

2024 Budget



BRANCH
DISTRICT LIBRARY

FIRST READING ON OCTOBER 16, 2023

ADOPTED ON _____



BDL Board of Trustees

DRAFT
10/8/23

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Message from the Library Director

With the library's millage unchanged for 2024, and the Branch County Taxable value still on the rise, BDL is projecting to receive approximately \$180,000 in additional tax revenue. While revenue from penal fines continues to be disappointing, higher interest rates will continue to strengthen our interest income.

These increases will support the operations of our new bookmobile, small increases for materials and programming, as well as a restructuring of the BDL's pay scales to try to offset inflation for our staff and stay competitive with both local wages and state averages for a library of our size. Health insurance rates are flat for the coming year.



Our Budget is balanced in terms of ongoing operational commitments, though we will be leveraging our unassigned fund balance for some large one-time projects. The final payment on our upcoming bookmobile will be due in 2024, and the Coldwater branch is due for new carpet and restroom renovations.

The 2024 budget includes the fourth of several years of

significant additional funding for children's materials district-wide from the generosity of the Shamulus Trust.

John Rucker, Director

General Fund Operating Budget Overview



General Fund • Operating Revenues

	2022 Actual	2023 Budget	2024 Budget
Taxes ¹	\$ 1,839,157	\$ 1,915,202	\$ 2,019,000
Penal Fines ²	\$ 109,425	\$ 110,000	\$ 114,000
State Aid ³	\$ 45,666	\$ 47,117	\$ 47,117
Charges for Services ⁴	\$ 14,059	\$ 16,000	\$ 15,000
Reimbursements ⁵	\$ 20,519	\$ 18,000	\$ 30,000
Interest Earned ⁶	\$ 15,319	\$ 35,000	\$ 20,000
Other Revenue ⁷	\$ 9,075	\$ 9,700	\$ 13,000
REVENUES TOTAL	\$ 2,053,220	\$ 2,151,019	\$ 2,258,117
Transfer from the Special Revenues Fund ⁸	\$ 36,337	\$ 22,000	\$ 12,000
TOTAL OPERATING FUNDS AVAILABLE	\$ 2,089,557	\$ 2,173,019	\$ 2,270,117

Notes

- See page 13 for descriptions of all categories.
- Other Revenue is higher due to grants we already know we have been awarded which will arrive after January 1.



General Fund Operating Budget Overview (cont.)

General Fund • Operating Expenditures

	2022 Actual	2023 Budget	2024 Budget
Personnel ⁹⁻¹⁶	\$ 1,369,479	\$ 1,568,958	\$ 1,659,532
Materials ¹⁷⁻¹⁹	\$ 170,870	\$ 167,000	\$ 178,500
Programming ²⁰	\$ 38,290	\$ 30,000	\$ 40,500
Facilities ²¹⁻²⁶	\$ 493,804	\$ 338,000	\$ 709,800
Other ²⁷⁻³¹	\$ 144,637	\$ 151,000	\$ 162,785
EXPENDITURES TOTAL	\$ 2,217,080	\$ 2,254,958	\$ 2,751,117
Excess (deficiency) of revenues over expenditures	\$ (127,523)	\$ (81,939)	\$ (481,000)

