

2025 Budget



BRANCH
DISTRICT LIBRARY

FIRST READING ON OCTOBER 21, 2024

ADOPTED ON _____



BDL Board of Trustees



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DRAFT
10/11/24

Message from the Library Director

With the library's millage somewhat reduced by the Headlee Amendment for 2025, but Branch County Taxable value still on the rise, BDL is projecting to receive an increase in tax revenue. Penal fine revenue continues to be stable. Interest rates are slowly coming down, but our interest income should still be strong next year.

With only these modest increases, the library is not planning to add any new services or collections for 2025. Instead, we offer a balanced budget that will focus on refining our current operations and launching the bookmobile to full operation.

We are also budgeting the use of savings in our Assigned Fund Balance for Special Projects to partner with Alganssee Twp. on a



renovation project for the Alganssee Branch Library.

Health insurance rates will increase by about 13% for the coming year, and a Cost of Living Adjustment of 3% has been provided to staff wages. Both increases were able to be absorbed in this balance budget thanks to the projected tax revenue.

The 2025 budget includes the fifth of six years of significant additional funding for children's materials district-wide from the generosity of the Shamulus Trust.

A handwritten signature in black ink that reads "John C. Rucker".

John Rucker, Director

General Fund Operating Budget Overview



General Fund • Operating Revenues

	2023 Actual	2024 Budget	2025 Budget
Taxes ¹	\$ 1,915,202	\$ 2,032,000	\$ 2,260,000
Penal Fines ²	\$ 108,639	\$ 114,000	\$ 114,000
State Aid ³	\$ 47,118	\$ 47,117	\$ 47,000
Charges for Services ⁴	\$ 15,952	\$ 15,000	\$ 16,000
Reimbursements ⁵	\$ 29,249	\$ 30,000	\$ 44,000
Interest Earned ⁶	\$ 40,721	\$ 20,000	\$ 30,000
Other Revenue ⁷	\$ 6,178	\$ 13,000	\$ 15,000
REVENUES TOTAL	\$ 2,163,059	\$ 2,271,117	\$ 2,526,000

Transfer from the Special Revenues Fund ⁸	\$ 34,351	\$ 12,000	\$ 40,700
Less Funds Allocated to the Assigned Fund Balance ⁹	\$ (27,881)	\$ (29,314)	\$ (32,541)
Use of Funds in the Assigned Fund Balance ¹⁰	\$ 0	\$ 0	\$ 60,000

TOTAL OPERATING FUNDS AVAILABLE	\$ 2,169,528	\$ 2,253,803	\$ 2,594,159
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Notes

- See page 13 for descriptions of all categories.



General Fund Operating Budget Overview (cont.)

General Fund • Operating Expenditures

	2023 Actual	2024 Budget	2025 Budget
Personnel ¹¹⁻¹⁸	\$ 1,390,194	\$ 1,659,532	\$ 1,760,000
Materials ¹⁹⁻²¹	\$ 169,192	\$ 178,500	\$ 196,000
Programming ²²	\$ 41,236	\$ 40,500	\$ 53,000
Facilities ²³⁻²⁸	\$ 365,953	\$ 721,500	\$ 407,000
Other ²⁹⁻³³	\$ 145,237	\$ 164,085	\$ 179,000
EXPENDITURES TOTAL	\$ 2,111,812	\$ 2,764,117	\$ 2,595,000
Excess (deficiency) of revenues over expenditures	\$ 57,716	\$ (510,314)	\$ (841)

