

**Pierce County
Library System**

Information & Imagination



2023 Budget
We Spark Success for Pierce County



With your tremendous support, the Pierce County Library System is serving Pierce County communities again fully, as we all transition from the COVID-19 pandemic. In early 2023, the Library System added and shifted hours at nearly all 19 locations to better respond to the community's needs.

The Library System created the 2023 budget using its guiding principles to be financially sustainable and thoughtful stewards of the taxpayers' investment in library services. 2023 marks the fourth year of operating under the Library's levy sustainability plan, which resulted from the voter-approved reauthorized levy in 2018. The plan created a multi-year funding cycle to provide stable funding to deliver valued library services for several years. In the current phase of the cycle, the Library System is receiving more revenue than it is spending. The Library is saving the unspent funds for future years, when costs to operate the Library System are projected to be higher than revenues.

Another component of the 2023 budget recognizes the fourth year the Library System is not charging fines on overdue books and materials. In March 2020, the Library System stopped charging fines to help reduce further financial burdens brought on by the economic crisis stemming from the pandemic. This year, the Board passed resolutions to eliminate overdue fine assessments and clear overdue fines on all accounts as part of its overall direction to remove barriers and increase equitable access to services.

The 2023 general fund budget shows a \$1.3 million increase from the 2022 budget. Some of the primary increases are from the increased costs to maintain buildings and the overall costs in operational areas due to inflation, which many businesses and individuals are experiencing.

This year, our focus is a series of financial conversations with the public, as we address building needs. The Library System and City of Sumner are working together to place a ballot measure in the August 2023 Primary Election for a new Sumner Pierce County Library. The ballot measure would create a Library Capital Facility Area (LCFA) and authorize the LCFA to issue bonds to construct a new Sumner Library building. The LCFA would be an independent taxing district, separate from the City, the Library System, and Pierce County, for the sole purpose of funding the new Sumner Library.

At the same time, the Library System is addressing building needs in Lakewood and Tillicum. Following the closure of the Lakewood Pierce County Library in June 2022, the Library System has been serving the community with pop-up libraries and services throughout the community. We are working to construct an interim Lakewood Library to offer full library services. In addition, the Board of Trustees has been reviewing recommendations from the Lakewood Libraries Building Community Advisory Committee for long-term quality library services in Lakewood and Tillicum. In early 2023, the Library System added hours at Tillicum Library to better serve the community.

I extend you my sincere gratitude, on behalf of the Library System's Board of Trustees and the Library's staff, for your interest and support of the Library System's commitment to deliver valued services.

Jamilyn Penn, Ed.D.
Chair, Board of Trustees

Fiscal Sustainability Plan

“The Pierce County Library System Board of Trustees shall implement and maintain sound financial management of the entrusted resources provided by the taxpayers and other sources of funding, consistent with the Library’s mission.”

—Library Board’s Fiscal Management Policy

With the restored levy voters approved in 2018, the Library System promised to use the funding to deliver library services for at least five years. In order to fulfill this stewardship of the voters’ investment, the Library created a Fiscal Sustainability Plan. The plan guides the Library System to set aside a portion of current levy revenue during the early years of the cycle, which the Library System will use to fund services in future years when it projects operating costs to exceed revenue.

In 2019, the Library Board of Trustees created a Levy Sustainability Fund to support this plan. 2023 marks the fourth full fiscal year of operating with a Levy Sustainability Fund.

Development of a three-phase, multi-year funding cycle is central to the Library’s funding strategy. In phase one of the funding cycle, the Library receives more revenue than is spent and the Library deposits unallocated funds into a Levy Sustainability Fund. During phase two of the funding cycle, revenue and expenditures are in balance and the Library does not deposit funds into nor does it withdraw from the Levy Sustainability Fund. In phase three of the funding cycle, the Library projects costs to operate the Library System to exceed revenue and the Library will withdraw funds from the Sustainability Levy Fund to close the budget shortfall. During all three phases, the Levy Sustainability Fund earns interest, adding to the balance. The Library System projects the current funding cycle will provide stable funding to deliver valued library services for several years.

The Library estimates total revenue from all sources for the Library in 2023 to be \$44 million, of which \$44 million is budgeted for 2023 services, operations, and materials. The Library plans to fund capital investments of \$6.5 million through carryforwards, available cash in the Capital Fund, and transfers from the General Fund. The Library projects the remaining property tax revenue at approximately \$2 million and \$400,000 in investment income, which it will deposit into the Levy Sustainability Fund in 2023. This will bring the Levy Sustainability Fund balance to approximately \$15.3 million, building upon the \$12.8 million in the fund in 2022. The target for the Levy Sustainability Fund is \$14-15 million.

Pierce County Library System: Organization & Structure

Established in 1946 under Washington State law Chapter 27.12 RCW, the Library is an independent taxing district governed by a five-member volunteer Board of Trustees appointed by the county executive. The Board sets the property tax levy each year and approves the annual budget on its own authority. Property taxes are the Library’s primary revenue source. As the fourth-largest library system in Washington State, the Library serves 655,000 people across 1,800 square miles in unincorporated Pierce County and 15 annexed cities and towns through 19 library locations, and mobile and online services.

