

2023 Budget



BRANCH
DISTRICT LIBRARY

FIRST READING ON OCTOBER 17, 2022

ADOPTED ON _____



BDL Board of Trustees



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DRAFT
10/17/22

Message from the Library Director

This past year has been an example of “dépà vu all over again”, as we have seen a second year in a row with both pandemic effects and sustained high inflation. For 2023 we can now add to that a double-digit increase to health insurance rates. This is combining to continue to take a toll on our operations. We are still looking at significant building maintenance projects and fulfilling Strategic Plan goals, like finishing our bookmobile project and updating furniture.

Our operating millage was renewed in 2022 for another 8 years, which is amazing and we are incredibly grateful to our community for this continued vote of confidence. Rapidly increasing costs will still make things tight, though.

As in 2022, we will continue to leverage both our Assigned Fund Balance for Special Projects and our Unassigned Fund Balance—our “rainy day

fund”—to help meet the goals of our Strategic Plan.

The 2023 budget includes the third of several years of significant additional funding



If you subtract out the major proposed projects of a district-wide bookmobile and starting interior maintenance at the Coldwater Branch, the 2023 budget proposal is in line with past years. Without those projects, we would be looking at using our Unassigned Fund Balance to cover a deficiency of about \$55,000, something we could safely maintain for some years.

for children’s materials district-wide from the generosity of the Shamulus Trust.

This budget also includes a 6.5% Cost of Living Adjustment for library employees.


John Rucker, Director

General Fund Operating Budget Overview



General Fund • Operating Revenues

	2021 Actual	2022 Budget	2023 Budget
Taxes ¹	\$ 1,759,254	\$ 1,768,000	\$ 1,850,000
Penal Fines ²	\$ 131,493	\$ 108,000	\$ 115,000
State Aid ³	\$ 40,728	\$ 41,000	\$ 45,000
Charges for Services ⁴	\$ 12,111	\$ 9,000	\$ 14,000
Reimbursements ⁵	\$ 21,498	\$ 39,000	\$ 28,000
Interest Earned ⁶	\$ 15,117	\$ 12,000	\$ 13,000
Other Revenue ⁷	\$ 14,864	\$ 5,000	\$ 10,000
REVENUES TOTAL	\$ 1,995,065.00	\$ 1,982,000.00	\$ 2,075,000.00
Transfer from the Special Revenues Fund ⁸	\$ 77,445	\$ 21,000	\$ 25,000
TOTAL OPERATING FUNDS AVAILABLE	\$ 2,072,510	\$ 2,003,000	\$ 2,100,000

Notes

- See page 13 for descriptions of all categories.



General Fund Operating Budget Overview (cont.)

General Fund • Operating Expenditures

	2021 Actual	2022 Budget	2023 Budget
Personnel ⁹⁻¹⁶	\$ 1,231,596	\$ 1,527,000	\$ 1,584,000
Materials ¹⁷⁻¹⁹	\$ 191,363	\$ 180,000	\$ 169,000
Programming ²⁰	\$ 37,655	\$ 33,000	\$ 33,000
Facilities ²¹⁻²⁶	\$ 274,990	\$ 522,000	\$ 541,000
Other ²⁷⁻³¹	\$ 135,610	\$ 160,000	\$ 149,000
EXPENDITURES TOTAL	\$ 1,871,214	\$ 2,422,000	\$ 2,476,000
Excess (deficiency) of revenues over expenditures	\$ 201,296	\$ (419,000)	\$ (376,000)

