

AGENDA
Regular Meeting of the Pierce County Library System Board of Trustees
May 13, 2015
3:30 pm

- 3:30 pm 01 min. **Call to Order:** *Rob Allen, Chair*
- 3:31 pm 05 min. **Public Comment:** *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.*
- 3:36 pm 04 min. **Consent Agenda** **Action**
1. Approval of Minutes of the April 8, 2015 Regular Meeting
 2. Approval of April 2015 Payroll, Benefits and Vouchers
- 3:40 pm 05 min. **Board Members Report**
- 3:45 pm 30 min. **Officers Reports**
1. Dashboard, Georgia Lomax
 2. April 2015 Financial Report, Dale Hough
 3. IRS Tax Form 990, Dale Hough
 4. Executive Director Activities, Georgia Lomax
 5. Wellness Program Update, Trisha Muschett
 6. ULC Innovations Initiative, Georgia, Lomax
 7. Administrative Center Library Update, Jennifer Patterson
 8. Summer Reading Program, Judy Nelson and Jaime Prothro
 9. ERate Summary, Karim Adib
 10. Lakewood MakerFest, Jaime Prothro
 11. Board of Trustees Library Visit Checklist, Sally Porter Smith
- 4:15 pm **Unfinished Business**
- 05 min. 1. Fife Library Update - Surrounding Development, Lorie Erickson
 - 05 min. 2. Board Vacancy -Trustee Appointment Process, Georgia Lomax
 - 10 min. 3. PC Reads 2015 Results, Linda Farmer
- 4:35 pm **New Business**
- 10 min. 1. Digital Literacy Training, Jaime Prothro
 - 10 min. 2. 2015 Laptop Labs, Andrew Schulz
 - 15 min. 3. 2014 Year-End Financial Review, Clifford Jo
 - 15 min. 4. Wave Enterprise Network Contract, Karim Adib **Action**
- 5:25 pm 10 min. **Executive Session:** *At this time on the agenda, the Board of Trustees will recess to Executive Session, per RCW 42.30.110, to discuss personnel issues.*
- 5:35 pm 01 min. **Announcements**
- 5:36 pm **Adjournment**

Consent Agenda

**BOARD OF TRUSTEES
PIERCE COUNTY LIBRARY SYSTEM
REGULAR MEETING, APRIL 8, 2015**

CALL TO ORDER

Vice-Chair Donna Albers called to order the regular meeting of the Pierce County Rural Library District Board of Trustees at 3:32 pm. Board members present were J.J. McCament, and Linda Ishem. Allen Rose and Rob Allen were absent.

PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Approval of Minutes of the March 11, 2015 Regular Meeting
2. March 2015 Payroll, Benefits and Vouchers
 - a. Payroll Warrants 3600-3604, dated 03/01/15 – 03/31/15 in the amount of \$1,872.18
 - b. Payroll Disbursement Voucher dated 03/05/15 in the amount of \$540,117.52
 - c. Payroll Disbursement Voucher dated 03/19/15 in the amount of \$557,610.25
 - d. Accounts Payable Warrants 624054-624189 dated 03/01/15 – 03/31/15 in the amount of \$1,256,953.10

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

NEW BUSINESS

E-Rate Program Contracts - 1

Karim Adib, Digital Experience Director, presented a contract with Comcast Business Communication LLC, for the Board's approval. He noted the contracts being presented today will be submitted in the E-Rate application process.

The Comcast contract will provide network products and services that will enhance the Library's current network and increase the bandwidth by 10 times. Mr. Adib said the bidding and negotiation process was very competitive. The initial contract was over \$2 million. He credited Andrew Schulz, Network Systems Administrator, for reducing the contract by an additional \$210,000.

Mr. Adib noted the Library is entering into a five-year contract that enables them to negotiate a better price. Ms. Ishem asked what would happen if the Library added another site. Mr. Adib said the Library would ask Comcast to honor the same rate on additional sites. It would be customary for them to honor the rate, but they would not be obligated. Mr. Adib clarified the valuation for E-Rate was for one year, but the actual contract reflects the full five-year value instead of only the 2015 E-Rate application portion.

Ms. Lomax said the E-Rate process is very complex, noting many employers retain help outside their organizations to specifically work on E-Rate program projects.

Ms. Ishem moved to approve authorization of the IT department to enter into a five-year contract with Comcast Business Communication LLC, for network products and services listed under Attachment A - Comcast LLC contract. Ms. McCament seconded the motion.

Ms. McCament asked if the Library saw any red flags or if there was anything they did not get in the contract. Mr. Adib said there was not.

Motion passed.

E-Rate Program Contracts - 2

Mr. Adib noted this was a contract for ancillary equipment and requested Board approval. The contract provides network and security hardware and software services as well as training and implementation assistance. He noted that Mr. Schulz and John Baker, Desktop Systems Administrator, meticulously reviewed a detailed schedule of items and removed the unneeded portions. This action reduced the contract price by another \$190,000.

Mr. Adib noted this is a one-time purchase of hardware. He added the support plan provides warranty service for all items for five years, with the exception of the Uninterrupted Power Supply (UPS). Ms. Albers asked what the life cycles on the hardware is. Mr. Adib forecasts an eight year cycle.

Ms. Lomax noted the IT department sets up life cycle plans to be more efficient and cost effective. During the recession the Library's strategy was to update a few items at a time but it can now address all components needing upgrades.

McCament moved to authorize the IT department to enter into an agreement with Dell Marketing LP in the amount of \$534,812.48, for products and services listed under Attachment B - Dell contract. Ms. Ishem seconded the motion and it was passed.

E-Rate Program Contracts - 2a

Mr. Adib asked for Board approval on a contingent authorization for expenditures. He noted the contingency is in place because the UPS delivery and installation costs cannot be determined at this time.

Clifford Jo, Finance and Business Director, said since the contingency is over \$50,000, it requires Board approval. He clarified that item 2 is the Dell contract portion and item 2a includes the expenditures.

Ms. McCament moved to authorize the IT department to expend an amount not to exceed \$595,000 with Dell Inc., for products and services listed under Attachment B - Dell contract in the Board packet. Ms. Ishem seconded the motion and it was passed.

Servers, Storage System and Staff PCs - 1

Mr. Adib asked for Board approval of the contract for the non-eligible E-Rate items. He said the Library does not currently have the right type, strength or quantity of servers. All of the Library's servers are integrated. If any server fails, the others can fail as well. Mr. Adib said the Library's intent is to install server clusters to prevent this. He added, the storage component involves saving the Library's data, which is critical. There was discussion on cloud servers. Mr. Adib noted that the proposal was not for cloud services but that the Library was creating many virtual servers.

Ms. Albers asked about protections from hackers. Mr. Adib said the network approved by the Board includes the highest security available. It is designed so that if the server is compromised, hackers cannot move within the system. When asked if the Library's servers have ever gone down, Mr. Adib informed the Board of the recent Comcast system failure due to a fiber cut, which affected the Library's computers. He also referenced a Denial of Service attack that took place a year ago.

Ms. McCament asked whether the Library has security audits performed on its systems. Mr. Adib said as part of the Library's PCI compliance, the network is scanned by external vendors for vulnerabilities and that the Library addresses any found.

Mr. Adib said security audits are useful but the Library must build a secure system first so that it can pass an audit.

Ms. Lomax said the goal of the Library is to have a reliable and secure system so it can continue to deliver service.

Ms. Ishem moved to authorize the IT department to expend \$314,612.90 with Dell Inc., for products and services listed under Attachment C- Dell Servers and SAN. Ms. McCament seconded the motion and it was passed.

Servers, Storage System and Staff PCs - 2

Mr. Adib asked for Board approval on the contract for staff PCs. He said many PCs are performing poorly for routine activities and are very old. The Library plans to perform the upgrades uniformly and at the same time deliver a new service model for staff. The circulation PCs as well as PCs at staff desks will be replaced.

Mr. Adib noted that there are other upgrades being done that do not need to come before the Board. This is part of a bigger infrastructure renewal.

Mr. Adib noted the life cycle on the new PCs will be four years. Current PCs are up to seven years old. Older PCs will be traded in and recycled but the contract does not reflect the credit since the Library does not yet know how many will be traded in.

When asked about what is included with the PCs, Mr. Adib clarified the contract includes operating system software but not third party application software.

Ms. Ishem said she recognizes the importance and necessity of upgrading PCs.

Ms. McCament moved to authorize the IT department to expend an amount not to exceed 260,000 with Dell Inc., for products and services listed under Attachment D - Dell Desktops. Ms. Ishem seconded the motion and it was passed.

Ms. Lomax thanked the Board and reminded them the E-Rate program will provide the Library with refunds that will be significantly higher than what was budgeted.

Ms. McCament asked if there are carry over items from the original April agenda that will move to the May agenda.

Ms. Lomax said she would ask Petra McBride, Clerk to the Board, to contact the Board for input on which items they would like to see carried over.

Ms. Lomax asked the Board to contact Ms. McBride by April 13, 2015 if they wish to attend either the ALA Annual Conference or the ULC Annual Forum. She said the ULC Annual Forum is STEM-focused and will address issues libraries are looking at and are concerned about. She said it may be of greater interest to the Board, giving them an opportunity to connect with their peers and other library leaders.

Ms. McCament asked about initial feedback from customers on the new Administrative Center Library. Sally Porter Smith, Customer Experience Director, said the service just began Monday of this week so it is too soon to tell. She noted meeting room participants indicate they are happy to have direct access to the room.

Ms. Ishem said she was pleased to learn of the success of Ms. Lomax's Monday Message. Ms. Lomax said there is great feedback from staff who appreciate knowing what she is doing out in the community.

Ms. McCament asked for an update on the construction project surrounding the Fife Library. Mr. Jo said the Library is still working with the architect and developer and has not gone out for bids yet. Comcast has laid the lines but major work has not begun. Ms. Lomax said she would provide further details at the May Board meeting.

EXECUTIVE SESSION

There was no Executive Session.

ANNOUNCEMENTS

There were no announcements.

ADJOURNMENT

The meeting was adjourned at 4:12 pm on motion by Ms. Ishem, seconded by Ms. McCament.

GEORGIA LOMAX, SECRETARY

DONNA ALBERS, VICE-CHAIR

April 2015 Payroll, Benefits and Vouchers

	<u>Warrant Numbers</u>	<u>Date(s)</u>	<u>Amount</u>
Payroll Warrants	3605-3607	4/1/15-4/22/15	\$2,798.64
Electronic Payments - Payroll & Acct Payable		04/06/15	\$681,936.28
Electronic Payments - Payroll & Acct Payable		04/20/15	\$597,434.94
Accounts Payable Warrants	624190-624292	4/1/15-4/22/15	\$935,037.07
Total:			<u><u>\$2,217,206.93</u></u>

Check History Listing
Pierce County Library System

<u>Check #</u>	<u>Bank</u>	<u>Date</u>	<u>Paid to</u>	<u>Status</u>	<u>Can/Vd Date</u>	<u>Pay Period Dates</u>	<u>Dir Dep</u>	<u>Amount</u>
3605	pr	04/06/2015	KEECH, LOWELL			03/16/15 - 03/31/15	0.00	1,345.69
3606	pr	04/21/2015	CARLEN, MAKENNA			04/01/15 - 04/15/15	0.00	241.70
3607	pr	04/21/2015	CORRALES-DIAZ, TRACY			04/01/15 - 04/15/15	0.00	1,211.25
Total:							0.00	2,798.64

Checks in report: 3

Grand Total: 0.00 2,798.64

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 3/30/2015	

	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	\$70,000.00
2	697	001	0000	237	00				Fica EE and Medicare - Wire to IRS	\$48,000.00
3	697	001	0000	237	00				Fica ER and Medicare - Wire to IRS	\$48,000.00
4	697	001	0000	237	00				DIR DEP-file to Columbia Bank	\$450,000.00
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					
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	\$10,769.50
13	697	001	0000	237	00				voya	\$2,712.00
14	697	001	0000	237	00				H.S.A. Employee deductions	\$1,579.78
15	697	001	0000	237	00				H.S.A. Employer Contribution	\$50,875.00
16	697	001	0000	237	00				H.S.A. fee	\$0.00
									please put the total amt below into PCLS payroll account	
									TOTAL	\$681,936.28

Bank No.	Check No.	Issued To	Bank No.	Check No.	Issued To
		U.S. Treasury			

Prepared By:	Date:	Approved By:	
Christy Telling	3/30/2015	Christy Telling	3/30/2015

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 4/20/2015	

	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	\$62,529.30
2	697	001	0000	237	00				* Fica EE and Medicare - Wire to IRS	\$44,737.17
3	697	001	0000	237	00				* Fica ER and Medicare - Wire to IRS	\$44,737.17
4	697	001	0000	237	00				* DIR DEP-file to Columbia Bank	\$417,247.11
5	697	001	0000	237	00					
6	697	001	0000	237	00					
7	697	001	0000	237	00				dept of rev	\$9,930.47
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	\$13,694.50
13	697	001	0000	237	00				voya	\$2,712.00
14	697	001	0000	237	00				H.S.A. Employee deductions	\$1,649.58
15	697	001	0000	237	00				H.S.A. Employer Contribution	
16	697	001	0000	237	00				H.S.A. fee	\$197.65
									please put the total amt below into PCLS payroll account	
									TOTAL	\$597,434.95

Bank No.	Check No.	Issued To	Bank No.	Check No.	Issued To
		U.S. Treasury			

Prepared By:	Date:	Approved By:	
Christy Telling	4/20/2015	Christy Telling	4/20/2015

Check History Listing
Pierce County Library System

Bank code: boa

Check #	Date	Vendor	Status	Check Total
624190	04/07/2015	000828 AFSCME AFL-CIO		5,860.03
624191	04/07/2015	000175 ASSOCIATION OF WASHINGTON CITI		177,837.81
624192	04/07/2015	003311 DEPARTMENT OF LABOR & INDUSTRI		52,283.68
624193	04/07/2015	003985 PACIFICSOURCE ADMINISTRATORS		1,735.21
624194	04/07/2015	001181 PIERCE CTY LIBRARY FOUNDATION		371.53
624195	04/07/2015	004276 STATE CENTRAL COLLECTION UNIT		151.67
624196	04/07/2015	000823 UNITED WAY		82.58
624197	04/07/2015	004782 US DEPARTMENT OF EDUCATION		198.06
624198	04/07/2015	000827 WA STATE- DEPT OF RETIREMENT S		88,995.19
624199	04/07/2015	000242 BUCKLEY CITY OF		223.91
624200	04/07/2015	000184 CITY TREASURER		1,747.32
624201	04/07/2015	000184 CITY TREASURER		842.69
624202	04/07/2015	000184 CITY TREASURER		492.76
624203	04/07/2015	000184 CITY TREASURER		43.92
624204	04/07/2015	000377 PUGET SOUND ENERGY		6,671.91
624205	04/07/2015	000460 STEILACOOM TOWN OF		750.64
624206	04/07/2015	000506 UNIVERSITY PLACE REFUSE SERVIC		174.74
624207	04/08/2015	000363 OVERALL LAUNDRY SERV. DBA ARAMARI		16.41
624208	04/08/2015	000176 ATS AUTOMATION INC		5,237.53
624209	04/08/2015	003938 BINW		512.12
624210	04/08/2015	000895 COLUMBIA BANK		289.23
624211	04/08/2015	000895 COLUMBIA BANK		50.00
624212	04/08/2015	005272 GREEN EFFECTS INC		6,005.62
624213	04/08/2015	006204 JT PAINTING COMPANY		1,192.46
624214	04/08/2015	005979 METCO ELECTRIC		1,016.96
624215	04/08/2015	003985 PACIFICSOURCE ADMINISTRATORS		202.00
624216	04/08/2015	003811 PIERCE CO COMMUNITY NEWSPAPER		150.00
624217	04/08/2015	001290 REGIONAL BUILDING SVCS CORP		507.25
624218	04/08/2015	000534 WCP SOLUTIONS		101.71
624219	04/09/2015	001947 JILL HENRIKSEN		478.20
624220	04/09/2015	001643 IMPACT		57.15
624221	04/09/2015	000541 STATE OF WASHINGTON		360.81
624222	04/10/2015	001956 PAM COLLIER		22.81
624223	04/10/2015	004779 CONVERGENT TECHNOLOGY SYS		547.00
624224	04/10/2015	006185 MATH FOR LOVE LLC		1,000.00
624225	04/10/2015	000323 NEWS TRIBUNE		501.43
624226	04/10/2015	001586 NORTHWEST DOOR INC		205.32
624227	04/10/2015	000370 PIERCE COUNTY		14,948.84

Check History Listing

Pierce County Library System

Bank code: boa

Check #	Date	Vendor	Status	Check Total
624228	04/10/2015	000497 TILlicum COMMUNITY SERVICE CEN		1,944.31
624229	04/10/2015	003719 UNIQUE MANAGEMENT SERVICES		1,576.16
624230	04/10/2015	004022 US BANK		57,583.80
624231	04/10/2015	006214 JUDITH WILLMAN		275.00
624232	04/10/2015	003354 AV CAFE		177.50
624233	04/10/2015	000830 BAKER & TAYLOR		9,515.45
624234	04/10/2015	000830 BAKER & TAYLOR		933.71
624235	04/10/2015	000044 COURIER HERALD PUBLISHING CO		39.00
624236	04/10/2015	000243 INGRAM LIBRARY SERVICES		10,088.12
624237	04/10/2015	004625 JOY KIM		539.00
624238	04/10/2015	006212 THOMAS MCAVOY		21.99
624239	04/10/2015	000352 MIDWEST TAPE	V	0.00
624240	04/10/2015	000352 MIDWEST TAPE		36,795.82
624241	04/10/2015	000323 NEWS TRIBUNE		270.40
624242	04/10/2015	000327 PENINSULA GATEWAY INC		65.00
624243	04/10/2015	000377 PUGET SOUND ENERGY		867.91
624244	04/10/2015	000406 RECORDED BOOKS LLC		1,809.69
624245	04/15/2015	000273 CARRILLO & ASSOCIATES		1,281.25
624246	04/15/2015	003311 DEPARTMENT OF LABOR & INDUSTRI		478.27
624247	04/15/2015	004789 KINGS BOOKS		132.49
624248	04/15/2015	001963 KEITH KNUTSEN		29.95
624249	04/15/2015	004674 MCHUGH MANAGEMENT CONSULTING		4,417.50
624250	04/15/2015	006184 MONKEYHOUSE MEDIA		3,000.00
624251	04/15/2015	004397 SHKS ARCHITECTS PS INC		5,221.34
624252	04/15/2015	004022 US BANK		95,842.22
624253	04/17/2015	000100 ANDERSON ISLAND COMMUNITY CENT		1,250.00
624254	04/17/2015	000363 OVERALL LAUNDRY SERV. DBA ARAMARI		49.23
624255	04/17/2015	000895 COLUMBIA BANK		998.78
624256	04/17/2015	005979 METCO ELECTRIC		2,089.97
624257	04/17/2015	005606 INTERLIBRARY LOAN OFFICE MULTNOM/		19.95
624258	04/17/2015	006228 ORANGE PUBLIC LIBRARY		20.95
624259	04/17/2015	006205 PEMCO FENCE COMPANY		4,323.49
624260	04/17/2015	006230 UNM VALENCIA CAMPUS LIBRARY		30.00
624261	04/17/2015	004022 US BANK		70,215.45
624262	04/17/2015	000184 CITY TREASURER		5,013.78
624263	04/17/2015	000184 CITY TREASURER		1,094.39
624264	04/17/2015	000093 PAYMENT PROCESSING CENTER EBSCO		429.50
624265	04/17/2015	000406 RECORDED BOOKS LLC		202.52
624266	04/17/2015	001060 SCHOLASTIC LIBRARY PUBLISHING		15,478.05

Check History Listing
Pierce County Library System

Bank code: boa

Check #	Date	Vendor	Status	Check Total
624267	04/17/2015	000463 SUMMIT WATER & SUPPLY CO		317.00
624268	04/22/2015	003778 AFLAC		6,176.96
624269	04/22/2015	000828 AFSCME AFL-CIO		5,728.49
624270	04/22/2015	000175 ASSOCIATION OF WASHINGTON CITI		1,664.91
624271	04/22/2015	001578 COLONIAL SUPPLEMENTAL INSURANC		562.24
624272	04/22/2015	003985 PACIFICSOURCE ADMINISTRATORS		1,735.21
624273	04/22/2015	001181 PIERCE CTY LIBRARY FOUNDATION		371.53
624274	04/22/2015	004276 STATE CENTRAL COLLECTION UNIT		151.67
624275	04/22/2015	000823 UNITED WAY		82.58
624276	04/22/2015	004782 US DEPARTMENT OF EDUCATION		188.52
624277	04/22/2015	000827 WA STATE- DEPT OF RETIREMENT S		85,107.08
624278	04/22/2015	000830 BAKER & TAYLOR		30,291.89
624279	04/22/2015	001634 BEARPORT PUBLISHING CO		8,226.30
624280	04/22/2015	000087 BLACKSTONE AUDIO BOOKS INC		1,320.00
624281	04/22/2015	000847 CENTER POINT PUBLISHING		1,125.81
624282	04/22/2015	000243 INGRAM LIBRARY SERVICES		18,551.60
624283	04/22/2015	000352 MIDWEST TAPE	V	0.00
624284	04/22/2015	000352 MIDWEST TAPE	V	0.00
624285	04/22/2015	000352 MIDWEST TAPE		54,720.84
624286	04/22/2015	001941 JUDY T NELSON		206.20
624287	04/22/2015	000907 NEW YORK TIMES		899.82
624288	04/22/2015	000323 NEWS TRIBUNE		546.00
624289	04/22/2015	000377 PUGET SOUND ENERGY		2,100.27
624290	04/22/2015	000451 SEATTLE TIMES SEATTLE PI		700.06
624291	04/22/2015	001234 SPOKEN ARTS		7,548.40
624292	04/22/2015	000535 WESTON WOODS STUDIOS		725.25

boa Total: 935,037.07

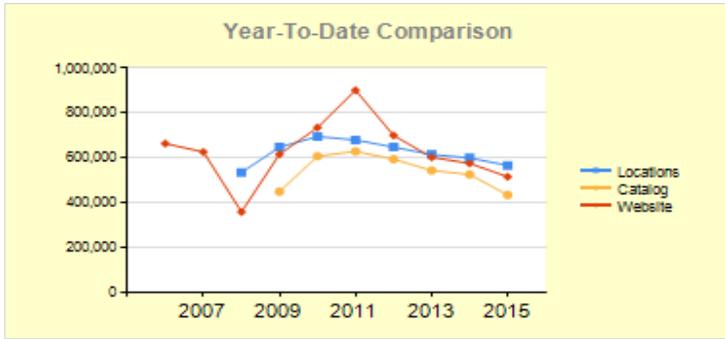
103 checks in this report

Total Checks: 935,037.07

OFFICERS REPORT

CUSTOMER SERVICE/PHILANTHROPY DASHBOARD - MARCH

VISITS



	March		
	2014	2015	% Change
Door Count	208,410	202,555	-2.81%
Catalog	174,017	147,442	-15.27%
Website	199,588	176,044	-11.80%
Job & Business Portal	2,167	2,695	24.37%
Military Portal	68	101	48.53%
Total	584,250	528,837	-9.48%

CHECKOUTS



	March		
	2014	2015	% Change
Checkouts	516,137	457,842	-11.29%
Downloadables	54,487	61,040	12.03%
Total	570,624	518,882	-9.07%

CUSTOMERS



	March		
	2014	2015	% Change
Active Cardholders	267,384	294,828	10.26%
New Cards	9,971	3,309	-66.81%
Checkout Transactions	97,116	88,861	-8.50%
Unique Users	41,392	38,525	-6.93%

PHILANTHROPY



	March		
	2014	2015	% Change
FoundationDonors	87	105	20.69%
NewFoundationDonors	3	4	33.33%
\$ Raised by Foundation	\$81,303.00	\$27,402.00	-66.30%
\$ Provided by Friends	\$0.00	\$3,489.00	0.00%

BRANCH CLOSURES

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

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

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

Monthly Financial Reports

April 27, 2015

- Pierce County Tax Revenue data was not available at time of publication.
- Expected tax revenue of \$8,600,000 in April.

