

**AGENDA**  
**Regular Meeting of the Pierce County Library System Board of Trustees**  
**January 10, 2018 | 3:30 pm**

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- |         |         |   |               |
|---------|---------|---|---------------|
| 3:30 pm | 02 min. | <b>Call to Order:</b> Rob Allen, Chair  |               |
| 3:32 pm | 05 min. | <b>Public Comment:</b> <i>This is time set aside for members of the public to speak to the Board of Trustees. Unless the item you wish to discuss is of an emergency nature, the Board ordinarily takes matters under advisement before taking action. Please sign up at the time of the meeting to speak during the public Comment period, and limit your comments to three minutes.</i> |               |
| 3:37 pm | 03 min. | <b>Consent Agenda</b>   | <b>Action</b> |
|         |         | <ol style="list-style-type: none"> <li>1. Approval of Minutes of the December 13, 2017, Regular Meeting</li> <li>2. Approval of December 2017 Payroll, Benefits and Vouchers</li> <li>3. Resolution 2018-01: Cancellation of Unredeemed Warrants</li> </ol>   |               |
| 3:40 pm | 10 min. | <b>Board Members Report</b>   |               |
| 3:50 pm | 10 min. | <b>Routine Reports</b>  |               |
|         |         | <ol style="list-style-type: none"> <li>1. Dashboards, Georgia Lomax</li> <li>2. November 2017 Financial Report, Donna Morey</li> <li>3. Executive Director Report, Georgia Lomax</li> <li>4. Branch Services Report, Jaime Prothro</li> </ol>   |               |
| 4:00 pm | 10 min. | <b>New Business</b>   | <b>Action</b> |
|         |         | <ol style="list-style-type: none"> <li>1. 2018 Foundation Agreement, Clifford Jo and Dean Carrell</li> </ol>  |               |
| 4:10 pm | 10 min. | <b>Unfinished Business</b>  |               |
|         |         | <ol style="list-style-type: none"> <li>1. Revenue/Expenditures Gap Follow Up, Clifford Jo</li> <li>2. Library Priorities Public Process, Mary Getchell</li> </ol>   |               |
| 4:20 pm | 30 min. | <b>Board Education and Service</b>  |               |
|         |         | <ol style="list-style-type: none"> <li>1. Public Information Overview, Mary Getchell</li> </ol>   |               |
| 4:50 pm | 10 min. | <b>Officers Reports</b>   |               |
|         |         | <ol style="list-style-type: none"> <li>1. 2015-16 Audit Report</li> <li>2. Revised Levy Certification</li> <li>3. Local 3787 Election of Officers</li> <li>4. After Hours Meeting Room Use Follow Up</li> <li>5. Administrative Center Training Room</li> </ol>   |               |
| 5:00 pm | 05 min. | <b>Executive Session</b>  |               |
|         |         | <i>At this time on the agenda, the Board of Trustees will recess to Executive Session per RCW 42.30.110, to discuss property issues.</i>  |               |
| 5:05 pm | 02 min. | <b>Announcements</b>  |               |
|         |         | <i>Following the meeting, we invite you to tour the new Training Room.</i>  |               |
| 5:07 pm |         | <b>Adjournment</b>  |               |

# Consent Agenda

**CALL TO ORDER**

Chair Robert Allen called to order the regular meeting of the Pierce County Rural Library District Board of Trustees at 3:30 pm. Board members present were Donna Albers, Monica Butler and Pat Jenkins. Daren Jones was excused.

**PUBLIC COMMENT**

There was no public comment.

**CONSENT AGENDA**

1. Approval of Minutes of the November 8, 2017, Regular Meeting
2. November 2017 Payroll, Benefits and Vouchers
  - a. Payroll Warrants 3785-3790 dated 11/1/17-11/30/17 in the amount of \$5,246.38
  - b. Payroll Disbursement Voucher dated 11/6/17 in the amount of \$1,035,145.14
  - c. Payroll Disbursement Voucher dated 11/21/17 in the amount of \$806,259.31
  - d. Accounts Payable Warrants 628256-628344 dated 11/1/17-11/30/17 in the amount of \$512,499.75
3. *Resolution 2017-13: To Declare Furnishings and Equipment Surplus to Public Service Needs*
4. *Resolution 2017-14: To Set the 2018 Schedule of Recurring Meetings*

*Mr. Jenkins moved for approval of the consent agenda. Ms. Butler seconded the motion and it was passed.*

**BOARD REPORTS**

The Board congratulated Jaime Prothro on her promotion to Customer Experience Director.

**ROUTINE REPORTS**

**Dashboards** – Ms. Lomax noted the addition of a new dashboard related specifically to the Foundation.

**October 2017 Financial Report** – Finance Manager Donna Morey noted revenue year to date was \$26.2M. Several expenditures are being reviewed and will be moved to the Capital Improvement Fund prior to year-end.

**Executive Director Report** – Ms. Lomax noted she spent much of the month sharing the strategic plan and Library priorities with City and Town Councils, school superintendents and community leaders. She reported the Orting Library, which is owned by the City would be undergoing HVAC and roof repairs in 2018. The estimated amount of the project is \$40K. These expenditures will be reflected in the 2018 budget. The City agreed to provide the Library with dedicated time and use of the meeting rooms.

**Branch Services Reports** – Customer Experience Manager Kayce Austin shared details of the Pierce County Law Library satellite branch in the Gig Harbor Library. The Law Library will be paying for the cost of data access, resources and computer equipment used to access legal reference materials. She noted this service will benefit customers by providing access to legal resources locally.

**BOARD EDUCATION AND SERVICE**

**Library Priorities – Public Opinion Poll Results** – Marketing and Communications Director Mary Getchell introduced Melissa Martin, Survey Research Director with the Nelson Report, who reported on the November 2017 Survey Research results. 383 people responded to the poll, which was considered statistically significant.

Ms. Lomax said the poll was conducted to aid the Library in understanding how the public perceives the Library.

82% of respondents have a high level of familiarity with the Library. 85% of respondents rated the Library positively.

72% of respondents believe they receive a good value in library services. 82% were satisfied with the way the Library uses tax dollars to fund library services. 53% preferred the Library increase the levy rate vs. not provide at least \$2M in library services.

#### UNFINISHED BUSINESS

**2018 Budget and Work Plan: Second Reading and Discussion** – Ms. Lomax noted there were no significant changes from the budget presented last month. The projected fine revenue was adjusted down slightly.

Deputy Director Melinda Chesbro noted the unanticipated revenue and expenditure lines were added to support the expenditure management process. Finance and Business Operations Director Clifford Jo noted this should eliminate the need for mid-year budget adjustments.

Mr. Jo also noted the budget reflects the additional costs for the audit which will be yearly from now on.

There was discussion on the projections outlined in the cash flow summaries and how best to present forecasts.

There was discussion about the messaging in the budget document as it relates to the current funding issue.

#### PUBLIC HEARING: 2018 DRAFT BUDGET OF REVENUE AND EXPENDITURES

*Ms. Butler moved that in accordance with RCW 84.55.120, the public hearing be opened for consideration of increases in property tax revenues, regarding 2017 property tax levies for collection in 2018. Mr. Jenkins seconded the motion and it passed.*

Chair Allen then asked if there was anyone in the audience who wished to comment on the 2018 budget.

Louise K. Carson expressed her satisfaction with the Book a Librarian service at the South Hill Library. She thanked the Library for its services to the community.

There being no further comments, *Mr. Jenkins moved to close the public hearing on the 2018 budget of estimated revenue and expenditures. Ms. Albers seconded the motion and it passed.*

#### UNFINISHED BUSINESS (CONTINUED)

##### Resolution 2017-15: To Adopt the 2018 General Fund Budget

*Mr. Jenkins moved to approve Resolution 2017-15: To Adopt the 2018 General Fund Budget. Ms. Albers seconded the motion and it was passed.*

##### Resolution 2017-16: To Adopt the 2018 Capital Improvement Fund Budget

*Mr. Jenkins moved to approve Resolution 2017-16: To Adopt the 2018 Capital Improvement Fund Budget. Ms. Albers seconded the motion and it was passed.*

##### Resolution 2017-17: To Adopt the 2018 Special Purpose Fund Budget

*Mr. Jenkins moved to approve Resolution 2017-17: To Adopt the 2018 Special Purpose Fund Budget. Ms. Albers seconded the motion and it was passed.*

#### NEW BUSINESS

**2018 Election of Officers** – *Ms. Albers moved to reelect Mr. Allen as Chair and elect Daren Jones as Vice-Chair for calendar year 2018. Ms. Butler seconded the motion and it was passed.*

#### OFFICERS REPORTS

**Open Hours and After Hours Meeting Room Use** – Ms. Lomax said while the Library's meeting rooms are well used after the Library closes, the fiscal impacts related to the cost of clearing and locking facilities that have not been properly secured, as well as security and safety concerns, led to a decision to end after hours access. Most libraries do not offer after hour use of meeting rooms. Ms. Austin noted the Library proactively reached out to those

with existing reservations to notify them of the upcoming changes. The response has been good. Chair Allen requested seeing alternative options and a sense of the expense in keeping the rooms open after hours.

**EXECUTIVE SESSION**

There was no Executive Session.

**ANNOUNCEMENTS**

There were no Announcements.

**ADJOURNMENT**

The meeting was adjourned at 5:52 pm on motion by Ms. Albers, seconded by Ms. Butler.

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Georgia Lomax, Secretary

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Rob Allen, Chair

## December 2017 Payroll, Benefits and Vouchers

	<u>Warrant Numbers</u>	<u>Date(s)</u>	<u>Amount</u>
Payroll Warrants	3791-3792	12/1/17-12/31/17	\$1,692.93
Electronic Payments - Payroll & Acct Payable		12/06/17	\$1,006,505.10
Electronic Payments - Payroll & Acct Payable		12/21/17	\$787,940.12
Accounts Payable Warrants	628345-628472	12/1/17-12/31/17	\$1,073,022.16
<b>Total:</b>			<u><u>\$2,869,160.31</u></u>

**Check History Listing**  
Pierce County Library System

Check #	Bank	Date	Paid to	Status	Can/Vd Date	Pay Period Dates	Dir Dep	Amount
3791	key	12/06/2017	BROOKS, MICHAEL	C	12/08/2017	11/16/17 - 11/30/17	0.00	1,152.50
3792	key	12/21/2017	GINGRICH, CHARLENE			12/01/17 - 12/15/17	0.00	540.43
<b>Total:</b>							<b>0.00</b>	<b>1,692.93</b>

Checks in report: 2

**Grand Total:** 0.00 1,692.93

# Ad-hoc bank transaction (Withdrawal)

## PCL\_Company

Wire Template Number in Cash-Pro :WAPC014

Description: Pierce County Rural Library

Contact Name: Stacy Karabotsos  
 Contact Phone: 253-548-3451  
 Contact e-mail: skarabotsos@piercecountylibrary.org  
 Comments: 12/06/2017 Payroll

Withdrawal Date: 12/06/17

Company	Description	Revenue/Spend Category	Cost Center	Fund	Business Unit	Total
PCL_Company	FIT EE and EIC	237100	CC_Library_District	697-00	5100000	71,366.57
PCL_Company	FICA EE and Medicare	237100	CC_Library_District	697-00	5100000	49,946.53
PCL_Company	FICA ER and Medicare	237100	CC_Library_District	697-00	5100000	50,017.22
PCL_Company	DIR DEP	237100	CC_Library_District	697-00	5100000	468,163.42
PCL_Company	Deferred Comp. Plan	237100	CC_Library_District	697-00	5100000	11,614.50
PCL_Company	DRS (PERS) EE	237100	CC_Library_District	697-00	5100000	49,087.97
PCL_Company	DRS (PERS) ER	237100	CC_Library_District	697-00	5100000	83,913.79
PCL_Company	VOYA	237100	CC_Library_District	697-00	5100000	5,790.00
PCL_Company	H.S.A Employee Deductions	237100	CC_Library_District	697-00	5100000	985.51
PCL_Company	H.S.A Employer Contribution	237100	CC_Library_District	697-00	5100000	125.00
PCL_Company	H.S.A Employee Fee	237100	CC_Library_District	697-00	5100000	-
PCL_Company	AWC (only on 6th paycheck)	237100	CC_Library_District	697-00	5100000	215,494.59
PCL_Company	Department of Revenue	237100	CC_Library_District	697-00	5100000	-
PCL_Company	Payroll Adjustment(s)	237100	CC_Library_District	697-00	5100000	-
<b>Total Deposit</b>						<b>\$ 1,006,505.10</b>

Certification: \_\_\_\_\_

Stacy Karabotsos  
Signature ( Department Designee)

12/05/17  
Date

Comments:

# Ad-hoc bank transaction (Withdrawal)

## PCL\_Company

Wire Template Number in Cash-Pro :WAPC014

Description: Pierce County Rural Library

Contact Name: Stacy Karabotsos  
 Contact Phone: 253-548-3451  
 Contact e-mail: skarabotsos@piercecountylibrary.org  
 Comments: 12/21/2017 Payroll

Withdrawal Date: 12/21/17

Company	Description	Revenue/Spend Category	Cost Center	Fund	Business Unit	Total
PCL_Company	FIT EE and EIC	237100	CC_Library_District	697-00	5100000	72,231.61
PCL_Company	FICA EE and Medicare	237100	CC_Library_District	697-00	5100000	49,668.66
PCL_Company	FICA ER and Medicare	237100	CC_Library_District	697-00	5100000	49,596.41
PCL_Company	DIR DEP	237100	CC_Library_District	697-00	5100000	465,413.04
PCL_Company	Deferred Comp. Plan	237100	CC_Library_District	697-00	5100000	11,629.50
PCL_Company	DRS (PERS) EE	237100	CC_Library_District	697-00	5100000	48,041.94
PCL_Company	DRS (PERS) ER	237100	CC_Library_District	697-00	5100000	82,044.55
PCL_Company	VOYA	237100	CC_Library_District	697-00	5100000	5,512.00
PCL_Company	H.S.A Employee Deductions	237100	CC_Library_District	697-00	5100000	985.27
PCL_Company	H.S.A Employer Contribution	237100	CC_Library_District	697-00	5100000	-
PCL_Company	H.S.A Employee Fee	237100	CC_Library_District	697-00	5100000	212.70
PCL_Company	AWC (only on 6th paycheck)	237100	CC_Library_District	697-00	5100000	-
PCL_Company	Department of Revenue	237100	CC_Library_District	697-00	5100000	2,604.44
PCL_Company	Payroll Adjustment(s)	237100	CC_Library_District	697-00	5100000	-
<b>Total Deposit</b>						<b>\$ 787,940.12</b>

Certification:

Stacy Karabotsos  
 Signature ( Department Designee)

12/19/17  
 Date

Comments:

**Check History Listing**  
**Pierce County Library System**

12/28/2017 12:55PM

Bank code: key

<u>Check #</u>	<u>Date</u>	<u>Vendor</u>	<u>Status</u>	<u>Check Total</u>
628345	12/06/2017	000363 OVERALL LAUNDRY SERV. DBA ARAMARI		21.98
628346	12/06/2017	006577 CATALYST WORKPLACE ACTIVATION		816.45
628347	12/06/2017	006235 CONTOUR		27,589.81
628348	12/06/2017	006235 CONTOUR		2,510.81
628349	12/06/2017	001512 DAILY JOURNAL OF COMMERCE		71.30
628350	12/06/2017	006873 DATA QUEST LLC		50.00
628351	12/06/2017	001126 DELL MARKETING LP	V	0.00
628352	12/06/2017	001126 DELL MARKETING LP		3,082.73
628353	12/06/2017	006699 DORMA USA INC		19,540.22
628354	12/06/2017	005862 ELITE PROPERTY INVESTMENTS LLC		9,869.79
628355	12/06/2017	006478 EVERGREEN MAINT LANDSCAPING		1,807.85
628356	12/06/2017	005330 GHA TECHNOLOGIES INC		3,470.33
628357	12/06/2017	006492 LOGIC INTEGRITY INC		5,742.50
628358	12/06/2017	006934 DENVER PUBLIC LIBRARY MANAGER OF		36.85
628359	12/06/2017	006421 MARKHAM INVESTIGATION - (MIP)		7,482.50
628360	12/06/2017	006841 NEW VENTURES GROUP INC		5,611.60
628361	12/06/2017	001586 NORTHWEST DOOR INC		239.04
628362	12/06/2017	002100 ALISON PASCONE		66.81
628363	12/06/2017	005059 SOUTHERN OREGON UNIVERSITY		60.00
628364	12/06/2017	006561 SUNDOWNER CO		1,357.38
628365	12/06/2017	006331 SURPRISE LAKE SQUARE UNIT 257		8,913.17
628366	12/06/2017	006905 THE NELSON REPORT		13,586.00
628367	12/06/2017	000497 TILlicum COMMUNITY SERVICE CEN		1,916.80
628368	12/06/2017	001821 TYLER TECHNOLOGIES INC		45,125.87
628369	12/06/2017	004022 US BANK		68,000.80
628370	12/06/2017	000534 WCP SOLUTIONS		1,815.39
628371	12/06/2017	006933 WEST CHICAGO PUBLIC LIBRARY		49.99
628372	12/06/2017	001655 WESTERN WASHINGTON FAIR ASSOC		1,716.55
628373	12/06/2017	000830 BAKER & TAYLOR		51,762.31
628374	12/06/2017	000087 BLACKSTONE PUBLISHING		80.00
628375	12/06/2017	000242 BUCKLEY CITY OF		236.19
628376	12/06/2017	000161 CENGAGE LEARNING		271.92
628377	12/06/2017	001780 CITY OF UNIVERSITY PLACE		20.18
628378	12/06/2017	004169 COMCAST		335.03
628379	12/06/2017	000044 COURIER HERALD PUBLISHING CO		39.00
628380	12/06/2017	005300 DANGER ROOM COMICS LLC		629.41
628381	12/06/2017	000093 EBSCO		972.31
628382	12/06/2017	001643 IMPACT		145.92