Skilled and knowledgeable staff members provide community-driven services to support the Library’s strategic plan and direction. The Library regularly undertakes public engagement activities to understand community priorities, interests, and needs to ensure the Library System provides services valued and used by residents. The Library is highly collaborative in its organizational culture, and Core Skills and Qualities guide how staff designs, delivers, and evaluates services. Core Skills and Qualities include: customer focus, teamwork, professional integrity, leadership, communication, problem solving, change and learning, positive attitude, and diversity.

Management teams support the work of the organization, ensure accountability, tend to the organizational culture, and embody the Library’s Leadership Competencies: builds trustworthy relationships, communicates effectively, builds successful teams, manages and develops people, achieves results, facilitates innovation and change, and

demonstrates leadership. The organizational structure creates, manages, and delivers an excellent experience to serve communities and staff best.

- The Leadership Team leads the Library's culture and organizational development initiatives that ensure staff members are aligned and able to successfully create and deliver library services valued and used by its community.
- The Administrative Team shares a collective understanding of the entire system and the vision for the future and ensures the Library System delivers customer-focused experiences and library services that its communities value and use.

2023 marks 77 years of Pierce County Library Service

The Library System thanks communities for supporting library services for 77 years. The Library continuously transformed its services through the years to meet the diverse communities' top priorities. With the public's investment, the Library System continues to support residents' growth and curiosity, offer excellent reading choices, and work to connect and strengthen growing and changing communities.

Services

The Pierce County Library is committed to meeting the public's highest priority library needs. In 2023, the Library will offer services and programs through learning, enjoying, and connecting as a community, to spark successes for Pierce County residents.

Online Service Options

- Help from library staff to answer questions, find books and materials, and use technology.
- 625,000 in-building books, DVDs, and magazines.
- 165,000 titles of online e-books, audiobooks, videos, and magazines.
- Access to computers, Wi-Fi, printers, and other technology.
- Present classes to prepare children for kindergarten, such as story time.
- Present events and materials for school-aged children related to science, technology, engineering, art, and math (STEAM).
- Present events for teens and adults to enjoy books, authors, and other shared activities.
- Provide an online service for homework help with real-time professional tutors for students.
- Offer services for job seekers and small businesses.

In 2023, the Library System will also continue delivering books and materials to people with barriers to access, including those who live in adult care centers, are homebound, or are in childcare. In addition, throughout the year, staff will foster partnerships with community organizations to leverage services and increase access for all people in Pierce County. The 2023 projects focus the Library's resources on developing and delivering high-quality information and services to all of Pierce County, with an emphasis to remove barriers to access and working toward a vision of a culture of equity, diversity, inclusion, and belonging.

2023 Projects and Activities

Following is an overview of key projects and activities, in addition to routine service delivery and operational support.

New Sumner Library

In the first quarter of 2023, the Library System engaged with thousands of Sumner area residents to learn their ideas for spaces and services in a new Sumner Library. Following the engagement, the Pierce County Library and City of Sumner began working together to place a ballot measure in the August Primary Election for a new Sumner Pierce County Library. The ballot measure would create a Library Capital Facility Area (LCFA) and authorize it to issue bonds to construct a new Sumner Library building.

Future Lakewood Libraries

The Library System will continue to serve Lakewood residents with pop-up libraries, services throughout the community, and the Tillicum Pierce County Library as well as other nearby Pierce County Libraries. The Library System is making progress to construct an interim Lakewood Library. The Board of Trustees is reviewing recommendations from the Community Advisory Committee for Lakewood and Tillicum Libraries. The Board is directing staff to explore the elements involved for a new library building project including funding for new buildings

Equity, Diversity, and Inclusion (EDI) Strategy

Staff led pillar teams in three areas: Respectful and Inclusive Work Environment, Building Diversity in Business Planning, Design and Delivery and Inclusive Systems, Processes, and Practices will present recommendations to the Leadership Team. This work will build the framework for EDI initiatives beginning in 2023.

Public Opinion Survey

As part of the Pierce County Library System's Marketing and Communications Plan, the Library System conducted its biennial public opinion awareness/preference survey. Building upon the 2018 public opinion research, the Library plans to learn information about the public's value for the Library System and its service to communities.

Public Website Update

An updated website launched in the second quarter of 2023. It moved the Library's website to a more modern, fully functional platform with a focus on creating positive experiences to help people find the information they need about library services, as well as ensure ADA compliance.

Fines and Fees

The Library System has ceased charging fines in April 2023 for overdue books and chosen to waive all existing overdue fines from cardholder accounts. This process will take place throughout 2023. The Library System will evaluate fees for damaged or lost materials and for services such as printing and faxing. Removing such costs decreases barriers to library services.

24/7 Live Tutoring

The online learning platform, Brainfuse Online Homework, free online tutoring for students in K-12, offers 24/7 live tutoring in any subject. The Pierce County Library is the first library outside of the state of California to offer the service.

Library Card Design Contest

The Library engaged with hundreds of Pierce County students, ages 5-18, in a countywide creative contest to design library cards for use by tens of thousands of residents.

