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*Strengthening the community by
providing access to materials
and services that inform, enrich,
entertain, and empower*

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PROPOSED BUDGET FOR FISCAL YEAR 2026-2027

Current Fiscal Year Standing

With six weeks left in the current fiscal year, we are looking at anticipated total revenues of \$2,917,725 and total projected expenditures of \$2,781,468, putting us at \$136,257 under budget. Combined with the fund balance from the beginning of the fiscal year, this puts our unassigned fund balance at \$571,326 or 19.8% of the subsequent fiscal year's budget. This is within the 15-20% unassigned fund balance standard in our financial policies and represents approximately 2.85 months of average operating costs.

Millage Reduction Factor

The Headlee millage reduction factor ("MRF") for fiscal year 2027 is 0.9837, a larger reduction than for 2026. While our original voter-authorized millage is 3.5 mills, the maximum allowable millage levy this year will be 2.7744. I am requesting that the Board approve 2.77 mills to be levied.

FY 2027 Revenue Considerations

At 2.77 mills levied, the total voted property taxes that make up more than 96% of our total revenue are projected to be about \$38,000 higher than in the current fiscal year. All other sources of income are expected to either trend downward (penal fines and personal property taxes) or to be flat (state aid, fines, and fees). No capital projects planned for FY 2027, which means that we will not have any contributions from the capital fund to the general fund positively impacting revenue.

FY 2027 Expenditure Considerations

60.7% of all expenditures will be related to staffing. The collective bargaining agreement in place requires annual 3% raises for all covered employees and an annual onetime wage adjustment payment tied to the MRF of 1-3%. Health insurance costs have risen 15%, further driving up staff related expenditures. After staff costs, the next largest expenditure category is capital outlay and debt services as we continue to pay down the bond from our 2010 building renovations. External factors including the inflation rate, tariffs, and rising fuel costs impact the cost of utilities, collection materials, and building

maintenance costs. There is a projected 4% increase in expenditures year over year. Coupled with the increased revenue from voted property taxes, end of fiscal year 2027 projections show a largely balanced general fund, finishing fiscal year 2027 \$10,960 under budget.

