

AGENDA
Regular Meeting of the Pierce County Library System Board of Trustees
November 12, 2014
3:30 – 6:00 pm

3:30 pm	02 min.	Call to Order: <i>Linda Ishem, Chair</i>	
3:32 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>	
3:37 pm	03 min.	Consent Agenda	Action
		<ol style="list-style-type: none"> 1. Approval of Minutes of the October 15, 2014 Regular Meeting 2. Approval of October 2014 Payroll, Benefits and Vouchers 3. Resolution 2014-06: Schedule of Recurring Meetings 4. Resolution 2014-07: Banking Authority 	
3:40 pm	15 min.	Board Members Report	
		<ol style="list-style-type: none"> 1. Regional Trustees Meeting Debrief 	
3:55 pm	20 min.	Officers Reports	
		<ol style="list-style-type: none"> 1. September Dashboard, <i>Georgia Lomax</i> 2. October 2014 Financial Report, <i>Dale Hough</i> 3. United Way Day of Caring: Staff Participation, <i>Judy Nelson</i> 4. OPMA Court Decision, <i>Clifford Jo</i> 5. Open Hours, <i>Sally Porter Smith</i> 6. Conference Participation, <i>Karim Adib</i> 7. Grants: <ol style="list-style-type: none"> a. Digital Literacy, <i>Jaime Prothro</i> b. Sparks, <i>David Durante</i> 8. Senior Outreach Van, <i>Linda Farmer</i> 9. Latino Business Seminar Project, <i>Jeffri Walters</i> 	
4:15 pm	30 min.	Unfinished Business	
		<ol style="list-style-type: none"> 1. 2015 Budget, <i>Georgia Lomax and Clifford Jo</i> <ol style="list-style-type: none"> a. Review of Regular 2015 Budget b. 2015-19 Capital Improvement Plan 	
4:45 pm	05 min.	Public Hearing: 2015 Draft Budget of Estimated Revenue and Expenditures: 2015 Revenue sources and 2015 Expense Budget: Consideration of increases in property tax revenues, regarding the 2014 property tax levies for collection in 2015 (per RCW 84.55.10)	
4:50 pm	20 min.	Unfinished Business (cont.)	
		<ol style="list-style-type: none"> 1. 2015 Budget, <i>Georgia Lomax and Clifford Jo</i> <ol style="list-style-type: none"> c. Resolution 2014-08: Requesting Highest Lawful Levy and Levy Certification 	Action
5:10 pm		New Business	
	10 min.	<ol style="list-style-type: none"> 1. Executive Director Initial Priorities, <i>Georgia Lomax</i> 	
	30 min.	<ol style="list-style-type: none"> 2. 2014 Summer Reading Overview, <i>Sally Porter Smith</i> <ol style="list-style-type: none"> a. Children's and Teens Summer Reading Challenge, <i>Judy Nelson</i> b. On the Road with Summer Explorer, <i>Judy Nelson and Lisa Heyerdahl</i> 	
5:50 pm	05 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 issues.</i>	
5:55 pm	02 min.	Announcements	
5:57 pm		Adjournment	

Consent Agenda

**BOARD OF TRUSTEES
PIERCE COUNTY LIBRARY SYSTEM
REGULAR MEETING, OCTOBER 15, 2014**

CALL TO ORDER

Chair Linda Ishem called to order the regular meeting of the Pierce County Rural Library District Board of Trustees October 15, 2014, 3:30 pm. Board members present were J.J. McCament, Allen Rose and Mr. Allen. Donna Albers was absent.

PUBLIC COMMENT

Julia Payne made a public comment via email requesting open hours be set from 8:00 am to 8:00 pm at the Milton/Edgewood branch.

CONSENT AGENDA

1. Approval of Minutes of the September 10, 2014, Regular Meeting
2. September 2014 Payroll, Benefits and Vouchers
 - a. Payroll Warrants 3575-3581, dated 09/01/14 – 09/30/14 in the amount of \$7,315.76
 - b. Payroll Disbursement Voucher dated 09/05/14 in the amount of \$566,763.93
 - c. Payroll Disbursement Voucher dated 09/22/14 in the amount of \$566,930.00
 - d. Accounts Payable Warrants 623205-623346 dated 09/01/14 – 09/30/14 in the amount of \$1,156,848.29

Mr. Allen moved for approval of the consent agenda as corrected. Ms. McCament seconded the motion and it was passed.

BOARD MEMBER REPORTS

Ms. McCament recognized Neel Parikh, Executive Director, for her years of service to the Library. She recalled the work they did together over the past two decades. She said Ms. Parikh has all the qualities of a leader and that she is both a good leader and a good manager. She presented Ms. Parikh with a floral arrangement and thanked her for her good performance as a director. She read from a quote by George Washington regarding living an honest life, adding it takes a lot of courage to live an honest life and she felt Ms. Parikh has done so.

Mr. Rose recalled when he first served on the Board and worked with Ms. Parikh on the DuPont project, the levy lid lift and the University Place library. He said he admired her leadership and patience during his tenure on the Board. He remarked on Ms. Parikh's solid reputation in the community, adding that Pierce County was very lucky to have her. He noted Ms. Parikh's leadership is the reason Pierce County Library has received so much recognition.

Mr. Allen said from the first meeting with Ms. Parikh he was impressed with her dedication to the library and her role. He said it was clear to him that her goal was always excellence. He added that as he is learning how to serve in a leadership position, watching her is an inspiration. He said it was important to look at the people you admire, consider the qualities that make them that way and strive to emulate them.

Chair Ishem said her earlier connections with Ms. Parikh were not in the library, rather in the community. She said Ms. Parikh has been a friend and an inspiration all these years. She said Ms. Parikh would be missed and that it had been a pleasure working with her.

Ms. Parikh thanked the Board, noting that while she has always had wonderful Boards, this was one of the best. She commented on Ms. McCament's over 25 year commitment to the Library. She said she has learned from each of the Trustees, noting they enrich her on the job. She added that she could count on them for various things she needed help with. Ms. Parikh also fondly recalled former Trustee and Chair, Steve Albers. She thanked Ms. McCament for her help with University Place and she thanked them all for being the voice of the community. She

said she will miss everyone but will attend events and would look forward to seeing where the Library goes in the future. She expressed her gratitude for being hired, having come with no prior experience as a library director. In closing, Ms. Parikh thanked her staff, adding the Library is fortunate to be left with this talent.

OFFICER REPORTS

Ms. Parikh reported on the process improvement work being done in the Reading & Materials department. She said they are training a small team to use value streaming maps and begin forming process improvement teams throughout the system, noting staff and the team are excited to be doing the work.

August Dashboard - Ms. Parikh said since Karim Adib, Digital Experience Director, has arrived staff has been working on obtaining more consistent data. She added there will be different data presented in the future, which Georgia Lomax, Deputy Director, will explain in an upcoming Board meeting.

September 2014 Financial Report - Dale Hough, Finance Manager, reported the data reflects activity as of September 30, 2014, which is the lowest point of financial standing during the course of the year. Currently, the Library is tapping into cash reserves. He noted that 43% of revenue is received in October and also in April.

Knowledge Transfer - Ms. Parikh said the process of sharing information with the Administrative team and the Customer Experience Managers was very interesting. It was valuable to see the people who were involved in the past strategic planning process as well as the order of events that occurred.

Current Community Engagement - Ms. Parikh reported that she, Sally Porter Smith and Linda Farmer are capturing the information in new ways. Ms. Porter Smith noted the staff engagement is increasing with the implementation of Annual Branch Service Plans. Metrics are being created to better evaluate staff participation in the community.

University Place Cost Comparison - Ms. Parikh pointed out a chart that shows the costs involved in running the University Place Library are much higher than the similarly sized Gig Harbor Library. Ms. McCament wondered if this data gives the Library an opportunity to renegotiate on areas such as the atrium. Ms. Parikh said the reason she asked to split the costs of the atrium was because of her concern that the area would not be maintained and she wanted the Library to have a say about its own entrance. The atrium costs as a percent of the whole are not that large. The cost of the building is driven by the percent of ownership. Mr. Allen asked what is included in operating costs. Mr. Jo said that those are for areas that are not part of the Library. The way the contract was written, the Library's portion allocated is much less than that which the city bears.

Ms. McCament said when cities want to enter into talks about co-ownership, the experiences encountered through the University Place project would be useful to share. Discussion continued about the relationships between the Library and University Place. Mr. Rose said it will be important to choose strong partners whose ideas are similar. Ms. McCament said not to lose sight of the fact that the facility is an investment.

Mr. Allen asked how the value of the property is tracked. Ms. Parikh said the rental and leasing market will drive the value. Ms. McCament noted that owning the rights to the 80 parking spaces is extremely valuable. Mr. Allen said it is important to study the facility and its value every five years.

Florence Davis Obituary - Ms. Parikh noted Ms. Davis was a Friend of the Library who was responsible for the ongoing book sale located in the South Hill Library. Ms. Davis came nearly daily and tended to the space. Ms. Parikh and Ms. Lomax attended her recent memorial celebration. Two days after her death, her family contacted the Library and committed a major donation for the branch.

UNFINISHED BUSINESS

Board By Laws Revision - Ms. Parikh made four changes to the document after reviewing it with Dan Gottlieb, the Library's attorney. She reviewed the changes with the Board and asked for feedback. Ms. McCament asked whether Article III Section 3: Vacancies was in the Library's written policies. Ms. Parikh said there is not a specifically written policy in place since the process is at the discretion of the County Executive. She explained that when there is a new County Executive, he or she is contacted to see if the process is acceptable. Ms. McCament moved for approval of the Board Bylaws as presented. Mr. Rose seconded the motion and it was passed.

Code of Ethics/Code of Conduct - Ms. Lomax asked the Board for reaction to sample policies in order to get direction as to what they would like to see included in their code. Mr. Allen said he is not ready to give much direction but his reaction is that there are good examples. He will select those which make a lot of sense. Ms. McCament remarked that there are commonalities in the documents. The Board agreed the final document should be short, relevant and easily applied and understood. Chair Ishem said some of the responses are clearly articulated in the RCW and translated in the Washington State Library Wiki, as well as some of the items used in the self-evaluation. Ms. McCament recommends discussing further where they sign and when. Ms. Lomax reminded them to consider the purpose for the development of the code. The code is more about the identity and expectations of Trustees. Chair Ishem said some of the questions asked to Trustee applicants are relevant.

Mr. Allen suggested each member submit what they think should be included in the code. Ms. Lomax recommended having them send annotated copies to the clerk, after which time she would devise a draft document in preparation for the January Board meeting.

NEW BUSINESS

Pierce County Library Foundation Annual Report - Ms. Parikh noted it has been a great year and the Foundation has grown significantly since she arrived.

Michael Gordon, President, shared a quote from Cheryl Sandberg: "I want every little girl who's told they're bossy be told instead that she has leadership skills." He said the relationship with the Foundation and the Library has been incredible, adding that with Ms. Parikh's vision the Foundation has become very successful. The 2013-14 fiscal year was the highest revenue-generating year, bringing in over \$700,000 of gifts. There have been dramatic gains in donors and grants and the commitment to contribute to the Library. Board member ambassadors are fostering relationships and holding events to thank and honor donors. He acknowledged the enthusiasm of the Foundation Board. He shared the diverse background of the members.

Lynne Hoffman, Foundation Director, reviewed accomplishments showing a diversified fundraising program with annual giving, grants, business sponsorships and leadership giving. She then introduced Johanna Chestnutt, the new Development Associate, who is the Library's grant writer. Ms. Chestnutt's background is nonprofit grant writing. She formerly worked as an educator and a contractor's apprentice. She formerly served as Executive Director for a Seattle nonprofit who wrote government, state and federal grants. She has had good opportunity to get to know staff who are passionate and hopes to bring a broad experience writing federal grants to the Library. Ms. Chestnutt shared grant trends for fiscal years 2011-2014. The Library has 19 grants over \$5000. A goal is to improve numbers funds received from current donors. The Board thanked Ms. Chestnutt and wished her well.

Ms. Hoffman spoke on philanthropy, noting when Ms. Parikh arrived the Foundation was actively raising funds through events. Over time, the Foundation Board made a move to stop events and do something else to garner donations. Over the years she and Ms. Parikh worked to put Ms. Parikh in the position of talking to donors, which made it easier for the Library to ask for support. She added that Ms. Parikh spent a lot of time and energy on building relationships.

Mr. Gordon encouraged the Board to cultivate relationships and bring donors forward. He then issued a challenge to the Board to refer individuals passionate about libraries, children and the elderly from areas of the community other than University Place. The Board thanked the Foundation for their efforts and noted the Library cannot offer the services it provides without the work of the Foundation.

National Friends and Foundation of Libraries Week - Ms. Porter Smith introduced Bob Estrada, President of the Lakewood Friends. She noted the Friends groups have contributed over \$126,000 in the past year. She then asked the Board to issue a Proclamation. Mr. Allen moved to approve the Proclamation. Ms. McCament seconded the motion and it was passed. Mr. Allen read the Proclamation. The Board thanked the Friends for their contribution to the Library.

2015 Budget: Estimated Revenue and Expenditures - Ms. Parikh reported property tax law says the Library can tax up to highest level it can receive. The Library can grow its revenue to 2010 levels without limitation. However, after 2 years the Library will return to the 1% plus new construction limitation. She then reviewed and framed the rationale for the budget. She said the Library will pay attention to staff by conducting a compensation study since one hasn't been done for 8 years. It will also be conducting a climate survey at the beginning of year and doing internal work to create a communications plan. Plans for a leadership development program are underway also.

Two areas needing attention are the capital improvements fund and the cash flow. The capital improvements fund must be restored and strategies to increase the fund identified. The Library must also identify when it should be putting funds back into the budget.

Information technology has not been touched for four years. Based on consultations and Digital Experience Director Karim Adib's input the Library placed funds in this area to create the IT infrastructure. Mr. Adib stressed the importance of making smart choices for a sustainable future as well as the importance of security and stability.

Ms. Parikh indicated the materials budget must be studied since the use of materials is changing greatly. She stressed the importance of remaining up to date and relevant and that the Library must position itself to provide services to the community.

Mr. Allen would like to hear Mr. Adib's thoughts about the direction he thinks the Library should be going. He also wants to know what Mr. Adib feels are needs and gaps in the Library System, stating he would like more awareness from his point of view. Ms. Porter Smith reported David Durante is now part of Virtual Services and will be working closely with Mr. Adib.

Clifford Jo, Finance and Business Operations Director, framed the annual budget process noting the balanced budget is presented in October. Ms. Parikh's priorities are incorporated into the operating budget. The capital budget will be forthcoming in November. The Library has balanced the budget and is recommending using no cash to balance the budget next year. A large portion of the \$2.5 million new revenues will be used to restore capital transfers and funds that had been offset by cash reserves to balance the 2014 budget. Additional funds will also be used for increasing the materials budget by roughly \$278,000 and staffing IT. He added the importance of seeing what the cash situation will be over the next several years. He said the departmental budgets were thoughtfully proposed by the managers.

Mr. Allen was pleased to see the transfer into the capital budget. He asked why PC hardware was moved from the operating budget into capital budget. Ms. Parikh said it is a project since PCs have been replaced every four years in a rolling cycle. All PCs will be replaced at once and deployed so maintenance costs will be reduced and similar PCs will be operated throughout the system. During the technology planning process, the administrative team realized the budget was part of the technology plan and since it is a project it belonged in the capital plan with other projects. There will also be a proposal to add more dollars to the capital fund showing a long term projection.

Mr. Allen questioned the telephone data lines amount in the budget. Ms. Parikh noted those were line fees for data, not just the phone system. The number of circuits are being doubled and the Library is increasing bandwidth. This will be an ongoing cost. More than half will be recovered by E-Rate reimbursements.

Mr. Allen was curious about anticipating a drop in cost for water and an increase in sewer costs. Mr. Rose said rates are increasing for storm water costs.

Ms. McCament inquired about the nature of capital projects and whether they were determined by depreciation. Mr. Jo explained the Library reports on a cash basis and that internally the finance department looks at modified accrual basis; the Library does not depreciate assets.

2015 Materials Budget Summary - Mr. Allen asked how publishers are treating libraries with regard to pricing. Ms. Lomax said strategies will be examined in the next year with the big five libraries to decide what works best for libraries. The purchases will be treated differently based on terms. Mr. Allen asked how publishers are feeling about eBooks. Ms. Lomax said they have accepted the situation. She said the concern is that libraries are at their mercy and the next step for library communities will be getting tougher about what is acceptable in the interest of fairness.

2015 Implicit Price Deflator - Mr. Jo reported the Municipal Research and Services Center predicts 1.59% and noted that no Board action was needed.

2015-2019 Cash Flow - Mr. Jo said updated versions will be presented in future months. The purpose is to plan what to do with deficits in the budget as revenue was decreasing. He said in 2015 the Library will need no cash to balance the budget. Operating reserves are four months and the Library anticipates having at least that much to pay for expenditures. He anticipated at end of 2015 the Library would have \$2.6 million in cash in addition to the operating reserve. The \$2.6 million is higher than the 2% unrestricted fund balance that the Board had asked the Library to have available. In years 2016-2019, he would address strategies to avoid using cash funds to pay for

operations. Mr. Allen was interested in knowing why cash reserves increase by \$200K in year 2016-2018. Mr. Jo noted this is due to budgeting cash back into the fund.

Facilities Master Plan: How Other Libraries Funded Capital Projects - Ms. Parikh reviewed the document identifying project funding sources from other library systems. Pierce County Library is one of only three systems owning all of its buildings, with a fair amount of libraries in unincorporated parts of the county. The general obligation bond in 1986 was very successful and adding all the buildings at once was extremely important to the Library. She reviewed the various strategies used by the library systems. She said most systems raised funds branch by branch rather than system wide. She also identified the LCFA process.

Ms. Parikh said the Facilities Master Plan shows Pierce County Library System has buildings that need to change. Perhaps the Library should look closer at improvements branch by branch. She said there are areas in the county looking to improve themselves which affords the Library the opportunity to leverage partnerships. She said another possibility would be to do a bond regionally but this would require great care. She noted Ms. Hoffman is working with the Foundation to prepare them so they can be full partners and aid the Library by more effectively leveraging resources.

2015 Board Meeting Schedule - Ms. McCament moved to approve the 2015 Board Meeting Schedule. Mr. Rose seconded the motion and it was passed.

EXECUTIVE SESSION

At 5:48 pm, Ms. McCament moved to enter into Executive Session as per RCW 42.30.110 for 15 minutes for discussion of personnel matters. Mr. Rose seconded the motion and it passed. The session was reopened to the public at 6:00 pm.

ANNOUNCEMENTS

There were no announcements.

ADJOURNMENT

The meeting was adjourned at 6:01 pm on motion by Ms. McCament seconded by Mr. Allen.

Neel Parikh, Secretary

Linda Ishem, Chair

October 2014 Payroll, Benefits and Vouchers

	<u>Warrant Numbers</u>	<u>Date(s)</u>	<u>Amount</u>
Payroll Warrants	3582-3584	10/01/14-10/31/14	\$3,667.23
Disbursement Voucher - Payroll & Acct Payable		10/02/14	\$587,488.99
Disbursement Voucher - Payroll & Acct Payable		10/20/14	\$590,561.97
Accounts Payable Warrants	623347-623489	10/01/14-10/31/14	\$1,067,697.63
Total:			<u><u>\$2,249,415.82</u></u>

Check History Listing
Pierce County Library System

Check #	Bank	Date	Paid to	Status	Can/Vd Date	Pay Period Dates	Dir Dep	Amount
3582	pr	10/06/2014	ATHEY, LEIANNE			09/16/14 - 09/30/14	0.00	1,698.48
3583	pr	10/06/2014	MICLETTE, VICTORIA			09/16/14 - 09/30/14	0.00	789.92
3584	pr	10/06/2014	TANKSLEY, BRENDA			09/16/14 - 09/30/14	0.00	1,178.83
Total:							0.00	3,667.23

Checks in report: 3

Grand Total: 0.00 3,667.23

COUNTY OF PIERCE
BUDGET AND FINANCE DEPARTMENT

Disbursement Journal Voucher (T/C) 74	Agency No.	D.J.V. Date	D.J.V. No.
	001-116	revised 10/2/2014	

	Account Code								Acct. Action	DESCRIPTION	AMOUNT
	Fund	Dept	Prog	BASUB	Elem	OB	M/OB				
1	697	001	0000	237	00				FIT EE and EIC- Wire to IRS	\$63,587.37	
2	697	001	0000	237	00				Fica EE and Medicare - Wire to IRS	\$44,556.05	
3	697	001	0000	237	00				Fica ER and Medicare - Wire to IRS	\$44,556.05	
4	697	001	0000	237	00				DIR DEP-file to Columbia Bank	\$420,923.99	
5	697	001	0000	237	00						
6	697	001	0000	237	00						
7	697	001	0000	237	00				dept of rev	\$0.00	
8	697	001	0000	237	00					\$0.00	
9	697	001	0000	237	00					\$0.00	
10	697	001	0000	237	00				09/05/2014 tax overpayment	\$706.77	
11	697	001	0000	237	00						
12	697	001	0000	237	00				Deferred Comp. Program	\$8,848.00	
13	697	001	0000	237	00				ING	\$2,347.00	
14	697	001	0000	237	00				H.S.A. Employee deductions	\$1,588.76	
15	697	001	0000	237	00				H.S.A. Employer Contribution	\$375.00	
16	697	001	0000	237	00				H.S.A. fee	\$0.00	
									please put the total amt below into PCLS payroll account		
									TOTAL	\$587,488.99	

Bank No.	Check No.	Issued To	Bank No.	Check No.	Issued To
		U.S. Treasury			
Prepared By: Christy Telling			Date: 10/2/2014	Approved By: Christy Telling	
				10/2/2014	

COUNTY OF PIERCE
BUDGET AND FINANCE DEPARTMENT

								Disbursement Journal Voucher (T/C) 74	Agency No. 001-116	D.J.V. Date revised 10/20/2014	D.J.V. No.
1	Account Code							Acct. Action	DESCRIPTION	AMOUNT	
	Fund	Dept	Prog	BASUB	Elem	OB	M/OB				
1	697	001	0000	237	00				FIT EE and EIC- Wire to IRS	\$63,173.70	
2	697	001	0000	237	00				Fica EE and Medicare - Wire to IRS	\$44,237.26	
3	697	001	0000	237	00				Fica ER and Medicare - Wire to IRS	\$44,237.26	
4	697	001	0000	237	00				DIR DEP-file to Columbia Bank	\$423,889.56	
5	697	001	0000	237	00						
6	697	001	0000	237	00						
7	697	001	0000	237	00				dept of rev	\$1,655.98	
8	697	001	0000	237	00						
9	697	001	0000	237	00					\$0.00	
10	697	001	0000	237	00						
11	697	001	0000	237	00						
12	697	001	0000	237	00				Deferred Comp. Program	\$8,848.00	
13	697	001	0000	237	00				ING	\$2,347.00	
14	697	001	0000	237	00				H.S.A. Employee deductions	\$1,588.76	
15	697	001	0000	237	00				H.S.A. Employer Contribution	\$375.00	
16	697	001	0000	237	00				H.S.A. fee	\$209.45	
									please put the total amt below into PCLS payroll account		
									TOTAL	\$590,561.97	
Bank No.	Check No.	Issued To		Bank No.	Check No.	Issued To					
		U.S. Treasury									
Prepared By:				Date:	Approved By:						
Christy Telling				10/20/2014	Christy Telling				10/20/2014		

Check History Listing

Pierce County Library System

Bank code: boa

Check #	Date	Vendor	Status	Check Total
623347	10/02/2014	006039 GREEN ZONE LLC		7,391.25
623348	10/02/2014	006067 ORTING PUMPKIN FEST		35.00
623349	10/02/2014	000370 PIERCE COUNTY		14,418.51
623350	10/02/2014	001290 REGIONAL BUILDING SVCS CORP		507.25
623351	10/02/2014	004570 STONER ELECTRIC INC		19,516.96
623352	10/02/2014	000079 SUPERIOR SAW		33.51
623353	10/02/2014	000830 BAKER & TAYLOR		19,364.20
623354	10/02/2014	000189 BAKER & TAYLOR ENTERTAINMENT		108.68
623355	10/02/2014	000161 CENGAGE LEARNING		8,249.59
623356	10/02/2014	000847 CENTER POINT PUBLISHING		1,166.55
623357	10/02/2014	000184 CITY TREASURER		2,120.16
623358	10/02/2014	005300 DANGER ROOM COMICS LLC		802.84
623359	10/02/2014	005171 INFOGROUP		360.00
623360	10/02/2014	000243 INGRAM LIBRARY SERVICES		33,563.81
623361	10/02/2014	000352 MIDWEST TAPE		60,499.53
623362	10/02/2014	000323 NEWS TRIBUNE		514.80
623363	10/02/2014	000377 PUGET SOUND ENERGY		902.48
623364	10/02/2014	000406 RECORDED BOOKS LLC		365.13
623365	10/02/2014	001060 SCHOLASTIC LIBRARY PUBLISHING		2,334.54
623366	10/02/2014	000451 SEATTLE TIMES SEATTLE PI		336.88
623367	10/02/2014	000506 UNIVERSITY PLACE REFUSE SERVIC		169.62
623368	10/03/2014	000242 BUCKLEY CITY OF		307.69
623369	10/03/2014	000184 CITY TREASURER		672.82
623370	10/03/2014	000184 CITY TREASURER		574.06
623371	10/03/2014	000184 CITY TREASURER		33.86
623372	10/03/2014	001643 IMPACT		39.18
623373	10/03/2014	000377 PUGET SOUND ENERGY		2,038.80
623374	10/06/2014	000828 AFSCME AFL-CIO		5,647.18
623375	10/06/2014	000175 ASSOCIATION OF WASHINGTON CITI		170,246.73
623376	10/06/2014	003311 DEPARTMENT OF LABOR & INDUSTRI		11,383.40
623377	10/06/2014	003985 PACIFICSOURCE ADMINISTRATORS		1,723.07
623378	10/06/2014	001181 PIERCE CTY LIBRARY FOUNDATION		434.45
623379	10/06/2014	004276 STATE CENTRAL COLLECTION UNIT		151.67
623380	10/06/2014	000823 UNITED WAY		67.00
623381	10/06/2014	004782 US DEPARTMENT OF EDUCATION		178.57
623382	10/06/2014	000827 WA STATE- DEPT OF RETIREMENT S		82,328.14
623383	10/06/2014	000881 WASHINGTON STATE SUPPORT REGIS		446.38
623384	10/08/2014	000460 STEILACOOM TOWN OF		757.92

Check History Listing
Pierce County Library System

Bank code: boa

Check #	Date	Vendor	Status	Check Total
623385	10/08/2014	004114 MEGHAN SULLIVAN		140.00
623386	10/08/2014	000363 OVERALL LAUNDRY SERV. DBAARAMARI		16.41
623387	10/08/2014	000176 ATS AUTOMATION INC		5,237.53
623388	10/08/2014	000895 COLUMBIA BANK		301.18
623389	10/08/2014	000895 COLUMBIA BANK		50.00
623390	10/08/2014	004779 CONVERGENT TECHNOLOGY SYS		824.88
623391	10/08/2014	001467 DATA SECURITY CORP		132.50
623392	10/08/2014	005272 GREEN EFFECTS INC		6,253.70
623393	10/08/2014	004758 HELP DESK TECHNOLOGY INTL CORP		6,101.20
623394	10/08/2014	004393 LEDDING LIBRARY OF MILWAUKIE		8.00
623395	10/08/2014	005979 METCO ELECTRIC		3,115.20
623396	10/08/2014	005545 SPOKANE COMMUNITY COLL LIBRARY		14.00
623397	10/08/2014	000690 STEILACOOM CHAMBER OF COMMERCE		80.00
623398	10/08/2014	001821 TYLER TECHNOLOGIES INC		3,750.00
623399	10/08/2014	004182 ULINE INC		44.98
623400	10/08/2014	003719 UNIQUE MANAGEMENT SERVICES		1,414.10
623401	10/08/2014	004022 US BANK		33,706.56
623402	10/08/2014	000534 WCP SOLUTIONS		86.83
623403	10/10/2014	005369 BIRCH ELECTRIC LLC		371.96
623404	10/10/2014	003311 DEPARTMENT OF LABOR & INDUSTRI		114.10
623405	10/10/2014	003311 DEPARTMENT OF LABOR & INDUSTRI		114.10
623406	10/10/2014	005272 GREEN EFFECTS INC		1,428.76
623407	10/10/2014	001518 TUMBUSCH PHOTOGRAPHY		313.33
623408	10/10/2014	004022 US BANK		822.94
623409	10/10/2014	004022 US BANK		50,794.45
623410	10/10/2014	006051 WILLIAM MORRIS		2,500.00
623411	10/10/2014	000830 BAKER & TAYLOR		18,407.36
623412	10/10/2014	000161 CENGAGE LEARNING		3,405.28
623413	10/10/2014	000847 CENTER POINT PUBLISHING		2,014.35
623414	10/10/2014	000184 CITY TREASURER		922.32
623415	10/10/2014	000093 PAYMENT PROCESSING CENTER EBSCO		14.44
623416	10/10/2014	000243 INGRAM LIBRARY SERVICES		7,861.70
623417	10/10/2014	000352 MIDWEST TAPE		38,249.60
623418	10/10/2014	000367 PARTNERS WEST DISTRIBUTING		2,600.16
623419	10/10/2014	000377 PUGET SOUND ENERGY		444.36
623420	10/10/2014	001060 SCHOLASTIC LIBRARY PUBLISHING		13,122.46
623421	10/14/2014	000273 CARRILLO & ASSOCIATES		1,218.75
623422	10/14/2014	005997 SAMUEL C DAY		2,077.42
623423	10/14/2014	004397 SHKS ARCHITECTS PS INC		375.90

Check History Listing

Pierce County Library System

Bank code: boa

Check #	Date	Vendor	Status	Check Total
623424	10/14/2014	003311 DEPARTMENT OF LABOR & INDUSTRI		55,141.63
623425	10/15/2014	000830 BAKER & TAYLOR		13,510.57
623426	10/15/2014	000189 BAKER & TAYLOR ENTERTAINMENT		649.41
623427	10/15/2014	000161 CENGAGE LEARNING		1,897.37
623428	10/15/2014	000184 CITY TREASURER		3,942.06
623429	10/15/2014	000184 CITY TREASURER		782.12
623430	10/15/2014	000243 INGRAM LIBRARY SERVICES		11,396.91
623431	10/15/2014	000352 MIDWEST TAPE		24,258.83
623432	10/15/2014	000377 PUGET SOUND ENERGY		443.07
623433	10/15/2014	000406 RECORDED BOOKS LLC		2,398.25
623434	10/15/2014	000463 SUMMIT WATER & SUPPLY CO		379.86
623435	10/15/2014	000541 STATE OF WASHINGTON		361.82
623436	10/16/2014	000830 BAKER & TAYLOR		8,815.34
623437	10/16/2014	000189 BAKER & TAYLOR ENTERTAINMENT		85.28
623438	10/16/2014	000161 CENGAGE LEARNING		1,485.45
623439	10/16/2014	000847 CENTER POINT PUBLISHING		79.08
623440	10/16/2014	001285 DIVERSE MEDIA INC		43.14
623441	10/16/2014	006080 IMAGINE VIDEO PRODUCTIONS		210.50
623442	10/16/2014	000243 INGRAM LIBRARY SERVICES		15,388.14
623443	10/16/2014	000352 MIDWEST TAPE		18,441.09
623444	10/16/2014	006050 LUTHER ADAMS		400.00
623445	10/16/2014	000895 COLUMBIA BANK		227.06
623446	10/16/2014	003311 DEPARTMENT OF LABOR & INDUSTRI		587.74
623447	10/16/2014	000323 NEWS TRIBUNE		1,713.64
623448	10/16/2014	003551 ORTING CHAMBER OF COMMERCE		70.00
623449	10/16/2014	001005 PETTY CASH CUSTODIAN		131.73
623450	10/16/2014	003811 PIERCE CO COMMUNITY NEWSPAPER		362.00
623451	10/16/2014	005451 ROBERT ROSE		142.22
623452	10/16/2014	001970 CAROL SHEEHAN		68.35
623453	10/16/2014	004018 STAPLES INC		254.86
623454	10/16/2014	000497 TILlicum COMMUNITY SERVICE CEN		1,982.78
623455	10/20/2014	001518 TUMBUSCH PHOTOGRAPHY		302.38
623456	10/20/2014	004022 US BANK		65,795.35
623457	10/22/2014	003778 AFLAC		5,502.22
623458	10/22/2014	000828 AFSCME AFL-CIO		5,604.04
623459	10/22/2014	000175 ASSOCIATION OF WASHINGTON CITI		2,328.01
623460	10/22/2014	001578 COLONIAL SUPPLEMENTAL INSURANC		739.74
623461	10/22/2014	003985 PACIFICSOURCE ADMINISTRATORS		1,723.07
623462	10/22/2014	001181 PIERCE CTY LIBRARY FOUNDATION		434.45

Check History Listing
Pierce County Library System

Bank code: boa

Check #	Date	Vendor	Status	Check Total
623463	10/22/2014	004276 STATE CENTRAL COLLECTION UNIT		151.67
623464	10/22/2014	000823 UNITED WAY		67.00
623465	10/22/2014	004782 US DEPARTMENT OF EDUCATION		184.20
623466	10/22/2014	000827 WA STATE- DEPT OF RETIREMENT S		81,845.26
623467	10/22/2014	000881 WASHINGTON STATE SUPPORT REGIS		446.38
623468	10/23/2014	001554 ANDREW'S FIXTURE CO INC		547.50
623469	10/23/2014	000363 OVERALL LAUNDRY SERV. DBA ARAMARI		16.41
623470	10/23/2014	004779 CONVERGENT TECHNOLOGY SYS		671.72
623471	10/23/2014	005862 ELITE PROPERTY INVESTMENTS LLC		8,638.90
623472	10/23/2014	005283 E-RATE EXPERTISE INC		654.10
623473	10/23/2014	005428 GRITTON BUILDING CO INC		2,115.80
623474	10/23/2014	005235 KEY PENINSULA BUSINESS ASSOC		75.00
623475	10/23/2014	001586 NORTHWEST DOOR INC		574.36
623476	10/23/2014	000370 PIERCE COUNTY		900.00
623477	10/23/2014	005883 SYSTEMS SOURCE INC		799.04
623478	10/29/2014	000363 OVERALL LAUNDRY SERV. DBA ARAMARI		16.41
623479	10/29/2014	000895 COLUMBIA BANK		334.88
623480	10/29/2014	005891 CONSTRUCT INC		41,332.73
623481	10/29/2014	005642 HILLIS CLARK MARTIN & PETERSON		252.97
623482	10/29/2014	002082 DALE HOUGH		78.69
623483	10/29/2014	006090 ROSALIND NGUESSAN		71.34
623484	10/29/2014	001886 NEEL PARIKH		75.00
623485	10/29/2014	001581 SNAPTEX NORTHWEST INC		14,495.50
623486	10/29/2014	002062 GEORGIA LOMAX		463.50
623487	10/29/2014	000377 PUGET SOUND ENERGY		2,804.60
623488	10/29/2014	002064 HOLLY L SMITH		824.59
623489	10/29/2014	000541 STATE OF WASHINGTON		2,937.50
boa Total:				1,067,697.63
Total Checks:				1,067,697.63

143 checks in this report

RESOLUTION NO. 2014-06

**A RESOLUTION OF THE BOARD OF TRUSTEES
OF THE PIERCE COUNTY RURAL LIBRARY DISTRICT
TO SET THE 2015 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 2015, now, therefore,

BE IT RESOLVED that in 2015, 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 p.m., with the exceptions of the month of October when the meeting will be held on the third Wednesday, and the month of March, when the meeting will be held on the third Wednesday.

DATED THIS 12th DAY OF NOVEMBER, 2014

BOARD OF TRUSTEES, PIERCE COUNTY RURAL LIBRARY DISTRICT

Linda Ishem, Chair

Robert Allen, Vice-Chair

Donna Albers, Member

Allen Rose, Member

J. J. McCament, Member

PIERCE COUNTY LIBRARY SYSTEM BOARD OF TRUSTEES

2015 Meeting Schedule

Meetings are regularly scheduled from 3:30 – 6:00 on the second Wednesday of the month, with the exception of the October meeting, to be held on the third Wednesday of the month. The dates of the 2015 Board of Trustee meetings are as follows:

January 14
 February 11
 March 11
 April 8
 May 13
 June 10
 July 8
 August 12
 September 9
 October 21¹
 November 11
 December 9

2015 Conferences	
January 30 - February 3	American Library Association Midwinter, Chicago IL
April 15 - 17	Oregon Library Association/Washington Library Association, Tulalip WA
June 25 - 30	American Library Association Annual, San Francisco CA

¹ 3rd week of the month due to budget development

M E M O



Date: October 24, 2014

To: Chair Linda Ishem and Members of the Board of Trustees

From: Clifford Jo, Finance & Business Director

Subject: Banking Authority resolution

With Neel's departure, we are updating the authority to sign on bank accounts, investments, and auditing. I will remain the primary officer for the Library. With Georgia becoming Executive Director, consistent with Neel's role Georgia remains as an alternate officer and updated her title. It is a good practice to have three officers as able to sign and represent the Library in this capacity, so we have added at this time Sally Porter Smith. Any future Deputy Director would be added as an alternate, and we would bring you a resolution adding that person.

Attached is a resolution for the Board of Trustees to pass, authorizing banks to accept the signers on our accounts.

RESOLUTION NO. 2014- 07

**A RESOLUTION OF THE BOARD OF TRUSTEES
OF THE PIERCE COUNTY RURAL LIBRARY DISTRICT
TO DESIGNATE PRIMARY AND ALTERNATE SIGNATORY, INVESTMENT, AND
AUDITING OFFICERS**

WHEREAS, Board of Trustees Resolution Number 2008-15, dated December 10, 2008, appointed Clifford Jo, Finance and Information Technology Director, primary signatory for the Deposit Accounts; primary investment officer; and primary auditing officer (in compliance with R.C.W. 42.24.080); Neel Parikh, Executive Director, alternate signatory for the Deposit Accounts; alternate investment officer; and alternate auditing officer (in compliance with R.C.W. 42.24.080); Georgia Lomax, Deputy Director, alternate signatory for the Deposit Accounts; alternate investment officer; and alternate auditing officer (in compliance with R.C.W. 42.24.080); and

WHEREAS, since the passage of resolution 2008-15, Neel Parikh has retired, now, therefore,

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

Resolution Number 2008-15 is hereby rescinded, and

Clifford Jo, Finance & Business Director, be appointed primary signatory for the Deposit Accounts; be appointed primary investment officer; and primary auditing officer (in compliance with R.C.W. 42.24.080); and

Georgia Lomax, Executive Director, be appointed alternate signatory for the Deposit Accounts; alternate investment officer; and alternate auditing officer (in compliance with R.C.W. 42.24.080); and

Sally Porter Smith, Customer Experience Director, be appointed alternate signatory for the Deposit Accounts; alternate investment officer; and alternate auditing officer (in compliance with R.C.W. 42.24.080).

PASSED AND APPROVED THIS 12TH DAY OF NOVEMBER, 2014.

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

Board Members Report

M E M O

Date: October 30, 2014

To: Chair Linda Ishem and members of the Board of Trustees

From: Neel Parikh, Executive Director

Subject: Regional Trustee Meeting Follow up

The October 25, 2014, Regional Trustee Meeting hosted by Seattle Public Library was exceptional. The content and conversation was thought-provoking and stimulating.

During the Board meeting, Chair Ishem will ask you to share your perceptions of the event and provide any suggestions to which you would like staff to follow up.

The Work Session Evaluation forms will be compiled and shared. The meeting coordinators, Marcellus Turner, Jonalyn Wolf- Ivory (and myself) will determine the next steps.

