

Date: December 16, 2025

To: Kitsap Regional Library Board of Trustees

From: Daniel Baer, Deputy Director/Chief Financial and Operating Officer

Re: 2026 Operating Budget

Summary

On August 5, 2025, Library Levy Proposition 1 passed with 61.93% of the vote, providing Kitsap Regional Library with a levy lid lift raising the regular property tax rate by 12 cents. This increase makes it possible to:

- Keep all nine library locations open with consistent hours
- Support early learning, teen development, and workforce readiness
- Maintain current, relevant, and useful technology and collections
- Provide welcoming, safe, and inclusive library spaces for everyone

These priorities guide our work every day, and we are excited to move ahead with your support behind us. This levy sets the Library on a sustainable path for the next seven to ten years, allowing us to focus on long-term planning and continued service to the community.

Kitsap Regional Library 2026 Operating Budget

	2025 Adopted	2026 Proposed
Expenditures	18,506,015	22,033,456
Revenues	18,506,015	26,404,884

Property tax revenue increases by \$7,898,869 in the 2026 budget. Revenues from property taxes comprise 97% of all revenues received by the Library. For FY2026, the levy rate for the Library is set at \$.390 per \$1,000 assessed property valuation. Total revenues are expected to increase by 44.65% in 2026. In subsequent budget years, revenue growth will be constrained by state law restricting the library district's general increase in property taxes to 1% of the previous year's total.

	TaxYear 2023	TaxYear 2024	TaxYear 2025	TaxYear 2026 <i>est</i>
Levy Rate	.00275031	.00272242	.00272238	.0039
Residential property (\$500k)	\$137.52	\$136.12	\$136.12	\$195

Fund Balances and Reserves

Year-end Operating Budget surplus will be transferred to capital reserves until allocated to projects in the Capital budget process.

Cash Flow

Cash flows are anticipated to be sufficient to meet library needs throughout the year. The 2026 projected beginning cash balance should be sufficient to cover expenditures, until we receive the first large property tax deposit in April.

Capital Budget

Savings from 2025 operations will be transferred at year end to the Library Capital Reserve fund for future capital projects. Proposed 2026 capital projects to be funded from capital reserves will be presented for approval to the Library Board at their January 2026 Trustee meeting.

2026 Revenue Budget

Revenues	FY24 Actual	FY25 Budget	FY26 Budget	FY25 – FY26		
				\$ Change	% Change	% of Budget
Property Tax	17,044,364	17,688,915	25,587,784	7,898,869	44.65%	96.91%
Sale of Tax Title Property	0	7,000	7,000	0	0.00%	0.03%
Leasehold Excise Tax	40,041	40,000	40,000	0	0.00%	0.15%
Private Harvest Tax	10,244	16,000	16,000	0	0.00%	0.06%
PUD Privilege Tax	447	400	400	0	0.00%	0.00%
Non-Timber State Tax	4,688	3,500	3,500	0	0.00%	0.01%
DNR PILT NAP/NRCA	3,357	3,200	3,200	0	0.00%	0.01%
DNR Timber Trust	0	20,000	20,000	0	0.00%	0.08%
Printing, Copy Services	14,238	40,000	40,000	0	0.00%	0.15%
Lost/Damaged Recoveries (formerly Fines)	13,603	20,000	20,000	0	0.00%	0.08%
Investment Interest	254,189	200,000	200,000	0	0.00%	0.76%
Space, Facilities Leases	0	1,000	1,000	0	0.00%	0.00%
Donations	0	2,000	2,000	0	0.00%	0.01%
KRL Foundation/FOL Grants	246,153	300,000	300,000	0	0.00%	1.14%
KRL Foundation/Silverdale Library Construction Funding	958,498	0	0	0	0.00%	0.00%
Private Grants	37,580	35,000	35,000	0	0.00%	0.13%
Surplus	386	5,000	5,000	0	0.00%	0.02%
E-Rate	110,195	100,000	100,000	0	0.00%	0.38%
Other	378	8,000	8,000	0	0.00%	0.03%
Rebates	16,426	16,000	16,000	0	0.00%	0.06%
Total Revenue	18,754,786	18,506,015	26,404,884	7,898,869	42.68%	100.00%

