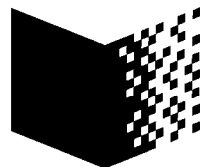# Annual

2013 Budget

Approved
December 12, 2012

Pierce County Library System

INFORMATION ■ *IMAGINATION*

Figure 0-1: GFOA Distinguished Budget Presentation Award

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Pierce County Library System

Washington

For the Fiscal Year Beginning

January 1, 2012

President

Executive Director

PIERCE COUNTY LIBRARY SYSTEM

Library Locations/Hours of Operations/Phone

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

The document is available online at the Library's website:
http://www.piercecountylibrary.org

To obtain copies of this document, please contact:

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

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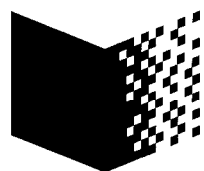We hope you enjoy the poetry, art, and photography from
our community; they reflect creativity, tenderness, smarts,
family… the thoughts and dreams of children.

Part 1 Introducing the 2013 Budget

**Pierce County
Library System**

INFORMATION ▪ *IMAGINATION*

Budget Messages

Veronica by Savanna Soukey
3rd Place 11th/12th Grade Winner of the 2012 Our Own Expressions Photography Contest

Board of Trustees Message

Dear Pierce County Residents:

Thank you again for your interest and support in your Pierce County Library System. We are committed to meeting your needs and the needs of your family and neighbors by delivering vital library services. In our efforts to serve you we also balance our responsibility to invest your tax dollars in priority and valued services.

2013 marks the fourth year the economic downturn has negatively impacted the Library System's budget. Due primarily to a reduction in revenues from property taxes, we addressed a $3 million shortfall to balance our 2013 budget. Based upon public opinions—input from nearly 1,000 residents—managers determined the top priority services. Managers took a very thoughtful approach to discern the Library's products that bring communities the most value: reading, early learning, helping students succeed in school, providing customer service, offering an online library, and learning.

2013 also marks stopping our 65-year run of bookmobile service. This was a difficult, yet important decision. Managers clearly showed how we could no longer run the aging and costly service. Next year staff will continue to serve children in schools that most recently checked out books and movies from the bookmobile.

As your public library system, we are committed to bringing you the world of information and imagination, we are part of the solution to helping you and other residents navigate these difficult times. We offer easy, affordable access to books, movies, and music; resources to prepare children to read; help kids with homework; teach people computer skills; and help people get jobs.

In preparing and approving this budget we strove to balance the diverse and often competing demands from the hundreds of thousands of people in our service area. We believe this budget reflects our good stewardship of public funds, while minimizing adverse effects to services the public has identified as most important.

Library Board of Trustee and Chair Linda Ishem

Your Board of Trustees approved the budget with attention to prudent fiscal management for the coming year. We also approved this budget with a look at financial forecasts, which primarily show continued budget shortfalls.

We applaud and thank our talented staff who greet and serve you 973 hours a week through 18 locations, as well as deliver online library service 24/7. Also, we thank you for your support and partnership. We welcome you to continue to learn and enjoy at your Pierce County Library.

Sincerely,

Linda Ishem
Chair, Pierce County Library System Board of Trustees

Library Director's Message

Pierce County Library System customers and taxpayers are the driving force for budget decisions. The Library System continues its commitment to operate the Library in the best interest of the public and deliver the value that they deserve. The 2013 budget reflects the long-term interests of taxpayers.

2013 is the fourth year the Library has managed a budget reduction and the second year revenue to the organization has decreased. The projected revenue decrease is $2,535,340, for a total decrease of $4,854,115 in the past two years. Approximately 96% of the Library's budget is derived from taxes on residential and commercial property. From 2010 to 2012, the value of assessed property in the Library's service area declined by 14.6%. In 2013, the average home assessed value for the Library taxing district is $215,000 and homeowners will pay approximately $107.50 in property taxes for library services.

Washington State law sets the tax or mill rate for library districts at up to 50 cents for every $1,000 of assessed property value. This rate is among the lowest of all taxing districts, e.g. fire, counties, cities. Property taxes account for 96% of the Library's budget. Library districts have - no additional taxing authority.

The 2013 budget reflects a $3 million reduction in the Library's operating budget, due to the decline in revenue combined with increases in operating expenses for maintenance, operations, and personnel benefits, retirement and wages. Since 2010, the Library has reduced the operating budget by $6.4 million.

During the next two to three years, the Library is projecting further budget shortfalls. The Library's 2014 property tax revenue may decline up to 7% or less, resulting in up to a $3.5 million budget shortfall. Even if property values were to grow by 1%, the budget shortfall would be $1.6 million. By 2015 it is hoped property values will stabilize. This will keep the Library's mill rate at 50¢ for at least three to four years, which will limit the amount of revenue from property taxes or taxes from new construction. During

this period, the Library projects costs to run the Library will increase at 4% to 5% per year.

At the same time, people are demanding more from the Library and extensively using its services. Voters passed a re-authorized levy in 2006 which maintained and added services. In 2009, with the economic downturn, people turned to the Library in significant numbers. 2012 marked an all-time high for cardholder numbers—251,034—behind most cardholders is an entire family. That means two, four, or more people use each card. At the time of the election, the Library said it would strive to maintain services for six years; 2012 marked the sixth year of maintaining levy promises.

Based on the continued budget shortfalls, it is clear that the Library needs to continue to manage its operations and services cost-effectively, while as much as possible maintain the strength of our core services. Budget decisions must reflect the long-term interest of the taxpayers and maintain their confidence in the decisions and services of the Library. The Library has always been recognized for its strong fiscal and operational management, which is a key reason that budget planning for future years will focus on efficient operations and delivering top priority services the public wants and needs.

Neel Parikh, Executive Director
South Puget Sound Woman of Influence

Early in 2012 the Library undertook an extensive effort to determine the community's priorities for library services. The Library conducted public opinion research using direct mail and a phone survey of 950 residents, followed by three focus groups with adults and teenagers. The research gathered and analyzed the public's ideas and opinions about services needed and valued, in order to help define the Library's product and inform library service and operational decisions for future budgets, particularly regarding services to continue, add, reduce, or discontinue. Survey results provided valuable information about services and priorities. The results showed the following are priorities for the Library's focus: reading, early learning, helping students succeed in school, providing customer service, offering an online library and learning. These

findings informed decisions and planning for the 2013 budget.

Budget Priorities: Priorities for the 2013 budget are similar to those implemented in 2012. In prior years, the first priority was to maintain the promises in the 2006 levy. The Library promised to maintain services for six years; 2012 marked the 6th year. The current goal is to maintain library services and aspects of the levy promises as much as possible. Budget priorities are:

Budget Priorities

Priorities for the 2013 budget are similar to those implemented in 2012. In prior years, the first priority was to maintain the promises in the 2006 levy. The Library promised to maintain services for six years; 2012 marked the 6th year. The current goal is to maintain library services and aspects of the levy promises as much as possible. This year, the Library looked closely at one of the four key areas of the levy promise. Budget priorities are:

1. **Maintain Core Services Voters Called for in the 2006 Levy**:

    a. Access: Provide access to staff, resources and materials, services, and facilities. Maintain current building open hours.

    b. Books and Materials: Provide a quality collection to support reading, listening and viewing experiences.

    c. Children and Teens: Support youth in reading and building skills to succeed in school and for the future.

    d. Service and Technology: Offer up-to-date technology and excellent customer service.

2. **Good Stewardship of Taxpayers' Money**: Use sound judgment expending taxpayers' money, including:

    a. Implement operational and workflow efficiency.

    b. Rigorously evaluate services.

    c. Spend money to save money. Focus on expenditures that will reduce long-term operational costs.

    d. Examine return on investment and cost benefits.

3. **Provide Up-To-Date and Future-Oriented Service**: Keep the Library contemporary by innovating and providing services and resources customers expect. "Pierce County Library 2030: A Facilities Master Plan for Library Services and Buildings" created a solid framework for changes in methods of delivering services, organization of buildings, and public access.

4. **Building a Customer Base for the Future**: Customer focus is a major priority. The Library will continue to improve service for new customers, provide services valued by the community, and expand engagement with communities.

As much as possible, the Library will make reductions that have a limited impact to the public. We should continually, critically examine services to ensure they are meeting the current needs of communities, eliminating or revising services that are underutilized or no longer effectively meeting people's needs and developing services that are wanted and needed.

Budget Reductions

The Library's Administrative Team developed a comprehensive strategy to address the 2013 budget reduction. The strategy included several changes in practices, some long standing. A synopsis of proposed details is provided below. This includes eliminating five positions (total of 3 FTEs) in connection with stopping bookmobile service. Key reductions include:

- Reducing the books and materials budget by more than $1 million.

- Decreasing capital improvement expenditures and decreasing the capital fund transfer from 3% to 2%.

- Increasing the reduction in budgeted personnel costs to match projected costs, from 2% to 3%.

- Stopping bookmobile services, including elimination of Department Manager and bookmobile drivers.
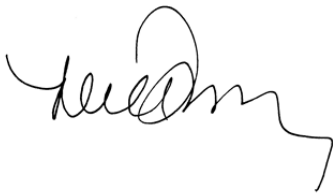
In addition, this budget includes use of case reserves. Rather than reducing services and laying off staff, $807,000 in cash reserves is budgeted to help balance the budget, and will only be used if necessary. It is Pierce County Library System's Board of Trustees' direction to maintain at least sufficient funds to operate the Library during the first four months of every year, prior to the Library receiving its first of two

annual deposits of tax revenue. Since the cost to operate the Library has reduced, the need for cash has also reduced. The Board has agreed to judicious use of the cash reserves in this current situation.

It is estimated that the Library will need to reduce the budget between $1.7 and $3.5 million for 2014, based upon preliminary estimates of tax revenues. This budget anticipates continued economic challenges and the necessity for the Library to deliver the best product to customers and taxpayers within the available dollars. At the same time, the Library must also continue to deliver service that responds to changing communities. The Library is committed to providing the services our customers value, want and need, maintaining aging buildings, and planning for capital needs.

I am confident that Pierce County Library System will deliver on its promises to meet community needs and continue to keep the people it serves and its taxpayers at the center of budget decisions.

Respectfully submitted,

Neel Parikh
Executive Director

Budget in a Page

The 2013 budget is hereby submitted. It is *the Library's story of commitment to the community and costs to provide services.*

Continuing the downward trend, property values dropped by 9.25% with a corresponding year-to-year budgeted revenue decrease of -7.78%. The Library's mill rate, the rate used to levy taxes on properties, remained at its statutory limit of 50 cents per $1,000 assessed property value and will stay there for years. After implementing $2.2 million in reductions, the Library will use $807,172 of cash reserves to mitigate service impacts. The budget is presented as balanced by fiscal management policy: source of all revenues and use of fund balances equals expenditures.

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

	2011 ACTUALS	2012 FINAL (12/10)	2013 BUDGET (12/12)
OPERATING BUDGET			
New Revenues	$ 29,111,096	$ 26,694,758	$ 24,616,725
Use of Fund Balance	0	175,127	807,172
Total Available Funds	29,111,096	26,869,885	25,423,927
Less:			
Operating costs	26,572,741	26,069,042	24,931,592
Set-asides & Transfers	1,731,183	800,843	492,335
Total Expenditures	28,303,924	26,869,885	25,423,927
Net of Revs & Exps	**$ 807,172**	**$ 0**	**$ 0**
CAPITAL IMPROVEMENT BUDGET			
New Revenues	$ 196,379	$ 0	$ 0
Transfers from General Fund	6,376,043	800,843	492,335
Use of Fund Balance	0	1,194,857	1,139,665
Total Available Funds	6,572,422	1,995,700	1,632,000
Less:			
Capital project costs	5,452,432	1,995,700	1,632,000
Net of Revs & Exps	**$ 3,855,066**	**$ 0**	**$ 0**
DEBT SERVICE FUND			
Revenues	$ 156	$ 0	$ 0
Expenditures	0	0	0
Net of Revs & Exps	**$ 156**	**$ 0**	**$ 0**

2013 Combined Fund Balances (Cash Reserves)
General, Capital Improvement, and Debt Service Funds

Begin Balances, Jan 1	$ 16,212,990	$ 13,701,636	$ 12,046,697
Net of all revs, exps, transfers	(2,511,355)	(1,654,939)	(1,946,838)
End Balances, Dec 31	$ 13,701,635	$ 10,913,343	$ 10,099,859

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

$1 in taxes =

Books, movies, music and more to checkout **13¢**

Buildings, property, and vehicles **10¢**

Technology **8¢**

Executive Office, Finance, HR **7¢**

Library open hours, customer asssistance, and services to the public **57¢**

Contracts, leases, insurance, consultants, supplies, postage **3¢**

Savings for infrastructure projects **2¢**
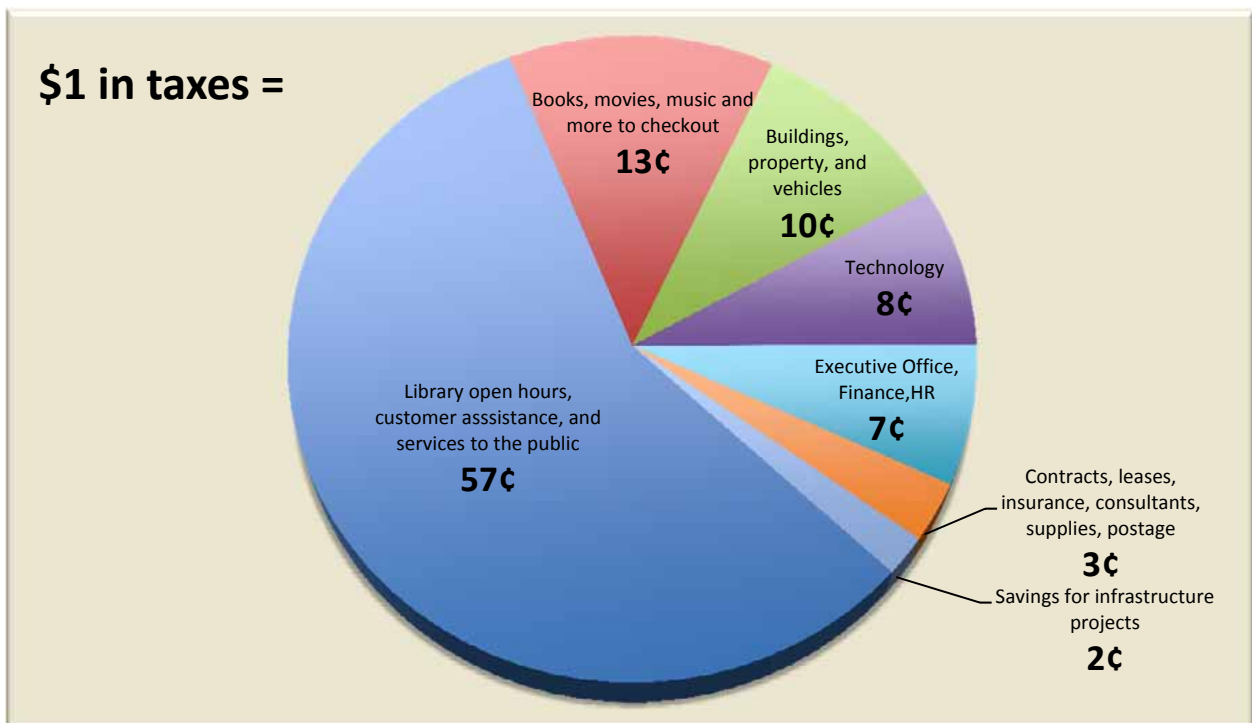
The Library: Organized to Serve the Community

Visual Reflexion by Hanna Squires
2nd Place 9th/10th Grade Winner of the 2012 Our Own Expressions Photography Contest

The Organization of the Pierce County Library System

In September 2011, the Library reorganized its management structure to deliver improved service to all parts of the organization and to its customers and communities. Five key management teams support the work of the organization, ensure accountability, tend to the organizational culture and "live" the Leadership Descriptors (see page 125). The new organizational structure creates, manages, communicates, collaborates, and delivers an excellent customer experience: to best serve Library customers, its communities, and the staff.

Administrative Team

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

Director's Team

Focuses the organization, ensuring that it is headed in the right direction; implements strategically important activities. Focuses on operational and tactical concerns. The Director's Team *drives execution and removes barriers*.

Operations Team

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

Leadership Team

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

Customer Experience Team

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

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

Figure 1-2: Management Teams

Figure 1-3: 2013 Organizational Chart-Operations View

Figure 1-4: 2013 Organizational Chart-Leadership View

Neel Parikh
Executive Director

Georgia Lomax
Deputy Director

Sally Porter Smith
Customer Experience
Director

Lisa Bitney
Reading & Materials
Director

Holly Gorski
Staff Experience
Director

Mary Getchell
Marketing & Community
Relations Director

Clifford Jo
Business Operations
Director

Lynne Hoffman
Fund Development
Director

Judy Nelson
Customer Exp. Manager:
Youth
& Outreach

David Durante
Customer Exp. Manager:
Virtual Services
& Technology

Jennifer Patterson
Customer Exp. Manager:
Customer Services,
Procedures & Community

Jaime Prothro
Customer Exp. Manager:
Adult Services
& Readers

Lorie Erickson
Facilities Director

Dale Hough
Finance Manager

Kerry Nielan
IT Director

Rose Jetter
Branch Manager
South Hill Library

Keith Knutsen
Branch Manager
Parkland/Spanaway Library

Robin Clausen
Branch Manager
Gig Harbor Library

Kim Archer
Branch Manager
Lakewood Library

Jane Miller
Senior Librarian
Graham Library

Lauren Murphy
Senior Librarian
Bonney Lake Library

Lynne Zeiher
Branch Manager
University Place Library

Jeanine Adams
Community Branch
Supervisor
Tillicum Library

Susan Rigley
Community Branch
Supervisor
Orting Library

Joy Kim
Branch Manager
Summit Library

Lisa McNamara
Senior Librarian
Sumner Library

Patti Cox
Community Branch
Supervisor
Steilacoom Library

Susan Anderson-
Newham
Early Learning
Supervising Librarian

Cindy Dargan
Community Branch
Supervisor
Eatonville Library

Linda Case
Community Branch
Supervisor
Milton/Edgewood Library

Susan McBride
Community Branch
Supervisor
DuPont Library

Marilynn Smoak
Branch Coordinator
Community Outreach
Services

Kathy Norbeck
Community Branch
Supervisor
Buckley Library

Tami Masenheimer
Community Branch
Supervisor
Fife Library

Rosina Vertz
Community Branch
Supervisor
Key Center Library

17

Mission / Vision / Values

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

MISSION

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

VISION

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

VALUES

We value…

- Customer service excellence

- Freedom of expression and free flow of ideas

- The diversity of people we serve, their opinions, capabilities, needs and interests

- The power and worth of words and images

- Equitable access to all library resources and services

- Responsible stewardship of public funds

- Creative solutions by solving problems in innovative ways

- Our diverse, skilled, and knowledgeable employees working in a safe and stimulating environment

Library Priorities

Table 1-1: Library Priorities (2011 - 2013)

2011 LIBRARY PRIORITIES	2012 LIBRARY PRIORITIES	2013 LIBRARY PRIORITIES
Levy Promises: develop and maintain services based on the goals established in the levy voters approved in 2006.	**Levy Promises**: develop and maintain services based on the goals established in the levy that voters approved in 2006.	**Maintain core services voters called for in the 2006 levy**: maintain library services and aspects of the levy promises as much as possible.
Good stewardship of taxpayer's dollar: Use sound judgment in expending the taxpayer's dollar.	**Good stewardship of the taxpayers dollar**: Use sound judgment in expending the taxpayers dollar.	**Good stewardship of the taxpayers dollar**: Use sound judgment in expending the taxpayers dollar.
Provide up to date and future-oriented services: keep the Library contemporary, innovating, and providing services and resources customers expect.	**Provide up to date and future-oriented service**: Keep the library contemporary, innovating and providing services and resources customers expect	**Provide up to date and future-oriented service**: Keep the library contemporary, innovating and providing services and resources customers expect
Build a customer base for the future: customer focus is a major priority of the Library	**Build a customer base for the Future**: customer focus is a major priority of the library	**Build a customer base for the Future**: customer focus is a major priority of the library

The priorities from 2012 to 2013 changed slightly with recasting the Levy Promises priority into Maintaining Core Services Voters Called For In The 2006 Levy. The Library recognizes that multiple years of significant revenue decline challenges the degree to which the Levy Promises can be kept past its original intent of six years, which ended 2012.

The 2013 Library priorities are further articulated in the Executive Director's budget message (see page 10).

Mother's Day Origami Event at the Bonney Lake Library

Finance

Octopus's Garden by Amanda Franz
3rd Place 11th/12th Grade Winner of the 2012 Our Own Expressions Drawing Contest

Fiscal Principle, Policy, and Practices

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

Guiding Principle

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

Fiscal Management Policy

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

Policy

1. Current year operations are funded from current year revenues. Permitted exceptions include, but are not limited to, transferring funds between fund accounts or the incurring of debt.

2. Cash reserves is a fiscal resource to stabilize long-term library sustainability. Cash reserves will not be used as a substitute for budget reductions to meet economic challenges.

3. Cash reserves (fund balance) may be used to plan or pay for current or future operations. Cash reserves shall not fall below twenty percent (20%) of the following year's anticipated revenues.

4. Fiscal year carryovers of funds within the General Fund are limited in nature, and are used for special purposes that are related to grants, gifts/donations, and collection materials.

5. To pay for qualified capital projects, a Capital Improvement Fund is established and funded appropriately by and through the General Fund.

6. For purposes of managing the Library's finances, additional fund types may be implemented.

7. Capital Improvement Fund revenues may be supplemented by unanticipated revenues or unanticipated savings in expenditures in the General Fund.

8. The Board approves a budget for revenues and expenditures in each fund, annually or any substantial modifications throughout the year.