OFFICERS REPORT

CUSTOMER SERVICE/PHILANTHROPY DASHBOARD - SEPTEMBER

VISITS



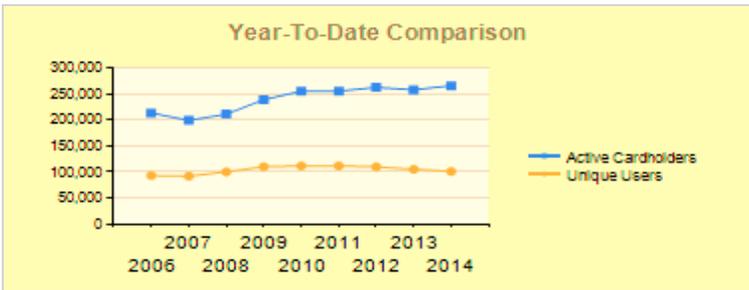
	September		
	2013	2014	% Change
Door Count	197,992	186,016	-6.05%
Catalog	166,818	144,433	-13.42%
Website	186,320	167,959	-9.85%
Job & Business Portal	2,796	2,341	-16.27%
Military Portal	125	61	-51.20%
Total	554,051	500,810	-9.61%

CHECKOUTS



	September		
	2013	2014	% Change
Checkouts	510,641	449,978	-11.88%
Downloadables	49,962	52,039	4.16%
Total	560,603	502,017	-10.45%

CUSTOMERS



	September		
	2013	2014	% Change
Active Cardholders	258,805	266,496	2.97%
New Cards	4,504	4,005	-11.08%
Checkout Transactions	94,563	84,244	-10.91%
Unique Users	41,406	38,283	-7.54%

PHILANTHROPY



	September		
	2013	2014	% Change
FoundationDonors	191	122	-36.13%
NewFoundationDonors	7	10	42.86%
\$ Raised by Foundation	\$105,651.00	\$94,430.00	-10.62%
\$ Provided by Friends	\$0.00	\$0.00	0.00%

BRANCH CLOSURES

2012
 Snow Closures
 Bonney Lake 1/17-1/23 (7 Days)
 2/13-2/26 (13 Days)
 Graham 3/21-4/5 (15 Days)
 South Hill 4/9-5/6 (27 Days)
 Tillicum 7/3-8/5 (33 Days)
 Sumner 7/30-9/3 (35 Days)
 Summit 9/17-9/30 (13 Days)
 Steilacoom 10/17-11/14 (28 Days)
 Bkmb1 Ended 11/11
 Key Center 11/14-12/31 (47 Days)

2013
 Key Center 1/1-2/3 (34 Days)
 Fife 9/24-25 (2 Days)

2014
 Gig Harbor 5/19-6/1 (13 days)
 Lakewood 9/2-21 (19 days)
 Parkland/Spanaway 10/13-26 (13 days)

Monthly Financial Reports October 31, 2014

Property Tax revenue data was not available at the time of publication

*Interim Reports Prepared by
Dale E. Hough PFO, CPFIM
Finance Manager*

**Pierce County Library System
Statement of Financial Position
October 31, 2014
All Funds**

	General Fund	Debt Service Fund	Capital Improvement Projects Fund
Assets			
Current Assets - Cash			
Cash	\$ 1,668,788	\$ 83,630.39	\$ 558,251
Investments	\$ 1,800,000	\$ -	\$ -
Total Cash	\$ 3,468,788	\$ 83,630	\$ 558,251
Total Current Assets	\$ 3,468,788	\$ 83,630	\$ 558,251
Liabilities and Fund Balance			
Current Liabilities			
Warrants Payable	\$ 123,916	\$ -	\$ -
Sales Tax Payable	\$ 4,714	\$ -	\$ -
Payroll Taxes and Benefits Payable	\$ 14,507	\$ -	\$ -
Total Current Liabilities	\$ 143,137	\$ -	\$ -
Fund Balance			
Reserve for Encumbrances	\$ 252,786	\$ -	\$ 415,210
Net Excess (Deficit)	\$ (5,960,063)	\$ 63	\$ (284,279)
Unreserved Fund Balance	\$ 9,032,928	\$ 83,567	\$ 427,320
Total Fund Balance	\$ 3,325,651	\$ 83,630	\$ 558,251
Total Liabilities and Fund Balance	\$ 3,468,788	\$ 83,630	\$ 558,251
Anticipated Property Tax Revenue	\$ 11,762,780	\$ 13	\$ -

Pierce County Library System													
Comparative Statement of Financial Position													
General Fund - Rolling Comparison													
<i>(as of the listed date of the reported month)</i>													
	HISTORICAL	HISTORICAL	HISTORICAL	HISTORICAL	HISTORICAL	HISTORICAL	CURRENT						
	10/31/2013	11/30/2013	12/31/2013	1/31/2014	2/28/2014	3/31/2014	4/30/2014	5/31/2014	6/30/2014	7/31/2014	8/31/2014	9/30/2014	10/31/2014
Assets													
Current Assets - Cash													
Cash	\$ 8,989,939	\$ 4,778,073	\$ 10,033,175	\$ 1,444,605	\$ 1,645,126	\$ 2,874,141	\$ 10,202,373	\$ 12,760,371	\$ 1,400,630	\$ 1,475,909	\$ 1,566,485	\$ 1,783,229	\$ 1,668,788
Investments	\$ 2,800,000	\$ 7,460,000	\$ -	\$ 6,200,000	\$ 4,410,000	\$ 2,650,000	\$ 1,975,000	\$ -	\$ 9,492,593	\$ 7,500,000	\$ 5,580,000	\$ 3,768,000	\$ 1,800,000
Total Cash	\$ 11,789,939	\$ 12,238,073	\$ 10,033,175	\$ 7,644,605	\$ 6,055,126	\$ 5,524,141	\$ 12,177,373	\$ 12,760,371	\$ 10,893,223	\$ 8,975,909	\$ 7,146,485	\$ 5,551,229	\$ 3,468,788
Total Current Assets	\$ 11,789,939	\$ 12,238,073	\$ 10,033,175	\$ 7,644,605	\$ 6,055,126	\$ 5,524,141	\$ 12,177,373	\$ 12,760,371	\$ 10,893,223	\$ 8,975,909	\$ 7,146,485	\$ 5,551,229	\$ 3,468,788
Liabilities and Fund Balance													
Current Liabilities													
Warrants Payable	\$ 246,940	\$ 335,358	\$ 940,783	\$ 289,787	\$ 283,545	\$ 242,745	\$ 156,099	\$ 219,223	\$ 237,131	\$ 279,472	\$ 352,429	\$ 372,621	\$ 123,916
Sales Tax Payable	\$ 2,299	\$ 1,791	\$ 1,686	\$ 2,976	\$ 4,285	\$ 3,438	\$ 3,657	\$ 4,896	\$ 6,057	\$ 4,000	\$ 4,295	\$ 3,683	\$ 4,714
Payroll Taxes and Benefits Payable	\$ 85,954	\$ 97,624	\$ 57,777	\$ 10,661	\$ 12,052	\$ 12,414	\$ 12,450	\$ 12,183	\$ 11,400	\$ 10,937	\$ 11,507	\$ 12,671	\$ 14,507
Total Current Liabilities	\$ 335,193	\$ 434,773	\$ 1,000,247	\$ 303,424	\$ 299,882	\$ 258,596	\$ 172,206	\$ 236,303	\$ 254,588	\$ 294,408	\$ 368,230	\$ 388,975	\$ 143,137
Fund Balance													
Reserve for Encumbrances	\$ 378,475	\$ 315,594	\$ -	\$ 479,177	\$ 428,516	\$ 382,261	\$ 515,313	\$ 415,441	\$ 372,048	\$ 339,182	\$ 275,413	\$ 227,701	\$ 252,786
Net Excess (Deficit)	\$ 1,675,017	\$ 2,086,453	\$ -	\$ (2,170,924)	\$ (3,706,199)	\$ (4,149,643)	\$ 2,456,926	\$ 3,075,700	\$ 1,233,659	\$ (690,609)	\$ (2,530,086)	\$ (4,098,374)	\$ (5,960,063)
Unreserved Fund Balance	\$ 9,401,254	\$ 9,401,254	\$ 9,032,928	\$ 9,032,928	\$ 9,032,928	\$ 9,032,928	\$ 9,032,928	\$ 9,032,928	\$ 9,032,928	\$ 9,032,928	\$ 9,032,928	\$ 9,032,928	\$ 9,032,928
Total Fund Balance	\$ 11,454,746	\$ 11,803,300	\$ 9,032,928	\$ 7,341,181	\$ 5,755,244	\$ 5,265,545	\$ 12,005,167	\$ 12,524,068	\$ 10,638,635	\$ 8,681,501	\$ 6,778,254	\$ 5,162,254	\$ 3,325,651
Total Liabilities and Fund Balance	\$ 11,789,939	\$ 12,238,073	\$ 10,033,175	\$ 7,644,605	\$ 6,055,126	\$ 5,524,141	\$ 12,177,373	\$ 12,760,371	\$ 10,893,223	\$ 8,975,909	\$ 7,146,485	\$ 5,551,229	\$ 3,468,788
Anticipated Property Tax Revenue	\$ 3,627,815	\$ 1,229,998	\$ -	\$ 25,516,351	\$ 25,112,244	\$ 23,682,603	\$ 14,993,995.22	\$ 12,484,118	\$ 12,375,381	\$ 12,288,973	\$ 12,166,212	\$ 11,762,780	\$ 11,762,780

PIERCE COUNTY LIBRARY SYSTEM
Statement of Revenue and Expenditures
Year to Date through September 30, 2014
no pre-encumbrances

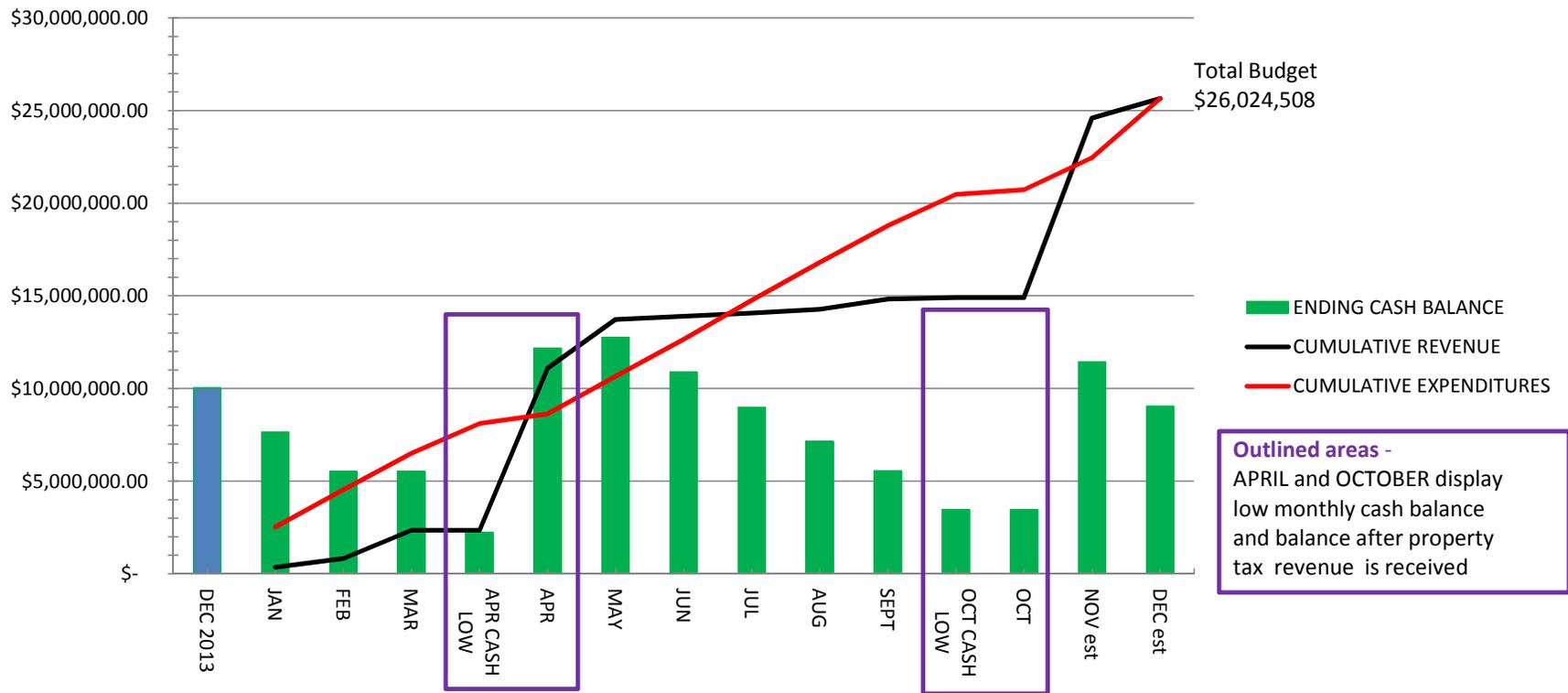
<u>General Fund</u>	<u>2014 Budget</u>	<u>Year To Date</u>	<u>Encumbrances</u>	<u>Budget Balance</u>	<u>% of Budget</u>
Revenue					
Property Tax/Investment Income & Other PC Revenue	\$ 24,669,808	\$ 13,903,112	\$ -	\$ 10,766,696	56%
Other Revenue	\$ 1,354,700	\$ 1,001,520	\$ -	\$ 353,180	74%
Total Revenue	\$ 26,024,508	\$ 14,904,631	\$ -	\$ 11,119,877	57%
Expenditures					
Personnel/Taxes and Benefits	\$ 18,560,574.00	\$ 15,456,760	\$ -	\$ 3,103,814	83%
Materials	\$ 3,333,375	\$ 2,352,584	\$ -	\$ 980,791	71%
Maintenance and Operations	\$ 3,870,314	\$ 2,802,563	\$ 252,786	\$ 814,964	79%
Transfers Out	\$ 260,245	\$ -	\$ -	\$ 260,245	0%
Total Expenditures	\$ 26,024,508	\$ 20,611,908	\$ 252,786	\$ 5,159,814	80%
Excess/(Deficit)		\$ (5,707,276)			
(less encumbrances)		(252,786)			
Net Excess (Deficit)		\$ (5,960,063)			

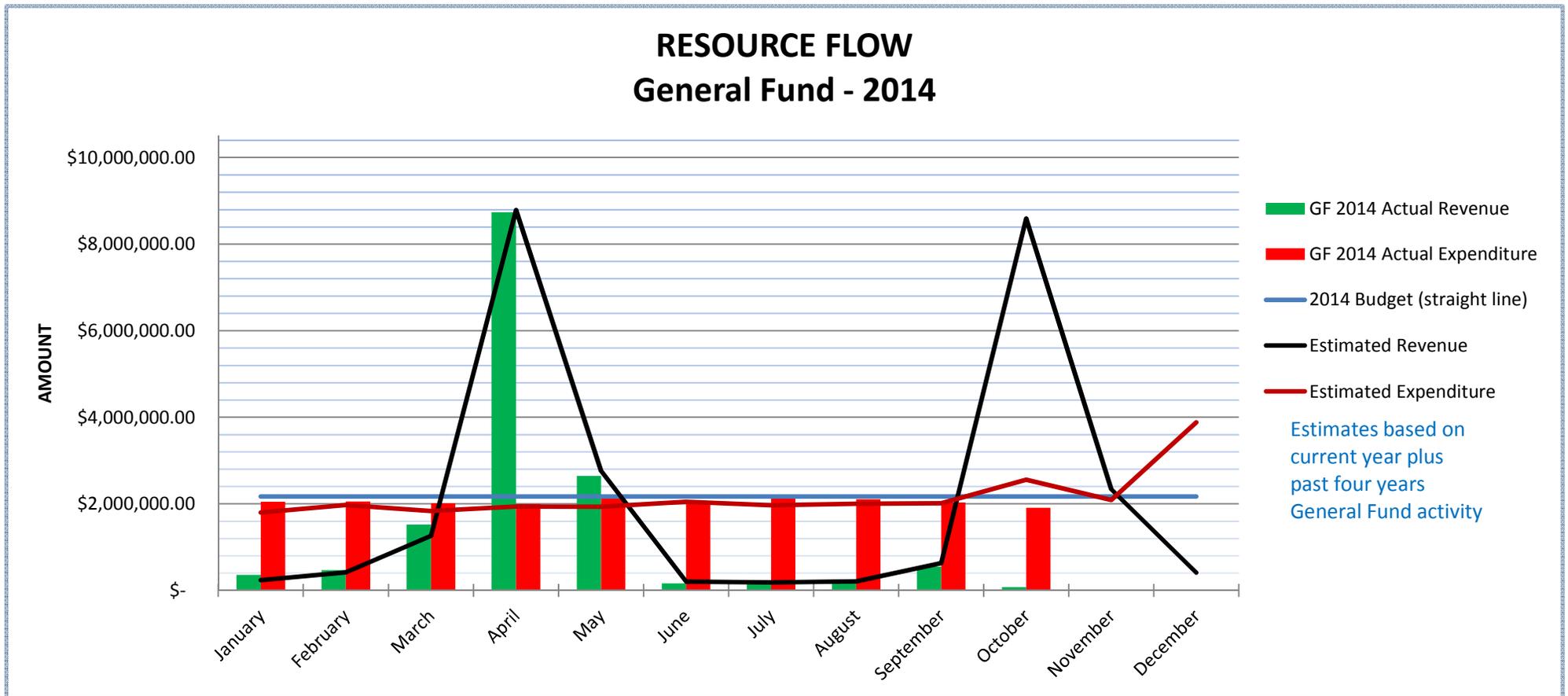
<u>Debt Service Fund</u>	<u>2014 Budget</u>	<u>Year To Date</u>	<u>Encumbrances</u>	<u>Budget Balance</u>	<u>% of Budget</u>
Revenue					
Property Tax/Investment Income & Other PC Revenue	\$ -	\$ 63	\$ -	\$ (63)	0%
Other Revenue	\$ -	\$ -	\$ -	\$ -	0%
Total Revenue	\$ -	\$ 63	\$ -	\$ (63)	0%
Total Expenditures	\$ -	\$ -	\$ -	\$ -	0%
Net Excess (Deficit)		\$ 63			

Capital Improvement Projects

<u>Fund</u>	<u>2014 Budget</u>	<u>Year To Date</u>	<u>Encumbrances</u>	<u>Budget Balance</u>	<u>% of Budget</u>
Revenue					
Use of Fund Balance	\$ 973,955	\$ 808,886	\$ -	\$ 165,069	83%
Other Revenue	\$ 335,000	\$ 106,641	\$ -	\$ 228,359	0%
Transfers In	\$ 260,245	\$ -	\$ -	\$ 260,245	0%
Total Revenue	\$ 1,569,200	\$ 915,527	\$ -	\$ 653,673	58%
Expenditures					
Maintenance and Operations	\$ 1,569,200	\$ 784,596	\$ 415,210	\$ 369,394	76%
Total Expenditures	\$ 1,569,200	\$ 784,596	\$ 415,210	\$ 369,394	76%
Excess/(Deficit)		\$ 130,931			
(less encumbrances)		(415,210)			
Net Excess (Deficit)		\$ (284,279)			

CUMULATIVE GENERAL FUND REVENUE AND EXPENDITURE Including Cash Flow Projection 2014





Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 10/31/2014

FUND: GENERAL FUND (01)

Object	2014 Budget	October Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
REVENUE ACCOUNTS						
31111 PROPERTY TAXES CURRENT	23,744,495.00	0.00	13,299,361.72	0.00	10,445,133.28	56.01
31112 PROPERTY TAXES DELINQUENT	807,313.00	0.00	534,214.58	0.00	273,098.42	66.17
31130 SALE OF TAX TITLE PROPERTY	3,000.00	0.00	1,390.12	0.00	1,609.88	46.34
31210 PRIVATE HARVEST/ FOREST EXCISE TAX	70,000.00	0.00	60,720.91	0.00	9,279.09	86.74
31720 LEASEHOLD EXCISE TAX	20,000.00	0.00	2,666.13	0.00	17,333.87	13.33
TAXES:	24,644,808.00	0.00	13,898,353.46	0.00	10,746,454.54	56.39
33872 CONTRACTS FEES - CITIES	3,900.00	810.00	3,240.00	0.00	660.00	83.08
33890 GOVERNMENTAL GRANTS	5,400.00	0.00	2,265.61	0.00	3,134.39	41.96
34160 COPIER FEES	30,000.00	2,493.94	25,666.37	0.00	4,333.63	85.55
34161 GRAPHICS SERVICES CHARGES	4,000.00	0.00	4,238.85	0.00	(238.85)	105.97
34162 PRINTER FEES	105,000.00	11,976.14	94,413.07	0.00	10,586.93	89.92
34163 FAX FEES	21,000.00	1,909.32	18,132.32	0.00	2,867.68	86.34
34730 INTERLIBRARY LOAN FEES	0.00	0.00	80.99	0.00	(80.99)	0.00
35970 LIBRARY FINES	600,000.00	52,456.04	477,365.19	0.00	122,634.81	79.56
36110 INVESTMENT INCOME	10,000.00	0.00	4,758.15	0.00	5,241.85	47.58
36111 INTEREST - STATE FOREST FUND	0.00	0.00	0.10	0.00	(0.10)	0.00
36190 OTHER INTEREST EARNINGS	0.00	0.12	2.12	0.00	(2.12)	0.00
36200 KEY PEN HLTH DEPT FACILITY REV	0.00	325.88	969.68	0.00	(969.68)	0.00
36700 FOUNDATION DONATIONS	400,000.00	0.00	185,298.48	0.00	214,701.52	46.32
36710 FRIENDS' DONATIONS	0.00	0.00	760.14	0.00	(760.14)	0.00
36720 FRIENDS' REIMBURSEMENTS	3,000.00	875.18	7,531.54	0.00	(4,531.54)	251.05
36725 DONATIONS - OTHER	0.00	11.51	1,644.49	0.00	(1,644.49)	0.00
36910 SALE OF SCRAP AND SALVAGE	0.00	0.00	347.50	0.00	(347.50)	0.00
36920 BOOK SALE REVENUE	10,000.00	4,397.00	14,677.77	0.00	(4,677.77)	146.78
36990 MISCELLANEOUS REVENUE	9,000.00	33.85	5,569.92	0.00	3,430.08	61.89
36991 PAYMENT FOR LOST MATERIALS	12,000.00	1,460.61	9,130.33	0.00	2,869.67	76.09
36994 UNCLAIMED PROPERTY	0.00	(2,923.64)	(2,349.40)	0.00	2,349.40	0.00
36996 JURY DUTY REIMBURSEMENT	0.00	90.00	582.96	0.00	(582.96)	0.00
36997 PRIOR YEAR'S REFUNDS	0.00	0.00	5,161.10	0.00	(5,161.10)	0.00
36998 E RATE REIMBURSEMENT	114,000.00	(875.18)	114,398.75	0.00	(398.75)	100.35
36999 REBATES - PROCUREMENT CARD	30,000.00	0.00	24,995.53	0.00	5,004.47	83.32
CHARGES OTHER:	1,357,300.00	73,040.77	998,881.56	0.00	358,418.44	73.59
39510 SALE OF FIXED ASSETS/TIMBER (GOV)	15,000.00	0.00	0.00	0.00	15,000.00	0.00
39520 INSURANCE RECOVERIES - ASSETS	7,400.00	0.00	7,396.28	0.00	3.72	99.95
TOTAL FOR REVENUE ACCOUNTS	26,024,508.00	73,040.77	14,904,631.30	0.00	11,119,876.70	57.27
EXPENSE ACCOUNTS						
51100 SALARIES AND WAGES	13,429,017.00	1,126,888.56	11,010,780.82	0.00	2,418,236.18	81.99
51105 ADDITIONAL HOURS	248,850.00	24,246.37	230,022.01	0.00	18,827.99	92.43
51106 SHIFT DIFFERENTIAL	148,518.00	10,977.03	114,321.58	0.00	34,196.42	76.97
51107 SUBSTITUTE HOURS	303,500.00	18,296.20	226,301.14	0.00	77,198.86	74.56
51109 TUITION ASSISTANCE PROGRAM	300.00	0.00	0.00	0.00	300.00	0.00
51200 OVERTIME WAGES	6,750.00	219.98	4,383.85	0.00	2,366.15	64.95
51999 ADJ WAGE/SALARY TO MATCH PLAN	(404,134.00)	0.00	0.00	0.00	(404,134.00)	0.00
52001 INDUSTRIAL INSURANCE	173,130.00	17,081.23	158,359.27	0.00	14,770.73	91.47
52002 MEDICAL INSURANCE	2,198,331.00	153,904.50	1,617,022.18	0.00	581,308.82	73.56
52003 F.I.C.A.	1,098,014.00	88,793.31	877,292.23	0.00	220,721.77	79.90

Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 10/31/2014

FUND: GENERAL FUND (01)

Object	2014 Budget	October Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
EXPENSE ACCOUNTS						
52004 RETIREMENT	1,192,330.00	103,097.55	1,007,556.34	0.00	184,773.66	84.50
52005 DENTAL INSURANCE	218,189.00	15,821.49	153,609.51	0.00	64,579.49	70.40
52006 OTHER BENEFIT	11,020.00	920.00	9,020.00	0.00	2,000.00	81.85
52010 LIFE AND DISABILITY INSURANCE	25,674.00	2,156.13	22,004.62	0.00	3,669.38	85.71
52020 UNEMPLOYMENT COMPENSATION	30,500.00	0.00	24,951.46	0.00	5,548.54	81.81
52200 UNIFORMS	1,300.00	0.00	1,135.03	0.00	164.97	87.31
52999 ADJ BENEFITS TO MATCH PLAN	(120,715.00)	0.00	0.00	0.00	(120,715.00)	0.00
PERSONNEL	18,560,574.00	1,562,402.35	15,456,760.04	0.00	3,103,813.96	83.28
53100 OFFICE/OPERATING SUPPLIES	169,450.00	6,917.66	143,033.39	11,571.88	14,844.73	91.24
53101 CUSTODIAL SUPPLIES	52,100.00	5,488.26	44,273.63	0.00	7,826.37	84.98
53102 MAINTENANCE SUPPLIES	60,200.00	3,625.02	41,451.96	0.00	18,748.04	68.86
53103 AUDIOVISUAL PROCESSING SUP	20,000.00	2,288.61	13,929.05	4,376.00	1,694.95	91.53
53104 BOOK PROCESSING SUPPLIES	20,000.00	0.00	16,921.48	0.00	3,078.52	84.61
53200 FUEL	40,750.00	0.00	37,522.45	3,351.10	(123.55)	100.30
53401 ADULT MATERIALS	841,184.00	72,692.20	626,874.82	0.00	214,309.18	74.52
53403 PERIODICALS	80,000.00	114.89	12,520.52	0.00	67,479.48	15.65
53405 JUVENILE BOOKS	535,258.00	31,551.87	359,868.80	0.00	175,389.20	67.23
53406 PROFESSIONAL COLLECTION	20,000.00	43.85	16,309.99	0.00	3,690.01	81.55
53407 INTERNATIONAL COLLECTION	76,000.00	1,735.99	25,725.40	0.00	50,274.60	33.85
53408 AUDIOVISUAL MATERIALS - ADULT	816,000.00	69,310.09	705,964.82	0.00	110,035.18	86.52
53409 AUDIOVISUAL MATERIALS - JUV	102,040.00	3,522.18	55,667.10	0.00	46,372.90	54.55
53411 ELECTRONIC INFO SOURCES	170,355.00	0.00	13,286.88	0.00	157,068.12	7.80
53412 REFERENCE SERIALS	36,414.00	1,236.00	8,485.93	0.00	27,928.07	23.30
53413 ELECTRONIC SERVICES	244,124.00	0.00	146,825.06	0.00	97,298.94	60.14
53414 ELECTRONIC COLLECTION	259,000.00	4,008.81	250,346.81	0.00	8,653.19	96.66
53464 VENDOR PROCESSING SERVICES	153,000.00	12,764.95	126,435.56	0.00	26,564.44	82.64
53499 GIFTS - MATERIALS	0.00	950.24	4,272.73	0.00	(4,272.73)	0.00
53500 MINOR EQUIPMENT	6,500.00	0.00	0.00	4,134.23	2,365.77	63.60
53501 FURNISHINGS	53,000.00	799.04	25,311.96	22,106.87	5,581.17	89.47
53502 IT HARDWARE	244,600.00	11,041.43	168,091.74	0.00	76,508.26	68.72
53503 PRINTERS	20,000.00	0.00	1,919.25	0.00	18,080.75	9.60
53505 SOFTWARE	53,400.00	1,579.00	32,346.34	0.00	21,053.66	60.57
54100 PROFESSIONAL SERVICES	434,454.00	13,092.46	355,793.24	15,259.54	63,401.22	85.41
54101 LEGAL SERVICES	30,000.00	252.97	30,331.61	0.00	(331.61)	101.11
54102 COLLECTION AGENCY	24,000.00	1,414.10	15,960.72	0.00	8,039.28	66.50
54161 RESOURCE SHARING SERVICES	19,000.00	0.00	10,040.36	0.00	8,959.64	52.84
54162 BIBLIOGRAPHICS SERVICES	33,000.00	0.00	25,232.34	0.00	7,767.66	76.46
54163 PRINTING AND BINDING	2,000.00	0.00	736.32	0.00	1,263.68	36.82
54165 ILL LOST ITEM CHARGE	3,000.00	58.08	1,366.74	0.00	1,633.26	45.56
54200 POSTAGE AND SHIPPING	33,000.00	0.00	29,920.78	0.00	3,079.22	90.67
54201 TELECOM SERVICES	305,000.00	401.00	270,717.89	0.00	34,282.11	88.76
54300 TRAVEL	129,200.00	5,142.14	42,961.31	0.00	86,238.69	33.25
54301 MILEAGE REIMBURSEMENTS	30,150.00	2,974.78	24,256.04	0.00	5,893.96	80.45
54400 ADVERTISING	68,000.00	5,094.80	20,802.93	12,058.36	35,138.71	48.33
54501 RENTALS/LEASES - BUILDINGS	377,700.00	9,322.74	309,213.05	31,481.09	37,005.86	90.20
54502 RENTALS/LEASES - EQUIPMENT	23,600.00	2,400.00	33,287.67	5,484.52	(15,172.19)	164.29
54600 INSURANCE	189,500.00	0.00	22,183.25	0.00	167,316.75	11.71

Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 10/31/2014

FUND: GENERAL FUND (01)

Object	2014 Budget	October Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
EXPENSE ACCOUNTS						
54700 ELECTRICITY	240,000.00	13,286.21	187,388.79	0.00	52,611.21	78.08
54701 NATURAL GAS	15,000.00	201.59	6,739.13	0.00	8,260.87	44.93
54702 WATER	26,000.00	1,367.55	19,118.36	0.00	6,881.64	73.53
54703 SEWER	32,000.00	924.36	30,458.84	0.00	1,541.16	95.18
54704 REFUSE	22,500.00	345.85	21,968.79	523.61	7.60	99.97
54800 GENERAL REPAIRS/MAINTENANCE	198,300.00	8,085.96	140,680.85	46,696.26	10,922.89	94.49
54801 CONTRACTED MAINTENANCE	729,200.00	26,040.65	533,005.28	95,186.78	101,007.94	86.15
54803 MAINT. TELECOM EQUIPMENT	31,000.00	0.00	21,012.46	183.79	9,803.75	68.38
54900 REGISTRATIONS	26,450.00	4,128.00	22,894.16	0.00	3,555.84	86.56
54901 DUES AND MEMBERSHIPS	42,120.00	4,092.00	37,030.95	351.00	4,738.05	88.75
54902 TAXES AND ASSESSMENTS	30,500.00	14,463.42	29,448.42	0.00	1,051.58	96.55
54903 LICENSES AND FEES	34,850.00	4,776.50	31,021.40	21.45	3,807.15	89.08
54904 MISCELLANEOUS	790.00	(426.66)	1,726.98	0.00	(936.98)	218.61
54905 WELLNESS EVENTS	0.00	522.00	2,463.27	0.00	(2,463.27)	0.00
56301 PARKING LOT REPAIR & IMPROVEMENT	0.00	(389.14)	0.00	0.00	0.00	0.00
59700 TRANSFERS OUT	260,245.00	0.00	0.00	0.00	260,245.00	0.00
ALL OTHER EXPENSES	7,463,934.00	347,241.45	5,155,147.60	252,786.48	2,055,999.92	72.45
TOTAL FOR EXPENSE ACCOUNTS	26,024,508.00	1,909,643.80	20,611,907.64	252,786.48	5,159,813.88	80.17
NET SURPLUS / DEFICIT	0.00	(1,836,603.03)	(5,707,276.34)	(252,786.48)	5,960,062.82	0.00

FUND: DEBT SERVICE FUND (20)

Object	2014 Budget	October Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
REVENUE ACCOUNTS						
31112 PROPERTY TAXES DELINQUENT	0.00	0.00	0.12	0.00	(0.12)	0.00
TAXES:	0.00	0.00	0.12	0.00	(0.12)	0.00
36110 INVESTMENT INCOME	0.00	0.00	63.06	0.00	(63.06)	0.00
CHARGES OTHER:	0.00	0.00	63.06	0.00	(63.06)	0.00
TOTAL FOR REVENUE ACCOUNTS	0.00	0.00	63.18	0.00	(63.18)	0.00
NET SURPLUS / DEFICIT	0.00	0.00	63.18	0.00	(63.18)	0.00

Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 10/31/2014

FUND: CAPITAL IMPROVEMENT PROJECTS FUND (30)

Object	2014 Budget	October Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
REVENUE ACCOUNTS						
29150 USE OF FUND BALANCE-BUDGET	973,955.00	0.00	808,886.00	0.00	165,069.00	83.05
36110 INVESTMENT INCOME	0.00	0.00	596.37	0.00	(596.37)	0.00
36700 FOUNDATION DONATIONS	175,000.00	0.00	0.00	0.00	175,000.00	0.00
36899 ENERGY REBATES	0.00	0.00	103,329.00	0.00	(103,329.00)	0.00
36990 MISCELLANEOUS REVENUE	160,000.00	0.00	0.00	0.00	160,000.00	0.00
CHARGES OTHER:	1,308,955.00	0.00	912,811.37	0.00	396,143.63	69.74
39520 INSURANCE RECOVERIES - CAPITAL ASSE	0.00	0.00	2,716.00	0.00	(2,716.00)	0.00
39700 TRANSFERS IN	260,245.00	0.00	0.00	0.00	260,245.00	0.00
TOTAL FOR REVENUE ACCOUNTS	1,569,200.00	0.00	915,527.37	0.00	653,672.63	58.34
EXPENSE ACCOUNTS						
53100 OFFICE/OPERATING SUPPLIES	0.00	0.00	239.97	0.00	(239.97)	0.00
53102 MAINTENANCE SUPPLIES	0.00	0.00	245.05	0.00	(245.05)	0.00
53501 FURNISHINGS	54,000.00	2,115.80	6,164.98	61,895.47	(14,060.45)	126.04
54100 PROFESSIONAL SERVICES	157,500.00	375.90	36,428.48	3,251.00	117,820.52	25.19
54400 ADVERTISING	0.00	0.00	493.50	0.00	(493.50)	0.00
54502 RENTALS/LEASES - EQUIPMENT	0.00	0.00	12,202.97	0.00	(12,202.97)	0.00
54800 GENERAL REPAIRS/MAINTENANCE	0.00	371.96	1,425.60	0.00	(1,425.60)	0.00
54805 VEHICLE REPAIR - MAJOR	15,000.00	0.00	10,110.03	0.00	4,889.97	67.40
54912 CONTINGENCY/RESERVE	46,000.00	0.00	0.00	0.00	46,000.00	0.00
56200 BUILDINGS & BLDG IMPROVEMENTS	391,500.00	17,560.38	372,642.64	21,804.42	(2,947.06)	100.75
56201 CONSTRUCTION	0.00	41,332.73	61,598.33	172,759.74	(234,358.07)	0.00
56202 ELECTRICAL	78,000.00	0.00	43,182.14	0.00	34,817.86	55.36
56203 FLOORING	81,000.00	0.00	0.00	0.00	81,000.00	0.00
56204 PAINTING AND WALL TREATMENTS	47,000.00	7,391.25	14,733.84	21,278.30	10,987.86	76.62
56205 ROOFING	151,000.00	0.00	0.00	0.00	151,000.00	0.00
56301 PARKING LOT REPAIR & IMPROVEMENT	50,000.00	389.14	48,455.97	0.00	1,544.03	96.91
56400 MACHINERY & EQUIPMENT	198,000.00	0.00	0.00	56,148.46	141,851.54	28.36
56401 VEHICLES	175,000.00	0.00	60,373.32	74,284.41	40,342.27	76.95
56402 HVAC	125,200.00	0.00	116,299.67	3,787.72	5,112.61	95.92
TOTAL FOR EXPENSE ACCOUNTS	1,569,200.00	69,537.16	784,596.49	415,209.52	369,393.99	76.46
NET SURPLUS / DEFICIT	0.00	(69,537.16)	130,930.88	(415,209.52)	284,278.64	0.00

M E M O

Date: October 28, 2014

To: Linda Ishem, Chair Board of Trustees, Board of Trustees, Georgia Lomax, Executive Director

From: Judy T Nelson, Customer Experience Manager

Subject: United Way's Day of Caring - Staff Participation

On Friday, September 19, 2014, eight staff members from South Hill, Pierce County Library donated their time to participate in United Way's Annual Day of Caring. They volunteered at the FISH Food Bank in Graham. Staff members participating included Dianne Ellis, Steve Lukasiak, Arlecia Hanson, Rita Smith, Keri Johnson, Mellisa Sisley, Lisa Lee and Marsea Ochoa. Their commitment to their community's wellbeing was appreciated by the greater Graham community and United Way. Once again, PCLS staff demonstrate why the Library is such an important and integral part of every community.

The note of thanks from United Way read as follows:

Just wanted to send you a quick "thank you" to you and your team for the great work on Friday. It's difficult to fully explain just how important that one day of service actually is. Julie and her volunteer got the opportunity to share their work and more importantly their passion for serving our community. I also hope you and the crew had a good day and left feeling good about work that you did. I've done a ton of Day of Caring events over the years (I think it's 13 now) and every year without fail I get to work with a group of really wonderful people who truly care about their community. This year is no different. You guys were fun to work with and I could just feel your commitment and concern for the folks we served on Friday. Here are some pictures I took; you are a pretty photogenic group ☺. Thanks for all that you do at the library and in the community and GOODONYA.....KC (Kelvin Caesar, United Way)



M E M O



Date: November 4, 2014
To: Chair Linda Ishem and Members of the Board of Trustees
From: Clifford Jo, Finance & Business Director
Subject: Open Public Meetings Act (OPMA) Ruling

Our attorney Don Cohon passed on information related to Open Public Meetings as being of interest to the Board.

Earlier this year the Court of Appeals of Washington issued a ruling in Citizens Alliance For Property Rights Legal Fund v. San Juan County. The Superior Court ruled in favor of the defendants, San Juan County. The issues revolved around whether a subcommittee of the San Juan County Council violated provisions related to the Open Public Meetings Act.

Don summarized the results as:

1. A gathering of less than a majority of a governing body does not violate the Open Meetings Act.

This means no more than two Trustees may gather together without triggering public meeting concerns. An example of “gathering” might be no more than two trustees sitting together at a conference or seminar.

2. An improper meeting can be by email, but “passive” receipt of email doesn't automatically constitute a meeting.

Sometimes we send email to all of you as informational (e.g., Board packets). Generally speaking, it is best not to respond or reply to everyone in an email sent out to three or more Trustees.

3. A committee of the governing body is subject to the Act only if it exercises actual or de facto decision making authority for the governing body, not if it simply provides advice or information.

A recent example was when Rob and Linda participated in the executive director screening committee. No decision was made between the two to decide who the next executive director would be; the Board of Trustees at large made that decision.

Note that Open Public Meetings is not just about decision-making, but also the assembly of a governing body and its communications exchange.

M E M O

Date: October 31 2014

To: Linda Ishem, Chair Board of Trustees, Board of Trustees, Neel Parikh, Executive Director

From: Sally Porter Smith, Customer Experience Director

Subject: Open Hours

Last month as part of public comment, Director Neel Parikh read the following comment into record:

“I respectfully request the Board consider expanding the Patron hours of the Milton/Edgewood Branch to day to better serve the diverse work and school (including post high school) schedules of Patrons. There are so many Patrons who would use the Library between 8 am and 11 am as would there be Patrons who would benefit by having the Library open until 8 pm.”

The Customer Experience Team is evaluating this request, looking at both local and system level impacts of changing hours in terms of staffing levels, improved access and communicating open hours to the public. As part of the Annual Branch Services planning process, several other libraries were identified as having potential benefits from earlier open hours and CET will look at this request within a broader system context and make a broader recommendation to the Administrative Team within the first quarter of 2015. I will be in contact with the customer and keep her informed of the process.

MEMO

Date: October 29, 2014

To: Chair Linda Ishem and members of the Board of Trustees

From: Karim Adib, Digital Experience Director
Chereé Green, Staff Experience Director

Subject: Conference Participation

This month, several staff members attended the Polaris Users Group Annual Conference in Syracuse, NY. Below is a recap of their participation:

- Jill Henriksen of the IT department was elected Vice Chair/Chair Elect for the Polaris Users group.
- Mike McKenney and Jill Henriksen of the IT department, presented on PCLS “Streamlining Patron Registration” using online registration.
- Steve Champion of the Staff Experience department, presented on “How PCLS approaches Training Polaris.” The presentation was well received.

Additionally, David Durante of the IT department gave a presentation on SCOUT at this year’s Internet Librarian Annual Conference in Monterey, CA.



Date: November 3, 2014

To: Chair Linda Ishem and members of the Board of Trustees

From: Jaime Prothro, Customer Experience Manager

Subject: Washington State Library Digital Literacy Grant

In 2013, Pierce County Library locations provided computer training to over 1900 participants, many of whom took introductory classes on software that is prolific in the job market. To attend to an identified industry risk that is outlined in Workforce Central's *The Force of the Future* report, technology training for customers has been an identified service priority in 2015. A major first-step towards reaching this goal has been made possible through a grant award of \$49,000 Digital Skills Training grant from the Washington State Library.

The Digital Skills Training grant will allow the Library to increase its computer learning software to create a suite of options to address different learning styles and the spectrum of skill levels. Pierce County Library is positioning itself as a major resource to help boost computer skills among residents and heighten support for STEM learning. PCLS expects that the grant projects will be embraced by teens, small business owners, young professionals, and individuals who are interested in obtaining IT jobs. Specifically, the grant will provide funding to:

- License access to [Treehouse](#), an online learning platform that teaches users coding and web development skills.
- Provide staff training will be developed so that PCLS staff is able to facilitate public programs.
- Design two models for public programming in order to reach varied audiences. One program will be geared towards adult learners who are interested in coding and web development (job-seekers, businesses, curious learners). The second program targets middle school students to learn about coding during Spring Break and allows the Library opportunity to try a more structured approach to public computing training for teens. The goal with both programs is to create a prototype that can be modified, scaled for appropriate communities, and replicated if successful.
- Purchase Chromebooks to explore whether this inexpensive alternative to a laptop or desktop PC would provide a positive user experience for library customers.

In addition to Treehouse, the library system will be funding other computer skill building products, including Lynda.com, Universal Class, which has hundreds of continuing education courses on a variety topics that range from basic computing to web development and business courses, and Microsoft IT Academy will continue to be available for online learning.

These endeavors will allow customers access to learn technology that meets their personal learning style and interest. Customers will have convenient 24/7 access to technology training and the availability for personal connection with library staff. Additionally, the overall technology skills will be improved among library staff. These services address critical 21st Century Skills by helping customers develop technology skills while learning to navigate the many and ever-changing transitions in the job market and business environments. We are truly excited to see the impact this project has on the lives of our customers.

M E M O

Date: November 19, 2014

To: Linda Ishem and members of the Board of Trustees

From: David Durante, Customer Experience Manager

Subject: IMLS SPARKS Grant

In 2013 the Foundation Office and the Virtual Services Team collaborated on the application of a SPARKS grant from the Institute of Museum and Library Services. In this grant we sought funding to further develop the functionality of the Library's Interactive Discover Platform, which runs our Scout and Teen Summer Reading programs. This grant focuses on the ways in which we can reward users for their participation.

Currently, the system does not allow us to issue rewards or to keep track of what rewards are issued inside the system. Instead we are giving people entries to drawings for prizes. With the addition of this module we'll be able to leave the rewards up to the user's decision. Users will acquire points and then will be able to save up those points to redeem for the prizes. This concept was originally part of the IDP but due to the cost was ultimately cut from the initial launch. This module will give the Library more control of who and how we reward. Additionally, we believe this will bring a whole new level of fun and competition to the platform.

In September we were notified that Pierce County Library System was awarded \$25,000 to fund this project. While this project was part of our future goals for the platform these funds will allow us to build this module much sooner than expected.

A great deal of thanks goes out to not only the Institute of Museum and Library Services but also to Lynne Hoffman, Foundation Director, and Johanna Chestnutt, Development Associate, for putting the application together.

We look forward to talking to you in the future about the progress of our work.

Thank you.

MEMO



Date: November 4, 2014

To: Chair Linda Ishem and members of the Board of Trustees

From: Linda Farmer, APR, Communications Director

Subject: Senior Outreach Van Has New Look

Thanks to a generous Gary E. Milgard Family Foundation grant of \$75,321 and funding from the Pierce County Library Foundation, seniors in care facilities will receive improved services from Pierce County Library System.

This funding is providing a new senior outreach services van, replacing the aging van currently in use. The funds purchased and customized the vehicle with a lift gate, interior shelving, carts, crates, totes, bins and a colorful wrap.

The wrap is based on a quote from popular fiction author Anna Quindlen: "Books are the plane, and the train, and the road. They are the destination, and the journey. They are home." Quindlen graciously agreed to let the library use the quote. Seattle artist Sam Day used the quote as inspiration for his design that shows how seniors are transported on a unique journey thanks to books.

Pierce County Library has been providing outreach services to people in adult care facilities for 40 years. Skilled library staff members bring best-selling books, large print books, audiobooks, movies, music and e-readers, along with personalized reading recommendations, to seniors living in care facilities. Many of these residents are confined to their rooms or do not have the ability to travel.

M E M O

Date: October 28, 2014
To: Chair Linda Ishem and Members of the Board of Trustees
From: Jeffri Walters
Subject: Latino Business Seminar Project

Bates Technical College has initiated a Latino Business Seminar Project. Bates has invited Pierce County Library System, both the City of Tacoma and Pierce County's Economic Development Departments, University of Washington Tacoma's Urban Studies Director, and Centro Latino to collaborate on the project.

The purpose of the project is to create a series of seminars that will encourage, inform, and celebrate Hispanic/Latino entrepreneurs through workshops, speakers, and resource information. The proposed timeline would slate 3 to 4 seminars per year, with the first beginning in early 2015. Lakewood Library's meeting room is a strong contender for the location of the seminars due to the number of Hispanic businesses in the area and the trust the Hispanic community has in PCLS libraries.

A proposed ending goal of the collaboration is to start a Latino business network that could become the new Hispanic Chamber of Commerce.

MEMO

Date: October 30, 2014

To: Chair Linda Ishem and members of the Board of Trustees

From: Karim Adib, Digital Experience Director

Subject: Adobe Digital Edition Software - Customer Privacy Concerns

On Oct. 7, 2014, the Digital Reader Blog reported that the newest version of the Adobe Digital Edition software (ADE4) was likely transmitting data about customers' eBook borrowing history back to Adobe's servers. It was also reported that Adobe was not encrypting the information it was transmitting, instead it was sending it as Clear Text. A Clear Text transmission could open the door for hackers to intercept the information.

Adobe's Digital Edition software is one of several interfaces available for customers using the library's OverDrive service on a mobile device or e-reader. We don't know how many customers use the ADE4 software, but in general we assume that at least some of them had upgraded to the newest version when it came out.

Customer privacy is of utmost importance to Pierce County Library. We immediately placed a Security Notice on our website and advised customers to not upgrade to ADE4, and if they had already upgraded to revert to the earlier version, ADE3.

In addition, Executive Director Neel Parikh wrote a short but direct letter that was emailed and mailed to the OverDrive CEO and President, Steve Potash:

Dear Mr. Potash,

I have been made aware of some recent disturbing news regarding the possible tracking of users' reading information by the Adobe Digital Reader software. I know Adobe is the creator of the software and not OverDrive, however, we need your help to bring customer privacy concerns to the attention of Adobe on behalf of all your customers. I urge you to address this matter as quickly as possible. Please keep me informed of your progress.

Mr. Potash responded, acknowledging our concerns:

Dear Ms. Parikh,

Thank you for the note regarding the important issues discovered from use of an Adobe product. My team is in direct communications with Adobe. Adobe acknowledges the serious nature of the issues.

I am in overseas in Frankfurt meeting with publishers this week. We will report what we learn and will also communicate what efforts OverDrive is taking to protect the privacy of your patrons.

Please feel free to call upon me or any member of our team as we have worked hard to earn your library and your readers trust.

On Oct. 23, 2014, Adobe released a software patch that encrypts the data being sent. However, the library feels there are still unanswered questions. Along with ALA, we would like to know what Adobe is doing with the information it is collecting. Adobe has agreed to continue to dialog regarding the matter.

Attachment: Hotline article

LIBRARY HOTLINE

BREAKING NEWS FOR LIBRARY AND INFORMATION DECISION MAKERS

a media source
publication

October 20, 2014
Volume 43, No. 42
ISSN 0740-736X

Librarians, IT Respond to Adobe Spy Accusations

Adobe confirmed reports October 7 that it has been logging data on the reading activity of people who use the free Adobe Digital Editions (ADE) service and that it has been transmitting those logs to its servers as unencrypted text files, raising privacy and security concerns. OverDrive, Baker & Taylor's Axis 360 platform, and the 3M Cloud Library all use Adobe Digital Editions and Adobe digital rights management (DRM) to secure popular titles for downloadable lending.

Several bloggers and journalists, including Nate Hoffelder, who broke the story at The-Digital-Reader.com, described Adobe's activities as spying. However, many ebook conveniences that readers take for granted require servers to track and log information about a user's reading activity.

"We need to be able to sync data across devices for the users. We also need to collect additional information on the [page] position of the book, the device, its ID, etc.," for syncing functions to work, explained Monique Sendze, associate director of IT for Douglas County Libraries, Castle Rock, CO.

For example, a patron might read an ebook on a tablet one evening and

the next day continue reading that ebook on his or her smartphone. In order to sync content between those devices, a remote server must have up-to-date records regarding which ebook is associated with a specific user ID, which device the patron most recently used for reading, and the location within the ebook where the reader stopped reading on that device the night before. ADE, as well as any ereader app with multidevice syncing capabilities turned on, will collect this type of information on any ebook that is opened within the app, including DRM-free ebooks.

Regardless, Adobe's transmission of these logs as unencrypted, plain text makes all of this information extremely vulnerable.

Adobe issued a statement to the public, describing Adobe Digital Editions as a tool for users "to view and manage ebooks and other digital publications across their preferred reading devices—whether they purchase or borrow them. All information collected from the user is collected solely for purposes such as license validation and to facilitate the implementation of different licensing models by publishers."