Public Meeting Room Technology

Staff will install modern technology in all public meeting rooms to provide better and more reliable technology for story times and for public meeting use.

Policy Framework

The Administrative Team will establish a clear and consistent process to review policies on a schedule and refine the number of existing policies, to create a consistent and stable policy review process for improved governance and decision-making.

Strategic Planning for Public Services

This project will align Public Service planning, processes, and practices with the overall Library plans. The Public Services Division is developing a three-year road map to update governance, policies, procedures and practices to increase clarity and capacity and pave the way for stability, increase in staff support and engagement, and preparation for strategic planning in 2024.

2022 Initiatives

- Planned toward an LCFA and bonds for a new Sumner Library.
- Provided current Lakewood Library Services as pop-up libraries throughout the community following the closure of the Lakewood Pierce County Library due to significant building safety issues. Moving toward offering an interim Lakewood Library. Created Lakewood Libraries Building Community Advisory Committee to recommend quality library services for Lakewood and Tillicum.
- Continued developing equity, diversity, and inclusion strategy and commitment.
- Updated Bonney Lake Pierce County Library with painting the interior, replacing the ceiling mural with community artwork, installing new furniture, and other improvements.
- Returned to offering indoor classes and events in libraries.
- Piloted autism-ready story times.
- Launched Northstar Digital Literacy's self-paced online learning platform.
- Offered Our Own Expressions, Summer Reading program, Enjoy BOOKS!, and supported the Pierce County Library Foundation's Trivia Bee fundraising event.
- Updated Wi-Fi for faster and more flexible internet connections.
- Took services to community spaces and places.
- Collaborated with the Tacoma Pierce County Health Department to provide COVID-19 testing and test kits.

Future Libraries Planning

In 2023, the Library continues work begun in 2019 to address the Library System's building needs and its strategic priority of welcoming, inclusive spaces to support library services communities need, value, and use. In 2023, the Library will improve building infrastructures with replacing siding at the Fife Pierce County Library and installing new doors at Gig Harbor, Key Center, South Hill, and Steilacoom Pierce County Libraries. It will also pave the parking lot at the Graham Pierce County Library and update public and staff areas of the building. At the Buckley Pierce County Library, workers will mitigate contamination from underground storage tanks historically on the site as well as update landscaping at the Library.

In 2019, the Library engaged thousands of residents in Lakewood and Sumner to learn about their interest in possible new library buildings, and conducted a capital fundraising feasibility study to determine the potential for private support for funding library buildings. Residents in both communities expressed an interest in new library buildings. With the pandemic and subsequent economic downturn in 2020, the Library System adjusted its scope to focus on a new building in Sumner. In October 2021, the Library System purchased a 1.67-acre site for the new library from the City of Sumner.

In early 2023, the Library engaged with thousands of Sumner area residents and heard their ideas for spaces and services in a new library. Following the public engagement, the Library System and City of Sumner began working together to place a ballot measure in the August Primary Election for a new Sumner Pierce County Library.

In June 2022, the Library System closed Lakewood Library due to critical safety and access issues in the building, which needed substantial repairs and replacements, which included replacing the roof and repairing damages throughout the building from the leaking roof; replacing the elevator, heating and cooling system, and plumbing system; and upgrading windows and doors.

Since spring 2022, the Library System sought space for an interim Lakewood Library. In October 2022, after a comprehensive review of available properties and retail spaces available, the Pierce County Library selected the location on Gravelly Lake Drive S.W. and Alfaretta Street S.W.

In April-June 2022, the Library System and the City of Lakewood formed a community advisory committee to understand public input from recent years, review the significant building needs, and provide advice to the Library System about how it could best provide library services long-term for Lakewood and the Tillicum neighborhood. The Library Board of Trustees is reviewing recommendations for long-term library buildings in Lakewood and Tillicum.

The Library continues to conduct architectural building assessments for all of its locations. In 2023, the effort will be increased to include comprehensive engineering assessments to create a long-range plan, which establishes priorities for future capital building projects as well as needs.

2023 Revenue Allocations

In 2023, the Library will receive nearly \$46 million in new revenue from all sources as identified in each fund provided below. This revenue excludes use of existing fund balances to pay for projects, namely in the Capital Improvement Fund.

Total Revenue (all sources) \$ 46,098,300

Fund Allocations

General	
Personnel	\$ 31,074,962
M&O	\$ 8,418,738
Materials	<u>\$ 4,588,000</u>
<i>Total General Fund</i>	<i>\$ 44,081,700</i>
Capital Improvement	\$ -0-
Property & Facility	\$ -0-
Elections	\$ -0-
Levy Sustainability	\$ 2,016,600

Grand total Allocations \$ 46,098,300

Net of Revenue & Allocations \$ -0-

2023 General Fund – Revenue and Expenditures

With more than 97% of the Library's budget derived from property tax and state law limiting property tax collections to a 1% annual increase plus the levy on new construction, it is essential for the Library to project revenues and expenditures in advance to plan for sustaining services for the current year and future years.

By law, the Library may collect up to 50 cents for every \$1,000 of assessed property value. Property values are the basis for the Library District's property tax rate. In 2023, the Library levy is approximately 33.38 cents for every \$1,000 of assessed property value.

