

GENERAL BUDGET THEORY

On the positive side of things, the last biennial budget increased our aids amount for the first time in many years. Rising rates have also somewhat increased our interest income. These factors will enable us to continue to develop services demanded by the member libraries and the public they serve, especially in the area of technology. On the negative side, many years of lean state funding have forced us to cut into reserves and seek new sources of income in order to maintain services. Thus this budget is cautious, although optimistic, and attempts to hold the line on expenditures whenever possible. 3% cost of living salary increases (and any step increases to which they are entitled) are recommended for employees in general. Several minor re-classes in Delivery, based on expanded duties, are also proposed. Slightly less than 2% of our total budget is reserved in our "contingency/ interlibrary loan/ delivery" fund. This sum, added to whatever additional dollars show up in our audit or can be saved in other accounts, represents our primary resource to enable us to cope with rising service demands and to take advantage of new opportunities.

REVENUES

1. (4010) This is the formal state aid estimate provided to SCLS by DLTCL for 2007.
2. (4030) For next year, \$125,000 is a realistic projection for interest earnings, as interest rates are currently leveling.
3. (4040) Our interest earnings shown under #2 above reflect our practice of investing funds on behalf of member agencies that desire this service. This account is required to reflect the share of the total interest earned that belongs to our members rather than to SCLS.
4. (4050) The general carryover amount is still substantial, although smaller than in some past years. This carryover figure is an estimate, and will be finalized as part of our annual audit.
- 5-6. (4090-4110) Green and Sauk Counties each appropriate funds to pay for their respective county library services, and entrust the administration of these funds to South Central. The sums indicated represent proposed county budgets which have yet to be ratified by their county boards of supervisors, so that they may very well need to be revised early next year. Additionally, both projected amounts have been reduced by the amount of board expenses and certain insurances. The counties retain these funds, and bills pertaining to these categories are paid directly by the counties. These county budgets include the cost of added delivery service beyond that normally provided by SCLS.
7. (4060) Adams, Columbia, Dane, Portage, and Wood counties also contract for additional delivery service beyond the basic service offered by SCLS.
8. (4130) This sum pays for additional delivery for various libraries throughout the system. This sum is currently paid by the libraries rather than by their respective counties, but the ultimate goal is to seek direct county funding for this service.

9. (4170) Our intersystem and multitype delivery services continue to grow, linking together major library resources of all kinds throughout the state. These services are provided on a cost recovery basis. These services benefit SCLS because our libraries, who are very active participants in the statewide interloan network, now have ready access to statewide delivery at no direct cost to their individual municipalities.

10. (4220) In 2007, SCLS and the Wisconsin Library Association (WLA) will continue to share quarters at the American Center. This account represents the WLA share of the lease cost of the facility.

11. (9100) This is a non-competitive Library Services and Technology Act Grant. It will enable SCLS and its member libraries to undertake a wide range of technological experimentation.

12. (9700) This is a non-competitive Library Services and Technology Act Grant. It will provide additional support for the statewide portion of our delivery service, thus reducing each public library system's required contribution to the service.

13. (9150) In the past SCLS has frequently received competitive LSTA grants in such areas as children's services and/ or adult literacy. This category is a placeholder for such a grant if we receive one this year.

14. (New Account) In 2007, SCLS has applied for a 2nd competitive LSTA grant. This new category is a placeholder for the 2nd grant if we receive it.

15. (4470) This account includes the member shares paid toward online content, including databases such as Ref USA, Ancestry Library, Heritage Quest, Literature Resource Center, etc.

16. (9500) This income from the members of Wisconsin Public Library Consortium will enable continue deployment of online collections and experimentation with various other electronic library resources and services. The sum is set by vote of the WPLC members.

17. (9300) In the past SCLS has received competitive grants from agencies ranging from the Wisconsin State Journal to the Wisconsin Advanced Telecommunications Foundation. This account is a placeholder, should such a grant materialize this year.

18. (9955) The Library Emporium was created to help SCLS member libraries turn their surplus library materials and other goods into cash which could be returned to their budgets to improve services.