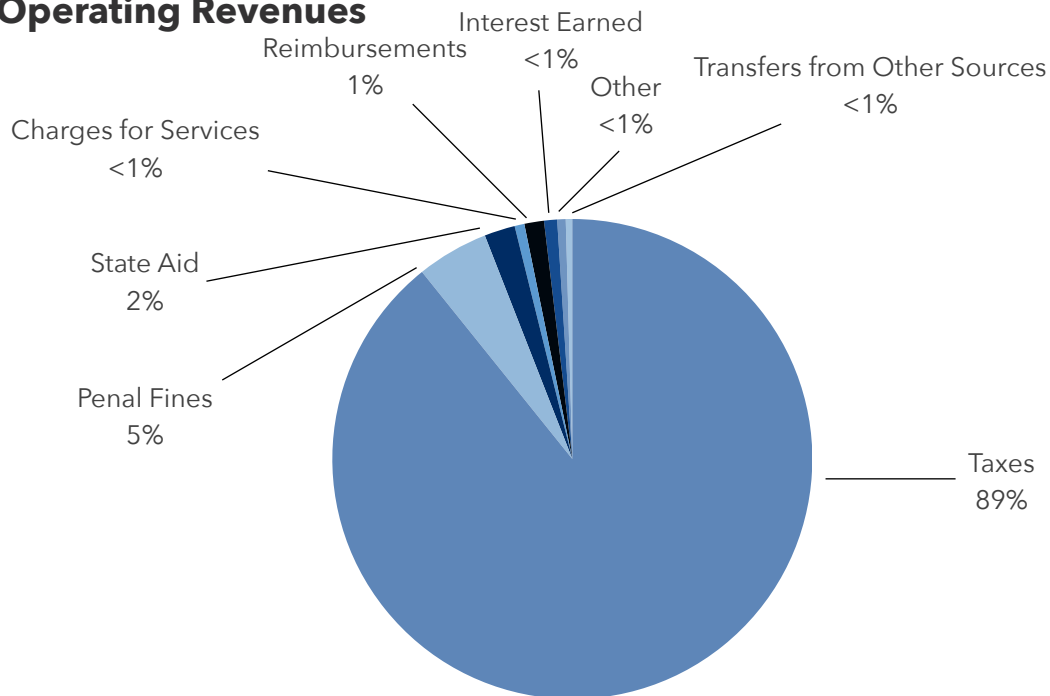
Notes

- See page 9 for expenditures detail.
- See page 13 for descriptions of all categories.
- Reductions in materials are taken from digital materials, the allocation for physical materials is unchanged.
- Due to manufacturing delays, the bookmobile project was unable to be completed in 2023, so we will not have the originally expected deficiency of revenues over expenditures. The remainder of the bookmobile project will be funded by our Unassigned Fund Balance, along with several other smaller upkeep and technology projects.
- To get a better idea of what our ongoing obligations look like, you could remove special projects from the picture, like the purchase of the bookmobile and other non-recurring major expenses in our upkeep category this year. If you do this you'll see that our ongoing obligations are effectively balanced with respect to expected revenue for 2024.

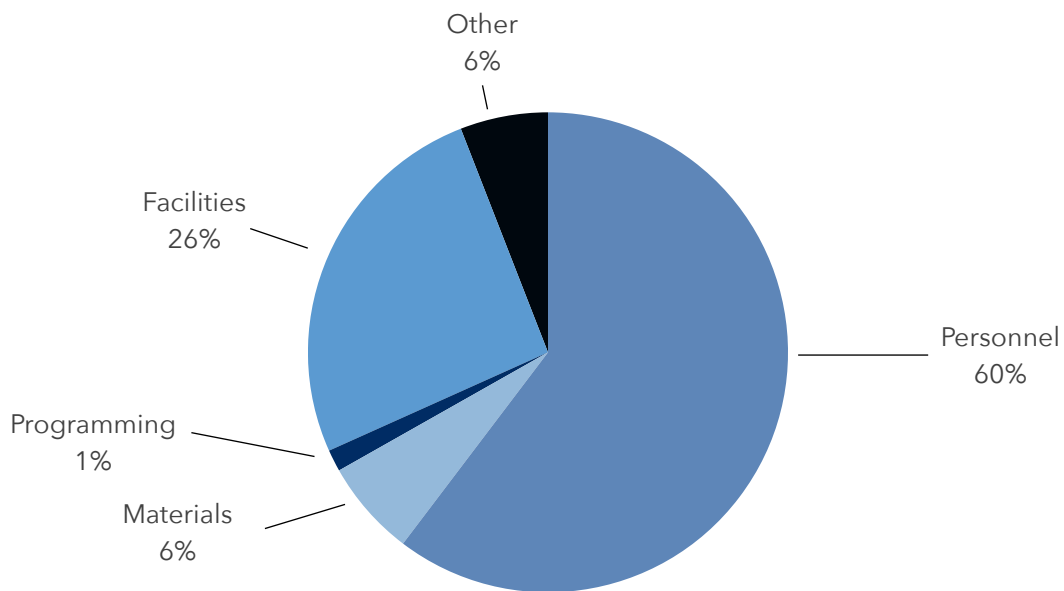
General Fund Operating Budget Overview (cont.)