For 2023, total new revenues from all sources are budgeted to increase by net \$1.3 million from 2022, a 3.11% increase. The total amount of property tax revenue is certified to be \$42.5 million in 2023.

In 2023, the homeowner of the average assessed home of \$553,000 will pay \$178 for Pierce County Library services, and the average business property owner will pay \$598.

Funding the Library

FINAL NOVEMBER 30, 2022	2022 Approved 12/2021	2023 FINAL	Change (\$)	Change (%)	Notes
-- REVENUE --					
Property Taxes	\$ 41,526,200	\$ 42,474,200	\$ 948,000	2.28%	
Excise Taxes	83,000	83,000	-		
Timber Taxes	15,000	15,000	-		
Fees (Printer, Fax, Copier)	17,500	7,500	(10,000)	-57.14%	Very little revenue is anticipated in 2023
Fines	10,000	10,000	-		Some coming through in online payments
Investment Income	20,000	400,000	380,000	1900.00%	Return rates are higher
Sales of Goods/Services	1,000	1,000	-		
Donors & Reimbursements	460,000	470,000	10,000	2.17%	Includes Foundation, FEMA, ARPA
Other (Erate, P-card Rebates, Unclaimed Property)	621,000	621,000	-		
TOTAL REVENUE	\$ 42,753,700	\$ 44,081,700	\$ 1,328,000	3.11%	

Revenues

General Fund. An accounting fund used by the Library to receive revenues and pay for ongoing services and operations.

Taxes. Local property taxes used to fund the General Fund constitute 97% of total 2023 revenues. Pierce County Office of the Assessor-Treasurer, using statutory rates and limitations, calculates the total allowable property tax levy. A small amount comes from other taxes including tax title, leasehold excise taxes, and timber taxes.

Intergovernmental. The Library receives revenues from other governmental entities, such as grants and contracts, from time to time, generally for specific projects. It is small in comparison to other revenue sources.

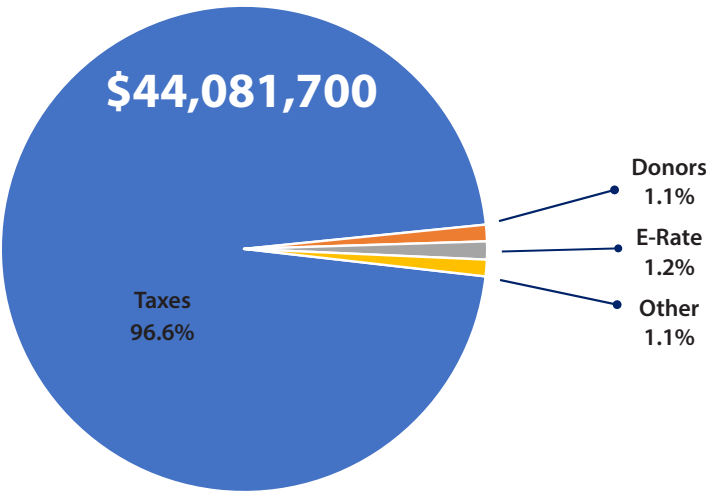
Fees. The Library continues to assess replacement fees for lost and damaged items. Fees for services include revenue from photocopying, visitor printing and faxing in the libraries, and interlibrary loan fees.

Fines (postponed since 2020). Continuing from 2020, the Library is no longer charging fines for books and other materials returned late, to help reduce burdens from the economic downturn brought on by the pandemic. In 2023, the Board passed a resolution to stop collecting overdue fines.

Donors. The 501(c)(3) nonprofit Pierce County Library Foundation fundraises for the Library and distributes donor gifts and benefits to the Library.

E-Rate. A federally funded program that provides eligible schools and libraries with discounts of 20-90% on telecommunications and internet services.

Other. Other revenues include interest earned on investments, scrap sales of assets and Friends of the Library donations. While the library buildings were closed due to the pandemic, Friends of the Library activities to raise funds were on hold and contributions were reduced. Those activities began to restart in 2022.



