



CALL TO ORDER
ROLL CALL
PUBLIC COMMENT
APPROVAL/CORRECTION(S) TO MINUTES
APPROVAL/ADJUSTMENTS TO THE AGENDA
CORRESPONDENCE

DIRECTOR'S REPORT

The director updates the Board on monthly use measures, financials, administration projects, library services and activities.

UNFINISHED BUSINESS

- A) Library Trustee Manual – Section Review
Review of Chapter 5 – Funding

NEW BUSINESS

- A) 2024 Regular Meeting Schedule – Approval
B) City of Escanaba 2024-25 Budget Calendar - Review

ANNOUNCEMENTS

ADJOURNMENT

The City of Escanaba will provide all necessary, reasonable aids and services, such as signers for the hearing impaired and audiotapes of printed materials being considered at the meeting to individuals with disabilities at the meeting/hearing upon five days notice to the City of Escanaba. Individuals with disabilities requiring auxiliary aids or services should contact the City of Escanaba by writing or calling at (906) 786-9402.

Respectfully Submitted,

Carolyn Stacey, Library Director

Mission Statement

The Escanaba Public Library connects people through information, opportunities and ideas to inspire lifelong enrichment and enjoyment.

**CITY OF ESCANABA
LIBRARY BOARD OF TRUSTEES
MINUTES
November 27, 2023**

A meeting of the Escanaba Public Library Board of Trustees was held on November 27, 2023 at 5:00 p.m. in the City Council chambers. The meeting was called to order at 5:02p.m.

PRESENT: Lynn Soderberg, Priscilla Green, Amy Reddinger, Carolyn Stacey, Tyler Dubord

ABSENT: Gail Brazeau, Christina Economopoulos

PUBLIC COMMENT: None

APPROVAL/CORRECTIONS(S) TO MINUTES: The minutes of the October 23, 2023 meeting were accepted on consensus.

APPROVAL/ADJUSTMENTS TO THE AGENDA: Administration recommended switching the order of items B and C on the agenda. The agenda was accepted on consensus with this change.

DIRECTOR'S REPORT: Financials, use measures, programs and community activities were reviewed.

UNFINISHED BUSINESS:

A) Staff Development Day

Administration reported on the agenda and activities for the staff day that took place on November 13th and expressed appreciation for being able to close the library to focus on professional development.

B) Presentation – Navigating Materials Challenges for Library Trustees

Trustees provided their feedback on the presentation by Superiorland Library Cooperative Director Dillon Geshel at the October meeting. Administration clarified the status of policies and procedures referenced in the presentation.

NEW BUSINESS:

A) Delta County Poet Laureate Program

Trustees received information about a program inviting the library to nominate a local poet for the position of Delta County Poet Laureate. This program is distinct from the established U.P. Poet Laureate Foundation, a 501c3 organization. *P. Green made a motion that the library choose not to nominate a Delta County Poet Laureate. L. Soderberg seconded the motion, motion carried.*

B) Library Trustee Manual – Section Review

Trustees reviewed Appendices J and K of the Library Trustee Manual referencing State Aid and Penal Fine Facts and Establishment information.

C) Contract Review

The draft tiered contract for library services is currently under attorney review. Administration distributed a spreadsheet providing a basis for the proposed fees and charts illustrating funds per person to the library, based on service area location.

ANNOUNCEMENTS: The next meeting is scheduled for Monday, December 18th at 5:00 p.m.

ADJOURNMENT: The meeting was adjourned at 6:15p.m. on consensus.

Respectfully Submitted,

Approved,

Carolyn Stacey, Library Director

Lynn Soderberg, Chair

GL NUMBER	DESCRIPTION	2023-24 AMENDED BUDGET	11/30/2023 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 11/30/2023 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDT USED
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Fund 271 - LIBRARY FUND						
Revenues						
Dept 000						
271-000-566-100	ST OF MICHIGAN LIBRARY FUNDING	25,074.00	0.00	0.00	25,074.00	0.00
271-000-656-000	ORDINANCE/PENAL FINES-CO ALLO	83,299.00	0.00	0.00	83,299.00	0.00
271-000-657-000	FINES AND FEES	22,422.00	5,472.13	350.90	16,949.87	24.41
271-000-675-001	CONTRIBUTIONS-FRIENDS	4,931.00	808.88	0.00	4,122.12	16.40
271-000-677-212	SUPERIORLAND	750.00	1,195.00	0.00	(445.00)	159.33
271-000-677-221	LIB OF MI FOUNDATION BOOK TOUR	0.00	100.00	0.00	(100.00)	100.00
271-000-699-101	CONTRIBUTION FR GENERAL FUND	461,325.00	0.00	0.00	461,325.00	0.00
Total Dept 000		597,801.00	7,576.01	350.90	590,224.99	1.27