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

**Pierce County Library System
Statement of Financial Position - Interim
April 27, 2015
All Funds**

	General Fund	Debt Service Fund	Capital Improvement Projects Fund
Assets			
Current Assets - Cash			
Cash	\$ 557,887	\$ 1	\$ 190,328
Investments	\$ 1,000,000	\$ 83,670	\$ 1,600,000
Total Cash	\$ 1,557,887	\$ 83,671	\$ 1,790,328
Total Current Assets	\$ 1,557,887	\$ 83,671	\$ 1,790,328
Liabilities and Fund Balance			
Current Liabilities			
Warrants Payable	\$ 52,252	\$ -	\$ -
Sales Tax Payable	\$ 4,460	\$ -	\$ -
Payroll Taxes and Benefits Payable	\$ 10,667	\$ -	\$ -
Total Current Liabilities	\$ 67,379	\$ -	\$ -
Fund Balance			
Reserve for Encumbrances	\$ 427,228	\$ -	\$ 257,819
Net Excess (Deficit)	\$ (6,741,236)	\$ 22	\$ (502,107)
Unreserved Fund Balance	\$ 7,804,517	\$ 83,649	\$ 2,034,615
Total Fund Balance	\$ 1,490,509	\$ 83,671	\$ 1,790,328
Total Liabilities and Fund Balance	\$ 1,557,887	\$ 83,671	\$ 1,790,328
Anticipated Property Tax Revenue	\$ 27,079,256	\$ 12	\$ -

Pierce County Library System													
Comparative Statement of Financial Position - Interim													
General Fund - Rolling Comparison													
<i>(as of the listed date of the reported month)</i>													
	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>HISTORICAL</i>	<i>CURRENT</i>
	4/30/2014	5/31/2014	6/30/2014	7/31/2014	8/31/2014	9/30/2014	10/31/2014	11/30/2014	12/31/2014	1/31/2015	2/28/2015	3/30/2015	4/27/2015
Assets													
Current Assets - Cash													
Cash	\$ 10,202,373	\$ 12,760,371	\$ 1,400,630	\$ 1,475,909	\$ 1,566,485	\$ 1,783,229	\$ 10,585,428	\$ 3,821,250	\$ 8,537,811	\$ 1,229,471	\$ 2,036,210	\$ 3,707,222	\$ 557,887
Investments	\$ 1,975,000	\$ -	\$ 9,492,593	\$ 7,500,000	\$ 5,580,000	\$ 3,768,000	\$ 1,800,000	\$ 8,255,000	\$ -	\$ 5,100,000	\$ 2,500,000	\$ -	\$ 1,000,000
Total Cash	\$ 12,177,373	\$ 12,760,371	\$ 10,893,223	\$ 8,975,909	\$ 7,146,485	\$ 5,551,229	\$ 12,385,428	\$ 12,076,250	\$ 8,537,811	\$ 6,329,471	\$ 4,536,210	\$ 3,707,222	\$ 1,557,887
Total Current Assets	\$ 12,177,373	\$ 12,760,371	\$ 10,893,223	\$ 8,975,909	\$ 7,146,485	\$ 5,551,229	\$ 12,385,428	\$ 12,076,250	\$ 8,537,811	\$ 6,329,471	\$ 4,536,210	\$ 3,707,222	\$ 1,557,887
Liabilities and Fund Balance													
Current Liabilities													
Warrants Payable	\$ 156,099	\$ 219,223	\$ 237,131	\$ 279,472	\$ 352,429	\$ 416,700	\$ 450,616	\$ 454,093	\$ 729,888	\$ 549,239	\$ 368,284	\$ 296,044	\$ 52,252
Sales Tax Payable	\$ 3,657	\$ 4,896	\$ 6,057	\$ 4,000	\$ 4,295	\$ 3,683	\$ 4,930	\$ 5,293	\$ 2,082	\$ 3,879	\$ 4,383	\$ 11,936	\$ 4,460
Payroll Taxes and Benefits Payable	\$ 12,450	\$ 12,183	\$ 11,400	\$ 10,937	\$ 11,507	\$ 12,671	\$ 14,507	\$ 24,239	\$ 17,190	\$ 25,256	\$ 41,786	\$ 43,400	\$ 10,667
Total Current Liabilities	\$ 172,206	\$ 236,303	\$ 254,588	\$ 294,408	\$ 368,230	\$ 433,053	\$ 470,053	\$ 483,624	\$ 749,161	\$ 578,374	\$ 414,453	\$ 351,381	\$ 67,379
Fund Balance													
Reserve for Encumbrances	\$ 515,313	\$ 415,441	\$ 372,048	\$ 339,182	\$ 275,413	\$ 227,145	\$ 208,720	\$ 155,364	\$ -	\$ 480,435	\$ 438,268	\$ 399,658	\$ 427,228
Net Excess (Deficit)	\$ 2,456,926	\$ 3,075,700	\$ 1,233,659	\$ (690,609)	\$ (2,530,086)	\$ (4,141,897)	\$ 2,673,728	\$ 2,404,334	\$ -	\$ (2,517,988)	\$ (4,105,162)	\$ (4,848,333)	\$ (6,741,236)
Unreserved Fund Balance	\$ 9,032,928	\$ 9,032,928	\$ 9,032,928	\$ 9,032,928	\$ 9,032,928	\$ 9,032,928	\$ 9,032,928	\$ 9,032,928	\$ 7,788,650	\$ 7,788,650	\$ 7,788,650	\$ 7,804,517	\$ 7,804,517
Total Fund Balance	\$ 12,005,167	\$ 12,524,068	\$ 10,638,635	\$ 8,681,501	\$ 6,778,254	\$ 5,118,176	\$ 11,915,375	\$ 11,592,625	\$ 7,788,650	\$ 5,751,097	\$ 4,121,757	\$ 3,355,841	\$ 1,490,509
Total Liabilities and Fund Balance	\$ 12,177,373	\$ 12,760,371	\$ 10,893,223	\$ 8,975,909	\$ 7,146,485	\$ 5,551,229	\$ 12,385,428	\$ 12,076,250	\$ 8,537,811	\$ 6,329,471	\$ 4,536,210	\$ 3,707,222	\$ 1,557,887
Anticipated Property Tax Revenue	\$14,993,995.22	\$ 12,484,118	\$ 12,375,381	\$ 12,288,973	\$ 12,166,212	\$ 11,762,780	\$ 11,762,780	\$ 1,098,207	\$ -	\$ 27,468,688	\$ 27,079,256	\$ 27,079,256	\$ 27,079,256

PIERCE COUNTY LIBRARY SYSTEM
Statement of Revenue and Expenditures - INTERIM
Year to Date April 27, 2015
no pre-encumbrances

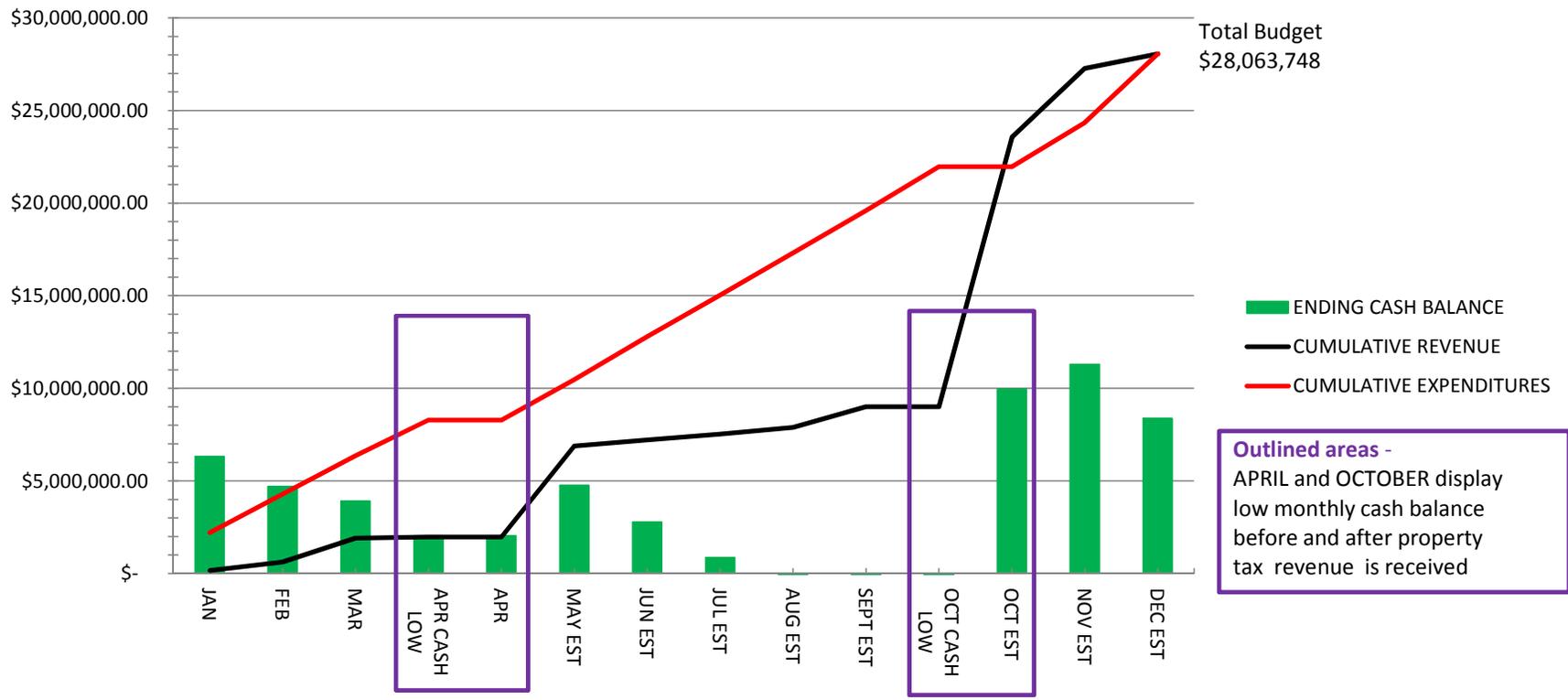
<u>General Fund</u>	<u>2015 Budget</u>	<u>Year To Date</u>	<u>Encumbrances</u>	<u>Budget Balance</u>	<u>% of Budget</u>
Revenue					
Property Tax/Investment Income & Other PC Revenue	\$ 26,645,748	\$ 1,610,867	\$ -	\$ 25,034,881	6%
Other Revenue	\$ 1,418,000	\$ 360,567	\$ -	\$ 1,057,433	25%
Total Revenue	\$ 28,063,748	\$ 1,971,434	\$ -	\$ 26,092,314	7%
Expenditures					
Personnel/Taxes and Benefits	\$ 19,897,279.00	\$ 6,322,275	\$ -	\$ 13,575,004	32%
Materials	\$ 3,555,073	\$ 988,266	\$ -	\$ 2,566,807	28%
Maintenance and Operations	\$ 3,769,484	\$ 974,900	\$ 427,228	\$ 2,367,355	37%
Transfers Out	\$ 841,912	\$ -	\$ -	\$ 841,912	0%
Total Expenditures	\$ 28,063,748	\$ 8,285,442	\$ 427,228	\$ 19,351,078	31%
Excess/(Deficit)		\$ (6,314,008)			
(less encumbrances)		(427,228)			
Net Excess (Deficit)		\$ (6,741,236)			

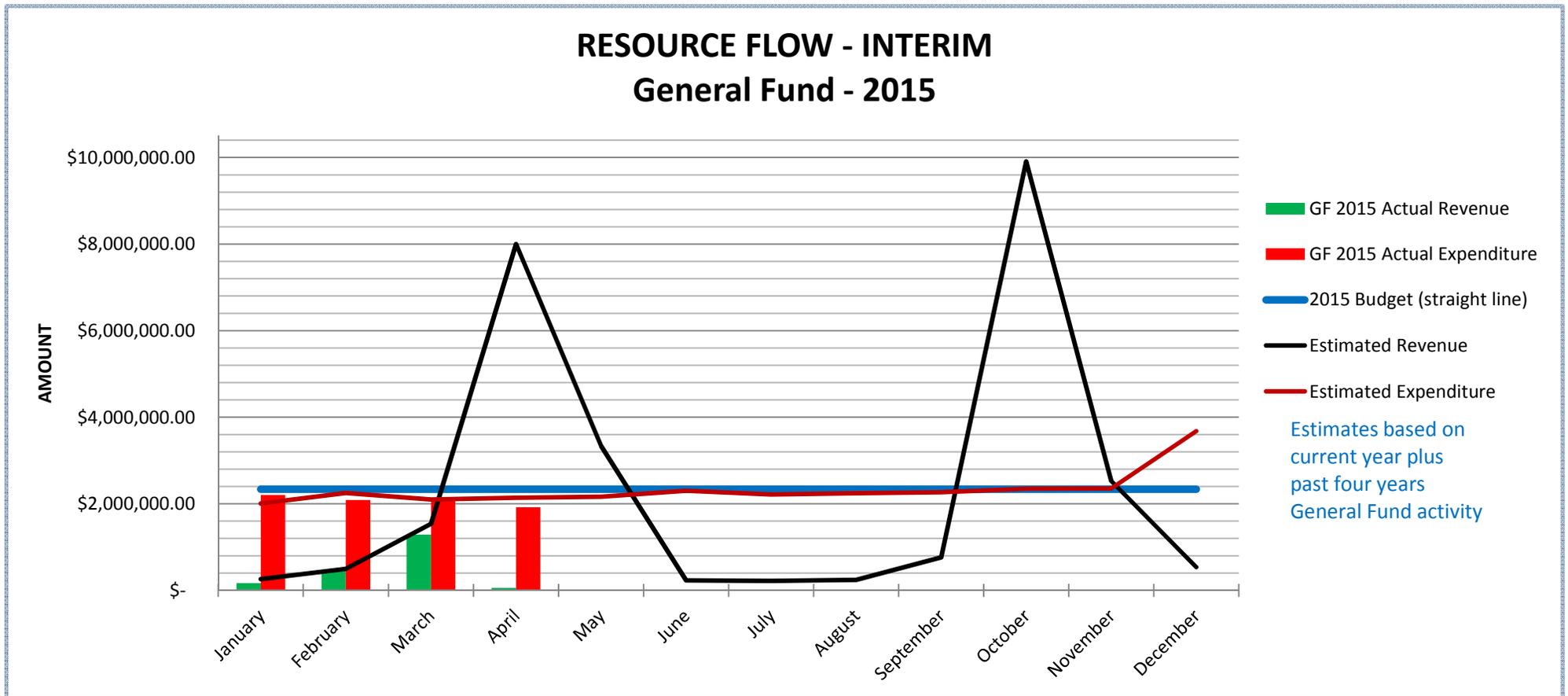
<u>Debt Service Fund</u>	<u>2015 Budget</u>	<u>Year To Date</u>	<u>Encumbrances</u>	<u>Budget Balance</u>	<u>% of Budget</u>
Revenue					
Property Tax/Investment Income & Other PC Revenue	\$ -	\$ 22	\$ -	\$ (22)	0%
Other Revenue	\$ -	\$ -	\$ -	\$ -	0%
Total Revenue	\$ -	\$ 22	\$ -	\$ (22)	0%
Total Expenditures	\$ -	\$ -	\$ -	\$ -	0%
Net Excess (Deficit)		\$ 22			

Capital Improvement Projects

<u>Fund</u>	<u>2015 Budget</u>	<u>Year To Date</u>	<u>Encumbrances</u>	<u>Budget Balance</u>	<u>% of Budget</u>
Revenue					
Use of Fund Balance	\$ 1,027,588	\$ -	\$ -	\$ 1,027,588	0%
Other Revenue	\$ -	\$ 166,023	\$ -	\$ (166,023)	0%
Transfers In	\$ 841,912	\$ -	\$ -	\$ 841,912	0%
Total Revenue	\$ 1,869,500	\$ 166,023	\$ -	\$ 1,703,477	9%
Expenditures					
Maintenance and Operations	\$ 1,869,500	\$ 410,310	\$ 257,819	\$ 1,201,371	36%
Total Expenditures	\$ 1,869,500	\$ 410,310	\$ 257,819	\$ 1,201,371	36%
Excess/(Deficit)		\$ (244,287)			
(less encumbrances)		(257,819)			
Net Excess (Deficit)		\$ (502,107)			

CUMULATIVE GENERAL FUND REVENUE AND EXPENDITURE Including Cash Flow Projection 2015





Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 4/30/2015

FUND: GENERAL FUND (01)

Object	2015 Budget	April Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
REVENUE ACCOUNTS						
31111 PROPERTY TAXES CURRENT	25,674,805.00	0.00	1,329,821.23	0.00	24,344,983.77	5.18
31112 PROPERTY TAXES DELINQUENT	872,943.00	0.00	257,180.55	0.00	615,762.45	29.46
31130 SALE OF TAX TITLE PROPERTY	3,000.00	0.00	0.00	0.00	3,000.00	0.00
31210 PRIVATE HARVEST/ FOREST EXCISE TAX	50,000.00	0.00	17,513.19	0.00	32,486.81	35.03
31720 LEASEHOLD EXCISE TAX	20,000.00	0.00	4,606.11	0.00	15,393.89	23.03
TAXES:	26,620,748.00	0.00	1,609,121.08	0.00	25,011,626.92	6.04
33533 STATE FOREST FUNDS/DNR TIMBER TRU	0.00	0.00	728.98	0.00	(728.98)	0.00
33872 CONTRACTS FEES - CITIES	0.00	0.00	810.00	0.00	(810.00)	0.00
34160 COPIER FEES	30,000.00	2,737.95	10,555.55	0.00	19,444.45	35.19
34161 GRAPHICS SERVICES CHARGES	0.00	0.00	97.50	0.00	(97.50)	0.00
34162 PRINTER FEES	105,000.00	10,124.29	43,216.05	0.00	61,783.95	41.16
34163 FAX FEES	21,000.00	1,877.00	7,568.43	0.00	13,431.57	36.04
34730 INTERLIBRARY LOAN FEES	0.00	0.00	34.94	0.00	(34.94)	0.00
35970 LIBRARY FINES	600,000.00	40,020.30	179,690.35	0.00	420,309.65	29.95
36110 INVESTMENT INCOME	10,000.00	0.00	1,015.45	0.00	8,984.55	10.15
36111 INTEREST - STATE FOREST FUND	0.00	0.00	1.07	0.00	(1.07)	0.00
36190 OTHER INTEREST EARNINGS	0.00	0.00	0.28	0.00	(0.28)	0.00
36200 KEY PEN HLTH DEPT FACILITY REV	0.00	0.00	339.68	0.00	(339.68)	0.00
36700 FOUNDATION DONATIONS	350,000.00	0.00	91,330.00	0.00	258,670.00	26.09
36710 FRIENDS' DONATIONS	0.00	0.00	257.01	0.00	(257.01)	0.00
36720 FRIENDS' REIMBURSEMENTS	0.00	0.00	3,806.65	0.00	(3,806.65)	0.00
36725 DONATIONS - OTHER	0.00	172.23	676.02	0.00	(676.02)	0.00
36920 BOOK SALE REVENUE	20,000.00	482.65	1,803.50	0.00	18,196.50	9.02
36990 MISCELLANEOUS REVENUE	0.00	33.20	69.12	0.00	(69.12)	0.00
36991 PAYMENT FOR LOST MATERIALS	12,000.00	694.95	4,054.04	0.00	7,945.96	33.78
36994 UNCLAIMED PROPERTY	0.00	23.38	67.87	0.00	(67.87)	0.00
36996 JURY DUTY REIMBURSEMENT	0.00	60.00	350.00	0.00	(350.00)	0.00
36997 PRIOR YEAR'S REFUNDS	0.00	30.15	1,915.60	0.00	(1,915.60)	0.00
36998 E RATE REIMBURSEMENT	250,000.00	0.00	0.00	0.00	250,000.00	0.00
36999 REBATES - PROCUREMENT CARD	30,000.00	0.00	13,924.77	0.00	16,075.23	46.42
CHARGES OTHER:	1,428,000.00	56,256.10	362,312.86	0.00	1,065,687.14	25.37
39510 SALE OF FIXED ASSETS/TIMBER (GOV)	15,000.00	0.00	0.00	0.00	15,000.00	0.00
TOTAL FOR REVENUE ACCOUNTS	28,063,748.00	56,256.10	1,971,433.94	0.00	26,092,314.06	7.02
EXPENSE ACCOUNTS						
51100 SALARIES AND WAGES	14,345,866.00	1,167,901.74	4,484,128.03	0.00	9,861,737.97	31.26
51105 ADDITIONAL HOURS	259,045.00	24,548.24	93,213.78	0.00	165,831.22	35.98
51106 SHIFT DIFFERENTIAL	151,607.00	8,735.04	45,543.41	0.00	106,063.59	30.04
51107 SUBSTITUTE HOURS	315,515.00	21,072.65	77,091.26	0.00	238,423.74	24.43
51109 TUITION ASSISTANCE PROGRAM	300.00	0.00	0.00	0.00	300.00	0.00
51200 OVERTIME WAGES	5,400.00	923.71	2,146.01	0.00	3,253.99	39.74
51999 ADJ WAGE/SALARY TO MATCH PLAN	(377,539.00)	0.00	0.00	0.00	(377,539.00)	0.00
52001 INDUSTRIAL INSURANCE	193,617.00	14,112.51	51,106.14	0.00	142,510.86	26.40
52002 MEDICAL INSURANCE	2,191,477.00	208,587.77	725,498.78	0.00	1,465,978.22	33.11
52003 F.I.C.A.	1,153,581.00	92,737.17	356,064.51	0.00	797,516.49	30.87
52004 RETIREMENT	1,508,392.00	109,194.94	412,963.14	0.00	1,095,428.86	27.38
52005 DENTAL INSURANCE	212,859.00	16,524.48	65,734.41	0.00	147,124.59	30.88

Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 4/30/2015

FUND: GENERAL FUND (01)

Object	2015 Budget	April Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
EXPENSE ACCOUNTS						
52006 OTHER BENEFIT	11,020.00	880.00	3,600.00	0.00	7,420.00	32.67
52010 LIFE AND DISABILITY INSURANCE	26,987.00	1,210.85	5,144.30	0.00	21,842.70	19.06
52020 UNEMPLOYMENT COMPENSATION	30,500.00	0.00	0.00	0.00	30,500.00	0.00
52200 UNIFORMS	1,300.00	0.00	41.63	0.00	1,258.37	3.20
52999 ADJ BENEFITS TO MATCH PLAN	(132,648.00)	0.00	0.00	0.00	(132,648.00)	0.00
PERSONNEL	19,897,279.00	1,666,429.10	6,322,275.40	0.00	13,575,003.60	31.77
53100 OFFICE/OPERATING SUPPLIES	164,400.00	10,450.73	67,442.33	23,915.70	73,041.97	55.57
53101 CUSTODIAL SUPPLIES	52,500.00	5,234.49	15,193.48	0.00	37,306.52	28.94
53102 MAINTENANCE SUPPLIES	60,200.00	2,437.54	7,251.47	0.00	52,948.53	12.05
53103 AUDIOVISUAL PROCESSING SUP	25,000.00	877.77	8,323.53	822.64	15,853.83	36.58
53104 BOOK PROCESSING SUPPLIES	20,000.00	5,292.37	5,890.94	0.00	14,109.06	29.45
53200 FUEL	47,000.00	0.00	7,131.01	33,618.99	6,250.00	86.70
53401 ADULT MATERIALS	806,000.00	37,906.27	185,989.93	0.00	620,010.07	23.08
53403 PERIODICALS	88,135.00	2,145.88	4,801.21	0.00	83,333.79	5.45
53405 JUVENILE BOOKS	544,279.00	25,197.48	122,657.24	0.00	421,621.76	22.54
53406 PROFESSIONAL COLLECTION	4,200.00	203.18	433.74	0.00	3,766.26	10.33
53407 INTERNATIONAL COLLECTION	60,000.00	775.19	3,736.05	0.00	56,263.95	6.23
53408 AUDIOVISUAL MATERIALS - ADULT	842,000.00	49,142.34	268,686.36	0.00	573,313.64	31.91
53409 AUDIOVISUAL MATERIALS - JUV	94,000.00	1,397.68	26,583.97	0.00	67,416.03	28.28
53411 ELECTRONIC INFO SOURCES	379,068.00	0.00	109,259.00	0.00	269,809.00	28.82
53412 REFERENCE SERIALS	18,000.00	0.00	711.65	0.00	17,288.35	3.95
53413 ELECTRONIC SERVICES	149,391.00	0.00	141,481.78	0.00	7,909.22	94.71
53414 ELECTRONIC COLLECTION	417,000.00	0.00	74,675.76	0.00	342,324.24	17.91
53464 VENDOR PROCESSING SERVICES	153,000.00	8,962.27	49,003.00	0.00	103,997.00	32.03
53499 GIFTS - MATERIALS	0.00	0.00	246.60	0.00	(246.60)	0.00
53500 MINOR EQUIPMENT	3,500.00	0.00	1.53	0.00	3,498.47	0.04
53501 FURNISHINGS	35,000.00	512.12	6,078.46	26,056.11	2,865.43	91.81
53502 IT HARDWARE	20,000.00	6,864.22	64,521.66	0.00	(44,521.66)	322.61
53503 PRINTERS	10,000.00	0.00	0.00	0.00	10,000.00	0.00
53505 SOFTWARE	13,500.00	3,916.81	6,603.23	0.00	6,896.77	48.91
54100 PROFESSIONAL SERVICES	437,884.00	18,029.11	105,175.97	27,181.09	305,526.94	30.23
54101 LEGAL SERVICES	30,000.00	0.00	9,138.38	0.00	20,861.62	30.46
54102 COLLECTION AGENCY	22,000.00	1,576.16	5,015.25	0.00	16,984.75	22.80
54161 RESOURCE SHARING SERVICES	19,000.00	0.00	2,182.97	0.00	16,817.03	11.49
54162 BIBLIOGRAPHICS SERVICES	33,000.00	0.00	4,835.22	0.00	28,164.78	14.65
54163 PRINTING AND BINDING	1,500.00	0.00	0.00	0.00	1,500.00	0.00
54165 ILL LOST ITEM CHARGE	2,800.00	70.90	516.69	0.00	2,283.31	18.45
54200 POSTAGE AND SHIPPING	35,000.00	0.00	1,215.09	0.00	33,784.91	3.47
54201 TELECOM SERVICES	461,300.00	417.96	84,475.44	0.00	376,824.56	18.31
54300 TRAVEL	42,100.00	3,201.68	5,094.66	0.00	37,005.34	12.10
54301 MILEAGE REIMBURSEMENTS	31,150.00	3,461.07	9,329.57	0.00	21,820.43	29.95
54400 ADVERTISING	43,000.00	2,112.86	5,047.97	7,638.65	30,313.38	29.50
54501 RENTALS/LEASES - BUILDINGS	389,950.00	9,118.73	124,078.99	57,827.54	208,043.47	46.65
54502 RENTALS/LEASES - EQUIPMENT	32,300.00	0.00	6,347.51	17,059.54	8,892.95	72.47
54600 INSURANCE	189,500.00	0.00	73,673.73	0.00	115,826.27	38.88
54700 ELECTRICITY	235,000.00	17,030.45	68,065.32	0.00	166,934.68	28.96
54701 NATURAL GAS	15,000.00	259.04	3,736.70	0.00	11,263.30	24.91

Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 4/30/2015

FUND: GENERAL FUND (01)

Object	2015 Budget	April Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
EXPENSE ACCOUNTS						
54702 WATER	20,000.00	424.65	4,585.78	0.00	15,414.22	22.93
54703 SEWER	36,000.00	115.06	5,518.44	0.00	30,481.56	15.33
54704 REFUSE	27,500.00	298.61	5,528.34	761.75	21,209.91	22.87
54800 GENERAL REPAIRS/MAINTENANCE	229,300.00	10,488.34	46,231.35	47,191.85	135,876.80	40.74
54801 CONTRACTED MAINTENANCE	788,000.00	18,175.13	153,946.57	185,154.44	448,898.99	43.03
54803 MAINT. TELECOM EQUIPMENT	31,000.00	0.00	0.00	0.00	31,000.00	0.00
54900 REGISTRATIONS	42,750.00	5,317.20	15,825.20	0.00	26,924.80	37.02
54901 DUES AND MEMBERSHIPS	35,170.00	0.00	19,769.00	0.00	15,401.00	56.21
54902 TAXES AND ASSESSMENTS	29,500.00	76.40	15,163.72	0.00	14,336.28	51.40
54903 LICENSES AND FEES	38,890.00	3,032.01	11,326.63	0.00	27,563.37	29.12
54904 MISCELLANEOUS	790.00	369.00	369.00	0.00	421.00	46.71
54905 WELLNESS EVENTS/REGISTRATION	2,000.00	269.14	269.14	0.00	1,730.86	13.46
55100 INTERGOVERNMENTAL	17,000.00	0.00	0.00	0.00	17,000.00	0.00
59700 TRANSFERS OUT	841,912.00	0.00	0.00	0.00	841,912.00	0.00
ALL OTHER EXPENSES	8,166,469.00	255,159.84	1,963,166.56	427,228.30	5,776,074.14	29.27
TOTAL FOR EXPENSE ACCOUNTS	28,063,748.00	1,921,588.94	8,285,441.96	427,228.30	19,351,077.74	31.05
NET SURPLUS / DEFICIT	0.00	(1,865,332.84)	(6,314,008.02)	(427,228.30)	6,741,236.32	0.00

FUND: DEBT SERVICE FUND (20)

Object	2015 Budget	April 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	22.00	0.00	(22.00)	0.00
CHARGES OTHER:	0.00	0.00	22.00	0.00	(22.00)	0.00
TOTAL FOR REVENUE ACCOUNTS	0.00	0.00	22.12	0.00	(22.12)	0.00
NET SURPLUS / DEFICIT	0.00	0.00	22.12	0.00	(22.12)	0.00

FUND: CAPITAL IMPROVEMENT PROJECTS FUND (30)

Object	2015 Budget	April Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
REVENUE ACCOUNTS						
29150 USE OF FUND BALANCE-BUDGET	1,027,588.00	0.00	0.00	0.00	1,027,588.00	0.00
36110 INVESTMENT INCOME	0.00	0.00	411.18	0.00	(411.18)	0.00
36200 KEY PENINSULA SHARED COSTS	0.00	1,500.00	13,000.00	0.00	(13,000.00)	0.00
36700 FOUNDATION DONATIONS	0.00	0.00	152,561.40	0.00	(152,561.40)	0.00
36725 DONATIONS - OTHER	0.00	0.00	50.00	0.00	(50.00)	0.00
CHARGES OTHER:	1,027,588.00	1,500.00	166,022.58	0.00	861,565.42	16.16
39700 TRANSFERS IN	841,912.00	0.00	0.00	0.00	841,912.00	0.00
TOTAL FOR REVENUE ACCOUNTS	1,869,500.00	1,500.00	166,022.58	0.00	1,703,477.42	8.88
EXPENSE ACCOUNTS						
53100 OFFICE/OPERATING SUPPLIES	0.00	182.97	13,003.03	0.00	(13,003.03)	0.00
53102 MAINTENANCE SUPPLIES	0.00	5,620.83	5,620.83	0.00	(5,620.83)	0.00
53501 FURNISHINGS	50,000.00	0.00	29,710.50	73,953.00	(53,663.50)	207.33
53502 IT HARDWARE	1,119,000.00	0.00	142,402.39	0.00	976,597.61	12.73
54100 PROFESSIONAL SERVICES	0.00	11,549.27	13,488.77	24,529.66	(38,018.43)	0.00
54800 GENERAL REPAIRS/MAINTENANCE	10,000.00	966.80	966.80	90.89	8,942.31	10.58
54903 LICENSES AND FEES	0.00	49.75	49.75	0.00	(49.75)	0.00
54912 CONTINGENCY/RESERVE	37,000.00	0.00	0.00	0.00	37,000.00	0.00
56200 BUILDINGS & BLDG IMPROVEMENTS	271,000.00	4,733.37	15,702.91	156,148.36	99,148.73	63.41
56201 CONSTRUCTION	0.00	614.99	103,700.38	0.00	(103,700.38)	0.00
56203 FLOORING	114,500.00	0.00	0.00	0.00	114,500.00	0.00
56301 PARKING LOT REPAIR & IMPROVEMENT	97,000.00	0.00	0.00	0.00	97,000.00	0.00
56400 MACHINERY & EQUIPMENT	16,000.00	0.00	0.00	0.00	16,000.00	0.00
56401 VEHICLES	0.00	0.00	85,664.64	3,097.31	(88,761.95)	0.00
56402 HVAC	155,000.00	0.00	0.00	0.00	155,000.00	0.00
TOTAL FOR EXPENSE ACCOUNTS	1,869,500.00	23,717.98	410,310.00	257,819.22	1,201,370.78	35.74
NET SURPLUS / DEFICIT	0.00	(22,217.98)	(244,287.42)	(257,819.22)	502,106.64	0.00

M E M O



Date: April 15, 2015

To: Pierce County Library System Board of Trustees

From: Dale E. Hough, Finance Manager

Re: IRS tax form 990 for 2014

Pierce County Library System is a nonprofit 501(c)3 organization. We file an IRS form 990 (for nonprofits) each year. Our tax return is being compiled by PCLS staff and staff at the CPA firm, Dwyer, Pemberton and Coulson, Accountants. When complete, we will ask you to review the 2014 form 990. All Board members are asked to sign a statement certifying that they have reviewed the tax return. The IRS started this requirement several years ago.

Our CPA firm asks that each Trustee complete a questionnaire concerning Conflict of Interest and Compensation. Attached is a copy of this form, a FAQ and a copy of our Conflict of Interest policy. Please complete and return no later than June 1, 2015.

All statements will become integral public documents in the final tax return.

If you have any questions concerning our nonprofit tax return, always feel free to contact Dale Hough, Finance Manager, (253) 548-3452, dthough@piercecountylibrary.org or Clifford Jo, Director of Finance and IT, (253) 548-3453, cjo@piercecountylibrary.org.

ATTACHMENT 2 – (TO BE COMPLETED BY ALL DIRECTORS OF THE ORGANIZATION)

**BOARD OF TRUSTEES QUESTIONNAIRE
FOR THE TAX YEAR 2014**

“Your Organization” is the not-for-profit organization you represent as a board member.

Please circle your answer to the following questions.

1. Were you compensated by your Organization as an officer or as an employee? YES NO
2. Were you compensated by an organization that is related (an organization with common board members, a subsidiary organization, or an organization that has control over your Organization) to your Organization? YES NO
3. Did you perform services or sell goods to your Organization as an independent contractor? YES NO
4. Did any family member receive compensation or grants from your Organization? YES NO
5. Do you have a family relationship or business relationship with any officer, director, or key employee of your Organization? YES NO

If you answered yes to any of the above questions please give a detailed explanation below or on the back of this form.

6. Can you be reached at your Organization's mailing address? YES NO
If you answered **No** to question number 6 please provide an address you can be reached at.
7. Does your Organization have a written conflict of interest policy? YES NO (If no, skip to #10)
8. If the answer to question number 7 is **Yes**, were you required to disclose interests that could give rise to a conflict during the 2013 tax year? YES NO
9. If the answer to question number 7 is **Yes**, does your Organization regularly and consistently monitor and enforce compliance with the conflict of interest policy? YES NO
10. Did you vote on the compensation package for your Organization's top management officials (CEO, Executive director)? YES NO
11. Did you vote on the compensation for other officers and key employees? YES NO N/A

If the answer to question 10 or 11 was **Yes**, what data did you rely on in making your compensation decision? Answer on reverse of this form.

Signature

Print Name

Title

Date

Board Policy



Conflict of Interest -- Board of Trustee and Administrative-Level Director

Policy Statement

No Trustee or administrative-level Director may engage in activity which is incompatible with the proper discharge of official duties or which may impact independence of judgment or action of such official duties.

Purpose

It is in the best interest of the Library to avoid the reality or appearance of improper influence, favoritism, and conflicts of interest. The Library establishes this policy to ensure that matters arising from family or personal relationships do not impair an employee or member of the Board of Trustee's judgment in acting in the best interest of the Library, and in the management of employees, and in their fiduciary responsibilities.

Definitions

Conflict of Interest: Any action that, in the opinion of the Library, might interfere with, or appear to interfere with, the independent exercise of judgment or performance of work duties, employee judgment or present the potential of undue influence upon actions by the employee or Trustee. Situations that may appear to be a conflict of interest include, but are not limited to:

1. Where one employee would have direct or indirect authority or practical power to supervise, schedule, appoint, remove, promote or discipline the other;
2. Where one employee would be responsible for auditing or reviewing the work of another;
3. Where the employees would be scheduled to work together without a third employee present;
4. Where circumstances exist which would place the employees in a situation of actual or reasonable foreseeable conflict between the Library's interest and their own;
5. Where the absence by both parties at the same time would create a hardship for the Library;
6. Where, in order to avoid the reality or appearance of improper influence or favor, or to protect its confidentiality, the Library must limit the employment of close relatives of policy level officers of vendors, competitors, regulatory agencies, or others with whom the employer deals.
7. Where an employee's or trustee's actions or decisions would have a financial impact upon the employee or Trustee or their relative or significant other or a legal entity in which the Trustee, employee or their relative or significant other has a significant ownership interest..
8. Where an employee or trustee would be in a position to access confidential information regarding a relative or significant other.

De minimus gift or honorarium: Shall be items with a value of \$100.00 or less, provided that the recipient reports receipt of the gift or honorarium per this policy. De minimus items shall also include conference swag, pens, books, handouts, hosted receptions, samples and such items, provided that the items are equally available to all conference participants and are not exclusively for attendees from the Pierce County Library System. De minimus items shall also include any raffle prize awards or similar

rewards which are equally available to all conference participants electing to participate in the raffle or award program. These items are referred to as “conference swag” and need not be reported.

Administrative-level Director: Executive Director of the Library System, or Deputy Director, or member of the Library’s Administrative Team.

Legal Entities as Relative or Significant Other: If a Library employee, Trustee or a relative or significant other of such employee or Trustee has a significant ownership interest, as determined by the Library, in any company doing business with the Library or is employed by any company doing business with the Library in the capacity of an officer, director, account executive, sales representative or any other individual with authority to price, manage or influence business affairs related to such company’s dealings with the Library, the conflict of interest will be regarded as if such company were a natural person and the conflict were as Relative or significant other of the Library employee or Library Trustee.

Relative or significant other: Family member or close relative such as a spouse, domestic partner, parent, child, sibling, “step” or “in-law”, grandparent, grandchild, guardian; and like relative of an employee’s spouse and any persons in a romantic or sexual relationship; or any other person residing with or legally dependent upon a Pierce County Library System employee or member of the Library Board of Trustees.

Trustee: An individual appointed by the Pierce County Executive to serve as a member of the Pierce County Library System Board of Trustees.

Policy

No Trustee or administrative-level Director may use his or her position to obtain financial or other gain for their own benefit, or to benefit a relative or significant other, or any entity in which the Trustee, employee or their relative or significant other has a significant ownership interest.

No Trustee or administrative-level Director shall accept or receive, directly or indirectly, any money, anything of value, or any promise for future benefit, from any person or entity that does business with the Library. This policy does not apply to gifts or honorariums which are de minimus or have a value of \$100 or less, provided that the receipt of such gift or honorarium is promptly reported. The report of a de minimus gift or honorarium should be made to the Library’s Staff Experience Director in writing or by e-mail and should contain “de minimus gift or honorarium report” in the subject line.

Obligation to promptly report Conflict of Interest or Receipt of Gift or Honorarium that is not de minimus.

If any Trustee or administrative-level Director perceives a possible conflict of interest position for any other Trustee or executive-level Director, the possible conflict shall immediately be brought to the attention of the Board of Trustees.

A Trustee or administrative-level Director who recognizes an actual or potential conflict of interest or receives a non-de minimus gift or honorarium must promptly disclose any financial or personal beneficial interest, direct or indirect, and abstain voluntarily from discussion, voting, or decision-making on any issue that raises such conflict of interest. The report of a non-de minimus gift or honorarium or conflict of interest should be made to the Executive Director and the chair of the Board of Trustees in writing or by e-mail and should contain “Potential Conflict of Interest Report or Report of non-de minimus gift or honorarium” in the subject line.

Remedies

The Board as a whole shall determine whether the issue represents a conflict of interest, and issue a course of action mitigating such conflict of interest, including any action related to the failure to promptly report a potential conflict of interest.

Library Responsibilities

The Executive Director shall define, stipulate, make available, and enforce administrative policies that address conflict of interest for all its employees. Such policies shall be developed in accordance with Washington State law.

**Adopted by the Board of Trustees of the Pierce County Rural Library District October 17, 2007.
Revised June 12, 2013.**

Related Policies:

Conflict of Interest – Employment (Nepotism)

Outside employment

PIERCE COUNTY RURAL LIBRARY DISTRICT
BOARD OF TRUSTEES
2014 FORM 990 DOCUMENTATION PROCESS
Regarding Attachment 2

Frequently Asked Questions

- 1. Is my mileage reimbursement considered compensation?**
 - a. *No, mileage, travel and other incidental reimbursement payments are not compensation. It is re-payment for expenditures you have made.*
- 2. Does Pierce County control Pierce County Library System?**
 - a. *No, Pierce County Library System is an independent municipal corporation established under the Revised Code of Washington 27.12.*
 - b. *The Library is a junior taxing district funded from a separate property tax levy.*
 - c. *Pierce County provides Treasury services for the Library.*
 - d. *The county executive appoints trustees, and the county council approves appointments.*
 - e. *We create, review, approve, manage and monitor all fiscal and operational matters of the Library*
- 3. Can Trustees be reached at the PCLS mailing address?**
 - a. *Yes, each Trustee can be reached at the PCLS Processing and Administrative Center mailing address.*
- 4. Does PCLS have a written Conflict of Interest policy?**
 - a. *Yes. Our policy was adopted by the Board on October 17, 2007 and revised June 12, 2013. A copy is attached.*
- 5. Does the Board vote on the compensation package for PCLS top management?**
 - a. *Yes. Each year the Board formally reviews and votes on the compensation package for the Library's Director.*
- 6. Does the Board vote on compensation for other officers and key employees?**
 - a. *Yes. The PCLS budget, including compensation for key employees is formally reviewed and voted on by the Board of Trustees annually. Compensation rates are based on a Class and Compensation study.*

MEMO

Date: April 30, 2015
To: Chair Rob Allen and members of the Board of Trustees
From: Georgia Lomax, Executive Director
Subject: Executive Director Activities - April

In April, I attended a Pierce County Library Foundation Board meeting and two Growth Partnership meetings. I attended the Friends Connection meeting at the South Hill Library. Additionally, I attended the WLA Annual Conference, to help present a program on the process improvement work of Reading & Materials with Kati Irons, Collection Management Librarian. In addition to the Board meeting and an Executive Committee meeting, I attended the Annual Luncheon at Tacoma Community House and the Lakewood Rotary Auction. I interviewed Judy Willman, daughter of University of Washington crew member Joe Rantz at the PC Reads Books & Boats event held on the Foss Waterway Seaport and served as emcee at the well-attended PC Reads author event. I also met with Andrew Fickes from the *Puyallup Herald* for an interview for an upcoming article. Sadly, I attended a memorial service for custodian Raymond Allen Jr. who passed away suddenly.

On an internal front, Spring Regional meetings are underway and I am taking branch and department staff through the same SWOT exercise recently completed by the Board. Nine staff SWOT meetings have been held, with three more scheduled in May. I also conducted the exercise with the Friends of Libraries and the Foundation Board members. We are getting valuable input and will be using it to further shape the ongoing strategic planning process.

As of the date of this memo I have enjoyed 115 working days as Executive Director and have completed my meetings with the “Community First 30”, which this month included PLU president, Tom Krise; Tacoma-Pierce County Chamber president, Tom Pierson; MultiCare executives, Lois Bernstein, Sr. Vice President, Community Services and Jean Jackman, Vice President Marketing; Ryan Wheaton, Business Partnership Administrator at Pierce Transit; Craig Spencer, Sumner School District Assistant Superintendent and Pierce County Executive Pat McCarthy and Al Rose, Executive Director for Justice Services. Additional meetings were held with Wes Wenhardt, Executive Director, and Earla Harding, Event Coordinator, of Foss Waterway Seaport.

During the next phase of community meetings, my focus will be on making and renewing connections with museum directors and leaders/representatives from the following organizations: Pierce County Aging and Disability Center, RallyPoint/6, Tacoma Convention and Visitor Center, MultiCare, YMCA of Pierce County, Ben B. Cheney Foundation, Sequoia Foundation, Milgard Family Foundation, JBLM Grandstaff & McChord Libraries, Key Bank, Pierce County Economic Development Department, University of Washington Tacoma, Tacoma Community College, King County Library System, Timberland Regional Library, Port of Tacoma, Pierce County Regional Council, Paul G. Allen Family Foundation, Asia Pacific Cultural Center, Black Collective, Korean Women's Association, Puyallup Public Library and Sumner School District.

M E M O

Date: April 22, 2015

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

From: Trisha Muschett, PHR, HR Generalist and Chereé Green, SPHR, Staff Experience Director

Subject: Wellness Program Update

As you know, Pierce County Library System began partnering with the Association of Washington Cities to implement an updated Wellness Program for our employees last year. We had an extremely successful year with our Wellness Program with multiple campaigns promoting health and wellness in our workplace. Our work in 2014 included:

- Re-launch wellness program with AWC as our partner
- Finalized resolution and policy for board approval
- Created an operating plan to organize the work for 2014
- Created a wellness budget for 2014
- Finalized wellness committee charter and membership
- Attended the healthy worksite summit and wellness networking forum
- Launched internal interest survey to staff—used results to formulate wellness campaigns
- Launched two successful wellness campaigns: Tasty twist (focus on eating new and diverse fruits and vegetables) and walk across Washington (tracking our walking and miles as teams)
- Launched employee health questionnaire to help identify our risks and opportunities with our staff—65% participation rate won us a \$1000 mini grant to put towards our budget
- **Successful submission of AWC's WellCity application (making us eligible to receive 2% rebate on our 2016 insurance premiums)**

We are very excited to have completed a successful application and to be a recipient of the Association of Washington Cities' WellCity Award! We will receive a 2% rebate (approximately \$30,000) on next year's premiums.

We are already at work on our 2015 campaigns and operating plan. Our work in 2015 includes:

- Creating an operating plan to organize the work for 2015—formulate priorities for this year based upon our interest survey from 2014 and our high risk areas (weight, nutrition, exercise, stress and emotional health)
- Use \$1000 mini grant from 2014 to fund nutrition and lifestyle change education for staff
- Finalize wellness committee membership for 2015
- "Brand" our program with a new name
- Launch two successful wellness campaigns (possibly 3): Live Out Loud and Gratitude Graffiti
- Launch employee health questionnaire
- Offer on-site biometrics to PCLS staff
- Submit AWC's WellCity application for 2016

The work and partnership on our Wellness Program has been a team effort and our Staff Experience team is appreciative of the work of our Wellness Committee and the support of the Library.

MEMO

Date: April 27, 2015

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

From: Georgia Lomax, Executive Director

Subject: ULC Innovations Submissions

Each year the Urban Libraries Council asks libraries to share innovative work and programs that benefit individuals and communities. These “innovations” are gathered in the “ULC Innovations Resource Center” and serve as a showcase to inspire new ways of thinking and working. Each year a “Top Innovator” and “Honorable Mention” is awarded in each of the ten categories.

This year PCLS submitted two entries:

DIY Fest - Pierce County’s market segmentation indicates our customers are a strong Do It Yourself (DIY) and Maker audience who want hands-on learning experiences. To help fill this underserved need in our service area, we targeted different market segments; enlisted community based DIY exhibitors and collaborated with community groups to provide a forum for sharing expertise and informal learning among participants and exhibitors. Exhibitors conducted hands-on demonstrations and activities as a public service. PCLS coordinated the event across library service areas to meet the unique interests of the specific Tapestry marketing segments. The Library served as a coordinator, facilitator, and connector for the community, bringing together groups, organizing and coordinating community organization lead events and demonstrations to support experiential learning for all ages.

Scout - Pierce County Library's Virtual Services Team developed a new digital customer service, now known as Scout, as a fun and rewarding library experience that can be adapted and expanded to fit any number of diverse target audiences. The platform uses social media and gaming techniques that encourage users to learn about the library and their community.

Scout, the first application of the platform, consists of online activities in incentivized gaming environment that relates to the users’ Family life (things they can do with their children), their Reading life (things they enjoy reading), their Active life (things to get them off the couch) and their Social life by providing opportunities to participate in an online community of readers and learners.

The 2015 Innovations Initiatives awardees will be announced at the ULC Innovations Celebration on June 25, 2015 during the [ULC Annual Forum in San Jose, CA](#).

MEMO

Date: April 24, 2015

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

From: Jennifer Patterson, Customer Experience Manager

Subject: Administrative Center Library pilot update

The Administrative Center Library pilot launched on Monday, April 6th. This was a soft launch without any publicity to allow for staff to become oriented and systems and processes to be finalized.

During these three weeks, a few people have come in to use the Internet computers and Wi-Fi, a small number of items have been checked-out and returned in the book drop, library cards have been issued and some customers have picked up holds.

Staff is spending time working with meeting room groups as they adjust to new after-hours meeting room procedures, new meeting room configurations and reservation availability. Meeting room users have noticed the new services and have shown some interest. They are appreciating that staff are available at the desk to assist them with meeting room questions.

A plan for promoting the Administrative Center Library is being developed and we expect to see an increase in usage once the word gets out. Usage statistics will be gathered and staff is documenting feedback from customers.

At the conclusion of the pilot, an evaluation will be conducted to determine whether the service should continue and if so, what level of service and staffing should be provided. An update will be provided to the Library Board of Trustees at that time.



Date: April 24, 2015

To: Rob Allen, Chair, Board of Trustees, Board members & Georgia Lomax, Executive Director

From: Judy T Nelson & Jaime Prothro, Customer Experience Managers

Subject: 2015 Summer Reading @ the Pierce County Library

Summer Reading is one of the signature programs offered by the Pierce County Library System each year. This year's youth program is entitled "Every Hero has a Story" and the adult program theme is "Escape the Ordinary". Heroes are defined very broadly and programs and activities reflect a wide range of interests and opportunities.

The Library uses four components to build each year's program: evaluations, current research, partnerships and the need to increase marketing to new arenas. With annual evaluations, staff uses feedback from the public and from fellow staff to revise the program. Research informs our development of our summer programs. Partnerships reflect our deepening connection to our community. And, finally, the Library recognizes that marketing to new groups is an important strategy.