19. (4242) This sum represents the shared paid toward group automation by LINK member libraries exclusive of SCLS cash and in-kind contributions.

20. (4245) This sum represents LINK funds to be carried over into next year and includes primarily unspent capital and contingency account funds. This amount is substantial, because

we are in the process of undertaking a major upgrade of the LINK system. This capital fund will be used for that major upgrade, so that carryover in this account will be significantly reduced in the near future. This sum is a current estimate that will be finalized as part of our next audit.

PROJECTED REVENUE TOTAL: \$8,235,021

EXPENDITURES

I.A. (5130) This account includes two separate contracts with our system resource library. The first, our statutory contract, pays for backup interloan and reference service and to enrich the resource library reference collection. The second, our supplementary contract, purchases a wide variety of items including audio-visual services. These contracts fund a wide range of services for all system residents, including the percentage of our population, which resides in Madison. These contracts have been maintained at last year's level, but SCLS is also supporting more centralized OCLC interloan costs through I.D. below.

I.B. (5260) As automation enabled more of our system member public libraries to share their collections for interloan purposes, it seemed logical to provide at least a modest incentive for the efforts of those who became net lenders. In 1991, a fund was established for this purpose. This fund was discontinued in early 1992 to help pay for the purchase of the new automated system, and re-instituted in mid 1992 due to popular demand. The 2007 amount remains the same as the 2006 amount.

I.C. (5230) If library materials from our system member libraries are lost or damaged during the interloan process, the patron responsible is charged. If, however, physical damage to the item occurs because of our delivery service, then the system makes good on such losses, up to the amount in this account. The account has been held constant for 2007, based on our last several years' experience.

I.D. (5310) This account funds both our OCLC direct interloan charges and also any costs to borrow from libraries that charge to loan items. As the amount of interloan has increased, due to customer demand, this account is being increased.

II. General notes: These accounts represent most of the LINK budget, which is set annually by vote of the LINK Consortium. Our contractually set contribution to operational expenses will be \$124,962 for 2007. In addition to the sums indicated here, LINK member libraries also pay for the benefits for LINK employees, and for a variety of other project expenses including office supplies, postage, printing, photocopying, telephones, and additional charges for the services of the bookkeeping firm and the audit. These sums are not reflected in Section II, but are instead added to the proposals for these categories elsewhere in the budget, primarily in section XII. SCLS also provides many other support services to LINK in the administrative, secretarial,

personnel, consulting, public relations, and financial areas, but does not receive direct funding from LINK for these services.

II.A. (5410-5440) These accounts pay for the maintenance of the central software, hardware, and telecommunications equipment required for the LINK project, as well as for estimated time and materials based repairs to local peripheral equipment. Software maintenance includes costs for all modules, including acquisitions, serials, gateways, telecirc, cataloging, homebound, new accounts for new member libraries, added Dynix licenses, estimated annual price increases in accordance with our contract with Dynix. Hardware maintenance is normally calculated to include equipment added during the previous year, as well as the cost of inflation and service to new libraries. This amount is reduced for 2007 because of new equipment that is still under warranty. Telecommunication maintenance costs include ongoing costs for all current LINK member libraries. This account and the peripheral maintenance account have been increased slightly. The billing structure for maintenance from Dynix does not match a calendar year, so that the 2007 budget pays for most of 2007, but also for the early months of 2008.

II.B. (5450) This account pays member library telephone line charges for the shared system. This account also includes telephone line costs for desk phones. The amount budgeted is net of anticipated E-rate discounts/ payments, but still includes funds to maintain cash flow until those discounts are realized. The amount in this account decreased in 2007 due to a change in vendors.

II.C. (5462) This account funds expenses associated with our Internet project other than our WiscNet membership, which is paid directly by SCLS. Items in this account include equipment, software, maintenance, and general expenses specifically related to our Internet activity. The amount has been maintained at the basic 2006 level for 2007.

II.D. (5460) This account funds the contract with the Madison Public Library for the provision of cataloging services to all LINK member libraries, including Madison. This 2007 amount is largely based on actual 2005 experience.