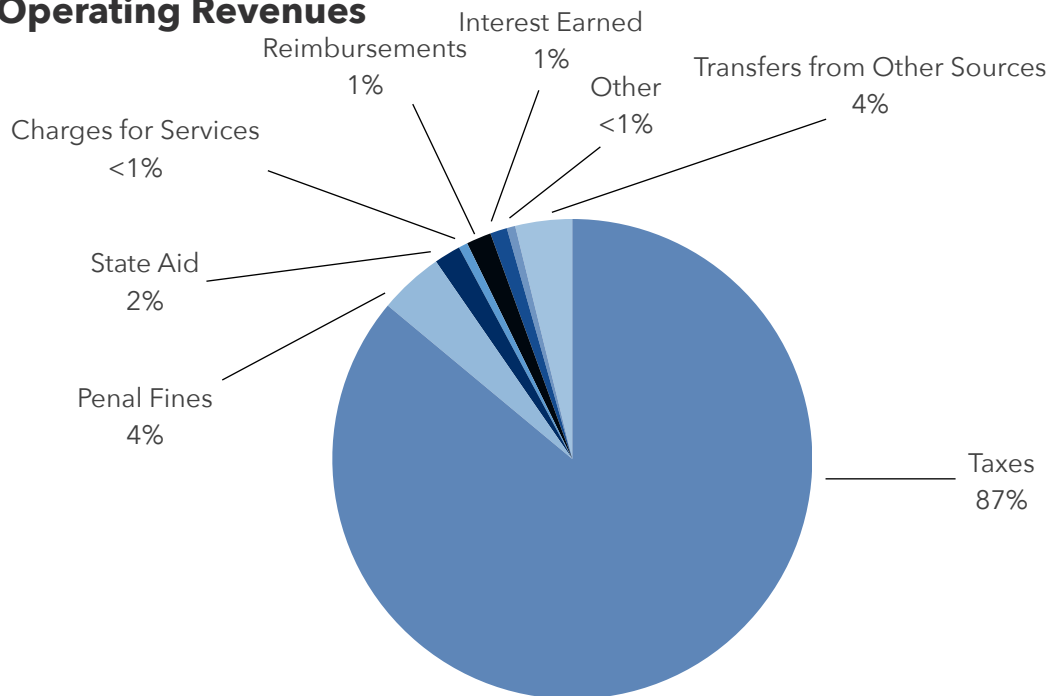
Notes

- See page 9 for expenditures detail.
- See page 13 for descriptions of all categories.
- Facilities contains funds committed to Union Twp. for supporting the renovation of the township hall as a library space.

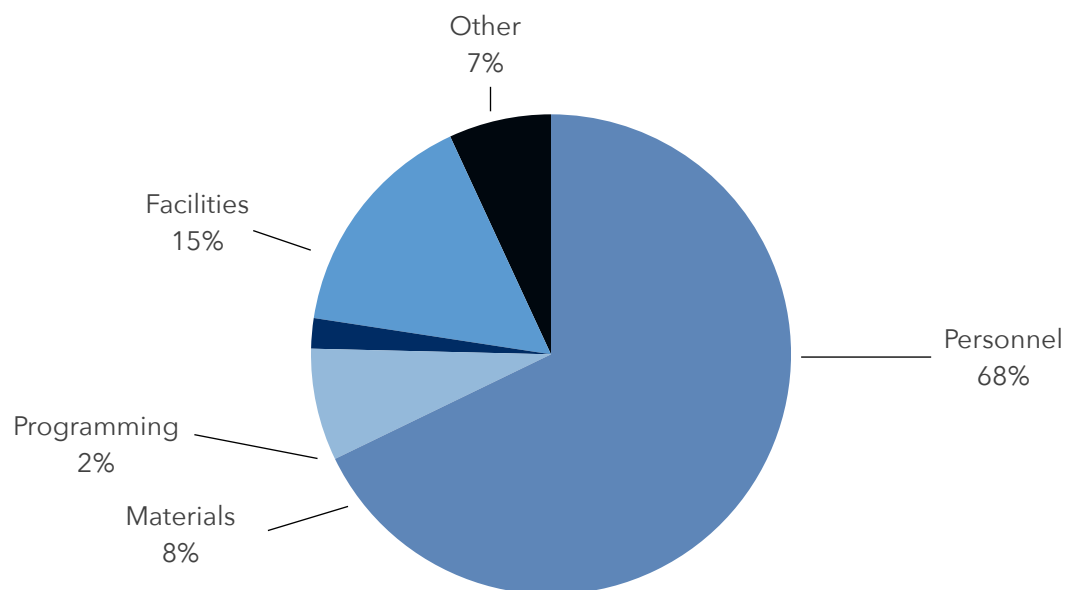
General Fund Operating Budget Overview (cont)