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12/28/2017 12:55PM

Bank code: key

<u>Check #</u>	<u>Date</u>	<u>Vendor</u>	<u>Status</u>	<u>Check Total</u>
628383	12/06/2017	005171 INFOGROUP		406.36
628384	12/06/2017	000243 INGRAM LIBRARY SERVICES		18,568.32
628385	12/06/2017	005882 LAUREN LINDSKOG		395.73
628386	12/06/2017	000352 MIDWEST TAPE	V	0.00
628387	12/06/2017	000352 MIDWEST TAPE	V	0.00
628388	12/06/2017	000352 MIDWEST TAPE	V	0.00
628389	12/06/2017	000352 MIDWEST TAPE	V	0.00
628390	12/06/2017	000352 MIDWEST TAPE		96,397.82
628391	12/06/2017	003398 MULTICULTURAL BOOKS & VIDEOS		102.85
628392	12/06/2017	000370 PIERCE COUNTY SEWER		956.33
628393	12/06/2017	000377 PUGET SOUND ENERGY		7,698.95
628394	12/06/2017	000406 RECORDED BOOKS LLC		426.80
628395	12/06/2017	000451 SEATTLE TIMES SEATTLE PI		473.20
628396	12/06/2017	000460 STEILACOOM TOWN OF		884.76
628397	12/06/2017	000535 WESTON WOODS STUDIOS		4,405.76
628398	12/06/2017	000828 AFSCME AFL-CIO	V	6,480.23
628399	12/06/2017	000041 EMPLOYMENT SECURITY DEPARTMENT	C	266.25
628400	12/06/2017	006414 GC SERVICES, LP	C	224.33
628401	12/06/2017	006690 ENFORCEMENT KENTUCKY CHILD SUPP	C	151.68
628402	12/06/2017	003985 PACIFICSOURCE ADMINISTRATORS	C	1,699.79
628403	12/06/2017	000821 PIERCE COUNTY SUPERIOR COURT		64.79
628404	12/06/2017	001181 PIERCE CTY LIBRARY FOUNDATION	C	461.92
628405	12/06/2017	006555 SOCIAL SECURITY ADMINISTRATION	C	64.79
628406	12/06/2017	000823 UNITED WAY	C	51.50
628407	12/06/2017	004782 US DEPARTMENT OF EDUCATION	C	194.37
628408	12/06/2017	000881 WASHINGTON STATE SUPPORT REGIS	C	1,907.62
628409	12/15/2017	004169 COMCAST		1,341.23
628410	12/15/2017	006916 ELYSE MCWILSON		9.99
628411	12/15/2017	000377 PUGET SOUND ENERGY		903.63
628412	12/15/2017	000463 SUMMIT WATER & SUPPLY CO		304.94
628413	12/15/2017	006917 KAYDINSE TILLOTSON		8.55
628414	12/15/2017	000541 STATE OF WASHINGTON		359.93
628415	12/21/2017	000830 BAKER & TAYLOR		41,704.16
628416	12/21/2017	000161 CENGAGE LEARNING		3,458.66
628417	12/21/2017	005300 DANGER ROOM COMICS LLC		1,512.91
628418	12/21/2017	000093 EBSCO		418.32
628419	12/21/2017	000243 INGRAM LIBRARY SERVICES		20,242.04
628420	12/21/2017	000352 MIDWEST TAPE	V	0.00
628421	12/21/2017	000352 MIDWEST TAPE		28,854.24

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<u>Check #</u>	<u>Date</u>	<u>Vendor</u>	<u>Status</u>	<u>Check Total</u>
628422	12/21/2017	003398 MULTICULTURAL BOOKS & VIDEOS		310.40
628423	12/21/2017	000323 NEWS TRIBUNE		520.00
628424	12/21/2017	000377 PUGET SOUND ENERGY		3,434.11
628425	12/21/2017	000406 RECORDED BOOKS LLC		271.02
628426	12/21/2017	000535 WESTON WOODS STUDIOS		4,736.82
628427	12/21/2017	000176 ATS AUTOMATION INC		73,891.35
628428	12/21/2017	006940 BRUCE C. ALLEN & ASSOC.		4,350.00
628429	12/21/2017	000895 COLUMBIA BANK		250.60
628430	12/21/2017	001787 COLUMBIA FORD INC		34,812.66
628431	12/21/2017	006949 COMMUNICO LLC		68,000.00
628432	12/21/2017	005081 EHS-INTERNATIONAL INC		12,098.26
628433	12/21/2017	005283 E-RATE EXPERTISE INC		200.00
628434	12/21/2017	006478 EVERGREEN MAINT LANDSCAPING		5,223.29
628435	12/21/2017	005428 GRITTON BUILDING CO INC		15,345.72
628436	12/21/2017	006904 IDEAL COMMUNICATIONS		5,400.00
628437	12/21/2017	006310 INTRACOMMUNICATION NETWORK SYS		446.23
628438	12/21/2017	005882 LAUREN LINDSKOG		147.68
628439	12/21/2017	006492 LOGIC INTEGRITY INC		7,650.00
628440	12/21/2017	006421 MARKHAM INVESTIGATION - (MIP)		1,232.00
628441	12/21/2017	004794 MARTIN SIGNS & FABRICATION INC		22,466.76
628442	12/21/2017	001345 MICHAEL'S CUSTOM UPHOLSTERY		182.75
628443	12/21/2017	000323 NEWS TRIBUNE		1,031.12
628444	12/21/2017	003985 PACIFICSOURCE ADMINISTRATORS		210.50
628445	12/21/2017	001181 PIERCE CTY LIBRARY FOUNDATION		200.00
628446	12/21/2017	001681 PITNEY BOWES		4,000.00
628447	12/21/2017	001258 PTM DOCUMENT SYSTEMS INC		264.20
628448	12/21/2017	000408 ROBBLEES TOTAL SECURITY INC		2,274.93
628449	12/21/2017	005603 TEGCO FENCE		6,105.02
628450	12/21/2017	003719 UNIQUE MANAGEMENT SERVICES		1,270.90
628451	12/21/2017	004022 US BANK		55,012.63
628452	12/21/2017	004022 US BANK		137,434.28
628453	12/21/2017	004022 US BANK		31,377.84
628454	12/21/2017	000541 STATE OF WASHINGTON		8,530.46
628455	12/21/2017	000635 WAYNES ROOFING INC		1,820.42
628456	12/21/2017	000534 WCP SOLUTIONS		148.30
628457	12/21/2017	006944 WSU VANCOUVER LIBRARY		125.00
628458	12/21/2017	003778 AFLAC		6,438.58
628459	12/21/2017	000828 AFSCME AFL-CIO		6,374.36
628460	12/21/2017	001578 COLONIAL SUPPLEMENTAL INSURANC		624.58

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12/28/2017 12:55PM

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<u>Check #</u>	<u>Date</u>	<u>Vendor</u>	<u>Status</u>	<u>Check Total</u>
628461	12/21/2017	000041 EMPLOYMENT SECURITY DEPARTMENT		265.81
628462	12/21/2017	006414 GC SERVICES, LP		187.63
628463	12/21/2017	006690 ENFORCEMENT KENTUCKY CHILD SUPP		151.68
628464	12/21/2017	003985 PACIFICSOURCE ADMINISTRATORS		1,698.67
628465	12/21/2017	000821 PIERCE COUNTY SUPERIOR COURT		63.88
628466	12/21/2017	001181 PIERCE CTY LIBRARY FOUNDATION	C	461.92
628467	12/21/2017	006555 SOCIAL SECURITY ADMINISTRATION		63.88
628468	12/21/2017	000823 UNITED WAY		51.50
628469	12/21/2017	004782 US DEPARTMENT OF EDUCATION		191.63
628470	12/21/2017	001355 VOLUNTARY EMPLOYEES' BENEFICIA		10,836.61
628471	12/21/2017	000881 WASHINGTON STATE SUPPORT REGIS	C	1,908.41
628472	12/28/2017	000828 AFSCME AFL-CIO		6,480.23
<b>key Total:</b>				<b>1,073,022.16</b>
<b>Total Checks:</b>				<b>1,073,022.16</b>

128 checks in this report

**RESOLUTION NO. 2018-01**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE  
PIERCE COUNTY RURAL LIBRARY DISTRICT  
TO CANCEL WARRANTS WHICH HAVE REMAINED UNPROCESSED  
FOR OVER ONE (1) YEAR**

**WHEREAS**, R.C.W. 39.56.040 requires cancellation of outstanding warrants which have been lost, destroyed, or otherwise gone unredeemed in excess of one (1) year, and

**WHEREAS**, the warrants on Attachment A were issued by the Pierce County Rural Library District over one (1) year ago, but have not yet been redeemed by the payees, and

**WHEREAS**, Pierce County Rural Library District administrative staff has sent notices to payees informing them of their rights to make application for duplicate warrant if they certify within thirty (30) days of receipt of notice that the original was lost or destroyed and has not been paid, now, therefore,

**BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE PIERCE COUNTY RURAL LIBRARY DISTRICT that:**

The Pierce County Budget and Finance be authorized to cancel the warrants on Attachment A, dated December 31, 2018.

**PASSED AND APPROVED THIS 10th DAY OF January, 2018.**

**BOARD OF TRUSTEES, PIERCE COUNTY RURAL LIBRARY DISTRICT**

Robert Allen, Chair \_\_\_\_\_

Daren Jones, Vice-Chair \_\_\_\_\_

Donna Albers, Member \_\_\_\_\_

Monica Butler, Member \_\_\_\_\_

Pat Jenkins, Member \_\_\_\_\_

Attachment A

**Pierce County Library System**  
**Warrants Outstanding for Twelve or more Months**  
**12/31/2017**

Date of Issuance	Warrant #	Payee	Amount
08/18/2014	623189	Performer Magazine	\$30.00

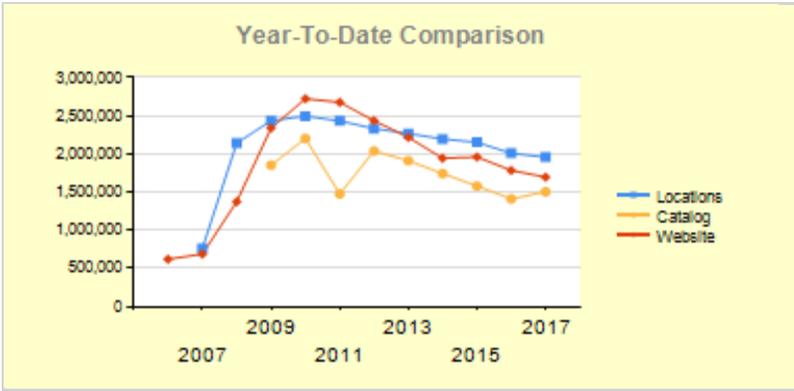
- All payees were contacted.
- Warrants “stale date” or become not valid six months after issuance per Pierce County Budget and Finance.
- PCLS turns these unclaimed payments over to State of Washington as Unclaimed Property. Currently, we batch and send payments to Unclaimed Property once per year after a payment is outstanding for two or more years per State law.

<b>Total Dollar Amount of Warrants Cancelled</b>	<b>\$30.00</b>
<b>Total Number of Warrants Cancelled</b>	<b>1</b>

# Routine Reports

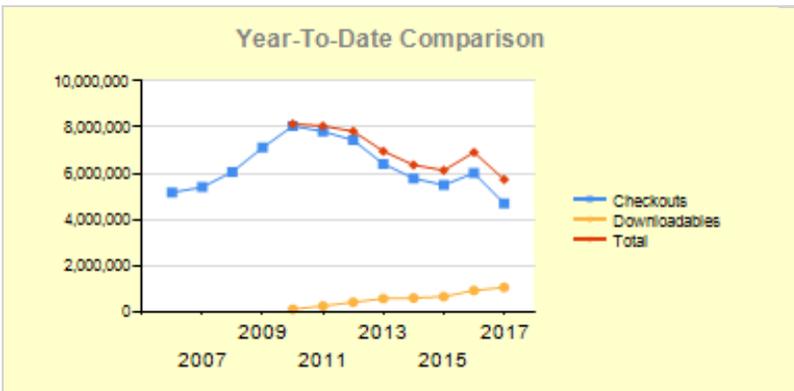
## CUSTOMER SERVICE/PHILANTHROPY DASHBOARD - NOVEMBER

### VISITS



	November		% Change
	2016	2017	
Door Count	116,336	104,468	-10.20%
Catalog	130,391	131,412	0.78%
Website	153,204	141,529	-7.62%
Job & Business Portal	3,492	2,965	-15.09%
Military Portal	229	464	102.62%
<b>Total</b>	<b>403,652</b>	<b>380,838</b>	<b>-5.65%</b>

### CHECKOUTS



	November		% Change
	2016	2017	
Checkouts	437,377	396,510	-9.34%
Downloadables	82,496	93,066	12.81%
<b>Total</b>	<b>519,873</b>	<b>489,576</b>	<b>-5.83%</b>

### CUSTOMERS



	November		% Change
	2016	2017	
Active Cardholders	331,980	386,960	16.56%
New Cards	3,409	2,397	-29.69%
Checkout Transactions	71,958	64,762	-10.00%
Unique Users	32,901	30,444	-7.47%

### BRANCH CLOSURES

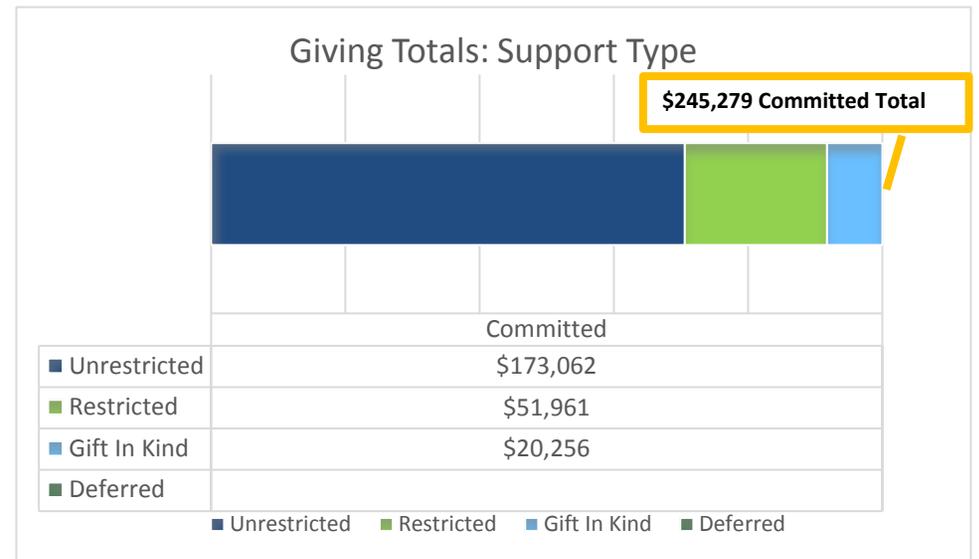
Year	Location	Dates	Duration
2014	Gig Harbor	5/19-6/1	13
	Lakewood	9/2-9/21	19
	Parkland	10/3-10/26	13
	South Hill	11/1-11/30	30
2015	Gig Harbor	11/9-11/22	13
2016	Buckley	11/14-12/4	20
	Tillicum	12/5-12/25	20
2017	System Snow Closure	2/6	1
	University Place	3/1-3/2	2
	Eatonville	4/10-4/30	20
	Summit	5/8 -5/31	21
	Parkland	5/31	1

# 2017 - 2018

## Fundraising Performance Report

Reporting Period: July 1, 2017 to December 31, 2017

Prepared: January 4, 2018



# Monthly Financial Reports

## November 30, 2017

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**All bold notes refer to current month activity or updates to prior months**

### General Fund

#### November

- **Tax collections for November totaled \$2,468,363, bringing total collections for the year to \$29.1M. This represents 99.4% of the total budgeted amount. We expect to collect approximately \$150,000 more by year end.**
- **36998. We received our last E-rate reimbursement for 2017.**
- **53403. Refund from EBSCO.**
- **53501.54800.54801. We continue to review furnishings, general repairs and maintenance, and contracted maintenance expenditures to determine if costs should be moved to the Capital Improvement Projects Fund (moves will occur in December).**
- **59700. Transfer to CIP per Board Resolution 2017-08.**

#### October

- Tax collections for October totaled \$10,124,107, bringing total collections for the year to \$26.2M. This represents approximately 91.5% of the total budgeted amount. Last year at this time we had collected 91.6% of the total budgeted amount; this indicates a level trend of collections.
- 53401 – 53499. The Collection Materials budget does not reflect encumbered amounts in our fiscal system (planned and obligated, usually via purchase order). However, these amounts are reflected in Polaris. According to Polaris, we have expended and encumbered 95% of the annual budget.
- 53501.54800.54801. These expenditures are currently under review; many will be moved to the Capital Improvement Fund prior to year-end.

#### July – September (Q3)

- Tax collections (current) for September were just over \$518,000 bringing total collections for the year to \$16.1M. This represents approximately 56% of the annual budgeted amount.
- 36110. Interest rates continue to rise in the State Local Government Investment Pool in which our funds are held. Interest rates at the end of September were 1.11%.
- 36998. In September, we received two E-Rate distributions, each over \$90,000.

- Salary and benefit costs have been 76% expended. Since September represents 75% of the entire year, this indicates a trend of level spending.
- 54100. During September we transferred some General Fund project costs to the Capital Improvement Projects Fund which resulted in a net credit to Professional Services.
- Tax collections for August, not yet reflected in the draft report, are just over \$132,000 bringing total collections for the year to \$15.6M. This represents approximately 54% of the annual budgeted amount.
- 36110. Interest rates were .98% in August in the State Local Government Investment Pool in which our funds are held. This is evidenced by the amount of interest income we have received which already exceeds the annual budgeted amount. September's interest rates are 1.07%.
- 39520. Insurance recovery payment for fire damage from fireworks at the Gig Harbor location.
- While some expenditure line items related to collection management seem to exceed budgeted amounts (53403, 53413, 53414) the collection management operations budget as a whole is only 62% spent.
- In July and in August, we are reviewing year to date charges and making corrections to any miscodings; most are line item to line item corrections, and major ones are noted herein.
- 53500. Corrected miscoding of software purchase from Minor Equipment to Software/Licenses/Hosting (53505).
- 56400. Corrected miscoding of fire suppression training system costs from General Fund to Capital Improvement Fund.

#### April – June (Q2)

- County Property Tax data received in April was \$10.49m, about \$200,000 less than April 2016– we will watch for more to be posted through the month of April, as the County system has not yet closed out April.
- 36998. Erate reimbursement received in April for remainder of 2016.
- 51105. Additional Hours returned to average monthly use.
- 54800. Corrected miscoding of landscaping costs from gen repairs & maintenance to contracted maint (54801)
- 54903. Corrected miscoding of AWC fees from licenses & fees to professional services (54100)
- 53500. Corrected miscoding of Fire Ext. training system from minor equipment to machinery & equipment (56400). This was supposed to have been paid in 2016 but the invoice came too late.
- County Property Tax data reported in May was \$3.4m, which offset the less taxes reported in April. At this time the Library is on schedule to receive its full property tax levy.
- 35970. Library Fines for overdue materials are coming in less than budgeted. We will make a correction for 2018.
- 54704. Garbage company refunded PCLS \$3,728 for Lakewood Library for over charges for several months.
- County Property Tax was approximately \$162,000.
- 33403. Workforce payment received.
- 36110. Investment return rate is now 0.83%, which is double what it was in June 2016 (.42%) and more than quintuple in June 2015 (0.14%).

- 54900. Includes “TRAIN” registrations.

January – March (Q1)

- 51105/51200. Additional hours and Overtime use as a result of unfilled vacancies and unusually high absences due to the influenza outbreak.
- Many annual service agreements, leases and insurance are paid and/or encumbered in January for the entire year. These are usually one time per year events or a large encumbrance for a multi-month project. They impact “percent expended” of budget significantly. Examples include but are not limited to general fund accounts 54100 Professional Services, 54201 telecom services, 54501 and 54502 Leases, 54801 Contracted Maintenance and 54903 Licenses and Fees.
- 53500. Minor Equipment miscode. Should be 56400 machinery and Equipment.
- County Property Tax data not received for March – we are estimating revenue of \$1,000,000 plus (Actual posted in March was \$1.27m)
- 33300. WorkSource grant – Federal funds via Pierce County WorkSource.

### Capital Improvement Projects Fund

**November**

- **39700. Transfer from GF per Board Resolution 2017-08.**
- **53501. Carpet and furniture for PAC training room.**
- **53505. Libraryaware system.**
- **54100. Logic Integrity – IT modernization system.**
- **56200. Replace automatic entry doors @ Graham.**

October

- 53502. Sonicwall Firewall
- 54100. Logic Integrity – IT modernization project
- 56201. Gritton Building Co. Inc. – PAC training room remodel

July – September (Q3)

- 53501. Pedestals for sequestered areas @ Parkland/Spanaway
- 54100. IT consulting services and modernization (Gartner Inc. & Logic Integrity Inc.).
- 56200. Library expansion unit @ University Place
- 53501. Furnishings for the Collection Management relocation project.
- 54100. IT consulting services (Gartner Inc.).
- 56201. Power and data installation for ACL work stations.
- 56400. Moved costs associated with fire suppression training system from General Fund to Capital Improvement Fund.