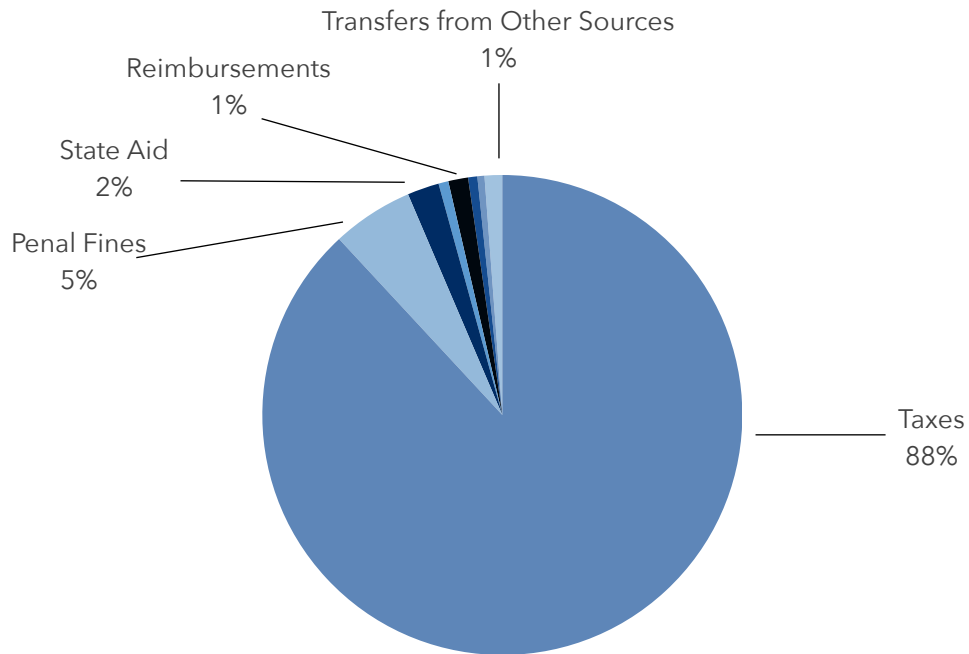
Notes

- 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.
- The remainder of the bookmobile project will be funded by our Unassigned Fund Balance.
- Several projects in support of the Strategic Plan will be funded by our Assigned Fund Balance for Special 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, usage of transferred funds, and usage of the Assigned Fund Balance for Special Projects. If you do this you'll see that our ongoing obligations are effectively \$55,000.00 over expected revenue for 2023. This is how much we would have to pull from our Unassigned Fund Balance annually to meet our obligations if the budget were to otherwise remain static going forward.

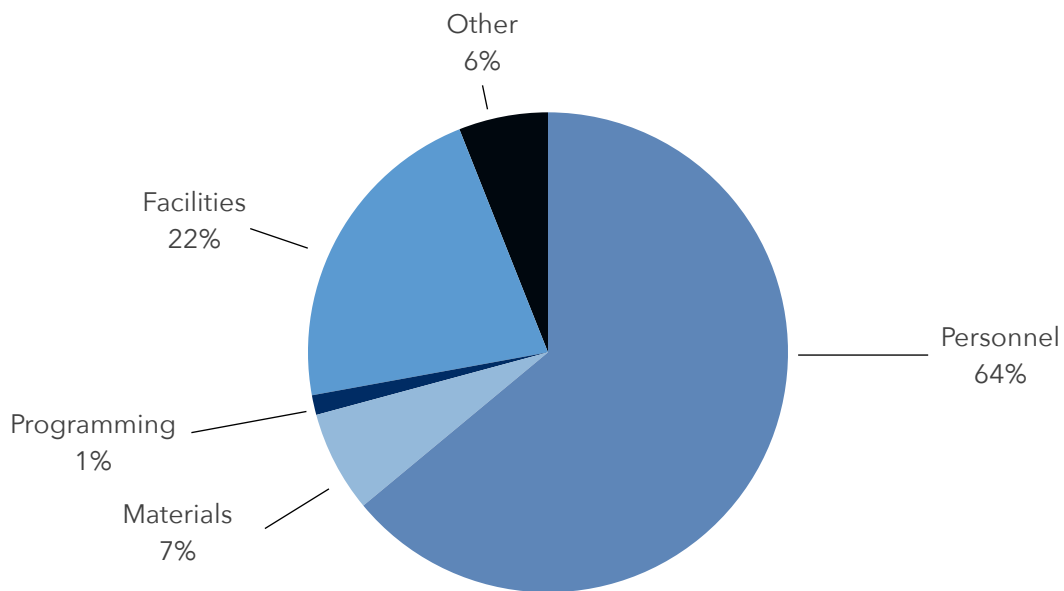
General Fund Operating Budget Overview (cont)