**FY 2027 First Draft Budget
Ferndale Area District Library**

Voted millage is 3.5 mills, proposed levy is 2.77 mills

	FY 26 Approved Budget Amended 1/22/2026	FY 26 Projected Totals	FY 27 Proposed Budget
General Fund - 101 - Expenses			
101-271-706.001 - Salaries - Full-time	\$ (750,000.00)	\$ (721,006.00)	\$ (760,982.00)
101-271-706.002 - Salaries - Part-time	\$ (218,000.00)	\$ (212,808.00)	\$ (235,489.00)
101-271-706.003 - Salaries - Subs	\$ (35,000.00)	\$ (44,931.00)	\$ (38,965.00)
101-271-715.001 - Social Security - Employee	\$ (79,500.00)	\$ (79,000.00)	\$ (85,000.00)
101-271-715.002 - Social Security - Employer	\$ (79,500.00)	\$ (79,000.00)	\$ (85,000.00)
101-271-716.100 - Health Insurance	\$ (155,000.00)	\$ (147,616.00)	\$ (170,000.00)
101-271-717.000 - Life Insurance - EE	\$ (8,000.00)	\$ (8,015.00)	\$ (8,500.00)
101-271-718.000 - Pension- ICMA-RC 401	\$ (75,000.00)	\$ (76,083.00)	\$ (79,250.00)
101-271-720.001 - Medicare - Employee	\$ (20,000.00)	\$ (19,927.00)	\$ (20,600.00)
101-271-720.002 - Medicare - Employer	\$ (20,000.00)	\$ (19,927.00)	\$ (20,600.00)
101-271-721.001 - Federal Income Tax - Employee	\$ (100,000.00)	\$ (89,741.00)	\$ (95,000.00)
101-271-722.001 - MI Income Tax - Employee	\$ (50,000.00)	\$ (47,424.00)	\$ (50,000.00)
101-271-722.002 - MI Unemployment - Employer		\$ -	\$ -
101-271-723.001 - Local Income Tax - Employee	\$ (5,000.00)	\$ (4,539.00)	\$ (5,000.00)
101-271-725.000 - Workers Compensation	\$ (1,545.00)	\$ (1,545.00)	\$ (2,000.00)
101-271-730.000 - Postage, Mail Processing	\$ (24,000.00)	\$ (21,534.00)	\$ (21,750.00)
101-271-740.000 - Operating Supplies	\$ (42,000.00)	\$ (38,284.00)	\$ (42,000.00)
101-271-742.000 - Books	\$ (95,000.00)	\$ (89,865.00)	\$ (108,300.00)
101-271-743.000 - Periodicals	\$ (13,000.00)	\$ (16,520.00)	\$ (16,250.00)
101-271-745.000 - Audio-Visual, Video	\$ (33,000.00)	\$ (29,015.00)	\$ (35,000.00)
101-271-746.000 - Other Non Book	\$ (118,800.00)	\$ (114,239.00)	\$ (118,500.00)
101-271-748.000 - Materials Processing Supplies	\$ (5,000.00)	\$ (4,000.00)	\$ (5,000.00)
101-271-775.000 - Repair & Maintenance	\$ (38,000.00)	\$ (37,775.00)	\$ (42,000.00)
101-271-802.000 - Audit/Actuarial Fees	\$ (7,600.00)	\$ (7,600.00)	\$ (7,800.00)
101-271-803.000 - The Library Network	\$ (62,500.00)	\$ (54,645.00)	\$ (59,775.00)
101-271-818.000 - Contractual Services	\$ (115,000.00)	\$ (121,143.00)	\$ (91,000.00)
101-271-818.003 - Labor Actions	\$ -		\$ (39,000.00)
101-271-853.000 - Phone/Communications	\$ (7,000.00)	\$ (6,810.00)	\$ (7,500.00)
101-271-885.000 - Special Programs	\$ (38,000.00)	\$ (35,182.00)	\$ (30,000.00)
101-271-888.000 - Marketing	\$ (1,000.00)	\$ (1,500.00)	\$ (2,500.00)
101-271-900.000 - Printing & Publishing	\$ (29,120.00)	\$ (24,951.00)	\$ (26,500.00)
101-271-914.000 - Liability Insurance	\$ (16,783.00)	\$ (16,783.00)	\$ (19,000.00)
101-271-920.000 - Utilities	\$ (45,000.00)	\$ (45,021.00)	\$ (47,000.00)
101-271-931.000 - Facilities Maintenance	\$ (58,000.00)	\$ (59,906.00)	\$ (63,000.00)
101-271-943.000 - Equipment Rental	\$ (11,000.00)	\$ (11,484.00)	\$ (12,000.00)
101-271-956.000 - Miscellaneous	\$ (1,000.00)	\$ (1,448.00)	\$ (1,500.00)
101-271-957.000 - Training/Education	\$ (22,000.00)	\$ (19,057.00)	\$ (17,000.00)
101-271-958.000 - Memberships & Dues	\$ (12,000.00)	\$ (12,579.00)	\$ (13,000.00)
101-271-977.000 - Capital Outlay	\$ (61,000.00)	\$ (55,365.00)	\$ (5,500.00)
101-271-992.000 - Debt Svc- Principal	\$ (375,000.00)	\$ (375,000.00)	\$ (380,000.00)
101-271-996.000 - Interest Expense	\$ (30,200.00)	\$ (30,200.00)	\$ (15,200.00)
Total Expenses	\$ (2,857,548.00)	\$ (2,781,468.00)	\$ (2,882,461.00)

Expense Description

17 employees, 11 under CBA
 12 employees, all under CBA
 17 employees, none under CBA
 Money withheld from gross wages
 Money paid by the Library
 Covers full time employees
 Covers full time employees
 Not a "pension": 401k paid by the library and 457b and Roth IRAs that full time employees can contribute to
 Money withheld from gross wages
 Money paid by the Library
 Money withheld from gross wages
 Money withheld from gross wages
 None claimed in last two FYs
 Money withheld from gross wages
 Work comp insurance premium
 Newsletters, notices, & books mailed to distant libraries returned to us accidentally
 Operational supplies not related to programs or collections
 Paper books
 Magazines and newspapers, including digital access
 Video games, DVD/blu-rays, vinyl, music CDs, books on CD
 Downloadable e-books/audio books, databases, puzzles, games
 Materials used to prepare collections for being on the shelves
 One-time repairs and wear and tear maintenance fixes
 Fees for our annual audit
 Consortium fees, integrated library system software, interlibrary loan delivery
 Accountants, lawyers, payroll management, parking, website hosting
 Contractual services set aside for CBA negotiations and any union-related actions
 Ring Central, currently \$578/month, replacing handsets when worn
 Library programs for all ages, all year

 Quarterly newsletter, business cards, signage
 Liability and property insurance through Michigan Municipal League
 DTE, Consumer's Energy & City of Ferndale (water/sewage)
 Ongoing maintenance contracts: cleaning service, alarm service, landscapers, pest control
 Copiers, fax machine/scanner, and printers with service contracts
 Bank fees
 Tuition reimbursement, webinars, and conferences
 Union dues deducted from wages, MLA memberships
 Purchases to make physical improvements to the library
 Bond payment for the 2010 building renovation
 Interest on bond payment

Staff
Operating Cost
Materials
Programming
Administrative & Professional Services
capital and debt service