



## 2025 Operational Budget Overview

Budget Hearing: October 24, 2024

### To the TADL Board and Community:

I am pleased to present the draft 2025 Operational Budget to the Traverse Area District Library Board of Trustees. This budget provides administrative expectations for operational expenses that will support public library services online and in six facilities in addition to operations for the TADL Talking Book Library. This is a balanced budget; the operational expense expectations fall within expected revenues for year 2025.

### Budget Packet:

1. Budget Resolution: This represents the budget presented for approval and provides the four Budget lines that the Director must observe, as required in the [TADL Budget Adjustment and Disbursement Policy](#).
2. Budget Details: This report is similar to what the TADL Board receives each month in the form of a financial report, but is expressed in six columns to show 2023 Actuals, Original 2024 Budget, Amended 2024 Budget, Projected 2024 Year-End amounts, 2025 Expected Revenue and Expense, and the percentage difference between 2024 and 2025.

### Overall Budget Environment and Budget Objectives in 2025:

- Maintain stable operations and a strong financial position.
  - Maintain operational costs while ensuring continuous improvements to customer service.
  - Increase spending for online and lending collections with emphasis on digital books.
  - Increase spending on personnel to meet the needs of our patrons and community requests for outreach.
  - Increase fundraising, the use of grant opportunities, and cultivating relationships with donors.
  - Provide adequate budget to maintain facilities and technology as needs increase with aging infrastructure and changes in technology.
  - Judiciously use fund balances for capital expenses and to pay down unfunded pension liabilities.
- Assure the highest possible return on public investment through full use of the public library.
  - Continue application of technology and digital resources to reach the service population and its changing needs.
  - Reach out to increase the number of registered account holders in the service area.
  - Use strong promotional techniques to keep residents informed about the availability of traditional and new or changing services.
  - Begin the Strategic Planning process as guided by our community and adopted by the Board with an emphasis on literacy for the years 2026-2029.

**Special Emphasis in 2025:**

- After successfully completing the previous 3-year Strategic Plan, create a new plan.
- A continued presence in our communities and schools, through outreach and collaboration, to promote library use, literacy, and develop a greater understanding of the many services the library provides to our partner public and charter schools.
- Maintain our current technology with high demand items like Wi-Fi hotspots while expanding other services, electronic resources, and the very popular Library of Things collection.
- Addressing upcoming building maintenance needs at the Main Library facility specifically building configuration improvements, carpets, chillers, and front doors replacement.
- Look for long range local history and genealogy collection access and location.
- Strengthening existing, and building new, collaborative relationships with community partner organizations.
- Continue and expand Bookmobile services.

**Revenues**

The current TADL millage rate is 1.1 mills for operations due to the passing the millage on August 6, 2024. Our debt service bond was repaid during 2017, so there is no levy for debt retirement.

<u>TADL Revenues</u>	<u>Property Tax</u>	<u>State Aid/ Penal Fines</u>	<u>Fines/Fees Services</u>	<u>Other Revenue</u>	<u>TADL Revenue</u>
2016 actual	4,333,605	388,890	140,313	101,902	4,964,710
2017 actual	4,532,111	353,891	219,052	142,602	5,247,656
2018 actual	4,634,573	366,670	195,401	61,741	5,258,385
2019 actual	4,724,449	349,204	162,761	272,201	5,508,615
2020 actual	4,937,353	315,030	69,501	172,859	5,494,743
2021 actual	5,133,182	300,309	65,657	271,858	5,771,006
2022 actual	5,357,525	306,278	112,683	213,212	5,989,698
2023 actual	5,661,131	328,552	80,077	310,848	6,380,608
2024 projected	6,171,553	361,029	67,838	274,839	6,875,259
2025 proposed	8,410,868	304,380	49,650	87,168	8,852,066

2024 Property Tax revenue increased again this year through the regular levy, no Headlee rollback, and Personal Property Tax reimbursement. While State Aid remained stagnant, Penal Fine receipts increased 18% in 2024. Income from Services will be less than 2023 due to less a reduction in the number of outside libraries our Technology department contracts with to provide services. In 2024, there were no funds transferred to make an additional payment to the Municipal Employees' Retirement System (MERS) for our current unfunded pension liability but excess monthly payments were made. This was in anticipation of some needed capital expenditures including the bathroom renovation.