II.E. (5482) This account funds all OCLC (our electronic source of cataloging information) costs related to the cataloging contract for all LINK members. Our cataloging contract requires the payment of OCLC charges, if any, in excess of this amount incurred in the performance of the cataloging contract by the cataloging agency. Such added charges, should any be incurred, would simply be paid out of the LINK contingency. The reduction in this account is based on actual experience.

II.F. (5487) This account pays for vendor authority control on our database, and the annual subscription service that provides MARC records for electronic journals. Slightly less than the 2006 amount should suffice for 2007.

II.G. (5465) This account pays for the rental space in the Madison Public Library required to house LINK staff and equipment. The amount indicated includes workspace for the automation staff in the Madison Public Library (2205 sq ft at a cost of \$30,719). Additionally,

LINK space includes storage in the Delta Warehouse at a cost of \$1,419. Parking space for the computer tech and some other ongoing parking space support for staff that must travel to member libraries costs \$3,004.

II.H. (5467) This account covers the cost of minor additional and/ or replacement hardware and/ or software required to keep the central shared automated system functioning at maximum efficiency. It also includes maintenance and repair required for the computer room, including the air conditioning system as well as to facilitate an orderly process of server replacement. The 2006 amount should suffice for 2007.

II.I. (5468) These accounts pay the salary and benefit costs of the staff members required to run the LINK shared system. The positions fund everything from the automation project manager to the computer operators. These accounts have been increased to cover anticipated benefit cost adjustments, step increases (where applicable). According to the LINK member contract, employees of LINK receive the same compensation as SCLS employees. Benefit amounts from this account are transferred into accounts in the general SCLS budget, and expended from there. This account includes the 3% general cost of living increase as well as any continued progression through the steps included within the classification ranges to which these employees are assigned. In 2007, this account is being increased to add a part-time LTE position for the Horizon migration.

II.J. (5476) This account pays for the ongoing staff training and travel required to operate and maintain the LINK system. The 2007 amount has been maintained at the 2006 level.

II.K. (5477) This sum includes the amounts required to purchase, maintain, and/ or replace LINK staff office equipment and furniture. This sum has been maintained at the 2006 level for 2007.

II.L. (5481) This sum represents a "set-aside" account intended to enable the expansion of shared automated services in new directions as determined by the members of LINK, as well as enabling us to undertake major upgrades to our automated system (the next one of which is beginning shortly). This sum is largely made up of funds collected by LINK as a surcharge for each additional member library terminal, but in 2007, LINK members have again chosen to assess themselves for an extra \$20,000 across the board according to their shared payment formula in order to increase this account. The sum indicated is our best estimate at this time, but will be finalized by the annual audit.

II.M. (5479) The contingency account consists largely of member library funds carried over from 2006. Any automation project has many uncertainties, and one of this magnitude can have fairly substantial unexpected costs. It is very difficult for members to go back to their boards for midyear increases, however, so we hope that this account will prevent that need. The sum indicated is our best estimate at this time, but will be finalized by the annual audit.

III.A. (5510) In 1986, the Madison Area Library Council and the South Central Library System merged to provide better services from a stronger economic base, and to enable the system to better fulfil its statutory mandates. This account funds the multitype coordinator who is to develop and manage our multitype activities at 10 hours per week. The proposed increase for this employee for 2007 includes the 3% general increase as well as any continued progression through the steps included within the classification range to which this employee is assigned.

III.B. (5520) In 1986 the existing area multitype organization, the Madison Area Library Council, merged with SCLS and became the Multitype Advisory Library Committee. MALC funds as of that date were turned over to SCLS to support multitype projects. The 2007 amount is set the same as 2006.

IV.A. (5650) This account pays for a computer technician, who primarily services non-LINK computers at member libraries and a Library Technology Support Specialist. The proposed increase for these employees for 2007 includes the 3% general increase, as well as any continued progression through the steps included within the classification range to which these employees are assigned.

IV.B. (5620) This account is intended to provide funds for experimentation with new technologies of measurable benefit to our member libraries. In 2007, this account will pay for many things, including our Wisconsin Public Library Consortium participation, our virtual reference service, calendaring software, and other projects. This account has been increased to cover rising costs of innovative technology experimentation.