9. Upon declaring a need for cash reserves to address a severe emergency having effects that cannot be addressed through the existing budget, the Board may pass a motion to release cash reserves for purposes of continuity of operations and services. Examples of emergencies are a natural disaster or a virulent pandemic.

Responsibilities

The Board of Trustees expects the Library to:

1. Establish a budget system and administer the budget process.

2. Establish and maintain financial procedures for managing the Library's cash. Document, keep prudently current, and enforce such financial procedures as an implementation of this fiscal policy.

3. Establish and maintain a ten-year cash reserve strategy to sustain operations that best funds services to the Library's communities.

4. Set solvency goals to achieve and implement a perpetual positive fund balance that ensures short-term debt, excluding inter-fund loans, is not used to pay for operations. This may require cash of at least three to four months of operations available in the fund balance during certain times in a fiscal year.

5. Develop and manage fiscal practices and strategies so that cash reserves do not fall below twenty percent (20%) of the following year's anticipated revenues.

6. Administer a cash-flow system as an anticipatory approach to budget for and meet

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

7. Implement the State of Washington's Budget, Accounting, and Reporting System (BARS).

8. Furnish to the Board appropriate financial reports on a monthly basis, and deliver the annual report to the Board subsequent to filing it with the State of Washington.

Proven Practices

1. The Library uses a thoughtful and purposeful budget method that is communicated to Library staff, customers, and the community. Through surveys and formal budget hearings, the public is invited to present its thoughts on services, budget, and fiscal matters.

2. To the best extent possible and available, the Library uses objective methods and estimators to establish projections. Such methods are confirmed and documented.

3. The Library uses long-term cash flow charts to determine revenues and expenditures in future years to give the Library an understanding of future fiscal realities that may need to be addressed today.

4. The Library reserves cash in the form of restricted funds for intra-year cash flow management so that bills can be paid without borrowing from external sources. The Library may set aside other restricted uses of cash, for example the set-aside for paying costs for a future levy lid-lift.

5. During years of revenue growth, the Library increases cash reserves to cover the additional costs it may incur. During years of revenue decline, the Library may decrease cash reserves because less is needed to cover operational costs.

6. The Library reviews all revenue projections, including property taxes, other public sources, fines/fees, investment income, Foundation donations, and other sources of revenues. Only those revenues that can be reasonably projected for receipt are budgeted. Other revenues that are received throughout the year may be recognized during the mid-year budget process, or simply recorded and reported as unbudgeted actuals.

7. The Library actively searches for and achieves operational efficiencies without sacrificing—if

not improving—services to the customer and community.

8. The Library will only use cash reserves to cover budget shortfalls when after all possible reductions have been attained, the remaining option is to either use cash reserves or enact further painful reductions.

9. The Library presents and has approved an annual balanced operating budget; revenues and expenditures must match. If new revenues are less than expenditures by the time the budget is presented for final passage, cash reserves may be used to cover the shortfall.

10. Debt will not be used to cover operational shortfalls irrespective of revenue shortfalls.

11. The Library assesses capital facility needs, such as repairs and improvements, for at least 5 years into the future. Facility needs are based on when the buildings were constructed, when major repairs and replacements were made, the current condition of the facilities, and future estimated needs.

12. The Library uses a mid-year budget process to make necessary changes and corrections to the current budget. It recognizes changes that occurred during the first six months of the fiscal year, estimates for the remaining half of the year, and makes adjustments to prepare for the following fiscal year's budget or begin planning for long-term fiscal realities.

13. The Library may transfer some or all unanticipated revenues or savings to the Capital Improvement Fund to pay for current or future capital projects. The need for transferring money to the Capital Improvement Fund is balanced with the need for cash reserves.

14. The Library invests its available funds with the Pierce County investment pool.

Budget Recognition

In 2012 the Library submitted the budget document to the Government Finance Officers Association (GFOA) for review in comparison to best practices. In July 2012, the GFOA issued the Distinguished Budget Presentation Award to Pierce County Library System for the 2012 fiscal year budget. The emblem is depicted on page 2 of this document.

Budget Planning Process

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

Executive Priorities

Continuously, the Executive Director assesses the realities of the external world, the needs of the community and customers, as well as directions of library activities nationwide and regionally. In July, shortly after the mid-year budget concludes, the Executive Director sets the priorities for the upcoming fiscal year. These priorities are communicated with the Administrative Team and fed into the strategic management process (Balanced Scorecard), and then to the Operations Team with instructions to craft their budgets accordingly. The priorities for 2013 are:

1. Maintain core services

2. Good stewardship of the taxpayers dollar

3. Provide up to date and future-oriented service

4. Build a customer base for the future

Priorities slightly changed from the previous year.

Performance Measures

The Library gathers performance measures and evaluates progress. The data is culled from multiple areas of Library performance. Examples include how many items have been checked out, customer visits to the libraries, and website hits. The data snapshot is crucial to understanding the year's services and other factors, based on current priorities and strategies. The Library keeps system-wide and departmental measures. Performance measures are checked against the strategic management process and are also discussed with the Administrative Team and the Operations Team. Beginning 2012 and through 2013, the Library is using an important tool, Civic Technologies' Community Connect system, to analyze information related to the Library's communities and make service-related decisions.

Long Range Approach

The Library's budgeting and decision-making process always considers the future, not just 2 years out, but 5 to 10 years out. Board of Trustees and Executive Management are committed to making the optimal decisions related to ensuring future fiscal sustainability and meeting current Executive Priorities. Throughout the year, as data becomes available, current, next year, five year, and as applicable ten year projections are created and analyzed, leading to actions that must be taken immediately to ensure the Library remains focused on its mission in the now and future, without decimating services because of lack of effective planning. The chapter on cash flow analysis (see page 114) in this document shows the thinking behind this process. The Library recognizes that strategic goals and fiscal realities intertwine; it is exemplified in making clear priorities for the Library, and then exacting a conservative approach to budgeting and an aggressive pursuit of efficiencies. The Director's Team is relentless in requiring Managers to implement efficiencies and objectively show evidence for the funds needed to operate. Some of the efficiencies are provided in this document under in the Operational Changes for Efficiency, Savings, and Improvement chapter (see page 55).

Strategic Management

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

Operations Team Planning

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

Executive Review

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

The Budget

Three budgets are created: the preliminary balanced budget, first public reading, and final public reading budgets. Each are presented with discussions held during Board meetings. The public is invited to participate during November and December hearings.

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

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

External Realities	Processes and Mechanisms	Internal Realities
EXECUTIVE PRIORITIES	**STRATEGIC MANAGEMENT**	**PERFORMANCE MEASURES**
Setting the Direction	Engines and Functions	The Sextant

Operations Team Planning

Proposed Charts and Operations

Evaluation & Feedback — **Executive Review**

Casting Off

Funding, Staffing, and Resource Allocations
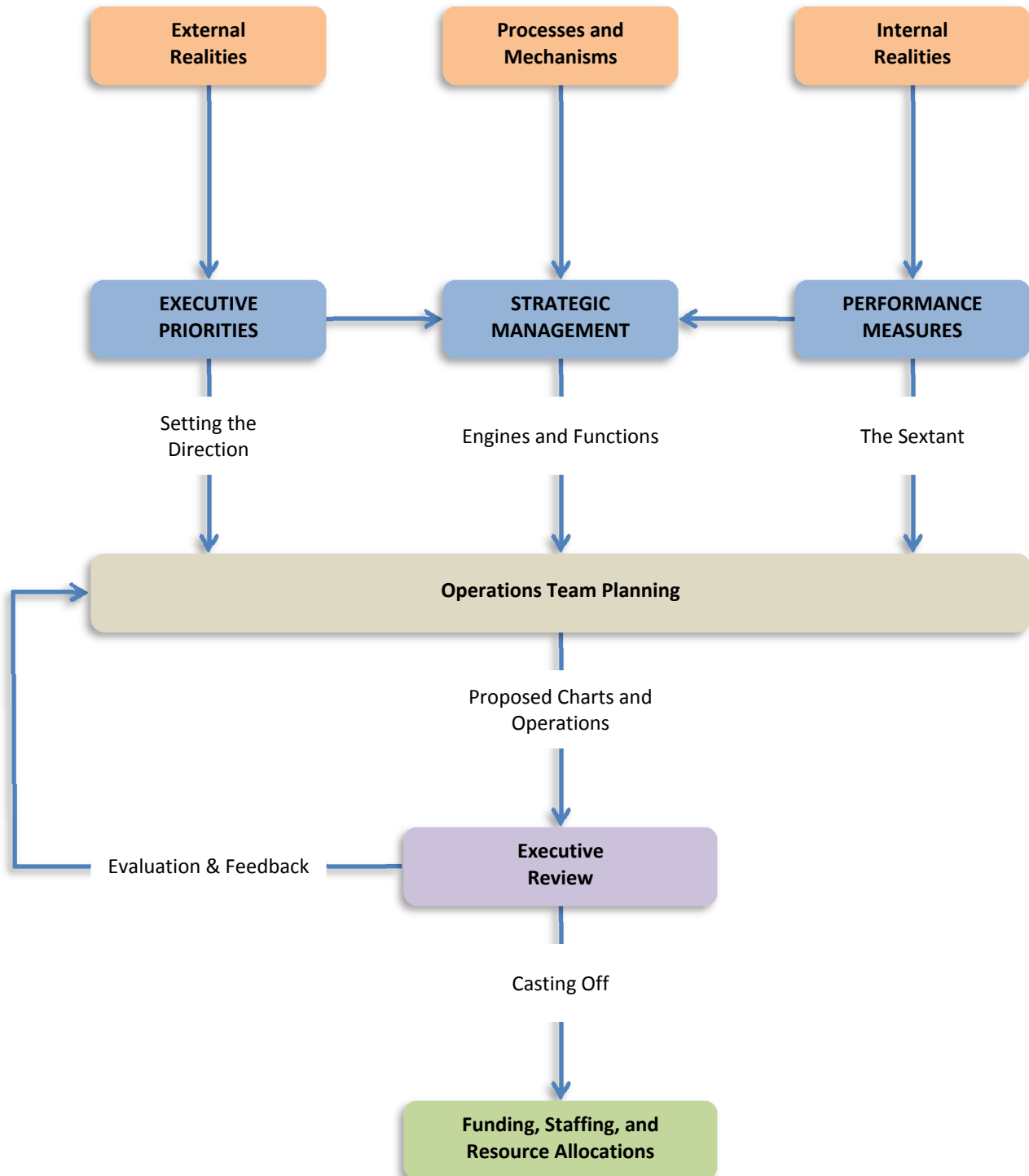
Budget Method and Sequence

Pierce County Library's 2013 budget was developed for maintaining services from the Executive Director's four priorities, including services created by the voter-approved 2006 levy lid-lift. Managers followed a process that required maintaining services while submitting proposals for a 10% departmental budget reduction, looking for efficiencies, and considering how their budgets incorporated the Library's priorities.

Director's Team's Approach

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

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

- Budgeting is linked to Library priorities and strategy.

- The current year's inefficiencies and operating assumptions do not automatically carry forward into the next fiscal year without scrutiny.

- Continuous improvements are required of Managers, including workload distribution—how to get the same work performed with less labor, or freeing up labor to perform emergent work.

- Managers focus on identifying and eliminating root causes of inefficiencies, workload, and high costs of procurement or services.

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

Budget Method

The 2013 budget was developed by applying the following method:

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

2. Managers began conducting extensive budget studies in January 2012 to narrow the major

recommendations that would address most of the 2013 budget problem.

3. Managers were advised to plan and budget for 2013 services during the 2012 mid-year budget process.

4. Projected revenues were calculated in July 2012, from initial indicators of property value assessments.

5. The Director's Team updated the Library's five-year cash flow driver.

6. Managers were given the Executive Director's guidance on how to create their budgets in light of major budget reductions.

7. Managers developed and submitted operating budgets. Certain line items were called out for sub-itemization and analysis.

8. Managers collaborated to create and present capital projects, using an improved process.

9. Managers presented their budget proposals to the Director's Team.

10. Second drafts of departmental budgets were calculated and adjustments were made.

11. The Library received Pierce County's preliminary tax certification, which contained revenue calculations for 2013.

12. The Director's Team reviewed the compiled list of reductions and additions and calculated a draft budget that was unbalanced. The Implicit Price Deflator was received. As it was over 1%, it did not affect revenues.

13. The Director's Team finalized an implementation of $2.5 million in reductions.

14. The (unbalanced) 2013 draft budget (operating and capital) was presented at the October 2012 Board of Trustees meeting. The Board was amenable for the Library to propose use of cash reserves/fund balance to cover the remaining $807,172 gap, in lieu of further significant reductions that would affect services.

15. The 2013 draft balanced budget was presented at the November 2012 Board of Trustees meeting for public hearing and first reading. The public was invited to comment.

16. The Director's Team made adjustments to departmental budgets, as needed.

17. The 2013 final budget was presented at the December 2012 Board of Trustees meeting for public hearing and second reading and final passage. The public was invited to comment on the final budget.

18. If Pierce County submits amended property tax certifications at the end of December 2012, the Library will recognize those during the following summer's mid-year budget process. It will not amend the budget approved during the December 2012 Board of Trustees meeting. (The Pierce County Treasurer Assessor provided one amended certificate, which was submitted.)

19. The 2013 budget book was published in February 2013, and made available to the public via the website.

The Director's Team's principle objective during the final weeks of the budget process is to tactically balance the Operating Budget, the Capital Improvement Budget, and Fund Balances/Cash Reserves. Changes in any one area will impact the others. Because the Library tightly manages current and future cash flow (given moving projections), the selection of budget proposals and funding requests are ranked, and then decided upon with the explicit understanding that calculations for the final budget must preserve the integrity of the three areas as established in proven practices (see page 22) . See figure below.

The overall budget method ensured that Library management strategize and plan for service priorities for 2013. Two forms of budget calendars are provided in the next two pages: one showing the Gantt chart of summary-level budget activities, and the other a flow chart of key milestones and budget activities.

Figure 1-6: Conceptual Triad of Budget Elements
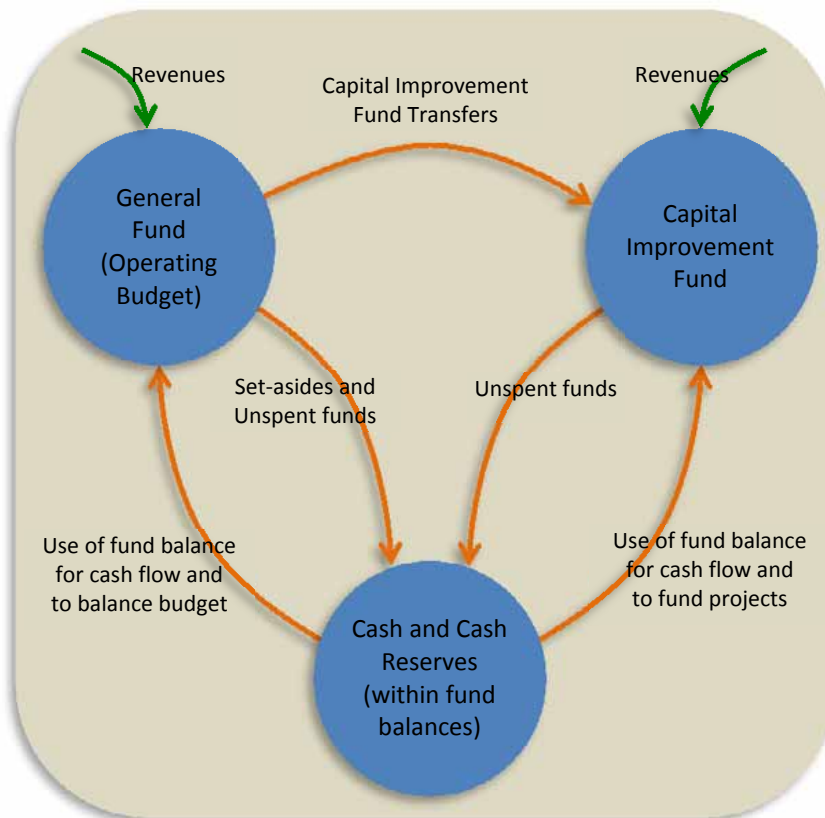
Figure 1-7: Budget Process Summary

													Next fiscal year
	Library operates on December's approved budget												
						Create mid-year budget							
Previous year				Annual report from previous fiscal year and reconciliations				Library operates on mid-year Budget					
							Strategic Planning	Library creates next fiscal year budget					
December	January	February	March	April	May	June	July	August	September	October	November	December	January

The above chart shows the general flow of budget-planning tasks, alongside implementations of budgets.

Story of Life by Byron White
2nd Place 7th/8th Grade Winner of the
2012 Our Own Expressions Drawing Contest

Figure 1-8: Budget Process & General Timeline

Timeline	Process
July	Strategies & priorities created — Start budget process; budget calendar created — Revenues estimated & CPI-U noted
	Budget instructions delivered to managers
August	Managers develop budget proposals — Board review & feedback of budget process (8/8/12)
September	Managers present budget proposals to Director's Team — Director's Team develops estimated budget — Board review & feedback of estimated budget (9/12/12)
	Administrative Team discusses budget directions — Director's approval for draft balanced budget elements — Preliminary Tax Levy Certification received from Pierce County
October	Director's Team develops draft balanced budget — Implicit Price Deflator (IPD) recorded — Board Review & feedback of draft balanced budget (10/17/12)
November	Director's Team develops budget document — Public Hearing and Board 1st Reading of budget (11/4/12)
	Resolution for preliminary tax levy certificate filed with Pierce County — Director's Team revises budget document
December	Final or revised certification of tax levy (if any) filed with Pierce County — Public hearing and Board 2nd Reading & Final Passage (12/12/12) — Board of Trustees message written
2013	Pierce County Treasurer-Assessor sends final tax levy certificate to the Library — Final Budget Published (Printed & On Website)

2013 Combined Funds Budget

Table 1-2: Combined Funds Budget (Expenditures)

	2011 ACTUALS	2012 FINAL (12/10)	2013 BUDGET (12/11)	% CHANGE 2012 FINAL TO 2013
General Fund (Operating)	$ 28,303,923.94	$ 26,869,885	$ 25,423,927	-5.38%
Capital Improvement Fund	5,452,431.87	1,995,700	1,632,000	-18.22%
Debt Service (minor fund—unbudgeted)	0	0	0	0.00%
TOTAL FUNDS BUDGET	**$ 33,756,355.81**	**$ 28,865,585**	**$ 27,055,927**	**-6.27%**

For 2013, the combined funds budget is $27,055,927. Note that the Debt Service Fund remains unused because the Library carries no debt. Unlike the operating budget, the capital budget varies greatly from year to year, depending on capital improvements approved by the Board of Trustees. See table and chart below for the historical combined budget.

Each year, the Library plans the operating and capital budgets with an eye towards its mission, priorities, Balanced Scorecard, and fiscal responsibility. The 2013 budget continues that excellence by creating a budget that promotes service priorities while staying within current fiscal realities.

Table 1-3: Combined Funds Budget (2008 - 2012 Expenditures)

	2009 FINAL (12/08)	2010 FINAL (12/09)	2011 FINAL (12/10)	2012 FINAL (12/11)	2013 BUDGET (12/12)
General Fund (Operating)	$ 29,120,826	$ 28,634,961	$ 28,564,891	$ 26,869,885	25,423,927
Capital Improvement Fund	1,474,600	3,623,100	3,940,140	1,995,700	1,632,000
Debt Service Fund	0	0	0	0	0
TOTAL	**$ 30,595,426**	**$ 32,258,061**	**$ 32,505,031**	**$ 28,865,585**	**$ 27,055,927**

Figure 1-9: Combined Funds Budget & Actuals
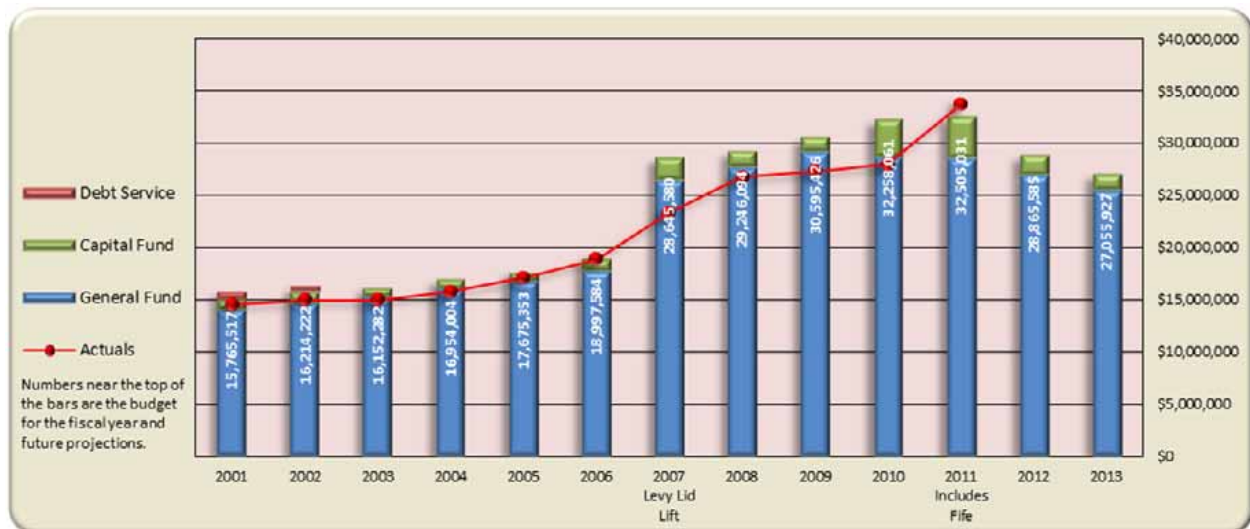
Financial Administration of the Budget

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

Accounting method

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

Fiscal year

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

Funds

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

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

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

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

- **Capital Improvement Fund (for capital projects)**: The Capital Improvement Fund—a major fund—is a separate fund used to receive transfers of funds from the general fund and other one-time revenues, such as special purpose grant monies and donations. Expenditures out of the Capital Improvement Fund pay for such projects as improvements to buildings, major improvements to services, major equipment purchases that are not routine. Salaries and wages are generally not paid out of the Capital Improvement Fund.

