

# A NEW CHAPTER

*Options for Preserving Library Services in South Milwaukee*



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## PREFACE AND ACKNOWLEDGMENTS

This report was undertaken to provide South Milwaukee policymakers and residents with information about their library's finances and operations and to lay out options for maintaining local access to library services for them to consider.

Report authors would like to thank the leadership and staff of the city of South Milwaukee and its library for providing us with information and patiently answering our questions. We would also like to thank the staff members from the cities of Cudahy and St. Francis, the director of the Milwaukee County Federated Library System, and the local development industry leaders we interviewed for providing us with valuable information and insight that we used in our analysis.

Finally, we would like to thank the city of South Milwaukee for commissioning and underwriting much of the cost of this study.



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## *Options for Preserving Library Services in South Milwaukee*

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# INTRODUCTION

Despite the adoption of Wisconsin Act 12 in the summer of 2023, which provided the first increase in state shared revenue in decades, local governments across Wisconsin are facing intensifying fiscal and service-level challenges that are threatening existing service models and prompting consideration of new approaches. These challenges continue to stem, in part, from the strict property tax levy limits facing Wisconsin municipalities and increasing costs associated with a historically tight labor market and inflationary increases on labor, commodities, vehicles, and equipment.

The city of South Milwaukee has not been immune from such challenges and is now considering how it will continue to provide library services. It has had its own library – the South Milwaukee Public Library – since 1917 and has operated it out of its current building since 1967. As a member of the Milwaukee County Federated Library System, the South Milwaukee Public Library is able to share materials and resources with other municipal libraries in the county for the benefit of its residents.

While proud of the library’s history and its value to the community, South Milwaukee officials face both operating budget challenges and capital challenges that include a need for sizable investment in its library building. Consequently, they are now forced to consider whether other, less costly approaches to providing library services may need to be considered so that other vital city services – including public safety, public health, and public works – can continue to be maintained at appropriate levels.

In this report, we analyze the South Milwaukee Public Library’s current operations and budget, recent trends and changes, and how the library compares with peers in Milwaukee County. We then consider a range of options for the future, including potential financing strategies that could allow the city to maintain its existing library building and service levels, options for reducing the library’s footprint and operating budget, and alternatives that would involve closing the South Milwaukee library and establishing partnerships that would allow residents to access library services in other nearby communities.

For our analysis, we rely on data from the city of South Milwaukee, its library, and the Wisconsin Department of Public Instruction (DPI), to whom all public libraries in the state report operational and fiscal data. We consider the pros and cons of each of the options considered and their fiscal, programmatic, and governance impacts. Interviews with local officials from the cities of South Milwaukee, Cudahy, and St. Francis, leaders of the Milwaukee County Federated Library System, local developers, and individuals familiar with mixed-use library development projects in other communities complemented our analysis.

We hope this report illuminates the challenge the city of South Milwaukee and its public library face – and potential solutions – and that it helps city administrators, elected officials, and residents chart a sustainable future.



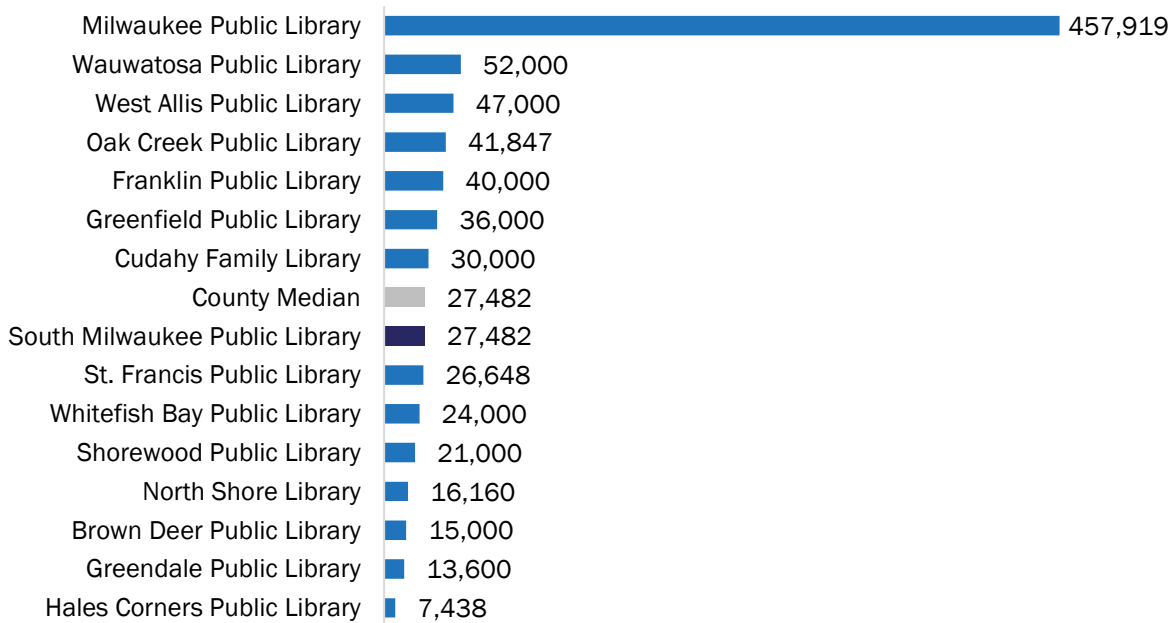
# LIBRARY OPERATIONS AND BUDGET

This section analyzes basic characteristics of the South Milwaukee Public Library, its activities and finances, and includes comparisons with the other member libraries that comprise the Milwaukee County Federated Library System (MCFLS).

## Location and Facility

South Milwaukee’s library is currently located at 1907 10<sup>th</sup> Avenue in a 27,482 square-foot building constructed in 1967. It is the building’s sole occupant. As shown below in Figure 1, the library’s physical size is the median among the 15 public libraries in Milwaukee County, all of which are members of the county library system.<sup>1</sup>

**Figure 1: Size of South Milwaukee Library Matches County Median**  
Square footage of public libraries in Milwaukee County (all branches)



Source: Wisconsin Department of Public Instruction – Public Library Service Data

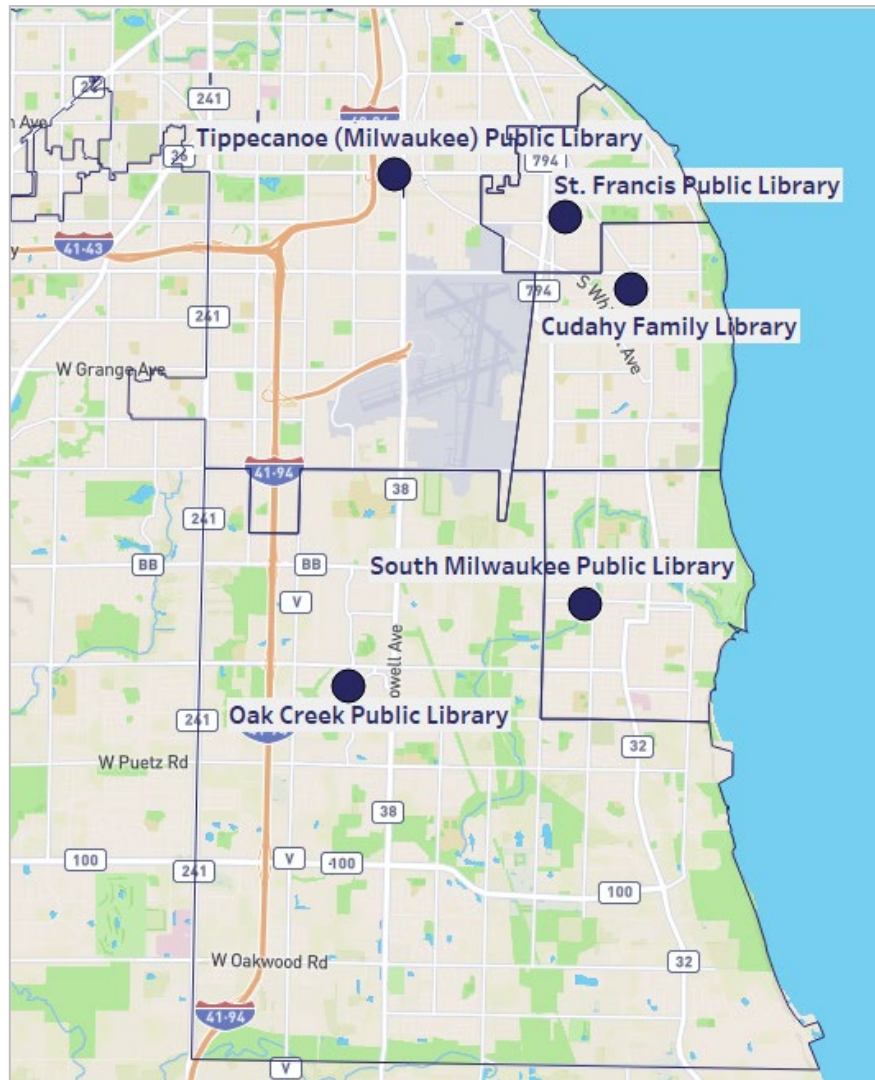
As shown in Figure 2 on the following page, public libraries in the neighboring cities of Cudahy (3.3 miles away) and Oak Creek (4 miles away) are the closest alternative options for South Milwaukee residents, followed by those in the nearby community of St. Francis and the Tippecanoe branch of the Milwaukee Public Library on the city’s far south side. Each of those libraries is within a 15-minute drive of the South Milwaukee library’s current location.

<sup>1</sup> There are 19 municipalities in Milwaukee County, but the North Shore Library serves four communities: Bayside, Fox Point, Glendale, and River Hills. Also, the village of West Milwaukee does not maintain its own library, but instead contracts with the county library system to ensure library access for its residents in other Milwaukee County communities.



**Figure 2: Several Public Libraries Within 15-Minute Drive of South Milwaukee Library**

Locations of public libraries in South Milwaukee and nearby communities



## Population Characteristics

South Milwaukee is a city of 4.8 square miles with a population of 20,547, according to the U.S. Census Bureau's 2023 American Community Survey estimates. As with the square footage of its current library space, the resident population served by the South Milwaukee library was exactly in the middle among the 15 communities with public libraries in Milwaukee County in 2023, according to data reported to the state Department of Public Instruction (see Figure 3 on the next page). Its total population has declined slightly (by 2%) since 2010, when it was estimated at 20,971.

