<b>0.00</b>	<b>0.00</b>	<b>922.00</b>	<b>1,121,185</b>	<b>0%</b>
<b>RESERVED TO OFFSET SALARIES &amp; BENEFITS</b>							
Salary Reserve	170,162				0	170,162	0%
<b>Subtotal Salary Reserve</b>	<b>170,162</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>170,162</b>	<b>0%</b>

**UNPLANNED EXPENSES IMPACTING 2026 BUDGET**

<b>VENDOR</b>	<b>EXPENSE</b>	<b>AMOUNT</b>	<b>BILLED TO</b>
JAN Envisionware	Replace RFID pad at Reference desk	385.58	Technology

**YTD TOTAL: 385.58**

# MEMO

## (Library)

To: Library Board of Trustees-Finance

From: Peg Checkai-Library Director

Date: 1/26/2026

Subject: John K, library volunteer, volume of work done for library

## Background

John K wanted me to bring to the board's attention, the volume of volunteer work/time he contributes to the library. Moving forward in 2026, the plan was to not fill the open PT custodial position, but should the board reconsider knowing how much work is needed to maintain the facility.

## Budget Goal

Review available funds, make staffing and operation decisions.

## Financial Impact

Reduce fund balance further as a PT custodian position was not in the 2026 budget.

## Recommendation

Board's decision

# MEMO

## (Library)

To: Library Board of Trustees

From: Peg Checkai-Library Director

Date: 1/27/2026

Subject: LGIP/Endowment Accounts discussion

### Background

Bringing to the board's attention, interest earned between the endowment account investment and the LGIP account. This topic was forwarded to Library Finance from Library Board.

### Budget Goal

Receive the best return on investment for library funds

### Financial Impact

Receive the best return on investment for library funds

### Recommendation

Board's discretion