- **Debt Service Fund**: The debt service fund—a minor fund—is used to receive any bond/debt related revenues and payments. At this time, Debt Service Fund is not considered a major fund because the Library carries no debt and is making no payments.

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

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

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

Table 1-4: Department Use of Funds

DEPARTMENT	2013 GENERAL FUND	2013 CAPITAL IMPROVEMENT FUND	2013 DEBT SERVICE FUND
Executive Office	✓	✓	
Customer Experience	✓	✓	
Materials and Reading	✓	✓	
Finance	✓	✓	✓
Information Technology	✓	✓	
Facilities Management	✓	✓	
Marketing & Community Relations	✓	✓	
Fund Development	✓		
Staff Experience	✓		

Fund Balance

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

Treasury and Banking

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

Budgeting

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

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

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

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

Budget Amendments

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

Annual Reports

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

Audits

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

- Open Public Meetings Act and reporting
- Cash receipting
- Internal control
- Agreements and contracts
- Public Work projects
- Purchasing
- Banking activities

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

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

The latest audit for the 2009 – 2010 fiscal years concluded with its exit interview on January 11, 2012. Auditors reported that:

- There were no significant difficulties encountered or disagreements with entity management during the audit.
- There were no material misstatements in the financial statements corrected by management during the audit.
- There were no uncorrected misstatements in the audited financial statements.

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

This concluded the 15th consecutive clean audit spanning nearly three decades (there were single-year audits). The next audit for 2011 – 2012 will commence in late 2013.

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

Financial System

Tyler Technologies' "Eden" products are used to manage the Library's finances, accounting, human resources, and other administrative tasks. Eden was implemented in 2007; the prior system, SunGard BiTech IFAS, had been in place since summer 2002. Prior to that, the Library contracted with Pierce County for accounting and human resource systems. In fall of 2011, the Library began implementing electronic timesheets for staff to use when recording their work hours.

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

Strategic Planning & the Balanced Scorecard

Family checking out books at the new Fife Library

Strategies to Meet Fiscal Challenges

Figure 1-10: Revenues vs. Consumer Price index-Urban (CPI-U)
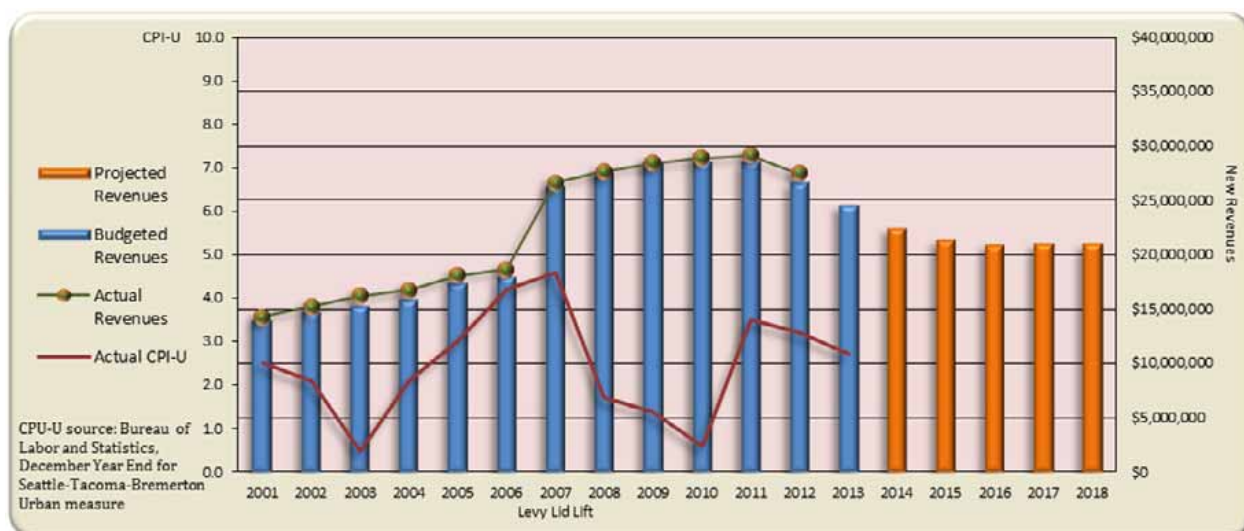
Fiscal Reality

The above chart shows budgeted new revenues, projected new revenues, actual new revenues (green line), and the Consumer Price Index Urban (CPI-U, red-line). The fiscal challenge facing the Library is that revenues are declining or flat over the next five years, while cost increases do not abate. At the end of 2012, the CPI-U from December 2011 to December 2012 was 1.4% for the Library's region. Actual revenues received were slightly higher than budgeted revenues because the Library maintains a conservative and responsible practice of not overestimating revenues.

Long-Term Outlook—2014 and Beyond

It is generally believed that the current fiscal reality is the new reality and is permanent. Growth in property values will not return to levels seen in the 1990s and 2000s. To determine future property values, the Library used the Case-Shiller index for all of Pierce County (Case-Shiller data is purchased from Moody's Analytics). The Library originally projected that after 2017, property values in Pierce County will increase nominally at up to a 2% per year rate. However, the Library is looking at using the Case-Shiller data for projections and is creating trend analysis to match this data with actual property value assessments. At the end of 2013 we will know how accurate the Case-Shiller data compares to the Treasurer-Assessor's levy certificate.

The all-cities (national) Consumer Price Index (CPI) is expected to increase by 9.54% between December 2012 and December 2015. Per the chart below, the national CPI is expected to rise for 2013 and is estimated between 2.26% and 3.35% with 80% forecast accuracy. In 2014, the range is between 1.26% and 4.36% with 80% forecast accuracy.

Figure 1-11: National CPI Trend

Note: Regional CPI for Seattle-Bremerton-Tacoma is not the same as the national CPI; the regional CPI can greatly vary from the national CPI. However, over time the trend is similar. Because forecasts for the regional area are not available, the national version is used to generally understand where consumer prices, and therefore library costs, are headed. Some of our contracts are out of state, for example, so costs around the nation will affect our costs differently than local suppliers.

The national housing price index is forecasted to grow by an average of 1.86% per year (source: Financial Forecast Center). Regionally in Pierce County, this is likely a high forecast because Pierce County housing values have been hit particularly hard compared to the rest of the nation. The Library is reviewing the data from Case-Shiller to more accurately predict housing values in the Library's taxing district.

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

Strategies for Addressing Fiscal Challenges

Many strategies are discussed in this document, including efficiencies, cost control, and techniques for budgeting closer to actual costs (e.g., personnel). Other efficiencies were attained to prepare us for 2014. Each year is studied carefully and costs weighed to balance between reductions and services. Strategies include:

- Increasing non-property-based tax revenues.

- Reviewing the salaries planning budget and comparing it to actual project costs to thoughtfully factor in personnel turnover, such as unfilled positions.

- Analyzing and proposing cash reserves for closing the gap to balance the budget after all efforts were taken to reduce costs, and any further cost reductions would reduce services and affect customers.

- Implementing efficiencies.

- Evaluating return on investments, especially in the Capital Improvement Fund, to ensure that the projects implemented are the projects with clear benefits, quantifiable in terms of savings or reductions in recurring costs, or promoting and communicating clear customer service improvements in accordance with Library priorities.

- Conducting studies (outlined below).

Strategic Studies

A key strategy for 2013 is conducting broad-based studies of library operations. Examples of these studies are:

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

- Surveying our customers to understand what they value and what is less important.

- A feasibility study for implementing a contact center concept that improves the Library's efficiency to respond to customers.

- Recasting the Balanced Scorecard to function equally well during times of harsh economic downturns. (The Balanced Scorecard was created during times of increased revenue, including the 2006 Levy Lid-Lift).

- Analyzing staffing and operations to further cost savings.

- Assessing ongoing facility conditions and future capital needs.

Balancing the 2013 Budget

A major task for the 2013 budget was to address the $3 million budget reduction. Revenues came in at $2.5 million less than in 2012 and expenditures were projected to add $600,000 to the budget problem. The Library addressed the $3 million reduction by…

- Reducing the materials budget................$1,000,000
- Using cash reserves.......................................807,000
- Reducing the capital transfer........................309,000
- Increasing the adjustment to personnel.......192,000 costs to match projected actuals
- Eliminating bookmobile service....................180,000
- Adjusting payments for health care..............301,000 and retirement costs to match actuals
- Eliminating a management position.............110,000
- Net of all other changes...............................101,000
  TOTAL..$3,000,000

General Library Strategies

See the next section regarding the Balanced Scorecard.

Strategic Framework Using the Balanced Scorecard

THIS SECTION WILL BE WHOLLY REPLACED IN 2013 USING THE NEW STRATEGIC FRAMEWORK. IT IS PROVIDED ONLY AS A REFERENCE.

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

                    --David P. Norton, September 2004

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

The Balanced Scorecard was developed at Harvard University and has been in use since the 1990s in the for-profit sector as well as by government agencies, including the State of Washington. Many libraries now use this planning, reporting and decision-making tool.

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

- Customer (Serve the Customer)

- Internal Processes (Run the Business)

- Learning, Innovation and Growth (Develop Employees)

- Financial (Manage Resources)

Pierce County Library is now entering its 7th year in using this system. The Library's system-wide Balanced Scorecard has been a part of the budget process since inception and has been documented in the budget each year. It played a key role in crafting the Levy Promises. See the figure below for the Library's Balanced Scorecard process.

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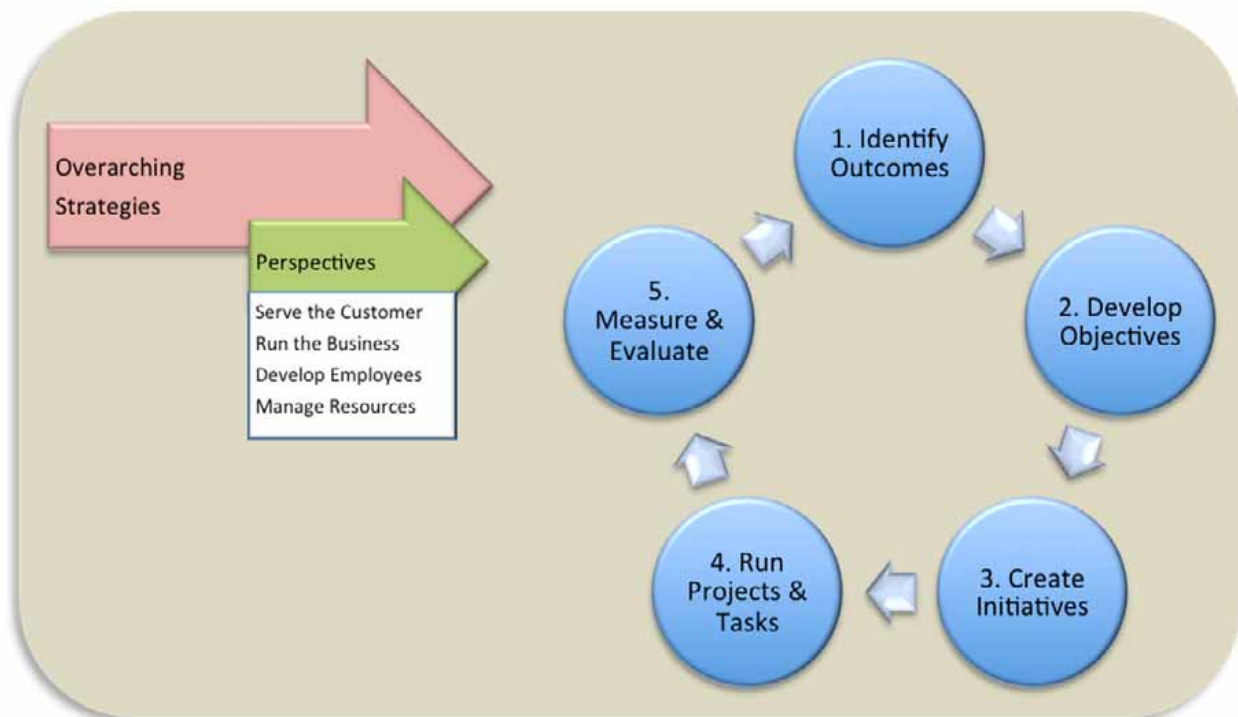
Overarching Strategies

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

- Remove access barriers

- Extend service to target populations

- Meet changing marketplace needs

- Serve the customer well

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

Intended Outcomes

To guide the development of objectives, the Library inserted a step into the Balanced Scorecard: establish outcomes by applying elements from the outcome-based evaluation process. The Library views outcomes as general statements about the Library's effect. Objectives are set as actions to accomplish outcomes.

Objectives and Initiatives

Management develops objectives and initiatives for service and action. These apply to the four perspectives listed below. Initiatives for the system can be multi-year implementations. Many initiatives are designed and implemented to change the culture of the organization. Examples of initiatives are listed below.

Measurements

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

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

In 2011 the Library purchased software that will assist in capturing, storing, and reporting accurate operational and performance data, choose objective metrics from among this data, and then set and

monitor goals for improvements for the system and its departments. The new software will reduce the time it takes to manage and organize the data.

Customer Perspective: Serve the Customer

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

1. Help me get started

2. Get me unstuck

3. Keep me interested

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

Learn, Innovation & Growth Perspective: Develop Employees

The Balanced Scorecard starts with organizational readiness: "How will we sustain our ability to change and improve in order to achieve our vision?" In a world of rapid and constant change the Library must be in a continuous learning mode to adapt quickly to changing needs, to interests and demands of the public, and to how work is performed. The ability of staff to creatively approach work processes, to adapt to change and innovate is critical as the economy changes the environment in which we work and provide service. An example of "The Learning Culture" was the Library's concept of implementing Learning Plans for all employees. This initiative began in 2010 and the first round of learning plans was laid down in early 2011. Each learning plan is designed specifically for an employee with the guidance of his or her supervisor/manager. Goals for learning are discussed, established, documented, and monitored in the context of organizational needs.

Financial Perspective: Manage Resources

As evidenced throughout the budget document, the Library faces considerable fiscal challenges in current and coming years. Having projected this reality several years ago, the Library greatly emphasized the need to implement efficiencies and cost savings in its operations without affecting services, if not improving service delivery. See the Efficiencies discussion below for examples of this Balanced Scorecard Perspective in motion. Finally, given that tax revenues are decreasing, the Library has committed to increasing non-tax revenues. An example of this is the Foundation's commitment to increase its fund raising activities by $20,000. This commitment is reflected in the 2012 budget.

Internal Processes Perspective: Run the Business

This perspective goes hand in hand with the other three perspectives; it specifies how we do things. Process modernization and technology are heavy aspects to the Library's implementation of this perspective. The Executive Director's 2012 four priorities speak highly to this. Organizational skills, such as project management, project portfolio management and other techniques are a key part to improve the effectiveness and make predictable the outcome of tasks and projects. The Library invested in developing project management skills by creating its Project Toolbox (crafted after the Project Management Institute's Book of Knowledge) two years ago, and then trained its managers in multiple project management in 2011. As important, part of improving internal customer focus was to implement improved management coaching skills. To this end, throughout 2011 the Library invested in coaching workshops and training, and the Library is committed to applying these skills in 2012 for staff to provide better service among each other.

Diagrams & Visuals

The following pages show graphical figures of the Library's Balanced Scorecard.

Update

In 2012 the Library will be updating its Balanced Scorecard to reflect progress and current directions and service needs.

Grandma's Piano

I have been untouched for years,

My sound...........

Still graceful as a wave

Beautiful as a sunset, over the water.

Yet no one will hear me...

I sit in the corner,

watching familiar faces pass me by, day after day.

Am I just a decoration to please people?

Will only dust touch me? Or will I actually be presented to the world,

With my sound

_____

Taylor Holland
Eatonville Middle School

2012 Our Own Expressions
7th & 8th Grade Poetry Winner—2nd place

Figure 1-13: New Strategic Framework

We value…Customer service excellence

Our Results

We value…Freedom of expression and free flow of ideas

We value…The diversity of people we serve, their opinions, capabilities, needs, and interests

Pierce County Will Be…

A Thriving Community Where Knowledge Grows

PCLS Will…

- Be a valued community asset
- Be engaged in the life of our residents and the community
- Make a difference one person at a time

Our Focus

We value…The power and worth of words and images

Focus

Youth	Online Customers	Adult Learners	Readers
Youth are prepared to succeed in reading, school and life	Full service online library that meets the needs of digital community	Target audience is successful at achieving their individual goals	Literate community with a passion for reading and learning

We value…Equitable access to all library resources and services

Tools

- **Customer-Focused Service:** Customer needs and community demographics guide choices
- **Collections:** Convenient access to high quality virtual and physical resources that support community's reading, viewing and listening experience
- **Community Engagement:** Partners invested in community
- **Access:** Where, when and how the customer needs it

Our Toolkit

Principles

Our Principles

We value…Responsible stewardship of public funds

Staff Development	Service	Resources
• Core Skills & Qualities	• Focus on the Customer	• Maintain Services
• Leadership Descriptors	• Provide Outstanding Up-To-Date Customer Service	• Good Stewardship
• Foundations of a Learning Organization	• Engage in the Community	• Provide Up-To-Date Future Oriented Services & Technology
		• Build a Customer Base for the Future

We value…Creative solutions by solving problems in innovative ways

Our Vision

VISION

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

We value…Our diverse, skilled, and knowledgeable employees working in a safe and stimulating environment

As of 1/2013

Figure 1-14: Original Balanced Scorecard

PIERCE COUNTY LIBRARY SYSTEM

We value…Customer service excellence

We value…Freedom of expression and free flow of ideas

We value…The diversity of people we serve, their opinions, capabilities, needs, and interests

MISSION

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

VISION

We are the community's choice for the discovery
and exchange of information and ideas

We value…The power and worth of words and images

We value…Equitable access to all library resources and services

Serve the Customer
- Become a customer-focused library
- Make all experience and resources easy and convenient
- Improve access to service and resources
- Deliver contemporary programs and services
- Improve public awareness and knowledge

Manage Resources
- Increase non-property tax revenue
- Operate cost effectively
- Invest in infrastructure
- Maintain sustainable operation

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

Run the Business
- Improve ability to implement projects and change
- Improve communication
- Develop an internal customer focus
- Improve the delivery, use, and application of technology
- Modernize business processes

Develop Employees
- Create a learning culture
- Support knowledgeable employees with up-to-date skills
- Attract and retain a talented and diverse workforce
- Build a positive work environment

We value…Responsible stewardship of public funds

We value…Creative solutions by solving problems in innovative ways

We value…Our diverse, skilled, and knowledgeable employees
working in a safe and stimulating environment

Revised 1/2/08

Figure 1-15: Outcomes, Objectives, and Measures

REPLACED IN 2013 WITH NEW SYSTEM

The Library is halfway through replacing its existing measurement system with a new system that is data-driven. Civic Technology's Community Connect system and a suite of Counting Opinions systems are being used to enter, store, and manage library and related data. These data-driving systems help the Library see wide-ranging demographic information regarding our community and services. Along with the release of the New Strategic Framework, processes to create and measure outcomes and objectives will be designed.

A Board of Trustees dashboard was delivered in December 2012 and is updated and delivered each month. An example is provided on the next page. Similar dashboards will be created for departments and the Library as a system.

