

AGENDA
Regular Meeting of the Pierce County Library System Board of Trustees
November 9, 2016
3:30 pm

3:30 pm	01 min.	Call to Order: Rob Allen, Chair	
3:31 pm	05 min.	Public Comment: <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>	
3:36 pm	04 min.	Consent Agenda	ACTION
		<ol style="list-style-type: none"> 1. Approval of Minutes of the October 19, 2016, Regular Meeting 2. Approval of October 2016 Payroll, Benefits and Vouchers 3. Resolution 2016-04 2017 Schedule Of Recurring Meetings 4. Approval of Revised Board Policy – Maintaining an Up-to-Date Library Cardholder Database 	
3:40 pm	05 min.	Board Member Reports	
3:45 pm	15 min.	Routine Reports	
		<ol style="list-style-type: none"> 1. Dashboard, Georgia Lomax 2. October 2016 Financial Report, Dale Hough 3. Executive Director Report, Georgia Lomax 	
4:00 pm		Unfinished Business	
	10 min.	1. Trustee Vacancy Process update, Georgia Lomax	
	30 min.	2. 2017 Draft Work Plan and Budget: First Reading and Discussion, Georgia Lomax and Clifford Jo	
		<ol style="list-style-type: none"> a. Operating Budget b. Proposed Capital Projects c. Implicit Price Deflator 	
4:40 pm	05 min.	Public Hearing: 2017 Draft Budget of Revenue and Expenditures: 2017 Revenue sources and 2017 Expense Budget: Consideration of increases in property tax revenues, regarding the 2016 property tax levies for collection in 2017 (per RCW 84.55.120)	
4:45 pm	10 min.	Unfinished Business (continued)	
		3. 2017 Budget, Georgia Lomax and Clifford Jo	
		<ol style="list-style-type: none"> a. Resolution 2016-05: To Ascertain Whether to Increase Property Tax Above the Implicit Price Deflator b. Resolution 2016-06: To Request Highest Lawful Levy and Levy Certification (Board will choose one of two Resolutions) c. Resolution 2016-07: To Set Wages and Benefits For Non-Represented Employees for 2017 	ACTION ACTION ACTION
4:55 pm	20 min.	New Business	
		1. Foundation FY 2016 Annual Report, Georgia Lomax	
5:15 pm	15 min.	Officers Reports	
		<ol style="list-style-type: none"> 1. Staff In-Service Day, Jaime Prothro & Dale Hough 2. Summer Reading Program, Judy Nelson 	
5:30 pm	20 min.	Executive Session: <i>At this time on the agenda, the Board of Trustees will recess to Executive Session, per RCW 42.30.110, to discuss personnel matters.</i>	

AGENDA
Regular Meeting of the Pierce County Library System Board of Trustees
November 9, 2016
3:30 pm

5:50 pm	05 min.	Unfinished Business (continued) 1. Executive Director Agreement, J.J. McCament	ACTION
5:55 pm	01 min.	Announcements	
5:56 pm		Adjournment	

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 3:33 pm. Board members present were Donna Albers, Linda Ishem, J.J. McCament and Monica Butler.

PUBLIC COMMENT

There were no public comments.

CONSENT AGENDA

1. Approval of Minutes of the September 14, 2016, Regular Meeting
2. August 2016 Payroll, Benefits and Vouchers
 - Payroll Warrants 3722-3724 dated 9/1/16-9/30/16 in the amount of \$4693.66
 - Payroll Disbursement Voucher dated 9/6/16 in the amount of \$994,426.55
 - Payroll Disbursement Voucher dated 9/21/16 in the amount of \$725,620.98
 - Accounts Payable Warrants 626431-626553 dated 9/1/16-9/30/16 in the amount of \$808,542.33

Ms. McCament moved for approval of the consent agenda. Ms. Albers seconded the motion and it was passed.

BOARD REPORTS

Ms. McCament recently visited the Bonney Lake Library and noted that a staff member did a good job informing customers of the decision to remove the auto renew feature.

She added that she appreciates the convenience of the Administrative Center & Library book drop.

ROUTINE REPORTS

Dashboard

Executive Director Georgia Lomax reported that we will see a drop in circulation as a result of removing the auto renew feature.

September 2016 Financial Report

It was noted that the summary document erroneously stated that line 53505 reflected unanticipated furnishings rather than anticipated.

Executive Director Report

Ms. Lomax reported that the screening for the Development Director position took place this week. Formal interviews will be held in November. The Marketing and Community Relations Director position has been posted and will close at the end of October. The new South Hill Library Branch Manager was recently hired.

The Staff In-Service Day was held October 11, 2016, at the McGavick Center. Ms. Lomax shared boards created by various branches and departments. Over 300 staff attended. During Lunch, 180 staff members walked together as part of the wellness campaign. Ms. Lomax commended the Leadership Academy cohort for their efforts.

Ms. Lomax said the county is discussing potential annexation of a small unincorporated area into the city of Fircrest.

UNFINISHED BUSINESS

Recommended Strategic Framework Update

Ms. Lomax shared the Strategic Framework document and asked the Board for feedback and whether their thoughts were captured in the updated version. She also shared a draft of the implementation manual and the summary document which outlines the process undertaken to arrive at the finished product.

Ms. McCament moved to accept the Strategic Framework that has been developed in the strategic planning process this past year. Ms. Albers seconded the motion and it was passed.

Ms. Lomax said she will keep the Board informed as the implementation phases progress.

2017 Work Plan and Budget

Ms. Lomax gave an overview of the budgeting process and outlined the work that will be done. The Library will continue to strengthen its infrastructure in 2017.

Finance and Business Operations Director Clifford Jo reported the Library received an amended Levy certificate reflecting the Implicit Price Deflator (IPD) falling below 1%. The resulting revenue reduction is \$13,306. When the IPD falls below 1% the jurisdiction has the option of declaring a "substantial need" and overriding it by vote. Discussion ensued pertaining to criteria the Library may want to use when considering whether to declare substantial need.

Ms. Chesbro reviewed the proposed 2017 project list. The Library is proposing a materials budget of 13% of operating budget.

Among the new service proposals under consideration are traveling 3D printing, baby books to go collection, electronic museum passes and Wi-Fi drones to assist with connectivity at remote outreach locations. A major infrastructure commitment will be replacing the Library's financial management system and the human resources information system.

Ms. Chesbro noted the equipment installed to reduce the theft of DVDs is at end of life so the Library will move to sequestered collections rather than replace them. Loss rate will be monitored.

NEW BUSINESS

Friends and Foundation of Libraries Week Proclamation

Ms. Chesbro asked the Board to issue the Proclamation to recognize and thank our Friends groups and Foundation for their support.

Ms. Ishem moved to proclaim October 16-22, 2016, Friends and Foundation of Libraries Week. Ms. Butler seconded the motion and it was passed.

The Board thanked the Friends and Foundation for their contribution to the Library.

2017 Board Meeting Schedule

Ms. Lomax informed the Board that the 2017 traveling Board meetings will be held at the Bonney Lake and University Place Libraries next year.

Trustee Vacancy Process

Ms. Lomax thanked Ms. McCament for her knowledge, expertise and thoughtfulness during her tenure on the Board. She then asked the Board to consider which areas of expertise they felt were important in a new Trustee.

Trustees identified interest in bringing real estate, construction skills or legal expertise onto the Board to support work they anticipate in the next 3-5 years.

Chair Allen and Vice-Chair Albers will serve on the selection committee.

ED Evaluation Process

Ms. Lomax noted she would provide a summary of her accomplishments for the year to the Board for their review.

OFFICER REPORTS

ULC Innovations

Customer Experience Manager Jaime Prothro and her team of Digital Literacy Associates received the Honorable Mention innovation award from the Urban Libraries Council in the "Positioning the Library in the Community" category. The service was initially a pilot program with three months of funding. Ongoing funding has been granted due to its success. Ms. Prothro said the Library is currently exploring ways to continue the program on Joint Base Lewis McChord.

Library Card Purge

Ms. Chesbro said she would bring the revised policy to the Board for approval in November.

EXECUTIVE SESSION

At 5:40 pm, Ms. McCament moved to recess to Executive Session, per RCW 42.30.110, to discuss contractual and personnel issues for twenty minutes. Ms. Albers seconded the motion and it was passed. The Session ended at 5:55 pm.

ANNOUNCEMENTS

There were no announcements.

ADJOURNMENT

The meeting was adjourned at 5:56 pm on motion by Ms. McCament, seconded by Ms. Butler.

Georgia Lomax, Secretary

Rob Allen, Chair

October 2016 Payroll, Benefits and Vouchers

	<u>Warrant Numbers</u>	<u>Date(s)</u>	<u>Amount</u>
Payroll Warrants	3725-3726	10/1/16-10/31/16	\$1,975.76
Electronic Payments - Payroll & Acct Payable		10/06/16	\$908,716.83
Electronic Payments - Payroll & Acct Payable		10/21/16	\$708,719.62
Accounts Payable Warrants	626554-626697	10/1/16-10/31/16	\$804,278.29
Total:			<u><u>\$2,423,690.50</u></u>

Check History Listing
Pierce County Library System

<u>Check #</u>	<u>Bank</u>	<u>Date</u>	<u>Paid to</u>	<u>Status</u>	<u>Can/Vd Date</u>	<u>Pay Period Dates</u>	<u>Dir Dep</u>	<u>Amount</u>
3725	key	10/06/2016	GIBBONS, MICHAEL			09/16/16 - 09/30/16	0.00	659.77
3726	key	10/21/2016	OLEARY, MAGGIE			10/01/16 - 10/15/16	0.00	1,315.99
Total:							0.00	1,975.76

Checks in report: 2

Grand Total: 0.00 1,975.76

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: 10/06/16 Payroll

Withdrawal Date: 10/06/16

Company	Description	Revenue/Spend Category	Cost Center	Fund	Business Unit	Total
PCL_Company	FIT EE and EIC	237100	CC_Library_District	697-00	5100000	64,696.04
PCL_Company	FICA EE and Medicare	237100	CC_Library_District	697-00	5100000	46,399.65
PCL_Company	FICA ER and Medicare	237100	CC_Library_District	697-00	5100000	46,399.65
PCL_Company	DIR DEP	237100	CC_Library_District	697-00	5100000	431,220.65
PCL_Company	Deferred Comp. Plan	237100	CC_Library_District	697-00	5100000	9,932.00
PCL_Company	DRS (PERS) EE	237100	CC_Library_District	697-00	5100000	38,248.88
PCL_Company	DRS (PERS) ER	237100	CC_Library_District	697-00	5100000	65,996.03
PCL_Company	VOYA	237100	CC_Library_District	697-00	5100000	4,137.00
PCL_Company	H.S.A Employee Deductions	237100	CC_Library_District	697-00	5100000	1,665.48
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	-
PCL_Company	AWC (only on 6th paycheck)	237100	CC_Library_District	697-00	5100000	200,021.45
PCL_Company	Department of Revenue	237100	CC_Library_District	697-00	5100000	-
PCL_Company	Payroll Adjustment(s)	237100	CC_Library_District	697-00	5100000	-
Total Deposit						\$ 908,716.83

Certification:

Stacy Karabotsos
 Signature (Department Designee)

10/05/16
 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:

10/21/16 Payroll

Withdrawal Date: 10/21/16

Company	Description	Revenue/Spend Category	Cost Center	Fund	Business Unit	Total
PCL_Company	FIT EE and EIC	237100	CC_Library_District	697-00	5100000	63,383.71
PCL_Company	FICA EE and Medicare	237100	CC_Library_District	697-00	5100000	46,212.81
PCL_Company	FICA ER and Medicare	237100	CC_Library_District	697-00	5100000	46,212.81
PCL_Company	DIR DEP	237100	CC_Library_District	697-00	5100000	430,178.93
PCL_Company	Deferred Comp. Plan	237100	CC_Library_District	697-00	5100000	10,032.00
PCL_Company	DRS (PERS) EE	237100	CC_Library_District	697-00	5100000	37,492.58
PCL_Company	DRS (PERS) ER	237100	CC_Library_District	697-00	5100000	64,612.22
PCL_Company	VOYA	237100	CC_Library_District	697-00	5100000	4,137.00
PCL_Company	H.S.A Employee Deductions	237100	CC_Library_District	697-00	5100000	1,396.73
PCL_Company	H.S.A Employer Contribution	237100	CC_Library_District	697-00	5100000	625.00
PCL_Company	H.S.A Employee Fee	237100	CC_Library_District	697-00	5100000	206.50
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	4,229.33
PCL_Company	Payroll Adjustment(s)	237100	CC_Library_District	697-00	5100000	-
					Total Deposit	\$ 708,719.62

Certification:

Stacy Karabotsos

Signature (Department Designee)

10/20/16

Date

Comments:

Check History Listing
Pierce County Library System

Bank code: key

Check #	Date	Vendor	Status	Check Total
626554	10/03/2016	000830 BAKER & TAYLOR		1,846.43
626555	10/03/2016	000211 BONNEY LAKE CITY OF		39.84
626556	10/03/2016	000161 CENGAGE LEARNING		2,192.71
626557	10/03/2016	000847 CENTER POINT PUBLISHING		780.72
626558	10/03/2016	001780 CITY OF UNIVERSITY PLACE		20.20
626559	10/03/2016	000243 INGRAM LIBRARY SERVICES		16,705.56
626560	10/03/2016	000352 MIDWEST TAPE		13,071.94
626561	10/03/2016	000377 PUGET SOUND ENERGY		570.93
626562	10/03/2016	000406 RECORDED BOOKS LLC		162.46
626563	10/03/2016	000460 STEILACOOM TOWN OF		1,058.25
626564	10/03/2016	003549 AISHA WOMACK		12.40
626565	10/03/2016	006577 CATALYST WORKPLACE ACTIVATION		272.41
626566	10/03/2016	005428 GRITTON BUILDING CO INC		1,257.04
626567	10/03/2016	006589 MID COUNTY COMMUNITY CENTER		25.00
626568	10/03/2016	001821 TYLER TECHNOLOGIES INC		1,500.00
626569	10/03/2016	000534 WCP SOLUTIONS		75.33
626570	10/06/2016	000828 AFSCME AFL-CIO		6,053.16
626571	10/06/2016	003311 DEPARTMENT OF LABOR & INDUSTRI	V	47,165.94
626572	10/06/2016	000041 EMPLOYMENT SECURITY DEPARTMENT		270.14
626573	10/06/2016	006414 GC SERVICES, LP		168.69
626574	10/06/2016	003985 PACIFICSOURCE ADMINISTRATORS		1,324.61
626575	10/06/2016	000821 PIERCE COUNTY SUPERIOR COURT	V	65.34
626576	10/06/2016	001181 PIERCE CTY LIBRARY FOUNDATION		357.08
626577	10/06/2016	006555 SOCIAL SECURITY ADMINISTRATION		184.78
626578	10/06/2016	000823 UNITED WAY		171.00
626579	10/06/2016	004782 US DEPARTMENT OF EDUCATION		179.16
626580	10/06/2016	000895 COLUMBIA BANK	V	250.60
626581	10/06/2016	006235 CONTOUR	V	1,558.89
626582	10/06/2016	005283 E-RATE EXPERTISE INC	V	1,175.00
626583	10/06/2016	006478 EVERGREEN MAINT LANDSCAPING	V	5,205.53
626584	10/06/2016	004056 MIKE'S DIGITAL PRODUCTIONS	V	298.93
626585	10/06/2016	006184 MONKEYHOUSE MEDIA	V	1,200.00
626586	10/06/2016	000370 PIERCE COUNTY	V	15,587.73
626587	10/06/2016	000370 PIERCE COUNTY	V	1,050.00
626588	10/06/2016	000857 PIERCE COUNTY RECYCLING	V	191.90
626589	10/06/2016	006562 AKINSHOLA RICHARDS	V	6,807.02
626590	10/06/2016	001581 SNAPTEX NORTHWEST INC	V	5,743.50
626591	10/06/2016	006331 SURPRISE LAKE SQUARE UNIT 257	V	7,590.53

Check History Listing
Pierce County Library System

Bank code: key

Check #	Date	Vendor	Status	Check Total
626592	10/06/2016	000497 TILLICUM COMMUNITY SERVICE CEN	V	1,919.98
626593	10/07/2016	000363 OVERALL LAUNDRY SERV. DBA ARAMARI		21.88
626594	10/07/2016	000895 COLUMBIA BANK		250.60
626595	10/07/2016	006235 CONTOUR		1,558.89
626596	10/07/2016	005283 E-RATE EXPERTISE INC		1,175.00
626597	10/07/2016	006478 EVERGREEN MAINT LANDSCAPING		5,205.53
626598	10/07/2016	006336 GRIT CITY PHOTOGRAPHY		437.60
626599	10/07/2016	006421 MARKHAM INVESTIGATION - (MIP)		10,881.00
626600	10/07/2016	004056 MIKE'S DIGITAL PRODUCTIONS		298.93
626601	10/07/2016	006184 MONKEYHOUSE MEDIA		1,200.00
626602	10/07/2016	000370 PIERCE COUNTY		15,587.73
626603	10/07/2016	000370 PIERCE COUNTY		1,050.00
626604	10/07/2016	000857 PIERCE COUNTY RECYCLING		191.90
626605	10/07/2016	006562 AKINSHOLA RICHARDS	V	6,807.02
626606	10/07/2016	001581 SNAPTEX NORTHWEST INC		5,743.50
626607	10/07/2016	006331 SURPRISE LAKE SQUARE UNIT 257		7,590.53
626608	10/07/2016	000497 TILLICUM COMMUNITY SERVICE CEN		1,919.98
626609	10/11/2016	004022 US BANK		47,711.50
626610	10/13/2016	000363 OVERALL LAUNDRY SERV. DBA ARAMARI		21.88
626611	10/13/2016	000176 ATS AUTOMATION INC		5,237.53
626612	10/13/2016	003938 (DBA CATALYST WORKPLACE) BINW - (SE		622.66
626613	10/13/2016	001947 JILL HENRIKSEN		160.36
626614	10/13/2016	005235 KEY PENINSULA BUSINESS ASSOC		75.00
626615	10/13/2016	006492 LOGIC INTEGRITY INC		6,905.00
626616	10/13/2016	006612 AMANDA MOORE		84.60
626617	10/13/2016	001586 NORTHWEST DOOR INC		498.69
626618	10/13/2016	006562 AKINSHOLA RICHARDS	V	6,807.02
626619	10/13/2016	003719 UNIQUE MANAGEMENT SERVICES		1,199.30
626620	10/14/2016	000830 BAKER & TAYLOR		21,686.31
626621	10/14/2016	000189 BAKER & TAYLOR ENTERTAINMENT		210.06
626622	10/14/2016	000242 BUCKLEY CITY OF		315.72
626623	10/14/2016	002072 JILL CARTWRIGHT		180.00
626624	10/14/2016	000161 CENGAGE LEARNING		785.63
626625	10/14/2016	006613 MARCELA CHECKETTS		10.40
626626	10/14/2016	006611 BEVERLY GULLINO		20.00
626627	10/14/2016	001643 IMPACT		27.37
626628	10/14/2016	000243 INGRAM LIBRARY SERVICES		8,648.64
626629	10/14/2016	006618 NATHAN KURTZ		38.37
626630	10/14/2016	000352 MIDWEST TAPE		14,003.92

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Check #	Date	Vendor	Status	Check Total
626631	10/14/2016	000377 PUGET SOUND ENERGY		893.05
626632	10/14/2016	000406 RECORDED BOOKS LLC		243.69
626633	10/14/2016	000463 SUMMIT WATER & SUPPLY CO		321.02
626634	10/14/2016	000541 STATE OF WASHINGTON		361.17
626635	10/18/2016	006562 AKINSHOLA RICHARDS		6,807.02
626636	10/18/2016	006615 COEUR D'ALENE PUBLIC LIBRARY		14.00
626637	10/18/2016	000895 COLUMBIA BANK		1,020.12
626638	10/18/2016	000041 EMPLOYMENT SECURITY DEPARTMENT		5,558.39
626639	10/18/2016	000254 KING COUNTY LIBRARY		15.00
626640	10/18/2016	006522 CHERIE LAUTH		28.44
626641	10/18/2016	006614 MARQUETTE UNIVERSITY		212.00
626642	10/18/2016	005261 MODERN DATA PRODUCTS INC		315.04
626643	10/18/2016	004933 NORTHWEST HEALTH & SAFETY INC		22.27
626644	10/18/2016	001942 LISA OLDOSKI		61.50
626645	10/18/2016	003985 PACIFICSOURCE ADMINISTRATORS		186.25
626646	10/18/2016	006195 SINGER GROUP INC		1,062.50
626647	10/18/2016	005545 SPOKANE COMMUNITY COLL LIBRARY		11.00
626648	10/18/2016	000079 SUPERIOR SAW		16.77
626649	10/18/2016	004022 US BANK		124,540.66
626650	10/18/2016	000534 WCP SOLUTIONS		415.92
626651	10/18/2016	001369 WHATCOM COUNTY LIBRARY SYSTEM		7.99
626652	10/21/2016	003778 AFLAC		6,186.52
626653	10/21/2016	000828 AFSCME AFL-CIO		6,061.50
626654	10/21/2016	001578 COLONIAL SUPPLEMENTAL INSURANC		651.28
626655	10/21/2016	000041 EMPLOYMENT SECURITY DEPARTMENT		217.84
626656	10/21/2016	006414 GC SERVICES, LP		194.45
626657	10/21/2016	003985 PACIFICSOURCE ADMINISTRATORS		1,324.61
626658	10/21/2016	001181 PIERCE CTY LIBRARY FOUNDATION		357.08
626659	10/21/2016	006555 SOCIAL SECURITY ADMINISTRATION		136.61
626660	10/21/2016	000823 UNITED WAY		171.00
626661	10/21/2016	004782 US DEPARTMENT OF EDUCATION		204.91
626662	10/20/2016	006626 AGAINST THE GRAIN		55.00
626663	10/20/2016	002061 SUSAN ANDERSON-NEWHAM		194.29
626664	10/20/2016	000830 BAKER & TAYLOR		35,450.60
626665	10/20/2016	000087 BLACKSTONE AUDIO BOOKS INC		1,440.00
626666	10/20/2016	000161 CENGAGE LEARNING		2,726.00
626667	10/20/2016	000243 INGRAM LIBRARY SERVICES		27,307.64
626668	10/20/2016	002062 GEORGIA LOMAX		131.28
626669	10/20/2016	000352 MIDWEST TAPE	V	0.00

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Pierce County Library System

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Check #	Date	Vendor	Status	Check Total
626670	10/20/2016	000352 MIDWEST TAPE	V	0.00
626671	10/20/2016	000352 MIDWEST TAPE		72,104.88
626672	10/20/2016	003398 MULTICULTURAL BOOKS & VIDEOS		3,004.59
626673	10/20/2016	000327 PENINSULA GATEWAY INC		70.20
626674	10/20/2016	000451 SEATTLE TIMES SEATTLE PI		452.05
626675	10/24/2016	000600 CLOVER PARK TECHNICAL COLLEGE		2,775.00
626676	10/24/2016	005862 ELITE PROPERTY INVESTMENTS LLC		9,649.69
626677	10/24/2016	002023 KATHERINE NORBECK		33.91
626678	10/24/2016	005498 JAIME PROTHRO		38.42
626679	10/24/2016	004759 TRI-TEC COMMUNICATIONS INC		1,941.85
626680	10/24/2016	004022 US BANK		43,964.44
626681	10/24/2016	005816 BONNIE VALENS		18.72
626682	10/24/2016	000534 WCP SOLUTIONS		242.67
626683	10/26/2016	003311 DEPARTMENT OF LABOR & INDUSTRI		47,165.94
626684	10/26/2016	000821 PIERCE COUNTY SUPERIOR COURT		65.34
626685	10/27/2016	000363 OVERALL LAUNDRY SERV. DBAARAMARI		21.88
626686	10/27/2016	006577 CATALYST WORKPLACE ACTIVATION		3,672.06
626687	10/27/2016	006235 CONTOUR		40,055.66
626688	10/27/2016	003311 DEPARTMENT OF LABOR & INDUSTRI		267.61
626689	10/27/2016	005927 INNOVATIVE USERS GROUP		100.00
626690	10/27/2016	006492 LOGIC INTEGRITY INC		5,298.75
626691	10/27/2016	004674 MCHUGH MANAGEMENT CONSULTING		3,932.00
626692	10/27/2016	004397 SHKS ARCHITECTS PS INC		4,528.46
626693	10/27/2016	005056 SILKROAD TECHNOLOGY INC		8,844.99
626694	10/27/2016	000497 TILLICUM COMMUNITY SERVICE CEN		4,258.03
626695	10/27/2016	006438 WA STATE-DEPT OF ENTERPRISE SV		3,585.00
626696	10/31/2016	001126 DELL MARKETING LP	V	0.00
626697	10/31/2016	001126 DELL MARKETING LP		3,980.96

key Total: 804,278.29

144 checks in this report

Total Checks: 804,278.29

RESOLUTION NO. 2016-04

**A RESOLUTION OF THE BOARD OF TRUSTEES
OF THE PIERCE COUNTY RURAL LIBRARY DISTRICT
TO SET THE 2017 SCHEDULE OF RECURRING MEETINGS**

WHEREAS, the Board of Trustees of the Pierce County Rural Library District must adopt a schedule of recurring meetings in compliance with Chapter 42.30 of the Revised Code of Washington, and

WHEREAS, the Board of Trustees intends to hold recurring meetings in the year 2017, now, therefore,

BE IT RESOLVED that in 2017, the Board of Trustees of the Pierce County Library System will meet in the Board Room of the Processing and Administrative Center, 3005 112th Street East, Tacoma, Washington, on the second Wednesday of each month at 3:30 pm, with the exceptions of the April meeting to be held at the Bonney Lake Library, 18501 90th St E, Bonney Lake, Washington and the September meeting to be held at the University Place Library, 3609 Market Place W, Suite 100, University Place, Washington.

DATED THIS 9th DAY OF NOVEMBER, 2016

BOARD OF TRUSTEES, PIERCE COUNTY RURAL LIBRARY DISTRICT

Robert Allen, Chair

Donna Albers, Vice-Chair

Linda Ishem, Member

Monica Butler, Member

J. J. McCament, Member

MEMO



Date: November 1, 2016

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

From: Melinda Chesbro, Deputy Director

Subject: Policy Review – Maintaining an Up-to-Date Library Cardholder Database

Last month we presented a proposed revision to the Maintaining an Up-to-Date Library Cardholder Database policy. This policy has not been updated since 1992. There were no comments or suggestions from the Board for further changes at that time and we are presenting the revised policy for adoption.

Attached are the redline version as well as the final proposed language. The changes recommended include:

- replace references to expired cards with inactive cards – at the time this policy was adopted, cardholder records were set to expire every few years. We have since adopted a longer expiration window and have moved to reviewing card by last activity date
- replace references to purging records to deleting records
- remove the record deletion schedule – this is overly specific for a Board policy and should be moved to an Administrative policy

Board Policy



Maintaining an Up-to-Date Library Cardholder Database

In order to maintain accurate and up-to-date cardholder and bibliographic databases and to avoid the cost of storing obsolete records and degradation of computer search time, it is the policy of the Board of Trustees of the Pierce County Library District that an up-to-date database of library cardholders shall be maintained by regularly ~~purging~~ deleting the records of ~~inactive cardholders~~ those users whose cards have expired.

~~The cardholder database will be purged twice yearly and will routinely delete the records of cardholders who owe no money at the time that their card expires and whose card has been inactive during the past twelve months.~~

The records of ~~inactive~~ cardholders who owe money for fines or for the cost of unreturned books and other library materials ~~at the time that their card expires~~ shall be ~~purged~~ deleted from the database on a schedule based on amount owed and date of ~~expiration-inactivity~~. The titles of unreturned books and other library materials which are attached to such cardholder records shall ~~automatically~~ be removed ~~purged~~ from the bibliographic database as lost items.

The money owed the library district on the records of the cardholders described above will be written off at the time the records are ~~deleted~~ purged from the database.

Board Policy 3.14

Adopted by the Pierce County Rural Library District Board of Trustees, June 17, 1992.

[Proposed revision, October 19, 2016](#)

Board Policy



Maintaining an Up-to-Date Library Cardholder Database

In order to maintain accurate and up-to-date cardholder and bibliographic databases and to avoid the cost of storing obsolete records and degradation of computer search time, it is the policy of the Board of Trustees of the Pierce County Library District that an up-to-date database of library cardholders shall be maintained by regularly deleting the records of inactive cardholders.

The records of inactive cardholders who owe money for fines or for the cost of unreturned books and other library materials shall be deleted from the database on a schedule based on amount owed and date of inactivity. The titles of unreturned books and other library materials which are attached to such cardholder records shall be removed from the bibliographic database as lost items.

The money owed the library district on the records of the cardholders described above will be written off at the time the records are deleted from the database.

Board Policy 3.14

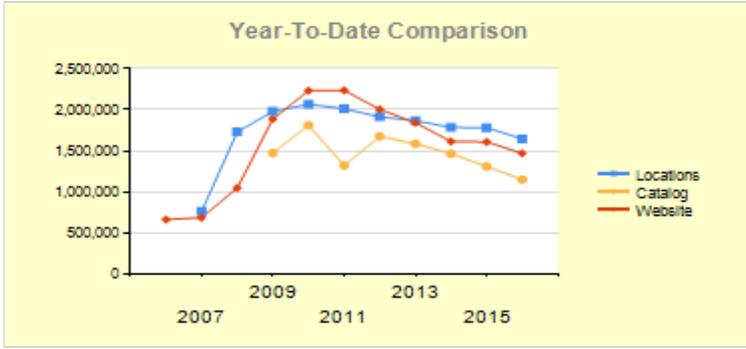
Adopted by the Pierce County Rural Library District Board of Trustees, June 17, 1992.

Revised, November 9, 2016

Routine Reports

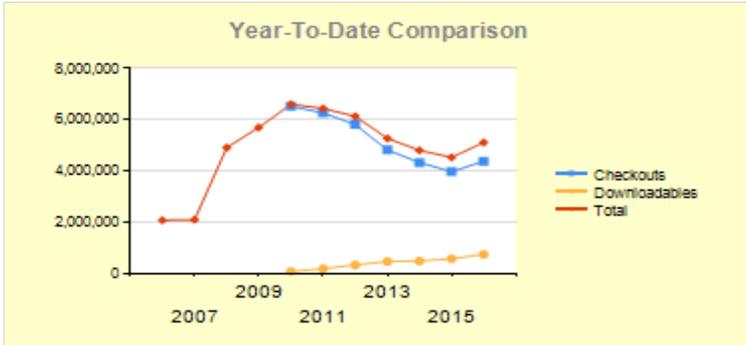
CUSTOMER SERVICE/PHILANTHROPY DASHBOARD - SEPTEMBER

VISITS



	September		
	2015	2016	% Change
Door Count	134,362	119,786	-10.85%
Catalog	142,948	121,944	-14.69%
Website	178,799	155,657	-12.94%
Job & Business Portal	3,017	3,319	10.01%
Military Portal	98	69	-29.59%
Total	459,224	400,775	-12.73%

CHECKOUTS



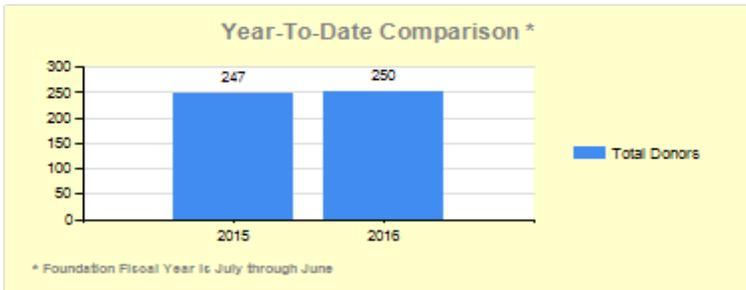
	September		
	2015	2016	% Change
Checkouts	430,841	463,328	7.54%
Downloadables	68,483	82,844	20.97%
Total	499,324	546,172	9.38%

CUSTOMERS



	September		
	2015	2016	% Change
Active Cardholders	313,949	352,717	12.35%
New Cards	3,627	3,174	-12.49%
Checkout Transactions	82,848	72,470	-12.53%
Unique Users	37,516	40,623	8.28%

PHILANTHROPY



	September		
	2015	2016	% Change
FoundationDonors	158	149	-5.70%
NewFoundationDonors	1	4	300.00%
\$ Raised by Foundation	\$13,280.00	\$11,871.00	-10.61%
\$ Provided by Friends	\$0.00	\$124.00	0.00%

BRANCH CLOSURES

2013		
Location	Dates	Duration (days)
Key Center	1/1-2/3	34
Fife	9/24-25	2

2014		
Location	Dates	Duration (days)
Gig Harbor	5/19-6/1	13
Lakewood	9/2-21	19
Pkld/Span	10/3-26	13
South Hill	11/1-30	30

2015		
Location	Dates	Duration (days)
Gig Harbor	11/9-11/22	13

Monthly Interim Financial Reports October 31, 2016

Notes for September activity not italicized

General Fund – 01

- **Revenue** – Current Property Tax amount is a preliminary amount. County had not posted final amounts before this report was prepared.
- *51109 – Tuition Assistance is fully funded by the PCLF. We are in the process of setting up budget for this program.*
- *51200 - Unplanned overtime expenditures continue as a result of vacancies.*
- *53411 Electronic Info Services and 53413 Electronic Services - Some materials purchases are large one-time payments that occur at various times throughout the year. They impact “percent expended” of the budget significantly.*
- *53501 –Additional furniture purchases for Lakewood branch, funded entirely by Lakewood Friends group.*
- *53505 - Incurred additional software purchases as a result of IT stabilization.*
- **54100** – Expenditures include IT Modernization, Coaching Lab, Security Patrol, Recruiting Services, SPARK day, and Compensation study.
- *54163 Special unplanned for laminating services required by specialty vendor.*
- *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 54201 telecom services, 54501 and 54502 Leases, 54600 Insurance, 54801 Contracted Maintenance and 54903 Licenses and Fees.*
- *54702 – Water consumption high due to underground waterline leak at Bonney Lake. Leak is fixed.*
- *59700 Transfers out – Board-approved transfer from the General Fund to the Capital Improvements Projects fund.*

Special Purpose Fund - 15

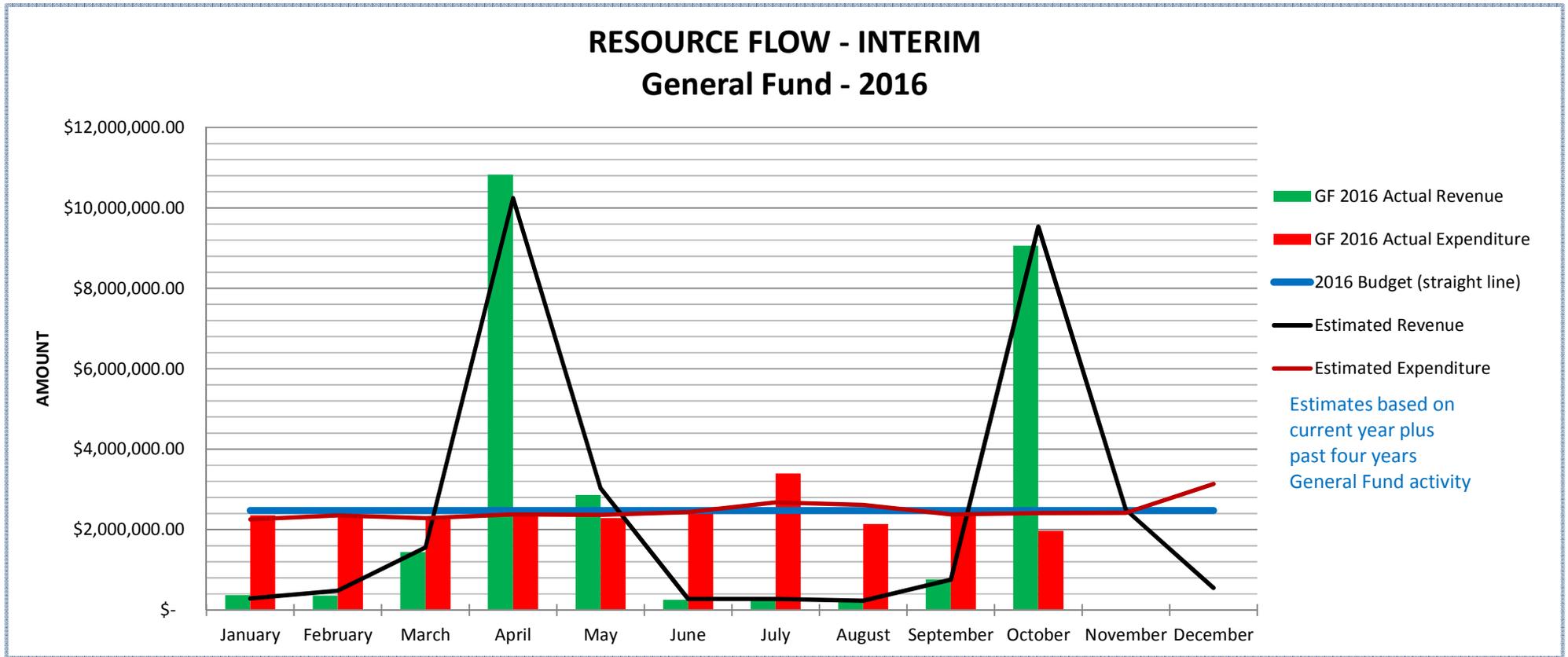
- *Foundation donation to support the Workforce project.*

Debt Service Fund - 20

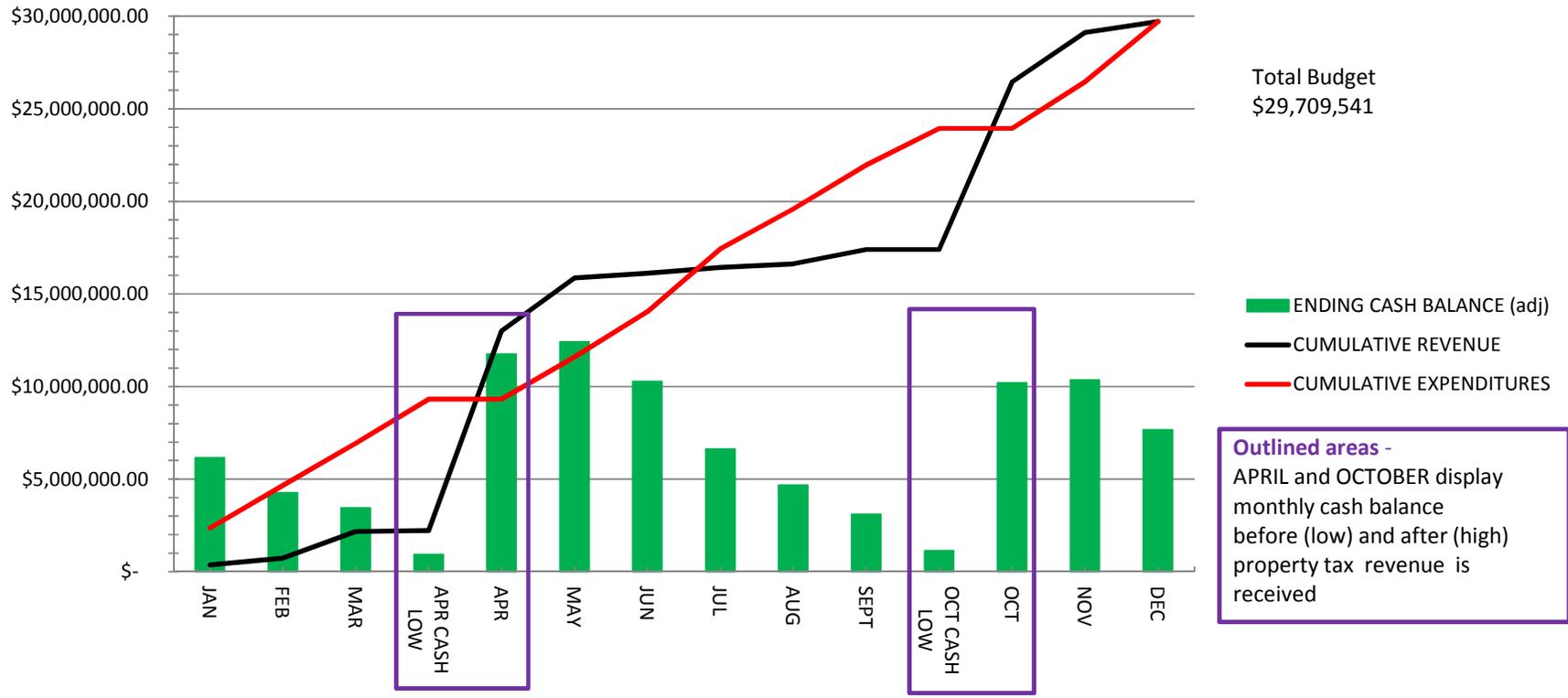
- *Minimal activity*

Capital Improvement Projects Fund - 30

- *53501 – Furnishing purchases including a new Circulation desk at University Place.*
- *56200 Building/Building Improvements reflects an annual one-time payment for our UP library expansion. Also, includes purchase of an ADA Door/Opener at Gig Harbor Branch. This is funded by the Foundation.*
- *56400 Machinery and equipment include the purchase of our new paper cutter totaling \$25k and the replacement of our compactor \$14k, a new WatchGuard Firewall appliance \$38k and just over \$50k in the board approved purchase of a new Dell Compellent server array.*
- *56402 HVAC repair and/replacement has been scheduled and funds encumbered for several branches.*



CUMULATIVE GENERAL FUND REVENUE AND EXPENDITURE Including Cash Flow Projection 2016



PIERCE COUNTY LIBRARY SYSTEM
Statement of Revenue and Expenditures
Year to Date October 31, 2016
no pre-encumbrances