The statement denied accusations that Adobe was collecting and trans-

INSIDE

- Philly To Lose Sendak Work 2
- Gale Asks for "My Library Story" 4
- Queens Library's New Tablets 4
- San Antonio & County Debate Funds ... 6
- Natl. Book Foundation's 5 Under 35 ... 9



Who Moves You?

The editors of *Library Journal* need your help in identifying the emerging leaders in the library world. Our 14th annual Movers & Shakers coverage will profile 50-plus up-and-coming individuals who are innovative, creative, and making a difference. Learn more and submit your nominations, visit <http://ow.ly/CKAEs>.

Postmark deadline: November 7, 2014

mitting data about every EPUB file on a user's device.

DATA COLLECTED

Eric Hellman, former OCLC executive and founder and developer of the ebook crowdfunding platform Unglue.it, acknowledged that some data logging is necessary for functions such as syncing but told *Hotline* he believes that those features "should be opt-in, even if [data logs are] encrypted."

Each time a user opens an EPUB file on a device with ADE installed, the program logs the ebook's title metadata, which is provided by publishers, along with the user ID, device ID, device IP address, certified app ID, distributor ID, and Adobe Content Server operator URL. It also logs the date that the ebook was purchased or downloaded, the duration for which the book has been read, and the percentage of the book that has been read. Hellman pointed out that all of this information does not need to be collected and stored to make DRM work.

Adobe seemed to indicate that the company collects all of this information on all EPUB files opened with Adobe Digital Editions for the sake of expediency. Adobe maintains that its collection of this data is covered under its user agreement.

In a blog post, Hellman added that Adobe's total failure to protect user information during transmission may be a violation of privacy laws.

Electronic Frontier Foundation's Corynne McSherry compared the is-

sue to the public furor over Sony's rootkit software and expressed hope that some good may yet come of Adobe's snafu. "For Sony, and many others in the music industry, the price of DRM finally became too high, and it has since been largely abandoned."

PUBLISHED WEEKLY BY
Library Journal & School Library Journal

VP, Group Publisher Ian Singer

Editorial Director Rebecca T. Miller

Editor Lisa Peet

Contributing Editors

Cesar Bustamante Jr., Kate DiGirolomo,
Matt Enis, Bette-Lee Fox, Barbara Hoffert,
Meredith Schwartz, Bob Warburton

Art Production Designer

Josephine Marc-Anthony

Creative Director Mark Tuchman

TO CONTACT HOTLINE:

Editorial

Phone: (646) 380-0700

Fax: (646) 380-0756/0757

E-mail: LJHotline@mediasourceinc.com

123 William St., Suite 802,

New York, NY 10038

Advertising

Roy Futterman or your LJ rep

Phone: (646) 380-0718

rfutterman@mediasourceinc.com

Classified

Howard Katz, Classified Manager

Phone: (646) 380-0730

Production

JoAnn Powell, Production Manager

Phone: (646) 380-0741

Subscriptions

Phone: 800-588-1030

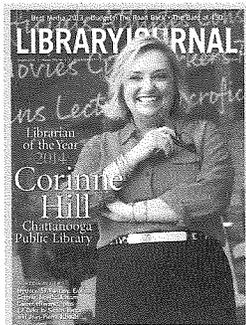
www.libraryhotline.com/sub

Outside U.S.

760-317-2332

LIBRARY HOTLINE (ISSN 0740-736X) (RPUSA 123397467) is published weekly (every Monday except on the two Mondays nearest to the year-end holidays) by Library Journals, LLC, 123 William St., Suite 802, New York, NY 10038. Randy Asmo, Chief Executive Officer; Ian Singer, VP, Group Publisher. Library Hotline is a registered trademark of Library Journals, LLC. All rights reserved. Printed in the USA. SUBSCRIPTION: \$119.99 per year, Canada \$159.99, Other (incl Air) \$159.99, Single Copy (U.S.) \$5.95, and Single Copy (all other) \$10.00. POSTMASTER: Send change of address to Library Hotline, PO Box 460483, Escondido, CA 92046-9803 Telephone 800-588-1030 Outside US 1-760-317-2332.

Printed in the U.S.A.



Librarian of the Year

Library Journal is seeking nominations for the 27th annual Librarian of the Year Award to honor a professional librarian for outstanding achievement and accomplishments reflecting the loftiest service goals of the library profession.

Please send submissions in an electronic format such as a Word document or a PDF directly via email to Rebecca Miller at rmiller@mediasourceinc.com.

POSTMARK DEADLINE: NOVEMBER 3, 2014



Date: October 28, 2014

To: Chair Linda Ishem and Members of the Board of Trustees

From: Judy T Nelson, Customer Experience Manager - Youth

Subject: Lil Readers Project with United Way of Pierce County

In April, 2014 Susan Anderson Newham and I were approached by staff from United Way about a new project they were interested in creating called “Lil” Readers. This program would provide trained volunteers who would read to children in licensed child care settings across Pierce County. The program would target underserved communities and child care programs especially in rural areas of the county.

The “Lil” Reader program is intended to provide a regular story sharing program for small licensed child cares and in home day cares that the Pierce County Library Ready for Books program will never be able to serve with storytimes due to staffing capacity. Children who are read to on a regular basis by trusted adults garner a variety of pre-reading skills as well as positive developmental assets needed for their future. This fall, United Way of Pierce County created a Letter of Agreement for the providers and the child care centers regarding the expectations on both sides for participants in their program. The pilot program includes the following: four pilot sites, recruitment of United Way volunteer readers, background checks on the volunteer readers, training of volunteers to be readers, selection and packaging of materials for volunteer readers, identification of branch locations where volunteer reader bags will be picked up, evaluation of the program after 6 months, expansion of the program if it is successful.

United Way is responsible for the following: recruitment of volunteers, setting up the training and getting volunteers to participate, tracking volunteer participation, supporting the evaluation and potential expansion of the program.

The Pierce County Library is responsible for identifying the locations based on current participants in the Library’s “Ready for Books” program who meet with size restrictions, executing the volunteer background check using the existing volunteer assistant, training volunteers to share stories with children, creation of bags of materials for the volunteers using existing Ready for Books bags, and distribution of bags to branch locations for pick up by volunteers. United Way anticipates funding for books for the story sharing program in the future. Currently we are using PCLS Storytime books.

The Pierce County Library identified four sites for this pilot phase. The sites were reviewed by Child Care Aware of Tacoma/Pierce County to determine whether or not they were participating in the statewide Early Achievers program, and if not could they be encouraged to start the process? The four selected sites are: Rita Soller – home provider and the Rainbow Connection Child Care Center, both in the Bonney Lake plateau area, Yvonne Medina - home provider and the Children’s Villa Child Care Center, both in Lakewood.

The first training will take place on October 30th at the Sumner Library. Bags are being readied. The pilot is set to launch around the end of 2014. The program will be reviewed after it has been up and going for 6 months

CITY OF LAKEWOOD



PROCLAMATION

WHEREAS, on November 1, 2014, Neel Parikh will be retiring from the Pierce County Library System having served as Executive Director for the past 20 years; and

WHEREAS, Neel Parikh has guided Pierce County Library with a passion to make the library into a premier reading and learning center; and

WHEREAS, Neel Parikh's vision to provide early learning training and support for families, child care providers and library staff, both locally and statewide, earned her the American Library Association's Sullivan Award in 2010; and

WHEREAS, in 2012, Neel Parikh received the Women of Influence Lifetime Achievement Award by the Business Examiner for her commitment to the community and dedication to improving library services; and

WHEREAS, under Neel Parikh's leadership, Pierce County Library was awarded the National Medal for Museum and Library Service in 2013, which is the nation's highest honor conferred on museums and libraries for community service and was presented to her by First Lady Michelle Obama; and

WHEREAS, in 2013, the Pierce County Library also received the Paul G. Allen Family Foundation Creative Leadership Award, which recognizes innovative organizations in the Pacific Northwest that are taking risks and making a meaningful impact in their communities; and

WHEREAS, Neel Parikh was instrumental in the grand opening of three new libraries in University Place, Milton/Edgewood and Fife; and

WHEREAS, during tough economic times and reductions of \$7.5 million in the operating budget, Neel Parikh maintained core services and open hours as well as leveraged private support to create new and innovative services; and

WHEREAS, Neel Parikh was the co-founder and first chair of the statewide coalition Early Learning Public Library Partnership and has served on the Public Library Association Board of Directors, Washington Library Association Executive Committee and American Library Association of Council; and

WHEREAS, Neel Parikh's leadership roles in the community include YWCA President and Pierce County Aids Foundation President, and being active in the Association of Library Service to Children, American Leadership Forum, Fund for Women and Girls, and Rotary 8.

NOW, THEREFORE, the Lakewood City Council do hereby recognize

NEEL PARIKH

for outstanding service and extend our deepest appreciation and best wishes for continued success in all her future endeavors.

PROCLAIMED this 20th day of October, 2014.

Don Anderson, Mayor

ATTEST:

Alice M. Bush, City Clerk

LOCAL 3787

LOCAL3787.COM



The Organizer

FALL 2014

Ch-ch-ch-ch-changes...

Autumn in the Northwest brings lower light, falling leaves and temps, and—eventually, inevitably—rain, rain, rain.

This particular autumn also brings mid-term elections—which are both difficult *and crucial* to get people to pay attention to. Simply put, when Labor votes, candidates who care more about citizens than corporations prevail. Union workers can be a powerful force for putting *people* back into our legislators' focus—but too often, we get complacent, or convince ourselves that our votes don't matter.

In this issue, Tamara Saarinen contributes an excellent article on why and how our votes DO matter, and provides links to further information and opinion. We've also included the Pierce County Labor Council's endorsements for your review.

Our own Local has elections coming up as well, at our membership meeting on Friday, November 21st at 7 PM. Secretary Aisha Womack will oversee our nomination and election processes. Open offices are: Treasurer, Vice President and Chief Shop Steward. Terms are for two years and begin in January, 2015. We will also elect one Trustee who serves a three-year term. In the event of multiple candidates for single offices, we will vote via paper ballots. Please attend this important meeting as we elect these Local officers, and contact Aisha or Patti Cox with questions.

Also in this issue, our Staff Rep Dylan Carlson shares news about a change in the DRS's pension contributions for both enrolled employees and public employers.

There's another change in the air, of course, as we wave "Goodbye" to Neel Parikh, wishing her well in retirement, and "Hello" to Georgia Lomax as she assumes her new role as Executive Director.

More changes to come? Inevitably, as public libraries weather the winds, driven by technological and social transformation, that buffet *all* organizations. Your Union Officers and Stewards monitor the effects of changes that impact our members, and stand ready to fight to uphold your workplace rights under our Collective Bargaining Agreement.

—President Elise DeGuseppi

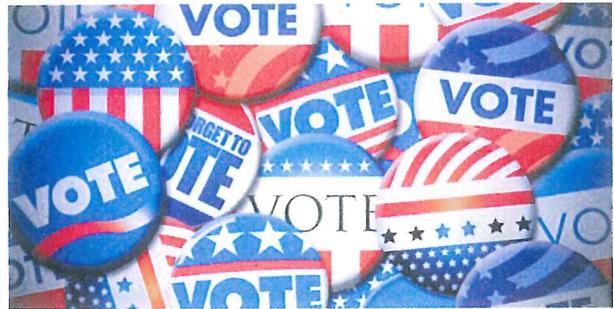
Upcoming
Membership
Meeting Dates:

Elections Meeting—
November 21,
7pm at PAC

...then...we'll see you
in the new year!

Pierce County Central Labor Council

Endorses these candidates:



CONGRESSIONAL OFFICES

- 1. 6th CD — Derek Kilmer
- 2. 8th CD — Jason Ritchie
- 3. 9th CD — Adam Smith
- 4. 10th CD — Denny Heck

STATE SUPREME COURT:

- 1. Pos. 1 — Mary Yu
- 2. Pos. 3 — Mary Fairhurst
- 3. Pos. 4 — Charles Johnson
- 4. Pos. 7 — Debra Stephens

LEGISLATURE:

- 1. 2nd LD, Pos. 1 — Greg Hartman
- 2. 25th LD, Pos. 1 — Dawn Morrell
- 3. 26th LD, Senate — Judy Arbogast
- 4. 26th LD, Pos. 1 — Nathan Schicher
- 5. 26th LD, Pos. 2 — Larry Seaquist
- 6. 27th LD, Pos. 1 — Laurie Jinkins
- 7. 27th LD, Pos. 2 — Jake Fey
- 8. 28th LD, Senate — Tami Green
- 9. 28th LD, Pos. 1 — Mary Moss
- 10. 28th LD, Pos. 2 — Christine Kilduff
- 11. 29th LD, Senate — Steve Conway
- 12. 29th LD, Pos. 1 — David Sawyer
- 13. 29th LD, Pos. 2 — Steve Kirby
- 14. 30th LD, Senate — Shari Song
- 15. 30th LD, Pos. 1 — Gregory Baruso
- 16. 30th LD, Pos. 2 — Roger Freeman

PIERCE COUNTY:

- 1. Pierce County Council, Position 7 Derek Young
- 2. Pierce County District Court Judge, Position 1 Kevin McCann

UNFINISHED BUSINESS

Annual
2015 Budget

First Reading
November 12, 2014



Figure 0-1: GFOA Distinguished Budget Presentation Award



PIERCE COUNTY LIBRARY SYSTEM

BOARD OF TRUSTEES

Linda Ishem, Chair
Allen P. Rose, Vice Chair
Donna Albers
Rob Allen
J.J. McCament

BUDGET PREPARED BY DIRECTOR'S TEAM

Georgia Lomax
Executive Director (2014 –)

Neel Parikh
Executive Director (1994-2014)

Clifford Jo
Finance & Business Director

Georgia Lomax
Deputy Director (2006-2014)

Sally Porter Smith
Customer Experience Director

WITH ASSISTANCE FROM

ADMINISTRATIVE TEAM

(Vacant)
Reading & Materials Director

Linda Farmer
Communications Director

Chereé Green
Staff Experience Director

OPERATIONS TEAM

Lorie Erickson
Facilities Director

Lynne Hoffman
Development Director

Dale Hough
Finance Manager

Karim Adib
Digital Experience Director

CUSTOMER EXPERIENCE TEAM

(Vacant)
Customer Experience Manager

Judy Nelson
Customer Experience Manager

Jennifer Patterson
Customer Experience Manager

Jaime Prothro
Customer Experience Manager

AND

Petra McBride
Executive Assistant to the Director

Library Locations/Hours of Operations/Phone

Library/Facility	Address	Hours of Operation				Phone
Bonney Lake	18501 90th St E Bonney Lake, WA 98391	Mon – Wed Thu – Fri	10 a.m. - 9 p.m. 10 a.m. - 6 p.m.	Sat Sun	10 a.m. - 5 p.m. 1 - 5 p.m.	253-548-3308
Buckley	123 S River Ave Buckley, WA 98321	Mon – Wed Thu – Fri	11 a.m. - 8 p.m. 11 a.m. - 6 p.m.	Sat Sun	11 a.m. - 5 p.m. Closed	253-548-3310 or 360-829-0300
DuPont	1540 Wilmington Dr Dupont, WA 98327	Mon - Wed Thu - Fri	11 a.m. - 8 p.m. 11 a.m. - 6 p.m.	Sat Sun	11 a.m. - 5 p.m. Closed	253-548-3326
Eatonville	205 Center St W Eatonville, WA 98328	Mon – Wed Thu – Fri	11 a.m. - 8 p.m. 11 a.m. - 6 p.m.	Sat Sun	11 a.m. - 5 p.m. Closed	In town: 253-548-3311 Out of town: 360-832-6011
Fife	6622 20th St. E. Fife, WA 98424	Mon - Wed Thu - Fri	11 a.m. - 8 p.m. 11 a.m. - 6 p.m.	Sat Sun	11 a.m. - 5 p.m. Closed	253-548-3323
Gig Harbor	4424 Point Fosdick Dr NW Gig Harbor, WA 98335	Mon - Thu Fri	10 a.m. - 9 p.m. 10 a.m. - 6 p.m.	Sat Sun	10 a.m. - 5 p.m. 1 - 5 p.m.	253-548-3305
Graham	9202 224th St E Graham, WA 98338	Mon - Wed Thu - Fri	10 a.m. - 9 p.m. 10 a.m. - 6 p.m.	Sat Sun	10 a.m. - 5 p.m. 1 - 5 p.m.	253-548-3322
Key Center	8905 Key Peninsula Hwy N Lakebay, WA 98349	Mon - Wed Thu - Fri	11 a.m. - 8 p.m. 11 a.m. - 6 p.m.	Sat Sun	11 a.m. - 5 p.m. Closed	253-548-3309
Lakewood	6300 Wildaire Rd SW Lakewood, WA 98499	Mon - Thu Fri	10 a.m. - 9 p.m. 10 a.m. - 6 p.m.	Sat Sun	10 a.m. - 5 p.m. 1 - 5 p.m.	253-548-3302
Milton/Edgewood	900 Meridian E., Suite 29 Milton, WA 98354	Mon - Wed Thu - Fri	11 a.m. - 8 p.m. 11 a.m. - 6 p.m.	Sat Sun	11 a.m. - 5 p.m. Closed	253-548-3325
Orting	202 Washington Ave S Orting, WA 98360	Mon - Wed Thu - Fri	11 a.m. - 8 p.m. 11 a.m. - 6 p.m.	Sat Sun	11 a.m. - 5 p.m. Closed	253-548-3312
Processing and Administrative Center	3005 112th Street East Tacoma, WA 98446-2215	Mon - Fri	7:30 a.m. - 5 p.m.	Sat Sun	Closed Closed	253-548-3300
Parkland/Spanaway	13718 Pacific Ave S Tacoma, WA 98444	Mon - Thu Fri	10 a.m. - 9 p.m. 10 a.m. - 6 p.m.	Sat Sun	10 a.m. - 5 p.m. 1 - 5 p.m.	253-548-3304
South Hill	15420 Meridian E South Hill, WA 98375	Mon - Thu Fri	10 a.m. - 9 p.m. 10 a.m. - 6 p.m.	Sat Sun	10 a.m. - 5 p.m. 1 - 5 p.m.	253-548-3303
Steilacoom	2950 Steilacoom Blvd Steilacoom, WA 98388	Mon - Wed Thu - Fri	11 a.m. - 8 p.m. 11 a.m. - 6 p.m.	Sat Sun	11 a.m. - 5 p.m. Closed	253-548-3313
Summit	5107 112th St E Tacoma, WA 98446	Mon - Wed Thu - Fri	10 a.m. - 9 p.m. 10 a.m. - 6 p.m.	Sat Sun	10 a.m. - 5 p.m. 1 - 5 p.m.	253-548-3321
Sumner	1116 Fryar Ave Sumner, WA 98390	Mon - Thu Fri	10 a.m. - 9 p.m. 10 a.m. - 6 p.m.	Sat Sun	10 a.m. - 5 p.m. 1 - 5 p.m.	253-548-3306
Tillicum	14916 Washington Ave SW Lakewood, WA 98498	Mon - Wed Thu - Sat	1 p.m. - 8 p.m. 11 a.m. - 5 p.m.	Sat Sun	11 a.m. - 5 p.m. Closed	253-548-3313
University Place	3609 Market Place W., Suite 100 University Place, WA 98466	Mon - Thu Fri	10 a.m. - 9 p.m. 10 a.m. - 6 p.m.	Sat Sun	10 a.m. - 5 p.m. 1 - 5 p.m.	253-548-3307

The document is available online at the Library's website:

<http://www.piercecountylibrary.org>

To obtain copies of this document, please contact:

Petra McBride
Pierce County Library System
3005 112th Street East
Tacoma, WA. 98446-2215
(253) 548 – 3420
(253) 537 – 4600 (fax)
pmcbride@piercecountylibrary.org

Table of Contents

PIERCE COUNTY LIBRARY SYSTEM.....	3
Library Locations/Hours of Operations/Phone.....	4
Table of Contents	5
Part 1 Introducing the 2015 Budget	7
Budget Messages.....	8
Board of Trustees Message	9
Retiring Director’s Message.....	10
Budget in a Page	13
The Library: Organized to Serve the Community	14
The Organization of the Pierce County Library System	15
Mission / Vision / Values	18
Library Priorities	19
Finance	20
Fiscal Principle, Policy, and Practices.....	21
Budget Planning Process	23
Budget Method and Sequence	25
2015 Combined Funds Budget.....	29
Financial Administration of the Budget	30
Strategic Planning & Measures.....	33
Strategies to Meet Fiscal Challenges	34
Strategic Framework Using the Balanced Scorecard	36
Part 2 Library Services	43
2014 Services.....	44
Message from the Deputy Director	45
System Measures: 2008 – 2013.....	48
Levy Goal 1: Expand Open Hours.....	49
Levy Goal 2: Add Books and Other Materials	50
Levy Goal 3: Increase Services for Youth	51
Levy Goal 4: Improve Customer Service and Technology.....	52
Operating Lean	53
Operational Changes for Efficiency, Savings, and Improvement.....	54
Part 3 General Fund	61
2014 Operating Budget Summary	62
Revenues	63
Summary of Revenues and Revenue Assumptions	64
Property Taxes and Other Taxes.....	67
Non-Tax Revenues.....	71
Total Budgeted Revenues.....	75
Expenditures.....	76
Summary of Expenditures and Assumptions	77
Personnel.....	79
Library Staffing	81
Maintenance & Operations	82
Books, Movies, Music, and Downloadables (Materials).....	85
Other Set-Asides & Transfers	87
General Fund Balance.....	88
General Fund Balance.....	89
Part 4 Other Funds.....	92
Capital Improvement Fund.....	93
2015 Capital Improvement Budget Summary	94

Capital Projects Funding Sources.....	96
Capital Improvement Plan—Project Expenditures.....	99
Capital Improvement Fund Balance	102
Bonds, Debt, and Debt Service Fund	104
Bonds, Debt, and Debt Service Fund	105
Part 5 Cash Flow and Funds	108
Cash Flow, Budgeting, and Funds.....	109
General Fund Cash Flow	110
Capital Improvement Fund Cash Flow.....	112
Summary of Fund Balances	113
Part 6 Library Departments.....	114
The Departments.....	115
Library Departments and their 2013 Goals	116
Core Principles for Library Employees.....	119
Library Core Documents	120
Leadership Descriptors	121
Foundations of a Learning Organization.....	122
Core Skills and Qualities	123
Department Narratives.....	124
Introducing the Departments	125
Executive Office	126
Customer Experience.....	127
Reading & Materials	129
Finance	130
Technology Experience (formerly Information Technology)	132
Facilities Management	134
Marketing & Community Relations	136
Fund Development	138
Staff Experience.....	140
Part 7 About the Library	141
General Information	142
Library Facility Information	147
Communities the Library Serves.....	148
Part 8 Concluding Material	149
Acronyms & Glossary.....	150
References.....	153

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 Introducing the 2015 Budget



Budget Messages

REPLACED IN DECEMBER

Board of Trustees Message

Dear Pierce County Residents:

Thank you for your support and interest in your Pierce County Library System. We are committed to delivering vital library services to meet individual and community needs. As we serve you, we are mindful of our responsibility to make the best use of your tax dollars.

2014 marks the first year that property values have increased in our taxing district since 2009. During the lean years, the library successfully implemented many cost-saving strategies. We preserved those services deemed most essential to library customers. And, as a result, we are now well-positioned to continue meeting our levy promises.

As we keep a watchful eye on the economy, we are also evaluating internal matters. In 2013, we examined the culture of the organization, conducted individual and collective board self-assessments, reviewed and updated the board's philosophy and policies; and concluded a series of thoughtful succession planning activities in anticipation of Executive Director Neel Parikh's retirement this November.

The library continues to be a font of innovation and is recognized and rewarded for its creative approaches to serving the community. In the last year, the library received the National Medal for Museum and Library Service, the Paul G. Allen Creative Leadership Award, multiple grants and other acknowledgments.

As your library, we are dedicated to bringing you the world of information and imagination. We strive to help you and other residents navigate these difficult times. We offer easy, affordable access to books, movies, and music; provide resources to prepare children to read; help kids with homework; teach people computer skills; and supply job search assistance.

This budget reflects our attempts to balance the diverse and often competing demands from the hundreds of thousands of people in our service area. We continue to practice good stewardship of public funds, while maximizing services the public has identified as most important.

Our talented staff members form the basis of our service, as they work with you in 18 locations for a total of 973 hours a week and deliver online library service 24/7. We welcome you to continue to learn and enjoy at your Pierce County Library.

Sincerely,

Linda Ishem
Chair, Pierce County Library System Board of Trustees



Library Board of Trustee
and Chair Linda Ishem

Retiring Director's Message

The 2015 Budget is the 21st budget process I have led as executive director of Pierce County Library System. The Library's finances have grown and strengthened over that time. In the past 20 years we have built a cash reserve and established a capital improvement fund. Foundation support has increased from \$16,000 in 1994 to over \$700,000 in 2014 and Friends of the Library donated over \$120,000 in 2013.

There have been budget ups and downs over these years but the past four years have been especially challenging. Reducing the operating budget by \$7.5 million since 2009 was not easy. As we entered the economic decline I was intent upon strengthening the organization and maintaining core services so when the economy turned around, the Library was strong.

As it became clear revenue was projected to increase this year, I made the decision to stay throughout the 2015 budget process in order to solidify a foundation for the Library's future. Library District funding is somewhat unusual. 96% of the Library District's revenue is derived from property tax and due to the property tax law can only increase by a small percentage or decreases when property values decrease. Other than fines, there are no sources for additional revenue. Over the years I have come to see there are advantages and disadvantages to these limitations. Accurately estimating our revenues and expenditures is key to our success. With this, the Library has the opportunity and the challenge to plan for the future.

Due to property tax law, over the next two years the Library will receive an unusually high increase in revenue. After this, revenue increases will be very low. It was my goal to use this high revenue to stabilize the Library, prepare the Library for the future and ensure sustainability in the upcoming years.

The world around us has changed. When I came to the Library System in 1994 there were no computers for the public, very few computers at reference desks and the World Wide Web was just being introduced in academia. Over the past two decades there have been

enormous changes in the world of information and publishing. The past five years have seen the widespread use of mobile technology, eBooks, downloadable music and streaming video. Over the next decades, the Libraries will face challenges that are not only monetary but harken to the core of our existence and mission. We have been forced to reinvent ourselves over the years. This will not change.

The services we offer and the way we deliver them must constantly change and evolve. At the same time it is important to maintain our core mission, deliver value to our communities and answer the question, "What is the Pierce County Library core business?"



Neel Parikh, Executive Director
South Puget Sound Woman of Influence

Over the past few years we have developed a firm foundation to answer that question. We have a strong leadership team, talented and creative staff and strong community support. Community support is key to the Library's success. The future will require support from voters for our levy or to improve facilities. Voter support raises the stakes for maintaining relevance and value in the community. Pierce County Library System has changed, grown and become respected both locally and nationally. Under the strong leadership, the Library will thrive in the future.

Budget Priorities

The proposed 2015 budget introduces the first increase in expenditures since 2008.

In 2014, after four years of declining property tax revenue, we experienced an increase of 2.94%. In 2015, we expect revenues to increase by 8.5%. That increase equates to \$2.1 million and reflects property tax revenue increases due to laws that allow districts to collect up to the "highest lawful levy," which for us was \$28.3 million in 2009. The 2009 levy is significantly more than the 2013 levy which means tax revenues will rise at a higher percentage over the next two years.

However, when we reach our "highest lawful levy" we will return to property tax law limits and will be constrained to revenues rising by 1% plus new

construction. In the coming years, we do not expect higher growth in new construction and we expect slower growth of property values.

As the library leaves the recession, we are a stronger organization. We are especially proud of implementing efficiencies across all areas by becoming thoughtful and purposeful about our everyday operations. Our new and stronger staffing model, coupled with our streamlined processes and procedures, have allowed us to maintain our service levels and accomplish our goals despite reductions.

Branches remained open and operating hours stayed the same despite more than \$7.5 million in reductions to the operating budget during the recession. We continued to not only maintain but develop customer services in branches, for example Block Play, Teen Summer Challenge, and the Library Card in Every Hand program (school cards). Staff worked hard to focus on internal processes, improve operations and find ways to minimize the impact of the recession on the public. We implemented media banks and movie towers, launched public computers (PC's) reservation and print management, and opened three new buildings (Fife, Milton and University Place). In addition, we leveraged private funding to create new and innovative services such as Scout and Science to Go.

Even though the revenue projections are positive in the short-term, we are not dismantling the changes put in place during the recession. The 2015 budget builds on our strengths. We will continue to manage our funds strategically so we are better prepared to weather periods of flat or declining revenues.

Over the past five years, the library has managed to balance its budget despite increased operating costs and simultaneous reductions in the operating budget of more than \$7.5 million. In 2009, we experienced a major reduction in staffing and, over the next three years, we changed services and reduced the materials budgets. Budget reduction strategies in the last two years were designed to minimize the impact on staff and maintain core services.

Over the next two years, in order to make the best use of the increases in revenue, we will attend to various areas in the budget that were reduced. In particular, critical functions such as buildings, cash reserves and technology that did not receive needed funding.

The library's priorities for the 2015 budget include:

1. Address critical functions affected by the recession:

- a. **Wages/benefits.** Staff is the library's most important asset. The 2015 budget includes:
 - COLA of 1.8%.
 - Compensation study to examine changes since the recession.
 - Employee communications survey, staff engagement survey and new strategies for effective communication.
 - Investment in leadership development.
- b. **Capital improvements:** For the past several years, capital improvement has been funded by an allocation from the General Fund to the Capital Improvement Fund. In 2013, the yearly capital transfer was cut from 3% to 1% and the contingency set-aside was not budgeted. Combined, these savings amounted to more than \$1.5 million since 2012. We did this to prevent further reductions in services and staff. We are now critically low on the Capital Improvement Fund and are recommending to restore the transfer to 3%.
- c. **Cash flow:** The Library must retain cash reserves to sustain four months of operations without any revenue. It is Board policy to maintain this level of cash reserves plus an additional 2% contingency. We traditionally set aside 1% of the budget for cash reserves. This was intended to increase the cash reserves to match the increase in the amount needed to operate during the first four months of the year. In 2012 we eliminated the set-aside and in 2013 we used \$571,595 from the cash reserves to close the revenue gap. We recommend restoring the cash set-aside in 2017.
- d. **Information Technology:** While we continue to grow direct services in the branches, we made specific decisions not to expand the Information Technology department or develop and improve its capability. As a result, we are behind on much needed updating to provide customers with improved service. This budget includes an overhaul of the library's network in order to provide more stability to all sites and enhance the bandwidth to meet customer needs today and into the future. The budget

- also includes a new strategy for replacing PCs that is intended to reduce the workload for PC maintenance in the branches. This work not only addresses a function affected by the recession, but also supports a sustainable future for the IT Department.
2. **Continue to make smart choices that support a sustainable future**
 - a. Materials budget. In 2012 we needed to close a budget gap. We reduced the materials budget by 25% to help us meet the goal. During this time, staff developed a new approach to understanding the community and their materials choices. Staff's work evaluating the collection and coming up with the best use of collection dollars was outstanding and, as you know, won a Creative Leadership Award from the Paul G. Allen Family Foundation. This budget uses this new approach on targeted areas of collection development and growth, adding \$240,000 to the budget (see Georgia's memo).
 3. **Provide up-to-date, future-oriented services for our customers**
 - a. Information Technology. Develop IT infrastructure that insures sustainable operations and efficient use of resources. During 2014, the library created an ambitious technology plan. This plan will help the library provide customers up-to-date technology and digital services in the future. A key goal in the plan was to evaluate the staffing needed to support the service and the merging of the IT and Virtual Services departments. With the arrival of a new Digital Experience Director, this budget begins the implementation of the plan and its key goals.

The 2015 and 2016 budgets are extremely important to Pierce County Library System. With a brief window of increased revenue, we need to use this funding to position the library for years of lean times. The Administrative Team has strategically positioned the dollars to best support our future, create sustainable services and bring the library up-to-date.

As always, the library is committed to providing valuable services that people want and need, and to anticipate those needs well into the future. We will

make sound decisions in the best long-term interest of taxpayers, customers and employees. This budget supports those goals.

Respectfully submitted,



Neel Parikh
Executive Director

Time Machine

On.

Through the viewfinder
objects of mundane utility
yet infinite beauty
wisps of miasma through its crevices.

Zoom in on a dew droplets
resting on the cusp of a leaf.
Zoom out to the bustling city street
lives and stories brushing
as fleeting as a kiss
yet, just as remarkable.

After finding
the perfect image
a flawless moment to capture... click.

A sliver of time
netted like a jellyfish
a jarred firefly
a pressed flower
to be touched with withered hands.

Off. And on, again.

Jocelyn Gonzales
Steilacoom High School

2013 Our Own Expressions
9th & 10th Grade Poetry Winner—3rd place

Budget in a Page

The 2015 budget is hereby submitted. It is *the Library's story of commitment to the community and costs to provide services.*

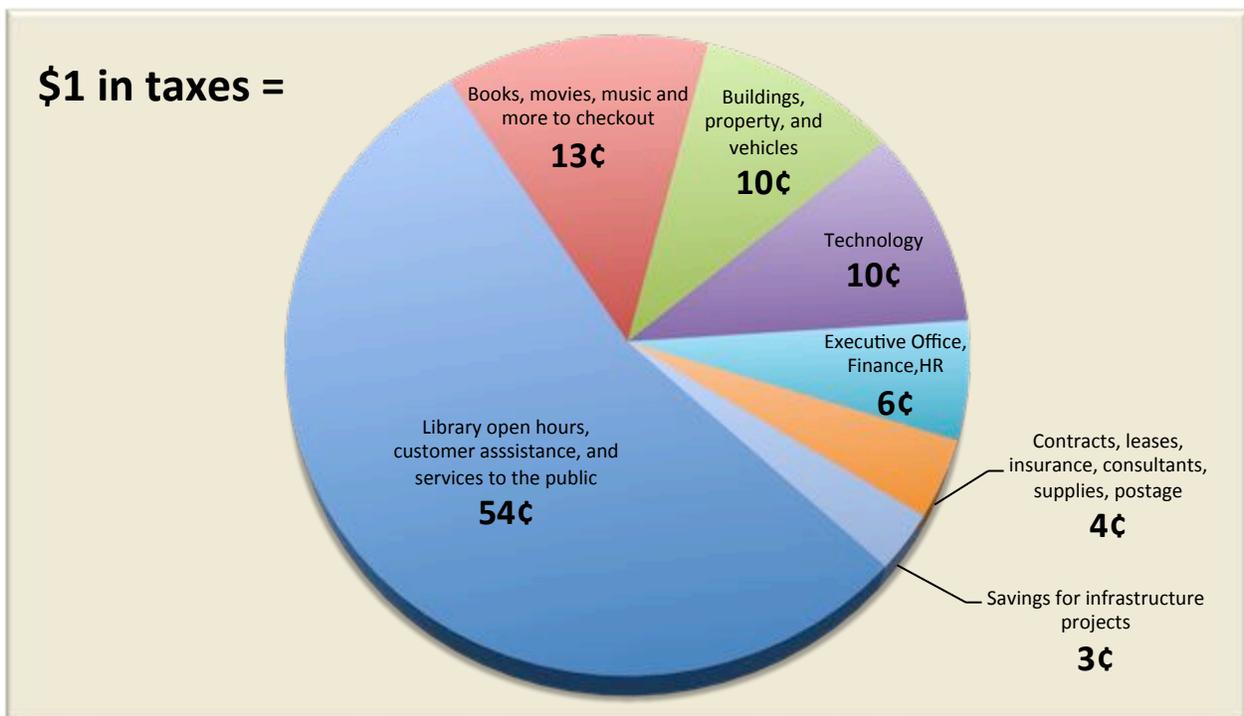
REPLACED IN DECEMBER

After three years of property value declines, property values increased by 2.94% with a corresponding year-to-year budgeted revenue increase of 3.7%. The Library's mill rate, the rate used to levy taxes on properties, remained at its statutory limit of 50 cents per \$1,000 assessed property value and will stay there for at two to three years. For 2015, the Library will not use cash reserves. The budget is presented as balanced by fiscal management policy: source of all revenues and use of fund balances equals expenditures.

The fiscal challenge remains. Sustain services, improve, innovate and perform to Library Priorities during times of revenue constraints and increasing costs. The Library expects its leadership and staff to address challenges and remain strong in their focus on public service; their actions and ideas are presented throughout the document, particularly in the Operating Lean and Library Departments chapters.

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/11)
OPERATING BUDGET			
New Revenues	\$ 25,122,388	\$ 25,526,372	\$ 28,063,748
Use of Fund Balance.....	571,595	127,663	0
Total Available Funds	25,693,983	26,654,035	28,063,748
Less:			
Operating costs	24,995,025	25,398,771	27,221,836
Set-asides & Transfers.....	495,689	255,264	841,912
Total Expenditures	25,490,714	26,654,035	28,063,748
Net of Revs & Exps.....	\$ 203,269	\$ 0	\$ 0
CAPITAL IMPROVEMENT BUDGET			
New Revenues	\$ 122,473	\$ 160,000	xx
Transfers from General Fund	459,689	255,114	xx
Use of Fund Balance.....	1,375,101	808,886	xx
Total Available Funds	1,957,263	1,224,000	xx
Less:			
Capital project costs.....	1,957,263	1,224,000	xx
Net of Revs & Exps.....	\$ 0	\$ 0	\$ 0
DEBT SERVICE FUND			
Revenues.....	\$ 123	\$ 0	\$ 0
Expenditures	0	0	0
Net of Revs & Exps.....	\$ 123	\$ 0	\$ 0
2015 Combined Fund Balances (Cash Reserves)			
General, Capital Improvement, and Debt Service Funds			
Begin Balances, Jan 1	\$ 14,484,529	\$ 11,468,260	xx
Net of all revs, exps, transfers.....	(3,011,307)	(936,549)	xx
End Balances, Dec 31	\$ 11,473,222	\$ 10,531,711	xx

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



The Library: Organized to Serve the Community

The Organization of the Pierce County Library System

In September 2011, the Library reorganized its management structure to deliver improved service to all parts of the organization and to its customers and communities. Five key management teams support the work of the organization, ensure accountability, tend to the organizational culture and “live” the Leadership Descriptors (see page 121). The new organizational structure creates, manages, communicates, collaborates, and delivers an excellent customer experience: to best serve Library customers, its communities, and the staff.

Administrative Team

Shares a common understanding of the whole system, holds the vision of the future, and shapes the organizational culture. The Administrative Team *drives strategy and sets high-level system goals.*

Budget Team

The Budget Team reviews department budget proposals and approves funding.

Operations Team

Coordinates effective operations. Managers have budgetary authority. The Operations Team *is tactical and ensures organizational goals are implemented and results achieved.*

Leadership Team

Management structure for the entire organization that provides a venue for customer-supplier partnerships to work at a system-view level. The Leadership Team *shares customer feedback and information, discusses system-wide management and operational concerns, and mobilizes messaging.*

Customer Experience Team

Delivers a valued customer experience through branch, community, and virtual operations. The Customer Experience Team *brings to the table the voice of the customer.*

The figure below depicts these management teams in context. On the following two pages are two organization charts: Operations Team and Leadership Team.

Figure 1-2: Management Teams

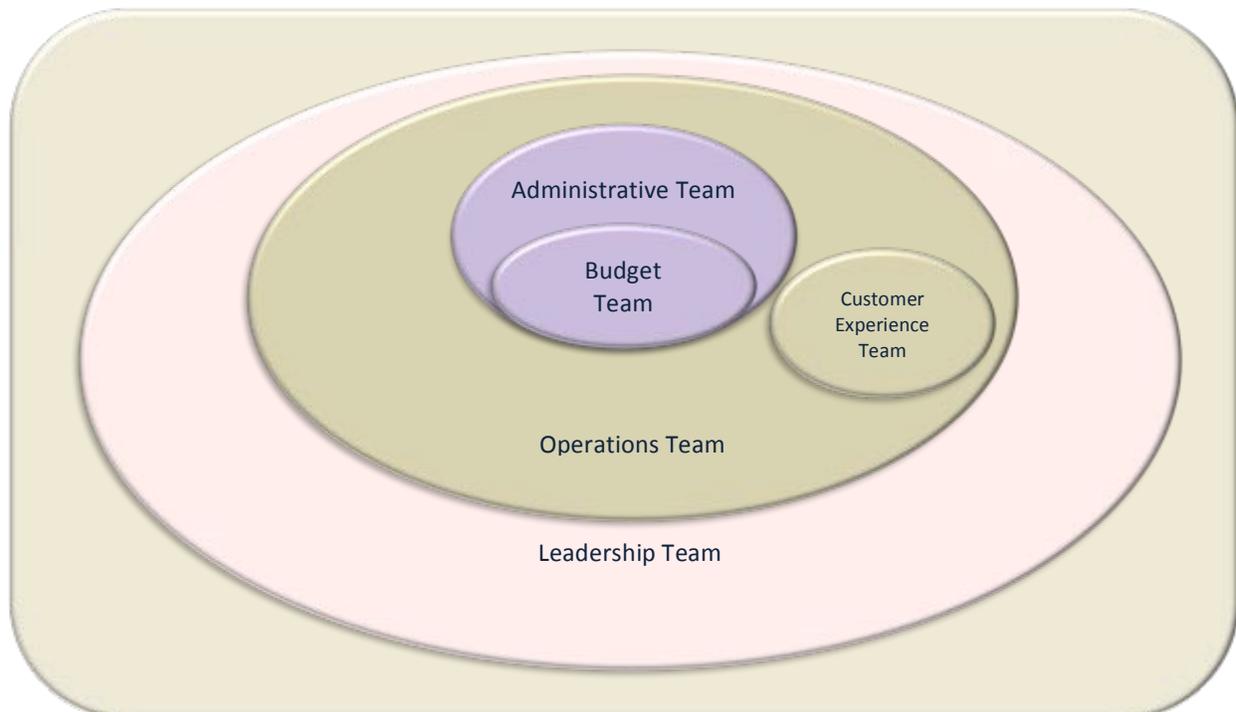


Figure 1-3: 2015 Organizational Chart-Operations View

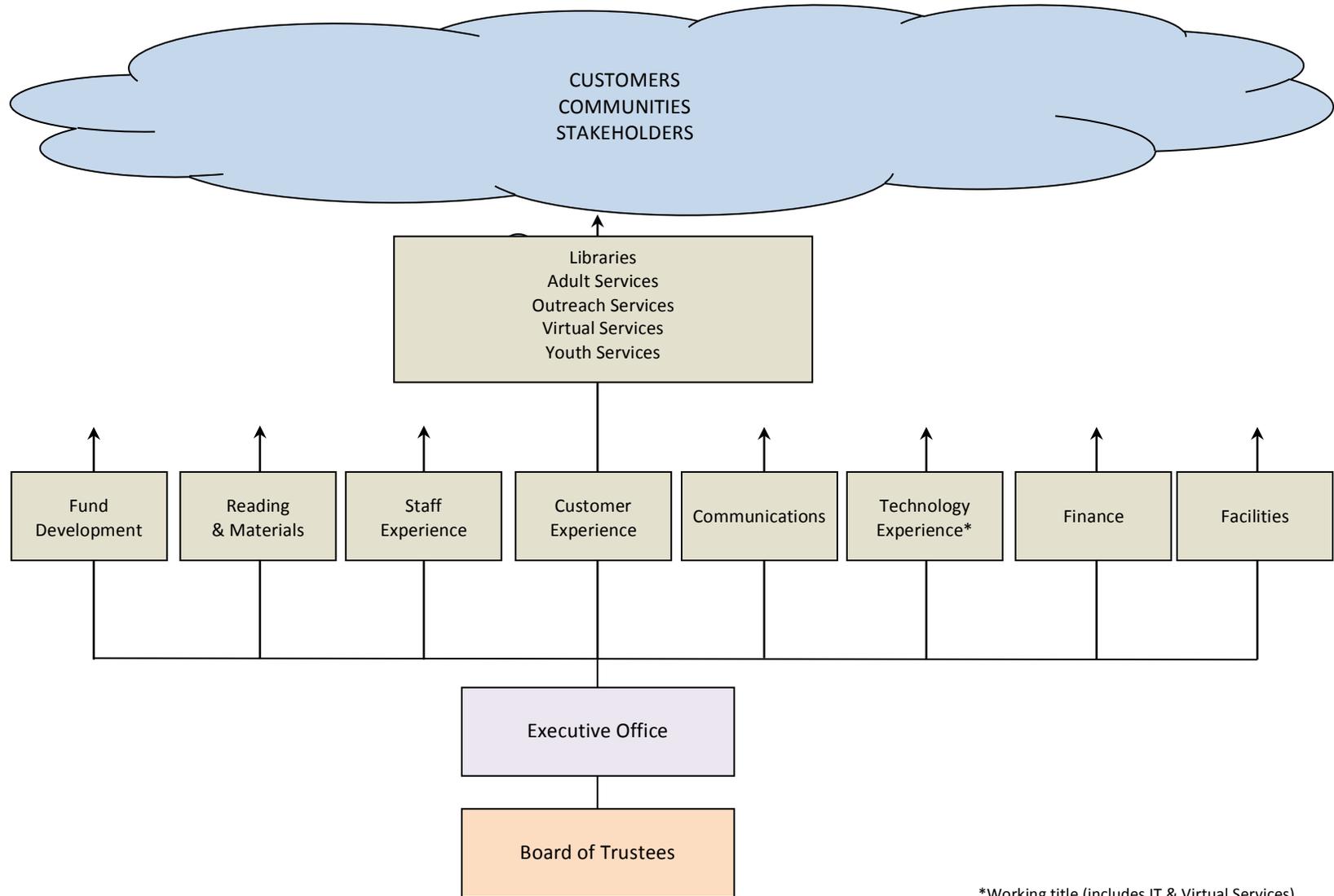
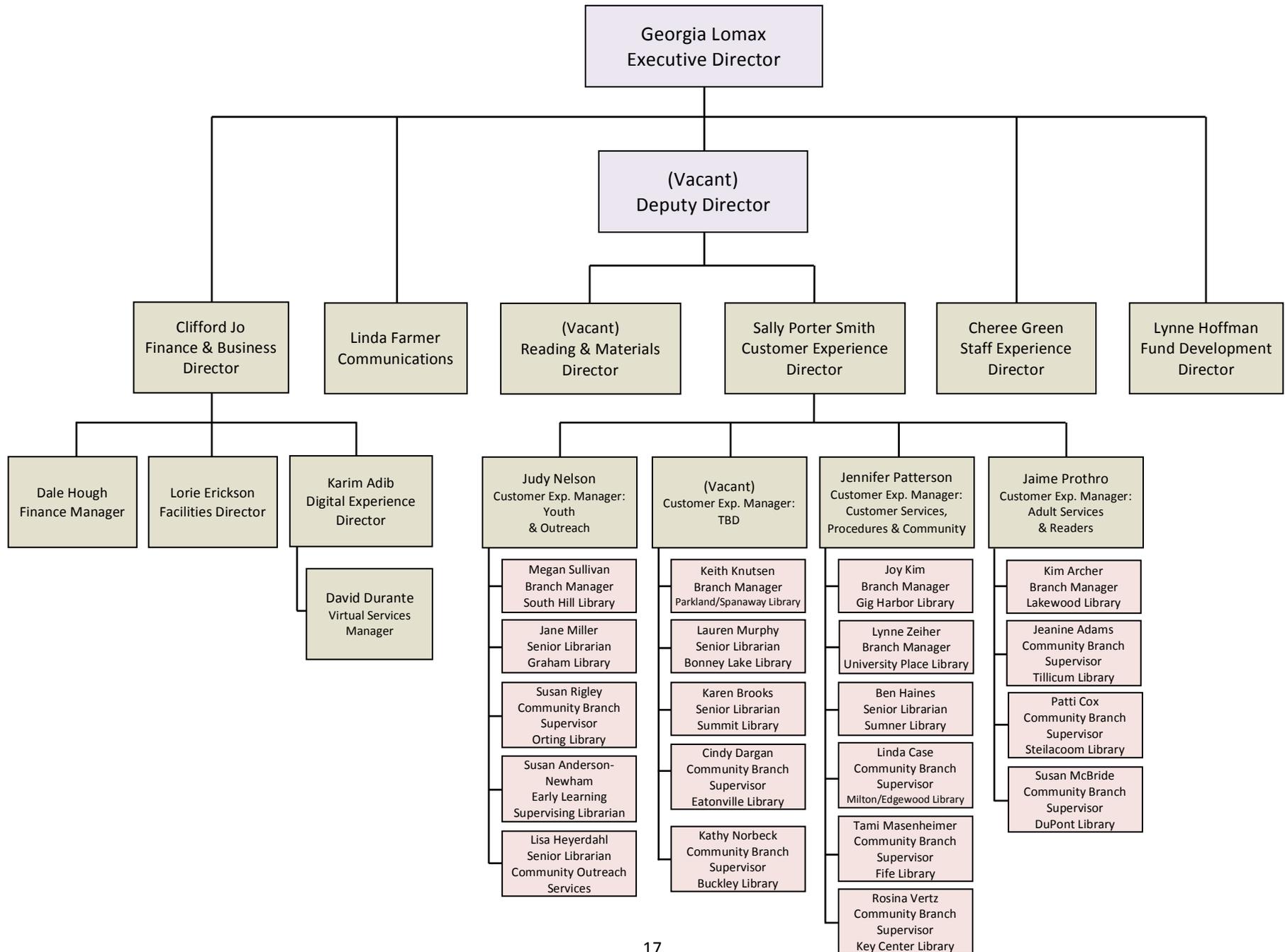


Figure 1-4: 2015 Organizational Chart-Leadership View



Mission / Vision / Values

The Library operates by the following mission, vision, and values.

