2027 Budgets

DRAFT
10/15/26

BRANCH
DISTRICT LIBRARY

FIRST READING ON OCTOBER 19, 2026

ADOPTED ON _____

BRANCH
DISTRICT LIBRARY

Contents

BDL BOARD OF TRUSTEES
Page 2

MESSAGE FROM THE LIBRARY DIRECTOR
Page 3

GENERAL FUND OPERATING BUDGET OVERVIEW
Page 4

HISTORICAL CONTEXT
Page 7

FUND BALANCES
Page 8

GENERAL FUND EXPENDITURES DETAIL
Page 9

GENERAL FUND NARRATIVE
Page 13

PAY SCALES
Page 16

SPECIAL REVENUES BUDGET
Page 17

BDL Board of Trustees

DRAFT 10/15/26

PRESIDENT

Benjamin Jewell
Representing the City of Coldwater

VICE PRESIDENT

Susan Smith
Representing Quincy Township

SECRETARY

Kimberly Langworthy
Representing the County at-Large

Susan Brooks
Representing the County at-Large

Robert Hostetler
Representing the City of Coldwater

Stephanie Calhoun
Representing Union Township

Karen Smith
Representing Bronson Township

DRAFT 10/15/26

Message from the Library Director

The two major themes that informed the planning for this budget document were the continued high inflation and the rising taxable value of Branch County from increased property values and solar installations coming on line. Even with a Headlee reduction to BDL's millage rates, we project a 4.9% increase in revenues for 2027.

On the expenditures side of things, we are budgeting a 3% increase overall. Drilling down a little further, we have a 3.7% increase to salaries, providing Cost of Living Adjustments ranging from 6.5% for Library Staff 1 and 2, to 4.25% for Administration 4. Salary details may be found on page 16. Our health insurance costs will go up by about 18.5%, which is actually lower than some other organizations in the county.

With respect to our library materials, we are budgeting 3.5% higher overall. Looking closer, we have a 7% increase for General Fund expenditures on physical materials and a 14% increase for digital materials. Digital usage has been slowly increasing the last couple of years, and with our new library catalog software we expect some additional growth here.

2026 was a pretty big year for events and programs at BDL, and we'd like to see these successes continue. For that reason, we have budgeted an increase of 17% to programming to help offset inflationary fuel costs and bring even more exciting offerings to the library.

After cleaning the ducts at all of our smaller branches over the last 4 years, for 2027 our Upkeep line includes increased funding for the much bigger job of cleaning the ducts at the Coldwater Branch, possibly for the first time ever. There is also planned maintenance of the gutters at the Coldwater Branch.

Finally, in our Consulting Services line, we are budgeting for expected increases due to changes in service offerings from our longtime local accounting partner.

With increased budgets for materials and events, while retaining talented staff, BDL will be better than ever in the year ahead. We look forward to seeing you in 2027!

John Rucker, Director

General Fund
Operating Budget Overview

DRAFT 10/15/26

General Fund • Operating Revenues

	2025 Actual	2026 Budget	2027 Budget
Taxes [1]	$ 2,223,432	$ 2,500,000	$ 2,660,000
Penal Fines [2]	$ 122,117	$ 124,000	$ 120,000
State Aid [3]	$ 53,106	$ 50,000	$ 53,000
Charges for Services [4]	$ 17,272	$ 21,000	$ 19,000
Reimbursements [5]	$ 59,079	$ 51,000	$ 47,000
Interest Earned [6]	$ 37,177	$ 30,000	$ 29,000
Other Revenue [7]	$ 7,848	$ 12,000	$ 4,000
REVENUES TOTAL	**$ 2,520,029**	**$ 2,788,000**	**$ 2,932,000**
Transfer from the Special Revenues Fund [8]	$ 49,936	$ 39,500	$ 4,000
Less Funds Allocated to the Assigned Fund Balance [9]	$ 0	$ (36,185)	$ (38,982)
Use of Funds in the Assigned Fund Balance [10]	$ 0	$ 92,000	$ 80,000
TOTAL OPERATING FUNDS AVAILABLE	**$ 2,569,965**	**$ 2,883,315**	**$ 2,977,018**

Notes

- See page 13 for descriptions of all categories.

DRAFT 10/15/26

General Fund Operating Budget Overview (cont.)