2024 Operating Revenues



2024 Operating Expenditures



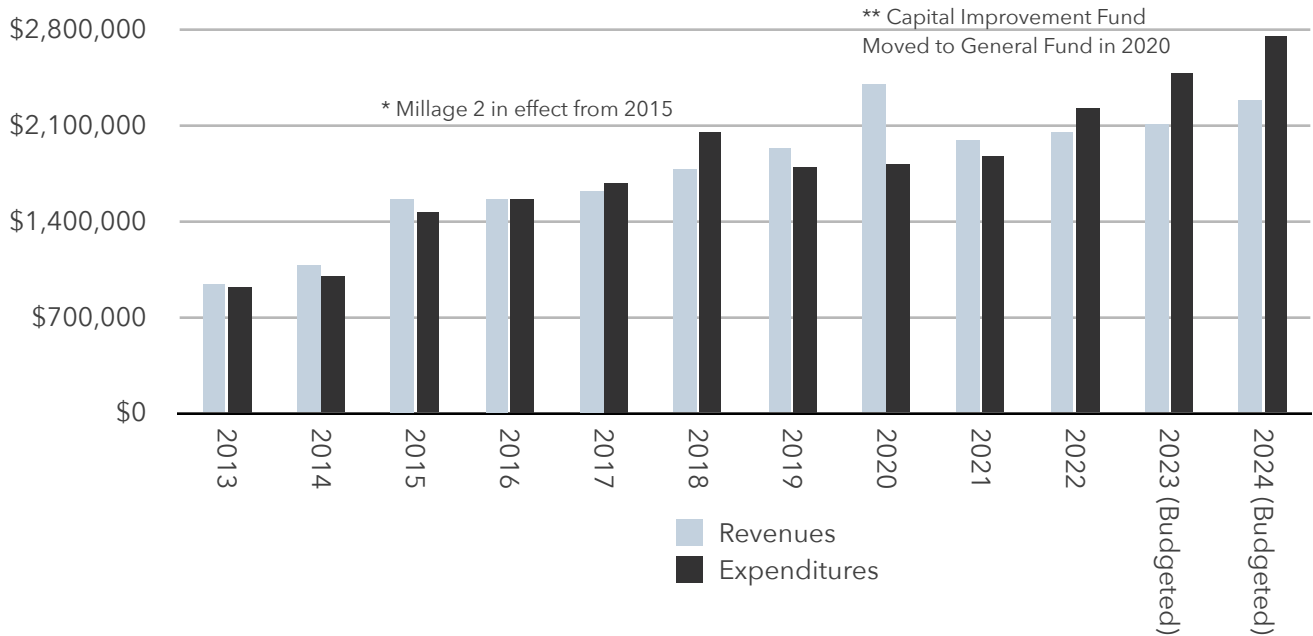
Notes

- Personnel is 73% of expenditures when one-time major projects are factored out.
- See page 9 for expenditures detail and page 13 for descriptions of all categories.