For the past several years, public evaluations have indicated a strong interest in increased programming at local branches. This continues to be addressed. In 2014, forty three different youth and family programs were offered. There were 371 free programs provided across the county. In 2015, seventy four different youth and family programs are being offered. This translates to 438 free programs provided across the county for an increase of 18 %. In addition, due to the survey results, the 2015 summer reading program reflects two specific additions:

1. Who says kids should have all the fun? A fully developed adult program was added following feedback about the adult reading component that was included in the 2014 youth program in addition to the online participation through Scout, which launched in June 2014. Intended to support the Strategic Framework, the adult reading program encourages adults to read during the summer months, explore new titles and genres, and connect with library staff.
2. The Teen Summer Challenge will once again be offered, however, evaluations clearly indicated that teens also wanted a program where they could just record their reading times and forgo the online game/badge elements. Therefore, the former tween log is being extended to include teens.

Attention continues to be paid to current research around summer learning loss and family engagement practices. Research into strategies for mitigating summer learning loss focuses on recreational reading and experiential learning as two deliberate ways that support children, particularly from low socio-economic circumstances, in retaining their reading skills. Research also indicates that children who observe adults in their community valuing reading and other experiential learning, more readily adopt the philosophy that reading and learning are valuable and important life skills.

Partnerships with outside agencies and organizations also continue. The Library will be working with the Point Defiance Zoo & Aquarium, Tacoma Nature Center/Metro Parks, University of Washington – Tacoma, Mary

Bridge Hospital and the Pacific Science Center. Our newest partnership is with a group of Mid-County Leaders including United Way of Pierce County, Pacific Lutheran University, and Bethel and Franklin Pierce School Districts. Together we worked to expand the 2014 Graduate Tacoma summer learning website. In conjunction with Graduate Tacoma, the website will now reflect this expansion and be called www.summerlearningtacoma-pierce.org Summer programs from the Bethel, Franklin Pierce and Clover Park district areas as well as all of our Library programs will be included on this successful interactive website.

Our marketing to students is being expanded through school visits. In 2015, every Kindergarten through Third grade class in the public schools will once again be visited by the Youth Service librarians. Teen librarians will target Sixth through Eighth grade classes in six school districts (in particular our card in every hand partners, Franklin Pierce, Bethel and White River districts) along with Peninsula, Puyallup and Clover Park Districts. The newest strategy will be to visit Fourth and Fifth grade classes in the six districts being targeted for teen participation, along with Orting and possibly Fife School Districts as time allows. Private schools will be included as time and staff allow.

A full final report will be presented in the fall.

Questions? Please feel free to contact either Judy Nelson or Jaime Prothro.

MEMO

Date: May 5, 2015

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

From: Karim Adib, Digital Experience Director

Subject: E-Rate Program Update and Summary (Updated)

In the January, 2015, Board meeting we informed the Board of changes made by the FCC to the E-Rate program which would allow the Library \$2.30 per square foot, per branch for Category-2 funding. Additionally, we informed the Board that a Non-Instructional Facility location, such as the PAC, would not receive any funding but that the Library was in the process of making changes to our IMLS profile and meeting the legal requirements to make the PAC a branch. We also informed the Board that we were adding our service location on Anderson Island as a regular branch. Finally, we explained that if the PAC qualifies as a normal branch, the Library would be allowed a Category-2 budget of approximately \$515,000 for network equipment and services.

Thanks to efforts by library organizations nationwide, the FCC has modified the law to allow \$5 per square foot for some specific types of libraries. This change impacts the budget calculation for all but four of our branches.

Using the new FCC calculations, the Library's Category-2 budget would increase from approximately \$515,000 to approximately \$985,000. This amount is available to the Library for five years.

Again, we note that the actual expenditure and refund process for Category-2 funding is complicated. The total budgetary amount is not a lump sum to be used by the Library. Rather, it is distributed across all location in amounts ranging from \$9,200 up to \$250,000, depending on the size of the facility. The actual refund will be very close but not exactly the amounts we have indicated here.

Additionally, in January, we informed the board that if the PAC is ultimately approved as the central facility, we can expect our discount rate (refund rate) to increase from 66% to 80%. We explained that the ultimate discount rate is dependent on the free and reduced lunch program. Recently, the Washington Office of the Superintendent for Public Instruction (OSPI) produced its latest report which lists the free and reduced lunch participation rate for each school district. The PAC is located in the Franklin Pierce School District, which has a participation rate above 75%.

The Library's Category-1 discount rate will increase from 66% to the maximum 90% and the Category-2 discounts rate will be the maximum 85%.

The table on the following page summarizes the total Category-1 and Category-2 annual costs, the associated discount rates, the funding request amount (refund amount) and the net expenditures by the Library. You will notice the first four items are shown at a discount rate of 70%. As we explained in

December, the E-Rate program will begin this year to phase out support for telephony and the lower discount rate is a reflection of that action. Still, the discount rate is the maximum allowed for this year.

#	Category 1	Annual Costs	Discount %	E-Rate Application	Net PCLS
1	C-L Qwest POTS	\$ 34,740.00	70%	\$ 24,318.00	\$ 10,422.00
2	C-L Qwest ISDN PRI	\$ 9,288.00	70%	\$ 6,501.60	\$ 2,786.40
3	C-L CenTel POTS	\$ 8,186.52	70%	\$ 5,730.56	\$ 2,455.96
4	Verizon Cell Phones	\$ 7,687.56	70%	\$ 5,381.29	\$ 2,306.27
5	Comcast Cable Internet	\$ 33,240.00	90%	\$ 29,916.00	\$ 3,324.00
6	Comcast PAC Internet	\$ 64,776.00	90%	\$ 58,298.40	\$ 6,477.60
7	Comcast Ethernet WAN	\$ 315,095.04	90%	\$ 283,585.54	\$ 31,509.50
Total Category 1		\$ 473,013.12		\$ 413,731.39	\$ 59,281.73

Item	Category 2	Costs	Discount %	E-Rate Application	Net PCLS
8	Dell Marketing LP	\$ 534,812.49	85%	\$ 454,590.62	\$ 80,221.87
Total Category 2		\$ 534,812.49		\$ 454,590.62	\$ 80,221.87

TOTAL Cat-1 and Cat-2:	\$ 1,007,825.61		\$ 868,322.01	\$ 139,503.60
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In total, the Library will see a net expenditure of \$139,503 for over \$1 million in equipment and services.

Category-1 totals for 2015 vs. 2014:

The following table compares the total Category-1 E-Rate application for 2014 vs. 2015. After renegotiations of contracts this year and by making the PAC the central library location, the Library is anticipating a **net savings of \$65,521**.

Category-1 Total	Monthly	Annual	E-Rate Application	Net PCLS
2014	\$ 27,698	\$ 363,300	\$ 238,497	\$ 124,803
2015	\$ 39,418	\$ 473,013	\$ 413,731	\$ 59,282
Difference	\$ 11,720	\$ 109,713	\$ 175,234	\$ (65,521)

Category-1 Comcast contract 2015 vs. 2014:

The new Comcast contract the Board approved in April will allow the Library to upgrade the network circuits to 10 times current levels while **paying \$46,586 less** than paid in 2014. The table below illustrates the differences:

Internet and WAN	Monthly	Annual	E-Rate Application	Net PCLS
2014	\$ 19,925	\$ 239,100	\$ 154,527	\$ 84,573
2015	\$ 31,656	\$ 379,871	\$ 341,884	\$ 37,987
Difference	\$ 11,731	\$ 140,771	\$ 187,357	\$ (46,586)

Category-2 contract for Network Hardware and Services:

The Dell contract the Board approved in April will allow the Library to implement \$534,812 of network technology used by the likes of Twitter, Yahoo, Google and Microsoft for an anticipated net cost of \$80,222. We would note that included in the price is an upgrade of the Library's Uninterrupted Power Supply (UPS) system. The need to upgrade the Library's UPS, a \$55,000 expense, was discovered after the budget planning process was already complete. Thanks to Board approval of the Dell contract, the Library is able to mitigate this expense by including it in the E-Rate application. In total, the new UPS will only cost the Library approximately \$8,000.

MEMO

Date: May 4, 2015

To: Chair Rob Allen, and members of the board

From: Jaime Prothro, Customer Experience Manager

Subject: Lakewood Makerfest

The 3rd Annual Lakewood Makerfest was held on Saturday, May 2 at Pierce College in Steilacoom. The event coincided with the Lakewood International Festival and Artsfest Celebration where PCLS staff was also in attendance. Attendance at Makerfest brought approximately 425 individuals throughout the day to try out new technology, build something from blocks, bricks, or straws, play a banana piano, create a woodblock bookmark, and more. A full evaluation will be prepared in the upcoming weeks.

Makerfest had several key partners: Pierce College provided space at the Rainier Building and free admission to the Science Dome, Lakewood's Computer Clubhouse helped organize and collaborate with schools, and Brown Paper Tickets helped market and promote the event for free using their social networks, website, and connection to PNW makers.

Exhibitors included Bricks 4 Kidz, Cynthia La Fleur, Hands on Children's Museum, Ivan May, Lakewood Computer Clubhouse, Nalalie, Bittner, OlyMEGA, Play-Well TEKnologies, Shaylee Bell (who brought a full-sized Dalek), Steve and Kate's Camp, Tacoma FabLab, Tamara Clammer with Brown Paper Tickets, Trip Jansen (who brought a full-sized K-9 robot dog), and Write@253.

Congressman Heck was in attendance at Makerfest, as well as Lakewood City officials and members of the Lakewood Arts Commission.

Many thanks to the Library's planning team, who also had activities scheduled throughout the day: Michelle Angell (committee chair), Genevieve Dettmer, Keith Knutsen, Lauren Lindskog, Terri May, and Patti Cox.



MEMO

Date: May 5, 2015

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

From: Sally Porter Smith, Customer Experience Director

Subject: Board of Trustees Library Visit Checklist

Board of Trustees Chair Rob Allen requested a checklist Trustees could refer to as they visited community libraries. This provides the Library a unique opportunity to get an outside view of our libraries by significant stakeholders of the Library. The attached checklist provides a simple form to capture your observations and comments. The form can be provided to you in electronic format.

Retaining customers and building new customer relationships to create a loyal customer base are goals of all staff. As you visit libraries, please consider what features and services would draw community members to their local libraries. For your reflection, I have included summary information from the Facilities Master Plan and 2012 public research regarding PCLS facilities and most valued services.

1. **2009 Facilities Master Plan** identified the following key findings related to facilities:
 - Buildings are too small: noisy, uncomfortable, and over-crowded.
Too few seats.
 - Not enough books and materials or accessible shelving.
 - Too few computers/limited technology.
 - Limited meeting rooms.
 - Services need to be convenient and accessible.
2. **PCLS 2012 GMA Public Research Summary Report** identified the top five features important to both customers and community. Participants were asked to rate services/features of Pierce County Library and rate how important each was. Breakout is according to how often respondent visited library. Rating of 1 meant *Not Important at All* and 5 meant *Very Important*.

Rank	Services	Weighted Rating	Not Visited	1 to 12 Visits/Yr	Over 12 Visits/Yr
1	Books to borrow	4.70	4.38	4.60	4.88
2	Convenient open hours	4.51	4.11	4.43	4.69
3	Access to the Internet	4.44	4.02	4.53	4.48
4	Use of computers	4.42	3.97	4.46	4.48
5	Place to research and study	4.41	4.20	4.37	4.53
13	Places to read and relax	4.14	3.96	4.11	4.25

TRUSTEE LIBRARY VISIT CHECKLIST

Trustee Name:

Library:

What three to four adjectives best summarize your overall impression of the exterior of the library?

What three to four words best summarize your impression of the interior of the library?

What three words would best summarize your experience at this library?

For each item identified below, circle the number to the right that best fits your judgment of its quality. Use the scale above to select the quality number.

Item	Scale					Comment
	Poor	Good			Excellent	
1. Exterior signage	1	2	3	4	5	
2. Exterior lighting	1	2	3	4	5	
3. Exterior parking	1	2	3	4	5	
4. How easy to identify where to get help	1	2	3	4	5	
5. Number of public internet stations available for use	1	2	3	4	5	
6. Availability of places to study or work with laptop/device	1	2	3	4	5	
7. Comfortable places to read & relax	1	2	3	4	5	
8. Comfortable places to read/be with children	1	2	3	4	5	
9. Collection size, selection and display of materials	1	2	3	4	5	
10. Welcoming environment	1	2	3	4	5	

Additional comments:

UNFINISHED BUSINESS

M E M O

Date: April 20, 2015

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

From: Lorie Erickson, Facilities Director

Subject: Fife Library Update - Surrounding Development

On Sunday, April 19th, 2015, Tacoma Power worked with PCLS regarding an all-day planned power outage in the vicinity of and including, the Fife Library. The outage was planned on a Sunday to have least impact to the library and its operations. During this time, Tacoma Power relocated the power lines from overhead to underground. Work began at approximately 8:30 a.m. and was completed by approximately 4:00 p.m.

Puget Sound Energy is onsite the week of May 4th to re-locate the telephone poles.

AHBL has submitted the design specifications for the library frontage. The specifications are under review by SHKS Architects and PCLS. Drawings are still in progress. Once these are complete, the Architects will coordinate and finish up documents on their end.

FIFE LIBRARY ENTRY & SURROUNDING DEVELOPMENT

April 21, 2015



MEMO



Date: May 5, 2015

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

From: Georgia Lomax, Executive Director

Subject: Board Vacancy - Trustee Appointment Process

The process for filling the vacancy due to the expiration of Al Roses' term is well underway. The application period closed on April 24, 2015. We received five applications. Three applicants were selected by the Selection Panel to move forward to the interview stage. Interviews will be held Monday, May 11, 2015.

The Selection Panel includes:

- J.J. McCament, (Library Trustee), Panel Chair
- Linda Ishem, (Library Trustee)
- Keri Rooney, (Pierce County Executive Director External Affairs)
- Linda Tieman (Foundation Board member)
- Beverly Isenson (Friend of the Steilacoom Library)

Our recruiting efforts were extensive. In addition to application flyers/forms being posted at each branch, the vacancy announcement appeared in the Puyallup Herald, Dispatch, Gateway, Business Examiner, Bonney Lake Courier Herald, Milton/Edgewood Signal, Fife Free Press and The News Tribune. Two news releases were issued and the article was sent to local Chambers of Commerce. It was also posted on social media. Emails announcing the vacancy were also sent to key community leaders as well as diverse organizations including the Korean Women's Association, Centro Latino, Associated Ministries, Tacoma Urban League, WA State Commission on African American Affairs, Puyallup Tribe of Indians, the Metropolitan Development Council and the Oasis Center. Legislators and community organizations representing the east side of our service area were also invited to help us reach individuals who may be interested in applying for the vacancy.

MEMO

Date: May 4, 2015

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

From: Linda Farmer, Communications Director & Jaime Prothro, Customer Experience Manager

Subject: Pierce County READS 2015 Results

New York Times best-selling author Daniel James Brown captivated a crowd of 1,170 at this year's culminating author event for 2015 Pierce County READS. The event, with a slightly larger crowd than last year, was the second largest attendance in the eight years of the community one-book program. The library co-presents Pierce County READS with The News Tribune. Major long-term sponsors include KeyBank Foundation and the McGavick Conference Center @ Clover Park Technical College.

This year's Pierce County READS book, "The Boys in the Boat," resonated with readers particularly in the Baby Boom generation. Husky fans, sports enthusiasts, history buffs and those who love reading a good local story were also hooked. "Couldn't put it down," "I knew how it ended yet I was still on the edge of my seat," "What an incredible story of teamwork," were frequent comments.

"The Boys in the Boat" was the fifth-highest circulating e-book in the library's collection right behind three "Fifty Shades of Grey" titles and "Gone Girl." King 5's "Evening Magazine" show added to the buzz by airing a story about the book just ahead of the eight-week program and mentioned it as the Pierce County READS pick. We had 26 mass media articles—20 more than last year—including two front-page stories in The News Tribune. Much like "Wild" last year, a movie adaptation is under development.

New in 2015

The library's Pierce County READS Team experimented with its promotional mix this year:

- **Pre-event Videos.** Two pre-event videos were developed for Facebook and YouTube. A 30-second teaser video garnered 754 views but the tremendous success was seen in the longer launch video which actually named the book. It pulled in nearly 14,000 views between its two social media platforms. To date it's the library's most-viewed video.
- **Signature Events.** The library held three large off-site events this year at The Grand Cinema, Foss Waterway Seaport and Puyallup Public Library. The events featured key family members from the original 1936 UW crew team including Joe Rantz's daughter Judy Willman, George Pocock's granddaughter Katie, and Shorty Hunt's daughter Kristin Hunt. Popular and well-attended, the events pulled in a combined 590 people. By comparison, 775 total attended the more than 60 events held at libraries and at smaller community locations.

- **Read & Release Books.** The library partnered with Pierce County Library Foundation to purchase 304 copies of “The Boys in the Boat” to give away. Nearly 100 people total (staff, elected officials and others) left their books in public places such as coffee shops, laundromats, community centers, restaurants, bus stops and on walking trails. Each book bears a sticker with instructions to read the book, share it with others, and to comment on the library’s Facebook page as a way to spark an online conversation. Excitement around the giveaway of the book was high. Capturing community response was difficult.
- **Limited edition “The Boys in the Boat” library card.** A specially designed, limited edition library card made just for “The Boys in the Boat” was developed and marketed this year. 5,000 cards were made and 790 cards were activated

By the Numbers

13,912	Views of launch video on Facebook and YouTube
6,538	New library cards issued (790 were the limited edition “The Boys in the Boat” card)
4,497	Checkouts of “The Boys in the Boat” (all formats)
1,365	Attendance at library and community events including “signature” events at The Grand Cinema, Foss Waterway Seaport and Puyallup Public Library.
1,170	Attendance at author event
754	Views of 30-second teaser video on Facebook and YouTube
611	Entries into the drawing to give away 21 signed copies of “Boys in the Boat”
263	Communications points by library liaisons
256	Books sold by official bookseller King’s Books and by partner booksellers Mostly Books, Garfield Book Company and Barnes & Noble
45	Entries into the “Flash Fiction” writing contest
39	Communication points by community partner organizations
26	Mass media articles
19	KeyBank banking centers displayed PC Reads materials (major sponsor)
16	City/town/county councils that received copies of “Boys in the Boat” and adopted a Pierce County READS 2015 proclamation in a public presentation
12	Ads in The Tacoma News Tribune print editions, website and phone/tablet apps

Photos & Videos

Please enjoy [photos](#) from a sampling of program events and the author event on Facebook. Post-event video clips are in production and should be posted on Facebook the week of May 4, 2015.

Pierce County READS 2015 Team

The Pierce County READS 2015 Team—co-leads Jaime Prothro and Linda Farmer, and members Jason Anderson, Lourie Kelly, Tami Masenhimer and Kit Thompson—thank Pierce County Library Foundation and Pierce County Library Board of Trustees for their commitment and enthusiastic support of Pierce County READS.

NEW BUSINESS

MEMO



Date: March 27, 2015

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

From: Jaime Prothro, Customer Experience Manager

Subject: Digital Literacy Training Presentation

Pierce County Library System has received three grants to help develop new technology classes, assist job seekers, and provide digital literacy training. The grant funds total \$264,750. The concepts and approaches taken with each grant serve distinct purposes, but each project builds upon the other to help PCLS make use of products (lynda.com, Treehouse, Microsoft IT Academy, and Universal Class), while providing programs that help test our community's interest and need for learning technology.

An overview of each grant was provided to the Board several months ago. This presentation will provide the Board with an update on the status of each grant, which includes programs like *Microsoft IT Academy Open Lab*, *6 Week Geek*, *Camp Code*, and *PCLS Job TRACK*.

MEMO

Date: March 31, 2015

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

From: Andrew Schulz, Network Systems Administrator

Subject: 2015 Laptop Labs

During the month of February and extending into March 2015, IT deployed a new Public Laptop Lab experience. A total of 110 Dell Laptops, 10 Charging Carts and 22 traveling cases were distributed to a total of 10 locations.

As part of this deployment, IT has implemented an automated update process that significantly improves process for Branch staff and ensure that systems managed by IT are current and secure. The previous process required branch staff to follow the process listed below on a weekly basis:

1. remove all 10 laptops from case(s)
2. plug into power
3. turn them on
4. logon
5. unlock the protection software
6. run Windows, security and application updates
7. lock the protection software
8. shutdown
9. stow back in case(s)

This process took, on average, up to two to four hours per lab, per location. Approximately 40 - 80 hours per month, or 480 - 940 hours per year, directly impacted branch staff for this process. Perhaps, the more important point was that updates are often necessary more frequently and keeping up with them was a substantial load on busy branch staff. Meanwhile, IT could not offer assurance that the laptops were up to date.

Through some reengineering of our network and servers, the new process allows IT to create automated processes for managing and maintaining the laptops across our public network without violating our security standards. The new process runs updates daily and weekly, as necessary. Also, IT continuously monitors the machines to make sure they are current and secure.

In addition to the change in the update process, IT also looked at how to improve the existing cases and powering stations. Previously, the labs were stored in large cases. Branch staff would need to pull all the laptops out of the case to run updates, and they would also use the large cases to transport the laptops between locations. The new cases are much lighter and easier to manage. IT has also provided each branch with a large, specially designed charging cabinet in which the laptops are stored most of the time. This cabinet has dedicated power, eliminating the need for staff to deal with power cords.

Finally, IT also added a mobile lab that can be scheduled and used for any number of needs.

Laptop Labs are currently at the following locations:

Bonney Lake	Fife	Gig Harbor
Graham	Lakewood	Parkland/Spanaway
South Hill	Summit	Sumner
University Place	Mobile/Travelling	

M E M O



Date: May 5, 2015

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

From: Clifford Jo, Finance & Business Director

Subject: 2014 Year End Financial Review

Attached are the following 2014 year-end statements:

- Year End Actuals—General Fund
- Board Report—Budget to Actual by Object (Eden report)

During the Board meeting, we will highlight the financial results. Below are some analyses of the revenues and expenditures for each fund.

In this discussion, most comparisons are made to the original budget because we report this to the State Auditor. However, some comparisons are made to the mid-year budget because it reflects an adjustment as presented by the Library and approved by the Board. Comparisons made to the mid-year budget are noted. If not explicitly noted, all other comparisons are to the original budget.

- GENERAL FUND -

Revenues

Actual new revenues came in at 2.95% more than the original budget. Note that delinquent property taxes collected is less than anticipated (\$304,078 less) continuing the trend since 2008; all of this was offset by current property tax payments. During the upcoming mid-year budget, we will review our property tax calculations and make appropriate adjustments. Total donations and related reimbursements added nearly \$440,000. The total revenue increase was \$751,846 above the revenues approved by the Board during the December Board meeting for 2014 operations.

Expenditures

Total expenditures came in over by \$369,307, which represents a 1.44% over budget. Compared to the Board approved mid-year budget, expenditures were under budget by \$1,166.

Personnel savings were \$282,057 due mostly to unfilled management positions. This is factored *after* applying the reduction in salaries planning budget to match projections.

Collection expenditures were over budget by \$125,640. The total expended on materials translated to 12.95% of the budget spent on the collection. Some part of this is due to grant funded purchases.

For maintenance and operations, the Library was over budget by \$520,743 or 15.86% more than budgeted. The Library intentionally spent more on needed purchases due to specific needs identified during the year. The increase is primarily due to:

- Telecommunications expenses, which are offset by Erate reimbursements (+\$189,000). As a general practice, the full cost is not budgeted.
- Professional Services to pay for the remainder of the technology plan, Executive Director recruitment, Coaching Labs, and Leadership Development. (+\$205,000).
- Utilities came in higher than budgeted (+\$59,000).
- Computer hardware and furnishings for public computers (+\$42,000)

The net of all other line items amounted to \$25,743.

2014 Year-End Cash Balance (General Fund)

The net effect for the fund balance is an increase as follows:

Beginning Cash Fund Balance (Jan 1).....	\$10,007,332.75
Less: Use of fund balance	0.00
Less: General fund transfer to Capital fund (December 2014).....	1,500,000.00
Add: Net of revenues less expenditures.....	254,875.95
Adjustment for warrants & taxes payable, benefit accruals, and other adj. (<u>251,373.24</u>)	
Ending Cash Fund Balance (Dec 31).....	\$8,510,835.46

Of this \$254,875.95, the following items were major contributors to the savings:

Contingency set aside (planned—not added due to decreasing revs).....	\$ 0.00
Net of all other factors (described above in revenues & expenditures).....	254,875.95
Net of revenues less expenditures.....	\$254,875.95

- CAPITAL IMPROVEMENT FUND -

Revenues

No new revenues were budgeted for 2014. Actual amount for all new revenues was \$221,602.94, which included Foundation Donations for South Hill, anticipated energy rebates for the PAC HVAC system, and investment interest.

Transfers

Transfers to the Capital Improvement Fund to pay for capital projects included the reduced transfer of 1% of revenues (from 3%). Per fiscal management policy, if there were operational savings identified from 2013 operations some portion would have been transferred to the capital project to pay for current and future projects; however, none were identified.