General Fund • Operating Expenditures

	2025 Actual	2026 Budget	2027 Budget
Personnel [11-18]	$ 1,581,208	$ 1,913,000	$ 1,981,000
Materials [19-21]	$ 184,482	$ 222,000	$ 230,000
Programming [22]	$ 65,223	$ 57,000	$ 72,000
Facilities [23-28]	$ 460,725	$ 459,000	$ 460,000
Other [29-33]	$ 167,730	$ 237,000	$ 235,000
EXPENDITURES TOTAL	**$ 2,459,368**	**$ 2,888,000**	**$ 2,978,000**
Excess (deficiency) of funds available over expenditures	**$ 110,596**	**$ (4,685)**	**$ (982)**

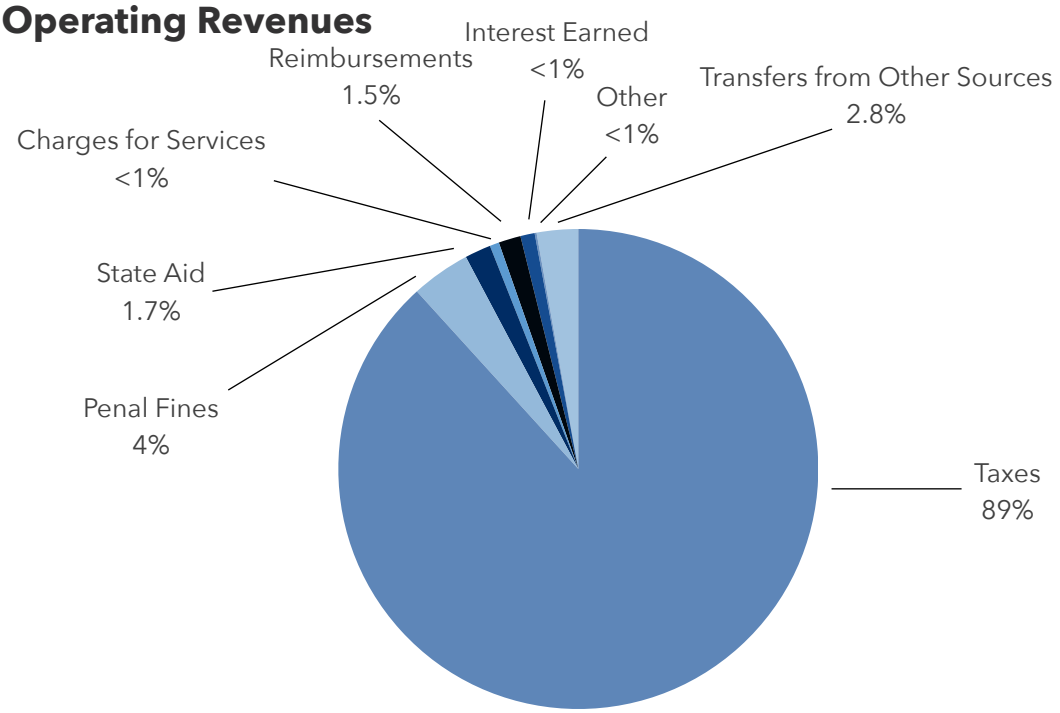
Notes

- See page 9 for expenditures detail.
- See page 13 for descriptions of all categories.
- Facilities contains funds committed to cleaning ducts and gutter repair at the Coldwater Branch.