Revenues by Type

Property Taxes	\$25,587,784
By Washington State law, the maximum levy rate that library districts can assess is \$.50 per \$1,000 of assessed property valuation. Additionally, taxing districts are limited to an increase of 1% per year plus new construction. For 2026, the Library levy rate is \$.39 per \$1,000 of assessed property value.	
Sale of Tax Title Property	\$7,000
Sale of Tax Title Property is revenue received from the sale of properties that have been foreclosed upon by the county assessor's office.	
Leasehold Excise Tax.....	\$40,000
Leasehold Excise Tax is a tax on the use of public property by a private party which is in lieu of the property tax.	
Private Harvest Tax.....	\$16,000
Private Harvest tax is revenue collected at the time timber is harvested.	
PUD Privilege Tax.....	\$400
PUD Privilege Tax applies to electric generating facilities of public utility districts for privilege of operating.	
Non-Timber State Tax	\$3,500
Non-Timber State Taxes are proceeds from leases and sales of useful substances, materials and/or commodities obtained from forests which do not require logging-game animals, mushrooms, peat, etc.	
DNR PILT NAP/NRCA.....	\$3,200
Payment in lieu of taxes equal to the amount of property tax if Natural Area Preserves/Natural Resource Conservation Areas were taxed as open space land.	
DNR Timber Trust	\$20,000
Revenue collected at the time timber is harvested.	
Printing, Copy Services.....	\$40,000
Fees for making copies on copiers and printers at all library locations.	
Lost/Damaged Recoveries (formerly Fines)	\$20,000
Lost/Damaged Recoveries is revenue from patrons for cost related to materials that were lost or damaged. Overdue fines from all materials were eliminated in the FY18 budget, with the goal of eliminating unintentional barriers to access and supporting the Library's goal to promote learning and literacy. Patron accountability is maintained with fees incurred for lost or damaged materials.	
Investment Interest.....	\$200,000
Investment interest is revenue received from the Kitsap County Treasurer for interest on the Library's fund balance being held in their treasury.	
Space, Facilities Leases	\$1,000
Donations	\$2,000
Miscellaneous donations received by the Library.	
KRL Foundation/FOL Grants	\$300,000
Program support provided by the Kitsap Regional Library Foundation and Friends of the Library groups.	
Private Grants	\$35,000
The Bainbridge Public Library Association provides revenue for a portion of maintenance services provided at the Bainbridge Island branch. Transferred from Maintenance Services.	
Surplus	\$5,000
Revenue from sale of surplus property.	
E-Rate	\$100,000
Under the management of the Federal Communications Commission, the E-Rate program offers discounts to libraries and schools for affordable Internet access and telecommunications.	
Other.....	\$8,000
Miscellaneous revenue not considered a donation – refunds, etc.	

Rebates **\$16,000**
Rebates earned from early payment of monthly credit card charges.

2026 Operating Expenditure Budget

	FY24 Act	FY25 Budget	FY26 Budget
Wages	\$ 10,038,201	\$ 10,824,191	\$ 12,760,693
Benefits	\$ 3,240,667	\$ 3,529,387	\$ 3,610,279
Total Payroll	\$ 13,278,868	\$ 14,353,579	\$ 16,370,972
Conferences & Training	\$ 213,292	\$ 187,163	\$ 190,663
Recruitment & Selection	\$ 6,045	\$ 15,000	\$ 15,000
Wellness	\$ 311	\$ 3,600	\$ 3,600
Total Human Resources	\$ 219,648	\$ 205,763	\$ 209,263
Operating Supplies	\$ 126,822	\$ 163,780	\$ 160,350
Printing	\$ 52,147	\$ 30,450	\$ 47,700
Total Supplies	\$ 178,969	\$ 194,230	\$ 208,050
Facilities	\$ 7,637	\$ 15,000	\$ 15,000
Information Technology	\$ 549	\$ 10,000	\$ 10,000
Miscellaneous	\$ 4,936	\$ 5,750	\$ 11,800
Total Small Tools & Equipment	\$ 13,122	\$ 30,750	\$ 36,800
Professional Services	\$ 162,054	\$ 137,400	\$ 290,000
Building Security	\$ 3,716	\$ 1,200	\$ 10,000
Security Services	\$ 18,893	\$ 12,408	\$ 12,408
Alarm Monitoring	\$ 5,656	\$ 11,000	\$ 15,000
Interlibrary Loan Courier Services	\$ 7,897	\$ 8,200	\$ 8,200
Cataloging Services	\$ 87,476	\$ 106,000	\$ 106,000
Materials Processing	\$ 34,611	\$ 30,000	\$ 30,000
Legal Services	\$ 101,169	\$ 65,000	\$ 65,000
Advertising	\$ 2,852	\$ 2,800	\$ 2,800
Bank Fees	\$ 954	\$ 5,000	\$ 5,000
Total Professional Services	\$ 425,278	\$ 379,008	\$ 544,408
Telephone	\$ 83,298	\$ 75,000	\$ 90,000
Internet	\$ 145,754	\$ 117,000	\$ 117,000
Postage	\$ 10,346	\$ 10,750	\$ 15,750
Total Communications	\$ 239,398	\$ 202,750	\$ 222,750