TOTAL REVENUES						
		597,801.00	7,576.01	350.90	590,224.99	1.27

Expenditures						
Dept 000						
271-000-702-000	SALARIES AND WAGES	296,110.00	107,954.68	30,276.36	188,155.32	36.46
271-000-703-000	SICK, HOLIDAY, VACATION	0.00	21,402.37	8,164.25	(21,402.37)	100.00
271-000-711-000	OVERTIME	0.00	154.19	0.00	(154.19)	100.00
271-000-712-000	OVERHEAD ON SALARIES & WAGES	90,625.00	29,785.35	5,447.49	60,839.65	32.87
271-000-713-000	LIFE & HOSPITAL INSURANCE	71,010.00	30,072.29	4,829.88	40,937.71	42.35
271-000-726-000	SUPPLIES-MISCELLANEOUS	500.00	35.00	0.00	465.00	7.00
271-000-727-000	OFFICE SUPPLIES	3,500.00	1,232.31	0.00	2,267.69	35.21
271-000-791-000	BOOKS, MAGAZINES, PERIODICALS	20,000.00	9,131.69	4,163.56	10,868.31	45.66
271-000-801-000	PROFESSIONAL SERVICES	36,206.00	13,176.75	0.00	23,029.25	36.39
271-000-850-000	TELEPHONES	2,154.00	625.19	182.02	1,528.81	29.02
271-000-850-005	TELEPHONES - BOOKMOBILE	0.00	2,072.42	1,920.85	(2,072.42)	100.00
271-000-910-000	INSURANCE AND BONDS	300.00	375.41	0.00	(75.41)	125.14
271-000-942-000	RENTAL OF BUILDING OR OFFICES	51,996.00	21,665.00	4,333.00	30,331.00	41.67
271-000-943-000	RENTAL OF EQUIPMENT	4,931.00	0.00	0.00	4,931.00	0.00
271-000-943-005	EQUIPMENT RENTAL - BOOKMOBILE	0.00	450.00	0.00	(450.00)	100.00
271-000-958-000	MEMBERSHIP AND DUES	425.00	236.00	0.00	189.00	55.53
271-000-977-000	CAPITAL OUTLAY-EQUIPMENT	1,600.00	0.00	0.00	1,600.00	0.00
Total Dept 000		579,357.00	238,368.65	59,317.41	340,988.35	41.14

TOTAL EXPENDITURES						
		579,357.00	238,368.65	59,317.41	340,988.35	41.14

Fund 271 - LIBRARY FUND:						
TOTAL REVENUES						
		597,801.00	7,576.01	350.90	590,224.99	1.27
TOTAL EXPENDITURES						
		579,357.00	238,368.65	59,317.41	340,988.35	41.14
NET OF REVENUES & EXPENDITURES						
		18,444.00	(230,792.64)	(58,966.51)	249,236.64	1,251.32

TOTAL REVENUES - ALL FUNDS						
		600,801.00	7,576.01	350.90	593,224.99	1.26
TOTAL EXPENDITURES - ALL FUNDS						
		599,357.00	241,761.59	59,891.31	357,595.41	40.34
NET OF REVENUES & EXPENDITURES						
		1,444.00	(234,185.58)	(59,540.41)	235,629.58	6,217.84

GL NUMBER	DESCRIPTION	2023-24		YTD BALANCE		ACTIVITY FOR		AVAILABLE		% BDT USED
		AMENDED BUDGET	NORMAL	11/30/2023	(ABNORMAL)	MONTH 11/30/2023	INCREASE (DECREASE)	NORMAL	(ABNORMAL)	
Fund 236 - BEZOLD TRUST FUND										
Revenues										
Dept 000										
236-000-665-000	INTEREST EARNINGS	3,000.00		0.00		0.00		3,000.00		0.00
Total Dept 000		3,000.00		0.00		0.00		3,000.00		0.00
TOTAL REVENUES										
		3,000.00		0.00		0.00		3,000.00		0.00
Expenditures										
Dept 000										
236-000-791-000	BOOKS, MAGAZINES, PERIODICALS	10,000.00		2,897.94		573.90		7,102.06		28.98
236-000-801-000	PROFESSIONAL SERVICES	10,000.00		495.00		0.00		9,505.00		4.95
Total Dept 000		20,000.00		3,392.94		573.90		16,607.06		16.96
TOTAL EXPENDITURES										
		20,000.00		3,392.94		573.90		16,607.06		16.96
Fund 236 - BEZOLD TRUST FUND:										
TOTAL REVENUES		3,000.00		0.00		0.00		3,000.00		0.00
TOTAL EXPENDITURES		20,000.00		3,392.94		573.90		16,607.06		16.96
NET OF REVENUES & EXPENDITURES		(17,000.00)		(3,392.94)		(573.90)		(13,607.06)		19.96