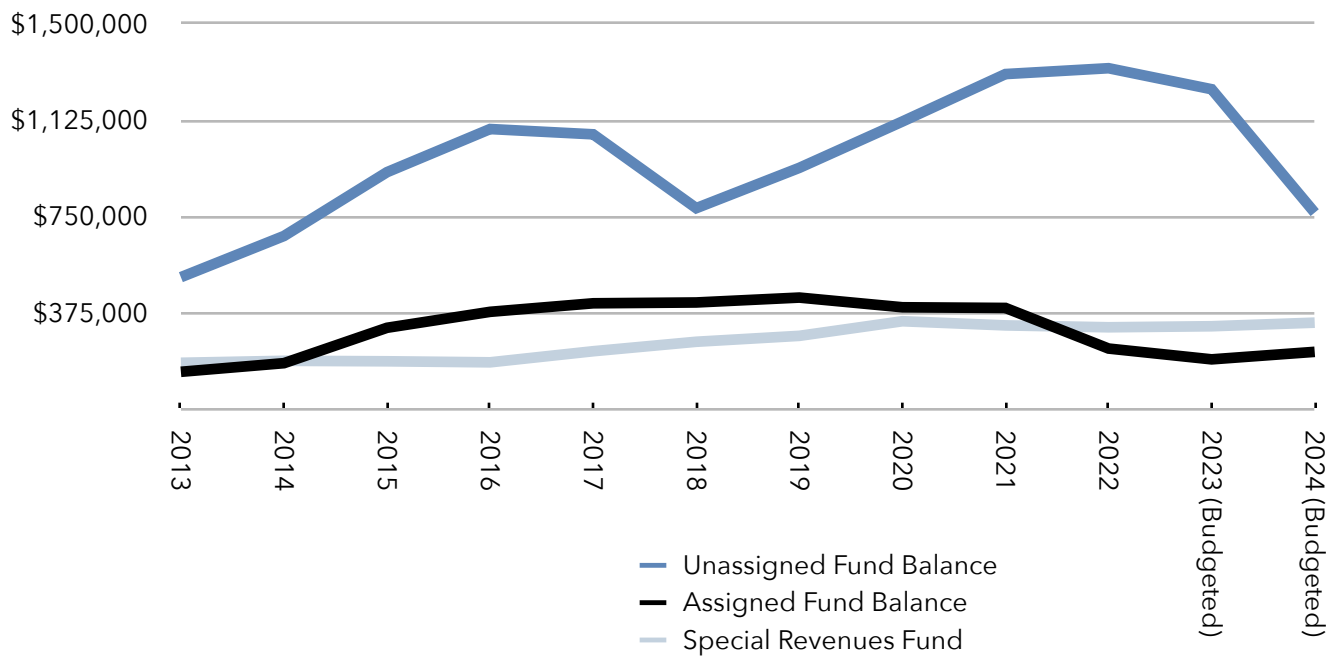


Historical Context

Operating Budget Revenues and Expenditures



Fund Balances



Notes

- The 2024 Budget includes using \$X from the Unassigned Fund Balance. See chart 2 on page 8 for a detailed explanation of the fund balances. See Expenditure Detail (pp. 9-12) for descriptions of planned Fund Balance Use.
- See page 9 for expenditures detail.
- See page 13 for descriptions of all categories.

Fund Balances



1: Unassigned General Fund Balance

Actual End of 2022	Projected End of 2023	Projected 2024 Change	Projected End of 2024
\$ 1,327,668	\$ 1,245,729	\$ (481,000)	\$ 764,729

Notes

- If the General Fund is the library's "checking account", then the Unassigned Fund Balance is our "rainy day fund". Any excess revenue over expenditures in the Operating Budget at the end of the year adds to the Unassigned Fund Balance. Any deficiency would be paid out from the Unassigned Fund Balance.
- Library of Michigan Recommendation is that we maintain at least 4 months of typical operating costs in our Unassigned Fund Balance. For BDL this would be a minimum of about \$700,000.

2: Assigned General Fund Balance for Special Projects

Actual End of 2022	Projected End of 2023	2024 Funds Allocated	Projected 2024 Expenditures	Projected End of 2024
\$ 235,024	\$ 192,905	\$ 29,314	\$ 0	\$ 222,219

Notes

- The Assigned Fund Balance for Special Projects was previously designated the "Capital Improvement Fund".
- Per the BDL Plan of Service (https://www.BranchDistrictLibrary.org/governing_documents), 1.5% of property tax receipts are allocated each year to grow this Assigned Fund Balance to enable purchase of fixtures, interior improvements, or other large projects for the benefit of the district or specific branches.
- There are no major projects planned for 2024 using the Assigned Fund Balance.