2025 Property Tax revenue is projected to rise due to the restoring of the original millage by the voters to 1.1 mills. We will continue to receive the Local Community Stabilization reimbursement

though this is also drastically trending down. State Aid was slightly increased this year thanks to the support by the State Legislators. Penal Fines remain difficult to estimate as they vary widely from year to year and the legislature continues to try to erode this source of income for libraries.

**Personnel Cost Projections**

In 2025, the overall percentage of personnel cost will increase about 20%. Wage increases are budgeted because of the Teamsters contractual agreement, merit raises and additional staff. Health care costs increased 11% for employees utilizing this benefit. Retirement and 401k costs are up due to raising wages. We are responsible for actuarially determined payments toward TADL’s unfunded accrued pension liability which will vary from year to year based on market performance, employee retirements, and mortality. For 2025, TADL will continue to pay MERS monthly payments of \$10,000 which is \$6,648 over the required payment of \$3,352. All told, personnel expenses account for about 58.1% of the library’s budget in 2024.

<u>Personnel</u>	<u>Wages</u>	<u>Benefits</u>	<u>Total Pers. Expense</u>
2016 actual	2,037,947	1,149,879*	3,187,826
2017 actual	2,139,422	954,750*	3,094,172
2018 actual	2,253,432	973,646*	3,227,078
2019 actual	2,302,685	963,170*	3,265,855
2020 actual	2,255,968	896,147*	3,152,115
2021 actual	2,384,015	1,025,191*	3,409,206
2022 actual	2,564,239	985,344*	3,549,583
2023 actual	2,648,909	886,879	3,535,788
2024 projected	2,815,441	1,017,517	3,832,958
2025 proposed	3,448,545	1,189,250	4,637,795

\*Includes amounts paid to Municipal Employees’ Retirement System (MERS) for unfunded accrued pension liabilities with funds transferred in from the Internal Service Fund in the amount of \$441,263 in 2022. These extra payments, made eight years in a row, have resulted in decreased unfunded pension liability. Specifically, in 2015 our pension was 62 % funded, in 2016 it increased to 80%, and in 2017 it rose to 82%, in 2018 to 85% funded, in 2019 it was 84% due to changes in actuarial calculations, in 2020 to 86% funded, in 2021 to 90% funded, 2022 to 91% funded, and in 2023 to 94% funded. For 2024, TADL will continue to pay MERS monthly payments of \$10,000 which is \$4,289 over the required payment of \$5,711 which totals to an extra amount of \$51,468. This amount will be recognized in the MERS actuarial report that we will receive in summer 2025.

**Other Notes**

Lending Collections and Electronic Resources: Patrons continue to explore and use our digital collections that has seen a large increase since the pandemic. The physical collection lending is making a strong return as well. We are committed to budgeting at least 10% of our annual budget for lending materials. This 2025 budget proposal reflects materials spending at 11% of the expenditures.

Children’s Library Services: TADL will continue to emphasize development of children’s library services with increased attention on program development, promotions, and outreach for this

important age group especially with the addition of a Bookmobile and the Youth Literacy Librarian. TADL will explore reorganizing the department including the entrance.

**Maintenance and Repair:** The Main Library continues to show its age as a 26-year-old building. As it has been resolved in 2023 that the roof is in good condition and will last another 10 years, and the bathroom being completed in 2024, it is time to turn our attention to the floor plan, flooring, and HVAC system.

**Supplies:** There is a 119% increase to General Operating Supplies. This increase is to update and replace various furniture, equipment, and computer technologies around the district, including two new microfilm machines and upgrading our network switches.

**Professional & Contractual Services:** This is budget item is increased by 86%. A significant amount is for year-round security guards and the strategic planning process.

**Outreach/Advertising/Printing:** This is another area that saw a 34% increase. This is planned spending patron communications and continued literacy campaign.

**Member Library Allocations:** The contract covers 10 years, with base increases (or decreases) calculated on a formula which compares receipts from Property Taxes, Penal Fines, and State Aid from year to year. All member libraries saw a significant increase (34%) due to the millage passing.