Figure 1-16: Performance Dashboard Given to Board of Trustees

CUSTOMER SERVICE/PHILANTHROPY DASHBOARD - JANUARY

VISITS

Year-To-Date Comparison

*Catalog visits tracking began June 2008

	January		
	2012	2013	% Change
Door Count	204,061	205,553	0.73%
Catalog	200,515	190,761	-4.86%
Website	237,832	221,448	-6.89%
Job & Business Portal	1,351	3,474	157.14%
Military Portal*	0	175	NA
Total	643,759	621,411	-3.47%

*Launched March 2012

CHECKOUTS

Year-To-Date Comparison

	January		
	2012	2013	% Change
Checkouts	664,830	604,378	-9.09%
eBook Downloads	46,574	53,049	13.90%
Total	711,404	657,427	-7.59%

CUSTOMERS

Year-To-Date Comparison

	January		
	2012	2013	% Change
Active Cardholders	255,123	254,010	-0.44%
New Cards	4,903	3,674	-25.07%
Checkout Transactions	105,085	101,522	-3.39%
Unique Users	49,043	45,322	-7.59%

PHILANTHROPY

Year-To-Date Comparison*

*Foundation Fiscal Year is July through June

	January		
	2012	2013	% Change
Foundation Donors	103	77	-25.24%
New Foundation Donors	31	23	-25.81%
$ Raised by Foundation	$15,461	$91,865	494.17%
$ Provided by Friends	$0	$0	NA

BRANCH CLOSURES

2012		**2013**	
Snow Closures	1/17-1/23 (7 Days)	Key Center	1/1-2/3 (34 Days)
Bonney Lk	2/13-2/26 (13 Days)		
Graham	3/21-4/5 (15 Days)		
South Hill	4/9-5/6 (27 Days)		
Tillicum	7/3-8/5 (33 Days)		
Sumner	7/30-9/3 (35 Days)		
Summit	9/17-9/30 (13 Days)		
Steilacoom	10/17-11/14 (28 Days)		
Bookmobile Svc. Ended	11/11		
Key Center	11/14-12/31 (47 Days)		

Book23/4/2013

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

Table 1-5: Strategic & Budget Planning Process

| Month	Strategic Tasks	Board Tasks (PKT / MTG)	Fiscal & HR Tasks
JANUARY			· (JANUARY 1) Fiscal year begins · Previous fiscal year closed
FEBRUARY		· Published budget document	· Finance Department finishes out previous fiscal year
MARCH			· First estimate of ending fiscal year performance
APRIL			· Final corrections made to previous fiscal year · Draft annual report created and distributed to Communications Department
MAY		· Previous fiscal year report · Review previous fiscal year report	· Final annual report sent to State Auditor
JUNE		· Mid-year budget, CIP, and cash flow	· Mid-year budget process begins; budget papers sent out · Preliminary assessment of property tax assessments announced by County; mill rate estimated · Mid-year budget papers received; budget created; decisions made
JULY		· Mid-year budget, CIP, cash flow, budget & CIP resolutions · (ACT) Approve mid-year budgets	· June-June CPI-U from BLS available; Union informed · Mid-year budget entered into financial system · Next fiscal year's budget calendar created
AUGUST		· CPI-U information, next fiscal year budget calendar · Board reviews budget calendar	· Benefit information received from providers · Fiscal year budget process begins; budget papers sent out with instructions · Estimated budget created
SEPTEMBER	NEW STRATEGIC FRAMEWORK IMPLEMENTATION	· Estimated budget · Board reviews estimated budget; discuss budget priorities ·	· Every three years (2009, 2012, 2015): Labor Contract negotiations commence with intent to end 12/31 · Managers submit budget proposals · Managers present to budget panel · Budget panel makes budget decisions · Preliminary certificate of property tax levy received · Balanced budget, CIP, cash flow created
OCTOBER		· Balanced budget, CIP, cash flow, Director's message · Board reviews balanced budget, CIP, cash flow; provides feedback	· Budget decisions made; second draft of budget created; budget document draft begun · Certificate of property tax levy received · Budget document reviewed by budget team & amended · Benefit package created and sent to staff
NOVEMBER		· Second versions of balanced budget, CIP, cash flow, and budget document · (ACT) Board conducts first public hearing of budget; provides feedback; Board reviews and approves motion to certify property taxes to be levied for the following year	· Benefit enrollment month · (NOVEMBER 30) Deadline to file tax levy resolution/budget certification to County · Deadline to file IPD/tax increase resolution · Third draft of budget created; budget document completed
DECEMBER		· Final versions of balanced budget, CIP, cash flow, and budget document · (ACT) Board conducts second public hearing of budget; Board adopts resolutions to adopt fiscal year budget and CIP; Board approves motion to certify property taxes to be levied for the following year; final fiscal year transfer to CIP · (ACT) Board may conduct special meeting(s) to approve budget changes	· Managers notified to complete current year transactions by mid-January (equip received by end of December) · County may send revised levy certificate; Library recommends Board to act on it (or not) if material; if so, schedule a special Board meeting to approve revised budget and certificate; revised certificates sent to County · Budget entered into financial system; budget document in final draft form · Benefit enrollments processed · (DECEMBER 31) Fiscal year ends

LEGEND

PKT = Board packet materials   CIP = Capital Improvement Plan   MTG = Board of Trustees meeting
IPD = Implicit Price Deflator   ACT = Action required   CPI-U = Consumer Price Index-Urban   AT = Administrative Team
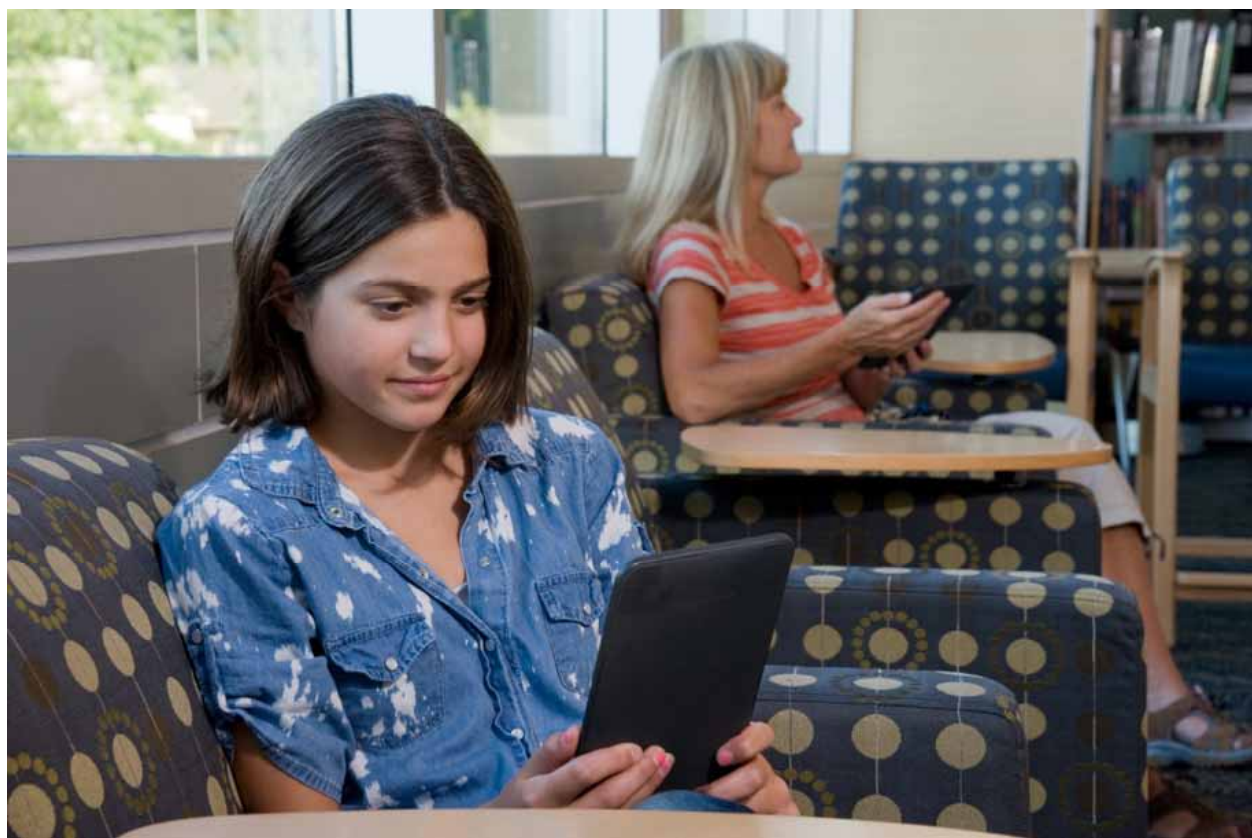
Part 2 Library Services
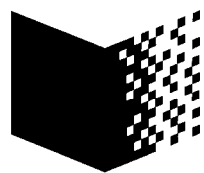
Pierce County
Library System

INFORMATION ■ *IMAGINATION*

2013 Services

Daughter and mom reading library-downloaded e-books at the University Place Library

Message from the Deputy Director

The "economic downturn" is now the "economic norm" as Pierce County Library enters its fourth year of cuts to the Library's operating budget. Between 2010 and 2013, the Library reduced its budget by $6.4 million. As the Pierce County community continues to adjust, cope and learn to succeed in the new economic environment, the Library's priorities include maintaining the quality core services our communities value, and supporting individuals and families who are challenged by the economy.

The Library continues to reduce costs, improve efficiency and make careful choices in the best interest of the tax payer in order to limit the impacts felt by customers. After four years of reductions, each year brings harder choices. In 2012 Pierce County Library needed to confirm with residents what their priorities are for Library service.

Surveys and focus groups were used to determine the library services residents use and value most for their families and for the greater community. Their answers helped inform choices the Library needed to make to address a 9.25% decrease in property tax revenue for 2013.

Georgia Lomax, Deputy Director

The community told the Library that while they value many things, their top priorities for the Library to focus on are reading, early learning, helping students succeed in school, providing customer service and offering an online library. As a result, in 2013 we will focus on these areas, paying particular attention to youth, digital users, adult learners, and readers.

Here's a quick look at what to expect at the Pierce County Library in 2013:

Open Hours

Pierce County Library will not reduce open hours, and will continue to be open 973 hours each week through its 18 locations, as well as providing 24/7 access to resources, including downloadable books and music, at our online library.

Early Learning – STEM (Science, Technology, Engineering and Math)

Remember having fun with building blocks as a child? Did you know you were preparing yourself to be good at learning and reading?

Teachers of young children have long known, and research supports, the incredible value of open-ended block play. Through block play, children gain understanding of shape, size, measurement, balance, weight, stability and gravity. Through trial and error they discover pattern, mapping, and the value of planning. When children build together (or with an interested adult) they learn cooperation, patience, a respect for the contributions of others, as well as vocabulary and storytelling (think of children building a town together and then creating the life of that town).

Pierce County Library System is excited to offer rich early learning experiences through *Block Play* in 2013, with start-up funding provided by community member's donations to the Pierce County Library Foundation.

Seven libraries will work with local Early Childhood Education and Assistance Program (ECEAP) classrooms to launch the *Block Play* program. The collaboration will allow the assessment of children's growth and learning over a six month period as a result of this program. The libraries will also offer monthly "Block Parties" for the public as well as use the blocks for free play time after Story times. The Block program is designed to help give all children and families access to foundational STEM learning, especially those who lack access to expensive high-quality STEM education.

Reading

You know about James Patterson and Nora Roberts, but have you heard of Tess Gerritsen or Beverly Barton? Library staff want to help you find the interesting books and authors we buy for you that you have yet to discover. In 2013 we're going to give extra attention to ways to connect readers with good books and new authors, and encourage exploring and

enjoying the wide variety of information and entertainment that our 1.3 million book collection, in whatever format, offers.

Online Library

While our branches are busy with more than 2.5 million visits each year, even more people (nearly 2.65 million) are visiting the Library online. The Online Library, www.piercecountylibrary.org, has resources, help and downloadable books for visitors. This year the Library plans to learn more about the experience customers desire when they use the Online Library, and make sure the services offered through this "branch", are valued and meet its customer's needs, just as services in community branches do.

Students

The Library will continue its work with schools in order to reach kids, teachers and adults who work with youth, and to offer resources and learning opportunities that help students succeed. Building on existing partnerships with school districts and schools, the Library will continue to collaborate to reach more children and introduce them to resources, like research databases and tutoring, that will help them in school and for fun.

Customer Service

Behind the scenes, the Library works to ensure its customer service foundation is strong, and priorities are clear so time and resources are focused on providing the services that bring the most value to you, your family and the community.

Service Changes as a Result of Revenue Reductions

In 2013, the Library will receive $2.5 million less than in 2012. Two service areas will be most impacted by the budget cuts.

Bookmobile Service

Sadly, Pierce County Library bookmobiles made their last run November 11, 2012. Community bookmobile service was significantly reduced in 2012 because of the cost of operating the aging vehicles in today's economy and the variety of other options customers have to access library services. After 2 years of analysis and consideration, the Library made the difficult decision to bid farewell to its steadfast vehicles – Bluebird, Gertie and Explorer.

Sally Porter Smith, Customer Experience Director, summarized this decision well when she recognized Community Outreach staff and thanked them for the service they have provided to Family Bookmobile and Explorer customers over the years:

"In 1947, one year after the System was established, 37% of the books, records, and magazines that people checked out were from the bookmobile. Bookmobiles brought services to communities without libraries as well as to underserved populations. Bookmobile service helped create communities of customers as new libraries were built. As recently as 2010-2011, bookmobile service supported the Fife community as their first library was built. And Explorer will provide the Key Peninsula community a much needed option for library service as the Key Center Library undergoes a small construction project.

Access to the Pierce County Library System has changed significantly since 1947. What has not changed in the past 65 years is the commitment and dedication of Community Outreach Services staff in delivering high quality service to the homebound, those in care facilities and underserved populations."

While Gertie will no longer rumble down a country road, the Library will still serve the entire community, including those who live in rural or isolated areas, or who have challenges in using the Library, though the delivery methods will be different and designed to be sustainable in today's financial reality. Customers and communities will be served by smaller vehicles, or through partnerships with schools or local organizations, and with the help of local branches close to individuals in need. The Online Library and service by phone are also available to all.

Books, Movies, Music and Other Materials

In 2013, the Library's book budget will be reduced by 25%, from $4.2 million to $3.1 million. A team of staff spent three months analyzing and identifying specific cuts within the materials budget and ways to redeploy funds, reduce duplication and ensure the money supports the needs and interests of the community.

The largest cut will be to entertainment DVDs. While the Library will still purchase the same range and variety of titles, it will buy fewer copies of each title, which may mean a longer wait, especially for popular new releases. Since the Library is one of many options individuals have to get movies, while it is important for the Library to offer DVDs, other sources are better able

to fulfill immediate or quick access to best sellers. For customers who do not need to see a movie on its release date, or who cannot afford to rent a movie, they will still be able to find them at the library. There just may be a wait before they get them.

The other area significantly reduced is eBooks. The Library is committed to offering this new format and is actively building its collection of downloadable books and audio books, but limitations by the publishing industry result in not enough eBooks being available for the Library to buy. We have been unable to spend the budget set aside for this popular format, so have reduced it to reflect what is actually available until the situation changes.

2013

While the economy challenges the Library, Pierce County Library continues to work to offer high quality core services valued by the public, excellent customer service and future-oriented technology, service and experiences that communities and customers expect.

In 2013, you will find help for job seekers, a place where families can find free activities and entertainment, where students are supported in their learning, where individuals have access to the Internet and email, where books, music, magazines and movies can be borrowed rather than bought, and where knowledgeable, helpful staff are ready and eager to help you find an answer or a good book, or to support you with whatever you need as you read, learn and explore.

Sincerely,

Georgia Lomax
Deputy Director

System Measures: 2006 – 2012

In 2007, the Library's mill rate was raised to 48 cents per $1,000 assessed property value when voters approved a levy reauthorization request. With those added funds, the Library promised that it would:

1. Increase open hours to expand access to staff, books and resources, and facilities;

2. Add books and other materials to support reading and life-long learning;

3. Increase services for youth to support reading and building skills to succeed in school and prepare for the future; and

4. Improve customer service and technology to ensure services and technology is convenient, fast and up-to-date.

The Library continues to monitor statistics related to the levy promises, as well as to understand how its services and resources are being used so that it can adjust services to best meet the community's needs.. The following tables show the Library's performance in areas related to Levy promises. During 2013 the Library will be evaluating and revising its measurements.

Table 2-1: System Measures Overview

Measureable		2007	2008	2009	2010	2011	2012
Service Area[1] Population		509,000	522,000	534,000	554,000	560,000	555,000
Mill Rate Levy (per $1,000 Assessed Value)		48¢	44.25¢	44.33	46.95	50.00	50.00
Operating Expenditures	Per Capita	$44.91	$49.29	$44.72	$50.83	$51.56	$47.63
	Total	$22,854,133	$25,730,288	$24,775,015	$27,142,643	$28,564,891	$26,432,186
Open Hours		918	918	918	926	973	973

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

Invisible

No one looked, no one saw, no one seemed to see.
No one listened, no one heard, no one seemed to hear.
With tear stained cheeks he sat alone. He felt displaced and scared.
Still no one noticed, no one came, no one even cared.

With shoulders drooping, eyes downcast, his legs didn't seem to move,
But rather stayed glued to his chair; the place he lived, but feared.
He was below "they" were above. He felt shamed and unwanted.
Others stood and walked away leaving him behind and haunted.

At three feet tall he couldn't meet the gaze of people's eyes,
So gathered strength with all his might and wheeled himself around.
A war rose up within his soul. A fight for being "normal."
With one deep breath, he could not stand, but screamed "Invisible!

_____

Noelle Oppenhuizen
Covenant High School

2012 Our Own Expressions
11th & 12th Grade Poetry Winner—1st place

Levy Goal 1: Expand Open Hours

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

Table 2-2: Library Use Statistics

Measureable		2007	2008	2009	2010	2011	2012
Visits to Libraries (Door counts)	Per Capita	3.86	4.37	4.92	4.84	4.71	4.52
	Total	1,966,837	2,280,289	2,624,887	2,682,141	2,631,464	2,507,764
Active Cardholders	New	41,476	51,135	54,634	50,566	55,775	55,495
	Total	193,234	212,831	240,629	244,650	250,290	251,034
	% of Population	37.9%	41%	45%	44%	45%	45%
Unique Customers[1]	Total	104,710	115,778	149,806	124,771	126,820	155,869

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

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

- Add Sunday services to 9 libraries.

- Add full Monday services to 11 libraries.

- Extend Thursday evening services to 6 libraries.

- Extend hours for Monday through Saturday services to 3 libraries.

Red All Star by Dallas Martin
2nd Place 7th/8th Grade Winner of the
2012 Our Own Expressions Photography Contest

Levy Goal 2: Add Books and Other Materials

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

Table 2-3: Materials Statistics

Measureable		2007	2008	2009	2010	2011	2012
Materials Expenditures	Per Capita	$8.49	$7.85	$8.42	$8.23	$8.24	$7.47
	Total	$4,320,675	$4,398,545	$4,495,037	$4,556,650	$4,614,145	$4,146,795
Items Checkout	Per Capita	11.50	12.65	14.73	15.8	15.2	14.7
	Total	5,869,805	6,603,498	7,865,324	8,762,736	8,534,808	8,161,990
Downloadable Checkout	Total	14,774	29,943	55,310	107,053	268,990	539,582
Checkouts Per Customer	Average	56.0	57.0	52.5	70.2	67.3	52.4
Catalog Visits	Total	200,089	815,445	2,031,062	2,391,263	1,618,938	2,207,068

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

- Add more copies of popular materials to reduce wait time for books.

- Add a wider variety of books, movies, music, and other materials.

- Add downloadable audio books, music, and movies.

- Create and provide "Books Plus To Go" of popular, current books at all libraries.

Figure 2-1: Annual Circulation History: 1946 - 2012

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

Levy Goal 3: Increase Services for Youth

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

Table 2-4: Youth Services Statistics

Measureable		2007	2008	2009	2010	2011	2012
Live Homework Uses	Total	3,707	11,262	11,132	14,321	11,581	7,303
Children/Teen Items Checkout	Total	2,121,503	2,504,464	2,762,714	2,136,459	2,265,353	2,185,356
Children Events/Classes	Total	2,012	3,157	3,411	2,972	2,749	2,548
	# Attending	60,442	90,219	99,367	88,488	90,225	82,265

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

- Significantly increased the number of youth services librarians and availability at libraries to support reading and homework research.

- Added more programs and training to help parents and caregivers support and prepare preschool children for success in school.

- Added more service to schools, including class visits and book talks.

- Add the successful Teen Summer Reading Program.

- Added an online homework help system to connect kids with online tutors.

Young boy participating in Lego Madness at the Buckley Library

Levy Goal 4: Improve Customer Service and Technology

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

Table 2-5: Service and Technology Statistics

Measureable		2007	2008	2009	2010	2011	2012
Public Computers	Total	175	239	241	384	527	567
	Per 1,000 Capita	0.34	0.46	0.45	0.69	0.94	1.02
Web Visits	Total	728,399	1,673,954	2,556,007	2,955,758	2,880,420	2,644,376
Computer Classes	Total	16	551	175	381	380	379
	# Attending	44	803	749	1,780	1,800	1,919
Reference/Research Questions Answered	Per Capita	0.55	0.58	0.51[1]	0.45	0.45	0.26
	Total	278,915	300,875	267,352[1]	249,177[2]	250,000[2]	146,318[2]
Database Uses	Total	52,448	89,418	139,776	912,762	900,000	539,224

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

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

- Provide WiFi connectivity in all libraries and meeting rooms.

- Significantly increase the number of Internet access computers available to the public (see the table above, showing a 5-fold increase).

- Increase the number of Express Checkout stations at libraries.

- Increase network bandwidth.

Brass Knuckles

Cold, cruel and hard.
The brass knuckles glinting in the lamplight. Merciless, heartless...
The brass knuckles standing out against black pinstripe.
Unsympathetic, harsh, horrid...
The brass knuckles whizzing through the
inky shadow, toward the helpless hands
raised in prayer.
Red, warm and stony.
The brass knuckles dripping in the cool night,
staining the bricks below.
Polished, gleaming, hungry.
They will wait in the pocket until tomorrow,
when again they will glint in the lamplight,
cold, cruel and hard.

_____
Penny Mae Rhines
Home School

**2012 Our Own Expressions
7th & 8th Grade Poetry Winner—3rd place**

54

Operating Lean

Illuminate by Katherine Meikle
1st Place 11th/12th Grade Winner of the 2012 Our Own Expressions Photography Contest

Operational Changes for Efficiency, Savings, and Improvement

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

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

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

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

- *Stop* what is no longer important, necessary or valued by the customer

- *Automate* or use technology and time saving tools

- *Work* differently to improve on how things are done

- *Empower* customers to help themselves

- *Renegotiate* better terms for similar or improved service

- *Generate* revenue to supplement tax-provided funding

As the Library developed the 2013 budget, knowing that a $2.6 to $3 million cut was necessary, staff were surveyed for ideas on cutting costs and saving time. Many were implemented during the year. The tabl3es in the following pages provide a selection of operational changes implemented in 2012.