2023 Operating Revenues



2023 Operating Expenditures



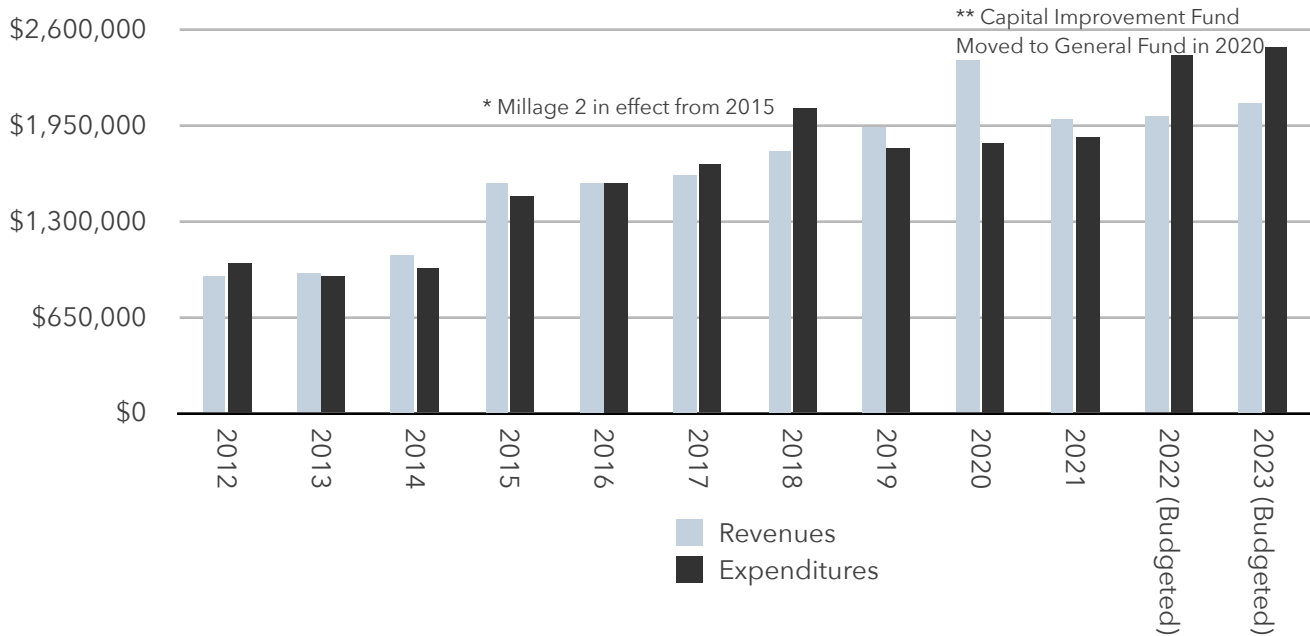
Notes

- Personnel is 74% of expenditures when one-time major projects are factored out.
- See page 9 for expenditures detail and page 13 for descriptions of all categories.

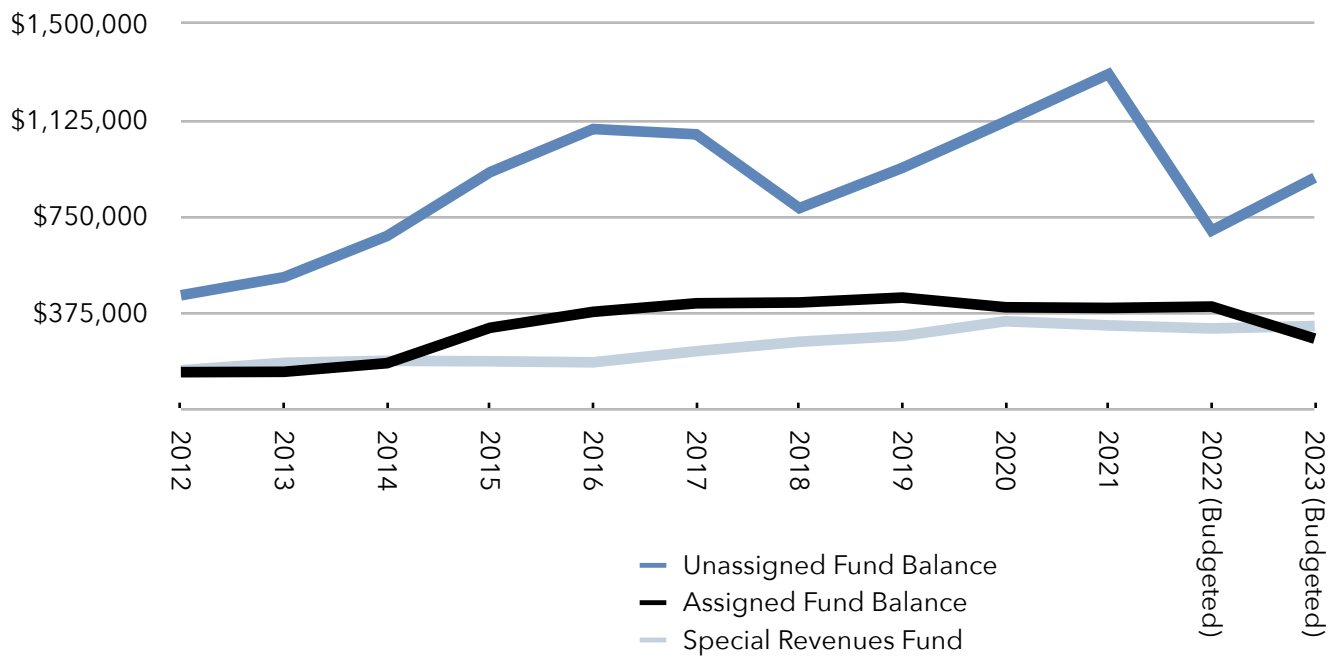


Historical Context

Operating Budget Revenues and Expenditures



Fund Balances



Notes

- The 2023 Budget includes using \$255,000 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 2021	Projected End of 2022	Projected 2023 Change	Projected End of 2023
\$ 1,304,832	\$ 1,155,953	\$ (255,000)	\$ 900,953