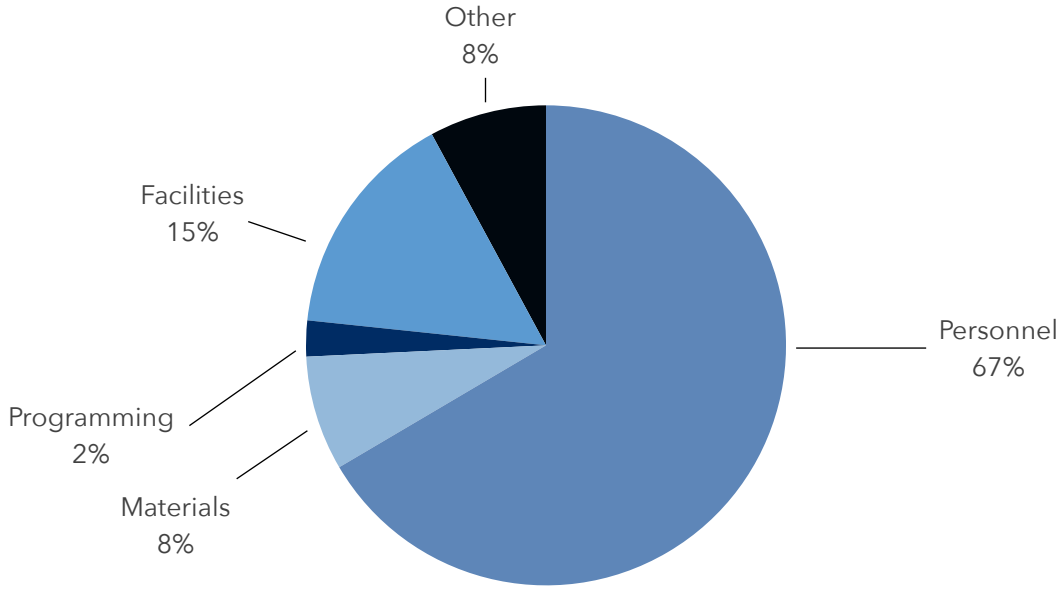
General Fund
Operating Budget Overview (cont.)