General Fund - 01

	<u>2016 Budget</u>	<u>Year To Date</u>	<u>Encumbrances</u>	<u>Budget Balance</u>	<u>% of Budget</u>
Revenue					
Property Tax/Investment Income & Other PC Revenue	\$ 28,201,541	\$ 25,035,996	\$ -	\$ 3,165,545	89%
Other Revenue	\$ 1,508,000	\$ 1,421,783	\$ -	\$ 86,217	94%
Total Revenue	\$ 29,709,541	\$ 26,457,779	\$ -	\$ 3,251,762	89%
Expenditures					
Personnel/Taxes and Benefits	\$ 20,893,026	\$ 16,903,532	\$ -	\$ 3,989,494	81%
Materials	\$ 3,532,173	\$ 2,866,185	\$ -	\$ 665,988	81%
Maintenance and Operations	\$ 3,895,960	\$ 2,984,966	\$ 411,660	\$ 499,333	87%
Transfers Out - CIP	\$ 1,188,382	\$ 1,188,382	\$ -	\$ -	100%
Transfers Out - SPF	\$ 200,000	\$ -	\$ -	\$ 200,000	0%
Total Expenditures	\$ 29,709,541	\$ 23,943,065	\$ 411,660	\$ 5,354,816	82%
Excess/(Deficit)		\$ 2,514,714			
(less encumbrances)		(411,660)			
Net Excess (Deficit)		\$ 2,103,053.87			

Special Purpose Fund - 15

	<u>2016 Budget</u>	<u>Year To Date</u>	<u>Encumbrances</u>	<u>Budget Balance</u>	<u>% of Budget</u>
Revenue					
Programs - PC READS	\$ 40,000	\$ -	\$ -	\$ 40,000	0%
Projects - Workforce	\$ 227,000	\$ 6,854	\$ -	\$ 220,146	0%
Total Revenue	\$ 267,000	\$ 6,854	\$ -	\$ 260,146	0%
				\$ -	
Programs - PC READS	\$ 40,000	\$ -	\$ -	\$ 40,000	0%
Projects - Workforce	\$ 227,000	\$ -	\$ -	\$ 227,000	0%
Total Expenditures	\$ 267,000	\$ -	\$ -	\$ 267,000	
Excess/(Deficit)		\$ 6,854			
(less encumbrances)		-			
Net Excess (Deficit)		\$ 6,854			

Debt Service Fund - 20

	<u>2016 Budget</u>	<u>Year To Date</u>	<u>Encumbrances</u>	<u>Budget Balance</u>	<u>% of Budget</u>
Revenue					
Property Tax/Investment Income & Other PC Revenue	\$ -	\$ 211	\$ -	\$ (211)	0%
Other Revenue	\$ -	\$ -	\$ -	\$ -	0%
Total Revenue	\$ -	\$ 211	\$ -	\$ (211)	0%
Total Expenditures	\$ -	\$ -	\$ -	\$ -	0%
Net Excess (Deficit)		\$ 211			

Capital Improvement Projects**Fund - 30**

	<u>2016 Budget</u>	<u>Year To Date</u>	<u>Encumbrances</u>	<u>Budget Balance</u>	<u>% of Budget</u>
Revenue					
Other Revenue	\$ 300,000	\$ 43,805	\$ -	\$ 256,195	0%
Transfers In	\$ 1,188,382	\$ 1,188,382	\$ -	\$ -	100%
Total Revenue	\$ 1,488,382	\$ 1,232,187	\$ -	\$ 256,195	83%
Expenditures					
Maintenance and Operations	\$ 1,488,382	\$ 755,650	\$ 466,827	\$ 265,905	82%
Total Expenditures	\$ 1,488,382	\$ 755,650	\$ 466,827	\$ 265,905	82%
Excess/(Deficit)		\$ 476,537			
(less encumbrances)		(466,827)			
Net Excess (Deficit)		\$ 9,710			

Pierce County Library System														
Comparative Statement of Financial Position - Interim														
General Fund - Rolling Comparison														
<i>(as of the listed date of the reported month)</i>														
	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>CURRENT</i>
	10/31/2015	11/30/2015	12/31/2015	1/31/2016	2/29/2016	3/31/2016	4/30/2016	5/31/2016	6/30/2016	7/31/2016	8/31/2016	9/30/2016	10/31/2016	
Assets														
Current Assets - Cash														
Cash	\$ 10,928,777	\$ 4,365,526	\$ 8,372,619	\$ 6,152,350	\$ 4,260,027	\$ 3,439,431	\$ 11,759,390	\$ 4,586,856	\$ 1,984,811	\$ 1,935,296	\$ 2,144,084	\$ 3,099,722	\$ 2,056,093	
Investments	\$ -	\$ 6,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,823,000	\$ 8,288,382	\$ 4,685,900	\$ 2,530,000	\$ -	\$ 7,850,000	
Total Cash	\$ 10,928,777	\$ 11,065,526	\$ 8,372,619	\$ 6,152,350	\$ 4,260,027	\$ 3,439,431	\$ 11,759,390	\$ 12,409,856	\$ 10,273,193	\$ 6,621,196	\$ 4,674,084	\$ 3,099,722	\$ 9,906,093	
Total Current Assets	\$ 10,928,777	\$ 11,065,526	\$ 8,372,619	\$ 6,152,350	\$ 4,260,027	\$ 3,439,431	\$ 11,759,390	\$ 12,409,856	\$ 10,273,193	\$ 6,621,196	\$ 4,674,084	\$ 3,099,722	\$ 9,906,093	
Liabilities and Fund Balance														
Current Liabilities														
Warrants Payable	\$ 478,495	\$ 523,012	\$ 560,730	\$ 359,697	\$ 396,377	\$ 428,198	\$ 295,440	\$ 339,657	\$ 301,394	\$ 273,130	\$ 71,187	\$ 87,553	\$ 49,440	
Sales Tax Payable	\$ 5,152	\$ 4,089	\$ 2,082	\$ 3,668	\$ 4,880	\$ 4,804	\$ 3,899	\$ 4,361	\$ 4,262	\$ 3,871	\$ 5,000	\$ 6,104	\$ 3,833	
Payroll Taxes and Benefits Payable	\$ 8,641	\$ 20,965	\$ 48,189	\$ 13,391	\$ 29,363	\$ 44,222	\$ 14,631	\$ 32,097	\$ 49,896	\$ 17,211	\$ 33,961	\$ 49,926	\$ 18,099	
Total Current Liabilities	\$ 492,288	\$ 548,066	\$ 611,001	\$ 376,756	\$ 430,620	\$ 477,224	\$ 313,970	\$ 376,115	\$ 355,552	\$ 294,212	\$ 110,147	\$ 143,584	\$ 71,373	
Fund Balance														
Reserve for Encumbrances	\$ 373,933	\$ 266,619	\$ -	\$ 966,089	\$ 835,433	\$ 786,954	\$ 735,482	\$ 718,214	\$ 687,542	\$ 534,050	\$ 542,375	\$ 447,132	\$ 411,660	
Net Excess (Deficit)	\$ 2,258,040	\$ 2,446,324	\$ -	\$ (2,952,113)	\$ (4,767,644)	\$ (5,586,365)	\$ 2,948,320	\$ 3,553,910	\$ 1,468,482	\$ (1,527,071)	\$ (3,298,443)	\$ (4,810,999)	\$ 2,103,054	
Unreserved Fund Balance	\$ 7,804,517	\$ 7,804,517	\$ 7,761,618	\$ 7,761,618	\$ 7,761,618	\$ 7,761,618	\$ 7,761,618	\$ 7,761,618	\$ 7,761,618	\$ 7,320,006	\$ 7,320,006	\$ 7,320,006	\$ 7,320,006	
Total Fund Balance	\$ 10,436,489	\$ 10,517,460	\$ 7,761,618	\$ 5,775,593	\$ 3,829,407	\$ 2,962,207	\$ 11,445,420	\$ 12,033,741	\$ 9,917,641	\$ 6,326,984	\$ 4,563,937	\$ 2,956,139	\$ 9,834,720	
Total Liabilities and Fund Balance	\$ 10,928,777	\$ 11,065,526	\$ 8,372,619	\$ 6,152,350	\$ 4,260,027	\$ 3,439,431	\$ 11,759,390	\$ 12,409,856	\$ 10,273,193	\$ 6,621,196	\$ 4,674,084	\$ 3,099,722	\$ 9,906,093	
Anticipated Property Tax Revenue	\$ 3,197,451	\$ 943,271	\$ -	\$ 28,999,932	\$ 28,704,238	\$ 27,380,677	\$ 16,615,179	\$ 13,922,327	\$ 13,765,971	\$ 13,686,423	\$ 13,553,661	\$ 12,986,896	\$ 12,986,896	

**Pierce County Library System
Statement of Financial Position - Interim
October 31, 2016
All Funds**

	General Fund	Special Purpose Fund	Debt Service Fund	Capital Improvement Projects Fund
Assets				
Current Assets - Cash				
Cash	\$ 2,056,093	\$ 6,854	\$ 1	\$ 371,538
Investments	\$ 7,850,000	\$ -	\$ 83,936	\$ 1,495,000
Total Cash	\$ 9,906,093	\$ 6,854	\$ 83,937	\$ 1,866,538
Total Current Assets	\$ 9,906,093	\$ 6,854	\$ 83,937	\$ 1,866,538
Liabilities and Fund Balance				
Current Liabilities				
Warrants Payable	\$ 49,440	\$ -	\$ -	\$ -
Sales Tax Payable	\$ 3,833	\$ -	\$ -	\$ -
Payroll Taxes and Benefits Payable	\$ 18,099	\$ -	\$ -	\$ -
Total Current Liabilities	\$ 71,373	\$ -	\$ -	\$ -
Fund Balance				
Reserve for Encumbrances	\$ 411,660	\$ -	\$ -	\$ 466,827
Net Excess (Deficit)	\$ 2,103,054	\$ -	\$ 211	\$ 9,710
Technology Set-aside	\$ -	\$ -	\$ -	\$ 50,000
Major Contingency Set-aside	\$ -	\$ -	\$ -	\$ 150,000
Land, Property and Facility Set-aside	\$ -	\$ -	\$ -	\$ 170,069
Unreserved Fund Balance	\$ 7,320,006	\$ 6,854	\$ 83,725	\$ 1,019,932
Total Fund Balance	\$ 9,834,720	\$ 6,854	\$ 83,937	\$ 1,866,538
Total Liabilities and Fund Balance	\$ 9,906,093	\$ 6,854	\$ 83,937	\$ 1,866,538
Anticipated Property Tax Revenue	\$ 12,986,896	N/A	\$ 12	N/A

Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 10/31/2016

FUND: GENERAL FUND (01)

Object	2016 Budget	October Actual	Year-To-Date Actual	Encumbrance s	Balance	Expend %
REVENUE ACCOUNTS						
31111 PROPERTY TAXES CURRENT	27,294,700.00	8,887,656.31	24,508,705.28	0.00	2,785,994.72	89.79
31112 PROPERTY TAXES DELINQUENT	818,841.00	0.00	426,516.87	0.00	392,324.13	52.09
31130 SALE OF TAX TITLE PROPERTY	3,000.00	0.00	1,233.26	0.00	1,766.74	41.11
31720 LEASEHOLD EXCISE TAX	20,000.00	0.00	14,837.46	0.00	5,162.54	74.19
31740 TIMBER EXCISE TAX	50,000.00	0.00	62,717.78	0.00	(12,717.78)	125.44
TAXES:	28,186,541.00	8,887,656.31	25,014,010.65	0.00	3,172,530.35	88.74
33300 INDIRECT FEDERAL GRANTS	0.00	129,551.77	208,233.38	0.00	(208,233.38)	0.00
33533 STATE FOREST FUNDS/DNR TIMBER TRU	0.00	0.00	149.06	0.00	(149.06)	0.00
33710 SHARED FIXED ASSETS - TIMBER	15,000.00	0.00	9,035.77	0.00	5,964.23	60.24
34160 COPIER FEES	30,000.00	2,577.26	27,202.55	0.00	2,797.45	90.68
34161 GRAPHICS SERVICES CHARGES	0.00	27.37	4,048.71	0.00	(4,048.71)	0.00
34162 PRINTER FEES	125,000.00	10,274.40	107,104.74	0.00	17,895.26	85.68
34163 FAX FEES	21,000.00	1,796.49	19,524.95	0.00	1,475.05	92.98
34193 ORTING - SERVICE FEES	0.00	0.00	2,430.00	0.00	(2,430.00)	0.00
34730 INTERLIBRARY LOAN FEES	0.00	0.00	33.95	0.00	(33.95)	0.00
35970 LIBRARY FINES	550,000.00	21,716.40	286,116.60	0.00	263,883.40	52.02
36110 INVESTMENT INCOME	5,000.00	0.00	12,798.98	0.00	(7,798.98)	255.98
36111 INTEREST - STATE FOREST FUND	0.00	0.00	0.08	0.00	(0.08)	0.00
36140 OTHER INTEREST EARNED - COUNTY	0.00	0.00	1.61	0.00	(1.61)	0.00
36190 OTHER INTEREST EARNINGS	0.00	62.92	62.92	0.00	(62.92)	0.00
36200 KEY PEN HLTH DEPT FACILITY REV	0.00	288.98	1,211.96	0.00	(1,211.96)	0.00
36290 BOOK SALES	20,000.00	596.30	6,299.96	0.00	13,700.04	31.50
36700 FOUNDATION DONATIONS	300,000.00	4,445.80	249,683.23	0.00	50,316.77	83.23
36710 FRIENDS' DONATIONS	0.00	0.00	336.21	0.00	(336.21)	0.00
36720 FRIENDS' REIMBURSEMENTS	0.00	693.58	16,241.93	0.00	(16,241.93)	0.00
36725 DONATIONS - OTHER	0.00	2,789.71	5,645.67	0.00	(5,645.67)	0.00
36910 SALE OF SCRAP AND SALVAGE	0.00	0.00	4,386.60	0.00	(4,386.60)	0.00
36920 UNCLAIMED PROPERTY/FOUND MONEY	0.00	7.77	3,230.06	0.00	(3,230.06)	0.00
36990 MISCELLANEOUS REVENUE	0.00	9.92	321.55	0.00	(321.55)	0.00
36991 PAYMENT FOR LOST MATERIALS	12,000.00	842.04	8,056.01	0.00	3,943.99	67.13
36996 JURY DUTY REIMBURSEMENT	0.00	0.00	100.00	0.00	(100.00)	0.00
36997 PRIOR YEAR'S REFUNDS	0.00	0.00	1,853.97	0.00	(1,853.97)	0.00
36998 E RATE REIMBURSEMENT	415,000.00	0.00	401,270.43	0.00	13,729.57	96.69
36999 REBATES - PROCUREMENT CARD	30,000.00	0.00	66,923.55	0.00	(36,923.55)	223.08
CHARGES OTHER:	1,523,000.00	175,680.71	1,442,304.43	0.00	80,695.57	94.70
39520 INSURANCE RECOVERIES - ASSETS	0.00	0.00	1,464.12	0.00	(1,464.12)	0.00
TOTAL FOR REVENUE ACCOUNTS	29,709,541.00	9,063,337.02	26,457,779.20	0.00	3,251,761.80	89.05
EXPENSE ACCOUNTS						
51100 SALARIES AND WAGES	14,984,682.00	1,153,235.18	11,793,001.24	0.00	3,191,680.76	78.70
51105 ADDITIONAL HOURS	273,883.00	26,485.66	256,031.20	0.00	17,851.80	93.48
51106 SHIFT DIFFERENTIAL	159,882.00	12,863.65	132,504.58	0.00	27,377.42	82.88
51107 SUBSTITUTE HOURS	295,500.00	24,252.70	261,287.51	0.00	34,212.49	88.42
51109 TUITION ASSISTANCE PROGRAM	300.00	0.00	7,873.34	0.00	(7,573.34)	2,624.45
51200 OVERTIME WAGES	7,400.00	2,806.86	26,635.14	0.00	(19,235.14)	359.93
51999 ADJ WAGE/SALARY TO MATCH PLAN	(396,342.00)	0.00	0.00	0.00	(396,342.00)	0.00
52001 INDUSTRIAL INSURANCE	196,629.00	11,251.61	112,034.53	0.00	84,594.47	56.98

FUND: GENERAL FUND (01)

Object	2016 Budget	October Actual	Year-To-Date Actual	Encumbrance s	Balance	Expend %
EXPENSE ACCOUNTS						
52002 MEDICAL INSURANCE	2,289,031.00	174,345.15	1,799,631.53	0.00	489,399.47	78.62
52003 F.I.C.A.	1,202,711.00	92,612.46	943,361.60	0.00	259,349.40	78.44
52004 RETIREMENT	1,727,914.00	130,608.25	1,317,823.64	0.00	410,090.36	76.27
52005 DENTAL INSURANCE	219,387.00	17,892.22	174,264.93	0.00	45,122.07	79.43
52006 OTHER BENEFIT	10,540.00	880.00	8,520.00	0.00	2,020.00	80.83
52010 LIFE AND DISABILITY INSURANCE	29,086.00	5,035.67	39,438.40	0.00	(10,352.40)	135.59
52020 UNEMPLOYMENT COMPENSATION	30,500.00	5,558.39	29,849.44	0.00	650.56	97.87
52200 UNIFORMS	1,300.00	0.00	1,274.78	0.00	25.22	98.06
52999 ADJ BENEFITS TO MATCH PLAN	(139,377.00)	0.00	0.00	0.00	(139,377.00)	0.00
PERSONNEL	20,893,026.00	1,657,827.80	16,903,531.86	0.00	3,989,494.14	80.91
53100 OFFICE/OPERATING SUPPLIES	236,100.00	13,986.69	177,675.50	6,759.88	51,664.62	78.12
53101 CUSTODIAL SUPPLIES	52,500.00	4,882.86	51,907.09	0.00	592.91	98.87
53102 MAINTENANCE SUPPLIES	60,200.00	2,801.47	49,124.36	0.00	11,075.64	81.60
53103 AUDIOVISUAL PROCESSING SUP	25,000.00	150.61	10,766.05	0.00	14,233.95	43.06
53104 BOOK PROCESSING SUPPLIES	20,000.00	0.00	7,810.87	0.00	12,189.13	39.05
53200 FUEL	47,000.00	10.00	12,747.45	0.00	34,252.55	27.12
53401 ADULT MATERIALS	806,000.00	58,733.99	532,499.35	0.00	273,500.65	66.07
53403 PERIODICALS	88,135.00	653.28	66,924.38	0.00	21,210.62	75.93
53405 JUVENILE BOOKS	544,279.00	25,294.71	416,088.56	0.00	128,190.44	76.45
53406 PROFESSIONAL COLLECTION	4,200.00	125.20	2,252.91	0.00	1,947.09	53.64
53407 INTERNATIONAL COLLECTION	60,000.00	4,529.21	22,495.38	0.00	37,504.62	37.49
53408 AUDIOVISUAL MATERIALS - ADULT	842,000.00	44,883.44	622,289.11	0.00	219,710.89	73.91
53409 AUDIOVISUAL MATERIALS - JUV	94,000.00	5,918.71	58,656.16	0.00	35,343.84	62.40
53411 ELECTRONIC INFO SOURCES	379,068.00	0.00	316,597.64	0.00	62,470.36	83.52
53412 REFERENCE SERIALS	18,000.00	0.00	7,047.66	0.00	10,952.34	39.15
53413 ELECTRONIC SERVICES	143,391.00	17,293.73	221,939.45	0.00	(78,548.45)	154.78
53414 ELECTRONIC COLLECTION	400,100.00	0.00	477,016.55	0.00	(76,916.55)	119.22
53464 VENDOR PROCESSING SERVICES	153,000.00	9,270.92	121,257.44	0.00	31,742.56	79.25
53499 GIFTS - MATERIALS	0.00	30.09	1,120.19	0.00	(1,120.19)	0.00
53500 MINOR EQUIPMENT	3,500.00	0.00	0.00	0.00	3,500.00	0.00
53501 FURNISHINGS	35,000.00	695.07	49,856.37	547.00	(15,403.37)	144.01
53502 TECHNOLOGY HARDWARE	50,000.00	211.94	38,190.72	0.00	11,809.28	76.38
53505 SOFTWARE	12,100.00	1,622.37	30,985.58	0.00	(18,885.58)	256.08
54100 PROFESSIONAL SERVICES	457,750.00	46,925.49	457,297.80	135,757.18	(135,304.98)	129.56
54101 LEGAL SERVICES	30,000.00	0.00	20,131.50	0.00	9,868.50	67.11
54102 COLLECTION AGENCY	17,000.00	1,199.30	10,832.67	0.00	6,167.33	63.72
54161 RESOURCE SHARING SERVICES	19,000.00	0.00	11,656.26	0.00	7,343.74	61.35
54162 BIBLIOGRAPHICS SERVICES	33,000.00	0.00	23,015.58	0.00	9,984.42	69.74
54163 PRINTING AND BINDING	1,500.00	0.00	2,514.16	0.00	(1,014.16)	167.61
54165 ILL LOST ITEM CHARGE	2,800.00	259.99	1,240.61	0.00	1,559.39	44.31
54200 POSTAGE AND SHIPPING	36,600.00	389.71	29,088.92	43.39	7,467.69	79.60
54201 TELECOM SERVICES	461,300.00	4,281.50	379,834.37	72,584.52	8,881.11	98.07
54300 TRAVEL	47,200.00	1,693.17	24,033.36	0.00	23,166.64	50.92
54301 MILEAGE REIMBURSEMENTS	30,350.00	2,685.29	27,939.06	0.00	2,410.94	92.06
54400 ADVERTISING	69,500.00	1,301.86	21,231.62	15,146.00	33,122.38	52.34
54501 RENTALS/LEASES - BUILDINGS	404,000.00	23,904.71	340,192.41	33,448.14	30,359.45	92.49
54502 RENTALS/LEASES - EQUIPMENT	32,400.00	53.06	18,018.30	5,295.00	9,086.70	71.95

Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 10/31/2016

FUND: GENERAL FUND (01)

Object	2016 Budget	October Actual	Year-To-Date Actual	Encumbrance s	Balance	Expend %
EXPENSE ACCOUNTS						
54600 INSURANCE	200,000.00	0.00	149,269.00	0.00	50,731.00	74.63
54700 ELECTRICITY	235,000.00	2,973.97	179,308.51	0.00	55,691.49	76.30
54701 NATURAL GAS	15,000.00	35.49	6,032.60	0.00	8,967.40	40.22
54702 WATER	21,000.00	510.05	25,605.39	0.00	(4,605.39)	121.93
54703 SEWER	25,000.00	120.67	22,196.44	0.00	2,803.56	88.79
54704 REFUSE	26,000.00	399.04	27,706.27	0.00	(1,706.27)	106.56
54800 GENERAL REPAIRS/MAINTENANCE	208,000.00	5,645.77	180,787.81	17,921.10	9,291.09	95.53
54801 CONTRACTED MAINTENANCE	802,900.00	10,948.58	400,419.01	119,237.18	283,243.81	64.72
54803 MAINT. TELECOM EQUIPMENT	31,000.00	157.54	25,319.72	4,726.08	954.20	96.92
54805 VEHICLE REPAIR - MAJOR	0.00	0.00	12,199.97	0.00	(12,199.97)	0.00
54900 REGISTRATIONS	41,850.00	6,545.00	36,903.57	0.00	4,946.43	88.18
54901 DUES AND MEMBERSHIPS	30,170.00	3,408.00	30,632.63	0.00	(462.63)	101.53
54902 TAXES AND ASSESSMENTS	29,500.00	83.03	31,956.04	0.00	(2,456.04)	108.33
54903 LICENSES AND FEES	43,950.00	8,933.60	60,503.04	195.00	(16,748.04)	138.11
54904 MISCELLANEOUS	790.00	0.00	0.00	0.00	790.00	0.00
54905 WELLNESS EVENTS/REGISTRATION	2,000.00	0.00	135.61	0.00	1,864.39	6.78
54909 TECH LIC/SUBS/HOSTING	0.00	0.00	(100.00)	0.00	100.00	0.00
59700 TRANSFERS OUT	1,188,382.00	0.00	1,188,382.00	0.00	0.00	100.00
59702 TRANSFERS OUT - SPF	200,000.00	0.00	0.00	0.00	200,000.00	0.00
ALL OTHER EXPENSES	8,816,515.00	313,549.11	7,039,533.00	411,660.47	1,365,321.53	84.51
TOTAL FOR EXPENSE ACCOUNTS	29,709,541.00	1,971,376.91	23,943,064.86	411,660.47	5,354,815.67	81.98
NET SURPLUS / DEFICIT	0.00	7,091,960.11	2,514,714.34	(411,660.47)	(2,103,053.87)	0.00

FUND: SPECIAL PURPOSE FUND (15)

Object	2016 Budget	October Actual	Year-To-Date Actual	Encumbrance s	Balance	Expend %
REVENUE ACCOUNTS						
29150 USE OF FUND BALANCE-BUDGET	25,000.00	0.00	0.00	0.00	25,000.00	0.00
TAXES:	25,000.00	0.00	0.00	0.00	25,000.00	0.00
33300 INDIRECT FEDERAL GRANTS	227,000.00	0.00	0.00	0.00	227,000.00	0.00
36700 FOUNDATION DONATIONS	15,000.00	0.00	6,853.76	0.00	8,146.24	45.69
CHARGES OTHER:	242,000.00	0.00	6,853.76	0.00	235,146.24	2.83
TOTAL FOR REVENUE ACCOUNTS	267,000.00	0.00	6,853.76	0.00	260,146.24	2.57
EXPENSE ACCOUNTS						
51100 SALARIES AND WAGES	183,623.00	0.00	0.00	0.00	183,623.00	0.00
52001 INDUSTRIAL INSURANCE	795.00	0.00	0.00	0.00	795.00	0.00
52002 MEDICAL INSURANCE	11,463.00	0.00	0.00	0.00	11,463.00	0.00
52003 F.I.C.A.	6,189.00	0.00	0.00	0.00	6,189.00	0.00
52004 RETIREMENT	6,674.00	0.00	0.00	0.00	6,674.00	0.00
52005 DENTAL INSURANCE	1,220.00	0.00	0.00	0.00	1,220.00	0.00
52010 LIFE AND DISABILITY INSURANCE	36.00	0.00	0.00	0.00	36.00	0.00
PERSONNEL	210,000.00	0.00	0.00	0.00	210,000.00	0.00
53100 OFFICE/OPERATING SUPPLIES	7,000.00	0.00	0.00	0.00	7,000.00	0.00
53401 ADULT MATERIALS	1,000.00	0.00	0.00	0.00	1,000.00	0.00
54100 PROFESSIONAL SERVICES	38,550.00	0.00	0.00	0.00	38,550.00	0.00
54400 ADVERTISING	5,450.00	0.00	0.00	0.00	5,450.00	0.00
54900 REGISTRATIONS	5,000.00	0.00	0.00	0.00	5,000.00	0.00
ALL OTHER EXPENSES	57,000.00	0.00	0.00	0.00	57,000.00	0.00
TOTAL FOR EXPENSE ACCOUNTS	267,000.00	0.00	0.00	0.00	267,000.00	0.00
NET SURPLUS / DEFICIT	0.00	0.00	6,853.76	0.00	(6,853.76)	0.00

FUND: DEBT SERVICE FUND (20)

Object	2016 Budget	October Actual	Year-To-Date Actual	Encumbrance s	Balance	Expend %
REVENUE ACCOUNTS						
31112 PROPERTY TAXES DELINQUENT	0.00	0.00	0.14	0.00	(0.14)	0.00
TAXES:	0.00	0.00	0.14	0.00	(0.14)	0.00
36110 INVESTMENT INCOME	0.00	0.00	211.11	0.00	(211.11)	0.00
CHARGES OTHER:	0.00	0.00	211.11	0.00	(211.11)	0.00
TOTAL FOR REVENUE ACCOUNTS	0.00	0.00	211.25	0.00	(211.25)	0.00
NET SURPLUS / DEFICIT	0.00	0.00	211.25	0.00	(211.25)	0.00

FUND: CAPITAL IMPROVEMENT PROJECTS FUND (30)

Object	2016 Budget	October Actual	Year-To-Date Actual	Encumbrance s	Balance	Expend %
REVENUE ACCOUNTS						
36110 INVESTMENT INCOME	0.00	0.00	2,011.00	0.00	(2,011.00)	0.00
36200 KEY PENINSULA SHARED COSTS	0.00	0.00	8,011.79	0.00	(8,011.79)	0.00
36700 FOUNDATION DONATIONS	0.00	0.00	30,507.81	0.00	(30,507.81)	0.00
36899 ENERGY REBATES	0.00	0.00	3,274.00	0.00	(3,274.00)	0.00
36998 E-RATE REIMBURSEMENT	300,000.00	0.00	0.00	0.00	300,000.00	0.00
CHARGES OTHER:	300,000.00	0.00	43,804.60	0.00	256,195.40	14.60
39700 TRANSFERS IN	1,188,382.00	0.00	1,188,382.00	0.00	0.00	100.00
TOTAL FOR REVENUE ACCOUNTS	1,488,382.00	0.00	1,232,186.60	0.00	256,195.40	82.79
EXPENSE ACCOUNTS						
53501 FURNISHINGS	100,000.00	45,909.27	62,687.38	70,578.10	(33,265.48)	133.27
53502 TECHNOLOGY HARDWARE	168,000.00	0.00	(2,267.77)	28,271.15	141,996.62	15.48
53505 SOFTWARE	30,000.00	0.00	0.00	0.00	30,000.00	0.00
54100 PROFESSIONAL SERVICES	20,000.00	4,528.46	5,167.75	3,497.54	11,334.71	43.33
54400 ADVERTISING	0.00	0.00	81.40	0.00	(81.40)	0.00
54800 GENERAL REPAIRS/MAINTENANCE	146,000.00	1,257.04	10,969.57	0.00	135,030.43	7.51
54805 VEHICLE REPAIR - MAJOR	10,000.00	0.00	0.00	0.00	10,000.00	0.00
54912 CONTINGENCY/RESERVE	28,000.00	0.00	0.00	0.00	28,000.00	0.00
54915 PLANNED SAVINGS	83,382.00	0.00	0.00	0.00	83,382.00	0.00
56200 BUILDINGS & BLDG IMPROVEMENTS	135,000.00	5,743.50	125,743.50	104,947.48	(95,690.98)	170.88
56201 CONSTRUCTION	65,000.00	0.00	0.00	51,427.85	13,572.15	79.12
56202 ELECTRICAL	0.00	0.00	0.00	26,922.25	(26,922.25)	0.00
56203 FLOORING	57,000.00	0.00	1,765.45	0.00	55,234.55	3.10
56204 PAINTING AND WALL TREATMENTS	7,500.00	0.00	0.00	5,881.34	1,618.66	78.42
56300 IMPROVEMENTS OTHER THAN BLDGS	0.00	0.00	0.00	44,416.40	(44,416.40)	0.00
56301 PARKING LOT REPAIR & IMPROVEMENT	165,000.00	0.00	48,591.17	0.00	116,408.83	29.45
56400 MACHINERY & EQUIPMENT	191,000.00	0.00	348,346.15	0.00	(157,346.15)	182.38
56402 HVAC	120,500.00	0.00	14,242.80	109,635.21	(3,378.01)	102.80
56403 TECHNOLOGY EQUIPMENT	162,000.00	0.00	140,322.35	21,250.00	427.65	99.74
TOTAL FOR EXPENSE ACCOUNTS	1,488,382.00	57,438.27	755,649.75	466,827.32	265,904.93	82.13
NET SURPLUS / DEFICIT	0.00	(57,438.27)	476,536.85	(466,827.32)	(9,709.53)	0.00

MEMO



Date: October 28, 2016

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

From: Georgia Lomax, Executive Director

Subject: Executive Director Report - October

Operations

Work Plan progress of note in October:

People:

- Spark Success: Staff In-Service Day attended by 300 staff.
- Development Director candidates narrowed to three finalists to be interviewed the first week of November.
- Marketing and Community Relations Director position closes October 31. Nearly 100 applications received to date.
- Teresa Covington, Applications & User Experience Manager joined the IT department and Leadership Team on October 19.
- South Hill Branch Manager – Paul Stonebridge hired and will begin November 16.
- Coaching Lab – Series 6 completed
- Staff Engagement Survey launched (closes November 4)
- Completed Walktober campaign for the Wellness Program and the WellCity Award
- AGILE training completed to prepare for managing upcoming major projects.

Projects:

- Strategic Planning Process –Strategic Framework document is being finalized. Leadership Team will identify goals/strategies in November.
- Bid awarded to rekey all library facilities

Technology:

- Completed replacement of end of life Wi-Fi equipment in all locations.

Awards:

- Open Lab @RP/6: Success in Civilian Life program received Urban Libraries Council's Top Innovator's Award, Honorable Mention, in Positioning the Library category.

External Community Activities

- City of Orting Facility Planning meeting
- TCH Board Retreat
- Pierce County Human Services Coalition meeting
- DIYfest

Internal Community Activities

- Staff In-Service Day

-
- A Literary Evening – Thanked 40 major donors for their ongoing commitment to Pierce County Library System during an evening of socializing and an author.
 - Foundation Board Meeting
 - Friends Connection Meeting – Introduced Friends of Library groups to Strategic Framework.

Library Community Activities

- Deputy Director Melinda Chesbro and I attended the Urban Libraries Council Annual Forum October 4-7.
- University of Washington iSchool guest lecture for a management class session.

Branch Snapshot

We thought you'd like to have a small taste of what is happening in our branches.

Bonney Lake

Customer Feedback – We had a young man hanging out at the library on a daily basis. A staff member began dialogs with him about Job Corps and other postings and discovered he had no clue about finding a job. The staff member helped him search job sites and submit an application. He was hired and has an even better job now.

Buckley

Seahawks display and popular with the young boys that come into the library. I see Dads pointing out the books and talking to the kids about them.

Eatonville

We are still seeing line-ups at the door when we open and people coming before 11:00 and walking away.

Fife

Crochet with Debra is proving to be a solid ongoing program especially popular with Moms and Sons. The presenter will be expanding her program to include a drop in for help class on the 3rd Wednesday of the month.

Graham

A staff member witnessed one customer skipping around the library and smiling as he went out the door saying “I got my video and webpage uploaded thanks to the get hired program.”

A staff member had a senior citizen comment that he helped her get a job thanks to his help with her resume and teaching her computer skills.

Key Center

We are participating in the Collection Refresh Pilot. The audiobook collection seems to go very well. Customers are commenting on having more variety on the audiobook shelf.

Lakewood

Friends of Lakewood Library allotted roughly \$17,400 this year to purchase furniture to replace old, worn furnishings in the area near the audio books known as “The Reading Area.” Final pieces arrived. We now have two 5 ft. long tables and 8 chairs for larger study groups.

A community member said she appreciated the Black Stories Matter display. It was a positive experience to be able to bring her children to a public place and see that stories about people like them mattered, especially in light of what they see in the news. This is one of many compliments we have received on this particular display.

Orting

We were excited that we had some people sign up for the Book-a-Librarian. This was our first month doing this.

South Hill

The Adult Service team is working on redefining the reference collection (electronic and physical book) to improve accessibility and ease of use for all customers.

Summit

A bittersweet story about our Adult Summer Reading grand prize winner. According to his wife, he was one of those people who never won anything in his life, and was very, very happy to hear the news from the library. Unfortunately, he passed away just a short time after the announcement.

Steilacoom

The partnership we have with the Historical Museum is working well with higher program turnout.

Tillicum

Due to the ballot box concern, Tillicum citizens have been coming up with other options to serve the voting public. TWNA helped provide a small voting box to be set up in the Community Center office with specific instructions from the Pierce County Auditor. Envelopes (for registration applications) and stamps have been donated to the C.C. office to assist in public registration.

Unfinished Business

MEMO



Date: October 28, 2016

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

From: Georgia Lomax, Executive Director

Subject: Board Vacancy – Trustee Appointment Process

We have begun the process for filling the upcoming vacancy due to the expiration of J.J. McCament's second term on the Board.

Pierce County Executive: I sent a letter to Pierce County Executive Pat McCarthy on October 21, 2016. We have confirmed the process will remain the same although the County Executive's office will transition during this period. In past years, Keri Rooney has served on the selection panel, however, since she will not be working under the next Pierce County Executive I have asked Ms. McCarthy to select another representative from her office to participate.

Recruitment: The application will be posted on the Library's [website](#) and advertised in local print and online media sources. Application forms will be available in local libraries and distributed in communities to reach interested citizens, including those who represent communities of diversity. We will send each of you a link to the website to share the application with your networks and will have the application available at the Board meeting if you would like to take copies to distribute. The application deadline is December 16.

During the November meeting, we will review the screening criteria and interview questions. After the last vacancy, I updated these based on your feedback and that of the interview committee.

MEMO



Date: October 31, 2016

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

From: Georgia Lomax, Executive Director

Subject: 2017 Work Plan and Budget

In November, the Board of Trustees reviews the draft budget and holds the first public hearing. In your Board packet are the draft budgets, and drafts of budget narrative sections related to these November work items.

As we adapt our fiscal strategy to operations under the 1% growth cap, we are working to budget tightly in order to accomplish as much as possible on the Library's list of business process needs and to provide the most service possible to the public. The planning process that we have been developing this year, and that we will fine-tune in 2017 as we focus it around the Strategic Plan, will ensure we are able to complete the projects that are funded.

Last month we shared proposed projects for 2017 with you. Attached is the second draft, balanced operating budget (General Fund) and the first draft capital budget (Capital Improvement Fund).

We have balanced the General Fund to provide for ongoing service proposals and a few innovations. We have allocated 13% of property tax revenue for materials.

Capital project proposals for 2017 total \$3 million. We have identified allocations for the major project categories and are refining costs estimates for the individual projects. Leadership team is prioritizing projects, and final decisions will be reflected in the balanced capital budget next month.

Much of the capital proposal is for delayed infrastructure needs. One of our 2017 projects is to develop a long-term capital plan for routine facility maintenance and modernization, and to identify funding sources.

The 2017 budget draft reflects aligning our work plan and services to achieve the Strategic Framework, and our need to continue to build and strengthen the technology and facility infrastructure that was postponed during the recession.