**Technology:** The Technology Department staff continue to replace computers and equipment as needed to guarantee the high level of service provided to patrons and staff. The 2025 budget includes software that has been added in 2025 including cybersecurity software, the reading challenge application, and hardware and infrastructure updates. Some of these funds are under General Operating Supplies.

**Technology Services to Other Libraries:**

We continue to provide technology services to Kalkaska County Library and Suttons Bay-Bingham District Library. Budgets for these contractual agreements include direct and indirect costs. The Technology Department continues to help with technology issues, as well as smaller projects for other libraries in the area and for members of the Northland Library Cooperative.

**Contributions and Grants:** The Friends of TADL held two book sales this year and continue their generous support for our newsletter, Ancestry.com, paying for bussing TCAPS 1<sup>st</sup> graders for a library visit, and the Summer Learning Challenge. The Kingsley Friends of the Library also provide substantial support to the Kingsley Branch Library renovation, supplies and programming as needed. We continue to seek donations and other sources of funding for the bookmobile, relocation of the Teen Services department to the second floor, modernizing the services and technological tools available in the Technology Center (formerly the Public Computing Center) at the Main Library.

TADL will again pursue grants as they allow us to provide new services to our community and beyond, and help us foster partnerships within our region.

**Capital Expenditures and Use of Fund Balance:** Some future projects include renovating the new floor design and carpet, chiller replacement, elevator updates, and painting. Some of these projects

will be funded through our operating budget, and we will be requesting funding from appropriate fund balances. We hope to prioritize and address each of these issues over the next couple of years with the caveat that other urgent needs could arise at any time, requiring immediate action.

Thank you for your consideration of the 2025 budget proposal.