2025 Operating Revenues



2025 Operating Expenditures



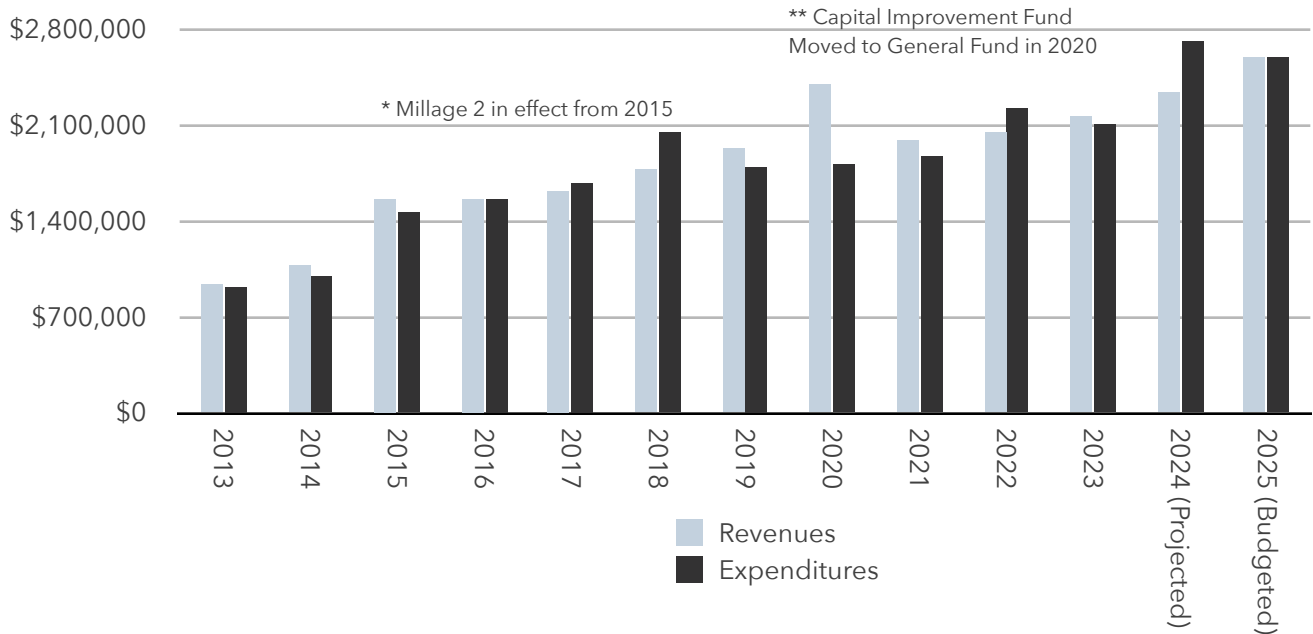
Notes

- Personnel is 71% of expenditures when one-time major projects are factored out.
- See page 9 for expenditures detail and page 13 for descriptions of all categories.

