



Portage District
LIBRARY

Preliminary Budgets

for

Fiscal Year 2024 and 2025

Assuming a 1.9945 Mill Levy

**To be presented to the Library Board
at the regular board meeting held on**

August 28, 2023

	FY 2023 Budget	FY 2024 Budget Request	Variance	Percent Change	FY 2025 Budget Estimate	Variance	Percent Change
TAX REVENUE							
Millage Rate	1.995	1.995	-		1.995	-	
Property Tax	\$ 5,230,933	\$ 5,420,356	\$ 189,423	3.62%	\$ 5,590,894	\$ 170,538	3.15%
IFT/CFT Tax	72,969	147,520	74,551	102.17%	151,946	4,426	3.00%
Total Tax Revenue	\$ 5,303,902	\$ 5,567,876	\$ 263,974	4.98%	\$ 5,742,840	\$ 174,964	3.14%
OTHER REVENUE							
State Aid	\$ 35,000	\$ 35,000	\$ -	0.00%	\$ 35,000	\$ -	0.00%
Local Community Stabilization Share Approp.	370,431	373,753	3,322	0.90%	373,753	-	0.00%
County Penal Fine Income	50,000	50,000	-	0.00%	50,000	-	0.00%
Local Fine & Fee Income	17,950	17,950	-	0.00%	17,950	-	0.00%
Interest Income	40,000	75,000	35,000	87.50%	75,000	-	0.00%
Rental Income	2,000	2,000	-	0.00%	3,000	1,000	50.00%
Vending Services	10,000	4,000	(6,000)	-60.00%	4,000	-	0.00%
Funding to/from Reserves	(30,633)	(38,518)	(7,885)	25.74%	(22,875)	15,643	-40.61%
Total Other Revenue	\$ 494,748	\$ 519,185	\$ 24,437	4.94%	\$ 535,828	\$ 16,643	3.21%
Total Revenue	\$ 5,798,650	\$ 6,087,061	\$ 288,411	4.97%	\$ 6,278,668	\$ 191,607	3.15%

TAX REVENUE - Fiscal Year 2024

> **Property Tax:** The Library is planning for an increase in property tax revenue of \$263,974. The Library saw good increases to tax values of residential property (7.14%) and commercial property (5.78%) throughout its service area. The Library was not subject to as additional Headlee Rollback and will levy its maximum 1.9945 mills. Tax values rose by 5.03% across all property types. The largest increase was in Pavilion Township at 8.47%, followed by Texas Township at 7.74% and Portage at 6.14%. Portage accounts for 85.58% of the library's tax base. There is strong tax growth within the Library's taxing jurisdiction with several new housing developments in the city.

> **Industrial Facilities Tax:** Anticipated revenue for the Library to be generated from tax assessments made on industries in the service population area of the Portage District Library. There is a sharp increase in revenue in this area as new building by large manufacturers has been in this area.

> **State-Aid:** Anticipated funding for Libraries by the State of Michigan FY2024 is not anticipated to decline. As a result, the Library is maintaining its current level of estimated revenue.

> **Local Community Stabilization Share Appropriation:** The reimbursement for the Personal Property Tax loss is budgeted to be \$373,753. This represents a slight increase from the prior year. The exact amount of funding from the State is unknown, so the Library is budgeting approximately \$10,000 less than calculated. This allowance is consistent with amounts of actual collection the Library has seen in previous years.

> **County Penal Fines:** Based on historical data, the Library will budget for no change in revenue to be generated by a share of penal fines distributed to public libraries by Kalamazoo County. The Library budgets very conservatively for this revenue, as funding has sharply decreased in recent years.

- > **Local Fines & Fees:** The Library is maintaining its budget for Fines & Fees for 2024. Based on actual collections in FY2023, this level of anticipated revenue appears to be accurate.
- > **Investment Interest Income:** Anticipated revenue for the Library generated by interest on Sweep Accts and investments is anticipated to increase in FY2024. As investments have matured, the Library has reinvested at higher rates of return. While this budget has increased, the Library is being conservative in its estimate.
- > **Rental Income & Vending Services:** The Library is anticipating a decrease in room rental and charges for photocopies, computer printouts, and other miscellaneous items. This decrease is warranted based on actual results in FY2023.
- > **Funding from Reserves:** The Library calculates the General Reserve to be 13% of all revenue before Funding to/from Reserves. Due to an increase in revenue for FY2024, the Library will adjust the General Reserve upward by \$38,158.

TAX REVENUE - Fiscal Year 2025

- > **Tax Revenue Projection:** The Library is estimating that overall property values within the City of Portage will increase by 1.75%, Pavilion Township by 3.0%, property values in Texas Township will increase by 4.0% in FY2025. Building is strong in the community and the area is seeing new property being added to the tax rolls. These are conservative estimates and fit within the Library's concept of estimating revenues conservatively.
- > **Funding From Reserves:** For FY2025, the Library is planning to only make the necessary adjustment to the General Reserve.

CAPITAL PROJECTS - Fiscal Year 2024

> **Library Bond Payment:** The Library issued bonds in the spring of FY2021 to fund the Library Improvement Project. The bonds are structured to pay only interest in FY2021 and principal and interest in FY2022-2029. The total annual debt payments, principal and interest, are structured to be consistent in those years to negate fluctuation in the annual debt service payments and therefore, cause stress on any one year's budget. This level will fund the Library's obligation for FY2024.

> **Library Technology Project:** Requested funds will be used in conjunction with the Library's technology plan. Planned expenditures include: the replacement of public access computers and mobile devices; some RFID equipment; and necessary equipment upgrades for wireless access throughout the building.

> **Capital Maintenance:** The Library is budgeting \$150,000 for capital maintenance. These funds are to be used for unplanned building repairs or projects that are not funded in other lines. Additionally, unused funds will be set aside to be used in future projects related to the building.

CAPITAL PROJECTS - Fiscal Year 2025

> **Capital Projects Projection:** The Library will set funds aside to complete building projects that may arise.