Michele P. Howard  
Library Director  
Traverse Area District Library

**2025 Annual Budget, General Fund**

Draft Budget: 10/24/2024

**Traverse Area District Library**

	Actual 2023	Original 2024 Budget	Amended 2024 Budget	Projected thru 12/31/2024	Proposed 2025 Budget	% Difference 2024 v. 2025
<b>Revenue</b>						
Property Taxes - Current/Delinq./Pilt	\$5,661,131	\$6,155,304	\$6,155,304	\$6,171,553	\$8,410,868	37% <sup>1</sup>
Grants - Federal/State/Other	\$67,202	\$29,450	\$29,450	\$31,559	\$30,314	3% <sup>2</sup>
State Aid Grant - Library	\$108,228	\$107,468	\$107,468	\$108,921	\$114,407	6%
State Aid Grant - TBL	\$41,073	\$41,073	\$41,073	\$41,073	\$41,073	0%
Penal Fines	\$179,251	\$150,900	\$150,900	\$211,036	\$148,900	-1%
Fees/Services	\$42,528	\$29,650	\$29,650	\$29,602	\$29,650	0%
Overdue Fines/Replacement Fees	\$34,529	\$18,000	\$18,000	\$26,961	\$18,000	0%
Sales	\$37,191	\$22,650	\$22,650	\$36,744	\$22,650	0%
Meeting Room Rental/Equip Fees	\$3,020	\$2,000	\$2,000	\$11,275	\$2,000	0%
Interest & Gains/Losses	\$116,731	\$7,500	\$7,500	\$147,153	\$7,504	0%
Donations/Contributions	\$69,763	\$26,200	\$26,200	\$54,082	\$26,200	0%
Misc Revenue & Reimbursements	\$19,960	\$505	\$505	\$5,300	\$500	-1%
<b>Revenue Total:</b>	<b>\$6,380,608</b>	<b>\$6,590,700</b>	<b>\$6,590,700</b>	<b>\$6,875,259</b>	<b>\$8,852,066</b>	<b>34%</b>
<b>Expenditures</b>						
<b>Personnel</b>						
Salaries & Wages	\$2,648,909	\$2,839,018	\$2,839,018	\$2,815,441	\$3,430,199	21% <sup>3</sup>
Social Security/Medicare	\$68,327	\$64,850	\$64,850	\$66,510	\$82,745	28% <sup>4</sup>
Medical Insurance	\$356,440	\$457,388	\$457,388	\$455,171	\$509,336	11% <sup>5</sup>
Dental Insurance	\$26,153	\$27,150	\$27,150	\$26,663	\$44,476	64% <sup>6</sup>
Vision Insurance	\$3,384	\$4,078	\$4,078	\$4,225	\$6,670	64% <sup>6</sup>
Life Insurance	\$7,650	\$9,397	\$9,397	\$9,670	\$11,402	21% <sup>4</sup>
Disability Insurance	\$13,653	\$16,268	\$16,268	\$17,157	\$19,548	20% <sup>4</sup>
401K Retirement	\$111,258	\$131,106	\$131,106	\$112,466	\$164,447	25% <sup>4</sup>
MERS DC Retirement	\$172,245	\$185,087	\$185,087	\$181,728	\$217,712	18% <sup>4</sup>
MERS DB Unfunded Liability	\$120,000	\$120,000	\$120,000	\$140,000	\$120,000	0%
Worker's Compensation	\$7,767	\$8,300	\$8,300	\$3,926	\$10,850	31% <sup>4</sup>
<b>Personnel Total:</b>	<b>\$3,535,788</b>	<b>\$3,862,642</b>	<b>\$3,862,642</b>	<b>\$3,832,958</b>	<b>\$4,617,384</b>	<b>20%</b>
<b>Supplies</b>						
General Operating Supplies	\$171,507	\$217,350	\$217,350	\$292,523	\$475,030	119% <sup>7</sup>
Repair & Maintenance Supplies	\$23,604	\$16,750	\$16,750	\$16,820	\$8,750	-48% <sup>8</sup>
Books/Media/Other Materials	\$679,469	\$749,705	\$749,705	\$828,443	\$979,380	31% <sup>9</sup>
<b>Supplies Total:</b>	<b>\$874,580</b>	<b>\$983,805</b>	<b>\$983,805</b>	<b>\$1,137,786</b>	<b>\$1,463,160</b>	<b>49%</b>
<b>Other Services and Charges</b>						
Professional & Contractual Svcs	\$247,882	\$336,360	\$336,360	\$365,278	\$624,662	86% <sup>10</sup>
Advertising & Outreach	\$26,812	\$43,500	\$43,500	\$44,168	\$58,240	34% <sup>11</sup>
Insurance & Bonds	\$25,769	\$30,574	\$30,574	\$31,438	\$33,221	9% <sup>12</sup>
Building/Grounds Maintenance	\$346,717	\$328,730	\$328,730	\$330,575	\$509,703	55% <sup>13</sup>
Communications	\$23,448	\$28,500	\$28,500	\$28,762	\$30,900	8% <sup>12</sup>
Utilities	\$106,836	\$114,800	\$114,800	\$114,860	\$118,773	3% <sup>12</sup>
Education & Travel	\$115,769	\$129,948	\$129,948	\$140,424	\$152,388	17% <sup>14</sup>
Member Library Allocations	\$648,437	\$718,841	\$718,841	\$718,841	\$962,835	34% <sup>15</sup>
Misc	\$0	\$1,500	\$1,500	\$1,500	\$1,500	0%
Property Tax Reimbursements	\$5,199	\$6,500	\$6,500	\$6,500	\$6,500	0%
<b>Other Services and Charges Total:</b>	<b>\$1,546,869</b>	<b>\$1,739,253</b>	<b>\$1,739,253</b>	<b>\$1,782,347</b>	<b>\$2,498,722</b>	<b>44%</b>
<b>Capital Outlay</b>						
Capital Expenditures	\$38,773	\$5,000	\$5,000	\$11,706	\$272,800	5356% <sup>16</sup>
<b>Capital Outlay Total:</b>	<b>\$38,773</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$11,706</b>	<b>\$272,800</b>	<b>5356%</b>
<b>Expenditure Total:</b>	<b>\$5,996,010</b>	<b>\$6,590,700</b>	<b>\$6,590,700</b>	<b>\$6,764,797</b>	<b>\$8,852,066</b>	<b>34%</b>
<b>Surplus (Deficit):</b>	<b>\$384,598</b>	<b>\$0</b>	<b>\$0</b>	<b>\$110,462</b>	<b>\$0</b>	

