



## Library Board of Trustees Budget Hearing Packet Contents

1. Budget Hearing Agenda – September 21, 2023
2. Proposed 2024 Canton Public Library Budget
3. 2024 Budget Narrative



Library Board of Trustees  
Proposed 2024 Budget Hearing Agenda  
September 21, 2023

**7:30 PM**

Call the Meeting to Order  
Call to the Audience (5-minute maximum per person)

**Action Item 23/9-21-1BH**

Approval of 2024 Budget as Presented (Roll Call Vote Required)

**Action Item 23/9-21-2BH**

Approval of Resolution Certifying a Rate of Tax Levy in the amount of 1.4396 mills for the Fiscal year ending December 31, 2024 (Roll Call Vote Required)

**Adjourn**

Final Call to the Audience (5-minute maximum per person)

Canton Public Library

2024 Proposed Budget (Motion 23/9-21-xBH)

DESCRIPTION	2022 FINAL APPROVED BUDGET	2023 AMENDED BUDGET	2024 PROPOSED BUDGET	2025 PROPOSED BUDGET	2026 PROPOSED BUDGET
Fund 101 - GENERAL FUND					
Revenues					
INCOME					
PROPERTY TAXES	6,572,826	6,947,227	<b>7,350,000</b>	7,450,000	7,600,000
STATE AID TO LIBRARIES	96,964	70,000	<b>70,000</b>	70,000	70,000
LOCAL COMMUNITY STABILIZATION SHARE	66,469	62,237	<b>55,000</b>	55,000	55,000
PHOTOCOPY FEES	30,500	40,000	<b>40,000</b>	40,000	40,000
REPLACEMENT-LIBRARY MATERIALS	8,900	6,500	<b>7,000</b>	7,000	7,000
MEETING ROOM RENTAL	1,050	1,200	<b>500</b>	500	500
PENAL FINES	60,888	61,000	<b>61,000</b>	61,000	61,000
OVERDUE FINES	12,063	-	-	-	-
INTEREST INCOME	17,200	75,000	<b>25,000</b>	25,000	25,000
COMMISSION	6,000	6,000	<b>7,000</b>	7,000	7,000
OTHER REVENUE	24,686	42,700	<b>1,000</b>	1,000	1,000
Net INCOME	6,897,546	7,311,864	<b>7,616,500</b>	7,716,500	7,866,500
<b>TOTAL REVENUES</b>	<b>6,897,546</b>	<b>7,311,864</b>	<b>7,616,500</b>	<b>7,716,500</b>	<b>7,866,500</b>
Expenditures					
EXPENSES					
SALARIES & WAGES	3,163,000	3,400,000	<b>3,630,000</b>	3,766,000	3,906,000
FRINGE BENEFITS	803,100	915,300	<b>942,500</b>	976,000	1,019,000
SUPPLIES	93,488	151,395	<b>152,350</b>	150,150	152,557
LIBRARY MATERIALS	1,008,000	1,075,481	<b>1,150,000</b>	1,160,000	1,200,000
PROFESSIONAL & CONTRACTUAL	358,047	474,950	<b>483,475</b>	490,425	541,203
COMMUNICATIONS	22,500	57,000	<b>47,000</b>	50,000	52,000
PRINTING	22,663	51,800	<b>51,800</b>	51,800	41,800
UTILITIES	160,000	190,000	<b>190,000</b>	197,000	203,000
MAINTENANCE & REPAIRS	191,550	270,600	<b>271,400</b>	278,900	275,600
BUILDING IMPROVEMENTS	3,250	15,000	<b>20,000</b>	20,000	15,000
INSURANCE	55,300	72,000	<b>69,000</b>	69,000	70,000
CAPITAL OUTLAY	781,483	993,000	<b>833,000</b>	826,000	1,490,000
PROPERTY TAX REFUNDS	5,000	2,000	<b>2,000</b>	2,000	2,000
COMMUNITY PROMOTION	19,158	25,085	<b>22,400</b>	27,400	27,400
TRAVEL	35,392	46,700	<b>75,150</b>	53,650	77,921
RENTALS/LEASES	11,600	17,300	<b>18,300</b>	19,000	19,500
Net EXPENSES	6,733,531	7,757,611	<b>7,958,375</b>	8,137,325	9,092,981
<b>TOTAL EXPENDITURES</b>	<b>6,733,531</b>	<b>7,757,611</b>	<b>7,958,375</b>	<b>8,137,325</b>	<b>9,092,981</b>
Fund 101 - GENERAL FUND:					
TOTAL REVENUES	6,897,546	7,311,864	<b>7,616,500</b>	7,716,500	7,866,500
TOTAL EXPENDITURES	6,733,531	7,757,611	<b>7,958,375</b>	8,137,325	9,092,981
NET OF REVENUES & EXPENDITURES	164,015	(445,747)	<b>(341,875)</b>	(420,825)	(1,226,481)
NET CHANGE IN FUND BALANCE					
BEGINNING FUND BALANCE - GENERAL FUND		5,206,178	<b>4,760,431</b>	4,418,556	3,997,731
ENDING FUND BALANCE - GENERAL FUND		4,760,431	<b>4,418,556</b>	3,997,731	2,771,250

## **2024 Budget Highlights**

September 2023

### **Revenues**

#### **2024 Revenues**

Property tax revenues reflect the most recent information from Canton Township, including property taxes and Personal Property Tax exemptions. As directed by the library board, property tax collections are at the maximum millage rate of 1.4396 (eroded from 2.0 due to Headlee, with a 2023 millage reduction fraction of 1.0000), and assume a 99% collection rate, which is conservative based on historical property tax revenue data over the last five-plus years.