IV.C. (5630) This account is intended to provide all SCLS member libraries full Internet access through our LINK system. This sum represents the annual cost required to maintain our primary connection to the Internet. Staffing and other support for the project comes through LINK. This account includes funds so that we need not depend on e-rate to cover costs, in response to FCC rulings concerning the CIPA decision. The 2007 amount is set the same as 2006.

IV.D. (5640) The union listing service is no longer needed. This account has been zeroed out for 2007, and will be removed in 2008.

IV.E. (5635) This account is intended to enable us, in cooperation with our member libraries, to purchase a wide range of online resources for the public. In 2007, this fund has increased to cover the cost of WorldCat and a new database, Novelist.

V.A. (5710) This account funds employees involved in our public information service, including the public relations/ marketing coordinator, and 70% of the time of our graphic artist/ building consultant. The proposed increase for these employees for 2007 includes the 3% general increase, as well as any continued progression through the steps included within the classification range to which these employees are assigned.

V.B. (5740) This account pays for general printing on behalf of member libraries, excluding the summer library program. This printing is largely purchased from the Madison Public Library, but some printing, as well as some photography and typesetting, is obtained from Dane County and/ or commercial sources. Although costs continue to rise, the amount for 2007 has been reduced because we will be doing more in-house color printing, at rates sharply reduced from commercial prices.

V.C. (5750) This category pays for the art, office, and computer supplies necessary to our public information service, and for "free-lance" art services when required. A reduced amount should suffice for 2007.

V.D. (5770) Obtaining adequate funding for our member libraries and for the system itself requires the support of the public. This support can only be obtained if the public is adequately informed concerning the services offered by the system and the member libraries and the impact these services have upon everyday life. This account is intended to support this general effort as well as to enable us to better publicize newer products and the SCLS Foundation effort. The 2006 amount should suffice for 2007.

V.E. (5760) This account covers purchases of new equipment and repairs to the old for this department. Based on actual expenditures, this amount is being reduced for 2007.

VI.A. (6010) This account funds all consultant/ coordinator staff, including our public library consultant, our continuing education coordinator, our children's services/ special needs coordinator, our library development coordinator, our library technology coordinator, and 20% of the time of both the system director and the associate director, and the 30% of the time of our graphic artist (used for building consultation). The proposed increase for these employees for 2007 includes the 3% general increase, as well as any continued progression through the steps included within the classification range to which these employees are assigned. In 2007, this amount is significantly increased due to the reallocation of the library development coordinator position to this budget category.

VI.B. (6040) This budget category includes funds for at least some South Central representation at the American Library Association Annual Conference, various Public Library Association Events, and the Wisconsin Library Association's Annual Conference. It also pays for a number of smaller continuing education events throughout the year, often including professional seminars concerning new developments in the library field. The largest share of this account, however, goes to pay mileage for employee consultation visits throughout the system area. Quick and effective response to the needs of our member libraries is a vital system task, and it is not unheard of for a single consultant to travel more than 1000 miles in a single month. Paying travel costs over the years has been far less costly than maintaining system vehicles, and also gives us the capability of meeting several needs at one time. Since it is clear that our employees must attend most conferences to officially represent SCLS as opposed to going primarily for their own benefit, SCLS also pays the required dues for our professional employees, as we do for our board, to belong to the necessary associations at which we require representation. The

2007 amount has been increased in keeping with the growing volume of member library requests for our assistance and in anticipation of raising our mileage reimbursement rate.

VII.A-H. (6210-6340) For many years, the South Central Library System has handled Green County library funds. The decisions in this budget category have been made by the Green County Library Board, and reflect the purchase of centralized county services of various sorts, including resource library service, the provision of bulk book collections, additional days of delivery service each week, reimbursement to county libraries for walk-in use by rural residents, and reimbursement for use by all residents across certain borders. It should be noted that the funds budgeted for additional delivery services by Green County do not appear in this section total. This is because delivery income is included for purposes of expenditure as part of our delivery budget in section X. At this time, the sums shown represent the budget proposed to the county board of supervisors, but not yet acted upon.