Monthly Traffic By Hour

Month by Hour for
For the month of November, 2023

Day	Hour Ending												0001 Front Door					
	9am	10am	11am	12pm	1pm	2pm	3pm	4pm	5pm	6pm	7pm	8pm	9pm	10pm	11pm	12am	oth	Total
1	1	4	4	24	15	14	18	17	18	13	5	5	0	0	0	0	3	137
2	4	4	4	27	19	10	23	19	12	8	1	1	0	0	0	0	1	132
3	4	3	3	16	17	12	21	17	10	5	0	0	0	0	0	0	1	106
4	0	3	3	22	21	11	8	15	0	0	0	0	0	0	0	0	2	82
5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	1	6	6	21	25	22	26	24	11	13	0	0	0	0	0	0	4	153
7	5	3	3	22	28	20	27	21	26	15	7	7	0	0	0	0	6	191
8	5	4	4	34	30	17	11	24	15	6	14	4	3	0	0	0	2	169
9	1	4	4	24	9	16	15	13	10	9	6	4	0	0	0	0	1	112
10	1	1	1	20	20	15	6	13	9	5	0	0	0	0	0	0	3	93
11	1	1	1	17	7	19	12	8	0	0	0	0	0	0	0	0	0	65
12	0	0	0	0	0	0	6	0	0	0	0	0	0	0	0	0	0	6
13	6	0	0	3	15	17	2	0	0	3	0	0	0	0	0	0	7	56
14	2	7	7	36	25	8	17	27	24	10	3	6	0	0	0	0	2	167
15	4	1	1	22	23	14	11	16	9	10	3	4	0	0	0	0	2	119
16	3	2	2	25	13	18	9	27	8	4	13	9	0	0	0	0	2	133
17	2	1	1	12	18	10	17	24	17	9	0	0	0	0	0	0	3	113
18	1	1	1	23	9	14	32	13	0	0	0	0	0	0	0	0	0	93
19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	1	7	7	18	23	24	19	30	22	4	0	0	0	0	0	0	4	152
21	3	2	2	22	11	18	26	22	8	19	4	5	0	0	0	0	5	145
22	4	3	3	14	12	9	17	16	8	4	3	3	0	0	0	0	4	97
23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0	0	0	0	4	0	0	0	0	0	0	4
25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	2	2	2	21	22	14	10	18	21	14	0	2	0	0	0	0	4	130
28	0	2	2	24	15	19	21	20	13	10	9	6	0	0	0	0	5	144
29	4	6	6	24	22	8	14	17	18	4	3	4	1	0	0	0	4	129
30	3	3	3	9	15	9	15	9	19	3	7	6	0	0	0	0	1	99

**Month by Hour for
For the month of November, 2023**

Day	Hour Ending														0001 Front Door					
	9am	10am	11am	12pm	1pm	2pm	3pm	4pm	5pm	6pm	7pm	8pm	9pm	10pm	11pm	12am	oth	Total		
Total	58	70	480	414	338	383	410	278	168	92	66	4	0	0	0	0	0	66	2,827	
Hour by Day of Week																				
Sun	0	0	0	0	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	6
Mon	10	15	63	85	77	57	72	54	34	3	2	0	0	0	0	0	0	19	491	
Tue	10	14	104	79	65	91	90	71	54	27	24	0	0	0	0	0	0	18	647	
Wed	18	18	118	102	62	71	90	68	37	28	20	4	0	0	0	0	0	15	651	
Thu	11	13	85	56	53	62	68	49	24	30	20	0	0	0	0	0	0	5	476	
Fri	7	5	48	55	37	44	54	36	19	4	0	0	0	0	0	0	0	7	316	
Sat	2	5	62	37	44	52	36	0	0	0	0	0	0	0	0	0	0	2	240	
All Total	58	70	480	414	338	383	410	278	168	92	66	4	0	0	0	0	0	66	2,827	
Grand Total Hour by Day of Week																				
Sun	0	0	0	0	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	6
Mon	10	15	63	85	77	57	72	54	34	3	2	0	0	0	0	0	0	19	491	
Tue	10	14	104	79	65	91	90	71	54	27	24	0	0	0	0	0	0	18	647	
Wed	18	18	118	102	62	71	90	68	37	28	20	4	0	0	0	0	0	15	651	
Thu	11	13	85	56	53	62	68	49	24	30	20	0	0	0	0	0	0	5	476	
Fri	7	5	48	55	37	44	54	36	19	4	0	0	0	0	0	0	0	7	316	
Sat	2	5	62	37	44	52	36	0	0	0	0	0	0	0	0	0	0	2	240	

CHAPTER 5: FUNDING

Michigan libraries have many sources of funding. This chapter reviews these sources, including local, state, and federal levels of support.

A. Local Funding

1. Individual Library Millages

The most stable funding for a public library is through a library millage. A “millage” is defined as “The amount per \$1,000.00 used to calculate a tax on property.” Generally, these taxes are levied at the local, municipal level after being approved through a popular vote on a ballot initiative. Many of these ballot initiatives designate such taxes for the benefit and funding of public libraries. Once approved, the funds generated by a particular millage can be used only for the purpose designated by the millage/ballot language. For example, funds collected via a public library millage may not be used for any other purpose other than the public library they are meant for. The one exception is that downtown development authorities may (subject to certain statutory conditions we will discuss later in this section) capture millage funds.

Although campaign finance laws prohibit public library funds from being used to fund millage campaigns, the library board of trustees can and should support library millage campaigns. Separate millage “campaign finance committees” (also known as “Yes” Committees) are set up through the Michigan Bureau of Elections (Department of State) and are funded separately. Individual board members (outside of their board duties), Friends, patrons, and off-duty staff members may participate in the activities of a campaign finance/yes committee. [United for Libraries](#) has some excellent resources on millage campaigns.

In addition to being the preferred method to fund public libraries, millages are required as part of the initial establishment process. City, village & township libraries, as well as district libraries are all required to pass millages as part of the current establishment process. However, once the library is established, there is no requirement to fund a library via a millage. That being said, it is also true that a millage tends to be the most stable funding source.