Transfer

Budgeted transfer from General Fund (Dec 2013)	\$260,245.00
Savings from 2013 operations transfer	0.00
Other transfers from fund balance (e.g., mid-year savings)	1,500,000.00
 Total transferred from General Fund to Capital Fund	 \$1,760,245.00

Expenditures

The original budget for capital improvement projects was \$1,584,000, which was amended at midyear to be \$1,569,200.00. Total actual expenditures amounted to \$1,183,439.09.

We had anticipated about \$80,000 in rebates from the PAC HVAC work conducted late 2013, and ended up with over \$103,000, which included rebates from work other than the PAC HVAC.

2014 Year-End Cash Balance (Capital Improvement Fund)

The final 2014 year-end fund balance was \$2,066,742.81. The Capital Improvement Fund balance is therefore recorded as follows:

Beginning Cash Fund Balance (Jan 1).....	\$1,356,480.55
Less: Use of fund balance	973,955.00
Add: Net of revenues and budgeted transfer less expenditures	272,363.85
Add: Other transfers (December 2014).....	1,500,000.00
Adjustments for Warrants & taxes payable and other adj.....	(360,510.44)
 Ending Cash Fund Balance (Dec 31).....	 \$2,066,742.81

- DEBT SERVICE FUND -

The Debt Service Fund is used to pay debt owed, for example bond payments. The Library has been debt-free for since 2002. Any financial activity since then in this fund is due to unanticipated revenues and fees. For 2014, revenues (from delinquent taxes received and interest investment) totaled \$81.36 and expenditures were \$0. The Debt Service Fund balance is therefore recorded as follows:

Beginning Fund Balance (Jan 1).....	\$83,567.21
Add: Net of revenue less expenditures	81.36
Ending Fund Balance (Dec 31).....	\$83,648.57

- TOTAL FUND BALANCES IN CASH -

DECEMBER 31, 2014

The Library's total fund balance in cash is as follows:

General Fund.....	\$8,510,835.46
Capital Improvement Fund	2,066,742.81
Debt Services	83,648.57
Total Combined Fund Cash Balance	\$10,661,226.84

which represents a decrease of \$768,153.67 to total cash of all funds.

- CASH RESERVES OUTLOOK FOR 2015 -

Following the significantly painful reductions beginning in 2010 and judicious spending the past two years, the Library has adequate cash reserves to sustain operations in 2015. In late 2010, the Library revised its cash reserves strategy so that it addresses current fiscal realities. This was carried forward into 2015's budgeting process. A portion of cash is designated as restricted to fund ongoing operations, and a minimum threshold is set for undesignated cash.

The strategy eliminated the standard 1% set aside for cash reserves and instead uses a 2% minimum standard for undesignated cash reserves. Cash designated for operations is set at approximately 30%, which pays for the first four months of a fiscal year before receiving property taxes at the end of April. Although revenues had increased, because there was a sufficient cash balance for the designated operating reserve, there was no need to budget set-aside cash to build up the operating reserve. In 2015, no set-aside cash was budgeted. Because revenues for 2015 had increased and we anticipate an increase for 2016, we may need to begin adding to cash reserves for 2016.

For 2015, the budgeted transfer to CIP was restored to 3% (from 1%). In 2014 the general fund cash reserves decreased due to a \$1,500,000 transfer to the Capital Improvement Fund to pay for upcoming capital needs in 2015 and 2016; no cash reserves were used to pay for 2014 operations. The Library continues to analyze and plan for long-term cash needs in all funds.

During the 2015 mid-year process, we will assess our cash needs and look to fiscal year 2016 in determining whether and to what extent—if any—we will recommend transferring 2014 savings to the capital fund. We will provide an update during the mid-year budget process.

**PIERCE COUNTY LIBRARY SYSTEM
- 2014 YEAR END -**

GENERAL FUND					% Change	2014 FISCAL YEAR
2014 YEAR-END AS OF 12/31/2014	2014 Final (12/11/13)	2014 Mid-Year	2014 YE (12/2014)	2014 Final to 2014 YE		Notes
Use of Fund Balance/Cash Reserves	127,663	0	0.00	-100.00%	No cash reserves were used	
----- REVENUES -----						
31110 Property Taxes Refunded						
31111 Property Taxes Current	23,502,762	23,744,495	24,048,981.73	2.32%	More on-time payments received	
31112 Property Taxes Delinquent	940,110	807,313	636,031.76	-32.34%	Delinquent payments were less, but offset by ontime payments	
31130 Sale of Tax Title Property	3,000	3,000	11,070.22	269.01%	Received more than anticipated	
31210 Private Harvest Tax	50,000	70,000	76,053.17	52.11%	About on budget compared to mid-year	
31720 Leasehold Excise Tax	20,000	20,000	6,762.71	-66.19%	Less than anticipated	
33533 State Forest Funds			12,898.50	new	Moved from Sale of Fixed Assets	
33872 Contract Fees-Cities		3,900	3,240.00	new	About on budget compared to mid-year	
33890 Governmental Service Fees		5,400	7,265.61	new	Exceeded mid-year budget	
34160 Copier Fees	25,000	30,000	29,841.59	19.37%	About on budget compared to mid-year	
34161 Graphics Services Charges		4,000	7,996.59	new	Exceeded mid-year budget	
34162 Printer Fees	60,000	105,000	110,859.33	84.77%	About on budget compared to mid-year	
34163 Fax Fees		21,000	21,097.90	new	About on budget compared to mid-year	
34710 Meeting Room Fees			20.00	new		
34730 Interlibrary Loan Fees			128.97	new		
35970 Library Fines	615,000	600,000	548,387.90	-10.83%	Considerably less than anticipated due to less materials checked out	
36110 Investment Income	10,000	10,000	6,209.81	-37.90%	Investment rates continue to be at historic low	
36111 Interest - State Forest Fund			0.10	new		
36190 Other Interest Earnings			2.36	new		
36200 Key Pen Hlth Dept Facility Rev			969.68	new		
36700 Foundation Donations	225,500	400,000	422,151.24	87.21%	Exceeded mid-year budget	
36710 Friends' Donations			760.14	new		
36720 Friends' Reimbursements		3,000	13,972.92	new	Exceeded mid-year budget	
36725 Donations-Other			2,663.74	new		
36910 Sale of Scrap and Salvage			347.50	new		
36920 Book Sale Revenue	20,000	10,000	16,034.05	-19.83%	Exceeded mid-year budget	
36990 Miscellaneous Revenue		9,000	5,868.11	new		
36991 Payment for Lost Materials	25,000	12,000	10,584.12	-57.66%	Less than anticipated	
36994 Unclaimed Property			1,157.02	new		
36996 Jury Duty Reimbursement			582.96	new		
36997 Prior Year's Refunds			6,666.27	new		
36998 E Rate Reimbursement		114,000	228,454.17	new	eRate reimbursements offset Telecom/Data charges	
36999 Rebates - Procurement Card	15,000	30,000	33,761.59	125.08%	About on budget compared to mid-year	
39510 Sale of Fixed Assets	15,000	15,000	0.00	-100.00%	Moved to State Forest Funds	
39520 Insurance Recoveries - Capital Assets		7,400	7,396.28	new	About on budget compared to mid-year	
TOTAL REVENUES	\$25,526,372	\$26,024,508	\$26,278,218.04	2.95%		
Increase/decrease over previous		498,136 (1.95%)	751,846 (2.95%)		Compared to 2014 Original budget (passed 12/11/2013)	
TOTAL FUNDING SOURCES	\$25,654,035	\$26,024,508	\$26,278,218.04	2.43%		
Increase/decrease over previous		370,473 (1.44%)	624,183 (2.43%)		Compared to 2014 Original budget (passed 12/11/2013)	

**PIERCE COUNTY LIBRARY SYSTEM
- 2014 YEAR END -**

GENERAL FUND	2014	2014	2014	% Change	
2014 YEAR-END AS OF 12/31/2014	Final (12/11/13)	Mid-Year	YE (12/2014)	2014 Final to 2014 YE	2014 FISCAL YEAR Notes
----- EXPENDITURES -----					
PERSONNEL					
51100 Salaries & Wages	13,709,535	13,429,017	13,248,465.73	-3.36%	Less spend due to vacancies and turnover, particularly mgmt
51105 Additional Hours	247,100	248,850	271,359.08	9.82%	More spent to cover staffing needs
51106 Shift Differential	161,206	148,518	139,752.01	-13.31%	Under budget
51107 Substitute Hours	284,500	303,500	266,786.96	-6.23%	Less spent to cover staffing needs
51109 Tuition Assistance Program	300	300	0.00	-100.00%	
51200 Overtime Wages	5,800	6,750	5,535.20	-4.57%	Less spent
52001 Industrial Insurance	165,707	173,130	189,119.79	14.13%	Reflects increased rates to the Library
52002 Medical Insurance	2,268,400	2,198,331	1,923,359.82	-15.21%	Less spent
52003 FICA	1,102,241	1,098,014	1,050,564.43	-4.69%	Follows Salaries & Wages
52004 Retirement	1,167,555	1,192,330	1,209,583.38	3.60%	Reflects second half of year retirement rate increases
52005 Dental Insurance	241,326	218,189	185,303.86	-23.21%	Less spent
52006 Other Benefit (Cell Phone Allowance)	9,580	11,020	10,920.00	13.99%	
52010 Life and Disability Insurance	25,245	25,674	25,434.36	0.75%	About on budget
52020 Unemployment Compensation	30,500	30,500	28,309.78	-7.18%	About on budget
52200 Uniforms	1,300	1,300	1,135.03	-12.69%	
Total Personnel	19,420,295	19,085,423	18,555,629.43	-4.45%	
Reduction in salaries planning budget to match projections ((582,609)	(524,849)	0.00	100.00%	
Net Personnel	18,837,686	18,560,574	18,555,629.43	-1.50%	Overall personnel costs are slightly under budget
MAINTENANCE & OPERATIONS					
53100 Office/Operating Supplies	155,400	169,450	193,732.34	24.67%	Supplies are offset by grant revenues
53101 Custodial Supplies	52,100	52,100	58,173.21	11.66%	More was needed to serve the public
53102 Maintenance Supplies	60,200	60,200	57,623.77	-4.28%	Less spent than anticipated
53103 A/V Processing Supplies	20,000	20,000	24,349.92	21.75%	More spent AV processing supplies
53104 Book Processing Supplies	20,000	20,000	19,707.61	-1.46%	Less spent than anticipated
53200 Fuel	40,750	40,750	42,655.36	4.68%	Reflects higher per gallon rates of fuel
53500 Minor Equipment	6,500	6,500	4,221.75	-35.05%	Less spent than anticipated
53501 * Furnishings	35,000	53,000	57,771.42	65.06%	More spent to cover furnishing needs for staff and public
53502 * PC Hardware	216,300	244,600	235,177.86	8.73%	Under budget compared to mid-year
53503 Printers	20,000	20,000	3,110.92	-84.45%	Considerable less spent on printer replacements
53505 Software	17,000	53,400	40,010.41	135.36%	Under budget compared to mid-year
54100 * Professional Services	256,200	434,454	461,663.22	80.20%	Includes coaching and training for staff, and exec director recruitment
54101 Legal Services	30,000	30,000	33,188.61	10.63%	Includes Executive Director recruitment costs
54102 Collection Agency	24,000	24,000	20,824.13	-13.23%	Less spent than anticipated
54161 Resource Sharing Services	22,000	19,000	14,280.36	-35.09%	Less spent than anticipated
54162 Bibliographics Services	38,000	33,000	35,527.78	-6.51%	Less spent than anticipated
54163 Printing and Binding	2,000	2,000	1,637.95	-18.10%	Less spent than anticipated
54165 Inter Library Loan Lost Item Charges	3,000	3,000	1,867.02	-37.77%	Less spent than anticipated
54200 Postage	38,000	33,000	30,955.06	-18.54%	Less spent than anticipated
54201 Telephone/Data Lines	161,300	305,000	349,835.35	116.88%	Offset by Erate reimbursements (which occur this and next year)
54300 * Travel	29,200	129,200	49,405.13	69.20%	Includes Executive Director recruitment costs
54301 Mileage Reimbursements	30,250	30,150	29,158.15	-3.61%	Less spent than anticipated
54400 * Advertising	29,000	68,000	38,895.20	34.12%	Includes 2014 public opinion survey, and grant costs
54501 * Rentals/Leases - Buildings	377,700	377,700	337,410.82	-10.67%	Less spent than anticipated

**PIERCE COUNTY LIBRARY SYSTEM
- 2014 YEAR END -**

GENERAL FUND				% Change	
2014 YEAR-END AS OF 12/31/2014	2014 Final (12/11/13)	2014 Mid-Year	2014 YE (12/2014)	2014 Final to 2014 YE	2014 FISCAL YEAR Notes
54502 * Rentals/Leases - Equipment	23,600	23,600	39,495.15	67.35%	Includes copier renewals
54600 Insurance	189,500	189,500	172,760.25	-8.83%	Shifted some of the costs into 2015 to align with calendar year
54700 Electricity	220,000	240,000	252,683.31	14.86%	Budget was considerably off; will make adjustments in 2015 mid-yr
54701 Natural Gas	15,000	15,000	9,387.12	-37.42%	Lower than anticipated
54702 Water	26,000	26,000	26,794.50	3.06%	About on budget
54703 Sewer	21,700	32,000	43,249.05	99.30%	Budget was considerably off; will make adjustments in 2015 mid-yr
54704 Refuse	22,500	22,500	32,083.27	42.59%	Budget was considerably off; will make adjustments in 2015 mid-yr
54800 * General Repairs/Maintenance	198,300	198,300	201,936.19	1.83%	About on budget
54801 * Contracted Maintenance	709,200	729,200	727,353.82	2.56%	About on budget compared to mid-year
54803 Maint. Telecomm Equipment	31,000	31,000	21,380.04	-31.03%	Less spent than anticipated
54900 * Registrations	23,250	26,450	23,838.12	2.53%	Less spent than anticipated compared to mid-year
54901 * Dues and Memberships	34,620	42,120	38,371.95	10.84%	About on budget
54902 Taxes and Assessments	30,500	30,500	29,639.34	-2.82%	About on budget
54903 Licenses and Fees	53,150	34,850	38,978.49	-26.66%	About on budget compared to mid-year
54904 Miscellaneous	790	790	3,066.73	288.19%	
54905 Event Registration	0	0	2,551.90		new
55100 Intergovernmental	1,000	0	0.00	-100.00%	Fiscal audit ended in 2013; no carry over funding needed
Total Maintenance & Operations	3,284,010	3,870,314	3,804,752.58	15.86%	
* Items that are asterisked required department heads to list specific costs					
MATERIALS					
53401 Adult Materials	827,684	841,184	825,726.39	-0.24%	
53403 Periodicals	80,000	80,000	68,605.22	-14.24%	
53405 Juvenile Books	496,458	535,258	489,976.87	-1.31%	
53406 Professional Collection	20,000	20,000	17,452.44	-12.74%	
53407 International Collection	76,000	76,000	45,331.38	-40.35%	
53408 Audiovisual Materials - Adult	816,000	816,000	880,541.64	7.91%	
53409 Audiovisual Materials - Juvenile	102,040	102,040	88,148.63	-13.61%	
53411 Electronic Info Sources	170,355	170,355	189,253.53	11.09%	
53412 Reference Serials	36,414	36,414	15,644.70	-57.04%	
53413 Electronic Services	244,124	244,124	183,638.06	-24.78%	
53414 Electronic Collection	255,000	259,000	432,197.65	69.49%	
53464 Vendor Processing Services	153,000	153,000	159,868.68	4.49%	
53499 Gifts - Materials	-	-	6,329.89		new
Total Materials	3,277,075	3,333,375	3,402,715.08	3.83%	= 12.95% of revenues
54912 CONTINGENCY	0	0	0.00		Cash reserves are adequate
59700 TRANSFERS TO CIP	255,264	260,245	260,245.00	1.95%	Set at 1% of revenues
Total Transfers	255,264	260,245	260,245.00	1.95%	
TOTAL EXPENDITURES	\$25,654,035	\$26,024,508	\$26,023,342.09	1.44%	Overall expenditures were within the mid-year budget
REVENUES LESS EXPENDITURES	(\$127,663)	\$0	\$254,875.95	-99.65%	Overall the Library underspent \$382,539 of total revenues

**PIERCE COUNTY LIBRARY SYSTEM
- 2014 YEAR END -**

GENERAL FUND	2014	2014	2014	% Change	2014 FISCAL YEAR
2014 YEAR-END AS OF 12/31/2014	Final (12/11/13)	Mid-Year	YE (12/2014)	2014 Final to 2014 YE	Notes
BUDGET SUMMARY					
Use of Fund Balance/Cash Reserves	127,663	0	0.00	-100.00%	0.00% of use of fund balance
REVENUES					
Taxes	24,515,872	24,644,808	24,778,899.59	1.07%	94.29% of new revenues
Intergovernmental	0	9,300	23,404.11	new	0.09% of new revenues
Charges for Services	85,000	160,000	169,944.38	99.93%	0.65% of new revenues
Fines	615,000	600,000	548,387.90	-10.83%	2.09% of new revenues
Miscellaneous	310,500	610,400	757,582.06	143.99%	2.88% of new revenues
TOTAL REVENUES	25,526,372	26,024,508	26,278,218.04	2.95%	100.00% of new revenues
Increase/decrease over previous year		498,136 (1.95%)	751,846 (2.95%)		
TOTAL AVAILABLE FUNDING SOURCES	25,654,035	26,024,508	26,278,218.04	2.43%	100.00% of all funding sources
Increase/decrease over previous year		370,473 (1.44%)	624,183 (2.43%)		
EXPENDITURES					
Personnel	18,837,686	18,560,574	18,555,629.43	-1.50%	71.30% of expenditures
Maintenance & Operations	3,284,010	3,870,314	3,804,752.58	15.86%	14.62% of expenditures
Materials	3,277,075	3,333,375	3,402,715.08	3.83%	13.08% of expenditures
Subtotal	25,398,771	25,764,263	25,763,097.09	1.43%	99.00% of expenditures
Increase/decrease over previous year		365,492 (1.44%)	364,326 (1.43%)		
CONTINGENCY	0	0	0.00		0.00% of expenditures
TRANSFERS TO CIP	255,264	260,245	260,245.00	1.95%	1.00% of expenditures
Subtotal	255,264	260,245	260,245.00	1.95%	1.00% of expenditures
TOTAL EXPENDITURES	25,654,035	26,024,508	26,023,342.09	1.44%	100.00% of expenditures
Increase/decrease over previous year		370,473 (1.44%)	369,307 (1.44%)		
NET OF REVS & EXPS	\$0	\$0	\$254,875.95	new	Added to fund balance

Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 12/31/2014

FUND: GENERAL FUND (01)

Object	2014 Budget	December Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
REVENUE ACCOUNTS						
31111 PROPERTY TAXES CURRENT	23,744,495.00	0.00	24,048,981.73	0.00	(304,486.73)	101.28
31112 PROPERTY TAXES DELINQUENT	807,313.00	0.00	636,031.76	0.00	171,281.24	78.78
31130 SALE OF TAX TITLE PROPERTY	3,000.00	0.00	11,070.22	0.00	(8,070.22)	369.01
31210 PRIVATE HARVEST/ FOREST EXCISE	70,000.00	0.00	76,053.17	0.00	(6,053.17)	108.65
31720 LEASEHOLD EXCISE TAX	20,000.00	0.00	6,762.71	0.00	13,237.29	33.81
TAXES:	24,644,808.00	0.00	24,778,899.59	0.00	(134,091.59)	100.54
33533 STATE FOREST FUNDS/DNR TIMBER	0.00	0.00	12,898.50	0.00	(12,898.50)	0.00
33872 CONTRACTS FEES - CITIES	3,900.00	0.00	3,240.00	0.00	660.00	83.08
33890 GOVERNMENTAL SERVICE FEES	5,400.00	0.00	7,265.61	0.00	(1,865.61)	134.55
34160 COPIER FEES	30,000.00	0.00	29,841.59	0.00	158.41	99.47
34161 GRAPHICS SERVICES CHARGES	4,000.00	0.00	7,996.59	0.00	(3,996.59)	199.91
34162 PRINTER FEES	105,000.00	0.00	110,859.33	0.00	(5,859.33)	105.58
34163 FAX FEES	21,000.00	0.00	21,097.90	0.00	(97.90)	100.47
34710 MEETING ROOM FEES	0.00	0.00	20.00	0.00	(20.00)	0.00
34730 INTERLIBRARY LOAN FEES	0.00	0.00	128.97	0.00	(128.97)	0.00
35970 LIBRARY FINES	600,000.00	0.00	548,387.90	0.00	51,612.10	91.40
36110 INVESTMENT INCOME	10,000.00	0.00	6,209.81	0.00	3,790.19	62.10
36111 INTEREST - STATE FOREST FUND	0.00	0.00	0.10	0.00	(0.10)	0.00
36190 OTHER INTEREST EARNINGS	0.00	0.00	2.36	0.00	(2.36)	0.00
36200 KEY PEN HLTH DEPT FACILITY REV	0.00	0.00	969.68	0.00	(969.68)	0.00
36700 FOUNDATION DONATIONS	400,000.00	0.00	422,151.24	0.00	(22,151.24)	105.54
36710 FRIENDS' DONATIONS	0.00	0.00	760.14	0.00	(760.14)	0.00
36720 FRIENDS' REIMBURSEMENTS	3,000.00	0.00	13,972.92	0.00	(10,972.92)	465.76
36725 DONATIONS - OTHER	0.00	0.00	2,663.74	0.00	(2,663.74)	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	0.00	16,034.05	0.00	(6,034.05)	160.34
36990 MISCELLANEOUS REVENUE	9,000.00	0.00	5,868.11	0.00	3,131.89	65.20
36991 PAYMENT FOR LOST MATERIALS	12,000.00	0.00	10,584.12	0.00	1,415.88	88.20
36994 UNCLAIMED PROPERTY	0.00	0.00	1,157.02	0.00	(1,157.02)	0.00
36996 JURY DUTY REIMBURSEMENT	0.00	0.00	582.96	0.00	(582.96)	0.00
36997 PRIOR YEAR'S REFUNDS	0.00	0.00	6,666.27	0.00	(6,666.27)	0.00
36998 E RATE REIMBURSEMENT	114,000.00	0.00	228,454.17	0.00	(114,454.17)	200.40
36999 REBATES - PROCUREMENT CARD	30,000.00	0.00	33,761.59	0.00	(3,761.59)	112.54
CHARGES OTHER:	1,357,300.00	0.00	1,491,922.17	0.00	(134,622.17)	109.92
39510 SALE OF FIXED ASSETS/TIMBER (GO	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	0.00	26,278,218.04	0.00	(253,710.04)	100.97
EXPENSE ACCOUNTS						
51100 SALARIES AND WAGES	13,429,017.00	0.00	13,248,465.73	0.00	180,551.27	98.66
51105 ADDITIONAL HOURS	248,850.00	0.00	271,359.08	0.00	(22,509.08)	109.05
51106 SHIFT DIFFERENTIAL	148,518.00	0.00	139,752.01	0.00	8,765.99	94.10
51107 SUBSTITUTE HOURS	303,500.00	0.00	266,786.96	0.00	36,713.04	87.90
51109 TUITION ASSISTANCE PROGRAM	300.00	0.00	0.00	0.00	300.00	0.00
51200 OVERTIME WAGES	6,750.00	0.00	5,535.20	0.00	1,214.80	82.00
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	0.00	189,119.79	0.00	(15,989.79)	109.24

Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 12/31/2014

FUND: GENERAL FUND (01)