The Local Community Stabilization Share is required to be recorded in a separate account per Michigan's Uniform Chart of Accounts. CPL began compliance late in 2021 when we converted to the current uniform chart of accounts. We are budgeted higher than what was received in 2022 as we continue to adjust to this newer account. State Aid, Photocopy Fees and Penal Fines remain unchanged for 2024-2026 to reflect return to post-pandemic collections. Replacement – Library Materials is slightly increased from 2023 to reflect adjustment to the auto-renewal service implemented May 1, 2019 and Overdue Fines are reduced to zero to reflect the decision to go fine-free effective 09/01/2022. Interest revenue increased to reflect higher interest rates but remain conservative due to questionability of the current economy. Other Revenues (commissions and rentals) reflect historical averages.

#### **2025-2026 Revenues**

Property taxes for 2025 and 2026 assume a Headlee reduction fraction of 0.9867 per annum (resulting in millage rates of 1.4205 and 1.4016 respectively), a 99% collection rate and a modest 3% growth in taxable values per the Canton Township Assessor's projection.

### **Expenditures**

Items of note:

- **Salaries & Wages:** Increase is based on restoring staff to pre-COVID levels, and market analysis equity adjustments to bring fully functioning employees to the fully functioning salary range. The market analysis reflects the scheduled increase to Michigan's minimum wage rates for 2024.
- **Fringe Benefits:** Annual increases for 2024-2026 are due to an increase in FICA tax obligation (7.65% of salaries), an increase in health care costs, increased contributions to the Retirement DC Plan 401(a) (an additional full-time staff member) and approved over-funding of MERS at \$280,000 rather than the MERS \*recommended minimum employer contribution.

*\*MERS reduced the following assumptions effective with the 2019 valuation: 1.) investment assumption from 7.75% to 7.35%; 2.) wage inflation from 3.75% to 3.00%. These changes affected our employer minimum required contribution beginning 2021. A Dedicated Gains Policy*

*became effective with the 2021 valuation, which combines recognition of asset gains and lowering the investment return. Demographic assumptions changes impact employer minimum required contribution beginning 2022.*

- **Supplies:** Slight increase for 2024; 2025/2026 include nominal price changes.
- **Library Materials:** The minimum standard for our Enhanced Certification from the Library of Michigan's Quality Services Audit Checklist (QSAC) is 12% of operating revenues. Per direction from the library board, we increased the budget to 15% of operating revenues, allocating a larger portion of the Library Materials budget to electronic formats.
- **Professional & Contractual:** Increase due to increases for current subscriptions (Syndetics and TLC databases) and moving our telecom services to a VoIP (fully cloud-based solution).
- **Communications:** Decrease for 2024 due to moving telecom services to VoIP. 2025-2026 reflect nominal increases
- **Printing:** Remains unchanged for 2024-2025 and decreases for 2026.
- **920 – Utilities:** Unchanged for 2024 due to recent energy efficiency improvements with nominal increases for 2025-2026.
- **Maintenance & Repairs:** Nominal increases for 2024-2026.
- **Building Improvements:** Remains at previously budgeted amounts to account for unscheduled building improvements.
- **Insurance:** Nominal decrease for 2024/2025 due to not including triennial renewal, but includes annual plan increases. 2026 includes a higher increase to account for the triennial pollution insurance renewal.
- **Capital Outlay:** As the library building approaches 35 years of age, we continue to evaluate the need to replace outdated equipment, fixtures, and furnishings to keep the library relevant to our community. Capital Outlay traditionally includes a transfer from the Assigned Capital Replacement fund balance to cover all capital improvements. *As in the past, additional operating revenues and unspent expenses will apply to Capital Outlay before requesting approval of a fund balance transfer.*
  - Capital Outlay for 2024-2026 are estimates based on our Capital Replacement Schedule, which plots the estimated useful life expectancies and estimated replacement costs of furnishings, fixtures, and equipment over a 20-year period and currently includes the replacement of furniture, exterior grounds and building upgrades, including EV charging stations and replacing the sorting system conveyor and related equipment.

- **Property Tax Refunds:** Remains steady as the Michigan Tax Tribunal continues to clear backlogged cases.
- **Travel:** Increased in 2024 and 2026 for biennial Public Library Association Conference year.
- **Community Promotion:** Slight decrease for 2024 with nominal increases for 2025-2026.
- **Rentals/Leases:** Nominal increases to account for increased copy machine charges due to increase in printing.