A Note About Library Millages:

In order for a library (or any government entity) to levy a millage, there must be constitutional and/or legislative authority for that millage to be proposed and levied. Local governments have constitutional and statutory authority to levy millages for municipal funding and the constitution and/or legislation provides a limit on the total number of mills that a municipal taxing authority may levy.

In addition to the municipalities’ millage authority, there are some laws that provide other governmental entities with the ability/authority to propose and/or levy millages. Some of these laws specifically permit the rates, or mills of these “designated” or “dedicated” millages to be considered outside of a municipality’s overall millage rate (or mill) limit. In other words, if a municipality has a 15 mill limit on millages that can be levied in total for that municipality, a “dedicated” or “designated” millage would be considered separate and in addition to that 15-mill limit.

Most public library establishment types have a taxing provision that permits a “designated” or “dedicated” millage. For a library to take advantage of this authority and have a “dedicated or “designated” millage that library MUST be established under the law authorizing that millage. For example, for a library to have a dedicated or designated library millage under 1877 PA 164 (The City, Village and Township Libraries Act), that library MUST have been established under 1877 PA 164 as a City, Village or Township Library with governing boards, etc...

Library boards considering millages should consult their library attorneys to determine the options and restrictions applicable to a millage for their establishment type.



I. City, Village and Township Libraries

Libraries established under 1877 PA 164, [MCL 397.201 et. seq.](#) (The City, Village & Township Libraries Act) should look to the following sections of that act for information regarding Millage requirements:

City Libraries: Sections 1 (MCL 397.201); Sec.10a through 10c (MCL 397.210a-397.210c) Townships & Villages: Sec10-10c (MCL307.210-397.210c)

Note that city libraries established under section 1 of the City, Village and Township Libraries Act, 1877 PA 164, MCL 397.201 are able to levy two different millages. One, for up to 1 mil may be levied by the City Council without a vote of the public (an option unheard of in almost any other millage type). The other is a voted millage of up to another 1 mil (These millages may not be combined into a 2mil voted millage).

In addition, libraries should also review the applicable Michigan campaign finance laws that apply to millage campaigns. These laws cover the rules for submitting the ballot language, communicating to the public about the millage, etc.

The Foster Swift Law Firm has a useful introduction to Michigan laws on campaign finance as they relate to millage campaigns: <http://www.fosterswift.com/communications-Michigan-Campaign-Finance-Act.html>

The Michigan Secretary of State has a webpage with information, dates, and forms for elections and campaigns: <http://www.michigan.gov/sos/0,4670,7-127-1633---,00.html> (See the “campaign disclosure” area.)

Knowing which sections of the Michigan Compiled Laws apply to your library (and how to comply with them) is an important part of your millage campaign. Consider consulting with your attorney if you are unsure of which laws apply to your situation.

II. District Libraries

District Libraries should look to the District Libraries Establishment Act 1989 PA 24 ([MCL937.171 et. seq.](#)) for provisions concerning library millages: Sec.3-3d (MCL 397.173 – 397.173d) Sec. 13 – 23 (MCL 397.183 – 397.194)

District library boards may place district-wide millage questions on the ballot by resolution of the library board. If an individual municipality within a district library wishes to provide separate millage support for the district library, the governing board of that municipality may place the millage question on the ballot.

Library of Michigan has a Michigan District Library Law Handbook posted on the [Library Law](#) website.

III. County Libraries

County libraries should review The County Libraries Act 1917 PA 138 ([MCL 397.301, et. seq.](#)) for information on millages: Sec. 1 (MCL 397.301), Sec 5 (MCL 397.305)

Note: County millages under the County Libraries Act are also eligible to be levied by the county without a vote. However, this practice fell out of favor with counties some time ago and most County library millages are voted. It seems, though that current law would permit a county to levy without a vote if the County Board approves the action.

County library millages have no stated statutory limit.

Millages for county libraries are placed on the ballot by the County Board of Commissioners. If the County Board of Commissioners does not choose to place the library millage question on the ballot, there is no way for a library board to do so. However, residents of the county may petition the Board of County Commissioners to place a library millage question on the ballot. but the petition does not make placement on the ballot mandatory.

IV. School District Public Libraries

School district public libraries may no longer be funded by millages because of the school finance reform legislation of 1994, known as Proposal A. 1976 PA 476 (MCL 380.1451) (as amended). These libraries are funded as part of the school district's general budget.

V. Charter Township Libraries

Charter Township libraries under section 13a, MCL 42.13a of the Charter Township Act, 1947 PA 359, MCL 42.1 et seq, are managed and governed by the municipal governing body. This library type has no separate governing board. Since the establishment act for this type of library does not include authority to levy a separate designated tax, a Charter Township library would be eligible to have a voted millage that would be considered counting towards the Township's overall millage limit (as opposed to a statutory designated millage which would not be counted as part of the township millage limit).

VI. Home Rule (Charter) City Libraries

Home Rule City libraries under section 4e (MCL 117.4e) of the Home Rule City Act, 1909 PA 279, MCL 117.1 et. seq. , are authorized for establishment through charter language. There are no real establishment guidelines for this library type, other than a city charter section. Like the charter township libraries, this type is considered a department of the city, with governance and management provided by the municipal government. The Charter Township Act provides no authority for a separate designated library millage, so the mills, or rate of a library voted millage are part of the city millage limits.