MISSION

To bring the world of information and imagination to all people of our community

VISION

We are the community's choice for the discovery and exchange of information and ideas:
Reading • Learning • Exploring

VALUES

We value...

- Customer service excellence
- Freedom of expression and free flow of ideas
- The diversity of people we serve, their opinions, capabilities, needs and interests
- The power and worth of words and images
- Equitable access to all library resources and services
- Responsible stewardship of public funds
- Creative solutions by solving problems in innovative ways
- Our diverse, skilled, and knowledgeable employees working in a safe and stimulating environment

Library Priorities

UPDATED IN DECEMBER

Table 1-1: Library Priorities (2013 - 2015)

2013 LIBRARY PRIORITIES	2014 LIBRARY PRIORITIES	2015 LIBRARY PRIORITIES
Maintain core services voters called for in the 2006 levy: maintain library services and aspects of the levy promises as much as possible.	Maintain core services voters called for in the 2006 levy: maintain library services and aspects of the levy promises as much as possible.	Maintain core services voters called for in the 2006 levy: maintain library services and aspects of the levy promises as much as possible.
Good stewardship of the taxpayers dollar: Use sound judgment in expending the taxpayers dollar.	Good stewardship of the taxpayers dollar: Use sound judgment in expending the taxpayers dollar.	Good stewardship of the taxpayers dollar: Use sound judgment in expending the taxpayers dollar.
Provide up to date and future-oriented service: Keep the library contemporary, innovating and providing services and resources customers expect	Provide up to date and future-oriented service: Keep the library contemporary, innovating and providing services and resources customers expect	Provide up to date and future-oriented service: Keep the library contemporary, innovating and providing services and resources customers expect
Build a customer base for the Future: customer focus is a major priority of the library	Build a customer base for the Future: customer focus is a major priority of the library	Build a customer base for the Future: customer focus is a major priority of the library

The priorities from 2014 to 2015 remain unchanged. The Library recognizes that multiple years of significant revenue decline challenges the degree to which the Levy Promises can be kept past its original intent of six years, which ended 2012.

The 2015 Library priorities are further articulated in the Executive Director’s budget message (see page 10).

remember

remember when you used to
smile with your
teeth?
your dimples were
two anchors pulling
the drawstrings of your mouth

Esther Lee
Curtis Senior High School

2013 Our Own Expressions
11th & 12th Grade Poetry Winner—3rd place

Finance

Fiscal Principle, Policy, and Practices

Pierce County Library employs key financial policies and practices in guiding its budget decisions for current and future fiscal years. Many of these are stated in the Library's fiscal management policy, which is by design a long-term fiscal management policy enacted by the Board of Trustees. It and other major policies are summarized as follows:

Guiding Principle

The guiding principle of the Pierce County Library System during times of harsh economic conditions is not to diminish its product. Budget decisions relate to providing the best mix of cost-conscious services to the community without sacrificing value. Its product is determined by asking the community to tell the Library what is value and needed.

Fiscal Management Policy

It is the policy of the Pierce County Library System ("Library") Board of Trustees to implement and maintain sound financial management of the entrusted resources provided by the taxpayers and other sources of funding, consistent with the Library's mission. In accordance with state law, RCW 27.12.070, the Pierce County Office of the Assessor-Treasurer serves duly as the Library's fiscal agent.

Policy

1. Current year operations are funded from current year revenues. Permitted exceptions include, but are not limited to, transferring funds between fund accounts or the incurring of debt.
2. Cash reserves is a fiscal resource to stabilize long-term library sustainability. Cash reserves will not be used as a substitute for budget reductions to meet economic challenges.
3. Cash reserves (fund balance) may be used to plan or pay for current or future operations. Cash reserves shall not fall below twenty percent (20%) of the following year's anticipated revenues.
4. 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.
5. To pay for qualified capital projects, a Capital Improvement Fund is established and funded appropriately by and through the General Fund.
6. For purposes of managing the Library's finances, additional fund types may be implemented.
7. Capital Improvement Fund revenues may be supplemented by unanticipated revenues or unanticipated savings in expenditures in the General Fund.
8. The Board approves a budget for revenues and expenditures in each fund, annually or any substantial modifications throughout the year.
9. Upon declaring a need for cash reserves to address a severe emergency having effects that cannot be addressed through the existing budget, the Board may pass a motion to release cash reserves for purposes of continuity of operations and services. Examples of emergencies are a natural disaster or a virulent pandemic.

Responsibilities

The Board of Trustees expects the Library to:

1. Establish a budget system and administer the budget process.
2. Establish and maintain financial procedures for managing the Library's cash. Document, keep prudently current, and enforce such financial procedures as an implementation of this fiscal policy.
3. Establish and maintain a ten-year cash reserve strategy to sustain operations that best funds services to the Library's communities.
4. Set solvency goals to achieve and implement a perpetual positive fund balance that ensures short-term debt, excluding inter-fund loans, is not used to pay for operations. This may require cash of at least three to four months of operations available in the fund balance during certain times in a fiscal year.
5. Develop and manage fiscal practices and strategies so that cash reserves do not fall below twenty percent (20%) of the following year's anticipated revenues.
6. Administer a cash-flow system as an anticipatory approach to budget for and meet

the Library's expenditure needs for future operations, including bill management.

7. Implement the State of Washington's Budget, Accounting, and Reporting System (BARS).
8. Furnish to the Board appropriate financial reports on a monthly basis, and deliver the annual report to the Board subsequent to filing it with the State of Washington.

Proven Practices

1. The Library uses a thoughtful and purposeful budget method that is communicated to Library staff, customers, and the community. Through surveys and formal budget hearings, the public is invited to present its thoughts on services, budget, and fiscal matters.
2. To the best extent possible and available, the Library uses objective methods and estimators to establish projections. Such methods are confirmed and documented.
3. The Library uses long-term cash flow charts to determine revenues and expenditures in future years to give the Library an understanding of future fiscal realities that may need to be addressed today.
4. The Library reserves cash in the form of restricted funds for intra-year cash flow management so that bills can be paid without borrowing from external sources. The Library may set aside other restricted uses of cash, for example the set-aside for paying costs for a future levy lid-lift.
5. During years of revenue growth, the Library increases cash reserves to cover the additional costs it may incur. During years of revenue decline, the Library may decrease cash reserves because less is needed to cover operational costs.
6. The Library reviews all revenue projections, including property taxes, other public sources, fines/fees, investment income, Foundation donations, and other sources of revenues. Only those revenues that can be reasonably projected for receipt are budgeted. Other revenues that are received throughout the year may be recognized during the mid-year budget process, or simply recorded and reported as unbudgeted actuals.
7. The Library actively searches for and achieves operational efficiencies without sacrificing—if

not improving—services to the customer and community.

8. The Library will only use cash reserves to cover budget shortfalls when after all possible reductions have been attained, the remaining option is to either use cash reserves or enact further painful reductions.
9. The Library presents and has approved an annual balanced operating budget; revenues and expenditures must match. If new revenues are less than expenditures by the time the budget is presented for final passage, cash reserves may be used to cover the shortfall.
10. Debt will not be used to cover operational shortfalls irrespective of revenue shortfalls.
11. The Library assesses capital facility needs, such as repairs and improvements, for at least 5 years into the future. Facility needs are based on when the buildings were constructed, when major repairs and replacements were made, the current condition of the facilities, and future estimated needs.
12. The Library uses a mid-year budget process to make necessary changes and corrections to the current budget. It recognizes changes that occurred during the first six months of the fiscal year, estimates for the remaining half of the year, and makes adjustments to prepare for the following fiscal year's budget or begin planning for long-term fiscal realities.
13. The Library may transfer some or all unanticipated revenues or savings to the Capital Improvement Fund to pay for current or future capital projects. The need for transferring money to the Capital Improvement Fund is balanced with the need for cash reserves.
14. The Library invests its available funds with the Pierce County investment pool.

Budget Recognition

In 2013 the Library submitted the budget document to the Government Finance Officers Association (GFOA) for review in comparison to best practices. In September 2013, the GFOA issued the Distinguished Budget Presentation Award to Pierce County Library System for the 2013 fiscal year budget. This is the second consecutive year of receiving this award. The emblem is depicted on page 2 of this document.

Budget Planning Process

The budget planning process begins with establishing executive priorities, gathering and evaluating measures, and applying strategic management to the Library's goals and objectives. Provided in this section is a brief summary of the budget planning process and the major methods and elements incorporated.

Executive Priorities

Continuously, the Executive Director assesses the realities of the external world, the needs of the community and customers, as well as directions of library activities nationwide and regionally. In July, shortly after the mid-year budget concludes, the Executive Director sets the priorities for the upcoming fiscal year. **These priorities are communicated with the Administrative Team and fed into the strategic management process (Balanced Scorecard), and then to the Operations Team with instructions to craft their budgets accordingly.** The priorities for 2015 are:

1. **Maintain core services**
2. **Good stewardship of the taxpayers dollar**
3. **Provide up to date and future-oriented service**
4. **Build a customer base for the future**

Priorities slightly changed from the previous year.

REPLACE IN DECEMBER Performance Measures

The Library gathers performance measures and evaluates progress. The data is culled from multiple areas of Library performance. Examples include how many items have been checked out, customer visits to the libraries, and website hits. The data snapshot is crucial to understanding the year's services and other factors, based on current priorities and strategies. The Library keeps system-wide and departmental measures. Performance measures are checked against the strategic management process and are also discussed with the Administrative Team and the Operations Team. Continuing in 2014, the Library is using an important tool, Civic Technologies' Community Connect system, to analyze information related to the Library's communities and make service-related decisions.

Long Range Approach

The Library's budgeting and decision-making process always considers the future, not just 2 years out, but 5 to 10 years out. Board of Trustees and Executive Management are committed to making the optimal decisions related to ensuring future fiscal sustainability and meeting current Executive Priorities. Throughout the year, as data becomes available, current, next year, five year, and as applicable ten year projections are created and analyzed, leading to actions that must be taken immediately to ensure the Library remains focused on its mission in the now and future, without decimating services because of lack of effective planning. The chapter on cash flow analysis (see page 110) in this document shows the thinking behind this process. The Library recognizes that strategic goals and fiscal realities intertwine; it is exemplified in making clear priorities for the Library, and then exacting a conservative approach to budgeting and an aggressive pursuit of efficiencies. The Director's Team is relentless in requiring Managers to implement efficiencies and objectively show evidence for the funds needed to operate. Some of the efficiencies are provided in this document under in the Operational Changes for Efficiency, Savings, and Improvement chapter (see page 54).

Strategic Management

The Library employs the strategic management process called the Balanced Scorecard along with other strategic tools. These use a system-wide strategy and departments have corresponding internal strategies that are designed to support the system-wide version.

Operations Team Planning

Managers use the priorities and measures to develop their departmental goals and objectives (supported by budget proposals) and major projects funded in either the operating budget or capital budget.

Executive Review

The Director's Team interviews Managers and listen to proposals. Feedback is provided; sometimes decisions are made during this stage of the process. See the following section for detailed information regarding the Director's Team's approach.

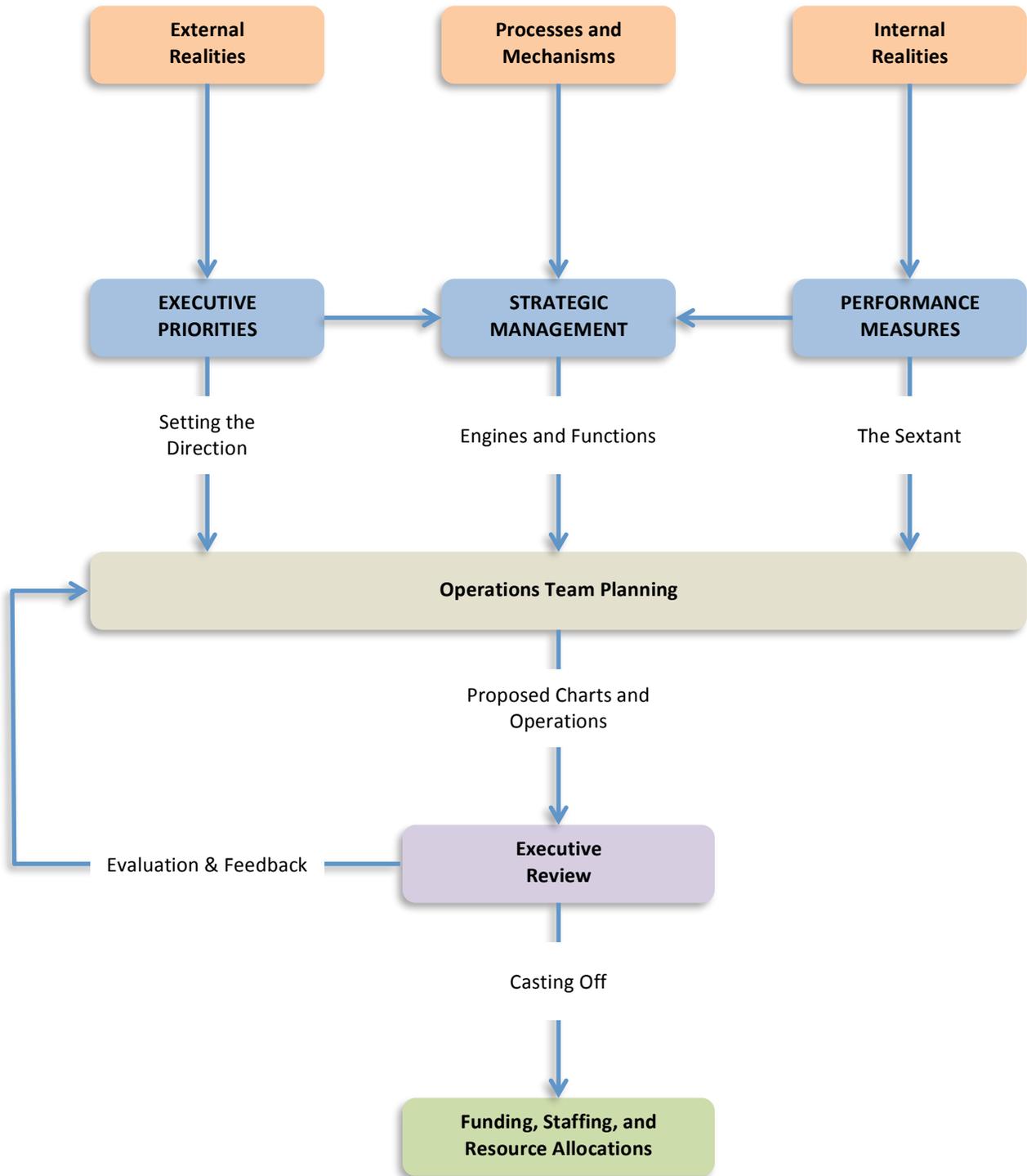
The Budget

Three budgets are created: the preliminary balanced budget, first public reading, and final public reading budgets. Each are presented with discussions held

during Board meetings. The public is invited to participate during November and December hearings.

Below is a visual depiction of the budget planning process. Setting sail is the metaphor used to describe the process in a more approachable way.

Figure 1-5: “Setting Sail”—The Budget Planning Process



Budget Method and Sequence

Pierce County Library's 2015 budget was developed for maintaining services from the Executive Director's four priorities, including services created by the voter-approved 2006 levy lid-lift. **Managers followed a process that required maintaining services while submitting proposals for a 10% departmental budget reduction, looking for efficiencies, and considering how their budgets incorporated the Library's priorities.**

Director's Team's Approach

The Director's Team does not approach departmental budgets using traditional budgeting assumptions (i.e., next year = current year + inflator).

Instead, it applies proven techniques from activity-based budgeting. This ensures that:

- Budgeting is linked to Library priorities and strategy.
- The current year's inefficiencies and operating assumptions do not automatically carry forward into the next fiscal year without scrutiny.
- Continuous improvements are required of Managers, including workload distribution—how to get the same work performed with less labor, or freeing up labor to perform emergent work.
- Managers focus on identifying and eliminating root causes of inefficiencies, workload, and high costs of procurement or services.

To these ends, Managers justify current funding levels; there were no automatic increases made to any maintenance and operations line items. Managers succeeded in submitting across-the-board reductions of 10%; however, the Director's Team carefully evaluated all reduction proposals; some were not implemented, as they would have greatly affected services.

Budget Method

The 2015 budget was developed by applying the following method:

1. The Administrative Team discussed service priorities, fiscal realities, and developed strategies.

2. Managers were advised to plan and budget for 2015 services during the 2014 mid-year budget process.
3. Projected revenues were calculated in July 2014, from initial indicators of property value assessments.
4. The Director's Team updated the Library's five-year cash flow driver.
5. Managers were given the Executive Director's guidance on how to create their budgets in light of major budget reductions.
6. Managers developed and submitted operating budgets. Certain line items were called out for sub-itemization and analysis.
7. Managers collaborated to create and present capital projects, using an improved process.
8. Managers presented their budget proposals to the Director's Team.
9. Second drafts of departmental budgets were calculated and adjustments were made.
10. The Library received Pierce County's preliminary tax certification, which contained revenue calculations for 2015.
11. The Director's Team reviewed the compiled list of reductions and additions and calculated a draft budget that was balanced. The Implicit Price Deflator was received. As it was over 1%, it did not affect revenues.
12. The Director's Team finalized an implementation of \$2.4 million in increases.
13. The balanced 2015 draft budget (operating and capital) was presented at the October 2014 Board of Trustees meeting. No use of cash reserves was necessary.
14. The 2015 draft balanced budget was presented at the November 2014 Board of Trustees meeting for public hearing and first reading. The public was invited to comment.
15. The Director's Team made adjustments to departmental budgets, as needed.
16. The 2015 final budget was presented at the December 2014 Board of Trustees meeting for public hearing and second reading and final passage. The public was invited to comment on the final budget.

17. If Pierce County submits amended property tax certifications at the end of December 2014, the Library will recognize those during the following summer’s mid-year budget process. It will not amend the budget approved during the December 2014 Board of Trustees meeting. (The Pierce County Treasurer Assessor provided one amended certificate, which was submitted.)
18. The 2015 budget book was published in February 2015, and made available to the public via the website.

others. Because the Library tightly manages current and future cash flow (given moving projections), the selection of budget proposals and funding requests are ranked, and then decided upon with the explicit understanding that calculations for the final budget must preserve the integrity of the three areas as established in proven practices (see page 22). See figure below.

The overall budget method ensured that Library management strategize and plan for service priorities for 2015. Two forms of budget calendars are provided in the next two pages: one showing the Gantt chart of summary-level budget activities, and the other a flow chart of key milestones and budget activities.

The Director’s Team’s principle objective during the final weeks of the budget process is to tactically balance the Operating Budget, the Capital Improvement Budget, and Fund Balances/Cash Reserves. Changes in any one area will impact the

Figure 1-6: Conceptual Triad of Budget Elements

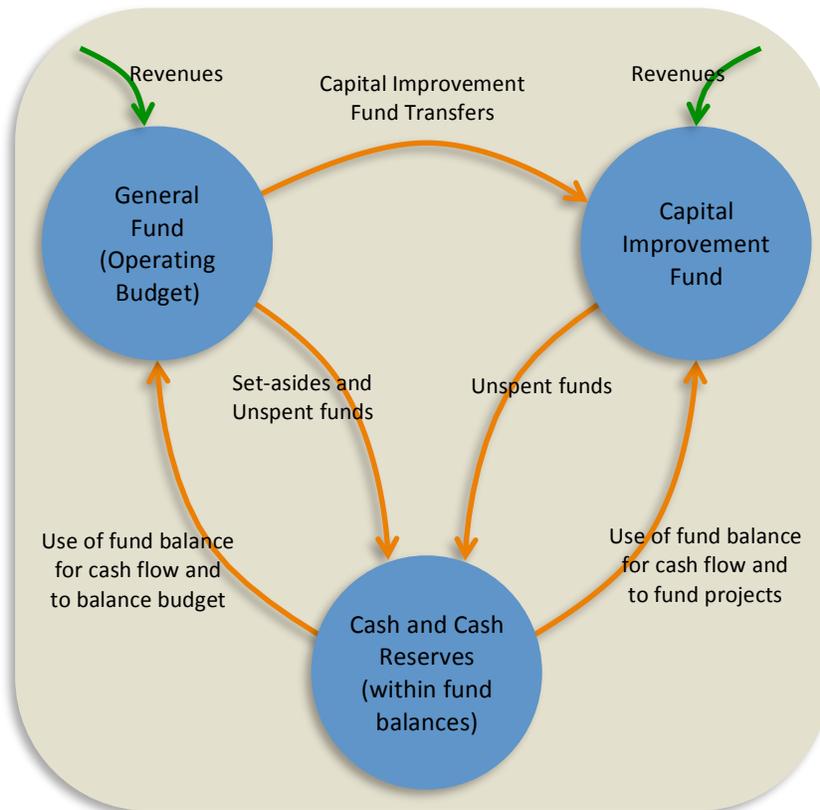
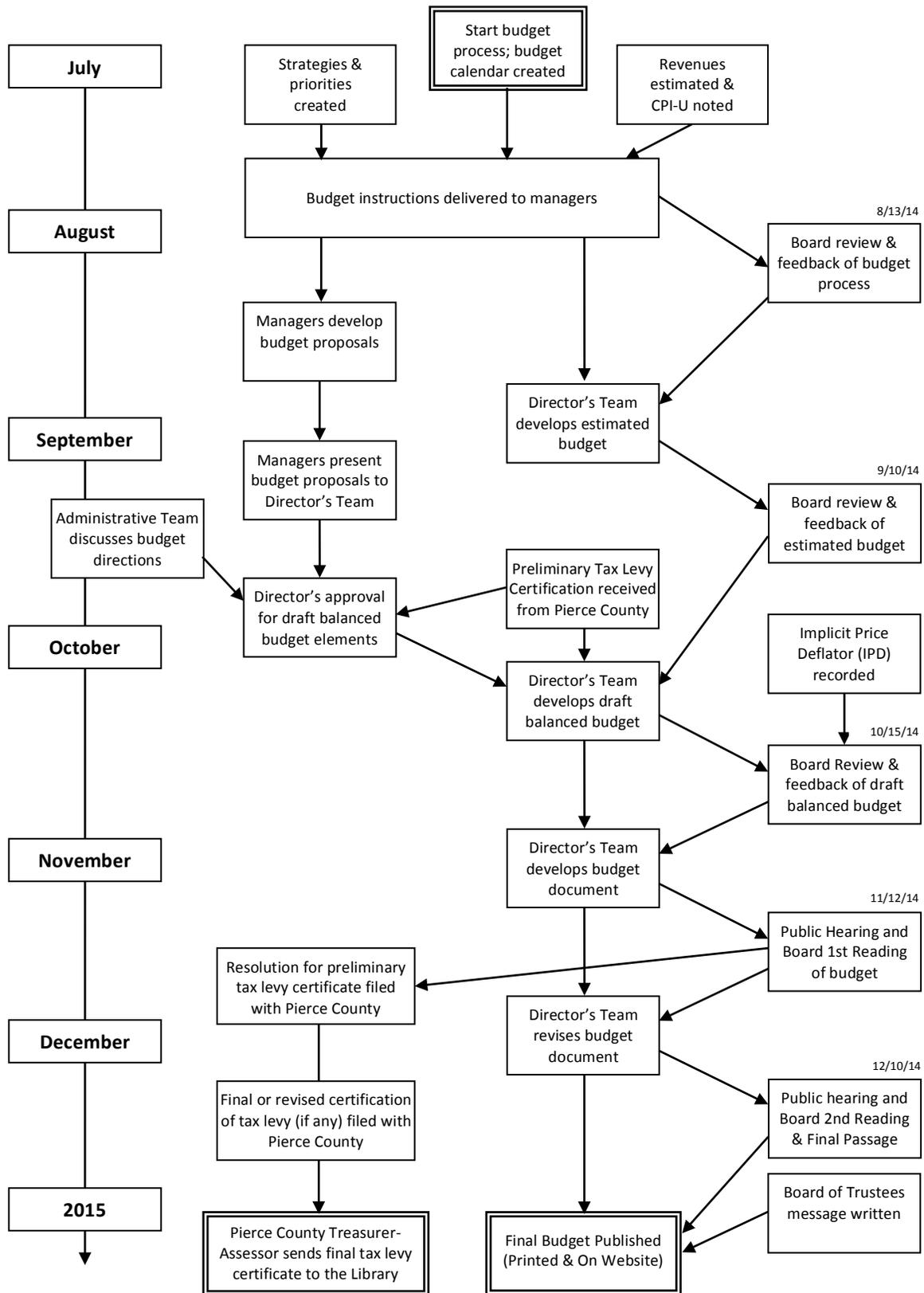


Figure 1-8: Budget Process & General Timeline



2015 Combined Funds Budget

Table 1-2: Combined Funds Budget (Expenditures)

	2013 <u>ACTUALS</u>	2014 <u>FINAL (12/11)</u>	2015 <u>BUDGET (12/10)</u>	% CHANGE 2014 <u>FINAL TO 2015</u>
General Fund (Operating)	\$ 25,490,714.37	\$ 25,654,035	\$ 28,063,748	9.39%
Capital Improvement Fund	1,957,262.65	1,224,000	XXXX	%
Debt Service (minor fund—unbudgeted)	0	0	0	0.00%
TOTAL FUNDS BUDGET	<u>\$ 27,447,977.02</u>	<u>\$ 26,878,035</u>	<u>\$ xx</u>	<u>0.xx%</u>

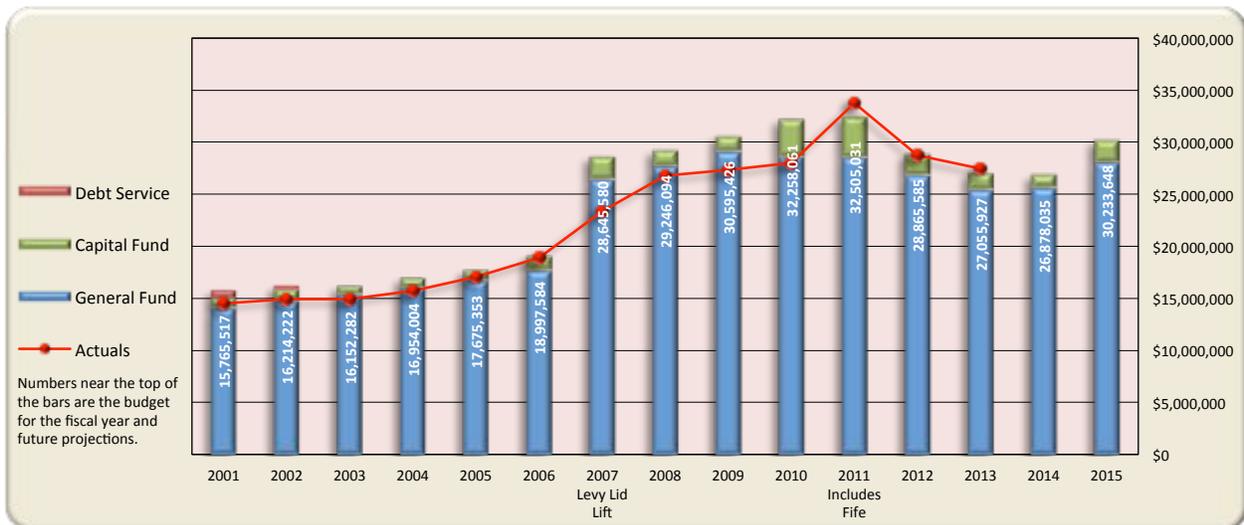
For 2015, the combined funds budget is **\$26,878,035**. Note that the Debt Service Fund remains unused because the Library carries no debt. Unlike the operating budget, the capital budget varies greatly from year to year, depending on capital improvements approved by the Board of Trustees. See table and chart below for the historical combined budget.

Each year, the Library plans the operating and capital budgets with an eye towards its mission, priorities, Balanced Scorecard, and fiscal responsibility. The 2015 budget continues that excellence by creating a budget that promotes service priorities while staying within current fiscal realities.

Table 1-3: Combined Funds Budget (2011 - 2015 Expenditures)

	2011 <u>FINAL (12/10)</u>	2012 <u>FINAL (12/11)</u>	2013 <u>FINAL (12/12)</u>	2014 <u>BUDGET (12/11)</u>	2015 <u>BUDGET (12/10)</u>
General Fund (Operating)	\$ 28,564,891	\$ 26,869,885	\$ 25,423,927	\$ 25,654,035	\$ 28,063,748
Capital Improvement Fund	3,940,140	1,995,700	1,632,000	1,224,000	XXXX
Debt Service Fund	0	0	0	0	0
TOTAL	<u>\$ 32,505,031</u>	<u>\$ 28,865,585</u>	<u>\$ 27,055,927</u>	<u>\$ 26,878,035</u>	<u>\$ xx</u>

Figure 1-9: Combined Funds Budget & Actuals



Financial Administration of the Budget

Provided in this chapter is a brief overview of the financial administration of Pierce County Library System.

Accounting method

The Library is authorized by the Washington State Auditor to use the “Cash Basis” accounting method for all Library funds. This means all transactions are accounted for when they are either received or paid. The specific accounting method applied in the Library is the Washington State Budget, Accounting and Reporting System (BARS). The Library does not report using General Accepted Accounting Principles (GAAP).

Fiscal year

The Library operates on a calendar fiscal year, from January 1 through December 31. The Library employs a “13th month” for its fiscal year to account for payments and receipts that occur between January and December, but not yet processed as of December 31. The 13th month includes January of the following fiscal year but may extend into February as needed. The Washington State Auditor stipulates that all items purchased be received on the premises by December 31, invoices received and approved for payment within the first two weeks of January, and payments made by the end of January.

Funds

The Library uses three funds, two of which are major (a major fund is defined as a fund whose budget of revenues and expenditures are approved by the Board of Trustees by resolution; a minor fund has no budget of revenues and expenditures—it is inactive for all intents and purposes).

- **General Fund (for the operating budget):** The general fund—a major fund—is used for receiving nearly all revenues that come to the Library. All ongoing operations, such as salaries, benefits, payments and purchases for supplies, equipment and services, training, utilities, fees, etc., are paid out of the general fund.

The General Fund is distinct from the operating budget, as the latter does not record Board approved unbudgeted fund-to-fund transfers. These transfers are generally performed after the annual report is issued in May and unanticipated revenues and savings from the prior year are

recorded, then some portion moved to the Capital Improvement Fund, per the Fiscal Management policy.

- **Capital Improvement Fund (for capital projects):** The Capital Improvement Fund—a major fund—is a separate fund used to receive transfers of funds from the general fund and other one-time revenues, such as special purpose grant monies and donations. Expenditures out of the Capital Improvement Fund pay for such projects as improvements to buildings, major improvements to services, major equipment purchases that are not routine. Salaries and wages are generally not paid out of the Capital Improvement Fund.
- **Debt Service Fund:** The debt service fund—a minor fund—is used to receive any bond/debt related revenues and payments. At this time, Debt Service Fund is not considered a major fund because the Library carries no debt and is making no payments.

Each fund may contain restricted and unrestricted uses, and these are clearly identified in their description within this budget document. All funds are reported to the Washington State Auditor in the Library’s annual report. All funds are audited. Beginning in 2011, the Washington State Auditor requires reporting of restricted and unrestricted funds, and this budget document will be used to identify those elements in the annual report.

Because the Library is a special purpose taxing district (junior taxing district, having similar taxing authority to firefighting districts) with its own taxing authority, funds are appropriated differently than how a city appropriates funds to a city library. When the Library certifies the property tax levy, the Pierce County Assessor-Treasurer approves the final property tax that is levied on property owners.

The Board of Trustees is authorized to create other funds as needed. See the table below for departments authorized to use each type of fund.

Table 1-4: Department Use of Funds

DEPARTMENT	2015 GENERAL FUND	2015 CAPITAL IMPROVEMENT FUND	2015 DEBT SERVICE FUND
Executive Office	✓	✓	
Customer Experience	✓	✓	
Materials and Reading	✓	✓	
Finance	✓	✓	✓
Information Technology	✓	✓	
Facilities Management.....	✓	✓	
Marketing & Community Relations	✓	✓	
Fund Development	✓		
Staff Experience	✓		

Fund Balance

All Library funds (General, Capital Improvement, Debt Service) have the simple definition of the existing fund balance from December 31 of the previous year as reported to the State Auditor, plus the net of new revenues and actual expenditures of the current year (the Library has historically recorded an annual credit in the General Fund, but it fluctuated considerably for the Capital Improvement Fund), debit/credit any adjustments at the end of the current year, minus use of fund balance to pay for expenses (in particular, operating and capital).

Treasury and Banking

Washington State law appoints the Pierce County Assessor-Treasurer to act as the official treasurer for the Library. Revenues from property taxes and other public sources (such as Private Harvest Tax) are held and released by the Pierce County Assessor-Treasurer. Expenses are redeemed by the treasurer. The Library is authorized to create and manage bank accounts as needed to conduct business. Bank accounts are used for payroll processing, receipt of branch fines and fees revenue, and other electronic transfers to agencies, such as the IRS and Washington State Department of Retirement System. However, all transactions must eventually be recorded with the treasurer. The Pierce County Assessor-Treasurer also acts as the investment pool for available Library funds.

Budgeting

The Library budgets all funds according to the “cash basis” budgeting method and such budgets are reported to the Pierce County Assessor-Treasurer Office and to the Washington State Auditor. Therefore,

the Library uses the same basis of accounting for both budgeting and annual reports. Due to the timing of final budget approval and reporting, compared to the fiscal year annual report (five months apart), only estimates are given for ending and starting fund balances based on the most accurate information available at the end of November and prior to the final budget approval in December. The Library uses the mid-year budget process conducted between June and July to reconcile the actual fund balances with the originally approved budget estimates (mid-year budgets are not reported to the Washington State Auditor). Prior to receipts of property tax revenues in April and in October, the Library uses existing fund balances—which are unbudgeted but allocated as restricted funds—to cover payments as needed.

It’s not uncommon to have capital projects with multi-year contracts or schedules. In such cases, the Library “rolls over” the contracts from year to year and every attempt is made to be accurate during the budget process to predict the balance of contracts that need to be rolled over. With some exceptions, the Library encourages its managers to have all contract encumbrances satisfied by December 31. Remaining contract values are reopened for the current fiscal year. All encumbrances are zeroed out prior to the annual report.

Grants and restricted donations at times span fiscal years. Grant and donation revenues generally are not rolled over from year to year, and any balance of such revenue release into the ending year fund balance. When this happens, the balances of grant funds and restricted donations are estimated and their purpose is budgeted as expenditures irrespective of source of revenue. Wherever possible, the Library makes all efforts to receive grant and donation revenues closest to the time of procurement and payment.

Budget Amendments

The operating budget is only amended during the mid-year budget process. Outside of the mid-year, the Library's practice is not to transfer funds to/from departments or among line items, even if the bottom line remains the same. During the mid-year budget process, Managers review priorities, changes, and assess budgetary needs through the end of the year. Fiscal year revenues are adjusted accordingly based upon receipts and current estimates. A balanced budget is proposed to the Board of Trustees in the July Board meeting, during which the Board considers and takes motion. Bottom line mid-year savings are clearly identified and sometimes allocated, but otherwise flow to the general fund balance at year-end. The capital improvement budget may be amended throughout the year due to the nature of capital projects and capital needs, including emergency purchases. Library management periodically provides revised capital budgets to the Board of Trustees, of which the Board considers and takes motion.

Annual Reports

Every year, the Library reports to the Washington State Auditor its prior year's annual fiscal results. Reports include a statement of revenues and expenditures, broken down by fund, a statement of cash, and other information as required by law. Notes are provided. All annual reports submitted to the State Auditor are available online at www.sao.wa.gov. The Library provides a comprehensive report to the Board of Trustees during the May Board meeting.

Audits

The Washington State Auditor conducts a biennial audit of the Library's accountability and finances using the Governmental Auditing Standards (GASB), and conducts a "cash basis" audit. Typical audit areas include:

- Open Public Meetings Act and reporting
- Cash receipting
- Internal control
- Agreements and contracts
- Public Work projects
- Purchasing
- Banking activities
- General accounting, financial handling, and financial statements

- Compliance with applicable Washington State laws and regulations
- Other areas of auditing interest by auditors, management, and Board members

Auditors begin in October of every other year and conclude their work two to three months later. One or more Board of Trustee members are asked to participate in both the audit's entrance and exit interviews with Library management and state auditors.

The latest audit for the 2011-2012 fiscal years concluded with its exit interview on December 5, 2013. Auditors reported that:

- There were no uncorrected misstatements in the audited financial statements.
- There were no material misstatements in the financial statements corrected by management during the audit.
- No significant deficiencies in internal control over financial reporting were identified.
- No instances of noncompliance were identified that could have a direct and material effect on the determination of financial statement amounts.

The audit concluded with an unqualified opinion, a clean audit with no findings and no letters.

This concluded the 16th consecutive clean audit spanning three decades (there were single-year audits). The next audit for 2013-2014 will commence in late 2015.

Pierce County Library audit reports are available online at www.sao.wa.gov.

Financial System

Tyler Technologies' "Eden" products are used to manage the Library's finances, accounting, human resources, and other administrative tasks. Eden was implemented in 2007. No major changes occurred to the system in 2014 and none are planned for in 2015.

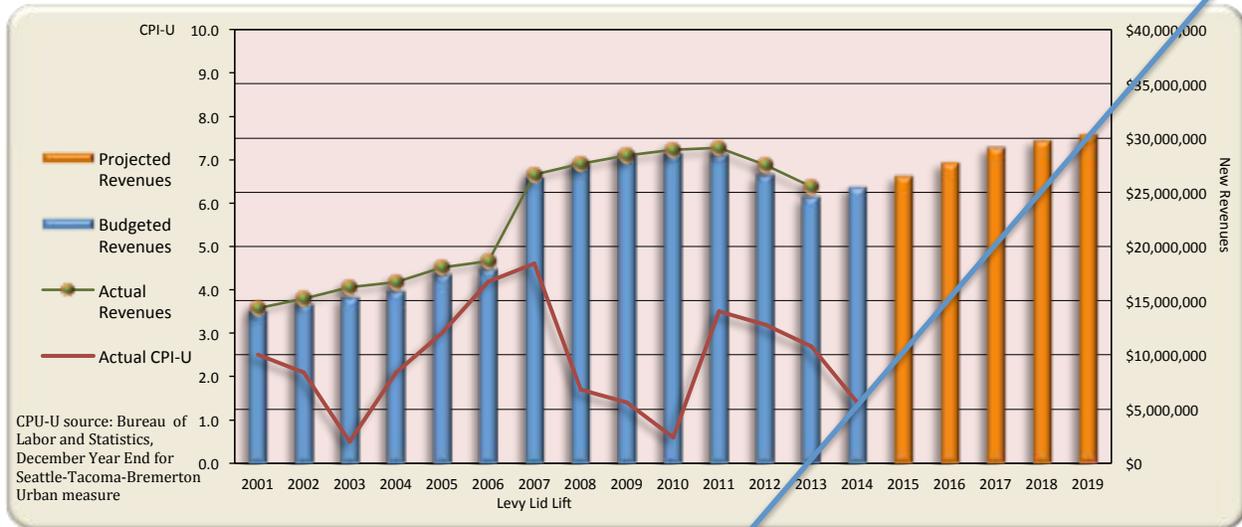
The auditor requires Eden records be reconciled with all bank accounts and with the Pierce County Assessor Treasurer' system.

Strategic Planning & Measures

Strategies to Meet Fiscal Challenges

UPDATED IN DECEMBER

Figure 1-10: Revenues vs. Consumer Price Index-Urban (CPI-U)



Fiscal Reality

The above chart shows budgeted new revenues, projected new revenues, actual new revenues (green line), and the Consumer Price Index Urban (CPI-U, red-line). The fiscal challenge facing the Library is that revenues may be increasing (or are flat) during the next five years, while cost increases do not abate. At the end of 2013, the CPI-U from December 2012 to December 2013 was 1.3% for the Library’s region. Actual revenues received were slightly higher than budgeted revenues because the Library maintains a conservative and responsible practice of not overestimating revenues.

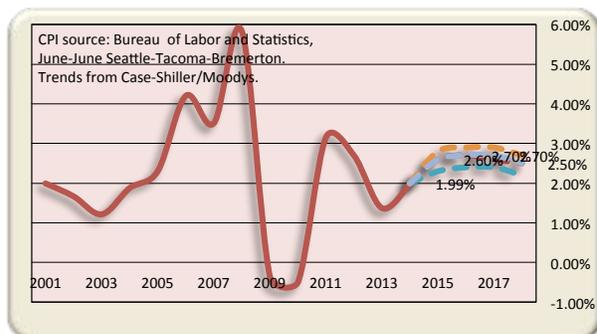
Long-Term Outlook—2015 and Beyond

It is generally believed that the current fiscal reality is the new reality and is permanent. Growth in property values will not return to levels seen in the 1990s and 2000s. To determine future property values, the Library used the Case-Shiller index for all of Pierce County (Case-Shiller data is purchased from Moody’s Analytics). The Library originally projected that after 2017, property values in Pierce County will increase nominally at up to a 2% per year rate. However, the Library is using the Case-Shiller data for projections and is creating trend analysis to match this data with actual property value assessments. The County Assessor’s preliminary property value increase showed a 2.94% increase, which compares favorably to the

Case-Shiller data for Pierce County at 3.13% increase. Cash-Shiller data suggests future property value increases of around 4% to 5% per year. Given the continuing concern of the economy and the housing market, the increase may or may not continue. At the end of 2014 we will know how accurate the Case-Shiller data continues to compare to the Treasurer-Assessor’s levy certificate.