Here is the impact of the 2017 budget on the owner of an average home:

	<u>No IPD Override</u>	<u>IPD Override</u>	<u>Difference</u>
2016 Average Home Assessed Value	260,000	260,000	
Library Mill Rate (Cents per \$1000 AV)	<u>46.6898</u>	<u>46.7111</u>	<u>(0.0213)</u>
2017 Cost to Homeowner of Average Home Value	121.39	121.45	(0.06)

**PIERCE COUNTY LIBRARY SYSTEM
- DRAFT -**

GENERAL FUND ANNUAL BUDGET DRAFT 11/1/2016	2016 Final (12/9/15)	2017 Draft	% Change 2016 Final to 2017 Est.	Notes
BUDGET SUMMARY				
Use of Fund Balance/Cash Reserves	\$0	\$0		No cash reserves used
REVENUES				
Taxes	28,186,541	29,239,348	3.74%	95.00% of revenues
Intergovernmental	15,000	15,000		0.05% of revenues
Charges for Services	176,000	186,500	5.97%	0.61% of revenues
Fines	550,000	500,000	-9.09%	1.62% of revenues
Miscellaneous	782,000	839,000	7.29%	2.73% of revenues
TOTAL REVENUES	29,709,541	30,779,848	3.60%	100.00% of revenues
Increase/decrease over previous year		1,070,307 (3.6%)		
TOTAL AVAILABLE FUNDING SOURCES	29,709,541	30,779,848	3.60%	
Increase/decrease over previous year		1,070,307 (3.6%)		
EXPENDITURES				
Personnel	20,893,026	21,538,419	3.09%	69.98% of expenditures
Maintenance & Operations	3,895,960	4,219,890	8.31%	13.71% of expenditures
Materials	3,532,173	3,790,345	7.31%	12.31% of expenditures (13.00% of tax revenues)
Subtotal	28,321,159	29,548,654	4.33%	96.00% of expenditures
Increase/decrease over previous year		1,227,495 (4.33%)		
CONTINGENCY	0	0		0.00% of expenditures
TRANSFERS TO CIP	1,188,382	1,231,194	3.60%	4.00% of expenditures
TRANSFERS TO SPF	200,000	0	-100.00%	0.00% of expenditures
Subtotal	1,388,382	1,231,194	-11.32%	4.00% of expenditures
TOTAL EXPENDITURES	29,709,541	30,779,848	3.60%	100.00% of expenditures
Increase/decrease over previous year		1,070,307 (3.6%)		
NET OF REVS & EXPS	\$0	\$0		0.00% of expenditures

**PIERCE COUNTY LIBRARY SYSTEM
- DRAFT -**

GENERAL FUND ANNUAL BUDGET DRAFT 11/1/2016	2016 Final (12/9/15)	2017 Draft	% Change 2016 Final to 2017 Est.	Notes
REVENUE DETAIL				
31110 Property Taxes Refunded				
31111 Property Taxes Current	27,294,700	28,304,221	3.70%	Does not include IPD override
31112 Property Taxes Delinquent	818,841	849,127	3.70%	Does not include IPD override
31130 Sale of Tax Title Property	3,000	3,000		
31720 Leasehold Excise Tax	20,000	20,000		
31740 Timber Excise Tax	50,000	63,000	26.00%	Increased to match projected amount
33710 Shared Fixed Assets - Timber	15,000	15,000		
34160 Copier Fees	30,000	30,000		
34161 Graphics Services Charges		7,500	new	Agreement between Foundation & Communications
34162 Printer Fees	125,000	125,000		
34163 Fax Fees	21,000	21,000		
34193 Orting - Service Fees		3,000	new	Added to match anticipated actuals
35970 Library Fines	550,000	500,000	-9.09%	Reduced due to declining fine revenue
36110 Investment Income	5,000	10,000	100.00%	Investment rates have increased
36200 Key Pen Hlth Dept Facility Rev		1,000	new	Added to match anticipated actuals
36290 Book Sales	20,000	7,000	-65.00%	Book sales continue to decrease
36700 Foundation Donations	300,000	300,000		
36720 Friends' Reimbursements		15,000	new	Added to match anticipated actuals
36725 Donations-Other		1,000	new	Added to match anticipated actuals
36910 Sale of Scrap and Salvage		5,000	new	Added to match anticipated actuals
36920 Unclaimed Property/Found Money		3,000	new	Added to match anticipated actuals
36991 Payment for Lost Materials	12,000	12,000		
36998 E Rate Reimbursement	415,000	415,000		
36999 Rebates - Procurement Card	30,000	70,000	133.33%	Increased to match projected rebates in 2017
TOTAL REVENUES	\$29,709,541	\$30,779,848	3.60%	Projected to be on track for original budgeted revenues
Increase/decrease over original budget		1,070,307 (3.60%)		

**PIERCE COUNTY LIBRARY SYSTEM
- DRAFT -**

GENERAL FUND ANNUAL BUDGET DRAFT 11/1/2016	2016 Final (12/9/15)	2017 Draft	% Change 2016 Final to 2017 Est.	Notes
EXPENDITURE DETAIL				
PERSONNEL				
51100 Salaries & Wages	14,984,682	15,740,226	5.04%	Includes wage adjustments
51105 Additional Hours	273,883	236,198	-13.76%	
51106 Shift Differential	159,882	168,481	5.38%	Follows Salaries & Wages
51107 Substitute Hours	295,500	268,000	-9.31%	
51109 Tuition Assistance Program	300	10,500	3400.00%	Includes Foundation & Library funding
51200 Overtime Wages	7,400	12,400	67.57%	
52001 Industrial Insurance	196,629	190,016	-3.36%	Reduced due to improved L&I rating
52002 Medical Insurance	2,289,031	2,442,485	6.70%	Includes healthcare renewal rates
52003 FICA	1,202,711	1,257,343	4.54%	Follows Salaries & Wages
52004 Retirement	1,727,914	1,809,385	4.71%	Follows Salaries & Wages
52005 Dental Insurance	219,387	229,810	4.75%	Includes healthcare renewal rates
52006 Other Benefit (Cell Phone Allowance)	10,540	10,540		
52010 Life and Disability Insurance	29,086	28,669	-1.43%	
52020 Unemployment Compensation	30,500	30,500		
52200 Uniforms	1,300	1,300		
Total Personnel	21,428,745	22,435,853	4.70%	
Reduction in salaries planning budget to match projections (4%)	(535,719)	(897,434)	67.52%	Increased to 4% from 2.5%
Net Personnel	20,893,026	21,538,419	3.09%	
MAINTENANCE & OPERATIONS				
53100 Office/Operating Supplies	236,100	250,800	6.23%	Includes Foundation-funded programs
53101 Custodial Supplies	52,500	60,000	14.29%	
53102 Maintenance Supplies	60,200	60,200		
53103 A/V Processing Supplies	25,000	25,000		
53104 Book Processing Supplies	20,000	20,000		
53105 Training Supplies	0	10,500		new Training supplies identified separately from Office/Operating Supplies
53171 Graphics Supplies Sum. Reading	0	16,500		new Foundation/Library funded work for Summer Reading
53200 Fuel	47,000	47,500	1.06%	
53500 Minor Equipment	3,500	17,700	405.71%	Increased to replace misc. custodial & maintenance equipment
53501 Furnishings	35,000	50,000	42.86%	Additional furnishings needed for branches
53502 Technology Hardware	50,000	46,300	-7.40%	
53505 Software Licenses/Hosting	12,100	255,500	2011.57%	Items transferred from Contracted Maintenance & Telecomm Equip
54100 Professional Services	457,750	498,400	8.88%	Increased for IT consulting for improving our network & infrastructure
54101 Legal Services	30,000	45,000	50.00%	
54102 Collection Agency	17,000	14,000	-17.65%	
54161 Resource Sharing Services	19,000	15,000	-21.05%	
54162 Bibliographics Services	33,000	35,000	6.06%	

**PIERCE COUNTY LIBRARY SYSTEM
- DRAFT -**

GENERAL FUND ANNUAL BUDGET DRAFT 11/1/2016	2016 Final (12/9/15)	2017 Draft	% Change 2016 Final to 2017 Est.	Notes
54163 Printing and Binding	1,500	9,000	500.00%	Includes Foundation-funded programs
54165 Inter Library Loan Lost Item Charges	2,800	2,500	-10.71%	
54200 Postage	36,600	33,800	-7.65%	
54201 Telephone/Data Lines	461,300	461,300		
54300 Travel	47,200	60,000	27.12%	
54301 Mileage Reimbursements	30,350	35,250	16.14%	
54400 Advertising	69,500	47,400	-31.80%	
54501 Rentals/Leases - Buildings	404,000	404,500	0.12%	
54502 Rentals/Leases - Equipment	32,400	34,100	5.25%	
54600 Insurance	200,000	225,000	12.50%	Increased to match actual costs
54700 Electricity	235,000	235,000		
54701 Natural Gas	15,000	15,000		
54702 Water	21,000	29,700	41.43%	
54703 Sewer	25,000	16,200	-35.20%	
54704 Refuse	26,000	31,500	21.15%	
54800 General Repairs/Maintenance	231,300	276,400	19.50%	
54801 Contracted Maintenance	779,600	640,700	-17.82%	Some software licensing costs were moved to 53505
54803 Maint. Telecomm Equipment	31,000	10,000	-67.74%	Software licensing costs were moved to 53505
54900 Registrations	41,850	39,600	-5.38%	
54901 Dues and Memberships	30,170	41,600	37.89%	
54902 Taxes and Assessments	29,500	29,500		
54903 Licenses and Fees	43,950	52,650	19.80%	Includes increased fees for credit card processing
54904 Miscellaneous	790	3,290	316.46%	
54905 Event Registration	2,000	500	-75.00%	
55100 Intergovernmental	0	18,000	new	Audit scheduled for 2017
Total Maintenance & Operations	3,895,960	4,219,890	8.31%	
MATERIALS				
534xx Materials	3,532,173	3,790,345	7.31%	
53499 Gifts - Materials	-	0		
Total Materials	3,532,173	3,790,345	7.31%	= 13.00% of property tax revenues
54912 CONTINGENCY	0	0		
59700 TRANSFERS TO CIP	1,188,382	1,231,194	3.60%	= 4.00% of total revenue
597XX TRANSFERS TO SPF	200,000	0	-100.00%	Not used in 2017 until new financial system goes into production
Total Transfers	1,388,382	1,231,194	-11.32%	
TOTAL EXPENDITURES	<u>\$29,709,541</u>	<u>\$30,779,848</u>	<u>3.60%</u>	
REVENUES LESS EXPENDITURES	<u>\$0</u>	<u>\$0</u>		

2017 CAPITAL IMPROVEMENT PLAN

DRAFT AS OF NOVEMBER 2, 2016

2017

2018

-- REVENUE --

4% Transfer from General Fund	1,231,194	1,263,751
Erate Reimbursement from 2016 purchases	30,000	TBD
TOTAL REVENUE	1,261,194	1,263,751

-- EXPENDITURES --

COMMITMENTS

	120,000	120,000
UP 5,000 sq ft Expansion (10 years--2012-21)		
SUBTOTAL	120,000	120,000

SERVICE IMPROVEMENT PROJECTS

	1,444,000	TBD
Furnishings	199,500	TBD
Furniture updates		
Ergonomic plan implementation		
Interior Updates	1,021,000	TBD
Workspace updates		
Restroom and other public area remodels		
Carpeting		
Exterior Updates	223,500	TBD
Exterior lighting updates		
Bioswale cleanup at ACL		
SUBTOTAL	1,444,000	TBD

MAJOR MAINTENANCE

	280,000	TBD
Elevator Upgrades at ACL		
IBEX to BACTalk HVAC Control Replacement		
Modernize Building Alarm System Controls		
Unanticipated Future Needs (past experience)		TBD
SUBTOTAL	280,000	TBD

VEHICLES

	140,000	
Vehicle Replacements	130,000	TBD
Delivery Van		
Maintenance Van		
Vehicle Repair Contingency	10,000	TBD
SUBTOTAL	140,000	TBD

TECHNOLOGY UPDATES

	325,000	TBD
PC Replacement plan		
Possible upgrades to catalog & other online services		
SUBTOTAL	325,000	TBD

OTHER CAPITAL PROJECTS

	800,000	TBD
Finance/HR System Replacement		
Movie Tower Decommissioning		
Ground/soil study		
SUBTOTAL	800,000	TBD
TOTAL CIP PROJECTS	3,109,000	TBD

Contingency (TBD)	TBD	TBD
GRAND TOTAL CIP	3,109,000	TBD

NET OF REVENUE AND EXPENDITURES	(1,847,806)	TBD
--	--------------------	------------

MEMO



Date: October 27, 2016

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

From: Georgia Lomax, Executive Director

Subject: Implicit Price Deflator

During the October Board meeting, we reported that the Implicit Price Deflator (IPD) was recorded at 0.953%. The impact of the IPD being under 1% is a \$13,306 loss in 2017 property tax revenue. The Board requested that we consider the cumulative effect on our finances of IPD's less than 1%, regardless of how small.

Attached is a chart showing the history of the IPD and Library actions since 2000.

Based on the average Pierce County home value of \$260,000, the IPD impact in 2017 to a homeowner is as follows:

- IPD override: \$121.45
- No IPD override: \$121.39
- Difference to homeowner: \$0.06

An IPD of less than 1% impacts Library revenue in three ways: current year revenue loss, cumulative revenue loss over time, and impact on maximum lawful levy cap.

	IPD Override		No IPD Override		Impact of not Overriding IPD	
2017	29,179,609	0.4671	29,166,303	0.4668	(13,305.64)	(0.0003)
2018	30,015,405	0.4567	30,001,966	0.4565	(13,438.70)	(0.0002)
2019	30,894,559	0.4418	30,880,986	0.4416	(13,573.09)	(0.0002)
2020	31,812,505	0.4324	31,798,796	0.4322	(13,708.82)	(0.0002)
2021	32,762,630	0.4290	32,748,784	0.4289	(13,845.91)	(0.0001)
				Total:	(67,872.16)	

Because the IPD has the potential to limit our revenue, the Administrative Team recommends adopting a strategy to guide budgeting and proposes the following for the Board's consideration:

1. When the revenue impact of the IPD is greater than \$20,000, the Library will assess the amount and need, and make a recommendation to the Board regarding a substantial need resolution.
2. When the sum of the revenue impact of the IPD reaches more than \$20,000 over consecutive years, the Library will assess the amount and need, and make a recommendation to the Board regarding a substantial need resolution.

-
3. Periodically, the Library and Board will review the amount that would trigger review of IPD impact.

Using this approach, for 2017 we recommend a resolution requesting the highest lawful levy as calculated by the IPD (no override).

During the Board meeting we would like to hear your thoughts on this approach. After the public hearing you will decide whether to override the IPD for 2017.

IPD 2000-2016

FY	June-June IPD	Impact to Library Budget	Board Vote to Override	Notes
2016	0.953%	(\$13,306)	TBD	
2015	0.251%	(\$209,910)	Yes	Substantial need: To invest in technology and books delayed during 5-year recession and impact of substantial increase to required retirement contribution rates set by legislation.
2014	1.591%			
2013	1.314%			
2012	1.295%			
2011	2.755%			
2010	1.539%			
2009	-0.848%	(\$508,632)	No	Recession
2008	4.527%			
2007	2.084%			
2006	3.419%			
2005	2.541%			
2004	2.387%			
2003	1.840%			
2002	1.160%			
2001	1.890%			
2000	2.610%			

1998: Referendum 47 takes effect, capping revenue increases for taxing districts at 106% of previous year's property tax levy

2002: I-747 takes effect and reduces the cap from 106% to the lesser of 101% or the IPD



Pierce County

Mike Lonergan, Assessor-Treasurer

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TAX LEVY LIMIT 2016 FOR 2017

**RURAL LIBRARY
> 10,000**

REGULAR TAX LEVY LIMIT:

2015

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).	28,309,882.29	1.00953	28,579,675.47
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).	1,034,865,628	0.500000000000	517,432.81
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).	881,599,652	881,599,652	0.00
	0.500000000000		0.00
D. REGULAR PROPERTY TAX LIMIT (A + B + C)			29,097,108.28

ADDITIONAL LEVY LIMIT DUE TO ANNEXATIONS:

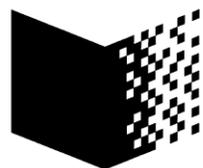
E. To find rate to be used in F, take the levy limit as shown in Line D above and divide it by the current assessed value of the district, excluding the annexed area.	29,097,108.28	62,468,255,605	0.465790312222
F. Annexed area's current assessed value including new construction and improvements times rate found in E above.	0.00	0.465790312222	0.00
G. NEW LEVY LIMIT FOR ANNEXATION (D + F)			29,097,108.28

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)	29,097,108.28	69,195.16	29,166,303.44
I. TOTAL ALLOWABLE LEVY AS CONTROLLED BY THE LEVY LIMIT (D,G,or H)			29,166,303.44
J. Amount of levy under statutory rate limitation.	62,468,255,605	0.500000000000	31,234,127.80
K. LESSER OF I OR J			29,166,303.44

Annual
2017 Budget

Draft
November 9, 2016



Pierce County
Library System

INFORMATION ■ IMAGINATION

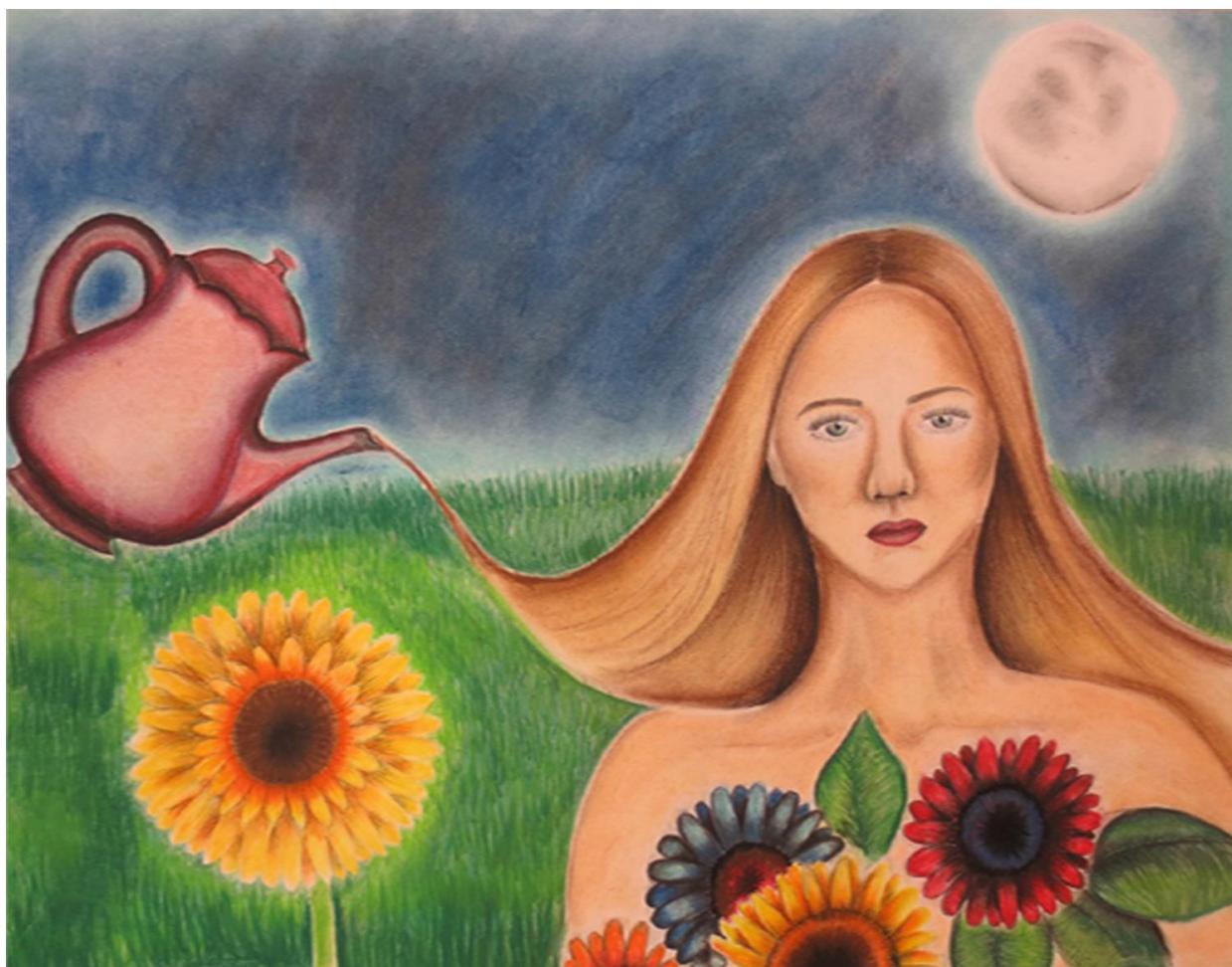
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We hope you enjoy the poetry, art, and photography from our community; they reflect creativity, tenderness, smarts, family... the thoughts and dreams of children.

Part 1 Overview of the Budget



Landscape of My Soul by Claire Defrancesco
1st Place 9th/10th Grade Winner of the 2015 Our Own Expressions Drawing Contest

Budget in a Page

The 2017 budget is hereby submitted. It is the Library's story of ongoing commitment to the community to provide services.

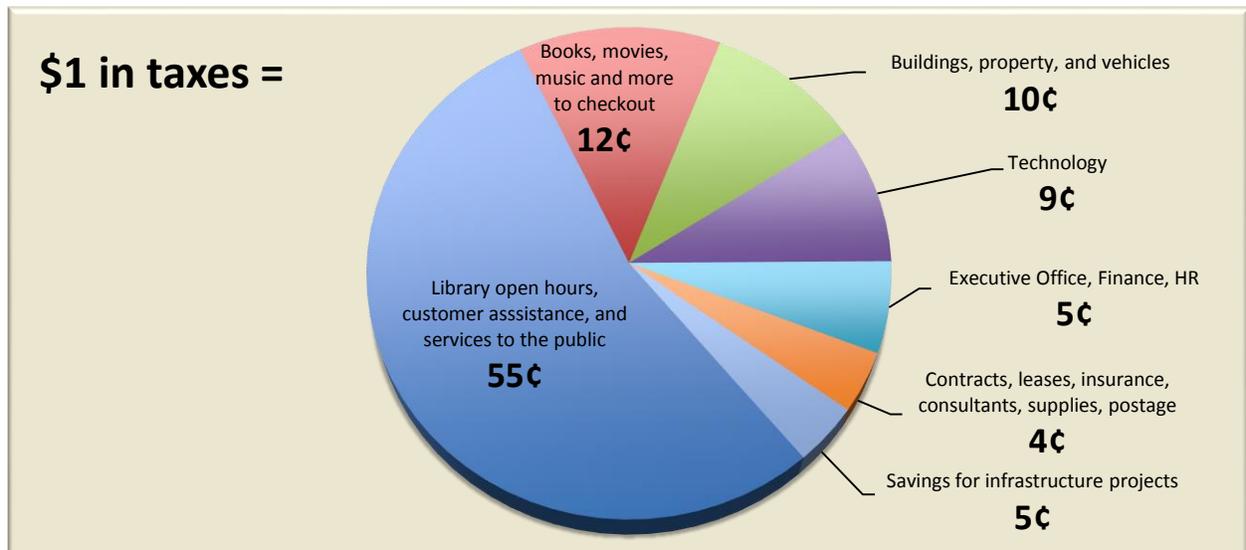
In 2016, property values of the Library's district increased by 10.33% with a corresponding year-to-year budgeted revenue increase of 3.60%. The Library's mill rate, the rate used to levy taxes on properties, dropped under its statutory limit of 50 cents per \$1,000 assessed property value and is 46.68 cents per \$1,000 assessed property value. For 2017, the Library will continue not to use cash reserves. The budget is presented as balanced by fiscal policy: source of all revenues and use of fund balances equals expenditures.

The Library's financial recovery concluded in 2016 when it reached the statutory maximum received in 2010. Beginning in 2017, property tax revenue will increase by 1% plus new construction.

In 2016, the Library conducted a Strategic Planning process that determined service priorities and outcomes for the next five years. For 2017, Library finances were positioned to support implementation of the strategic plan.

	2015 ACTUALS	2016 FINAL (12/9)	2017 BUDGET (12/14)
OPERATING BUDGET			
New Revenues	\$ 28,414,914.16	\$ 29,709,541	\$ 30,779,848
Use of Fund Balance	0.00	0	0
Total Available Funds	28,414,914.16	29,709,541	30,779,848
Less:			
Operating costs	26,836,084.12	28,321,159	29,548,654
Set-asides & Transfers	1,137,218.00	1,388,382	1,231,194
Total Expenditures	27,973,302.12	29,709,541	30,779,848
Net of Revs & Exps	\$ 441,612.04	\$ 0	\$ 0
CAPITAL IMPROVEMENT BUDGET			
New Revenues	\$ 211,375.84	\$ 300,000	\$ 30,000
Transfers from General Fund	1,637,218.00	1,188,382	1,231,194
Use of Fund Balance	1,086,225.51	0	0
Total Available Funds	2,934,819.35	1,488,382	1,261,194
Less: Capital project costs	2,934,819.35	1,405,000	1,261,194
Net of Revs & Exps	\$ 0.00	\$ 83,382	\$ 0
SPECIAL PURPOSE BUDGET (Beginning 2016 but not used in 2017)			
New Revenues		\$ 227,000	\$ 0
Transfers from General Fund		560,000	0
Use of Fund Balance		0	0
Total Available Funds		787,000	0
Less: Total Expenditures		267,000	0
Net of Revs & Exps	\$ 520,000	\$ 0	\$ 0
DEBT SERVICE FUND			
Revenues	\$ 76.76	\$ 0	\$ 0
Expenditures	0	0	0
Net of Revs & Exps	\$ 76.76	\$ 0	\$ 0
Combined Fund Balances (Cash Reserves)			
General, Capital Improvement, Special Purpose, and Debt Service Funds			
Begin Balances, Jan 1	\$ 10,661,226.84	\$ 9,863,889	\$ as of 1/2/17
Net of all revs, exps, transfers	(797,337.71)	X as of 1/2/17	X as of 1/2/17
End Balances, Dec 31	\$ 9,863,889.13	X as of 1/2/17	X as of 1/2/17

Figure 1-1: Pierce County Library Value of \$1 in Taxes



2017 Combined Funds Budget

Table 1-1: Combined Funds Budget (Expenditures)

	2015 <u>ACTUALS</u>	2016 <u>FINAL (12/10)</u>	2017 <u>BUDGET (12/14)</u>	% CHANGE 2016 <u>FINAL TO 2017</u>
General Fund (Operating)	\$ 27,973,302.12	\$ 29,709,541	\$ 30,779,848	3.60%
Capital Improvement Fund	2,934,819.35	1,405,000	1,261,194	-10.24%
Special Purpose Fund (Began 2016).....	0.00	267,000	0	-100.00%
Debt Service (minor fund—unbudgeted)	0.00	0	0	0.00%
TOTAL FUNDS BUDGET	<u>\$ 30,908,121.47</u>	<u>\$ 31,381,541</u>	<u>\$ 32,041,042</u>	<u>2.10%</u>

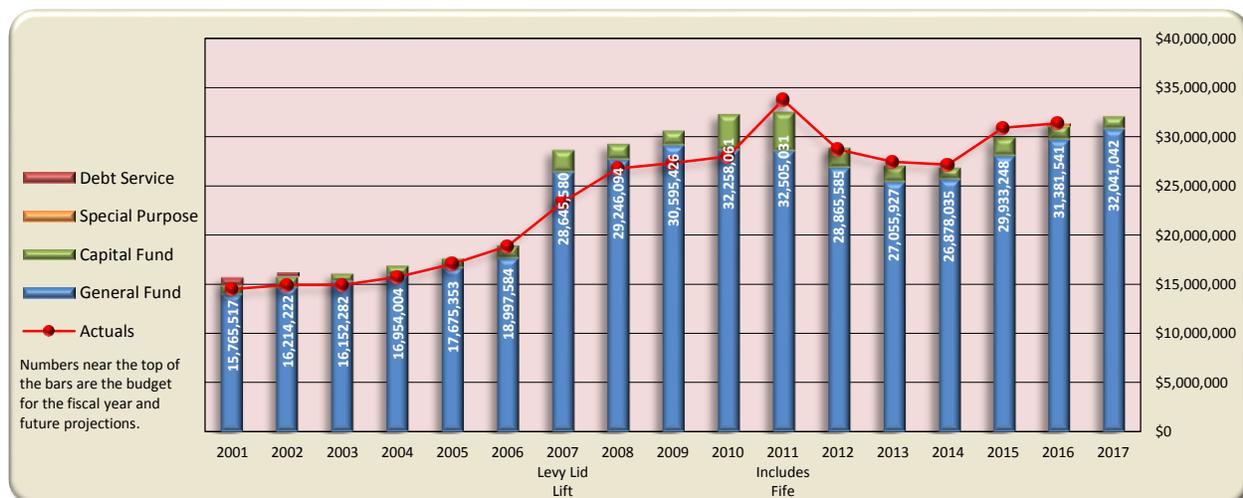
Each year, the Library plans the operating, capital, and special purpose budgets with an eye towards its mission, priorities, and fiscal responsibility. 2017 continues that excellence by creating a budget that promotes service priorities while staying within fiscal realities. For 2017, the combined funds budget is \$32,041,042. The Debt Service Fund remains unused because the Library carries no debt. The capital budget

continues to vary considerably from year to year, depending on Board-approved projects. In 2016 the Library created a fund to manage expenditures for grants and donations, multi-departmental programs, set-asides, and other needs. However, its use was postponed due to replacing the electronic financial/HRIS system (EDEN) in 2017. See table and chart below for the historical combined budget.

Table 1-2: Combined Funds Budget (2013 - 2017 Expenditures)

	2013 <u>FINAL (12/12)</u>	2014 <u>BUDGET (12/11)</u>	2015 <u>BUDGET (12/10)</u>	2016 <u>BUDGET (12/9)</u>	2017 <u>BUDGET (12/14)</u>
General Fund (Operating)	\$ 25,423,927	\$ 25,654,035	\$ 28,063,748	\$ 29,709,541	\$ 30,779,848
Capital Improvement Fund	1,632,000	1,224,000	1,869,500	1,405,000	1,261,194
Special Purpose Fund	0	0	0	267,000	0
Debt Service Fund	0	0	0	0	0
TOTAL	<u>\$ 27,055,927</u>	<u>\$ 26,878,035</u>	<u>\$ 29,933,248</u>	<u>\$ 31,381,541</u>	<u>\$ 32,041,042</u>

Figure 1-2: Combined Funds Budget & Actuals



Part 2 General Fund



Savannah Rose by Katlyn Daniels
2nd Place 9th/10th Grade Winner of the 2015 Our Own Expressions Drawing Contest

2017 Operating Budget Summary

Table 2-1: 2017 Operating Budget Summary

	2015 <u>ACTUALS</u>	2016 <u>FINAL (12/9)</u>	2017 <u>BUDGET (12/14)</u>	% CHANGE 2016 <u>FINAL TO 2017</u>
FUND BALANCE				
Use of Fund Balance (cash reserves).....	\$ 0.00	\$ 0	\$ 0	0.00%
TOTAL USE OF FUND BALANCE		0	0	0.00%
REVENUES				
Taxes	\$ 26,852,835.10	\$ 28,186,541	\$ 29,239,348	3.74%
Intergovernmental.....	218,614.00	15,000	15,000	0.00%
Charges for Services.....	192,685.63	176,000	186,500	5.97%
Fines	505,401.53	550,000	500,000	-9.09%
Other ¹	645,377.90	797,000	839,000	7.29%
TOTAL NEW REVENUES	28,414,914.16	29,709,541	30,779,848	3.60%
TOTAL AVAILABLE FUNDS	28,414,914.16	29,709,541	30,779,848	3.60%
EXPENDITURES				
Personnel	\$ 19,202,557.70	\$ 20,893,026	\$ 21,538,419	3.09%
Maintenance & Operations	3,763,521.91	3,895,960	4,219,890	8.31%
Materials	3,870,004.51	3,532,173	3,790,345	7.31%
SUBTOTAL	26,836,084.12	28,321,159	29,548,654	4.33%
SET-ASIDES & TRANSFERS				
ELECTION SET-ASIDE	\$ 0.00 ¹	\$ 0	\$ 0	0.00%
CONTINGENCY	0.00 ¹	0	0	0.00%
TRANSFERS TO CAPITAL IMPROVEMENT FUND	1,137,218.00	1,188,382	1,231,194	3.60%
TRANSFERS TO SPECIAL PURPOSE FUND ²	-	200,000	0	-100.00%
SUBTOTAL	1,137,218.00	1,388,382	1,231,194	-11.32%
TOTAL EXPENDITURES	27,973,302.12	29,709,541	30,779,848	%
NET OF REVENUES & EXPENDITURES	<u>\$ 441,612.04</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0.00%</u>

Notes:

1. The Election Set-Aside and Contingency budget items are by design budgeted but not spent; the unused funds flow into the General Fund. Beginning with the 2011 budget, the Library identifies these items explicitly in the General Fund. This line item will be eliminated in 2017.
2. Beginning in 2016, a Special Purpose Fund is used to manage expenditures for restricted or committed revenues for programs, projects, and set-asides. However, its use was postponed until after the new Financial/HRIS system is installed in 2017.

The summarized version of the 2017 operating budget is presented in the above table as a balanced budget where expenditures match new revenues and use of fund balance.

A detailed discussion of revenues and expenditures follows in the next two chapters.

Revenues

Summary of Revenues and Revenue Assumptions

Table 2-2: Summary of all Revenues

	2015 ACTUALS	2016 FINAL (12/9)	2017 BUDGET (12/14)	% CHANGE 2016 FINAL TO 2017
Taxes	\$ 26,852,835.10	\$ 28,186,541	\$ 29,239,348	3.74%
Intergovernmental.....	218,614.00	15,000	15,000	0.00%
Charges for Services.....	192,685.63	176,000	186,500	5.97%
Fines	505,401.53	550,000	500,000	-9.09%
Other ¹	645,377.90	797,000	839,000	7.29%
TOTAL NEW REVENUES	\$ 28,414,914.16	\$ 29,709,541	\$ 30,779,848	3.60%

Notes:

1. Includes Foundation donations.

Revenue Projections

The 2017 budget was developed based on returning to the 1% increase plus new construction restrictions on property tax revenue. Because 95% of the Library's budget is derived from property tax and state law strictly regulates property tax collections, it is essential for the Library to project revenues in advance to plan spending for the current budget in light of budgets expected in future years.

By law, the Library may collect up to 50¢ for every \$1,000 of assessed property value. The Library district's property tax rate is based on property values. The 2016 property values increased by 10.33% for 2017 tax collection. When developing future year projections, the Library projected that property values would continue to increase between 2017 and 2021.

The 10.33% increase for tax collections in 2017 exceeded projections. The Library continues to refine revenue projections for 2018–2021. A 10% annual increase is not sustainable, so the Library projects property values to increase for 2018 by around 6%. It remains unclear whether property value increases will remain stable for the next five years.

The mill rate (also known as millage) is calculated after a district's property taxes have been assessed according

to state laws. The mill rate works in inverse: it is driven up when property values decrease, or down when property values increase. However, at no time may the district collect more than 50¢ for every \$1,000 of assessed property value. The 8.52% decline in property values for 2011 collection drove the mill rate up from 46.95¢ to 50¢. The increase in values by 10.33% in 2016 reduced the Library's mill rate for the first time in six years, from 50¢ per \$1,000 of assessed value down to 46.62¢ per \$1,000 assessed value. Being under 50¢ means that increases to this revenue will continue to remain between 2.8% and 3.0% per year henceforth.

These projections are updated several times a year after the preliminary assessed values by the County are made available (using the Case-Shiller data). Because the Library relies on property taxes to fund most of its operations, changes in the non-property tax revenues, while important, don't make significant impact to the bottom line. For example, should investment income decrease by \$10,000, its impact is overshadowed when property taxes increase or decrease by \$1 million. The Library takes all of these into consideration.

2017 Revenue Assumptions

With exception to the Foundation, budgets for some revenue line items can vary greatly from year to year and cannot be predicted with precision. These are reflected in year-end actuals and in any adjusting

budgets during the fiscal year. However, beginning in 2017, the Library will begin budgeting for some line items, such as revenue from small contractual relationships with other entities, Friends donations, and miscellaneous line items.

The Government Finance Officers Association (GFOA) Best Practices recommends analyzing revenue trends and forecasts. Although it doesn't specify how many prior years to report, for discussing 2017 revenues the starting point is set generally at or after 2002 (some begin 2001), when state law was changed to provide only 1% increase in property taxes over the previous year.

On the next page is a table showing budgeted revenues from 2012 through 2017. It provides a six-year listing of revenues (going beyond exceeding the promise to maintain the Levy Lid-Lift goals for six years). The plan was that after seven years, the Library would have strived to maintain the Levy Lid-Lift promises/goals, while taking into consideration fiscal realities. A chart on the next page is also provided to show the comparison of budget, actuals, and projections of revenues (2001 – 2022).

For 2017, total new revenues are budgeted to increase by \$1,070,307 from 2016, a 3.60% increase, of which \$850,000 comes from property taxes.

Revenues other than taxes changed based on experience and trends. The Library budgets revenues from the Pierce County Library Foundation, for Fines, Interest, and other reasonably predictable revenues.

Due to the cyclical nature of revenue receipts versus the regularity of expenditures, there will be temporary shortfalls in the available operating budget (generally in April and October). To fund these shortfalls, the General Fund Balance and if necessary, an inter-fund loan from the Capital Improvement Fund will be used to finance these shortfalls. More information on this is discussed in the Cash Flow Analysis chapter (page 59).

The pie chart below shows the breakdown of revenues by category. The Library's majority of revenues from property taxes stay steady between 94% and 97%. For 2017 the proportion is 95%.

Figure 2-1: Source of Revenues

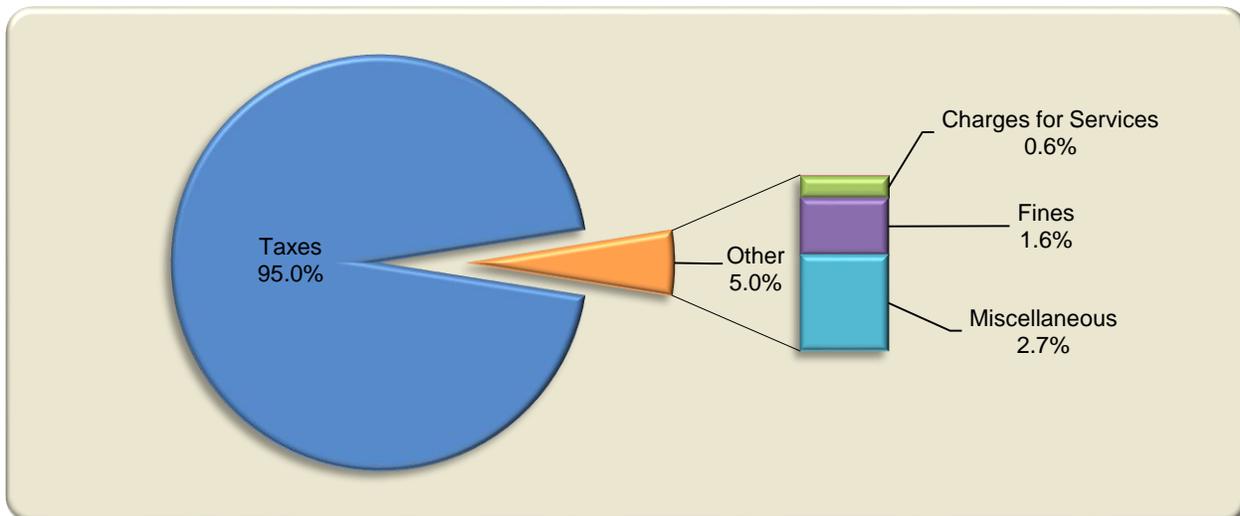


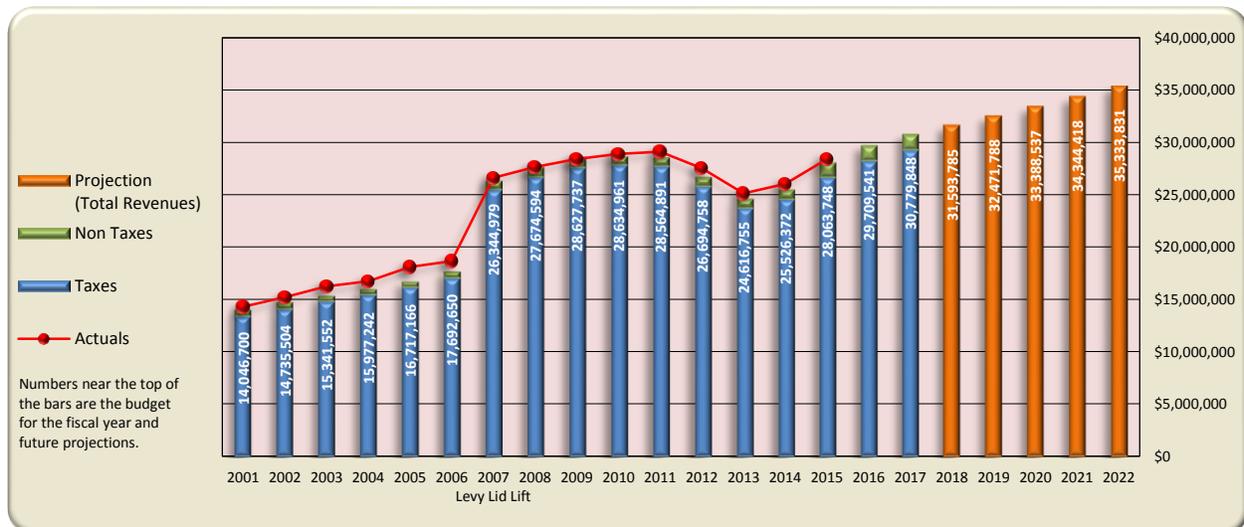
Table 2-3: 2012-17 General Fund Revenue (Final Budgets—Board Approved in December)

	2012	2013	2014	2015	2016	2017	% CHANGE
	FINAL	FINAL	FINAL	FINAL	FINAL	BUDGET	2016 TO 2017
TAX REVENUES							
31111 Property Taxes Current	\$ 24,708,421	\$ 22,724,764	\$ 23,502,762	\$ 25,674,805	\$ 27,294,700	28,304,221	3.70%
31112 Property Taxes Delinquent	988,337	908,991	940,110	872,943	818,841	849,127	3.70%
31130 Sale of Tax Title Property	3,000	3,000	3,000	3,000	3,000	3,000	0.00%
31210 Private Harvest Tax	50,000	50,000	50,000	50,000	0	0	0.00%
31720 Leasehold Excise Tax	10,000	15,000	20,000	20,000	20,000	20,000	0.00%
32740 Timber Excise Tax ¹					50,000	63,000	26.00%
SUBTOTAL	25,759,758	23,701,755	24,515,872	26,620,748	28,186,541	29,239,348	3.73%
	-1,870,133 (-6.55%)	-2,058,003 (-7.98)	814,117 (3.43%)	2,537,376 (9.94%)	1,645,793 (5.86%)	1,070,307 (3.60%)	
NON-TAX REVENUES							
33300 Indirect Federal Grants	\$ 5,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.00%
33740 Shared Fixed Assets - Timber						15,000	New ¹
34160 Copier Fees	25,000	25,000	25,000	30,000	30,000	30,000	0.00%
34161 Graphics Services Charges						7,500	New ²
34162 Printer Fees	45,000	60,000	60,000	105,000	125,000	125,000	0.00%
34163 Fax Fees				21,000	21,000	21,000	0.00%
34193 Orting – Service Fees						3,000	New ²
35970 Library Fines	615,000	615,000	615,000	600,000	550,000	500,000	-9.09%
36110 Investment Income	25,000	10,000	10,000	10,000	5,000	10,000	100.00%
36200 Key Pen Hlth Dept Facility Rev						1,000	New ²
36290 Book Sale Revenue	40,000	20,000	20,000	20,000	20,000	7,000	-65.00%
36700 Foundation Donations	150,000	150,000	225,500	350,000	300,000	300,000	0.00%
36720 Friends' Reimbursements						15,000	New ²
36725 Donations-Other						1,000	New ²
36910 Sale of Scrap and Salvage						5,000	New ²
36920 Unclaimed Property/Found Money						3,000	New ²
36991 Payment for Lost Materials	25,000	25,000	25,000	12,000	12,000	12,000	0.00%
36998 E Rate Reimbursement				250,000	415,000	415,000	0.00%
36699 Rebates – Procurement Card	5,000	10,000	15,000	30,000	30,000	70,000	133.33%
39510 Sale of Fixed Assets ¹			15,000	15,000	15,000	0	-100.00%
SUBTOTAL	935,000	915,000	1,010,500	1,443,000	1,523,000	1,540,500	1.15%
TOTAL REVENUES	\$ 26,694,758	\$ 24,616,725	\$ 25,526,372	\$ 28,063,748	\$ 29,709,541	\$ 30,779,848	3.60%

Notes:

1. Sales of Fixed Assets was moved to Shared Fixed Assets - Timber.
2. These line items are now budgeted; prior years they were recorded only as actuals.

Figure 2-2: Taxes & Non Taxes, Historical & Projections



Property Taxes and Other Taxes

Taxes
\$ 29,239,348

Table 2-4: 2017 Tax Revenues

		2015 <u>ACTUALS</u>	2016 <u>FINAL (12/9)</u>	2017 <u>BUDGET (12/14)</u>	% CHANGE 2016 <u>FINAL TO 2017</u>
31111	Property Taxes Current	\$ 26,144,599.04	\$ 27,294,700	\$ 28,304,221	3.70%
31112	Property Taxes Delinquent.....	602,576.03	818,841	849,127	3.70%
31130	Sale of Tax Title Property	16,024.23	3,000	3,000	0.00%
31210	Private Harvest Tax	0.00	0	0	-100.00%
31720	Leasehold Excise Tax	19,770.52	20,000	20,000	0.00%
31740	Timber Excise Tax ¹	69,865.28	50,000	63,000	26.00%
TOTAL TAXES		<u>\$ 26,852,835.10</u>	<u>\$ 28,186,541</u>	<u>\$ 29,239,348</u>	<u>3.74%</u>

Notes:

1. Sales of Fixed Assets was moved to Shared Fixed Assets - Timber.

Local property taxes constitute 95.0% of total 2017 revenues. The breakdown of these taxes is provided in the above table.

