

Albion District Library FY 2022 Original Budget Narrative

This narrative is meant to help explain how Albion District Library is funded and how that funding is used, and may be read in combination with our budget spreadsheet document.

Our revenue (income) and expenses are both organized into ‘Cost Centers,’ which allow us to group like things together (much like the Dewey Decimal System does). Our practice is to budget low on revenue and high on expenses, and hope to be pleasantly surprised on both fronts. We recognize that each year we are adopting a budget for a fiscal year that does not begin for another 3-4 months, and that state and federal allocations, and library needs, can change in that time. Albion District Library has a “calendar as fiscal” – January to December – budget year. The ADL Board of Trustees amends the budget twice each year, once in mid-summer and again at year-end in December. Original and amended budgets are based on the best information that the Director and Board have at the time they are adopted.

If you have any questions about ADL’s budget, please contact Library Director Cynthia Stanczak by phone at (517) 629-3993 or by email at director@albionlibrary.org.

Revenue

Local Millage/Taxes

\$ 610,000

Includes: Millage funds from the City of Albion, Albion Township, and the Marshall Public School district within Sheridan Township from the December levy the previous calendar year, minus any chargebacks from Calhoun County for property value reassessments, challenges, exemptions, or short sales on long-delinquent or abandoned properties. Also includes payments from Calhoun County when uncollected/delinquent taxes are turned over by the local municipalities to the county in April, and payment from the Michigan Treasury for reimbursement of property tax exemptions for eligible businesses located in Renaissance Zones in the district. This is the single largest source of funds for the library.

Federal, State, & Local Grants

\$ 41,000

Includes: E-rate reimbursement of 90% of our internet expenses through the FCC and USAC, State Aid funding from State of Michigan (also provided to schools), personal property tax (PPT) reimbursement through the Local Community Stabilization Authority (LCSA), and any grants from Library of Michigan or local municipalities. State Aid and LCSA funding are the most essential, but can vary widely from year to year based on state government decisions.

Services, Sales, & Usage **\$ 5,200**

Includes: Service charges for printing, copying, faxing, scanning, and Local History Room (LHR) research. Sales of convenience equipment (earbuds, charging cords, USB drives, imprinted canvas bags, etc.) and retired equipment (computers, monitors, etc.). All income from sales of books on behalf of the Friends of Albion District Library are paid out at the end of each fiscal year to the FoADL through a corresponding expense line. Also includes any out of area library card or program fees. For those outside our service area, not otherwise covered by a reciprocity agreement, library card accounts are available at \$60/year.

Fines & Forfeits **\$ 15,750**

Includes: Overdue fees, replacement fees for lost or damaged items, and penal fines. Overdue fines are 10¢/day for most items and budgeted at \$500 for this proposed budget (0.07% of the proposed budget).

Penal fines are an important funding source for libraries in 12 states, but are unique in Michigan, as the clause directing penal fines to libraries was enshrined in the original Michigan constitution in 1835. There are varying accounts as to why, but discussions of constitutional convention delegates indicate that distribution to libraries was preferred because libraries are neutral, neither enforcing nor interpreting the laws as the courts or municipalities do. Penal fines vary widely each year, based on the number of type of penal infractions, and are distributed by county treasurers. For more information on penal fines, visit the Michigan Library Association information and advocacy page at <https://www.milibraries.org/penal-fines>.

Investment & Rental Income **\$ 11,850**

Includes: Interest on certificates of deposit, endowments, and traditional bank accounts (checking, savings, etc.). Also includes dividends from our liability insurance company when claims are below expectations, credit card cash back, and also rental income from the Library's meeting rooms.

Contributions, Donations, and Local Grants **\$ 2,440**

Includes: Donations and grant funding from local businesses, entities, individuals, and also our Friends of ADL group, library cooperative, Albion Community Foundation, and Albion-Homer United Way. Also includes sponsorships of materials, services, and/or equipment. As donations and grants change from year to year, this revenue is not budgeted for until it is committed.

Other Revenue **\$ 7,550**

Includes: Refunds, rebates, and reimbursements of current year expenses; cash over/short; insurance recovery; or transfers in from other library funds, including our dedicated building and technology funds. As these can change from year to year, this is another area of revenue that is not budgeted for until it is committed.

Total Projected Revenues **\$ 693,790**

Expenses

Personnel **\$ 425,866.07**

Includes: Wages, employment taxes, benefits, and professional development/continuing education for staff.

As a customer/patron-focused service business model, personnel is the single largest portion of any public library budget. Staff are needed to order, process, circulate, and shelve materials; design, run, and evaluate programs and events; and deliver library services and assist patrons. In general, a common guideline states that personnel expenses should be between 60-72% of total budget. In this year's budget, personnel stands at 61.3%.

Equipment & Supplies **\$ 13,075.00**

Includes: Equipment (anything that we use until it wears out), such as phased replacement of computers, and supplies (anything that we use until it's gone), such as general office supplies, janitorial supplies, library-specific supplies (barcodes, book tape, labels, etc.), interlibrary loan supplies (mailers, rubber bands, etc.), and Local History Room archival supplies.

Contractual Services **\$ 88,810.00**

Includes: Professional services (auditor, IT, etc.), contractual services (circulation platform, interlibrary loan E-Rate consultant, web hosting, etc.), administrative fees (bookkeeping and payroll services), Homer Library Contract (per our district library agreement), and equipment rental (copiers, printers, etc.).

Utilities, Building, and Grounds **\$ 90,590.00**

Includes: Telephone, internet, water, trash and recycling, electricity, gas, lawn care and snow removal, janitorial service, general essential regular building maintenance (elevator, gardens, fire and security system, gutters, automatic doors, floors, lights, HVAC, etc.), and contingency for minor and major repairs.

Programming **\$ 15,850.00**

Includes: Programs and events for all ages. Also includes our Dolly Parton Imagination Library and GED tutoring programs.

Capital Outlay **\$ - 0 -**

Includes: Building additions, improvements, major repairs and replacements. Because this varies from year to year, it is not included in a budget until it is committed. This is the primary expense line item for expended funds from our dedicated building fund, which exists to fund necessary building and grounds projects, such as roof replacement, exterior painting, replacement of HVAC units, etc.

Collection Development/Materials **\$ 36,200.00**

Includes: Purchase of new books, audiobooks, DVDs/Blu-rays, magazines and newspapers (periodicals), and electronic resources (OverDrive and databases) for all ages and interests.

Includes items for Adult, Teen, Children's, and Local History Collections. Also includes expense lines for grant or donor-sponsored materials.

Other Services & Charges

\$ 9,755.00

Includes: Election costs, postage, publishing ads in local newspapers, professional memberships and materials, software, and miscellaneous expenses. Also includes dedicated expense line for funds collected on behalf of Friends of ADL throughout the year (book sale, mugs, etc.).

Total Projected Expenses

\$ 680,146.07

Projected Budget Surplus

\$ 13,643.93 (2.0%)