3: Special Revenues Fund Balance

Actual End of 2022	Projected End of 2023	Budgeted 2024 Revenue	Projected 2024 Expenditures	Projected End of 2024
\$ 317,936	\$ 321,936	\$ 26,000	\$ (12,000)	\$ 335,936

Notes

- The Special Revenues Fund comes from donations to the library. Some donations are restricted to a specific branch or purpose. Others are unrestricted. Donations come throughout the year, often peaking near the end of the year.
- Transfers from the Special Revenues Fund to the Operating Budget for special projects will occur late each year, and be only for the amounts actually used. The Special Revenues Fund is not used to increase the Unassigned General Fund Balance.



General Fund Expenditures Detail

Personnel

	2022 Actual	2023 Budget	2024 Budget
Salaries ¹⁰	\$ 1,029,788	\$ 1,189,000	\$ 1,305,000
Payroll Taxes ¹¹	\$ 78,688	\$ 90,958	\$ 100,632
Other Benefits ¹²	\$ 8,145	\$ 13,500	\$ 13,000
Health Insurance ¹³	\$ 232,079	\$ 254,000	\$ 212,000
Unemployment ¹⁴	\$ 0	\$ 0	\$ 0
Training and Travel ¹⁵	\$ 18,808	\$ 17,500	\$ 23,900
Education Reimbursement ¹⁶	\$ 0	\$ 1,000	\$ 2,000
Board Per Diem ¹⁷	\$ 1,971	\$ 3,000	\$ 3,000
TOTAL	\$ 1,369,479	\$ 1,568,958	\$ 1,659,532

Notes

- See General Fund Narrative on page 14 for descriptions of all categories.
- For detail on Salaries, see page 16.
- More than 1 eligible employee has expressed interest in utilizing our Education Reimbursement, so this amount is higher than a typical year. None are enrolled at this time, so it is possible this amount won't be used.

General Fund Expenditures Detail (cont.)



Materials

	2022 Actual	2023 Budget	2024 Budget
Physical Materials ¹⁸ (Typical)	\$ 109,886	\$ 110,000	\$ 115,000
Physical Materials ¹⁸ (Special Revenues Funds)	n/a	\$ 10,000	\$ 12,000
Digital Materials ¹⁹	\$ 43,506	\$ 32,000	\$ 35,000
Materials Preparation ²⁰ (Typical)	\$ 17,478	\$ 15,000	\$ 16,500
TOTAL \$	170,870 \$	167,000 \$	178,500

Notes

- “Typical” refers to a typical year’s expenditures of normal revenues, as opposed to the special use of transferred funds.
- Physical Materials includes the 4th of at least 6 years using the gift from the Shamulus Trust to purchase children’s materials across the district. Also includes usage of funds donated for the benefit of the Union Twp. Branch for materials.
- Physical Materials includes a one-time increase of \$5,000 from a Branch County Community Foundation grant for the purchase of Library of Things materials.
- See General Fund Narrative on page 14 for descriptions of all categories.

Programming

	2022 Actual	2023 Budget	2024 Budget
Programming ²¹ (Typical)	\$ 38,290	\$ 30,000	\$ 40,500
Programming ²¹ (Special Revenues Funds)	n/a		\$ 0
TOTAL \$	38,290 \$	30,000 \$	40,500

Notes

- “Typical” refers to a typical year’s expenditures of normal revenues, as opposed to the special use of transferred funds.
- See General Fund Narrative on page 14 for descriptions of all categories.



General Fund Expenditures Detail (cont.)

Facilities

	2022 Actual	2023 Budget	2024 Budget
Rent ²²	\$ 2,455	\$ 3,000	\$ 3,700
Utilities ²³	\$ 66,613	\$ 70,000	\$ 73,400
Upkeep (Typical) ²⁴	\$ 141,476	\$ 70,000	\$ 300,800
Upkeep ²⁴ (Special Revenues Funds)	n/a	\$ 12,000	\$ 0
Upkeep ²⁴ (Assigned Fund Balance)	\$ 0	\$ 70,000	\$ 0
Technology ²⁵ (Typical)	\$ 244,202	\$ 47,000	\$ 280,400
Equipment Maintenance ²⁶	\$ 13,932	\$ 16,000	\$ 20,800
Office Supplies ²⁷	\$ 25,126	\$ 50,000	\$ 30,700
TOTAL	\$ 493,804	\$ 338,000	\$ 709,800

Notes

- "Typical" refers to a typical year's expenditures of normal revenues, as opposed to the special use of transferred funds.
- Technology includes the final payment on the purchase of the new bookmobile.
- See General Fund Narrative on page 14 for descriptions of all categories.