Operating the Library

-- EXPENDITURES --					
PERSONNEL					
Salaries & Wages	\$ 21,613,200	\$ 23,344,858	\$ 1,731,658	8.01%	
Overtime Wages	19,100	67,000	47,900	250.79%	
Employee Benefits	7,287,100	7,663,104	376,004	5.16%	Includes increase in DRS & Healthcare rates
TOTAL PERSONNEL	\$ 28,919,400	\$ 31,074,962	\$ 2,155,562	7.45%	
MAINTENANCE & OPERATIONS					
Supplies and Consumables	\$ 571,600	\$ 540,450	\$ (31,150)	-5.45%	
Fuel	50,000	50,000	-		
Equipment (Computers, Software, Furnishings)	1,497,500	1,471,720	(25,780)	-1.72%	
Professional, Legal, Other Services	847,000	1,203,900	356,900	42.14%	Increased Security Costs & EDI
Networking, Phones, Postage	898,500	913,000	14,500	1.61%	
Travel & Mileage	92,500	113,490	20,990	22.69%	
Advertising	135,000	153,000	18,000	13.33%	
Rentals & Leases	683,100	1,156,700	473,600	69.33%	LWD Lease
Insurance	300,000	300,000	-		
Utilities	377,000	416,500	39,500	10.48%	
Repairs & Maintenance, Maintenance Contracts	907,500	1,177,258	269,758	29.73%	Increased cost of maintaining facilities
Registrations	88,500	113,650	25,150	28.42%	
Dues, Taxes, Licenses, Fees, Misc Expenses	136,500	112,150	(24,350)	-17.84%	
Pass-through Funding	93,500	154,000	60,500	64.71%	Funded by Foundation donors
Contingency	575,400	542,920	(32,480)	-5.64%	
Intergovernmental	-	-	-		
TOTAL MAINTENANCE & OPERATIONS	\$ 7,253,600	\$ 8,418,738	\$ 1,165,138	16.06%	
MATERIALS					
Books, DVDs, Music, eBooks, Databases	\$ 4,307,500	\$ 4,588,000	\$ 280,500	6.51%	First increase in 2 years
TOTAL MATERIALS	\$ 4,307,500	\$ 4,588,000	\$ 280,500	\$ 0	
SET-ASIDES & TRANSFERS					
Capital Fund Transfer	\$ 1,100,000	\$ -	\$ (1,100,000)	-100.00%	unnecessary due to 12/2022 transfers
Property and Facility Fund Transfer	1,173,200	-	(1,173,200)	-100.00%	unnecessary due to 12/2022 transfers
Set Aside for Future Sustainability	-	-	-		
Set Aside for Apr/Oct Cashflow	-	-	-		
TOTAL SET-ASIDES AND TRANSFERS	\$ 2,273,200	\$ -	\$ (2,273,200)	-100.00%	
TOTAL EXPENDITURES	\$ 42,753,700	\$ 44,081,700	\$ 1,328,000	3.11%	

Expenditures

Salaries and Benefits. Personnel costs account for nearly 71% of expenditures and pay for staffing the Library to meet its mission and goals. Included are salaries/wages, healthcare/dental, FICA (Federal Insurance Contributions Act-Social Security), retirement, and other personnel costs. The Library also provided mandated but unfunded Federal Emergency Leave for employees. The Library will employ 320 FTEs in 2023.

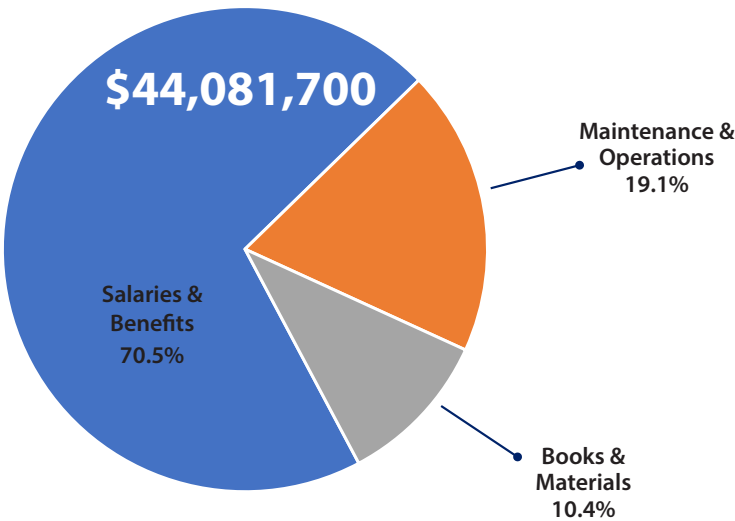
Materials. The Library provides a wealth of materials for customers to read, view, and hear. Staff selects books, movies, music, magazines, and e-books from a variety of sources. In response to the closure of library buildings during the pandemic, the Library stopped the checkout of print materials for several months and purchased more e-books for checkout.

Maintenance and Operations. These include a wide range of expenditures, including office and custodial supplies, furnishings, computers, contracted services, legal and professional services, telecommunications costs, rent and leases, utilities, dues and memberships.

Contingency. The Library reserves a small portion of the budget for unanticipated needs, such as emergency repairs. During the year, the Library adds savings from efficiencies or projected project cost savings to the working contingency, which fluctuates throughout the fiscal year.

Transfers to Capital Fund. Some funding for capital projects comes from transferring funds out of the operating budget.

Transfers to Special Revenue Funds. The Library sets a certain portion of its revenue and savings to pay for costs related to future elections and future property and buildings (transfers to the Levy Sustainability Fund are done directly from revenue receipts, instead of intra-fund transactions).



2023 Capital Improvement Fund

Capital Improvement Fund

The Capital Improvement Fund is used to budget and pay for projects that improve or add to the Library's capital assets, which are largely made up of facilities, vehicles, and technology. In 2023, the Library plans to invest in an interim building in Lakewood, potential library in Sumner, Buckley site evaluation, vehicles, and other technology updates.