April – June (Q2)

- 53501. Furnishings for Parkland Movie Tower Decommissioning project & ergonomic project to replace chairs. (Budgets for the certain line items will be reallocated accordingly.)
- 56201. Eatonville Restroom Remodel project costs paid.
- 56200. Upgrades to the Key Center Library outdoor sign.
- 56201. Summit Library Restroom Remodel project costs paid.

January – March (Q1)

- 36998. Erate Reimbursement - Received balance of 2016 billed amount
- 53501. Furnishings for University Place Library Help Desk Upgrade
- 56200. Building/Building Improvements reflects an annual one-time payment for our UP library expansion. (Please refer to comment above regarding annual service agreements and one time payments.)
- 56402. HVAC work at Fife Library

**Debt Service Fund**

- No significant activity

**Special Purpose Fund**

- No significant activity

**Pierce County Library System  
Statement of Financial Position  
November 30, 2017  
All Funds**

	General Fund	Special Purpose Fund	Debt Service Fund	Capital Improvement Projects Fund
<b>Assets</b>				
<b>Current Assets - Cash</b>				
Cash	\$ 2,668,110	\$ 2,163	\$ 246	\$ 69,278
Investments	\$ 7,155,000	\$ 987,000	\$ 84,400	\$ 1,935,000
<b>Total Cash</b>	<b>\$ 9,823,110</b>	<b>\$ 989,163</b>	<b>\$ 84,646</b>	<b>\$ 2,004,278</b>
<b>Total Current Assets</b>	<b>\$ 9,823,110</b>	<b>\$ 989,163</b>	<b>\$ 84,646</b>	<b>\$ 2,004,278</b>
<b>Liabilities and Fund Balance</b>				
<b>Current Liabilities</b>				
Warrants Payable	\$ (144)	\$ -	\$ -	\$ -
Sales Tax Payable	\$ 2,553	\$ -	\$ -	\$ -
Payroll Taxes and Benefits Payable	\$ 127,875	\$ -	\$ -	\$ -
<b>Total Current Liabilities</b>	<b>\$ 130,284</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balance</b>				
Reserve for Encumbrances	\$ 615,538	\$ -	\$ -	\$ 304,192
Net Excess (Deficit)	\$ 2,635,030	\$ 4,900	\$ 596	\$ (218,307)
Major Contingency Set-aside	\$ -	\$ -	\$ -	\$ -
Election Set-aside	\$ -	\$ 360,000	\$ -	\$ -
Land, Property and Facility Set-aside	\$ -	\$ 368,263	\$ -	\$ -
Unreserved Fund Balance	\$ 6,442,258	\$ 256,000	\$ 84,050	\$ 1,918,392
<b>Total Fund Balance</b>	<b>\$ 9,692,826</b>	<b>\$ 989,163</b>	<b>\$ 84,646</b>	<b>\$ 2,004,278</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 9,823,110</b>	<b>\$ 989,163</b>	<b>\$ 84,646</b>	<b>\$ 2,004,278</b>
<b>Taxes Receivable</b>	<b>\$ 786,632</b>	<b>N/A</b>	<b>\$ 7</b>	<b>N/A</b>

<b>Pierce County Library System</b>													
<b>Comparative Statement of Financial Position</b>													
<b>General Fund - Rolling Comparison</b>													
<i>(as of the listed date of the reported month)</i>													
	HISTORICAL 11/30/2016	HISTORICAL 12/31/2016	HISTORICAL 1/31/2017	HISTORICAL 2/28/2017	HISTORICAL 3/31/2017	HISTORICAL 4/30/2017	HISTORICAL 5/31/2017	HISTORICAL 6/30/2017	HISTORICAL 7/31/2017	HISTORICAL 8/31/2017	HISTORICAL 9/30/2017	HISTORICAL 10/31/2017	CURRENT 11/30/2017
<b>Assets</b>													
<b>Current Assets - Cash</b>													
Cash	\$ 4,335,008	\$ 7,729,869	\$ 5,239,302	\$ 1,884,238	\$ 2,175,102	\$ 10,422,576	\$ 1,887,994	\$ 1,904,275	\$ 2,028,042	\$ 2,125,174	\$ 2,494,583	\$ 10,266,107	\$ 2,668,110
Investments	\$ 6,000,000	\$ -	\$ -	\$ 1,300,000	\$ -	\$ -	\$ 9,500,000	\$ 7,400,000	\$ 4,750,000	\$ 2,750,000	\$ 750,000	\$ 750,000	\$ 7,155,000
<b>Total Cash</b>	<b>\$ 10,335,008</b>	<b>\$ 7,729,869</b>	<b>\$ 5,239,302</b>	<b>\$ 3,184,238</b>	<b>\$ 2,175,102</b>	<b>\$ 10,422,576</b>	<b>\$ 11,387,994</b>	<b>\$ 9,304,275</b>	<b>\$ 6,778,042</b>	<b>\$ 4,875,174</b>	<b>\$ 3,244,583</b>	<b>\$ 11,016,107</b>	<b>\$ 9,823,110</b>
<b>Total Current Assets</b>	<b>\$ 10,335,008</b>	<b>\$ 7,729,869</b>	<b>\$ 5,239,302</b>	<b>\$ 3,184,238</b>	<b>\$ 2,175,102</b>	<b>\$ 10,422,576</b>	<b>\$ 11,387,994</b>	<b>\$ 9,304,275</b>	<b>\$ 6,778,042</b>	<b>\$ 4,875,174</b>	<b>\$ 3,244,583</b>	<b>\$ 11,016,107</b>	<b>\$ 9,823,110</b>
<b>Liabilities and Fund Balance</b>													
<b>Current Liabilities</b>													
Warrants Payable	\$ 235,821	\$ 727,573	\$ 478,143	\$ 464,924	\$ 55,092	\$ 87,181	\$ 262,037	\$ 67,764	\$ 48,704	\$ 294,348	\$ (34,432)	\$ 66	\$ (144)
Sales Tax Payable	\$ 5,672	\$ 2,082	\$ 4,908	\$ 5,175	\$ 4,624	\$ 6,663	\$ 4,966	\$ 4,037	\$ 3,810	\$ 5,130	\$ 3,786	\$ 2,789	\$ 2,553
Payroll Taxes and Benefits Payable	\$ 35,122	\$ 56,955	\$ 24,125	\$ 40,674	\$ 53,093	\$ 24,785	\$ 39,987	\$ 52,941	\$ 24,781	\$ 38,194	\$ 52,781	\$ 110,819	\$ 127,875
<b>Total Current Liabilities</b>	<b>\$ 276,615</b>	<b>\$ 786,611</b>	<b>\$ 507,175</b>	<b>\$ 510,773</b>	<b>\$ 112,809</b>	<b>\$ 118,628</b>	<b>\$ 306,990</b>	<b>\$ 124,742</b>	<b>\$ 77,294</b>	<b>\$ 337,671</b>	<b>\$ 22,135</b>	<b>\$ 113,674</b>	<b>\$ 130,284</b>
<b>Fund Balance</b>													
Reserve for Encumbrances	\$ 258,402	\$ -	\$ 1,630,348	\$ 925,974	\$ 1,034,180	\$ 998,755	\$ 958,175	\$ 906,200	\$ 793,080	\$ 626,005	\$ 653,420	\$ 620,137	\$ 615,538
Net Excess (Deficit)	\$ 2,921,598	\$ 501,242	\$ (3,841,479)	\$ (5,195,768)	\$ (5,915,145)	\$ 2,361,935	\$ 3,179,570	\$ 1,330,075	\$ (1,035,590)	\$ (3,031,760)	\$ (4,374,230)	\$ 3,339,038	\$ 2,635,030
Unreserved Fund Balance	\$ 6,878,394	\$ 6,442,016	\$ 6,943,258	\$ 6,943,258	\$ 6,943,258	\$ 6,943,258	\$ 6,943,258	\$ 6,943,258	\$ 6,943,258	\$ 6,943,258	\$ 6,943,258	\$ 6,943,258	\$ 6,442,258
<b>Total Fund Balance</b>	<b>\$ 10,058,393</b>	<b>\$ 6,943,258</b>	<b>\$ 4,732,127</b>	<b>\$ 2,673,465</b>	<b>\$ 2,062,294</b>	<b>\$ 10,303,947</b>	<b>\$ 11,081,004</b>	<b>\$ 9,179,533</b>	<b>\$ 6,700,748</b>	<b>\$ 4,537,503</b>	<b>\$ 3,222,448</b>	<b>\$ 10,902,433</b>	<b>\$ 9,692,826</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 10,335,008</b>	<b>\$ 7,729,869</b>	<b>\$ 5,239,302</b>	<b>\$ 3,184,238</b>	<b>\$ 2,175,102</b>	<b>\$ 10,422,576</b>	<b>\$ 11,387,994</b>	<b>\$ 9,304,275</b>	<b>\$ 6,778,042</b>	<b>\$ 4,875,174</b>	<b>\$ 3,244,583</b>	<b>\$ 11,016,107</b>	<b>\$ 9,823,110</b>
Balance of Prop Tax to Rcv (1st day of month)	\$ 839,981	\$ -	\$ 29,731,845	\$ 29,396,979	\$ 28,137,050	\$ 17,664,082	\$ 14,295,113	\$ 14,131,566	\$ 14,000,000	\$ 13,867,876	\$ 13,347,965	\$ 3,196,537	\$ 786,632

**PIERCE COUNTY LIBRARY SYSTEM**  
Statement of Revenue and Expenditures  
Year to Date November 30, 2017  
No Pre-Encumbrances

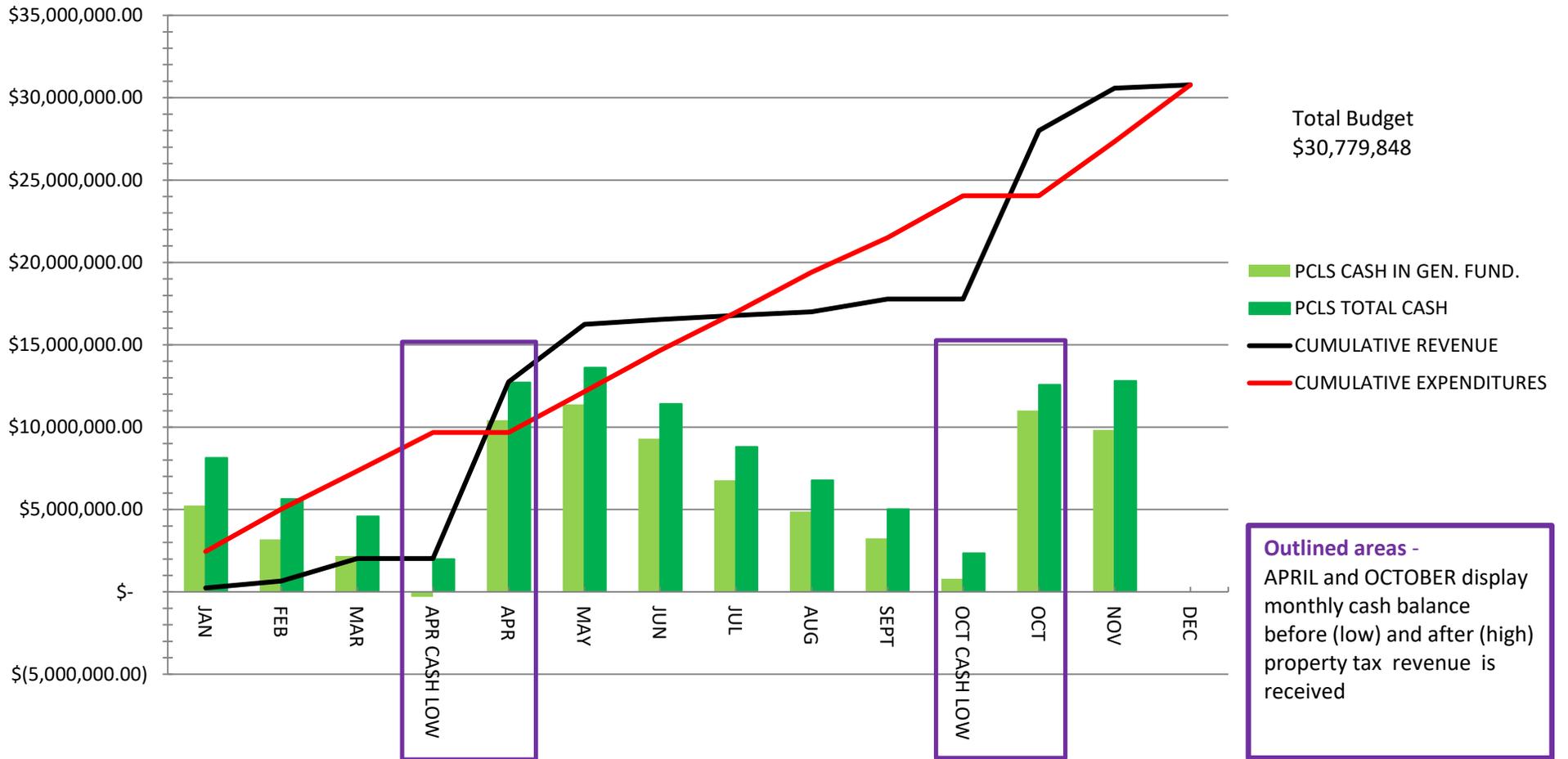
<b>GENERAL FUND - 01</b>	<b>2017 BUDGET</b>	<b>YEAR TO DATE</b>	<b>ENCUMBRANCES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET</b>
Revenue					
Property Tax/Investment Income & Other PC Revenue	\$ 29,352,348	\$ 29,192,282	\$ -	\$ 160,066	99%
Other Revenue	\$ 1,427,500	\$ 1,388,357	\$ -	\$ 39,143	97%
<b>Total Revenue</b>	<b>\$ 30,779,848</b>	<b>\$ 30,580,638</b>	<b>\$ -</b>	<b>\$ 199,210</b>	<b>99%</b>
Expenditures					
Personnel/Taxes and Benefits	\$ 21,461,824	\$ 19,999,383	\$ -	\$ 1,462,441	93%
Materials	\$ 3,789,300	\$ 3,112,137	\$ -	\$ 677,163	82%
Maintenance and Operations	\$ 4,297,530	\$ 3,232,357	\$ 615,538	\$ 449,636	90%
Transfers Out - CIP	\$ 1,231,194	\$ 986,194	\$ -	\$ 245,000	80%
<b>Total Expenditures</b>	<b>\$ 30,779,848</b>	<b>\$ 27,330,071</b>	<b>\$ 615,538</b>	<b>\$ 2,834,240</b>	<b>91%</b>
Excess/(Deficit)		\$ 3,250,568			
(Less Encumbrances)		(615,538)			
<b>Net Excess (Deficit)</b>		<b>\$ 2,635,030</b>			

<b>SPECIAL PURPOSE FUND - 15</b>	<b>2017 BUDGET</b>	<b>YEAR TO DATE</b>	<b>ENCUMBRANCES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET</b>
Revenue					
Investment Income	\$ -	\$ 4,900	\$ -	\$ (4,900)	\$ -
<b>Total Revenue</b>	<b>\$ -</b>	<b>\$ 4,900</b>	<b>\$ -</b>	<b>\$ (4,900)</b>	<b>\$ -</b>
Expenditures					
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Excess/(Deficit)		\$ 4,900			
(Less Encumbrances)		\$ -			
<b>Net Excess (Deficit)</b>		<b>\$ 4,900</b>			

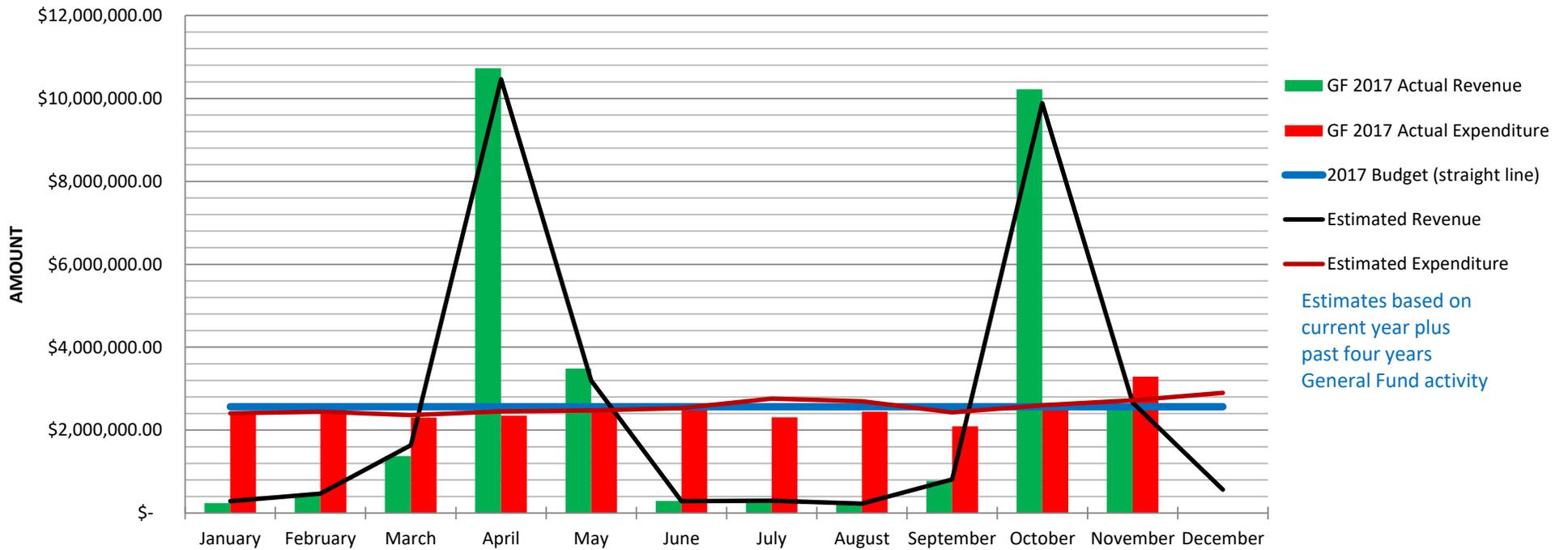
<b>DEBT SERVICE FUND - 20</b>	<b>2017 BUDGET</b>	<b>YEAR TO DATE</b>	<b>ENCUMBRANCES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET</b>
Revenue					
Property Tax/Investment Income & Other PC Revenue	\$ -	\$ 596	\$ -	\$ (596)	0%
Other Revenue	\$ -	\$ -	\$ -	\$ -	0%
<b>Total Revenue</b>	<b>\$ -</b>	<b>\$ 596</b>	<b>\$ -</b>	<b>\$ (596)</b>	<b>0%</b>
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>
<b>Net Excess (Deficit)</b>		<b>\$ 596</b>			

