



2026 Operational Budget Overview

Budget Hearing: November 20, 2025

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To the TADL Board and Community:

I am pleased to present the draft 2026 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 2026.

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 2024 Actuals, Original 2025 Budget, Amended 2025 Budget, Projected 2025 Year-End amounts, 2026 Expected Revenue and Expense, and the percentage difference between 2025 and 2026.

Overall Budget Environment and Budget Objectives in 2026:

- 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.
 - Slight 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.
- 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 2026:

- Begin implementation of the first year of the new Strategic 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, water heater replacement, 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 2026 TADL millage rate is 1.0848 mills for operations due to 2025 Headlee rollbacks after 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>
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 actual	6,172,204	361,029	67,186	290,127	6,890,546
2025 projected	8,411,469	341,866	73,932	246,372	9,073,639
2026 proposed	8,865,126	304,022	54,650	102,022	9,325,820

2025 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 decreased 12.4% in 2025. Income from Services will be less than 2024 due to less a reduction in the number of outside libraries our Technology department contracts with to provide services. In 2025, 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. Following the changes to our pension actuarial assumptions this year, we intend to evaluate the results of the actuarial valuation as of December 31, 2025, to determine the plan's funded position under the updated assumptions.

2026 Property Tax revenue is projected to rise due an increase in property values, despite TADL being subject to the Headlee rollback. We will continue to receive the Local Community Stabilization reimbursement though this is also trending down. State Aid was slightly increased for 2026 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 2026, the overall percentage of personnel cost will increase about 12%. Wage increases are budgeted because of the Teamsters contractual agreement, merit raises and slightly increased FTE's. Health care costs increased 18%. 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 2026, TADL will raise our MERS monthly payments to \$15,000 which is \$4,805 over the required payment of \$10,195. All told, personnel expenses account for about 55.4% of the library's budget in 2026.

<u>Personnel</u>	<u>Wages</u>	<u>Benefits*</u>	<u>Total Pers. Expense</u>
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 actual	2,840,474	1,160,389	4,000,863
2025 projected	3,388,767	1,148,693	4,537,460
2026 proposed	3,613,341	1,549,595	5,162,936

*Includes amounts paid to Municipal Employees' Retirement System (MERS) for unfunded accrued pension liabilities. These extra payments have historically resulted in decreased unfunded pension liability as seen in the table below; however, for 2024, the actuarial assumptions were changed and resulted in a lower percent funded. For 2025, TADL has continued to pay MERS monthly payments of \$10,000 which is \$6,648 over the required payment of \$3,352 which totals to an extra amount of \$79,776. This amount will be recognized in June 2026's MERS actuarial report.

<u>Unfunded Pension Liability</u>	<u>Percent Funded</u>
2017	82%
2018	85%
2019	84%
2020	86%
2021	90%
2022	91%
2023	94%
2024	86%

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 2026 budget proposal reflects materials spending at 11.6% 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 with literacy being the primary goal. TADL will explore reorganizing the department including building a "fun" entrance and children's book drop.

Maintenance and Repair: The Main Library continues to show its age as a 27-year-old building. There are many large structural needs that will require thoughtful planning. These include the floor plan, flooring, parking lot, water heater, HVAC system and begin planning for the roof replacement in 3-5 years.

Supplies: There is a 23% decrease to General Operating Supplies. This decrease is due to having updated and replaced various furniture, equipment, and computer technologies around the district, including two new microfilm machines and upgrading our network switches, in 2025.

Professional & Contractual Services: This is budget item is decreased by 7% due to not conducting a strategic planning process conduct in 2026.

Outreach/Advertising/Printing: This is another area that saw a 17% 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 an increase of 5% due to increased property values.

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 2026 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. An increase in communications cost is reflective of the Federal Government removing e-rate subsidies for mobile hotspots.

Technology Services to Other Libraries:

We continue to provide technology services to Kaskaskia 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 1st graders for a library visit, and the Summer Reading Club. 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, and resurfacing the parking lot. 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 2026 budget proposal.