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 2021	Projected End of 2022	2023 Funds Allocated	Projected 2023 Expenditures	Projected End of 2023
\$ 393,273	\$ 367,273	\$ 27,452	\$ (121,000)	\$ 273,725

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.
- In 2023, the major projects planned are painting the interior of the Coldwater Library, adding an accessible exterior door to the Coldwater Branch, updating furniture, and replacing some exterior signage.

3: Special Revenues Fund Balance

Actual End of 2021	Projected End of 2022	Budgeted 2023 Revenue	Projected 2023 Expenditures	Projected End of 2023
\$ 325,263	\$ 321,699	\$ 26,000	\$ (25,000)	\$ 322,699

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

	2021 Actual	2022 Budget	2023 Budget
Salaries ¹⁰	\$ 938,243	\$ 1,144,000	\$ 1,199,000.00
Payroll Taxes ¹¹	\$ 71,782	\$ 92,000	\$ 92,000.00
Other Benefits ¹²	\$ 6,686	\$ 8,800	\$ 8,500.00
Health Insurance ¹³	\$ 200,189	\$ 248,000	\$ 254,000.00
Unemployment ¹⁴	\$ 824	\$ 0	\$ 0.00
Training and Travel ¹⁵	\$ 12,697	\$ 25,000	\$ 17,500.00
Education Reimbursement ¹⁶	\$ 0	\$ 5,000	\$ 10,000.00
Board Per Diem ¹⁷	\$ 1,175	\$ 4,200	\$ 3,000.00
TOTAL	\$ 1,231,596	\$ 1,527,000	\$ 1,584,000.00

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

	2021 Actual	2022 Budget	2023 Budget
Physical Materials ¹⁸ (Typical)	\$ 138,221	\$ 110,000	\$ 110,000
Physical Materials ¹⁸ (Special Revenues Funds)	n/a	\$ 15,000	\$ 12,000
Digital Materials ¹⁹	\$ 42,439	\$ 43,000	\$ 32,000
Materials Preparation ²⁰ (Typical)	\$ 10,703	\$ 12,000	\$ 15,000
TOTAL \$	191,363 \$	180,000 \$	169,000

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 3rd 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.
- We are lowering the allocation for our Hoopla digital service and dropping CreativeBug due to consistently low usage the past two years.
- See General Fund Narrative on page 14 for descriptions of all categories.

Programming

	2021 Actual	2022 Budget	2023 Budget
Programming ²¹ (Typical)	\$ 37,655	\$ 30,000	\$ 30,000
Programming ²¹ (Special Revenues Funds)	n/a	\$ 3,000	\$ 3,000
TOTAL \$	37,655 \$	33,000 \$	33,000

Notes

- “Typical” refers to a typical year’s expenditures of normal revenues, as opposed to the special use of transferred funds.
- Programming includes an estimated \$3,000 to be transferred from the Special Revenues Fund programming.
- See General Fund Narrative on page 14 for descriptions of all categories.



General Fund Expenditures Detail (cont.)

Facilities

	2021 Actual	2022 Budget	2023 Budget
Rent ²²	\$ 2,860.00	\$ 4,000.00	\$ 3,000.00
Utilities ²³	\$ 59,182.00	\$ 72,000.00	\$ 70,000.00
Upkeep (Typical) ²⁴	\$ 142,875.00	\$ 155,000.00	\$ 54,000.00
Upkeep ²⁴ (Special Revenues Funds)	n/a	\$ 3,000.00	\$ 10,000.00
Upkeep ²⁴ (Assigned Fund Balance)	\$ 0.00	\$ 0.00	\$ 121,000.00
Technology ²⁵ (Typical)	\$ 36,670.00	\$ 240,000.00	\$ 242,000.00
Equipment Maintenance ²⁶	\$ 6,200.00	\$ 20,000.00	\$ 16,000.00
Office Supplies ²⁷	\$ 27,203.00	\$ 28,000.00	\$ 25,000.00
TOTAL	\$ 274,990.00	\$ 522,000.00	\$ 541,000.00

Notes

- "Typical" refers to a typical year's expenditures of normal revenues, as opposed to the special use of transferred funds.
- Upkeep includes an estimated \$10,000 to be transferred from the Special Revenues Fund for building improvements at the Bronson Branch.
- Upkeep includes using the Assigned Fund Balance for special projects in the Strategic Plan, such as replacing furniture and exterior signage.
- Technology includes funding the remainder of the bookmobile project, using the Unassigned Fund Balance.
- See General Fund Narrative on page 14 for descriptions of all categories.

