

Farmington Community Library Budget Glossary Fiscal Year 2023-24

REVENUE SOURCES

Account Line Item & Description

Projections for 2023-24 Property Tax Revenue based on the 2023 L-4029 is as follows:

000404 Summer taxes-Hills	\$3,933,572
000405 Summer taxes-City	382,464
000406 Winter taxes- Hills	2,303,116
000407 Winter taxes-City	<u>238,168</u>
TOTAL Millage	\$6,857,320

As a result of voter approval of the May 3, 2005 election, the Board levies 1 mill on summer taxes, until 2024, and .5856 mill on winter taxes, until 2032. For accountability, revenues for summer and winter millages are kept in separate accounts. Headlee Act reduces the taxes collected.

000410 Delinquent Taxes

This account records delinquent taxes collected by Oakland County.

000450 Michigan Special Assessment- Personal Property Tax

In fiscal year 2022-23, the State of Michigan returned \$321,791 of personal property taxes.

000539 State Penal Fines

The 1835 Michigan Constitution [and subsequent revisions] awarded penal fines revenues to libraries, with the philosophy that those who enforce the law should not financially benefit from such enforcement. Amount is about \$1.30 per capita.

00540 State Aid

The Library of Michigan distributes State Aid on a per capita formula for each service area and issues three equal distributions: 1/3 to the public library to support local services; 1/3 to the public library for purchase of cooperative services; and 1/3 directly to the library cooperative.

00541 Grant Revenue

This line item accounts for any grant revenue received by the Library.

000602 Auditorium Rental

The last rate increase was in fiscal year 2016-17. Revenue since the Covid-19 pandemic has been steadily increasing.

000603 Reimbursement from other Metro Net Libraries

The seven libraries participating in the Metro Net Consortium approve a budget for shared expenses. Farmington Community Library pays all invoices and subsequently bills the member libraries for their share of database and reference purchases and other programming expenses.

Metro Net members also reimburse the Farmington Community Library for fiscal agency administration costs. In 2017-18, the Consortium increased this fiscal agency fee to \$10,000 - it is projected to remain at \$10,000 for the foreseeable future.

000642 Copy Vending Machine Revenue

The majority of vending revenue is from the photocopy machines.

000643 Snack Vending Machine Revenue

This line accounts for revenue received from the snack vending machines.

000644 Pavers – Memorial & Gifts

This account was created in fiscal year 2017-18, separate from the Gift and Memorial line item in order to more accurately track Paver donations. Patrons may commemorate a special event or the memory of a loved one with a brick paver in the entry walkway at the Main Library. Recent activity has dropped to zero and the budget reflects the same in FY24.

000645 Memorials and Gifts – Legacy

This fund was created for single gifts of \$500 and over. These gifts are usually the result of a bequest from a settled estate, in memory of, or to honor an individual. Some gifts may be given with restrictions, such as using at only one Library branch, for particular types of materials, programming, or to be used by one Library department.

000646 Memorials and Gifts

This revenue line item encompasses all other gifts. Gifts may or may not have restrictions.

000655 Fines, Fees & Lost Books

This account records the revenue for fines, fees and lost books; however, late fines have recently been suspended and only charges for lost books currently remain.

000665 Interest

This account records interest revenue received.

000670 Interest, Gift Fund - the Gift Fund interest is separate from regular interest.

This account records interest revenue for the gift fund

000671 Other Income

Most of this revenue comes from charges for faxes, the sale of computer disks, storage devices, canvas and tote bags, and supplies for the Playaway collection. Dividends, rebates and refunds are also included here. Tax tribunal refunds are also recorded here when received.

000674 Friends of the Library

This account is for materials for the collection, equipment and special programming costs, at the discretion of the Friends Board who intentionally fund items not available for purchase through the regular budget.

EXPENDITURES

000702 Salaries & Wages

Each spring, the Library Board of Trustees reviews changes to the Pay Schedule. Increases may change the beginning or maximum ranges, based on a comparison of job classifications with other Detroit Suburban libraries, and the ability to attract and retain excellent employees. Merit increases are applied annually based on a percentage range (as approved by the Board) and are determined by employee performance.

Sunday hours are considered part of an employee's regular working schedule.

Funds have also been accrued for payroll costs at retirement and/or termination and for accrued costs that carryover from year to year. These accruals are adjusted annually and can affect the total salary and wages cost for the fiscal year.

000709 Employer's FICA

All employees have Social Security withheld, along with the employer's payment of 7.65% of total payroll.

000723 Post-Employment Benefits

The Library established a trust with MERS of Michigan to provide funding for retiree healthcare obligations. Employees are required to contribute 3% of their gross wages and the Library contributes 5%.