VIII.A-F. (6610-6699) This section of the budget consists of Sauk County Library Service funds, managed by South Central. The decisions in this budget category have been made by the Sauk County Library Board, and reflect the purchase of centralized county services of various sorts, including resource library service, the provision of bulk book collections, additional days of delivery service each week, reimbursement to county libraries for walk-in use by rural residents, and reimbursement for use by all residents across certain borders. It should be noted that the funds budgeted by Sauk County for additional delivery services do not appear in this section total. This is because delivery income is shown for purposes of expenditure as part of our delivery budget in section X. At this time, the sums shown represent the budget proposed to the county board of supervisors, but not yet acted upon.

IX.A. (7010) Each year South Central produces a number of continuing education and training programs for member libraries. Some of these are annual events. Others are developed in response to current needs, and cover various "hot" topics in the library world. Still others provide the "hands on" training our members require to cope effectively with new technologies. Although we provide much of this training ourselves, in many cases outside presenters are required. The amount for 2007 continues our existing program at the same funding level as 2006.

IX.B. (7030) South Central maintains a small collection of books and other materials in specialized areas of librarianship such as building and furnishing libraries, library computer applications, and library administration. These materials are utilized by staff and are checked out as needed to member libraries, usually in response to specific consultation requests. The 2006 level of funding for this account is recommended for 2007.

IX.C. (7050) Many expensive book reviewing resources and technical library periodicals are beyond the budgets of smaller SCLS member libraries. The system therefore subscribes to a number of such publications and routes them from library to library to cut costs for all. In some cases the periodical in question may only be obtained if South Central is a member of a specific library organization, so this account covers institutional dues as well as subscriptions. SCLS

also subscribes to several on-line services to provide access to specialized and highly current information, especially in the legislative area. The amount spent in this category differs substantially from year to year because many of our subscriptions are purchased to cover several years at one time in order to cut costs. With careful management, the amount from 2006 should suffice for 2007.

IX.D. (7070) Our member library directors are required by law to seek continuing education in order to maintain their statutory certification, upon which their continued employment depends. This account allows directors, library staff members, and trustees to attend continuing education events produced by agencies other than South Central. This has been a highly popular program, and because we ask participants to share what they learn with other member librarians, it has vastly increased the quantity of new expertise available in our area. It is especially important to smaller system member public libraries, because many of them have little or no access to local funds for continuing education purposes.

Many of our members from our smallest libraries cannot attend CE events because they have no travel funds, and in some cases they must personally pay a substitute if they leave the library. This account includes a special fund from which these librarians can draw reasonable and necessary expenses without prior permission in order to attend CE events and other system meetings. For several years, we have purchased memberships in WLA for member library trustees in order to ensure that they have easy access to information concerning Wisconsin's library community. However, many directors from smaller member public libraries have not been able to afford these same memberships for themselves, especially because they are more expensive than for the trustees.

Again, we hope to be able to offer as high a quality program in 2007 as we did in 2006 with only a 3% increase for inflation.

IX.E. (7090) The costs of producing continuing education events include name tags, flip chart paper, coffee, etc. This account covers all these expenses, and also similar ones for many other system meetings. A slight increase is proposed for this account for 2007.

X.A. (7210) This account covers the expenses of operating our delivery vehicles including fuel, repairs, tires, parking expenses, etc. The 2007 proposal is reduced due to route readjustments, certain one-time vehicle expenses, and a shift toward biodiesel technology.

X.B. (7220) This account funds delivery employees, ranging from the delivery service coordinator to hourly sorters. The sum proposed for this account includes the 3% general increase, as well as any continued progression through the steps included within the classification ranges to which these employees are assigned. It also includes reorganization of several management positions based on expanding work responsibilities.

X.C. (7260) This account insures our vehicles and their cargos against most forms of loss. It also pays the workers compensation insurance for our delivery personnel, as well as bonding

for our drivers, since they have keys to member libraries and carry valuable cargos. The increase proposed for 2007 includes a 7.5% increase.

X.D. (7270) Items purchased from this account include delivery baskets, flatbed trucks, shelves for sorting, removable labels, copy machine maintenance, etc. The 2007 amount is reduced because of one-time cart purchases in 2006.