For more information regarding library millage campaigns, see the following:

United for Libraries:

United for Libraries has resources on library campaigns in its Friends area, "Citizens Save Libraries Power Guide" and it is a helpful resource to review and available at <http://www.ala.org/united/powerguide>.

Other Resources:

Check training calendars from the Library of Michigan, MLA, and cooperatives for training and webinars on millages throughout the year.

2. Re-Establishment

Frequently, city, village and township libraries receive adequate funding from their legal service areas but are unable to extract fair payment from their contracting municipalities (see section A.5. of this chapter). This situation not only creates friction between patrons within the library community (why is one group paying more for the same service?), but it also denies the library important revenue.

If the option of a countywide or contracted area millage, is not possible, a solution may be to re-establish as a district library under The District Libraries Establishment Act (1989 PA 94, MCL 397.171, et. seq.) Establishing as a district library, a city, village, county, or township library increases its legal service area to include the additional municipalities served previously as contractual areas. This would have the effect of automatically including these municipalities in any millage proposal (if they are part of the district library agreement).

After re-establishing as a district library, the library board is authorized to place a district-wide millage question on the ballot for voter approval. If approved, this millage covers the entire district. For more information, see the Library of Michigan's publication, District Library Law: Establishing and Funding a District Library. The 2003 edition of this publication is available at: https://www.michigan.gov/documents/mde/LM_Michigan_District_Library_Law_329703_7.pdf



B. County-wide Millages

Counties often include one or more public libraries that may not have their own voted library millages. Instead of attempting a separate library millage campaign in each library's legal and/or contractual service area, some libraries obtain a county-wide millage which is divided among the libraries in the county based on a formula agreed to by the libraries, using per – capita or another basis for the millage.

Countywide millages may be placed on the ballot by the County Board of Commissioners, pursuant to 1917 PA 138. (MCL 397.301, *et. seq.*) Prior to the vote on the countywide ballot question, all of the library boards in the county enter into a library services agreement with the County Board of Commissioners and the county library board, if any. This agreement details the method of division of the county library millage and the amount to be collected annually.

1. Appropriations

A public library can receive local funding through appropriations from local municipalities. Municipalities, including counties, cities, villages, townships or school districts, appropriate monies from their general funds to provide library service to residents of the municipality. These appropriations may be made if the public library is located within the municipality's boundaries (legal service area) or if the municipality contracts with a neighboring public library to provide library services to its residents.

With a few exceptions, municipalities are not required by law to provide appropriations for public library service. If there is no special statute or written contract by which the municipality agrees to fund the library, the library board cannot force the municipality to make appropriations from the general fund. If the local municipality is unwilling or unable to provide appropriations sufficient to support the library, then the library board may want to consider a district library reorganization and/or a millage campaign.

2. Contractual Funds

Some Michigan municipalities do not have separate public libraries. Residents of such municipalities can receive services through contracts with legally established public libraries in exchange for funds, such as their penal fines, state aid and/or other appropriations.


Sometimes these contractual payments are less than those provided by the legally established area. In essence, the taxpayer of the legally established library may partially subsidize the taxpayers of the contractual areas. You can ascertain if the use of your library by the contractual units is adequately compensated through their payments. If not, this is a situation that can cause conflicts for communities.

The Library of Michigan strongly discourages the provision of library service for penal fines (and possible state aid) only. This practice unfairly burdens the legal service areas of a library with the cost of library service to the contracted areas (who are paying nothing since populations do NOT contribute to penal fines). In addition, this practice limits the amount of "local support" necessary for a library's eligibility for state aid funding. Libraries serving communities for penal fines only should consider renegotiation to require contracted areas to share the cost of their library service. For more information on service contracts, see [Appendix J](#).

3. Personal Property Tax Reimbursement

Personal Property Tax Reimbursement is now included within The Local Community Stabilization Authority Act, 2014 PA 86, MCL 123.1341 to 123.1362 (District Libraries see MCL 123.1345(s)) <http://legislature.mi.gov/doc.aspx?mcl-Act-86-of-2014>.

Municipal libraries' reimbursements are calculated with their municipalities and the funds are then sent as part of the municipality refunds (but amounts to go to a municipality's library is designated on the check to the municipality. (District Libraries receive their own checks directly.) See also MCL 123.1354.



This act divides the funding responsibilities between two different government entities, The Michigan Department of Treasury and The Local Community Stabilization Authority (LCSA). Treasury's role is to calculate the amount of PPT reimbursement due to a municipal entity. The LCSA's responsibility is to manage and pay out the funds.

In order to be eligible for PPT reimbursement, a library must have a millage. Note that depending on what year(s) the millage was levied, the library may or may not be eligible for a PPT reimbursement.

The State of Michigan Treasurer has a website devoted to this funding at https://www.michigan.gov/taxes/0,4676,7-238-43535_72736_81317---,00.html. This site contains additional information as well as contact information for additional assistance and information.