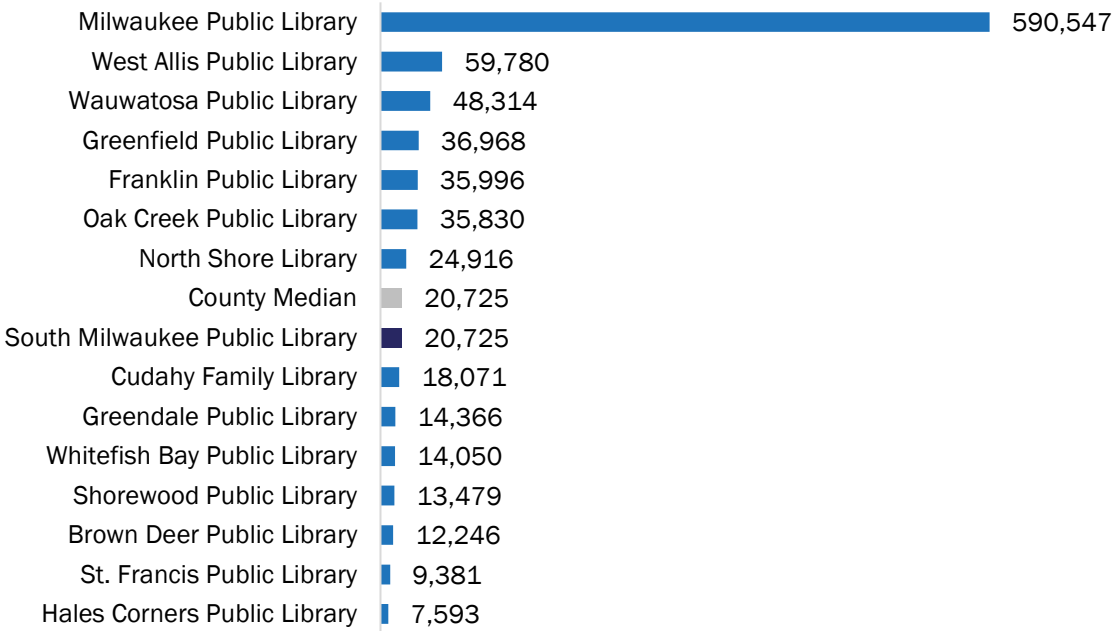
South Milwaukee's population is somewhat larger than that of its neighbor to the north, Cudahy (17,964), and considerably larger than that of St. Francis (9,318), which is north of Cudahy. As in South Milwaukee, the populations of Cudahy and St. Francis have changed very little since 2010. Oak Creek (36,473), which is south of South Milwaukee, is the largest and most populous South Shore community and has grown the most since 2010, adding over 3,400 residents (10.3%).

In considering the demand for different types of library services now and in the future, the age of the population and how it is changing are relevant. The population of South Milwaukee has gotten slightly older since 2010, with the median age increasing from 40.4 in 2010 to 40.9 in 2023. As shown in Figure 4 on the following page, the number of adults ages 65 and over rose 22.5% during that time, while the youth population (those under the age of 18) decreased by 7.8%. The number of adults ages 18 to 64 also declined by 6.1%.



**Figure 3: Population Served by South Milwaukee Library Matches County Median**

Resident population served by public libraries in Milwaukee County (all branches)

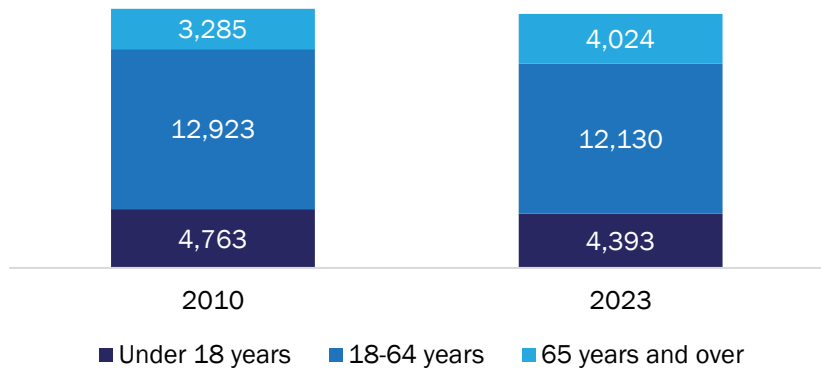


Source: Wisconsin Department of Public Instruction

Compared with Cudahy and St. Francis, however, South Milwaukee has a younger population that is aging relatively slowly. Youth account for a larger share of the population of South Milwaukee (21.4%) than of Cudahy (18.1%) or St. Francis (10.7%), and while the median age of South Milwaukee has increased by 0.5 years since 2010, the median age increased by 2.1 years in Cudahy and 11.7 years in St. Francis during the same period.

**Figure 4: South Milwaukee's Population Is Slowly Aging**

Population changes by age, 2010-2023



The latest state population [projections](#) show South Milwaukee's population declining slowly but steadily over time from 20,795 in 2020 to an estimated 17,299 in 2050. The city's small recent population decline aligns with that projection.





## Library Activities and Collection

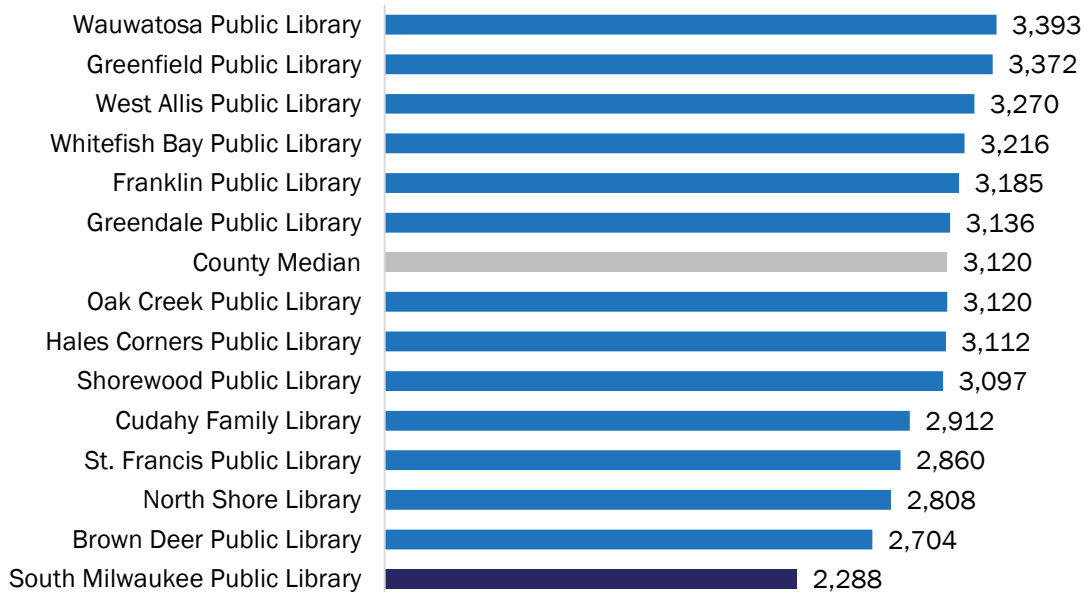
Given that South Milwaukee falls in the middle of the 15 libraries in the county on both the size of its resident population and the physical space it occupies, we thought it would be insightful to compare its operations, collection, usage, and other activity levels with those of the other libraries and the county medians. For many metrics, we compare 2023 figures with those from 2019, which was the last full year before the pandemic. All of the data in this section are from the [Wisconsin Department of Public Instruction](#) unless otherwise noted. Data from 2023 are the latest available and are still preliminary. When showing trend data for the South Milwaukee library only, we also include 2024 data provided to us directly by the library's director.

### Hours

The South Milwaukee library was open for 2,288 hours in 2023, which was fewer than any other public library in Milwaukee County and 26.7% below the county median of 3,120 that year (see Figure 5). It was open for the same number of hours in 2024 and has made no schedule changes in 2025. This is 24.1% lower than the number of hours the library was open in 2019, when it was much closer to the county median. In 2023, the library reduced its hours by 19% due to budget constraints and a decreased property tax allocation from the city – a major factor in the library's current position relative to its peers.

**Figure 5: South Milwaukee Library Open Fewer Hours Than Others in County**

Total hours open in 2023



### Materials

By some measures, the South Milwaukee library's collection is smaller than one might expect, with fewer books and print materials, audio materials, and periodicals than the median among libraries in



Milwaukee County (see Table 1 below) and much smaller than those in neighboring Cudahy. South Milwaukee does have a relatively large collection of videos, however.

The library’s collection has shrunk over the past several years, with books and serial volumes in print declining by 9.8% between 2019 and 2023, audio materials decreasing by 38.7%, and periodical subscriptions dropping by 60.8%. On a percentage basis, all of those losses were larger than changes seen at neighboring libraries in Cudahy and St. Francis. South Milwaukee’s video collection increased by 9.5% during that same period, however, which outpaced those other libraries.

**Table 1: South Milwaukee Library’s Collection Is Smaller Than the County Median**  
Volume of materials in public library collections in Milwaukee County, 2023 (all branches)

|                                       | Book and Serial Volumes in Print | Audio Materials | Video Materials | Periodical Subscriptions |
|---------------------------------------|----------------------------------|-----------------|-----------------|--------------------------|
| Milwaukee Public Library              | 1,965,613                        | 92,704          | 99,591          | 325                      |
| West Allis Public Library             | 172,660                          | 14,406          | 14,495          | 190                      |
| Wauwatosa Public Library              | 159,169                          | 14,069          | 13,644          | 162                      |
| Cudahy Family Library                 | 100,388                          | 12,268          | 25,322          | 69                       |
| Franklin Public Library               | 99,691                           | 10,502          | 16,914          | 70                       |
| Greenfield Public Library             | 81,466                           | 9,496           | 9,109           | 89                       |
| Shorewood Public Library              | 76,640                           | 9,601           | 8,552           | 120                      |
| Brown Deer Public Library             | 69,007                           | 5,237           | 9,224           | 63                       |
| <b>County Median</b>                  | <b>69,007</b>                    | <b>8,173</b>    | <b>9,224</b>    | <b>89</b>                |
| Oak Creek Public Library              | 60,842                           | 5,860           | 10,161          | 119                      |
| Whitefish Bay Public Library          | 58,058                           | 8,173           | 8,865           | 118                      |
| <b>South Milwaukee Public Library</b> | <b>57,485</b>                    | <b>4,946</b>    | <b>11,595</b>   | <b>40</b>                |
| North Shore Library                   | 54,263                           | 3,622           | 7,601           | 90                       |
| St. Francis Public Library            | 48,101                           | 4,364           | 7,320           | 38                       |
| Greendale Public Library              | 47,066                           | 3,208           | 8,741           | 70                       |
| Hales Corners Public Library          | 31,796                           | 3,307           | 6,936           | 47                       |