General Fund Expenditures Detail (cont.)



Other

	2022 Actual	2023 Budget	2024 Budget
Consulting Services ²⁸	\$ 44,864	\$ 50,000	\$ 55,500
Licensing ²⁹	\$ 48,953	\$ 48,000	\$ 49,000
Insurance ³⁰	\$ 23,823	\$ 25,000	\$ 30,000
Memberships ³¹	\$ 25,964	\$ 27,000	\$ 27,285
Other Expenditures ³²	\$ 1,033	\$ 1,000	\$ 1,000
TOTAL \$	144,637	\$ 151,000	\$ 162,785

Notes

- See General Fund Narrative on page 14 for descriptions of all categories.
- Consulting Services is lower due to less anticipated need for legal services since there will be no ballot initiatives.



General Fund Narrative

1. Taxes

BDL's tax revenues come from primarily from Property Taxes, with small amounts from other related sources, like the Personal Property Tax and the Industrial Facilities Tax.

Property tax revenues are determined by multiplying our total millage rate by the taxable value of Branch County, as determined by the Branch County Equalization Department.

For the 2024 Fiscal Year, Branch County's taxable value is \$1,787,148,407.

BDL has two millages:

- Millage 1, at 0.5987 mills, in perpetuity from 1991 (reduced from 0.7 by the Headlee Amendment)
- Millage 2, at 0.4948 mills, in effect from 2022-2029 (reduced from 0.5 by the Headlee Amendment)

For more on the Headlee Amendment, see <https://www.canr.msu.edu/news/what-is-the-headlee-amendment-and-how-does-it-affect-local-taxes>

2. Penal Fines

Since 1835 Michigan's Constitution has contained a provision stating that income from penal fines shall be used for the support of public libraries. Michigan law requires that penalties collected for violations of the state penal code be paid to the county treasurers. Therefore, penal fines are local funds, collected within each county, distributed to public libraries serving residents of the county.

3. State Aid

Enshrined in Michigan law under Public Act 89 of 1977, State Aid is disbursed to public libraries twice a year, using a formula of the aid rate set in the annual state budget multiplied by the library's service population.

The FY 2024 rate is \$0.503478 per capita. Multiple this rate by our population times 2 to get our approximate annual State Aid payment. Half remains with BDL, and half goes to the Woodlands Library Cooperative to cover our membership.

4. Charges for Services

This line shows any money we collect from patrons directly, including for copies, printouts, and the sale of small office supplies to the public. It also includes fees for replacement library cards and non-resident cards.

BDL proudly has no overdue fines. However, patrons are charged the cost of any items lost or damaged.

5. Reimbursements

BDL provides payroll services to the Branch County Literacy Council, and we are reimbursed for all such expenses. Other reimbursements come from the Woodlands Library Cooperative for delivery services and various institutional memberships.

6. Interest Earned

Self explanatory.

7. Other Revenue

Grants received and any other miscellaneous revenue.

8. Transfers from the Special Revenues Fund

This line is for transferring money from from our Special Revenues Fund, which is mostly donations, to finance occasional projects.

General Fund Narrative (cont.)



Expenditures

9. Salaries

The budgeted salaries reflect a Cost of Living Adjustment of 5% over the 2022 rates, to be applied to all employees starting the beginning of the first full pay period of 2023, January 9.

10. Payroll Taxes

Self explanatory.

11. Other Benefits

This line is for benefits other than health insurance, such as deferred compensation, and payments in lieu of insurance.

12. Health Insurance

This line shows BDL contributions to health, dental, and vision insurance plans offered to full-time and salaried employees.

13. Unemployment

This line is for payments made to the State of Michigan for unemployment claims.