The total allowable levy (Property Taxes Current) is calculated by Pierce County Office of the Assessor-Treasurer using statutory rates and limitations. See below for the preliminary calculation of the tax levy.

A history of the tax base is provided as follows:

<u>For Year</u>	<u>Property Tax Base</u>	<u>%Change</u>
2017	\$ 62,468,255,605	10.33% ¹
2016	56,619,764,586	6.27%
2015	53,277,813,749	8.81%
2014	48,964,088,146	2.94%
2013	47,566,193,799	-8.82%
2012	52,166,456,544	-6.79%
2011	55,964,407,888	-5.11%
2010	58,984,142,315	-5.00%
2009	62,085,405,469	3.34%
2008	60,077,557,821	13.37%
2007	52,990,993,065	25.02%
2006	42,385,528,523	20.00%
2005	35,306,548,741	9.25%
2004	32,318,475,182	6.39%
2003	30,377,319,365	3.84%
2002	29,255,137,258	8.25%

Notes:

The x.xx% is based on the final certificate issued in January 2017 over the final certificate issued in January 2016. The preliminary certificate for 2017 noted a

10.33% increase in property values, which was used for all 2017 budget decisions. The preliminary certificate does not include final assessments made between September and December. Final assessments made in late 2016 affected values by +0.64%.

This base includes the growth in assessed valuation (AV) of existing property in Pierce County and all new construction. For the 2017 fiscal year, the estimated tax base to levy is assessed at nearly \$62.5 billion, which represents a 10.33% increase from the previous year's assessed valuation. The last time the district was assessed at over \$62 billion was in 2009.

Revenue Increases

State law allows the Library to increase its revenues by up to 1% over the previous year, so long as it does not exceed the 50¢ per \$1,000 calculation, also set in state law. Voters restored the levy rate for 2007 to 48¢. In October 2016 the Implicit Price Deflator (IPD, another limiter) was recorded at 0.953%. If the IPD is less than 1%, to collect 1% more than the previous year (or any future year) the Board would need to override the IPD rule. The impact of the IPD being at only 0.047% less than 1% was negligible, so the Library did not request the Board pass a "substantial need" resolution to override it to 1%.

Figure 2-3: 2017 Tax Levy Calculation—Preliminary Certificate



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 2016 FOR 2017	RURAL LIBRARY > 10,000
REGULAR TAX LEVY LIMIT:	2015
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).	28,309,882.29 1.00953 28,579,675.47
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).	1,034,865,628 0.500000000000 517,432.81
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).	881,599,652 881,599,652 0.00 0.500000000000 0.00
D. REGULAR PROPERTY TAX LIMIT (A + B + C)	29,097,108.28
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.	29,097,108.28 62,468,255,605 0.465790312222
F. Annexed area's current assessed value including new construction and improvements times rate found in E above.	0.00 0.465790312222 0.00
G. NEW LEVY LIMIT FOR ANNEXATION (D + F)	29,097,108.28
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)	29,097,108.28 69,195.16 29,166,303.44
I. TOTAL ALLOWABLE LEVY AS CONTROLLED BY THE LEVY LIMIT (D,G,or H)	29,166,303.44
J. Amount of levy under statutory rate limitation.	62,468,255,605 0.500000000000 31,234,127.80
K. LESSER OF I OR J	29,166,303.44

New Construction

New construction varies year to year, depending on property improvements generated by construction (such as new homes, apartments, etc.). For every \$1,000 of new construction, the Library may levy at its current levy rate (46.68¢ for 2017). State law does not apply the 1% limit for revenues received from new construction. New construction can have a significant effect on revenues, as the values can contribute between 2% and 4% of revenue growth. Because the Library is under its statutory limit of 50 cents per \$1,000 assessed valuation, revenues from new construction can be collected. Below is a breakdown that shows new construction values:

For Year	New Construction	PCLS Revenue	% of Budget
2017	\$ 1,034,865,628	\$ 517,433	1.68%
2016	859,436,358	3,609	0.00%
2015	751,513,170	0	0.00%
2014	664,868,196	0	0.00%
2013	688,832,368	0	0.00%
2012	447,391,586	0	0.00%
2011	508,485,021	0	0.00%
2010	759,965,065	408,506	1.43%
2009	1,494,356,425	660,926	2.31%
2008	1,789,938,371	859,170	3.10%
2007 ¹	1,769,575,840	709,401	0.00%
2006	1,519,842,131	696,437	4.09%
2005	1,092,187,309	519,261	3.22%

Notes:

1. New construction was not a factor for 2007 due to the levy lid-lift being calculated at 48¢ per \$1000 of the districts' property value.

Calculation of Mill Rate ("Millage")

The district's property value is used to calculate the levy rate of assessment (mill rate) of individual properties

and the amount the Library will receive for regular property taxes. The statutory limit for taxes is 50 cents per \$1,000 of assessed valuation. Recent mill rates were as follows (table at bottom includes projected mill rates):

For Year	Calculated Mill Rate
2017	\$0.4668
2016	0.5000
2015	0.5000
2014	0.5000
2013	0.5000
2012	0.5000
2011	0.5000
2010	0.4695
2009	0.4437
2008	0.4425
2007	0.4800 ¹
2006	0.4002
2005	0.4560

Notes:

1. Voter approved.

See projected mill rate chart below for future years. The Library estimates that the mill rate will continue to drop over the next three to four years. This will change depending on circumstances, such as permits issued, houses built, major developments, etc.

Final Revenue Calculation for Property Taxes

Property Taxes Current..... \$ 28,304,221
Property Taxes Delinquent \$ 849,127
 For budget purposes the Library applies a 97% collection rate on current property taxes and 3% of the forecasted collection of current taxes as delinquent taxes to be collected. The delinquency collection rate is based on previous years' experience.

Table 2-5: Mill Rate Projections (2013 - 2021)

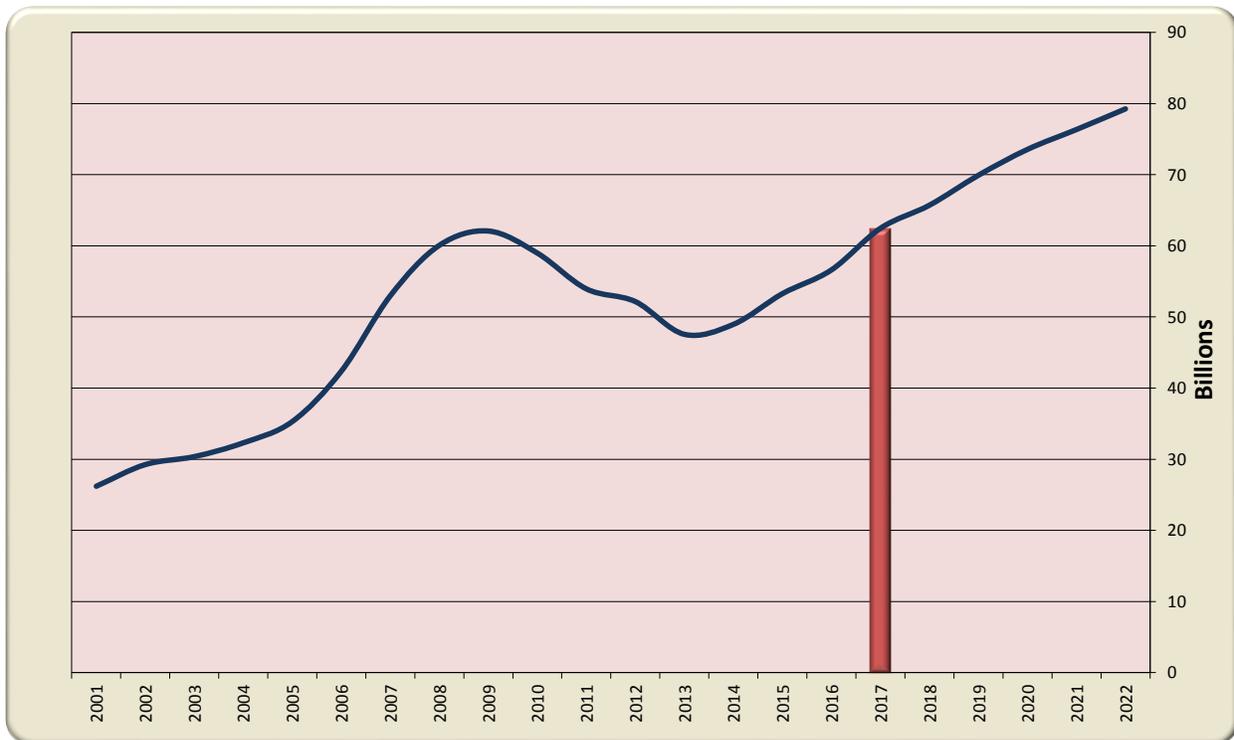
Year	Mill Rate		Assessed Value		Base Property Taxes				New Construction	
	Actual	Projected	\$ Value	Change	Actuals	Projection	Difference	Change	Actuals	Projection
2013	0.5000		47,566,193,799	-8.82%	23,783,097		(2,300,131)	-8.82%	-	-
2014	0.5000		48,964,088,146	2.94%	24,482,044		698,947	2.94%	-	-
2015	0.5000		53,277,813,749	8.81%	26,638,907		2,096,429	8.56%	-	-
2016	0.5000		56,619,764,586	6.27%	28,309,882		1,670,975	6.27%	3,609	-
2017	0.4668		62,468,255,605	10.33%	29,166,303		856,421	3.03%	517,433	
2018		0.4565	65,716,604,896	5.20%	30,001,966	30,001,966	835,663	2.87%		544,000
2019		0.4416	69,922,467,610	6.40%	30,880,986	30,880,986	879,020	2.93%		579,000
2020		0.4322	73,558,435,926	5.20%	31,798,796	31,798,796	917,810	2.97%		609,000
2021		0.4289	76,353,656,491	3.80%	32,748,784	32,748,784	949,988	2.99%		632,000

Timber Excise Tax:\$ 50,000
 Once a major source of revenues, timber excise tax (formerly private harvest tax) steadily declined between 1998 and 2003, had a resurgence in 2004 (see following table) through 2007, and then dropped to less than half in 2008. In 2017 the Library is projected to receive approximately the same as 2016. This source of revenue is not in the Library’s control.

Other Taxes (summarized):\$ 23,000
 Other tax collections include sale of title property and leasehold excise taxes. They are not in the Library’s control, and are not discussed in this section due to their low amounts.

Timber Excise Tax	
<u>Year</u>	<u>Revenue</u>
2017 (estimated).....	63,000
2016 (projected)	63,000
2015	69,865
2014	76,053
2013	70,214
2012	70,352
2011	71,846
2010	35,710
2009	74,516
2008	66,671
2007	168,198
2006	133,861
2005	125,977
2004	109,022

Figure 2-4: Library District Assessed Property Values (2001-Current with 5 Year Projections)



Non-Tax Revenues

Intergovernmental

\$ 15,000

Table 2-6: 2017 Intergovernmental Revenues

	2015 <u>ACTUALS</u>	2016 <u>FINAL (12/9)</u>	2017 <u>BUDGET (12/14)</u>	% CHANGE 2016 <u>FINAL TO 2017</u>
33145 LSTA Federal Direct (IMLS)	\$ 23,000.00	\$ 0	\$ 0	0.00%
33301 Workforce Central.....	137,068.39	0	0	0.00%
33345 LSTA Indirect (Federal IMLS)	7,500.00	0	0	0.00%
33403 State LSTA Direct.....	49,000.00	0	0	0.00%
33533 State Forest Funds/DNR Timber Trust	764.39	0	0	0.00%
33710 Shared Fixed Assets - Timber	1,281.22	15,000	15,000	0.00%
TOTAL INTERGOVERNMENTAL	\$ <u>218,614.00</u>	\$ <u>15,000</u>	\$ <u>15,000</u>	<u>0.00%</u>

The Library receives certain revenues from other governmental entities, such as from grants and contracts. Unless otherwise known for the specific year, these revenues are not predictable and so the Library budgets conservatively.

which has several grant-related programs. The Library applies for these grants throughout the year. For 2017, any revenue from indirect federal grants will be recognized at year end.

Grants..... \$ 0
Indirect Federal Grants are pass-through grants and come typically through the Washington State Library,

Other Intergovernmental (summarized)\$ 15,000
A certain amount of state-owned timber is sold every year and is distributed to the taxing districts.

Charges for Services

\$ 186,500

Table 2-7: 2017 Charges for Services

	2015 <u>ACTUALS</u>	2016 <u>FINAL (12/9)</u>	2017 <u>BUDGET (12/14)</u>	% CHANGE 2016 <u>FINAL TO 2017</u>
34160 Copier Fees	\$ 31,058.39	\$ 30,000	\$ 30,000	0.00%
34161 Graphics Services Charge	9,787.36		7,500	New
34162 Printer Fees	125,714.39	125,000	125,000	0.00%
34163 Fax Fees.....	22,821.61	21,000	21,000	0.00%
34193 Orting - Service Fees	3,240.00		3,000	New
34730 Interlibrary Loan Fees	63.88			
TOTAL CHARGES FOR SERVICES	\$ <u>192,685.63</u>	\$ <u>176,000</u>	\$ <u>186,500</u>	<u>5.97%</u>

Library charges for services include revenue from photocopying, customers printing and faxing in the libraries, and interlibrary loan fees.

Fax Fees.....\$ 21,000
Fax services are available and charged.

Photocopy Fees \$ 30,000
All libraries provide photocopiers for public use. The fee of 10¢ per copy will remain for 2017.

Printer Fees\$ 125,000
All libraries offer laser printers for customers to print from the computers. 10¢ per page is charged.

Other Charges for Services (summarized) ... \$ 10,500

- Foundation pays for funding the Summer Reading program but was not generally not budgeted until 2017.
- The Library provides custodial services to the mixed-used facility owned by the City of Orting.

- Interlibrary Loan Fees are fees charged between libraries for loaning each other books. The Library does not budget these but they are recognized during the mid-year budget process.

Library Fines
\$ 500,000

Table 2-8: 2017 Fines

	2015 <u>ACTUALS</u>	2016 <u>FINAL (12/9)</u>	2017 <u>BUDGET (12/14)</u>	% CHANGE 2016 <u>FINAL TO 2017</u>
35970 Library Fines	\$ 505,401.53	\$ 550,000	\$ 500,000	-9.09%
TOTAL FINES	\$ 505,401.53	\$ 550,000	\$ 500,000	-9.09%

Library fines are received from library customers paying for overdue books and other materials, or for lost items.

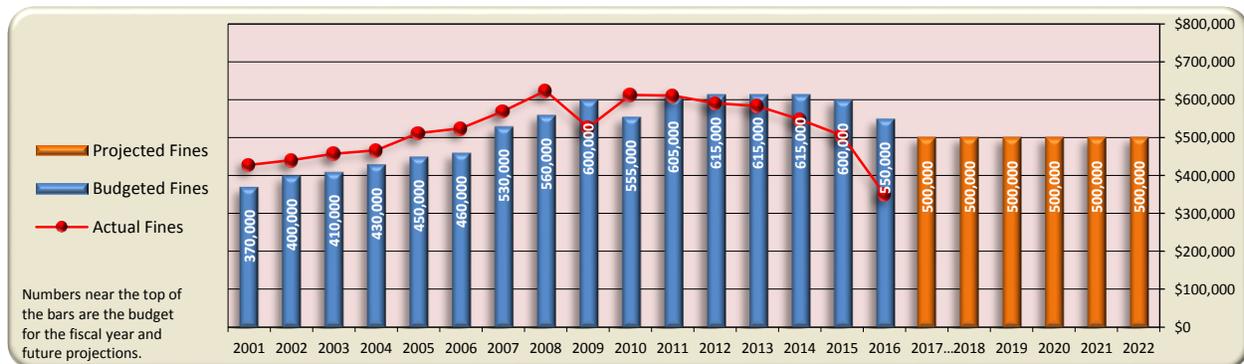
Library Fines\$ 500,000

All materials returned after the due dates are considered late and subject to fines. The daily fine for any item, whether book, DVD or other physical item is 15¢. There are no fines associated with e-books as they are automatically deleted from the customer’s e-book reader at the end of the loan period (3 weeks). The Library had a reasonably consistent trend of increases in this category (see Figure 16) through 2011. Some noteworthy events related to fines are below:

- In 2008, the Library reduced the fines for DVDs, but this did not considerably affect revenues. Also in 2008 the Library began offering customers the convenience of paying their fees online using their credit/debit cards. When this service was offered, there was no offsetting decrease noted in the total of collections in the libraries.

- To great success and to recognize the economic hardships our community was suffering, in October 2009 the Library offered a one-week Fine Amnesty Week that forgave all fines should the customer return overdue books during that week. Per the graph below, note the dip in budget for 2010; this was made on the assumption that Fine Amnesty Week would have an impact in 2010. It did not (as the red line shows); therefore the budget was restored in 2011.
- Beginning in 2012, fines have seen a declining trend, accompanying lower circulation. This is anticipated to continue and future revenue has been lowered.
- In January 2016, the Library tested a new feature that allowed checked out materials to automatically renew without customer action. This dramatically reduced fines revenues.

Figure 2-5: Library Fines Budget & Actuals



Other Revenues
\$ 839,000

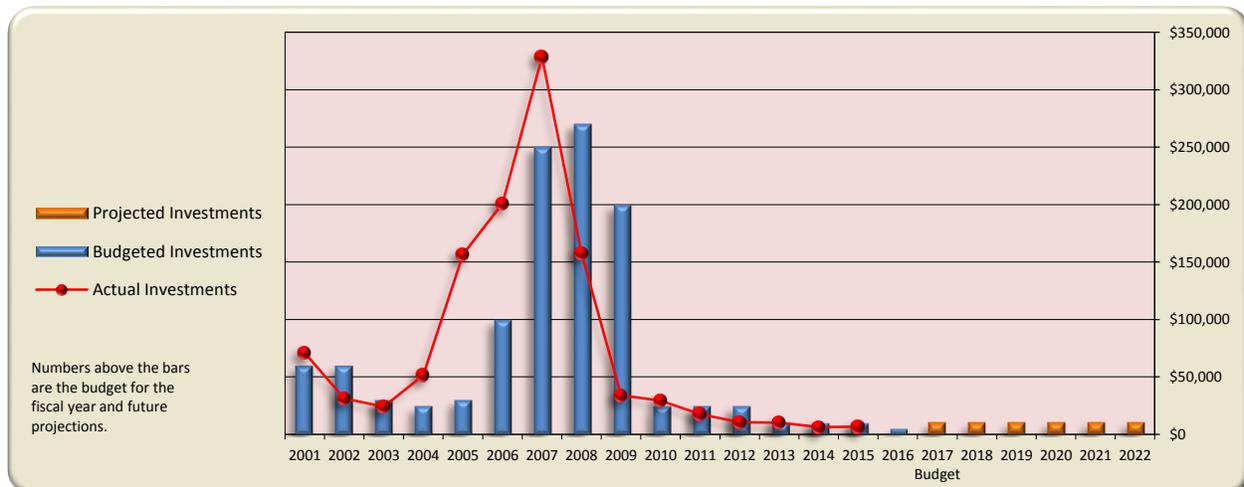
Table 2-9: 2017 Other Revenues

	2015 <u>ACTUALS</u>	2016 <u>FINAL (12/9)</u>	2017 <u>BUDGET (12/14)</u>	% CHANGE 2016 <u>FINAL TO 2017</u>
36110 Investment Income	\$ 6,679.26	\$ 5,000	\$ 10,000	100.00%
36111 Interest – State Forest Fund	1.97			
36190 Other Interest Earnings	0.28			
36200 Key Pen Hlth Dept Facility Rev	3,294.29		1,000	New
36290 Book Sale Revenue	5,790.57	20,000	7,000	-65.00%
36700 Foundation Donations	254,980.44	300,000	300,000	0.00
36710 Friends' Donations	257.01			
36720 Friend’s Reimbursement	30,473.71		15,000	New
36725 Donations – Other	7,249.17		1,000	New
36910 Sale of Scrap and Salvage	9,411.15		5,000	New
36920 Unclaimed Property/Found Money	149.64		3,000	New
36990 Miscellaneous Revenue	1,119.29			
36991 Payment for Lost Materials	11,468.67	12,000	12,000	0.00
36996 Jury Duty Reimbursement	580.00			
36997 Prior Year’s Refunds	8,646.36			
36998 E Rate Reimbursement	233,920.58	415,000	415,000	0.00
36999 Rebates – Procurement Card	71,355.51	30,000	70,000	133.33%
TOTAL OTHER REVENUES	\$ 757,582.06	\$ 782,000	\$ 839,000	7.29%

Other revenues include interest earned on investments and other revenues. Revenues from scrap sales of assets, Friends donations, and collection agencies are not budgeted because they cannot be reasonably predicted, but will be recorded in actuals or budget adjustments. E Rate reimbursement is budgeted revenue as reimbursements from the federal USAC/E Rate program.

Investment Income\$ 10,000
On a weekly basis, the Library invests any substantial amounts of excess cash available after calculating the immediate expenditure needs. This line item was significantly reduced in 2012 to reflect significantly low interest rates. Beginning in 2016 interest rates began to rise again, but will hold steady for the foreseeable future at around 0.5%, up from less than 0.1%. See chart below.

Figure 2-6: Investment Budget & Actuals



Book Sale Revenue \$ 7,000

The Library sends surplus books to retailers that sell materials online. A portion of the sales is forwarded to the Library. Revenues from online sales fluctuate and are budgeted accordingly.

Foundation Donations \$ 300,000

Foundation Donations are budgeted based on funding commitments approved by the Foundation Board in the summer of 2016.

Payment for Lost Materials..... \$ 12,000

This includes payments made by customers for their lost/damaged materials.

E Rate Reimbursement \$ 415,000

ERate is a federally supported program that provides substantial reimbursements to schools and libraries for network, Internet connectivity, and equipment costs. The Library has participated in ERate since 2000. The Library estimates its annual telecommunications costs and applies for the reimbursement. Because the federal program is a July 1 to June 30 calendar year, some of the increased reimbursements are not seen until the following fiscal year. For 2016, the Library anticipates significantly higher reimbursements due to (1) increased connectivity costs from greatly improving speeds and (2) higher ERate percentage discounts.

Rebates—Procurement Card \$ 70,000

The Library will budget rebates from use of purchase/credit cards. When paying invoices, the Library makes every attempt to pay using US Bank purchase cards. When the balance is paid within 30 days, the Library receives 1% “cash back” rebates. Revenue has increased as a result of paying large invoices, such as construction projects and contracts, with purchase/credit cards.

All Other Revenues (summarized)\$ 25,000

This includes all other revenues not identified above, such as refunds, lost/damaged materials revenue, insurance settlements, jury duty fees received, etc. These items are recorded during the mid-year process as actuals.



Back on the Farm by Sydney Paulsen
1st Place 11th/12th Grade Winner of the 2015 Our Own Expressions Photography Contest

Total Budgeted Revenues

Provided below is a complete, combined listing of revenues discussed in this chapter.

Table 2-10: 2017 General Fund Revenues (all combined)

	2015 ACTUALS	2016 FINAL (12/9)	2017 BUDGET (12/14)	% CHANGE 2016 FINAL TO 2017
TAX REVENUES				
31111 Property Taxes Current	\$ 26,144,599.04	\$ 27,294,700	\$ 28,304,221	3.70%
31112 Property Taxes Delinquent.....	602,576.03	818,841	849,127	3.70%
31130 Sale of Tax Title Property	16,024.23	3,000	3,000	0.00%
31210 Private Harvest Tax	0.00	0	0	-100.00%
31720 Leasehold Excise Tax	19,770.52	20,000	20,000	0.00%
31740 Timber Excise Tax.....	69,865.28	50,000	63,000	26.00%
TOTAL TAXES	\$ 26,852,835.10	\$ 28,186,541	\$ 29,239,348	3.74%
NON-TAX REVENUES				
33145 LSTA Federal Direct (IMLS)	\$ 23,000.00			
33301 Workforce Central.....	137,068.39			
33345 LSTA Indirect (Federal IMLS)	7,500.00			
33403 State LSTA Direct.....	49,000.00			
33533 State Forest Funds/DNR Timber Trust	764.39			
33710 Shared Fixed Assets - Timber	1,281.22	15,000	15,000	0.00%
34160 Copier Fees	31,058.39	30,000	30,000	0.00%
34161 Graphics Services Charge	9,787.36		7,500	New
34162 Printer Fees	125,714.39	125,000	125,000	0.00%
34163 Fax Fees.....	22,821.61	21,000	21,000	0.00%
34193 Orting - Service Fees	3,240.00		3,000	New
34730 Interlibrary Loan Fees	63.88			
35970 Library Fines	505,401.53	550,000	500,000	-9.09%
36110 Investment Income	6,679.26	5,000	10,000	100.00%
36111 Interest – State Forest Fund.....	1.97			
36190 Other Interest Earnings	0.28			
36200 Key Pen Hlth Dept Facility Rev	3,294.29		1,000	New
36290 Book Sale Revenue.....	5,790.57	20,000	7,000	-65.00%
36700 Foundation Donations	254,980.44	300,000	300,000	0.00
36710 Friends' Donations	257.01			
36720 Friend's Reimbursement.....	30,473.71		15,000	New
36725 Donations – Other.....	7,249.17		1,000	New
36910 Sale of Scrap and Salvage.....	9,411.15		5,000	New
36920 Unclaimed Property/Found Money	149.64		3,000	New
36990 Miscellaneous Revenue	1,119.29			
36991 Payment for Lost Materials.....	11,468.67	12,000	12,000	0.00
36996 Jury Duty Reimbursement.....	580.00			
36997 Prior Year's Refunds	8,646.36			
36998 E Rate Reimbursement	233,920.58	415,000	415,000	0.00
36999 Rebates – Procurement Card	71,355.51	30,000	70,000	133.33%
SUBTOTAL	1,562,079.06	1,523,000	1,540,500	1.15%
TOTAL REVENUES	\$ 28,414,914.16	\$ 29,709,541	\$ 30,779,848	3.60%

Expenditures

Summary of Expenditures and Assumptions

Table 2-11: 2017 Operating Expenditure Summary

	2015 ACTUALS	2016 FINAL (12/9)	2017 BUDGET (12/14)	% CHANGE 2016 FINAL TO 2017
EXPENDITURES				
Personnel	\$ 19,202,557.70	\$ 20,893,026	\$ 21,538,419	3.09%
Maintenance & Operations	3,763,521.91	3,895,960	4,219,890	8.31%
Materials	3,870,004.51	3,532,173	3,790,345	7.31%
SUBTOTAL	26,836,084.12	28,321,159	29,548,654	4.33%
SET-ASIDES & TRANSFERS				
CONTINGENCY ¹	0.00	0	0	0.00%
TRANSFERS TO CAPITAL IMPROVEMENT FUND	1,137,218.00	1,188,382	1,231,194	3.60%
TRANSFERS TO SPECIAL PURPOSE FUND ²		200,000	0	-100.00%
SUBTOTAL	1,137,218.00	1,388,382	1,231,194	-11.32%
TOTAL EXPENDITURES	\$ 27,973,302.12	\$ 29,709,541	\$ 30,779,848	3.60%

Notes:

1. The Contingency budget item is by design budgeted but not spent; the unused funds flow into the General Fund. Beginning with the 2011 budget, the Library identifies these items explicitly in the General Fund. The Election Set-Aside was moved to the Special Purpose Fund in 2016.
2. Beginning in 2016, a Special Purpose Fund is used to manage expenditures for restricted or committed revenues for programs, projects, and set-asides. However, its use was postponed until after the new Financial/HRIS system is installed in 2017.

Table 2-12: Allocation of Budgeted Costs (2010 - 2017)

	2010	2011	2012	2013	2014	2015	2016	2017
Personnel	64.2%	67.1%	69.6%	72.9%	73.4%	70.9%	70.3%	70.0%
Maintenance & Operations	10.7%	12.6%	11.4%	12.2%	12.8%	13.4%	13.1%	13.7%
Materials (books, DVDs, etc)	16.1%	16.1%	16.0%	13.0%	12.8%	12.7%	11.9%	12.3%
TOTAL OPER. EXPENDITURES	91.0%	95.8%	97.0%	98.1%	99.0%	97.0%	95.3%	96.0%

The operating budget consists of three major areas of operating expenditures that usually account for over 95% (see table below) of total expenditures.

Personnel costs are based on the labor agreement, which is under negotiations for a new contract for 2016-2019. Cost of medical benefits usually rises faster than inflation, at times by more than 10%. Between 2005 and 2015, the Library's contribution rate to retirement costs increased by 409%. These rates are set by the Legislature, and has had a dramatic effect on the budget. The Library anticipates that the Legislature will

keep rates relatively steady for the next two to three years. (See Benefits, under Personnel section, below.)

Traditionally the Library has allocated a percentage of revenue for materials (books, music, movies, magazines, downloadable materials, etc.). In 2012 the Library conducted a comprehensive evaluation of the materials budget, studying how it could best support what customers want. Through research on current use, customer demand and a review of related statistics and data, the Library identified how to reduce the budget by

about \$1 million, while still providing a vibrant collection. 2017's budget was increased by about \$250,000 to be at 13% of property tax revenue.

Table 2-13: 2017 Expenditures—BARS Summary Level

	2015 ACTUALS	2016 FINAL (12/9)	2017 BUDGET (12/14)	% CHANGE 2016 FINAL TO 2017
PERSONNEL				
5.11.xx Salaries & Wages.....	\$ 14,356,696.19	\$ 15,714,247	\$ 16,423,405	4.51%
5.12.xx Overtime Wages	16,473.98	7,400	12,400	67.57%
5.2x.xx Employee Benefits	4,829,387.53	5,707,098	6,000,048	5.13%
SUBTOTAL	19,202,557.70	21,428,745	22,435,853	4.70%
5.19.99 ¹ Reduction in salaries planning budget to.....	0	(535,719)	(897,434)	-67.52%
& 5.29.99 match projections (2.5% in 2015 & 2016; -4% in 2017)				
SUBTOTAL	19,202,557.70	20,893,026	21,538,419	3.09%
MAINTENANCE & OPERATIONS				
5.31.xx Supplies.....	370,745.93	393,800	443,000	12.49%
5.32.xx Fuel	34,448.82	47,000	47,500	1.06%
5.35.xx Small Tools and Minor Equipment.....	205,489.53	100,600	369,500	267.30%
5.41.xx Professional Services.....	500,392.78	561,050	618,900	10.31%
5.42.xx Communications	466,820.93	497,900	495,100	-0.56%
5.43.xx Travel	53,560.97	77,550	95,250	22.82%
5.44.xx Advertising	38,237.67	69,500	47,400	-31.80%
5.45.xx Operating Rentals/Leases	399,430.81	436,400	438,600	0.50%
5.46.xx Insurance	149,313.66	200,000	225,000	12.50%
5.47.xx Utilities.....	358,562.78	322,000	327,400	1.68%
5.48.xx Repair and Maintenance.....	992,324.75	1,041,900	927,100	-11.02%
5.49.00 Registrations & Tuition Assistance.....	44,826.60	43,850	40,100	-8.55%
5.49.0x Miscellaneous	132,941.23	104,410	127,040	21.67%
5.51.xx Intergovernmental	16,425.45	0	18,000	New%
SUBTOTAL	3,763,521.91	3,895,960	4,219,890	8.31%
MATERIALS				
5.34.xx Materials	3,870,004.51	3,532,173	3,790,345	7.31%
SET-ASIDES & TRANSFERS				
5.49.12 CONTINGENCY ²	0.00	0	0	0.00%
5.97.00 TRANSFERS TO CAPITAL IMPROVE. FUND.....	1,137,218.00	1,188,382	1,231,194	3.60%
5.97.00 TRANSFERS TO SPECIAL PURPOSE FUND ³		200,000	0	-100.00%
SUBTOTAL	1,137,218.00	1,388,382	1,231,194	-11.32%
TOTAL EXPENDITURES	\$ X	\$ 29,709,541	\$ 30,779,848	3.60%

Notes:

1. Due to the personnel line item coding requirements of BARS for 5.19.xx for Salaries & Wages and 5.29.xx for Benefits, Coding for the -4% reduction must be split between 5.19.xx and 5.29.xx, hence 5.19.99 and 5.29.99.
2. The Contingency budget item is by design budgeted but not spent; the unused funds flow into the General Fund. Beginning with the 2011 budget, the Library identifies this item explicitly in the General Fund.
3. Use of the Special Purpose Fund was postponed until after the new Financial/HRIS system is installed in 2017.

Personnel

\$ 21,538,419

Table 2-14: 2017 Personnel Detail

	2015 ACTUALS	2016 FINAL (12/10)	2017 BUDGET (12/9)	% CHANGE 2016 FINAL TO 2017
51110 Salaries & Wages.....	\$ 13,610,105.23	\$ 14,984,682	\$ 15,740,226	5.04%
51105 Additional Hours	334,825.10	273,883	236,198	-13.76%
51106 Shift Differential.....	145,693.82	159,882	168,481	5.38%
51107 Substitute Hours	266,072.04	295,500	268,000	-9.31%
51109 Tuition Assistance Program.....	0.00	300	10,500	3,400.00%
51200 Overtime Wages	16,473.98	7,400	12,400	67.57%
52001 Industrial Insurance	155,806.39	196,629	190,016	-3.36%
52002 Medical Insurance	1,980,561.39	2,289,031	2,442,485	6.70%
52003 FICA	1,085,307.62	1,202,711	1,257,343	4.54%
52004 Retirement	1,384,557.50	1,727,914	1,809,385	4.71%
52005 Dental Insurance	197,075.49	219,387	229,810	4.75%
52003 Other Benefit	10,800.00	10,540	10,540	0.00%
52010 Life and Disability Insurance	15,237.51	29,086	28,669	-1.43%
52020 Unemployment Compensation	0.00	30,500	30,500	0.00%
52200 Uniforms	41.63	1,300	1,300	0.00%
SUBTOTAL PERSONNEL	19,202,557.70	21,428,745	22,435,853	4.70%
51999 ¹ Reductions in salaries planning	0.00	(510,187)	(897,434)	-67.52%
& 52999 budget to match projections (-2.5% in 2016, -4% in 2017)				
TOTAL PERSONNEL	\$ 19,202,557.70	\$ 20,893,026	\$ 21,538,419	3.09%

Notes:

1. Due to the personnel line item coding requirements of BARS for 51xxx for Salaries & Wages and 52xxx for Benefits, Coding for the -4% reduction must be split between 51xxx and 52xxx, hence 51999 and 52999.

Personnel costs account for over 70% of expenditures and pay for staffing the Library to meet its mission and goals. The total change for 2017 from 2016 is 3.09%. The Library reduced the bottom line personnel budget to account for the realities of personnel changes through the year. While the Library budgets by position, when retirements, resignations, or terminations occur, filling the vacancies takes time and incoming employees are hired generally at lower salary steps than the departed employees. Therefore, by applying an adjustment to the personnel budget to match projections, the Library can reduce its budget without causing budget hardship. A study of budget to actual from 2002-2011 shows that on average actuals came in 5% less than budget. In 2013 and 2014 the Library applied a 3% reduction, and in 2015 it was reduced to 2.5%, which was kept for 2016. Another study was conducted in late 2016 and determined that it could be increased to 4%. The Library monitors this through the year and may make adjustments.

Salaries and Wages \$ 15,750,726
Staffing includes all full and part-time personnel located in all locations. Salaries and Wages include Tuition Assistance.

Additional Hours..... \$ 236,198
Additional hours are used to pay part-time regular staff to cover illness, vacations, and other staffing needs.

Substitute Hours..... \$ 268,000
Substitute hours are used to pay individuals who are “on-call” and have no regularly assigned hours to cover illness, vacations, and other staffing needs.

Shift Differential \$ 168,481
Union employees who work Sunday hours are paid at 1.5 times their regular non-Sunday wages. The amount is estimated each year.

Overtime\$ 12,400

Overtime costs are established by Managers for emergency or unusual situations that require an hourly employee to work beyond the 40-hour workweek. Library management keeps overtime costs low but increased it for 2017.

Benefits\$ 6,000,048

Benefits as a category include medical and dental costs, retirement, payroll taxes, and unemployment insurance.

The 2014 Legislature passed retirement rates for 2014 and 2015 (July-June). Therefore the Library will budget at the State Actuary’s Office expected analysis (11.18% for 2016-18). Rates can and have had a major impact on the Library’s budget. The following shows historic and projected contribution rates:

July 2018 - June 2019: 13.120%

July 2017 - June 2018: 13.120%

July 2016 - June 2017: 11.180%

July 2015 - June 2016: 11.180%

July 2014 - June 2015: 9.210%

July 2013 - June 2014: 9.210%

July 2012 - June 2013: 7.250%

July 2011 - June 2012: 7.250%

July 2010 - June 2011: 5.310%

July 2009 - June 2010: 8.310%

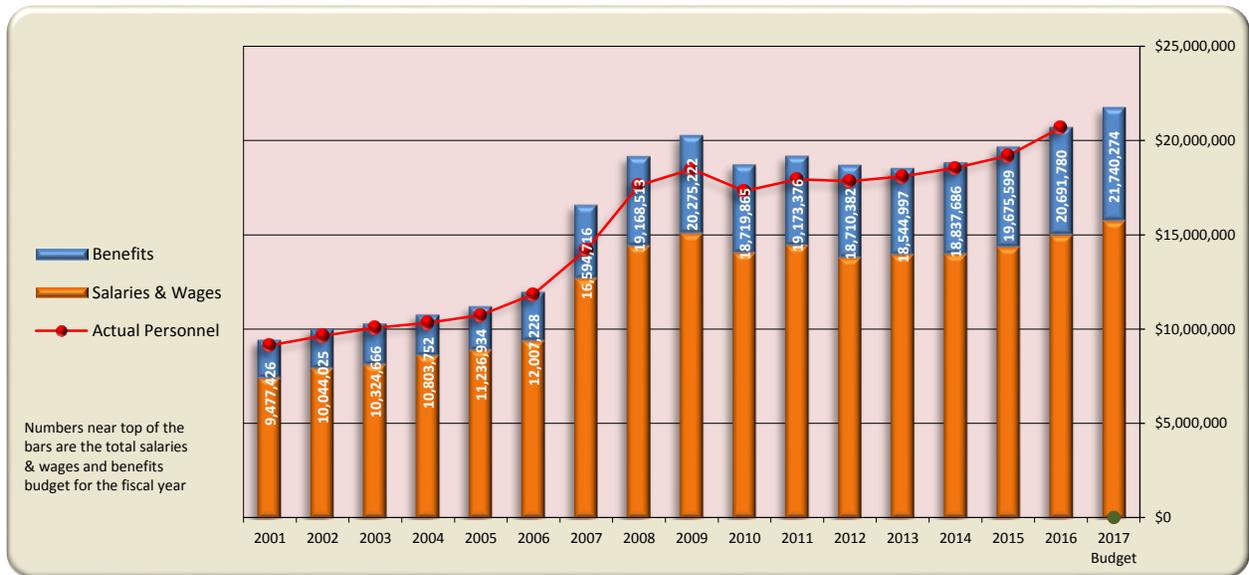
July 2008 - June 2009: 8.310%

July 2007 - June 2008: 5.940%

July 2006 - June 2007: 3.065%

Provided below is a chart that shows the historical budgeting and actual of the personnel costs for the Library.

Figure 2-7: Personnel Budget & Actuals



Library Staffing

Table 2-15: Budgeted Library Staffing

DEPARTMENT FTE STAFFING ¹	2015 FINAL (12/10)	2016 FINAL (12/9)	2017 FINAL (12/14)	2017 FTEs w/ MLS/MLIS ²
Executive Office	5.00	4.00	5.00	2.00
Collection Management	28.78	28.00	23.20	6.00
Customer Experience	183.70	188.81	190.16	48.40
Communications	5.85	5.60	5.60
Facilities Management	19.85	20.51	26.83
Finance	6.00	6.00	6.00
Fund Development	2.75	2.80	2.80
Information Technology	12.20	17.00	18.00
Staff Experience	4.80	4.80	6.00
TOTAL FTE COUNT	268.93	277.52	283.59	56.40
Change in personnel by FTE from previous year	2.29	8.59	6.07	0.40
	0.86%	3.19%	2.19%	0.71%

Notes:

1. See chapter on department narratives for a breakdown of budgets by department.
2. MLS or MLIS: Masters of Library Science or Library Information Science graduate degree, a requirement to hold the title "Librarian".

The Library maintains a workforce of fulltime and regular part-time employees with regularly assigned hours that calculate into fulltime equivalent (FTEs) employees, where 1 FTE equates to 40 hours per workweek and may be spread over one or more employees. The Library also maintains a substitute, on-call workforce with no regularly assigned hours (similar to schools). FTEs are found in the above table and in the chapter on department narratives.

Changes in Overall Staffing (2012-2017)

2012 Facing a \$1.9 million shortfall, the Library extensively reorganized management and also administrative reductions (most in the way of eliminating open positions), which ended in minimal staff layoffs in front-line positions. The budgeted reduction in staffing was -5.08 FTEs. Further reductions were avoided due to creating a workforce for the new Fife Library using employees who otherwise would have been laid off.

2013 The Library faced its largest budget reduction to date at \$3 million. As part of its planning strategy, the Library filled most vacancies during 2012 as temporary positions that could be eliminated at the end of the year as needed to meet necessary budget reductions. Several positions were

eliminated when bookmobile service was ended in November 2012.