X.E. (7280) This fund represents the sum required to purchase new delivery vans and to rebuild older ones. We try to replace each van after approximately 8 years of service (usually at 300,000 to 400,000 miles) and one or more rebuilds (i.e. new engines, doors, drive trains, etc.). We plan to purchase two replacement vehicles in 2007.

X.F. (7290) Since the run to the Ashland-Superior area by one of our own drivers would require an overnight stay, we subcontract this route north of Wausau as part of the University service. We also subcontract routes north of Green Bay for similar reasons. The 2007 proposed amount reflects inflation and rising gasoline costs.

X.G. (7295) This account pays for the annual rental cost for our delivery facility, as well as, utilities, security, dumpster service, etc. This amount is reduced from the 2006 budget amount due to one-time building improvements in 2006.

XI.A. (7440) This category is intended to enable every member public library to fund performers to enhance its summer library program. These performances are often the highlight of a small library's summer program. The 2007 amount is the same as the 2006 amount. However, it will enable us to increase the amount per performance from \$350 to \$400.

XI.B. (7450) Tens of thousands of bookmarks, flyers, certificates, and activity sheets for our summer library program are paid for out of this account, as well as manuals, story props, etc. Greater use of our copying machine rather than formal printing should enable us to maintain this account at the 2006 level.

XI.C. (7460) System Celebration has occurred annually since 1980. It is a recognition event that honors trustees, librarians, and public officials from all over the system area for the work they do throughout the year. Our system celebrations have been intended to convey thanks to those who operate and govern local libraries, and to make them feel more a part of the larger South Central community. Most of the funds in this account pay for dinners, but some are set aside for awards to outstanding trustees, etc. The 2006 level of funding for this event is recommended for 2007.

XI.D. (7470) This account serves as a discretionary fund enabling our children's/ special needs consultant to help our member libraries to undertake new and creative programs as ideas and needs arise. In the past this account has funded everything from literacy programs in languages other than English for new immigrant parents and children to TTY machines so that libraries can communicate with their deaf customers. The 2007 proposal, at the same amount as the 2006 level, should still allow this very important creativity to continue.

XII.A. (7610) This account funds 80% of the positions of system director, associate director (the remaining 20% being entered under consulting), the finance and human resources manager, and the administrative assistant. The 2007 amount includes the 3% general increase, as well as any continued progression through the steps included within the classification range to which these employees are assigned. This account also contains hours for temporary hourly clerical help in the office to get us through "crunch" times. The 2007 amount is decreased due to fewer clerical hours being required and new employees at lower steps.

XII.B. (7650) This account pays for 8591 square feet of leased space at the American Center to house the SCLS consulting/ coordinative staff, public relations staff, administrative staff, computer technician, meeting rooms, computer lab, and the Wisconsin Library Association. The sum for 2006 includes the current lease amount at the American Center for our space, our share of central building costs, and funds for utilities, janitorial services, and any required tenant alterations. The Wisconsin Library Association offsets a proportionate share of our cost in this account. The proposed increase for 2007 reflects inflation.

XII.C. (7655) This account pays for all the general office supplies used by SCLS and LINK staff, and also acts as a pass through to pay for member library bulk supply orders. Each year, LINK contributes to this account to help offset these costs. No increase should be required for this account for 2007.

XII.D. (7670) This account pays for all the telephones used by SCLS staff at the American Center, as well as for our telefacsimile and ISDN teleconference lines. No increase should be required for this account for 2007.

XII.E. (7680) This account pays the postage for all the documents, newsletters, etc. sent out to board members and member libraries. No increase should be required for this account for 2007.

XII.F. (7690) This category pays for the travel of board and committee members to and from SCLS board and committee meetings, and also funds board participation in special events on behalf of the system such as the Wisconsin Library Association Conference, and funds two representatives at the annual American Library Association Washington Legislative Day. At one time, we automatically enrolled all SCLS and member library trustees in WLA for advocacy purposes. We now limit this enrollment only to board members who specifically desire this service. No increase should be required for this account for 2007.