Object	2014 Budget	December Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
EXPENSE ACCOUNTS						
52002 MEDICAL INSURANCE	2,198,331.00	0.00	1,923,359.82	0.00	274,971.18	87.49
52003 F.I.C.A.	1,098,014.00	0.00	1,050,564.43	0.00	47,449.57	95.68
52004 RETIREMENT	1,192,330.00	0.00	1,209,583.38	0.00	(17,253.38)	101.45
52005 DENTAL INSURANCE	218,189.00	0.00	185,303.86	0.00	32,885.14	84.93
52006 OTHER BENEFIT	11,020.00	0.00	10,920.00	0.00	100.00	99.09
52010 LIFE AND DISABILITY INSURANCE	25,674.00	0.00	25,434.36	0.00	239.64	99.07
52020 UNEMPLOYMENT COMPENSATION	30,500.00	0.00	28,309.78	0.00	2,190.22	92.82
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	0.00	18,555,629.43	0.00	4,944.57	99.97
53100 OFFICE/OPERATING SUPPLIES	169,450.00	0.00	193,732.34	0.00	(24,282.34)	114.33
53101 CUSTODIAL SUPPLIES	52,100.00	0.00	58,173.21	0.00	(6,073.21)	111.66
53102 MAINTENANCE SUPPLIES	60,200.00	0.00	57,623.77	0.00	2,576.23	95.72
53103 AUDIOVISUAL PROCESSING SUP	20,000.00	0.00	24,349.92	0.00	(4,349.92)	121.75
53104 BOOK PROCESSING SUPPLIES	20,000.00	0.00	19,707.61	0.00	292.39	98.54
53200 FUEL	40,750.00	0.00	42,655.36	0.00	(1,905.36)	104.68
53401 ADULT MATERIALS	841,184.00	0.00	825,726.39	0.00	15,457.61	98.16
53403 PERIODICALS	80,000.00	0.00	68,605.22	0.00	11,394.78	85.76
53405 JUVENILE BOOKS	535,258.00	0.00	489,976.87	0.00	45,281.13	91.54
53406 PROFESSIONAL COLLECTION	20,000.00	0.00	17,452.44	0.00	2,547.56	87.26
53407 INTERNATIONAL COLLECTION	76,000.00	0.00	45,331.38	0.00	30,668.62	59.65
53408 AUDIOVISUAL MATERIALS - ADULT	816,000.00	0.00	880,541.64	0.00	(64,541.64)	107.91
53409 AUDIOVISUAL MATERIALS - JUV	102,040.00	0.00	88,148.63	0.00	13,891.37	86.39
53411 ELECTRONIC INFO SOURCES	170,355.00	0.00	189,253.53	0.00	(18,898.53)	111.09
53412 REFERENCE SERIALS	36,414.00	0.00	15,644.70	0.00	20,769.30	42.96
53413 ELECTRONIC SERVICES	244,124.00	0.00	183,638.06	0.00	60,485.94	75.22
53414 ELECTRONIC COLLECTION	259,000.00	0.00	432,197.65	0.00	(173,197.65)	166.87
53464 VENDOR PROCESSING SERVICES	153,000.00	0.00	159,868.68	0.00	(6,868.68)	104.49
53499 GIFTS - MATERIALS	0.00	0.00	6,329.89	0.00	(6,329.89)	0.00
53500 MINOR EQUIPMENT	6,500.00	0.00	4,221.75	0.00	2,278.25	64.95
53501 FURNISHINGS	53,000.00	0.00	57,771.42	0.00	(4,771.42)	109.00
53502 IT HARDWARE	244,600.00	0.00	235,177.86	0.00	9,422.14	96.15
53503 PRINTERS	20,000.00	0.00	3,110.92	0.00	16,889.08	15.55
53505 SOFTWARE	53,400.00	0.00	40,010.41	0.00	13,389.59	74.93
54100 PROFESSIONAL SERVICES	434,454.00	0.00	461,663.22	0.00	(27,209.22)	106.26
54101 LEGAL SERVICES	30,000.00	0.00	33,188.61	0.00	(3,188.61)	110.63
54102 COLLECTION AGENCY	24,000.00	0.00	20,824.13	0.00	3,175.87	86.77
54161 RESOURCE SHARING SERVICES	19,000.00	0.00	14,280.36	0.00	4,719.64	75.16
54162 BIBLIOGRAPHICS SERVICES	33,000.00	0.00	35,527.78	0.00	(2,527.78)	107.66
54163 PRINTING AND BINDING	2,000.00	0.00	1,637.95	0.00	362.05	81.90
54165 ILL LOST ITEM CHARGE	3,000.00	0.00	1,867.02	0.00	1,132.98	62.23
54200 POSTAGE AND SHIPPING	33,000.00	0.00	30,955.06	0.00	2,044.94	93.80
54201 TELECOM SERVICES	305,000.00	0.00	349,835.35	0.00	(44,835.35)	114.70
54300 TRAVEL	129,200.00	0.00	49,405.13	0.00	79,794.87	38.24
54301 MILEAGE REIMBURSEMENTS	30,150.00	0.00	29,158.15	0.00	991.85	96.71
54400 ADVERTISING	68,000.00	0.00	38,895.20	0.00	29,104.80	57.20
54501 RENTALS/LEASES - BUILDINGS	377,700.00	0.00	337,410.82	0.00	40,289.18	89.33

Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 12/31/2014

FUND: GENERAL FUND (01)

Object	2014 Budget	December Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
EXPENSE ACCOUNTS						
54502 RENTALS/LEASES - EQUIPMENT	23,600.00	0.00	39,495.15	0.00	(15,895.15)	167.35
54600 INSURANCE	189,500.00	0.00	172,760.25	0.00	16,739.75	91.17
54700 ELECTRICITY	240,000.00	0.00	252,683.31	0.00	(12,683.31)	105.28
54701 NATURAL GAS	15,000.00	0.00	9,387.12	0.00	5,612.88	62.58
54702 WATER	26,000.00	0.00	26,794.50	0.00	(794.50)	103.06
54703 SEWER	32,000.00	0.00	43,249.05	0.00	(11,249.05)	135.15
54704 REFUSE	22,500.00	0.00	32,083.27	0.00	(9,583.27)	142.59
54800 GENERAL REPAIRS/MAINTENANCE	198,300.00	0.00	201,936.19	0.00	(3,636.19)	101.83
54801 CONTRACTED MAINTENANCE	729,200.00	0.00	727,353.82	0.00	1,846.18	99.75
54803 MAINT. TELECOM EQUIPMENT	31,000.00	0.00	21,380.04	0.00	9,619.96	68.97
54900 REGISTRATIONS	26,450.00	0.00	23,838.12	0.00	2,611.88	90.13
54901 DUES AND MEMBERSHIPS	42,120.00	0.00	38,371.95	0.00	3,748.05	91.10
54902 TAXES AND ASSESSMENTS	30,500.00	0.00	29,639.34	0.00	860.66	97.18
54903 LICENSES AND FEES	34,850.00	0.00	38,978.49	0.00	(4,128.49)	111.85
54904 MISCELLANEOUS	790.00	0.00	3,066.73	0.00	(2,276.73)	388.19
54905 WELLNESS EVENTS	0.00	0.00	2,551.90	0.00	(2,551.90)	0.00
59700 TRANSFERS OUT	260,245.00	0.00	260,245.00	0.00	0.00	100.00
ALL OTHER EXPENSES	7,463,934.00	0.00	7,467,712.66	0.00	(3,778.66)	100.05
TOTAL FOR EXPENSE ACCOUNTS	26,024,508.00	0.00	26,023,342.09	0.00	1,165.91	100.00
NET SURPLUS / DEFICIT	0.00	0.00	254,875.95	0.00	(254,875.95)	0.00

FUND: DEBT SERVICE FUND (20)

Object	2014 Budget	December Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
REVENUE ACCOUNTS						
31112 PROPERTY TAXES DELINQUENT	0.00	0.00	0.18	0.00	(0.18)	0.00
TAXES:	0.00	0.00	0.18	0.00	(0.18)	0.00
36110 INVESTMENT INCOME	0.00	0.00	81.18	0.00	(81.18)	0.00
CHARGES OTHER:	0.00	0.00	81.18	0.00	(81.18)	0.00
TOTAL FOR REVENUE ACCOUNTS	0.00	0.00	81.36	0.00	(81.36)	0.00
NET SURPLUS / DEFICIT	0.00	0.00	81.36	0.00	(81.36)	0.00

Pierce County Library System
 Board Report - Budget to Actual by Object
 Report as of: 12/31/2014

FUND: CAPITAL IMPROVEMENT PROJECTS FUND (30)

Object	2014 Budget	December Actual	Year-To-Date Actual	Encumbrances	Balance	Expend %
REVENUE ACCOUNTS						
29150 USE OF FUND BALANCE-BUDGET	973,955.00	0.00	973,955.00	0.00	0.00	100.00
36110 INVESTMENT INCOME	0.00	0.00	616.37	0.00	(616.37)	0.00
36700 FOUNDATION DONATIONS	175,000.00	0.00	114,941.57	0.00	60,058.43	65.68
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	1,192,841.94	0.00	116,113.06	91.13
39520 INSURANCE RECOVERIES - CAPITAL	0.00	0.00	2,716.00	0.00	(2,716.00)	0.00
39700 TRANSFERS IN	260,245.00	0.00	260,245.00	0.00	0.00	100.00
TOTAL FOR REVENUE ACCOUNTS	1,569,200.00	0.00	1,455,802.94	0.00	113,397.06	92.77
EXPENSE ACCOUNTS						
53100 OFFICE/OPERATING SUPPLIES	0.00	0.00	721.83	0.00	(721.83)	0.00
53102 MAINTENANCE SUPPLIES	0.00	0.00	593.19	0.00	(593.19)	0.00
53501 FURNISHINGS	54,000.00	0.00	79,733.01	0.00	(25,733.01)	147.65
53502 IT HARDWARE	0.00	0.00	1,458.77	0.00	(1,458.77)	0.00
54100 PROFESSIONAL SERVICES	157,500.00	0.00	36,803.48	0.00	120,696.52	23.37
54400 ADVERTISING	0.00	0.00	493.50	0.00	(493.50)	0.00
54502 RENTALS/LEASES - EQUIPMENT	0.00	0.00	18,036.93	0.00	(18,036.93)	0.00
54800 GENERAL REPAIRS/MAINTENANCE	0.00	0.00	2,068.60	0.00	(2,068.60)	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	0.00	408,462.11	0.00	(16,962.11)	104.33
56201 CONSTRUCTION	0.00	0.00	233,485.98	0.00	(233,485.98)	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	0.00	36,081.44	0.00	10,918.56	76.77
56205 ROOFING	151,000.00	0.00	0.00	0.00	151,000.00	0.00
56301 PARKING LOT REPAIR & IMPROVEME	50,000.00	0.00	48,455.97	0.00	1,544.03	96.91
56400 MACHINERY & EQUIPMENT	198,000.00	0.00	79,137.04	0.00	118,862.96	39.97
56401 VEHICLES	175,000.00	0.00	60,373.32	0.00	114,626.68	34.50
56402 HVAC	125,200.00	0.00	124,241.75	0.00	958.25	99.23
TOTAL FOR EXPENSE ACCOUNTS	1,569,200.00	0.00	1,183,439.09	0.00	385,760.91	75.42
NET SURPLUS / DEFICIT	0.00	0.00	272,363.85	0.00	(272,363.85)	0.00

MEMO

Date: April 27, 2015

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

From: Karim Adib, Digital Experience Director

Subject: Wave Enterprise Network Contract

The Library has been in negotiations with Wave Business Solutions, LLC (Wave) for the second leg of our Broadband Enterprise Network Services. The negotiation process has been completed and we are now requesting Board approval before proceeding. By executing this contract all Library locations would receive a second broadband fiber connection, greatly improving network stability through multi-vendor redundancy and removing single points of failure.

We are requesting a **motion to authorize the Information Technology department to enter into a five year contract with Wave Business Solutions, LLC, for network products and services listed under Attachment A – Wave E-LAN contract and Attachment B - Wave MSA**. The total face value of the contract is \$1.2 million over five years (\$240,000 annual). However, please note that it is customary for telecommunication contracts to not show taxes and fees. We estimate the value of the contract to be approximately \$1.46 million (\$292,000 annual), including taxes and fees.

The first part of the contract obligates Wave to build out fiber to the PAC Data Center for the purposes of delivering dedicated symmetrical Internet services at a bandwidth speed of 1000 Mbps up and 1000 Mbps down, at a monthly charge of \$2000. Monthly charges would start after the service is delivered. There are no charges to the Library for the fiber build out and no installation charges. The start of services is estimated at 24-28 weeks from the signing of the contract.

The second part of the contract obligates Wave to build out fiber to all Library locations and connect them to the PAC Data Center. The monthly charges for each library location is fixed at \$850 per location for a 200 Mbps service that is burstable to 1000 Mbps. Additionally Wave will deliver a 10,000 Mbps service at the PAC Data Center at a monthly rate of \$2,700. Monthly charges would start after the service is delivered. As part of the contract, Wave will absorb the cost of the fiber build out to Library locations, estimated at approximately \$5 million. Additionally, Wave will not charge the Library any installation fees. However, the second part of the contract is not binding until and unless the contingency clause has been met. As part of the contingency clause, Wave is required to inform the Library, within a maximum of six months of the signing of the contract, whether they are able to deliver the E-LAN services itemized in Section 3 of contract. Please note that the contingency clause obligates Wave to deliver E-LAN services to all Library location listed in Section 3 or no location. Also, please note that the contingency clause of the contract does not apply to the dedicated symmetrical Internet services.

Attachment C - Wave + Cat-1 illustrates a cost scenario where Wave fulfills the contingency clause within 3 months of the signing of the contract.

ORDER FOR INTERNET ACCESS AND BURSTABLE E-LAN DATA TRANSPORT SERVICES

This Order for Internet Access and E-LAN Data Transport Services (this "Service Order") is entered into as of the date of last signature below (the "Effective Date"), by and between WAVE BUSINESS SOLUTIONS, LLC, a Washington limited liability company ("Provider"), and PIERCE COUNTY LIBRARY SYSTEM, a Washington rural library district ("Customer"). This Service Order is made pursuant to and will be governed by that certain Master Services Agreement between Provider and Customer dated April 27, 2015 (the "MSA"). This Service Order shall be effective as of the Effective Date, and shall remain in effect until the expiration of the Service Term (as defined in Section 5 below). All capitalized terms used but not defined in this Service Order shall have the meanings given to them MSA.

Section 1: Internet Access Services. Provider shall provide to Customer the Internet access services described below (the "Internet Services"), at the service site described below (the "Service Site"), at the bandwidth set forth below, in exchange for the one-time, non-recurring installation cost ("NRC") set forth below, and the monthly recurring charges ("MRC") set forth below:

Description of Services	Service Site	NRC	MRC
1 Gbps / 1 Gbps Symmetrical Dedicated Internet Access Service	Pierce County Library System Processing & Administrative Center 3005 – 112 th Street E. Tacoma, WA 98446	\$0	\$2,000
TOTAL COST:		\$0	\$2,000

The Initial Service Term for the Internet Services is 60 months. The estimated installation date for the Internet Services is 24 – 28 weeks from the Effective Date of this Service Order.

Section 2: Provider's E-LAN Service Contingency. Customer desires for Provider to install and provide the E-LAN Services described in Section 3 below. As of the Effective Date of this Service Order, Provider does not yet know whether Provider will be able to perform the construction needed to install the E-LAN Services in the timeframe and at the costs listed in Section 3. Provider should have this information within six (6) months of the Effective Date of this Service Order. Accordingly, Provider shall have the option, at any time during the six (6) month period following the Effective Date (the "E-LAN Cancellation Option Period"), to cancel the entire E-LAN Services portion of this Service Order (the "E-LAN Cancellation Option"). For the sake of clarity, Provider does not have the option to cancel one or more particular E-LAN Service Sites while keeping others; Provider's E-LAN Cancellation Option only allows Provider to cancel the entire E-LAN Services portion of this Service Order. To exercise its E-LAN Cancellation Option, Provider must deliver written notice of cancellation to Customer during the E-LAN Cancellation Option Period. Alternatively, if Provider learns that it will be able to provide the E-LAN Services described in Section 3 below, Provider may deliver to Customer a written notice formally waiving Provider's E-LAN Cancellation Option. Should Provider exercise its E-LAN Cancellation Option, or should Provider fail to waive same prior to the expiration of the E-LAN Cancellation Option Period, then Section 3 of this Service Order shall immediately and automatically become null and void and have no further force or effect. Should Provider waive its E-LAN Cancellation Option, the estimated installation times set forth in Section 3 shall be measured from the date on which Customer receives Provider's waiver notice.

Section 3: E-LAN Data Transport Services. Subject to Provider's E-LAN Cancellation Option described in Section 2 above, Provider shall provide to Customer the data transport services set forth in the following table (collectively, the "E-LAN Services"). The E-LAN Services shall connect each of the "Service Sites" set forth below at the bandwidths set forth below to create a wide area network for Customer, with Customer's Processing & Administrative Center serving as the hub site for Customer's wide area network.

The one-time, non-recurring installation costs ("NRC") and the monthly recurring charges ("MRC") for the E-LAN Services are as set forth in the table below. The Burst Rate for the burstable circuits shall be \$2.00 per Mbps, and shall be calculated in the manner described in Section 11 below. Burstability charges are in addition to the stated MRC.

Circuit Identifier	Description of Services	Service Site	Estimated Installation Time	NRC	MRC*
Circuit 1	10 Gbps E-LAN HUB Site	Pierce County Library System Processing & Administrative Center 3005 – 112 th Street E. Tacoma, WA 98446	24 – 28 Weeks	\$0	\$2,700
Circuit 2	200 Mbps E-LAN Service burstable to 1 Gbps	Bonney Lake Library 18501 - 90th Street East Bonney Lake, WA 98391	36 – 40 Weeks	\$0	\$850
Circuit 3	200 Mbps E-LAN Service burstable to 1 Gbps	Buckley Library 123 South River Avenue Buckley, WA 98321	36 – 40 Weeks	\$0	\$850
Circuit 4	200 Mbps E-LAN Service burstable to 1 Gbps	Dupont Library 1540 Wilmington Drive Dupont, WA 98327	36 – 40 Weeks	\$0	\$850
Circuit 5	200 Mbps E-LAN Service burstable to 1 Gbps	Eatonville Library 205 Center Street West Eatonville, WA 98328	36 – 40 Weeks	\$0	\$850
Circuit 6	200 Mbps E-LAN Service burstable to 1 Gbps	Fife Library 6622 - 20th Street East Fife, WA 98424	52 Weeks	\$0	\$850
Circuit 7	200 Mbps E-LAN Service burstable to 1 Gbps	Gig Harbor Library 4424 Point Fosdick Drive NW Gig Harbor, WA 98335	24 – 28 Weeks	\$0	\$850
Circuit 8	200 Mbps E-LAN Service burstable to 1 Gbps	Graham Library 9202 - 224th Street East Graham, WA 98338	36 – 40 Weeks	\$0	\$850
Circuit 9	200 Mbps E-LAN Service burstable to 1 Gbps	Key Center Library 8905 Key Peninsula Hwy N. Lakebay, WA 98349	24 -28 Weeks	\$0	\$850
Circuit 10	200 Mbps E-LAN Service burstable to 1 Gbps	Lakewood Library 6300 Wildaire Road SW Lakewood, WA 98499	26 – 40 Weeks	\$0	\$850
Circuit 11	200 Mbps E-LAN Service burstable to 1 Gbps	Milton / Edgewood Library 900 Meridian Avenue E., Suite 29 Milton, WA 98354	24 – 28 Weeks	\$0	\$850
Circuit 12	200 Mbps E-LAN Service burstable to 1 Gbps	Orting Library 202 Washington Ave S. Orting, WA 98360	36 – 40 Weeks	\$0	\$850
Circuit 13	200 Mbps E-LAN Service burstable to 1 Gbps	Parkland /Spanaway Library 13718 Pacific Avenue S. Tacoma, WA 98444	24 – 28 Weeks	\$0	\$850
Circuit 14	200 Mbps E-LAN Service burstable to 1 Gbps	South Hill Library 15420 Meridian Avenue E. South Hill, WA 98375	36 – 40 Weeks	\$0	\$850

Circuit 15	200 Mbps E-LAN Service burstable to 1 Gbps	Steilacoom Library 2950 Steilacoom Blvd. SW Steilacoom, WA 98388	36 – 40 Weeks	\$0	\$850
Circuit 16	200 Mbps E-LAN Service burstable to 1 Gbps	Summit Library 5107 - 112th Street E. Tacoma, WA 98446	12 – 16 Weeks	\$0	\$850
Circuit 17	200 Mbps E-LAN Service burstable to 1 Gbps	Sumner Library 1116 Fryar Avenue Sumner, WA 98390	24 – 28 Weeks	\$0	\$850
Circuit 18	200 Mbps E-LAN Service burstable to 1 Gbps	Tillicum Library 14916 Washington Avenue SW Lakewood, WA 98498	36 – 40 Weeks	\$0	\$850
Circuit 19	200 Mbps E-LAN Service burstable to 1 Gbps	University Place Library 3609 Market Place W., Suite 100 University Place, WA 98466	36 – 40 Weeks	\$0	\$850
TOTAL COST:				\$0	\$18,000*

* Subject to additional charges for burstability use at \$2.00 per Mbps, pursuant to Section 11 below.

The Initial Service Term for the E-LAN Services is 60 months. The estimates installation times for the E-LAN Services shall be measured from the date on which Provider waives its E-LAN Cancellation Option.

Section 4: Customer Information.

Account Name: Pierce County Library System
Account Executive to Customer: Jeff Stoner

Invoicing Address: 3005 – 112th Street E.
Tacoma, WA 98446

To facilitate communication the following information is provided as a convenience and may be updated at any time without affecting the enforceability of the terms and conditions herein:

Customer Site Contact:

Customer Billing Contact:

Other Customer Contact:

Karim Adib
kadib@piercecountylibrary.org
253-548-3371 (Ph)

[TBD]

N/A

Section 5: Service Term. Installation, testing and acceptance of the Services shall occur consistent with Article 3 of the MSA. The Initial Service Term for the Services shall commence on Service Commencement Date. Upon expiration of the Initial Service Term, unless either party terminates this Service Order by giving written notice to the other party not less than thirty (30) days prior to the end of the Initial Service Term, this Service Order will begin to automatically renew on a month-to-month basis. During any month-to-month automatic renewal period, either party may terminate this Service Order by giving no less than thirty (30) days advance written notice to the other party. The period of time this Service Order is in effect is referred to as the “Service Term.”

Section 6: Rates and Charges. Customer is responsible for paying to Provider the NRC and MRC set forth in Section 1 above, all in accordance with Article 4 of the MSA.

Section 7: Internet Service Provisions. In addition to the other provisions of this Service Order and the MSA, use of the Services is subject to the following terms and conditions:

(a) Access and Acceptable Use. Customer shall ensure that any person who has access to the Services through Customer’s Equipment and/or Customer’s internal network shall comply with the terms of this Service Order and the terms and conditions of Provider’s “Acceptable Use Policy” for Internet access, which can be found at <http://www.wavebroadband.com/resources/docs/Wave-Acceptable-Use-Policy.pdf>. The Acceptable Use Policy, as it may be updated by Provider from time to time, is

incorporated into this Service Order by this reference and shall govern Customer's use of the Services.

(b) Online Purchases. Through use of the Services, Customer, its employees, agents, contractors or other users of Customer's network (whether authorized or unauthorized) may access online products, services and/or information provided by third-parties for which there is a charge or fee. Customer is solely liable and responsible for any and all fees or charges incurred for these online products, services or information. Provider has no responsibility to resolve any Customer disputes with third-party vendors.

(c) Acceptance of Risk; Security Measures. Customer expressly acknowledges and agrees that the Internet is a shared network that is not secure and that is not controlled by Provider. Any content that Customer may access through the Services is provided by independent third-party content providers, over which Provider does not exercise control. Provider does not preview, exercise editorial control over, or endorse any opinions or information accessed through the Services. Customer expressly understands and agrees that it is possible data or files Customer sends or receives over the Internet will be monitored by third-parties and/or subject to unauthorized access by third-parties. Third-parties may gain access to Customer's data, including Confidential Information. Data or files transmitted over the Internet may contain computer viruses or other harmful components. Provider has no responsibility and assumes no liability for any such acts or occurrences. Third-party vendors in the computer industry make available various blocking, filtering and other security hardware and/or software that may empower Customer to monitor, restrict access to and otherwise secure Customer's Equipment and internal network. While Provider strongly recommends that Customer obtain and implement such security measures, Provider is not responsible in any manner for the effectiveness of these blocking, filtering and other network security technologies. Provider does not warrant that third-parties will be unable to gain access to Customer's Equipment or internal network even if Customer utilizes blocking, filtering and other network security technologies. Instead, Customer expressly assumes the risks inherent in connecting its internal network and its Equipment to the Internet and in accessing and using the Internet through the Services.

(d) Electronic Addresses. Any IP addresses or email account addresses (collectively, the "Electronic Addresses") provided by Provider pursuant to this Service Order are and will remain the property of Provider. Customer shall not alter, modify, sell, lease, assign, encumber or otherwise tamper with the Electronic Addresses. Due to growth, acquisitions and/or changes in technology, Provider reserves the right to change addressing schemes, including Electronic Addresses, at any time.

(e) Domain Names. Customer is solely responsible for obtaining, registering for and renewing any desired domain names. Customer acknowledges that Provider has no control over domain name registration.

Section 8: Performance. Provider shall use commercially reasonable efforts in keeping with normal industry standards to ensure that the Services are available to Customer 24 hours per day, seven days per week, consistent with the applicable SLA. It is possible, however, that there will be interruptions of Services. Customer understands and agrees that the Services may be unavailable from time to time either for scheduled or unscheduled maintenance, technical difficulties, or for other reasons beyond Provider's reasonable control. Temporary Service interruptions for such reasons, as well as all Service interruptions caused by Customer, or by Force Majeure Events, will not constitute failures by Provider to perform its obligations under this Service Order. Instead, Customer's sole remedies for any such interruptions in the Services are described in the SLA.