000724 Retiree Health Insurance

Insurance premium cost for employees who retired prior to 2016 and who qualified for retiree health insurance by meeting eligibility requirements and who elected to receive health insurance through out retirement. The cost of this insurance is a Post-Employment Benefit. The MERS of Michigan fund is not fully funded and therefore the General Fund covers the costs. This is the annual cost and does not reflect the contribution received from retirees who retired with less than 26 years but more than 10 years of service. The required contribution was a percentage scale based on years of service to the Library. The benefit closed in 2013 to new hires and in 2016 to all new participants.

000725 Dental, Optical & Hearing Insurance

The Library self-insures this benefit program and created a fund for this benefit. The contribution is set per the budget; any unused dollars only increase the fund to provide for years when the expenses outweigh the budgeted expense.

The reimbursable amount for each employee is \$1,500 per year with annual costs of approximately \$30,000.

000726 Hospitalization Insurance

This line item represents the cost for healthcare insurance.

000727 Group Life – Mutual of Omaha

Life insurance coverage for employees earning more than \$20,000 is indexed to one times their salary, with a cap at \$50,000. Part-time employees have \$10,000 life insurance coverage. Retirees receive \$10,000 life insurance.

000728 Retirement Fund - Employers

The Library participates in the Michigan Municipal Employees Retirement System (MERS) Defined Benefit pension program for the 21 employees hired prior to July 1999. Monthly employer contributions are based upon actual payroll. However, in fiscal year 2015-16 the Board of Trustees voted * to make a \$1.9 million contribution to fully fund the Defined Benefit Plan. This contribution allowed the Library to save over \$1 million in future interest costs.

The full and part-time employees hired after 1999 participate in the MERS Defined Contribution program, with an employer contribution of 5% of salary.

Conversion to the Defined Contribution 401(a) program results in long-term savings in liability and/or legacy costs for the Library.

For fiscal year 2018/2019, MERS of Michigan changed the mortality rates and the expected interest rates used for Defined Benefit Pension. This resulted in a monthly contribution for the Defined Benefit Plan which had previously been fully funded. The budget for now reflects the projected annual cost for the Defined Benefit plan in addition to the projection for the 401(a) plans.

000729 Unemployment Insurance

Prior to Covid-19, the Library had not experienced a claim since 2016. During 2020 the library laid off 82 employees. For FY24, the budget assumes no further layoffs.

000750 Office Supplies

Letterhead, envelopes, clips, folders, binders, pads, cash register and adding machine and receipt printer tape, supplies for children's programs, printer cartridges, pens, pencils, markers, copier paper for office use, rubber bands, inter-office envelopes, file folders, binders, and other supplies.

000752 Operating Supplies

Pallets of paper, computer-related supplies, batteries, and other non-office supply items such as band aids, AED supplies, latex free gloves for staff, disinfecting wipes and other items.

000754 Copier/ Print Vending Equipment Lease & Supplies

Vending units are public printers and can also include large staff copiers. This budget line item is for the lease cost of public and staff copiers, plus the costs for the paper.

000791 Newspapers & Periodicals

This line items includes newspapers, print and electronic magazines, and some investment services publications.

000801 Professional Contractual Services

Payroll service provider; Attorney fees; accounting and audit fees; actuaries; bank charges; and technology consultants

000850 Telephone

This line item includes Voice Over Internet Protocol (VOIP) phone service as well as the hot spots used in both locations.

000851 Postage

This included the city-wide mailing of at least three issues of the Library newsletter per year. In August 2015, city-wide mailings were stopped in favor of purchasing pages in the Special Services Activity Guide. This line now is for normal postal needs of the Library.

000860 Transportation

Employees receive reimbursement for the use of personal cars on Library business. Gas for Library vehicles is obtained at the City of Farmington Hills Police Department. This budget can include airline and other transportation to conferences, and maintenance and repair costs for library vehicles.

000880&000881 Programming & Publicity

This budget line includes the following: Special Services Activity Guide in cooperation with City of Farmington Hills Special Services at an annual cost of approximately \$12,000 brochures, bookmarks, and other printed materials for reading clubs and programs, all designed to promote Library services. This line item also includes costs for speakers for special programs, movie licensing fees, and craft and other materials for Children's programs.

000900 Processing

Includes all materials ordered to process the collection, such as book jackets, labels, RFID tags, and locking cases for media, and the software required for ordering and MARC records.

000901 Gift Fund Purchases

Account for expenses specified by donors or Friends of the Library.

000902 Friends Gift Purchases

Account used for expenses which will be reimbursed by Friends of the Library.

000903 Metro Net Shared Expenses

000904 Metro Net Pass Thru (non FCL)

000911 Training & Conferences

Includes the costs of staff and Board attendance at conferences and workshops, such as the Michigan Library Association and American Library Association annual conferences, the biennial Public Library Association Conference, automation and computer conferences, the Foundation Center annual conference and other state, local or national conferences or training sessions. This also includes in-house speakers and workshops, and webinars for computer skills and current awareness.

