

**BIG RAPIDS COMMUNITY LIBRARY
BUDGET WORKSHEET
JULY 2008**

Operations

The chart below shows the current fiscal year of the Big Rapids Community Library in the right column. The Big Rapids Public Schools tax base is used for illustration of property tax support.

Revenue Source	1 mill	3/4 mill	Current Fiscal Year 2007/2008
Property Tax Millage – Based on Big Rapids School District Service Area*	\$443,000*	\$332,250*	
Appropriations (City of Big Rapids)			\$240,000
County Penal Fines	123,591	123,591	123,591
State Aid	13,614	13,614	13,614
Library Fines/Fees/Misc.	23,501	23,501	23,501
TOTALS	\$603,706	\$492,956	\$400,706
% increase over current	(+51%)	(+23%)	
Population served is 20,853	\$28.95 per capita**	\$23.62 per capita**	\$19.22 per capita**

*Information from the Big Rapids Public Schools Asst. Superintendent (Mark Klump) indicated that the value of a mill for the school district is \$443,000. The amount of support from the City of Big Rapids at 1 mill is \$186,000 or 42% of the \$443,000 total.

**Average for the Big Rapids Community Library peer group is \$38.04

The consultants recommend the middle column at 3/4 mill for operational support as a minimum for operations for the library. Based on community input and averages across the state a 1 mill support level would be much better. But based on what the consultants have learned from community leaders and from the focus groups, a combined operational and bond millage should be no more than 1.2 or 1.3 mills.

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Facility

2000 Facility (Fishbeck Thompson Carr & Huber schematic design)

Total Cost Estimate (Includes furniture, fixtures & equip. and parking & site costs)	Cost Update to 2010 (ten years later)
\$4,219,900	\$5,672,000
\$156 sq. ft.	\$210 sq. ft.

2010 Construction Costs

16,000 sq. ft. new on current site (or other clear site)	16,000 sq. ft. at E. Pine and N. Michigan (across from City Hall)	Operational costs for utilities \$3.00 to \$3.50 per sq. ft.
\$4,000,000	\$3,760,000	16,000 = \$48,000 to \$56,000
\$250 sq. ft.	\$235 sq. ft.	
\$250,000 per 1,000 sq. ft.	\$235,000 per 1,000 sq. ft.	
12,000 sq. ft. = \$3,000,000	12,000 sq. ft. = \$2,820,000	12,000 = \$36,000 to \$42,000

***Bond Financing (assumes 5% interest)**

Millage Figures are approximate and assume no growth in taxable value

Amount to Finance	20 years	25 years	30 Years
\$4,000,000	\$324,000 (.78 mills)	\$286,500 (.69 mills)	\$262,000 (.63 mills)
\$3,250,000	\$263,440 (.63 mills)	\$304,406 (.56 mills)	\$214,223 (.51 mills)
\$3,000,000	\$243,250 (.58 mills)	\$215,000 (.52 mills)	\$197,750 (.47 mills)

*These are estimates only used to illustrate approximate amounts. Figures were provided to Lorraine James by Robert Bragg of Raymond James & Associates, Grosse Pointe Farms, Michigan. Actual millage would most likely be somewhat less based on a reasonable estimate of taxable value growth and possibly lower bond interest rates. Authorized bond counsel needs to be consulted for exact figures based on the time of issuance of the bonds.

Funding plan

Revenue Source	Fundraising at \$250,000	Fundraising at \$500,000
Project Budget	\$4,000,000	\$4,000,000
Fundraising	(250,000)	(500,000)
1916 Bldg. Sale	(500,000)	(500,000)
E. Pine and N. Michigan Potential Savings*	(250,000)	(250,000)
Net Cost	\$3,000,000	\$2,750,000

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*The consultant architect notes that there could be a savings of about \$250,000 in site cost work at E. Pine and N. Michigan as compared to development at the current site. It is more prudent at this time to estimate a building cost of about \$3,250,000. Until actual planning is done including cost estimates for a facility on a particular site with schematics, a less conservative figure should be used.

Other Possible Considerations:

Would the city reduce property taxes for city residents by the equivalent of one mill or a portion of a mill? This would be helpful in selling the issue to city residents.

If the library were to locate within the Downtown Development Area, some financial assistance for the project from DDA such as site and landscaping work would help reduce the project cost. A portion of the district library taxes will be captured by the DDA.

Cost figures are for a 16,000 sq. ft. facility. For each 1,000 sq. ft. the cost is \$250,000. It would also be possible to build a smaller facility (say 14,000 sq. ft.) to save \$500,000 with the possibility of later adding this space. Of course, the cost of added space always goes up over time.