Section 9: Customer Equipment and Software. As between Provider and Customer, Customer is solely responsible for the installation, repair, maintenance and use of all Customer Equipment and all software supplied by Customer for use in connection with the Services, including all aspects of Customer's internal network. Provider does not manufacture Equipment or software and does not support Customer Equipment or software. Any questions concerning or requests for maintenance or repair of third-party hardware or software should be directed to the provider of that product. If Customer Equipment or software impairs the Services, Customer will remain liable for payment of the applicable Fees. If, at Customer's request, Provider should attempt to resolve difficulties caused by Customer Equipment or software, such efforts may be performed at Provider's discretion and Customer will be responsible for Provider's then-current commercial rates and terms for such consulting services.

Section 10: Customer Security Measures. Customer is responsible for all access to and use of the Services by means of Customer's Equipment and Customer's internal network, whether or not Customer has actual knowledge of or authorizes such access or use. Customer is responsible for the security of Customer's internal network, and shall implement commercially reasonable security measures to prevent unauthorized use of or access to the Services. As set forth in Section 6.3 of the MSA, the failure by Customer to implement commercially reasonable network security measures may result in immediate termination of the Services and this Service Order by Provider. Customer will be solely liable and responsible for all conduct occurring through either authorized or unauthorized use of the Services through Customer's network and/or Customer's Equipment, until Customer informs Provider of a security breach. Provider is

not responsible and assumes no liability for losses, claims, damages, expenses, or costs resulting from persons accessing Customer's internal network and/or Provider's network through Customer's Equipment, and Customer shall hold Provider harmless from and indemnify Provider against any such claims, losses, or damages to the full extent arising from such access.

Section 11: Burstable Service. Burstable Service provides the reassurance of available bandwidth and maximum throughput capabilities while minimizing costs. Burstable Service allows Customer to increase from the selected Base Bandwidth up to the specified Maximum Burstable Bandwidth on an as-needed basis when usage spikes. Charges for Burstable Service will be calculated by using the industry standard 95th percentile. The 95th percentile measurement evaluates the regular and sustained use of a network connection and is measured by sampling usage at 5 minute intervals and ignoring the top 5% of usage samples taken over a month. The 95th percentile measure of peak bandwidth will then be compared to the Base Bandwidth and

the incremental usage will be billed at the Burst Rate in arrears on a monthly basis. Charges for Burstable Service will be measured, calculated and accrued on a monthly basis, and billed in arrears on a monthly basis.

Section 12: Option to Upgrade E-LAN Bandwidth. Customer shall have the option, at any time during the Term, to upgrade any one or more of the E-LAN Circuits Nos. 2 through 19 to a bandwidth of 1 Gbps. The MRC for each E-LAN Circuit that is upgraded to 1 Gbps will be increased to One Thousand Dollars (\$1,000). After such upgrade, the Circuit(s) at issue will no longer be burstable. To exercise its upgrade option, Customer must deliver written notice of the desired upgrade to Provider (email is sufficient). The upgrade notice must specify which Circuit or Circuits Customer desires to upgrade as well as the desired upgrade date. Provider shall use commercially reasonable efforts to meet Customer's desired upgrade date; however, Provider will typically need approximately thirty (30) days advance notice to perform an upgrade.

The submission of this Service Order to Customer by Provider does not constitute an offer. Instead, this Service Order will become effective only when both parties have signed it. The date this Service Order is signed by the last party to sign it (as indicated by the date associated with that party's signature) will be deemed the Effective Date of this Service Order.

CUSTOMER:

PIERCE COUNTY LIBRARY SYSTEM

By _____

Name: _____

Title: _____

Date: _____

PROVIDER:

WAVE BUSINESS SOLUTIONS, LLC

By _____

Name: _____

Title: _____

Date: _____

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MASTER SERVICES AGREEMENT FOR ENTERPRISE SERVICES – GOVERNMENTAL CUSTOMER

This Master Services Agreement for Enterprise Services (this “**MSA**”) is entered into as of this 27th day of April, 2015 (the “**Effective Date**”), by and between WAVE BUSINESS SOLUTIONS, LLC, a Washington limited liability company, on behalf of itself and its Affiliates (collectively, “**Provider**”), and PIERCE COUNTY LIBRARY SYSTEM, a Washington rural library district (“**Customer**”). For purposes of this MSA, the term “**Affiliate**” shall mean any other person which directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the first person or any of its subsidiaries. Each of Provider and Customer may be referred to in this MSA as a “**Party**” and together as the “**Parties**.”

ARTICLE 1 – STRUCTURE OF AGREEMENT

1.1 Purpose of MSA; Documents Comprising Agreement. Provider and its Affiliates provide various facilities-based telecommunications services, including Ethernet transport, dedicated internet access, phone over fiber, dark fiber, and related services (collectively, the “**Services**”). This MSA is neither an agreement to purchase nor a commitment to provide Services. The purpose of this MSA is to provide the general terms, conditions and framework within which Customer and its Affiliates may from time to time purchase Services from Provider and its Affiliates, pursuant to one or more “**Service Orders**,” as described in Section 1.2 below. Each fully-executed Service Order shall be governed by and become part of this MSA, and this MSA together with all fully-executed Service Orders shall be collectively referred to as the “**Agreement**.” If one or more Service Level Agreements are attached to this MSA as Exhibits (the “**SLA**”), the SLA constitutes a part of this MSA.

1.2 Service Orders. The purchase of Services shall be accomplished only through the negotiation and full execution of a Service Order memorializing the terms and conditions pursuant to which Provider shall provide the desired Services to Customer. Service Orders shall clearly specify the following: (i) the type of Service at issue (e.g., Internet access, data transport, VoIP, dark fiber, etc.); (ii) the location(s) at which the Service is to be provided (each, a “**Service Site**”); (iii) the initial term of the Service Order (the “**Initial Service Term**”); (iv) the pricing for the Service, including (a) the monthly recurring charges (“**MRC**”) for the Service, and (b) any non-recurring charges (“**NRC**”) associated with installation of the Service; (v) the estimated installation date for the Service; and (vi) any other terms or conditions specific to the particular Service Order.

1.3 Order of Precedence. In the event of a conflict between the provisions of this MSA (including the SLA) and the provisions of any Service Order, the provisions of this MSA (including the SLA) shall control unless the Service Order at issue expressly states that the parties intend for the conflicting provision of the Service Order to control.

ARTICLE 2 – TERM AND RENEWAL

2.1 Term of MSA. The initial term of this MSA (the “**Initial MSA Term**”) shall be for five (5) years, commencing on the Effective Date and expiring on the date that is one day prior to the fifth anniversary of the Effective Date (the “**Expiration Date**”). Upon expiration of the Initial MSA Term, this MSA shall begin to automatically renew for successive renewal terms of one (1) year each (each, an “**MSA Renewal Term**,” and, together with the Initial MSA Term, the “**MSA Term**”). Either Party may terminate this MSA by delivering thirty (30) days’ written notice of termination to the other Party at any time during an MSA Renewal Term. Notwithstanding the foregoing, so long as any one or more Service Orders entered into pursuant to this MSA remain in effect, this MSA shall not terminate with respect to said Service Orders but shall continue to govern same until the expiration or termination of said Service Orders.

2.2 Term of Service Orders. The term of each Service Order shall be as specified in the Service Order.

ARTICLE 3 – INSTALLATION, TESTING AND ACCEPTANCE

3.1 Service Site; Demarcation Points; Equipment. Unless a Service Site is within Provider’s control, Customer shall provide Provider with access to the Service Site as and to the extent reasonably necessary for Provider to install, test, inspect and maintain the Service(s) ordered during the Service Term. Unless otherwise stated in a Service Order: (i) Provider shall be solely responsible for the provision, operation and maintenance of all equipment and facilities (the “**Provider Equipment**”) necessary to connect Provider’s network facilities to the Customer demarcation point(s) at the Service Site (the “**Demarcation Point(s)**”); and (ii) Customer shall be solely responsible for the provision, operation and maintenance of all equipment and facilities (the “**Customer Equipment**”) from the Demarcation Point(s) to Customer’s internal network. Unless a Service Site is within Provider’s

control, Customer shall be responsible for maintaining appropriate HVAC, electrical power, and security at the Service Site. Title to the Provider Equipment shall at all times remain vested in Provider. Customer shall not re-arrange, disconnect, modify, tamper with, attempt to repair, or otherwise interfere with the Provider Equipment, nor shall Customer permit any third party to do so.

3.2 Testing, Acceptance and Service Commencement Date. Provider shall notify Customer when a Service has been installed and is ready for testing and use. Customer may, at Customer's option, participate in Provider's final testing of the Service. The Initial Service Term for the Service at issue shall commence on the date on which the Service has been installed, tested and is active and available for use by Customer (the "**Service Commencement Date**"). Customer shall have a period of five (5) business days after the Service Commencement Date in which Customer may notify Provider that the Service at issue is not functioning properly. If Customer notifies Provider of problems with a Service pursuant to this Section 3.2, Provider shall investigate and correct same and the Service Commencement Date shall be revised to be the first calendar day after the date on which Provider has corrected the problems. Unless Customer delivers notification of problems to Provider within the time period set forth above, Customer shall be deemed to have accepted the Service at issue and to have confirmed that the Service has been installed and is functioning properly as of the Service Commencement Date.

ARTICLE 4 – PAYMENT AND BILLING

4.1 Invoicing. All amounts owed by Customer to Provider under the Agreement shall be collectively referred to as "**Fees**." Provider shall begin billing Customer for the MRC applicable to a Service as of the Service Commencement Date. Invoices shall be delivered monthly, and shall be paid by Customer within thirty (30) days of receipt. Fixed Fees shall be billed in advance and usage-based Fees shall be billed in arrears. Fixed fees for any partial month shall be pro-rated. For Services having an NRC, unless otherwise stated in the Service Order, Provider shall invoice Customer for the NRC upon full-execution of the Service Order. Except for amounts disputed in good faith by Customer pursuant to Section 4.2 below, past due amounts shall bear interest in the amount of 1.5% per month, or the highest amount allowed by law, whichever is lower.

4.2 Disputed Invoices. If Customer in good faith disputes any portion of a Provider invoice, Customer shall pay the undisputed portion of the invoice and submit written notice to Provider regarding the disputed amount, which notice shall include documentation supporting the alleged billing error (each such notice, a "**Fee Dispute Notice**"). A Fee Dispute Notice must be submitted to Provider within ninety (90) days from the date the invoice at issue is received by Customer. Customer waives the right to dispute any Fees not disputed within such ninety (90) day period. The Parties shall negotiate in good faith to attempt to resolve any such disputes within sixty (60) days after Customer's delivery of the applicable Fee Dispute Notice. If the Parties do not resolve the Fee Dispute within the sixty (60) day period, either of the Parties may pursue any remedy available to it under this Agreement, at law or in equity.

4.3 Applicable Taxes. All charges for Services set forth in Service Orders are exclusive of Applicable Taxes (as defined below). Except for taxes based on Provider's net income or taxes for which Customer possesses a valid exemption certificate, Customer shall be responsible for payment of all applicable taxes and regulatory fees, however designated, that arise in any jurisdiction, including, without limitation, value added, consumption, sales, use, gross receipts, excise, access, bypass, or other taxes, fees, duties, charges or surcharges, that are imposed on, incident to, or based upon the provision, sale, or use of the Service(s) (collectively "**Applicable Taxes**"). The Applicable Taxes will be individually identified on invoices. If Customer is entitled to an exemption from any Applicable Taxes, Customer is responsible for presenting Provider with a valid exemption certificate (in a form reasonably acceptable to Provider). Provider will give prospective effect to any valid exemption certificate provided in accordance with the preceding sentence.

ARTICLE 5 – DEFAULT AND REMEDIES

5.1 Customer Default. Each of the following shall constitute a default by Customer under this Agreement (each a separate event of "**Default**"): (i) if Customer fails to pay any undisputed Fees when due, the failure of Customer to cure same within ten (10) days after receiving written notice from Provider regarding such failure to pay; (ii) if Customer fails to comply with any other material provision of this Agreement, the failure of Customer to cure same within thirty (30) days of receiving written notice from Provider regarding such non-compliance; or (iii) if Customer files or initiates proceedings, or has proceedings initiated against it, seeking liquidation, reorganization or other relief (such as the appointment of a trustee, receiver, liquidator, custodian

or other such official) under any bankruptcy, insolvency or other similar law, and the same is not dismissed within sixty (60) days.

5.2 Remedies for Customer Default. In the event of a Default by Customer under this Agreement, Provider may, at its option: (i) suspend any applicable Services until such time as the Customer Default has been corrected (provided, however, that any suspension shall not relieve Customer's on-going obligation to pay Provider all Fees and other amounts due under the Agreement as if such suspension of Services had not taken place); (ii) terminate the applicable Service(s) and/or the applicable Service Order(s); (iii) after the occurrence of any two Customer Defaults in any twelve (12) month period, terminate this MSA and all Service Orders entered into pursuant to this MSA; and/or (iv) pursue any other remedy available to Provider under this Agreement or applicable law. In the event of early termination for Customer Default pursuant to this Section 5.2, Customer shall pay to Provider the Termination Charge described in Section 6.4 below.

5.3 Provider Default. Each of the following shall constitute a Default by Provider under this Agreement: (i) if Provider fails to comply with any material provision of this Agreement other than provisions of the SLA, the failure by Provider to cure same within thirty (30) days of receiving written notice from Customer regarding such non-compliance; or (ii) Provider files or initiates proceedings, or has proceedings initiated against it, seeking liquidation, reorganization or other relief (such as the appointment of a trustee, receiver, liquidator, custodian or other such official) under any bankruptcy, insolvency or other similar law, and the same is not dismissed within sixty (60) days.

5.4 Remedies for Provider Default. In the event of a Default by Provider under this Agreement Customer may, at its option: (i) terminate the applicable Service(s) and/or the applicable Service Order(s); (ii) terminate this MSA and all Service Orders entered into pursuant to this MSA; and/or (iii) pursue any other remedy available to Customer under this Agreement or applicable law. Early termination by customer shall be accomplished by providing termination notice to disconnects@wavebroadband.com and to the notice address specified in Article 13 below. In the event of early termination for Provider Default pursuant to this Section 5.4, Provider shall reimburse Customer for any pre-paid, unused monthly service Fees attributable to the terminated Service(s) and/or Service Order(s), and Customer shall have no further liability to Provider for the terminated Service(s) and/or Service Order(s). Early termination by Customer pursuant to this Section 5.4 shall not relieve Customer of its obligations to pay all Fees incurred prior to the early termination date.

ARTICLE 6 – EARLY TERMINATION & PORTABILITY

6.1 Early Termination for Customer Convenience. Customer may, at any time during the Service Term for a Service, discontinue the Services and/or terminate the corresponding Service Order upon not less than thirty (30) days' advance written notice to disconnects@wavebroadband.com and to the notice address specified in Article 13 below. Any early termination of a Service pursuant to this Section 6.1 shall be referred to as "**Termination for Customer Convenience.**" In the event of Termination for Customer Convenience, Customer shall pay to Provider the Termination Charge described in Section 6.4 below.

6.2 Early Termination for Default. As set forth in Article 5 above, either Party may elect to terminate this MSA and/or one or more Service Orders prior to the scheduled Expiration Date in the event of an uncured Default by the other Party.

6.3 Other Early Termination by Provider. At any time during the applicable Service Term, Provider may, upon reasonable advance notice to Customer, terminate any Service(s) or Service Order(s) if any of the following occur, each in the reasonable good faith business judgment of Provider: (i) Provider does not have all rights necessary to provide the Service(s); (ii) Provider is legally or contractually prohibited from providing the Services or is advised by counsel that termination of the Service(s) and/or Service Order(s) is advisable given newly enacted or then-pending laws, regulations or ordinances, whether federal, state or local; (iii) delivery of the Service(s) becomes technically infeasible due to equipment changes and reconfigurations or other technical issues; or (iv) Provider reasonably determines that the use of the Service(s) by Customer is resulting or is likely to result in significant damage to Provider's network or property or create a significant risk of harm to Provider or its agents or employees. In the event of termination pursuant to this Section 6.3, Customer's sole and exclusive remedies will be reimbursement by Provider of any pre-paid, unused monthly service Fees attributable to the terminated Service(s) or Service Order(s).

6.4 Termination Charge. In the event of Termination for Customer Convenience pursuant to Section 6.1 above, or termination for Customer Default pursuant to Section 5.2 above, Customer shall pay a Termination Charge to Provider. The “**Termination Charge**” shall equal the sum of the following: (i) all unpaid amounts for Services actually provided prior to the termination date; (ii) any portion of the NRC for the terminated Service(s) that has not yet been paid to Provider; and (iii) a percentage of all remaining MRCs Customer was to pay Provider for the remainder of the applicable Service Term (the “**Remaining Monthly Service Charges**”). If a Termination Charge is incurred during the first year of the Service Term, the percentage of the Remaining Monthly Service Charges due shall be one hundred percent (100%). If a Termination Charge is incurred during the second or third year of the Service Term, the percentage of the Remaining Monthly Service Charges due shall be seventy-five percent (75%). If a Termination Charge is incurred during or after the fourth year of the Service Term, the percentage of the Remaining Monthly Service Charges due shall be fifty percent (50%). If incurred, the Termination Charge will be due and payable within thirty (30) days after the termination date of the Service at issue. Customer acknowledges that the calculation of the Termination Charge is a genuine estimate of Provider’s actual damages and is not a penalty.

6.5 Portability; Substitution of Services. At any time during the Service Term of a Service Order, Customer may elect to substitute new Services for then-existing Services. In such event, Provider will waive the Termination Charge associated with the termination of the then-existing Services as long as: (i) the Fees payable to Provider in connection with the substitute Services are equal to or greater than the Fees of the discontinued Services; (ii) Customer commits to retain the substitute Services for the remainder of the Service Term for the discontinued Services; (iii) Customer pays all applicable installation and other NRCs, if any, for provision of the substitute Services; and (iv) Customer reimburses Provider for all reasonable and documented engineering, installation and construction costs associated with the discontinued Services, calculated on a time and materials basis, that have not already been recovered by Provider by the time of the substitution.

ARTICLE 7 – CONFIDENTIALITY AND THE PUBLIC RECORDS ACT

7.1 Definition of Confidential Information. “**Confidential Information**” shall mean all information, including this Agreement, regarding the telecommunications needs of Customer and the Services that Provider offers under this Agreement which is disclosed by one Party (“**Disclosing Party**”) to the other Party (“**Receiving Party**”), to the extent that such information is marked or identified as confidential or proprietary or would be reasonably deemed confidential or proprietary given the circumstances surrounding its disclosure. All written or oral pricing and contract proposals exchanged between the Parties shall be deemed Confidential Information, whether or not so designated. The fact that Customer is a customer of Provider shall not be deemed Confidential Information and may be freely disclosed by either Party. Information shall not be deemed Confidential Information if (i) it is independently developed by or for the Receiving Party, (ii) it is lawfully received by the Receiving Party free of any obligation to keep it confidential, (iii) it becomes generally available to the public other than by breach of this Agreement, or (iv) it was known to the Receiving Party prior to the Disclosing Party’s disclosure of same.

7.2 Obligations Regarding Confidential Information. Confidential Information is the property of the Disclosing Party and shall be returned to the Disclosing Party upon request. Except as provided in Section 7.3 below, the Receiving Party shall hold all Confidential Information in confidence. The Receiving Party: (a) shall use such Confidential Information only for the purposes of performing its obligations and/or enforcing its rights under this Agreement; (b) shall reproduce such Confidential Information only to the extent necessary for such purposes; (c) shall restrict disclosure of such Confidential Information to employees or contractors that have a need to know for such purposes (with disclosure to contractors being limited to contractors that have signed a non-disclosure agreement to protect the Confidential Information of third parties); (d) shall not disclose Confidential Information to any third party without prior written approval of the Disclosing Party except as expressly provided in this Agreement or as required by law, by court order, by administrative order of an agency having jurisdiction, or in the enforcement of its rights under this Agreement; and (e) shall use at least the same degree of care (in no event less than reasonable care) as it uses with regard to its own proprietary or confidential information to prevent the disclosure, unauthorized use or publication of Confidential Information. In the event a Receiving Party is required to disclose Confidential Information of the Disclosing Party pursuant to law, court order or administrative order of an agency having jurisdiction, the Receiving Party will, if such notice is permitted by law, notify the Disclosing Party of the required disclosure with sufficient time for the Disclosing Party to seek judicial relief from the required disclosure, and reasonably cooperate with the Disclosing Party in any efforts the Disclosing Party may take to obtain protective measures in respect to the required disclosure. The Parties agree that breach of this Article 7 may cause irreparable injury for which monetary damages are not an adequate remedy; accordingly, each Party may seek

injunctive relief and any other available equitable remedies to enforce the provisions of this Article 7.

7.3 Public Records Act. Notwithstanding anything to the contrary contained elsewhere in this Article 7, the Parties understand and acknowledge that Customer is a governmental entity, and that Washington law limits the ability of Customer to shield from public disclosure any information given to Customer. Accordingly, the Parties agree to work together to avoid disclosures to Customer by Provider of confidential information which would result in economic loss or damage to Provider if such information were to be disclosed to third persons by Customer pursuant to a request submitted under the Public Records Act, chapter 42.56 RCW, or other similar public disclosure law. In the event that Customer receives a request pursuant to the Public Records Act (or other similar law) to disclose information identified by Provider in writing as confidential, Customer's sole obligations to Provider shall be: (i) to promptly notify Provider; and (ii) to refrain from disclosing such records for a period of up to ten (10) business days to allow Provider an opportunity to seek legal protection against disclosure from a court of competent jurisdiction. Customer will not be required to withhold requested records beyond the ten (10) business days unless it may do so based on good faith reliance upon an exception to disclosure under the Public Records Act, or unless Customer is ordered to withhold disclosure by the order of a court having competent jurisdiction. Customer may, but shall not be required, to join in any legal proceedings relating to the requested disclosure unless required to do so by the court. In the event that Provider initiates legal proceedings, or Customer initiates legal proceedings or withholds requested records at Provider's request, Provider shall indemnify and hold Customer harmless from and against all costs, attorneys' fees, expenses, liabilities, damages or other liabilities Customer may incur due to the legal proceedings initiated at and/or Customer's withholding of records at Provider's request. Customer shall not be liable to Provider for any loss, cost or expense relating to the disclosure of requested records if Provider fails to obtain legal protection against disclosure and Customer releases the records in good faith.

ARTICLE 8 – LIMITATION OF LIABILITY

8.1 General Limitations. Provider shall not be liable for any loss or damage occasioned by a Force Majeure Event. Except as expressly provided to the contrary elsewhere in this Agreement, Provider's total liability for any and all causes and claims arising under this Agreement, whether based in contract, tort, warranty or otherwise shall be limited to the lesser of: (i) the actual direct damages sustained by Customer; or (ii) an amount equivalent to the total MRC received by Provider from Customer for the Service(s) at issue during the preceding twelve (12) month period.

8.2 Service Level Agreement. Should Provider fail, on any one or more occasions, to deliver any one or more Services to Customer in accordance with all of the terms and conditions contained in the applicable SLA, Customer's sole remedy for such failure shall be the remedies set forth in the SLA. No such failure shall be considered a Default by Provider under this Agreement.

8.3 No Special Damages. EXCEPT FOR (i) EACH PARTY'S CONFIDENTIALITY OBLIGATIONS UNDER ARTICLE 7 ABOVE, (ii) EACH PARTY'S THIRD-PARTY INDEMNIFICATION OBLIGATIONS UNDER ARTICLE 9 BELOW, AND (iii) CLAIMS ARISING FROM A PARTY'S INTENTIONAL MISCONDUCT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES WHATSOEVER, ARISING OUT OF OR INCURRED IN CONNECTION WITH A PARTY'S PERFORMANCE OR FAILURE TO PERFORM UNDER THIS AGREEMENT, INCLUDING, BY WAY OF EXAMPLE AND NOT BY WAY OF LIMITATION, LOST PROFITS, LOST REVENUE, LOSS OF GOODWILL, LOSS OF ANTICIPATED SAVINGS, LOSS OF BUSINESS OPPORTUNITY, LOSS OF DATA OR COST OF PURCHASING REPLACEMENT SERVICES, EVEN IF THE OTHER PARTY HAD BEEN ADVISED, KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH SPECIAL DAMAGES.

8.4 Disclaimer of Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, PROVIDER MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, EITHER IN FACT OR BY OPERATION OF LAW, AS TO THE DESCRIPTION, QUALITY, MERCHANTABILITY, COMPLETENESS, FITNESS FOR A PARTICULAR PURPOSE OR USE OF ANY SERVICE PROVIDED PURSUANT TO THIS AGREEMENT.