4. Tax Increment Financing/ Downtown Development Authority Opt – Out

In 2016, the Michigan legislature passed, and in early 2017, Governor Snyder signed, bills that would become 2016 PA 505, through 2016 PA 510. These acts laid out criteria that required existing municipal tax financing authorities, and downtown development authorities to notify the municipalities (including public libraries) of any boundary changes to existing projects. This notice provided public libraries with millages passed before January 2017 the opportunity to “opt out” of the capture of millage funds for that project. Additionally, the acts provided for the automatic opt out of millage capture for millages passed after December 2016. Libraries wishing to participate in capture by an Authority were required to affirmatively file a resolution acquiescing to the taking of millage monies by the TIFA or DDA. These acts were further amended in 2018 to form The Recodified Tax Increment Financing Act, 2018 PA 57, (MCL 125.4101 – MCL 125.4915). This act amended the 2016 acts to clarify language and combine them into one act. The current act retains all of the voluntary and automatic tax capture exemptions. Below is a list of the sections affecting Public Libraries.

Library boards should investigate the TIFA's and DDA's that affect their millages and prepare to consult with their attorneys to understand the effect or opportunities these new laws may provide for the recovery and/or protection of library funds.

Downtown Development Authority [MCL 125.4203](#)

Tax Increment Finance Authorities [MCL 125.4303](#)

Local development Finance Authorities [MCL 125.4404](#)

Corridor Improvement Authorities [MCL 125.4618](#)

Water Resource Improvement Authorities [MCL 125.4715](#)

Neighborhood Improvement Authorities [MCL 125.4814](#)

Additional information on the library TIFA & DDA opt-out is available from the Michigan Library Association: https://www.milibraries.org/index.php?option=com_content&view=article&id=159:mla-advocacy---may-25--2017&catid=44:news-advocacy-update&Itemid=223

Michigan Senate: <http://www.senate.michigan.gov/sfa/publications/notes/2016notes/noteswin16dk.pdf>

5. Fundraising

The library board of trustees may decide to sponsor fundraising options, such as special events, direct grants or solicited donations. These efforts are often undertaken to support a special project, such as a library garden, a children's programming area or a special book collection.



501(c)3 or Not?

The term “501(c)3 organization” appears often in discussions of fundraising for non-profit or charitable purposes (such as library fundraising). Most people understand this term as referring to an organization or charity that can accept donations that would be tax deductible to the donors. In other words, those entities giving money can deduct some or all of the cost of the donation from their Federal (and sometimes state) taxable income. This trait, understandably, makes these organizations attractive options to people looking to donate funds.

501(c)3 is the section of the U.S. Internal Revenue Code that provides for this ability to deduct donations made to certain charitable entities. In order to be recognized as a 501(c)3 entity, an organization must file documents with the IRS showing that the entity complies with certain requirements proving their charitable nature. Most legitimate charities and service organizations are 501(c)3 entities, and most large grant-bestowing foundations require 501(c)3 status as a prerequisite for obtaining a grant. Many public library friends' groups and foundations obtain 501(c)3 status in order to enhance their fundraising capabilities.

What about public libraries themselves? Should they be 501(c)3 entities? This is a question that is best answered by an individual Library Board, with the advice of their attorney and accountant. Public Libraries may file for, and be granted 501(c)3 status, but in many instances, it is likely that this status is not necessary because public libraries are recognized government entities, and as government entities, public libraries are already tax-exempt entities. This means that donations to public libraries are already tax-deductible. Public libraries do not need a 501(c)3 designation in order to provide a tax deduction to donors.

There are some grant programs that require a 501(c)3 status for applicants, and there may be other advantages that would encourage some public libraries (particularly large libraries) to obtain 501(c)3 status in addition to their existing governmental entity tax exempt status. Once obtained, 501(c)3 status is retained only by filing annual reports with the IRS. Therefore, it is important for Library Boards to consult with their attorneys, friends' groups, and accountants when determining whether or not to apply for 501(c)3 status.

Libraries can confirm their governmental entity tax exempt status by obtaining a “Governmental Information (or “Determination”) Letter from the IRS. [Appendix I](#) contains information on how to obtain this letter from the IRS, as well as State of Michigan information on tax exempt status for government entities.

Before starting a major fundraising campaign or establishing an endowment fund or foundation, the library board should consult its attorney to avoid violation of any state or federal laws on soliciting charitable donations. The Michigan Treasury monitors use of the solicited funds.

Many communities have large and small foundations that are willing to fund well-documented library needs. Children's programs and services are especially appealing to donors.

Fundraising activities are covered by various Federal and State statutes such as Michigan's Charitable Organization & Solicitation Act 1975 PA 169 (MCL 400.271, et. seq.) <http://legislature.mi.gov/doc.aspx?mcl-Act-169-of-1975>. When considering supporting a fundraising initiative, and in order to protect their tax-exempt status, library boards should consult with their attorney in order to verify that any proposed plan complies with requisite state and local laws that cover tax-exempt government entities.

6. Casinos

Michigan casinos are required by law to donate 2% of their profits to local non-profit organizations. Some public libraries are successful in obtaining a portion of these funds, usually by tying the services of the library to a need in the Native American community.

C. State Funding

1. State Aid

Since 1939, with the exception of fiscal years 1940 and 1941, the State of Michigan has provided assistance to Michigan public libraries. Currently, Public Act 89 of 1977 sets forth the statutory provisions for library cooperatives and public libraries and the formulas for disbursing state aid grants. Public Act 89 of 1977 places the responsibility on each public library and library cooperative to decide whether they will apply for state aid on an annual basis. The public library filing a state aid application must meet certain requirements.