2014 The Library reduced 1.5 FTEs as part of implementing efficiencies in the Finance and Staff Experience Departments. Hours or positions were added in other departments to maintain or increase service needs.

2015 No major staffing changes occurred.

2016 FTE levels remained stable. The Strategic Planning project will drive future staffing adjustments and priorities.

2017 A comprehensive staffing audit was conducted in 2016 to ensure that all staff and their FTEs were accounted for in the budget. Minor adjustments were made.

Maintenance & Operations

\$ 4,219,890

Table 2-16: 2017 Maintenance & Operations Detail

	2015 <u>ACTUALS</u>	2016 <u>FINAL (12/9)</u>	2017 <u>BUDGET (12/14)</u>	% CHANGE 2016 <u>FINAL TO 2017</u>
53100 Office/Operating Supplies	\$243,437.96	\$ 236,100	250,800	6.23%
53101 Custodial Supplies	54,892.67	52,500	60,000	14.29%
53102 Maintenance Supplies	36,030.98	60,200	60,200	0.00%
53103 A/V Processing Supplies	16,279.96	25,000	25,000	0.00%
53104 Book Processing Supplies	20,104.36	20,000	20,000	0.00%
53105 Training Supplies			10,500	New
53171 Graphics Supplies Sum. Reading			16,500	New
53200 Fuel	34,448.82	47,000	47,500	1.06%
53500 Minor Equipment	19,812.95	3,500	17,700	405.71%
53501 Furnishings	91,138.79	35,000	50,000	42.86%
53502 Technology Hardware	71,860.79	50,000	46,300	-7.40%
53505 Software Licenses/Hosting	22,677.00	12,100	255,500	2,011.57%
54100 Professional Services	378,685.13	457,750	498,400	8.88%
54101 Legal Services	53,278.61	30,000	45,000	50.00%
54102 Collection Agency	18,774.08	17,000	14,000	-17.65%
54161 Resource Sharing Services	13,021.20	19,000	15,000	-21.05%
54162 Bibliographics Services	34,987.07	33,000	35,000	6.06%
54163 Printing and Binding	0.00	1,500	9,000	500.00%
54165 Inter Library Loan Lost Item Charges	1,646.69	2,800	2500	-10.71%
54200 Postage	25,101.47	36,600	33,800	-7.65%
54201 Telephone/Data Lines	441,719.46	461,300	461,300	0.00%
54300 Travel	23,457.11	47,200	60,000	27.12%
54301 Mileage Reimbursements	30,103.86	30,350	35,250	16.14%
54400 Advertising	38,237.67	69,500	47,400	-31.80%
54501 Rentals/Leases - Buildings	374,286.48	404,000	404,500	0.12%
54502 Rentals/Leases - Equipment	25,144.33	32,400	34,100	5.25%
54600 Insurance	149,313.66	200,000	225,000	12.50%
54700 Electricity	256,973.67	235,000	235,000	0.00%
54701 Natural Gas	10,448.47	15,000	15,000	0.00%
54702 Water	27,390.71	21,000	29,700	41.43%
54703 Sewer	31,421.60	25,000	16,200	-35.20%
54704 Refuse	32,328.33	26,000	31,500	21.15%
54800 General Repairs/Maintenance	262,579.82	231,300	276,400	19.50%
54801 Contracted Maintenance	728,744.93	779,600	640,700	-17.82%
54803 Maint. Telecomm Equipment	374,286.48	31,000	10,000	-67.74%
54900 Registrations	1,000.00	41,850	39,600	-5.38%
54901 Dues and Memberships	42,267.88	30,170	41,600	37.89%
54902 Taxes and Assessments	37,153.00	29,500	29,500	0.00%
54903 Licenses and Fees	30,608.77	43,950	52,650	19.80%
54904 Miscellaneous	65,135.75	790	3,290	316.46%
54905 Event Registration	43.71	2,000	500	-75.00%
55100 Intergovernmental	2,558.72	0	18,000	New
Total Maintenance & Operations	<u>\$3,763,521.91</u>	<u>\$ 3,895,960</u>	<u>\$ 4,219,890</u>	<u>8.31%</u>

The following descriptions are based on the BARS summarized categories and not the complete line item breakdowns as presented in the table above, which is a complete listing of all line items. See the BARS Summary Table presented at the beginning of this chapter.

Supplies\$ 443,000

The Supplies category includes office and operating supplies, custodial supplies, maintenance supplies, materials processing supplies, audiovisual and book processing supplies, supplies for the Summer Reading Program, and audio/visual replacement parts. The amount budgeted is 12.5% more than budgeted last year, due to increased needs for 2017.

Fuel.....\$ 47,500

Fuel consists of charges for gasoline, diesel, and propane. Fuel budget remains slightly increased from 2016.

Smalls Tools & Minor Equipment.....\$ 369,500

Minor equipment includes furniture, computers, printers, scanners, and software. This category increased by 267.3%, mainly due to the shifting of some software licenses that were in Repair and Maintenance.

Professional Services\$ 618,900

This category includes services provided by a private business or agency. In addition to the services of attorneys, accountants, and consultants, it includes software consultants, interpreters, trainers, maintenance-related services, etc. This increased by 10.31%.

Communications.....\$ 495,100

Communications include all Library mailings (postage, Federal Express, UPS, courier services); voice communication service (monthly service and long distance, TDD, and cellular); costs associated with the high speed network lines connecting all Library computers together and to the Internet; leased telephone lines used in support of Internet access; and costs associated with having landline phone lines for security alarm monitoring. Communications decreased by -0.56%.

The Library annually applies for E-rate reimbursements for network connectivity costs, including Internet services. The Library receives reimbursement for about 80% of overall connectivity costs from the Federal E-rate program either as direct reimbursement or applied to telecommunication provider’s monthly statements. E-rate reimbursements are projected to be similar to 2016.

Travel\$ 95,250

This includes reimbursement to employees and Board of Trustees for use of personal automobiles on Library business and travel expenses associated with attendance at training and continuing education events, conferences, and seminars. The budget is 22.8% more.

Heart has Human Hate

The beauty lies in darkened eyes
 Or hides around unhealthy tides,
 A ‘love you’ seems a deathly scheme
 And ‘pretty’ morphed as ‘ugly’ dreams.
 To cut can only bring relief,
 A sorrow between black and grief
 No light can reach through murky ice
 To warm the soul that rolls a dice.
 But final breath to soon be past
 A saving grace to come at last?
 A pill slipped back into its case
 For love has come and peaked its face
 ‘I know the pain you try to bare,
 For I have just been saved from there.’

Allison Moren
 Covenant High School

2015 Our Own Expressions
9th & 10th Grade Poetry Winner—3rd place

Advertising\$ 47,400

This includes newspaper advertising for library activities, advertising employee and Board of Trustees vacancies, requests for bids, and other marketing. The amount budgeted decreased by -31.8%.

Operating Rentals/Leases\$ 438,600

This includes leases of the remaining fleet of copy machines, and leases for the DuPont Library and Milton/Edgewood Library, and UP Library condominium agreement costs. The amount budgeted increased by 0.5%.

Insurance\$ 225,000

This includes all insurance for the Library’s real and personal property, vehicles, fidelity, errors and omissions, employment practices, umbrella plan, commercial crime, cybercrime, differences in conditions, earthquake and underground storage tanks. Coverage remains the same as 2016.

Utilities\$ 327,400

Utilities include electricity, natural gas, water, sewer, and refuse collection for all Library facilities. In 2003, the Facilities Management Department implemented

significant energy conservation projects throughout the system, which continue to result in dramatic year-to-year offsets of significant rate increases. The amount budgeted is 1.7% more than 2016.

Repair & Maintenance.....\$ 927,100

This category includes commercial repair of the Library’s office equipment; fees for the maintenance and service contracts for the Polaris Integrated Library System (ILS) software and related hardware; telecommunications system, personal computer and peripheral maintenance, elevator service, heating, ventilation and air conditioning preventive maintenance; and unscheduled commercial repairs, septic tank cleaning, and pest control. The budget decreased by -11.0%, mainly due to shifting software costs to Small Tools & Minor Equipment.

Training\$ 40,100

Training includes non-travel costs for attendance at classes, seminars, and conferences.

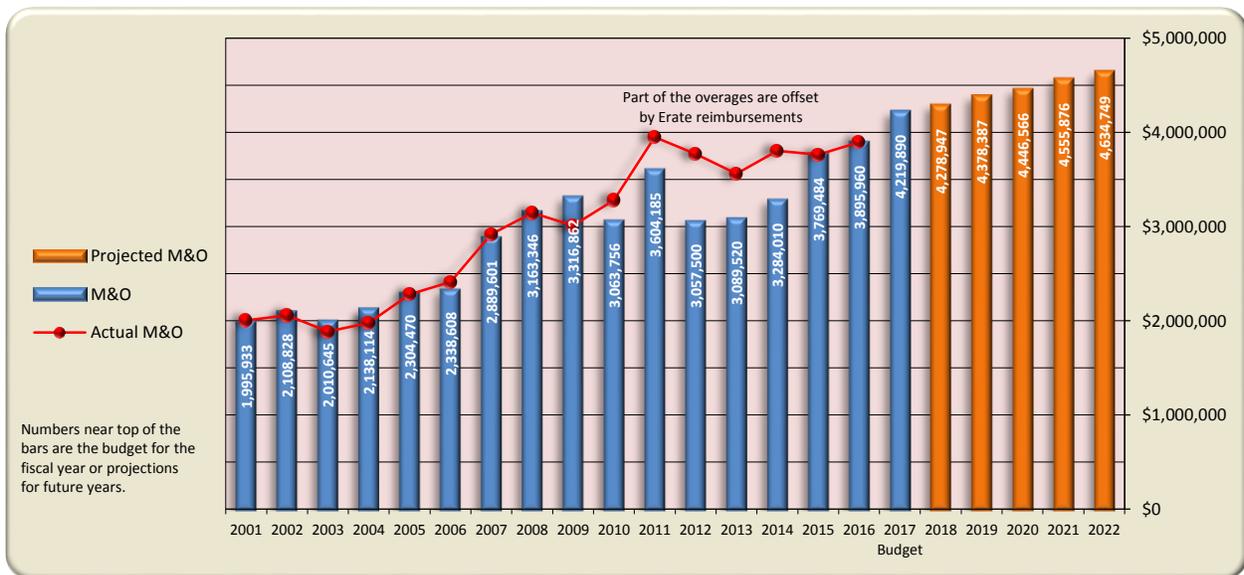
Intergovernmental.....\$ 18,000

This category includes costs associated with fees paid to other governmental agencies. The amount budgeted is for the next biennial audit scheduled to be conducted in late 2017.

Miscellaneous.....\$ 127,040

This category includes memberships in ALA, WLA, and PNLA, and dues for local Chambers of Commerce and other groups; sales tax payable on photocopies/printers and graphics sales, use tax on out-of-state purchases, and sewer assessments/surface water management fees. It also includes fees for driving records requests, bad debt expenses/bank fees, and charges associated with the collection of fines, and other charges at the branches. This category increased by 21.7%.

Figure 2-5: Maintenance & Operations Budget & Actuals



Books, Movies, Music, and Downloadables (Materials)

\$ 3,790,345

Table 2-17: 2017 Materials Detail

		2015	2016	2017	% CHANGE 2016
		<u>ACTUALS</u>	<u>FINAL (12/9)</u>	<u>BUDGET (12/14)</u>	<u>FINAL TO 2017</u>
53401	Adult Materials	3,869,233.98	806,000	TBD	TBD
53403	Periodicals.....	763,486.54	88,135	TBD	TBD
53405	Juvenile Books.....	77,175.23	544,279	TBD	TBD
53406	Professional Collection.....	515,958.44	4,200	TBD	TBD
53407	International Collection	3,915.97	60,000	TBD	TBD
53408	Audiovisual Materials - Adult.....	21,345.44	842,000	TBD	TBD
53409	Audiovisual Materials - Juvenile.....	996,767.46	94,000	TBD	TBD
53411	Electronic Info Sources.....	369,817.51	379,068	TBD	TBD
53412	Reference Serials.....	12,127.73	18,000	TBD	TBD
53413	Electronic Services	151,135.78	143,391	TBD	TBD
53414	Electronic Collection	682,616.97	400,100	TBD	TBD
53464	Vendor Processing Services	187,833.95	153,000	TBD	TBD
53499	Gifts - Materials.....	770.53	0	TBD	TBD
TOTAL MATERIALS		\$ <u>3,870,004.51</u>	\$ <u>3,532,173</u>	\$ <u>3,790,345</u>	<u>7.31%</u>

Pierce County Library System provides a wealth of materials for its customers to read, view and listen to. Books, movies, music, magazines, eBooks and more are carefully selected from a variety of sources. Staff get to know the interests and needs of each community so branch collections are customized to support the unique interests of their customers.

Prior to 2013 the Library had allocated 16% of new revenues for the materials budget. Using customer-driven priorities and a zero-based budget technique, a staff committee was able to reduce the materials budget for 2013 by \$1 million while preserving a vibrant collection with breadth and depth of interest.

In 2012, the Library conducted a comprehensive study of the Materials it buys, how much it spend on each and how the items purchased are used. The study looked at each branch holistically, balancing the need for books, computers, gathering spaces, quiet reading corners and meeting rooms.

For 2017, the Materials budget was revised to be 13% of operating revenue. Figure 2-6 below shows the historical funding of Materials as a percentage of each year’s new revenues. The spike in the 2005 Materials budget is due to a carrying forward of unexpected 2004 unexpended funds (the catalog system replacement project delayed purchasing and receipt of materials).

Figure 2-6: Materials Budget History (Actuals 1995 - 2015)

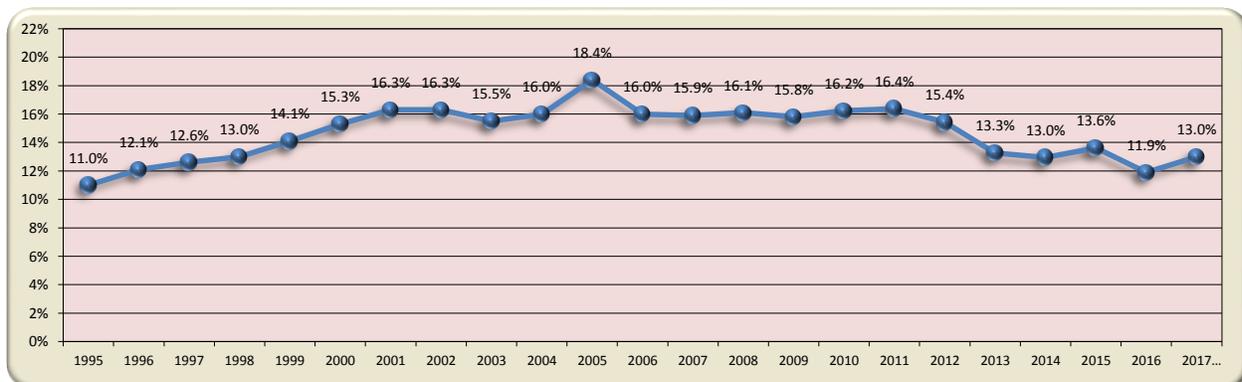


Figure 2-7: Materials Expenditures Per Capita History (Actuals 1995 - 2015)

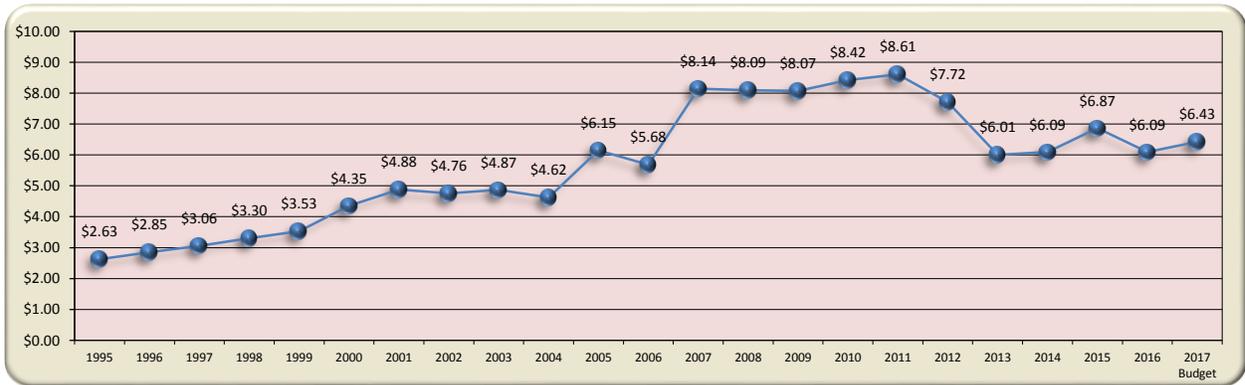
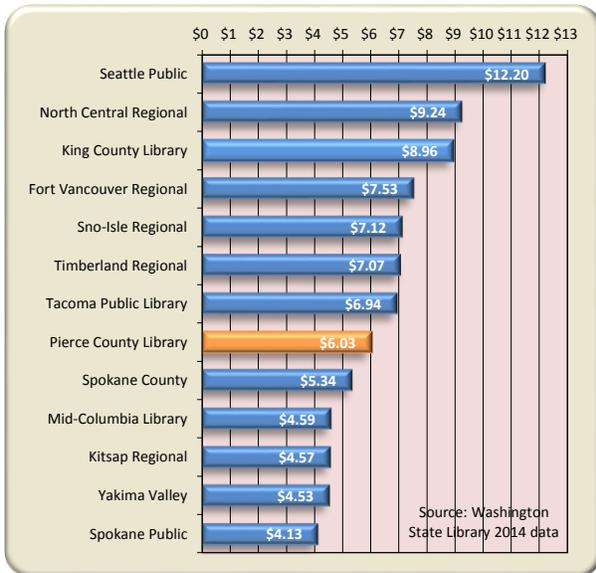


Figure below shows PCLS’s Materials budget per capita, which is an effective measure of our focus on our collection. The figure at right gives a comparison of our budget along with that of other local libraries. We are 8th out of the 13 regional libraries for the second year in a row. The 2017 materials expenditure per capita is estimated to be \$6.43 per capita.

Figure 2-8: Materials Expenditures Per Capita Comparison (2014)



In 2012 the Library was reported as third among the above libraries, at \$7.64 per capita. Due to the ongoing impact of materials budget reductions since 2013, in 2014 the Library dropped to the middle at \$6.03 per capita.

Beginning in 2017, the Library returned to a percentage of revenues to fund purchase of materials.

The Hare Who Lost the Race

I lost, to a turtle
 Why
 I was being stupid
 I won't go home
 My brother will laugh
 He'll say, "You'll never beat me"
 But I could
 Running in the morning
 With the dew still on the leaves
 Only the sun racing me
 I am fast
 I am free
 No one judging me
 Or racing me
 Just me
 Kicking dirt
 Happily
 Loving every moment
 Try
 Try to beat me then, dear brother

Makaela Whalen
 Cedarcrest Junior High

2015 Our Own Expressions
7th & 8th Grade Poetry Winner—3rd place

Other Set-Asides & Transfers

\$ 1,231,194

Table 2-18: 2017 Other Expenditures, Set-Asides, and Transfers

	2015 ACTUALS	2016 FINAL (12/9)	2017 BUDGET (12/14)	% CHANGE 2016 FINAL TO 2017
CONTINGENCY ¹	0.00	0	0	0.00%
TRANSFERS TO CAPITAL IMPROVEMENT FUND ...	1,137,218.00	1,188,382	1,231,194	3.60%
TRANSFERS TO SPECIAL PURPOSE FUND ²		200,000	0	-100.00%
TOTAL SET-ASIDES & TRANSFERS	\$ 1,760,245.00	\$ 1,388,382	\$ 1,231,194	-11.32%

Notes:

1. The Contingency budget item is by design budgeted but not spent; the unused funds flow into the General Fund. Since the 2011 budget, the Library identifies these items explicitly in the General Fund.
2. Beginning in 2016, a Special Purpose Fund was used to manage expenditures for restricted or committed revenues for programs, projects, and set-asides. Use of the Special Purpose Fund was postponed until after the new Financial/HRIS system is installed in 2017.

Contingency..... \$ 0

The Library uses contingency as a floating variable to calculate cash-solvency to pay April’s bills two fiscal years ahead. Having set-aside enough in unrestricted reserves, and given that the Library’s budget is decreasing, no cash needs to be set-aside to cover cash flow shortfalls. For 2016, this means that enough restricted funds are available to plan for paying April 2016’s bills. The Library’s goal is to maintain at least 2% cash-to-revenues in the unrestricted fund balance, and this line item will be used when restricted funds need to be replenished.

Transfers to Capital Improvement Fund..... \$ 1,231,194

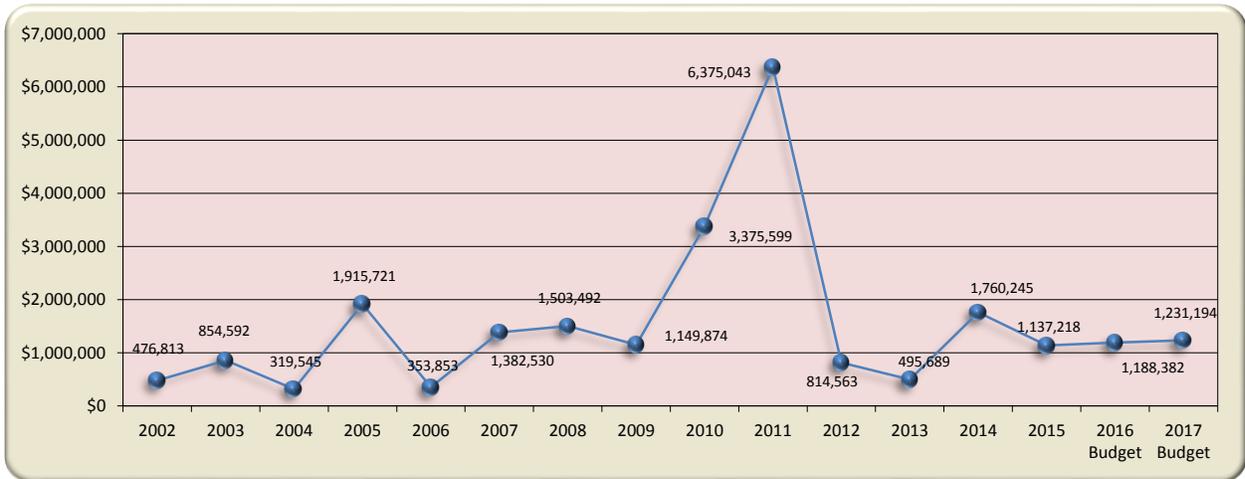
Some funding for the Capital Improvement Plan comes from transferring funds out of the operating budget. From 2011 to 2014 the Library reduced the capital fund transfer to offset further reductions of services. In 2015 the Capital transfer was restored to the original 3% of revenues to pay for anticipated capital improvement projects. After a comprehensive exam of current and future needs, the transfer was increased to 4% for 2016 and remains at 4% for 2017. Below shows capital transfer history since 2002.

Transfers to Special Purpose Fund \$ 0

In 2016 the Library created a special purpose fund for its restricted and committed revenues. These programs, projects, and set-asides have well-defined activities and are distinct from general operations and capital improvements. An initial transfer to provide resources to the fund was deemed necessary for 2016; however, use of the Special Purpose Fund was postponed until after the new Financial/HRIS system is installed in 2017.

In the future, the fund will be funded through grants, donations, and other sources of revenue instead of or in addition to transfers from the general fund.

Figure 2-9: Capital Improvement Fund Transfer History (Actuals 2002 - 2015)



Dandelion by Rebecca Hernandez
 3rd Place 7th/8th Grade Winner of the 2015 Our Own Expressions Photography Contest

General Fund Balance

General Fund Balance

The Library may budget funds out of the General Fund balance for special purposes. This includes charging expenditures to the General Fund balance, and identifying special funds that carry forward from one fiscal year into the next. This complies with Board Policy on Fiscal Management, which states “fiscal year carryovers of funds within the General Fund are limited in nature, and are used for special purposes that are related to grants, gifts/donations, and collection materials.” At year close, all unexpended revenues are released into the General Fund unless the Board takes action to identify and approve use of fund balance.

GFOA Statement on General Fund Balance

The General Fund balance is a key tool for managing the Library’s cash flow. Should the General Fund balance be too low, not enough funds are available to pay for the first four months of each year (until tax collections are received), requiring the Library to borrow from the Capital Improvement Fund or establish a line-of-credit.

In 2009, the Government Finance Officers Association (GFOA) released an updated policy statement on cash reserves (Fund Balance), approved by its Executive Board during 2009’s GFOA Conference held in Seattle:

“Furthermore, a government’s particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level [2 months’ worth]. In any case, such measures should be applied within the context of long-term forecasting, thereby avoiding the risk of placing too much emphasis upon the level of unrestricted fund balance in the general fund at any one time.”

— GFOA, October 2009

This has been consistent with the Library’s practice since 2002. The Library’s fund balance is a critical resource for paying bills during normal intra-year shortfalls, and has used it in long-term forecasting. GFOA recommends a Fund Reserve policy (which was incorporated into the Fiscal Management Policy) to address one or more of the following 5 factors:

1. Predictability of revenues and the volatility of expenditures—higher levels may be needed if there are unpredictable fluctuations in revenues or expenditures are volatile.

The Library continues to experience major, unpredictable volatility of property tax revenues and interest rates.

2. Perceived exposure to significant one-time outlays (e.g., disasters, state budget cuts, immediate capital needs).

The Library’s policy has a disaster provision should emergency circumstances warrant use. However, the Library has not budgeted cash reserves specifically for an emergency disaster. Instead, timely assessments dictated whether cash is required, or whether other means may be available to maintain payments for operations until emergency circumstances are mitigated.

3. Potential drain upon general fund resources from other funds. I.e., deficits in other funds may require that a higher level of fund balance be maintained.

The Library’s only other major fund is the Capital Improvement Fund. It is used to pay for major projects related to maintaining or improving the Library’s capital assets. The Library’s Fiscal Management policy approves funding for capital projects through operating budget transfers, unanticipated savings, and through other sources, for example donations. When the Capital Improvement Fund is depleted, the Library can’t borrow from it for cash flow.

4. Liquidity (i.e., disparity between when financial resources become available to make payments and the average maturity of related liabilities may require a higher level be maintained).

The Library requires approximately 4 months of fund reserves to pay its bills until the large property tax revenues are received in early May and early November. The fund is replenished and automatically restored.

5. Commitments and assignments for a specific purpose may require higher than normal levels.

The Library set asides commitments in the Special Purpose Fund.

The Library's Fiscal Management Policy and its directives on usage and planning of cash reserves conform to GFOA's most recent statement on fund balance. The Library has been practicing to this most recent update since 2002.

Table 2-19: 2017 General Fund Balance Summary

	2015 <u>ACTUALS</u>	2016 <u>FINAL (12/9)</u>	2017 <u>BUDGET (12/14)</u>	% CHANGE 2016 <u>FINAL TO 2017</u>
Beginning Fund Balance, January 1	\$ 8,510,835.46	\$ 8,330,154	\$ 7,970,154²	-4.32%
Less: RESERVE COMMITMENTS				
Operational needs for first 4 months (calculated).....	6,314,343.00	6,417,261	6,648,447	3.60%
Reserve for future election	360,000.00	360,000	0	-100.00%
TOTAL RESERVE COMMITMENTS	6,674,343.00	6,777,261	6,648,447	-1.90%
Available unrestricted funds at beginning of year	1,836,492.46	1,552,893	1,321,707	-14.89%
INFLOWS				
Set aside from operating budget for min. of 2% goal	0.00	0	0	0.00%
Other inflows	0.00	0	0	0.00%
TOTAL OF INFLOWS	0.00	0	0	0.00%
OUTFLOWS				
Use of cash reserves to balance budget	0.00	0	0	0.00%
Transfers to CIF from previous year-end results.....	0.00	0	TBD	0.00%
Transfers to CIF for critical project needs	500,000.00	0	TBD	-100.00%
Transfer of Election Set-Aside to Spec. Purp. Fund.....		360,000	0	-100.00%
TOTAL OF OUTFLOWS	500,000.00	360,000	TBD	-100.00%
Net unrestricted fund balance at end of year	1,336,492.46	1,192,893	1,321,707	10.80%
% of following year revenues	6.18%	3.88%	4.18%	7.73%
Add: UNUSED/REPLENISHED RESERVE COMMITMENTS				
Operational needs for first 4 months (replenished)	6,674,343.00	6,417,261	6,648,447	3.60%
Reserve for future election	360,000.00	0 ²	0	-100.00%
TOTAL UNUSED RESERVE COMMITMENTS	6,674,343.00	6,417,261	6,648,447	3.60%
Subtotal Fund Balance at end of year	8,010,835.46	7,970,154	7,970,154	0.00%
RESULTS OF FISCAL YEAR OPERATIONS				
Use of fund balance to cover shortfall (for operations).....	0.00	0	0	0.00%
New revenues	28,414,914.16	29,709,541	30,779,848	3.60%
Less Expenditures and budgeted transfers	27,973,302.12	29,709,541	30,779,848	3.60%
NET OF OPERATIONS.....	\$441,612.04	0	0	0.00%
Add: Estimated difference between budget & actuals ³	NA	0	TBD	0.00%
Warrants & sales tax payable, benefit accruals, adj	(122,293.47)	TBD	TBD	TBD%
Ending Fund Balance, December 31	\$ 8,330,154.03	\$ 7,970,154¹	\$ 7,970,154	0.00%

Notes:

1. The 2016 year-end fund balance is estimated; numbers are finalized with the annual report in February 2017.
2. The \$360,000 set aside for future election was moved to the Special Purpose Fund in 2016.
3. The estimated difference between budget & actuals is an adjustment calculated by the difference between final budget of revenues and expenditures as approved in December and the projected actual of revenues and expenditures received and incurred throughout the year. The difference is used to calculate the 2017 beginning fund balance. This estimated difference was calculated as of the end of December 2016.

Beginning Fund Balance

\$ 7,970,154

The fund balance is estimated at just over \$8 million. The actual amount is reconciled and released in the April annual report.

Reserve Commitments

\$ 6,648,447

Operational needs for first 4 months \$ 6,648,447

The Library calculates that approximately \$6.6 million will be needed for cash flow to operate until the large influx of tax revenues come in late April. Some revenue, for example fines and some property taxes arrive between January and April, therefore the calculation is not 33% of expenditures.

As revenues are received through December, this reserve is restored and becomes available for the following year.

Reserve for future election \$ 0

Building up the set aside for a future election was met in 2011. This amount will remain unspent and is reserved in the fund balance until the Library asks voters to restore revenues. In cash flow, it is excluded from operational needs and therefore is never used. Within an aggregate of cash available, it is invested. This set aside was transferred to the Special Purpose Fund in 2016.

Inflows

\$ 0

Set aside from operating budget..... \$ 0

The unreserved fund balance for 2016 is estimated to be 4.18%, which satisfies the minimum requirement of 2% of following year revenues. There is no need to build up the unreserved fund balance by use of the Contingency line item.

Other inflows \$ 0

No other inflows are budgeted or anticipated.

Outflows

\$ 0

Use of cash reserves (fund balance)..... \$ 0

During the recession years the Library budgeted cash reserves to balance the budget after making significant reductions in many areas. For these years, using some cash reserves prevented further layoffs and maintained services. For 2017, cash reserves will not be used.

Transfers to CIF from previous year-end results.....TBD

The amount of unanticipated revenues and savings to be transferred to the Capital Improvement Fund from the General Fund will be determined in February 2017.

Transfers to CIF for 2017 needs..... \$ TBD

Any funds available due to savings in 2016 may be identified and transferred in 2017. The last time this occurred was in 2011.

Bottom Line Adjustments

Estimated difference between budget & actuals ...TBD

This line item is only used when estimating year-end actuals for the current year. It is neither used for the prior year nor for the budget year.

Warrants & sales tax payable, bene. accruals, adj .TBD

As part of closing a fiscal year, cash in the general fund is adjusted by any sales tax payables, benefit accruals, and adjustments made necessary to reconcile cash with accounting records. These are reported to the state auditor in the final report.

Ending Fund Balance

\$ 7,970,154

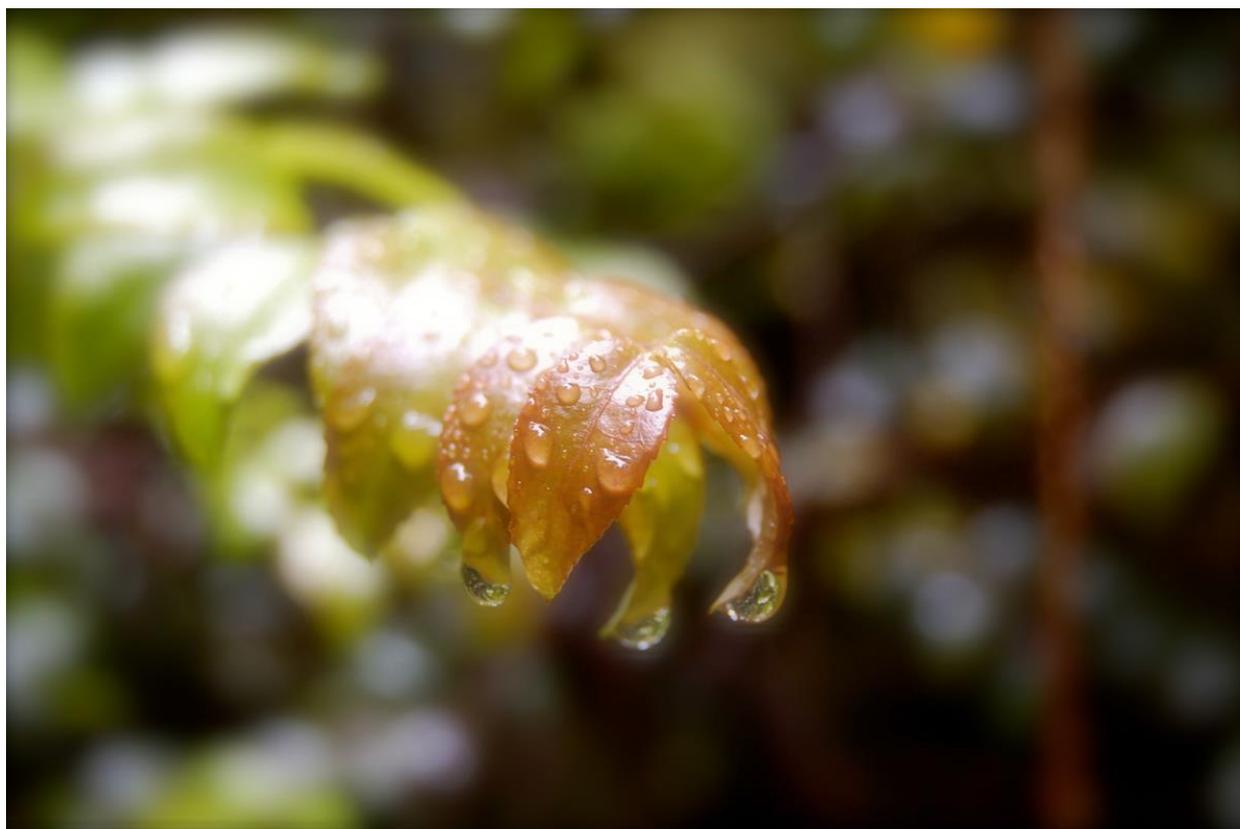
Net effect on general fund balance..... \$ 0

The Library projects that there will be no changes to the fund balance at year end.

Conclusion

The General Fund unrestricted fund balance—at 4.18%—is greater than the 2% practice prescribed by the Board of Trustees. However, given considerable anticipated shortcomings in revenues, a fund balance greater than minimum 2% will help the Library mitigate shortfalls in future revenues. The Board of Trustees remains concerned about future cash flow, and encourages the Library to reserve aside cash as much as possible to ensure that the Library does not diminish its product during times of significant economic stress.

Part 3 Other Funds



Drop of Light by Taija PerryCook
2nd Place 7th/8th Grade Winner of the 2015 Our Own Expressions Photography Contest

Capital Improvement Fund

2017 Capital Improvement Budget Summary

Table 3-1: 2017 Capital Improvement Budget Summary

	2015 ACTUALS	2016 FINAL (12/9)	2017 BUDGET (12/14)	% CHANGE 2016 FINAL TO 2017
FUNDING SOURCES				
Use of fund balance	\$ 1,086,225.51	\$ 0	\$ 0	0.00%
Transfers from General Fund	1,637,218.00	1,188,382	1,231,194	3.60%
New revenues	211,375.84	300,000	30,000	-90.00%
TOTAL FUNDING SOURCES	2,934,819.35	1,488,382	1,261,194	-15.26%
EXPENDITURES				
Total project expenditures	2,934,819.35	1,405,000	1,261,194	-10.24%
TOTAL EXPENDITURES	2,934,819.35	1,405,000	1,231,194	-10.24%
NET OF FUNDING SOURCES & EXPENDITURES	\$ <u>0.00</u>	\$ <u>0</u>	\$ <u>0</u>	<u>0.00%</u>

Notes:

Transfers due to prior fiscal year savings occur as a Board-approved fund-to-fund transfer from the General Fund and the Capital Improvement Fund, generally without effect on the current operating budget. Because prior fiscal year savings in the General Fund already occur by the time the budget is finalized but are unknown by the time the fiscal year begins, they are not recorded against the operating budget; however, depending on timing, they may be estimated in the Capital Improvement Fund budget.

The Capital Improvement Fund was established in 1998 as a fiscal mechanism to fund large projects or equipment purchases, which may cross fiscal years. In order to receive an allocation through the Capital Improvement Fund, a project must be approved and be included in the Capital Improvement Plan (CIP). The following criteria must be met for a project to be considered in the CIP:

1. The value of the asset/project/service is equal to or greater than \$5,000; and
2. Has a useful life equal to or greater than three years.

Major repairs or maintenance projects may be included in the CIP with a third criterion: the project increases capacity and/or extends the original useful life of the asset. Additionally, ongoing maintenance as a part of a system-wide project or smaller capital items, beneath the threshold needing to be purchased as a larger "group", can be aggregated into larger-value capital improvement projects.

5 Year Capital Planning

The Library produces an annual 2 year capital plan. Considerable work would normally have been done to project realistic needs from 2017-2021. However, given the Strategic Planning project setting priorities for the future of Library, only 2017 and 2018 capital plans were developed.

The Capital Improvement Plan and its corresponding budget is reviewed within the year and only revised if critical needs arise.

Recurring vs. Non-recurring Capital Projects

In 2009 and 2010, the Library removed specific general repairs to facilities from Capital Improvement Projects and put them into the operating budget. This included parking lot repairs and touchup painting. While these passed the CIP test above, they were recurring in a manner that did not need to be funded in the capital improvement fund. With exception to a contingency afforded to significant vehicle repairs and by agreement to payments made to purchasing 5,000 square feet for the University Place Library for future expansion, by Library definition *all capital projects entered into the capital improvement plan are non-recurring*. Due to the kinds of projects the Library has in the capital plan, all are worked within the existing scope of the operating budget.

Managers propose capital projects that can be done either within the context of external contracts or plan their projects with their internal resources. Exceptions are capital projects that are intended to make efficiencies by reducing the impact of future labor; these are clearly identified during the planning process and measured by the impact on departmental budgets. An example is purchasing and delivering online timesheets, a tool that ultimately reduced staffing needs within the Finance Department.

Planning Before Project Execution

The Library implements a two-step process for planning capital projects. During budget planning prior to the next fiscal year, managers proposing projects conduct reasonable analysis of costs, timelines, and deliverables required of their capital projects so that the overall capital improvement budget can be proposed and approved by the Board of Trustees. Prior to creating purchase orders related to capital projects, managers must hone their project budgets by planning projects across multiple departments, acquiring competitive costs, and calculating a contingency. Once completed and evaluated for accuracy, the Finance & Business Director appropriates funding for the capital project, a project number is assigned and the budget is entered into the financial system for the project manager and managers to begin expending against.



Oh, Honey by Katie Lasko

1st Place 11th/12th Grade Winner of the 2015 Our Own Expressions Drawing Contest

Capital Projects Funding Sources

Table 3-2: Summary of Funding Sources

	2015 <u>ACTUALS</u>	2016 <u>FINAL (12/10)</u>	2017 <u>BUDGET (12/9)</u>	% CHANGE 2016 <u>FINAL TO 2017</u>
FUND BALANCE				
Use of fund balance	\$ 1,086,225.51	\$ 0	\$ 0	0.00%
TRANSFERS				
Budgeted GF transfer from operating budget	847,795.00	1,188,382	1,231,194	3.60%
GF transfers from prior fiscal year savings	289,423.00	0	TBD	%
Transfers for critical project needs	500,000.00 ¹	0	TBD	%
TOTAL TRANSFERS	1,637,218.00	1,188,382	1,231,194	%
NEW REVENUES				
New revenues	211,375.84	300,000	30,000	-90.00%
TOTAL FUNDING SOURCES	\$ 2,934,819.35	\$ 1,488,382	\$ 1,261,194	-15.26%

Notes:

1. The \$500,000 transfer was conducted in December 2015 to increase the capital improvement fund balance.

Funding Sources

\$ 1,261,194

Funding for capital projects comes from three sources:

1. Fund balance of the Capital Improvement Fund.
2. Funds transferred from the General Fund:
 - a. Minimum 4% (up from 3% in 2015) of General Fund revenues. More may be transferred due to needs.
 - b. Funds transferred from the General Fund due to unanticipated revenues and savings, backfilling funding for projects.
3. New revenues (e.g., fund raising, investment).

Shortfalls are an Ongoing Concern

Capital Improvement budgets fluctuated as shown in the chart below. The average Capital Improvement budget for 2002 through 2017 is \$1,576,055.

An ongoing concern is that the Capital Improvement Fund be funded adequately for ongoing improvements. These budgets are multiyear budgets, so not all funds are spent during the budgeted year. At times, projects are cancelled as circumstances warrant. The Capital Improvement Fund has an important role for addressing

cash shortfall; therefore, transfers and budgets are planned and coordinated carefully.