14. Training and Travel

As a service organization, keeping staff well trained is essential. This line item covers sending staff to conferences, workshops, and training events, as well as mileage reimbursements for travel between library branches.

15. Education Reimbursement

BDL Policy allows for approved continuing education reimbursements. A small amount is kept in this line item each year for short-notice reimbursements. With sufficient advanced notice, larger amounts may be approved in annual budgets.

16. Board Per Diem

Per BDL Board Bylaws and the District Library Establishment Act (Public Act 24 of 1989), Trustees are each entitled to receive compensation, not to exceed \$30 per meeting for up to 25 meetings each year, plus mileage reimbursements for travel to BDL meetings.

17. Physical Materials

This line is for expenditures for all the library materials you can hold in your hand: books, magazines, newspapers, audiobooks, DVD movies, etc.

18. Digital Materials

This line is for premium digital materials and services like Hoopla, OverDrive/Libby, Ancestry, and more.

19. Materials Preparation

On this line we track all expenditures required to support traditional library operations: in other words, what it takes to get physical materials into our patrons' hands. This line includes supplies associated with the processing of physical materials to prepare them for circulation, or to repair them. It includes archival materials, barcodes, and library cards. A portion of this line item, delivery of patron materials between the library branches, is reimbursed by the Woodlands Library Cooperative.

20. Programming

This line item covers any type of program we put on or hire out. It also covers food for public events, supplies, and getting the word out via printed materials, or advertising in any medium.

21. Rent

This line is for rental fees for offsite storage units and rent due for our Sherwood Branch building.



General Fund Narrative (cont.)

22. Utilities

In accordance with our various branch service agreements, BDL utilities bills include gas and electricity, water, and sewer at the Coldwater Branch, and telephone and Internet access at all branches.

23. Upkeep

This line is for expenditures for the cleaning, upkeep, and minor interior repair of all branches, per our branch service agreements. It covers all interior and exterior repairs and maintenance at the Coldwater Branch, per the lease agreement with the City of Coldwater. It includes maintenance on the upcoming bookmobile as well.

24. Technology

This line includes expenditures at all library locations to support our 5-year technology plan (https://www.BranchDistrictLibrary.org/governing_documents). This plan keeps BDL up to date in computing, network capability, and security for both patrons and staff.

This line also includes the initial purchase of our new bookmobile and any special technology projects funded via transfers from other sources.

25. Equipment Maintenance

This line is for costs incurred in maintaining technology, bookmobile, and office equipment.

26. Office Supplies

This line tracks expenditures for supplies normally used in a business office, including: paper, pens, receipt tape, note pads, file folders, ink and toner cartridges, etc. Also includes postage.

27. Consulting Services

This line is for expenditures for our accountants and audits, legal services, strategic planning, benefits coordination, compliance, etc.

28. Licensing

This line item includes expenditures for desktop software licensing and movie performance rights. Also includes support services used by patrons and staff, such as our integrated library system, computer time management systems, device management systems, and fees to access certain vendor services.

29. Insurance

This line is for expenditures for insurance to cover the contents of all BDL branches, as well as the total building of the Coldwater Branch, per lease agreement with the City of Coldwater. It includes insurance for the bookmobile. It also covers injury liability at all branches, trustee liability coverage for the BDL Board, and Workers' Compensation insurance.

30. Memberships

This line tracks fees owed for BDL, or BDL staff, to be part of the Woodlands Library Cooperative, the Michigan Library Association, the American Library Association, and other professional organizations. Woodlands also reimburses BDL for some of these other memberships.

31. Other Expenditures

This line is for tracking corrections of prior year's taxes, bank and merchant fees, and any other expenditure that does not fit any of the other categories.