- The library must be legally established.
- The local area must provide a minimum of three-tenths (3/10) of a mill to the library, based on the population served, as calculated by the decennial U.S. census.
 - The 3/10 of a mil support is calculated for each library as a sum total of all support received from both legal service areas and contracted areas, not as an analysis of each individual municipality's contribution. However, if the total of all support does not meet the 3/10 of a mil required for all areas, then the calculation will be analyzed on a per municipality basis so that state aid will be received for areas that individually meet the 3/10 of a mil requirement.
- Have personnel whose education level is certified by the Library of Michigan.

For specific guidelines and additional information on how eligibility is determined, consult the Library of Michigan [state aid web page](#) or contact the Library Development department at 517-335-1516, LMLibDev@michigan.gov.

Direct State Aid

After the public library files the [Public Library Annual Report/State Aid Application](#) and it is determined that a library has met the eligibility guidelines, the public library receives a state aid reimbursement based on a per-capita amount using the total population (Legal Service Area and Contracted Areas) served by that library. The current legislation authorizes a maximum level of \$0.50 as the per-capita amount, but actual appropriations may be less than this amount.

Indirect State Aid

A public library is also eligible to receive a second identical per-capita grant if the public library chooses to be a participating member of a library cooperative. This state aid payment is generally referred to as indirect state aid, or cooperative membership state aid. Indirect state aid is often referred to as "C164" money, as [Section c16\(4\) of the State Aid to Libraries Act](#) covers this payment.

Library Cooperative State Aid

Library cooperatives also receive a direct per capita payment under [section 13 of the State Aid Act](#) for the population assigned to the cooperative's designated service area. This state aid is used to support a variety of activities as outlined in the cooperative library's plan of service to member libraries.

Sparse Population

To compensate sparsely populated areas, [section 16\(4\) of the act](#) authorizes a special cooperative grant based upon \$10 per square mile is made to those library cooperatives whose population is less than 75 people per square mile. This second cooperative grant benefits some of the library cooperatives in northern Michigan.



County Libraries

Section 16(5) of the act authorizes a state aid grant to county public libraries that serve less than 50,000 persons. In part, the grant provides up to \$4,800 if the county library employs a director with a master's degree in library science from a school accredited by the American Library Association and who has four years of administrative experience.

2. Penal Fines

In 1835, delegates to the first Michigan Constitutional Convention, which created our state, passed a constitutional provision that encouraged the legislature to:

“provide for the establishment of libraries...and clear proceeds of all fines assessed in the several counties for any breach of the penal laws shall be exclusively applied for the support of said libraries.”

The 1963 Constitutional Convention re-adopted a provision from the 1908 Constitution, which guarantees that all fines collected for violation of state penal laws are to be used exclusively for library purposes. The Distribution of Penal Fines to Public Libraries Act, 1964 PA 59 (MCL 397.31 et. seq.) requires that all fines collected for violations of the state penal laws are paid to the local county treasurer. The penal fines collected within each county are distributed by individual County Treasurers on a per-capita basis using the most recent U.S. Census population data as distributed by the Michigan Department of Treasury and verified by the Library of Michigan. Penal fine moneys may only be paid by county treasurers upon the request of the Library of Michigan. Michigan is the only state that constitutionally mandates the disbursement of penal fines to public libraries.

Statutes provide the legal basis for courts to impose penal fines and costs in both criminal and civil cases. Judges have discretion in deciding the actual amount of fines and court costs, which results in a fluctuation of penal fines from year to year and from county to county. In other words, penal fines are not a stable source of library funding.

Many judges are not aware of the role penal fines play in the funding of library services. As a board member, you have an opportunity to educate them on how penal fines have improved the lives of their constituents. For example, invite your local judges to your library for breakfast and a tour. Show them the tangible results of how penal fines have improved library services for their constituency.

There are many factors that can affect the amount of penal fines a library receives from year to year. Criminal case loads, law enforcement budgets and staffing (the ability of law enforcement to issue citations and enforce certain laws), legislative changes (amendments to criminal laws and traffic laws such as increasing speed limits and decriminalizing certain behaviors), and even social and political issues (such as diverting fines resulting from new laws and lowering or removing fines in place for certain lower level crimes that disproportionately and negatively impact marginalized communities) can each play a role in lowering or increasing penal fine amounts.

It should be noted that penal fines have never been intended as a primary funding source for public libraries. As the fiduciaries of their libraries, and the people charged with maintaining the fiscal viability of the library, a board of trustees is strongly encouraged to advocate for and implement multiple funding sources for their library. Millages, fundraising, grants, municipal appropriations are all examples of alternate and additional funding sources.

Penal fines reports can be found on the Library of Michigan web site at www.michigan.gov/librariystateaid.

D. Federal Funding

Library Services and Technology Act (LSTA)

Support for statewide services to all Michigan libraries, and startup funding for innovative projects is provided through the federal Library Services and Technology Act (LSTA).