000905 Legacy Gift Fund Purchases

Account for expenses specified by donors or Friends of the Library. Monies spent on behalf of these donations are reimbursed from the Gift fund.

000915 Memberships

Includes membership in organizations to receive journals, as well as partial reimbursement of employees' professional memberships, such as the American Library Association and the Michigan Library Association. Also includes local memberships for staff participation in the Optimists, Chamber of Commerce, Xemplar Club, etc.

000918 Water**000920 Electricity****000921 Heat****000925 Landscaping & Snow Removal**

Includes contracts for lawn service and landscaping services, snow removal and salt application.

000930 Repairs & Maintenance

Repairs and maintenance not covered under contracts

000931 Repairs & Maintenance Supplies

Paper supplies for restrooms; electrical supplies for lighting and ballasts; other paper products and air conditioning filters, cleaning supplies, supplies and small tools needed for repairs, etc.

000934 Maintenance Contracts

Contracts for repair and maintenance: six days per week cleaning service at both locations, trash pick-up (twice per week at the Main Library); maintenance on five elevators; commercial carpet cleaning service at both buildings on a schedule to extend the life of the carpet, especially for heavy traffic areas. Also repairs or replacement of mechanical equipment such as HVAC, hot water tanks, boiler repairs, roof inspections and repairs, tech logic equipment conveyor system and more.

000935 Insurance & Bonds

The Library continues to use the Michigan Municipal League insurance for property and liability rates. Worker's Compensation premiums are also included in this line item. This line item does not take into consideration the average \$6-7,000 in dividends received from MML annually as that is recorded as Other Income.

000949 Technology Upgrades

Includes major upgrades, over and above scheduled updates for Envisionware, Polaris, security systems, telephone, RFID, etc.

200950 E Library/Cataloging

OCLC has been the bibliographic utility for cataloging and for inter-library loan services. Participation in MelCAT, the state-wide catalog, began in 2009 and reduced our use of OCLC inter-loan requests. In November 2018 patrons were given the opportunity to process their own inter-loan requests.

000955 Miscellaneous

Refreshments for Board meetings, staff recognition costs, parade expenses including t-shirts, patron appreciation, and minor expenses which do not fit into any other line item.

000970 Capital Outlay Expense

Includes capital purchases for the replacement of major equipment, furnishings and technology needs not covered by previous line items. Recently, this also includes roofing and elevator issues.

000975 Building & Improvements

Includes improvements to the buildings and grounds, such as paving the parking lots, updating windows, floor coverings, lighting fixtures, signage, wall coverings, roofing and elevator, etc.

000980 Furniture & Furnishings

Includes replacement and repair of furniture, signage, displays, doors, and other items.

000981 Vehicle

This line item records the costs related to the Library vehicles: 2014 Dodge Minivan and 2019 Toyota Tacoma 4*4

000982 Books

A goal of the Strategic Plan is to provide excellent collections for patrons of all ages.

000983 eBooks

A goal of the Strategic Plan is to provide excellent collections for patrons of all ages. In recent years, the focus has shifted substantially on Information Resources (streaming materials), eBooks and audio books to meet patron needs.

000984 Software

This includes Accounting Software, word processing, spreadsheet applications, filtering software for the Children's computers, upgrades to publishing packages and software to maintain the Library's website. Website development and maintenance is handled by Library staff, rather than out-sourcing.

000985 Equipment

Includes small equipment for cleaning, lawn care, and maintenance. Also includes audiovisual equipment, microphones, projectors, televisions, DVD players, iPads, laminators, scanners, fax machines, shredders, et cetera.

000986 Computers

Includes computers and other hardware, keyboards, cables, cards, headphones, storage devices, printers, etc. This budget line item will also include the replacement schedule for computers, staff printers.

000987 Integrated Library Systems

Reflects maintenance costs for the Integrated Library System, including Polaris, Envisionware, and Techlogic.

000988 Audio-Visual

The audio-visual collection continues to experience tremendous growth in public use. This budget was increased to establish collections of Books-on-CD, Playaways, Video games, toys, puzzles, etc. and to maintain collections similar in quality and scope as those in comparable public libraries.

000989 Information Resources

Includes purchases of microfilm; digitization and licensing costs; and costs for electronic and web-based subscriptions. This line item has grown as many print reference sources are now only available in digital formats.

000990 Video / DVD / Movie Collection

The line item includes costs for the noted collection of materials.

000991 TLN (THE LIBRARY NETWORK)

This account traditionally was used for internet access obtained through Metro Net. These internet costs are now obtained through The Library Network and this budget line also includes cost of TLN inter-library deliveries.

000993 Interest Expense

Account used for interest expense related to leases.

000994 Principal Expense

Account used for principal payments related to leases.

000995 Transfers Out

From time to time, the Library has transferred some or all of a year's unspent budgetary surplus from the General Fund to the Capital Reserve Fund for future major capital improvements.