Teen using Pierce County Library's Online Homework Help at home

Table 2-6: Efficiencies—Stop

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS 2012	SAVINGS 2013
5/2012	Stopped printing the day of week on holiday closure signs and posters	• Reduces design staff time by 30 minutes/holiday • Posters/signs can be used more than once • Saves materials and waste	Marketing & Community Relations	2.5 hrs/yr	4.5 hrs/yr
3/2012	Stopped advertising in Dex phone books (print & online)	• Eliminates advertising fee	Marketing & Community Relations	$1,622	$2117
7/1/12	Stopped repairing old, outdated computers with no value or resale value	• Reduces IT Tech time spent updating and fixing old equipment (3 hrs/month)	Information Technology	18 hrs/yr	36 hrs/yr
2012	Eliminated use of holds and transfer slips	• Eliminated 2 steps in holds processing process • Eliminated storage and handling of paper in branches • Reduced paper waste in branches	Customer Experience	2,100 hrs/yr	2,100 hrs/yr
2012	Reduced duplication of print and electronic reference materials	• Reduced budget while maintaining access to reference materials	Customer Experience	$22,000	

Table 2-7: Efficiencies—Automate

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS	
				2012	2013
5/1/2012	Replaced postcard printer with more reliable, standard model	• Decreased staff time redoing post cards (1 hr/mo) • Improved readability for customers	Information Technology	8 hrs/yr	36 hrs/yr
1/1/2012	Upgraded Wi-Fi system	• Enhanced reliability reduced maintenance needed (3 hrs/mo) • More reliable experience for customers • Enhance reporting capability • More access points for customer use • Broader reach to areas in buildings	Information Technology	36 hrs/yr	36 hrs/yr
8/1/2012	Implemented Internet filtering with a software service	• Reduced the number of servers by 18 (Servers will not be replaced in 2013 as scheduled. Saves $3000/server)	Information Technology	$0	$54,000
6/1/2012	Implemented Basecamp Collaborative Software	• Increased coordination, collaboration, communication and improved project management for IT Projects • Saves staff time by consolidating work in one place (1 hr/wk)	Information Technology	30 hrs.	52 hrs.
5/1/2012	Implemented "virtual machine" (VM) servers	• Eliminated 20 physical servers and need to maintain and replace equipment ($3000 per server) • Saves staff time by providing quick and easy ability to configure virtual servers from any location • Saves electricity • Lowers cooling load	Information Technology	$60,000	$15,000
6/1/2012	Installed temperature alert/power monitoring	• Saved staff time (1 hr/mo) • Enhance the ability to monitor power status and temperature at branch locations • Quicker response to temperature/power issues in branches	Information Technology Facilities	7 hrs.	12 hrs.
6/20/12	Implemented Raiser's Edge, fund raising software	• Eliminated some banking fees for donations made by credit cards • More robust fundraising capability	Fund Development	$250	$ 1,000

Automate—Continued on next page

Automate—Continued from previous page

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS	
				2012	2013
6/20/2012	Relocated Foundation webpage and fundraising software to "the cloud"	• Eliminated one physical server and need to maintain and replace equipment ($3000 per server) • Saves IT Support time • Saves electricity • Lowers cooling load	Information Technology	$3000	$0
9/2012	Installed security monitors on exterior HVAC units at 7 libraries	• Stop damage due to copper theft for a total of 27 HVAC units (repair costs are $8000/unit)	Facilities	$8,000	$8,000
1/2012	Implemented online recruiting, applicant tracking, scheduling hiring software (OpenHire)	• Reduced time from job posting to hire • Saves staff time through applicant self- service, templates & auto-notification (5 hrs/posting) • 24/7 access for applicants • Time savings allows SE staff to "add value" in support of hiring supervisors	Staff Experience	330 hrs/yr	250 hrs/yr
2011	Offered Teen Summer Reading as an online program	• Doubled participation by teens • Eliminated most printing costs	Marketing and Community Relations	$3,000	$3,000
2012	Increased and continued transitioning *Our Own Expressions* teen contest from a paper to online submission process and automating administrative processes	• 80% of entries submitted online • Reduced staff time in tracking submissions, facilitating judging process (distributing and summarizing judges' results), reporting results and preparing documents for publication	Customer Experience	30 hrs/yr	30 hrs/yr

Table 2-8: Efficiencies—Work Differently

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS 2012	2013
6/1/2012	Stocked IT vans with equipment needed to complete most work orders on first visit to branch	• Reduces staff time by eliminating extra trips between PAC and branches • Saves gas. • Reduces time IT equipment in branches is unavailable for use	Information Technology	28 hrs/yr	52 hrs/yr
4/1/2012	Laptop labs updated by Branch Staff	• Saved Senior IT Tech travel time (5 hrs/visit/location) • Saved gas and mileage costs • More frequent updates provide improved customer experience	Information Technology	80 hrs.	120 hrs.
8/1/2012	Produced Library and Foundation Annual Report as an online document	• Eliminates printing cost and materials • Saves staff printing time • Wider distribution by email and listserv • 24/7 access	Marketing & Community Relations	$2,180	$2,500
12/2012	Produce and access Board of Trustees meeting packets digitally instead of as printed documents, and archive electronically	• Reduced staff time to create, copy, mail meeting packet (7 hrs/packet, 14 packets/yr) • Eliminated materials, postage and binding costs • Improved convenience and accessibility – full content on website and available 24/7	Executive Office	98 hrs/yr $426.27	98 hrs/yr $430
1/2012	Cross trained existing staff to substitute as delivery driver	• Saved 156 hours in substitute staff time by reassigning staff to delivery when needed	Reading & Materials	$2,332	$2500
1/2012	Changed scheduled start times for delivery drivers	• Routes completed in the assigned number of work hours • Eliminated most substitute hours and overtime hours needed to complete daily work • More department productivity as drivers are able to help with other departmental work upon return • Branches receive deliveries in morning at a planned time, which allows proper staff scheduling • Freed staff time to manage loading dock and "in PAC" deliveries	Reading & Materials	$9500 2028 hrs/yr	$9750 2028 hrs/yr

Work Differently—Continued from previous page

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS 2012	2013
1/2012	Streamlined delivery crate sorting process during driver routes	• Reduced # of "crate lifts" • Improved ergonomics • Reduced # of crates needed to system deliveries Reduced staff time for sorting	Reading & Materials	100 hrs/yr	208 hrs/yr
8/2012	Replaced 17-year-old Sumner Library roof with one that meets energy star and LEED standards	• Reduced energy costs through improved solar reflectance and insulation • Reduced repairs and maintenance costs	Facilities	$6,380	$10,000
8/2012	Replaced 17-year-old HVAC at Sumner Library (7 units)	• Improved energy efficiency on all HVAC units, from 10.5 to 13 SEER (Seasonal Energy Efficiency Rating)	Facilities	SEER rating improved 2.5 on all units(Cost savings realized at end of year)	
8/2012	Streamlined delivery of cleaning and custodial supplies to branches using delivery and weekend lead	• Supplies transported more efficiently as part of daily delivery on weekdays and by department lead on weekends • Saved gas and travel time on weekdays • Floor crew has more time to clean branch carpets and floor	Facilities	300 hrs/yr	780 hrs/yr
2012	Increased the number of vendors paid on Purchase Cards (P-Card) by 10%. Each vendor paid by P-Card provider.	• Reduced cost of issuing individual warrants to each vendor (110 vendors/mo @ $15/ vendor warrant -- Industry Standard based on dollar savings rather than time savings. Includes staff time, machine costs, postage, etc.) • Eliminated producing IRS form 1099 to each vendor paid by P-card	Finance	$19,800	$21,780
		• Reduced staff time processing bills in departments (2 hr/mo x 7 departments)	All Departments	168 hr/yr	168 hr/yr

Work Differently—Continued on next page

Work Differently—Continued from previous page

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS	
				2012	2013
2012	Implemented single, centralized Help desk in 9 libraries with more than one public service desk	• Reduced number of staff required to staff public Help Desk while maintaining public services • Increased librarian time available to conduct outreach, teach classes, provide programs, develop services	Customer Experience	3,016 hrs/yr	3,016 hrs/yr
2012	Used color-coded holds slips to identify unclaimed holds to be pulled (pilot project, South Hill)	• Staff visually identifies by color items needing pulled without viewing each item for pull date. • Reduced time needed to pull unclaimed holds	Customer Experience – South Hill	119 staff hrs/yr	119 hrs/yr
2012	Powder-coated and reused 18 feet of surplus shelving for Key Center Library	• Eliminated need to buy new shelving • Repurposed surplus shelving • Eliminated materials from waste stream	Customer Experience – Key Center	$1,400	$0
2012	Reused 12 feet of surplus shelving for Summit Library	• Eliminated need to buy new shelving • Repurposed surplus shelving • Eliminated materials from waste stream	Customer Experience -- Summit	$1,000	$0
2012	Reused 2 surplus recessed computer workstations at Milton Library to respond to customer requests	• Eliminated need to buy new computer workstations • Repurposed surplus furniture • Increased privacy for computer users • Provided 2 larger workstations for customers Eliminated materials from waste stream	Customer Experience – Milton/Edgewood	$3,000	$0
2012	Reused office furniture to create Virtual Services Team room	• Eliminated need to buy new computer workstations • Repurposed surplus furniture • Eliminated materials from waste stream	Customer Experience	$3,000	$0
2012	Reused office furniture for staff work areas at Lakewood Library	• Created efficient workspace for SBA staff • Repurposed surplus furniture and shelving • Created Adult Services librarian work area • Improved backroom workflow and materials handling for Pages • Eliminated materials from waste stream	Customer Experience	$3,000	$0
2012	Swapped acrylic display units among the branches	• Branches refreshed their display units from items • Reused over 100 display units • Eliminated materials from waste stream	Customer Experience	$1200	$0

Table 2-9: Efficiencies—Empower

| EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS 2012	2013
1/2012	Added American Express to E-Pay accepted credit card list	• Reduced staff time as customers able to self-serve (673+ AE transactions x 5 min/transaction) • Increased number of customers able to pay online	Customer Experience	56 Hrs/yr	65 Hrs/yr
1/2012	Added Discover Card to E-Pay accepted credit card list	• Reduced staff time as customers able to self-serve (231+ Discover transactions x 5 min/transaction) • Increased number of customers able to pay online	Customer Experience	20 Hrs/yr	25 Hrs/yr
1/2012	Provide staff with direct access/self-service to payroll and job-related information through Online timesheets and Employee Services Online accounts	• Saves 20 hrs/wk PY Specialist FTE, benefits • Saves at minimum 8 hrs/mo responding to employee requests for Payroll and Staff Experience information	Finance	1,040 hrs/yr 96 hrs/yr	1,040 hrs/yr 96 hrs/yr
1/2012	Provide staff with direct access/self-service through Employee Services Online account (job-related information)	• Saves time by allowing individuals to easily access needed information rather than requiring Staff Experience staff to provide it (Minimum 10 calls/wk, 15 min/call)	Staff Experience	130 hrs/yr	130 hrs/yr
2012	Customers check out and check in DVDs from Movie Machine at Lakewood (101,008 items)	• Eliminates need for staff to check out and check in materials • Eliminates staff involvement in loading and retrieving materials from machines • Provides self-serve option for customers	Customer Experience -- Lakewood	1,683 hrs/yr	1,683 hrs/yr
2012	Customers check out and check in DVDs from Movie Machine Bonney Lake (48,466 items)	• Eliminates need for staff to check out and check in materials • Eliminates staff involvement in loading and retrieving materials from machines • Provides self-serve option for customers	Customer Experience – Bonney Lake	807 hrs/yr	807 hrs/yr
2012	Customers check out and check in DVDs from Movie Machine at Fife (33,929 items, partial year)	• Eliminates need for staff to check out and check in materials • Eliminates staff involvement in loading and retrieving materials from machines • Provides self-serve option for customers	Customer Experience -- Fife	565 hrs/yr	600 hrs/yr
2012	Customers check out and check in DVDs from Movie Machine at Graham (30,181 items, partial year)	• Eliminates need for staff to check out and check in materials • Eliminates staff involvement in loading and retrieving materials from machines • Provides self-serve option for customers	Customer Experience -- Graham	503 hrs/yr	600 hrs/yr

Table 2-10: Efficiencies—Renegotiate

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS 2012	2013
6/2012	Changed Office Supplies Cooperative Agreement from State of Washington to NIPA	• Eliminated delivery fees • Greater selection of items • Reduces need for storage space by allowing "Just in Time" (JIT) purchasing at all branches and PAC	All	$824	$1,414
3/2012	Renegotiated waiving of bank service fees for Bank of America account	• Eliminates fee on BoA banking account	Finance	$2,250	$2,700
5/2012	Bid Landscaping and changed vendors	• Reduced contract fee by $25,000 annually without reducing service level provided.	Facilities	$16,667	$25,000
8/2012	Bid Custodial Supplies and changed vendors	• Reduced cost for supplies by 12-15% annually ($500/month) • Switched to environmentally friendly, fragrance free products • Reduced waste and usage through programmable automatic hand soap dispensers provided • Reduced use of paper towels 3:1, using pre-programmed automatic dispenser • Free training on products provided to staff	Facilities	$2,500	$6,000

Table 2-11: Efficiencies—Generate Revenue

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)	SAVINGS 2012	2013
2011	Added American Express to E-Pay accepted credit card list	• Increased number of customers able to pay online (673+) • Reduced staff time as more customers able to self-serve	All	$5,295	$5,295
2011	Added Discover to E-Pay accepted credit card list	• Increased number of customers able to pay online (231+) • Reduced staff time as more customers able to self-serve	All	$1,962	$1,962
2012	Increased use of P-Cards (Purchasing cards) to make purchases.	• Increase revenue by generating approximately 1% rebate of total dollars spend on card • Better cash management • Increased investment income	All	$23,411	$15,000
1/2012	Contracted with direct mail library consortium for donor acquisition mailing	• Added 692 of the 753 new donors for 2012 • Total active donors tops 1000 for the first time • Increased financial donations by $27,672 • Saved staff time (20 hrs/wk)	Fund Development	$27,672 1040 hrs/yr	TBD 1040 hrs/yr

Part 3 General Fund
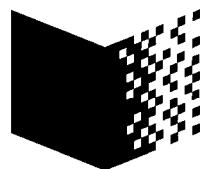
Pierce County
Library System

INFORMATION ■ *IMAGINATION*

2013 Operating Budget Summary

Table 3-1: 2013 Operating Budget Summary

	2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
FUND BALANCE				
Use of Fund Balance (cash reserves)	$ 0.00	$ 175,127	$ 807,172	360.91%
TOTAL USE OF FUND BALANCE	0.00	175,127	807,172	360.91%
REVENUES				
Taxes	27,966,607.79	25,759,758	23,701,755	-7.99%
Intergovernmental	33,006.84	5,000	0	-100.00%
Charges for Services	107,653,82	70,000	85,000	21.43%
Fines	611,458.90	615,000	615,000	0.00%
Other[1]	392,368.90	245,000	215,000	-12.24%
TOTAL NEW REVENUES	29,111,096.25	26,694,758	24,616,725	-7.78%
TOTAL AVAILABLE FUNDS	29,111,096.25	26,869,885	25,423,927	-5.38%
EXPENDITURES				
Personnel	17,943,419.96	18,710,381	18,544,997	-0.88%
Maintenance & Operations	3,949,974.46	3,057,500	3,089,520	1.05%
Materials	4,679,346.52	4,301,161	3,297,075	-23.34%
SUBTOTAL	26,572,740.94	26,069,042	24,931,592	-4.36%
SET-ASIDES & TRANSFERS				
ELECTION SET-ASIDE	$ 0.00[1]	$ 0	$ 0	0.00%
CONTINGENCY	0.00[1]	0	0	0.00%
TRANSFERS TO CAPITAL IMPROVEMENT FUND	870,406.00	800,843	492,335	-38.52%
MID-YEAR SAVINGS CAP. IMP. FUND TRANSFER	860,777.00	0	0	0.0%
SUBTOTAL	1,731,183.00	800,843	492,335	-38.52%
TOTAL EXPENDITURES	28,303,923.94	26,869,885	25,423,927	-5.38%
NET OF REVENUES & EXPENDITURES	**$ 807,172.31**	**$ 0**	**$ 0**	**0.00%**

Notes:

1. The Election Set-Aside and Contingency budget items are by design budgeted but not spent; the unused funds flow into the General Fund. Beginning with the 2011 budget, the Library identifies these items explicitly in the General Fund.

The summarized version of the 2013 operating budget is presented in the above table as a balanced budget where expenditures match new revenues and use of fund balance.

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

Revenues

Peter and Lucy Pevensie by Sydney Paulsen
1st Place 7th/8th Grade Winner of the 2012 Our Own Expressions Drawing Contest

Summary of Revenues and Revenue Assumptions

Table 3-2: Summary of all Revenues

	2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2011 FINAL TO 2012
Taxes	$ 27,966,607.79	$ 25,759,758	23,701,755	-7.99%
Intergovernmental	33,006.84	5,000	0	-100.00%
Charges for Services	107,653.82	70,000	85,000	21.43%
Fines	611,458.90	615,000	615,000	0.00%
Other[1]	392,368.90	245,000	215,000	-12.24%
TOTAL NEW REVENUES	**$ 29,111,096.25**	**$ 26,694,758**	**$ 24,616,725**	**-7.78%**

Notes:
1. Includes Foundation donations.

Revenue Projections

The 2013 budget was developed based on revenue projections for 2013–2017. Because 96.3% of the Library's budget is derived from property tax and state law strictly regulates property tax collections, it is essential for the Library to project revenues in advance to plan spending for the current budget in light of budgets expected in future years.

Revenue projections were developed in the context of two assumptions:

1. 50¢ per $1,000 assessed property valuation will remain the levy limit for the taxing district.

2. Revenue will decline for three years, flat for two years, and increase at the most by 2% beginning 2019.

By law, the Library may collect up to 50¢ for every $1,000 of assessed property value. The Library district's property tax rate is based on property values. The 2012 property values declined by 9.25% for 2013 tax collection. When developing future year projections, the Library projected that property values would continue to decline in 2014 and through 2015.

The 9.25% decline for tax collections in 2013 is 1.23% worse than the Library previously projected. The Library continues to refine revenue projections for 2014–2017. The Library projects property values are set to decline again for 2014 by 7%. It remains unclear when property values may begin to increase and at what rate, but the Library is estimating that to occur in 2017 by 2%.

The mill rate (also known as millage) is calculated after a district's property taxes have been assessed according to state laws. The mill rate works in inverse: it is driven up when property values decrease, or down when property values increase. However, at no time may the district collect more than 50¢ for every $1,000 of assessed property value. The 8.52% decline in property values for 2011 collection drove the mill rate up from 46.95¢ to 50¢. The decline in values by 9.25% in 2013 continues to set the Library above the 50¢ mill rate. As a result, the Library can only collect the 50¢ applied to the assessed value. The overall property tax revenue collections from 2012 to 2013 will actually decline by over $2.5 million (calculated using the 2012 final certificate issued in January 2012, differenced to the 2013 preliminary certificate issued in September 2012). Based on projections for decline or flat property values, the overall revenue for the Library is expected to decline in 2014 by $1.7 million and will have two more years of negative growth, stay flat for 3 years, and growth beginning possibly in 2019.

With the projected declines in assessed property value, the Library will continue to be at its full taxing authority for many years, possibly through 2020. When the Library is at its full taxing authority, it does not receive revenue from new construction and it is therefore projected that for the next several years the Library will not be eligible for revenue from property taxes on new construction.

Based on feedback provided by a consultant familiar with the region and nationally, and based on an awareness of Pierce County Library housing values, the Library projects three more years of a downward trend. These projections are updated in July every year after the preliminary assessed values by the County are

made available. Because the Library relies on property taxes to fund most of its operations, changes in the non-property tax revenues, while important, don't make significant impact to the bottom line. For example, should investment income decrease by $10,000, its impact is overshadowed when property taxes decrease by $2 million. The Director's Team takes all of these into consideration.

Revenue Assumptions

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

The Government Finance Officers Association (GFOA) Best Practices recommends analyzing revenue trends and forecasts. Although it doesn't specify how many prior years to report, for discussing 2013 revenues the starting point is set generally at or after 2002 (some begin 2001), when state law was changed to provide only 1% increase in property taxes over the previous year.

On the next page is a table showing budgeted revenues from 2008 through 2013. It provides a six-year listing of revenues, consistent with the promise to maintain the Levy Lid-Lift goals for six years. After 6 years, the Library will strive to maintain the Levy Lid-

Lift promises/goals, while taking into consideration fiscal realities. A chart on the next page is also provided to show the comparison of budget, actuals, and projections of revenues (2001 – 2018).

For 2013, total new revenues are budgeted to decrease by $2,078,003 from 2012, a -7.78% decrease. This is due to a mill rate of 50.00¢ per $1,000 of assessed property value, continuing 2012's 50¢ per $1,000. While the statutory limit of 50.00¢ per $1,000 of assessed property value is in place, when district-wide property values decrease the Library's property-tax revenue decreases.

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

Due to the cyclical nature of revenue receipts versus the regularity of expenditures, there will be temporary shortfalls in the available operating budget (generally in April and October). To fund these shortfalls, the General Fund Balance and if necessary, an inter-fund loan from the Capital Improvement Fund will be used to finance these shortfalls. More information on this is discussed in the Cash Flow Analysis chapter (page 114).