<b>CAPITAL IMPROVEMENT PROJECTS FUND - 30</b>	<b>2017 BUDGET</b>	<b>YEAR TO DATE</b>	<b>ENCUMBRANCES</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET</b>
Revenue					
Other Revenue	\$ 685,806	\$ 97,802	\$ -	\$ 588,004	14%
Transfers In	\$ 1,231,194	\$ 986,194	\$ -	\$ 245,000	80%
<b>Total Revenue</b>	<b>\$ 1,917,000</b>	<b>\$ 1,083,996</b>	<b>\$ -</b>	<b>\$ 833,004</b>	<b>57%</b>
Expenditures					
Maintenance and Operations	\$ 1,917,000	\$ 998,111	\$ 304,192	\$ 614,697	68%
<b>Total Expenditures</b>	<b>\$ 1,917,000</b>	<b>\$ 998,111</b>	<b>\$ 304,192</b>	<b>\$ 614,697</b>	<b>68%</b>
Excess/(Deficit)		\$ 85,886			
(Less Encumbrances)		(304,192)			
<b>Net Excess (Deficit)</b>		<b>\$ (218,307)</b>			

## CUMULATIVE GENERAL FUND REVENUE AND EXPENDITURE Including Cash Flow 2017



## RESOURCE FLOW General Fund - 2017



Pierce County Library System  
 Board Report - Budget to Actual by Object  
 Report as of: 11/30/2017

**FUND: GENERAL FUND (01)**

Object	2017 Budget	November Actual	Year-To-Date Actual	Encumbrance s	Balance	Expend %
<b>REVENUE ACCOUNTS</b>						
31111 PROPERTY TAXES CURRENT	28,677,357.00	2,412,196.32	28,655,747.79	0.00	21,609.21	99.92
31112 PROPERTY TAXES DELINQUENT	558,991.00	25,656.91	403,015.25	0.00	155,975.75	72.10
31130 SALE OF TAX TITLE PROPERTY	3,000.00	7,323.56	7,387.01	0.00	(4,387.01)	246.23
31720 LEASEHOLD EXCISE TAX	20,000.00	0.00	15,002.63	0.00	4,997.37	75.01
31740 TIMBER EXCISE TAX	63,000.00	23,185.97	67,857.84	0.00	(4,857.84)	107.71
<b>TAXES:</b>	<b>29,322,348.00</b>	<b>2,468,362.76</b>	<b>29,149,010.52</b>	<b>0.00</b>	<b>173,337.48</b>	<b>99.41</b>
33300 INDIRECT FEDERAL GRANTS	0.00	0.00	18,432.27	0.00	(18,432.27)	0.00
33345 PLAY TO LEARN - FED INDIRECT	0.00	242.88	2,616.51	0.00	(2,616.51)	0.00
33403 STATE LSTA DIRECT	0.00	0.00	65,876.05	0.00	(65,876.05)	0.00
33490 STATE DIRECT GRANT - STAY AT WORK	0.00	1,968.40	7,584.54	0.00	(7,584.54)	0.00
33533 STATE FOREST FUNDS/DNR TIMBER TRUS	0.00	206.89	337.52	0.00	(337.52)	0.00
33710 SHARED FIXED ASSETS - TIMBER	15,000.00	0.00	0.00	0.00	15,000.00	0.00
34160 COPIER FEES	30,000.00	2,731.53	29,764.36	0.00	235.64	99.21
34161 GRAPHICS SERVICES CHARGES	7,500.00	420.97	8,000.52	0.00	(500.52)	106.67
34162 PRINTER FEES	125,000.00	8,453.05	120,186.96	0.00	4,813.04	96.15
34163 FAX FEES	21,000.00	1,898.95	22,512.84	0.00	(1,512.84)	107.20
34193 ORTING - SERVICE FEES	3,000.00	810.00	3,240.00	0.00	(240.00)	108.00
34730 INTERLIBRARY LOAN FEES	0.00	11.50	37.45	0.00	(37.45)	0.00
35970 LIBRARY FINES	500,000.00	31,804.79	406,618.53	0.00	93,381.47	81.32
36110 INVESTMENT INCOME	15,000.00	6,808.60	30,128.16	0.00	(15,128.16)	200.85
36140 OTHER INTEREST EARNED - COUNTY	0.00	1.12	9.30	0.00	(9.30)	0.00
36200 KEY PEN HLTH DEPT FACILITY REV	1,000.00	315.97	1,247.57	0.00	(247.57)	124.76
36290 BOOK SALES	7,000.00	733.68	4,824.08	0.00	2,175.92	68.92
36700 FOUNDATION DONATIONS	189,000.00	5,638.97	176,938.39	0.00	12,061.61	93.62
36710 FRIENDS' DONATIONS	0.00	100.00	247.27	0.00	(247.27)	0.00
36720 FRIENDS' REIMBURSEMENTS	38,000.00	0.00	18,433.85	0.00	19,566.15	48.51
36725 DONATIONS - OTHER	1,000.00	315.84	2,694.21	0.00	(1,694.21)	269.42
36730 TUITION ASSISTANCE DONATIONS	0.00	100.00	100.00	0.00	(100.00)	0.00
36910 SALE OF SURPLUS	5,000.00	610.00	1,874.05	0.00	3,125.95	37.48
36920 FOUND MONEY	3,000.00	48.61	1,074.51	0.00	1,925.49	35.82
36990 MISCELLANEOUS REVENUE	0.00	(0.51)	4,058.12	0.00	(4,058.12)	0.00
36991 PAYMENT FOR LOST MATERIALS	12,000.00	788.11	7,248.70	0.00	4,751.30	60.41
36996 JURY DUTY REIMBURSEMENT	0.00	0.00	298.78	0.00	(298.78)	0.00
36998 E RATE REIMBURSEMENT	415,000.00	44,483.89	424,406.36	0.00	(9,406.36)	102.27
36999 REBATES - PROCUREMENT CARD	70,000.00	0.00	57,759.16	0.00	12,240.84	82.51
<b>CHARGES OTHER:</b>	<b>1,457,500.00</b>	<b>108,493.24</b>	<b>1,416,550.06</b>	<b>0.00</b>	<b>40,949.94</b>	<b>97.19</b>
39510 SALE OF FIXED ASSETS (GOV)	0.00	3,783.15	12,796.21	0.00	(12,796.21)	0.00
39520 INSURANCE RECOVERIES - ASSETS	0.00	0.00	2,281.49	0.00	(2,281.49)	0.00
<b>TOTAL FOR REVENUE ACCOUNTS</b>	<b>30,779,848.00</b>	<b>2,580,639.15</b>	<b>30,580,638.28</b>	<b>0.00</b>	<b>199,209.72</b>	<b>99.35</b>
<b>EXPENSE ACCOUNTS</b>						
51100 SALARIES AND WAGES	15,661,261.00	1,317,810.67	13,900,847.53	0.00	1,760,413.47	88.76
51105 ADDITIONAL HOURS	238,300.00	26,661.02	259,924.34	0.00	(21,624.34)	109.07
51106 SHIFT DIFFERENTIAL	167,525.00	13,609.74	150,342.64	0.00	17,182.36	89.74
51107 SUBSTITUTE HOURS	275,400.00	30,202.78	298,168.12	0.00	(22,768.12)	108.27
51109 TUITION ASSISTANCE PROGRAM	10,500.00	0.00	12,190.22	0.00	(1,690.22)	116.10
51200 OVERTIME WAGES	12,400.00	2,406.70	26,690.63	0.00	(14,290.63)	215.25

Pierce County Library System  
 Board Report - Budget to Actual by Object  
 Report as of: 11/30/2017

**FUND: GENERAL FUND (01)**

Object	2017 Budget	November Actual	Year-To-Date Actual	Encumbrance s	Balance	Expend %
<b>EXPENSE ACCOUNTS</b>						
51999 ADJ WAGE/SALARY TO MATCH PLAN	(654,616.00)	0.00	0.00	0.00	(654,616.00)	0.00
52001 INDUSTRIAL INSURANCE	178,682.00	10,716.64	112,499.03	0.00	66,182.97	62.96
52002 MEDICAL INSURANCE	2,457,067.00	186,418.17	2,188,799.44	0.00	268,267.56	89.08
52003 F.I.C.A.	1,251,962.00	103,380.53	1,092,521.19	0.00	159,440.81	87.26
52004 RETIREMENT	1,800,779.00	171,646.36	1,664,262.83	0.00	136,516.17	92.42
52005 DENTAL INSURANCE	231,182.00	18,530.34	207,411.95	0.00	23,770.05	89.72
52006 OTHER BENEFIT	10,540.00	1,020.00	10,960.00	0.00	(420.00)	103.98
52010 LIFE AND DISABILITY INSURANCE	28,669.00	5,296.38	58,251.06	0.00	(29,582.06)	203.18
52020 UNEMPLOYMENT COMPENSATION	30,500.00	0.00	16,514.03	0.00	13,985.97	54.14
52200 UNIFORMS	1,300.00	0.00	0.00	0.00	1,300.00	0.00
52999 ADJ BENEFITS TO MATCH PLAN	(239,627.00)	0.00	0.00	0.00	(239,627.00)	0.00
<b>PERSONNEL</b>	<b>21,461,824.00</b>	<b>1,887,699.33</b>	<b>19,999,383.01</b>	<b>0.00</b>	<b>1,462,440.99</b>	<b>93.19</b>
53100 OFFICE/OPERATING SUPPLIES	265,139.00	16,707.12	205,454.79	7,216.53	52,467.68	80.21
53101 CUSTODIAL SUPPLIES	60,000.00	3,874.95	59,085.14	0.00	914.86	98.48
53102 MAINTENANCE SUPPLIES	60,200.00	2,324.66	32,003.97	0.00	28,196.03	53.16
53103 AUDIOVISUAL PROCESSING SUP	20,000.00	1,462.83	14,547.20	0.00	5,452.80	72.74
53104 BOOK PROCESSING SUPPLIES	15,000.00	1,315.34	10,626.15	0.00	4,373.85	70.84
53105 TRAINING SUPPLIES	7,200.00	0.00	0.00	0.00	7,200.00	0.00
53200 FUEL	30,000.00	0.00	23,743.14	0.00	6,256.86	79.14
53401 ADULT MATERIALS	726,500.00	45,207.01	613,176.91	0.00	113,323.09	84.40
53403 PERIODICALS	96,000.00	(14,724.86)	80,540.76	0.00	15,459.24	83.90
53405 JUVENILE BOOKS	518,600.00	16,201.23	432,699.17	0.00	85,900.83	83.44
53406 PROFESSIONAL COLLECTION	1,500.00	121.22	1,288.71	0.00	211.29	85.91
53407 INTERNATIONAL COLLECTION	43,000.00	953.76	22,903.30	0.00	20,096.70	53.26
53408 AUDIOVISUAL MATERIALS - ADULT	845,000.00	36,966.29	644,647.96	0.00	200,352.04	76.29
53409 AUDIOVISUAL MATERIALS - JUV	91,000.00	329.51	39,237.02	0.00	51,762.98	43.12
53411 ELECTRONIC INFO SOURCES	424,428.00	0.00	387,143.21	0.00	37,284.79	91.22
53412 REFERENCE SERIALS	10,000.00	0.00	5,150.90	0.00	4,849.10	51.51
53413 ELECTRONIC SERVICES	267,950.00	0.00	245,559.95	0.00	22,390.05	91.64
53414 ELECTRONIC COLLECTION	616,322.00	32,390.90	499,499.19	0.00	116,822.81	81.05
53464 VENDOR PROCESSING SERVICES	154,500.00	8,323.08	138,270.19	0.00	16,229.81	89.50
53499 GIFTS - MATERIALS	0.00	1,532.19	2,019.74	0.00	(2,019.74)	0.00
53500 MINOR EQUIPMENT	16,100.00	0.00	16,628.24	3,791.11	(4,319.35)	126.83
53501 FURNISHINGS	7,500.00	5,984.87	80,298.23	63,447.40	(136,245.63)	1,916.61
53502 PC HARDWARE	129,000.00	0.00	80,870.78	0.00	48,129.22	62.69
53505 SOFTWARE/LICENSES/HOSTING	223,400.00	4,284.66	82,080.01	101,218.65	40,101.34	82.05
54100 PROFESSIONAL SERVICES	418,900.00	34,545.53	291,506.29	82,398.08	44,995.63	89.26
54101 LEGAL SERVICES	35,000.00	4,372.00	16,711.50	0.00	18,288.50	47.75
54102 COLLECTION AGENCY	14,000.00	975.55	14,221.55	0.00	(221.55)	101.58
54161 RESOURCE SHARING SERVICES	15,000.00	1,331.28	11,346.14	0.00	3,653.86	75.64
54162 BIBLIOGRAPHICS SERVICES	35,000.00	2,584.22	30,728.16	0.00	4,271.84	87.79
54163 PRINTING AND BINDING	9,000.00	0.00	0.00	0.00	9,000.00	0.00
54165 ILL LOST ITEM CHARGE	2,500.00	263.16	1,132.50	0.00	1,367.50	45.30
54200 POSTAGE AND SHIPPING	47,800.00	7,090.14	41,990.81	72.77	5,736.42	88.00
54201 TELECOM SERVICES	621,000.00	61,727.24	538,093.17	69,562.23	13,344.60	97.85
54300 TRAVEL	35,900.00	3,346.94	23,568.60	0.00	12,331.40	65.65
54301 MILEAGE REIMBURSEMENTS	33,800.00	3,292.58	29,625.62	0.00	4,174.38	87.65

Pierce County Library System  
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 Report as of: 11/30/2017

**FUND: GENERAL FUND (01)**

Object	2017 Budget	November Actual	Year-To-Date Actual	Encumbrance s	Balance	Expend %
<b>EXPENSE ACCOUNTS</b>						
54400 ADVERTISING	43,800.00	6,519.89	27,089.42	15,132.11	1,578.47	96.40
54501 RENTALS/LEASES - BUILDINGS	416,450.00	10,467.51	333,194.27	20,331.68	62,924.05	84.89
54502 RENTALS/LEASES - EQUIPMENT	35,200.00	2,331.36	21,576.86	9,259.19	4,363.95	87.60
54600 INSURANCE	233,000.00	60.00	898.40	0.00	232,101.60	0.39
54700 ELECTRICITY	235,000.00	20,476.39	223,830.10	0.00	11,169.90	95.25
54701 NATURAL GAS	15,000.00	159.35	9,187.66	0.00	5,812.34	61.25
54702 WATER	29,700.00	6,624.33	33,058.23	0.00	(3,358.23)	111.31
54703 SEWER	16,200.00	2,240.51	27,564.95	0.00	(11,364.95)	170.15
54704 REFUSE	31,500.00	2,703.31	25,473.95	0.00	6,026.05	80.87
54800 GENERAL REPAIRS/MAINTENANCE	236,400.00	31,236.07	240,578.40	87,974.56	(92,152.96)	138.98
54801 CONTRACTED MAINTENANCE	565,750.00	40,715.66	545,120.13	145,028.71	(124,398.84)	121.99
54803 MAINT. TELECOM EQUIPMENT	10,000.00	0.00	295.38	0.00	9,704.62	2.95
54900 REGISTRATIONS	54,300.00	1,640.00	42,885.90	790.00	10,624.10	80.43
54901 DUES AND MEMBERSHIPS	29,350.00	4,307.00	19,422.00	5,000.00	4,928.00	83.21
54902 TAXES AND ASSESSMENTS	29,500.00	88.96	33,822.61	0.00	(4,322.61)	114.65
54903 LICENSES AND FEES	52,650.00	2,953.01	43,471.82	0.00	9,178.18	82.57
54904 MISCELLANEOUS	540.00	0.00	0.00	0.00	540.00	0.00
54905 WELLNESS EVENTS	2,000.00	0.00	578.00	0.00	1,422.00	28.90
54912 CONTINGENCY	136,251.00	0.00	0.00	0.00	136,251.00	0.00
55100 INTERGOVERNMENTAL	18,000.00	46.55	46.55	0.00	17,953.45	0.26
56201 CONSTRUCTION	0.00	0.00	0.00	4,314.67	(4,314.67)	0.00
59700 TRANSFERS OUT	1,231,194.00	986,194.00	986,194.00	0.00	245,000.00	80.10
<b>ALL OTHER EXPENSES</b>	<b>9,318,024.00</b>	<b>1,401,547.30</b>	<b>7,330,687.63</b>	<b>615,537.69</b>	<b>1,371,798.68</b>	<b>85.28</b>
<b>TOTAL FOR EXPENSE ACCOUNTS</b>	<b>30,779,848.00</b>	<b>3,289,246.63</b>	<b>27,330,070.64</b>	<b>615,537.69</b>	<b>2,834,239.67</b>	<b>90.79</b>
<b>NET SURPLUS / DEFICIT</b>	<b>0.00</b>	<b>(708,607.48)</b>	<b>3,250,567.64</b>	<b>(615,537.69)</b>	<b>(2,635,029.95)</b>	<b>0.00</b>

Pierce County Library System  
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**FUND: SPECIAL PURPOSE FUND (15)**

Object	2017 Budget	November Actual	Year-To-Date Actual	Encumbrance s	Balance	Expend %
<b>REVENUE ACCOUNTS</b>						
TAXES:	0.00	0.00	0.00	0.00	0.00	0.00
36110 INVESTMENT INCOME	0.00	766.73	4,900.11	0.00	(4,900.11)	0.00
CHARGES OTHER:	0.00	766.73	4,900.11	0.00	(4,900.11)	0.00
<b>TOTAL FOR REVENUE ACCOUNTS</b>	<b>0.00</b>	<b>766.73</b>	<b>4,900.11</b>	<b>0.00</b>	<b>(4,900.11)</b>	<b>0.00</b>
<b>EXPENSE ACCOUNTS</b>						
PERSONNEL	0.00	0.00	0.00	0.00	0.00	0.00
ALL OTHER EXPENSES	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL FOR EXPENSE ACCOUNTS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>NET SURPLUS / DEFICIT</b>	<b>0.00</b>	<b>766.73</b>	<b>4,900.11</b>	<b>0.00</b>	<b>(4,900.11)</b>	<b>0.00</b>

**FUND: DEBT SERVICE FUND (20)**

Object	2017 Budget	November Actual	Year-To-Date Actual	Encumbrance s	Balance	Expend %
<b>REVENUE ACCOUNTS</b>						
31112 PROPERTY TAXES DELINQUENT	0.00	0.00	0.54	0.00	(0.54)	0.00
<b>TAXES:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.54</b>	<b>0.00</b>	<b>(0.54)</b>	<b>0.00</b>
36110 INVESTMENT INCOME	0.00	74.91	595.65	0.00	(595.65)	0.00
<b>CHARGES OTHER:</b>	<b>0.00</b>	<b>74.91</b>	<b>595.65</b>	<b>0.00</b>	<b>(595.65)</b>	<b>0.00</b>
<b>TOTAL FOR REVENUE ACCOUNTS</b>	<b>0.00</b>	<b>74.91</b>	<b>596.19</b>	<b>0.00</b>	<b>(596.19)</b>	<b>0.00</b>
<b>NET SURPLUS / DEFICIT</b>	<b>0.00</b>	<b>74.91</b>	<b>596.19</b>	<b>0.00</b>	<b>(596.19)</b>	<b>0.00</b>