DRAFT 10/15/26

2027 Operating Revenues



2026 Operating Expenditures

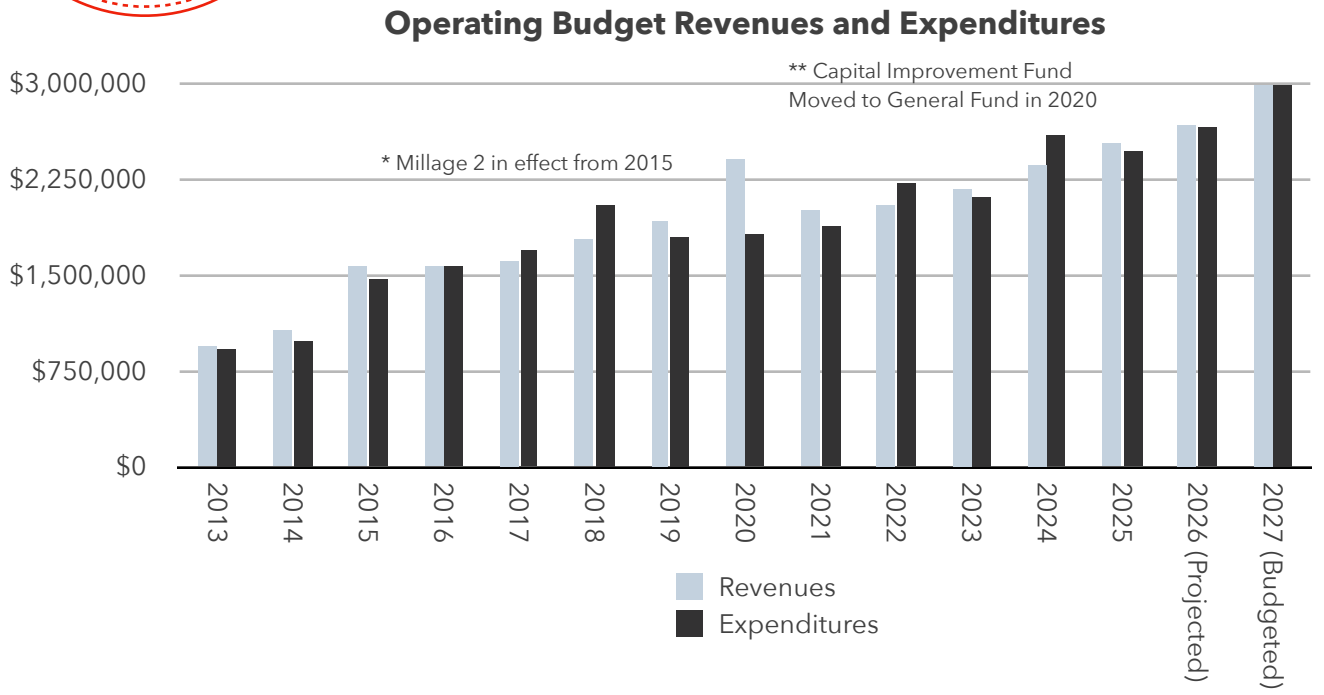


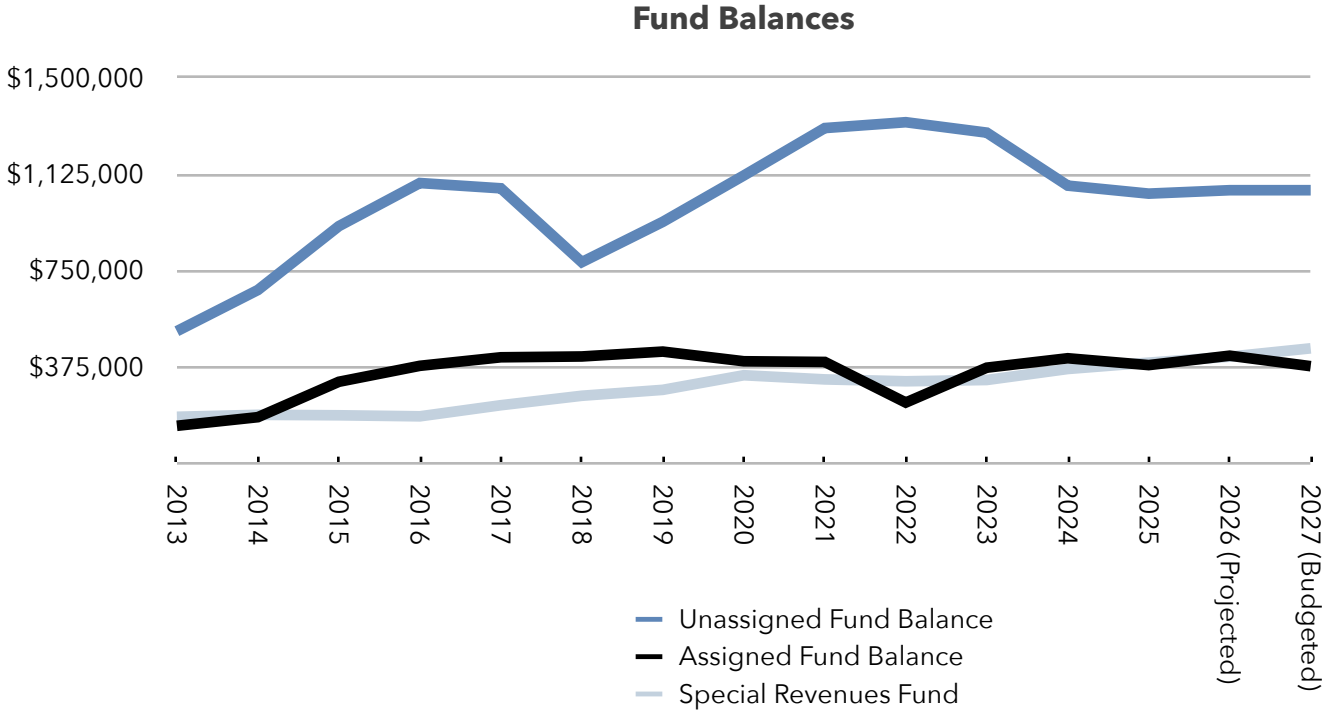
Notes

- Personnel is 68% of expenditures when one-time major projects are factored out.
- See page 9 for expenditures detail and page 13 for descriptions of all categories.

DRAFT 10/15/26

Historical Context





Notes

- See 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

DRAFT 10/15/26

1: Unassigned General Fund Balance

Actual End of 2025	Projected End of 2026	Projected 2027 Change	Projected End of 2027
$ 1,049,299	$ 1,058,327	$ (982)	$ 1,057,345

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 2025	Projected End of 2026	2027 Allocated Funds	Projected 2027 Expenditures	Projected End of 2027
$ 380,980	$ 417,742	$ 38,982	$ (80,000)	$ 376,724

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.
- Major projects planned for 2027 include cleaning ducts and gutter repair at the Coldwater Branch.

3: Special Revenues Fund Balance

Actual End of 2025	Projected End of 2026	Budgeted 2027 Revenue	Projected 2027 Expenditures	Projected End of 2027
$ 390,582	$ 413,873	$ 36,500	$ (4,000)	$ 446,373

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.
- There are no major projects planned for 2027.

