

## Notes to the Line Items of the Proposed 2024-25 Operating Budget

### Revenues

**402 Property Taxes:** Calculation includes the millage rate multiplied by the taxable value of our library district as determined by the County Equalization office. This also includes the subtraction of funds captured by the Marshall Downtown Development Authority and the addition of funds from the State of Michigan Local Community Stabilization Authority for Personal Property Tax Reimbursement. There is a significant increase in property taxes this year due to significant increases in industrial property values in the City of Marshall and Marshall Township.

**657 Penal Fines:** Quarterly distributions of court fines per the Michigan Constitution. These have decreased by more than 60% in the past 5 years.

**567 State Aid:** *Per capita* distribution to public libraries meeting minimum standards. This amount is set each year by the State Legislature. This amount is expected to be \$.45 per capita for 2024-2025.

**656 Fines and Fees:** Fines and Fees include overdue fines for library materials, meeting room rentals, copies and prints, and other services the library provides for a fee such as laminating.

**665 Interest:** This is the amount of interest earned on bank deposits and certificates of deposit during the year according to the Investment Policy of the Library Board of Trustees.

**671 Miscellaneous Revenues:** Large gifts and bequests are generally received into the Grants & Gifts Fund, where a modest amount of interest is earned. LSTA grants will also be processed from the Grants & Gifts. Grant revenues, donations to be applied directly to operating expenditures, reimbursements, and other miscellaneous revenues are included in the Miscellaneous Revenues line.

### Expenditures

**702 Salaried Personnel:** Annual salaries for the Library Director, Assistant Director/Head of Systems, Head of Programming, and Head of Information Technology. As exempt employees, they are not entitled to overtime pay.

**703 Hourly Personnel:** Pay for all other employees, who are nonexempt and would be entitled to overtime pay at “time and a half” for hours worked over 40 hours per week.

**704 Overtime Pay:** Minimal overtime is anticipated to occur when nonexempt staff is required to cover for unexpected staff absences or large scale projects.

**715 FICA and Medicare:** This is the employer’s portion of income taxes as required by law.

**716 Health Insurance:** This is the employer’s portion of the cost of medical, dental, and vision insurance, as well as FSA funds for those employees who are covered according to policy. The 2024-2025 budget includes a small increase as one additional library employee has joined the health insurance plan and we have seen a 13% increase in costs this year’s plan.

**718 Retirement:** These are the employer’s contributions to 401a and 457 contracts for those current employees who are included according to policy.

**721 Workers Compensation:** The Library maintains a membership in the Michigan Municipal League in order to qualify for a very favorable workers compensation rate.

**722 Unemployment Compensation:** As a “reimbursing” employer, the Library only pays out of this item when a former employee makes a claim that is recognized by the State of Michigan and we are billed by the State. This has not happened since 2012.

**735 Staff Development:** This line item includes professional memberships, costs of attending conferences and workshops, miscellaneous mileage, staff recognition initiatives, and reimbursement for tuition under the library’s current policy.

**740 Operating Supplies:** This item includes all kinds of office supplies including office paper, kitchen supplies, and paper products for the restrooms. We generally buy in large quantities so it is worthwhile to shop for the best price regionally and nationally. For smaller quantities, we shop locally to support local merchants.

Also included in this line is the cost of library processing supplies such as book jackets, book tape, and labels. The Library takes advantage of discounts negotiated at the cooperative and statewide levels.

**801 Professional Services:** This item includes the Library's attorney, the annual audit, any consultants, and bank fees.

**820 Contracted Services:** This item includes reimbursement to Woodlands Library Cooperative as well as contracts for our Integrated Library System, printer maintenance agreements, software maintenance, cleaning service, and digital subscriptions.

**825 Marketing:** This line item is for advertising and public relations. Items with the library logo imprinted upon them are charged to Marketing. Advertisements are placed in the newspaper for budget hearings and other required hearings. This item may include payment of the Director's and/or other staff members' dues in local service or business organizations.

**835 Retiree Expenses:** This reflects the amount the library will pay for retiree benefits for one previous library director, including defined benefit MERS "pension" and health insurance.

**840 Insurance:** Building and contents insurance for more than \$4.5 million. This also includes Directors and Officers Liability for up to \$2 million. Insurance coverage has a \$500 deductible.

**850 Communications:** Telephone and Internet connections.

**921 Utilities:** Natural gas, electricity, water, and waste management.

**930 Equipment Maintenance:** This line item is for repairs on equipment other than printers, copiers, or computers. This could include cabling or microfilm machine repair.

**931 Maintenance of Building:** This item includes repairs, maintenance, and costs of minor alterations to the building. The 2024-2025 budget includes the purchase of some new chairs and furnishings, as well as the replacement of some cabinets.

**950 Programming:** This line item pays for programming and events for all ages.

**957 Materials:** This line is used for new books, periodicals, DVDs, music recordings, and subscriptions for electronic resources.

**970 Capital Outlay:** Expenditures for equipment and improvements which will yield benefits over a period of years. In 2024-2025, this includes the replacement of the staff printer, a local history room printer, and a new key card building entry system. The other capital expense of construction of a local history room is listed under our Gifts & Grants budget.

**975 Building Renovation:** Design fees and work expenses will be paid from this fund for building or grounds renovations.

**977 Computer Equipment:** This line item is used to add new or to replace existing computers and related equipment. This year we intend to replace wifi access points. Expenditures in this line may include software.