In 2016 a set aside within the Capital Improvement Fund was created for future technology procurements, particularly computer equipment for the public and staff. After extensive review of this, the Library determined that technology procurements should be incurred year-to-year instead of saving up large amounts in a set-aside.

At the end of 2016, it is estimated that the Capital Improvement Fund balance will be approximately \$1,558,000. Adding monies to be received in 2017 transfers from the Operating Budget, the total available funding is approximately \$2.8 million.

Budgeted General Fund Transfer \$ 1,231,194

The budgeted transfer from the General Fund is 4% of General Fund New Revenues. This calculation excludes any use of General Fund balance to balance the operating budget.

Use of fund balance \$ 0

The Capital Improvement budget uses its Capital Improvement Fund cash balance to pay for projects that exceed new revenues. For 2017, the Library is not expecting to budget some funds from the Capital Improvement fund balance. The goal for 2017 was to create a capital improvement plan that only relied on transfers and new revenues, so that during the next

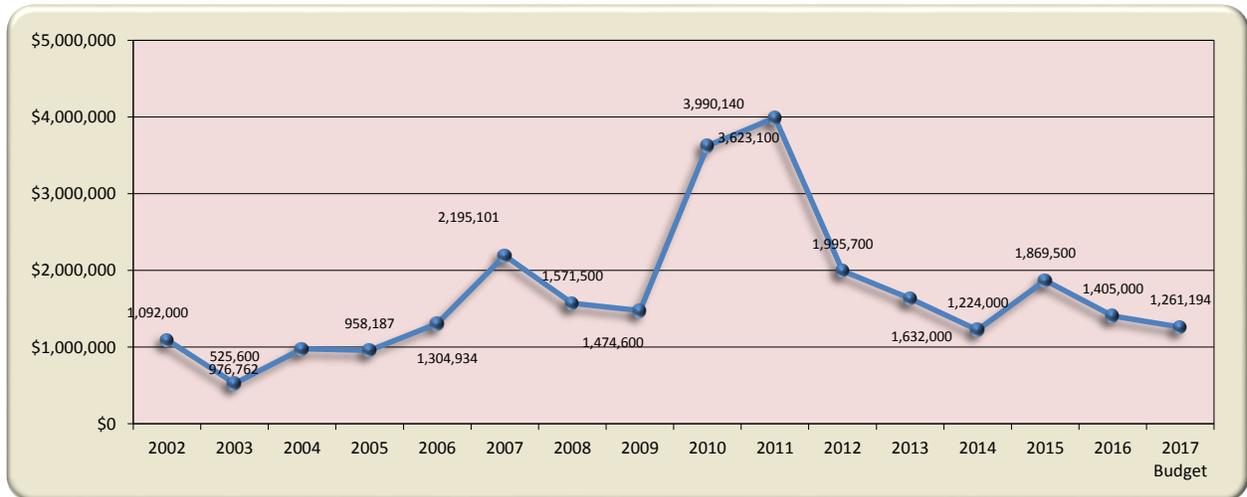
economic downturn, the fund balance can be drawn down to pay for projects as had happened between 2011 and 2014.

Transfers from prior fiscal year savings.....\$ TBD
 As per the Library’s Fiscal Management policy, the Library may consider transferring additional revenues from the General Fund, such as unanticipated savings

and revenues from previous fiscal years. The identification of these funds occurs typically during April, after which the Library reports the previous fiscal year results.

New revenues.....\$ 30,000
 The Library anticipates Erate reimbursements of approximately \$30,000 from 2016 purchases.

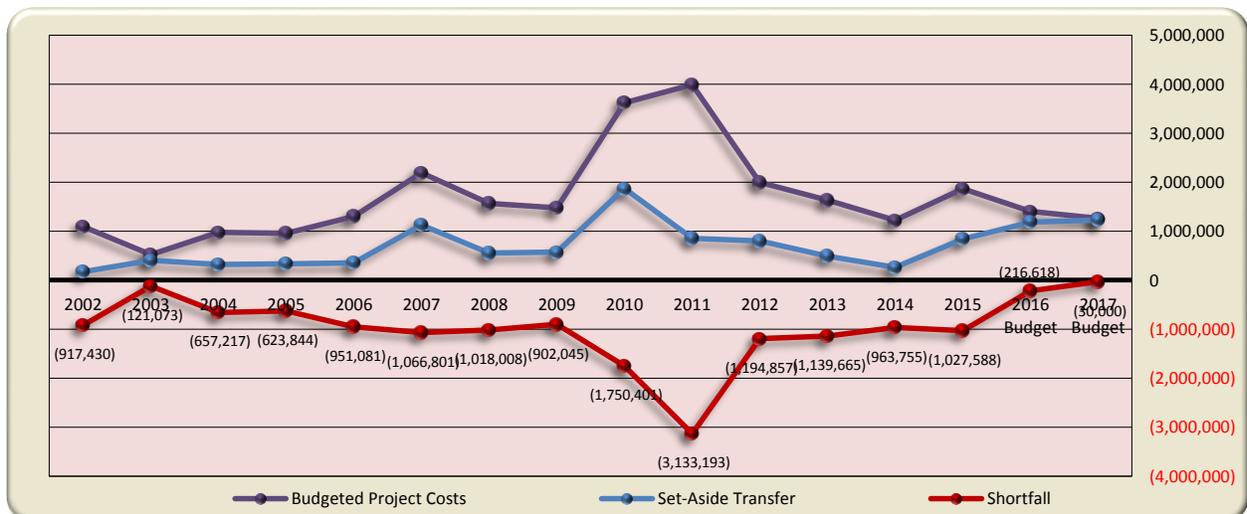
Figure 3-1: Capital Project Budget History (Excludes Carry Forwards)



Prior to 2011, the Library had budgeted the capital improvement fund transfer at 3% of revenues. Historically, a 3% transfer fell short of budgeted expenditures by as much as \$1 million, at times considerably more. To make up for the shortfall, the Library relied on unanticipated revenues and savings to backfill the shortfall. Should the Library budget funds for the yearly capital projects, the operating budget

would be impacted considerably, and substantial reductions could be necessary. Due to severe budget shortfalls, the Library reduced the transfer back to 2% for 2013 and to 1% in 2014. In 2015, it was restored to 3%. The Library studied current and future needs and the Capital Improvement Fund transfer was increased to 4% for 2016, and remains at 4% for 2017.

Figure 3-2: Capital Improvement Fund Shortfalls (Budgeted Project Costs Compared to Set-Asides)



Capital Improvement Plan—Project Expenditures

2017 Capital Improvement Plan Projects

\$ 1,261,194

Table 3-3: Capital Budget Summary—Project Expenditures

<u>Capital Project Categories</u>	<u>2017 BUDGET</u>	<u>2018 ESTIMATED</u>
Commitments	\$ 120,000	\$ 120,000
Service improvement projects	1,444,000	TBD
Major maintenance	280,000	TBD
Vehicles	140,000	TBD
Technology updates	325,000	TBD
Other capital projects	800,000	TBD
SUBTOTAL	3,109,000	TBD
Contingency (2% with \$25k min, by exec approval)	63,000	TBD
TOTAL CAPITAL PROJECT BUDGET	<u>\$ 3,172,000</u>	<u>\$ TBD</u>

Notes:

A line item breakdown of the Capital Projects does not occur until the projects are planned. Each project’s funding is a general estimate made for purposes of budgeting.

Commitments

\$ 120,000

University Place Library (+5,000 sq ft).....\$ 120,000

The Library has set aside monies to pay for the 10-year annual payment for the expanded space. This is per the agreement with the City of University Place. Payment began in late 2012 and is considered recurring but “silent”, i.e., no activity other than payments are made.

Service Improvement Projects

\$ 1,444,000

Furnishings\$ 199,500

- Furniture updates
- Ergonomic plan implementation

Interior Updates\$ 1,021,000

- Workspace updates
- Restroom and other public area remodels
- Carpeting

Exterior Updates.....\$ 223,000

- Exterior lighting updates
- Bioswale cleanup at ACL

Major Maintenance

\$ 280,000

- Elevator Upgrades at Administrative Center & Library.
- IBEX to BACtalk HVAC Control Replacement (final year)
- Modernizing building alarm system controls.

Vehicles

\$ 140,000

Vehicle Replacements.....\$ 130,000

- Delivery van
- Maintenance van

Vehicle (contingency for repairs)\$ 10,000

A contingency is set aside for major repairs to vehicles. Due to the end of bookmobile service, this has been reduced. *This is a recurring project, but used only as needed.*

Technology Updates

\$ 325,000

Technology Updates\$ 325,000

- PC Replacement plan
- Possible upgrades to catalog and other online services

Other Capital Projects

\$ 800,000

Other Capital Projects.....\$ 800,000

- Financial/HRIS system replacement
- Movie Tower decommissioning
- Ground/soil study

Future Anticipated Major Projects (2018)

A summary of anticipated capital projects for the next five years is shown below.



Simple Beauty by Isadora Mattfeld
1st Place 9th/10th Grade Winner of the 2015 Our Own Expressions Photography Contest

Table 3-4: 2-Year Capital Improvement Projects (2017 - 2018)

	2017 <u>BUDGET</u>	2018 <u>ESTIMATED</u>
COMMITMENTS	\$ 120,000	\$ 120,000
University Place 5,000 sq ft expansion (10 yr)		
TOTAL COMMITMENTS	120,000	120,000
SERVICE IMPROVEMENT PROJECTS	1,444,000	TBD
Furnishings.....	199,500.....	TBD
Furniture updates		
Ergonomic plan implementation		
Interior Updates.....	1,021,000.....	TBD
Workspace updates		
Restroom and other public area remodels		
Carpeting		
Exterior Updates.....	223,500.....	TBD
Exterior lighting updates		
Bioswale cleanup at ACL		
TOTAL SERVICE IMPROVEMENT PROJECTS	1,444,000	TBD
MAJOR MAINTENANCE	280,000	TBD
Elevator Upgrades at ACL		
IBEX to BACTalk HVAC Control Replacement		
Modernize Building Alarm System Controls		
Unanticipated Future Needs (past experience)		
TOTAL MAJOR MAINTENANCE	280,000	TBD
VEHICLES	140,000	TBD
Vehicle Replacements		
Delivery van		
Maintenance van		
Vehicle Repair Contingency		
TOTAL VEHICLES	140,000	TBD
TECHNOLOGY UPDATES	325,000	TBD
PC Replacement plan		
Possible upgrades to catalog & other online services		
TOTAL TECHNOLOGY UPDATES	325,000	TBD
OTHER CAPITAL PROJECTS	800,000	TBD
Finance/HR System Replacement		
Movie Tower Decommissioning		
Ground/soil study		
TOTAL OTHER CAPITAL PROJECTS	800,000	TBD
SUBTOTAL CIP	3,109,000	TBD
Contingency (2% with \$25k min, by exec approval)	63,000.....	25,000
TOTAL CAPITAL PROJECT BUDGET	\$ 3,172,000	\$ TBD

Note: A line item breakdown of the Capital Projects does not occur until the projects are being planned. Each project's funding is a general estimate made for purposes of budgeting and planning.

Capital Improvement Fund Balance

Table 3-5: 2017 Capital Improvement Fund Balance Summary

	2015 <u>ACTUALS</u>	2016 <u>FINAL (12/9)</u>	2017 <u>BUDGET (12/14)</u>	% CHANGE 2016 <u>FINAL TO 2017</u>
Beginning Fund Balance, January 1	\$ 2,034,614.98	\$ 948,389	\$ 1,558,069²	64.29%
INFLOWS				
Budgeted GF transfer from operating budget	847,795.00	1,188,382	1,231,194	3.60%
GF transfers from prior fiscal year savings ¹	289,423.00	TBD	TBD	TBD
Transfers for critical project needs	500,000.00 ⁴	TBD	TBD	TBD
TOTAL INFLOWS	1,637,218.00	1,188,382	1,231,194	3.60%
Available funds during fiscal project year	3,671,832.98	2,136,771	2,789,263	30.54%
OUTFLOWS				
Use of inflows to fund projects	1,086,225.51	1,105,000	1,231,194	11.42%
Use of fund balance to cover shortfall	0.00	0	0	0.00%
TOTAL OUTFLOWS	1,086,225.51	1,105,000	1,231,194	11.42%
Subtotal Fund Balance at end of year	2,585,607.47	1,031,771	1,558,069	51.01%
RESULTS OF FISCAL YEAR PROJECTS				
New revenues	211,375.84	300,000	30,000	-90.00%
Less: Expenditures	2,934,819.35	1,405,000	1,261,194	-10.24%
TOTAL RESULTS OF FISCAL YEAR PROJECTS	(2,723,443.51)	(1,105,000)	(1,231,194)	11.42%
Add: Estimated difference between budget & actuals ³	NA	609,680	TBD	-100.00%
Add: Warrants & sales tax payable, adj	0.00	TBD	TBD	TBD
Ending Fund Balance, December 31	\$ 948,389.47	\$ 1,558,069²	\$ 1,558,069	0.00%

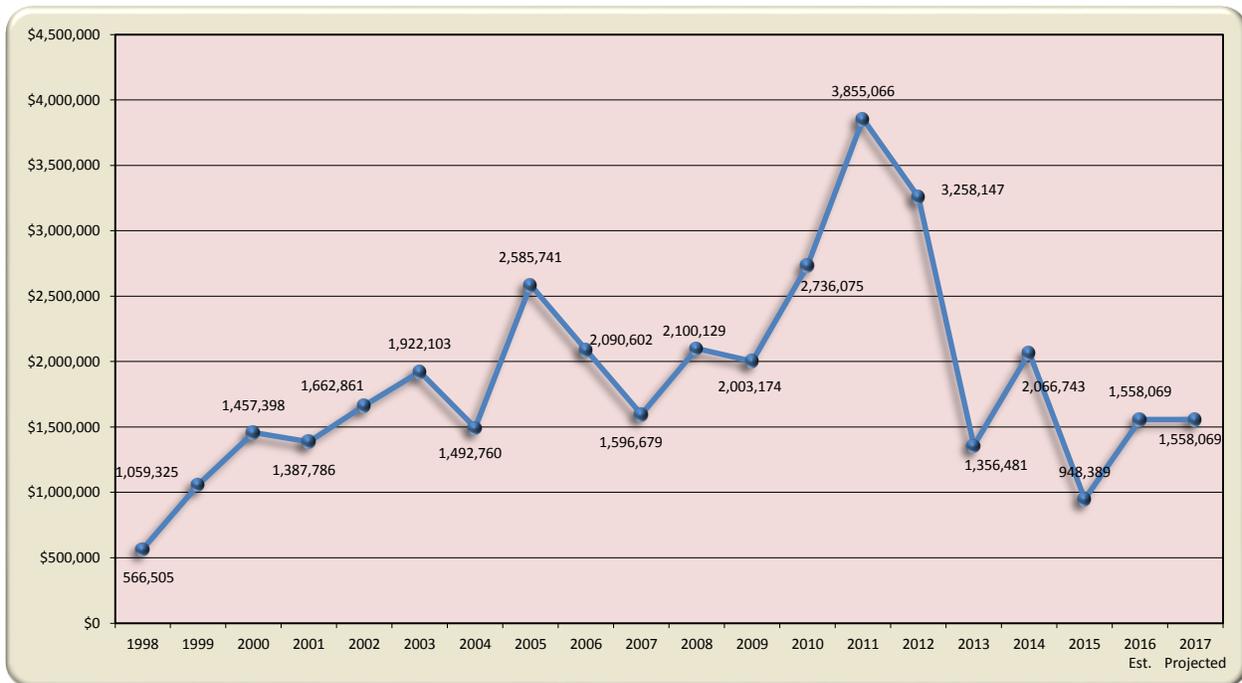
Notes:

1. Transfers due to prior fiscal year savings occur as a Board-approved fund-to-fund transfer from the General Fund and the Capital Improvement Fund, generally without effect on the current operating budget. Because prior fiscal year savings in the General Fund already occur by the time the budget is finalized, but are unknown by the time the fiscal year begins, they are not recorded against the operating budget; however, depending on timing, they may be estimated in the Capital Improvement Fund budget.
2. The 2016 year-end fund balance is estimated; numbers are finalized with the annual report in February 2017.
3. The estimated difference between budget & actuals is an adjustment calculated by the difference between final budget of revenues and expenditures as approved in December and the projected actual of revenues and expenditures received and incurred throughout the year. The difference is used to calculate the 2017 beginning fund balance. This estimated difference was calculated at the end of November 2017.
4. The \$5 million transfer was conducted in December 2015 to be used for funding 2016-17 technology projects.

Discussion

As with the General Fund, the Capital Improvement Fund balance is also an important factor in cash flow. However, the Capital Improvement Fund balance is susceptible to large fluctuations. Since 1995, the Library has improved the Capital Improvement Fund balance, which is used as a source to borrow funds when the General Fund balance is low. Capital project expenditures can reduce the

fund's balance very quickly; the amount budgeted for transfer has nearly always been significantly less than the budgeted project expenditures. The Library backfills the Capital Improvement Fund balance based on unanticipated revenues and savings from prior year operations. Below is a chart showing the history of the Capital Improvement Fund's ending fund balance.

Figure 3-3: Capital Improvement Fund Ending Fund Balance (Actuals 1998 - 2015)

Let Me Sing for Someone

Let me dream of flow'rs bending to the sun's bright rays,
 Let me dance for those who need someone to light their way,
 Let me walk with those who need another step to take,
 And let me sing, because someone needs a song today.

For those who need a second chance, let me hope.
 For those who need to find their peace, let me pray, let me pray.
 For those who need happiness, let me smile, let me smile, let me smile.
 And for those who need a song,
 Let me sing, oh yes, let me sing, let me sing today.

For those who need a miracle, let me wish.
 For those who need a tear to fall, let me cry, let me cry.
 For those who need a lighter heart, let me lift, let me lift, let me lift.
 And for those who need a song,
 Let me sing, oh yes, let me sing, let me sing today.

Dream and dance and walk,
 and hope and pray and smile,
 And wish and cry and lift,
 And sing, oh yes, help me sing,
 Because someone, somewhere,
 Someone needs our song today.

Emily Saletan
 Charles Wright Academy

2015 Our Own Expressions
7th & 8th Grade Poetry Winner—2nd place

Special Purpose Fund

2017 Special Purpose Budget Summary

Table 3-6: 2017 Special Purpose Budget Summary

	2015 ACTUALS	2016 FINAL (12/9)	2017 BUDGET (12/14)	% CHANGE 2016 FINAL TO 2017
FUNDING SOURCES				
Use of fund balance		\$ 0	\$ 0	-100.00%
Transfers from General Fund		40,000	0	-100.00%
New revenues		227,000	0	-100.00%
TOTAL FUNDING SOURCES		267,000		-100.00%
EXPENDITURES				
Total project expenditures		267,000	0	-100.00%
TOTAL EXPENDITURES		267,000		-100.00%
NET OF FUNDING SOURCES & EXPENDITURES		\$ 0	\$ 0	-100.00%

Notes:

Transfers due to prior fiscal year savings occur as a Board-approved fund-to-fund transfer from the General Fund and the Capital Improvement Fund, generally without effect on the current operating budget. Because prior fiscal year savings in the General Fund already occur by the time the budget is finalized but are unknown by the time the fiscal year begins, they are not recorded against the operating budget; however, depending on timing, they may be estimated in the Capital Improvement Fund budget.

**IMPLEMENTING THE SPECIAL PURPOSE WAS
POSTPONED UNTIL AFTER THE HRIS/FINANCIAL
SYSTEM IS IN PLACE, ANTICIPATED AT THE END OF
2017**

The Special Purpose Fund (SPF) was established in November 2015 as a fiscal mechanism to fund certain projects, programs, and set-asides that are well-defined, are not operations-oriented and are generally not a capital project. To receive an allocation through the Special Purpose Fund, a funded entry must have revenues that are either restricted or committed in nature. The following criteria must be met for a project to be considered in the SPF:

1. A project that is one-time in nature that ends after its revenues are completely expended, or
2. A recurring program that occurs briefly in a year and has either multiple funding sources or multiple departments responsible for expenses, or

3. A set-aside that is to be used for a defined future purpose.

Respective examples of these are, Job & Business Center, PC Reads, and the Election Set Aside.

Special Purpose Planning

All entries in the Special Purpose Fund are either restricted by an external funding source (such as a grant or donation) or committed by internal authority (the Board of Trustees). Unlike the operating budget or the capital improvement budget, the Special Purpose Budget can be amended more often during a fiscal year, and any balances are automatically restored into the following fiscal year.

Special Purpose Funding Sources

Table 3-7: Summary of Funding Sources

	2015 <u>ACTUALS</u>	2016 <u>FINAL (12/9)</u>	2017 <u>BUDGET (12/14)</u>	% CHANGE 2016 <u>FINAL TO 2017</u>
FUND BALANCE				
Use of fund balance		\$ 0	\$ 0	0.00%
TRANSFERS				
Budgeted GF transfer from operating budget		200,000	0	-100.00%
Transfer of Election Set Aside from General Fund Balance		360,000	0	-100.00%
TOTAL TRANSFERS		560,000	0	-100.00%
NEW REVENUES				
New revenues		227,000	0	-100.00%
TOTAL FUNDING SOURCES		<u>\$ 787,000</u>	<u>\$ 0</u>	<u>-100.00%</u>

Funding Sources

\$ 0

**IMPLEMENTING THE SPECIAL PURPOSE WAS
POSTPONED UNTIL AFTER THE HRIS/FINANCIAL
SYSTEM IS IN PLACE, ANTICIPATED AT THE END OF
2017**

Use of fund balance \$ 0

The Special Purpose Fund will generally not use any fund balance to pay for the fund at large. Some of the fund balance may be appropriated to fund programs and projects that are not externally funded, but fall into the definition as a special purpose entry.

New Revenues \$ 0

No new revenues are planned for 2017

Funding for special purpose projects comes from three sources:

1. Fund balance of the Special Purpose Fund.
2. Funds transferred from the General Fund to pre-fund entries.
3. New revenues from external sources such as grants, donations, and reimbursements.

Budgeted General Fund Transfer \$ 0

To initially fund the Special Purpose Fund, a one-time transfer will occur in 2016. A portion of this will be used to fund the PC Reads program and Digital Literacy project (until reimbursement is received from WorkForce).

Transfer of Election Set Aside \$ 0

The Election Set Aside was created in 2007 and intended to build up to \$360,000, which was completed in 2011. It has been residing in the General Fund since then, but with the creation of the Special Purpose Fund, will be transferred here.

Special Purpose Budget—Expenditures

2017 Special Purpose Budget

\$ 0

Table 3-8: Special Purpose Budget Summary—Expenditures

	2015 <u>ACTUALS</u>	2016 <u>FINAL (12/9)</u>	2017 <u>BUDGET (12/14)</u>	% CHANGE 2016 <u>FINAL TO 2017</u>
PROGRAMS				
PC Reads		\$ 40,000	\$ 0	-100.00%
SUBTOTAL PROGRAMS.....		40,000	0	-100.00%
PROJECTS				
Digital Literacy (WorkForce 2016)		227,000	0	-100.00%
SUBTOTAL PROJECTS.....		227,000	0	-100.00%
TOTAL PROGRAMS & PROJECTS BUDGET		\$ 267,000	\$ 0	-100.00%
SETASIDES (NO EXPENDITURES)				
Future Election Costs		\$ 360,000	\$ 0	-100.00%
TOTAL SET ASIDES.....		\$ 360,000	\$ 0	-100.00%

Notes:

A line item breakdown of any Special Purpose item does not occur until they are planned. Funding is a general estimate made for purposes of budgeting.

IMPLEMENTING THE SPECIAL PURPOSE WAS POSTPONED UNTIL AFTER THE HRIS/FINANCIAL SYSTEM IS IN PLACE, ANTICIPATED AT THE END OF 2017

No projects will be funded in the Special Purpose Fund for 2017

Programs
\$ 0

Set Asides
\$ 360,000

Pierce County READS \$ 0
Since 2007, the Library has been conducting a district-wide reading program called Pierce County READS. This program begins with the announcement of an author and book, to which the district participates in reading. The finale includes the free author event, which hosts the author as a speaker to a large audience. People have an opportunity to meet and greet the author and have their book autographed for free. Much of the Pierce County READS event is funded by the Foundation, but the Library provides some funding. For 2017, funding for this is in the General Fund.

All set-asides do not have expenditures associated with them. When they are reallocated or repurposed, they will have budgets in the respective fund.

Future Election Costs..... \$ 360,000
This reserve was created from funds stemming from the successful 2006 levy lid-lift election. Its purpose is to fund the costs associated with a future levy lid-lift, in particular, mailing costs for voter pamphlets. No expenditures will occur in the foreseeable future, until the Library’s mill rate is low enough to consider restoring its levy limit.

Projects
\$ 0

Special Purpose Fund Balance

Table 3-9: 2017 Special Purpose Fund Balance Summary

	2015 <u>ACTUALS</u>	2016 <u>FINAL (12/9)</u>	2017 <u>BUDGET (12/14)</u>	% CHANGE 2016 <u>FINAL TO 2017</u>
Beginning Fund Balance, January 1		\$ 0	\$ 360,000	New
INFLOWS				
Budgeted GF transfer from operating budget		200,000	0	-100.00%
Transfer of Election Set Aside from General Fund Balance		360,000	0	-100.00%
TOTAL INFLOWS		560,000	0	-100.00%
Available funds during fiscal project year		560,000	0	-100.00%
OUTFLOWS				
Use of inflows to fund projects		40,000	0	-100.00%
TOTAL OUTFLOWS		40,000	0	-100.00%
Subtotal Fund Balance at end of year		520,000	0	-100.00%
RESULTS OF FISCAL YEAR PROJECTS				
New revenues		227,000	0	-100.00%
Less: Expenditures		267,000	0	-100.00%
TOTAL RESULTS OF FISCAL YEAR PROJECTS		(40,000)	0	-100.00%
Add: Estimated difference between budget & actuals ¹	NA	0	0	0.00%
Add: Warrants & sales tax payable, adj		0	0	0.00%
Ending Fund Balance, December 31		\$ 520,000	\$ 360,000	-30.77%

Notes:

- The estimated difference between budget & actuals is an adjustment calculated by the difference between final budget of revenues and expenditures as approved in December and the projected actual of revenues and expenditures received and incurred throughout the year.

**IMPLEMENTING THE SPECIAL PURPOSE WAS
POSTPONED UNTIL AFTER THE HRIS/FINANCIAL
SYSTEM IS IN PLACE, ANTICIPATED AT THE END OF
2017**

For 2017, the fund balance contains only the election set-aside.

Discussion

The fund balance for the Special Purpose Fund will generally not be used to fund entries because the purpose of this fund is to have revenues secured prior to expenditures for programs and projects. However, some pre-funding may be necessary until revenues are received, often in the form of distributions or reimbursements, which could occur after expenses incur.

Bonds, Debt, and Debt Service Fund

Bonds & Debt

The Library is a special purpose taxing district and by Washington State law, is authorized to issue debt in the form of voted and non-voted debt—Unrestricted General Tax Obligation (UGTO) bonds and Councilmanic bonds, respectively.

Unrestricted General Tax Obligation Bonds (UGTO):

Bonds may be issued as a measure to voters in the taxing district and require 60% approval. Such bonds would generally be used for large-scale projects such as district-wide library construction. The Library's maximum legal debt capacity is one half of one percent of the Library District's assessed valuation, and in the simplest form may be levied up to 30 years. As of 2016, typical bond rates remain between 3% and 6%.

Library District assessed value:	\$ 62,468,255,605
Legal GO bond capacity:	x 0.005000
Maximum GO bond capacity:	\$ 312,341,278
<u>Current outstanding bonds:</u>	<u>- \$ 0</u>
Available bonding capacity:	\$ 312,341,278

The Library therefore may issue general obligation bonds of up to \$312,341,278. For the property owner with average property value of \$250,000, a 20-year simple bond issued would cost around \$100 per year. Other factors affecting the cost to a property owner depend on the structure of the bond, bond rates, maturity dates, bond sales, changes in property values, and changes in the district-wide property value.

Councilmanic Bonds: The Library may also issue non-voted debt in the form of "Councilmanic" bonds at a rate of one tenth of one percent of the Library District's assessed valuation. Because Councilmanic bonds are non-voted, for all intents and purposes they may be considered a bank loan secured by property tax revenue, payable out of the Library's existing funds or future revenue receipts. This debt must be repaid within 7 years.

Councilmanic bonds could be used for short term financing of small construction projects, equipment needs, or emergencies that cannot be paid out of

available general funds or Capital Improvement funds. They would not be used for covering budget shortfalls in ongoing operations.

Library District assessed value:	\$ 62,468,255,605
Legal Councilmanic bond capacity:	x 0.001000
Maximum Councilmanic capacity:	\$ 62,468,256
<u>Current outstanding Councilmanic bonds:</u>	<u>- \$ 0</u>
Available Councilmanic capacity:	\$ 62,468,256

Other Forms of Debt: The Library may carry lines of credit with banks, sometimes known as Tax Anticipation Notes (TANs). This is short-term debt and must carry a \$0 balance on its annual anniversary. This kind of debt might be used when an organization is facing a serious short-term cash flow concern. The Library currently carries no line of credit because the Library manages its cash flow through the use of restricted cash reserves.

All forms of debt require one-time attorney and bank set-up fees, which may total between 1% and 5% of the principle value.

Current Bonds and Debt

Currently, the Library maintains no debt of any form:

Sum of all outstanding UGTO bonds:	\$ 0
Sum of all outstanding Councilmanic bonds:	\$ 0
<u>Sum of all other forms of debt:</u>	<u>\$ 0</u>
Total of all outstanding bonds and debt:	\$ 0

Debt Service Fund

The Debt Service fund is used to manage debt payments. A residual amount remained since 2002, when it was last used to pay debt. It has received only a small amount of interest from investing the fund balance and receipts from delinquent payments.

Debt Service Fund Balance

Current fund balance at the beginning of 2017 is approximately \$83,900. Because the Library has no outstanding debt, only minimal, passive activity in this fund will occur in 2017.

Last Use (System Expansion Project)

In 1986, the voters passed a \$28.9 million general obligation bond levy to construct new library facilities, including the purchase of land and the acquisition of furniture and equipment. It also included funds to remodel/renovate existing library facilities throughout the Library System and to purchase books and other materials. Bonds were issued in 1986 (\$18 million), 1990-91 (\$8 million), and 1992 (\$2.9 million). In 1995, a portion of the 1986 and 1990-91 issues was refinanced; the value of this refunding was \$6.93 million. With the payment of principal and interest in December 2002, the entire debt was retired.

Future Debt Needs

The Library began a Facilities Master Plan (FMP) project in late 2008 and concluded in January 2010 with a comprehensive report and plan delivered to the communities it studied. This project determined the needs of services and facilities for the next 20 years (2030). The FMP funding analysis calculated district-wide construction proceeds of \$310 million. At this time, the Library has determined that, taking into consideration the voter, economic, and property value climate placing a bond measure on a ballot is not feasible. Recommendations may ensue for bonds sometime in the future.

Table 3-10: 2017 Debt Service Fund Balance Summary

	2015 <u>ACTUALS</u>	2016 <u>FINAL (12/10)</u>	2017 <u>BUDGET (12/9)</u>	% CHANGE 2016 <u>FINAL TO 2017</u>
Beginning Fund Balance, January 1	\$ 83,648.57	\$ 83,725	\$ 83,725¹	0.00%
INFLOWS				
GF transfers	0.00	0	0	0.00%
All other inflows.....	0.00	0	0	0.00%
TOTAL INFLOWS	0.00	0	0	0.00%
Available funds during fiscal year	<u>83,648.57</u>	83,725	83,725	0.00%
OUTFLOWS				
Use of inflows to fund payments.....	0.00	0	0	0.00%
Use of fund balance to cover shortfall.....	0.00	0	0	0.00%
All other outflows	0.00	0	0	0.00%
TOTAL OUTFLOWS	0.00	0	0	0.00%
Subtotal Fund Balance at end of year	83,648.57	83,725	83,725	0.00%
RESULTS OF FISCAL YEAR ACTIVITY				
Use of inflows to fund projects.....	0.00	0	0	0.00%
Use of fund balance to cover shortfall.....	0.00	0	0	0.00%
Revenues	76.76	0	0	0.00%
Expenditures	0.00	0	0	0.00%
NET OF OPERATIONS.....	76.76	0	0	0.00%
Add: Estimated difference between budget & actuals ²	NA	0	0	0.00%
Add: Warrants & sales tax payable, adj	0.00	0	0	0.00%
Ending Fund Balance, December 31	\$ <u>83,725.33</u>	\$ <u>83,725¹</u>	\$ <u>83,725</u>	<u>0.00%</u>

Notes:

1. The 2016 year-end fund balance is estimated; numbers are finalized with the annual report in February 2017.
2. The estimated difference between budget & actuals is an adjustment calculated by the difference between final budget of revenues and expenditures as approved in December and the projected actuals of revenues and expenditures received and incurred throughout the year. The difference is used to calculate the 2017 beginning fund balance. This estimated difference was calculated at the end of November 2016. A positive number means a surplus is expected.

Beginning Fund Balance
 \$ 83,725

Outflows
 \$ 0

The fund balance is estimated at nearly \$84,000. The actual amount is not known until the annual report is issued in February 2017.

Use of inflows to fund payments \$ 0
 No use will occur in 2017.

Use of fund balance to cover shortfall \$ 0
 No use will occur in 2017.

All other outflows..... \$ 0
 None budgeted nor anticipated for 2017.

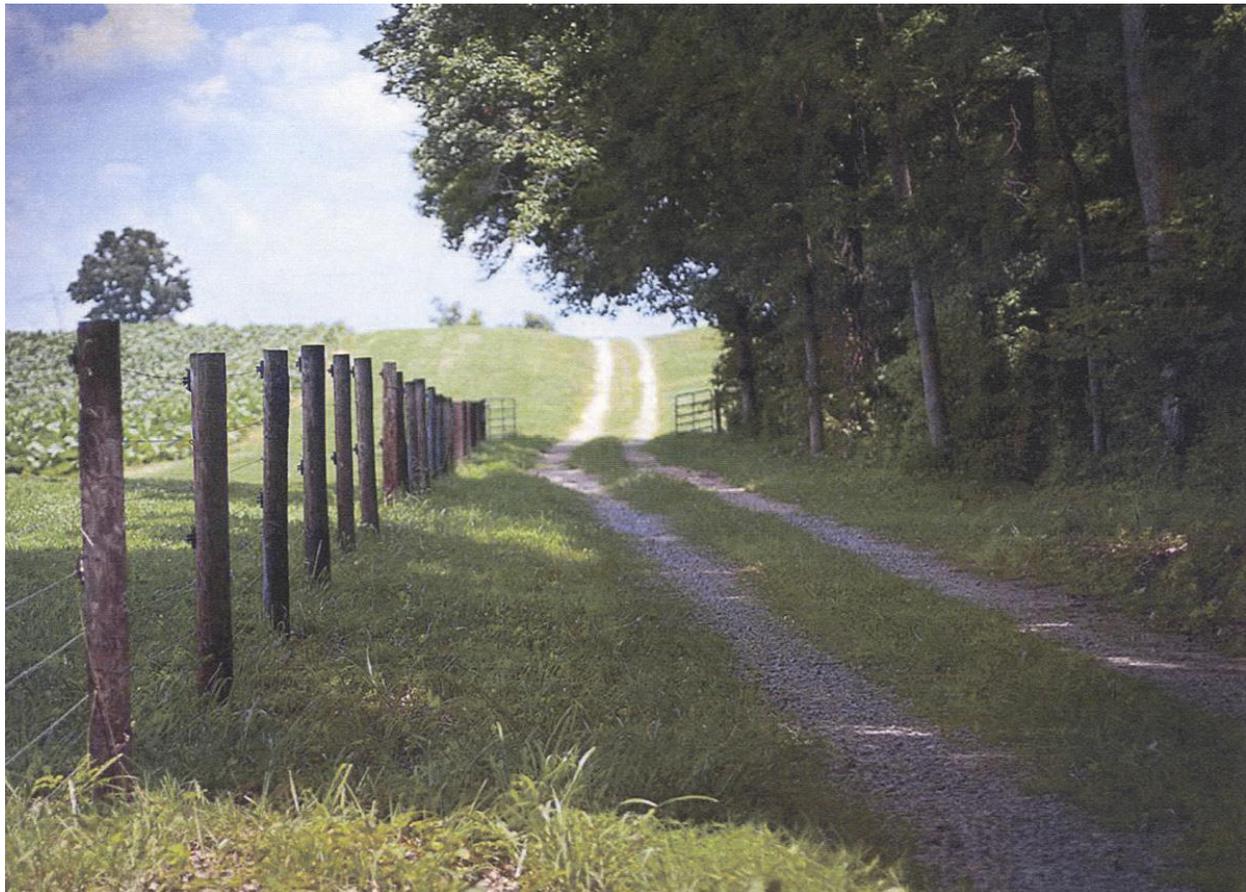
Inflows
 \$ 0

General Fund transfers \$ 0
 No transfers will occur for 2017.

Ending Fund Balance
 \$ 83,725

Other inflows..... \$ 0
 No other inflows are budgeted or anticipated.

Net effect on general fund balance..... \$ 0
 No change is anticipated for 2017.



Old Dirt Road by Kamie Jovag
 2nd Place 9th/10th Grade Winner of the 2015 Our Own Expressions Photography Contest

Part 4 Cash Flow and Funds



Water by Bailey Apthorp
1st Place 7th/8th Grade Winner of the 2015 Our Own Expressions Photography Contest

Cash Flow, Budgeting, and Funds

General Fund Cash Flow

The Library's long-term financial sustainability and its ability to operate without incurring the costs and risks of debt are dependent on a strong cash flow strategy, stated as follows:

- Separate cash reserves (fund balance) to identify reserve commitments and unreserved balances.
- Set aside operational reserves for the first four months of the fiscal year (until major property tax revenues are received). The operational reserve is calculated every year according to projected expenditures.
- Set aside a reserve to fund costs for a potential future election.
- Maintain a minimum of 2% in the unreserved fund balance. The unreserved fund balance will decrease over time when the reserve for operational costs increases. This fund may need to be replenished.
- Contingency to flow into the fund balance is only budgeted when it's projected that the unreserved fund balance dips below 2%.
- The Capital Improvement Fund transfer is 3%. Backfill may be needed, depending on emergent capital needs.
- Identify projected shortfalls in future years. Identify reduction strategies in future years.
- Identify cash reserve needs in the current year only. Future years will depend on current year strategies for reductions.

The revised year-to-year cash flow chart is on the next page.

Interfund Loans

In the General Fund, due to the cyclical nature of revenue receipts versus the regularity of expenditures, there may be temporary shortfalls in available cash (generally April and October). For the most part, the previous year's ending fund balance finances these shortfalls. However, when the balance proves insufficient, interfund loans from the Capital

Improvement Fund to the General Fund may be made by authority of the Board of Trustees. These loans are interest-bearing.

Investments

When available cash exceeds current needs, the Library has Pierce County Treasurer invest the remaining available amounts, which earns investment income for the Library. The rate of returns is approximately 0.5% due to historically low interest rates. Extremely low return on investment rates will continue through 2021.

Swallow

We toil,
We slave,
We blister in the sun
To cultivate in the alleys of night
Blood and soul soft enough
To swallow,
And each morning, we awaken
With fresh trenches on our wings,
Staples in our knees.
It all reminds me of when
This city had trees
And you did not spend your time
Harvesting deceit.

Tristan Crawford

Glacier View Junior High School

2015 Our Own Expressions
9th & 10th Grade Poetry Winner—2nd place

UPDATE IN NOVEMBER

Table 4-1: 2017 - 2021 Cash Flow Summary

REVENUES & EXPENDITURES					CASH								Strategy for Balancing Budget
Fiscal Year	Budgeted Revenues	%/ \$ Rev Change	Budgeted Expenditures	Budget Shortfall	Total of Cap. Imp. Transfers	Jan 1 Beginning Cash Reserves (est)	Operating Reserves (approx 4 mos)	Jan 1 Beginning Unrestricted Cash Rsrvs (est)	Less: Cash Use	Dec 31 Ending Unrestricted Cash Rsrvs (est)	% of Next fy Revs		
2016	29,709,541	5.86% 1,645,793	29,709,541	0	1,188,382	8,330,154	- 6,417,261 + 360,000 ¹ 6,777,261	1,552,893	- 0	= 1,192,893 ²	3.88%	Increased CIP transfer to 4%	
2017	30,779,848	3.60% 1,070,307	30,779,848	0	1,231,194	7,970,154	- 6,648,447	1,321,707	- 0	= 1,321,707	4.18%	Strategic Plan	
2018	31,593,785	2.64% 813,937	TBD	TBD ³	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
2019	32,471,788	2.78% 878,003	TBD	TBD ³	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
2020	33,388,537	2.82% 916,749	TBD	TBD ³	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
2021	34,337,426	2.84% 948,889	TBD	TBD ³	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	

Notes:

1. Set-aside for a future potential election. The set-aside will be moved to the Special Purpose Fund in 2016, and therefore is no longer reflected in future years.
2. Estimate as of December 2016. Final will be available in February 2017, when the 2016 fiscal report is issued to the State Auditor.
3. Estimate will change based on property values and operating costs.

The above table's design and purpose is to call out the budgeting challenges over the next four years, and note the impact to operating reserves and unrestricted reserves. It also lays out the general strategy by which the Library is applying to close the shortfall. This tool is used by the Board of Trustees to assist in their understanding of the problem facing the Library, and the effects of decisions. The key concern this chart draws forward is how much of unrestricted fund balance is available to pay for operations, noted in the column, Jan 1 Beginning Unrestricted Cash Rsrvs (est).