DRAFT 10/15/26

General Fund Expenditures Detail

Personnel

	2025 Actual	2026 Budget	2027 Budget
Salaries [11]	$ 1,192,816	$ 1,433,000	$ 1,488,000
Payroll Taxes [12]	$ 101,192	$ 110,000	$ 113,500
Other Benefits [13]	$ 22,545	$ 70,000	$ 63,500
Health Insurance [14]	$ 243,108	$ 259,500	$ 271,000
Unemployment [15]	$ 963	$ 1,000	$ 6,000
Training and Travel [16]	$ 17,633	$ 29,000	$ 30,000
Education Reimbursement [17]	$ 671	$ 7,500	$ 6,000
Board Per Diem [18]	$ 2,280	$ 3,000	$ 3,000
TOTAL	**$ 1,581,208**	**$ 1,913,000**	**$ 1,981,000**

Notes

- See General Fund Narrative on page 14 for descriptions of all categories.
- For detail on Salaries, see page 16.

General Fund Expenditures Detail (cont.)

DRAFT 10/15/26

Materials

	2025 Actual	2026 Budget	2027 Budget
Physical Materials [19] (Typical)	$ 123,447	$ 132,000	$ 142,000
Physical Materials [19] (Special Revenues Funds)	n/a	$ 13,500	$ 2,000
Digital Materials [20]	$ 43,664	$ 58,500	$ 68,000
Materials Preparation [21] (Typical)	$ 17,372	$ 18,000	$ 18,000
TOTAL	**$ 184,482**	**$ 222,000**	**$ 230,000**

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.

Programming

	2025 Actual	2026 Budget	2027 Budget
Programming [22] (Typical)	$ 65,223	$ 57,000	$ 70,000
TOTAL	**$ 65,223**	**$ 57,000**	**$ 70,000**

Notes

- See General Fund Narrative on page 14 for descriptions of all categories.

DRAFT 10/15/26

General Fund Expenditures Detail (cont.)

Facilities

	2025 Actual	2026 Budget	2027 Budget
Rent [23]	$ 4,195	$ 5,000	$ 4,500
Utilities [24]	$ 73,590	$ 83,500	$ 93,000
Upkeep (Typical) [25]	$ 231,639	$ 226,500	$ 140,000
Upkeep [25] **(Special Revenues Funds)**	n/a	$ 26,000	$ 0
Upkeep [25] **(Assigned Fund Balance)**	$ 0	$ 65,000	$ 80,000
Technology [26] **(Typical)**	$ 56,631	$ 82,000	$ 72,000
Technology [26] **(Assigned Fund Balance)**	$ 0	$ 0	$ 0
Equipment Maintenance [27]	$ 17,199	$ 12,000	$ 15,500
Office Supplies [28]	$ 77,471	$ 50,000	$ 55,000
TOTAL	**$ 460,725**	**$ 550,000**	**$ 460,000**

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 cleaning ducts and repair of the gutters at the Coldwater Branch.
- See General Fund Narrative on page 14 for descriptions of all categories.

General Fund Expenditures Detail (cont.)

DRAFT 10/15/26

Other

	2025 Actual	2026 Budget	2027 Budget
Consulting Services [29]	$ 47,788	$ 110,000	$ 119,000
Licensing [30]	$ 51,992	$ 57,000	$ 48,000
Insurance [31]	$ 33,457	$ 39,500	$ 36,000
Memberships [32]	$ 29,084	$ 29,500	$ 27,000
Other Expenditures [33]	$ 5,408	$ 1,000	$ 5,000
TOTAL	**$ 167,730**	**$ 237,000**	**$ 235,000**

Notes

- See General Fund Narrative on page 14 for descriptions of all categories.

DRAFT 10/15/26

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 2027 Fiscal Year, Branch County's taxable value is $2,409,209,435.

BDL has two millages:

- Millage 1, at 0.5906 mills, in perpetuity from 1991 (reduced from the voter-approved 0.7 mills by the Headlee Amendment)
- Millage 2, at 0.4881 mills, in effect from 2022-2029 (reduced from the voter-approved 0.5 mills 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

Michigan's Constitution contains a provision that income from penal fines shall be used to support public libraries. Michigan law require 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 2027 rate is $0.543488 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.)

DRAFT 10/15/26

Expenditures

11. Salaries

Total salary expenditures are 3.7% higher than in 2026. The Cost of Living Adjustments range from 6.5% for Library Staff 1 to 4.25% for Administration 4. Details on page 16.

The COLA is in effect starting the beginning of the first full pay period of 2027, January 4.

12. Payroll Taxes

Self explanatory.