**FUND: CAPITAL IMPROVEMENT PROJECTS FUND (30)**

Object	2017 Budget	November Actual	Year-To-Date Actual	Encumbrance s	Balance	Expend %
<b>REVENUE ACCOUNTS</b>						
29150 USE OF FUND BALANCE-BUDGET	633,806.00	0.00	0.00	0.00	633,806.00	0.00
36110 INVESTMENT INCOME	0.00	1,049.56	7,874.35	0.00	(7,874.35)	0.00
36700 FOUNDATION DONATIONS	0.00	0.00	34,069.32	0.00	(34,069.32)	0.00
36720 FRIENDS' REIMBURSEMENTS	22,000.00	0.00	0.00	0.00	22,000.00	0.00
36998 E-RATE REIMBURSEMENT	30,000.00	0.00	55,858.60	0.00	(25,858.60)	186.20
<b>CHARGES OTHER:</b>	<b>685,806.00</b>	<b>1,049.56</b>	<b>97,802.27</b>	<b>0.00</b>	<b>588,003.73</b>	<b>14.26</b>
39700 TRANSFERS IN	1,231,194.00	986,194.00	986,194.00	0.00	245,000.00	80.10
<b>TOTAL FOR REVENUE ACCOUNTS</b>	<b>1,917,000.00</b>	<b>987,243.56</b>	<b>1,083,996.27</b>	<b>0.00</b>	<b>833,003.73</b>	<b>56.55</b>
<b>EXPENSE ACCOUNTS</b>						
53100 OFFICE/OPERATING SUPPLIES	0.00	0.00	2,712.83	0.00	(2,712.83)	0.00
53102 MAINTENANCE SUPPLIES	0.00	0.00	248.72	0.00	(248.72)	0.00
53408 AUDIOVISUAL MATERIALS - ADULT	50,000.00	0.00	43,243.81	0.00	6,756.19	86.49
53501 FURNISHINGS	26,000.00	14,907.00	237,473.52	27,547.95	(239,021.47)	1,019.31
53502 TECHNOLOGY HARDWARE	204,000.00	71.41	62,124.35	0.00	141,875.65	30.45
53505 SOFTWARE/LICENSES/HOSTING	0.00	8,995.00	8,995.00	0.00	(8,995.00)	0.00
54100 PROFESSIONAL SERVICES	250,000.00	7,480.00	210,597.07	70,111.48	(30,708.55)	112.28
54101 LEGAL SERVICES	0.00	0.00	2,528.00	0.00	(2,528.00)	0.00
54300 TRAVEL	0.00	0.00	1,787.99	0.00	(1,787.99)	0.00
54400 ADVERTISING	0.00	0.00	225.40	0.00	(225.40)	0.00
54801 CONTRACTED MAINTENANCE	0.00	0.00	700.05	2,250.62	(2,950.67)	0.00
54900 REGISTRATIONS	0.00	0.00	2,320.00	0.00	(2,320.00)	0.00
54912 CONTINGENCY/RESERVE	25,000.00	0.00	0.00	0.00	25,000.00	0.00
56100 LAND	0.00	2,500.00	2,500.00	0.00	(2,500.00)	0.00
56200 BUILDINGS & BLDG IMPROVEMENTS	785,000.00	18,925.66	173,836.77	19,541.22	591,622.01	24.63
56201 CONSTRUCTION	295,000.00	0.00	229,479.73	548.13	64,972.14	77.98
56202 ELECTRICAL	30,000.00	0.00	0.00	4,066.30	25,933.70	13.55
56205 ROOFING	100,000.00	0.00	0.00	0.00	100,000.00	0.00
56300 IMPROVEMENTS OTHER THAN BLDGS	22,000.00	0.00	0.00	0.00	22,000.00	0.00
56400 MACHINERY & EQUIPMENT	0.00	0.00	12,445.15	0.00	(12,445.15)	0.00
56401 VEHICLES	130,000.00	0.00	0.00	105,119.80	24,880.20	80.86
56402 HVAC	0.00	0.00	6,892.20	75,006.75	(81,898.95)	0.00
<b>TOTAL FOR EXPENSE ACCOUNTS</b>	<b>1,917,000.00</b>	<b>52,879.07</b>	<b>998,110.59</b>	<b>304,192.25</b>	<b>614,697.16</b>	<b>67.93</b>
<b>NET SURPLUS / DEFICIT</b>	<b>0.00</b>	<b>934,364.49</b>	<b>85,885.68</b>	<b>(304,192.25)</b>	<b>218,306.57</b>	<b>0.00</b>

# MEMO



Date: January 2, 2018

To: Chair Rob Allen and Members of the Board of Trustees

From: Georgia Lomax, Executive Director

Subject: Executive Director Report – December

## **Strategic Plan Implementation**

This month we continued community presentations to thank partners and key leaders for their ideas and input that helped shape our Strategic Framework, to share what we learned from communities during the process, and to build excitement and support for the work the Library will be doing as a result. I am also sharing that while the public desired more services, our funding is not keeping up with the costs of offering our current services.

### **City/Town Councils:**

- Milton (joined by Community Branch Supervisor Linda Case)
- Pierce County (joined by Marketing and Communications Director Mary Getchell)
- Fife

### **School Districts:**

- Puyallup
- Clover Park

In addition, presentations were given in December to the following community groups:

- Sumner Bonney Lake Chamber of Commerce – Lauren Murphy
- Chamber Collective (includes Bonney Lake, Sumner, Buckley, Orting and Enumclaw) – Lauren Murphy
- Gig Harbor Kiwanis Club – Karen Brooks
- Lakewood United – Kim Archer and Lisa Heyerdahl
- Key Peninsula Community Council, Rosina Vertz
- North Pierce County Community Coalition, Tami Masenhimer

## **Internal Community Activities**

- Key Center Library Visit
- During the All Administrative Center staff meeting, Melinda and I shared the 2018 Strategic priorities and the work plan and initiatives. Staff showed their creativity and humor in a team-building exercise to provide each Administrative Team member with a festive new holiday outfit.

## **External Community Activities**

- I attended the Puyallup Chamber's Public Officials Reception.
- I met with Pierce County Auditor Julie Anderson to discuss collaboration on civic engagement, drop-boxes at libraries and how our two organization's goals align.

## **Library Priorities & Funding Project**

Mary Getchell and I met with The News Tribune's editorial board to share the Library's strategic plan and how its implementation is affected by our funding issue that revenues are not keeping up the costs of current services. We were pleased that the Editorial Board chose to publish an editorial on the Library and its funding issue.

## **Library Community**

- I am leading the establishment of a 501c6 statewide organization for public libraries, called Public Libraries of Washington, which will advance public libraries and their services through collaboration. The organization will promote our common business interests and ensure public library interests are represented in Olympia.
- I attended the University of Washington iSchool All-Board holiday luncheon, meeting the new Dean, who will begin in January and brings some exciting ideas, including developing curriculum to provide graduates with skills in collaborative participatory design with communities, and the possibility of a certificate program for paraprofessional staff.
- I will be joining a number of library directors from around the country who have been invited to provide input to the library cooperative OCLC as they shape their strategic vision and service offerings for public libraries. OCLC is a global organization focused on helping public libraries make information accessible and useful to people. It provides services, such as shared WebJunction, a free online learning hub for library staff, and WorldCat, a cooperative cataloging resource that we participate in. OCLC also undertakes research in a variety of areas that help libraries innovate, understand their users and be effective. The meeting will be held in Dublin, Ohio, January 17-18, and my travel costs will be paid by OCLC.

# MEMO



Date: December 30, 2017

To: Chair Rob Allen and Members of the Board of Trustees

From: Jaime Prothro, Interim Customer Experience Manager

Subject: November Branch Activity Report

## **Bonney Lake:**

The Bonney Lake Friends Bi-Annual Book Sale was held November 15-18<sup>th</sup>, and has been reported as one of their most profitable ones to date.

## **Buckley:**

Buckley's Holiday Story Program was held in connection with the Buckley Chamber of Commerce and Rainier School as part of the city Christmas Tree Lighting. The excellent turnout created a need to expand the programming into the children's area to be able to entertain all who attended. This year's activity was the best ever at Buckley.

## **Dupont:**

Staff held a kickoff meeting for the small remodel planned for DuPont to decommission the Movie Towers, rearranging public internet computers and replace the current computer desks with ones that will give patrons more room for notebooks, personal items, etc. and replacing some furniture to increase seating capacity for the branch.

## **Eatonville:**

Staff visited Columbia Crest Elementary School and met with Ms. Allison Shew (Principal) to set up dates and times for school visits. We are hoping to explore way PCLS can support the STEM education at Columbia Crest.

## **Fife:**

On November 7 Tami Masenhimer participated in "A Place Called Home: Conversations about Homelessness in the Fife, Milton, Edgewood Communities." With a growing number of card holders at Fife who are living in local motels or are unhoused this was a great way to discover ways of connecting users with providers.

## **Graham:**

A Peer 2 Peer University program series concluded in November, which explored Pierce County Paranormal. The unique and local appeal was a huge hit with all-ages participants, some who shared first-hand accounts of some spectacular and eerie activities.

**Gig Harbor:**

Adult Services Librarian Adam Jackman, along with representatives from the Outreach Department, went on a tour of Heron's Key, the new senior living residence in Gig Harbor. Karen Brooks met with a resident volunteer to discuss possible outreach opportunities.

**Key Center:**

Report from a great grandmother who consistently drops in on our Family Story time: When 3 year old Stella realized they were headed for the library she said happily: "I just love my library".

**Lakewood:**

The Sunday after Thanksgiving, staff saw a few questions related to black Friday shopping. One customer called the library to price compare an appliance they were shopping for. Another customer required assistance in accessing and completing a rebate form. The customer was told by the retailer they purchased from that they had to access their rebate form online, which required the help of the library for internet usage and computer assistance.

Teen customers who attended the College Essay Application Writing Workshop received information about what admission officers look for, participated in writing activities, received one-on-one feedback of essay drafts, and signed up for BrainFuse Homework Help Writing Lab. One attending high school senior commented "This is the most fun I've ever had writing!" A grandparent who attended was grateful to find resources to support her son on the Autism spectrum.

**Milton:**

Staff proctored a final Real Estate class exam for a customer and, in appreciation for their support, his mother gifted staff with a fruit pie!

Supervisor Linda Case attended the FME (Fife, Milton, Edgewood) Network and Referral group meeting. This is a lively group of small business people and good relationships are being built.

**Orting:**

Georgia Lomax came to the Orting City Council meeting on the 29<sup>th</sup>. There was a full room of people since the city budget was being discussed. The library was well received and Georgia gave a good talk and answered questions. Susan Rigley later discussed up and coming events for the month of December at the library.

**Outreach/Anderson Island:**

At one of the care facilities we visit that serves many veterans, Adult Services Librarian Gabby Fuentes and Senior Branch Assistant Cat Taylor have been talking with residents about the Vietnam War for several months, as the Ken Burns documentary was nearing broadcast. Residents have been requesting related war documentaries, and facility staff have requested related pictorial works to support work with residents. During a recent visit to this care facility, the outreach team visiting the facility brought a Ken Burns pictorial book that sparked a conversation among a group of men sitting at a table, who immediately opened the book and began reminiscing about the war. The conversation led to requests by the residents for several more library items for the following month. One of the residents shared with library staff that he is writing short stories related to his military experience.

**Parkland/Spanaway:**

The Knit Together Program showed significant growth in attendees. The attendees enjoyed the program so much and decided to work with Kali Stoehr, the Youth Service Librarian, to form their own knitting group and appreciate to get together. The group welcomes all ages and helps beginners learn how to knit.

**South Hill:**

Youth Services staff led off the National Novel Writing Month of November with a preparation party. Children of all ages were invited to come to the library, pick up some worksheets from the *National Novel Writing Month's Young Novelist Workbook*, and decorate a writing notebook and pencil.

PC Conversations' Fake News Program drew many curious patrons wanting to know about how to spot and evaluate news. The turnout was 25. Many patrons said that they are interested in more programs like this that include discussion and or having more film screenings. A couple come from Gig Harbor to attend this program.

**Steilacoom:**

Staff have noticed an increase in juvenile graphic novel circulation, especially those created with strong female characters.

The Friends elected a new President, Teri Litt who is also Steilacoom High School's Librarian.

**Summit:**

Dominique Jordan, a homeless outreach coordinator with PATH, spoke with Mejin and Neil on 11/30 about the possibility of meeting with clients in the branch and connecting them to resources on a regular basis in 2018.

**Sumner:**

Sumner Library is excited to offer a new 6-part series called "Sumner Solidari-Tea." Community members can come together and discuss tough topics in safe and neutral space. Laura is working with community member and facilitator Immaculate Ferreria-Allah, to plan and implement the program. Working topics may include: *The R Word (Racism)*, *Myths About Being Trans*, *Understanding White Privilege*, *But All Lives Matter?*, and one open session for topics that come to mind. People can learn more about these topics, discuss them with each other, and listen to and share different opinions about them, all in solidarity; that while our opinions may be different from our neighbor's, we can still learn from each other be together as a community. We will be working a local business called the Tea Madame, to provide the tea and the Friends of the Library will help to cover other light refreshments. The first event is scheduled for February 28th, at 6:30.

**Tillicum:**

Jeanine Adams gave the Strategic Plan presentation to the Tillicum Woodbrook Neighborhood Association on Thursday, Nov. 2. Approximately 33 were in attendance.

Staff engaged in over 30 conversations with the public regarding the Strategic Plan and how local library programs support that plan. These conversations also included information about many resources PCLS offers on-line.

**University Place:**

Youth Services Librarian Alex Byrne led multiple staff in how-to demonstrations and printed a variety of cool projects to decorate our work area and put on display as we offer more 3-D printer programs to the public in 2018.

Adult Services Librarian Jason Anderson hosted a well-attended Small Business Association presentation called *Market Smart*. Written feedback from the public was very positive, and some of the comments included:

- “This was great – especially the Library info.”
- “...I feel very positive about moving forward on my journey.”
- “Wonderful information & very useful. Condensed into quick and easily digestible portions.”

# New Business

# MEMO



Date: December 27, 2017

To: Chair Rob Allen and Members of the Board of Trustees

From: Clifford Jo, Finance & Business Director  
Dean Carrell, Development Director

Subject: 2018 Foundation/Library Agreement and Addendum

Every year, the Foundation and Library enter into an agreement that allows the Library to fund staff and resources for Foundation-related work and in turn the Library receives benefits from those activities. The purpose of this memo is to (1) report on the performance of the expiring agreement and (2) introduce the new agreement for approval by both Library Board of Trustees and Foundation Board of Directors.

### 2017 Results

The 2017 agreement stated that the Library would provide \$251,000 in value of support by funding the Development Office, space, and equipment, and that the Foundation would provide benefits to the Library through its fundraising efforts and other promotional activities.

Foundation distributions: .....	\$ 211,008
Agreement: .....	<u>251,000</u>
Net: .....	-\$ 39,992

Due to the conversion of the fiscal year, no distributions were made during the six month July-December fiscal year, though fundraising continued. During the short fiscal year, the Foundation continued to design and implement a new process for selecting projects to fundraise. The Agreement includes an Addendum to promote and communicate significant benefits to the Library that are non-monetary, such as

- In-kind support for programs with an estimated value of over \$204,000.
- Funds to host & promote Pierce County READS via public launch.
- Hosting Pierce County READS Donor Reception and reinforcing the importance of supporting the Library.
- Created new investment / distribution process to strategically align with PCLS Strategic Plan.
- Significantly increased advocacy commitment on behalf of PCLS.

Provided on the following page is a historical table of actual distributions compared to supporting costs identified in the agreement, which is based on an auditor-approved formula that accounts for a proportion of staff time on Foundation work, along with prorated technology costs and facility uses. Aside from 2017, there is a long history of positive returns from the Foundation.

**Record of Actual Distributions Compared to Agreement for Supporting Costs**

Library Fiscal Year	Actual Distributions	Agreement for Supporting Costs	Difference From Distributions
2018	(est) \$ 350,000	\$ 278,000	(est) \$ 72,000
2017	211,008	251,000	<u>-39,992</u>
			2017-18: +32,008
2016	287,081	228,000	+59,081
2015	438,771	219,000	+219,771
2014	537,093	216,000	+321,093
2013	266,982	185,000	+81,982
2012 <sup>1</sup>	252,257	208,000	+44,257
2011	229,300	163,000	+66,300
2010	587,333 <sup>2</sup>	163,000	+424,333

<sup>1</sup> First year of Addendum.

<sup>2</sup> Includes UP Capital Campaign distribution of \$382,017.

**2018 Agreement and Addendum**

In 2018, the value of staffing, services, space, and equipment which the Library provides for the Development Office working on the Foundation’s Annual Development Plan is estimated at \$278,000 and distributions are projected to be \$350,000, yielding a net positive position of \$72,000. While the 2017 agreement amount was not met due to the Foundation not making distributions during the six month fiscal year, in 2018’s full 12 month fiscal year, the new contract amount would offset the shortfall from 2017.

We also added a clause to formalize the expectation that the Foundation may from time to time pass through funds as part of its distribution(s) to the Library for purchasing gifts, food, and honorariums.

The Addendum documents that the Foundation contributes more than just the money that it raises and provides transparency on the full range of activities the Foundation will undertake. The items in the Addendum were based on the Foundations 2018 Annual Development Plan.

Attached are the Agreement and Addendum. The Agreement and Addendum may have different amendment needs and are considered separate documents. Therefore each needs to be approved by the Board. We recommend that the Board pass two motions:

1. A motion to authorize Georgia to sign the Foundation Agreement as presented.
2. A motion to authorize Georgia to sign the Addendum as presented.

## AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_\_\_ of \_\_\_\_\_, \_\_\_\_\_ by and between the Pierce County Rural Library District, a municipal corporation herein after referred to as “Library”, and the Pierce County Library Foundation, a non-profit corporation designed to provide assistance and aid in the development, maintenance, and promotion of growth and preservation of the Library and its staff, herein after referred to as “Foundation”.

WHEREAS, pursuant to RCW 27.12.210(5), the Library Board of Trustees is authorized to control the finances of the Library; and

WHEREAS, pursuant to RCW 27.12.210(6), the Library Board of Trustees is authorized to accept gifts of money or property for Library purposes; and

WHEREAS, pursuant to RCW 27.12.210(10), the Library Board of Trustees is authorized to all acts necessary for the orderly and efficient management and control of the Library; and

WHEREAS, the Library Board of Trustees desires to have a Foundation as a tax-exempt non-profit corporation organized and operated exclusively to receive and administer property for the benefit of the Library and to make contributions, grants, gifts, bequests, trusts, and property to the Library; and

WHEREAS, the Foundation is empowered to provide services to the Library related to the solicitation of contributions, grants, gifts, bequests, trusts, and property for the benefit of the Library and other fundraising activities; and

WHEREAS, the purpose of the Foundation is to support the mission of the Library; and

WHEREAS, the Foundation desires to provide certain financial services for the Library as described in this Agreement in furtherance of its corporate purpose;

NOW, THEREFORE, in consideration of the mutual exchange of services and the other covenants and agreements hereinafter mentioned, the parties hereto covenant and agree as follows:

A. THE FOUNDATION AGREES TO:

1. Encourage continuous ~~and special~~ philanthropic support, ~~benefactions~~ and development of relationships for the benefit of the Library.

2. Establish rules, regulations, and procedures for the necessary management of all affairs of the Foundation in consonance with the laws and regulations described in section 501(c)(3) of the Internal Revenue Code as now enacted or hereafter amended or supplemented.

3. Accept, hold, administer, invest, and disperse such funds and properties in accordance with its purpose as established within the Foundation Articles of Incorporation and Bylaws.

4. Use all assets and earnings of the Foundation exclusively for Library purposes.

5. Engage in and disperse all parts of its funds for any and all lawful activities permitted by the laws and regulations governing tax exempt charitable corporations at the time of dispersal, and which may be necessary or incidental to the furtherance of the purposes of the Foundation.