2026 Operating Expenditure Budget

	FY24 Act	FY25 Budget	FY26 Budget
Travel Reimbursement	\$ 19,768	\$ 23,500	\$ 22,600
Fuel	\$ 22,584	\$ 23,800	\$ 23,800
Total Travel	\$ 42,352	\$ 47,300	\$ 46,400
Building	\$ 95,407	\$ 63,500	\$ 89,400
Insurance	\$ 98,265	\$ 122,000	\$ 140,000
Life Safety	\$ 8,675	\$ 1,500	\$ 1,500
Operating Leases	\$ 2,366	\$ 2,240	\$ 2,400
Rentals	\$ 16,789	\$ 11,900	\$ 16,900
Utilities	\$ 186,403	\$ 153,792	\$ 180,792
Vehicles	\$ 18,088	\$ 17,000	\$ 15,000
Total Facilities Operations	\$ 425,995	\$ 371,932	\$ 445,992
Copier Leases	\$ 37,742	\$ 40,000	\$ 40,000
Copier Maintenance	\$ 44,880	\$ 25,000	\$ 25,000
Total Copy Services	\$ 82,622	\$ 65,000	\$ 65,000
Equipment	\$ 4,744	\$ 14,000	\$ 13,700
Public Tech Replacement	\$ -	\$ -	\$ 100,000
Staff Tech Replacement	\$ -	\$ -	\$ 105,000
Software Maintenance	\$ 475,955	\$ 532,000	\$ 782,000
Total Repair & Maintenance	\$ 480,699	\$ 546,000	\$ 1,000,700
Marketing	\$ 5,093	\$ 23,780	\$ 23,780
Library Programs			
Adult	\$ 14,265	\$ 14,438	\$ 32,600
Teen	\$ 8,816	\$ 11,000	\$ 17,300
Children	\$ 16,261	\$ 17,600	\$ 22,800
Stories We Share	\$ -	\$ 10,000	\$ 10,000
Early Learning	\$ 8,609	\$ 10,000	\$ 10,800
STEM	\$ 29,391	\$ 45,000	\$ 61,000
Language Access	\$ -	\$ -	\$ 8,400
Outreach	\$ -	\$ -	\$ 3,500
Literacy Collections	\$ -	\$ -	\$ 35,000
Community Books	\$ -	\$ -	\$ 30,000
Summer Learning	\$ 29,436	\$ 54,000	\$ 75,000
Total Library Programs	\$ 106,779	\$ 162,038	\$ 306,400

2026 Operating Expenditure Budget

	FY24 Act	FY25 Budget	FY26 Budget
Stories We Share	\$ -	\$ 27,000	\$ 31,500
Summer Learning - KRLF funded	\$ 121,454	\$ 110,000	\$ 147,750
3rd Graders to the Library - KRLF funded	\$ 24,130	\$ 30,000	\$ 30,000
Middle School to the Library	\$ -	\$ 30,000	\$ 30,000
Community Books	\$ 4,042	\$ 40,000	\$ -
Teen Summer Events/Camps	\$ 1,558	\$ 2,500	\$ 5,000
Community Events	\$ 3,970	\$ 7,000	\$ 1,000
Team Building	\$ -	\$ 14,500	\$ 13,750
Misc Foundation/FOL	\$ 86,178	\$ 39,000	\$ 41,000
Total Foundation Grants	\$ 241,331	\$ 300,000	\$ 300,000
			\$ -
Dues & Memberships	\$ 16,124	\$ 10,706	\$ 18,231
Hosting	\$ 3,287	\$ 8,546	\$ 9,270
Total Outreach	\$ 19,411	\$ 19,252	\$ 27,501
Library Materials	\$ 1,582,722	\$ 1,604,033	\$ 2,224,840
Library Materials - KRLF funded	\$ 101,858		
Returned Materials Refunds	\$ 610	\$ 600	\$ 600
Total Library Collection	\$ 1,685,190	\$ 1,604,633	\$ 2,225,440
Total Operating Expenditures	\$ 17,444,755	\$ 18,506,015	\$ 22,033,456

RESOLUTION 2026-01: AMEND THE ADOPTED 2026 EXPENDITURE BUDGET BY \$2,419,340 TO FUND 2026 CAPITAL PROJECTS.

WHEREAS, the Board of Trustees of the Kitsap County Rural Library District adopted the 2026 Operating Budget with Resolution 2025-07 on December 16, 2025; and

WHEREAS, the Kitsap County Rural Library District ended 2025 with sufficient Capital Reserves to fully fund this amendment; and

WHEREAS, on August 25, 2025 Kitsap County voters approved Library Levy Proposition 1, increasing Kitsap Regional Library’s regular property tax rate to \$.39 per \$1,000 of assessed value, generating approximately \$7.7 million in addition revenue in 2026

THEREFORE, BE IT RESOLVED that the Kitsap Regional Library Board of Trustees approves the amendment of the Adopted 2026 Expenditure Budget by \$2,419,340,

Adopted at a regular and open public meeting of the Kitsap Regional Library Board of Trustees on the 27th day of January, 2026, the following trustees being present and voting:

Gina Steiner, President and Member

Marwon Cameron, Vice President and Member

Erik Fong, Member

Eric Cisney, Member

Monica Blackwood, Member

Attest:

Jason Driver, Secretary to the Board of Trustees