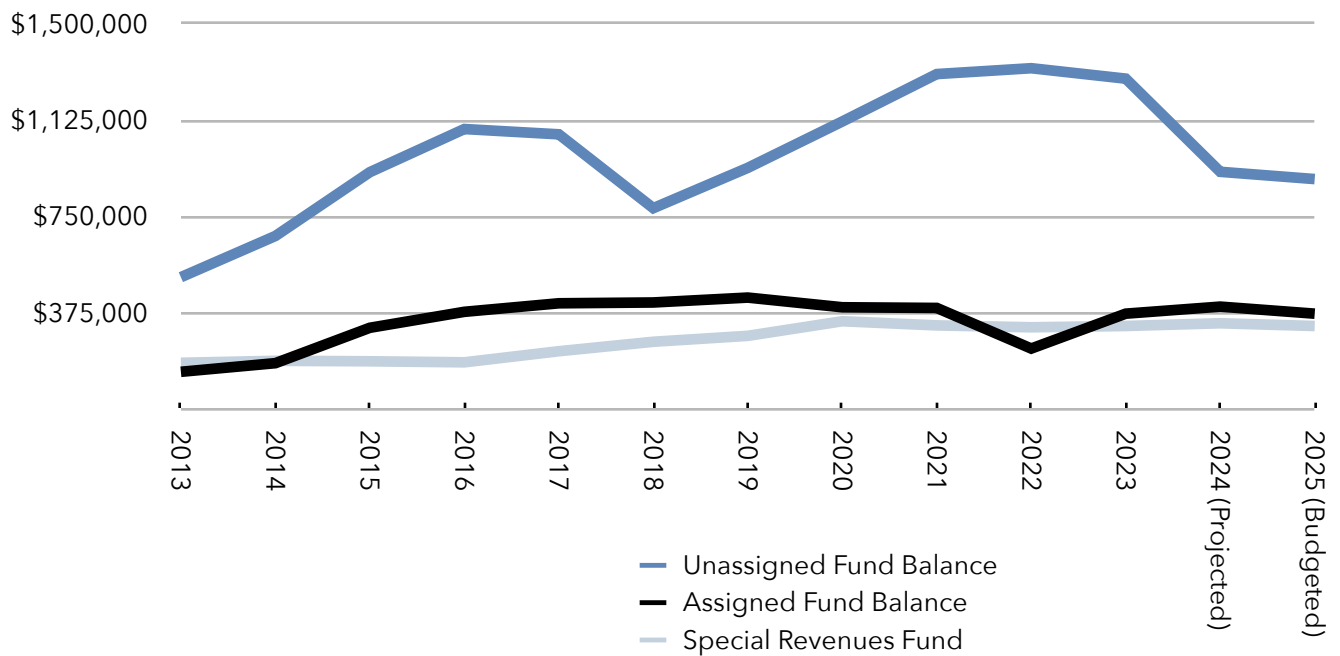


Historical Context

Operating Budget Revenues and Expenditures



Fund Balances



Notes

- The 2025 Budget includes using \$60,000 from the Assigned Fund Balance and \$40,700 from the Special Revenues Fund. See chart 2 on page 8 for a detailed explanation of the fund balances.
- See Expenditure Detail, p. 9, for descriptions of planned Fund Balance Use.
- See page 13 for descriptions of all categories.

Fund Balances



1: Unassigned General Fund Balance

Actual End of 2023	Projected End of 2024	Projected 2025 Change	Projected End of 2025
\$ 1,287,018	\$ 923,901	\$ (28,300)	\$ 895,601

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.
- The Library of Michigan recommends that libraries maintain at least 4 months of typical operating costs in their fund balances. For BDL this would be a minimum of about \$700,000.

2: Assigned General Fund Balance for Special Projects

Actual End of 2023	Projected End of 2024	2025 Funds Allocated	Projected 2025 Expenditures	Projected End of 2025
\$ 370,987	\$ 398,446	\$ 32,541	\$ (60,000)	\$ 370,987

Notes

- 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.
- The only major project planned for 2025 using the Assigned Fund Balance is the renovation of the old Algansee Township Hall into a library facility. The cost of this project is shared between BDL and Algansee Twp.

3: Special Revenues Fund Balance

Actual End of 2023	Projected End of 2024	Budgeted 2024 Revenue	Projected 2024 Expenditures	Projected End of 2025
\$ 322,920	\$ 333,603	\$ 30,000	\$ (40,700)	\$ 322,903

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

	2023 Actual	2024 Budget	2025 Budget
Salaries ¹¹	\$ 1,074,527	\$ 1,305,000	\$ 1,367,000
Payroll Taxes ¹²	\$ 82,444	\$ 100,632	\$ 105,000
Other Benefits ¹³	\$ 11,191	\$ 13,000	\$ 11,000
Health Insurance ¹⁴	\$ 206,751	\$ 212,000	\$ 243,000
Unemployment ¹⁵	\$ 0	\$ 0	\$ 0
Training and Travel ¹⁶	\$ 11,037	\$ 23,900	\$ 28,000
Education Reimbursement ¹⁷	\$ 1,416	\$ 2,000	\$ 3,000
Board Per Diem ¹⁸	\$ 2,828	\$ 3,000	\$ 3,000
TOTAL	\$ 1,390,194	\$ 1,659,532	\$ 1,760,000

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 the last two years.