General Fund Expenditures Detail (cont.)



Other

	2021 Actual	2022 Budget	2023 Budget
Consulting Services ²⁸	\$ 44,684.00	\$ 51,000.00	\$ 49,000.00
Licensing ²⁹	\$ 42,265.00	\$ 52,000.00	\$ 47,000.00
Insurance ³⁰	\$ 23,338.00	\$ 27,000.00	\$ 25,000.00
Memberships ³¹	\$ 23,584.00	\$ 29,000.00	\$ 27,000.00
Other Expenditures ³²	\$ 1,739.00	\$ 1,000.00	\$ 1,000.00
TOTAL	\$ 135,610.00	\$ 160,000.00	\$ 149,000.00

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 2023 Fiscal Year, Branch County's taxable value is \$1,673,669,100.

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 2015-2022 (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 2023 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, Trustees are each entitled to \$25 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 (6.5% COLA)

	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)
Student Clerk	Minimum wage (currently \$9.87)						
Courier	\$13.92						
Public Services Clerk	\$ 13.15	\$ 13.76	\$ 14.39	\$ 14.97	\$ 15.51	\$ 16.23	\$ 16.82
Paraprofessional	\$ 16.37	\$ 17.05	\$ 17.91	\$ 18.65	\$ 19.29	\$ 20.19	\$ 20.95
Reference Aide	\$ 16.45	\$ 17.16	\$ 18.03	\$ 18.78	\$ 19.44	\$ 20.33	\$ 21.07
Branch Manager	\$ 17.60	\$ 18.30	\$ 19.17	\$ 19.92	\$ 20.59	\$ 21.48	\$ 22.21

Notes

- Pay rates above reflect a 6.5% Cost of Living Adjustment (COLA). According to the U.S. Bureau of Labor Statistics, inflation was 8.2% from 9/2021 - 9/2022.
- This COLA will be applied to employees on January 9, 2023, the start of the first full pay period in the new year, per the *Employment Handbook*.
- The Paraprofessional Scale includes: Bookkeeper, Children’s Services Coordinator, Heritage Room Coordinator, Teen Services Coordinator, Technical Services, Information Technology Services
- The Reference Aide scale is no longer used, and includes only those employees grandfathered into that scale.

Authorized Full-Time Equivalents

	FTEs
Part-Time	14.5
Full-Time	11
Salaried	3
	28.5

Notes

- This is an increase of 0.5 FTE over 2022.

Salaried Employees

	Annual Salary
Director	\$ 85,710.00
Assistant Director	\$ 67,876.71
Director of Public Services	\$ 58,514.30

Notes

- Pay rates for Assistant Director and Director of Public Services reflect a 6.5% Cost of Living Adjustment (COLA). The Director is waiving a COLA for 2023.



2023 Special Revenues Fund Budget

Special Revenues Fund • Revenues

	2021 Actual	2022 Budget	2023 Budget
Donations	\$ 59,785.00	\$ 25,000.00	\$ 25,000.00
Interest Earned on Fund Balance	\$ 1,465.00	\$ 2,000.00	\$ 1,000.00
TOTAL	\$ 61,250.00	\$ 27,000.00	\$ 26,000.00

Special Revenues Fund • Expenditures

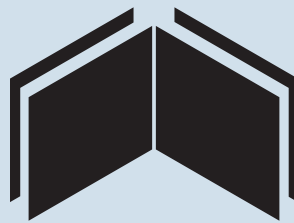
	2021 Actual	2022 Budget	2023 Budget
Transfers to General Fund for Expenditures	\$ 77,445	\$ 44,000	\$ 25,000

Special Revenues • Fund Balance

Actual End of 2021	Projected End of 2022	Budgeted 2023 Revenue	Projected 2023 Expenditures	Projected End of 2023
\$ 325,263	\$ 321,699	\$ 26,000	\$ (25,000)	\$ 322,699

Proposed Major Special Revenues Fund Uses for 2023

- Bronson Branch improvements to the media center: \$10,000.
- Union Twp. Branch programming, materials, or facilities improvements (from donations restricted to the Union Twp. Branch): \$4,000.
- Children’s materials for all branches (from donations restricted to this purpose): \$10,000.
- Summer Reading Program prizes: \$1,000



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