2023 BUDGET FINAL NOVEMBER 30, 2022	2022 Approved 12/2021	2023 FINAL
Budget Summary		
-- FUNDING SOURCES --		
USE OF FUND BALANCE		
Carryforward funds from prior fiscal year	\$ 115,000	
Use of Fund Balance/Cash Reserves	\$ 2,475,000	\$ 6,508,000
TOTAL USE OF FUND BALANCE	\$ 2,590,000	\$ 6,508,000
NEW REVENUE		
Transfer from General Fund	\$ 1,100,000	\$ -
TOTAL NEW REVENUE	\$ 1,100,000	\$ -
TOTAL FUNDS AVAILABLE	\$ 3,690,000	\$ 6,508,000
-- EXPENDITURES --		
COMMITMENTS		
TOTAL COMMITMENTS	\$ -	\$ -
CURRENT BUILDING IMPROVEMENTS		
Buckley Site Evaluation	\$ 250,000	\$ 1,000,000
2022 Current Buildings Work	\$ 970,000	
Landscaping Refresh & Lot Maintenance	\$ 100,000	\$ 75,000
Door replacement	\$ 75,000	\$ 125,000
Vehicle purchases - 2022 roll forward	\$ 300,000	\$ 190,000
Vehicle purchases- 2023 purchases		\$ 200,000
Parking Lot Refreshes		\$ 200,000
TOTAL CURRENT BUILDING IMPROVEMENTS	\$ 1,695,000	\$ 1,790,000

2023 BUDGET FINAL NOVEMBER 30, 2022	2022 Approved 12/2021	2023 FINAL
FUTURE BUILDINGS		
Lakewood Interim Library		
LWD building		\$ 1,700,000
LWD site work		\$ 1,000,000
LWD FF&E		\$ 100,000
LWD other		\$ 500,000
LWD architects		\$ 500,000
LWD Project Work		\$ 35,000
Capital Campaign Consultants		\$ 60,000
Sumner Library Planning Phase	\$ 600,000	
SUM polling		\$ 45,000
SUM project communications		\$ 13,000
SUM Architect and Legal Consulting		\$ 40,000
Alternative Service Delivery Pilot	\$ 500,000	
TOTAL FUTURE BUILDINGS	\$ 1,100,000	\$ 3,993,000
TECHNOLOGY UPDATES		
Infrastructure project (IT Tech Plan)	\$ 400,000	
IT Networking and Infrastructure	\$ 120,000	\$ 50,000
Branch Wi-Fi equipment replacements	\$ 125,000	\$ 125,000
Tyler Consulting		\$ 150,000
High-Speed Copier		\$ 150,000
TOTAL TECHNOLOGY PROJECTS	\$ 645,000	\$ 475,000
CONTINGENCY	\$ 250,000	\$ 250,000
TOTAL EXPENDITURES	\$ 3,690,000	\$ 6,508,000
NET OF REVENUE AND EXPENDITURES	\$ -	\$ -

Election Fund

In October 2021, the Library Board of Trustees approved the creation of the Election Fund, to be an independent Special Revenue Fund that the Library System uses for committed and restricted projects related to paying the costs of conducting elections such as levy lid lifts and bonds. The Library System creates an expenditure budget only when the Board approves the release of the committed funds for specific projects.

FINAL November 30, 2022	2022 Projected	2023 FINAL	Change (\$)	Change (%)
-- FUNDING SOURCES --				
USE OF FUND BALANCE				
Use of Election Fund Set Aside	\$ -	\$ -	\$ -	
NEW REVENUE				
Transfer from General Fund for Committed Setasides	\$ -	\$ -	\$ -	
Investment Income	\$ 2,000.00	\$ 30,000.00	\$ 28,000.00	1400%
TOTAL NEW REVENUE	\$ 2,000.00	\$ 30,000.00	\$ 28,000.00	1400%
TOTAL FUNDS AVAILABLE	\$ 2,000.00	\$ 30,000.00	\$ 28,000.00	1400%
-- EXPENDITURES --				
PROGRAMS				
None planned for 2023	\$ -	\$ -	\$ -	
TOTAL PROGRAMS	\$ -	\$ -	\$ -	
PROJECTS				
None planned for 2023	\$ -	\$ -	\$ -	
TOTAL PROJECTS	\$ -	\$ -	\$ -	
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	
NET OF FUNDING SOURCES AND EXPENDITURES	\$ 2,000.00	\$ 30,000.00	\$ 28,000.00	1400%
(TO BE DESIGNATED AS COMMITTED DURING THE FY)				
-- COMMITTED SET-ASIDES IN FUND BALANCE --				
PROJECTED BALANCES AS OF 12/31				
Election Fund for Future Election Costs	\$ 1,100,000.00	\$ 1,100,000.00	\$ -	0%
TOTAL COMMITTED SET-ASIDES	\$ 1,100,000.00	\$ 1,100,000.00	\$ -	0%

Property and Facility Fund

In October 2021, the Library Board of Trustees approved the creation of the Property and Facility Fund, to be an independent Special Revenue Fund the Library System uses for committed and restricted projects related to the procurement and construction of land and facilities. The Library System creates an expenditure budget only when the Board approves the release of the committed funds for specific projects.