The pie chart below shows the breakdown of 2013 revenues by category. The Library's majority of revenues from property taxes stay steady between 95% and 97%. For 2013 the proportion is 96.3%.
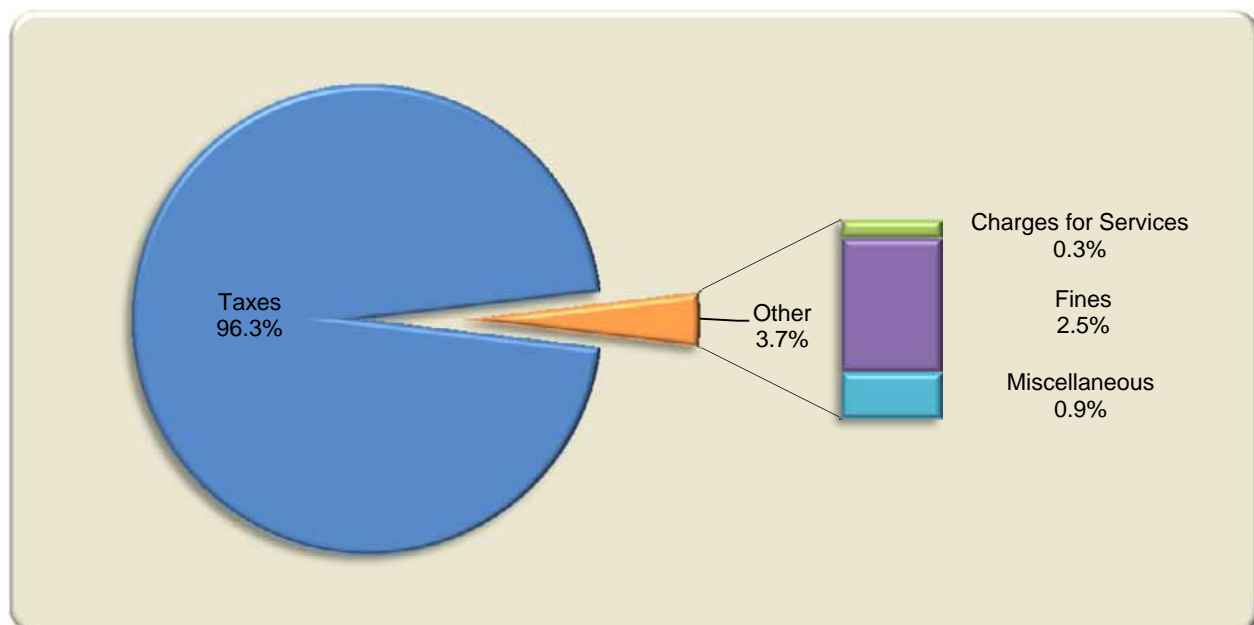
Figure 3-1: Source of Revenues

Table 3-3: 2008-13 General Fund Revenue (Final Budgets—Board Approved in December)

		2008 FINAL	2009 FINAL	2010 FINAL	2011 FINAL	2012 FINAL	2013 BUDGET	% CHANGE 2012 TO 2013
	TAX REVENUES							
31111	Property Taxes Current	$ 25,542,879	$ 26,440,367	$ 26,655,732	$ 26,535,472	$ 24,708,421	$ 22,724,764	-8.03%
31112	Property Taxes Delinquent	1,021,715	1,057,615	1,066,229	1,061,419	988,337	908,991	-8.03%
31130	Sale of Tax Title Property	3,000	3,000	3,000	3,000	3,000	3,000	0.00%
31210	Private Harvest Tax	50,000	50,000	50,000	50,000	50,000	50,000	0.00%
31720	Leasehold Excise Tax	10,000	10,000	10,000	10,000	10,000	15,000	50.00%
	SUBTOTAL	26,627,594	27,560,982	27,784,961	27,659,891	25,759,758	23,701,755	-7.99%
			933,388 (3.51%)	223,979 (0.81%)	-125,070 (-0.45%)	-1,870,133 (-6.55%)		
	NON-TAX REVENUES							
33300	Indirect Federal Grants	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 0	-100.00%
34160	Copier Fees	25,000	25,000	25,000	25,000	25,000	25,000	0.00%
34162	Printer Fees	25,000	40,000	40,000	45,000	45,000	60,000	33.33%
34710	Meeting Room Fees	4,000	0					
34720	Library Use Fees	3,000	3,000	0				
35970	Library Fines	560,000	600,000	555,000	605,000	615,000	615,000	0.00%
36110	Investment Income	270,000	200,000	25,000	25,000	25,000	10,000	-60.00%
36700	Foundation Donations	105,000	123,755	130,000	130,000	150,000	150,000	0.00%
36920	Book Sale Revenue	20,000	40,000	40,000	40,000	40,000	20,000	-50.00%
36991	Payment for Lost Materials	25,000	25,000	25,000	25,000	25,000	25,000	0.00%
36692	Fee for Lost Library Cards	5,000	5,000	5,000	5,000	0		
36699	Rebates – Procurement Card	0	0	0	0	5,000	10,000	100.00%
	SUBTOTAL	1,047,000	1,066,755	850,000	905,000	935,000	915,000	-2.14%
	TOTAL REVENUES	**$ 27,674,594**	**$ 28,627,737**	**$ 28,634,961**	**$ 28,564,891**	**$ 26,694,758**	**$ 24,616,725**	**-7.78%**

Figure 3-2: Taxes & Non Taxes, Historical & Projections
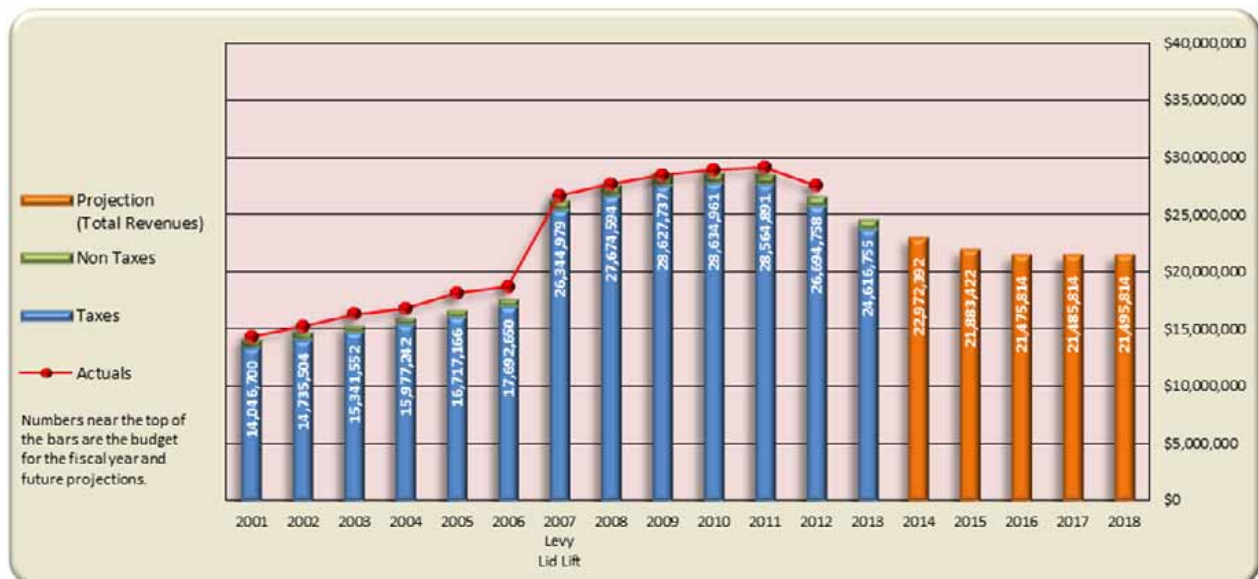
Property Taxes and Other Taxes

Taxes

$ 23,701,755

Table 3-4: 2013 Tax Revenues

		2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
31111	Property Taxes Current	$ 26,978,156.02	$ 24,708,421	$ 22,724,764	-8.03%
31112	Property Taxes Delinquent	884,403.47	988,337	908,991	-8.03%
31130	Sale of Tax Title Property	3,655.38	3,000	3,000	0.00%
31210	Private Harvest Tax	71,845.55	50,000	50,000	0.00%
31720	Leasehold Excise Tax	28,547.37	10,000	15,000	50.00%
	TOTAL TAXES	**$ 27,966,607.79**	**$ 25,759,758**	**$ 23,701,755**	**-7.99%**

Local property taxes constitute 96.3% of total 2013 revenues. The breakdown of these taxes is provided in the above table.

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

A history of the tax base is provided as follows:

For Year	Property Tax Base	%Change
2013	$ 47,343,258,825	-9.25%
2012	52,166,456,544	-6.79%[1]
2011	55,964,407,888	-5.11%
2010	58,984,142,315	-5.00%
2009	62,085,405,469	3.34%
2008	60,077,557,821	13.37%
2007	52,990,993,065	25.02%
2006	42,385,528,523	20.00%
2005	35,306,548,741	9.25%
2004	32,318,475,182	6.39%
2003	30,377,319,365	3.84%
2002	29,255,137,258	8.25%
2001	27,025,182,627	-

Notes:

The -6.79% is based on the final certificate issued in January 2012 over the final certificate issued in January 2011. The preliminary certificate for 2012 actually noted an -8.02% decrease in property values, which was used for all 2012 budget decisions. The reason for the difference is that the preliminary certificate does not include final assessments made between September and December. Final assessments made in late 2011 were unusually large.

This base includes the growth in assessed valuation (AV) of existing property in Pierce County and all new construction. For the 2013 fiscal year, the estimated tax base to levy is assessed at nearly $47.3 billion, which represents a -8.25% decrease from the previous year's assessed valuation. (On November 3, 2009, during general elections, Fife residents overwhelmingly approved a measure to annex to the library system. These revenues began receipt in 2011.)

Revenue Increases

State law allows the Library to increase its revenues by up to 1% over the previous year, so long as it does not exceed the 50¢ per $1,000 calculation, also set in state law. Voters restored the levy rate for 2007 to 48¢. In October 2012 the Implicit Price Deflator (IPD, another limiter) was recorded at 1.295%. If the IPD is less than 1%, to collect 1% more than the previous year the Board would need to override the IPD rule. Because the IPD is positive, no Board action is required to override it. Regardless, because of the 50¢ limitation, the IPD is not a factor.

Figure 3-3: 2013 Tax Levy Calculation—Preliminary Certificate

Pierce County

Dale Washam, Assessor-Treasurer

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

PRELIMINARY TAX LEVY LIMIT 2012 FOR 2013

RURAL LIBRARY
> 10,000
Pierce Only

REGULAR TAX LEVY LIMIT: 2010

A. Highest regular tax which could have been lawfully levied beginning   28,026,013.05
    with the 1985 levy [refund levy not included] times limit factor   1.01
    (as defined in RCW 84.55.005).   28,306,273.18

B. Current year's assessed value of new construction, improvements and
    wind turbines in original districts before annexation occurred times   391,359,132
    last year's levy rate (if an error occurred or an error correction   0.500000000000
    was make in the previous year, use the rate that would have been   195,679.57
    levied had no error occurred).

C. Current year's state assessed property value in original district   688,832,368
    if annexed less last year's state assessed property value. The   688,832,368
    remainder to be multiplied by last year's regular levy rate (or   0.00
    the rate that should have been levied).   0.500000000000
                                                                                     0.00

D. **REGULAR PROPERTY TAX LIMIT (A + B + C)**   28,501,952.75

ADDITIONAL LEVY LIMIT DUE TO ANNEXATIONS:

E. To find rate to be used in F, take the levy limit as shown in   28,501,952.75
    Line D above and divide it by the current assessed value of the   47,343,258,825
    district, excluding the annexed area.   0.602027689979

F. Annexed area's current assessed value including new construction   0.00
    and improvements times rate found in E above.   0.602027689979
                                                                                     0.00

G. **NEW LEVY LIMIT FOR ANNEXATION (D + F)**   28,501,952.75

LEVY FOR REFUNDS:

H. RCW 84.55.070 provides that the levy limit will not apply to the   28,501,952.75
    levy for taxes refunded or to be refunded pursuant to Chapters   263,014.80
    84.68 or 84.69 RCW. (D or G + refund if any)   28,764,967.55

I. **TOTAL ALLOWABLE LEVY AS CONTROLLED BY THE LEVY LIMIT (D,G,or H)**   28,764,967.55

J. Amount of levy under statutory rate limitation.   47,343,258,825
                                                                            0.500000000000
                                                                            23,671,629.41

K. **LESSER OF I OR J**   23,671,629.41

2013A prelim cert w refunds.xls, highest lawful

New Construction

New construction varies year to year, depending on property improvements generated by construction (such as new homes, apartments, etc.). For every $1,000 of new construction, the Library may levy at its current levy rate (50¢ for 2013). State law does not apply the 1% limit for revenues received from new construction. New construction can have a significant effect on revenues, as the values can contribute between 2% and 4% of revenue growth. However, when the Library is at its statutory limit of 50 cents per $1000 assessed valuation, no revenues from new construction can be collected. Below is a breakdown that shows new construction values:

For Year	New Construction	PCLS Revenue	% of Budget
2013	$ 688,832,368	$ 0	0.00%
2012	447,391,586	0	0.00%
2011	508,485,021	0	0.00%
2010	759,965,065	408,506	1.43%
2009	1,494,356,425	660,926	2.31%
2008	1,789,938,371	859,170	3.10%
2007[1]	1,769,575,840	709,401	0.00%
2006	1,519,842,131	696,437	4.09%
2005	1,092,187,309	519,261	3.22%
2004	841,593,691	420,797	2.63%
2003	1,026,298,566	513,149	3.34%
2002	875,103,366	437,552	2.97%

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

Calculation of Mill Rate ("Millage")

The district's property value is used to calculate the levy rate of assessment (mill rate) of individual properties and the amount the Library will receive for regular property taxes. The statutory limit for taxes is 50 cents per $1000 of assessed valuation. Recent mill rates were as follows (table at bottom includes projected mill rates):

For Year	Calculated Mill Rate
2013	$ 0.5000
2012	0.5000
2011	0.5000
2010	0.4695
2009	0.4437
2008	0.4425
2007	0.4800[1]
2006	0.4002
2005	0.4560
2004	0.4766
2003	0.4862
2002	0.4814

Notes:
1. Voter approved.

See projected mill rate chart below for future years. The Library estimates that the mill rate will remain at 50 cents per $1,000 assessed value to at least 2019. This will change depending on circumstances, such as permits issued, houses built, major developments, etc.

Final Revenue Calculation for Property Taxes

Property Taxes Current .... $ 22,724,764
Property Taxes Delinquent .... $ 908,991
For budget purposes the Library applies a 96% collection rate on current property taxes and 4% of the forecasted collection of current taxes as delinquent taxes to be collected. The delinquency collection rate is based on previous years' experience. For 2013, this ratio remains the same, reflecting that property owners generally pay taxes on time.

Table 3-5: Mill Rate Projections (2013 - 2017)

Year	Mill Rate Actual	Mill Rate Projected	Assessed Value $ Value	Assessed Value Change	Base Property Taxes Actuals	Base Property Taxes Projection	Base Property Taxes Difference	Base Property Taxes Change	New Construction Actuals	New Construction Projection
2009	0.4433		62,085,405,469	3.34%	27,549,554		942,387	3.54%	660,343	
2010	0.4695		58,984,142,315	-5.00%	27,766,388		216,834	0.79%	399,308	
2011	0.5000		55,964,407,888	-8.52%	27,982,204		215,816	0.78%	15,923	
2012	0.5000		52,166,456,544	-6.79%		26,083,228	(1,898,976)	-6.79%	-	-
2013		**0.5000**	**47,343,258,825**	**-9.25%**		**23,671,629**	**(2,411,599)**	**-9.25%**	**-**	**-**
2014		**0.5000**	**43,082,365,531**	**-9.00%**		**21,541,183**	**(2,130,447)**	**-9.00%**	**-**	**-**
2015		**0.5000**	**42,651,541,875**	**-1.00%**		**21,325,771**	**(215,412)**	**-1.00%**	**-**	**-**
2016		0.5000	43,078,057,294	1.00%		21,539,029	213,258	1.00%	-	-
2017		0.5000	44,370,399,013	3.00%		21,948,419	409,390	1.90%	-	194,000

Private Harvest Tax: ....$ 50,000
Once a major source of revenues, private harvest tax steadily declined between 1998 and 2003, had a resurgence in 2004 (see following table) through 2007, and then dropped to less than half in 2008. In 2013 the Library is projected to receive approximately the same as 2012. This source of revenue is not in the Library's control.

| | Private Harvest |
Year	Revenue
2013 (estimated)	$ 50,000
2012 (projected)	50,000
2011	71,846
2010	35,710
2009	74,516
2008	66,671
2007	168,198
2006	133,861
2005	125,977
2004	109,022
2003	43,110
2002	78,420

Other Taxes (summarized): ....$ 18,000
Other tax collections include sale of title property and leasehold excise taxes. They are not in the Library's control, and are not discussed in this section due to their low amounts.

Young girl showing her drawings of Duck Feet
at the Gig Harbor Library

Non-Tax Revenues

Intergovernmental
$ 0

Table 3-6: 2013 Intergovernmental Revenues

		2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
33000	Indirect Federal Grants	$ 0.00	$ 5,000	$ 0	-100.00%
33872	Contract Fees-Cities	3,240.00			
33890	Governmental Service Fees	29,766.84			
	TOTAL INTERGOVERNMENTAL	**$ 33,006.84**	**$ 5,000**	**$ 0**	**-100.00%**

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

Indirect Federal Grants.. $ 0
Indirect Federal Grants are pass-through grants, and come typically through the Washington State Library, which has several grant-related programs. The Library applies for these grants throughout the year. For 2013, the Library anticipates no revenues from indirect federal grants.

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

Charges for Services
$ 85,000

Table 3-7: 2013 Charges for Services

		2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
34160	Copier Fees	$ 25,959.99	$ 25,000	$ 25,000	0.00%
34161	Graphics Services Charge	21,463.93			
34162	Printer Fees	59,883.16	45,000	60,000	33.33%
34730	Interlibrary Loan Fees	346.74			
	TOTAL CHARGES FOR SERVICES	**$ 107,653.82**	**$ 70,000**	**$ 85,000**	**21.43%**

Library charges for services include revenue from photocopying, customers printing in the libraries, non-resident fees, and fees for interlibrary loans.

Photocopy Fees.. $ 25,000
All libraries provide photocopiers for public use. The fee of 10¢ per copy will remain for 2013.

Printer Fees .... $ 60,000
All libraries offer laser printers for customers to print from the computers. 10¢ per page is charged. With the Vend-to-Print system being installed in 2013, we expect printer revenue to increase.

Other Charges for Services (summarized) .... $ 0
Graphics Services Charges is used for the receipt of Foundation funding for Summer Reading program but is generally not budgeted. Interlibrary Loan Fees are fees that are charged between libraries for loaning each other books. The Library does not budget these categories but they are recognized during the mid-year budget process.

Library Fines
$ 615,000

Table 3-8: 2013 Fines

		2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
35970	Library Fines................................	$ 611,458.90	$ 615,000	$ 615,000	0.00%
	TOTAL FINES	**$ 611,458.90**	**$ 615,000**	**$ 615,000**	**0.00%**

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

Library Fines ....$ 615,000
All materials returned after the due dates are considered late and subject to fines. The daily fine for any item, whether book, DVD or other physical item is 15¢. There are no fines associated with e-books as they are automatically deleted from the customer's e-book reader at the end of the loan period (3 weeks).

The Library has a reasonably consistent trend of increases in this category (see Figure 16). In 2008, the Library reduced the fines for DVDs, but this did not considerably affect revenues. Also in 2008 the Library

began offering customers the convenience of paying their fees online using their credit/debit cards. When this service was offered, there was no offsetting decrease noted in the total of collections in the libraries.

To great success and to recognize the economic hardships our community was suffering, in October 2009 the Library offered a one-week Fine Amnesty Week that forgave all fines should the customer return overdue books during that week. Per the graph below, note the dip in budget for 2010; this was made on the assumption that Fine Amnesty Week would have an impact in 2010. It did not (as the red line shows); therefore the budget was restored in 2011.

Figure 3-4: Library Fines Budget & Actuals
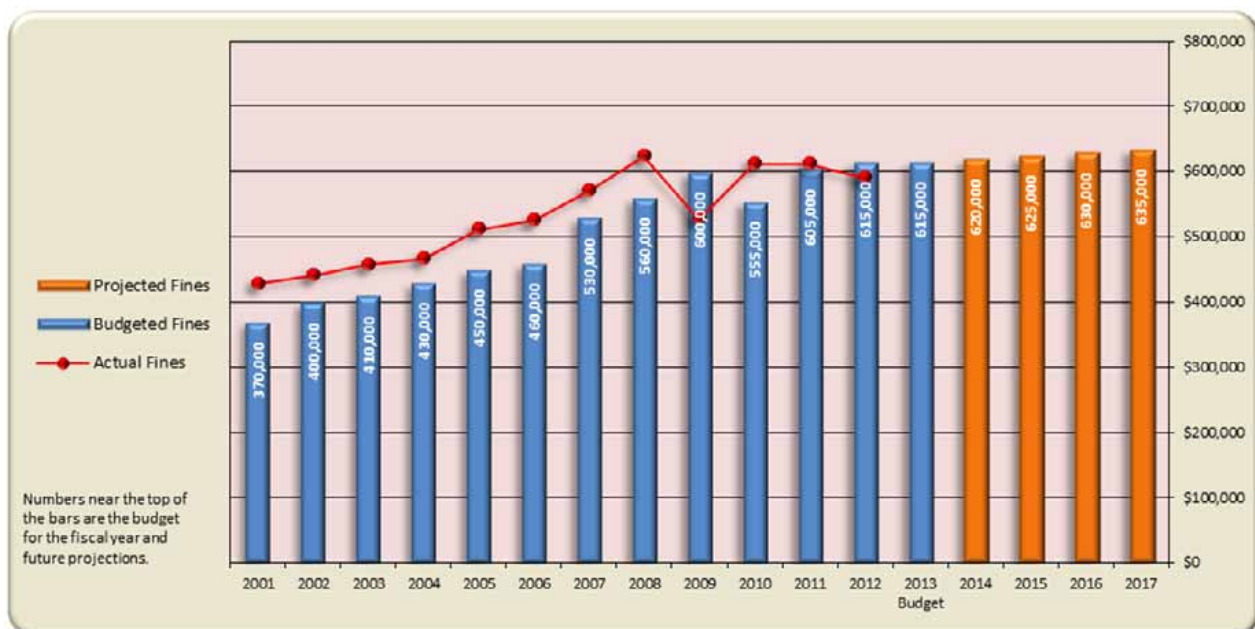
Other Revenues
$ 215,000

Table 3-9: 2013 Other Revenues

		2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
36110	Investment Income	$ 17,676.97	$ 25,000	$ 10,000	-60.00%
36111	Interest – State Forest Fund	4.34			
36190	Other Interest Earnings	689.03			
36200	Key Peninsula Lease	1,719.67			
36700	Foundation Donations	104,939.00	150,000	150,000	0.00%
36710	Friends' Donations	8,286.11			
36720	Friend's Reimbursement	10,168.83			
36725	Donations – Other	3,881.73			
36910	Sale of Scrap and Salvage	2,234.00			
36920	Book Sale Revenue	23,463.99	40,000	20,000	-50.00%
36990	Miscellaneous Revenue	20,812.88			
36991	Payment for Lost Materials	18,085.59	25,000	25,000	0.00%
36692	Fee for Lost Library Cards	3,250.37	0		
36994	Unclaimed Property	2,255.11			
36995	Collection Agency Revenue	350.00			
36996	Jury Duty Reimbursement	2,268.88			
36997	Prior Year's Refunds	122,490.22			
36999	Rebates – Procurement Card	17,358.71	5,000	10,000	100.00
39510	Sale of Fixed Assets	14,476.99			
39520	Insurance Recoveries – Capital Assets	17,956.48			
	TOTAL OTHER REVENUES	**$ 392,368.90**	**$ 225,000**	**$ 215,000**	**-4.44%**

Other revenues include interest earned on investments and other revenues. Revenues from scrap sales of assets, Friends donations, and collection agencies are not budgeted because they cannot be reasonably predicted, but will be recorded in actuals or in mid-year budget adjustments. Sales of Fixed Assets, is not budgeted due to unpredictability.