Michele P. Howard
Library Director
Traverse Area District Library

2026 Annual Budget, General Fund

Draft Budget: 11/20/2025

Traverse Area District Library

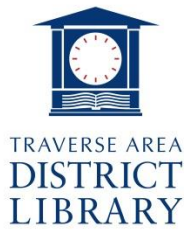
	Actual 2024	Original 2025 Budget	Amended 2025 Budget	Projected thru 12/31/2025	Proposed 2026 Budget	% Difference 2025 v. 2026
Revenue						
Property Taxes - Current/Delinq./PILT	\$6,172,204	\$8,410,868	\$8,410,868	\$8,411,469	\$8,865,126	5% ¹
Grants - Federal/State/Other	\$33,369	\$30,314	\$30,314	\$41,230	\$26,770	-12% ²
State Aid Grant - Library	\$108,921	\$114,407	\$114,407	\$115,949	\$115,950	1%
State Aid Grant - TBL	\$41,073	\$41,073	\$41,073	\$41,072	\$41,072	0%
Penal Fines	\$211,036	\$148,900	\$148,900	\$184,845	\$147,000	-1%
Fees/Services	\$29,652	\$29,650	\$29,650	\$32,800	\$31,650	7%
Overdue Fines/Replacement Fees	\$26,214	\$18,000	\$18,000	\$26,572	\$21,000	17% ³
Sales	\$35,885	\$22,650	\$22,650	\$37,937	\$27,550	22% ³
Meeting Room Rental/Equip Fees	\$11,320	\$2,000	\$2,000	\$14,560	\$2,000	0%
Interest & Gains/Losses	\$135,447	\$7,504	\$7,504	\$65,976	\$15,002	100% ³
Donations/Contributions	\$74,006	\$26,200	\$26,200	\$43,064	\$31,200	19% ³
Misc Revenue & Reimbursements	\$11,420	\$500	\$500	\$5,025	\$1,500	200% ³
Revenue Total:	\$6,890,546	\$8,852,066	\$8,852,066	\$9,073,639	\$9,325,820	5%
Expenditures						
Personnel						
Salaries & Wages	\$2,840,474	\$3,420,923	\$3,420,923	\$3,412,121	\$3,613,341	6% ⁴
Social Security/Medicare	\$67,833	\$83,115	\$83,115	\$83,506	\$94,396	14% ⁵
Medical Insurance	\$412,575	\$520,813	\$520,813	\$506,869	\$616,379	18% ⁶
Dental Insurance	\$28,507	\$44,279	\$44,279	\$42,974	\$46,831	6% ⁷
Vision Insurance	\$4,001	\$6,329	\$6,329	\$6,122	\$6,574	4% ⁷
Life Insurance	\$8,719	\$11,434	\$11,434	\$9,832	\$12,426	9% ⁵
Disability Insurance	\$15,725	\$19,523	\$19,523	\$19,262	\$20,939	7% ⁵
401K Retirement	\$116,334	\$164,775	\$164,775	\$136,389	\$179,073	9% ⁵
MERS DC Retirement	\$190,471	\$217,593	\$217,593	\$215,716	\$234,278	8% ⁵
MERS DB Unfunded Liability	\$312,299	\$120,000	\$120,000	\$120,000	\$180,000	50% ⁸
Worker's Comp, EAP, Unemployment	\$3,926	\$8,600	\$8,600	\$8,024	\$8,600	0%
Personnel Contingency	\$0	\$0	\$0	\$0	\$150,100	0% ¹⁸
Personnel Total:	\$4,000,864	\$4,617,384	\$4,617,384	\$4,560,815	\$5,162,936	12%
Supplies						
General Operating Supplies	\$258,472	\$468,030	\$468,030	\$400,140	\$359,963	-23% ⁹
Repair & Maintenance Supplies	\$11,033	\$8,750	\$8,750	\$10,088	\$8,750	0%
Books/Media/Other Materials	\$809,278	\$986,380	\$986,380	\$1,017,907	\$1,040,770	6%
Supplies Contingency	\$0	\$0	\$0	\$0	\$5,000	0% ^{9, 18}
Supplies Total:	\$1,078,784	\$1,463,160	\$1,463,160	\$1,428,135	\$1,414,483	-3%
Other Services and Charges						
Professional & Contractual Svcs	\$298,760	\$588,030	\$588,030	\$441,181	\$548,431	-7%
Advertising & Outreach	\$23,041	\$58,240	\$58,240	\$58,240	\$68,100	17% ¹⁰
Insurance & Bonds	\$29,062	\$33,221	\$33,221	\$33,221	\$33,700	1%
Building/Grounds Maintenance	\$383,807	\$546,121	\$546,121	\$396,458	\$400,600	-27% ¹¹
Communications	\$26,451	\$30,900	\$30,900	\$30,900	\$42,140	36% ¹²
Utilities	\$105,163	\$118,773	\$118,773	\$118,924	\$127,421	7%
Education & Travel	\$136,110	\$152,601	\$152,601	\$118,616	\$175,950	15% ¹³
Member Library Allocations	\$718,841	\$962,835	\$962,835	\$962,835	\$1,007,429	5% ¹⁴
Misc	\$0	\$1,500	\$1,500	\$0	\$0	-100% ¹¹
Property Tax Reimbursements	\$6,181	\$6,500	\$6,500	\$3,971	\$5,500	-15% ¹⁵
Other Services Contingency	\$0	\$0	\$0	\$0	\$5,130	0% ^{11, 18}
Other Services and Charges Total:	\$1,727,416	\$2,498,722	\$2,498,722	\$2,164,346	\$2,414,401	-3%
Capital Outlay						
Capital Expenditures	\$6,706	\$272,800	\$272,800	\$166,356	\$134,000	-51% ¹⁶
Capital Contingency	\$0	\$0	\$0	\$0	\$200,000	0% ^{17, 18}
Capital Outlay Total:	\$6,706	\$272,800	\$272,800	\$166,356	\$334,000	22%
Expenditure Total:	\$6,813,769	\$8,852,066	\$8,852,066	\$8,319,652	\$9,325,820	5%
Surplus (Deficit):	\$76,776	\$0	\$0	\$753,987	\$0	

