

FISCAL AGENCY AGREEMENT
Between the City of Laingsburg and the Laingsburg Public Library

THIS AGREEMENT is entered into as of the day of _____, 2025, by and between the *City of Laingsburg, Michigan* (hereinafter referred to as the "City") and the *Laingsburg Public Library*, a public library established pursuant to 1877 PA 164, as amended (hereinafter referred to as the "Library").

RECITALS

WHEREAS, the Library was established as a City Library pursuant to Michigan Public Act 164 of 1877,

WHEREAS, the parties have had an arrangement where by the City was the fiscal agent for the Library and the City desires to continue to provide fiscal agency services to the Library, as permitted by Section 1 of 1877 PA 164, as amended;

WHEREAS, the Library's Board of Directors retains exclusive authority to make decisions regarding the management and use of Library funds, including investments, purchases, and other budgetary matters, and maintains autonomy to contract for additional services necessary to Library operations;

WHEREAS, the City acknowledges its responsibility, as the establishing entity for the Library under 1877 PA 164, to facilitate the Library's funding, oversee the financial accounting of Library funds, and ensure compliance with applicable laws;

WHEREAS, the City agrees to collect, hold, and disburse millage funds in accordance with Section 1 of 1877 PA 164, as well as to provide other financial services outlined in this Agreement; and

WHEREAS, the Library is required under Section 397.207 of 1877 PA 164 to annually report financial and operational statistics to the City Council,

NOW, THEREFORE, to memorialize the parties' agreement and past practice, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

ARTICLE 1. PURPOSE OF AGREEMENT

This Agreement establishes the fiscal agency relationship between the City of Laingsburg and the Laingsburg Public Library under which the City agrees to manage, collect, hold, and disburse Library funds, on behalf of the Library.

The terms of this Agreement also outline the respective roles and responsibilities of the City and the Library to ensure transparency, accountability, and compliance with local, state, and federal regulations. Nothing in this Agreement shall preclude the autonomy of the Library Board to make operational decisions and contract for additional services as needed.

ARTICLE 2. FINANCIAL RESPONSIBILITIES OF THE CITY

2.1 General Responsibilities. As the establishing entity under 1877 PA 164, the City agrees to:

- a. Facilitate and levy all necessary funding for the Library, including, but not limited to, levying the Library's annual millage, ensuring that the tax is levied and collected in the same manner as other general taxes of the City and deposited into a separate fund to be known as the Library Fund;
- b. Receive and hold all funds in the Library Fund (including specifically all funds collected from the annual millage and any additional funds allocated by the City) in the City treasury, maintaining appropriate accounting for all inflows and outflows of these funds; and
- c. Disburse Library funds, including millage funds, upon an appropriate request from the Library Board, or if no special request is made, in equal quarterly installments from the Library Funds allocated for that given year.

Nothing herein prevents the Library from placing an additional millage on the ballot for voter approval, subject to applicable laws, rules, and regulations.

2.2 Holding and Disbursing Funds

The City shall:

- a. Record all financial activities involving the Library Fund in accordance with generally accepted accounting principles {GAAP};
- b. Provide monthly or as-requested financial reports to the Library Board and City Council detailing transactions related to Library funds; and
- c. Deposit all Library funds, in authorized depository institutions.

2.3 Collection, Holding, and Disbursing Millage Funds

The City shall collect, hold, and disburse Library millage funds levied pursuant to Section 1 of 1877 PA 164. These funds shall be treated the same as other Library funds and subject to the same financial and disbursement protocols.

2.4 Audit Options

The Library's financial transactions and funds held by the City shall be subject to established audit requirements. The City may:

- a. Include the Library's financial activities as part of the City's annual audit, designating the Library as either a major or nonmajor fund; or
- b. If the Library requests, accept the Library's decision to conduct its own independent audit.

2.5 Optional Contracted Services

Upon the written request of the Library Board, the City may perform additional services beyond its fiscal agent responsibilities, including payroll, benefits administration, retirement services, legal counsel, auditor engagement, grant assistance, and similar services. Such additional services shall be agreed upon in writing and provided at cost to the Library.