### Borrowers, Visits, and Circulation

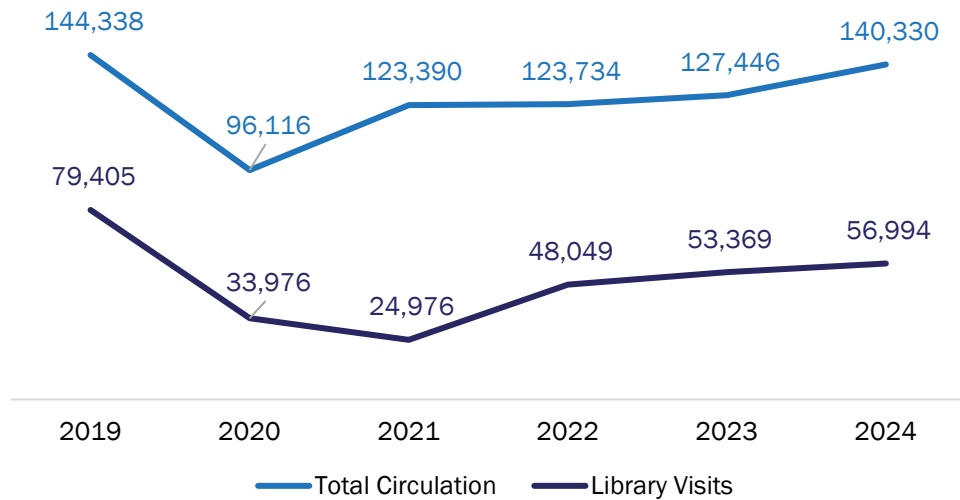
The number of individuals registered as borrowers at the South Milwaukee library fell for several years before increasing slightly in 2024. At 4,899, there were 26.7% fewer registered borrowers in 2024 than in 2019. South Milwaukee had fewer borrowers in 2023 than the county median (6,871) but a very similar number as neighboring Cudahy (4,913), which saw a nearly identical decline in its number of registered borrowers during that period.

After dropping in 2020 during the most restrictive period of the pandemic, the library’s total circulation recovered considerably in 2021 and has continued to rise toward pre-pandemic levels (see Figure 6 on the next page). Visits to the library bottomed out in 2021 and have since rebounded somewhat but remain well below 2019 levels.



In 2023, the South Milwaukee library's total circulation of materials was roughly half of the median among Milwaukee County libraries at 127,446 (see Table 2 below). That represented a 11.7% reduction from 2019, which was also in line with the reduction in circulation seen in Cudahy (-11.6%), though Cudahy's circulation was notably greater.

**Figure 6: South Milwaukee Library Circulation Recovering, Visits Lag**  
Total number of library visits and materials circulated, 2019-2024



**Table 2: South Milwaukee's Library Circulation Roughly Half the County Median**  
Circulation of materials by public libraries in Milwaukee County, 2023 (all branches)

| Public Library Name                   | Total Circulation of Materials | Children's Material Circulation |
|---------------------------------------|--------------------------------|---------------------------------|
| Milwaukee Public Library              | 1,468,411                      | 431,933                         |
| Wauwatosa Public Library              | 830,512                        | 406,671                         |
| West Allis Public Library             | 410,347                        | 145,338                         |
| Franklin Public Library               | 350,201                        | 151,602                         |
| Shorewood Public Library              | 303,715                        | 120,028                         |
| Whitefish Bay Public Library          | 293,450                        | 135,529                         |
| Oak Creek Public Library              | 275,996                        | 140,262                         |
| North Shore Library                   | 245,365                        | 97,341                          |
| <b>County Median</b>                  | <b>245,365</b>                 | <b>97,341</b>                   |
| Greenfield Public Library             | 241,905                        | 85,537                          |
| Cudahy Family Library                 | 212,212                        | 84,917                          |
| Greendale Public Library              | 183,692                        | 94,114                          |
| <b>South Milwaukee Public Library</b> | <b>127,446</b>                 | <b>37,051</b>                   |
| St. Francis Public Library            | 105,475                        | 36,596                          |
| Brown Deer Public Library             | 104,551                        | 47,077                          |
| Hales Corners Public Library          | 98,048                         | 40,204                          |

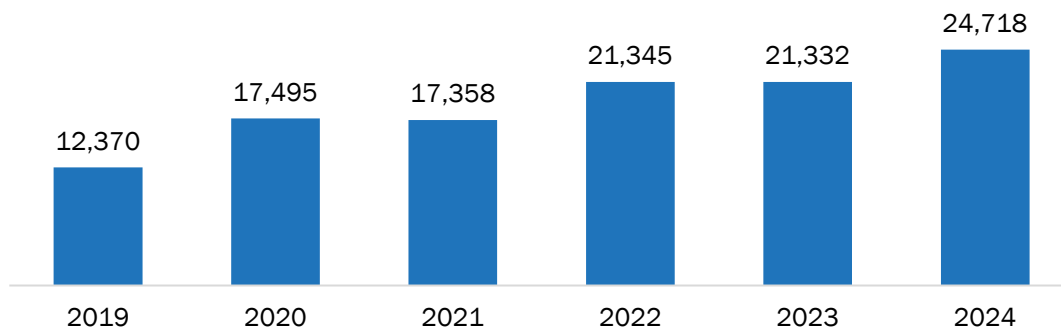
The library's circulation of children's materials was about one-third of the county median in 2023, at 37,051. This was 12.0% lower than in 2019. South Milwaukee's circulation of children's materials was less than half that of Cudahy, despite serving a younger population, and similar to St. Francis,



despite serving a much larger population. Cudahy’s circulation of children’s materials actually increased 7.2% since 2019, while St. Francis saw a more modest decrease of 3.0%.

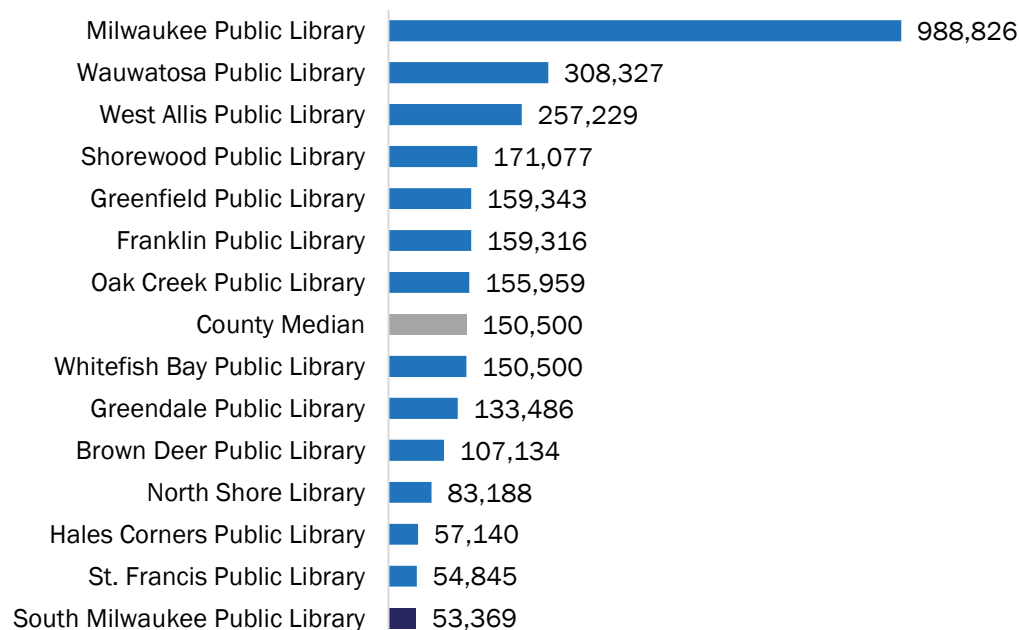
One bright spot in the library’s circulation activity is the increased use of electronic materials such as audiobooks, digital music, movies, and eBooks. Between 2019 and 2024, South Milwaukee’s total e-content use doubled from 12,370 to 24,718 (see Figure 7). The increase from 2019 to 2023 was the third largest among the 15 libraries in Milwaukee County, though the South Milwaukee library’s e-content use remained below the county median in 2023.

**Figure 7: Use of Electronic Library Materials Is Growing**  
Total e-content use by South Milwaukee Public Library borrowers, 2019-2024



Perhaps most notably, as Figure 8 shows, the South Milwaukee Library received the lowest number of visits in 2023 among all libraries in the county, which is likely influenced by its reduced hours. In both 2023 and 2019, South Milwaukee ranked 13<sup>th</sup> among the 15 libraries in the average number of visits it received per hour of operation, ahead of both St. Francis and Hales Corners.

**Figure 8: South Milwaukee Logged Fewest Library Visits in County**  
Total visits to public libraries in Milwaukee County, 2023 (all branches)



Note: Figure not available for the Cudahy Family Library



## Computer and Internet Usage

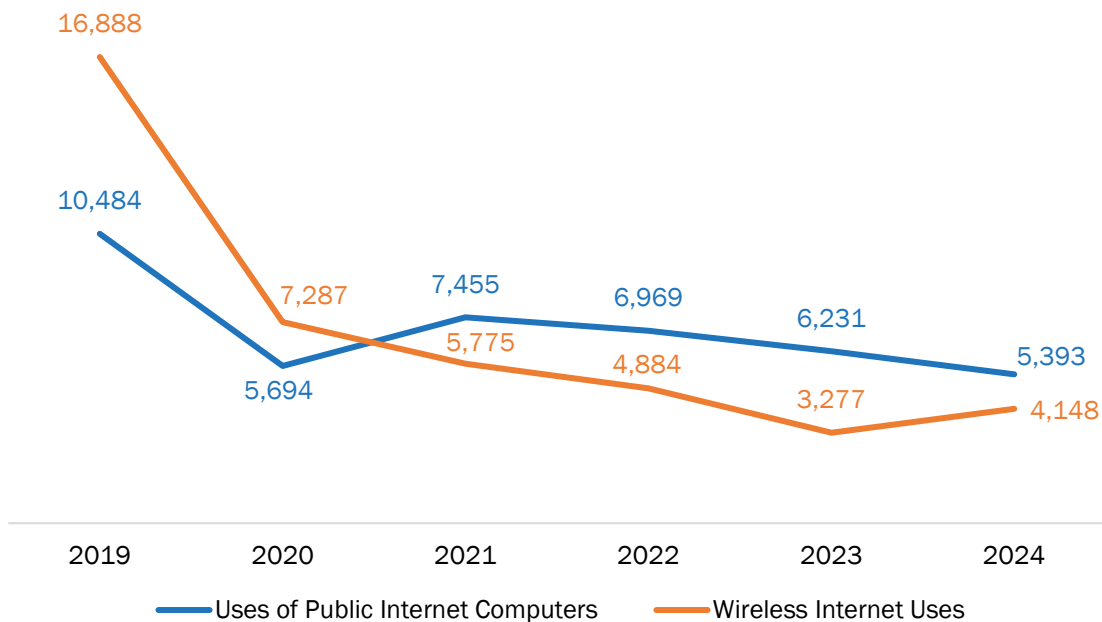
The South Milwaukee Library currently has 18 public use computers, including 15 with internet access. That is similar to 2019 levels. After dropping in 2020 with the onset of the pandemic, use of the library's public computers recovered somewhat in 2021 before falling again for the last three years (see Figure 9). Usage was down 48.6% in 2024 compared with 2019.