2026 Annual Budget, General Fund
Traverse Area District Library

Draft Budget: 11/20/2025

Notes

- 1 Revenue from current property taxes is increasing slightly due to increases in area property values.
- 2 Our expected grants for 2026 are comprised of only awards from Northland Library Cooperative.
- 3 While still remaining conservative in estimating revenue for Overdue Fines, Sales, Investment Interest, Donations, and Miscellaneous reimbursements, TADL Administration has reviewed trends in these line items over the last few years and have made estimates closer to what the District actually experiences in a given year.
- 4 Wages are increasing due to a 4% cost of living and union step increases, as well as raises for non-union staff including Pages, Desk Attendants, Substitutes, and Management. Additionally, we plan to increase staffing hours, resulting in changes to FTE's, so this accounts for the remaining budget increase to Wages.
- 5 With the increases in Salaries, wage-dependent expenditures are also increased.
- 6 Medical insurance expenditures are increasing due to rising premiums. Our plans rose an average of 17.9% which is quite high, however, our broker's original quote was 22%. Additionally, for our HSA plan participants, deductibles are increasing due to IRS minimum requirements. As a result, TADL is increasing our employer contribution from \$1,600 to \$1,650.
- 7 Dental and Vision plans were renewed last year for a two-year contract, so while pricing remains the same, our plan to increase FTE's, including moving some part-time positions into full-time positions, results in a higher cost for both of these plans.
- 8 Our MERS Defined Benefit required employer contribution for Unfunded Liability rose from \$40,224 per year to \$122,340 per year due to a change in the actuarial assumptions as discussed at the Aug '25 board meeting. TADL Administration plans to continue to contribute at a voluntarily higher rate as we have in the past, to ensure each year the unfunded liability gets closer to fully funded. For 2026, we propose an additional \$57,660 per year. In 2024, the voluntary contribution was \$79,776 and in 2023 it was \$61,956.
- 9 In 2025, TADL added two new microfilm machines and upgraded various technology equipment. We will not have those expenses again in 2026. Additionally, our supplies contingency in 2025 was wrapped into the General Operating Supplies line item, whereas we have pulled that out for 2026 so that the budget is crystal clear.
- 10 Most of the Advertising and Outreach increase is due to inflation with printing services and postage costs; however we will be adding some new outreach literature into circulation, such as digital services inserts, department brochures, bulk cards, and documents supporting our outreach department.
- 11 Our Other Services contingency in 2025 was wrapped into the Building/Grounds Maintenance line item, whereas we have pulled that out for 2026 so that the budget is crystal clear. We are also moving the budget funds from Misc to Other Services contingency
- 12 Our budget for our hotspots is increasing 68% from \$8,600 to \$14,500 due to a loss of e-rate funding for these services. The Technology department will also be increasing our internet bandwidth at Woodmere, which is an increase of \$6,000 per year.
- 13 There are various employees who take advantage of our tuition reimbursement benefit, and that number has increased slightly for 2026. Additionally, various staff will be attending the Michigan Library Association conference in Novi in Oct '26, and we are sending some staff to the American Library Association conference (Chicago, June '26) and the Public Library Association conference (Minneapolis, April '26).
- 14 TADL Member Libraries will benefit financially from the increase in property values, seeing their member payments rise.
- 15 Property Tax Reimbursements have historically come in lower than budgeted each year, so we have reduced this line item for 2026.
- 16 We hoped in 2025 to have a large number of projects take place, but our Facilities Manager can only do so much at one time! We are holding some projects into our next year, for completion in 2026. These include resurfacing the parking lot, completing the rain garden hardscape, and purchasing some larger assets, such as a larger shed, a carport for the Bookmobile, and a shade sail for the front lawn.
- 17 We are placing \$200,000 in our Capital Contingency line item for saving funds for an eventual roof replacement in 5-7 years.
- 18 Our Contingency line items total \$360,230. In 2024 it totaled \$304,545.



RESOLUTION

2026 Budget Resolution
November 20, 2025

Resolved, that the estimated revenues for 2026 result in the following total amount available for appropriation:

Tax Levy	8,821,626
Other Taxes	43,500
State Aid	157,022
Grants	26,770
Fees/Services/Sales/Rentals	61,200
Overdue Fines	21,000
Penal Fines	147,000
Interest & Dividends	15,002
Contributions	31,200
Reimbursements	<u>1,500</u>
Total available to appropriate	<u><u>9,325,820</u></u>

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

Personnel Services	5,162,936
Supplies	1,414,483
Other Services and Charges	2,414,401
Capital Outlays	<u>334,000</u>
	<u><u>9,325,820</u></u>

Motion to adopt the resolution was introduced by: Jones

And supported by: Deyo

Motion adopted: Yes

Date: 11-20-2025

Signature: Marylee Pakieser, Board President