XII.G. (7700) This account funds health, life, dental, and income continuation insurance. While the percentage increase for health insurance in 2007 is substantial, the amount budgeted in this account is less due to fewer employees taking family plans. LINK funds are paid into this account to cover costs associated with automation personnel.

XII.H. (7710) Through 1981, SCLS paid only the employer's share to the Wisconsin Retirement Fund, and each employee paid the employee's share. In 1982, SCLS took over paying both

halves of the retirement benefit, but each employee's salary was reduced by the employee share. The advantage of this to the employee is that the system pays in before tax dollars, whereas the employee previously paid after the dollars withheld had already been taxed by the state and federal governments. For 2007, there is an increase due to the reallocation of the library development coordinator from Delivery to consulting, the accompanying added of hours in Delivery to cover increased service, an increase in part-time hours in Automation, and an increase from the Wisconsin Retirement Fund. LINK funds are paid into this account to cover costs associated with automation personnel.

XII.I. (7720) SCLS pays the employer's portion of social security, which is anticipated to remain at the same percentage this next year. For 2007, this account has been increased to cover salary increases and additional delivery and automation hours. LINK funds are paid into this account to cover costs associated with automation personnel.

XII.J. (7730) This category insures all SCLS office property, bonds key employees and board members, and pays for worker's compensation for non-delivery employees. In addition to SCLS funds, this account contains funds from the LINK operations budget to cover equipment and employees for the shared automation project. The 2007 amount has increased due to increased costs from our insurance provider.

XII.K-L. (7740-7750) For these sums, Grobe and Associates provides ongoing financial advice throughout the year, handles our payroll checks and deductions, and subcontracts for our annual audit (with Wegner and Associates). They have provided highly satisfactory service over the years. LINK contributes to these accounts to cover added costs in this area caused by their operations. The added audit requirements under GASB34 were met in 2004, and the fact that we now have the necessary templates should hold the cost of the audit and bookkeeping to an inflationary increase of 3% for 2007.

XII.M. (7752) This account pays primarily for maintenance, supplies, small add-on equipment, and programs for our office microcomputers, and also supports our fax machine. Some of the money proposed for this account is used to purchase new software as more powerful programs become available, and as old programs need to be upgraded. No increase should be required for this account for 2007.

XII.N. (7754) This account pays all costs for our photocopier at the administrative office, and supplies and maintenance for the copier at the automation office also. LINK pays into this account to help support these supplies and this maintenance. Our photocopier produces color images at a cost of 11.7 cents (plus paper) per exposure. This is far cheaper than the outsourced cost of almost a dollar per printed color image. However, there is a recommended increase in this account for 2007 due to an increased amount of printing for member libraries.

XII.O. (7760) This account pays for personal computers and other office equipment, including upgrades, repair, and replacement. In 2007, we must continue the perpetually ongoing process of upgrading both our staff computers, and of course, cope with all the incompatibilities caused by what is variously termed either the "rapid development" or the "planned obsolescence" of

ongoing computer design. In addition, the 2007 increase accounts for the need to replace the wireless lab, which is heavily used by the member libraries and is currently equipped with obsolete hardware.

XIII.A (8010) The sum budgeted here (as SCLS has no parent body to turn to in times of emergency need) must cover all unexpected costs, including legal fees and any unemployment claims. The amount recommended is an estimate and represents slightly less than 2% of our budget. This sum will be revised (and hopefully increased) based on the findings of the annual audit.

XIV.A-E (9501-9701) In past years, grant funds and projects funded by pass through dollars from members have rarely been included in our annual plan. This was generally because we did not know what (if anything) we would receive. The LSTA process now includes substantial non-competitive grants that need to be reflected, as do the dollars we handle on behalf of the Wisconsin Public Library Consortium and on behalf of our member libraries for certain shared cost projects. The substance of each of these items is explained under the revenue portion of these budget notes. Midyear revision proposals in 2007 will reflect any audit corrections, as well as any additional grant receipts, which were not known at the time this initial budget was created.

XIV.F (9955) This account covers the Library Emporium mailing expenses, online expenses, and other miscellaneous expenses.

PROJECTED EXPENDITURE TOTAL: \$8,235,021