FINAL November 30, 2022	2022 Projected	2023 FINAL	Change (\$)	Change (%)
-- FUNDING SOURCES --				
USE OF FUND BALANCE				
Use of Property and Facility Set Aside	\$ -	\$ -	\$ -	
REVENUE				
Transfer from General Fund for Committed Setasides	\$ -	\$ -	\$ -	
Investment Income	\$ 5,000.00	\$ 60,000.00	\$ 55,000.00	1100%
TOTAL NEW REVENUE	\$ 5,000.00	\$ 60,000.00	\$ 55,000.00	1100%
TOTAL FUNDS AVAILABLE	\$ 5,000.00	\$ 60,000.00	\$ 55,000.00	1100%
-- EXPENDITURES --				
PROGRAMS				
None planned for 2023	\$ -	\$ -	\$ -	
TOTAL PROGRAMS	\$ -	\$ -	\$ -	
PROJECTS				
	\$ -	\$ -	\$ -	
TOTAL PROJECTS	\$ -	\$ -	\$ -	
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	
NET OF FUNDING SOURCES AND EXPENDITURES	\$ 5,000.00	\$ 60,000.00	\$ 55,000.00	1100%
(TO BE DESIGNATED AS COMMITTED DURING THE FY)				
-- COMMITTED SET-ASIDES IN FUND BALANCE --				
PROJECTED BALANCES AS OF 12/31				
Land/Property/Facility Set Asides for future Land & Property Costs	\$ 2,020,000.00	\$ 2,020,000.00	\$ -	0%
TOTAL COMMITTED SET-ASIDES	\$ 2,020,000.00	\$ 2,020,000.00	\$ -	0%

Levy Sustainability Fund

The Library created a Levy Sustainability Fund in 2019 to accumulate funds to pay for future sustainability of operations. The annual amount deposited into this fund depends on the amount of revenue available after budgeting for operations, and this is accomplished through recording revenue directly to the fund (instead of transfers). The goal to extend fiscal sustainability for up to 5 years is for the fund to have approximately \$15 million. For 2023, the amount to be deposited directly from revenue receipts is calculated at \$2 million and will have achieved its goal at approximately \$15.3 million.

FINAL November 30, 2022	2022 Projected	2023 FINAL	Change (\$)	Change (%)
-- FUNDING SOURCES --				
USE OF FUND BALANCE				
Use of Levy Sustainability Fund Set Aside	\$ -	\$ -	\$ -	
NEW REVENUE				
Property Taxes (Funding Cycle Revenue)	\$ 1,520,000.00	\$ 2,016,600.00	\$ 496,600.00	
Investment Income	\$ 10,000.00	\$ 450,000.00	\$ 440,000.00	4400%
TOTAL NEW REVENUE	\$ 1,530,000.00	\$ 2,466,600.00	\$ 936,600.00	61%
TOTAL FUNDS AVAILABLE	\$ 1,530,000.00	\$ 2,466,600.00	\$ 936,600.00	61%
-- EXPENDITURES --				
PROGRAMS				
None planned for 2023	\$ -	\$ -	\$ -	
TOTAL PROGRAMS	\$ -	\$ -	\$ -	
PROJECTS				
None planned for 2023	\$ -	\$ -	\$ -	
TOTAL PROJECTS	\$ -	\$ -	\$ -	
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	
NET OF FUNDING SOURCES AND EXPENDITURES	\$ 1,530,000.00	\$ 2,466,600.00	\$ 936,600.00	61%
(TO BE DESIGNATED AS COMMITTED DURING THE FY)				
-- COMMITTED SET-ASIDES IN FUND BALANCE --				
PROJECTED BALANCES AS OF 12/31				
Levy Sustainability Funds for Future Levy Sustainability Costs			\$ -	
TOTAL COMMITTED SET-ASIDES	\$ 12,500,000.00	\$ 14,500,000.00	\$ 2,000,000.00	16%

FINAL AS OF DECEMBER 6, 2022	2022 Estimated	2023 Projected	2024 Projected	2025 Projected
BEGINNING FUND BALANCE (1/1 EST)	\$ 11,127,000	\$ 12,835,000	\$ 15,301,600	\$ 15,801,600
-- FUNDING SOURCES --				
	*See Note Below			
Property Tax Revenue	1,608,000	2,016,600	TBD	TBD
Investment Income (will vary due to return rates)	100,000	450,000	500,000	250,000
TOTAL FUNDS AVAILABLE	12,835,000	15,301,600	15,801,600	16,051,600
-- RESERVED SETASIDES IN FUND BALANCE --				
Levy Sustainability for Funding Cycle	12,835,000	15,301,600	15,801,600	16,051,600
TOTAL RESERVED SETASIDES	12,835,000	15,301,600	15,801,600	16,051,600
-- EXPENDITURES AND OUTFLOWS --				
Programs and Projects	-	-	-	-
Transfers out to General Fund	-	-	-	-
TOTAL EXPENDITURES AND OUTFLOWS	-	-	-	-
ENDING FUND BALANCE (12/31 EST)	\$ 12,835,000	\$ 15,301,600	\$ 15,801,600	\$ 16,051,600
(TO BE DESIGNATED AS COMMITTED DURING THE FY)				

* The reason why it shows an increase from 2022 to 2023 is due to not conducting any budgeted transfers in 2023.