One factor contributing to the library's decline in computer usage was the introduction of mobile printing in 2023. Previously, patrons had to log onto one of the library's public computers to print anything. With mobile printing, they are able to do so from their phones, laptops, and tablets.

After an initial drop in 2020, use of the library's wireless internet declined steadily for the next three years but increased somewhat in 2024. Yet, it remained down 75.4% in 2024 relative to 2019. Neighboring libraries also saw sharp declines in public internet computer and wireless internet usage over this period that were not dramatically different from those in South Milwaukee.

Notably, the library changed the way it tracks wireless internet usage in 2023. Prior to the change, the statistics include anyone who connected to the library's Wi-Fi, even if their device connected to it as they drove or walked by. Starting in 2023, the library began only tracking those who actively connect to and use its Wi-Fi.

**Figure 9: Use of Library Computers Continues to Fall Post-Pandemic**  
Computer usage at South Milwaukee Public Library, 2019-2024



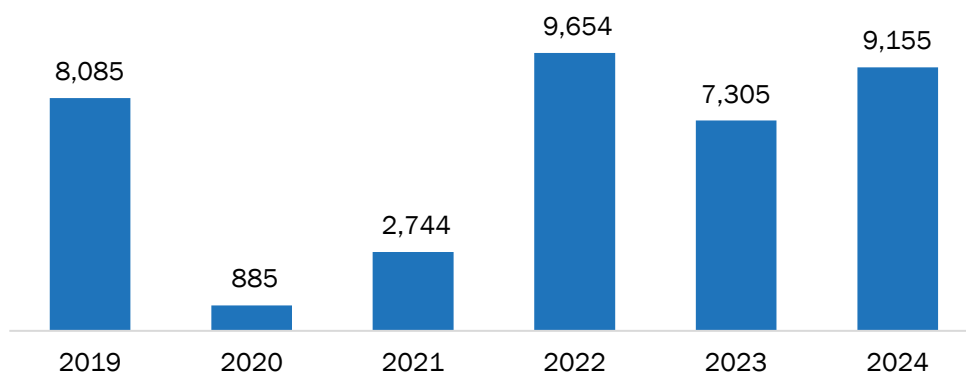
## Programming

Another bright spot is library programming and program attendance, which both grew in 2024. That year, the South Milwaukee Library offered 380 programs – from story time events to book club meetings to crafting and fitness classes – including 283 for children and youth up to age 18. Those



programs generated a combined attendance of 9,064, including 8,214 children and youth. This was up from 2019, when the library offered 265 programs and drew a total attendance of 8,085 (see Figure 10).

**Figure 10: Library Program Attendance Has Recovered**  
Total attendance of South Milwaukee library programs, 2019-2024



## Budget, Staffing, and Capital Needs

### Operating Budget

The city of South Milwaukee's recently approved 2025 operating budget for its library totals \$647,051, which is a 19.7% reduction from the 2019 budget, as shown in Table 3 on the following page. (Here again, we compare with 2019 because it was the last full year before the pandemic and for consistency with the previous analysis.) The city's budgeted property tax support totals \$634,051, which is down 5% from 2024 and 18.8% from 2019.

The largest drop in expenditures has been for fringe benefits, which declined by \$91,503, or 52.7%, from 2019 to 2025. According to city officials, a key factor in that decline was retired employees who earned retiree health insurance turning 65 and becoming eligible for Medicare; in 2019, the city's retiree health insurance costs for former library employees totaled \$70,745, whereas in 2025 they were only \$11,304. Another factor has been fewer employees opting to take or being eligible for the city's health insurance; in 2019, budgeted health care costs for library employees totaled \$53,186, compared to \$24,105 in 2025.

The next biggest savings has come from reduced employee salaries and wages, which are down \$42,275, or 9.7%, from 2019 levels. One key factor here is that the library recently converted what was previously a full-time (40 hours per week) assistant director position into a part-time (28 hours per week) librarian position; the library's previous assistant director was recently named its permanent director, opening up her previous role.

Budgeted revenues from fines and services total \$13,000 (2% of budgeted expenditures), which is considerably less than the amounts budgeted in 2019, though those revenues only covered 3% of the library's total expenditures that year. The reductions in fines and service revenues are logical given the declines in activity levels cited above.



South Milwaukee is budgeting a total of \$13.1 million in tax levy for all city services in 2025, which is a slight increase of 0.25% from 2024. The library's \$634,051 share of the levy is about 4.8% of the city's overall levy, as compared to 5.1% in 2024 and 7.1% in 2019.

Since 2011, annual property tax increases for Wisconsin municipalities for ongoing operations generally have been limited to the rate of net new construction. In recent years, South Milwaukee has generated very little new construction, which is a major factor limiting the city's overall revenue capacity and its ability to maintain services at past levels.

Given rising costs and flat property tax levy revenues, the city is taking a number of steps to reduce costs in 2025, including closing its senior

center and reducing staffing in its Department of Public Works. As previously noted, the city will also reduce the library's budget in 2025 by 5% and convert what was a full-time assistant director position into a part-time librarian position. It will also shift accounting for the library to city hall, thus reducing the responsibilities of library staff who previously handled accounting. These changes follow the 19% reduction in the library's hours that occurred in 2023, which reduced expenditures by cutting staff hours.

To increase revenues, the library's board of directors has put an emphasis on fundraising events in the last two years. A 2023 fundraiser event brought in about \$1,000, while another one in 2024 raised about \$3,000. The library's previous director also added vending services to one area of the library, which generate a small amount of revenue. These extra revenues are helpful, but they obviously do not come close to filling holes caused by property tax levy reductions in previous years.

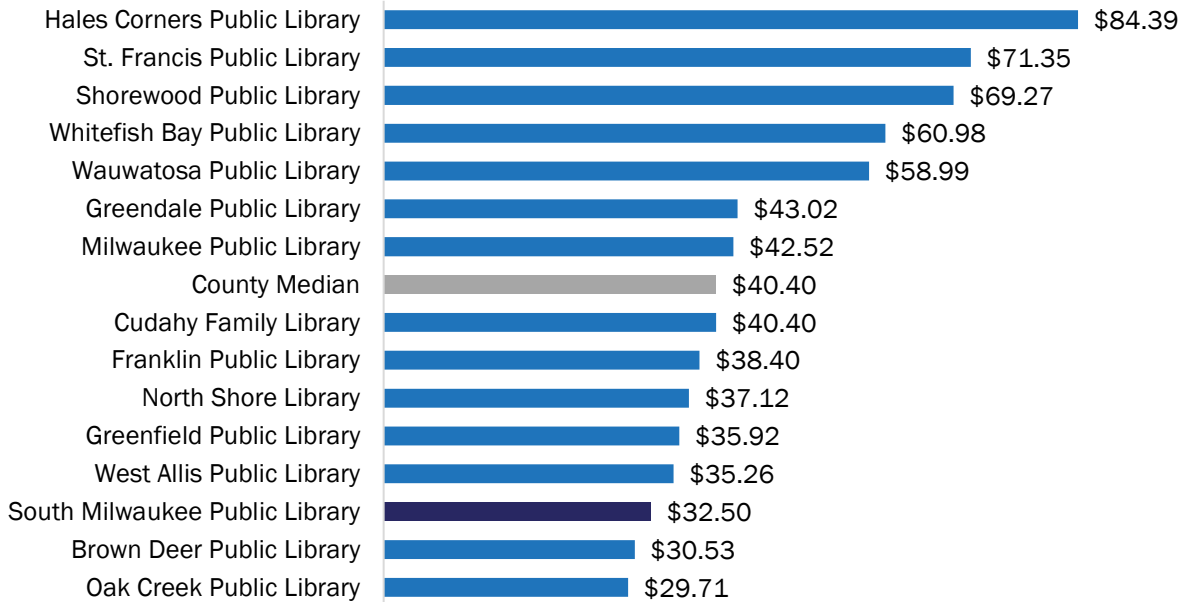
As of 2023, South Milwaukee's library ranked 13<sup>th</sup> of the 15 libraries in Milwaukee County in the amount of local revenue support it received per resident (see Figure 11), which is primarily generated through local property taxes. Additional analysis by South Milwaukee's library director of the latest budgets available online for each municipality in Milwaukee County found that South Milwaukee ranks last in the percentage of its total property tax levy being used for library services, at 4.8%.

**Table 3: South Milwaukee Library Operating Budget Has Declined**

| Expenditures                       | Budget 2025      | % Change, 2019-2025 |
|------------------------------------|------------------|---------------------|
| Salaries and Wages                 | \$394,838        | -9.7%               |
| Fringe Benefits                    | \$82,212         | -52.7%              |
| Legal Fees                         | \$750            | -25.0%              |
| Books                              | \$38,000         | -29.6%              |
| Audio-Visual                       | \$8,200          | -45.3%              |
| Electronic Databases               | \$13,200         | 103.1%              |
| Periodicals and Newspapers         | \$2,000          | -66.7%              |
| Library Supplies                   | \$8,308          | -30.8%              |
| Custodial Supplies                 | \$2,000          | -55.6%              |
| Utilities                          | \$43,000         | 14.7%               |
| Building and Equipment Maintenance | \$14,000         | -12.5%              |
| Electronic Equipment & Software    | \$13,000         | 100.0%              |
| Library Audit                      | \$3,400          | 36.0%               |
| Library Advancement                | \$1,000          | -37.5%              |
| Sundry Expenses                    | \$250            | 0.0%                |
| Postage                            | \$400            | -55.6%              |
| Insurance Fees                     | \$12,593         | 20.9%               |
| Automation Costs                   | \$9,000          | -55.0%              |
| Sales Tax Remittance               | \$900            |                     |
| <b>Total Expenditures</b>          | <b>\$647,051</b> | <b>-19.7%</b>       |
| <b>Revenues</b>                    |                  |                     |
| Fines                              | \$4,000          | -69.2%              |
| Services                           | \$9,000          | -18.2%              |
| <b>Total Revenues</b>              | <b>\$13,000</b>  | <b>-47.7%</b>       |
| <b>Total Tax Levy</b>              | <b>\$634,051</b> | <b>-18.8%</b>       |



**Figure 11: Local Support Per Capita Is Relatively Low for South Milwaukee Library**  
Local revenue for library per resident, 2023



### Staffing

In 2025, the South Milwaukee library has budgeted for 6.4 full-time equivalent (FTE) staff positions, including 2.7 librarians. That is down from 8.0 FTE positions and 4.5 librarians in 2019 and considerably less than the 2023 county medians of 14.2 FTE staff and 6.0 librarians.