Investment Income ....$ 10,000
On a weekly basis, the Library invests any substantial amounts of excess cash available after calculating the immediate expenditure needs. This line item was significantly reduced from 2012 to reflect significantly low interest rates continuing in 2013. See chart below.

Figure 3-5: Investment Budget & Actuals
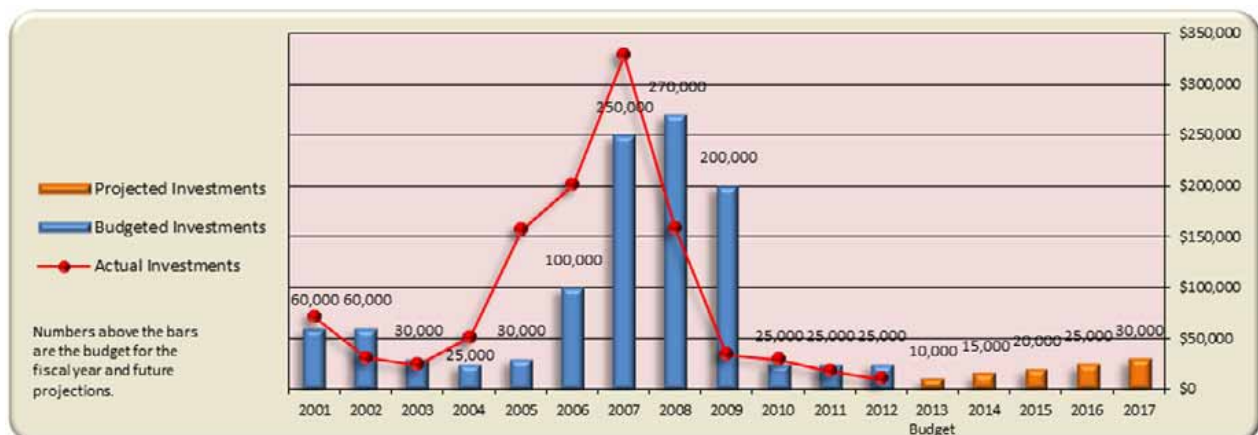
Foundation Donations.................................$ 150,000
Foundation Donations are budgeted based on funding commitments approved by the Foundation Board in the summer of 2012. The Foundation is committed to raising the same amount for 2013.

Book Sale Revenue...$ 20,000
The Library sends surplus books to online retailers that sell materials on Amazon.com. A portion of the sales is forwarded to the Library. Revenues from online sales fluctuate and are budgeted accordingly.

Payment for Lost Materials ....$ 25,000
This includes payments made by customers for their lost/damaged materials. This category was budgeted the same for 2013.

Rebates—Procurement Card ....$ 10,000
The Library will budget rebates from use of purchase/credit cards. When paying invoices, the Library makes every attempt to pay using US Bank purchase cards. When the balance is paid within 30 days, the Library receives 1% "cash back" rebates.

All Other Revenues (summarized) ....$ 0
This includes all other revenues not identified above, such as refunds, lost/damaged materials revenue, insurance settlements, jury duty fees received, etc. These items are recorded during the mid-year process as actuals.

Looking Something Close to Tragic by Lexy Hobson
1st Place 9th/10th Grade Winner of the
2012 Our Own Expressions Drawing Contest

Total Budgeted Revenues

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

Table 3-10: 2013 General Fund Revenues (all combined)

		2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
	TAX REVENUES				
31111	Property Taxes Current	$ 26,978,156.02	$ 24,708,421	$ 22,724,764	-8.03%
31112	Property Taxes Delinquent	884,403.47	988,337	908,991	-8.03%
31130	Sale of Tax Title Property	3,655.38	3,000	3,000	0.00%
31210	Private Harvest Tax	71,845.55	50,000	50,000	0.00%
31720	Leasehold Excise Tax	28,547.37	10,000	15,000	50.00%
	SUBTOTAL	27,966,607.79	25,759,758	23,701,755	-7.99%
	NON-TAX REVENUES				
33000	Indirect Federal Grants	$ 0.00	$ 5,000	$ 0	-100.00%
33872	Contract Fees-Cities	3,240.00			
33890	Governmental Service Fees	29,766.84			
34160	Copier Fees	25,959.99	25,000	25,000	0.00%
34161	Graphics Services Charge	21,463.93			
34162	Printer Fees	59,883.16	45,000	60,000	33.33%
34730	Interlibrary Loan Fees	346.74			
35970	Library Fines	611,458.90	615,000	615,000	0.00%
36110	Investment Income	17,676.97	25,000	10,000	-60.00%
36111	Interest – State Forest Fund	4.34			
36190	Other Interest Earnings	689.03			
36200	Key Peninsula Lease	1,719.67			
36700	Foundation Donations	104,939.00	150,000	150,000	0.00%
36710	Friends' Donations	8,286.11			
36720	Friend's Reimbursement	10,168.83			
36725	Donations – Other	3,881.73			
36910	Sale of Scrap and Salvage	2,234.00			
36920	Book Sale Revenue	23,463.99	40,000	20,000	-50.00%
36990	Miscellaneous Revenue	20,812.88			
36991	Payment for Lost Materials	18,085.59	25,000	25,000	0.00%
36692	Fee for Lost Library Cards	3,250.37	0		
36994	Unclaimed Property	2,255.11			
36995	Collection Agency Revenue	350.00			
36996	Jury Duty Reimbursement	2,268.88			
36997	Prior Year's Refunds	122,490.22			
36999	Rebates – Procurement Card	17,358.71	5,000	10,000	100.00
39510	Sale of Fixed Assets	14,476.99			
39520	Insurance Recoveries – Capital Assets	17,956.48			
	SUBTOTAL	1,144,488.46	935,000	915,000	-2.14%
	TOTAL REVENUES	**$ 29,111,096.25**	**$ 26,694,758**	**$ 24,616,755**	**-7.78%**

Expenditures

Tibetan Woman by Molly MacKinnon
3rd Place 9th/10th Grade Winner of the 2012 Our Own Expressions Photography Contest

Summary of Expenditures and Assumptions

Table 3-11: 2013 Operating Expenditure Summary

	2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
EXPENDITURES				
Personnel	$ 17,943,419.96	$ 18,710,381	$ 18,544,997	-0.88%
Maintenance & Operations	3,949,974.46	3,057,500	3,089,520	1.05%
Materials	4,679,346.52	4,301,161	3,297,075	-23.34%
SUBTOTAL	26,572,740.94	26,069,042	24,931,592	-4.36%
SET-ASIDES & TRANSFERS				
ELECTION SET-ASIDE	$ 0.00[1]	$ 0	$ 0	0.00%
CONTINGENCY	0.00[1]	0	0	0.00%
TRANSFERS TO CAPITAL IMPROVEMENT FUND	870,406.00	800,843	492,335	-38.52%
MID-YEAR SAVINGS CAP. IMP. FUND TRANSFER	860,777.00			
SUBTOTAL	1,731,183.00	800,843	492,335	-38.52%
TOTAL EXPENDITURES	**$ 28,303,923.94**	**$ 26,869,885**	**$ 25,423,927**	**-5.38%**

Notes:
1. The Election Set-Aside and Contingency budget items are by design budgeted but not spent; the unused funds flow into the General Fund. Beginning with the 2011 budget, the Library identifies these items explicitly in the General Fund.

For the 2013 budget process, Managers were given budget worksheets for developing their budgets and were expected to recommend efficiencies and reductions while maintaining service priorities and levy promises. Managers had leeway to fund personnel and purchases based on what are necessary to sustain successful departments. All Managers were required to submit "what if" proposals to reduce their budgets by 10%. Managers met with the Director's Team to present their proposed budgets.

The operating budget consists of three major areas of operating expenditures that usually account for over 95% (see table below) of total expenditures. Between 2005 and 2009, retirement rates increased by 278%; however, in 2010, the Washington State Department of Retirement Services (DRS) dropped the Library's contribution. In 2011 the rates began to escalate again and are projected to exceed 10% by 2015. (See Benefits, under Personnel section, below.)

Traditionally the Library has allocated 16% of revenue for materials (books, music, movies, magazines, downloadable materials, etc.). Though a good method in the past, with ongoing revenue decreases, in 2012 the Library conducted a comprehensive evaluation of the materials budget, studying how it could best support what customers want. Through research on current use, customer demand and a review of related statistics and data, the Library identified how to reduce the budget by about $1 million, while still providing a vibrant collection.

Table 3-12: Allocation of Budgeted Costs (2007 - 2013)

	2007	2008	2009	2010	2011	2012	2013
Personnel	62.8%	69.3%	69.6%	64.2%	67.1%	69.6%	72.9%
Maintenance & Operations	11.0%	11.4%	11.4%	10.7%	12.6%	11.4%	12.2%
Materials (books, DVDs, etc)	16.0%	16.1%	15.8%	16.1%	16.1%	16.0%	13.0%
TOTAL OPER. EXPENDITURES	**89.8%**	**96.8%**	**96.8%**	**91.0%**	**95.8%**	**97.0%**	**98.1%**

Table 3-13: 2013 Expenditures—BARS Summary Level

		2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
	PERSONNEL				
5.11.xx	Salaries & Wages	$ 13,699,915.05	$ 14,070,668	$ 14,374,660	2.16%
5.12.xx	Overtime Wages	10,209.97	10,000	7,500	-25.00%
5.2x.xx	Employee Benefits	4,233,294.94	5,011,558	4,736,394	-5.49%
	SUBTOTAL	17,943,419.96	19,092,226	19,118,554	0.14%
5.19.99[1] &5.29.99	Reduction in salaries planning budget to match projections (3%)	0	(381,845)	(573,557)	-50.21%
	SUBTOTAL	17,943,419.96	18,710,381	18,544,997	-0.88%
	MAINTENANCE & OPERATIONS				
5.31.xx	Supplies	339,202.05	286,960	278,300	-3.02%
5.32.xx	Fuel	59,859.01	65,000	58,000	-10.77%
5.35.xx	Small Tools and Minor Equipment	44,264.06	292,800	315,000	7.58%
5.41.xx	Professional Services	815,082.81	370,875	384,900	3.78%
5.42.xx	Communications	371,954.75	173,800	203,300	16.97%
5.43.xx	Travel	67,627.62	58,800	59,650	1.45%
5.44.xx	Advertising	35,922.94	30,620	28,920	-5.55%
5.45.xx	Operating Rentals/Leases	141,925.80	270,700	223,100	-17.58%
5.46.xx	Insurance	273,774.04	184,000	189,500	2.99%
5.47.xx	Utilities	373,862.78	309,500	314,500	1.62%
5.48.xx	Repair and Maintenance	870,434.96	892,340	898,500	0.69%
5.49.00	Registrations & Tuition Assistance	27,504.46	34,325	21,700	-36.78%
5.49.0x	Miscellaneous	107,012.95	86,780	99,150	14.25%
5.51.xx	Intergovernmental	14,679.49	1,000	15,000	1,400.00%
5.62.xx	Electrical	9,866.74			
	SUBTOTAL	3,949,974.46	3,057,500	3,089,520	1.05%
	MATERIALS				
5.34.xx	Materials	4,679,346.52	4,301,161	3,297,075	-23.34%
	SET-ASIDES & TRANSFERS				
5.49.12	CONTINGENCY	0.00[2]	0	0	0.00%
5.97.00	TRANSFERS TO CAPITAL IMPROVE. FUND	870,406.00	800,843	492,335	-38.52%
	MID-YEAR SAVINGS CIP TRANSFER	860,777.00	0	0	0.0%
	SUBTOTAL	1,731,183.00	800,843	492,335	-38.52%
	TOTAL EXPENDITURES	**$ 28,303,923.94**	**$ 26,869,885**	**$ 25,423,927**	**-5.38%**

Notes:
1. Due to the personnel line item coding requirements of BARS for 5.19.xx for Salaries & Wages and 5.29.xx for Benefits, Coding for the -2% reduction must be split between 5.19.xx and 5.29.xx, hence 5.19.99 and 5.29.99.
2. The Contingency budget item is by design budgeted but not spent; the unused funds flow into the General Fund. Beginning with the 2011 budget, the Library identifies this item explicitly in the General Fund.

Personnel

$ 18,544,997

Table 3-14: 2013 Personnel Detail

		2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
51110	Salaries & Wages	$ 13,020,383.69	$ 13,379,902	13,681,285	2.25%
51105	Additional Hours	244,090.46	239,600	230,600	-3.76%
51106	Shift Differential	134,317.01	157,066	160,175	1.98%
51107	Substitute Hours	295,204.95	282,100	299,600	6.20%
51109	Tuition Assistance Program	5,918.94	12,000	3,000	-75.00%
51200	Overtime Wages	10,209.97	10,000	7,500	-25.00%
52001	Industrial Insurance	158,773.87	135,780	167,861	23.63%
52002	Medical Insurance	2,007,602.02	2,325,486	2,139,809	-7.98%
52003	FICA	1,015,979.56	1,070,324	1,094,384	2.25%
52004	Retirement	781,265.32	1,170,901	1,039,773	-11.20%
52005	Dental Insurance	216,886.70	242,158	227,556	-6.03%
52003	Other Benefit	9,659.18	9,180	9,580	4.36%
52010	Life and Disability Insurance	18,826.51	25,929	25,631	-1.15%
52020	Unemployment Compensation	23,879.97	30,500	30,500	0.00%
52200	Uniforms	421.81	1,300	1,300	0.00%
	SUBTOTAL PERSONNEL	**17,943,419.96**	**19,092,226**	**19,118,554**	**0.14%**
51999[1] & 52999	Reductions in salaries planning budget to match projections (2%)	0	(381,845)	(573,557)	-50.21%
	TOTAL PERSONNEL	**$ 17,943,419.96**	**$ 18,710,381**	**$ 18,544,997**	**-0.88%**

Notes:

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

Personnel costs account for nearly 73% of expenditures and pay for staffing the Library to meet its mission and goals. The total change for 2013 from 2012 is -1.03%. The Library is reducing the bottom line personnel budget by 3% ($572,729) to account for the realities of personnel changes through the year. While the Library budgets by position, when retirements, resignations, or terminations occur, filling the vacancies takes time and incoming employees are hired generally at lower salary steps than the departed employees. Therefore, by applying an adjustment to the personnel budget to match projections, the Library can reduce its budget without causing further layoffs. A study of budget to actual for the past 10 years (2002-2011) shows that on average actuals came in 5% less than budget. In 2012 the Library applied a 2% reduction. For 2013 an adjustment of 3% is reasonable. The Library will be monitoring this through 2013 and may make adjustments in the mid-year process.

Managers used the mid-year budget of the current fiscal year to construct personnel costs for the 2013 fiscal year.

Salaries and Wages .... $ 13,681,285
Staffing includes all full and part-time personnel located in all locations. Salaries and Wages include $3,000 for Tuition Assistance.

Additional Hours ....$ 230,600
Additional hours are used to pay part-time regular staff to cover illness, vacations, and other staffing needs.

Substitute Hours ....$ 299,600
Substitute hours are used to pay individuals who are "on-call" and have no regularly assigned hours to cover illness, vacations, and other staffing needs.

Shift Differential ....$ 160,175
Union employees who work Sunday hours are paid at 1.5 times their regular non-Sunday wages. The amount is estimated each year.

Overtime .... $ 7,500
Overtime costs are established by Managers for emergency or unusual situations that require an hourly employee to work beyond the 40-hour workweek. Library management keeps overtime costs low and reduced it for 2013.

Benefits ....$ 4,736,394
Benefits as a category include medical and dental costs, retirement, payroll taxes, and unemployment insurance.

The 2011 Legislature passed retirement rates for 2012 but not for 2013. Therefore the Library will budget at the State Actuary's Office pessimistic analysis (9.25% for 2012-13). Rates can and have had a major impact on the Library's budget. The following shows historic and projected contribution rates:

July 2016 - June 2017: 10.47%
July 2015 - June 2016: 10.47%
July 2014 - June 2015: 9.250%
July 2013 - June 2014: 9.250%
July 2012 - June 2013: 7.250%
July 2011 - June 2012: 7.250%
July 2010 - June 2011: 5.310%
July 2009 - June 2010: 8.310%
July 2008 - June 2009: 8.310%
July 2007 - June 2008: 5.940%
July 2006 - June 2007: 3.065%
July 2005 - June 2006: 2.195%

Provided below is a chart that shows the historical budgeting and actual of the personnel costs for the Library. No future projections are provided as the Collective Bargaining Agreement ends December 2012 and negotiations are in process for the next labor agreement.

Figure 3-6: Personnel Budget & Actuals

Library Staffing

Table 3-15: Budgeted Library Staffing

DEPARTMENT FTE STAFFING[1]	2011 FINAL (12/10)	2012 FINAL (12/11)	2013 FINAL (12/11)	2013 FTEs w/ MLS/MLIS[2]
Executive Office[3]	3.00	4.80	5.00	2.00
Deputy Director's Office[3]	1.80			
Customer Experience[4]	181.90	189.79	182.31	46.30
Community & Outreach Services[4]				
Youth Services[4]	8.33			
Reading & Materials[5]	27.45	27.60	26.70	6.00
Information Experience[4,8]	4.00			
Business Operations				
Finance	7.25	7.25	6.75	
Information Technology	12.25	12.25	12.00	
Facilities Management	20.84	19.20	19.21	
Marketing & Community Relations[7]	5.40	6.50	6.10	
Fund Development	2.80	2.80	2.50	
Staff Experience[6,7,8]	4.50	4.25	4.75	
TOTAL FTE COUNT	**279.52**	**274.44**	**265.32**	**54.30**
Change in personnel by FTE from previous year	+4.52	-5.08	-8.12	+1.10
	-1.64%	-1.82%	-3.32%	2.07%

Notes:
1. See chapter on department narratives for a breakdown of budgets by department.
2. MLS or MLIS: Masters of Library Science or Library Information Science graduate degree, a requirement to hold the title "Librarian".
3. Formerly, Executive Director's Office. Executive Director's Office combined with Deputy Director's Office in 2011.
4. Formerly, Branch Experience. Customer Experience includes Community Outreach, Virtual Services and Adult Services moved from Information Experience, and Youth Services (which occurred over two years, 2011-12).
5. Formerly, Collection Services.
6. Information Experience's Learning Team moved to Staff Experience, and Virtual Services and Adult Services moved to Customer Experience.
7. Formerly, Communications. Marketing & Community Relations includes Volunteer Coordinator services, moved from Staff Experience.
8. Formerly, Human Resources. Staff Experience adds the Learning Team from Information Experience. Volunteer Services moved to Marketing & Community Relations in 2011.

The Library maintains a workforce of fulltime and regular part-time employees with regularly assigned hours that calculate into fulltime equivalent (FTEs) employees, where 1 FTE equates to 40 hours per workweek and may be spread over one or more employees. The Library also maintains a substitute, on-call workforce with no regularly assigned hours (similar to schools). FTEs are found in the above table and in the chapter on department narratives (see page 129).

Changes in Overall Staffing

In 2011, due to service needs and available funds, the Library's staffing increased slightly; the majority of the increase of 4.52 FTEs was due to the Library recalling several employees who were laid off in 2010.

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

For 2013 the Library faces its largest budget reduction to date at $3 million. As part of its planning strategy, the Library filled most vacancies during 2012 as temporary positions that could be eliminated at the end of the year as needed to meet necessary budget reductions. Several positions were eliminated when bookmobile service was ended in November 2012.

Maintenance & Operations

$ 3,089,520

Table 3-16: 2013 Maintenance & Operations Detail

		2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
53100	Office/Operating Supplies	$ 206,095.81	$ 158,960	$ 152,300	-4.19%
53101	Custodial Supplies	46,187.95	41,000	41,000	0.00%
53102	Maintenance Supplies	45,183.92	40,000	40,000	0.00%
53103	A/V Processing Supplies	24,513.36	25,000	25,000	0.00%
53104	Book Processing Supplies	16,098.79	22,000	20,000	-9.09%
53105	Training Supplies	1,067.57	0		
53181	A/V Replacement Parts	54.65			
53200	Fuel	59,859.01	65,000	58,000	-10.77%
53500	Minor Equipment	4,967.69	15,300	15,300	0.00%
53501	Furnishings	99,836.27	50,000	50,000	0.00%
53502	PC Hardware	226,021.24	196,200	196,200	0.00%
53503	Printers	14,822.15	20,000	20,000	0.00%
53505	Software	95,616.71	11,300	33,500	196.46%
54100	Professional Services	392,122.54	252,675	251,500	-0.47%
54101	Legal Services	22,254.62	20,000	30,000	50.00%
54102	Collection Agency	32,087.38	28,200	33,400	18.44%
54161	Resource Sharing Services	19,926.55	25,000	25,000	0.00%
54162	Bibliographics Services	69,724.82	40,000	40,000	0.00%
54163	Printing and Binding	885.70	2,000	2,000	0.00%
54165	Inter Library Loan Lost Item Charges	1,884.76	3,000	3,000	0.00%
54166	AV Processing Services	276,196.44	0		
54200	Postage	30,110.61	45,000	42,000	-6.67%
54201	Data Lines	341,844.14	128,800	161,300	25.23%
54300	Travel	30,423.60	27,950	28,600	2.33%
54301	Mileage Reimbursements	37,204.02	30,850	31,050	0.65%
54400	Advertising	35,922.94	30,620	28,920	-5.55%
54500	Rentals/Leases[1]	0.00	0		
54501	Rentals/Leases - Buildings[1]	112,218.07	201,400	195,300	-3.03%
54502	Rentals/Leases - Equipment[1]	29,707.73	69,300	27,800	-59.88%
54600	Insurance	273,774.04	184,000	189,500	2.99%
54700	Electricity	273,659.12	220,000	229,000	4.09%
54701	Natural Gas	15,166.22	18,000	17,500	-2.78%
54702	Water	29,999.34	25,500	24,500	-3.92%
54703	Sewer	29,163.96	23,500	21,000	-10.64%
54704	Refuse	25,874.14	22,500	22,500	0.00%
54800	General Repairs/Maintenance	221,103.43	196,140	204,300	4.16%
54801	Contracted Maintenance	647,440.98	666,900	659,200	-1.15%
54803	Maint. Telecomm Equipment	1,890.55	29,300	35,000	19.45%
54900	Registrations	25,570.66	34,325	21,700	-36.78%
54901	Dues and Memberships	48,997.96	30,740	31,200	1.50%
54902	Taxes and Assessments	26,960.17	27,760	30,500	9.87%
54903	Licenses and Fees	28,263.77	27,380	36,550	33.49%
54904	Miscellaneous	2,791.05	900	900	0.00%
54905	Event Registration	1,933.80			
55100	Intergovernmental	14,679.49	1,000	15,000	1,400.0%
56202	Electrical	9,866.74			
	Total Maintenance & Operations	**$ 3,949,974.46**	**$ 3,057,500**	**$ 3,089,520**	**1.05%**

Notes:
1. Beginning 2011 midyear, the 54500 line item was split into Building Rentals/Leases, and Equipment Rentals/Leases.