13. Other Benefits

This line is for benefits other than health insurance, such as deferred compensation, payments in lieu of insurance, and the Michigan Tri-Share Childcare benefit program.

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.

DRAFT 10/15/26

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, physical security, 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

DRAFT 10/15/26

Hourly Employees Pay Scales / Steps

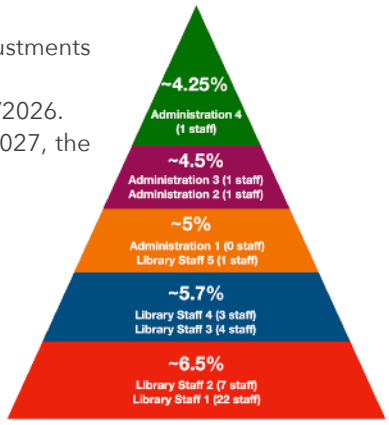
	A Entry	B 1yr after A	C 1yr after B	D 1yr after C	E 2yrs after D	F 2yrs after E	G 2yrs after F
Library Staff 1 Clerks, Couriers, Drivers	$ 17.00	$ 17.68	$ 18.39	$ 19.12	$ 19.89	$ 20.68	$ 21.51
Library Staff 2 Administrative Assistant, Catalogers, Coordinators, IT, Marketing	$ 20.06	$ 20.86	$ 21.70	$ 22.56	$ 23.47	$ 24.41	$ 25.38
Library Staff 3 Algansee, Sherwood, and Outreach Branch Managers; Bookkeeper	$ 21.87	$ 22.74	$ 23.65	$ 24.60	$ 25.58	$ 26.60	$ 27.67
Library Staff 4 Bronson, Quincy, and Union Twp. Branch Managers	$ 22.74	$ 23.65	$ 24.60	$ 25.58	$ 26.60	$ 27.67	$ 28.77
Library Staff 5 Coldwater Branch Manager	$ 23.42	$ 24.36	$ 25.33	$ 26.35	$ 27.40	$ 28.50	$ 29.64

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
Administration 1 Head of Technical Services	$ 54,564	$ 56,747	$ 59,017	$ 61,378	$ 63,833	$ 66,386	$ 69,041
Administration 2 Director of Public Services Head of IT	$ 59,923	$ 62,320	$ 64,813	$ 67,406	$ 70,102	$ 72,906	$ 75,822
Administration 3 Assistant Director	$ 66,744	$ 69,414	$ 72,190	$ 75,078	$ 78,081	$ 81,204	$ 84,452
Administration 4 Director	$ 79,898	$ 83,094	$ 86,418	$ 89,874	$ 93,469	$ 97,208	$ 101,096

Notes

- Total salary expenditures are 3.7% higher than in 2026. The Cost of Living Adjustments range from 6.5% for Library Staff 1 to 4.25% for Administration 4.
- According to the U.S. Bureau of Labor Statistics, inflation was 3.9% from 8/2025 - 8/2026.
- The rates of these new pay scales will be applied to employees on January 4, 2027, the start of the first full pay period in the new year, per the *Employment Handbook*.



Authorized Full-Time Equivalents

	FTEs
Part-Time	13.84
Full-Time / Salaried	14
	27.84

Notes

- Decrease of 0.91 FTE from 2026.

DRAFT 10/15/26

2026 Special Revenues Fund Budget

Special Revenues Fund • Revenues

	2025 Actual	2026 Budget	2027 Budget
Donations	$ 67,611	$ 31,000	$ 30,000
Interest Earned on Fund Balance	$ 7,097	$ 6,500	$ 6,500
TOTAL	**$ 74,708**	**$ 37,500**	**$ 36,500**

Special Revenues Fund • Expenditures

	2025 Actual	2026 Budget	2027 Budget
Transfers to General Fund for Expenditures	$ 49,936	$ 39,500	$ 4,000

Special Revenues • Fund Balance

Actual End of 2025	Projected End of 2026	Budgeted 2027 Revenue	Projected 2027 Expenditures	Projected End of 2027
$ 390,582	$ 413,873	$ 36,500	$ (4,000)	$ 446,373

Proposed Major Special Revenues Fund Uses for 2027

- none

BRANCH
DISTRICT LIBRARY

Administrative Offices at
10 E. Chicago St.
Coldwater MI 49036

Tel.: 517-278-2341
Fax: 517-278-2342

info@BranchDistrictLibrary.org