### Capital Needs

The library's 1967 building has required a number of repairs and improvements in recent years, including floor and roof replacements and security upgrades. As shown in Table 4 on the following page, the city has budgeted a total of \$263,000 in capital improvements since 2017.

In addition to these budgeted projects, the city has discussed the possibility of improving the library's elevator to expand the elevator car and meet Americans with Disabilities Act (ADA) standards, which would cost an estimated \$175,000. Use of the building's second floor and basement are currently limited for people with disabilities because the entrance to the elevator is narrower than what is required. However, the city is not obligated to address this issue immediately because the library building was built prior to the implementation of the ADA.

For the past several years, the library building also has had an issue with leaking during heavy rain events, including through its book drop; though some repairs have been made, this remains an ongoing problem.





**Table 4: Budgeted South Milwaukee Library Capital Improvement Projects, 2017-2025**

| Year | Project   | Cost     |
|------|---|----------|
| 2017 | Flooring Replacement - 1st Floor                | \$59,000 |
| 2017 | Flooring Replacement - 2nd Floor plus staircase | \$49,000 |
| 2017 | Interior Wall Painting and Repairs              | \$28,000 |
| 2018 | RFID Technology & Security Upgrade              | \$60,000 |
| 2020 | Roof Replacement                                | \$11,000 |
| 2020 | Staff Copy Machine                              | \$4,000  |
| 2021 | Point of Sale System                            | \$2,000  |
| 2021 | Outside Book Drop                               | \$2,000  |
| 2024 | HVAC Actuator Replacement                       | \$29,000 |
| 2025 | Exterior Building Improvement                   | \$19,000 |

Source: City of South Milwaukee

## Summary of Current State

Although both the population served by the South Milwaukee Public Library and the size of its building fall exactly in the middle of the 15 public libraries in Milwaukee County, it received the fewest visits among them in 2023. Budget constraints caused the city to reduce the library's hours by 19% that year, which has resulted in it being open for fewer hours than every other library in the county. This is one key factor in the South Milwaukee library's lower visitation figure, but not the only one. The library ranked 13<sup>th</sup> of the 15 libraries in the county in visits per hour of operation in both 2019 and 2023.

Other key findings from our analysis of the South Milwaukee library's attributes and activities include:

- Its collection is considerably smaller than the county median and roughly half the size of the library collection in neighboring Cudahy, which has a smaller population
- Its number of registered borrowers remained well below pre-pandemic (2019) levels in 2024, though circulation and program participation have rebounded, and use of the library's electronic materials has risen
- Use of the library's computers remains down relative to 2019

The impact of South Milwaukee's budget challenges is reflected in the shrinking amount of funding it is providing to its library. The city has budgeted \$634,051 from its tax levy for the library in 2025, which is 18.8% less than what it budgeted in 2019 without adjusting for the substantial effects of inflation. In 2025, the library will receive 4.8% of the city's overall property tax levy – down considerably from 7.1% in 2019. The South Milwaukee library ranked 13<sup>th</sup> of the 15 libraries in the county in the amount of local revenue it received per resident in 2023.

Maintenance of the library's aging 1967 building poses another ongoing challenge. Since 2017, South Milwaukee has budgeted \$263,000 for capital improvements at the library and additional potential projects have been identified, including a \$175,000 elevator improvement project that would make the building ADA compliant. In the pages that follow, we will lay out the options that city leaders might consider to address this challenging situation.



# OPTIONS FOR THE FUTURE

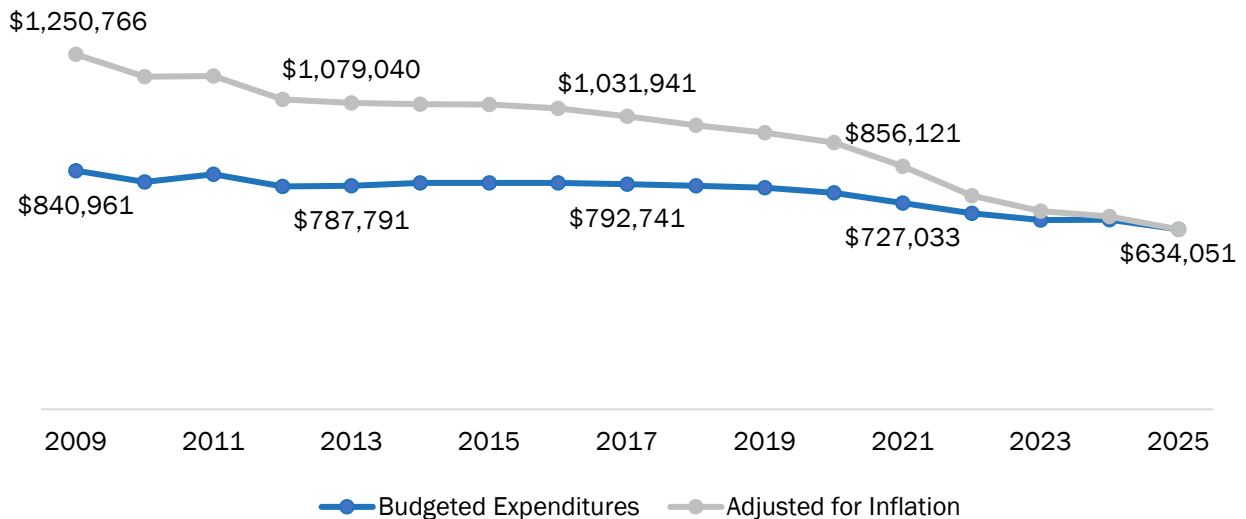
A number of potential strategies have been proposed to address the city of South Milwaukee’s library funding challenge by local elected officials and current and past members of the city’s staff. After discussion with city administrative leaders, we settled on seven options to broadly analyze for this report.

In this section, we present those options along with summaries of their potential strengths and weaknesses and, where relevant, high-level analysis of their potential fiscal impacts. For this analysis, we consulted with city officials, the library directors in South Milwaukee, St. Francis, and Cudahy, the director of the Milwaukee County Federated Library System (MCFLS), and several local development experts.

## Status Quo

The first option would be to continue on the city’s current path by attempting to maintain existing library services to the extent possible using the current amount of property tax levy the city directs to library operations. As illustrated below in Figure 12, the city’s tax levy appropriation – which comprises about 98% of the library’s total revenue budget – has fallen from almost \$798,000 in 2015 to roughly \$634,000 in 2025, a 20.5% decline. Inflation has further reduced the value of the library’s property tax support; when adjusted for inflation, the 2015 budgeted amount would be worth more than \$1,069,000 in 2025 – 40.7% higher than the amount included in the library’s 2025 budget.

**Figure 12: South Milwaukee’s Library Operating Budget Has Fallen Nearly Every Year Since 2016**  
Budgeted and inflation-adjusted property tax allocations for the library, 2009-2025



Source: City of South Milwaukee budget documents

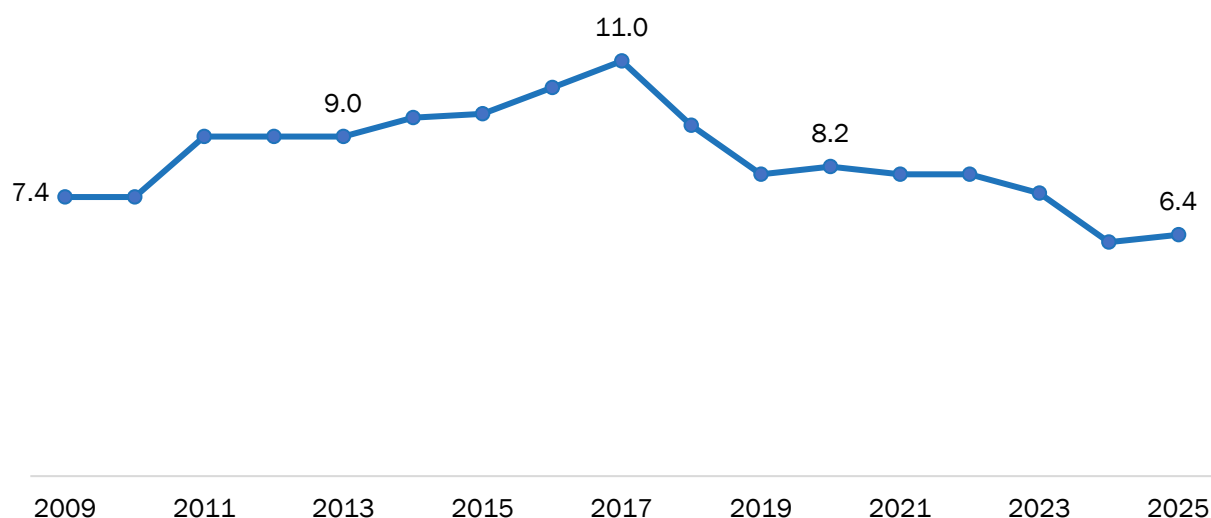
South Milwaukee’s overall 2025 city budget was a challenging one that made cuts to the library and to the city’s Department of Public Works. Those cuts would have been deeper if not for the ability to



use the last remaining dollars from the city’s allocation of federal pandemic relief aid to help fill budget gaps.

The library’s shrinking allocation of property tax revenue – and its inability, as noted in the previous section, to generate meaningful increases in other revenue sources – has led to staffing cuts and reduced hours of operation. That likely would continue to some extent in the future under a status quo scenario. Staffing has declined from 11.0 FTEs in 2017 to 6.4 in 2025 (see Figure 13). Prior to 2017, the library’s staffing had been growing for several years, though earlier reporting shows it had 12 FTEs in 2000. According to the city officials, starting around 2010, the library began to hire more staff rather than contract for substitute librarians, which it had often done in the 2000s. This drove the downward shift in library staffing during the 2000s and rise during the 2010s.

**Figure 13: Library Staffing Has Fallen to Lowest Point in Many Years**  
South Milwaukee Public Library staffing in FTE positions, 2009-2024



Source: Wisconsin Department of Public Instruction and South Milwaukee Public Library

A status quo option would maintain the amount of tax levy support the city provides for the library at its current level, which would still likely produce a need for staffing adjustments or other cost-cutting measures in light of the impacts of inflation. However, given the city’s ongoing fiscal constraints, it is also possible that continued reductions in the library’s property tax levy allocation similar to those that have occurred over the past decade would be required over the next several years, leading to further reductions in library services.