6. Use reasonable portions of its funds and income to pay the administrative expenses of the Foundation.

7. Pursuant to RCW 27.12.300, tender immediately to the Library all donations and instruments deemed gifts it may receive for which the donor names the Library as the recipient.

8. Be responsible for and account for, in its own records, all donations and instruments deemed gifts where the donor names the Foundation as the recipient.

9. Maintain its stated purposes of existence as set forth herein and in its Articles and Bylaws during the lifetime of this Agreement.

10. Provide such other services and undertake such other activities for the benefit of the Library as the Foundation and the Library shall identify from time to time by written addenda to this Agreement.

**B. THE LIBRARY AGREES TO:**

1. Provide professional staff and services to Foundation, consistent with the Library Board-approved Library budget, including without limiting the generality of the foregoing a ~~Fund~~ Development Director, including necessary office space, clerical support, utilities, equipment and furniture, consumable office supplies, telephone service, office equipment including but not limited to photocopiers and facsimile machines, computer hardware, software, productivity tools, network connectivity, printers, and other computer peripherals, all in partial payment for Library services as described herein. The Library further agrees to maintain proper accounting records of the costs of such services.

2. Establish the value of the aforementioned services, space, and equipment which the Library provides to the Foundation, not to exceed the total amount of ~~\$251,000~~278,000 during the Library fiscal year ~~2017~~2018. The Library, pursuant to its budgeting and fiscal policies, shall review the actual costs to assure that this agreement's value of services is not exceeded or will be adjusted accordingly in subsequent agreements. Such reports and information shall be made available to the Foundation.

3. Purchase any items, including but not limited to food, gifts, and honorariums specifically funded by the Foundation and for the benefit of the Library. Pass through purchases shall be periodic in nature and properly recorded. Time spent to make said purchases shall be “de minimis” in nature.

C. ANNUAL EVALUATION AND REVIEW

The Foundation and the Library shall annually identify the specific services that the Foundation will provide and the specific activities that the Foundation will undertake for the benefit of the Library, which shall be described in addenda to this Agreement signed by the parties. The Foundation shall provide the Library with a written report annually, which shall confirm that it has fully complied with its obligation to expend its best efforts to seek to accrue gifts, grants, donations, endowments for the benefit of the Library, and set forth its progress in furtherance of the identified activities and services, and list its other accomplishments for the preceding year. For this purpose, the Foundation will share with the Library its revenue and expense statements for the preceding year and its end-of-year balance sheet.

D. TERM OF AGREEMENT

The initial term of this Agreement shall be one year, but such term shall be automatically extended on each anniversary date hereof for an additional one year period unless either party shall have given written notice to the other, at least 30 days prior to the next anniversary date hereof, of its desire not to extend this Agreement.

E. MODIFICATION

No alteration or modification of any terms of this Agreement shall be valid unless made in writing and signed by the parties.

E. TERMINATION

Notwithstanding the provisions of Term of Agreement, either party may terminate this Agreement effective at the end of any Library fiscal year, with or without cause, upon 30 days written notice to the other party.

F. ASSIGNMENT

Neither party may assign or transfer this Agreement.

G. GOVERNING LAW AND DISPUTES

This agreement shall be construed and enforced in accordance with, and the validity and performance hereof shall be governed by the laws of the State of Washington. Venue for all litigation arising out of this Agreement shall be Pierce County, Washington.

Pierce County Library Foundation

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Pierce County Rural Library District

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**ADDENDUM NO. 1 (2018) TO FOUNDATION AGREEMENT  
BETWEEN PIERCE COUNTY RURAL LIBRARY DISTRICT  
AND PIERCE COUNTY LIBRARY FOUNDATION**

**Purpose**

The purpose of this Addendum is to identify the specific services that the Pierce County Library Foundation (the “Foundation”) will provide and the specific activities that the Foundation will undertake for the benefit of the Pierce County Rural Library District (the “Library”) during the Library’s fiscal year 2018, including, but not limited to, the estimated distributions that the Foundation will forward to the Library. The effective date of this addendum is \_\_\_\_\_.

**Estimated Distributions**

The Foundation will make ~~\$350,000 in estimated~~ distributions to the Library from gifts, grants, donations, endowments solicited by the Foundation for the benefit of the Library as described in the Foundation’s ~~2018-2017~~ Development Plan.

**Services and Activities**

The Library’s Mission is “*to bring the world of information and imagination to all people of our community*”, and its Vision is “*We are the community’s choice for the discovery and exchange of information and ideas.*”

The Foundation’s Case for Support is that “*The Foundation can impact a diverse and growing population by extending essential library programs to targeted underserved sectors of our community.*”

The Library’s Mission and Vision benefit from the Foundation’s Case for Support. In addition to its fundraising purpose, the Foundation:

- Attracts people and resources to build upon and leverage taxpayer support to strengthen and supplement, not supplant, public funding for the Library.
- Purchases or secures items, including but not limited to food, gifts, and honorariums for the benefit of the Library. Pass through purchases or in-kind gifts are periodic in nature and are properly recorded, with time expended to complete as “de minimis” in nature.
- Engages and stewards a community of Library supporters who understand and effectively advocate for the Library’s purpose, goals, and services to be the community’s choice.
- Communicates community awareness of the Library’s value as the largest provider of free books and information in Pierce County. Educates and informs the community of Library services in 20 locations and online.
- Encourages and promotes opportunities for children and adults to learn and enrich their lives through Library programs and services.

- Builds community by connecting people from diverse communities to resources that are relevant to their lives.

To those ends, the Foundation will undertake the following additional services and activities for the benefit of the Library:

***Communicating the Library to constituents***

The Foundation will communicate with ~~people and constituents in~~ the community and provide updates ~~them~~ about what's happening in the Library. Includes:

- ~~E-n~~Newsletters ~~three~~ four times a year
- ~~Honor Roll of Donors in Library Annual Report~~
- ~~Mailings to major donors and patrons~~
- ~~Fall~~ Spring, Winter, and Spring-Fall direct mail appeals to both acquire and retain donors
- Email communications and solicitations
- Acknowledgement of gifts and personal thank you cards
- Invitations for Pierce County READS donor reception, A-First Edition Literary Evening donor recognition and fundraising reception event, Planned Giving Luncheon Memoir Society recognition and cultivation event, three promotional events, Tacoma Rainiers Summer Reading donor cultivation event
- Stewardship calls to donors

***Bringing awareness of the Library to local businesses and foundations***

The Foundation will contact businesses to secure unrestricted sponsorships support through its Library Champions program, and event sponsorships for Pierce County READS, First Edition donor event, Memoir Society event, three promotional events, and Tacoma Rainiers Summer Reading donor event for the Library's Summer Reading program, Pierce County READS and other programs upon approval by the Library's Executive Director. The Foundation will also submit proposals to charitable foundations on behalf of the Library for selected projects.

- ~~The Foundation will research, apply, and report on Library programs and their benefits to the community.~~
- ~~Sponsorships will be offered to local businesses to support Pierce County READS and Summer Reading.~~
- Grant proposals will be submitted for programs which have been recommended through the Foundation's Impact Committee process and voted into approval by the Foundation Board for Young Readers and Adult Learners, particularly focused on Early Learning, Senior and Youth Outreach.
- Grantors and sponsors are updated with project reports which include outcomes and expense, and are submitted in a timely manner.

**Promoting the Library through events**

The Foundation will organize and conduct the following events ~~and hold donor receptions for a number of events, including:~~

- ~~“A Literary Evening”:~~ First Edition donor recognition and solicitation event: the Foundation will host an annual reception for high-First Edition level donors and Library Champions (Silver Level and above) to further cultivate and deepen solidify their ties relationships to with the Library, its purpose, and programs.
- Pierce County READS: the Foundation will secure one or more sponsors to help underwrite the Pierce County READS program.
- Pierce County READS donor reception: ~~t~~The Foundation hosts a donor reception prior to the public author event, which will also be sponsored, for all donors who have contributed \$500 or more in the past year.
- Other events as listed above.
- ~~Our Own Expressions: the Foundation will host an awards ceremony for students to present their winning entries, reward the finalists with cash prizes, print a commemorative chapbook and organize a reception for parents, teachers, students and Library staff.~~
- Commemorative naming ceremonies, if appropriate.

**Attracting a cadre of loyal library supporters**

- Board of Directors: the Foundation will recruit and involve engage up to 25 active volunteer board members who are passionate ambassadors of the Pierce County Library System.
- Donors: the Foundation will seek to engage ~~1500 and~~ secure a growing number of donors at all recognition levels every ~~during the Foundation’s fiscal year to make gifts to support the library.~~
- Grantors and Sponsors: the Foundation will research and submit proposals ~~researches~~ for awards from charitable foundations, local businesses, and corporations.

**Pierce County Library Foundation**

**Pierce County Rural Library District**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

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Printed Name

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Title

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Date

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Date

# Unfinished Business

# MEMO



Date: December 28, 2017

To: Chair Rob Allen and Members of the Board of Trustees

From: Clifford Jo, Finance & Business Director

Subject: 2019-23 Revenue/Expenditure Gap

During the December meeting, the Board asked that we provide an estimate of the gap between projected revenue and expenditures. Attached is a chart that shows those numbers from 2019-23 along with the assumptions used. We look forward to hearing your thoughts on this revised version.

**GENERAL FUND  
- REVENUE/EXPENDITURE GAP -**

<b>FINAL AS OF 12/28/2017</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>PROJECTED REVENUE</b>	32,912,400	33,862,400	34,824,000	35,810,200	36,828,200
<b>PROJECTED OPERATING EXPENDITURES</b>	33,995,460	35,541,978	37,009,342	38,506,699	40,009,327
<b>NET OF REVENUE LESS EXPENDITURES</b>	(1,083,060)	(1,679,578)	(2,185,342)	(2,696,499)	(3,181,127)

**Assumptions:**

- Property taxes increases 1% + new construction; no change to other revenues
- Personnel costs include projected wage scale adj. and benefit increases
- Materials increases 4% per year
- Maintenance & Operations increases 4% per year
- Transfer to CIP increases 4% per year (\$1.25 million in 2019)
- Contingency maintained at 0.5% of revenue

# MEMO



Date: December 29, 2017

To: Chair Rob Allen and Members of the Board of Trustees

From: Mary Getchell, Marketing and Communications Director

Subject: Library Priorities and Funding Public Involvement Activities

Pierce County Library System's Library Priorities and Funding Project launches significant public involvement activities, starting January 19, 2018. Pierce County Library staff will conduct many activities to learn the public's priorities for library services. Library leaders will also share with the public about its funding situation which stems from costs to operate the Library System are higher than revenues from property taxes. In addition, the Library's service area has grown by 82,000 people in the past 12 years – that's a 16% increase. Also, the Library System has also outlived a re-authorized levy to sustain and increase funding for library services. The Library has met or exceeded promises from the 2006 levy, which was projected to sustain services for six years.

I collaborated with the Customer Experience Managers to develop the following core public involvement activities. Customer Experience Supervisors and staff will be instrumental in implementing these activities.

- In-library open houses at all full service Pierce County Libraries. At the open houses, Library leaders will ask the public to share their ideas about the services they want, value, and need. Library leaders will talk about options to manage the funding issue, which might include increasing taxes to maintain services or reducing services.
  - Saturday, Feb. 3, 2018, 12-2 p.m.
  - Monday, Feb. 12, 2018, 5-7 p.m.
  - Wednesday, Feb. 21, 2018, 3-5 p.m.
  - Tuesday, Feb. 27, 2018, 11 a.m.-1 p.m. at 17 locations; Tillicum Pierce County Library at 1-3 p.m.
- In-library open house at Anderson Island Pierce County Library on Wednesday, Feb. 7 and 21, 11 a.m.-3 p.m.
- In-community public information and involvement with guerrilla marketing to public and private sector locations as well as information sharing at regularly attended community/civic organization meetings. Trustees please let me know any community/civic groups that you meet with, and I will provide you with Library Priorities-Funding talking points, brochures, and surveys.
- In-library, online, and in-community survey, which builds on the public opinion poll the Library conducted in fall 2017. The survey focuses on gathering input on top priority library services.

The Communications Department is creating multiple communications tactics to encourage public involvement including collateral products such as posters and flyers; public web page; marketing email to nearly 200,000 individuals; social media messages and boosting (paid posts); paid (advertisements) and earned news media relations; and talking points for use at open houses, library events and classes, and community meetings. Communications staff is also creating in-library interactive displays where the public may use stickers to write their top priority for library services and post to a display poster board.

The focal time for these communications will be January 19-March 10. Then the Library will continue communications activities, although it will conclude the active survey and interactive displays for public input.

Per the Library Priorities-Funding Project Plan, the goals for attendance at the open houses is 300 and 4,000 completed surveys.

# **Board Education and Service Reports**

# MEMO



Date: December 29, 2017

To: Chair Rob Allen and Members of the Board of Trustees

From: Mary Getchell, Marketing and Communications Director

Subject: Public Information Overview

At the Board of Trustees' January 2018 meeting, J. Marie Riche, Public Affairs Consultant with Ideal Communications, will give an overview of public information do's and don'ts. Guidance from Washington State's disclosure and campaign finance laws and the Washington State Public Disclosure Commission formed the basis of the do's and don'ts. In Washington State, the Public Disclosure Commission (PDC) regulates what individuals can and cannot do during elections.

In Washington State, volunteer appointed library trustees, including Pierce County Library's trustees, have an obligation to oversee the public information activities of the Library System, which may include discussions with the public about funding and factual information about potential or actual ballot measures. The Library has a strong history of public information and involvement activities. As it launches specific communications to talk with the public about its funding situation and to learn further from the public about priority library services, it is important that trustees are aware of and comply with Washington State's disclosure and campaign finance laws. The do's and don'ts overview and discussion does not presuppose an outcome of the public information activities to be a ballot measure. This overview and discussion is an assurance of trustees' awareness and compliance with public disclosure laws.

It is the trustees' responsibility to provide residents with factual information about library services, operational needs, and any proposed ballot measure. At the same time, trustees may not use Library funds, facilities, or other resources to advocate for or against any candidate or ballot measure.

Pierce County Library staff, Friends, Foundation Board of Directors, and Board of Trustees do not, forfeit their personal rights to engage in political activities because of their affiliation with the Library System. State law allows those individuals to volunteer in support or opposition to any candidate or ballot measure as long as the individuals partake in such activities on their own time, using their own resources.

Again, Pierce County Library does not have a ballot measure. The Library is conducting public information activities to gain input about priority library services. As such, trustees should be aware of PDC laws and guidance to ensure trustees and the Library System are engaging in public information of factual material without any personal biases.

Executive Director Georgia Lomax and I will also share information with staff, Friends, and Foundation Board of Directors about do's and don'ts for public information. Please note staff guidance is similar to trustee guidance. Friends and Foundation members are independent individuals, thus guidance for them will focus more on an understanding of do's and don'ts for staff and trustees.

# Officers Reports

# MEMO



Date: December 26, 2017

To: Chair Rob Allen and Members of the Board of Trustees

From: Clifford Jo, Finance & Business Director

Subject: 2015-16 Fiscal Audit

We conducted our audit exit interview on December 19. Present were Leah Hafterson, our assigned auditor, Rob Allen, Georgia Lomax, Donna Morey, and me. There were no findings a management letter. We invited recommendations for improvements and Leah recommended the following:

1. Create a policy regarding self-insurance for unemployment compensation.
2. Update guidelines and policies for waiving fines, fees, and collection agency handling.
3. Continue yearend reports that are accurate.

We will have 1 and 2 taken care of over the next few months, and the last will be adding a double checking of the numbers in the fiscal audit.

Leah confirmed that our audit cycle will change from biennial to annual due to PCLS having more than \$10,000,000 in revenue. I anticipate that the amount of time to conduct an annual audit will be about 1/3 less spent by the auditor compared to a biennial audit. The 2017 audit will begin around October next year.

Attached are the fiscal and accountability audit reports.



**Office of the Washington State Auditor**  
**Pat McCarthy**

**Financial Statements Audit Report**  
**Pierce County Rural Library District**  
**(Pierce County Library System)**

**For the period January 1, 2015 through December 31, 2016**

**Published December 26, 2017**

**Report No. 1020438**





**Office of the Washington State Auditor**  
**Pat McCarthy**

December 26, 2017

Board of Trustees  
Pierce County Library System  
Tacoma, Washington

**Report on Financial Statements**

Please find attached our report on the Pierce County Library System's financial statements.

We are issuing this report in order to provide information on the District's financial condition.

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**Pierce County Library System  
January 1, 2015 through December 31, 2016**

Board of Trustees  
Pierce County Library System  
Tacoma, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Pierce County Library System, Washington, as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 15, 2017.

We issued an unmodified opinion on the fair presentation of the District's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the District using accounting practices prescribed by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, stylized initial "P".

Pat McCarthy

State Auditor

Olympia, WA

December 15, 2017

# INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

## **Pierce County Library System January 1, 2015 through December 31, 2016**

Board of Trustees  
Pierce County Library System  
Tacoma, Washington

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the Pierce County Library System, Washington, for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed on page 11.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)**

As described in Note 1, the Pierce County Library System has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Pierce County Library System, for the years ended December 31, 2016 and 2015, on the basis of accounting described in Note 1.

### **Basis for Adverse Opinion on U.S. GAAP**

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the District used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

## **Adverse Opinion on U.S. GAAP**

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Pierce County Library System, as of December 31, 2016 and 2015, or the changes in financial position or cash flows for the years then ended, due to the significance of the matter discussed in the above “Basis for Adverse Opinion on U.S. GAAP” paragraph.

## **Other Matters**

### ***Supplementary and Other Information***

Our audits were performed for the purpose of forming opinions on the financial statements taken as a whole. The Schedules of Liabilities are presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2017 on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That

report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, sweeping initial "P".

Pat McCarthy

State Auditor

Olympia, WA

December 15, 2017

## **FINANCIAL SECTION**

### **Pierce County Library System January 1, 2015 through December 31, 2016**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2016

Fund Resources and Uses Arising from Cash Transactions – 2015

Notes to Financial Statements – 2016

Notes to Financial Statements – 2015

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2016

Schedule of Liabilities – 2015

**Pierce County Rural Library District  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2016**

		<b>Total for All Funds (Memo Only)</b>	<b>001 General</b>	<b>150 Special Purpose Fund</b>	<b>200 Debt Service Fund</b>
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	-	-	-
30880	Unreserved	9,906,354	8,372,619	-	83,725
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	28,358,047	28,358,047	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	351,428	351,428	-	-
340	Charges for Goods and Services	189,404	189,404	-	-
350	Fines and Penalties	355,139	355,139	-	-
360	Miscellaneous Revenues	1,123,153	867,873	-	303
Total Revenues:		30,377,171	30,121,891	-	303
<b>Expenditures</b>					
570	Culture and Recreation	28,488,427	28,258,122	-	-
Total Expenditures:		28,488,427	28,258,122	-	-
Excess (Deficiency) Revenues over Expenditures:		1,888,744	1,863,769	-	303
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	2,660,063	-	728,263	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	8,110	8,110	-	-
Total Other Increases in Fund Resources:		2,668,173	8,110	728,263	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	1,388,267	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	2,660,063	2,489,994	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
Total Other Decreases in Fund Resources:		4,048,330	2,489,994	-	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>508,587</b>	<b>(618,115)</b>	<b>728,263</b>	<b>303</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	728,263	-	728,263	-
5088000	Unreserved	9,686,678	7,754,504	-	84,028
<b>Total Ending Cash and Investments</b>		<b>10,414,941</b>	<b>7,754,504</b>	<b>728,263</b>	<b>84,028</b>

The accompanying notes are an integral part of this statement.