General Fund Expenditures Detail (cont.)



Materials

	2023 Actual	2024 Budget	2025 Budget
Physical Materials ¹⁹ (Typical)	\$ 121,223	\$ 115,000	\$ 122,000
Physical Materials ¹⁹ (Special Revenues Funds)	n/a	\$ 12,000	\$ 10,000
Digital Materials ²⁰	\$ 31,929	\$ 35,000	\$ 47,000
Materials Preparation ²¹ (Typical)	\$ 16,040	\$ 16,500	\$ 17,000
TOTAL	\$ 169,192	\$ 178,500	\$ 196,000

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 5th of 6 years using the gift from the Shamulus Trust to purchase children’s materials across the district. It also includes usage of an expected grant award.
- See General Fund Narrative on page 14 for descriptions of all categories.

Programming

	2023 Actual	2024 Budget	2025 Budget
Programming ²² (Typical)	\$ 41,236	\$ 40,500	\$ 53,000
Programming ²² (Special Revenues Funds)	n/a		\$ 0
TOTAL	\$ 41,236	\$ 40,500	\$ 53,000

Notes

- “Typical” refers to a typical year’s expenditures of normal revenues, as opposed to the special use of transferred funds. Also includes an expected \$4000 from a community partner towards a new StoryWalk installation.
- See General Fund Narrative on page 14 for descriptions of all categories.



General Fund Expenditures Detail (cont.)

Facilities

	2023 Actual	2024 Budget	2025 Budget
Rent ²³	\$ 2,783	\$ 3,700	\$ 6,000
Utilities ²⁴	\$ 64,412	\$ 73,400	\$ 79,000
Upkeep (Typical) ²⁵	\$ 197,409	\$ 312,500	\$ 104,300
Upkeep ²⁵ (Special Revenues Funds)	\$ 0	\$ 0	\$ 30,700
Upkeep ²⁵ (Assigned Fund Balance)	\$ 0	\$ 0	\$ 60,000
Technology ²⁶ (Typical)	\$ 48,114	\$ 280,400	\$ 55,000
Equipment Maintenance ²⁷	\$ 13,114	\$ 20,800	\$ 27,000
Office Supplies ²⁸	\$ 40,121	\$ 30,700	\$ 45,000
TOTAL	\$ 365,953	\$ 721,500	\$ 407,000

Notes

- "Typical" refers to a typical year's expenditures of normal revenues, as opposed to the special use of transferred funds.
- Facilities contains funds committed to Alganssee Twp. for supporting the renovation of the township hall as a library space.
- See General Fund Narrative on page 14 for descriptions of all categories.

General Fund Expenditures Detail (cont.)



Other

	2023 Actual	2024 Budget	2025 Budget
Consulting Services ²⁹	\$ 43,533	\$ 55,500	\$ 56,000
Licensing ³⁰	\$ 48,315	\$ 50,285	\$ 55,000
Insurance ³¹	\$ 23,040	\$ 30,000	\$ 39,000
Memberships ³²	\$ 27,145	\$ 27,300	\$ 28,000
Other Expenditures ³³	\$ 3,204	\$ 1,000	\$ 1,000
TOTAL \$	145,237 \$	164,085 \$	179,000

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 2025 Fiscal Year, Branch County's taxable value is \$1,992,268,795.

BDL has two millages:

- Millage 1, at 0.5962 mills, in perpetuity from 1991 (reduced from 0.7 by the Headlee Amendment)
- Millage 2, at 0.4927 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 2025 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.

9. Less Funds Allocated to the Assigned Fund Balance

Each year, per the BDL Plan of Service, 1.5% of tax revenue is set aside for major projects down the road.

10. Use of Funds in the Assigned Fund Balance

Periodically, we will use the funds set aside for a major project.

General Fund Narrative (cont.)



Expenditures

11.Salaries

The budgeted salaries reflect a Cost of Living Adjustment of 3% over the 2024 rates, to be applied to all employees starting the beginning of the first full pay period of 2025, January 6.