For example, if the library’s tax levy appropriation fell by another 20% over the next 10 years to roughly \$507,241, it would require further cuts to the library’s staffing and hours. Based on a theoretical annual budget prepared by the library’s director to reflect such a reduction, those cuts would include reducing total staffing from 6.4 to 5.1 FTEs by eliminating two part-time positions (a library assistant and a library clerk) and reducing a part-time librarian’s hours from 28 to 20 per week. It would also require the library to close on Mondays, when it is currently open from 11am to 7pm.

That reduced budget and staffing also might compel other service cuts, including:



- Eliminating most adult programming
- Cutting some children's programming to allow the children's librarian to have more desk time
- Reducing the library's materials budgets to acquire books, media, and periodicals
- Discontinuing the library's *hoopla* digital service, which allows users to access e-books, e-audiobooks, movies, and comics at a cost of about \$7,000 per year

Under this scenario, the library also would face continuing capital projects, which the city would presumably need to accommodate through borrowing unless grant funding could be identified.

### *Pros*

This option would maintain the city's library in its present location, providing continuity and access. It would not require increased revenue from city residents or other sources.

### *Cons*

The library has already reduced its staffing and hours. Given the city's recent budget trends, additional cuts to the library's property tax support are likely, but even if the 2025 level of support was maintained, further reductions in its staffing and hours and the elimination of some services and programming likely would be necessary in light of the impacts of inflation. Our estimates show that if the South Milwaukee library's property tax support does not stay the same but instead declines over the next decade at the same rate as the previous decade, then the library would need to eliminate 1.3 FTE staff positions, close for a second day each week, and make substantial programming cuts.

## Downsizing and Moving to Municipal Building

This option would move the library from its current location on 10<sup>th</sup> Avenue to space freed up in the city's municipal building on 15<sup>th</sup> Avenue by the recent closure of its senior center. This would require a major downsizing, as the former senior center space is 8,800 square feet in size, which is roughly one-third the size of the library's current space (27,482 square feet).

If this option were pursued, the South Milwaukee library's staffing and collections would be affected, but most of its programming likely could be maintained. According to the library's director, operating the library in the smaller space would require fewer staff, allowing for a reduction from the current 6.4 FTEs to 4.7 while maintaining current hours. Cutting the staff to 4.7 FTEs would entail eliminating four part-time positions (a library clerk, a library assistant, a reference assistant, and a shelver) and reducing the hours of a part-time librarian and of custodial and maintenance staff. This could reduce the library's staffing costs by almost 20%, from \$477,050 budgeted in 2025 (for salaries, wages, and fringe benefits) to \$383,522, a savings of \$93,528.

The smaller space would force the library to cull its collection significantly, keeping only the items that are most popular and reducing the volume of new materials it adds each year. In 2025, the library budgeted \$48,200 for new books, audio-visual materials, periodicals, and newspapers. The required changes would reduce expenditures to approximately \$16,200 annually in the municipal building space, saving the city \$32,100 per year.



While the South Milwaukee library’s total footprint would decrease substantially, the larger municipal building would have a variety of spaces available for library programming. However, the library’s reduced staffing would not allow for all programming to be maintained, as staff would be expected to spend more time covering the public desk. The library’s director estimates they could still offer the popular children’s story time program every week and occasionally offer an adult and teen program, but additional programming would require volunteers and volunteer management, which may not be feasible or sustainable.

Moving the library to the municipal building also would affect public access. The library’s current site is on a bus line, while the municipal building is not.

In addition to potential savings from reduced staffing and materials, the city could reduce its building maintenance and utility costs by moving to the municipal building. In 2025, the library’s utility costs are budgeted at \$43,000, and its building maintenance costs are budgeted at \$14,000. If the library moved to the municipal building, we estimate that its utility costs would drop by approximately \$37,500 per year to about \$5,500, which is what the senior center spent on utilities. City Hall would bill the library for its maintenance needs, which would be handled by the city’s maintenance staff. Given it is a smaller space with less to maintain, the library’s maintenance costs also could be estimated to be cut roughly in half to \$7,000 per year.

Overall, we estimate that this option could save the city approximately \$170,000 per year on library operations compared with the library’s 2025 budget, as shown in Table 5.

**Table 5: Estimated Costs and Savings of Moving Library to Municipal Building**

|                                      | Estimated Costs  | Estimated Savings from 2025 Budget |
|--------------------------------------|------------------|------------------------------------|
| Salaries, wages, and fringe benefits | \$383,522        | \$93,528                           |
| Library materials                    | \$16,200         | \$32,100                           |
| Utilities                            | \$5,500          | \$37,500                           |
| Maintenance                          | \$7,000          | \$7,000                            |
| Other expenditures                   | \$51,701         | \$0                                |
| <b>Total</b>                         | <b>\$463,923</b> | <b>\$170,128</b>                   |

A move to the municipal building also would eliminate the need for capital investment in the existing library building. While some capital investment may be required in the senior center space – particularly to accommodate start-up of new library operations – the space is considered to be in good condition and should not require investment in major repairs for the foreseeable future.

Finally, if the library were to move to the municipal building, the city potentially could sell its current property to a developer to redevelop. While that potential is unknown, the development experts we interviewed suggested that the site could be viable for residential development.

A market study likely would be needed to determine what the city could expect to earn from selling its library property for redevelopment. One expert we interviewed provided information on comparable recent property sales in the area that showed a median sales price of roughly \$53 per square foot. He estimated, however, that the value of the South Milwaukee library property may only be in the \$35-45 range per square foot due to its age and location and the need for it to be



redeveloped for a different use. That would give the property a total value in the \$455,000 to \$585,000 range. He also noted that a key challenge may be the amount of time it could take to sell the property; the submarket it is in has a relatively low vacancy rate, but properties there tend to take longer to sell than the metro area average.

Other interviewees suggested that the city may only be able to attract a developer to purchase the site for a nominal price (potentially as low as one dollar) assuming the developer would be expected to cover the costs of demolishing the current library building and preparing the site for redevelopment. Even under that scenario, the city could benefit financially through new property tax collections levied on the redeveloped property, however.

### *Pros*

This option could maintain the library's current hours while decreasing its expenditures by an estimated \$170,128 per year to \$463,923. It would also eliminate the need to invest in library-related capital improvements in the near future, with the possible exception of some relatively minor renovations to the existing senior center space to accommodate library operations. This smaller budget may be more sustainable over the long term, and the threat of annual reductions to staffing and hours would dissipate. The sale of the library's current property could also bring in additional revenue to the city, while redevelopment of the site could generate new annual property tax revenue.

### *Cons*

This option would reduce the library's space to one-third its current size; diminish its staffing, collections, and programming; and eliminate its public transit accessibility.

## Downsizing within the Current Building

This option would reduce the size of the library at its current location while converting a portion of the building into a commercial space. To make this option work, the city would need to pay a developer to remodel part of the building for a smaller library and the other part for a potential commercial or nonprofit tenant.

The city has not yet determined how much space it would be willing to rent out if this option were pursued, but for purposes of this analysis, we assume the size of the library would be reduced by half, from 27,482 to roughly 13,741 square feet. That would make it about the size of the Greendale Public Library (13,600), which is the second smallest library in the county after Hales Corners.

As with the previous option of downsizing the library and moving it to the municipal building, this option could decrease the library's expenses for staffing, materials, and utilities (see Table 6 on the following page). The library could again reduce its staffing from 6.4 FTE to 4.7 FTE employees consistent with its smaller footprint by making the same staffing cuts described in the previous option. Existing hours could be maintained. The library's collection would also need to decrease substantially, potentially cutting annual expenditures for new materials roughly in half. Utility and maintenance costs also could be reduced – potentially by half – by charging a commercial tenant for its use of half of the space.



Under this scenario, like the one above, the smaller staff would require library programming to be reduced. A weekly children’s story time program could continue but other programming for children, adults, and teens would likely only be possible on an occasional basis.

**Table 6: Estimated Costs and Savings of Downsizing Within Current Building**

|                                      | Estimated Costs  | Estimated Savings from 2025 Budget |
|--------------------------------------|------------------|------------------------------------|
| Salaries, wages, and fringe benefits | \$383,522        | \$93,528                           |
| Library materials                    | \$24,100         | \$24,100                           |
| Utilities                            | \$21,500         | \$21,500                           |
| Maintenance                          | \$7,000          | \$7,000                            |
| Other expenditures                   | \$64,801         | \$0                                |
| <b>Total</b>                         | <b>\$500,923</b> | <b>\$146,128</b>                   |

Although this option in theory would save about \$146,000 annually – about \$24,000 per year less than the previous option but still a sizable amount – the development experts we consulted noted that the prospect of leasing half of the building to an outside entity would be uncertain. They said it likely would be difficult to attract a commercial or nonprofit tenant to the building due to weakness in the existing market. There are already numerous other vacant commercial buildings in the area surrounding the current library location whose owners have struggled to find tenants. The city’s [Downtown Strategic Vision](#), which was published in 2022, suggests there is unmet demand for some types of retail businesses in the downtown area but also notes frustration among residents with the number of existing vacancies. In addition to this uncertainty of the building’s commercial viability, this approach would require the city to pay for remodeling.

*Pros*

This option would keep the library in its present location, providing continuity and maintaining bus access. It could also decrease the library’s annual property tax levy allocation by an estimated \$146,128 to \$487,923, thus potentially providing a more sustainable budget moving forward and eliminating the prospect of annual reductions in staff and programming for at least the next several years.

*Cons*

In addition to reducing the library’s staffing, collection, and programming, this option would require the city to make capital investments to prepare the building for a tenant, which would at least temporarily add to its financial challenges. This option would also likely require temporary service disruptions during construction. Perhaps the biggest concern is that the city’s ability to secure a potential sub-tenant in the library’s building is questionable, as there are a number of vacant storefronts already nearby.

## Raising Revenue to Restore Services

Given the substantial reductions in library space, staffing, and programming in the previous options that may cast doubt on whether the city should continue to maintain a library at all, we thought it



was important to consider an option that would not only allow the city to maintain library operations as they currently exist, but also to restore them to previous levels. This option involves an operating referendum that asks citizens to allow the city to exceed state-imposed property tax levy limits to restore funding to the library and allow it to function at a more robust level that may result in greater attractiveness and usage.

This would be the second referendum for the city of South Milwaukee in eight years. The city previously went to referendum in 2017 to increase its levy by \$616,641 (or 5.3%) in support of public safety services. It was approved, with roughly two-thirds of voters in support.