The Library of Michigan administers these federal funds. Cooperation among all types of libraries is a major theme of the sub-grant program supported with LSTA funds. Goals for the improvement of library service, as well as the specific programs and services to be funded under LSTA can be found at www.michigan.gov/lsta.

CHECKLIST FOR CHAPTER 5

- Do you believe your library is adequately funded?
- Does your board know, and make use of, the various types of library funding available?
- Are your library's fundraising efforts effective?
- Has your library considered applying for an LSTA grant?

Quality Services Audit Checklist (QSAC) Measures for Trustees

https://www.michigan.gov/documents/libraryofmichigan/LM_2016_QSAC_Measures_rev_547146_7.pdf

See the standards below within the appropriate level for your library to obtain additional information on best practices. For more information about QSAC, see [Appendix F](#) of this Handbook.

Essential Level – Core Measure for Governance/Administration

Enhanced Level – Elective Measure for Governance/Administration

Excellent Level – Core Measure for Governance/Administration



**NOTICE OF REGULAR PUBLIC MEETINGS
BOARD OF LIBRARY TRUSTEES**

PLEASE TAKE NOTICE that the regular meetings of the Board of Library Trustees are scheduled for 5:00 p.m. in Room C101, the Council Chambers of the City Hall, 410 Ludington Street, in the City of Escanaba, MI, on the following dates as listed below:

**BOARD OF LIBRARY TRUSTEES MEETINGS – 2024
Room C101, City Hall, 5:00 p.m.**

January 22, 2024
February 26, 2024 (Room C102)
March 25, 2024
April 22, 2024
May 20, 2024
June 24, 2024
July 22, 2024
August 26, 2024
September 23, 2024
October 28, 2024
November 25, 2024
December 16, 2024 (Room C102)

Public notice will be given regarding any changes in the above meeting dates. Minutes of the Board of Library Trustees Meetings are available at the City Clerk's Office, City Hall, 410 Ludington Street. Phone (906) 786-1194.

Board Contact Person:
Carolyn Stacey
400 Ludington Street
Escanaba, MI
(906) 789-7332

CITY OF ESCANABA
2024-25 Budget/Capital Improvement Plan Calendar

<u>December 28th (Thur)-</u>	Budget papers to department heads; operating budgets due 1/22/24.
<u>January 2nd (Tues)-</u>	Publish notice of first Public Hearing for the 2024-25 City budgets at the 1/18/24 regular Council meeting.
<u>January 5th (Fri):</u>	CIP instructions and forms sent to department heads.
<u>January 9th (Tues)-</u>	City Council Budget Work Session 3:00 p.m.
<u>January 18th (Thur)-</u>	(Regular Council Meeting) First Public Hearing for citizen input into the 2024-25 City budgets.
<u>January 22nd (Mon)-</u>	Departmental operating budgets and CIP due.
<u>February 2nd (Fri)-</u>	Publish notice of second Public Hearing for the 2024-25 City budgets at the 2/15/24 regular Council meeting.
<u>February 5th (Mon)-</u>	First draft of budget requests to City Manager.
<u>February 15th (Thur)-</u>	(Regular Council Meeting) Second Public Hearing for citizen input into the 2024-25 City budgets.
<u>March 1st (Fri)-</u>	Publish notice of third Public Hearing for the 2024-25 City budgets at the 3/21/24 regular Council meeting.
<u>March 14th (Thur):</u>	Planning Commission reviews CIP at regular meeting. Will request further information for 4/4/24 meeting or will recommend approval to City Council on 4/18/24.
<u>March 21st (Thur)-</u>	(Regular Council Meeting) Third Public Hearing for citizen input into the 2024-25 City budgets.
<u>March 22nd (Fri)-</u>	Council receives tentative copy of the City budgets.
<u>April 8th (Mon)-</u>	Budget work session open to the public.
<u>April 9th (Tues)-</u>	Budget work session open to the public.
<u>April 10th (Wed)-</u>	Budget work session, if required, open to the public.
<u>April 11th (Thurs):</u>	Planning Commission reviews and recommends CIP approval to City Council 4/18/24 (if necessary).

April 18th (Thur)-

(Regular Council Meeting) Council to set May 2nd as the fourth Public Hearing on the 2024-25 City budgets.

April 19th (Fri)-

Budgets are revised, based on the work sessions, and are made available to the public.

April 19th (Fri)-

Publish notice of Public Hearings on budgets.

May 2nd (Thur)-

(Regular Council Meeting) Public Hearing on 2024-25 City budgets.

May 6th (Mon)-

Publish notice of final hearing and adoption of 2024-25 City budgets. This notice must be at least 10 days prior to the budget adoption and **must contain language to the effect that the tax rate will be a subject at this meeting, assuming that the City does not intend to roll back the millage by the base tax reduction fraction.**

May 16th (Thur)-

Public Hearing and adoption of City budgets. First reading of the Appropriations Ordinance, including the millage rate, and first reading of the Tax Levy Ordinance, with second reading and adoption set for the May 23rd special meeting. First reading of Utility Ordinances, with second reading and adoption set for the Monday, June 3rd special meeting.

May 23rd (Thur)-

(Special Council Meeting) Second reading and adoption of the Tax Levy Ordinance and the Appropriations Ordinance.

June 3rd (Mon)-

(Special Council Meeting) Second reading and adoption of the Utility Ordinances.