ARTICLE 3. RESPONSIBILITIES OF THE LIBRARY BOARD

3.1 Exclusive Authority

The Library Board retains full autonomy and responsibility for decisions regarding the operation and management of the Library as permitted by Act 164 of 1877, including, but not limited to:

- a. Budgetary and fiscal decisions, including approval of all expenditures;
- b. Establishment of operational policies;
- c. Allocation and use of all Library funds, including millage funds; and
- d. Contracting for additional services as needed to support Library operations or programs.

3.2 Financial Budgeting

- a. Consistent with Public Act 164 of 1877 and Section 38-35(a) of the City Code of Ordinances, on or before March 15 of each year, the Library Board shall submit to the City Council careful estimates in detail, of the amount of money that, according to the judgment of the Board, will be needed for the library facilities and operations for the ensuing fiscal year, not to exceed 2 mills on the dollar of the taxable property of the City. which estimates may be increased, modified, or adopted by the council as in its judgment may seem justifiable.
- b. Such amount of money as is annually collected from the millage, appropriated by the City Council for maintaining and operating the library facilities and operations, together with all moneys which by the constitution or laws of the state are required to be used for public library purposes, all gifts, and grant funds shall constitute the Library Fund. The City treasurer shall have the custody of all moneys belonging to the Library Fund, whether the same shall accrue from taxes, grants, penalties and fines or otherwise, and shall be used exclusively for library purposes. Money belonging to the Library Fund may not be transferred to any other City fund. The official bond of the city treasurer shall cover any and all funds in the Treasurer's possession or custody belonging to the library fund.

3.3 Annual Report to the City Council

- a. The Library Board shall annually report to the City Council, no later than March 15th, as required by Section 397.207 of 1877 PA 764 and Section 38-35(a) of the City Code of Ordinances.
- b. The annual report shall include:
 - i. A statement of all money received by the Library Fund and other sources, specifying how the funds were expended and for what purposes;
 - ii. The number of books and periodicals on hand, the number added by purchase, gift, or otherwise during the year, and the number lost or missing;
 - iii. The number of visitors attending the Library and the number of books loaned out, including the general character and kind of those books; and
 - iv. Any additional statistics, information, or suggestions deemed relevant by the Library Board.
- c. All financial portions of the report, including the receipt and expenditure of funds and the number of books on hand, lost, or purchased, shall be verified by affidavit.

3.4 Transparency and Compliance

The Library Board shall ensure its activities are in full compliance with applicable state and federal laws governing public libraries, including, but not limited to, 1877 PA 164.

ARTICLE 4. LIBRARY MILLAGE

4.1 Overview

The Library's current millage, authorized under Section 1 of 1877 PA 164, is an unvoted millage approved annually by the City Council. This millage provides critical funding for Library operations.

4.2 City Role in Millage

The City Council shall vote each year on whether to levy the Library millage and determine its levy amount, consistent with the estimate provided by the Library. As required by the Act, the City shall raise by tax/millage upon the taxable property in the City the amount of the Library's estimate in the same manner that other general taxes are raised in the City.

4.3 Legal Authority

All millage authorizations are governed by Section 397.201(1) of PA 164 of 1877.

ARTICLE 5. TERM AND TERMINATION

5.1 Term

This Agreement shall commence on the date written above and shall remain in effect unless terminated as outlined in Section 5.2.

5.2 Termination

This Agreement shall remain in effect unless and until amended, perpetually, so long as the Library remains a City Library under Public Act 164 of 1877.

ARTICLE 6. GENERAL PROVISIONS

6.1 Amendments

This Agreement may be amended only by a written instrument executed by both parties.

6.2 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

6.3 Severability

If any provision of this Agreement is deemed invalid or unenforceable, the remaining provisions shall remain in full force and effect.

6.4 Entire Agreement

This Agreement constitutes the entire understanding between the City and the Library with respect to the subject matter herein and supersedes any prior agreements, whether written or oral.

6.5 Notice

All notices required under this Agreement shall be served in writing to the parties at their respective addresses.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CITY OF LAINGSBURG, MICHIGAN

By _____

Date _____

Name: Greg Beavers

Title: Mayor

LAINGSBURG PUBLIC LIBRARY

By _____

Date _____

Name: _____

Title: _____