The regional Seattle-Tacoma-Bellevue Consumer Price Index (CPI-U) is expected to increase by 7.6% between December 2013 and December 2016. Per the chart below, this regional CPI is expected to rise for 2014 and is estimated between 2.0% and 2.6%. In 2015, the range is between 2.3% and 2.8%.

Figure 1-11: Regional CPI-U Trend



The national housing price index is forecasted to grow by an average of around 8% per year (Case-Shiller) for the next two to three years. Regionally in Pierce

County, this may be a high forecast because Pierce County housing values have been hit particularly hard compared to the rest of the nation. The Library continues to review the data from Case-Shiller to more accurately predict housing values in the Library’s taxing district.

This financial information has a long-term effect on the Library and its partners: revenues will be flat and expenses will increase.

Strategies for Addressing Fiscal Challenges

Many strategies are discussed in this document, including efficiencies, cost control, and techniques for budgeting closer to actual costs (e.g., personnel). Other efficiencies were attained to prepare us for 2015. Each year is studied carefully and costs weighed to balance between reductions and services. Strategies include:

- Increasing non-property-based tax revenues.
- Reviewing the salaries planning budget and comparing it to actual project costs to thoughtfully factor in personnel turnover, such as unfilled positions.
- Analyzing and proposing cash reserves for closing the gap to balance the budget after all efforts were taken to reduce costs, and any further cost reductions would reduce services and affect customers.
- Implementing efficiencies.
- Evaluating return on investments, especially in the Capital Improvement Fund, to ensure that the projects implemented are the projects with clear benefits, quantifiable in terms of savings or reductions in recurring costs, or promoting and communicating clear customer service improvements in accordance with Library priorities.
- Reducing the capital improvement fund transfer from the general fund.
- Conducting studies (outlined below).

Strategic Studies

A key strategy for 2015 is conducting broad-based studies of library operations. Examples of these studies are:

- Implementing improvements to data gathering and analysis, so that managers can efficiently and effectively monitor key elements of their operations and make changes quicker.

- Surveying our customers to understand what they value and what is less important.
- Conducting a Technology Planning Process to determine what technology services that are needed for the next two years.
- Analyzing staffing and operations to further cost savings.
- Assessing ongoing facility conditions and future capital needs.

Balancing the 2015 Budget

A major task for the 2015 budget was to address the \$2.4 million budget increase. Revenues came in higher than in 2014, which made up for operating costs that exceeded revenues, and expenditures were projected to add \$1.1 million to the budget problem. The Library addressed this \$2.4 million increase by...

- Increasing the materials budget\$ 278,000
- Restoring the capital transfer to 3%587,000
- Reducing the adjustment to personnel.....72,000 costs to match projected actuals to 2.5%
- Added leadership training & surveys182,000
- Increasing network bandwidth300,000
- Net of all other changes X,XXX,XXX
- TOTAL.....\$2,400,000

General Library Strategies

See the next section regarding the Balanced Scorecard.

REPLACED IN DECEMBER

Strategic Framework Using the Balanced Scorecard

“...the Balanced Scorecard is a philosophy of management – strategy – the way in which you manage your library. By using the language of measurement to describe your strategy and to guide your day-to-day actions, your chances of successfully executing your mission are dramatically enhanced.”

--David P. Norton, September 2004

The Pierce County Library System’s vision is to be “the community’s choice for the discovery and exchange of information and ideas.” To make wise choices and to focus limited resources in the areas most critical to success and excellent service, PCLS chose in 2005 to implement the Balanced Scorecard as its strategic management and measurement tool. This tool helps the Library determine how it will know when it has achieved a goal or its actions and choices have made a difference. It allows the Library to measure, evaluate and visibly demonstrate how well it is doing.

The Balanced Scorecard was developed at Harvard University and has been in use since the 1990s in the for-profit sector as well as by government agencies,

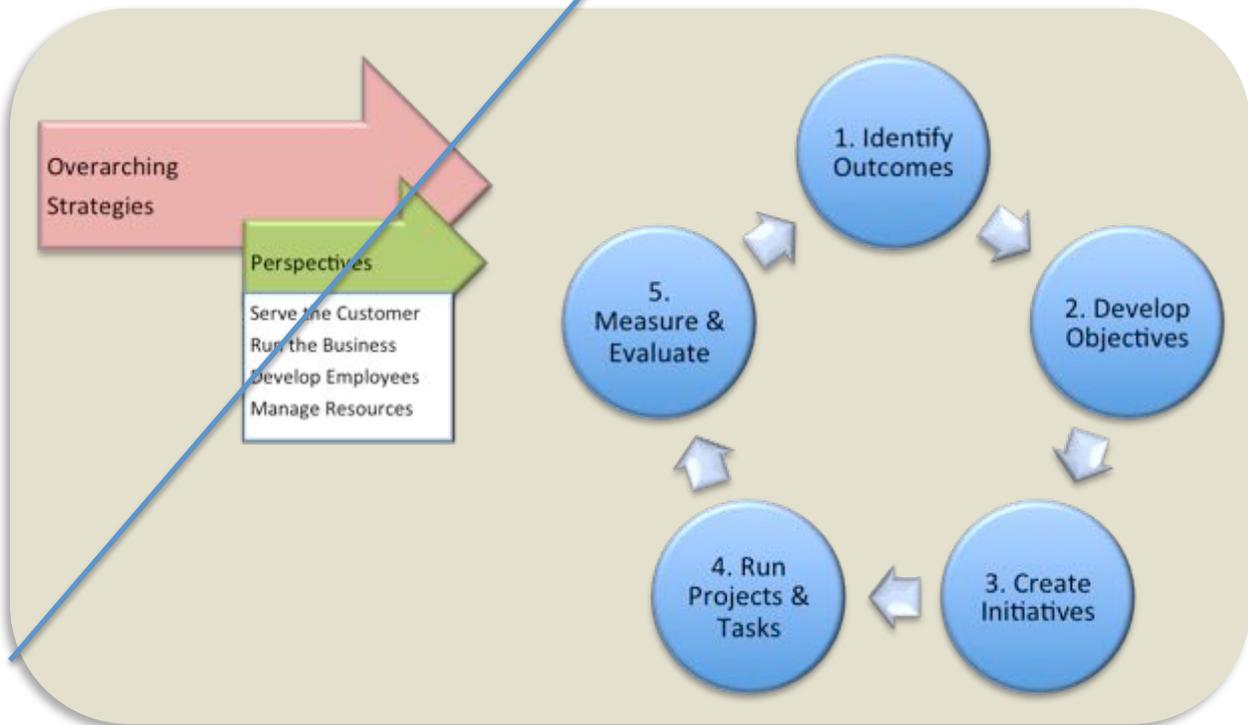
including the State of Washington. Many libraries now use this planning, reporting and decision-making tool.

The Balanced Scorecard considers all areas of operation when making choices in what to do and how to allocate resources. The Library examines four perspectives (notations in parenthesis are the standard terminology used in the Balanced Scorecard):

- Customer (Serve the Customer)
- Internal Processes (Run the Business)
- Learning, Innovation and Growth (Develop Employees)
- Financial (Manage Resources)

Pierce County Library is now entering its 8th year in using this system. The Library’s system-wide Balanced Scorecard has been a part of the budget process since inception and has been documented in the budget each year. It played a key role in crafting the Levy Promises. See the figure below for the Library’s Balanced Scorecard process.

Figure 1-12: Pierce County Library's Balanced Scorecard Process



Overarching Strategies

By regularly assessing strengths and weaknesses within these four perspectives and applying the Library's functional strategies, four system-wide strategies emerged and have been in place since 2006:

- Remove access barriers
- Extend service to target populations
- Meet changing marketplace needs
- Serve the customer well

These have been in existence since 2005, and have changed little. Note that the Library Priorities are similar.

Beginning in 2013 the Overarching Strategies are being driven by the Strategic Framework, discussed in the proceeding sections.

Outcomes Through Priorities

The Library uses a process in which the Administrative Team establishes priorities for departments to partner with each other to work on. Service priorities determine the work, tasks, and outcomes that other departments must conduct or meet.

Objectives and Initiatives

Objectives and initiatives come from the establishing of departmental priorities, which are driven by system-level priorities. The Administrative Team reviews departmental priorities twice during the fiscal year to understand each department's work and ensure it meets the needs of the system.

Measurements

A key area of the Balanced Scorecard is measuring the Library's multitude of data and measures. The Library has always maintained a plethora of measurements to drive or report its performance; they've been part of the Library's decision-making process prior to the Balanced Scorecard.

Staff identify methods to measure success and set targets to measure progress. Progress is then documented and reported to the Board of Trustees, the public and staff, quarterly and annually.

In 2011 the Library purchased software that will assist in capturing, storing, and reporting accurate operational and performance data, choose objective

metrics from among this data, and then set and monitor goals for improvements for the system and its departments. The new software will reduce the time it takes to manage and organize the data.

Customer Perspective: Serve the Customer

In 2009, the Library developed an innovative approach in customer service. The "Experience Model" is built on the latest studies regarding customer experience. The Library employs three key aspects to its Experience Model, all in the customer's voice, to provide an excellent customer experience when using the Library:

1. Help me get started
2. Get me unstuck
3. Keep me interested

In service delivery and budget crafting, The Experience Model drives a variety of important decisions. An example of a recent decision made was to implement the concept of "Reference Triage" by changing the work of the Adult Services Librarians (previously known as Reference Librarians). Instead of the librarians focusing on all three aspects of the Experience Model, over a hundred non-librarian employees were trained to help answer many questions to help customers get started and unstuck. Librarians were then able to focus on complex aspects of library service, including keeping customers interested, engaging in the community, and drawing in new faces.

Learn, Innovation & Growth Perspective: Develop Employees

The Balanced Scorecard starts with organizational readiness: "How will we sustain our ability to change and improve in order to achieve our vision?" In a world of rapid and constant change the Library must be in a continuous learning mode to adapt quickly to changing needs, to interests and demands of the public, and to how work is performed. The ability of staff to creatively approach work processes, to adapt to change and innovate is critical as the economy changes the environment in which we work and provide service. An example of "The Learning Culture" was the Library's concept of implementing Learning Plans for all employees. This initiative began in 2010 and set the stage for future development of the learning culture.

Financial Perspective: Manage Resources

As evidenced throughout the budget document, the Library faced considerable fiscal challenges since 2010. The Library greatly emphasized the need to implement efficiencies and cost savings in its operations without affecting services, if not improving service delivery. See the Efficiencies discussion below for examples of this Balanced Scorecard Perspective in motion.

Internal Processes Perspective: Run the Business

This perspective goes hand in hand with the other three perspectives; it specifies how we do things. Process modernization and technology are heavy aspects to the Library's implementation of this perspective. The Executive Director's 2015 four priorities speak highly to this. Organizational skills, such as project management, project portfolio management and other techniques are a key part to improve the effectiveness and make predictable the outcome of tasks and projects.

A significant part of improving internal customer focus was to implement improved management coaching skills. To this end, since 2011 the Library has invested and continues to invest in coaching workshops and training, and the Library is committed to applying these skills in 2015 for staff to provide better service among each other.

Strategic Framework

The Library actively engages community members to learn what they value for themselves, their families, and the community. This valuable information guides the Library as it plans for the future. As the levy work progressed, the Library focused its community engagement process on understanding what community members wanted from and for Pierce County Library System in the future. Over an 18-month period, 5,000 people and community leaders helped build a vision of the activities and role of Library facilities and services in the coming years, described in Pierce County Library 2030: Facilities Master Plan (this is described in *Pierce County Library 2030: Facilities Master Plan*).

As we achieved goals set with the Balanced Scorecard, and with regular, evolving input from the public, we realized we needed a flexible tool to focus and guide the Library's decisions, choices, priorities, and services. In 2013, the Library used the Balanced Scorecard, Pierce County Library 2030, experience from achieving the Levy Promises, and considerable community input

to design the Strategic Framework, which helps prioritize the services, the work, and things measured.

During the Levy implementation, the Library's budget grew from \$13 million to nearly \$30 million, with resources, staff, and attention focused clearly on helping the community achieve and thrive, and on delivering the experiences and services that customers told us they valued, needed, and wanted. The Library looked at how performance was evaluated and work done and delivered. Customers wanted the Library to go beyond counting how many books they checked out; they wanted us to focus on results. The Strategic Framework helps guide staff as they identify and create measurements that inform us on the results and outcomes that Library staff work on to serve the community well.

Putting it all Together

While working on fulfilling the levy promises, the Library focused on building a solid foundation that would ensure its finances, operational processes, staff, and resources continue to support its ability to successfully reach current and future goals. The Library used the Balanced Scorecard to examine all critical areas of operation in a balanced manner when making important decisions and allocating resources.

In conclusion, the Library used the Balanced Scorecard to focus efforts and resources to serve the customer, run the business well, develop employees, and manage financial resources. The following pages show the graphical figures of the Library's Balanced Scorecard and the Strategic Framework.

Colors of the Island

Red, delicious highland cranberries melting in my mouth
 Orange, the island sunset of hazy sun stained clouds
 Yellow, like the dashes on the road not far from here
 Green, when fresh, wild pear is abundant on the tree
 Blue, how the lake water glimmers in the morning sun
 Purple, lavender in the garden outside my window
 Black, ash and smoke from the fire
 White as the clouds meandering above
 All the colors of the island blend into one perfect place

Gabriel Carlson
 Kopachuck Middle School

**2013 Our Own Expressions
 7th & 8th Grade Poetry Winner—1st place**

Figure 1-13: Balanced Scorecard

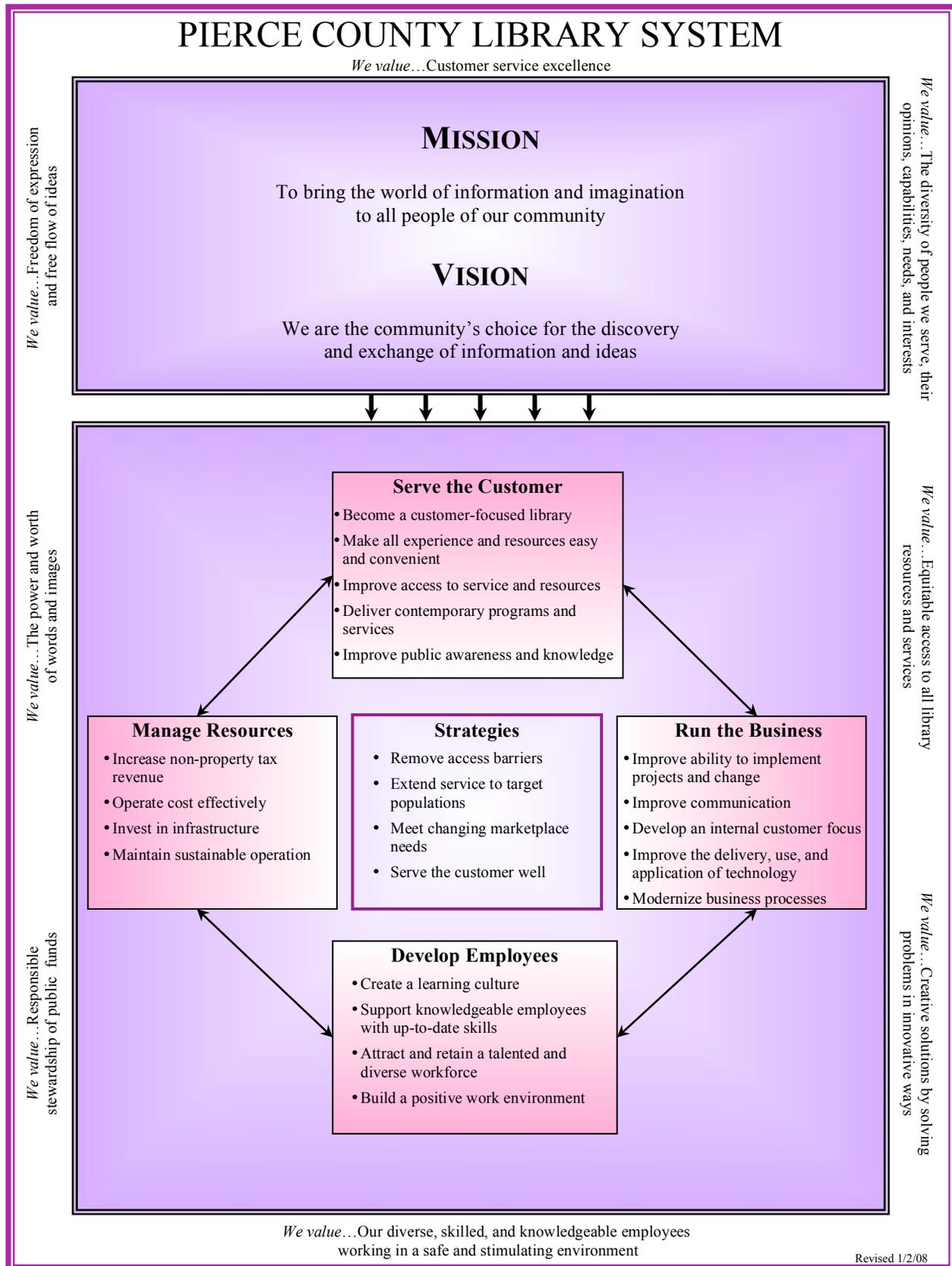
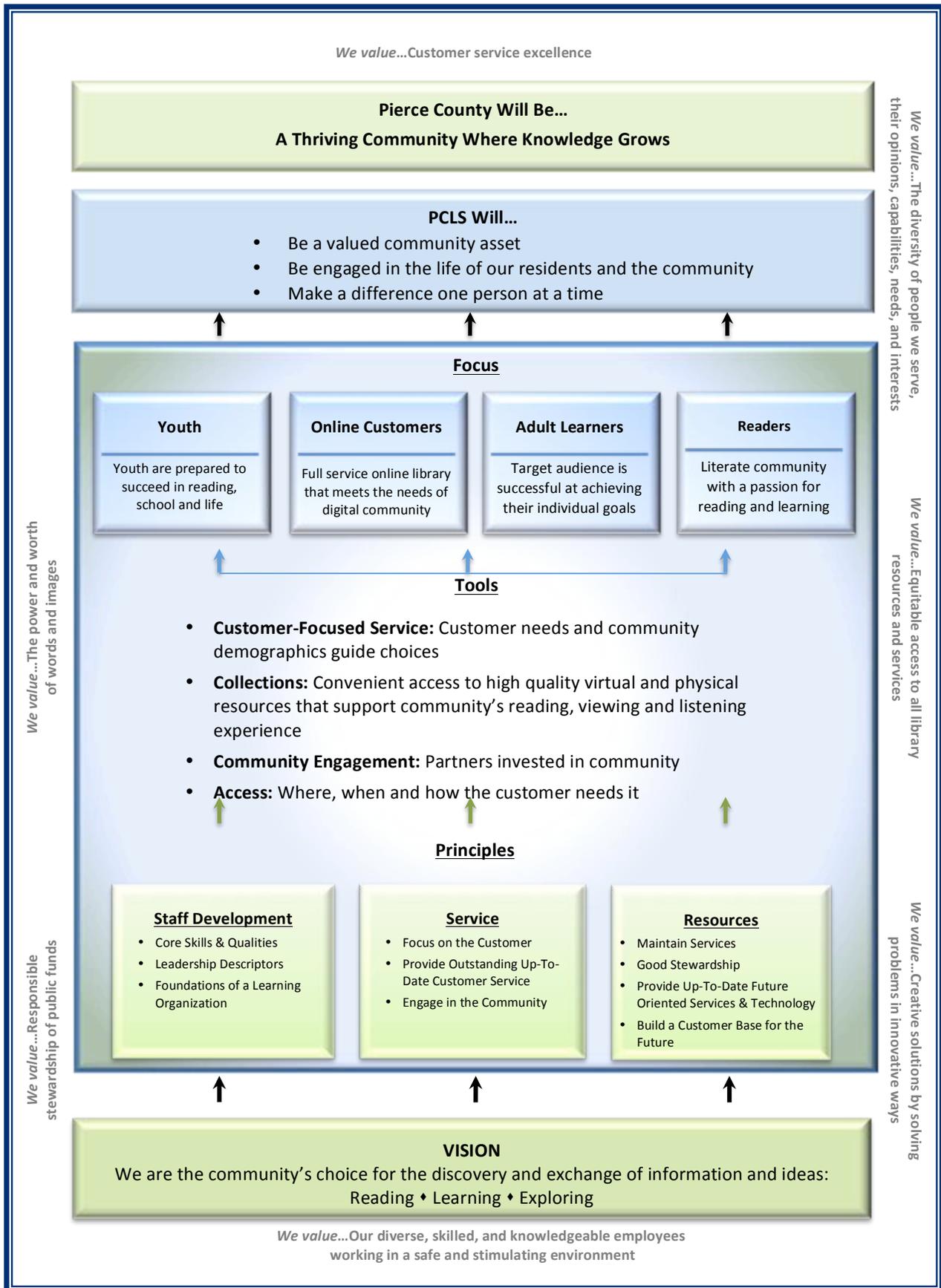


Figure 1-14: Strategic Framework



REPLACE WITH GRAY BOOK IN DECEMBER

System Measures

In 2015, a new system metrics will be added to some of the retained Levy Promises and Balanced Scorecard to provide an ongoing look at how well the Library is operating, serving customers, managing resource, and developing skilled staff. Following the baseline established in 2014, these metrics will be monitored regularly, assessed, and reported as the Library continues to be the community’s choice for the discovery and exchange of information and ideas.

The Library will finalize the system metrics that support elements and initiatives of the Strategic Framework in early 2014. In addition to the System Measures, each department will carry a small number of internal measures, which are identified in the department pages at the end of this document.

The following table reflects the initial implementation of measurements. Once final metrics are approved, the baselines will be established in 2014 and reported in the 2015 budget along with targets.

Table 1-5: System Measures: Operations, Service, Finance, Staff

How well are we operating? (Run the Business)	How well are we being used? (Serve the Customer)	How well are we meeting the public’s expectations of us? (Serve the Customer)	How well are we managing financial resources for sustainability? (Manage Resources)	How well are staff prepared to grow and innovate? (Skilled Staff)
% of actual to budgeted expenditures	Total checkouts ¹	Rating overall customer satisfaction	Personnel ² costs as percent of total operating budget	Staff turnover rate
Cost per checkout	Total visits ³	Overall customer satisfaction with staff	Number of active donors	% of training cost to payroll cost ²
# of consecutive years without an audit finding	Active cardholders as a percent of population	% of customers who would recommend the Library to others	Contributions from gifts, grants, and giving	% of customers rating customer service by staff as good or excellent
Total open hours per week	Total annual unique users	Total checkouts of downloadable items	#of months of operational expenses in fund balance	-
Operating expenditures per capita	Questions answered per capita	# of minutes downtime of critical technology	# of years of capital improvement funding available	-
Average age of facilities	-	-	-	-

Notes:

1. Includes checkouts of all types and categories, including eBooks.
2. Includes wages and benefits.
3. Includes visits of all types, including virtual visits.

The calendar below shows the combined tasks that occur during a fiscal year, juxtaposing strategic tasks, formal tasks, and administrative tasks.

Table 1-6: Strategic & Budget Planning Process

Month	Strategic Tasks	Board Tasks (PKT / MTG)	Fiscal & HR Tasks
JANUARY	NEW STRATEGIC FRAMEWORK IMPLEMENTATION		<ul style="list-style-type: none"> · (JANUARY 1) Fiscal year begins · Previous fiscal year closed
FEBRUARY		<ul style="list-style-type: none"> · Published budget document 	<ul style="list-style-type: none"> · Finance Department finishes out previous fiscal year
MARCH			<ul style="list-style-type: none"> · First estimate of ending fiscal year performance
APRIL			<ul style="list-style-type: none"> · Final corrections made to previous fiscal year · Draft annual report created and distributed to Communications Department
MAY		<ul style="list-style-type: none"> · Previous fiscal year report · Review previous fiscal year report 	<ul style="list-style-type: none"> · Final annual report sent to State Auditor
JUNE		<ul style="list-style-type: none"> · Mid-year budget, CIP, and cash flow 	<ul style="list-style-type: none"> · Mid-year budget process begins; budget papers sent out · Preliminary assessment of property tax assessments announced by County; mill rate estimated · Mid-year budget papers received; budget created; decisions made
JULY		<ul style="list-style-type: none"> · Mid-year budget, CIP, cash flow, budget & CIP resolutions · (ACT) Approve mid-year budgets 	<ul style="list-style-type: none"> · June-June CPI-U from BLS available; Union informed · Mid-year budget entered into financial system · Next fiscal year's budget calendar created
AUGUST		<ul style="list-style-type: none"> · CPI-U information, next fiscal year budget calendar · Board reviews budget calendar 	<ul style="list-style-type: none"> · Benefit information received from providers · Fiscal year budget process begins; budget papers sent out with instructions · Estimated budget created
SEPTEMBER		<ul style="list-style-type: none"> · Estimated budget · Board reviews estimated budget; discuss budget priorities 	<ul style="list-style-type: none"> · Every three years (2009, 2012, 2015): Labor Contract negotiations commence with intent to end 12/31 · Managers submit budget proposals · Managers present to budget panel · Budget panel makes budget decisions · Preliminary certificate of property tax levy received · Balanced budget, CIP, cash flow created
OCTOBER		<ul style="list-style-type: none"> · Balanced budget, CIP, cash flow, Director's message · Board reviews balanced budget, CIP, cash flow; provides feedback 	<ul style="list-style-type: none"> · Budget decisions made; second draft of budget created; budget document draft begun · Certificate of property tax levy received · Budget document reviewed by budget team & amended · Benefit package created and sent to staff
NOVEMBER		<ul style="list-style-type: none"> · Second versions of balanced budget, CIP, cash flow, and budget document · (ACT) Board conducts first public hearing of budget; provides feedback; Board reviews and approves motion to certify property taxes to be levied for the following year 	<ul style="list-style-type: none"> · Benefit enrollment month · (NOVEMBER 30) Deadline to file tax levy resolution/budget certification to County · Deadline to file IPD/tax increase resolution · Third draft of budget created; budget document completed
DECEMBER		<ul style="list-style-type: none"> · Final versions of balanced budget, CIP, cash flow, and budget document · (ACT) Board conducts second public hearing of budget; Board adopts resolutions to adopt fiscal year budget and CIP; Board approves motion to certify property taxes to be levied for the following year; final fiscal year transfer to CIP · (ACT) Board may conduct special meeting(s) to approve budget changes 	<ul style="list-style-type: none"> · Managers notified to complete current year transactions by mid-January (equip received by end of December) · County may send revised levy certificate; Library recommends Board to act on it (or not) if material; if so, schedule a special Board meeting to approve revised budget and certificate; revised certificates sent to County · Budget entered into financial system; budget document in final draft form · Benefit enrollments processed · (DECEMBER 31) Fiscal year ends

LEGEND

PKT = Board packet materials CIP = Capital Improvement Plan MTG = Board of Trustees meeting
 IPD = Implicit Price Deflator ACT = Action required CPI-U = Consumer Price Index-Urban AT = Administrative Team

Part 2 Library Services



2014 Services

REPLACED IN DECEMBER

Message from the Deputy Director

May you live in interesting times. The past four years have certainly been interesting for the Pierce County Library and our communities. Throughout the recession, the Library worked hard to provide valuable services and resources. We fought to preserve open hours and to keep friendly, knowledgeable staff available to help you. We've done this despite reducing operating expenses by \$6.4 million over the course of the recession.

In addition to maintaining core services, we were able to move forward with initiatives our residents told us were important such as career assistance, student success, and support for soldiers and military families. While we're not quite out of the woods yet, 2014 is looking better. We are reducing expenditures by \$1.1 million this year, but most of the cuts are taking place behind the scenes.

PCLS will come out of the recession stronger than before and ready for new challenges, having examined its structure, services, talents and vision for the future. During the recession, the Library focused on core services, as defined by residents, and moved forward when possible in areas where the community needed us, such as job support, student success, and serving soldiers and military families. We've used this time to build connections in the community and to listen to what is needed now and in the future.

Each year we strive to be stronger than the year before. Here's a quick look at what to expect at the Pierce County Library in 2014:

Readers

Books and badges: With support from a \$150,000 Paul G Allen Family Foundation grant, readers will be able to participate in a new online reading activity that offers a fun way to customize their reading and to explore library resources and services. Beginning this Spring, readers will earn badges and prizes as

they read, use library services and discover ways to take reading beyond the pages of the book.

Serving seniors in care facilities: According to the Institute on Aging, "boredom and depression can lead to forgetfulness," and the American Academy of Family Physicians points to inactivity as one of the reasons many elderly fail to thrive. Some of the best ways to keep vulnerable seniors engaged is listening to books on tape or CD, reading, watching movies and listening to music. In 2014 the Library will deploy a new van, purchased with the support of a \$75,321 Gary E.

Milgard Family Foundation grant, to engage residents of 29 senior care facilities. Staff get to know residents' interests and offer personalized resource recommendations. They personally deliver books, audiobooks, movies, music, e-Readers and more to seniors. This service contributes to quality of life for the elderly and provides mental stimulation to help seniors remain engaged.

Learners

Microsoft IT Academy: To be competitive in the 21st Century job market, today's employees and job seekers must have essential

computing skills, as well as the ability to adapt and upgrade those skills in a rapidly changing, technology-intensive environment. The Library provides free access to Microsoft IT Academy, which offers self-paced, self-directed online classes with hands-on practice, to help learners improve their computer skills and become more proficient with Microsoft applications. Courses range from basic digital literacy to building proficiency with Microsoft software, and from web development to .NET.



Georgia Smith, Deputy Director

Open Hours

Open hours remain the same for 2014. Branches will continue to offer 973 open hours each week as well as 24/7 online access to books, movies, music, entertainment and other resources.

Citizenship: Pierce County has 76,096 foreign born residents, but only 53% of them have become U.S. citizens. In 2014 the Library will partner with Tacoma Community House to offer two citizenship classes to refugees and immigrants each quarter for two years. The 10-week courses will be held at the Lakewood and University Place libraries, which were selected

because of the percentage of foreign-born residents living in the area and using the library. The goal is to prepare 266 students over the next two years to successfully pass the naturalization test and become naturalized citizens.

Online Classes: Need to learn medical terminology to become a transcriptionist? Want to coach in a youth sports league? Interested in soap making or exploring history topics? “Universal Class” will offer over 500 free online courses on a wide variety of subjects to explore for work, school or fun.

Youth

A library card is an essential tool in every student’s wallet. The partnership between schools and the public library is critical in supporting student learning and success. Students spend 20% of their day learning and being helped by school professionals, and the public library continues by focusing on their learning after school hours. Research shows that students who read at home are more likely to perform strongly on tests of reading comprehension and writing. Students who read are also more likely to become lifelong learners and leaders.

Library Card in Every Child’s Hand: The Library will expand its work to give each student a library card as it partners with the Bethel School District in 2014. A library card gives each student 24/7 access to free online live homework tutors, research databases, magazines, encyclopedias and SAT and other test preparation help from home, mobile device or at their favorite library. In 2013 the Library began the program with the Franklin Pierce School District, and its students have borrowed more than 30,000 books and accessed electronic resources.

Science to Go: Children are natural scientists. When they ask, “Why is the sky blue?” they are engaging in a “moment of enquiry” – the beginning of any scientific investigation. Beginning this summer, children in kindergarten through third grade at 29 elementary schools will build science and learning skills through the new “Science to Go” program, which is designed to engage a child’s natural interest in science and reading. The new science literacy program will give a library card to 10,000 school-age children, help narrow the STEM (science, technology engineering and math) gap, and support Washington State’s newly adopted “Next Generation Science Standards”.

Block Play: Supporting STEM (science, technology, engineering and math) education is a part of the Library’s mission. The Library’s Block Play program was designed to give all children and families access to foundational STEM learning especially those who lack access to expensive high-quality STEM education. The program is so successful we’re doubling the number of libraries offering it from seven to 14.

Digital Customers

Over the past 18 months, the Library has investigated the current state of PCLS technology and digital services, gathered staff and customer observations and opinion, and identified future-oriented and valuable technology and online services needed by our community.

In 2014, the Library will implement a two-year Technology Plan. A new department (name still to be determined) will combine the work of the Information Technology and Virtual Services departments into one unit. The goal is to bring the infrastructure-oriented staff and the service-oriented staff together to focus on service delivery. The new merged department will identify projects to be accomplished in 2014 and 2015.

Affordable Care Act

The Library is actively involved in a community partnership to support the estimated 70,610 uninsured and underinsured Pierce County residents who are eligible for health coverage under the new Affordable Care Act. The Library’s efforts focus on connecting people to resources and assistance available to them by hosting public information and in-person assistance sessions, and providing quick access to online resources and assistance.

Helpful, Knowledgeable Staff

Staffing levels remain the same for 2014. The Library is staffed by 384 talented individuals who are committed to supporting you in finding answers, education and entertainment.

Books and More

E-Books: In 2013, libraries made progress working with e-book publishers to increase the books available for libraries to purchase, although the prices continue to be extremely high (The copy of Hunger Games: Catching Fire that you buy for \$9.99 costs the Library \$85). Last year we reduced spending on e-books to better reflect what was actually available to purchase. This year, with more selection, we’ve added money back.

Movies: Also in 2013, the budget for movies was reduced to help close the \$3.5 million revenue

shortfall. In 2014, we'll add more money into purchasing popular movies.

Downloadable movies, music and magazines: The Library will change to a new provider of downloadable and streaming music, which will also add movies for downloading to your phone, tablet or computer. And the addition of Zinio will deliver digital magazines to your device of choice. No waiting and no late fees!

Facilities

Restrooms: Restrooms at Parkland/Spanaway, South Hill, Gig Harbor, Summit, Key Center and Lakewood will be overhauled.

Lighting: Energy efficient lighting will be installed at Gig Harbor, Key Center and Lakewood. The new lighting should perform better and allow us to qualify for rebates to offset the cost.

South Hill: The Pierce County Library Foundation will launch a fund raising effort to enhance the library experience at South Hill. If fully funded, the project will include a newly reimagined reading area, practical improvements for teens and tweens, and an attractive, Friends of the Library book sale display in the lobby.

2014

No matter how you choose to use the Library, whether in a branch, online or through activities in your community, I am confident you will find knowledgeable, helpful staff to guide you on your information journey. We invite you to read, learn and explore with us.

Sincerely,



Georgia Lomax
Deputy Director

WHOLE SECTION UPDATED IN DECEMBER

System Measures: 2008 – 2013

In 2007, the Library's mill rate was raised to 48 cents per \$1,000 assessed property value when voters approved a levy reauthorization request. The Library's current approach to measurements and incorporating data and evidence into its decisions and processes began with the implementation of projects funded as a result of voters reauthorizing the Library's mill rate. The Library made four "promises":

1. Increase open hours to expand access to staff, books and resources, and facilities;
2. Add books and other materials to support reading and life-long learning;
3. Increase services for youth to support reading and building skills to succeed in school and prepare for the future; and
4. Improve customer service and technology to ensure services and technology is convenient, fast and up-to-date.

The table below shows statistics monitored during this time to evaluate how well we were delivering on the levy promises. They include 2006, the year before we began our implementation, 2007 – 2012, when we implemented the levy promises, and 2013, our most recent service year. During 2014, the Library will transition to new measurements as it looks forward and focuses on initiatives for its next few years.

Table 2-1: System Measures Overview

Measureable	2006 Pre-Levy	2007	2008	2009	2010	2011	2012	2013	
Service Area ¹ Population	497,000	509,000	522,000	534,000	544,000	550,000	554,000	558,000	
Mill Rate Levy (per \$1,000 Assessed Value)	40.02¢	48.00¢	44.25¢	44.33¢	46.95¢	50.00¢	50.00¢	50.00¢	
Operating Expenditures	Per Capita	\$36.24	\$51.90	\$53.04	\$54.53	\$52.64	\$51.94	\$48.50	\$45.56
	Total	\$18,009,440	\$26,414,980	\$27,686,105	\$29,120,826	\$28,634,961	\$28,564,891	\$26,869,885	\$25,423,927
Open Hours	737	918	918	918	926	973	973	973	

Notes:

1. Because population data is reported in the middle of the calendar year, the Library uses the previous year's reported population for purposes of benchmarks and comparisons. Beginning 2010, this number includes the Fife service area.

Levy Goal 1: Expand Open Hours

...*INCREASING OPEN HOURS* expanded access to library staff, books, resources and buildings for communities.

Table 2-2: Library Use Statistics

Measureable		2006 Pre-Levy	2007	2008	2009	2010	2011	2012	2013
Visits to Libraries (Door counts)	Per Capita	-	3.86	4.37	4.92	4.93	4.78	4.53	4.07
	Total	-	1,966,837	2,280,289	2,624,887	2,682,141	2,631,464	2,507,764	2,271,627
Active Cardholders	New	30,650	41,476	51,135	54,634	50,566	55,775	55,495	47,318
	Total	197,709	193,234	212,831	240,629	244,650	250,290	251,034	250,091
	% of Population	39.8%	38.0%	40.8%	45.1%	45.0%	45.5%	45.3%	44.8%
Unique Customers ¹	Total	104,023	104,710	115,778	149,806	124,771	126,820	155,869	125,099

Notes:

1. Does not include customers that download Library materials, such as e-books.

Soon after the Levy Lid-Lift passed, the following objectives (and more) were achieved for Levy Goal 1:

- Add Sunday services to 9 libraries.
- Add full Monday services to 11 libraries.
- Extend Thursday evening services to 6 libraries.
- Extend hours for Monday through Saturday services to 3 libraries.

Levy Goal 2: Add Books and Other Materials

...CONNECTING CUSTOMERS with good reading and the information they need is at the heart of Library services. Goals were as follows:

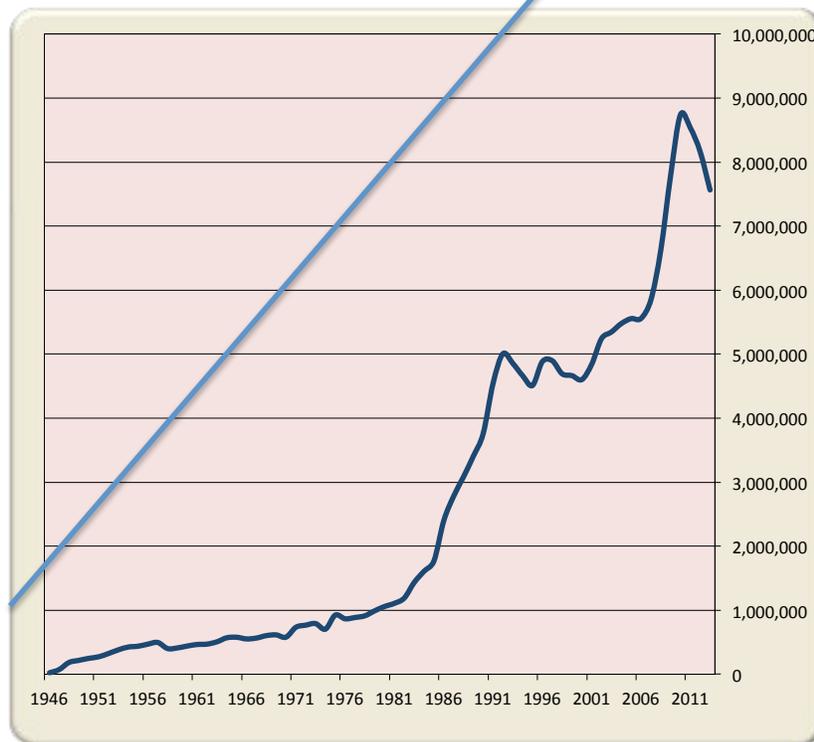
Table 2-3: Materials Statistics

Measurable		2006 Pre-Levy	2007	2008	2009	2010	2011	2012	2013
Materials Expenditures	Per Capita	\$5.93	\$8.49	\$8.43	\$8.42	\$8.34	\$8.39	\$7.49	\$5.91
	Total	2,945,334	\$4,320,675	\$4,398,545	\$4,495,037	\$4,556,650	\$4,614,145	\$4,146,795	\$3,297,075
Items Checkout	Per Capita	11.3	11.5	12.7	14.7	16.1	15.5	14.7	13.5
	Total	5,606,253	5,869,805	6,603,498	7,865,324	8,762,736	8,534,808	8,161,990	7,538,951
Downloadable Checkout	Total	5,354	14,774	29,943	55,310	107,053	268,990	539,582	601,716
Checkouts Per Customer	Average	53.9	56.0	57.0	52.5	70.2	67.3	52.4	60.3
Catalog Visits	Total	-	200,089	815,445	2,031,062	2,391,263	1,618,938	2,207,068	2,074,968

The following are some objectives part of the Levy Goal 2 promise, and were achieved after the election:

- Add more copies of popular materials to reduce wait time for books.
- Add a wider variety of books, movies, music, and other materials.
- Add downloadable audio books, music, and movies.
- Create and provide “Books Plus To Go” of popular, current books at all libraries.

Figure 2-1: Annual Circulation History: 1946 - 2013



Note on circulation chart: Since Pierce County Library System began serving residents in 1946 people have been checking out more and more books, then music, then movies, and beginning in 2006, e-books. From 1946 until 1981 growth was slow and reached 1 million checkouts system-wide in 1981. During the next 10 years the Library showed steady growth, marking 5 million checkouts by 1991, as cities annexed to the Library System, the Library opened new locations, and voters passed a \$28.9 million bond in 1986 for 12 construction projects. Checkouts remained mostly steady during the next 10 years. Then, in 2006 voters passed a reauthorized levy to maintain and expand services, and checkouts soared for the next five years, reaching a high in 2010 of 8.7 million checkouts.

Levy Goal 3: Increase Services for Youth

...SUPPORTING CHILDREN AND STUDENT reading and building skills for succeeding in school, and preparing them for the future.

Table 2-4: Youth Services Statistics

Measureable		2006 Pre-Levy	2007	2008	2009	2010	2011	2012	2013
Live Homework Uses	Total	-	3,707	11,262	11,132	14,321	11,581	7,303	7,073
Children/Teen Items Checkout	Total	1,08,998	2,121,503	2,504,464	2,762,714	2,136,459	2,265,353	2,185,356	2,050,049
Children Events/Classes	Total	1,755	2,012	3,157	3,411	2,972	2,749	2,548	3,127
	# Attending	56,336	60,442	90,219	99,367	88,488	90,225	82,265	82,170

The following are some objectives part of the Levy Goal 3 promise, and were achieved after the election:

- Significantly increased the number of youth services librarians and availability at libraries to support reading and homework research.
- Added more programs and training to help parents and caregivers support and prepare preschool children for success in school.
- Added more service to schools, including class visits and book talks.
- Add the successful Teen Summer Reading Program.
- Added an online homework help system to connect kids with online tutors.

Levy Goal 4: Improve Customer Service and Technology

...LIBRARY SERVICES AND TECHNOLOGY are convenient, fast and reflect customer preferences for contemporary library service and delivery.

Table 2-5: Service and Technology Statistics

Measureable		2006 Pre-Levy	2007	2008	2009	2010	2011	2012	2013
Public Computers	Total	95	175	239	241	384	527	567	604
	Per 1,000 Capita	0.19	0.34	0.46	0.45	0.71	0.96	1.02	1.08
Web Visits	Total	-	728,399	1,673,954	2,556,007	2,955,758	2,880,420	2,644,376	2,389,016
Computer Classes	Total	0	16	551	175	381	380	379	338
	# Attending	0	44	803	749	1,780	1,800	1,919	1,879
Reference/Research Questions Answered	Per Capita				0.51 ¹				
	Total	286,710	278,915	300,875	267,352 ¹	249,177 ²	250,000 ²	146,318 ²	139,667
Database Uses	Total	-	52,448	89,418	139,776	912,762	900,000	539,224	929,233

Notes:

1. In 2010, the Library phased in a new method for counting reference/research questions people ask.
2. Does not include statistics from Outreach or the IT Help Desk.

The following are some objectives part of the Levy Goal 4 promise, and were achieved after the election:

- Provide WiFi connectivity in all libraries and meeting rooms.
- Significantly increase the number of Internet access computers available to the public (see the table above, showing a 5-fold increase).
- Increase the number of Express Checkout stations at libraries.
- Increase network bandwidth.

A Different Way to Paint

The mystery of words is the picture they make
Without pencil, or paper, or canvas, or paint.
This image is unseen, yet it's not weak or faint.
Instead it's full of color and life; it's ornate.

Now try, if you're able, to imagine these words
Creating an image on a vast drawing board.
The design they depict is not simply explored,
But is intricate, complex, and full of rewards.

Just as paintings spark words to describe how they look,
So stories, with words, create canvases in books.
So many written sketches have been drawn through time;
I can't help but try to paint through this simple rhyme.

Tamminga Watchman
Other

2013 Our Own Expressions
7th & 8th Grade Poetry Winner—2nd place

Operating Lean

UPDATED IN DECEMBER

Operational Changes for Efficiency, Savings, and Improvement

Pierce County Library is building an organizational culture and staff that learns, adapts, looks forward, and continually improves processes, services and themselves. An organization and staff with these skills are better prepared and able to adapt and evolve, and have the resiliency and judgment to work well in a fast paced and changing environment. The Library recruits, hires, trains and coaches to ensure it has staff with qualities that will help the organization grow and reach its goals, and offer services its community and customers value.

These skills, combined with constant attention to finding and implementing efficiencies, changes and improvements, allow the Library to save and reallocate resources (especially staff time and money), and build capacity. Finding ways to do work faster, or to do less work to achieve the desired result, frees time and resources to be used on the activities, tasks and services that best support the Library's service to the community.