8.5 Assumption of Risk. PROVIDER HAS NO CONTROL OVER AND EXPRESSLY DISCLAIMS ANY LIABILITY OR RESPONSIBILITY WHATSOEVER FOR THE CONTENT OF ANY INFORMATION TRANSMITTED OR RECEIVED BY CUSTOMER THROUGH THE SERVICES, SERVICE INTERRUPTIONS ATTRIBUTABLE TO CUSTOMER'S NETWORK, ANY CUSTOMER EQUIPMENT FAILURES, OR ANY OTHER SUCH CAUSES, AND CUSTOMER USES THE SERVICES AT CUSTOMER'S OWN RISK. CUSTOMER SHALL BE SOLELY RESPONSIBLE FOR THE SECURITY, CONFIDENTIALITY AND INTEGRITY OF INFORMATION CUSTOMER TRANSMITS OR RECEIVES USING ANY SERVICES.

ARTICLE 9 – INDEMNIFICATION FOR THIRD PARTY CLAIMS

9.1 Indemnification by Customer. Customer shall indemnify, defend and hold Provider and its members, managers, officers, agents and employees (collectively, the “**Provider Indemnified Parties**”) harmless from and against any and all claims, lawsuits or damages asserted against the Provider Indemnified Parties by any third-party to the extent the same arise out of or are due to: (i) Customer’s negligence or willful misconduct in exercising its rights or performing its obligations under this Agreement; (ii) Customer’s noncompliance with or Default under this Agreement; and/or (iii) Customer’s failure to comply with applicable law in connection with its performance under this Agreement.

9.2 Indemnification by Provider. Provider shall indemnify, defend and hold Customer and its members, managers, officers, agents and employees (collectively, the “**Customer Indemnified Parties**”) harmless from and against any and all claims, lawsuits or damages asserted against the Customer Indemnified Parties by any third-party to the extent the same arise out of or are due to: (i) Provider’s negligence or willful misconduct in exercising its rights and performing its obligations under this Agreement; (ii) Provider’s noncompliance with or Default under this Agreement; and/or (iii) Provider’s failure to comply with applicable law in connection with its performance under this Agreement.

9.3 Indemnification Procedures for Third-Party Claims. Should any third-party claim arise under this Article 9, the indemnified party shall promptly notify the indemnifying party of same in writing, and shall take such action as may be necessary to avoid default or other adverse consequences in connection with such claim. The indemnifying party shall have the right to select counsel and to control the defense and settlement of such claim; provided, however, that the indemnified party shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in handling the claim, and provided further, that the indemnifying party shall not take any action in defense or settlement of the claim that would negatively impact the indemnified party without the consent of the indemnified party. The indemnified party shall reasonably cooperate with the indemnifying party in the defense of the third-party claim, including making its files and personnel reasonably available to the indemnifying party, all at the cost and expense of the indemnifying party.

ARTICLE 10 – FORCE MAJEURE EVENTS

Neither Party shall be liable for any failure of performance hereunder (other than Customer’s payment obligations under Article 4) due to causes beyond such Party’s reasonable control including, but not limited to, acts of God, fire, explosion, vandalism, cable cut, flood, storm, or other similar natural disaster, terrorist acts, insurrection, riot, national emergency, war or other catastrophe, inability to obtain equipment, material or other supplies due to strike, lockout or work stoppage, or any law, order, regulation, direction, action or request of any civil or military governmental authority (each, a “**Force Majeure Event**”). The Party claiming relief under this Article shall notify the other Party of the occurrence or existence of the Force Majeure Event and of the cessation of such event. If the delay in performance caused by the Force Majeure Event exceeds thirty (30) days, either Party may terminate this Agreement or the applicable Service Order(s) immediately on written notice to the other Party, without incurring any liability in connection with such termination.

ARTICLE 11 – DISPUTE RESOLUTION

11.1 Good Faith Negotiations. Except for actions seeking a temporary restraining order or injunction, in the event any controversy, disagreement or dispute (each, a “**Dispute**”) arises between the Parties in connection with this Agreement, the Parties shall use good faith efforts to resolve the Dispute through negotiation. In the event of a Dispute, either Party may give the other Party written notice of the Dispute (each, a “**Dispute Notice**”). The parties will meet and attempt to resolve the Dispute within sixty (60) days of the date on which the Dispute Notice is delivered. All discussions occurring and documents exchanged during negotiations under this Section are confidential and inadmissible for any purpose in any legal proceeding involving the Parties; provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation process. If the Parties do not resolve the Dispute within the sixty (60) day period, either of the Parties may pursue any remedy available to it under this Agreement, at law or in equity.

11.2 Governing Law. This Agreement and all matters arising out of this Agreement shall be governed by the laws of the State of Washington. Any judicial action arising in connection with this Agreement shall be in the Superior Court of the State of Washington in and for King County, or in the Federal District Court for the Western District of Washington, as applicable.

ARTICLE 12 – ASSIGNMENT AND ASSUMPTION

Except as otherwise provided in this Article 12, neither Party shall assign, delegate or otherwise transfer this Agreement or its obligations under this Agreement, in whole or in part, without the prior written consent of the other Party. Notwithstanding the foregoing, either Party may, without the necessity of obtaining the other Party's consent, assign its interest in and to the Agreement to: (i) any entity acquiring such Party, whether by merger or through purchase of substantially all the assets of such Party; (ii) a lender as an asset securing indebtedness; or (iii) an Affiliate of such Party; provided, that in the event of a transfer to an Affiliate, the transferring Party shall continue to remain liable for the obligations under the Agreement.

ARTICLE 13 – NOTICES

Unless otherwise provided elsewhere in this Agreement, any notice to be given to either Party under the Agreement will be in writing and directed to the addresses set forth below. Notices will be deemed received (i) the next business day, when sent by reliable, commercial overnight courier; (ii) three (3) business days after being sent by certified mail, postage prepaid and return receipt requested; (iii) when actually received, if sent by email during the business hours of 9:00 a.m. to 5:00 p.m. (recipient's time). Notices received after 5:00 p.m. (recipient's time) will be effective the next business day.

If to Provider:

Wave Business Solutions, LLC
401 Parkplace Center, Suite 500
Kirkland, WA 98033
ATTN: Paul Koss
Email: pkoss@wavebroadband.com

If to Customer:

Pierce County Library System
3005 – 112th Street E.
Tacoma, WA 98446
ATTN: Karim Adib
Email: kadib@piercescountylibrary.org

With a Copy to:

WaveDivision Holdings, LLC
401 Parkplace Center, Suite 500
Kirkland, WA 98033
ATTN: Jim Penney
Email: jpenney@wavebroadband.com

With a Copy to:

Either party may change its notice address by giving notice to the other party in accordance with this Article.

ARTICLE 14 – REPRESENTATIONS AND COVENANTS

Each Party represents and covenants to the other as follows: (i) the execution and delivery of the Agreement and the performance of its obligations hereunder have been duly authorized; (ii) the Agreement is a valid and legal agreement binding on such parties and enforceable in accordance with its terms; (iii) to the best of its knowledge and belief, it is in material compliance with all laws, rules and regulations and court and governmental orders related to the operation of its business; and (iv) it shall comply with all applicable laws and regulations when exercising its rights and performing its obligations under the Agreement.

ARTICLE 15 – MISCELLANEOUS

15.1 Entire Agreement; Interpretation. This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof, and supersedes any and all prior oral or written agreements between the Parties regarding the subject matter contained herein. The Agreement may only be modified or supplemented by an instrument executed by an authorized representative of each Party. This Agreement and each of the terms and provisions of it are deemed to have been explicitly negotiated by the Parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and not strictly for or against either of the Parties.

15.2 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be found invalid or unenforceable, the remainder of this Agreement and the application of that provision to other persons or circumstances shall not be affected thereby, but shall instead continue in full force and effect.

15.3 No Waiver. No failure by either Party to enforce any rights hereunder will constitute a waiver of such rights. Nor shall a waiver by either Party of any particular breach or default constitute a waiver of any other breach or default or any similar future breach or default. Provider's acceptance of any payment under this Agreement will not constitute an accord or any other form of acknowledgement or satisfaction that the amount paid is in fact the correct amount, and acceptance of a payment will not release any claim by Provider for additional amounts due from Customer.

15.4 Attorneys' Fees. If any proceeding is brought by a Party to enforce or interpret any term or provision of the Agreement, the substantially prevailing Party in such proceeding will be entitled to recover, in addition to all other relief as set forth in the Agreement, that Party's reasonable attorneys' and experts' fees and expenses.

15.5 Relationship; No Third Party Beneficiaries. The Agreement is a commercial contract between Provider and Customer and the relationship between the Parties is that of independent contractors. Nothing in the Agreement creates any partnership, principal- agent, employer-employee or joint venture relationship between the Parties or any of their Affiliates, agents or employees for any purpose. This Agreement is for the sole benefit of Provider and Customer and is not intended to confer any rights on any other person; there are no third party beneficiaries of this Agreement.

15.6 Exhibits. The following Exhibits, which are attached to this Agreement, are incorporated herein and by this reference made a part of this Agreement:

EXHIBIT A - Service Level Agreement for Lit Fiber Services

15.7 Computation of Time. Except where expressly provided to the contrary, as used in this Agreement, the word "day" shall mean "calendar day," and the computation of time shall include all Saturdays, Sundays and holidays for purposes of determining time periods specified in this Agreement. If the final date of any period of time set out in any provision of this Agreement falls upon a Saturday or a Sunday or a legal holiday, then in such event, the time of such period shall be extended to the next day that is not a Saturday, Sunday or legal holiday. As used in this Agreement, the term "business day" shall mean a day that is not a Saturday, Sunday or a legal holiday.

15.8 Counterparts. This MSA and any Service Order entered into by the Parties pursuant to this MSA may be executed in multiple counterparts, each of which shall constitute an original, and all of which shall constitute one and the same instrument. Any executed documents sent to the other Party in portable document format (pdf) images via email will be considered the same as an original document.

The Parties are signing this MSA as of the Effective Date set forth in the preamble above.

CUSTOMER:

Pierce County Library Services, a Washington rural library district

By _____
Name: _____
Title: _____

PROVIDER:

Wave Business Solutions, LLC, a Washington limited liability company

By _____
Name: _____
Title: _____



EXHIBIT A
Service Level Agreement
for
Ultra High Availability Enterprise Services

This Service Level Agreement for Ultra High Availability Enterprise Services (this “SLA”) is a part of the Master Services Agreement for Enterprise Services (“MSA”) between Wave Business Solutions, LLC (“WAVE”) and Customer. This SLA applies to the following types of Enterprise Services offered by WAVE: (a) Ethernet Transport Services, (b) Dedicated Internet Access Services, and (c) Phone Solutions Over Fiber Services.

1. AVAILABILITY SLA

WAVE’s Network is designed to provide a target **Availability of at least 99.999%** per month. If the Availability target is not achieved in a given calendar month, Customer shall be entitled to the remedies set forth in the table below, which must be claimed as described in this SLA.

Target Availability	Duration of Service Outage	Customer Credit as % of MRC for the applicable Circuit*
99.999% Availability	Less than 26 seconds	Target Met
	> 26 seconds up to 1 hour	5%
	> 1 hours up to 3 hours	10%
	> 3 hours up to 5 hours	15%
	> 5 hours	an additional 5% for each additional hour of Service Outage

*Customer credits for Unavailability are calculated on an individual circuit basis, and the amount of any credit is based on the portion of MRC allocable to the affected circuit.

2. MEAN TIME TO RESTORE (“MTTR”) SLA

In the event of Outages in Services due to failure or malfunction of the WAVE Network or WAVE Equipment, WAVE’s NOC is designed to provide a **MTTR of 4 hours or less**. If the target MTTR is not met for a particular circuit in a given calendar month, and Customer receives a Service from WAVE on the circuit at issue, then Customer shall be entitled to remedies set forth in the table below, which must be claimed as described in this SLA.

Target MTTR	Actual MTTR	Customer Credit as % of MRC for the applicable Circuit
4 hr MTTR	≤ 4 Hrs.	Target Met
	> 4 Hrs. to 6 Hrs.	5%
	> 6 Hrs. to 8 Hrs.	10%
	> 8 Hrs.	25%

3. PACKET DELIVERY / PACKET LOSS SLA

The WAVE Network is designed to provide **no greater than 0.05% Packet Loss**. If the Packet Loss target is not achieved in a given calendar month, Customer shall be entitled to the remedies set forth in the table below, which must be claimed as described in this SLA. Customer credits for average monthly Packet Loss are calculated on an individual circuit basis, and the amount of any credit is based on the portion of MRC allocable to the affected circuit.

Target Maximum Packet Loss	Actual Packet Loss (lower end – upper end)	Customer Credit as % of MRC for the applicable Circuit
≤ 0.05% Packet Loss	0% - 0.05%	Target Met
	> 0.05% - 0.08%	5%
	> 0.08% - 0.1%	10%
	> 0.1% - 0.7%	25%
	> 0.7% - 1.0%	50%
	> 1.0%	100%

4. LATENCY SLA

The WAVE Network is designed to provide a monthly average round trip Latency not to exceed the following:

- **Round Trip Local Market Latency of 8 ms or less**
- **Round Trip Inter-Market Latency* of 39 ms or less**

If WAVE determines the applicable Latency target was not met in a given month and also cannot remedy the problem within fifteen (15) calendar days from the date on which Customer opens a Trouble Ticket with the WAVE NOC regarding excessive Latency, Customer shall be entitled to the remedies set forth in the table below, which must be claimed as described in this SLA.

Target Local Market Latency Round Trip	Target Inter-Market Latency* Round Trip	Actual Latency Round Trip (lower end - upper end)	Customer Credit as % of MRC for the applicable Circuit
8 ms or less	39 ms or less	≤ Target Latency	Target Met
		> Target up to 5 ms over Target	5%
		> 5 ms up to 10 ms over Target	10%
		> 10 ms up to 15 ms over Target	25%
		> 15 ms over Target	50%

* Inter-Market Latency means up to 800 network miles between locations

5. NETWORK JITTER SLA

The WAVE Backbone Network is designed to have a monthly average one-way Network Jitter **no greater than 1 ms**. If the Network Jitter target is exceeded in a given calendar month, Customer will be entitled to a credit of 1/30th of the MRC of the affected circuit for that month for each full 1ms of Network Jitter above the applicable Network Jitter target set forth above. Any such credit must be claimed as described in this SLA.

6. CHRONIC OUTAGE

If Customer experiences a Chronic Outage with respect to a Service, Customer shall have the right to elect either of the following remedies, which must be claimed as described in this SLA: (i) substitute a different Service or a different circuit/path for the Service and circuit/path that experienced the Chronic Outage without incurring any Termination Charge or installation fees; or (ii) terminate the affected Service for the circuit/path that experienced the Chronic Outage without incurring any Termination Charge.

7. DEFINITIONS

For purposes of this SLA the following terms shall have the meanings set forth below.

“Availability” means the ability of Customer to exchange Ethernet packets with the WAVE Network via Customer’s router port. Availability is measured in minutes of uptime over the calendar month during which the Services are Available:

$$\begin{aligned} \text{\% Availability} &= \frac{(\text{Total Minutes in Month} - \text{Total Minutes of Unavailability in Month})}{\text{Total Minutes in Month}} \\ \text{(per calendar month)} & \end{aligned}$$

For Ethernet Transport Services and Phone Over Fiber Services, Availability is calculated at the individual circuit level, between WAVE’s Backbone Network and the Customer’s router port. For Dedicated Internet Access Services, Availability is calculated from the Customer’s router port through the WAVE Network to the handoff point for the Internet. Dedicated Internet Access Service Availability does not include the availability of the Internet itself or any particular Internet resource. Periods of Excused Outage are not included in Availability metrics.

“Chronic Outage” means a series of three (3) or more Service Outages affecting the same Service on the same circuit during a given calendar month, each of which has an actual time to restore “TTR” in excess of WAVE’s targeted MTTR.

“Emergency Maintenance” means WAVE’s efforts to correct conditions on the WAVE Network that are likely to cause a material disruption to or outage in services provided by WAVE and which require immediate action. Emergency Maintenance may degrade the quality of the Services provided to Customer, including possible outages. Any such outages are Excused Outages that will not entitle Customer to credits under this SLA. WAVE may undertake Emergency Maintenance at any time WAVE deems necessary and will provide Customer with notice of such Emergency Maintenance as soon as commercially practicable under the circumstances.

“Excused Outage” means any disruption to or unavailability of Services caused by or due to (i) Scheduled Maintenance, (ii) Emergency Maintenance, or (iii) circumstances beyond WAVE’s reasonable control, such as, by way of example only, Force Majeure, acts or omissions of Customer or Customer’s agents, licensees or end users, electrical outages not caused by WAVE, or any failure, unavailability, interruption or delay of third-party telecommunications network components the use of which are reasonably necessary for WAVE’s delivery of the Services to Customer.

“Jitter” or “Network Jitter” refers to an undesirable variation in the interval at which packets are received, also described as the variability in Latency as measured in the variability over time of the packet Latency across a network. Jitter is calculated as aggregate average monthly metric measured by WAVE across the WAVE Backbone Network between a sample of WAVE POPs. Local access loops are not included. Periods of Excused Outage are not included in Jitter metrics.

“Latency” means how much time it takes, measured in milliseconds, for a packet of data to get from one designated point on WAVE’s Network to another designated point on WAVE’s Network. Latency is calculated as aggregate average monthly metric measured by WAVE across the WAVE Backbone Network between a sample of WAVE POPs. Local access loops are not included. Periods of Excused Outage are not included in Latency metrics.

“Mean Time to Restore” or “MTTR” means the average time required to restore the WAVE Network to a normally operating state in the event of an Outage. MTTR is calculated on a circuit basis, as a monthly average of the time it takes WAVE to repair all Service Outages on the specific circuit. MTTR is measured from the time an Outage related Trouble Ticket is generated by the WAVE NOC until the time the Service is again Available. The cumulative length of Service Outages per circuit is divided by the number of Trouble Tickets in the billing month to derive the monthly MTTR per circuit:

$$\begin{aligned} \text{MTTR in Hrs} &= \frac{\text{Cumulative Length of Service Outages Per Month Per Circuit}}{\text{Total Number of Trouble Tickets for Service Outages Per Month Per Circuit}} \\ \text{(per calendar month)} & \end{aligned}$$

Periods of Excused Outage are not included in MTTR metrics.

“Outage” means a disruption in the Service making the Service completely unavailable to Customer that is not an Excused Outage. For purposes of SLA-related credits and remedies, the period of unavailability begins when an Outage-related Trouble Ticket is opened by the Customer and ends when the connection is restored, as measured by WAVE. Unavailability does not include periods of Service degradation, such as slow data transmission.

“Packet Loss” means the unintentional discarding of data packets in a network when a device (e.g., switch, router, etc.) is overloaded and cannot accept any incoming data. Packet Loss is calculated as aggregate average monthly metric measured

by WAVE across the WAVE Backbone Network between a sample of WAVE POPs. Local access loops are not included. Periods of Excused Outage are not included in Packet Loss metrics.

“Scheduled Maintenance” means any maintenance of the portion of the WAVE Network to which Customer’s router is connected that is performed during a standard maintenance window (1:00AM – 5:00AM Pacific Time). Customer will be notified via email at least seven (7) days in advance of any scheduled maintenance that is likely to affect Customer’s Service.

“Trouble Ticket” means a trouble ticket generated through the WAVE NOC upon notification of a Service-related problem. Trouble Tickets may be generated by WAVE pursuant to its internal network monitoring process, or by Customer’s reporting of a problem to the WAVE NOC. In order for Customer to be eligible for credits or remedies under this SLA, Customer must contact the WAVE NOC and open a Trouble Ticket regarding the problem; Trouble Tickets generated internally by WAVE will not provide a basis for Customer credits or Chronic Outage remedies.

“WAVE Network” means all equipment, facilities and infrastructure that WAVE uses to provide Services to Customer, and includes Customer’s access port. The “WAVE Network” does not include Customer owned or leased equipment (unless leased from WAVE), or any portion of Customer’s local area network after the demarcation point for the Services provided by WAVE.

“WAVE Backbone Network” means WAVE’s core fiber backbone that connects WAVE’s POPs and regional hubs.

“WAVE’s Network Operations Center” or “WAVE’s NOC” means WAVE’s network operations center which is staffed 24x7x365 and can be reached at: 888-317-0488.

8. CLAIMING CREDITS AND REMEDIES

8.1 Requesting SLA Related Credits and Chronic Outage Remedies. To be eligible for any SLA-related Service credit or Chronic Outage remedy, Customer must be in good standing with WAVE and current in its financial obligations to WAVE. Credits are exclusive of any applicable taxes charged to Customer or collected by WAVE.

- (i) To claim SLA-related Service credits, Customer must do the following:
 - (a) Open a Trouble Ticket with the WAVE NOC within twenty-four (24) hours of the occurrence giving rise to the claimed credit(s);
 - (b) Submit a written request for the credit(s) to WAVE’s customer service department within fifteen (15) days after the end of the calendar month in which the incident giving rise to the credit(s) occurred; and
 - (c) Provide the following documentation when requesting the credit(s):
 - Customer name and contact information;
 - Trouble Ticket number(s);
 - Date and beginning/end time of the claimed Outage or failed SLA metric;
 - Circuit IDs for each pertinent circuit/path; and
 - Brief description of the characteristics of the claimed Outage or failed SLA metric.
- (ii) To claim remedies for a Chronic Outage under this SLA, Customer must do the following:
 - (a) Open a Trouble Ticket regarding the Chronic Outage with the WAVE NOC within seventy-two (72) hours of the last Outage giving rise to the claimed remedy;
 - (b) Submit a written request for a remedy regarding the Chronic Outage to WAVE’s customer service department within thirty (30) days of the end of the calendar month in which the Chronic Outage occurred; and
 - (c) Provide the following documentation when requesting the remedy:
 - Customer name and contact information;
 - Type of remedy requested (e.g., substitution or termination);
 - Trouble Ticket numbers for each individual Outage event;

- Date and beginning/end time of each of the claimed Outages;
- Trouble Ticket number for the Chronic Outage at issue;
- Circuit IDs for each pertinent circuit/path; and
- Brief description of the characteristics of the claimed Chronic Outage.

If Customer fails to timely submit, pursuant to the procedure described in this Section, a request for any SLA-related credit or Service Outage remedy for which Customer might otherwise be eligible under this SLA, Customer shall be deemed to have waived its right to receive such credit or remedy. The credits and remedies provided by this SLA are Customer's sole and exclusive remedies for any and all claims or complaints regarding the quality and/or availability of any of the Services to which this SLA applies.

8.2 WAVE's Evaluation of Claims. All claims for SLA-related credits and remedies for Chronic Outages are subject to evaluation and verification by WAVE. Upon receiving a claim for SLA-related credit and/or remedies for Chronic Outage, WAVE will evaluate the claim and respond to Customer within thirty (30) days. If WAVE requires additional information in order to evaluate Customer's claim, WAVE will notify Customer by email specifying what additional information is required. Customer will have fifteen (15) days from the date on which it receives WAVE's request for additional information in which to provide the requested information to WAVE. If Customer fails to provide the additional information within that time period, Customer will be deemed to have abandoned its claim. WAVE will promptly notify Customer of WAVE's resolution of each Customer claim. If Customer's claim for an SLA-related credit or Chronic Outage remedy is rejected, the notification will specify the basis for the rejection. If Customer's claim for a credit is approved, WAVE will issue the credit to Customer's account, to appear on the next monthly invoice. If Customer's claim for a Chronic Outage remedy is approved, WAVE will notify Customer of the date on which the requested substitution or termination will occur. WAVE's determination regarding whether or not an SLA has been violated shall be final.

8.3 Limitations and Exclusions. Total credits for any given calendar month shall not exceed 100% of the MRC for the affected circuit and Service. Credits shall not be cumulative with respect to any given incident; instead, if multiple SLAs are violated during a single incident, Customer shall be entitled only to the largest applicable credit amount. This SLA will not apply and Customer will not be entitled to any credit under this SLA for any impairment of Services that is caused by or due to any of the following: (i) The acts or omissions of Customer, its agents, employees, contractors, or Customer's end users, or other persons authorized by Customer to access, use or modify the Services or the equipment used to provide the Services, including Customer's use of the Service in an unauthorized or unlawful manner; (ii) The failure of or refusal by Customer to reasonably cooperate with WAVE in diagnosing and troubleshooting problems with the Services, including the unavailability of required Customer personnel due to Customer's failure to keep WAVE provided with current and accurate contact information for such personnel; (iii) Scheduled Service alteration, maintenance or implementation; (iv) The failure or malfunction of network equipment or facilities not owned or controlled by WAVE or WAVE's Affiliates; (v) Force majeure events; (vi) WAVE's inability (due to no fault of WAVE) to access facilities or equipment as reasonably required to troubleshoot, repair, restore or prevent degradation of the Service; (vii) Customer's failure to release the Service for testing or repair and continuing to use the Service on an impaired basis; (viii) WAVE's termination of the Service for cause, or as otherwise authorized by the MSA; (ix) Improper or inaccurate network specifications provided by Customer; (x) Interruptions resulting from incorrect, incomplete or inaccurate Service orders from Customer; (xi) Special configurations of the standard Service that have been mutually agreed to by Customer and WAVE, unless a separate Service Level Agreement for the special configuration has been established with the Service Order; or (xii) WAVE's inability to deliver Service by the Customer's desired due date.