Debt Service Fund

The Library System Debt Service Fund makes payments related to debt, for example bonds. The Library System last used the Debt Service Fund in 2002. Other than unbudgeted revenue from investment returns, the fund is not actively budgeted and no expenses are incurred.

2023 Debt

The Library is a special purpose taxing district and by Washington State law, is authorized to issue voted and non-voted debt—Unrestricted General Tax Obligation (UGTO) bonds and councilmanic bonds, respectively. Currently, the Library maintains no debt of any form.

Debt Capacity

Unrestricted General Tax Obligation Bonds (UGTO)

Library District assessed value:	\$ 133,074,233,954
Legal Councilmanic bond capacity:	0.005000
Maximum Councilmanic capacity:	\$ 665,371,170
Current outstanding Councilmanic bonds:	<u>- 0-</u>
Available UGTO capacity:	\$ 665,371,170

Councilmanic Bonds

Library District assessed value:	\$ 133,074,233,954
Legal Councilmanic bond capacity:	x 0.001000
Maximum Councilmanic capacity:	\$ 133,074,234
Current outstanding Councilmanic bonds:	<u>- 0-</u>
Available Councilmanic bond capacity:	\$ 133,074,234

Summary of Current Bonds and Debt

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

Last Use of Debt (System Expansion Project)

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

Future Debt Needs

The Library began a Facility Master Plan (FMP) project in late 2008 and completed a comprehensive report and plan in January 2010. Every year, the Library reviews elements in the plan. In 2023, the Library is considering next steps for a Facility Master Plan. At this time, the Library has no plans to issue debt for new facilities.

Bonds Explained

The Library's common form of debt include...

Unrestricted General Tax Obligation Bonds (UGTO). Bonds may be issued as a measure to voters in the taxing district and require 60% approval. The Library's maximum legal debt capacity is one-half of 1% of the Library District's assessed valuation, and in the simplest form may be levied up to 30 years. The Library District's assessed value of \$133 billion means the Library may issue an aggregate total of general obligation bonds of \$665 million.

Library Capital Facilities Area (LCFA).

District-wide projects or a sub-district of the larger taxing district may use UGTO bonds. In the latter case, the Library would create a specific area to include, for example, one or two cities and a portion of unincorporated Pierce County. This forms a Library Capital Facilities Area within which a bond would be issued. An LCFA includes the creation of the LCFA and approval of bonds for construction of one or more library buildings, and requires a passage of 60% majority + 1 vote, as well as a 40% voter turnout from the previous general election.

Councilmanic Bonds. The Library may also issue debt in the form of councilmanic bonds at a rate of one tenth of 1% of the Library District's assessed valuation. Because these bonds are non-voted, the bonds may be considered a bank loan secured by property tax revenue, payable out of the Library's existing funds or future revenue receipts. The Library District's assessed value of \$110 billion means the Library may borrow up to \$110 million. The borrowing entity must repay the debt within seven years.

Entities may use councilmanic bonds for short-term financing of small construction projects, equipment needs, or emergencies that available general funds or Capital Improvement funds cannot fund. Entities would not use the bonds for covering budget shortfalls in ongoing operations.

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

Strategic Plan

Pierce County Library System sparks success for Pierce County

With 19 libraries, hundreds of events, helpful staff, and more than one million books, e-books, movies, and other materials, the possibilities are endless.

Guiding Principles

The Library System is creative, community-focused, and system strong.
It pledges to:

- **Be true to communities.** Listen and respond to what is important.
- **Innovate strategically.** Find inventive ways to serve.
- **Provide access for all.** Serve everyone with the same degree of interest and respect.
- **Deliver convenience.** Life is busy, and the Library System makes resources accessible and easy to use.
- **Play the right role.** Use strengths as a library to get results and to support community partners.
- **Be financially sustainable.** The public trusts the Library System with public resources, and the Library responsibly manages them for today and tomorrow.

Focus Areas



Learning. Support growth and curiosity.

1. Prepare preschoolers, babies, and toddlers so they are ready to learn.
2. Support school and career success for people of all ages.
3. Strengthen the practical skills and knowledge of Pierce County residents so they can navigate the real world and meet their goals.



Enjoyment. Help people enjoy their free time.

1. Inspire imagination through an extensive and diverse selection of books, movies, and other materials, so individuals discover outlets to help offset the pressures of daily life and relax.
2. Foster a love of reading.
3. Create opportunities to discover new interests and pursue passions, so people live balanced lives and find joy.



Community. Connect and strengthen communities.

1. Bring people together around shared interests and activities, so they are engaged in a thriving community and are optimistic about its future.
2. Activate Pierce County communities with welcoming, inclusive civic buildings and online spaces.
3. Connect people with information and community resources to help them navigate life's challenges, so they have a sense of belonging and embrace the diversity of their community.

Core Services



Materials

Provide books and resources the public values.



Technology

Meet needs with today's technology.



Staff

Connect people to the right resource at the right time.



Partnerships

Collaborate with others to serve communities best.



Spaces

Provide welcoming and vital spaces for communities.



Classes & Events

Offer skill-building classes, and interesting events.



Business Processes

Make smart investments in sound and sustainable operations.

LEARNING ENJOYMENT COMMUNITY



**Pierce County
Library System**

Information & Imagination

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