**Pierce County Rural Library District  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2016**

		<b>300 Capital Improvement Project</b>
<b>Beginning Cash and Investments</b>		
30810	Reserved	-
30880	Unreserved	1,450,010
388 / 588	Prior Period Adjustments, Net	-
<b>Revenues</b>		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	-
340	Charges for Goods and Services	-
350	Fines and Penalties	-
360	Miscellaneous Revenues	254,977
Total Revenues:		254,977
<b>Expenditures</b>		
570	Culture and Recreation	230,305
Total Expenditures:		230,305
Excess (Deficiency) Revenues over Expenditures:		24,672
<b>Other Increases in Fund Resources</b>		
391-393, 596	Debt Proceeds	-
397	Transfers-In	1,931,800
385	Special or Extraordinary Items	-
386 / 389	Custodial Activities	-
381, 395, 398	Other Resources	-
Total Other Increases in Fund Resources:		1,931,800
<b>Other Decreases in Fund Resources</b>		
594-595	Capital Expenditures	1,388,267
591-593, 599	Debt Service	-
597	Transfers-Out	170,069
585	Special or Extraordinary Items	-
586 / 589	Custodial Activities	-
Total Other Decreases in Fund Resources:		1,558,336
<b>Increase (Decrease) in Cash and Investments:</b>		<b>398,136</b>
<b>Ending Cash and Investments</b>		
5081000	Reserved	-
5088000	Unreserved	1,848,146
<b>Total Ending Cash and Investments</b>		<b>1,848,146</b>

**Pierce County Rural Library District  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2015**

		<u>Total for All Funds (Memo Only)</u>	<u>001 General</u>	<u>200 Debt Service Fund</u>	<u>300 Capital Improvement Project</u>
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	-	-	-
30880	Unreserved	10,688,203	8,537,811	83,649	2,066,743
388 & 588	Prior Period Adjustments, Net	-	-	-	-
<b>Operating Revenues</b>					
310	Taxes	26,852,835	26,852,835	-	-
330	Intergovernmental Revenues	218,613	218,613	-	-
340	Charges for Goods and Services	192,685	192,685	-	-
350	Fines and Penalties	505,402	505,402	-	-
360	Miscellaneous Revenues	856,831	645,378	77	211,376
Total Operating Revenues:		<u>28,626,366</u>	<u>28,414,913</u>	<u>77</u>	<u>211,376</u>
<b>Operating Expenditures</b>					
570	Culture and Recreation	27,551,788	26,958,376	-	593,412
Total Operating Expenditures:		<u>27,551,788</u>	<u>26,958,376</u>	<u>-</u>	<u>593,412</u>
Net Operating Increase (Decrease):		1,074,578	1,456,537	77	(382,036)
<b>Nonoperating Revenues</b>					
370-380, 395 & 398	Other Financing Sources	15,489	15,489	-	-
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	1,637,218	-	-	1,637,218
Total Nonoperating Revenues:		<u>1,652,707</u>	<u>15,489</u>	<u>-</u>	<u>1,637,218</u>
<b>Nonoperating Expenditures</b>					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	-	-	-	-
594-595	Capital Expenditures	1,871,915	-	-	1,871,915
597	Transfers-Out	1,637,218	1,637,218	-	-
Total Nonoperating Expenditures:		<u>3,509,133</u>	<u>1,637,218</u>	<u>-</u>	<u>1,871,915</u>
<b>Net Increase (Decrease) in Cash and Investments:</b>		<b>(781,848)</b>	<b>(165,192)</b>	<b>77</b>	<b>(616,733)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	-	-	-
5088000	Unreserved	9,906,354	8,372,619	83,725	1,450,010
<b>Total Ending Cash and Investments</b>		<b><u>9,906,354</u></b>	<b><u>8,372,619</u></b>	<b><u>83,725</u></b>	<b><u>1,450,010</u></b>

The accompanying notes are an integral part of this statement.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The *Pierce County Rural Library District* (“the Library”) was established by a vote of the people of Pierce County on November 7, 1944. The Pierce County commissioner’s subsequently appointed the first Pierce County board of trustees on June 1, 1945. The Library operates under the laws of the state of Washington applicable to a library district (see RCW Chapter 27.12). The Library is a special purpose local government and provides library services to the general public. In terms of taxation priority, the Library is a junior taxing district.

The Library reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor’s Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

### A. Fund Accounting

Financial transactions of the district are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The district’s resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

#### GOVERNMENTAL FUND TYPES

##### General Fund

This fund is the primary operating fund of the Library. It accounts for all financial resources except those required or elected to be accounted for in another fund.

##### Special Revenue Fund (Special Purpose Fund)

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

### Debt Service Fund

This fund accounts for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

This fund accounts for the accumulation of resources to pay principal, interest, and related costs on general long-term debt; since the general long-term debt has been retired, this fund is only used to collect delinquent property taxes levied when the debt was still outstanding.

### Capital Improvements Projects Fund

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

A majority of the resources included in this fund are typically transferred from the general fund.

### B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law, the Library follows County practice, which recognizes expenditures paid during fourteen days after the close of the fiscal year for claims incurred during the previous period.

### C. Budgets

The Library adopts an annual appropriated budget for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end. In addition to the General, Debt Service and Capital Improvement Projects funds, the Library Board of Trustees added a Special Purpose Fund in 2016. There was no activity in the new fund.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

FUND	FINAL APPROPRIATED AMOUNTS	ACTUAL EXPENDITURES	VARIANCE
General Fund	\$29,709,541	\$29,622,111	\$87,430
Special Purpose Find	\$267,000	\$0	\$267,000
Debt Service Fund	\$0	\$0	\$0
Capital Improvement Projects Fund	\$1,488,382	\$1,291,705	\$196,677
TOTAL ALL FUNDS	\$31,464,923	\$30,913,816	\$551,107

Any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the district’s legislative body.

D. Cash and Investments

See Note 2, *Deposits and Investments*.

E. Capital Assets

Capital assets are assets with an initial individual cost of equal to or more than \$5,000 and an estimated useful life in excess of one year. The capital assets of the Library and are recorded as capital expenditures when purchased.

F. Compensated Absences

Vacation leave/pay may be accumulated up to 240 hours and is payable upon separation or retirement. Sick leave may accumulate indefinitely. Upon separation or retirement certain employees are eligible to receive a buyout portion (30 percent of up to 1,200 hours) of unused sick leave per the terms of the collection bargaining agreement. Compensatory (Comp) time may be accumulated up to twenty four hours and is payable upon separation or retirement. Payments are recognized as expenditures when paid. Please refer to Schedule 09.

G. Long Term Debt

See Note 3, *Debt Service Requirements*.

H. Other Financing Sources or Uses

The Library’s Other Financing Sources or Uses and Non-operating Expenditures consist of an internal Board approved fund balance transfers totaling \$558,194 from the General Fund to the Special Purpose Fund, \$743,418 from the General fund to the Capital Improvement Projects fund, and \$170,069 from the Capital Improvement Projects fund to the Special Purpose Fund. There was also an adjustment made to balance the Library’s cash to County cash in the amount of \$6,646. Other entries were made due to rounding.

I. Risk Management

The Library's risks are typical for libraries, and include such areas as theft, destruction of property, automobiles, accidents/injuries by staff and customers, legal, liability, safety and hazards, underground storage tanks of fuel, water damage, differences in conditions, and earthquakes. The Library's response is to maintain a level of insurance that adequately covers these risks both in individual coverage areas and an umbrella policy. In 2016, no claims exceeded our insurance coverage. The Library also has a Safety Committee that performs quarterly inspections of all the Library's properties; monitors and reviews safety-related concerns and reports, and makes recommendations for safety improvements.

The Library is self-insured through the State of Washington for unemployment claims. Claims are paid to the state on a quarterly basis and totaled \$16,612 in 2016.

J. Reserved Fund Balance

During 2016, the Library did not carry a reserved fund balance in the General, Debt or Capital Improvement Projects funds.

In the Special Purpose Fund, beginning and ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the Library's Board of Trustees. When expenditures that meet restrictions are incurred, the Library intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments in the Special Purpose fund consist of the following:

Election Set-aside	\$360,000
Land and Property Acquisition	\$368,263
Total	\$728,263

**NOTE 2 – DEPOSITS AND INVESTMENTS**

State law and County policy authorize the Library to invest all temporary cash surpluses. The interest on these investments is prorated based on amount invested to the various funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the Library or its agent (County of Pierce) in the government's name.

Pursuant to Chapter 27.12.070 of the R.C.W., the Pierce County treasurer receives and disburses all the Library's revenues and collects all taxes levied. The Library directs Pierce County to invest any temporary cash surpluses, generally for one-week to one-month periods. Pierce County Budget and Finance is responsible for the composition of the investments and invests in the Washington

State Local Government Investment Pool (LGIP). During the course of the year, the average daily total investment amount for all funds was \$5,384,503. Earning rates varied throughout the year from a high of .5168% to a low of .2509%.

Investments are reported at original cost. Investments by type at December 31, 2016 are as follows.

<u>Type of Investment</u>	<u>PCLS' Own Investments</u>	<u>Total</u>
LGIP and Others	- 0 -	- 0 -

**NOTE 3 – DEBT SERVICE REQUIREMENTS**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the Library's debt transactions for the year ended December 31, 2016.

In December 2002, the Library retired the final \$365,000 of outstanding bonds. While the debt has been retired, monies may be collected in the future for any delinquent property taxes. These monies will be used to fund any future delinquent property tax refunds. At some further date, any remaining monies will be transferred to the General Fund, Special Revenue Fund, or Capital Improvement Fund.

**NOTE 4 – PROPERTY TAX**

The Pierce County treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed at the end of each month.

Property tax revenues are recognized when cash is received by the Library. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The Library's regular levy for the year 2016 was \$.50 per \$1,000 on an assessed valuation of \$56,619,764,586 for a total regular levy of \$28,309,882.29.

**NOTE 5 - PENSION PLANS**

Substantially all of the Library's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans, Public Employees' Retirement Systems (PERS) Plans 1, 2, or 3.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

Actuarial information is on a system-wide basis and is not considered pertinent to the Library's financial statements. Contributions to the systems by employee and employer are based upon gross wages covered by plan benefits.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems Communications Unit  
P.O. Box 48380  
Olympia, WA 98540-8380

Also, the DRS CAFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

At June 30, 2016 (the measurement date of the plans), the Library’s proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

Plan	Allocation %	Liability (Asset)
PERS 1 (and Plan 1 UAAL)	0.122629%	\$6,639,460
PERS 2/3	0.152243%	\$7,665,315
Total		\$14,304,774

**NOTE 6 – COMMUNITY BANK ACCOUNTS**

The Pierce County Budget and Finance office acts as the Treasurer (Bank) for the Library’s funds. In order to comply with the established cash management policy and maintain cash balances on hand at a minimum at Branches and the Administrative Center & Library, while providing enough funding necessary to provide proper cash flow, the Library uses a variety of banks located near our many locations. Library Employees make deposits to these local bank accounts frequently.

Excess funds from our community banks are transferred to the County on a weekly basis. The Library recognizes the year end balances of these accounts on the Fund Resources and Uses Arising from Cash Transactions schedule contained within this report.

Following is a list of the Branches and their associated community banks.

**Community Bank Account Balances including Branches/Departments**

<b>December 31, 2016</b>	
<b>Key Bank</b>	<b>\$4,674.10</b>
<i>DuPont</i>	
<i>Eatonville</i>	
<i>Graham</i>	
<i>Lakewood</i>	
<i>Milton/Edgewood</i>	
<i>Orting</i>	
<i>Parkland/Spanaway</i>	
<i>South Hill</i>	
<i>Steilacoom</i>	
<i>Tillicum</i>	
<i>University Place</i>	
<b>Columbia Bank</b>	<b>\$5,100.00</b>
<i>PCLS - Finance Dept. (Direct Deposit/Health Insurance Benefits/ACH accounts)</i>	
<b>Bank of America</b>	<b>\$5,280.16</b>
<i>Bonney Lake</i>	
<i>Buckley</i>	
<i>Fife</i>	
<i>Gig Harbor/Peninsula</i>	
<i>Key Center</i>	
<i>Summit</i>	
<i>Sumner</i>	
<i>PCLS – Merchant Services for electronic payments</i>	
<b>Columbia Bank – Retainage Accounts</b>	
<i>Retainage</i>	<b>\$4,824.73</b>
<b><u>Total</u></b>	<b><u>\$19,878.99</u></b>

### *Electronic Payments*

In order to make payroll direct deposits and other electronic payments, the Library uses the services of Columbia Bank. Starting in 2012 and continuing through 2016, we were required to pay health savings account deductions, contributions and fees electronically to our vendor Health Equity provider of our Health Savings Account plan. Pierce County Budget and Finance was unable to provide this service for the district, therefore, Columbia Bank is the bank from which these transactions originate.

### **NOTE 7 – FEDERAL FUNDING**

The Library had expenditures funded by indirect Federal awards. Federal funds received indirectly for program expenditures came via the Secretary of State, Washington State Library:

1. LSTA projects in the amount of \$7,500 (Microsoft IT Academy Open Lab)
2. The US Department of Labor via Workforce Central – Pierce County funded a project titled Employment Services Enhancement to Pierce County. The 2016 total for this award was \$231,462.

Total indirect federal expenditures for 2016 were \$238,962.

Schedule 16 was prepared using the same basis of accounting as the district's financial statements. The district uses cash basis accounting. See Note 1.

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the Library's portion, are generally more than shown.

## **NOTE 1 - SUMMARY OF ACCOUNTING POLICIES**

The *Pierce County Rural Library District* was established by a vote of the people of Pierce County on November 7, 1944. The Pierce County commissioner's subsequently appointed the first Pierce County board of trustees on June 1, 1945. Pierce County Rural Library District operates under the laws of the state of Washington applicable to a library district (see RCW Chapter 27.12). The Pierce County Rural Library District is a special purpose local government and provides library services to the general public.

The Pierce County Rural Library District reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

### A. Fund Accounting

Financial transactions of the district are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The district's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

#### GOVERNMENTAL FUND TYPES

##### General Fund

This fund is the primary operating fund of the District. It accounts for all financial resources except those required or elected to be accounted for in another fund.

##### Debt Service Fund

This fund accounts for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

This fund accounts for the accumulation of resources to pay principal, interest, and related

costs on general long-term debt; since the general long-term debt has been retired, this fund is only used to collect delinquent property taxes levied when the debt was still outstanding.

Capital Improvements Projects Fund

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

A majority of the resources included in this fund are typically transferred from the general fund.

**B. Basis of Accounting and Measurement Focus**

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the District based on County practice, also recognizes expenditures paid during fourteen days after the close of the fiscal year for claims incurred during the previous period.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor the allocation of depreciation expense. Inventory, including collection materials, is expenses when purchased.

**C. Budgets**

The Pierce County Rural Library Districts adopts an annual appropriated budget for funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

FUND	FINAL APPROPRIATED AMOUNTS	ACTUAL EXPENDITURES	VARIANCE
General Fund	\$28,259,832	\$26,414,913	\$1,844,919
Debt Service Fund	\$0	\$0	\$0
Capital Improvement Projects Fund	\$2,981,196	\$2,083,291	\$897,905
<b>TOTAL ALL FUNDS</b>	<b>\$31,241,028</b>	<b>\$28,498,204</b>	<b>\$2,742,824</b>

Any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment

must be approved by the district's legislative body.

D. Cash and Investments

See Note 2, *Deposits and Investments*

E. Capital Assets

Capital assets are assets with an initial individual cost of equal to or more than \$5,000 and an estimated useful life in excess of one year. The capital assets of the *Pierce County Rural Library* and are recorded as capital expenditures when purchased.

F. Compensated Absences

Vacation leave/pay may be accumulated up to 240 hours and is payable upon separation or retirement. Sick leave may accumulate indefinitely. Upon separation or retirement certain employees are eligible to receive a buyout portion (30 percent of up to 1,200 hours) of unused sick leave per the terms of the collection bargaining agreement. Compensable (Comp) time may be accumulated up to twenty four hours and is payable upon separation or retirement. Payments are recognized as expenditures when paid. Please refer to Schedule 09.

G. Long Term Debt

See Note 3, *Debt Service Requirements*

H. Other Financing Sources or Uses

The district's Other Financing Sources or Uses and Non-operating Expenditures consist of an internal Board approved fund balance transfers totaling \$1,637,218 from the General Fund to the CIP Fund.

I. Risk Management

The *Pierce County Rural Library District's* risks are typical for libraries, and include such areas as theft, destruction of property, automobiles, accidents/injuries by staff and customers, legal, liability, safety and hazards, underground storage tanks of fuel, water damage, and earthquakes. The Library's response is to maintain a level of insurance that adequately covers these risks both in individual coverage areas and an umbrella policy. In 2015, no claims exceeded our insurance coverage. The Library also has a Safety Committee that performs quarterly inspections of all PCLS properties; monitors and reviews safety-related concerns and reports, and makes recommendations for safety improvements.

The Library is self-insured through the State of Washington for unemployment claims. Claims are paid to the state on a quarterly basis and totaled \$20,673 in 2015.

J. Reserved Fund Balance

During 2015, Pierce County Rural Library District did not carry a reserved fund balance in any of its three funds.

K. Accounting and Reporting Changes

Effective for 2015, the Library implemented provisions of GASB Statement No. 68 Accounting and Financial Reporting for Pensions. As a result, the Schedule of Liabilities (09) includes the Library's proportionate share of the net pension liability for the cost-sharing, multiple-employer plans in which the Library participates.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

It is the Pierce County Rural Library District's policy to invest all temporary cash surpluses. The interest on these investments is prorated based on amount invested to the various funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the Pierce County Rural Library District or its agent (County of Pierce) in the government's name.

Pursuant to Chapter 27.12.070 of the R.C.W., the Pierce County treasurer receives and disburses all the Pierce County Rural Library District's revenues and collects all taxes levied. The Pierce County Rural Library District directs Pierce County to invest any temporary cash surpluses, generally for one-week to one-month periods. Pierce County Budget and Finance is responsible for the composition of the investments and typically invests in the Washington State Local Government Investment Pool (LGIP). During the course of the year, the average daily total investment amount for all funds was \$5,763,805. Earning rates varied from a high of .0018550 to a low of .0010370.

Investments are reported at original cost. Investments by type at December 31, 2015 are as follows.

<u>Type of Investment</u>	<u>PCLS' Own Investments</u>	<u>Total</u>
LGIP and Others	-0-	-0-

**NOTE 3 – DEBT SERVICE REQUIREMENTS**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the *Pierce County Rural Library District's* debt transactions for the year ended December 31, 2015.

In December 2002, the *Pierce County Rural Library District* retired the final \$365,000 of

outstanding bonds. While the debt has been retired, monies may be collected in the future for any delinquent property taxes. These monies will be used to fund any future delinquent property tax refunds. At some further date, any remaining monies will be transferred to the General Fund.

#### **NOTE 4 – PROPERTY TAX**

The Pierce County treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed at the end of each month.

Property tax revenues are recognized when cash is received by *Pierce County Rural Library District*. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The *Pierce County Rural Library District* regular levy for the year 2015 was \$.50 per \$1,000 on an assessed valuation of \$53,156,946,492 for a total regular levy of \$26,578,473.