Pay Scales



Hourly Employees Pay Scales / Steps

	A Entry	B 1yr after A	C 1yr after B	D 1yr after C	E 2yrs after D	F 2yrs after E	G 2yrs after F
Library Staff 1	\$ 15.00	\$ 15.60	\$ 16.22	\$ 16.87	\$ 17.55	\$ 18.25	\$ 18.98
Library Staff 2	\$ 17.55	\$ 18.25	\$ 18.98	\$ 19.74	\$ 20.53	\$ 21.35	\$ 22.21
Library Staff 3	\$ 19.13	\$ 19.89	\$ 20.69	\$ 21.52	\$ 22.38	\$ 23.27	\$ 24.20
Library Staff 4	\$ 19.51	\$ 20.29	\$ 21.10	\$ 21.95	\$ 22.83	\$ 23.74	\$ 24.69
Library Staff 5	\$ 19.90	\$ 20.70	\$ 21.53	\$ 22.39	\$ 23.28	\$ 24.21	\$ 25.18

Salaried Employees Pay Scales / Steps

	A Entry	B 1yr after A	C 1yr after B	D 1yr after C	E 2yrs after D	F 2yrs after E	G 2yrs after F
Director	\$ 72,444	\$ 75,342	\$ 78,356	\$ 81,490	\$ 84,750	\$ 88,140	\$ 91,665
Assistant Director	\$ 60,025	\$ 62,426	\$ 64,924	\$ 67,520	\$ 70,221	\$ 73,030	\$ 75,951
Director Public Services	\$ 53,816	\$ 55,969	\$ 58,207	\$ 60,536	\$ 62,957	\$ 65,475	\$ 68,094
Head of IT	\$ 45,537	\$ 47,358	\$ 49,252	\$ 51,222	\$ 53,271	\$ 55,402	\$ 57,618

Notes

- The above pay scales are new for 2024. The percentage increase varies. Library Staff 1 scale is about 13% higher than 2023 to remain competitive in the local entry-level wage environment. Library Staff 2-5 average about 9% higher. Asst. Dir. and DoPS are 3.4% higher. Director is 2.8% higher. Pay scales are comparable to the averages of minimum and maximum pay rates for Class 5 libraries in Michigan using 2022 data, the most recent available.
- According to the U.S. Bureau of Labor Statistics, inflation was 3.7% from 8/2022 - 8/2023. The COLA for our 2023 budget was less than the inflation amount that year.
- The rates of these new pay scales will be applied to employees on January 8, 2024, the start of the first full pay period in the new year, per the *Employment Handbook*.
- Library Staff 1: Clerks, Couriers, Drivers
- Library Staff 2: Administrative Assistant, Catalogers, Children’s Services Coordinator, Heritage Room Coordinator, IT, Marketing, Teen Services Coordinator
- Library Staff 3: Algansee, Sherwood, and Outreach Managers, Bookkeeper, Head of Technical Services
- Library Staff 4: Bronson, Quincy, and Union Twp. Managers
- Library Staff 5: Coldwater Manager

Authorized Full-Time Equivalents

	FTEs
Part-Time	14.66
Full-Time	11
Salaried	3

Notes

- Increase of 0.16 FTE from 2023.



2024 Special Revenues Fund Budget

Special Revenues Fund • Revenues

	2022 Actual	2023 Budget	2024 Budget
Donations	\$ 59,785	\$ 25,000	\$ 25,000
Interest Earned on Fund Balance	\$ 1,465	\$ 2,000	\$ 1,000
TOTAL	\$ 61,250	\$ 27,000	\$ 26,000

Special Revenues Fund • Expenditures

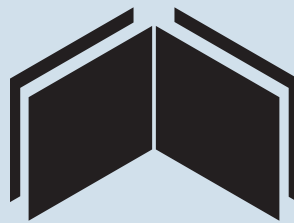
	2022 Actual	2023 Budget	2024 Budget
Transfers to General Fund for Expenditures	\$ 77,445	\$ 22,000	\$ 12,000

Special Revenues • Fund Balance

Actual End of 2022	Projected End of 2023	Budgeted 2024 Revenue	Projected 2024 Expenditures	Projected End of 2024
\$ 317,936	\$ 321,936	\$ 26,000	\$ (12,000)	\$ 335,936

Proposed Major Special Revenues Fund Uses for 2024

- Children’s materials for all branches (from donations restricted to this purpose): \$10,000.
- Estimating spending about \$2,000 from small donations for Branch use.



BRANCH
DISTRICT LIBRARY

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