To provide the best service with the existing level of staffing, it is critical that each individual spends as much of their time working at the highest value level in their job. Reducing routine tasks and focusing efforts on activities that require skill, knowledge and especially interaction with customers or community, is a priority as the Library works to spend its finite allotment of time, money and resources on the right work and the right services.

A number of approaches are used to make operational changes for efficiency, savings and improvement:

- *Stop* what is no longer important, necessary or valued by the customer
- *Automate* or use technology and time saving tools
- *Work* differently to improve on how things are done
- *Empower* customers to help themselves
- *Renegotiate* better terms for similar or improved service
- *Generate* revenue to supplement tax-provided funding

As the Library developed the 2014 budget, knowing that a \$1.1 million reduction was necessary, managers developed ideas on cutting costs and saving time. Many were implemented during the year. The tables in

the following pages provide a selection of operational changes implemented in 2013.

Table 2-6: Efficiencies—Stop

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)
8/2013	Reduced manual certification by signature on all documents to just the cover sheet of batched documents	<ul style="list-style-type: none"> Finance Director no longer signs every transaction – just the cover sheet for a batch of transactions saving time 	Finance All
8/2013	Reduced manual certification by signature from all documents to cover sheet of batched documents	<ul style="list-style-type: none"> Finance Director no longer signs every transaction – just the cover sheet for a batch of transactions saving time 	Finance All
5/2013	Finance Manager stopped being primary PCARD purchaser – transitioned responsibilities to Senior Finance Spec and other Finance staff	<ul style="list-style-type: none"> Finance Manager no longer is responsible for day to day credit card purchases and transaction management 	Finance/All
4/2013	Eliminated Payroll Specialist Substitute position	<ul style="list-style-type: none"> Caused a need for more internal cross training of existing staff. Eliminated position – less money 	Finance
1/2013	Stopped putting Juvenile Patrons in Collection status	<ul style="list-style-type: none"> Few patrons being sent to collection results in less collection service fees being assessed. 	Finance
8/2013	Closed two Branch Bank Accounts and moved them to other existing banks – Branches use one of two banks rather than one of four.	<ul style="list-style-type: none"> Few choices = less confusion Less bank fees Less time spent on reconciliation and reporting Better online access to the remaining banks 	Finance Customer Experience
1/1/14	Eliminated Finance Assistant Position .80 FTE – effective 1/1/14	<ul style="list-style-type: none"> Re-distribute tasks to remaining tasks. Able to make this change because of increased efficiencies made over the years. 	Finance
11/2013	ASN (One Click) receiving	<ul style="list-style-type: none"> Receive entire box of materials by scanning a barcode instead of scanning each individual item in the box. 	Reading and Materials
11/2013	Polaris accepts RDA tags.	<ul style="list-style-type: none"> No longer have to strip RDA tags when cataloging. Saves 5 – 7 clicks per record. 	Reading and Materials

Stop—Continued on next page

Stop—Continued from previous page

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)
6/2013	Recalls are now paper free	<ul style="list-style-type: none"> When we need to recall an item, we now make a note in the item record. We are able to access that note from any computer and no longer need to fill out paper flags. 	Reading and Materials
1/2013	Cross training staff	<ul style="list-style-type: none"> More knowledgeable staff. Fewer errors. Greater understanding of R&M process as a whole. 	Reading and Materials
3/2013	Library Hotline no longer being scanned and emailed	<ul style="list-style-type: none"> Staff time is reduced every week by providing a link to Library Hotline, eliminating the need to scan the document 	Reading and Materials
6-9/2013	Stopped irrigation of lawns	<ul style="list-style-type: none"> Reduce water consumption 	Facilities
7/30/2013	Stopped sending Annual Report postcard in the mail (Stopped sending full AR in 2012)	<ul style="list-style-type: none"> Saved printing and postage 	Fund Development Marketing and Community Relations
7/30/2013	Stopped processing gifts through KeyBank by using Blackbaud	<ul style="list-style-type: none"> Saved bank fees and charges 	Fund Development

Table 2-7: Efficiencies—Automate

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)
1/1/14	Move basic Mileage payments from AP to PY and include in direct deposit	<ul style="list-style-type: none"> • Reduce warrants printed (400 +/-) • Eliminate the need for reconciling these warrants separately • Eliminate the need to file lost warrant affidavits/ unclaimed property because when payments are direct deposited they are immediately cashed/reconciled. 	Finance All
8/1/13	Changed Online timesheet – reduced form to one page plus other enhancements to the timesheet	<ul style="list-style-type: none"> • Only one page/screen to complete to submit time. (instead of two) • Resulted in less confusion and fewer errors in timesheet entry hence payroll • Total of each hour type (regular hours, holiday, vacation, etc.) is automatically displayed at top of form 	All
8/1/13	Changed Online timesheet – reduced form to one page plus other enhancements to the timesheet	<ul style="list-style-type: none"> • Only one page/screen to complete to submit time. (instead of two) • Resulted in less confusion and fewer errors in timesheet entry hence payroll • Total of each hour type (regular hours, holiday, vacation, etc.) is automatically displayed at top of form 	All
8/1/13	Changed Online timesheet – reduced form to one page plus other enhancements to the timesheet	<ul style="list-style-type: none"> • Only one page/screen to complete to submit time. (instead of two) • Resulted in less confusion and fewer errors in timesheet entry hence payroll • Total of each hour type (regular hours, holiday, vacation, etc.) is automatically displayed at top of form 	All

Table 2-8: Efficiencies—Work Differently

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)
8/2013	Consolidate all payroll duties into PY Administrator job functions – from combined PY and AP	<ul style="list-style-type: none"> • More efficient and timely completion of payroll process • Improved payroll process 	Finance
5/2013	Moved Purchasing card administration from Senior Finance Specialist to Finance Manager	<ul style="list-style-type: none"> • Placed program authority at proper level of responsibility 	Finance All
7/2013	Lighting Audit	<ul style="list-style-type: none"> • Implement lighting changes in 4 branches in 2014 	Facilities
3/2013	Implement use of Handheld AMMS devices	<ul style="list-style-type: none"> • Improve work order turnaround • Reduce number of branch generated work orders 	Facilities
12/2013	Replace PAC HVAC	<ul style="list-style-type: none"> • Improve energy efficiency • Tacoma Power incentive program savings: \$79,000 	Facilities
1/2013	Custodial equipment repair	<ul style="list-style-type: none"> • Hired maintenance staff with ability to perform minor equipment repair/maintenance. We can now do most repairs in house. 	Facilities
9/2013	Purchased 2 hybrid vehicles	<ul style="list-style-type: none"> • Fuel savings 	Facilities
11/2013	Car wash waste recovery system. Designed a custom recovery insert tank to allow PCLS to continue to wash vehicles on site to meet EPA.	<ul style="list-style-type: none"> • Continue to wash vehicles on site versus car wash 	Facilities
2013	Recycle office chairs, tables, workstations	<ul style="list-style-type: none"> • Recycle/reuse office furniture when possible to save buying new: SE, IT, Storage rooms 	Facilities, Branch Services
1/2013	Powder coat existing shelving for re-use at Key Center	<ul style="list-style-type: none"> • Re-use existing shelving 	Facilities
7/2013	Co-mingled recycle program in the branches	<ul style="list-style-type: none"> • Encouraged and increased recycling 	Facilities
6/30/2014	Consider using outside source for processing mail appeals in 2014	<ul style="list-style-type: none"> • Reduced Development and MCR staff time • Reduced processing charges (TBD) 	Fund Development Marketing and Community Relations

Work Differently—Continued on next page

Work Differently—Continued from previous page

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)
7/2013	Moved some duties performed from opening to closing shifts	<ul style="list-style-type: none"> Faster turnaround on IP items More efficient scheduling of duties 	Customer Experience
2013	Implemented use of free Team Box project management software	<ul style="list-style-type: none"> Streamlined, organized and efficient project management 	Customer Experience
2013	Changed to printing crate labels 12 per sheet instead of 9 per sheet.	<ul style="list-style-type: none"> Reduced the number of sheets required 	Customer Experience
2013	Labeled Readalongs with author's last name on a large label and shelved them in order	<ul style="list-style-type: none"> Saves time when pulling the IP for holds More convenient for customers 	Customer Experience
2013	Relabeled the JPBs with author last name, items which previously had only a J on the spine	<ul style="list-style-type: none"> Makes finding the books more efficient for customers and staff 	Customer Experience
9/2013	Reworked procedures for processing new books to align with those used for Lucky Day items	<ul style="list-style-type: none"> Practices are more consistent Reduces confusion Saves 15 to 30 minutes of librarian-level staff time per week 	Customer Experience
5/2013	Interfiled J paperback fiction with hardbacks	<ul style="list-style-type: none"> Made shelf checks in this area easier 	Customer Experience

Table 2-9: Efficiencies—Empower

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)
8/2013	Moved review/tracking of new invoices and purchase documents from Finance Manager to Finance Staff	<ul style="list-style-type: none"> Freed up at least 5 hours per week for FM offset by Finance Staff time (5 months) 	Finance
8/2013	Trained SE staff to access certain employee information using Eden; formerly accessed information w/assistance of FINANCE staff	<ul style="list-style-type: none"> Self-service data gathering by SE staff. No longer need to contact Finance Manager or Payroll Admin to gather info. 	Finance Staff Experience

Table 2-10: Efficiencies—Renegotiate

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)
4/2013	Bid HVAC maintenance contract	<ul style="list-style-type: none"> Improved service, lower overall costs 	Facilities

Table 2-11: Efficiencies--Generate Revenue

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)
1/1/13	Continued focus on paying more invoices w/PCARD	<ul style="list-style-type: none"> PCLS realizes about a 1% rebate on every dollar spent using a PCARD – We are estimating an 11% increase in earnings over 2012 	Finance All
6/30/2014	Made Dev. Assoc. primarily a grant writing position	<ul style="list-style-type: none"> Increased revenue in grants 	Fund Development
6/30/2014	More emphasis on Leadership Giving	<ul style="list-style-type: none"> More donors at \$500 +@More gifts at \$500+ 	Fund Development
6/30/2014	Addition of another capital fundraising project	<ul style="list-style-type: none"> More gifts at the Leadership Giving level than w/o a capital project 	Fund Development

Part 3 General Fund



2014 Operating Budget Summary

Table 3-1: 2015 Operating Budget Summary

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
FUND BALANCE				
Use of Fund Balance (cash reserves)	\$ 571,595.00	\$ 127,663	\$ 0	-100.00%
TOTAL USE OF FUND BALANCE	571,595.00	127,663	0	-100.00%
REVENUES				
Taxes	\$ 24,065,844.65	\$ 24,515,872	\$ 26,620,748	8.59%
Intergovernmental.....	11,787.29	0	0	0.00%
Charges for Services.....	115,675.16	85,000	156,000	83.53%
Fines	583,771.73	615,000	600,000	-2.44%
Other ¹	345,309.24	310,500	687,000	121.26%
TOTAL NEW REVENUES	25,122,388.07	25,526,372	28,063,748	9.94%
TOTAL AVAILABLE FUNDS	25,693,983.07	25,654,035	28,063,748	9.39%
EXPENDITURES				
Personnel	\$ 18,102,325.32	\$ 18,837,686	\$ 19,897,279	5.62%
Maintenance & Operations	3,562,108.67	3,284,010	3,769,484	14.78%
Materials	3,330,591.38	3,277,075	3,555,073	8.48%
SUBTOTAL	24,995,025.37	25,398,771	27,221,836	7.18%
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.....	495,689.00	255,264	841,912	229.82%
MID-YEAR SAVINGS CAP. IMP. FUND TRANSFER	0	0	0	0.00%
SUBTOTAL	495,689.00	255,264	841,912	229.82%
TOTAL EXPENDITURES	25,490,714.37	25,654,035	28,063,748	9.39%
NET OF REVENUES & EXPENDITURES	<u>\$ 203,268.70</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0.00%</u>

Notes:

- 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.

The summarized version of the 2015 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 3-2: Summary of all Revenues

	2013 <u>ACTUALS</u>	2014 <u>FINAL (12/12)</u>	2015 <u>BUDGET (12/10)</u>	% CHANGE 2014 <u>FINAL TO 2015</u>
Taxes	\$ 24,065,844.65	\$ 24,515,872	\$ 26,620,748	8.59%
Intergovernmental	11,787.29	0	0	0.00%
Charges for Services	115,675.16	85,000	156,000	83.53%
Fines	583,771.73	615,000	600,000	-2.44%
Other ¹	345,309.24	310,500	687,000	121.26%
TOTAL NEW REVENUES	<u>\$ 25,122,388.07</u>	<u>\$ 25,526,372</u>	<u>\$ 28,063,748</u>	<u>9.94%</u>

Notes:

1. Includes Foundation donations.

Revenue Projections

The 2015 budget was developed based on revenue projections for 2016–2019. Because 94.9% 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.

Revenue projections were developed in the context of two assumptions:

1. 50¢ per \$1,000 assessed property valuation will remain the levy limit for the taxing district.
2. Revenue will increase or remain flat for the foreseeable years, by an average of 4% until the Library’s revenue restores to its last highest limit established in 2010.

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 2014 property values increased by 8.56% for 2015 tax collection. When developing future year projections, the Library projected that property values would continue to increase between 2016 and 2019.

The 8.56% increase for tax collections in 2015 is better than the Library previously projected (a decline). The Library continues to refine revenue projections for 2016–2019. The Library projects property values are set to increase for 2016 by around 4%. It is unclear whether property value increases will remain stable.

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 8.56% in 2014 continues to keep the Library above the 50¢ mill rate. As a result, the Library can only collect the 50¢ applied to the assessed value. The overall property tax revenue collections from 2014 to 2015 will actually increase by nearly \$2.1 million (calculated using the 2014 final certificate issued in January 2014, differenced to the 2015 preliminary certificate issued in September 2014). Based on projections for increased property values, the overall revenue for the Library is expected to increase in 2016 by \$980,000 and will likely increase through 2019.

In spite of projected increases in assessed property value, the Library will remain at its full taxing authority for until around 2017 or 2018. When the Library is at its full taxing authority, it does not receive revenue from new construction and it is therefore projected that for the next several years the Library will not be eligible for revenue from property taxes on new construction.

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 decrease by \$2 million. The Director’s Team takes all of these into consideration.

Revenue Assumptions

With exception to the Foundation, budgets for donations, gifts, or grants vary greatly from year to year and cannot be predicted with precision. Therefore these are reflected in year-end actuals and in any mid-year budget adjustments. This is one of the first steps to ensuring a conservative revenue approach.

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 2015 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 2010 through 2015. 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 7 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 – 2020).

For 2015, total new revenues are budgeted to increase by \$2,537,376 from 2014, a 9.94% increase. This is due to a mill rate of 50.00¢ per \$1,000 of assessed property value, continuing 2014’s 50¢ per \$1,000. While the statutory limit of 50.00¢ per \$1,000 of assessed property value is in place, when district-wide property values increase the Library’s property-tax revenue will also increase.

Revenues other than taxes increased 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 110).

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 2015 the proportion is 94.86%.

Figure 3-1: Source of Revenues

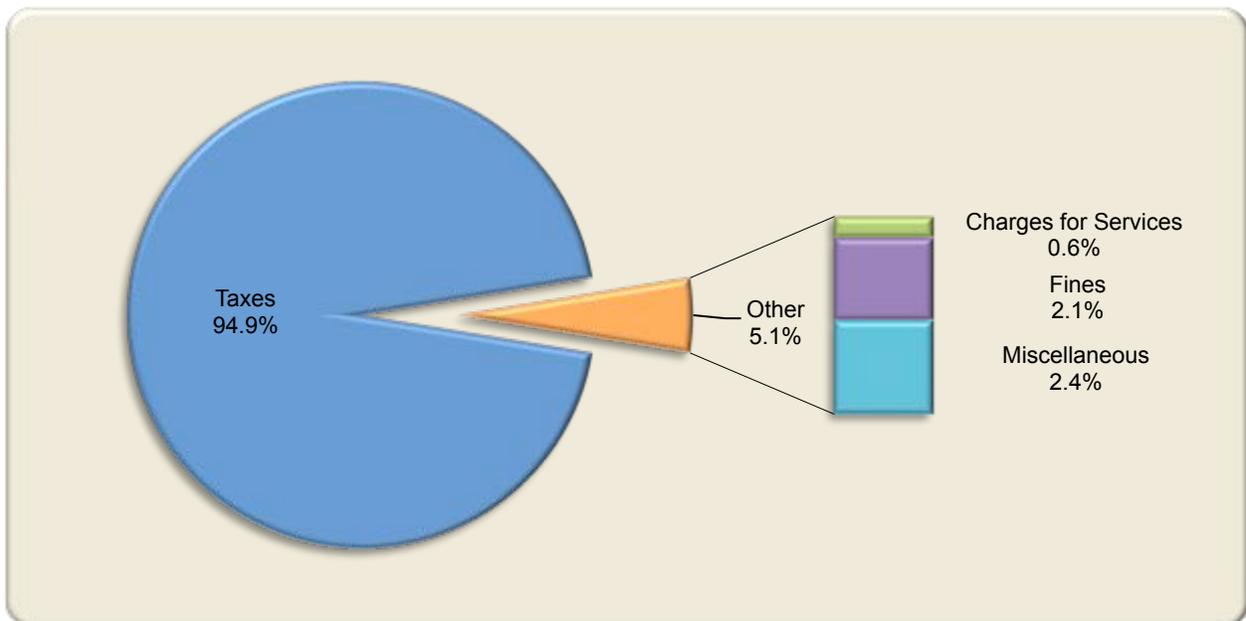


Table 3-3: 2010-15 General Fund Revenue (Final Budgets—Board Approved in December)

	2010 FINAL	2011 FINAL	2012 FINAL	2013 FINAL	2014 FINAL	2015 BUDGET	% CHANGE 2014 TO 2015
TAX REVENUES							
31111 Property Taxes Current	\$ 26,655,732	\$ 26,535,472	\$ 24,708,421	\$ 22,724,764	\$ 23,502,762	\$ 26,620,748	8.59%
31112 Property Taxes Delinquent	1,066,229	1,061,419	988,337	908,991	940,110	0	0.00%
31130 Sale of Tax Title Property	3,000	3,000	3,000	3,000	3,000	156,000	83.53%
31210 Private Harvest Tax	50,000	50,000	50,000	50,000	50,000	600,000	-2.44%
31720 Leasehold Excise Tax	10,000	10,000	10,000	15,000	20,000	687,000	121.26%
SUBTOTAL	27,784,961 <small>223,979 (0.81%)</small>	27,659,891 <small>-125,070 (-0.45%)</small>	25,759,758 <small>-1,870,133 (-6.55%)</small>	23,701,755 <small>-2,058,003 (-7.98)</small>	24,515,872 <small>814,117 (3.43%)</small>	28,063,748 <small>2,537,376 (9.94%)</small>	9.94%
NON-TAX REVENUES							
33300 Indirect Federal Grants	\$ 5,000	\$ 5,000	\$ 5,000	\$ 0	\$ 0	\$ 0	0.00%
34160 Copier Fees	25,000	25,000	25,000	25,000	25,000	30,000	20.00%
34162 Printer Fees	40,000	45,000	45,000	60,000	60,000	105,000	75.00%
34163 Fax Fees						21,000	new
35970 Library Fines	555,000	605,000	615,000	615,000	615,000	600,000	-2.44%
36110 Investment Income	25,000	25,000	25,000	10,000	10,000	10,000	0.00%
36700 Foundation Donations	130,000	130,000	150,000	150,000	225,500	350,000	55.21%
36920 Book Sale Revenue	40,000	40,000	40,000	20,000	20,000	20,000	0.00%
36991 Payment for Lost Materials	25,000	25,000	25,000	25,000	25,000	12,000	-52.00%
36692 Fee for Lost Library Cards	5,000	5,000	0				
36998 E Rate Reimbursement						250,000	new
36699 Rebates – Procurement Card	0	0	5,000	10,000	15,000	30,000	100.00%
39510 Sale of Fixed Assets					15,000	15,000	0.00%
SUBTOTAL	850,000	905,000	935,000	915,000	1,010,500	1,443,000	42.80%
TOTAL REVENUES	\$ 28,634,961	\$ 28,564,891	\$ 26,694,758	\$ 24,616,725	\$ 25,526,372	\$ 28,063,748	9.94%

UPDATED IN DECEMBER

Figure 3-2: Taxes & Non Taxes, Historical & Projections



Property Taxes and Other Taxes

Taxes
\$ 26,620,748

Table 3-4: 2015 Tax Revenues

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
31111 Property Taxes Current	\$ 23,164,986.22	\$ 23,502,762	25,674,805	9.24%
31112 Property Taxes Delinquent	800,883.09	940,110	872,943	-7.14%
31130 Sale of Tax Title Property	4,060.51	3,000	3,000	0.00%
31210 Private Harvest Tax	70,213.92	50,000	50,000	0.00%
31720 Leasehold Excise Tax	25,700.91	20,000	20,000	0.00%
TOTAL TAXES	\$ <u>24,065,844.65</u>	\$ <u>24,515,872</u>	\$ <u>26,620,748</u>	<u>8.59%</u>

Local property taxes constitute 94.9% of total 2015 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:

For Year	Property Tax Base	%Change
2015	\$ 53,156,946,492	8.56%
2014	48,964,088,146	2.94%
2013	47,566,193,799	-8.82% ¹
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%
2001	27,025,182,627	-

Notes:

The -8.82% is based on the final certificate issued in January 2013 over the final certificate issued in January 2012. The preliminary certificate for 2013 actually noted a -9.25% decrease in property values, which was used for all 2013 budget decisions. The reason for the difference is that the preliminary certificate does not include final assessments made between September

and December. Final assessments made in late 2012 affected values by +0.43%.

This base includes the growth in assessed valuation (AV) of existing property in Pierce County and all new construction. For the 2015 fiscal year, the estimated tax base to levy is assessed at nearly \$53.1 billion, which represents a 8.56% increase from the previous year's assessed valuation. (On November 3, 2009, during general elections, Fife residents overwhelmingly approved a measure to annex to the library system. These revenues began receipt in 2011.)

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 2014 the Implicit Price Deflator (IPD, another limiter) was recorded at 1.591%. If the IPD is less than 1%, to collect 1% more than the previous year the Board would need to override the IPD rule. Because the IPD is positive, no Board action is required to override it. Regardless, because of the 50¢ limitation, the IPD is not a factor.

Figure 3-3: 2015 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

PRELIMINARY TAX LEVY LIMIT 2014 FOR 2015

**RURAL LIBRARY
> 10,000**

REGULAR TAX LEVY LIMIT:

2010

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).	28,026,013.05 1.01 28,306,273.18
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).	751,513,170 0.5000000000000 375,756.59
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).	777,679,533 777,679,533 0.00 0.5000000000000 0.00
D. REGULAR PROPERTY TAX LIMIT (A + B + C)	28,682,029.77

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.	28,682,029.77 53,156,946,492 0.539572561223
F. Annexed area's current assessed value including new construction and improvements times rate found in E above.	0.00 0.539572561223 0.00
G. NEW LEVY LIMIT FOR ANNEXATION (D + F)	28,682,029.77

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)	28,682,029.77 118,118.09 28,800,147.86
I. TOTAL ALLOWABLE LEVY AS CONTROLLED BY THE LEVY LIMIT (D,G,or H)	28,800,147.86
J. Amount of levy under statutory rate limitation.	53,156,946,492 0.5000000000000 26,578,473.25
K. LESSER OF I OR J	26,578,473.25

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 (50¢ for 2015). 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. However, when the Library is at its statutory limit of 50 cents per \$1,000 assessed valuation, no revenues from new construction can be collected. Below is a breakdown that shows new construction values:

For Year	New Construction	PCLS Revenue	% of Budget
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%
2004	841,593,691	420,797	2.63%
2003	1,026,298,566	513,149	3.34%

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
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
2004	0.4766
2003	0.4862

Notes:

1. Voter approved.

See projected mill rate chart below for future years. The Library estimates that the mill rate will remain at 50 cents per \$1,000 assessed value to at least 2017 (two years sooner than last year's projection). This will change depending on circumstances, such as permits issued, houses built, major developments, etc.

Final Revenue Calculation for Property Taxes

Property Taxes Current\$ 25,674,805
Property Taxes Delinquent..... \$ 872,943

For budget purposes the Library applies a 96.6% collection rate on current property taxes and 3.4% of the forecasted collection of current taxes as delinquent taxes to be collected. The delinquency collection rate is based on previous years' experience. For 2015, this ratio changed from 96%/4%, reflecting that property owners generally pay taxes on time.

Table 3-5: Mill Rate Projections (2015 - 2019)

Year	Mill Rate		Assessed Value		Base Property Taxes				New Construction	
	Actual	Projected	\$ Value	Change	Actuals	Projection	Difference	Change	Actuals	Projection
2011	0.5000		55,964,407,888	-8.52%	27,982,204		215,816	0.78%	15,923	
2012	0.5000		52,166,456,544	-6.79%	26,083,228		(1,898,976)	-6.79%	-	-
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		53,156,946,492	8.56%	26,578,473	26,578,473	2,096,429	8.56%	-	-
2016		0.5000	56,877,932,746	7.00%	28,438,966	28,438,966	1,860,493	7.00%	-	-
2017		0.4871	59,835,585,249	5.20%	29,146,356	29,146,356	707,390	2.49%		423,000
2018		0.4747	62,947,035,682	5.20%	29,882,820	29,882,820	736,464	2.53%		445,000
2019		0.4576	66,975,645,966	6.40%	30,654,648	30,654,648	771,828	2.58%		473,000

Private Harvest Tax:..... \$ 50,000

Once a major source of revenues, 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 2015 the Library is projected to receive approximately the same as 2014. This source of revenue is not in the Library's control.

<u>Year</u>	<u>Private Harvest Revenue</u>
2015 (estimated).....	\$ 50,000
2014 (projected)	50,000
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
2003	43,110

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.

Non-Tax Revenues

Intergovernmental

\$ 0

Table 3-6: 2015 Intergovernmental Revenues

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
33000 Indirect Federal Grants	\$ 0.00	\$ 0	\$ 0	0.00%
33533 State Forest Funds	3,347.09			
33872 Contract Fees-Cities	3,240.00			
33890 Governmental Service Fees	5,200.20			
TOTAL INTERGOVERNMENTAL	\$ <u>11,787.29</u>	\$ <u>0</u>	\$ <u>0</u>	<u>0.00%</u>

The Library receives certain revenues from other governmental entities, such as from grants and contracts. Because these revenues are not predictable, the Library budgets conservatively.

Indirect Federal Grants \$ 0
 Indirect Federal Grants are pass-through grants and come typically through the Washington State Library, which has several grant-related programs. The Library

applies for these grants throughout the year. For 2015, any revenue from indirect federal grants will be recognized in the mid-year process.

Other Intergovernmental (summarized)..... \$ 0
 The Library does not budget for the other line items; they are instead recognized during the mid-year budget process.

Charges for Services

\$ 156,000

Table 3-7: 2015 Charges for Services

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
34160 Copier Fees	\$ 29,161.37	\$ 25,000	\$ 30,000	20.00%
34161 Graphics Services Charge	9,445.45			
34162 Printer Fees	76,910.98	60,000	105,000	75.00%
34163 Fax Fees.....			21,000	new
34730 Interlibrary Loan Fees	157.36			
TOTAL CHARGES FOR SERVICES	\$ <u>115,675.16</u>	\$ <u>85,000</u>	\$ <u>156,000</u>	<u>83.53%</u>

Library charges for services include revenue from photocopying, customers printing and faxing in the libraries, and interlibrary loan fees. The Vend-to-Print system installed in late 2013 helped increase revenue.

Photocopy Fees..... \$ 30,000
 All libraries provide photocopiers for public use. The fee of 10¢ per copy will remain for 2015.

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

Printer Fees \$ 105,000
 All libraries offer laser printers for customers to print from the computers. 10¢ per page is charged.

Other Charges for Services (summarized)..... \$ 0
 Graphics Services Charges is used for the receipt of Foundation funding for Summer Reading program but is generally not budgeted. 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
\$ 600,000

Table 3-8: 2015 Fines

	2013 <u>ACTUALS</u>	2014 <u>FINAL (12/11)</u>	2015 <u>BUDGET (12/10)</u>	% CHANGE 2014 <u>FINAL TO 2015</u>
35970 Library Fines	\$ 583,771.73	\$ 615,000	\$ 600,000	-2.44%
TOTAL FINES	\$ 583,771.73	\$ 615,000	\$ 600,000	-2.44%

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

Library Fines \$ 600,000

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).

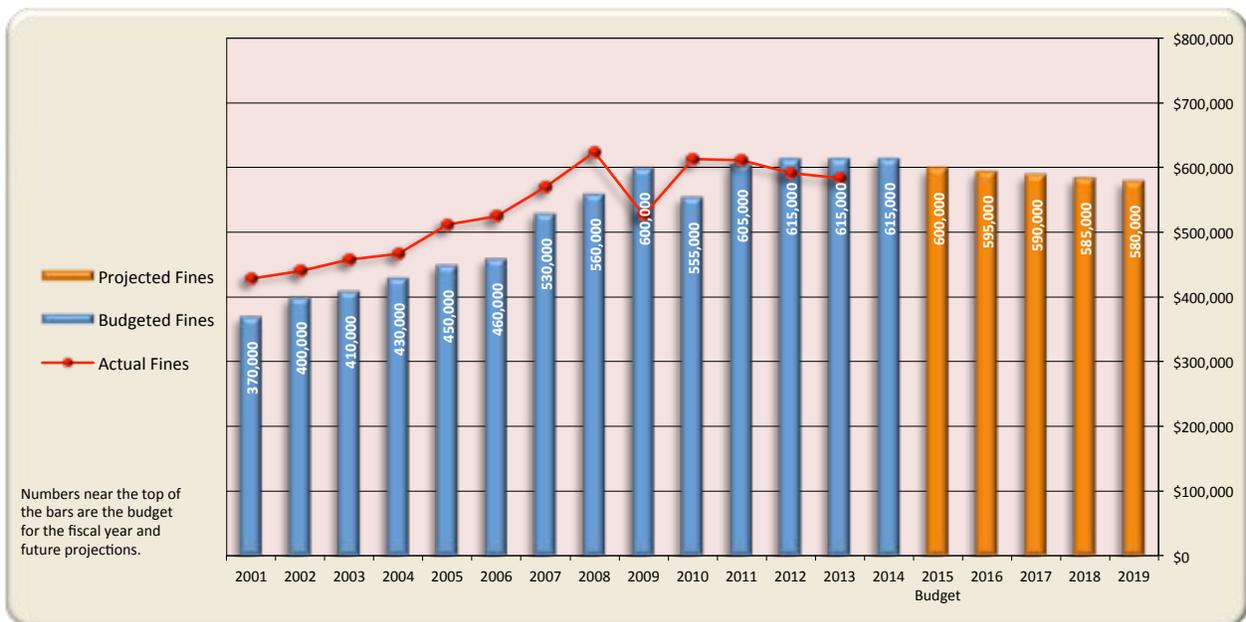
The Library had a reasonably consistent trend of increases in this category (see Figure 16) through 2011. In 2008, the Library reduced the fines for DVDs, but this did not considerably affect revenues. Also in 2008 the Library began offering customers the convenience of paying their fees online using 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.

Figure 3-4: Library Fines Budget & Actuals



Other Revenues
\$ 310,500

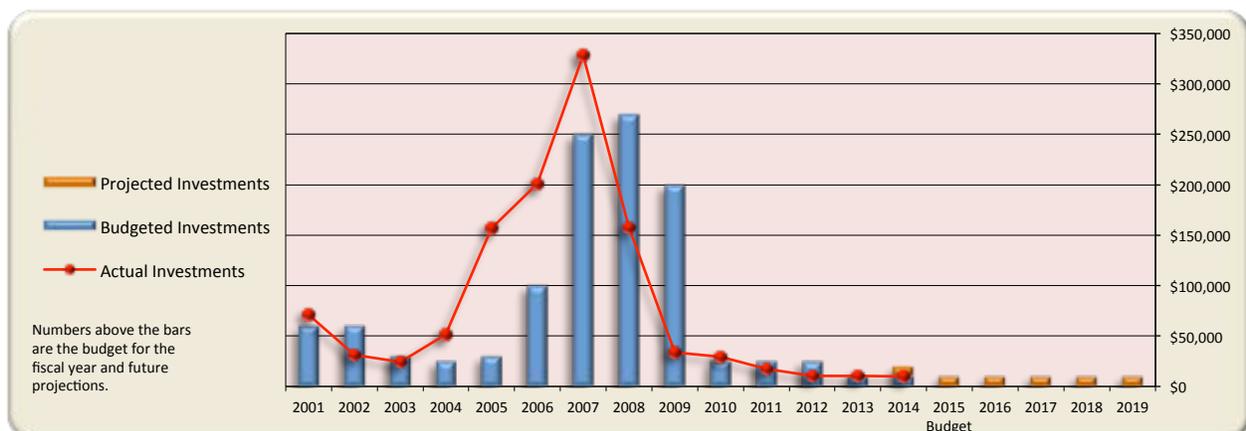
Table 3-9: 2015 Other Revenues

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
36110 Investment Income	\$ 10,232.84	\$ 10,000	\$ 10,000	0.00%
36111 Interest – State Forest Fund.....	0.70			
36190 Other Interest Earnings.....	7.14			
36200 Key Peninsula Lease	419.12			
36700 Foundation Donations	161,746.00	225,500	350,000	55.21%
36710 Friends' Donations	2,762.11			
36720 Friend's Reimbursement.....	30,457.09			
36725 Donations – Other.....	4,005.26			
36910 Sale of Scrap and Salvage.....	151.00			
36920 Book Sale Revenue.....	5220.81	20,000	20,000	0.00%
36990 Miscellaneous Revenue	55,714.09			
36991 Payment for Lost Materials.....	15,359.81	25,000	12,000	-52.00%
36994 Unclaimed Property	191.82			
36995 Collection Agency Revenue.....	793.33			
36996 Jury Duty Reimbursement	360.00			
36997 Prior Year's Refunds.....	3,838.99			
36998 E Rate Reimbursement	16,340.37		250,000	new
36999 Rebates – Procurement Card	28,665.31	15,000	30,000	100.00%
39510 Sale of Fixed Assets	3,089.41	15,000	15,000	0.00%
39520 Insurance Recoveries – Capital Assets	5,954.04			
TOTAL OTHER REVENUES	\$ 345,309.24	\$ 310,500	\$ 672,000	116.43%

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 in mid-year budget adjustments. E Rate reimbursement is now budgeted.

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, which continue in 2015. See chart below.

Figure 3-5: Investment Budget & Actuals



Foundation Donations \$ 350,000

Foundation Donations are budgeted based on funding commitments approved by the Foundation Board in the summer of 2014. The Foundation is committed to raising more for 2015.

Book Sale Revenue \$ 20,000

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

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

This includes payments made by customers for their lost/damaged materials. This category was budgeted reduced for 2014.

E Rate Reimbursement \$ 250,000

{Add text}

Rebates—Procurement Card..... \$ 30,000

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.

Sale of Fixed Assets..... \$ 15,000

{Add text}

All Other Revenues (summarized) \$ 0

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.

Total Budgeted Revenues

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

Table 3-10: 2015 General Fund Revenues (all combined)

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
TAX REVENUES				
31111 Property Taxes Current	\$ 23,164,986.22	\$ 23,502,762	25,674,805	9.24%
31112 Property Taxes Delinquent	800,883.09	940,110	872,943	-7.14%
31130 Sale of Tax Title Property	4,060.51	3,000	3,000	0.00%
31210 Private Harvest Tax	70,213.92	50,000	50,000	0.00%
31720 Leasehold Excise Tax	25,700.91	20,000	20,000	0.00%
TOTAL TAXES	<u>\$ 24,065,844.65</u>	<u>\$ 24,515,872</u>	<u>\$ 26,620,748</u>	<u>8.59%</u>
NON-TAX REVENUES				
33000 Indirect Federal Grants	\$ 0.00	\$ 0	\$ 0	0.00%
33533 State Forest Funds	3,347.09			
33872 Contract Fees-Cities	3,240.00			
33890 Governmental Service Fees	5,200.20			
34160 Copier Fees	\$ 29,161.37	\$ 25,000	\$ 30,000	20.00%
34161 Graphics Services Charge	9,445.45			
34162 Printer Fees	76,910.98	60,000	105,000	75.00%
34163 Fax Fees			21,000	new
34730 Interlibrary Loan Fees	157.36			
35970 Library Fines	\$ 583,771.73	\$ 615,000	\$ 600,000	-2.44%
36110 Investment Income	\$ 10,232.84	\$ 10,000	\$ 10,000	0.00%
36111 Interest – State Forest Fund	0.70			
36190 Other Interest Earnings	7.14			
36200 Key Peninsula Lease	419.12			
36700 Foundation Donations	161,746.00	225,500	350,000	55.21%
36710 Friends' Donations	2,762.11			
36720 Friend's Reimbursement	30,457.09			
36725 Donations – Other	4,005.26			
36910 Sale of Scrap and Salvage	151.00			
36920 Book Sale Revenue	5220.81	20,000	20,000	0.00%
36990 Miscellaneous Revenue	55,714.09			
36991 Payment for Lost Materials	15,359.81	25,000	12,000	-52.00%
36994 Unclaimed Property	191.82			
36995 Collection Agency Revenue	793.33			
36996 Jury Duty Reimbursement	360.00			
36997 Prior Year's Refunds	3,838.99			
36998 E Rate Reimbursement	16,340.37		250,000	new
36999 Rebates – Procurement Card	28,665.31	15,000	30,000	100.00%
39510 Sale of Fixed Assets	3,089.41	15,000	15,000	0.00%
39520 Insurance Recoveries – Capital Assets	5,954.04			
SUBTOTAL	<u>1,056,543.42</u>	<u>915,000</u>	<u>1,010,500</u>	<u>10.44%</u>
TOTAL REVENUES	<u>\$ 25,122,388.07</u>	<u>\$ 24,616,755</u>	<u>\$ 25,526,372</u>	<u>3.70%</u>

Expenditures

Summary of Expenditures and Assumptions

Table 3-11: 2015 Operating Expenditure Summary

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
EXPENDITURES				
Personnel	\$ 17,846,418.91	\$ 18,544,997	\$ 18,837,686	1.58%
Maintenance & Operations	3,820,659.10	3,089,520	3,284,010	6.30%
Materials	4,240,998.84	3,297,075	3,277,075	-0.61%
SUBTOTAL	25,908,076.85	24,931,592	25,398,771	1.87%
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	814,563.00	492,335	255,264	-48.15%
MID-YEAR SAVINGS CAP. IMP. FUND TRANSFER	0	0	0	0.00%
SUBTOTAL	814,563.00	492,335	255,264	-48.15%
TOTAL EXPENDITURES	\$ 26,722,639.85	\$ 25,423,927	\$ 25,654,035	0.91%

Notes:

- 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.

UPDATE FOR DECEMBER

For the 2014 budget process, Managers were given budget worksheets for developing their budgets and were expected to recommend efficiencies and reductions while maintaining service priorities and levy promises. Managers had leeway to fund personnel and purchases based on what are necessary to sustain successful departments. All Managers were required to submit proposals to reduce their budgets. Managers met with the Director's Team to present their proposed budgets.

The operating budget consists of three major areas of operating expenditures that usually account for over 95% (see table below) of total expenditures. **Between 2005 and 2009, retirement rates increased by 278%**; however, in 2010, the Washington State Department of Retirement Services (DRS) dropped the Library's

contribution. In 2011 the rates began to escalate again and have exceeded 10% in 2015. (See Benefits, under Personnel section, below.)

Traditionally the Library has allocated 16% of revenue for materials (books, music, movies, magazines, downloadable materials, etc.). Though a good method in the past, with ongoing revenue decreases, 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. 2015 adds more to the electronic sources.

Table 3-12: Allocation of Budgeted Costs (2008 - 2015)

	2008	2009	2010	2011	2012	2013	2014	2015
Personnel	69.3%	69.6%	64.2%	67.1%	69.6%	72.9%	73.4%	70.9%
Maintenance & Operations	11.4%	11.4%	10.7%	12.6%	11.4%	12.2%	12.8%	13.4%
Materials (books, DVDs, etc)	16.1%	15.8%	16.1%	16.1%	16.0%	13.0%	12.8%	12.7%
TOTAL OPER. EXPENDITURES	96.8%	96.8%	91.0%	95.8%	97.0%	98.1%	99.0%	97.0%

Table 3-13: 2015 Expenditures—BARS Summary Level

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
PERSONNEL				
5.11.xx Salaries & Wages.....	\$ 13,658,924.89	\$ 14,402,641	\$ 15,072,333	4.65%
5.12.xx Overtime Wages	6,988.90	5,800	5,400	-6.90%
5.2x.xx Employee Benefits	4,436,411.53	5,011,854	5,329,733	6.34%
SUBTOTAL	18,102,325.32	19,420,295	\$20,407,466	5.08%
5.19.99 ¹ Reduction in salaries planning budget to.....	0	(582,609)	(510,187)	-12.43%
&5.29.99 match projections (3% in 2014; 2.5% in 2015)				
SUBTOTAL	18,102,325.32	18,837,686	19,897,279	5.62%
MAINTENANCE & OPERATIONS				
5.31.xx Supplies	366,584.04	307,700	322,100	4.68%
5.32.xx Fuel	44,768.44	40,750	47,000	15.34%
5.35.xx Small Tools and Minor Equipment.....	408,998.26	294,800	82,000	-72.18%
5.41.xx Professional Services.....	492,818.91	375,200	546,184	45.57%
5.42.xx Communications	244,470.21	199,300	496,300	149.02%
5.43.xx Travel	58,872.59	59,450	73,250	23.21%
5.44.xx Advertising	22,551.97	29,000	43,000	48.28%
5.45.xx Operating Rentals/Leases	218,341.64	401,300	422,250	5.22%
5.46.xx Insurance.....	228,651.73	189,500	189,500	0.00%
5.47.xx Utilities.....	358,284.08	305,200	333,500	9.27%
5.48.xx Repair and Maintenance.....	982,272.77	938,500	1,048,300	11.70%
5.49.00 Registrations & Tuition Assistance.....	34,325.48	23,250	44,750	92.47%
5.49.0x Miscellaneous	84,220.28	119,060	104,350	-12.36%
5.51.xx Intergovernmental	16,948.27	1,000	17,000	1600.00%
5.82.xx Interest Expense	0.00	0	0	0.00%
SUBTOTAL	3,562,108.67	3,284,010	3,769,484	14.78%
MATERIALS				
5.34.xx Materials	3,330,591.38	3,277,075	3,555,073	8.48%
SET-ASIDES & TRANSFERS				
5.49.12 CONTINGENCY	0.00 ²	0	0	0.00%
5.97.00 TRANSFERS TO CAPITAL IMPROVE. FUND.....	495,689.00	255,264	841,912	229.82%
MID-YEAR SAVINGS CIP TRANSFER	0.00	0	0	0.00%
SUBTOTAL	495,689.00	255,264	841,912	229.82%
TOTAL EXPENDITURES	\$ 25,490,714.37	\$ 26,236,644	\$ 28,063,748	6.96%

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 -2% 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.

Personnel

\$ 19,897,279

Table 3-14: 2015 Personnel Detail

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
51110 Salaries & Wages.....	\$ 12,937,301.67	\$ 13,709,535	\$ 14,345,866	4.64%
51105 Additional Hours	287,116.10	247,100	259,045	4.83%
51106 Shift Differential.....	136,974.18	161,206	151,607	-5.95%
51107 Substitute Hours	296,122.59	284,500	315,515	10.90%
51109 Tuition Assistance Program.....	1,410.35	300	300	0.00%
51200 Overtime Wages	6,988.90	5,800	5,400	-6.90%
52001 Industrial Insurance	164,268.58	165,707	193,617	16.84%
52002 Medical Insurance.....	1,962,763.55	2,268,400	2,191,477	-3.39%
52003 FICA	1,024,893.44	1,102,241	1,153,581	4.66%
52004 Retirement	1,029,790.40	1,167,555	1,508,392	29.19%
52005 Dental Insurance	201,668.10	241,326	212,859	-11.80%
52003 Other Benefit	8,800.00	9,580	11,020	15.03%
52010 Life and Disability Insurance	23,010.67	25,245	26,987	6.90%
52020 Unemployment Compensation.....	20,858.96	30,500	30,500	0.00%
52200 Uniforms	357.83	1,300	1,300	0.00%
SUBTOTAL PERSONNEL	18,102,325.32	19,420,295	20,407,466	5.08%
51999 ¹ Reductions in salaries planning.....	0.00	(582,609)	(510,187)	12.43%
& 52999 budget to match projections (3%)				
TOTAL PERSONNEL	\$ 18,102,325.32	\$ 18,837,686	\$ 19,897,279	5.62%

Notes:

- Due to the personnel line item coding requirements of BARS for 51xxx for Salaries & Wages and 52xxx for Benefits, Coding for the -2% reduction must be split between 51xxx and 52xxx, hence 51999 and 52999.

Personnel costs account for over 71% of expenditures and pay for staffing the Library to meet its mission and goals. The total change for 2015 from 2014 is 5.62%. The Library is reducing the bottom line personnel budget by 2.5% (\$510,187) 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 for the past 10 years (2002-2011) shows that on average actuals came in 5% less than budget. In 2013 and 2014 the Library applied a 3% reduction, but now needs to be reduced to 2.5%. The Library will be monitoring this through 2015 and may make adjustments in the mid-year process.

Managers used the mid-year budget of the current fiscal year to construct personnel costs for the 2015 fiscal year.

Salaries and Wages \$ 14,345,866
Staffing includes all full and part-time personnel located in all locations. Salaries and Wages include \$300 for Tuition Assistance.