#### **NOTE 5 - PENSION PLANS**

Substantially all of *Pierce County Rural Library District's* full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans, Public Employees' Retirement Systems (PERS) Plans 1, 2, or 3.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

Actuarial information is on a system-wide basis and is not considered pertinent to the District's financial statements. Contributions to the systems by employee and employer are based upon gross wages covered by plan benefits.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems Communications Unit  
P.O. Box 48380  
Olympia, WA 98540-8380

Also, the DRS CAFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

At June 30, 2015 (the measurement date of the plans), the *Pierce County Rural Library District's* proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

Plan	Allocation %	Liability (Asset)
PERS 1 (and Plan 1 UAAL)	.120686%	\$6,313,000
PERS 2/3	.145852%	\$5,211,375
Total		\$11,524,375

**NOTE 6 – COMMUNITY BANK ACCOUNTS**

The Pierce County Budget and Finance office acts as the Treasurer (Bank) for *Pierce County Rural Library District* funds. In order to comply with the established cash management policy and maintain cash balances on hand at a minimum at Branches and the Administrative Center, while providing enough funding necessary to provide proper cash flow, *Pierce County Rural Library District* uses a variety of Banks located near our many locations. Library Employees make deposits to these local Bank accounts frequently.

Excess funds from our Community Banks are transferred to the County on a weekly basis. *Pierce County Rural Library District* recognizes the year end balances of these accounts on the Fund Resources and Uses Arising from Cash Transactions schedule contained within this report.

Following is a list of the Branches and their associated Community Banks.  
**Community Bank Account Balances including Branches/Departments**

**December 31, 2015**

**Key Bank** **\$8,148.05**

- DuPont*
- Eatonville*
- Graham*
- Lakewood*
- Milton/Edgewood*
- Orting*
- Parkland/Spanaway*
- South Hill*
- Steilacoom*
- Tillicum*
- University Place*

**Columbia Bank** **\$17,977.54**  
*PCLS - Finance Dept. (Direct Deposit/Health Insurance  
Benefits/ACH accounts)*

**Bank of America** **\$13,271.02**  
*Bonney Lake*

*Buckley*  
*Fife*  
*Gig Harbor/Peninsula*  
*Key Center*  
*Summit*  
*Sumner*  
*PCLS – Merchant Services for electronic payments*

<b>Columbia Bank – Retainage Accounts</b>	
<i>Retainage</i>	<b>\$22,907.89</b>
<b><u>Total</u></b>	<b><u>\$ 62,304.50</u></b>

*Electronic Payments*

In order to make payroll direct deposits and other electronic payments, the Library uses the services of Columbia Bank. Starting in 2012 and continuing through 2015, we were required to pay health savings account deductions, contributions and fees electronically to our vendor Health Equity provider of our Health Savings Account plan. Pierce County Budget and Finance was unable to provide this service for the district, therefore, Columbia Bank is the bank from which these transactions originate.

**NOTE 7 – FEDERAL FUNDING**

Pierce County Library System had expenditures funded by both direct and indirect Federal awards. The projects included a direct award from the Federal Institute for Museum and Library Services (IMLS) Sparks grant program in the amount of \$23,000. Federal funds received indirectly for program expenditures came via the Secretary of State, Washington State Library – LSTA projects in the amounts of \$7,500 (Microsoft IT Academy Open Lab) and \$49,000 (Digital Skills Training). Further, the US Department of Labor via Workforce Central – Pierce County funded a project titled Employment Services Enhancement to Pierce County. The 2015 total for this award was \$137,068. Total direct and indirect federal expenditures for 2015 were \$216,568.

Schedule 16 was prepared using the same basis of accounting as the district’s financial statements. The district uses cash basis accounting. See Note 1.

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the Pierce County Rural Library portion, are generally more than shown.

**Pierce County Rural Library District  
Schedule of Liabilities  
For the Year Ended December 31, 2016**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Combined Compensated Absenses		1,408,242	-	7,991	1,400,251
264.30	Pension Liabilities PERS 1		6,313,000	326,459	-	6,639,459
264.30	Pension Liabilities PERS 2/3		5,211,375	2,421,213	-	7,632,588
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>12,932,617</b>	<b>2,747,672</b>	<b>7,991</b>	<b>15,672,298</b>
<b>Total Liabilities:</b>			<b>12,932,617</b>	<b>2,747,672</b>	<b>7,991</b>	<b>15,672,298</b>

**Pierce County Rural Library District  
Schedule of Liabilities  
For the Year Ended December 31, 2015**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Combined Compensated Absenses		2,239,906	-	831,664	1,408,242
264.30	Pension Liabilities PERS 1		-	6,313,000	-	6,313,000
264.30	Pension Liabilities PERS 2/3		-	5,211,375	-	5,211,375
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>2,239,906</b>	<b>11,524,375</b>	<b>831,664</b>	<b>12,932,617</b>
<b>Total Liabilities:</b>			<b>2,239,906</b>	<b>11,524,375</b>	<b>831,664</b>	<b>12,932,617</b>

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

<b>Contact information for the State Auditor's Office</b>	
<b>Public Records requests</b>	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
<b>Main telephone</b>	(360) 902-0370
<b>Toll-free Citizen Hotline</b>	(866) 902-3900
<b>Website</b>	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>



**Office of the Washington State Auditor**  
**Pat McCarthy**

**Accountability Audit Report**  
**Pierce County Rural Library District**  
**(Pierce County Library System)**

**For the period January 1, 2015 through December 31, 2016**

**Published December 26, 2017**

**Report No. 1020428**





**Office of the Washington State Auditor**  
**Pat McCarthy**

December 26, 2017

Board of Trustees  
Pierce County Library System  
Tacoma, Washington

**Report on Accountability**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for District operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the District's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

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## AUDIT SUMMARY

### Results in brief

In the areas we audited, District operations complied with applicable requirements and provided adequate safeguarding of public resources. The District also complied with state laws and regulations and its own policies and procedures in the areas we examined.

### About the audit

This report contains the results of our independent accountability audit of the Pierce County Library System from January 1, 2015 through December 31, 2016.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the District's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Payroll
- Read & Release Program
- Fines, fees & adjustments
- Financial condition
- Self-insurance – unemployment compensation

## RELATED REPORTS

### **Financial**

Our opinion on the District's financial statements is provided in a separate report, which includes the District's financial statements. That report is available on our website, <http://portal.sao.wa.gov/ReportSearch>.

## INFORMATION ABOUT THE DISTRICT

The Pierce County Rural Library District, doing business as Pierce County Library System, was established in 1946 and serves more than 600,000 citizens throughout unincorporated Pierce County and 15 annexed cities and towns. It has an annual circulation of more than 7.4 million books, DVDs and downloadable materials through 20 library branches and online services.

The District is administered by a five-member Board of Trustees appointed by the Pierce County Council. For the years under audit, the District operated on annual budgets of \$28 million and had approximately 400 full- and part-time employees.

### Contact information related to this report

Address:	Pierce County Library System 3005 112th Street E. Tacoma, WA 98446-2215
Contact:	Clifford Jo, Finance and Business Director
Telephone:	(253) 536-6500
Website:	<a href="http://www.piercecountylibrary.org">www.piercecountylibrary.org</a>

*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for the Pierce County Library System at <http://portal.sao.wa.gov/ReportSearch>.

## ABOUT THE STATE AUDITOR'S OFFICE

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Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

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<b>Website</b>	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>

# MEMO



Date: December 26, 2017

To: Chair Rob Allen and Members of the Board of Trustees

From: Clifford Jo, Finance & Business Director

Subject: 2018 Revised Levy Certificate

Pierce County Assessor-Treasurer's Office sent us a revised levy certificate, which I have attached. The net effect adds approximately \$34,700 in property tax revenue collections for 2018. Also, the mill rate drops slightly from 42.97¢ to 42.94¢ per \$1,000 assessed value. I have submitted the revised certificate to the county office.



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## M E M O R A N D U M

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**DATE:** December 22, 2017

**TO:** Pierce County Taxing Districts

**FROM:** Mike Lonergan, Assessor-Treasurer

**RE:** **2017 Certification of Assessed Values/Levy Limit Factor**

Enclosed are the final 2017 assessed values for your taxing district. Limit factor worksheets are provided to applicable districts.

Certification of levies and tax rates will be mailed in January.

- Districts with an increase to their allowable levy may amend their Levy Certification.
- Districts must identify the amount of administrative refunds intended to levy on the "Refund Levy" line, separate from the regular or excess levy amounts.
- Amended levy certifications must be received in the Assessor-Treasurer's office by Wednesday, January 3rd.
- **Electronically submit amended levy certifications to the email address listed below, to expedite delivery.**

*Please note Pierce County will be closed on Monday, December 25<sup>th</sup> & Monday, January 1st in observance of the holidays.*

*If you need assistance, or have any questions regarding this information, please contact Kim Fleshman at 253-798-7114, [kfleshm@co.pierce.wa.us](mailto:kfleshm@co.pierce.wa.us).*



**Pierce County**

**Mike Lonergan, Assessor-Treasurer**

2401 South 35th Street  
Tacoma, WA 98409-7498  
(253) 798-6111 FAX (253) 798-3142  
ATLAS (253) 798-3333  
www.piercecountywa.org/atr

December 22, 2017

OFFICIAL NOTIFICATION TO: **PIERCE COUNTY RURAL LIBRARY- JOINT**

*King County Values are Preliminary and subject to change*

RE: 2017 FINAL ASSESSED VALUES

**FOR REGULAR LEVY**

Total Taxable Regular Value	70,182,605,075
Highest lawful regular levy amount since 1985	29,107,919.81
<b>Last year's actual levy amount</b>	<b>29,177,150.66</b>
Additional revenue from current year's NC&I	619,874.11
Additional revenue from annexations (RCW 84.55)	114
Additional revenue from administrative refunds (RCW 84.69)	86,267.39
<i>No additional revenue from administrative refunds will be allowed if you are limited by your statutory rate limit.</i>	
Additional revenue from increase in state-assessed property	34,923.58

**FOR EXCESS LEVY**

Taxable Value	69,575,469,025
Timber Assessed Value	159,719,302
Total Taxable Excess Value	69,735,188,327
2017 New Construction and Improvement Value	1,327,126,514

*If you need assistance or have any questions regarding this information, please contact Kim Fleshman  
253.798.7114 [kfleshm@co.pierce.wa.us](mailto:kfleshm@co.pierce.wa.us).*



**Pierce County**

**Mike Lonergan, Assessor-Treasurer**

2401 South 35th Street  
Tacoma, WA 98409-7498  
(253) 798-6111 FAX (253) 798-3142  
ATLAS (253) 798-3333  
www.piercecountywa.org/atr

**TAX LEVY LIMIT 2017 FOR 2018**

**RURAL LIBRARY**

**> 10,000**

**REGULAR TAX LEVY LIMIT:**

A. <u>Highest regular tax which could have been lawfully levied beginning with the 1985 levy</u> [refund levy not included] times limit factor (as defined in RCW 84.55.005).	<b>2016</b> 29,107,919.81 1.01 29,398,999.01
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B. Current year's assessed value of new construction, improvements and wind turbines in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).	1,327,126,514 0.467079889979 619,874.11
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C. Current year's state assessed property value in original district if annexed less last year's state assessed property value. The remainder to be multiplied by last year's regular levy rate (or the rate that should have been levied).	896,621,509 821,851,464 74,770,045.00 0.467079889979 34,923.58
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<b>D. REGULAR PROPERTY TAX LIMIT (A + B + C)</b>	<b>30,053,796.70</b>
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**ADDITIONAL LEVY LIMIT DUE TO ANNEXATIONS:**

E. To find rate to be used in F, take the levy limit as shown in Line D above and divide it by the current assessed value of the district, excluding the annexed area.	30,053,796.70 70,182,339,375 0.428224493032
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F. Annexed area's current assessed value including new construction and improvements times rate found in E above.	265,700.00 0.428224493032 113.78
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<b>G. NEW LEVY LIMIT FOR ANNEXATION (D + F)</b>	<b>30,053,910.48</b>
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**LEVY FOR REFUNDS:**

H. RCW 84.55.070 provides that the levy limit will not apply to the levy for taxes refunded or to be refunded pursuant to Chapters 84.68 or 84.69 RCW. (D or G + refund if any)	30,053,910.48 86,267.39 30,140,177.87
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<b>I. TOTAL ALLOWABLE LEVY AS CONTROLLED BY THE LEVY LIMIT (D,G,or H)</b>	<b>30,140,177.87</b>
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J. Amount of levy under statutory rate limitation.	70,182,605,075 0.500000000000 <b>35,091,302.54</b>
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<b>K. LESSER OF I OR J</b>	<b>30,140,177.87</b>
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# Levy Certification

Submit this document to the county legislative authority on or before November 30 of the year preceding the year in which the levy amounts are to be collected and forward a copy to the assessor.

In accordance with RCW 84.52.020, I, CLIFFORD JO,  
(Name)

FINANCE & BUSINESS DIRECTOR, for PIERCE COUNTY RURAL LIBRARY DISTRICT do hereby certify to  
(Title) (District Name)

the PIERCE County legislative authority that the BOARD OF TRUSTEES  
(Name of County) (Commissioners, Council, Board, etc.)

of said district requests that the following levy amounts be collected in 2018 as provided in the district's  
(Year of Collection)

budget, which was adopted following a public hearing held on 12/13/2017:  
(Date of Public Hearing)

Regular Levy: 30,140,177.87  
(State the total dollar amount to be levied)

Excess Levy: \_\_\_\_\_  
(State the total dollar amount to be levied)

Refund Levy: \_\_\_\_\_  
(State the total dollar amount to be levied)

Signature: 

Date: 12/26/2017

To ask about the availability of this publication in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users, please call (360) 705-6718. For tax assistance, call (360) 534-1400.

REV 64 0100e (w) (2/21/12)

# MEMO



Date: December 20, 2017

To: Chair Rob Allen and members of the Board of Trustees

From: Cheree Green, Staff Experience Director

Subject: Local 3787 Election Results

Elections were recently held to fill open Executive Board officer positions and a Trustee position in the Library's Union. The following staff members have been elected/appointed to serve during the next term:

Recording Secretary – **Katie Baker**, System Analyst, ACL  
Trustee - **Tamara Saarinen**, Librarian, Gig Harbor  
Vice President - **Margaret Bliss**, Assistant Branch Supervisor, Graham  
President - **Aisha Womack**, Senior Branch Assistant, Sumner

Ongoing Members:

Chief Shop Steward - **Michelle Angell**, Librarian, Lakewood  
Treasurer - **Genevieve Dettmer**, Librarian, University Place

Stewards:

ACL - **John Bornicke**, Facilities Operations Lead, ACL; **Barbie Swayze**, Desktop and Systems Technician, ACL  
BLK - **Catherine O'Brien**, Librarian, Bonney Lake  
BUC - **Mellisa Sisley**, Senior Branch Assistant, Lakewood  
DPT - **Irene Poshtkouhi**, Senior Branch Assistant, Tillicum  
EAT -  
FIF - **Dana Brownfield**, Librarian, Summit  
GIG - **Tamara Saarinen**, Librarian, Gig Harbor; **Terri May**, Librarian, Gig Harbor  
GHM -  
KC - **Tamara Saarinen**, Librarian, Gig Harbor; **Terri May**, Librarian, Gig Harbor  
LWD - **Michelle Angell**, Librarian, Lakewood; **Yuri Button**, Senior Branch Assistant, Lakewood  
MIL - **Mellisa Sisley**, Senior Branch Assistant, Lakewood  
ORT -  
PKS - **Annabel Guimont**, Assistant Branch Supervisor, Parkland  
SH - **Dianne Ellis**, Library Materials Supervisor, ACL; **Mellisa Sisley**, Senior Branch Assistant, Lakewood  
STL - **Patti Cox**, Community Branch Supervisor, Steilacoom  
SMT - **Dana Brownfield**, Librarian, Summit  
SUM - **Aisha Womack**, Senior Branch Assistant, Sumner  
TIL - **Irene Poshtkouhi**, Senior Branch Assistant, Tillicum  
UP - **Malia Tui**, Assistant Branch Supervisor, University Place; **Genevieve Dettmer**, Librarian, University Place

# MEMO

Date: January 10, 2018

To: Chair Rob Allen and Members of the Board of Trustees

From: Cheree Green, SHRM-SCP, Staff Experience Director

Subject: Training Room Completion

On behalf of all employees at Pierce County Library System, the Staff Experience department would like to extend the Board of Trustees an invitation to visit the new Point Success Training Room and Columbia Crest Conference Room.

This project was undertaken as a response to our Staff Engagement Surveys where staff indicated they wanted more training to build their skills. We are excited to offer employees new trainings recently developed, including technology courses, Change Navigation, Respectful and Inclusive Workplace, and more. These trainings will help staff develop the job skills they need now and into the future.



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# MEMO



Date: December 30, 2017

To: Chair Rob Allen and Members of the Board of Trustees

From: Kayce Austin, Customer Experience Manager  
and Jaime Prothro, Customer Experience Director

Subject: After-Hours Meeting Room Use

During the December meeting, a request was made to understand the costs to operate public meeting space in library branches before and after hours. The Library made the decision to eliminate after hours use to ensure safe, secure buildings for public use as well as to respond to the Library's funding challenges following a study by a staff team that evaluated the situation and possible options.

After-hours use is considered to be prior to opening (primarily 7am-10am or 7am-11am) or after closing (primarily 6pm-11pm, or 9pm-11pm). Community Branches are available from 7am-11pm each Sunday, though the Library is closed.

In 2016, 596 groups used the meeting rooms after hours, for a total of 2,494 bookings/events. This includes meetings that began while the Library was open and ended after closing. For context, this represents slightly more than half of all meeting room groups: in 2016 a total of 1,145 groups used the meeting rooms during open and closed hours, for a total of 5,103 bookings/events.

At present, an off-duty staff member is called whenever there are issues with building alarms or securing the building after the Library closes. The staff member travels to the branch to deal with the situation and lock up the building successfully. In the first quarter of 2017, the Library spent \$12,448.75 in overtime for this purpose. In 2016, the Library spent approximately \$60,000 in overtime costs related to meeting rooms.

One alternative to this staffing model is to ensure that branch staff is available to assist customers with any needs and questions related to the use of the meeting room. Minimal staffing for this is two staff for each branch to ensure staff safety.

On average, there are 75 hours each week that are available for booking after hours at the 6 community branch locations with meeting rooms. At the 9 mid and large sized branches, there are 71 hours each week available for after-hours use. At ACL, there are 40 hours each week available for after-hours use. Providing minimal staffing to fully support after-hours use would require 58,708 hours, or approximately \$2.11 million in personnel costs.

Another option is to contract for this service. Using an outside security service would be approximately \$4.4 million.

# Executive Session

*Motion to recess to Executive Session per RCW 42.30.110, for 5 minutes to discuss property issues.*

**Pierce County Library FYI Packet**  
**Link List**  
**January 10, 2018**

**Pierce County Library in the News**

- [How long can local libraries make do?](#) – News Tribune
- [Libraries have holiday activities in droves](#) – The Dispatch
- [Gig Harbor community events for Dec. 8 and beyond](#) – Kitsap Sun
- [Voyager Elementary’s Camp Read-A-Lot gets students excited about reading](#) – Gateway
- [Gig Harbor library creates book sets for babies](#) – Kitsap Sun