Capital Improvement Fund Cash Flow

Table 4-2: Capital Improvement Cash Flow (Column Format)

	2016 <u>BUDGET</u>	2017 <u>ESTIMATED</u>
Beginning Capital Improvement Fund Balance, Jan 1 (est)	\$ 948,000¹	\$ 1,588,069
Capital Improvement New Revenues & Transfers	2,015,069.....	1,261,194
Available Funds:		
Capital Improvement Expenditures (Capital Project Budget)	1,405,000.....	1,261,194
Ending Capital Improvement Fund Balance, Dec 31 (est)	\$ 1,588,069	\$ 1,588,069

Notes:

1. Estimate as of December 2015. Final will be available May 2016, when the 2015 fiscal report is issued to the State Auditor.

Table 4-3: Capital Improvement Cash Flow (Row Format)

REVENUES & EXPENDITURES					CASH							
Fiscal Year	Budgeted Revenues	%/\$ Rev Change	Budgeted Expenditures	Cap. Imp. Budget Shortfall	Jan 1 Beginning Cash Reserves (est)	Less: Cash Use	Add: Unused Revenue	Dec 31 Ending Cash Reserves (est)	% of Next fy Revs			
2017	1,261,194	-15.24% -226,806	1,261,194	-	1,588,069	-	0	+	0	=	1,588,069	5.16%
2018	TBD	TBD	TBD	TBD	TBD	-	TBD	+	TBD	=	TBD	TBD

Notes:

1. Estimate as of December 2016. Final will be available February 2017, when the 2016 fiscal report is issued to the State Auditor.

Provided above is a Capital Improvement Fund cash flow chart (two versions). While it appears that the Capital Improvement Fund is sufficient for 2016 and 2017, future projects—especially major maintenance—can quickly draw down the Capital Improvement Fund. As allowed per the Fiscal Management policy, the Library may transfer unanticipated revenues and savings during the year, typically done when the annual fiscal report is completed, or during the mid-year budget process.

The Library’s concern is the column second from the right, Dec 31 Ending Cash Reserves (est).

Beginning with 2016, the Library will be transferring 4% of general fund revenue to the capital improvement fund. The goal is to maintain at least 4% ending fund balance in the capital improvement fund, so that when the next economic downturn occurs, less cash will be transferred from the general fund to help offset shortfalls. In the capital improvement fund, the 4% cash balance will be drawn down over 2 or 3 years to pay for ongoing critical needs.

Summary of Fund Balances

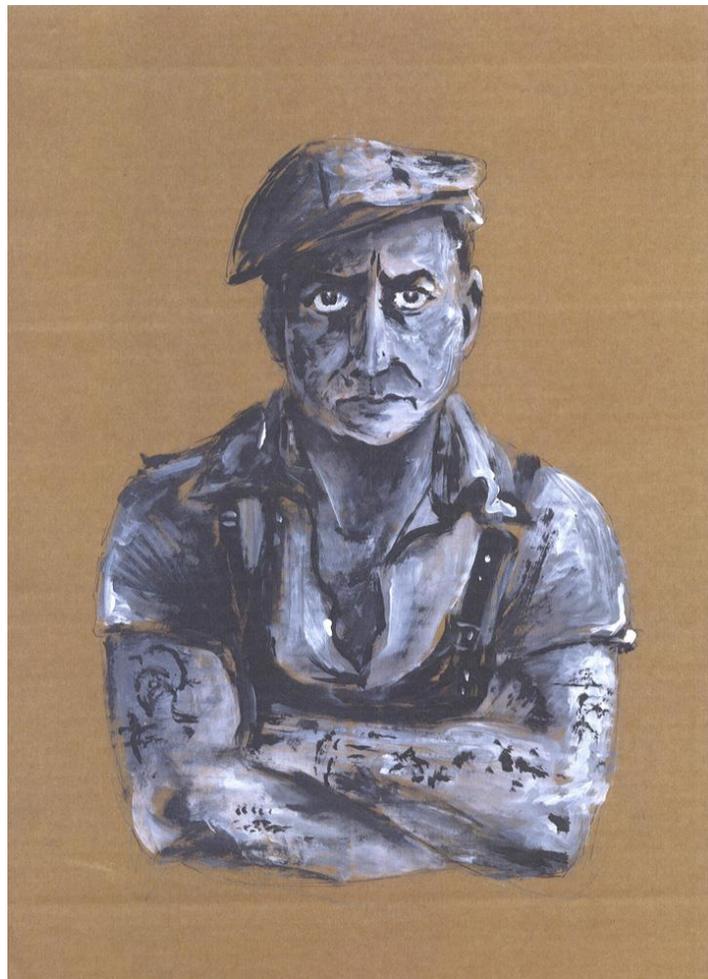
Table 4-4: Summary of Fund Balances

	GENERAL FUND	CAPITAL IMPROVE. FUND	SPECIAL PURPOSE FUND	DEBT SERVICE FUND
2016 ¹ Beginning Fund Balance, Jan 1	\$ 8,330,154	\$ 1,450,010	\$ 0	\$ 83,725
2017 Beginning Fund Balance, Jan 1 (est)	\$ 8,400,000	\$ 1,588,000	\$ 360,000	\$ 83,725
Add: 2017 New Revenues & Transfers In.....	30,779,848	1,261,194	0	0
2017 Available Funds:	39,179,848	2,849,194	360,000	83,725
Less: 2017 Expenditures & Transfers Out	30,779,848	1,261,194	0	0
2017 Ending Fund Balance, Dec 31 (est)	<u>\$ 8,400,000</u>	<u>\$ 1,588,000</u>	<u>\$ 360,000</u>	<u>\$ 83,725</u>

Notes:

1. 2016 balances were updated by using the 2015 actual ending fund balances reported in May 2016.

Provided above is a summary of each fund's beginning and ending balances.



Les Halles by Penny Rhines
2nd Place 11h/12th Grade Winner of the 2015 Our Own Expressions
Drawing Contest

2017 BUDGET PUBLIC HEARING

Opening the Public Hearing:

“I move that in accordance with RCW 84.55.120, the public hearing be opened for consideration of increases in property tax revenues, regarding 2016 property tax levies for collection in 2017.” (The motion is seconded and passed.)

Public Comment:

After presentation of the 2017 budget, the chair must ask if there was anyone in the audience who would like to comment on the budget. If there is no response, or when public comments have ended, the public hearing is then closed.

Closing the Public Hearing:

“I move to close the public hearing on the 2017 budget of estimated revenue and expenditures.” (The motion is seconded and passed.)

Unfinished Business (cont.)

RESOLUTION NO. 2016-05

**A RESOLUTION OF THE BOARD OF TRUSTEES
OF THE PIERCE COUNTY RURAL LIBRARY DISTRICT
DECLARING A “SUBSTANTIAL NEED” TO OVERRIDE THE IPD**

WHEREAS, the Board of Trustees of PIERCE COUNTY RURAL LIBRARY DISTRICT (Library) has met and considered its budget for the calendar year 2017; and,

WHEREAS, the population of the Library district is MORE THAN 10,000; and,

WHEREAS, the September 2016 Implicit Price Deflator is recorded at 0.953% which is less than the 1.00% increase to the regular property tax levy allowed by Washington State law; and,

WHEREAS, Washington State law permits the Board of Trustees as the Library’s governing body to override the Implicit Price Deflator by stating a “substantial need” to establish a maximum lawful levy up to a 1.00% increase; and,

WHEREAS, the Board of Trustees has determined that, due to _____

_____ (substantial need), the Board of Trustees finds that there is a need to increase the regular property tax limit factor above the rate of inflation as established by the Implicit Price Deflator; and now, therefore,

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

The limit factor for the tax year 2017 shall be 1.00 percent.

PASSED AND APPROVED THIS 9TH DAY OF NOVEMBER, 2016.

BOARD OF TRUSTEES, PIERCE COUNTY RURAL LIBRARY DISTRICT	
Robert Allen, Chair	_____
Donna Albers, Vice-chair	_____
Monica Butler, Member	_____
Linda Ishem, Member	_____
J. J. McCament, Member	_____

RESOLUTION NO. 2016-06

**A RESOLUTION OF THE BOARD OF TRUSTEES
OF THE PIERCE COUNTY RURAL LIBRARY DISTRICT
REQUESTING HIGHEST LAWFUL LEVY**

WHEREAS, the **Board of Trustees** of **PIERCE COUNTY RURAL LIBRARY DISTRICT (Library)** has met and considered its budget for the calendar year **2017**; and,

WHEREAS, the district’s actual levy amount from previous year (**2016**) was **\$28,309,882.29**; and,

WHEREAS, the population of the Library district is **MORE THAN 10,000**; and,

WHEREAS, Washington State law limits property tax collection to the lesser of either (1) the sum of regular property tax limit increases, additions due to new construction and improvements, the value of state assessed property, annexations, and refunds, or (2) 50 cents per \$1,000 of the Library district’s assessed property value; and,

WHEREAS, Washington State law limits the percent increase to the highest regular tax which could be levied lawfully to be the lesser of 1% or the Implicit Price Deflator (IPD), which was recorded at **0.953%**;

WHEREAS, the Library district created a strategy to address the short- and long-term impacts of IPD’s under 1%, and determined that the impact of this year’s IPD did not require a resolution declaring a “substantial need” to override it;

WHEREAS, the Board of Trustees, after duly considering all relevant evidence and testimony presented, determined that the Library requires an increase in property tax revenue from the previous year, in addition to that resulting from the addition of new construction and improvements to property, any increase in the value of state-assessed property, any annexations that have occurred, and refunds made; and now, therefore,

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

An increase in the regular property tax levy, in addition to the increase resulting from the addition of new construction and improvements to property, any increase in the value of state assessed property, any annexations that have occurred, and refunds is hereby authorized for the Library levy in the amount of **\$856,421.15** which is a percentage increase of **3.0252** percent from the previous year (**2016**).

PASSED AND APPROVED THIS 9TH DAY OF NOVEMBER, 2016.

BOARD OF TRUSTEES, PIERCE COUNTY RURAL LIBRARY DISTRICT

Robert Allen, Chair _____

Donna Albers, Vice-chair _____

Monica Butler, Member _____

Linda Ishem, Member _____

J. J. McCament, Member _____

RESOLUTION NO. 2016-06

**A RESOLUTION OF THE BOARD OF TRUSTEES
OF THE PIERCE COUNTY RURAL LIBRARY DISTRICT
REQUESTING HIGHEST LAWFUL LEVY**

WHEREAS, the **Board of Trustees** of **PIERCE COUNTY RURAL LIBRARY DISTRICT (Library)** has met and considered its budget for the calendar year **2017**; and,

WHEREAS, the district’s actual levy amount from previous year (**2016**) was **\$28,309,882.29**; and,

WHEREAS, the population of the Library district is **MORE THAN 10,000**; and,

WHEREAS, Washington State law limits property tax collection to the lesser of either (1) the sum of regular property tax limit increases, additions due to new construction and improvements, the value of state assessed property, annexations, and refunds, or (2) 50 cents per \$1,000 of the Library district’s assessed property value; and,

WHEREAS, Washington State law limits the percent increase to the highest regular tax which could be levied lawfully to be the lesser of 1% or the Implicit Price Deflator (IPD), which was recorded at **0.953%**; and,

WHEREAS, the Library district created a strategy to address the short- and long-term impacts of IPD’s under 1%, and determined that the impact of this year’s IPD required a resolution declaring a “substantial need” to override it; and,

WHEREAS, the Board of Trustees passed a resolution declaring a “substantial need” to override the IPD; and,

WHEREAS, the Board of Trustees, after duly considering all relevant evidence and testimony presented, determined that the Library requires an increase in property tax revenue from the previous year, in addition to that resulting from the addition of new construction and improvements to property, any increase in the value of state-assessed property, any annexations that have occurred, and refunds made; and now, therefore,

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

An increase in the regular property tax levy, in addition to the increase resulting from the addition of new construction and improvements to property, any increase in the value of state assessed property, any annexations that have occurred, and refunds is hereby authorized for the Library levy in the amount of \$ **869,726.79** which is a percentage increase of **3.0722** percent from the previous year (**2016**).

PASSED AND APPROVED THIS 9TH DAY OF NOVEMBER, 2016.

BOARD OF TRUSTEES, PIERCE COUNTY RURAL LIBRARY DISTRICT

Robert Allen, Chair _____

Donna Albers, Vice-chair _____

Monica Butler, Member _____

Linda Ishem, Member _____

J. J. McCament, Member _____

RESOLUTION NO. 2016-07

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE
PIERCE COUNTY RURAL LIBRARY DISTRICT
TO SET WAGES AND BENEFITS FOR NON-REPRESENTED EMPLOYEES**

WHEREAS, there are certain Pierce County Library System employees, management and non-management, who are exempt from membership in a union, and

WHEREAS, it is necessary for the Board of Trustees to set salary and benefit rates for non-represented employees in these positions, now therefore,

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

1. For January 1, 2017, excepting the Executive Director, all employees working in a regular, non-represented capacity shall be paid in accordance with the current wage scale.
2. For January 1, 2017, excepting the Executive Director, the wages on said scale shall increase for all regular, non-represented employees by 1.65%.
3. For January 1, 2017, excepting the Executive Director, all employees working on a regular, non-represented capacity shall be paid one additional floating holiday.
4. The Executive Director shall be paid in accordance to the salary agreement as established between the Board of Trustees and the Executive Director, any agreement currently in force or as replaced at such time and as agreed upon between the Board of Trustees and the Executive Director.
5. Effective January 1, 2017, the Library will pay 100% of the employee-only premiums for vision and life insurance for eligible non-represented employees. The Library will also pay 100% of the employee only premiums for the medical and dental insurance plan selected by the employee.
6. For January 1, 2017, the base wages of all employees working in a non-represented, substitute-only capacity shall be increased by 1.62%

PASSED AND APPROVED THIS 9TH DAY OF NOVEMBER, 2016.

BOARD OF TRUSTEES, PIERCE COUNTY RURAL LIBRARY DISTRICT

Robert Allen, Chair _____

Donna Albers, Vice-Chair _____

Monica Butler, Member _____

Linda Ishem, Member _____

J. J. McCament, Member _____

New Business



Memorandum

Date: November 1, 2016

To: Pierce County Library System Board of Trustees
Rob Allen, Chair

From: Linda Tieman, President, Pierce County Library Foundation
Georgia Lomax, Executive Director, Pierce County Library System

Re: Annual Foundation Report for Fiscal Year Ending June 30, 2016

In fiscal year 2015-16, the Pierce County Library Foundation gratefully received \$471,852.75 from 1,451 donors and awarded \$400,699.36 in program support to the library. The award represents distributions, distributions payable, pledge payments and outright payment of program materials. It does not include gifts in kind.

The Foundation operates on a July through June fiscal year. During FY 2016 they primarily raised funds to distribute for use in the Library's 2017 budget. A summary of the Foundation's five-year history of giving is below:

Total Giving

Fiscal Year	2011-12	2012-13	2013-14	2014-15	2015-16
Total Giving	\$252,347	\$379,283	\$709,736	\$380,509	\$471,852.75
Total Donors	1,437	1,362	1,333	1,308	1,451
Distribution to PCLS	\$238,442	\$320,055	\$531,357	\$481,716	\$400,699

Unrestricted vs. Restricted

	2011-12	2012-13	2013-14	2014-15	2015-16
Unrestricted	\$122,880	\$128,165	\$189,556	\$145,570	\$173,859
Restricted	129,467	\$251,118	520,180	\$234,939	\$295,674

Operation Costs as a Percentage of Total Revenue

	2011-12	%	2012-13	%	2013-14	%	2014-15	%	2015-16	%
Operational Costs	\$ 59,462	24%	\$ 45,129	11.9%	\$49,085	6.8%	\$44,738	12%	\$59,108	12.6%

FY 2016 Highlights

- A 19% increase in unrestricted donations (+\$28,000)
- An 8% increase in annual giving donations (+\$14,500)
- A 14% increase in annual giving donors (172 new donors)
- The average annual giving gift in FY 2016 was \$140.00
- 11 new Leadership donors (gifts of \$500 or more)
- 12 charitable foundations awarded \$211,368
- 14 people made first-time gifts at Pierce County READS

Among the programs Foundation fundraising supported were Summer Reading, Get Hired, Block Play, early learning, service to after-school programs, Science to Go, Prime Time Reading and Camp Code.

The Foundation also supported special events, including Our Own Expressions and Pierce County READS.

Two new summer reading sponsors, Point Ruston and BMW Northwest, were added thanks to outreach by the Foundation Board. This year the Foundation introduced story time sponsorships that are targeted to local businesses.

In FY 2016, the Foundation welcomed five new Directors: Erin Bethel (Tacoma), Erin Hagstrom (Puyallup), Teena Ward Hyde (Lakewood), Elizabeth Lufkin (Lakewood), Erin Morris (Tacoma) and two Board Intern Directors, Kirsti Ruud (Tacoma) and Tono Sablan (Tacoma) to the Board. The Board Intern Director is a new classification that will represent and reflect ideas and priorities of Millennials and younger constituents.

Per the Library/Foundation Agreement, attached is the statement of financial position and statement of expenses and revenue for the year ending June 30, 2016. A copy of the Foundation's Development Plan for 2016-17 will be provided at the Board meeting.

Pierce County Library Foundation
Statement of Financial Position
June 30, 2016

ASSETS

Current Assets

Petty Cash	\$	100.00	
Checking - Key Bank		123,984.27	
Checking - Union Bank		100.00	
Money Market -Union Bank		128,932.85	
Savings -America Credit Union		<u>30.04</u>	
			253,147.16

Sarah Dickson Endowment		8,174.40	
GTCF Rideout /Steilacoom Endmt		29,889.85	
GTCF Ethel McIntyre Outreach		12,496.04	
GTCF Carolyn Else Collection		12,429.57	
GTCF Ellis Endmt.- Key Center		8,758.29	
GTCF Margaret Ellis Endowment		<u>23,253.62</u>	
			<u>95,001.77</u>
Total Assets			<u><u>\$ 348,148.93</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	\$	3,884.23	
PCLF Distributions Payable		<u>138,727.44</u>	
Total Current Liabilities			<u>142,611.67</u>
Total Liabilities			142,611.67

Net Assets

Unrestricted Net Assets		32,245.03	
Board Des. Net Assets -Reserve		50,000.00	
Temp. Restricted Net Assets		16,201.97	
Perm. Restricted Net Assets		103,045.51	
Net Income		<u>4,044.75</u>	
Total Net Assets			<u>205,537.26</u>
Total Liabilities & Net Assets			<u><u>\$ 348,148.93</u></u>

No assurance is provided on these financial statements.
The statement of cash flows is not included and all disclosures are omitted.

Pierce County Library Foundation
Statement of Revenue and Expenses
For Twelve Months Ending June 30, 2016

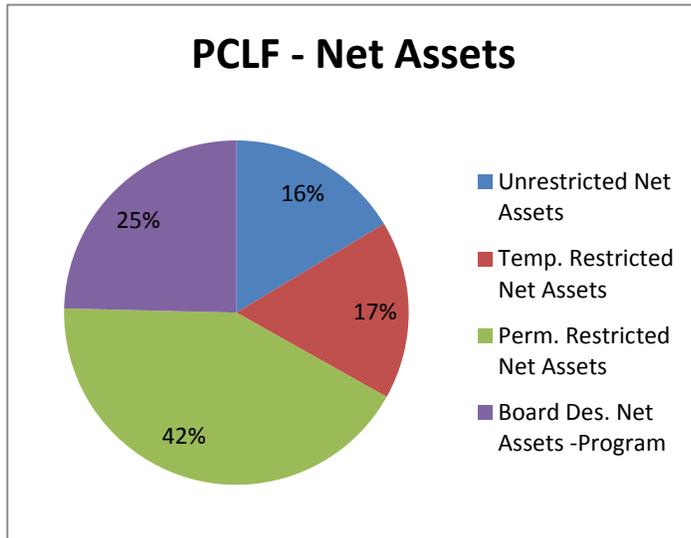
	Current Month	Year to Date	2015-16 Budget	Last Year to Date
Unrestricted Revenues	10,871.69	173,858.58	150,500.00	145,566.23
Temporarily Restricted Revenues				
Books and Resources	60.00	1,349.86	3,000.00	1,571.33
Programs for Young Readers	26,945.00	112,548.25	455,000.00	156,321.07
Programs for Adult Learners	-	155,418.39	210,000.00	19,895.00
Special Projects	706.94	24,994.36	49,000.00	34,046.88
Funds Managed by Foundation	20.00	3,727.05	6,000.00	27,105.46
Permanently Restricted Revenues	(8,047.50)	(8,043.74)	-	(7,765.06)
In Kind Gifts	121,150.00	121,150.00		2,522.00
Total Revenues	151,706.13	585,002.75	873,500.00	379,262.91
Operating Expenses				
Fundraising Expenses	309.87	32,452.76	30,000.00	28,900.10
Administrative Expenses	846.27	13,461.62	19,900.00	12,529.15
Marketing Expenses	-	13,194.26	12,500.00	3,321.26
Total Operating Expenses	1,156.14	59,108.64	62,400.00	44,750.51
Program Distributions **				
Books and Resources	60.00	1,349.86	3,000.00	1,571.33
Programs for Young Readers	71,691.02	144,099.87	500,000.00	238,900.77
Programs for Adult Learners	41,101.73	197,103.70	215,000.00	98,269.54
Special Projects	7,713.88	31,864.36	80,000.00	113,346.88
Funds Managed by Foundation	14,240.00	18,107.17	10,000.00	27,105.46
Sarah Dickson Distribution	8,174.40	8,174.40		-
In Kind Gifts	121,150.00	121,150.00		2,522.00
Total Distributions	264,131.03	521,849.36	808,000.00	481,715.98
Total Expenses & Distributions	265,287.17	580,958.00	870,400.00	526,466.49
Net Revenues Over Expenditures	(113,581.04)	4,044.75	3,100.00	(147,203.58)

**Combines temporarily restricted and unrestricted distributions approved by the board.

No assurance is provided on these financial statements.

The statement of cash flows is not included and all disclosures are omitted.

Pierce County Library Foundation
Net Asset Balances at 6-30-2016



Unrestricted Net Assets

Beginning Balance	\$ 32,245.03
Unrestricted Revenue	173,858.58
Operating Expenses	(59,108.64)
Board Designations	<u>(113,333.76)</u>
Ending Unrestricted Balance	<u>33,661.21</u>

Temp. Restricted Net Assets

Beginning Balance	16,201.97
Restricted Revenue	298,037.91
Program Distributions	(392,524.96)
Covered with Unrestricted Funds	<u>112,748.76</u>
Ending Temp. Restricted Balance	<u>34,463.68</u>

Perm. Restricted Net Assets

Beginning Balance	103,045.51
Sarah Dickson Interest	4.09
Decrease in GTCF balances	(8,047.83)
Distribution os Dickson balance	<u>(8,174.40)</u>
Ending Perm. Restricted Balance	<u>86,827.37</u>

Board Des. Net Assets -Program

Beginning Balance	50,000.00
Allocated 2015-2016	<u>585.00</u>
Ending Board Designated Balance	<u>50,585.00</u>

Total Net Assets	<u><u>205,537.26</u></u>
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Development Plan

FY 2016-17

Our Mission: To raise, manage and allocate funds to support and enhance the programs and services of the Pierce County Library System that are not funded by taxes or traditional revenue sources.

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Board of Directors

OFFICERS

Linda Tieman, *President*

Kathryn McCarthy, *Vice President*

Janice Ludwig, *Secretary*

Kari Kennard, *Treasurer*

Tim Rhee, *Member-at-Large*

Thalia Soliman, *Member-at-Large*

Michael Gordon, *Past President*

Washington Center for Nursing

Tacoma Public Schools

Community Volunteer

Sterling Wealth Management

US Trust/Bank of America

On Q Financial

Kitsap Bank

DIRECTORS

Patrick Adrian

Erin G. Bethel

Jack Conway

Joan Cooley

Larry Faulk

Caireen Gordon

Erin Hagstrom

Shema Hanebutte

Kim Heggerness

Teena Ward Hyde

Reji Kumar

Elizabeth Lufkin

Travis Mahugh

Erin Morris

Barbara Nelson

Kirsti Ruud

Tono Sablan

Doug Whitton

Mary Ann Woodruff

RedQuarry

Community Volunteer

Univ. Admin/Professor, retired

Community Volunteer

Washington State Senator, retired

Rainierview Christian

Communities In Schools of Puyallup

Tacoma Community College

St. Charles Borromeo School

Community Volunteer

Intel

Community Volunteer

Gordon, Thomas, Honeywell

Community Volunteer

Intel

Seattle University

Pacific Lutheran University

Dwyer Pemberton & Coulson P.C.

Pediatrics Northwest P.S.

COMMITTEE CHAIRS

Finance Committee – Kari Kennard

Board Development – Michael Gordon

Annual Giving – Erin Hagstrom

Corporate Giving – Tim Rhee

Leadership Giving – Janice Ludwig

2015-16 Program Impact

Distributions

The Foundation awarded a total of \$400,699 to the Library in 2015-16.

Our donors made it possible for the Foundation to award \$144,100 to Programs for Young Readers resulting in:

- ❖ **Summer Reading** – nearly 30,000 children reached, 400 fun summertime programs and events offered.
- ❖ **On the Road with Summer Reading** – bringing kids' books, programs and prizes to 25 sites for 9 weeks during summer break in low-income neighborhoods, at risk schools and child cares.
- ❖ **Block Play** – 26 ECEAP pre-school classes made regular visits to the library for Block Play and Storytimes. 159 children attended 11 free, public Block Parties with 53 parents and teachers.
- ❖ **Early Learning** – 31,216 books delivered to 125 child cares.
- ❖ **BEES**– 1,397 books were given away to students in 13 at-risk after-school programs.
- ❖ **Science to Go** – circulated 366 science-themed backpacks in our libraries for preschoolers and elementary school students.
- ❖ **Our Own Expressions** – celebrated its 20th year! In 2016, 1,071 entries were submitted from 84 schools around Pierce County.
- ❖ **Prime Time Reading** – hosting in-depth reading opportunities for 25 families and teachers in school districts struggling to improve reading scores.
- ❖ **Camp Code** – Parkland/Spanaway Library, University Place Library, Sumner Library and Graham Library had fun learning and connecting with middle school students and families creating websites and apps.

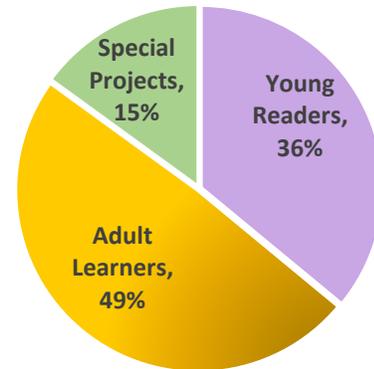
Our Donors made it possible for the Foundation to award \$197,103 to Programs for Adult Learners in 2015-16 resulting in:

- ❖ **Get Hired workshops** – 215 job seekers learned the language of IT professionals and updated their tech skills.
- ❖ **Adult Summer Reading** – 2,204 Adults read with their kids and earned prizes, too!
- ❖ **Pierce County READS** – 1,400 readers attended the free, live presentation by author Sherman Alexie. 5,267 books by Alexie were checked out.

The Foundation awarded \$49,971 for special projects, books and other funds which included:

- ❖ **Parkland Spanaway Library Project** – will upgrade the library's help desk and add more electrical and data for additional computing capability.
- ❖ **Sarah Dickson Fund** – will underwrite the cost of installing a handicapped access door to the Gig Harbor Library.
- ❖ **Innovator Funding** – will pilot a WiFi drone for more stable internet access at outreach sites.

2015-16 Distributions by Fund



2015-16 Accomplishments

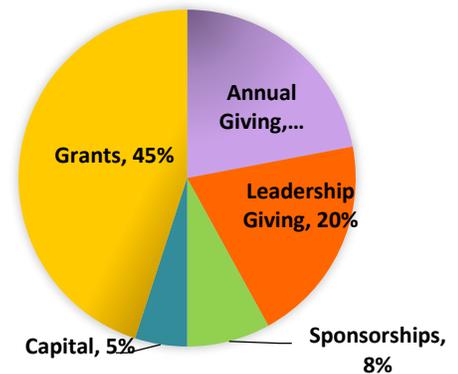
METRICS

- The Foundation ended the year with 1,451 donors – an increase of 17% over last year and 13% over goal.
- The Foundation welcomed 387 new donors – an increase of 7.5% over last year and 87% of goal.
- The Foundation raised \$469,533 in gifts, grants, and sponsorships– 24% over last year and 54% of goal.

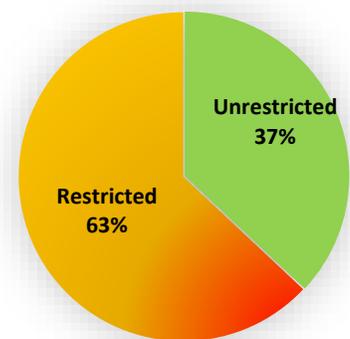
GOALS AND OBJECTIVES

- The Foundation raised \$173,858 in unrestricted annual giving donations compared to \$145,566 last year – an increase of 19%.
- The Foundation increased total Annual Giving by 8% (gifts not including sponsorships, grants, capital projects, endowments) totaling \$197,808 compared to \$183,147 last year.
- 1,414 Annual Giving donors made gifts compared to 1,242 last year – a 14% increase overall, a 12% increase in renewals and a 50% increase in lapsed donors.
- The average Annual Giving gift decreased from \$147 to \$140.
- Donors making gifts under \$500 increased from 1,169 last year to 1,330 this year – a 14% increase. Total giving from gifts of less than \$500 increased from \$85,595 to \$103,089, by 20%.
- Donors making leadership gifts of \$500 or more increased from 73 to 84 this year – a 15% increase. Total giving from gifts of \$500 or more decreased 3% from \$97,553 last year to \$94,719.
- 73% of last year’s leadership gift donors renewed their gift at \$500 or more this year.
- The Foundation recognized 23 sponsors with contributions totaling \$37,500, \$2,688 less than last year.
- The Foundation was awarded \$211,368 from 12 charitable foundations, compared to \$100,500 from 7 grantors last year.
- Fourteen people made first-time gifts at Pierce County READS. Total raised was \$1,426.

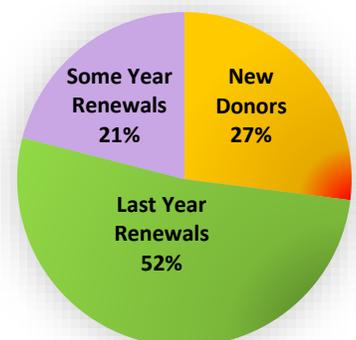
Total Giving 2015-16



Annual Giving Total 2015-16



New and Renewing Donors 2015-16



2016-17 Funding Priorities



Prime Time Family Reading

A program that combines reading, storytelling, and discussion to explore themes in children's literature. Prime Time focuses on at-risk children and families. It emphasizes the importance of families reading together and creates long-term library users. Pierce County Library partners with up to four selected schools to engage 25 families per site.

Books to Engage Elementary Students (BEES)

Outreach staff serve schools in low-income areas by bringing fun, quality books so kids get excited about reading. Funding is needed for book carts and a refreshed collection.

Books4Kids Book Reserve

The Foundation will maintain a fund of up to \$5,000 annually for book giveaways through the BEES program, On the Road with Summer Reading and other programs to reach at-risk children.

STEM – Camp Code

Five to seven day-long sessions for middle-school children to learn, experiment and have fun with coding. Students create their own apps and websites using library computers and software. Food is also involved.

Block Play

By playing with blocks, preschool-age children learn literacy and STEM skills. Funding is needed for wooden blocks, cabinets and transportation to the library for ECEAP (Headstart) classes. Kids get blocks to take home to play with their families, too.

Adult Summer Reading

In conjunction with Summer Reading for kids, Adult Summer Reading engages a wide range of adults in reading with book recommendations incentives and featured author presentations. The program engages new users with the library, encourages adults to model reading for children and more deeply involves current library users of all ages with the library's extensive collection.

3-D Printing

Expanding on the popularity of the 3-D printer programs at Gig Harbor, the library would like to establish this technology to three branch libraries and take three traveling 3-D printers to other library locations. This is an all-ages program that contributes to STEM learning.

Job Fairs

Support up to three Job Fairs. Secure professional speakers to present free workshops in employment readiness.

2016-17 Funding Priorities

Senior Reading

A new program that reaches out to seniors 55+ to provide assistance in learning to use ereaders on multiple devices in order to access the library's free downloadable audio and ebooks.

On-going commitments

The Foundation is committed to maintain funding for Summer Reading, On the Road with Summer Reading, Our Own Expressions Teen Writing and Art Contest and Pierce County READS through 2016-17.

Innovator's Fund

Unrestricted unallocated funds are used to fill gaps in funding commitments or fund programs/services identified in the strategic planning process.

2016-17 Goals, Objectives, Strategies

Annual Giving (Gifts Under \$500)

Goal: \$108,000

OBJECTIVES	TY	LY ACTUAL
Increase donors 5%	1,400	1,330
Increase giving 5%	\$108,000	\$103,089
Strategies		
<ol style="list-style-type: none"> Increase renewing donor from previous year Increase lapsed donors Continue to acquire new donors Increase number of recurring donors 	<ul style="list-style-type: none"> 4 direct mail appeals 1 acquisition mailings/2 lapsed mailings 3 newsletter mailings Target letters Thank you calls Giving moment at Pierce County READS Monthly Donor Club w/premium Email and Facebook presence 	

Leadership Giving

Goal: \$100,000

OBJECTIVES	TY	LY ACTUAL
Increase donors 5%	90	84
Increase giving 5%	\$100,000	\$94,719
Strategies:		
<ol style="list-style-type: none"> Retain current leadership donors and Identify major donors Develop cultivation plans Acquire 2 \$10,000 donors for Innovator Fund 	<ul style="list-style-type: none"> EOY Thank You letter 1 First Edition Society appeal 1 end of tax year email/1 fiscal EOY appeal Hand-written Thank You cards 2 Stewardship Events/Thank You cards to guests Tax statement 	

2016-17 Goals, Objectives, Strategies

Corporate Giving

Goal: \$55,000

OBJECTIVES	TY	LY ACTUAL
Maintain Summer Reading Sponsorships	\$20,000	\$23,750
Increase Pierce County READS sponsorship	\$15,000	\$10,000
Secure Story Time sponsorships	\$10,000	\$2,750
Develop Adult Reading program sponsorships	\$5,000	

Strategies

1. Grow sponsorships to diversify funding
 - Find new Pierce County READS sponsor
 - Increase branches with Story time sponsors
2. Build Story Time sponsorships to secure unrestricted funding
 - Begin Summer Reading solicitation in Sept
 - Initiate new sponsorships
3. Increase PC READS funding for the future
4. Engage new board members

Grants

Goal: \$255,000

OBJECTIVES	TY	LY ACTUAL
Increase Grant donations by 21%	\$255,000	\$211,368

Programs

- Baby Books to Go
- Prime Time Reading
- BEES Nonfiction collection
- On the Road with Summer Reading
- Block Play
- Senior Collection
- 3-D Printers

2016-17 Fundraising Timeline

Activity	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Direct Mail												
BookEnds												
AG Direct Mail			Kick Off	Follow Up		Holiday				Spring		FEOY
★ Leadership Giving		EOY TY		FES			Tax Letter	PC READS				FEOY
★ Target Letters												
Acquisition & Lapsed												
Email/Social Media												
AG Email (2 week intervals)			Kick Off			Holiday/E OY				Spring		FEOY
Facebook/social media (3-4 week intervals)		Book-Ends	boost		Book-Ends	boost			Book-Ends	boost		
Branch Displays												
		Small Display			Big Display							
Personal Contacts												
★ Summer Reading												
★ Storytime												
Grants												
★ Leadership Cards												
★ Phone Calls	TY			ALE						PCR		
★ Cultivation Events Invitations												
				ALE	TY					PCR	TY	

★ Board Involvement

2016-17 Recognition/Stewardship Plan

	New Donors	\$50 - \$249 Donors	\$250 - \$499 Donors	\$500 - \$1000 Donors	\$1000+ Donors	Sponsors	Grantors
1	Foundation Acknowledgement signed by Foundation Director 1 – 3 days						
2	BookEnds Newsletter 2-3x/year						
3	TY Postcard 1 week	Phone Call from board member 1 month		Handwritten card from board member 1 month			
4	Invitation to Pierce County READS reception – 1/year						
5	Invitation to A Literary Evening reception – 1/year						
6	Fiscal YE Thank You Letter – 1/year					Report 1/year	Report 1/year
7	YE Tax Receipt						
8					Card from Library Director 1 week		

2016-17 Board Information

Board Roster

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2016-17 Board Information

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2016-17 Board Information

2016-17 Board Meeting Schedule

All board meetings are from 7:30 a.m. to 9:00 a.m. in the PAC boardroom.

Tuesday, September 27

Tuesday, October 25

November – No Meeting

Tuesday, December 6

Tuesday, January 24

Tuesday, February 28

Tuesday, March 28

Tuesday, April 25

Tuesday, May 23

Tuesday, June 27

July – No Meeting

August – No Meeting

2016-17 Board Information

2016-17 Board Activity Calendar

Meeting Dates	Sept 27	October 25	November	December 6	January 24
Business Meeting 7:30 – 8:00 am	Consent Agenda Develop Rpt. Graphics agree. Distributions	Consent Agenda Develop Rpt.	No meeting	Consent Agenda Develop Rpt.	Consent Agenda Develop Rpt.
Goals and Objectives 8:00 – 8:30 am	2016 – 17 Dev. Plan A Lit. Evening Summer Reading	Summer Reading/ Story Time Sponsorships		Tuition Asst Prgm Summer Reading	Summer Reading/Story Time Sponsorships Annual Giving
Education 8:30-9:00 am	Library Director's Report Pierce County READS	Library Director's Report Library Budget Report	Retreat-TBA	Library Director's Report Pierce County READS	Library Director's Report Our Own Expressions
Events		A Literary Eve. Oct. 10			

Meeting Dates	February 28	March 28	April 25	May 23	June 27
Business Meeting 7:30 – 8:00 am	Consent Agenda Develop Rpt.	Consent Agenda Develop Rpt.	Consent Agenda Develop Rpt.	Consent Agenda Develop Rpt.	Annual meeting Regular Meeting: Consent Agenda Develop Rpt.
Goals and Objectives 8:00 – 8:30 am	Summer Reading, Pierce County READS Sponsorships	Finalize Summer Reading Sponsors PCR Reception	Story Times	Budget Planning Story Times	Preliminary 2016-17 Distributions 2017-18 Budget Approval Story Times
Education 8:30-9:00 am	Library Director's Report PCLS/PCLF Agreement	Library Director's Report	Library Director's Report	Library Director's Report	Library Director's Report
Events			Pierce County READS	Our Own Expressions	

Meeting Dates	July – August
Goals and Objectives	Executive Committee Meets Finance Committee Meets Committee Chairs Meet

2016-17 Financial Information

Budget Worksheet 2016-2017

Revenues/Fundraising Targets	Total	Unrestricted	Restricted	2015-16
Annual Giving	\$ 108,000	\$ 100,000	\$ 8,000	\$ 103,090
Leadership Giving	\$ 100,000	\$ 80,000	\$ 20,000	\$ 94,719
Corporate Giving/Sponsorships	\$ 50,000		\$ 50,000	\$ 37,500
Grants	\$ 255,000		\$ 255,000	\$ 211,368
Capital Projects	\$ 20,000		\$ 20,000	\$ 22,856
Interest	\$ 1,000	\$ 1,000		\$ 967
Total	\$ 534,000	\$ 181,000	\$ 353,000	\$ 470,500
Expenses/Operations				
Fundraising	\$ 32,000	\$ 32,000		\$ 28,081
Recognition	\$ 4,500	\$ 4,500		\$ 4,372
Administration	\$ 19,150	\$ 19,500		\$ 13,461
Marketing	\$ 5,500	\$ 5,500		\$ 13,194
Total	\$ 61,150	\$ 61,150		\$ 59,108
Admin ratio to Programs	11%			
Expenses/Projected Distributions				
Funding for Books & Resources				
Restricted Collection	\$ 3,000		\$ 3,000	\$ 1,349
Total Funding for Collections	\$ 3,000		\$ 3,000	\$ 1,349
Funding for Programs for Young Readers				
Gen'l Programs for Young Readers*	\$ 30,000		\$ 30,000	\$ 25,000
Books4Kids Reserve	\$ 5,000	\$ 5,000		\$ 171
STEM**	\$ 2,500	\$ 2,500		
Summer Reading & Story Time	\$ 30,000		\$ 30,000	\$ 29,386
On the Road with Summer Reading	\$ 40,000		\$ 40,000	\$ 46,000
Early Learning	\$ 55,000		\$ 55,000	\$ 40,022
Our Own Expressions	\$ 5,000	\$ 5,000		\$ 3,521
Total Funding for Programs for Youth	\$ 167,500	\$ 12,500	\$ 155,000	\$ 144,100
Funding for Programs For Adult Learners				
Gen'l Prog. for Adult Learners***	\$ 10,000	\$ 5,000	\$ 5,000	\$ 24,282
Workforce Development****	\$ 52,500	\$ 2,500	\$ 50,000	\$ 157,215
Senior Programs	\$ 80,000		\$ 80,000	\$ 350
Pierce County READS	\$ 30,000	\$ 5,000	\$ 25,000	\$ 15,256
Total Funding for Adult Learners	\$ 172,500	\$ 12,500	\$ 160,000	\$ 197,103
Special Projects				
Innovator Fund*****	\$ 107,500	\$ 87,500	\$ 20,000	\$ 2,000
South Hill Library Project	\$ 20,000		\$ 20,000	\$ 22,769
Tuition Assistance Program	\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,825
Other Branch Projects	\$ 5,000		\$ 5,000	\$ 19,377
Total Funding for Special Projects	\$ 142,500	\$ 92,500	\$ 50,000	\$ 49,971
Total Programs	\$ 485,500	\$ 117,500	\$ 368,000	\$ 392,523
Total Operation Costs	\$ 61,150	\$ 61,150		\$ 59,108
Total Operation and Programs	\$ 546,650	\$ 178,650	\$ 368,000	\$ 451,631
Revenue over Distributions	\$ (12,650)	\$ 2,350	\$ (15,000)	\$ 18,869

* Prime Time Readers + BEES

** Camp Code

*** Adult Summer Reading

**** 3-DPrinters + Job Fair costs

***** Contingency Fund

2016-17 Financial Information

Statement of Financial Position: (aka the Balance Sheet) A snapshot of the financial health of the organization at one point in time.