For purposes of this analysis, we consider what library services would look like – and what would be the impact on property taxpayers – if the library’s annual property tax levy appropriation was restored to \$800,000, which is roughly what it was in 2015 without adjusting for inflation.

The South Milwaukee library’s director estimates that this budget would allow the library to increase its staffing to 8.15 FTEs (from the current 6.4). This is lower than the library’s 2015 staffing level of 9.6 FTEs largely because inflation has reduced what a budget of that size can cover. Still, this would allow the library to make the following changes and additions to its staff:

- Restore a part-time (28 hours per week) librarian position to full-time (40 hours)
- Increase the hours of two other part-time employees from 10 to 12 hours per week to 20
- Add two part-time librarians, one for adults and one for both adults and children

The increased staffing would allow the library to restore its hours to pre-pandemic levels by opening earlier or staying open later several days a week. The library director’s proposed schedule is below. This would increase the total number of hours the library is open each week from 44 to 54.

- Monday-Thursday 9am to 7pm
- Friday 9am to 5pm
- Saturday 10am to 4pm

The potential referendum would ask South Milwaukee residents to approve an increase in annual property taxes of \$165,949 above the state-imposed limits to increase the library’s appropriation to \$800,000. We estimate that would raise annual property taxes *for city purposes* on the owner of a median valued (\$210,300) home by \$20.98, from \$1,659.96 in the 2025 budget to \$1,680.94. We calculated this figure using the city’s 2025 budget and state Department of Revenue [reporting](#), with the city’s median assessed home value provided to us directly by city staff.

Given the downward trajectory of the library’s budget over the last decade, however, and the likelihood of at least modest future inflation, the city may instead wish to pursue a referendum that gives it a cushion for at least the first few years of implementation. For example, if the city instead sought to raise its property tax levy by enough to restore the library’s tax levy appropriation to its inflation-adjusted 2020 budgeted amount of \$935,754, then it would need to increase it by \$301,703 annually, which we estimate would mean an increase of \$38.15 per year for the owner of a median valued home.





These are just two possible options for how the city could scale a referendum in support of library services. City leaders would need to determine how large of a referendum to pursue, and then voters would ultimately decide.

### *Pros*

This option would keep the library in its present location while at least initially restoring its staffing and hours of operation to pre-pandemic levels. It would also allow the library to maintain its current collection, its budget for new materials, and its full range of program offerings. Depending on the dollar amount selected by city leaders, the referendum also could provide budget stability for the library for the next several years.

### *Cons*

The primary downside of this option is the impact it would have on taxpayers. We estimate that the owner of a median valued home would see his or her property taxes increase by roughly \$21 per year to grow the library's property tax levy to \$800,000 or by just over \$38 annually if the city wished to restore the library's levy to its inflation-adjusted 2020 budget level. That was the last budget the city passed prior to the pandemic and the heightened period of inflation that occurred in the following years.

## Closing and Paying Library System to Maintain Access for Residents

The city of South Milwaukee could decide to close its library rather than pursuing the other options previously described. If it did so, the city still would be required under state law to provide its residents with access to library services and would have a financial obligation associated with the services its residents use.

One way of meeting the statutory obligation would be to contract with the Milwaukee County Federated Library System to establish a reimbursement mechanism for the services South Milwaukee residents use in other communities within the county. The county system has been given the authority by Milwaukee County to serve as the coordinating body for all public libraries within its borders and to contract with any municipality that does not have its own library. Among other services it provides, the system redistributes funding to each library based on circulation levels so that libraries that are "net lenders" to residents in other communities are compensated fairly.

Currently, the village of West Milwaukee is the only municipality in Milwaukee County without a library. (The North Shore Library is a *joint library* serving the city of Glendale and villages of Bayside, Fox Point, and River Hills – we explore the possibility of a joint library next.) Since 1985, West Milwaukee has contracted with the county system to pay for the library services its residents use in other Milwaukee County communities, with half of the total payment distributed to those other libraries based on the volume of materials they circulate to West Milwaukee residents. The other half goes to the county system to support its operations.

In 2024, the city of South Milwaukee received an initial quote from the county system of \$1,230,636 per year for this option, which was based on the previous year's total circulation of library materials



to South Milwaukee residents and the current methodology used to assess West Milwaukee for its payment to the system. That would be nearly double the South Milwaukee library's 2025 budget, which almost certainly would make this option a nonstarter.

It is possible that the county system would agree to negotiate with South Milwaukee to arrive at a more palatable contract price should city leaders determine they have no other viable option but to close the library. To do so, however, the contract terms would need to be approved by Milwaukee County, the Milwaukee County Federated Library System's trustees, and the village of West Milwaukee – and also have the support of the county system's member libraries – which would take time and may be difficult to achieve. The terms of agreement would then be written into the county's library services plan.

If this option were pursued, a priority for the county system would be to ensure that its other member libraries are compensated fairly for the services they provide to South Milwaukee residents. Half of the initial quote the system provided was to compensate those other libraries and the quote assumed circulation to South Milwaukee residents would remain steady. In reality, circulation to city residents likely would decline without a local library, which could reduce those costs. The other half of the initial quote would go to the county system, but it is possible that amount could be negotiated.

Still, it may be difficult for South Milwaukee to work out a contract with the county system for less than what it currently budgets for its library. A particular challenge involving a new methodology for South Milwaukee would be the likelihood that the county system would have to consider changes to its contractual relationship with West Milwaukee that would be consistent with such an arrangement.

This option would eliminate the need for capital investment in the South Milwaukee library building and potentially would allow the city to sell that property. As noted previously, the development experts we interviewed said that site may be viable for residential development, with one estimating the property may be worth roughly \$500,000 but others suggesting the city may have to reduce the price considerably given that the developer would be expected to cover the costs of demolishing the library building and preparing the site for redevelopment.

#### *Pros*

This option would eliminate the need to invest in library-related capital improvements and could bring additional property tax revenue into the city through the sale and redevelopment of the library property.

#### *Cons*

South Milwaukee residents would no longer have their own library and would have to travel to a neighboring community to access library services. Existing staff would lose their jobs. Despite these losses, it appears unlikely the city would reduce its annual tax levy appropriation for library operations. It also would take time and may be difficult to get all of the approvals needed from Milwaukee County and the county system's trustees and member libraries.



## Forming a Joint Library with a Neighboring Community

If the city of South Milwaukee opts to close its library, an alternative to contracting with the county system would be to negotiate to form a joint library with one or more of its neighboring municipalities. Its neighbor to both the west and south is Oak Creek, whose administrator informed South Milwaukee officials prior to our study that it was not interested in exploring the possibility of a joint library. Cudahy, which is South Milwaukee's neighbor to the north, and St. Francis (north of Cudahy) agreed to participate in our study; we interviewed the library directors in both of those cities as well as Cudahy's administrator.

State [statutes](#) allow two or more municipalities to form joint libraries. In Milwaukee County, the only example currently is the North Shore Library serving Bayside, Fox Point, Glendale, and River Hills. To form a joint library, municipalities need the county's approval and must develop an agreement that includes a plan for funding the library and designates one municipality as the fiscal agent. The agreement also must lay out the process for forming a library board and adjusting the board so it is representative of the populations of the participating municipalities, both initially and over time.

Given Oak Creek's lack of interest, Cudahy appears to be the most promising potential partner for South Milwaukee should it wish to pursue a joint library with a nearby community, though Cudahy's library director and library board have expressed opposition to this possibility. The Cudahy library is a modern facility (built in 2003) and is one of the closest neighboring libraries to South Milwaukee, located 3.3 miles north of the South Milwaukee library and on the same bus line. St. Francis appears to be a less promising partner on its own – primarily because it is further from South Milwaukee and the two communities do not share a border – but a joint library for all three communities is another option that could be considered.

Cudahy's library is in a stronger financial position than South Milwaukee's, but the city of Cudahy does face budgetary pressures that might make collaboration between the two communities advantageous for both. The Cudahy library's [2025 budget](#) is \$1,027,220 (far higher than South Milwaukee's) and is supported by \$725,980 in local property tax levy. A majority of its remaining revenue comes from reciprocal borrowing (Cudahy received \$215,384 in 2024 for being a net lender of materials to other libraries in the county), and the city also receives some rental fee revenue from use of its meeting room. The Cudahy Family Library also has a healthy endowment that helps it to pay for special (primarily capital) projects.

A joint library potentially could produce a win-win situation for both communities. Cudahy could receive new revenue to support library services from a payment from South Milwaukee for its share of the cost of operating the joint library. Meanwhile, South Milwaukee could benefit financially if the amount of that share is less than what the city would need to pay to operate its own library or rely on the county system. While the Cudahy library may need to expand its staff and hours to accommodate the increased patronage of South Milwaukee residents, Cudahy's share of the increased cost for an expanded joint library might still be well below the cost it is currently paying for its independent library, while Cudahy residents themselves would benefit from the increased staffing and hours.

If a joint library with Cudahy were pursued, then South Milwaukee could close its library entirely or maintain a smaller satellite library, potentially at the former senior center space in the city's municipal building. Given that South Milwaukee would need to pay Cudahy some amount of money



each year for this arrangement, staffing for a satellite library in South Milwaukee would need to be even smaller than what we laid out in the “Downsizing and Moving to Municipal Building” option for the city to realize any savings.

For purposes of this study, we model a hypothetical scenario in which the South Milwaukee Public Library is closed entirely and a joint library agreement is reached between the two cities to share the Cudahy Family Library. Staffing at the Cudahy library would increase by 1.75 FTE positions to allow it to expand its hours and programming to serve both communities. This is the same staffing expansion we modeled in our referendum option, which the South Milwaukee library director estimated could add an estimated \$165,949 to its annual budget and expand its hours of operation by 10 hours per week.

It is also important to consider that the joint library could see its revenue from reciprocal borrowing decline somewhat. An estimated \$26,900 of the \$215,384 the city of Cudahy received in 2024 through reciprocal borrowing came from lending materials to South Milwaukee residents, according to data provided by the county system. Thus, we estimate that the joint library’s revenue from reciprocal borrowing could be approximately \$188,484.

With these adjustments, we estimate the annual property tax levy needed for the joint library would be \$918,829. There would be several options for allocating this cost to the two municipalities, including using metrics like their respective shares of the combined populations of the two communities or combined property values. Simply for modeling purposes, we divide the cost based on each city’s share of combined 2025 library expenditures (we calculated this to be 61.4% for Cudahy and 38.6% for South Milwaukee).