12.Payroll Taxes

Self explanatory.

13.Other Benefits

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

14.Health Insurance

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

15.Unemployment

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

16.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.

17.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.

18.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.

19.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.

20.Digital Materials

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

21.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.

22.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.

23.Rent

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



General Fund Narrative (cont.)

24. 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.

25. 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.

26. 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.

27. Equipment Maintenance

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

28. 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.

29. Consulting Services

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

30. 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.

31. 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.

32. 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.

33. 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 Clerks, Couriers, Drivers	\$15.45	\$ 16.07	\$ 16.71	\$ 17.38	\$ 18.07	\$ 18.80	\$ 19.55
Library Staff 2 Administrative Assistant, Catalogers, Coordinators, IT, Marketing	\$18.08	\$ 18.80	\$ 19.55	\$ 20.33	\$ 21.15	\$ 21.99	\$ 22.87
Library Staff 3 Alganssee, Sherwood, and Outreach Branch Managers; Bookkeeper; Head of Technical Services	\$19.70	\$ 20.49	\$ 21.31	\$ 22.16	\$ 23.05	\$ 23.97	\$ 24.93
Library Staff 4 Bronson, Quincy, and Union Twp. Branch Managers	\$20.10	\$ 20.90	\$ 21.74	\$ 22.61	\$ 23.51	\$ 24.45	\$ 25.43
Library Staff 5 Coldwater Branch Manager	\$20.50	\$ 21.32	\$ 22.17	\$ 23.06	\$ 23.98	\$ 24.94	\$ 25.94

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	\$ 74,618	\$ 77,603	\$ 80,707	\$ 83,935	\$ 87,292	\$ 90,784	\$ 94,415
Assistant Director	\$ 61,826	\$ 64,299	\$ 66,871	\$ 69,546	\$ 72,328	\$ 75,221	\$ 78,230
Director Public Services	\$ 55,430	\$ 57,648	\$ 59,954	\$ 62,352	\$ 64,846	\$ 67,440	\$ 70,137
Head of IT	\$ 46,903	\$ 46,903	\$ 46,903	\$ 46,903	\$ 46,903	\$ 46,903	\$ 46,903

Notes

- Scales include a Cost of Living Adjustment (COLA) of 3%
- According to the U.S. Bureau of Labor Statistics, inflation was 2.5% from 8/2023 - 8/2024.
- The rates of these new pay scales will be applied to employees on January 6, 2025, the start of the first full pay period in the new year, per the *Employment Handbook*.

Authorized Full-Time Equivalents

	FTEs
Part-Time	14.99
Full-Time	11
Salaried	3

Notes

- Increase of 0.33 FTE from 2024.



2024 Special Revenues Fund Budget

Special Revenues Fund • Revenues

	2023 Actual	2024 Budget	2025 Budget
Donations	\$ 32,229	\$ 25,000	\$ 25,000
Interest Earned on Fund Balance	\$ 7,106	\$ 1,000	\$ 5,000
TOTAL	\$ 39,335	\$ 26,000	\$ 30,000

Special Revenues Fund • Expenditures

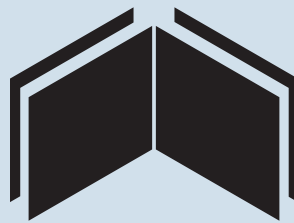
	2023 Actual	2024 Budget	2025 Budget
Transfers to General Fund for Expenditures	\$ 34,351	\$ 22,000	\$ 40,700

Special Revenues • Fund Balance

Actual End of 2023	Projected End of 2024	Budgeted 2025 Revenue	Projected 2025 Expenditures	Projected End of 2025
\$ 322,920	\$ 333,603	\$ 30,000	\$ (40,700)	\$ 322,903

Proposed Major Special Revenues Fund Uses for 2025

- Children’s materials for all branches from donations from the Shamulus Trust, restricted to this purpose: \$10,000.
- \$30,000 for improvements at the Alganssee Branch.



BRANCH
DISTRICT LIBRARY

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