Sample

Pierce County Library Foundation
Statement of Financial Position
June 30, 2015

ASSETS

Current Assets

Petty Cash	\$ 100.00	
Checking - Key Bank	94,152.24	
Checking - Union Bank	100.00	
Money Market -Union Bank	127,965.43	
Savings -America Credit Union	<u>30.04</u>	
		222,347.71

GTCF: Endowments established by the Foundation and held by the Greater Tacoma Community Foundation. They are Permanently Restricted Assets.

Sarah Dickson Endowment	8,170.31	
GTCF Rideout /Steilacoom Endmt	32,672.59	
GTCF Ethel McIntyre Outreach	13,685.15	
GTCF Carolyn Else Collection	13,611.82	
GTCF Ellis Endmt.- Key Center	9,457.58	
GTCF Margaret Ellis Endowment	<u>25,448.06</u>	
		<u>103,045.51</u>
Total Assets	<u>\$ 325,393.22</u>	

LIABILITIES AND NET ASSETS

Current Liabilities

PCLF Distributions Payable	\$ 123,900.71	
Total Current Liabilities		<u>123,900.71</u>
Total Liabilities		123,900.71

Distributions Payable: Funds raised in the current year that are committed to be spent in the following year on library programs. The Foundation holds selected funds until the library can incorporate the specific dollars into their budget process.

<i>Net Assets</i>		
Unrestricted Net Assets	47,383.21	
Board Des. Net Assets -Reserve	50,000.00	
Board Des. Net Assets -Program	130,000.00	
Temp. Restricted Net Assets	10,501.97	
Perm. Restricted Net Assets	110,810.91	
Net Income	<u>(147,203.58)</u>	
Total Net Assets		<u>201,492.51</u>
Total Liabilities & Net Assets	<u>\$ 325,393.22</u>	

2016-17 Financial Information

Statement of Revenue and Expenses: A statement of financial activity within the fiscal year.

Unrestricted Revenues: Donations to be used where the need is the greatest.

Temporarily Restricted Revenues: Gifts that will be used for their charitable purpose in the near future, usually in a year.

In Kind: Non-cash donations of goods or services

Program Distributions: Funds expended for their charitable purposes, which are library programs. Distributions may combine unrestricted and restricted revenues as approved by the board. Funds consist of cash expenditures, transfers to the library system or gift in kind.

Sample

Pierce County Library Foundation
Statement of Revenue and Expenses
For Twelve Months Ending June 30, 2015

	Current Month	Year to Date	2014-15 Budget	Last Year to Date
Unrestricted Revenues	9,387.70	145,566.23	149,000.00	191,914.51
Temporarily Restricted Revenues				
Books and Resources	700.00	1,571.33	6,500.00	7,015.50
Programs for Young Readers	3,355.00	156,321.07	247,000.00	282,110.00
Programs for Adult Learners	5,625.00	19,895.00	15,000.00	120,646.00
Special Projects	1,371.40	55,377.34	57,500.00	105,716.57
Funds Managed by Foundation	4,750.00	5,775.00		
Permanently Restricted Revenues	(7,765.06)	(7,765.06)		
In-Kind	2,522.00	2,522.00		
Total Revenues	19,946.04	379,262.91		
Operating Expenses				
Fundraising Expenses	265.17	28,900.10		
Administrative Expenses	494.50	12,529.15		
Marketing Expenses	-	3,321.26		
Total Operating Expenses	759.67	44,750.51	45,300.00	49,085.17
Program Distributions **				
Books and Resources	250.00	1,571.33	6,500.00	7,687.31
Programs for Young Readers	133,860.17	238,900.77	292,000.00	289,968.82
Programs for Adult Learners	85,000.00	98,269.54	70,000.00	122,175.84
Special Projects	5,750.60	80,377.34	57,500.00	107,158.32
Funds Managed by Foundation	37,597.00	62,597.00	5,000.00	3,825.00
Total Distributions	262,457.77	481,715.98	431,000.00	530,815.29
Total Expenses & Distributions	263,217.44	526,466.49	476,300.00	579,900.46
Net Revenues Over Expenditures	(243,271.40)	(147,203.58)	2,200.00	141,245.21

Permanently Restricted Revenues: Gifts held in endowment funds in which the proceeds will always be designated to a particular program.

Operating Expenses: Costs associated with running the Foundation which consists of Fundraising/Recognition, Administration and Marketing.

** Combines temporarily restricted and unrestricted distributions approved by the board.

No assurance is provided on these financial statements.
The statement of cash flows is not included and all disclosures are omitted.

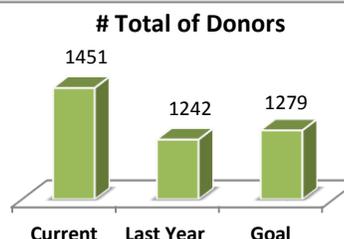
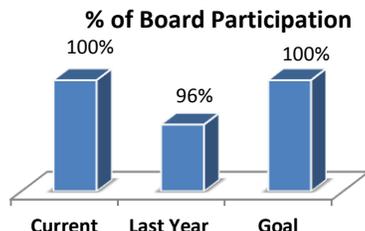
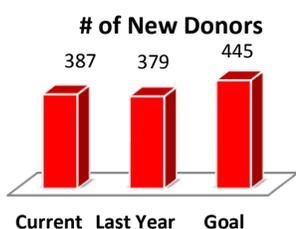
2016-17 Financial Information

Development Report

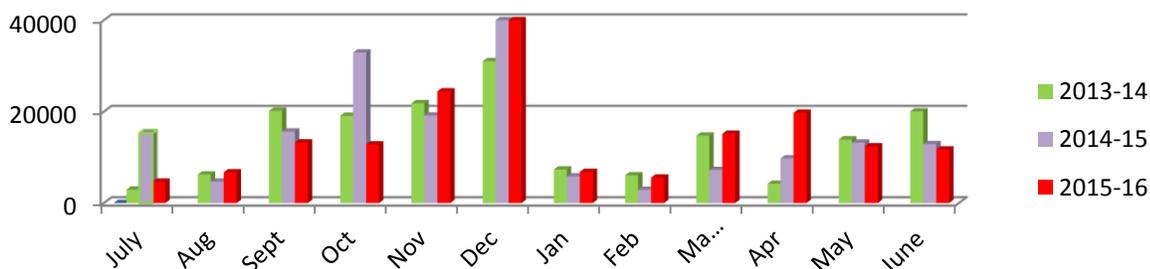
July 1, 2015 to June 30, 2016

Annual Giving	Fiscal YTD 2015-2016			Fiscal YTD 2014-2015			# Donors		
	Donors	\$	Pledge	Donors	\$		Goal	\$ Goal	% of Goal
2500+	5	\$ 30,000		6	\$ 40,942		3	\$ 40,500	74%
\$1000-2499	34	\$ 39,551		34	\$ 37,801		35	\$ 40,000	99%
\$500-999	45	\$ 25,168		33	\$ 18,810		37	\$ 20,000	126%
\$250-499	89	\$ 26,692		73	\$ 21,284		75	\$ 22,000	121%
\$100-249	337	\$ 41,250		277	\$ 33,371		285	\$ 35,000	118%
Under \$100	904	\$ 35,147		819	\$ 30,940		844	\$ 32,000	110%
Total	1,414	\$ 197,808	\$ -	1,242	\$ 183,147		1,279	\$ 189,500	104%
Special Giving									
Sponsorships	23	\$ 37,500		23	\$ 40,188		50	\$ 50,000	75%
Grants	12	\$ 211,368		7	\$ 100,500		20	\$ 615,000	34%
Capital Projects	2	\$ 22,856		33	\$ 30,507		1	\$ 20,000	114%
Total	37	\$ 271,724	\$ -	63	\$ 171,196		71	\$ 685,000	40%
Planned Giving									
Bequests			-	3	\$ 25,000			\$ -	
Total	-	\$ -	-	-	\$ 25,000		-	\$ -	
Total Giving	1,451	\$ 469,533	\$0	1308	\$ 379,343		\$ 874,500	54%	

Executive Dashboard



Annual Giving Donations by Month



5-year History

Total Giving

	2011-12	2012-13	2013-14	2014-15	2015-16
Total Giving	\$252,347	\$379,283	\$709,736	\$380,509	\$469,533
Total Donors	1,437	1,362	1,333	1,308	1,451
Distribution to PCLS	\$238,442	\$320,055	\$531,357	\$481,716	\$400,699

Unrestricted vs. Restricted

	2011-12	2012-13	2013-14	2014-15	2015-16
Unrestricted	\$122,880	\$128,165	\$189,556	\$145,570	\$173,859
Restricted	129,467	\$251,118	520,180	\$234,939	\$295,674

Operation Costs as a percentage of Total Revenue

	2011-12	%	2012-13	%	2013-14	%	2014-15	%	2015-16	%
Operational Costs	\$ 59,462	24%	\$ 45,129	11.9%	\$49,085	6.8%	\$44,738	12%	\$59,108	12.6%

By-Laws

BYLAWS OF THE PIERCE COUNTY LIBRARY FOUNDATION

ARTICLE I

The Pierce County Library Foundation (the “Foundation”) is the educational and charitable extension of the Pierce County Rural Library District (the “Library”).

Section 1. Authority

- (1) The Pierce County Library Foundation is a Washington non-profit corporation that has received tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.
- (2) The Foundation was created pursuant to the Articles of Incorporation filed on September 22, 1970. These Articles of Incorporation, and all amendments and restatements thereto, designate that the Foundation can:
 - (a) Make, alter, amend, or repeal bylaws for regulating and managing its affairs.
 - (b) Insure that its bylaws are consistent and within the scope of the Articles of Incorporation, and all amendments and restatements thereto.

Section 2. Purposes

- (1) The Foundation supports the mission of the Library.
- (2) The Foundation provides the following services for the benefit of the Library:
 - (a) Solicits contributions, grants, gifts, bequests, trusts, and property,
 - (b) Coordinates fundraising activities,
 - (c) Receives and administers property, and
 - (d) Provides financial services.

ARTICLE II

The Pierce County Library Foundation shall have no members.

Section 1. No Members

The Pierce County Library Foundation shall have no members.

By-Laws

ARTICLE III

The Board of Directors manages the affairs of the Foundation.

Section 1. Number

The Board of Directors consists of no fewer than five (5) and no more than twenty-five (25) directors, which may include an additional one (1) to three (3) Board Intern Directors ("Intern Director"), who will preferably be between the ages of eighteen (18) and twenty-five (25). The Board of Directors may determine an exact number by resolution. For the avoidance of doubt, whenever the term director is used herein, such term shall be read to include the term Intern Director unless the term Intern Director is otherwise set forth in such provision or subsection

Section 2. Selection

A majority of the existing Board of Directors will select new members of the Board of Directors, including Intern Directors, when directorships become available. The Board of Directors will select from individuals who live and work within Pierce County, as well as those individuals from outside of the system who support the Library.

Section 3. Term of Office

- (1) A director shall serve for three (3) years (a "Full Term"). A director may serve for a maximum of three (3) successive Full Terms. Intern Directors are elected to serve for one (1) year.
- (2) The Full Terms will be staggered. Normally no more than one-third (1/3rd) of the entire directorship will stand for election at any annual meeting.
- (3) At the annual meeting of the Foundation, the Board of Directors will fill unoccupied or new directorship positions by a majority vote. The Board may also elect directors between annual meetings for new or unoccupied/recently vacated directorship positions.
 - (a) If a director is nominated and elected between annual meetings to a new or unoccupied directorship position, the director shall serve until the next annual meeting (a "Partial Term"), at which time the director will begin his or her first Full Term. A Partial Term shall not count against the three (3) term limit set forth in Section 3(1) above.
 - (b) If a director is nominated and elected to complete the Full Term of an outgoing director, the newly elected director will begin his or her service immediately and serve for the remainder of the Full Term. If more than one (1) year of the Full Term has elapsed by the time the newly elected director begins serving, that service shall count against the three (3) term limit set forth in Section 3(1) above.
- (4) The Board will fill vacancies by a majority vote of the remaining directors.
- (5) Any director may resign at any time by delivering written notice to the Secretary of the Foundation.
- (6) The Board may remove a director from office with or without cause. Any director whom the Board has proposed to remove will receive notice and an opportunity to be heard by the Board.

By-Laws

- (7) A director may be re-elected to the Board after a period of one (1) year following the last month of his or her third Full Term. If re-elected, the director is eligible to serve a maximum of three (3) successive Full Terms. Intern Directors shall not be subject to the restrictions in this subsection.

Section 4. Duties

- (1) A director and Intern Director will perform the duties of a director, including the duties as a member of any committee of the Board;
- (2) In good faith and in the best interests of the Foundation;
- (3) With care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances;
- (4) Relying on information, opinions, reports, statements, including financial statements and other financial data as presented by an officer of the Foundation, a committee of the Board on which the director does not serve, or those individuals presenting to the Board on matters within that individual's professional or expert competence.

ARTICLE IV

The Board of Directors will meet regularly to conduct the business of the Foundation.

Section 1. Annual Meeting

The annual meeting of the Board of Directors will be held between May 15 to June 30th each year. The business of this meeting will include

- (1) The election of new directors to the Board of Directors;
- (2) The election of the President, Vice President, Secretary, Treasurer, and other elected officers; and
- (3) The transacting of any other business that may come properly before the Board of Directors.

Section 2. Regular Meetings

The Board of Directors will meet a minimum of three regular meetings in addition to its annual meeting during the fiscal year of the Foundation. The specific day, hour, and place will be designated by a majority vote of the Board of Directors.

Section 3. Special Meetings

Special meetings may be held at any place or time, whenever called by the President or any three (3) of the Board of Directors.

Section 4. Notice of Special Meetings

The President or directors calling a special meeting of the Board must give notice to the Board of Directors at least one (1) week prior to the meeting by personally delivering or mailing written notice of the meeting. E-mail or facsimile of the written notice can be used provided that a director has provided the Secretary with prior written consent to receive notice by e-mail or facsimile communication. The notice must provide the time, place, and specific business to be transacted at the meeting. The Board may not take final disposition on any other matters at a special meeting other than those matters specifically set forth in the notice.

By-Laws

Section 5. Quorum

A quorum will consist of forty percent (40%) of the Board of Directors. A director may vote by proxy by designating another director in a written request received by the President in advance of the meeting at which the vote is taken.

Section 6. Voting

A director is entitled to one (1) vote, including director positions shared by spouses. Decisions made at a meeting are determined by a majority vote of the directors unless otherwise set forth herein. Decisions made outside of a meeting, including decisions made by email, require unanimous consent of all directors.

Section 7. Presumption of Assent

A director who is present at a meeting of the Board of Directors at which action on any Foundation matter is taken is presumed to have assented unless the director dissents or abstains on the record.

Section 8. Attendance by Non-directors

The Library Director, Library Development Director, and Foundation Executive Director may all attend director meetings, but are not entitled to vote.

ARTICLE V

The Board of Directors will elect the offices of President, Vice-President, Secretary, and Treasurer to serve the Foundation.

Section 1. Election, Qualification, and Term of Office.

The Board of Directors will elect the officers from among the directors to serve for a term of one (1) year or until such later time as their successors are duly elected and qualified.

Section 2. Resignation, removal and vacancies.

- (1) An officer may resign at any time by delivering written notice to the Board of Directors.
- (2) The Board of Directors may remove any officer whenever, in its judgment, the best interests of the Foundation will be better served. Any officer whose removal has been proposed will be given notice and an opportunity to be heard by the Board.
- (3) The Board of Directors may fill any vacancies in any office at any regular, annual, or special meeting.

Section 3. President

The President is the chief executive officer and, subject to the Board of Director's control, will exercise the usual executive powers pertaining to the office of president.

- (1) The President will preside at meetings of the Executive Committee and the Board of Directors and a member of all other committees ex officio.
- (2) The President may sign deeds, bonds, contracts, resolutions and other instruments except when the signing and executing has been expressly delegated by the Board or by these Bylaws to some other officer or agent of the Foundation, or are required by law to be otherwise signed or executed by some other officer or in some other manner.

By-Laws

Section 4. Vice President

In the absence of the President or his or her inability to act, the Vice President will serve as the President and have all of the powers and authority of the President.

Section 5. Secretary

The Secretary will maintain the records and proceedings of the Board of Directors, serve as the registered agent of the Foundation, and under the direction of the President, sign and execute all deeds, bonds, contracts, resolutions and other obligations or instruments in the name of the Foundation.

Section 6. Treasurer

- (1) The Treasurer is responsible, as directed by the Board of Directors, for the care and custody of the funds, investments, and account records of the Foundation.
- (2) The Treasurer will act as fiscal agent for the Foundation and may be a signer on behalf of the Foundation in the management of bank accounts, investments and other financial matters.
- (3) The Treasurer will provide that a true and accurate accounting of the financial transactions of the Foundation is made.
- (4) The Treasurer will present financial reports at each regular meeting of the Board of Directors and on such other occasions as the directors may require.
- (5) The Treasurer will ensure that all accounts payable are authorized for payment.

ARTICLE VI

The Board of Directors will serve as members to permanent and special committees.

Section 1. All Committees

The Board of Directors accomplishes the goals and objectives of the Foundation through the use of committees. All committees are responsible for performing tasks as assigned, evaluating accomplished activities, reporting progress to the Board of Directors, and contributing to progress in the execution of the Development Plan. A committee is considered either Standing or Special.

Section 2. Standing Committees

- (1) Standing committees have year-round responsibilities and shall consist of the following: Executive Committee, Finance Committee, Board Development Committee, the Annual Giving Committee, the Corporate Gifts Committee, and the Leadership Gifts Committee.
- (2) Except for the Executive Committee, the President appoints all Standing Committees annually with the approval of the Board of Directors. Each standing committee consists of a committee chair and at least two (2) other directors, who are appointed by the President. The chair of each Committee must be a director in good standing.

By-Laws

- (3) Standing committees shall have the authority of the Board of Directors as set forth herein or as otherwise delegated by the Board, provided, however, that no such committee shall have the authority to (i) amend, alter, or repeal the bylaws; (ii) elect, appoint, or remove any member of any such committee or any director or officer of the Foundation; (iii) amend the articles of incorporation; (iv) adopt a plan of merger or a plan of consolidation with another corporation; (v) authorize the sale, lease, or exchange of all or substantially all of the property and assets of the Foundation not in the ordinary course of business; (vi) authorize the voluntary dissolution of the Foundation; (vii) adopt a plan for the distribution of the assets of the Foundation; or (viii) amend, alter, or repeal any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee.

Section 3. Special Committees

- (1) Special Committees are convened as a task force to accomplish a short-term objective or program. Special Committees do not have year-round responsibilities. Upon the Special Committee's completion of the objective or program, the Special Committee shall be dissolved and, if needed, reconvened.
- (2) Special Committees include communications, events, research, and planning.
- (3) The President will establish all Special Committees, with the concurrence of the Board of Directors. Each committee will consist of a committee chair, as appointed by the President, directors, and members of the community serving in a non-voting, advisory capacity..

Section 4. The Executive Committee

- (1) The Executive Committee consists of the President, as Chair, the past President, the Vice President, the Secretary, the Treasurer, and one (1) at-large director, each with equal vote.
- (2) The Executive Committee is responsible for the Board of Directors structure and the work of the Board's committees. Its essential roles are to:
 - (a) Review the Year End Financial Statement before it is sent to the full Board of Directors;
 - (b) Monitor and assess the work of the committees;
 - (c) Work in partnership with the President to recruit leaders; and,
 - (d) Initiate changes in bylaws and approve any administrative or policy changes which would affect the workings of the Board of Directors.
- (3) The Executive Committee has the power to transact all regular business of the Foundation between the meetings of the Board of Directors, provided that any action it takes must not conflict with the policies and expressed wishes of the Board of Directors.

Section 5. The Finance Committee

- (1) The Finance Committee consists of the President, the Treasurer, and at least one (1) other director. The Foundation Executive Director shall serve as an ex-officio member.

By-Laws

(2) The Finance Committee is responsible for the financial health of the Foundation. Its essential roles are to:

- (a) Oversee the administration of the financial report;
- (b) Manage funds;
- (c) Oversee the financial processes of the Foundation.

Section 6. The Board Development Committee

The Board Development Committee is responsible for the effectiveness of individual directors. Its essential roles are to:

- (1) Attain and maintain a full Board of Directors;
- (2) Nominate the Board's officers; and,
- (3) Present a slate of officers for the coming year.

The Board Development Committee may also provide orientation for new directors, mentor directors, and administer an annual Board evaluation.

Section 7. The Annual Giving Committee

The Annual Giving Committee is responsible for accomplishing assigned tasks in accordance with the Development Plan. Its essential roles are to:

- (1) Provide input in fundraising and communications for the year;
- (2) Help plan and execute the annual community campaign to individual donors; and,
- (3) Help expand the Foundation's base of donors.

Section 8. The Corporate Gifts Committee

The Corporate Gifts Committee is responsible for carrying out assigned tasks in accordance with the Development Plan. Its essential roles are to:

- (1) Identify corporate contracts;
- (2) Lead the Board of Directors' effort when soliciting selected requests for specific proposals and programs; and,
- (3) Provide input in solicitation materials.

Section 9. The Leadership Gifts Committee

The Leadership Gifts Committee is responsible for carrying out assigned tasks in accordance with the Development Plan. Its essential roles are to:

- (1) Identify potential major gift donors;
- (2) Lead the Board of Directors' effort in communication, solicitation and stewardship of identified major donor prospects,
- (3) Provide input in fundraising strategies, tools and materials.

By-Laws

ARTICLE VII

The Board of Directors will provide management of the administrative and financial operations of the Foundation.

Section 1. Fiscal Year

The fiscal year of the Foundation will be from July 1st to June 30th of each calendar year.

Section 2. Program Policies

The Board has approved policies and procedures which govern general and specific business operations. These policies and procedures will be maintained in a policy manual independent of these bylaws.

Section 3. Contracts

The Board may authorize any officer or officers, or agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation. Such authority may be general or confined to specific instances.

Section 4. Loans

No loans may be contracted on behalf of the Foundation and no evidence of indebtedness will be issued in the Foundation's name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 5. Checks, Drafts, or Other Debit Instruments

The Board of Directors will determine by resolution that an officer or officers, agent or agents, of the Foundation may sign checks, drafts, or other orders of the payment of money, notes, or other evidences of indebtedness issued in the name of the Foundation.

Section 6. Loans Prohibited

The Foundation will not make loans to any officer or to any director.

Section 7. Books and Records

The Foundation will keep at its registered office, its principal office in the state of Washington, or at its secretary's office if located in the state of Washington, the following:

- (1) Current Articles of Incorporation and Bylaws.
- (2) Correct and adequate records of accounts and finances.
- (3) A record of officers' and directors' names and addresses.
- (4) Minutes of the proceedings of the Board of Directors and minutes maintained by committees of the Board.
Records may be held in written or electronic format.

Section 8. Copies of Resolutions

Any individual dealing with the Foundation may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board of Directors when certified by the President or Secretary.

Section 9. Amendment of Bylaws

These Bylaws may be altered, amended, or repealed by an affirmative vote of a majority of the Board of Directors at any regular or special meeting. Any proposed amendment will be submitted in written notice outlining the proposal to all directors at least five (5) days before a scheduled Board meeting.

Amended December 2, 2014

Officers Reports

MEMO

Date: October 27, 2016

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

From: Dale Hough, Finance Manager

Jaime Prothro, Customer Experience Manager

Subject: SPARK Staff In Service Day

SPARK Success, formerly known as the PCLS All Staff In-Service Day, was a tremendous success. SPARK is an acronym for Strategy, Priorities, Achievement, Recognition and Knowledge. The day was planned and managed entirely by the twelve members of the 2015-16 Leadership Academy as a capstone project/event. The project's sponsor was Staff Experience Director Cheree' Green. The day had several goals and included the following:

- PCLS staff fully understand the Library's new Strategic Plan and their role within the process.
- PCLS Staff acquire new skills, strategies and tools that will help them successfully implement the new Strategic Plan.
- PCLS Staff celebrate their hard work and commitment.

Early in the planning process, we decided (with input from Administration) that we wanted the day to be voluntary to ensure that participation was based on staff interest instead of a sense of requirement. We provided information about the event using the weekly Cover to Cover e-newsletter, supervisor communications and Georgia's Monday message. We are happy to report the 301 (78%) out of 385 staff registered to attend.

There was an exhaustive search of available venues after which we decided on the McGavick Center at Clover Park Technical College. Catering was provided by the Bistro, managed by Tacoma Goodwill.

All staff checked in and received a SPARK Day Planner. This planner was integral part of the day. All activities were leveraged by content in the Planner. Additionally, the Planner contains after event activities such as a thirty-day challenge with ideas on how to keep the SPARK alive.

The day started with Georgia playing her bagpipes as she went on stage. This certainly pleased staff and helped set the tone of the day – “we will have fun and enjoy being here, we will learn and we will leave feeling good about being a part of the future of PCLS”. Following was a very enriching keynote presentation by Shola Richards. He spoke of positivity, happiness, working as a team, and using the practice of “just for today” as a way to start to make change. I encourage you to visit this [link](#) and watch his address. He also presented a full session workshop titled *The Spirit of UBUNTU: Creating a Culture of Unstoppable Workplace Positivity*. UBUNTU is an African concept meaning “I am, because we are”. The eight key tenants of UBUNTU closely embody our own Nine Core Skills and Qualities. The 301 participants were divided into groups/tables of 8. Each worked through an exercise describing how they could demonstrate UBUNTU at work. It was very powerful hearing a representative from each table

report to the rest of the staff what they could and would do. Shola's presentation received rave reviews. He is a speaker whose words were able to touch each member of our staff in a positive way.

Throughout the day we gave out over 90 prizes including Shola's new book *Making Work Work* (autographed of course!), gift cards, book bags (donated in part by the Pierce County Library Foundation and several Friends groups), and a grand prize of Summit Club tickets donated by the Tacoma Rainiers.

In order to accomplish a planning team goal "Make sure staff have fun", we created a series of "wandering" activities. These activities were available all day and were used as activities to bridge between the more formal sessions. They were set up around the perimeter of the ballroom and included a display of SPARK Success posters from all departments and branches showing how they SPARK Success. Several of these posters were displayed at the October Board meeting. Additionally, we had Giant Jenga, a selfie photo booth with costumes, a book toss, a corn-hole game, flair (buttons) exchange table and a Wall of Appreciation where a staff could write and post notes of gratitude to other staff.

We recognized staff who had achieved certain length of service milestones. Each staff for each group was named and was part of a group photo for their particular "class". We had three staff who have been at PCLS for 35 years or more!

We provided lunch which was followed by a Wellness committee sponsored Wellness Walk. Over 180 staff participated.

The afternoon was comprised of a thoughtful review of the PCLS Strategic Framework process Georgia and Melinda led staff through two exercises aimed at helping staff realize how the strategic framework is integral to how each of us do our work and, how the strategic framework connects to Pierce County residents. Melinda received many "Get in Focus" ideas and suggestions from this exercise.

The remainder of the afternoon included a communications workshop focused on listening skills and a session called Mind Mapping. This brainstorming tool is useful not only in reader's advisory efforts but can be adapted as a tool for most any functional area.

Assessments actually began before the event through a content survey to get input and ideas from all staff. Much of the day was based on that data. At the conclusion of the day participants completed a quick four question survey that showed positive results. A more exhaustive post-event assessment is underway. Feedback is also being obtained from supervisors and managers. In an effort to elicit a deeper kind of meaningful data, we have scheduled a series of focus groups comprised of SPARK Success day participants. These groups will be facilitated by staff not in the planning or leadership groups, to attempt to maintain a sense of neutrality.

Results of the assessments and evaluations will be presented in the future and more importantly used to assist in the planning and production of our next Staff Day.

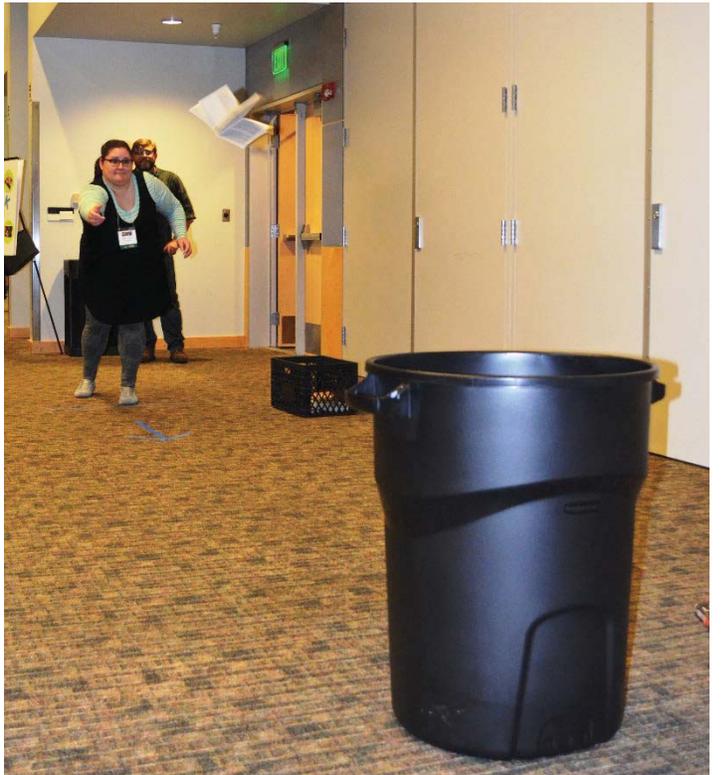
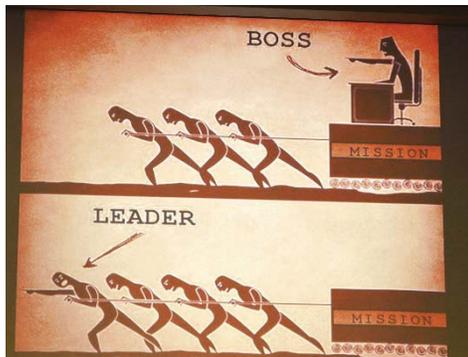
We would like to thank to Board of Trustees and the Administrative team for encouraging and supporting the Leadership Academy cohort in this successful endeavor.

SPARK Success: Staff In-Service Day Photo Album, October 10, 2016















Service Awards (names listed on last page)



← **5-Year Service Awards**

10-Year Service Awards →



↑ **15-Year Service Awards**

20-Year Service Awards →





← 25-Year Service Awards

30-Year Service Awards ↓



↑ 35-Year Service Awards

5 Years

Kim Archer, Branch Manager, Lakewood
 Tracy Corrales-Diaz, IT Technician, ACL
 Amina Crane, Senior Branch Assistant, Gig Harbor
 Mallory Daniels, Collection Management Specialist
 Kazuko Donahue, Library Page, DuPont
 Christopher Hamilton, Custodian, ACL
 Anastassia Hunte-Fagbohun, Senior Branch Assistant,
 Parkland/Spanaway
 Sarah Jensen, Custodian, Lakewood/UP/Steilacoom
 Keri Johnson, Library Page, South Hill
 Mary Jones, Library Page, South Hill
 Matt Lemanski, Collection Management Librarian
 Meghan Mitchell, Senior Branch Assistant, Outreach
 April Muhammad, Library Page, University Place
 Marsea Ochoa, Library Page, South Hill
 Kristin Olson, Library Page, University Place
 Christina Pederson, Library Page, University Place
 Rebecca Ryan, Librarian, Sumner
 Sue Walston, Human Resources Generalist, Staff Experience
 Aaron Wayno, Senior Branch Assistant, Parkland/Spanaway

10 Years

Michelle Angell, Librarian, Lakewood
 James Biesterfeld, Library Page, Milton/Edgewood
 Sara Campbell, Library Page, University Place
 Carol Dike, Storyteller, Key Center
 Joy Eden, Senior Branch Assistant, Bonney Lake
 Laura Farrow, Librarian, Sumner
 Cortney Greenlaw, Library Page, Steilacoom
 Georgia Lomax, Executive Director
 Trisha Muschett, HR Generalist, Staff Experience
 Lisa Oldoski, Collection Management Librarian
 Maria Parente, Library Page, Collection Management
 Alison Pascone, Librarian, Youth Services
 Toni Pollock-Bozarth, Senior Branch Assistant/Library
 Page, Graham
 Vicky Raphael, Library Materials Supervisor, Collection
 Management
 Cherile Schorsch, Library Page, Bonney Lake
 Holly Smith, Librarian, Gig Harbor
 Cheri Star, Senior Branch Assistant, Gig Harbor
 Kendra Stejskal, Storyteller, Milton/Edgewood/
 Youth Services
 Leslie Young, Senior Branch Assistant, Fife

15 Years

Nicky Anthony, Librarian, South Hill
 John Baker, Desktop Systems Admin, IT
 Kristine Countryman, Librarian, University Place
 Arlecia Hanson, Senior Branch Assistant, South Hill
 Cliff Jo, Finance and Business Director
 Colleen McGaughey, Library Technician, Collection
 Management
 Judy Nelson, Customer Experience Manager/Youth
 Services
 Maureen Rowe, Library Page, Sumner

20 Years

Jill Cartwright, Senior Branch Assistant, Bonney Lake
 Pam Hanson, Reference Associate, South Hill
 Sandra Vicars, Library Page, Graham

25 Years

Christi Bach, Senior Branch Assistant, Graham
 James Barbee, Driver, ACL
 Margaret Cooper, Library Page, Lakewood
 Charlene Scott, Library Page, Summit
 Malia Tui, Assistant Branch Supervisor, University Place
 Bennie Weeks, Senior Branch Assistant, Gig Harbor
 Teresa Witych, Library Technician, Collection Management

30 Years

Robin Bangart, Library Technician, Collection Management
 Steve Campion, Library Trainer, Staff Experience
 Cathy O'Donnell, Collection Management Specialist, Collection
 Management
 Susan Rigley, Community Branch Supervisor, Orting

35 Years

Randy Ferguson, IT Specialist, IT
 Sue Hubbard, Collection Management Specialist
 Cherie Lauth, Assistant Branch Supervisor,
 Bonney Lake
 Kathy Norbeck, Community Branch Supervisor, Buckley
 Vicki Smith, Finance Specialist, Finance

MEMO



Date: October 26, 2016

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

From: Judy T Nelson, Customer Experience Manager - Youth

Subject: Summer Reading 2016

Summer Reading for 2016 is now a memory for most of our customers, but PCLS has data to show the success of the program called “On Your mark, Get Set, Read”.

Summer Reading was offered to four different age categories: Wee Ones (0 -3 years), Children (ages 4 – 10), Teen/Tween (ages 10 – 18), Adults (19 and up).

Between them all, customers reported reading 235,000 hours or 14,130,000 minutes. That is an increase of almost 20% over last year.

Circulation continued to increase showing greater participation by those who did engage. Overall participation (measured by those who actually registered) increased by almost 4%.

Attached are the statistical summaries for the four categories.

The theme for 2017 is “Build a Better World”.

Questions? Please contact either Judy Nelson or Jaime Prothro.

**Pierce County Library System
2016 Summer Reading Program**

Target: Participation by 50% of the 5 – 9 year-olds in our service area (50% = 19,296). 2010 census numbers indicate 38,592 children 5-9 yrs. live in target area. (Pierce County minus Tacoma, City of Puyallup, Fircrest)

Achievement: 106% children participated by taking a log book. (108.4% of target reached, 54% of targeted audience)

Promotion: Librarian visits to Schools	Visits to child cares	# of Elementary (K – 3rd gr)	# of Middle Schools
# of Schools	0	97	21
# of Classes	0	1,205	124
Students	0	26,213	3,342
Teachers	0	823	83
Total students/teachers	0	27,036 (-2,518) -9%	3,425 (-519) -15%

Participation	Wee Ones 0 – 4	Children 5 – 9	Tweens 10-12	Teens 13+	Adults/ Parents	Total
Children registered	included	20,918	included	436	N/A	21,354 (+1,294) +6.4%
Booklets: Number of Booklets handed out	2,844	20,511	6,541	N/A	N/A	29,713 (+1,000) +3.5%
Wee Ones: Number of Children read to by an Adult for 31 Days (received duck/growth chart)	619					619 (+54) +10%
Number of 10 hour fine forgiveness coupons distributed	N/A	8,351	Combined w/ children	N/A	N/A	8,351 (+3,016) +56%
Number of 15 hour child/tween completion awards distributed (Zoo passes, teen badges awarded, adult slips entered in drawing)	N/A	6971	Combined w/ children	436	N/A	7,407 (-513) -6.5%

Program Attendance	Number of Programs	Child	Adult	Total
Summer Stories: Families, Babies, Toddlers,	236 (+69)	3405 (+1166)	2373 (+712)	5778 (+1830)
Discover Summer/Summer Stories & Crafts	143 (+49)	2309 (+506)	1401 (+346)	3710 (+842)
Puppet Shows	32 (+1)	813 (-54)	396 (-42)	1209 (-96)
Brainstorm programs (outreach to 3 B&G's Clubs)	32 (+4)	996 (+246)	60 (-1)	1056 (+245)
Summer Theme Programs (Friends, Foundation & PCLS)	189 (-35)	3549 (-2130)	1744 (-1057)	5293 (-3187)
Teen/Tween Programs	29 (-7)	335 (-170)	27 (-19)	362 (-189)
Total Programs	632 (+52)	11,407 (-446)	6,001(-61)	17,408 (-507) -3%

SUMMARY OF OVERALL SUMMER READING STATISTICS FOR PREVIOUS 3 YEARS

	2013	2014	2015	2016
Students Visited in classrooms	25,274 K – 3 rd grade (+6%) 44 child care children visited (1 librarian out on maternity leave) 0 teen classes visited (see 2012) (short 1 teen librarian)	26,799 K – 3 rd grade (+ 6%) 474 infant & toddler child care children visited 1,721 teen students visited	28,609 k-3 rd grade (+10%) Summer work w/child cares revised 3,868 teens students visited (+129%)	26,213 k-3 rd grade (-9%) Summer work w/child cares revised 3,425 teens students visited (-13%)
Students Reached	23,707 (+ 4.4%) (booklets, wee readers, online teen registration)	27,122 (+17.5%) (booklets, wee readers, online teen registration)	29,360 (+8%) (booklets, wee readers, logs, online teen registration)	30,332(+3%) (booklets, wee readers, logs, online teen registration)
Kids Hours Read/ Completion (0 to 12 yrs)	93,470 hours read (+23.9%) 5,378 completed 15 hours (+23.7%) 5,579.99 hours read for wee readers (+24.6%) 540 completed (+23%)	107,405 hours read (+14.9%) 5,748 completed 15 hours (+6.8%) 5,390 hours read for wee readers (- 3%) 539 completed (0%)	122,585 hours read (+14%) 5,896 completed 15 hours (+2%) 5,650 hours read for wee readers (+4.8%) 565 completed (+4.8%)	143,620 hours read (+16%) 6,963 completed 15 hours (+9%) 6,190 hours read for wee readers (+10%) 619 completed (+10%)
Teen Participation	6,740 hours reading (one reading badge only)	5,784 hours reading (4 reading badges) (-14%)	11,893 hours reading (+105.6%)	7,145 hours reading (-40%)
Badges earned	9426 badges earned (+659%)	1021 badges earned	1,096 badges earned,	1,148 badges earned (+4%),
Hours engaged	9, 959 activities finished	12,702 activities finished (+27.5%)	13,408 activities completed (+ 5.5%)	11,925 activities completed (-11%)
Program Attendance	1,980 hour web engaged	2,480 hours web engaged (+25%)		
# of programs	14,959 (+36.5%)	16,616 (+ 11%)	17,915 (+7.8%)	17,408 (-3%)
Circulation of YS/YA materials	438 programs (+38.6%)	533 programs (+ 21.6%)	580 programs (+8%)	632 programs (+8%)
Unique users	573,393 items checked out (-6.7%)	544,123 items checked out (includes e-books) (-5%)	556,993 items checked out (includes e-books) (+2%)	645,066 items checked out (includes e-books) (+14%)
	34,818 unique users	34,029 unique users (excludes e-users)	32,681 unique users (excludes e-users)	32,114 unique users (excludes e-users)

Pierce County 2016 Adult Summer Reading Program

PARTICIPATION	2015	2016
Adults registered (Based on # of 5 hour coupons received)	2,656	2,237 (-417) -15%
Hours Read	61,935	78,545 (+16,610) +26.8%
Completed 15 hours	2,038	1,838 (-200) -9.8%
Numbers of hours read	10,190	9,190 (-1000) -9.8%
Friends of the Library coupons redeemed	(was not tracked in 2015)	425
Total dollar amount of Friends of the Library items		\$586.40
Completed Summer Reading survey	1,274	326 (-948) -74%
Would participate again	1,247	324 (-923) -74%
Average from 1 – 5 on how much participants enjoyed the program	4.86	4.81 (-.05) -1%

Unfinished Business (cont.)

MEMO



Date: November 1, 2016

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

From: Georgia Lomax, Executive Director

Subject: 2017 Executive Director Salary Agreement

In order to set the 2017 wage for the Executive Director, the Board needs to pass the following motion to authorize the agreement.

Move to authorize (a representative of the Board) to implement a salary agreement with the Executive Director for 2017.

Pierce County Library FYI Packet
Link List
November 9, 2016

Pierce County Library in the News

- [Sumner businesses, individuals pitch in to help homeless woman](#) (Heart-warming story about a regular customer at Sumner Library. Some of our staff were involved in this story, tipping off the police about the woman's situation. Later they gave Applause Awards to the people who helped her.)—Puyallup Herald/The News Tribune
- [Pierce County DIYfest - Saturday October 29th - Learn about new DIY projects to tackle!](#) — Thrifty NW Mom
- [The Things We Like](#) (DIYfest)—Tacoma Weekly