Under this hypothetical approach, South Milwaukee would pay Cudahy \$354,668, which would reduce the amount of property tax levy the city of Cudahy would need to budget for its library to \$564,161. Cudahy residents would benefit from slightly expanded library staffing and hours, and the city would reduce its annual tax levy appropriation for its library by almost \$162,000. This would also reduce South Milwaukee’s property tax levy allocation for its library by more than \$279,000, saving it more money than our estimate for downsizing its current library into its municipal building.

We lay out the finances for this hypothetical scenario below in Table 7. South Milwaukee would save more money each year than Cudahy, but Cudahy would retain the joint library in its community while South Milwaukee’s residents would need to travel further to access the joint library.

**Table 7: Estimated Property Tax Levy Needs for Model Cudahy-South Milwaukee Joint Library**

|                 | 2025 Levy for Libraries | Hypothetical Joint Library Model | Potential Savings |
|-----------------|-------------------------|----------------------------------|-------------------|
| South Milwaukee | \$634,051               | \$354,668                        | \$279,383         |
| Cudahy          | \$725,980               | \$564,161                        | \$161,819         |
| <b>Totals</b>   | <b>\$1,360,031</b>      | <b>\$918,829</b>                 | <b>\$441,202</b>  |

For South Milwaukee to be able to afford to maintain a satellite library at the city’s municipal building as part of the joint library (and to hold down the share of the cost to Cudahy residents), it might consider narrowing the focus of the satellite library to children’s materials and programming only. One drawback to this approach is that many families get both children’s and adult materials when



they visit the library; to prevent them from having to visit two libraries, adults ideally would be able to request materials for pickup in South Milwaukee.

Another option is for a satellite library in South Milwaukee to be only a place where residents can pick up materials they have requested online, with no standing collection or programming. The staffing and space needs of this model would be greatly reduced.

### *Pros*

The closure of the South Milwaukee library and creation of a joint Cudahy-South Milwaukee library could allow both communities to realize substantial property tax levy savings while expanding library services for Cudahy residents. South Milwaukee residents also would benefit from expanded hours, albeit at a greater distance for many.

### *Cons*

The biggest drawback of this option is that library services within South Milwaukee would be eliminated or at least reduced dramatically, with city residents needing to travel further to access the joint library. At least some of South Milwaukee's staff would lose their jobs. Cudahy residents would need to share their library with South Milwaukee residents – which could produce some modest but likely manageable capacity challenges – and enter into a joint governance arrangement, which would reduce their local control over library services and could be tricky to negotiate. Cudahy's library director and library board have expressed opposition to this option.

## Building a New Library in a Mixed-Use Development

The last option we considered would involve partnering with a developer to include a library in a new mixed-use development in South Milwaukee, which likely would involve multi-family housing built above a first-floor library. The inclusion of a library could make a development plan more viable and attractive to potential developers, while the city could benefit from seeing a property that currently does not produce tax revenue converted into one that does.

Having its library located within a new mixed-use development also could save the city money by reducing capital improvement, maintenance, and utility costs. New buildings tend to be more energy efficient than older ones, and the new space could be designed to meet the library's current needs more efficiently than its current building.

The upfront costs of a new development could be substantial, however. Furthermore, this option would appear to be best suited for a scenario in which the foremost financial challenge is the need to renovate the existing library facility or construct a new library building, as opposed to South Milwaukee's pressing challenge of maintaining property tax funding for library operations. Indeed, in recent examples where this strategy has been pursued by other jurisdictions in the region – such as the city of Milwaukee and the North Shore – it has typically been triggered by the need for a new library building due to mounting capital needs.



One key question would be whether the new library would be smaller and require fewer employees than the current one, which could reduce its operating costs. Another is whether the city would need to pay rent for the space the new library would occupy, and if so, how much that would cost.

It is possible that an agreement could be reached that would result in the city owning rather than renting a library space within a new development. In Milwaukee, for example, when the East Branch library was redeveloped within a mixed-use development several years ago, the city sold the property to the developer for \$1 and the developer donated a “white box” space within the building back to the city to use for the library. The city of Milwaukee owns that space as a condo and pays no rent. Meanwhile, the housing above the library now generates more than \$100,000 in property tax revenue annually. This is not always the case, however, and would require negotiation with a potential developer.

According to city officials, the most likely locations for a development would be the library’s current site or a portion of the 30-acre, former Everbrite site near the city’s lakefront. We explore benefits and drawbacks of each of those options below.

### **Redevelopment at current library site**

If the city decided to pursue a mixed-use redevelopment project at the library’s current location, it could seek a development partner to demolish the current building and construct one in its place with multi-family housing above. It is possible that South Milwaukee could negotiate an agreement similar to what the city of Milwaukee did for the East Branch library in which the city would sell the library property to a developer for a nominal price and have the new library space donated back to the city as a condo the city would own.

This approach would preserve the library’s downtown location and transit access, bring additional property tax revenue into the city, and add housing units to a tight market. If the developer built affordable housing, it may qualify for Low-Income Housing Tax Credits, which could help with project financing. Having a library on the first floor of an affordable housing development can strengthen a developer’s application for those tax credits.

Development plans have recently been announced for a project that will build commercial and residential buildings on the former Caterpillar/Bucyrus campus near the library’s current location. Redeveloping the current library space with additional housing could add to the momentum in the area, though a market study would be needed to determine the extent to which demand exists for additional multi-family housing.

A major problem with this option is that it would require the library to be closed for about two years during redevelopment. In the meantime, South Milwaukee would have no library, and city residents would form new habits of accessing library materials elsewhere, possibly damaging the library’s customer base.

### **New mixed-use building near lakefront**

Pursuing a mixed-use development at the Everbrite site would eliminate the need to close the library for a long period of time during redevelopment. If multi-family housing were built above a new library there, the lakefront location also may be able to command market rate rental prices and generate a



larger amount of property tax revenue for the city than a downtown affordable housing development could.

Everbrite is looking for a developer to build a multi-family or mixed-use development there. Including a library in a mixed-use development may help to attract a developer and may be appealing for residents of the city's east side. The site is being marketed at a cost of about \$170,000 per acre, and the experts we consulted suggested that two acres would likely be needed for a mixed-use library development.

This option also would allow the city to sell the current library property for redevelopment. As previously noted, however, the city may need to sell it for a relatively low price if the developer would need to cover the costs of demolishing the current library building and preparing the site for redevelopment.

One major drawback of the Everbrite site is that it is not centrally located for South Milwaukee's population and would be less accessible than the current library location. There are limited locations where it is possible to cross the rail line that runs north and south to the west of the site.

### *Pros*

A mixed-use development would generate new property tax revenue for the city of South Milwaukee and could reduce the city's library maintenance and utility costs somewhat. If the new library were smaller and required fewer staff than the current one, and if the city were not required to pay rent, then substantial operating savings may be achieved. This option also could bring new housing units to South Milwaukee at a time when more housing is needed throughout the region.

### *Cons*

This approach is typically a solution to a different problem than the one South Milwaukee faces. It would only have a meaningful impact on the library's operating costs if the library's footprint and staffing were reduced from current levels, which would have the same negative impacts as those discussed above for downsizing options. Potential savings also would be contingent on reaching a favorable agreement with a developer with regard to rent or ownership. If this option were pursued, the lakefront site may be preferable because it would not require closing the library for a long period of time and likely could generate more property tax revenue for the city, but that location would be less accessible than the current site for many city residents.

## Summary

Our analysis of seven distinct options for the future of the South Milwaukee Public Library shows that each could produce benefits but also would come with drawbacks.



Continuing on the city's current path would likely result in additional budget cuts for the library that could be exacerbated by inflation and result in further reductions in its staffing, hours, materials, and programming. Meanwhile, unless city leaders are willing to reduce appropriations to other areas of city government, restoring the library's operations to pre-pandemic levels appears possible only if South Milwaukee residents approve a referendum to increase their property taxes to provide more revenue to the library.

If neither of these options proves desirable to the city's elected officials and citizens, or if a referendum is attempted but is not approved by voters, then multiple downsizing options exist that could produce property tax savings for the city. However, those options also would require further reductions in library staffing and services.

One downsizing option that may be relatively easy to achieve would be to move the library into the available space previously occupied by South Milwaukee's former senior center within its municipal building. That option likely could reduce its operating budget by a considerable amount while creating an opportunity to sell or redevelop the current library property. Downsizing within the current library building or within a mixed-use development also could reduce the library's operating costs but would require finding a commercial tenant or development partner.

Two other options would involve closing the library and instead meeting statutory requirements to provide South Milwaukee residents with library services by establishing new partnerships to secure access to libraries in one or more neighboring communities. Among them, contracting with the county library system may be the simpler solution but may not yield any savings. Forming a joint library with Cudahy would have the potential to reduce South Milwaukee's library spending substantially and provide residents with full access to a neighboring library with expanded hours, but it also would require negotiating an intergovernmental agreement with Cudahy on library funding and governance that would need to pass muster with officials in that community.





# CONCLUSION

South Milwaukee's library services are at a crossroads. The city's financial constraints have led to a series of budget cuts for its library that have chipped away at its staffing and resulted in it being open for fewer hours than any other public library in Milwaukee County. South Milwaukee also is among the municipalities in the county that provide the least amount of local revenue per resident to their libraries.

Despite its reduced budget, demand for South Milwaukee's library services is relatively strong. After the pandemic caused library usage to drop dramatically both locally and nationally, the South Milwaukee library's circulation and program participation numbers have rebounded to pre-pandemic levels. Visits to the library remain down considerably, however, which likely is influenced to some extent by its shortened hours.

Given the city's financial predicament, our analysis examines a range of options for South Milwaukee to consider for its library's future and shows that each has strengths and weaknesses. To chart a path forward, South Milwaukee policymakers and residents will first need to consider how much value they place on their existing library services. If the initial conclusion is that having a library in South Milwaukee is important to the community and that the erosion of library services should be halted and even modestly reversed, then the logical option would be to take that question to voters through a referendum. This approach would allow community residents to decide whether they are willing to accept modestly higher property tax payments to support it.

Conversely, if policymakers and citizens do not wish to pay more for library services, then our analysis provides several options to downsize South Milwaukee's library. We also present options that would eliminate South Milwaukee's library and negotiate an arrangement with the county library system to contract for services or with Cudahy to create a joint library in that community with a plan for how it would be governed.

In weighing the options for downsizing versus the one for a joint Cudahy library, policymakers and citizens would need to consider whether it is preferable to maintain a smaller library with limited hours in South Milwaukee or share a larger library with expanded hours in an adjacent community. They could also consider the economic development value of building a new but smaller library in a mixed-use development, but that option would be predicated on identifying a development partner and a suitable site and may be more difficult to carry out.

Additional analysis will be needed to advance whichever option ultimately is chosen as the locally preferred solution. However, we hope that this report provides valuable insights that inform local discussions and help to guide South Milwaukee's ultimate decision.