Additional Hours..... \$ 259,045
Additional hours are used to pay part-time regular staff to cover illness, vacations, and other staffing needs.

Substitute Hours \$ 315,515
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 \$ 151,607
 Union employees who work Sunday hours are paid at 1.5 times their regular non-Sunday wages. The amount is estimated each year.

Overtime \$ 5,400
 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 and reduced it for 2015.

Benefits \$ 5,329,733
 Benefits as a category include medical and dental costs, retirement, payroll taxes, and unemployment insurance.

the Library’s budget. The following shows historic and projected contribution rates:

- July 2017 - June 2018: 11.180%
- 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%
- July 2005 - June 2006: 2.195%

UPDATE IN DECEMBER

The 2014 Legislature passed retirement rates for 2014 and 2015. Therefore the Library will budget at the State Actuary’s Office expected analysis (10.41% for 2016-18). Rates can and have had a major impact on

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

Figure 3-6: Personnel Budget & Actuals



Library Staffing

SECTION UPDATED IN DECEMBER

Table 3-15: Budgeted Library Staffing

DEPARTMENT FTE STAFFING ¹	2012 FINAL (12/11)	2013 FINAL (12/12)	2014 FINAL (12/11)	2014 FTEs w/ MLS/MLIS ²
Executive Office	4.80	5.00	5.00	2.00
Customer Experience ³	189.79	182.31	183.91	46.13
Reading & Materials	27.60	26.70	26.00	7.00
Technology Experience ⁴	12.25	12.00	12.20	
Business Operations				
Finance	7.25	6.75	6.00	
Facilities Management	19.20	19.21	20.93	
Marketing & Community Relations	6.50	6.10	5.85	
Fund Development	2.80	2.50	2.75	
Staff Experience	4.25	4.75	4.00	
TOTAL FTE COUNT	<u>274.44</u>	<u>265.32</u>	<u>266.64</u>	<u>55.13</u>
Change in personnel by FTE from previous year	-5.08	-8.12	1.32	+0.83
	-1.82%	-3.32%	0.50%	1.53%

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".
3. Customer Experience includes Community Outreach, Virtual Services and Adult Services, and Youth Services.
4. Formerly, Information Technology. Reorganized department will have Virtual Services moved to it during 2014.

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 (see page 125).

end of the year as needed to meet necessary budget reductions. Several positions were eliminated when bookmobile service was ended in November 2012.

For 2014, the Library did reduce 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.

Changes in Overall Staffing (2012-2014)

In 2012, facing a \$1.9 million shortfall, the Library conducted extensive management reorganization 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.

In 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

Maintenance & Operations

\$ 3,769,484

Table 3-16: 2015 Maintenance & Operations Detail

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
53100 Office/Operating Supplies.....	\$ 200,198.09	\$ 155,400	\$ 164,400	5.79%
53101 Custodial Supplies.....	60,698.23	52,100	52,500	0.77%
53102 Maintenance Supplies.....	55,824.42	60,200	60,200	0.00%
53103 A/V Processing Supplies.....	33,273.84	20,000	25,000	25.00%
53104 Book Processing Supplies.....	16,589.46	20,000	20,000	0.00%
53200 Fuel.....	44,768.44	40,750	47,000	15.34%
53500 Minor Equipment.....	5,484.11	6,500	3,500	-46.15%
53501 Furnishings.....	62,030.61	35,000	35,000	0.00%
53502 PC Hardware.....	303,435.94	216,300	20,000	-90.75%
53503 Printers.....	6,380.55	20,000	10,000	-50.00%
53505 Software.....	31,667.05	17,000	13,500	-20.59%
54100 Professional Services.....	339,821.43	256,200	437,884	70.91%
54101 Legal Services.....	77,850.68	30,000	30,000	0.00%
54102 Collection Agency.....	23,776.17	24,000	22,000	-8.33%
54161 Resource Sharing Services.....	18,507.42	22,000	19,000	-13.64%
54162 Bibliographics Services.....	28,347.52	38,000	33,000	-13.16%
54163 Printing and Binding.....	2,639.67	2,000	1,500	-25.00%
54165 Inter Library Loan Lost Item Charges.....	1,876.02	3,000	2,800	-6.67%
54200 Postage.....	42,055.31	38,000	35,000	-7.89%
54201 Data Lines.....	202,414.90	161,300	461,300	185.99%
54300 Travel.....	25,309.84	29,200	42,100	44.18%
54301 Mileage Reimbursements.....	33,562.75	30,250	31,150	2.98%
54400 Advertising.....	22,551.97	29,000	43,000	48.28%
54501 Rentals/Leases – Buildings.....	182,282.74	377,700	389,950	3.24%
54502 Rentals/Leases – Equipment.....	36,058.90	23,600	32,300	36.86%
54600 Insurance.....	228,651.73	189,500	189,500	0.00%
54700 Electricity.....	256,119.89	220,000	235,000	6.82%
54701 Natural Gas.....	10,817.81	15,000	15,000	0.00%
54702 Water.....	28,740.47	26,000	20,000	-23.08%
54703 Sewer.....	32,649.98	21,700	36,000	65.90%
54704 Refuse.....	29,955.93	22,500	27,500	22.22%
54800 General Repairs/Maintenance.....	242,214.31	198,300	229,300	15.63%
54801 Contracted Maintenance.....	718,593.01	709,200	788,000	11.11%
54803 Maint. Telecomm Equipment.....	21,465.45	31,000	31,000	0.00%
54900 Registrations.....	33,133.33	23,250	42,750	83.87%
54901 Dues and Memberships.....	21,180.06	34,620	35,170	1.59%
54902 Taxes and Assessments.....	28,590.21	30,500	29,500	-3.28%
54903 Licenses and Fees.....	34,341.57	53,150	38,890	-26.83%
54904 Miscellaneous.....	108.44	790	790	0.00%
54905 Event Registration.....	1,192.15			
55100 Intergovernmental.....	16,948.27	1,000	17,000	1600.00%
Total Maintenance & Operations	\$ <u>3,562,108.67</u>	\$ <u>3,284,010</u>	\$ <u>3,769,484</u>	<u>14.78%</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 \$ 322,100

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 4.7% more than budgeted last year, due to the increased need for maintaining facilities.

Fuel..... \$ 47,000

Fuel consists of charges for gasoline, diesel, and propane. It increased 15.3% due to costs of fuel and also more mileage used for grant-related services.

Smalls Tools & Minor Equipment \$ 82,000

Minor equipment includes furniture, computers, printers, scanners, and software. This category decreased by -72.2%. Computer equipment was moved to the Capital Improvement Plan as part of implementing the technology plan.

Professional Services \$ 546,184

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 45.6% due to adding leadership training, coaching, and surveys.

Communications \$ 496,300

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 increased by 149%, which includes substantial improvements to security, stability, and performance of the computer network.

The Library annually applies for E-rate reimbursements for network connectivity costs, including Internet services. The Library receives reimbursement for about

50% of 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 2013.

Travel \$ 73,250

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 -0.3% less.

Paradise Island

While I sit here in the window,
When yellow tamaracks dance in the wind,
Where the dark evergreens know no bounds,
As the birds serenade each other from a distance,
Because the sun shines through the trees like giants,
Then the deer wade in the sea of flowers
in the meadow,
I sip a cup of tea as warm as the morning
of Christmas.

Shane Lillie
Kopachuck Middle School

**2013 Our Own Expressions
7th & 8th Grade Poetry Winner—3rd place**

Advertising \$ 43,000

This includes newspaper advertising for library activities, advertising employee and Board of Trustees vacancies, requests for bids, and other marketing. The amount budgeted increased by 48.3% which factor in improved online and social media presence.

Operating Rentals/Leases \$ 422,250

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 5.2%.

Insurance \$ 189,500

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. 2014 levels are maintained.

Utilities..... \$ 333,500
 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 9.3% more than 2014. Sewer rates increased considerably due to county waste water improvement projects.

Repair & Maintenance \$ 1,048,300
 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 increased by 11.7% due in large part to covering maintenance costs for HVAC contracts.

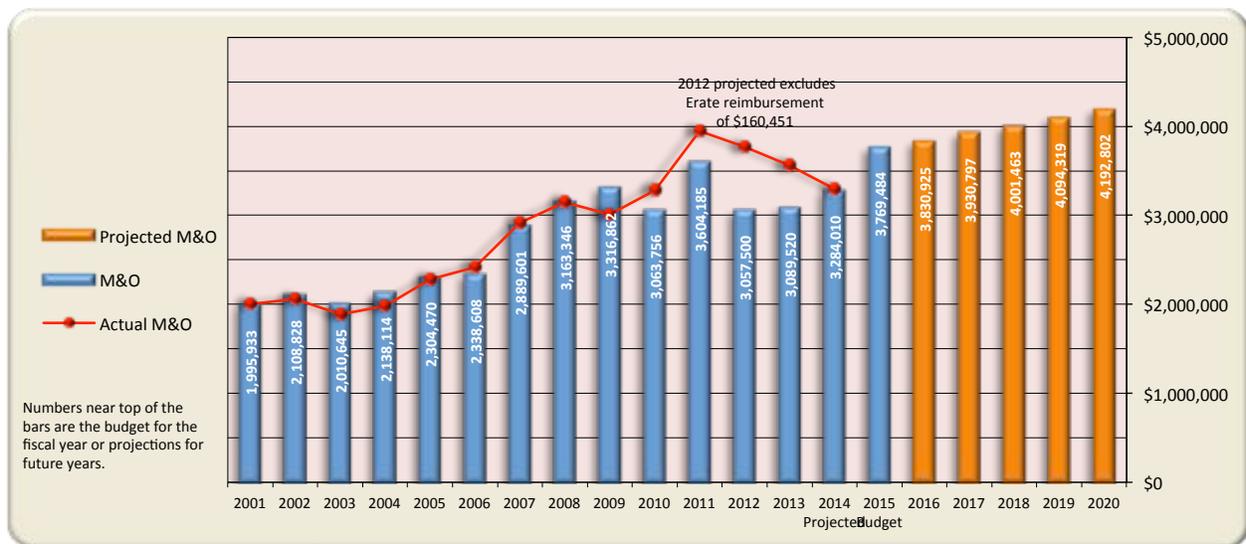
Training \$ 44,750
 Training includes non-travel costs for attendance at classes, seminars, and conferences. The training budget is 92.5% more due to planned conferences and training for 2015.

Intergovernmental..... \$ 17,000
 This category includes costs associated with fees paid to other governmental agencies. The amount budgeted is 1,600% more due to the biennial audit scheduled to be conducted in late 2015.

Interest Expense \$ 0
 To cover cash shortfalls, when cash on hand is less than expenditure needs due to cyclical nature of revenue collection, the Library borrows from the Capital Improvement Fund. When interfund loans are made, the Library is required to pay interest to the Capital Improvement Fund. The interest anticipated for 2015 continues to be low, if any, due to having enough in the ending fund balance to fund the majority of the shortfall.

Miscellaneous..... \$ 104,350
 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 decreased by -12.4% due to adjusting costs of bank and ePay fees.

Figure 3-7: Maintenance & Operations Budget & Actuals



Books, Movies, Music, and Downloadables (Materials)

UPDATED IN DECEMBER

\$ 3,555,073

Table 3-17: 2015 Materials Detail

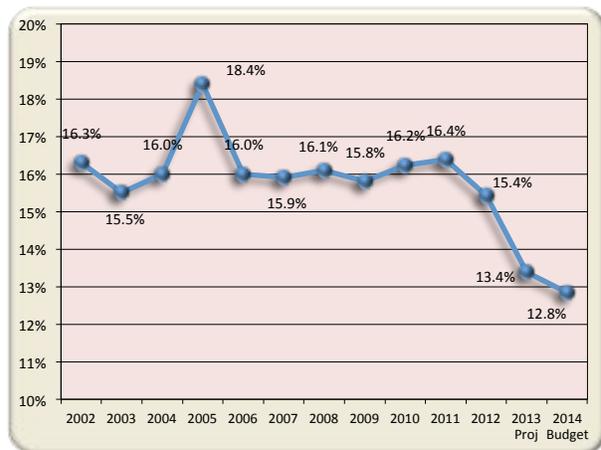
	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
534xx Total Materials	\$ 3,323,730.06	\$ 3,277,075	\$ 3,555,073	8.48%
53499 Gifts - Materials.....	6,861.32	0		
TOTAL MATERIALS	\$ 3,330,591.38	\$ 3,277,075	\$ 3,555,073	8.48%

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.

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.

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.

Figure 3-8: Materials Budget History (2002 - 2014)



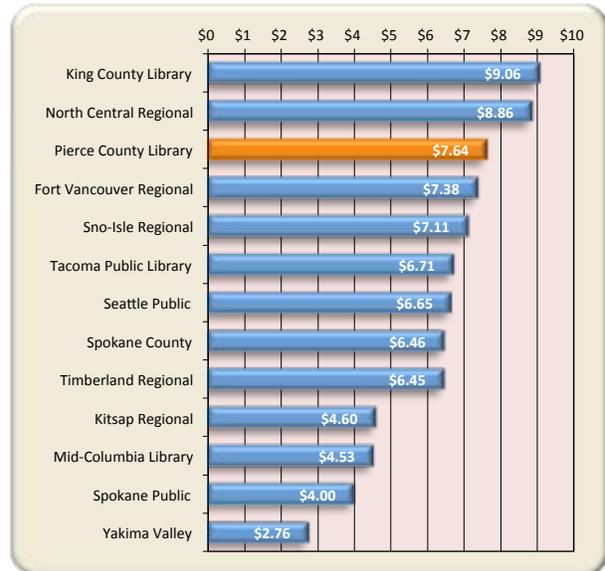
The 2014 Materials budget is 12.8% of new revenues. Figure above shows the historical funding of Materials as a percentage of each year’s new revenues. “New Revenues” excludes calculating a portion of the \$127,663 use of cash reserves into the materials budget. The spike in the 2005 Materials budget is due to a carrying forward of unexpected 2004 unexpended funds (the catalog system replacement project delayed purchasing and receipt of materials).

Figure 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 3rd out of the 13 regional libraries for the second year in a row. It’s a great spot for us. The 2014 materials expenditure per capita is estimated to be \$5.94 per capita.

Figure 3-9: Materials Expenditures Per Capita History (Actuals 2002 - 2012)



Figure 3-10: Materials Expenditures Per Capita Comparison (2012)



Source: Washington State Library

Other Set-Asides & Transfers

\$ 814,912

Table 3-18: 2015 Other Expenditures, Set-Asides, and Transfers

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
ELECTION SET-ASIDE	\$ 0.00 ¹	\$ 0	\$ 0	0.00%
CONTINGENCY	0.00 ¹	0	0	0.00%
TRANSFERS TO CAPITAL IMPROVEMENT FUND.....	495,689.00	255,264	841,912	229.82%
MID-YEAR SAVINGS CAP. IMP. FUND TRANSFER	0.00	0	0	0.0%
TOTAL SET-ASIDES & TRANSFERS	<u>\$ 495,689.00</u>	<u>\$ 255,264</u>	<u>\$ 814,912</u>	<u>229.82%</u>

Notes:

- The Election Set-Aside and Contingency budget items are 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.

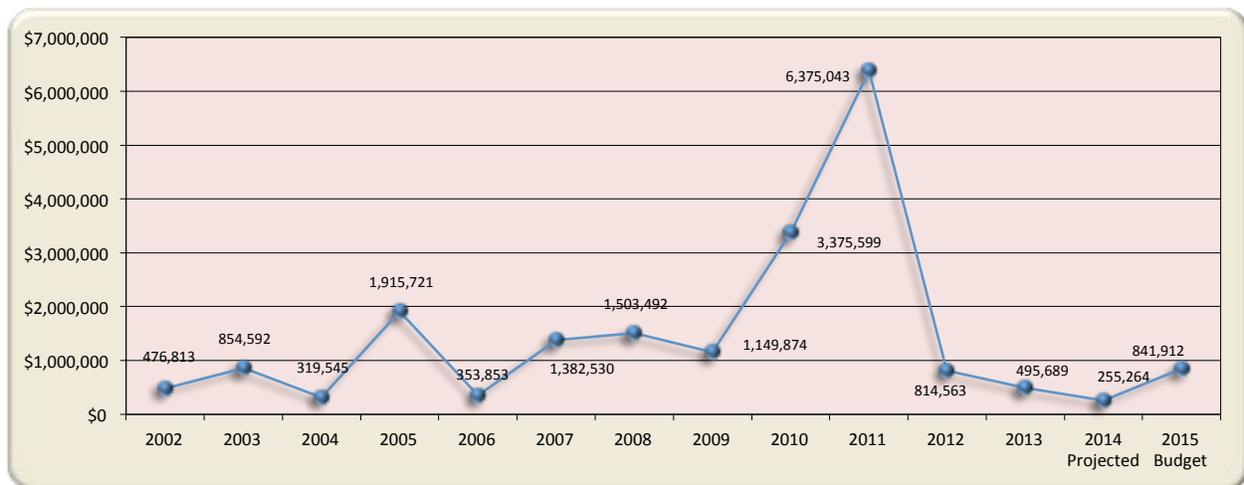
Election Set-Aside\$ 0
 From 2007 to 2011, the Library set aside between \$60,000 and \$80,000 annually towards the next levy lid-lift. The goal was to achieve \$360,000 to conduct a potential levy lid-lift election within the next five to six years. Costs for the election include ballot preparations, postage, professional services, office supplies, etc. The set-aside goal was met in 2011; thus no more needs to be set-aside. It is reserved in the general fund balance.

flow shortfalls. For 2015, this means that enough restricted funds are available to plan for paying April 2015’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.

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

Transfers to Capital Improvement Fund \$ 814,912
 Some funding for the Capital Improvement Plan comes from transferring funds out of the operating budget. During the past 4 years the Library reduced the capital fund transfer to offset further reductions of services. Now that revenue is restored, and the capital fund is in need of funding, for 2015 the Capital transfer is restored to the original 3% of revenues to pay for anticipated capital improvement projects. Below shows capital transfers since 2002.

Figure 3-11: Capital Improvement Fund Transfer History (Actuals 2002 - 2012)



General Fund Balance

General Fund Balance

UPDATED IN DECEMBER

Table 3-19: 2014 General Fund Balance Summary

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
Beginning Fund Balance, January 1	\$ 9,763,236.64	\$ 10,600,972	\$ 9,900,000¹	-6.61%
Less: RESERVE COMMITMENTS				
Operational needs for first 4 months (calculated).....	7,369,276.00	6,905,139	6,967,636	0.91%
Reserve for future election	360,000.00	360,000	360,000	0.00%
TOTAL RESERVE COMMITMENTS	7,729,276.00	7,265,139	7,327,636	0.86%
Available unrestricted funds at beginning of year	2,033,960.64	3,335,833	2,572,364	-22.89%
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	807,172	127,663	-84.18%
Transfers to CIF from previous year-end results.....	0.00	0	TBD	
Transfers to CIF from 2012 Mid-Year Savings.....	0.00			
Transfers to CIF from 2014 Mid-Year Savings.....			TBD	
TOTAL OF OUTFLOWS	0.00	807,172	127,663	-84.18%
Net unrestricted fund balance at end of year	2,033,960.94	2,528,661	2,444,701	-3.32%
% of following year revenues	8.21%	9.91%	9.22%	-6.96%
Add: UNUSED/REPLENISHED RESERVE COMMITMENTS				
Operational needs for first 4 months (replenished)	7,729,276.00	6,905,139	6,967,636	0.91%
Reserve for future election	360,000.00	360,000	360,000	0.00%
TOTAL UNUSED RESERVE COMMITMENTS	7,729,276.00	7,265,139	7,327,636	0.86%
Subtotal Fund Balance at end of year	9,763,236.94	9,793,800	9,772,337	-0.22%
RESULTS OF FISCAL YEAR OPERATIONS				
Use of fund balance to cover shortfall (for operations)	0	807,172	127,633	-84.18%
New revenues	27,509,604.88	24,616,755	25,526,372	3.70%
Less Expenditures and budgeted transfers.....	26,722,639.85	25,423,927	25,654,035	0.91%
NET OF OPERATIONS	786,965.03	0	0	0.00%
Add: Estimated difference between budget & actuals ²	NA	EST: 106,200	TBD	0.00%
Warrants & sales tax payable, benefit accruals, adj	50,770	TBD	TBD	0.00%
Ending Fund Balance, December 31	\$ 10,600,972	\$ 9,900,000¹	\$ 9,772,337	-1.29%

Notes:

1. The 2013 year-end fund balance is estimated; numbers are finalized with the annual report in April 2014.
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 actual of revenues and expenditures received and incurred throughout the year. The difference is used to calculate the 2014 beginning fund balance. This estimated difference was calculated as of the end of December 2013.

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.”

By default, all sources of unexpended revenues are released into the General Fund at year-end, 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 get too low, not enough funds are available to pay for the first four to five months of each year (until tax collections are received), requiring the Library to borrow from the Capital Improvement Fund or establish a bank 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 month’s 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 Washington State Initiative 747 was passed by voters in 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 Board’s 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, it will make timely assessments of 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 plan and 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 University Place Library Capital Campaign. When the Capital Improvement Fund is depleted, the Library can’t borrow from it for cashflow.

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, and then recalculated for the following fiscal year.

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

The Library set aside commitments:

- *\$360,000 to conduct a future election, should conditions warrant.*

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.

Beginning Fund Balance
\$ 9,900,000

The fund balance is estimated at \$9.9 million. The actual amount is reconciled and released in the annual April annual report.

Reserve Commitments
\$ 7,327,636

Operational needs for first 4 months \$ 6,967,636
The Library calculates that approximately \$7 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 \$ 360,000
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.

Inflows
\$ 0

Set aside from operating budget\$ 0
The unreserved fund balance for 2014 is estimated to be 9.2%, 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
\$ 127,663

Use of cash reserves (fund balance) \$ 127,663
To close the revenue shortfall for the 2014 budget, the Library made significant reductions in most areas. Managers proposed further reductions in personnel to balance the budget. Upon discussing with the Board of Trustees during the November 2013 Board of Trustees

meeting, the Library will use some cash reserves in lieu of layoffs.

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 April 2014.

Transfers to CIF from 201X mid-year savings \$ TBD
Any funds available due to savings in 2013 may be identified and transferred in 2014. 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
\$ 9,772,337

Net effect on general fund balance (\$ 127,663)
The reduction is due to use of fund balance to balance the budget.

Conclusion

The General Fund ending fund balance—at 9.22%—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 is very concerned about future cash flow, and encourages the Library to set aside cash as much as possible to ensure that the Library does not diminish its product, even during times of significant economic stress.

Part 4 Other Funds



Capital Improvement Fund

2015 Capital Improvement Budget Summary

Table 4-1: 2015 Capital Improvement Budget Summary

	2013 <u>ACTUALS</u>	2014 <u>FINAL (12/11)</u>	2015 <u>BUDGET (12/10)</u>	% CHANGE 2014 <u>FINAL TO 2015</u>
FUNDING SOURCES				
Use of fund balance	\$	\$ 808,886		
Transfers from General Fund		255,114		
New revenues		160,000		
TOTAL FUNDING SOURCES		1,224,000		
EXPENDITURES				
Total project expenditures.....		1,224,000		
TOTAL EXPENDITURES		1,224,000		
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.

REWRITE IN DECEMBER
2014 Strategy

The Library revised its strategy for the capital improvement plan. These strategies reframe Library priorities for the Capital Improvement Projects. The strategies focus on:

1. Preserve our facilities as an asset (stewardship)
Our facilities are the principle venues with which we serve our customers. The Library will carefully evaluate major maintenance and improvements required to provide a welcoming and highly functional environment necessary to provide effective service. Five year plans will incorporate a data-driven approach.
2. Efficiency: Spend to save (efficient operations)
The Library invests taxpayer funding in projects whose return on investment exceeds the capital costs. These projects are carefully studied to understand the long-term impact on saving costs while funding Library operations.
3. Stay Relevant and up-to-date (customer focus)
The Library has and continues to face difficult economic times. However, it's imperative to stay relevant to the customer by ensuring that through surveys, trends, and an understanding

of available data, capital projects are designed and implemented with an eye to the future.

Strategies are noted in the detailed section of Capital Projects for each 2014 capital project.

5 Year Capital Planning

The Library produces an annual 5-year capital plan. Considerable work was done to project realistic needs from 2015–2018.

Managers submitted estimates according to when the projects would occur, whether they were multiyear projects, and more detailed funding breakdowns. The Library does not automatically carry forward Capital Improvement funding of a project from one fiscal year to the next. Instead, Managers resubmit projects for appropriate funding, including ones that have started or are currently moving.

The Capital Improvement Plan and its corresponding budget is reviewed mid-year and revised as needs and funding dictate.

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 and 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.

Capital Projects Funding Sources

REPLACED IN DECEMBER

Table 4-2: Summary of Funding Sources

	2013 <u>ACTUALS</u>	2014 <u>FINAL (12/11)</u>	2015 <u>BUDGET (12/10)</u>	% CHANGE 2014 <u>FINAL TO 2015</u>
FUND BALANCE				
Use of fund balance	\$	\$ 808,886		
TRANSFERS				
Budgeted GF transfer from operating budget		255,114		
GF transfers from prior fiscal year savings ¹	0.00	TBD	TBD	
Transfers from 2012 Mid-Year Savings	0.00			
TOTAL TRANSFERS	<u>814,563.00</u>	<u>255,114</u>		
NEW REVENUES				
New revenues		160,000		
TOTAL FUNDING SOURCES	\$ <u>XX.XX</u>	\$ <u>1,224,000</u>		<u>XX.XX%</u>

Funding Sources

\$ 1,224,000

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

Funding for capital projects comes from three sources:

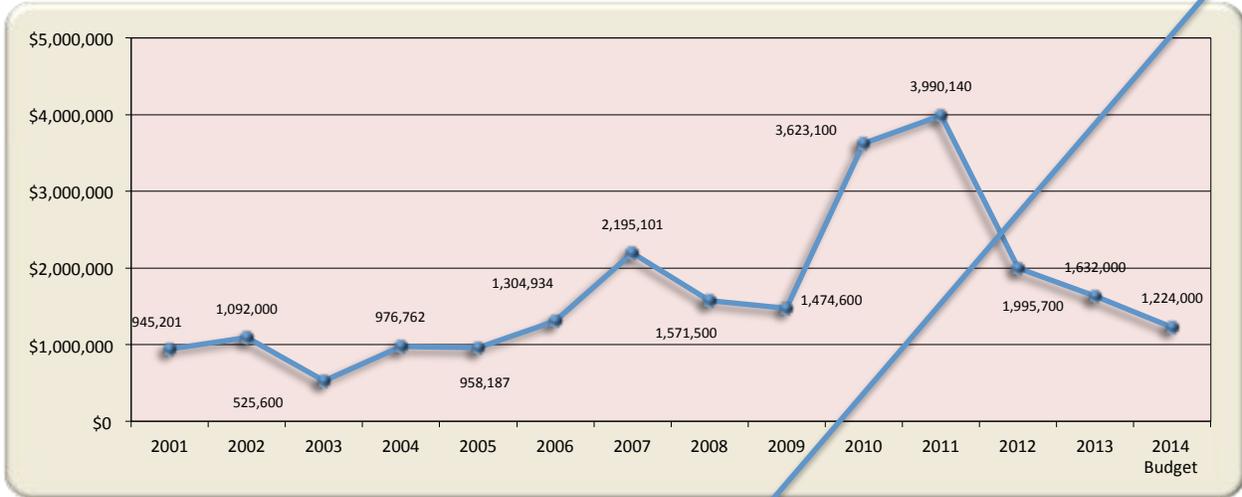
1. Fund balance of the Capital Improvement Fund.
2. Funds transferred from the General Fund:
 - a. Minimum 1% (down from 2% in 2013) of General Fund revenues. More may be transferred due to needs.
 - b. Funds transferred from the General Fund due to unanticipated revenues and savings, backfilling funding 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 2014 is \$1,735,663.

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

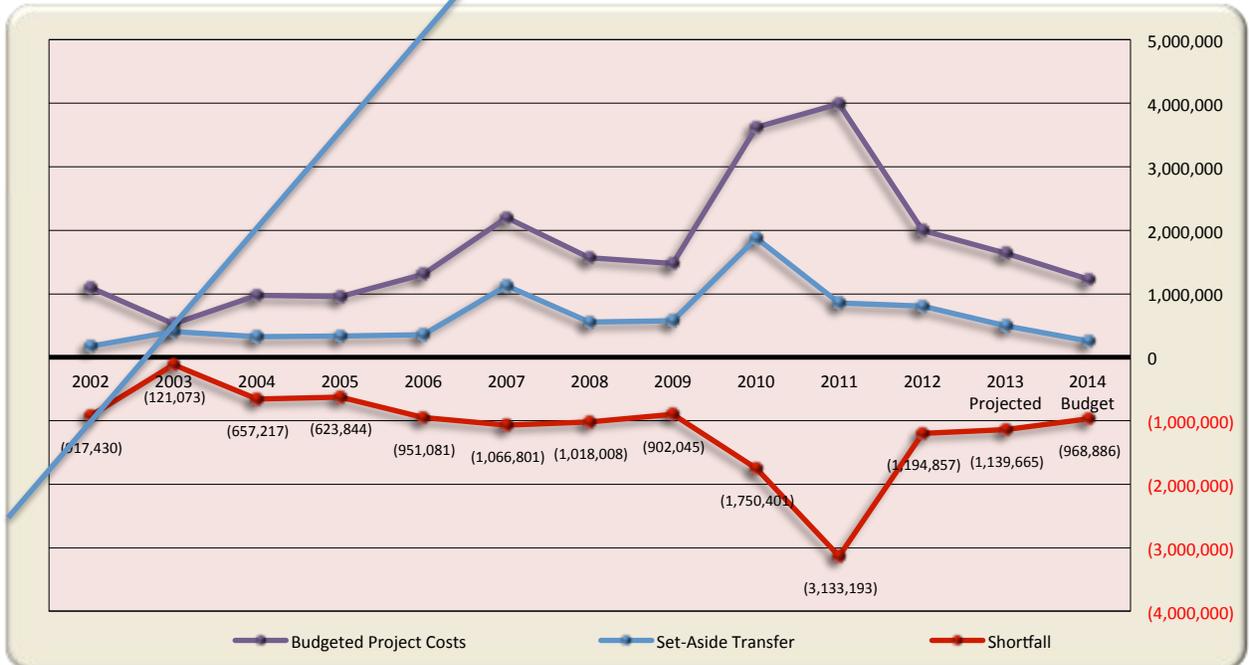
Figure 4-1: Capital Project Budget History (Excludes Carry Forwards)



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.

Figure 4-2: Capital Improvement Fund Shortfalls (Budgeted Project Costs Compared to Set-Asides)



At the end of 2013, it is estimated that the Capital Improvement Fund balance will be approximately \$2 million. Adding monies to be received in 2014 transfers from the Operating Budget, the total available funding is approximately \$2.4 million.

Budgeted General Fund Transfer..... \$ 255,114

The budgeted transfer from the General Fund was reduced from 2% to 1% of General Fund New Revenues. This calculation excludes any use of General Fund balance to balance the operating budget.

Use of fund balance \$ 808,886

The Capital Improvement budget uses its Capital Improvement Fund cash balance to pay for projects that exceed new revenues. For 2014, the Library is expecting to budget some funds from the Capital Improvement fund balance. After factoring in the annual transfer, about 33% of the Capital Improvement Fund balance will be needed to fund 2014 projects. This assumes no mid-year transfer occurs.

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..... \$ 160,000

The Library anticipates some new revenues. Energy rebates are expected to be provided for the PAC HVAC project that culminated in 2013. Also, the Library anticipates a reimbursement for warranty carpet repairs to be done at the South Hill Library. Other new revenues may come in the form of interest on fund balance, albeit very small due to continuation of extremely low interest rates.

Capital Improvement Plan—Project Expenditures

2014 Capital Improvement Plan Projects

\$ 1,224,000

Table 4-3: Capital Budget Summary—Project Expenditures

Capital Project Categories	2014 BUDGET	2015 ESTIMATED	2016 ESTIMATED	2017 ESTIMATED	2018 ESTIMATED
Commitments	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
Service improvement projects	275,000	50,000	50,000		
Major maintenance	533,000	198,000	52,000	226,000	
Vehicles	10,000	45,000	120,000	10,000	10,000
Equipment and technology	250,000	250,000			
SUBTOTAL	1,188,000	663,000	342,000	356,000	130,000
Contingency (by exec approval)	36,000	25,000	25,000	25,000	25,000
TOTAL CAPITAL PROJECT BUDGET	\$ 1,224,000	\$ 688,000	\$ 367,000	\$ 381,000	\$ 155,000

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

Strategies..... (Relevance)

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

\$ 275,000

Restroom Upgrades (PKS,SH,GH,SMT,KC,LWD,PAC) .. \$ 210,000

Strategies..... (Preserve, Relevance)

The public restrooms are in severe need of an upgrade/restoration in many of the branches. Areas requiring upgrade include tile floors, paint, partition walls, toilets, urinals, sinks, and counter tops. Finishes in these restrooms are original to when the buildings opened in the early 1990’s and are showing significant signs of wear and tear due to heavy usage.

Replace Aging Furnishings..... \$ 50,000

Strategies..... (Preserve, Relevance)

The Library needs to replace furnishings at many locations. These are original furnishings from when the

buildings were opened in the early 1990s and includes public computer stations, lounge seating, tables and chairs. The project will be conducted over a three year period.

UP Teen Area Acoustical Treatments \$ 15,000

Strategies..... (Relevance)

Acoustical panels will be added to the walls and ceiling in the Teen area to help mitigate noise which is generated in the Teen area and carries over to surrounding areas of the Library including the quiet reading and magazine areas.

Automated Materials Handling (AMH) Sys. \$ 0

Strategies..... (Efficiency)

In 2014, staff will research and conduct an initial feasibility study of AMH and its application within PCLS. If feasible, a team will prepare a proposal for a consultant in the field to conduct a full feasibility study with options for implementing automated materials handling. A budget request would be created from this study.

Major Maintenance

\$ 533,000

HVAC Replacement/Upgrades (LWD,TIL)..... \$ 45,000

Strategies.....(Preserve, Efficiency)

Roof Replacement (KC,STL) \$ 151,000
Strategies..... (Preserve)
 The roofs of the Key Center and Steilacoom libraries must be replaced. Key Center roof was installed in 2001 and is in need of replacement. Steilacoom’s was installed in 1995 and is the original room.

Exterior Painting (KC) \$ 7,000
Strategies..... (Preserve)
 While the Key Center’s roof is being replaced, the exterior of the building needs repainting.

Interior Painting (PKS)..... \$ 40,000
Strategies..... (Preserve)
 The interior of the Parkland/Spanaway Library is in need of painting.

Carpeting (SH)..... \$ 81,000
Strategies..... (Preserve)
 The South Hill Library carpeting is failing prematurely. The manufacturer’s warranty appears to apply and we will be submitting replacement costs for replacement.

Lighting Energy Efficiencies (GH,PAC,KC,LWD) \$ 78,000
Strategies..... (Efficiency)
 The Library will be installing significant efficiency-rated lighting units at these locations and will submit for rebates.

Replace Exterior Doors (LWD,BLK) \$26,000
Strategies..... (Preserve)
 The main exterior doors at the Lakewood Library are in need of replacing. The Bonney Lake Library staff door will be replaced.

Sealcoat All Parking Lots (2014) \$50,000
Strategies..... (Preserve)
 Parking lots in all locations need to be sealed to protect the function and aesthetic for customers and staff to use.

Rekey All Doors (all locations)..... \$55,000
Strategies..... (Preserve)
 With the staff turnover through the years as well as lost keys never found, the Library needs to replace all locks in the system to ensure that equipment and facilities are secure.

Vehicles
 \$ 170,000

Vehicle (contingency for repairs)..... \$ 10,000
Strategies..... (Preserve)
 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.*

Equipment and Technology
 \$ 250,000

Technology Plan (2014)..... \$ 250,000
 The Technology Plan has concluded in December 2013 and will begin implementation over the next two years. Specific projects will be identified in December 2013 or early 2014.

Contingency
 \$ 36,000

The Library frequently needs to purchase capital-related items and services during the year. Prior to 2009, unless projects were emergencies, management had to wait until Board meetings to recommend and have approved small and large projects alike. To provide more timely improvements for the public and to make reporting more efficient, the Board approved a Capital Improvement contingency fund from which the Executive Director or Deputy Director may approve purchases without the need for specific Board approval. Management will review this need periodically and may make adjustments.

Future Anticipated Major Projects (2015 – 2018)

Technology Plan (2015)..... \$ 250,000
 Year Two of implementation.

Other 2015 Projects \$ 438,000
 Projects include carpets, painting, parking lot repairs, KC sign replacement and replacing one passenger car. UP Payment and contingency are included.

Other 2016 Projects \$ 367,000
 Projects include the final year of parking lot repairs, and replacing two vehicles. UP Payment and contingency are included.

Other 2017 Projects \$ 381,000
 The Library anticipates one roof replacement and carpet replacement. UP Payment and contingency are included. AMH systems may be included once the full costs are established.

Other 2018 Projects \$ 155,000
 The Library anticipates no major projects at this time, other than the payment to UP, a contingency for vehicle repairs, and a contingency for overall CIP needs. UP Payment and contingency are included. AMH systems may be included once the full costs are established.

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

Table 4-4: 5-Year Capital Improvement Projects (2014 - 2018)

	2014 BUDGET	2015 ESTIMATED	2016 ESTIMATED	2017 ESTIMATED	2018 ESTIMATED
COMMITMENTS					
University Place 5,000 sq ft expansion (10 yr)	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
TOTAL COMMITMENTS	120,000	120,000	120,000	120,000	120,000
SERVICE IMPROVEMENT PROJECTS					
Restroom upgrades (PKS,SH,GH,SMT,KC,LWD,PAC)	210,000				
Replace aging furnishings	50,000	50,000	50,000		
UP Teen area acoustical treatments	15,000				
Automatic Materials Handling (AMH) systems		TBD		TBD	TBD
MAJOR MAINTENANCE					
HVAC replacement/upgrades (LWD, TIL)	45,000				
Roof replacement (KC, STL)	151,000				
Roof replacements (BLK)				200,000	
Interior painting (PKS)	40,000				
Interior painting (GHM)		20,000			
Exterior painting (KC)	7,000				
Carpet replacement (SH)	81,000				
Carpet replacement (GIG)		110,000			
Carpet replacement (TIL)				26,000	
Lighting energy efficiencies (GH, PAC, KC, LWD)	78,000				
Replace exterior doors (LWD entry, BLK staff)	26,000				
Sealcoat all parking lots	50,000	48,000	52,000		
Rekey of all building doors	55,000				
KC sign replacement		20,000			
TOTAL MAJOR MAINTENANCE	533,000	198,000	52,000	226,000	0
VEHICLES					
Vehicle repair contingency	10,000	10,000	10,000	10,000	10,000
Replace Passenger car #1 with Hybrid car		35,000			
Replace Maintenance van #1			30,000		
Sprinter replacement			80,000		
TOTAL VEHICLES	10,000	45,000	120,000	10,000	10,000
EQUIPMENT AND TECHNOLOGY					
Technology Plan implementation	250,000	250,000			
TOTAL EQUIPMENT AND TECHNOLOGY	250,000	250,000			
SUBTOTAL	1,188,000	663,000	342,000	356,000	130,000
Contingency (by exec approval)	36,000	25,000	25,000	25,000	25,000
TOTAL CAPITAL PROJECT BUDGET	\$ 1,224,000	\$ 688,000	\$ 367,000	\$ 381,000	\$ 155,000

Notes:

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 4-5: 2013 Capital Improvement Fund Balance Summary

	2013 <u>ACTUALS</u>	2014 <u>FINAL (12/11)</u>	2015 <u>BUDGET (12/10)</u>	% CHANGE 2014 <u>FINAL TO 2015</u>
Beginning Fund Balance, January 1	\$ 2,095,867.00	\$ 3,258,147	\$ 2,000,000²	X-%
INFLOWS				
Budgeted GF transfer from operating budget	514,563.00	492,335	255,114	-48.18%
GF transfers from prior fiscal year savings ¹	0.00	TBD	TBD	
Transfers from 2012 Mid-Year Savings	0.00			
TOTAL INFLOWS	814,563.00	492,335	255,114	-48.18%
Available funds during fiscal project year	2,910,430.00	3,750,482	2,255,114	X%
OUTFLOWS				
Use of inflows to fund projects	814,563.00	492,335	255,114	-48.18%
Use of fund balance to cover shortfall	686,268.50	1,139,665	808,886	-4.62%
TOTAL OUTFLOWS	1,500,831.50	1,632,000	1,224,000	-25.00%
Subtotal Fund Balance at end of year	2,759,598.50	2,118,482	1,031,114	%
RESULTS OF FISCAL YEAR PROJECTS				
Use of inflows to fund projects	814,563.00	492,335	255,114	-48.18%
Use of fund balance to cover shortfall	686,268.50	1,139,665	808,886	-29.02%
New revenues	498,548.00	0	160,000	New%
Less: Expenditures	1,999,379.50	1,632,000	1,224,000	-25.00%
TOTAL RESULTS OF FISCAL YEAR PROJECTS	0.00	0	0	0.00%
Add: Estimated difference between budget & actuals ³	NA	(118,482)	TBD	0.00%
Add: Warrants & sales tax payable, adj	TBD	TBD	TBD	0.00%
Ending Fund Balance, December 31	\$ 3,258,146.50	\$ 2,000,000²	\$ 1,191,114	-X%

Notes:

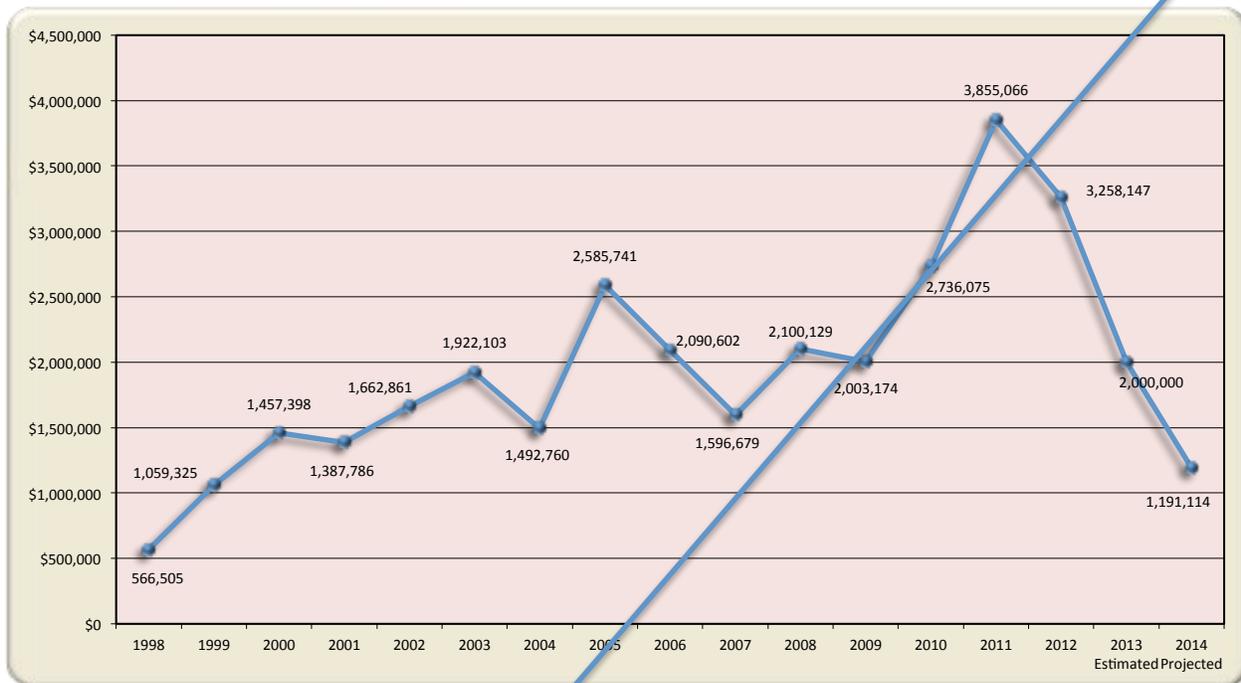
1. Transfers due to prior fiscal year savings occur as a Board-approved fund-to-fund transfer from the General Fund and the Capital Improvement Fund, generally without effect on the current operating budget. Because prior fiscal year savings in the General Fund already occur by the time the budget is 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 2013 year-end fund balance is estimated; numbers are finalized with the annual report in April 2014.
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 2014 beginning fund balance. This estimated difference was calculated at the end of November 2013.

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 4-3: Capital Improvement Fund Ending Fund Balance



Dissolution

I'll tell you where I am now:
 Water curls, whitens, polishes the sand, then dissolves.
 The cliff's grasshair.
 Numbing cloudwater, white and gray.
 Rotten wood.
 Salt in the air.

I see you:
 Tickets and emails,
 Applications and resumes and photocopies and folders and

Stop!
 What touches your hand or presses your feet?
 Feel the clothes against your skin.
 Feel the shape of your breath.

Your wristwatch and your telephone,
 Your shopping list and your four o'clock shift,
 Even that friend or teacher or stranger moving their mouths at you,
 Explaining or whimpering or laughing or yelling.

Let them all dissolve in the waves of the sea

Jack Chakerian
 Gig Harbor High School

2013 Our Own Expressions
11th & 12th Grade Poetry Winner—1st place

Bonds, Debt, and Debt Service Fund

UPDATED IN DECEMBER

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 2013, typical bond rates would be between 5% and 6%.