**2025 Annual Budget, General Fund**  
**Traverse Area District Library**

*Draft Budget: 10/24/2024*  
*Notes*

- 1 Revenue from current property taxes is increasing substantially due to the 2024 millage passing at a rate of 1.1 mills.
- 2 We thank Manistee County for identifying that Talking Book Library is a worthy investment and appropriating funds to assist in TBL's operations. Unfortunately it appears Antrim County will no longer help fund TBL.
- 3 TADL Administration is proposing increasing Salaries and Wages by adding approximately 10 new positions and making changes to some existing positions in the following departments: Adult Services, Circulation, East Bay, Kingsley, Local History, Sight & Sound, Talking Book Library, and Technology.
- 4 With the increases in Salaries, wage-dependent expenditures are also increased.
- 5 Medical insurance expenditures are increasing due to rising premiums. Our plans rose an average of 8.6% whereas our broker has seen increases in the 10-14% range for some groups. Additionally, for our HSA plan participants, their deductibles are increasing due to IRS minimum requirements. As a result, TADL is increasing our employer contribution from \$1,500 to \$1,600. Additional increases to this budget item results from additional staffing.
- 6 Dental and Vision plans were renewed this year and plans with higher coverage levels were chosen. Dental went from a maximum benefit of \$1,000 per year to \$2,000 and it is now covering 80% of basic services such as fillings, root canals, periodontics, and extractions. Previously these services were covered at 50%. Vision went from a \$130 allowance for frames or contact lenses to \$200. Additional increases to these budget items result from additional staffing.
- 7 With the increased millage approval, TADL will set to work on updating and replacing various furniture, equipment, and computer technologies around the district, including two new microfilm machines and the upgrading of our network switches.
- 8 We completed the updating of our window blinds in 2024; so this budget is reduced back to standard.
- 9 Showing our community lots of love with increases in our budgets for books, Hoopla and other databases, video games, graphic novels, e-audiobooks, and the library of things.
- 10 TADL will be increasing our budget for Security Guards to include them year round. We will engage with a consulting company to provide strategic planning services for 2026-2029 and another company to protect our data security. We are increasing budgets for presenters during programs, and adding various software to further protect our data as well as increase functionality in departments.
- 11 Reaching out to the community to increase awareness and develop new relationships is high on our priority list and we we plan a print newsletter for all households within the county to entice new (and existing!) patrons to visit the library
- 12 We budget for annual increases for our insurance, communications, and utility budgets.
- 13 The budget for Facilities is increasing due to planned upgrades around the district. For more information, see Capital Expenditures #16.
- 14 There are various employees who take advantage of our tuition reimbursement benefit, and that number has increased slightly for 2025. Additionally, various staff will be attending the Michigan Library Association conference in Kalamazoo in Oct '25, and we are sending one staff member to the American Library Association conference which takes place in Philadelphia in June 2025. Costs for hotels and travel increased due to MLA not being local as it was in 2024.
- 15 TADL Member Libraries will benefit financially from the increased millage, with their payments matching our total percentage increase in (current) property tax revenue.
- 16 Our buildings are in need of improvements and some repairs. We are also planning some exciting new things! One of which is a recording studio booth inside Sight & Sound. Other projects will include a new Access Control System for the building on Woodmere, an updated front sign at East Bay Branch, and the following updates at Woodmere: new brickwork, bollards, and exterior doors at the front entry, replacing the parking lot, and a hardscape in the children's garden to combat erosion.



# RESOLUTION

2025 Budget Resolution  
October 24, 2024

Resolved, that the estimated revenues for 2025 result in the following total amount available for appropriation:

Tax Levy	8,359,368
Other Taxes	51,500
State Aid	155,480
Grants	30,314
Fees/Services/Sales/Rentals	54,300
Overdue Fines	18,000
Penal Fines	148,900
Interest & Dividends	7,504
Contributions	26,200
Reimbursements	<u>500</u>
Total available to appropriate	<u><u>8,852,066</u></u>

Further, that from the total available, the following appropriations are made:

Personnel Services	4,617,384
Supplies	1,463,160
Other Services and Charges	2,498,722
Capital Outlays	<u>272,800</u>
	<u><u>8,852,066</u></u>

Motion to adopt the resolution was introduced by: Jones

And supported by: Deyo

Motion adopted:  Yes / No 10/24/2024  
(date)

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Micheal Vickery, Board Secretary