Library District assessed value:	\$ 48,964,088,146
Legal GO bond capacity:	x 0.005000
Maximum GO bond capacity:	\$ 244,820,441
Current outstanding bonds:	- \$ 0
Available bonding capacity:	\$ 244,820,441

The Library therefore may issue general obligation bonds of up to \$236,716,294. For the property owner with average property value of \$215,000, a 20-year simple bond issued would cost around \$85 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.

Library District assessed value:	\$ 48,964,088,146
Legal Councilmanic bond capacity:	x 0.001000
Maximum Councilmanic capacity:	\$ 48,964,088
Current outstanding Councilmanic bonds:	- \$ 0
Available Councilmanic capacity:	\$ 48,964,088

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.

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
Sum of all other forms of debt:	\$ 0
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 2014 is approximately \$83,550. Because the Library has no outstanding debt, only minimal, passive activity in this fund will occur in 2014.

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.

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.

Future Debt Needs

The Library began a Facilities Master Plan (FMP) project in late 2008 and concluded in January 2010

Table 4-6: 2014 Debt Service Fund Balance Summary

	2013 ACTUALS	2014 FINAL (12/11)	2015 BUDGET (12/10)	% CHANGE 2014 FINAL TO 2015
Beginning Fund Balance, January 1	\$ 83,333.01	\$ 83,444	\$ 83,444¹	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	83,333.01	83,444	83,444	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	83,333.01	83,444	83,444	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.....	110.79	0	0	0.00%
Expenditures.....	0.00	0	0	0.00%
NET OF OPERATIONS	110.79	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	\$ 83,443.80	\$ 83,444¹	\$ 83,440	0.00%

Notes:

1. The 2013 year-end fund balance is estimated; numbers are finalized with the annual report in April 2014.
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 2014 beginning fund balance. This estimated difference was calculated at the end of November 2013. A positive number means a surplus is expected.

Beginning Fund Balance
\$ 83,444

Inflows
\$ 0

The fund balance is estimated at just over \$83,000. The actual amount is not known until the annual report is issued in April 2013.

General Fund transfers \$ 0
No transfers will occur for 2013.

Other inflows.....\$ 0

No other inflows are budgeted or anticipated.

Outflows

\$ 0

Use of inflows to fund payments.....\$ 0

No use will occur in 2014.

Use of fund balance to cover shortfall.....\$ 0

No use will occur in 2014.

All other outflows.....\$ 0

None budgeted nor anticipated for 2014.

Ending Fund Balance

\$ 83,444

Net effect on general fund balance\$ 0

No change is anticipated for 2013.

Part 5 Cash Flow and Funds



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 0.005% due to historically low interest rates. Extremely low return on investment rates will continue through 2012.

Coloured Balloons in a Cemetery

Notice out there, within the distance
 An abandoned cemetery
 Beside a weathered headstone sways a
 Bouquet of balloons in arrayed hues
 Waltzing with the wind. Careless.
 Free. Boasting their pride and joy.
 Look now, near the dirt-paved road
 An expressionless figure
 Gazing back upon a single grave. Humbled.
 On the person's face formed a
 Piteous smile beyond a heart of stone.
 Notice out there, within the distance
 A sealed letter
 Torn and tear-stained by rain. Exposed.
 Inside the parchment held a
 Collection of words meant to be said
 Haunting its author. Ceaseless.
 Innumerable words: to explain. Describe. Cherish.
 Confess. As though holding a world of thoughts
 In the palm of your hand.

Rachel Duerst
 Columbia Junior High

2013 Our Own Expressions
9th & 10th Grade Poetry Winner—2nd place

REVISED IN DECEMBER

Table 5-1: 2015 - 2019 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	
2014	25,526,372	3.70% 909,617	25,654,035	(127,663)	255,264	9,838,846 ²	6,967,636 + 360,000 ¹ 7,327,636	2,511,210	- 127,663 =	2,383,547	8.99%	3% personnel cost projection adjustment; decrease CIPO to 1% transfer; other reductions
2014 Mid-Year	26,024,508	5.72% 1,407,753	26,024,508	0	260,245	10,033,175	7,068,256 + 360,000 ¹ 7,428,256	2,604,919	- 0 =	2,604,919	8.63%	Did not use cash reserves to balance budget
2015	28,063,748	9.94% 2,537,376	28,063,748	0	841,912	10,033,175	6,314,343 + 360,000 ¹ 6,674,343	3,358,832	- 0 =	3,358,832	11.13%	Restored 3% CIP transfer; Set personnel cost projection adjustment to 2.5%; No cash set-aside
2016	30,182,569	Projected 7.55% 2,118,821	30,028,051	154,518	905,477	10,033,175	6,791,078 + 360,000 ¹ 7,151,078	2,882,097	- 0 =	2,882,097	9.33%	TBD
2017	30,890,790	2.35% 708,221	31,605,450	(714,660)	926,724	10,033,175	6,950,428 + 360,000 ¹ 7,310,428	2,722,747	- None Expected =	2,722,747	8.61%	TBD
2018	31,628,119	2.39% 737,329	32,573,319	(945,200)	948,844	10,033,175	7,116,327 + 360,000 ¹ 7,476,327	2,556,848	- None Expected =	2,556,848	7.89%	TBD
2019	32,401,838	2.45% 773,719	33,567,397	(1,165,559)	972,055	10,033,175	7,290,414 + 360,000 ¹ 7,650,414	2,382,761	- None Expected =	2,382,761	7.18%	TBD

Notes:

1. Set-aside for a future potential election.
2. Estimate as of December 2014. Final will be available in May 2015, when the 2014 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

Capital Improvement Fund Cash Flow

UPDATED IN DECEMBER

Table 5-2: Capital Improvement Cash Flow (Column Format)

	2014 BUDGET	2015 ESTIMATED	2016 ESTIMATED	2017 ESTIMATED	2018 ESTIMATED
Beginning Capital Improvement Fund Balance, Jan 1 (est)	\$ 2,000,000¹	\$ 1,191,114	\$ 1,033,096	\$ 1,220,682	\$ 1,422,174
Capital Improvement New Revenues & Transfers.....	415,114	529,982	554,586	582,492	596,324
Available Funds:	2,415,114	1,721,096	1,587,682	1,803,174	2,018,498
Capital Improvement Expenditures (Capital Project Budget).....	1,224,000	688,000	367,000	381,000	155,000
Ending Capital Improvement Fund Balance, Dec 31 (est) ..	\$ 1,191,114	\$ 1,033,096	\$ 1,220,682	\$ 1,422,174	\$ 1,863,498

Notes:

1. Estimate as of December 2012. Final will be available May 2013, when the 2012 fiscal report is issued to the State Auditor.

Table 5-3: Capital Improvement Cash Flow (Row Format)

UPDATED IN DECEMBER

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)	
2014	415,114	-15.68% -77,221	1,224,000	-808,886	2,000,000	- 808,886	+ 0	= 1,191,114	:
2015	529,982	27.67% 114,868	688,000	-158,018	1,194,114	- 158,018	+ 0	= 1,033,096	:
2016	554,586	4.64% 24,604	367,000	0	1,033,096	- 0	+ 187,586	= 1,220,682	:
2017	582,492	5.03% 27,906	381,000	0	1,220,682	- 0	+ 201,492	= 1,422,174	:
2018	596,324	2.37% 13,832	155,000	0	1,422,174	0	441,324	1,863,498	:

Notes:

1. Estimate as of December 2013. Final will be available May 2014, when the 2013 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 between 2014 and 2018, 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).

Summary of Fund Balances

UPDATED IN DECEMBER

Table 5-4: Summary of Fund Balances

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	DEBT SERVICE FUND
2013 Beginning Fund Balance, Jan 1	\$ 10,600,972	\$ 2,727,681	\$ 83,444
2014 Beginning Fund Balance, Jan 1 (est).....	\$ 9,900,000	\$ 2,000,000	\$ 83,444
Add: 2014 New Revenues & Transfers	25,526,372	415,114	0
2014 Available Funds:	35,426,372	2,415,114	83,444
Less: 2014 Expenditures	25,654,035	1,224,000	0
2014 Ending Fund Balance, Dec 31 (est).....	<u>\$ 9,772,337</u>	<u>\$ 1,191,114</u>	<u>\$ 83,444</u>

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

The drop in the General Fund from 2013 to 2014 is due to using the fund balance to pay for 2013 operations.

M E M O



Date: November 5, 2014
To: Chair Linda Ishem and Members of the Board of Trustees
From: Clifford Jo, Finance & Business Director
Subject: 2015-19 Capital Improvement Plan

Attached is a draft Capital Improvement Plan for 2015-19.

Before incorporating it into the budget narrative, I would like to bring it to you in this draft table format to discuss elements of the plan during the Board meeting.

Note that we have begun calculating what can be transferred over next month so as to fund the plan for the next five years. This is noted in the top left corner of the table (estimated at \$1.5 million).

As presented, the bottom line of the capital fund remains at minimum of around \$1m each year. However, as noted in the operating budget for the cash flow chart (page 111), we have upcoming budget pressures beginning in 2017.

We are interested in your feedback so that we can present to you a final capital improvement plan and budget in December.

DRAFT

AS OF NOVEMBER 5, 2014	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
2014 ENDING FUND BALANCE (12/31 EST)	550,000				
12/2014 Transfer from General Fund to CIP	1,500,000				
BEGINNING FUND BALANCE (1/1 EST)	2,050,000	1,033,412	991,589	1,151,213	1,834,557
3% Transfer from General Fund	841,912	905,477	926,724	948,844	972,055
Erate Reimbursement from 2015 purchases		250,000			
Other Transfers	TBD	TBD	TBD	TBD	TBD
TOTAL FUNDS AVAILABLE	2,891,912	2,188,889	1,918,313	2,100,057	2,806,612
FACILITIES & VEHICLES					
Lighting Upgrades in Parking Lots (KC, SH, BUC)	37,000				
Helpdesk Upgrades (UP)	58,000				
Carpet Extractor	16,000				
Carpet Replacement (GIG in 2015)	114,500		14,000		
HVAC Replacement (BLK in 2015)	155,000				51,000
Seal Coating of Parking Lots	60,000	60,000			
Gutter Replacement (PAC, GIG)	43,000				
Branch Furnishings Replacements	50,000	50,000			
Restroom Maintenance (GHM, BLK, SMT, EAT)	30,000				
Systemwide Rekey		52,000			
Vehicle Replacements	-	56,000	81,000	-	64,000
Unanticipated Future Needs (past experience)	-	64,800	66,100	67,500	68,900
SUBTOTAL	563,500	282,800	161,100	67,500	183,900
TECH PLAN IMPLEMENTATION					
Staff PCs	219,000				219,000
Public PCs (Very Old PCs, eg., Express Check)	157,000				157,000
Public PCs		407,000			
AWE Children's PCs		3,500	91,000		
Servers + Storage	450,000				
Laptops		75,000			75,000
Tablets		14,000			14,000
Network Switches (>50% Erate reimb)	260,000				
Wireless Network				21,000	
Firewalls				12,000	
Network Appliances	33,000				
SUBTOTAL	1,119,000	499,500	91,000	33,000	465,000
OTHER CAPITAL PROJECTS					
Finance/HR System Replacement		100,000	350,000		
Communications Printer		150,000			
Wayfinding (GIG & PKS in 2015)	20,000	20,000	20,000	20,000	20,000
UP 5,000 sq ft Expansion (10 year)	120,000	120,000	120,000	120,000	120,000
SUBTOTAL	140,000	390,000	490,000	140,000	140,000
SUBTOTAL CIP	1,822,500	1,172,300	742,100	240,500	788,900
Contingency (2% with \$25,000 minimum)	36,000	25,000	25,000	25,000	25,000
GRAND TOTAL CIP	1,858,500	1,197,300	767,100	265,500	813,900
ENDING FUND BALANCE (12/31 EST)	1,033,412	991,589	1,151,213	1,834,557	1,992,712

2015
BUDGET
PUBLIC
HEARING

MEMO



Date: November 3, 2014

To: Chair Linda Ishem and members of the Board of Trustees

From: Georgia Lomax, Executive Director

Subject: Public Hearing: 2015 Budget

This Board meeting is the first public hearing for the 2015 budget. Clifford Jo will present the budget. After presentation of the budget, the Board will open discussion of the budget with a public hearing.

Following are the formal motions and steps to be taken:

Opening the Public Hearing:

"I move that in accordance with RCW 85.44.120, the public hearing be opened for consideration of increases in property tax revenues, regarding 2014 property tax levies for collection in 2015."

The motion is seconded and passed.

Public Comment:

The Chair must ask if there is 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 2015 budget of estimated revenue and expenditures."

The motion is seconded and passed.

M E M O



Date: November 4, 2014
To: Chair Linda Ishem and Members of the Board of Trustees
From: Clifford Jo, Finance & Business Director
Subject: Levy Resolution and Levy Certificate

Attached are the standard two documents that the Board must pass in November, to set the property tax levy for the following fiscal year's property tax revenues.

1. Resolution Requesting Highest Lawful Levy: This sets the "101" calculation, and the tax base from which current and future lawful levies are established. It is exclusive of new construction, state assessed property, annexations, and refunds. It's an increase to the base tax that we are allowed. Note that even though you are certifying for "101" calculation, the County will set the actual taxes collected at 50 cents per 1000 AV; this allows the base to be the highest lawful levy, which has implications for a potential future tax collections especially when property values increase. If you exclude the "101" calculation, then the base will be permanently lower.
2. Levy Certification: This sets total property tax revenues, and is limited to 50 cents per \$1,000 district assessed property values (see line K on the levy calculation page, very bottom number at right).

They need to be passed in this order. These documents must be filed with Pierce County by November 30.

RESOLUTION NO. 2014-08

**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 has met and considered its budget for the calendar year 2015; and,

WHEREAS, the district's actual levy amount from the previous year was \$ 23,783,096.90; and,

WHEREAS, the population of this district is MORE THAN 10,000; 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 is hereby authorized for the levy to be collected in the 2015 tax year.

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 4,523,176.28, which is a percentage **INCREASE** of 19.0185% from the previous year. This increase is exclusive of additional revenue from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred, and refunds made.

PASSED AND APPROVED THIS 12TH DAY OF NOVEMBER, 2014.

BOARD OF TRUSTEES, PIERCE COUNTY RURAL LIBRARY DISTRICT

Linda Ishem, Chair

Robert Allen, Vice-Chair

Donna Albers, Member

J. J. McCament, Member

Allen Rose, Member



Levy Certification

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

In accordance with RCW 84.52.020, I, Linda Ishem,
(Name)

Chair, Board of Trustees, for Pierce County Rural Library, do hereby certify to
(Title) (District Name)

the Pierce County legislative authority that the Board of Trustees
(Name of County) (Commissioners, Council, Board, etc.)

of said district requests that the following levy amounts be collected in 2015 as provided in the district's
(Year of Collection)

budget, which was adopted following a public hearing held on Nov 12, 2014:
(Date of Public Hearing)

Regular Levy: 28,800,147.86
(State the total dollar amount to be levied)

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

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

Signature: _____

Date: _____

For tax assistance or to request this document in an alternate format, visit <http://dor.wa.gov/content/taxes/property/default.aspx> or call (360) 534-1400. Teletype (TTY) users may call (360) 705-6718.



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

PRELIMINARY TAX LEVY LIMIT 2014 FOR 2015

**RURAL LIBRARY
> 10,000**

REGULAR TAX LEVY LIMIT:

2010

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).	28,026,013.05
	1.01
	28,306,273.18
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).	751,513,170
	0.500000000000
	375,756.59
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).	777,679,533
	777,679,533
	0.00
	0.500000000000
	0.00
D. REGULAR PROPERTY TAX LIMIT (A + B + C)	28,682,029.77

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.	28,682,029.77
	53,156,946.492
	0.539572561223
F. Annexed area's current assessed value including new construction and improvements times rate found in E above.	0.00
	0.539572561223
	0.00
G. NEW LEVY LIMIT FOR ANNEXATION (D + F)	28,682,029.77

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)	28,682,029.77
	118,118.09
	28,800,147.86
I. TOTAL ALLOWABLE LEVY AS CONTROLLED BY THE LEVY LIMIT (D,G,or H)	28,800,147.86
J. Amount of levy under statutory rate limitation.	53,156,946.492
	0.500000000000
	26,578,473.25
K. LESSER OF I OR J	26,578,473.25



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

September 12, 2014

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

RE: 2014 PRELIMINARY ASSESSED VALUES ASSESSED VALUES

FOR REGULAR LEVY

Total Taxable Regular Value	53,156,946,492
Highest lawful regular levy amount since 1985	28,026,013.05
Last year's actual levy amount	24,580,222.47
Additional revenue from current year's NC&I	375,756.59
Additional revenue from annexations (RCW 84.55)	0
Additional revenue from administrative refunds (RCW 84.69)	118,118.09
<i>No additional revenue from administrative refunds will be allowed if you are limited by your statutory rate limit.</i>	
Last year's additional revenue from increase in state-assessed property	17,388.06

FOR EXCESS LEVY

Taxable Value	52,651,316,549
Timber Assessed Value	not available
Total Taxable Excess Value	52,651,316,549
2014 New Construction and Improvement Value	751,513,170

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

NEW BUSINESS



Date: October 31 2014

To: Chair Linda Ishem and Members of the Board of Trustees

From: Sally Porter Smith, Customer Experience Director

Subject: 2014 Summer of Reading

This summer, 29,029 kids, teens and adults participated in what was promoted as a summer of reading. An overview of participants and participation is summarized below. More information on the children’s and teen summer reading programs are contained in accompanying Board reports. A full report on Scout, the online program for adults will be evaluated at the end of December as part of the grant process and results will be presented to the Board in early winter.

Preparation for the 2015 Children’s and Teen summer reading programs is underway. An adult summer program will be considered as part of the evaluation of Scout and determined in January 2015. Preliminary Scout participant feedback is overall positive and provides the Library with information that would yield valuable insight in crafting a proposed adult summer reading program.

Elements (a parent tie-in to the youth program), and Book Bingo (an in-branch option at four locations).

Staff will leverage school, city, county and community partnerships to expand the reach and impact of the 2015 PCLS summer reading programs in our community.

While all thirteen PCLS school districts and many private schools worked with the Library on promoting the summer reading program, work with Bethel and Franklin Pierce School Districts showed significant results to engage and encourage student participation in summer reading and will be used in work with other school districts in 2015. Ongoing work with county and city officials, and youth serving organizations will provide families in Pierce County with resources and programs to combat summer slide Enhanced efforts to engage child care centers are underway.

Staff was excited by the opportunities 2014 brought to engage readers of all ages, provide families with activities that helped reduce summer reading slide, encouraged the development of STEM skills and provided children hands-on introductions to careers as part of the UW Tacoma’s Passport to Professions. Adults had options to explore and celebrate their own reading through Scout, Literary

2014 Summer of Reading		
PARTICIPANTS		
	KIDS	26,799
	TEENS	607
	ADULTS	1,623
	TOTAL	29,029
HOURS READ (KIDS & TEENS)		
	KIDS	107,405
	TEENS	1,444
	TOTAL	108,849
ADULT BOOKS READ		
	TOTAL	9,578
ONLINE BADGES & ACTIVITIES		
	TEEN	12,702
	ADULT	29,458
	TOTAL	42,160



Date: October 14, 2014
To: Linda Ishem, Chair Board of Trustees, Board of Trustees, Neel Parikh, Executive Director
From: Judy T Nelson, Customer Experience Manager for Youth
Subject: 2014 Summer Reading Program - Children's and Teen's Summer Reading Challenge

The Pierce County Library System is committed to stopping summer slide. Summer slide is the loss that occurs when children do not practice their acquired academic skills during the summer. Research shows that these children actually lose skills they achieved during the previous school year through lack of use and may start their upcoming school year behind where they left off. This is especially true of children in low-income families. "Students from low-income families 'experience an average summer learning loss in reading achievement of over two months.' Not only do these students suffer greater sliding during the summer, they also experience cumulative effects of greater learning loss each summer." (RIF, *Keeping Kids off the Summer Slide*) The powerful video demonstrating this phenomenon narrated by Brian Williams is called Summer Learning Loss <http://www.youtube.com/watch?v=Ahhj3wxxkdM>

The annual Pierce County Library Summer Reading program targets the "learn to read" crowd (birth through age 9) for summer reading in order to minimize this summer slide. While the summer reading program provides activities and support to every age from birth to age 18 years, the focus of programs and materials is on our younger children, those in the thick of mastering the skill of reading. Summer is a critical time for these children because without practice and experiential learning opportunities children in this age category are at risk of having their reading and math skills diminish before the new school year begins. Over several years, this gap will widen until it becomes insurmountable without significant expense. In Pierce County, there are about 38,600 children in the 5 to 9 age range in the Library's service area. Youth Services has set a target of 50 % participation in summer reading for this group. This past year we engaged 44.2% of this targeted group, an increase of 11.2% above 2013 figures.

Learning to read is a complex task, but research shows that children who engage in pre-reading skill building with a caring adult (or older sibling) learn to read more effectively than those who do not have this person to person contact. A caring adult is critical to the process. In 2014, Youth Services added a parent incentive to the children's summer reading program to help support parents/care givers as they in turn support their children in practicing reading skills at home and engage with them in fun, free activities.

This year Youth Services librarians were able to visit with over 67% of all students in our targeted age range (an increase of 6% over 2013).

In reviewing the overall numbers from the summer reading program there are successes. Below are a few of the highlights.

- 11% more children registered to participate in 2014 than had registered in 2013.

- 32 % of registered participants indicated they finished the program by receiving their completion award for 15 hours of reading. While this was a 6.8% increase in the actual number of children completing the 15 hours of reading, it was a slight decrease (-1%) in the percentage overall who self-identified completing the program.
- 21% more programs were offered across the county than were offered in 2013. This was a direct response to the survey information gathered at the end of 2013 which indicated the public wanted more programs. Programs offered through the Library provided families and children with a wide array of experiential learning opportunities, including live puppet shows, magic shows, science activities, jump roping and nature related activities. There was an 11% increase in attendees over 2013.
- 14.9% more hours were read in 2014. Children continued the trend of recording more hours read than in previous years. While the number of hours overall read increased, the number of items checked out decreased -even though PCLS was able to capture e-book usage this This decrease reflects that fact that children are getting their reading materials from different sources, as are all library users.

The 2014 Summer Reading Program consisted of five parts. Two new elements were added to the previous structure: bonus activities for children and the parent/adult reading tied into SCOUT.

1. Wee Ones encouraged parents of children ages birth to age 3 to read twenty minutes a day for thirty days. Getting parents into the habit of reading to their children on a daily basis is an inexpensive, easy way to support a child's pre-reading development. Research shows that children who are read to on a regular basis are more likely to become strong readers and therefore be successful in school.
2. The Children and Tween categories included a reading log/poster with earned incentives for completing 5, 10 and 15 hours of reading. This year the weekly drawing prize changed from the traditional t-shirt or bag to a science kit which included a magnifying glass, pen, pencil, sharpener, note pad, ruler, prism and measuring tape all in a pouch. These were very well received by children and families. Almost 70% of families indicated they read this summer because of the summer reading program, and over 54% participated in experiential learning opportunities in the form of free programs. Surprisingly 40% of survey takers indicated they and their children read e-books.
3. Five bonus activities were added to the reading logs. These encouraged participants to share their accomplishments with library staff. By completing the bonus activities each participant was afforded an additional entry into the grand finale drawing. To encourage parents/caregivers to support their child there was a separate prize drawing for adults. They could enter through the bonus activities recorded by their children or through the Literary Elements bookmark (see #5). Bonus activities were a significant draw for participants according to 50% of survey respondents. More than 67% of participants surveyed chose to do the bonus activities.
4. The third annual Teen Summer Challenge was built this year on the SCOUT platform. Teens again registered and participated in a wide variety of challenges that required them to engage

with other teens and with their community, as well as read, write, interact with music, science and art. This year additional badges and activities were added throughout the summer and completion of activities unlocked higher levels of activity. Each badge included many more activities, and teens completed 27.5 % more activities than last year and engaged online about 25% more than previously while the number of teens who participated remained about the same. Marketing was limited to the second half of summer which affected the number participating. The tween paper log was marketed to those who did not want to participate in an online program.

5. The last new element was a prize drawing for adults/parents. Parents who encouraged their child to complete the bonus activities and turn them in were entered into a separate drawing for a digital camera. Adults who wanted to read could pick up a bookmark with titles suggested by Adult Services and received an additional chance to win. They were also encouraged to record that reading in their SCOUT account, the adult online activity. 4417 bookmarks were given out to parents/adults and 251 entered the drawing for the digital camera. In the end of summer survey parents commented that they appreciated being included in the summer reading program. Youth and Adult Services will continue to build this connection.

Parent, caregivers and teens were surveyed regarding the summer reading programs. Forty-six parents/caregivers and twenty-eight teens completed the surveys. Over 90% of survey respondents indicated they were highly satisfied with this year's program. Over 57% of teens who responded to the survey had participated in the 2013 Teen Summer Challenge. Suggestions for improvement centered once again on increasing programming, and this year, adding additional free books for all levels of participants. There were several requests for maintaining the adult participation aspect in future years.

The name of the 2015 Cooperative Summer Library Program is "Every Hero has a Story", a theme that lends itself to not only community helpers but our military infused community.

**Pierce County Library System
2014 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: 17,075 children participated by taking a log book. (44.2% of target reached, +13.7% of targeted audience)

Promotion: Librarian visits to Schools	Visits to child cares	# of Elementary (K – 3rd gr)	# of Middle Schools
# of Schools	21	99	4
# of Classes	49	1,131	76
Students	387	25,997	1680
Teachers	87	802	41
Total students/teachers	474	26,799 (+1,525) +6%	1,721 (+1721)

Participation	Wee Ones 0 – 4	Children 5 – 9	Tweens 10-12	Teens 13+	Adults/ Parents	Total
Children registered	1,119	16,240 (Includes tweens)	Combined w/ children	607	N/A	17,966(+1830) +11%
Booklets: Number of Booklets handed out	2,640	17,075	6,261	N/A	4,417	25,976 (+3,393) +15%
Wee Ones: Number of Children read to by an Adult for 31 Days (received duck/growth chart)	539					539 (-1)
Number of 10 hour fine forgiveness coupons distributed Number redeemed by Sept 2, 2015	N/A	6,551	Combined w/ children	N/A	N/A	6,551 1,308 (+93) \$6540
Number of 15 hour child/tween completion awards distributed (Zoo passes, teen badges awarded, adult slips entered in drawing)	N/A	5,624	Combined w/ children	124	251	5,748 (+370 (+6.8%) (no adults)

Program Attendance	Number of Programs	Child	Adult	Total
Summer Stories: Families, Babies, Toddlers,	109 (+22)	1,270	1,001	2,271 (+346)
Discover Summer/Summer Stories & Crafts	113 (+12)	1,850	1,075	2,925 (-453)
Puppet Shows	31(+2)	959	494	1,453 (-104)
Brainstorm programs (outreach to 3 B&G's Clubs)	25 (-14)	638	34	672 (-268)
Summer Theme Programs (Friends, Foundation & PCLS)	216 (+ 59)	6,350	2,418	8,768 (+1927)
Teen/Tween Programs	39 (+14)	477	50	527 (209)
Total Programs	533 (+95)	11,544 (+1,792)	5,072 (-135)	16,616 (+1,657) +11%

SUMMARY OF OVERALL SUMMER READING STATISTICS FOR PREVIOUS 3 YEARS

	2012	2013	2014

Students Visited in classrooms	23,834 K-3rd grade (decrease due to change in state testing schedule) 182 child care infant/toddlers visited 1,373 teens (new online challenge launched, class visits limited to "by request" only)	25,274 K – 3rd 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 – 3rd grade (+ 6%) 474 infant & toddler child care children visited 1,721 teen students visited
Students Reached	22,699 (booklets, wee readers & online registration) Actual registered participants only. Does not include anyone who participated in the youth level without signing in for a reading log.	23,707 (+ 4.4%) (booklets, wee readers, online teen registration)	27,122 (+17.5%) (booklets, wee readers, online teen registration)
Kids Hours Read/ Completion (0 to 12 yrs)	75,450 hours read 4,345 completed 15 hours 4,536.33 hours read for wee readers 439 completed (-5.9%)	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%)
Teen Participation	# of hours reading not recorded, changed to online teen challenge w/badges	6,740 hours reading (2013 reading badge only)	5,784 hours reading (4 reading badges) (-14%)
Badges earned	1241 badges earned	9426 badges earned (+659%) 9, 959 activities completed	1021 badges earned 12,702 activities completed (+27.5%)
Hours engaged	Not counted	1,980 hours engaged on web	2,480 hours engaged on web (+25%)
Program Attendance	10,958	14,959 (+36.5%)	16,616 (+ 11%)
# of programs	316 programs (1 cancelled due to branch closure)	438 programs (+38.6%)	533 programs (+ 21.6%)
Circulation of YS/YA materials	614,830 items checked out (-2%) (Sumner closed 5 weeks))	573,393 items checked out (-6.7%)	544,123 items checked out (includes e-books) (-5%)
Unique users	20,756 unique users	34,818 unique users	34,029 unique users

M E M O

Date: November 3, 2014
To: Linda Ishem, Chair Board of Trustees, Board of Trustees
From: Judy T Nelson, Lisa Heyerdahl
Subject: On the Road with Summer Explorer

Attached please find the report presented to the Pierce County Library Foundation regarding the 2014 *On the Road with Summer Explorer* program. Neel Parikh requested that you receive the full report. This represents the second year of the *On the Road with Summer Explorer* program. Included you will find the Success at a Glance and the Quick Service Comparison chart between the summers of 2013 and 2014.

With \$25,000 Foundation raised grants, Community Outreach Services was able to expand the program from two PCLS funded days a week to five funded days a week in 2014. This accounts for the significant increase in number of stops and weekly site visits. With increased access through expanded hours and the addition of several more stops in 2014, the number of unique users served through the Summer Explorer program increased by 71%. The number of hours read by children as part of summer reading increased by 54%, and overall summer reading participation increased by 300%. The number of new cards issued as part of the *On the Road with Summer Explorer* program climbed 60% over the number of cards issued in 2013. Sites and program statistics are reviewed each year to assess how best to plan for the following year. This program will continue to develop in 2015.



On the Road with Summer Explorer 2014

Submitted by L. Heyerdahl
Community Outreach Services
11/3/2014

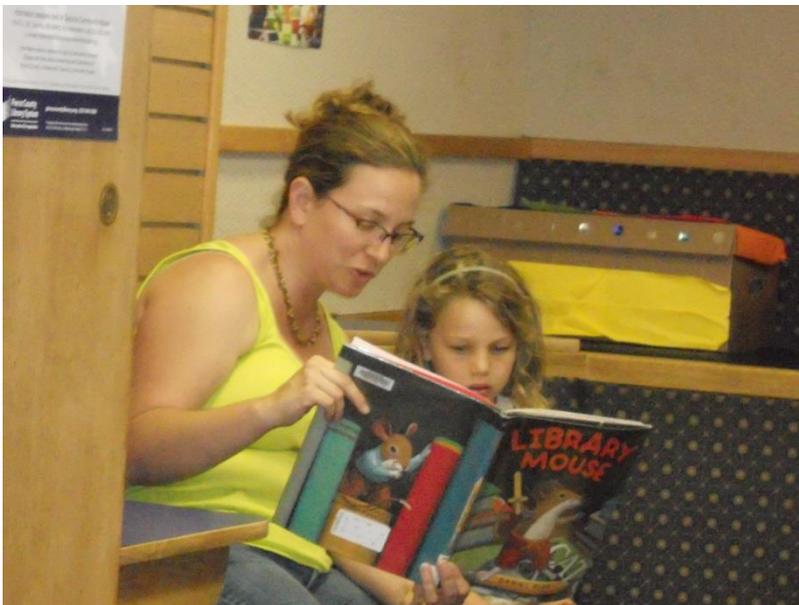


A Busy, Fun-Filled Summer

The Explorer Bookmobile brought fiction and nonfiction books for babies and toddlers, elementary school students, ‘tweens, and teens. Children were able to sign up for summer reading and earn prizes for reading 5hrs, 10hrs, and 15hrs. Parents shared books with the youngest, while older children read on their own.

Customers could also find DVDs for the youngest, such as Diego and Dora, and juvenile and young adult audio books.

Generous grants from the Great Tacoma Community Foundation Ellis Fund and Safeco made it possible to add more books to the bookmobile collection. Grant money also made it possible to give additional incentive prizes, such as free paperbacks, when children reached reading goals. Over 1,200 children registered for summer reading through the bookmobile, and 133 of those children read 5 hours or more. Overall, children using Explorer read 1,535 hours.



The Great Tacoma Community Foundation Ellis Fund and Safeco also funded additional staff hours to enable the library to offer 9 weeks of service, 5 days a week.

Success At a Glance

- **6,706** total checkouts
- **665** unique number of juvenile patrons checking out materials*
- **1,212** children registered for summer reading and read **over 1500 hours**
- **180** new cards issued
- **3217** visitors/participants
- **15** community sites served, including 5 free-lunch programs
- **9 weeks of operation**, June – August, 5-day-a-week service
- Weekly visits
- Site coordinators
 - Boys and Girls Club
 - YMCA
 - Communities in Schools
 - Heddon/Fife School District Title I summer program
 - Chief Leschi 2-week Kinder Camp summer school program
- Events
 - Pierce County Fair
 - Freddie Fest
 - National Night Out

***unique customers checked out between Jun 23 – Aug 22, 2014.**

Total is based on all Outreach juvenile checkouts, excluding Anderson Island.

Sites serving more than one school:
Evergreen program included Evergreen and Camas Prairie Elementary Schools

Green Firs program included Green Firs Apts and Tye Park Elementary

Southgate Communities in Schools program included Southgate and Oakwood Elementary Schools

Explorer – The Rules of the Road

- Customers can have up to 5 items checked out from the Explorer per library card at any one time.
- Staff work with children on Explorer to provide one-time waives of fines.
- Customers can place up to 5 holds per card for items to be picked up on the bookmobile.
- All card holders have access to branch services where standard limits on cards apply -- up to 100 items checked and up to 50 holds on a single account

Note: The 5-item limit on Explorer is often reflected in the lower number of total item checkouts from Explorer compared to branches.

Challenges

Lost books on a card can prevent a child from checking out if there is a high balance on the account. Staff offer one-time waives for Outreach fines but do not waive branch fines or replacement costs for lost items.

Building community awareness of neighborhoods stops can be a challenge. The youth service librarian promotes summer Explorer services through local school outreach and the BEES program.

Remote access to library records can be uneven due to security and firewalls. Improvements in mobile technology could enhance services.

Staffing changes impacted some programming and marketing. The library shifted staff and created temporary positions; some school and community programs had staffing changes that impacted start dates.



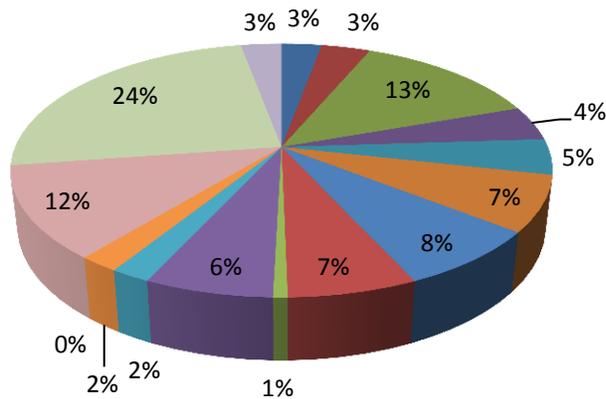
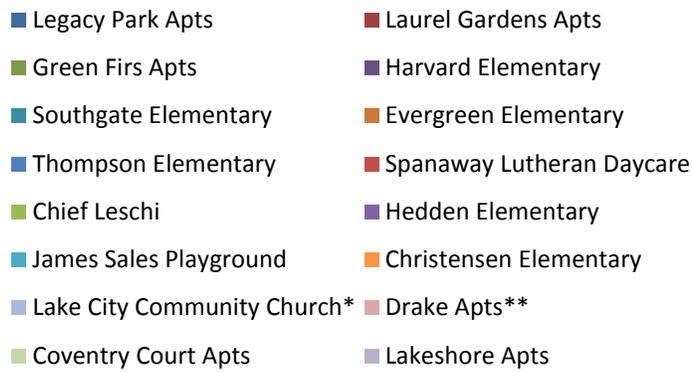
Planning for 2015

Community and free-lunch programs were successful stops in 2014, as were community events such as Freddie Fest in Fredrickson and the Pierce County Fair in Graham.

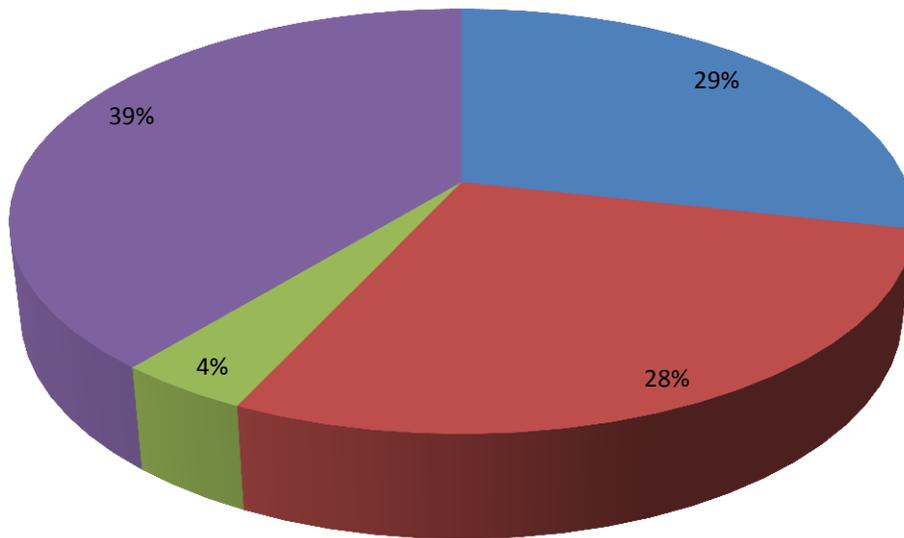
Working with children in advance on card account issues might enable more children with lost items to check out.

Neighborhood stops varied from highly successful around apartment complexes, Drake and Coventry Court, to less successful around single family housing areas, such as James Sales playground and Lake City Community Church. If service is continued in 2015 in areas of low-density, single-family housing, a different marketing and service plan will have to be created to draw more participants.

Overall Attendance by Summer Program or Neighborhood -- 2,753 customers

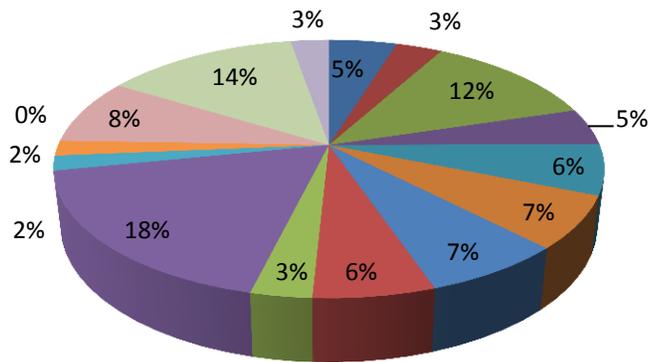
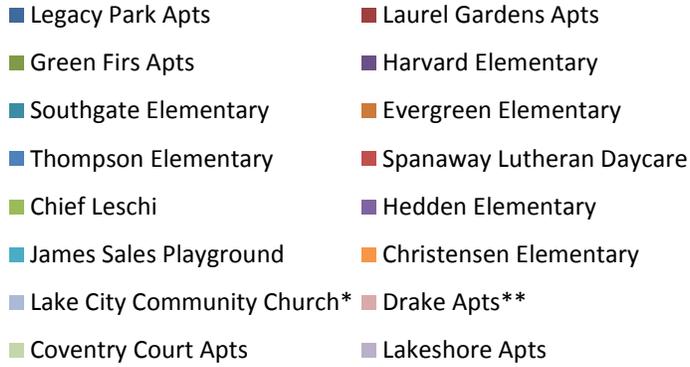


Attendance Comparison by Site Description

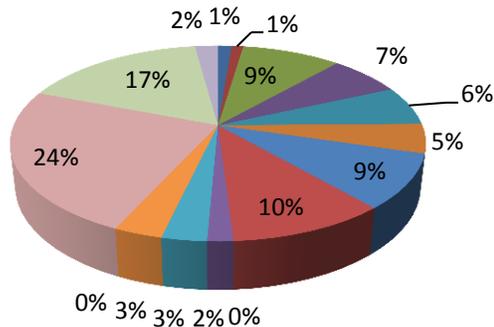
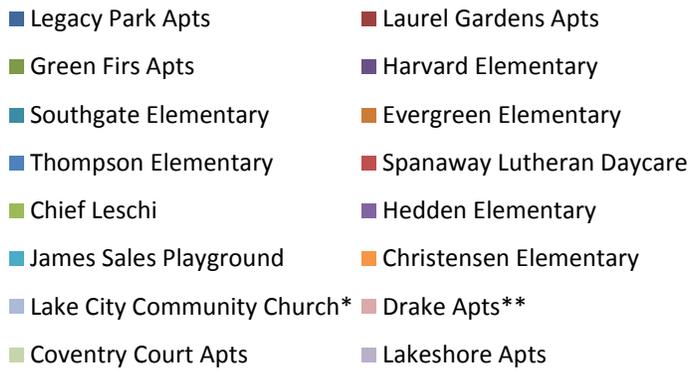


See attached table on page 6 for details

Comparison by Weekly Attendance



Comparison by Total # of Checkouts



See attached table on page 6 for details

**Explorer Bookmobile
Quick Service Comparison, 2013 and 2014**

	2013	2014
Weekly Site Visits	8 stops per week	16 stops per week (+100%)
Weeks of Service	8 weeks	9 weeks
Days per Week of Service	2 days per week	5 days per week (+150%)
Overall Attendance, including one-day community events	1,518	3,217 (+112%)
Overall Attendance, Weekly Programs and Neighborhoods	1,241	2,753
Community Events Attended	1	3
Total Checkouts	2,456	6,706 (+173%)
Number of New Cards Issued	112	180 (+60.7%)
Summer Reading Registrations	296	1,212 (+309%)
Total Number of Hours Read	970	1500 (+55%)
Total Number of Unique Users	388	665 (+71%)

Site Visits	Duration of Program	Explorer visits	Program Partner	Local BEES school	School District	Overall Attendance	Average Attendance per Visit	New Cards Issued	Total # of Checkouts	Average Checkouts per Visitor	NOTES
Checkouts other stat classes									2074		
Free-Lunch Programs										LIMIT: 5	
Legacy Park Apts	5 weeks	5	Communities in Schools	Oakwood	Clover Park	79	15.8	15	59	0.75	Nice parking
Laurel Gardens Apts	all summer	9	Communities in Schools	no BEES school	Clover Park	96	10.7	8	50	0.52	Lost book costs are an issue
Green Firs Apts	all summer	9	Communities in Schools	Tyee Park	Clover Park	364	40.4	11	426	1.17	Coordinators actively involved
Harvard Elementary	5 weeks	8		Harvard	Franklin Pierce	121	15.1	0	312	2.58	Dropped off after free-lunch program ended
Southgate Elementary	all summer	6	Communities in Schools	Southgate & Oakwood	Clover Park	125	20.8	12	299	2.39	CIS needed to postpone 3 wks
FREE-LUNCH PROGRAM TOTALS						785		46	1146		
Summer Programs											
Evergreen Elementary	all summer	9	YMCA	Camas Prairie	Bethel	195	21.7	13	225	1.15	Worked well
Thompson Elementary	all summer	9	Boys and Girls Club	Thompson	Bethel	209	23.2	11	416	1.99	Story times; rotated groups; coordinators actively involved
Spanaway Lutheran Daycare	all summer	9	Spanaway Lutheran	Thompson	Bethel	179	19.9	11	483	2.70	Story times every other week; some field trips overlapped
Chief Leschi	2 weeks	2	Chief Leschi	Chief Leschi	Tribal	20	10.0	0	0	0.00	Story time; program
Hedden Elementary	3 weeks	3	Title I - Fife School District	Endeavor Intermediate	Fife	178	59.3	6	78	0.44	10 classes; saw every child twice
SUMMER PROGRAM TOTALS						781		41	1202		
Neighborhoods											
James Sales Playground		9		James Sales	Franklin Pierce	55	6.1	2	137	2.49	slow stop
Christensen Elementary		9		Christensen	Franklin Pierce	56	6.2	0	148	2.64	slow stop
Lake City Community Church*		3		Lake Louise	Clover Park	0	0	0	0	0	discontinued
NEIGHBORHOOD PROGRAM TOTALS						111		2	285		
Apartment Neighborhoods											
Drake Apts**		12		Southgate	Clover Park	324	27	25	1113	3.44	Worked well; added visits
Coventry Court Apts		15		Harvard	Franklin Pierce	672	44.8	17	787	1.17	Worked well; added visits
Lakeshore Apts		9		Christensen	Franklin Pierce	80	8.9	10	99	1.24	Poor parking
APARTMENT NEIGHBORHOOD PROGRAM TOTALS						1076		52	1999		
SITE VISITS TOTAL						2753		141	6706		
NUMBER OF UNIQUE JUVENILES CHECKING OUT											878
Community Events											
Pierce County Fair		1				101		7			attended Saturday
Freddie Fest		1				303		30			Fredrickson
National Night Out		1				60		2			Laurel Gardens area
TOTAL INCLUDING COMMUNITY EVENTS						3217		180	6706		

* substituted with Coventry Court

**added as stop if there was a gap in service runs