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

Supplies ....$ 278,300
The Supplies category includes office and operating supplies, custodial supplies, maintenance supplies, materials processing supplies, audiovisual and book processing supplies, supplies for the Summer Reading Program, and audio/visual replacement parts. The amount budgeted is 3% less than budgeted last year.

Fuel ....$ 58,000
Fuel consists of charges for gasoline, diesel, and propane. It decreased 10.8% due to elimination of bookmobile services.

Smalls Tools & Minor Equipment.................$ 315,000
Minor equipment includes furniture, computers, printers, scanners, and software. This category increased by 7.6% due to renewal of the Community Connect software.

Professional Services....................................$ 384,900
This category includes services provided by a private business or agency. In addition to the services of attorneys, accountants, and consultants, it includes software consultants, interpreters, trainers, maintenance-related services, etc. There is an increase of 3.8% due to anticipated legal costs.

Communications...$ 203,300
Communications include all Library mailings (postage, Federal Express, UPS, courier services); voice communication service (monthly service and long distance, TDD, and cellular); costs associated with the high speed network lines connecting all Library computers together and to the Internet; leased telephone lines used in support of Internet access; and costs associated with having landline phone lines for security alarm monitoring. Communications increased by 17% due to anticipated internet line costs. (The Library annually applies for E-rate reimbursements for network connectivity costs, including Internet services. The Library receives reimbursement for about 50% of connectivity costs from the Federal E-rate program either as direct reimbursement or applied to telecommunication provider's monthly statements).

Travel ....$ 59,650
This includes reimbursement to employees and Board of Trustees for use of personal automobiles on Library

business and travel expenses associated with attendance at training and continuing education events, conferences, and seminars. The budget is 1.4% more.

Chill

It is a cold day in Tacoma.

My breath fogs out and up, up and away,

my footsteps crunching quietly on crystallized grass.

I shiver with delight and draw my coat tighter,

relishing the beauty.

Ice glows in the sun,

Frost glitters, and seems to dance joyous and almost alive.

I stop and breathe in a stinging breath,

as a crisp breeze enfolds me.

I continue walk and watch the activity,

Birds fluttering by, squirrels chattering back and forth,

children yelling and chasing each other.

I smile and go on, full of jubilation and content with life.

It is a cold, beautiful day in Tacoma.

Breanna Forrest
Science and Math Institute

**2012 Our Own Expressions
9th & 10th Grade Poetry Winner—3rd place**

Advertising ....$ 28,920
This includes newspaper advertising for library activities, advertising employee and Board of Trustees vacancies, requests for bids, and other marketing. The amount budgeted decreased by 5.6% due to elimination of DEX advertising.

Operating Rentals/Leases ....$ 223,100
This includes leases of the remaining fleet of copy machines, and leases for the DuPont Library and Milton/Edgewood Library. The amount budgeted decreased by 17.6% due to purchasing copiers instead of leasing.

Insurance ....$ 189,500
This includes all insurance for the Library's real and personal property, vehicles, fidelity, errors and omissions, employment practices, umbrella plan, commercial crime, cybercrime, differences in conditions, earthquake and underground storage tanks. This increased by 3% due to claims record and renewals of certain insurance policies.

Utilities ....$ 314,500
Utilities include electricity, natural gas, water, sewer, and refuse collection for all Library facilities. In 2003, the Facilities Management Department implemented significant energy conservation projects throughout the system, which continue to result in dramatic year-to-year offsets of significant rate increases. The amount budgeted is 1.6% more for 2013.

Repair & Maintenance ....$ 898,500
This category includes commercial repair of the Library's office equipment; fees for the maintenance and service contracts for the Polaris Integrated Library System (ILS) software and related hardware; telecommunications system, personal computer and peripheral maintenance, elevator service, heating, ventilation and air conditioning preventive maintenance; and unscheduled commercial repairs, septic tank cleaning, and pest control. The budget increased by 0.7%.

Training ....$ 21,700
Training includes non-travel costs for attendance at classes, seminars, and conferences. The training budget is 36.8% less due to significant reductions in registrations and no PLA conference in 2013.

Intergovernmental...$ 15,000
This category includes costs associated with fees paid to other governmental agencies. The amount

budgeted 1,400% more, due to the 2011-12 fiscal audit happening in late 2013. The exit interview is anticipated to occur in February 2014.

Interest Expense ....$ 0
To cover cash shortfalls, when cash on hand is less than expenditure needs due to cyclical nature of revenue collection, the Library borrows from the Capital Improvement Fund. When interfund loans are made, the Library is required to pay interest to the Capital Improvement Fund. The interest anticipated for 2011 continues to be low, if any, due to having enough in the ending fund balance to fund the majority of the shortfall.

Miscellaneous...$ 99,150
This category includes memberships in ALA, WLA, and PNLA, and dues for local Chambers of Commerce and other groups; sales tax payable on photocopies/ printers and graphics sales, use tax on out-of-state purchases, and sewer assessments/surface water management fees. It also includes fees for driving records requests, bad debt expenses/bank fees, and charges associated with the collection of fines, and other charges at the branches. This category increased by 14.2% due to costs of bank fees.

Figure 3-7: Maintenance & Operations Budget & Actuals
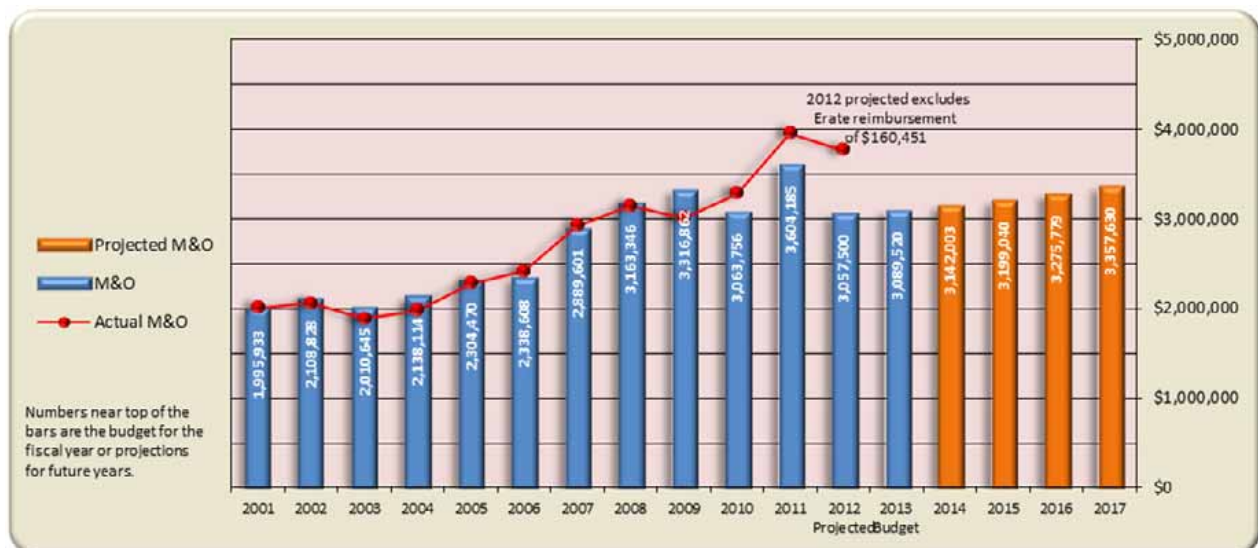
Books, Movies, Music, and Downloadables (Materials)

$ 3,297,075

Table 3-17: 2013 Materials Detail

		2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
53401	Adult Materials	$ 1,119,141.67	$ 1,000,000	$ 847,684	-15.23%
53402	Serials	17,450.30	20,000	0	-100.00%
53403	Periodicals	103,403.97	120,000	80,000	-33.33%
53405	Juvenile Books	622,811.97	540,000	496,458	-8.06%
53406	Professional Collection	26,308.74	25,000	20,000	-20.00%
53407	International Collection	78,898.15	110,000	76,000	-30.91%
53408	Audiovisual Materials - Adult	1,301,930.80	1,189,507	816,000	-31.40%
53409	Audiovisual Materials - Juvenile	125,847.88	130,000	102,040	-21.51%
53410	Reference Materials	13,246.31	0		%
53411	Electronic Info Sources[1]	326,196.73	200,000	170,355	-14.82%
53412	Reference Serials	50,166.51	45,000	36,414	-19.08%
53413	Electronic Services	300,550.25	255,000	244,124	-4.27%
53414	Electronic Collection[1]	408,663.99	446,654	255,000	-42.91%
53464	Vendor Processing Services[2]		190,000	153,000	-19.47%
53490	Collection Projects[3]	182,319.96	0		%
53499	Gifts - Materials	2,409.29	30,000	0	-100.00%
	TOTAL MATERIALS	**$ 4,679,346.52**	**$ 4,301,161**	**$ 3,297,075**	**-23.34%**

Notes:

1. Beginning 2011, Electronic Collection (i.e., the electronic books) was split out from Electronic Info Sources, which hold items such as online databases.
2. In 2011, Processing Service charges were moved out of the Maintenance & Operations section to the Materials budget.
3. The Collection Projects line item was created to budget for building the books, DVDs, music, and other materials collection at the Fife Library.

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

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

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

Figure 3-8: Materials Budget History (2002 - 2013)
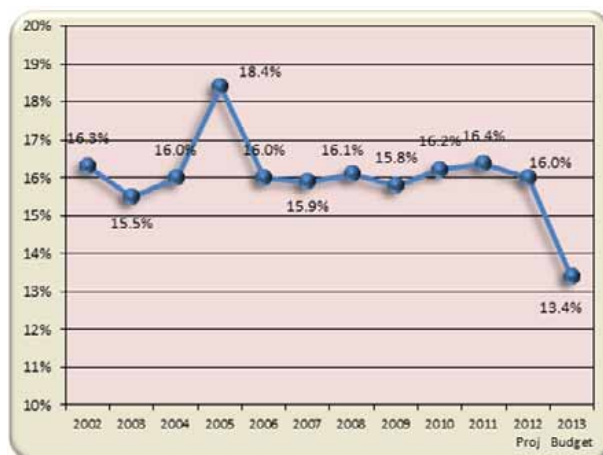
The 2013 Materials budget is 13.4% of new revenues. Figure above shows the historical funding of Materials as a percentage of each year's new revenues. "New Revenues" excludes calculating a portion of the

89

$807,172 use of cash reserves into the materials budget. The spike in the 2005 Materials budget is due to a carrying forward of unexpected 2004 unexpended funds (the catalog system replacement project delayed purchasing and receipt of materials).

Figure below shows PCLS's Materials budget per capita, which is an effective measure of our focus on our collection. The figure at right gives a comparison of our budget along with that of other local libraries. We are 3rd out of the 13 regional libraries for the second year in a row. It's a great spot for us. The 2013 materials expenditure per capita is estimated to be $5.94 per capita.

Figure 3-9: Materials Expenditures Per Capita History (Actuals 2002 - 2011)

Figure 3-10: Materials Expenditures Per Capita Comparison (2011)

Source: Washington State Library

Rub-a-Dub by Jazmine Horne
2nd Place 11th/12th Grade Winner of the
2012 Our Own Expressions Photography Contest

Other Set-Asides & Transfers

$ 492,335

Table 3-18: 2013 Other Expenditures, Set-Asides, and Transfers

	2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
ELECTION SET-ASIDE	$ 0.00[1]	$ 0	$ 0	0.00%
CONTINGENCY	0.00[1]	0	0	0.00%
TRANSFERS TO CAPITAL IMPROVEMENT FUND	870,406.00	800,843	492,335	-38.52%
MID-YEAR SAVINGS CAP. IMP. FUND TRANSFER	860,777.00	0	0	0.0%
TOTAL SET-ASIDES & TRANSFERS	**$ 1,731,183.00**	**$ 800,843**	**$ 492,335**	**-38.52%**

Notes:
1. The Election Set-Aside and Contingency budget items are by design budgeted but not spent; the unused funds flow into the General Fund. Beginning with the 2011 budget, the Library identifies these items explicitly in the General Fund.

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

Contingency .... $ 0
The Library uses contingency as a floating variable to calculate cash-solvency to pay April's bills two fiscal years ahead. Having set-aside enough in unrestricted reserves, and given that the Library's budget is decreasing, no cash needs to be set-aside to cover cash flow shortfalls. For 2013, this means that enough restricted funds are available to plan for paying April 2013's bills. The Library's goal is to maintain at least 2% cash-to-revenues in the unrestricted fund balance, and this line item will be used when restricted funds need to be replenished.

Transfers to Capital Improvement Fund........$ 492,335
Some funding for the Capital Improvement Plan comes from transferring funds out of the operating budget. In summer 2012, the Library conducted an extended study of capital improvement needs for the next 10 years. As a result of the study and the need to reduce the overall budget, for 2013 the Capital transfer was reduced from 3% to 2% of revenues to pay for anticipated capital improvement projects. Below shows capital transfers since 2002.

Figure 3-11: Capital Improvement Fund Transfer History (Actuals 2002 - 2011)
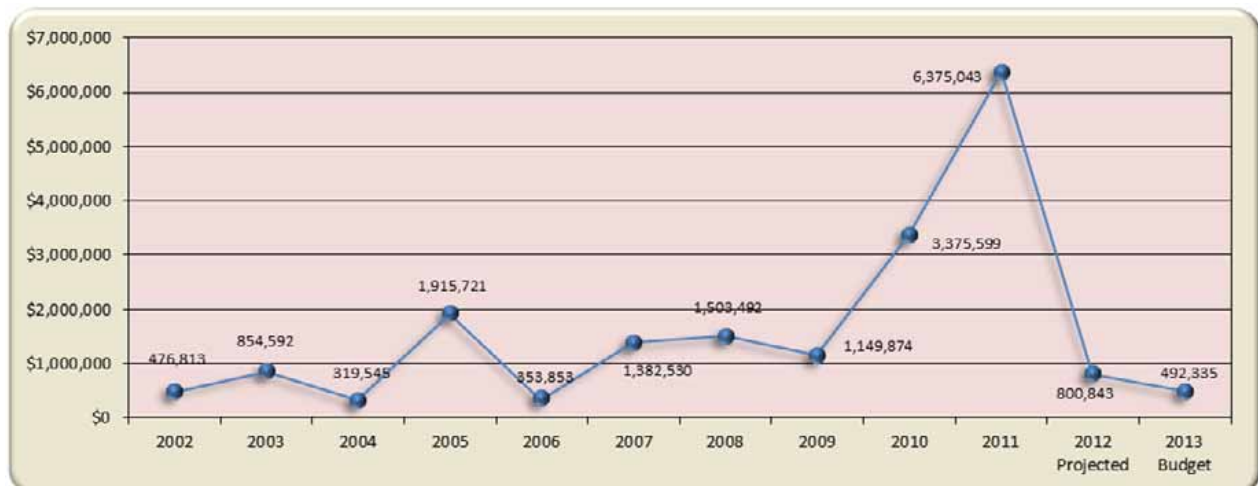
General Fund Balance

The University Place Library in the Civic Center, on a Summer Eve

General Fund Balance

Table 3-19: 2012 General Fund Balance Summary

	2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
Beginning Fund Balance, January 1	$ 13,393,737.65	$ 9,763,237	$ 10,500,000[1]	7.55%
Less: RESERVE COMMITMENTS				
Operational needs for first 4 months (calculated)	7,440,367.46	7,250,296	6,905,139	-4.76%
Reserve for future election	360,000.00	360,000	360,000	0.00%
TOTAL RESERVE COMMITMENTS	7,800,367.46	7,610,296	7,265,139	-4.54%
Available unrestricted funds at beginning of year	5,593,370.19	2,152,941	3,234,861	50.25%
INFLOWS				
Set aside from operating budget for min. of 2% goal	250,000.00	0	0	0.00%
Other inflows	0.00	0	0	0.00%
TOTAL OF INFLOWS	0.00	0	0	0.00%
OUTFLOWS				
Use of cash reserves to balance budget	0.00	175,127	807,172	360.91%
Transfers to CIF from previous year-end results	1,643,860.00	0	TBD	
Transfers for Fife (from General Fund)	3,000,000.00			
Transfers to CIF from 2011 Mid-Year Savings	860,777.00			
Transfers to CIF from 2013 Mid-Year Savings			TBD	
TOTAL OF OUTFLOWS	5,504,637.00	175,127	807,172	360.91%
Net unrestricted fund balance at end of year	338,733.19	1,977,814	2,427,689	22.75%
% of following year revenues	1.47%	7.78%	10.57%	35.86%
Add: UNUSED/REPLENISHED RESERVE COMMITMENTS				
Operational needs for first 4 months (replenished)	7,440,367.46	7,250,296	6,905,139	-4.76%
Reserve for future election	360,000.00	360,000	360,000	0.00%
TOTAL UNUSED RESERVE COMMITMENTS	7,800,367.46	7,610,296	7,965,139	-4.76%
Subtotal Fund Balance at end of year	8,139,100.65	9,588,110	9,692,828	1.09%
RESULTS OF FISCAL YEAR OPERATIONS				
Use of fund balance to cover shortfall (for operations)	0	175,127	807,172	360.91%
New revenues	29,111,096.25	26,694,758	24,616,755	-7.78%
Less Expenditures and budgeted transfers	28,303,923.94	26,869,885	25,423,927	-5.38%
NET OF OPERATIONS	807,172.31	0	0	0.00%
Add: Estimated difference between budget & actuals[2]	NA	911,890	TBD	0.00%
Warrants & sales tax payable, benefit accruals, adj	816,963.68	TBD	TBD	0.00%
Ending Fund Balance, December 31	**$ 9,763,236.64**	**$ 10,500,000[1]**	**$ 9,692,828**	**-7.69%**

Notes:

1. The 2012 year-end fund balance is estimated; numbers are finalized with the annual report in April 2013.
2. The estimated difference between budget & actuals is an adjustment calculated by the difference between final budget of revenues and expenditures as approved in December and the projected actual of revenues and expenditures received and incurred throughout the year. The difference is used to calculate the 2013 beginning fund balance. This estimated difference was calculated as of the end of December 2012.

The Library may budget funds out of the General Fund balance for special purposes. This includes charging expenditures to the General Fund balance, and identifying special funds that carry forward from one fiscal year into the next. This complies with Board Policy on Fiscal Management, which states "fiscal year carryovers of funds within the General Fund are limited in nature, and are used for special purposes that are related to grants, gifts/donations, and collection materials."

By default, all sources of unexpended revenues are released into the General Fund at year-end, unless the Board takes action to identify and approve use of fund balance.

GFOA Statement on General Fund Balance

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

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

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

— GFOA, October 2009

This has been consistent with the Library's practice since Washington State Initiative 747 was passed by voters in 2002. The Library's fund balance is a critical resource for paying bills during normal intra-year shortfalls, and has used it in long-term forecasting.

GFOA recommends a Fund Reserve policy (which was incorporated into the Board's Fiscal Management Policy) to address one or more of the following 5 factors:

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

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

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

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

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

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

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

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

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

   The Library set aside commitments:

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

The Library's Fiscal Management Policy and its directives on usage and planning of cash reserves conform to GFOA's most recent statement on fund

balance. The Library has been practicing to this most recent update since 2002.

Beginning Fund Balance
$ 10,500,000

The fund balance is estimated at $9.25 million. The actual amount is reconciled and released in the annual April annual report.

Reserve Commitments
$ 7,265,139

Operational needs for first 4 months.........$ 6,905,139
The Library calculates that approximately $7.2 million will be needed for cash flow to operate until the large influx of tax revenues come in late April. Some revenue, for example fines and some property taxes arrive between January and April, therefore the calculation is not 33% of expenditures.

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

Reserve for future election..........................$ 360,000
Building up the set aside for a future election was met in 2011. This amount will remain unspent and is reserved in the fund balance until the Library asks voters to restore revenues. In cash flow, it is excluded from operational needs and therefore is never used. Within an aggregate of cash available, it is invested.

Inflows
$ 0

Set aside from operating budget ....$ 0
The unreserved fund balance for 2012 is estimated to be 10.57%, which satisfies the minimum requirement of 2% of following year revenues. There is no need to build up the unreserved fund balance by use of the Contingency line item.

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

Outflows
$ 807,172

Use of cash reserves (fund balance).............$ 807,172
To close the revenue shortfall for the 2013 budget, the Library made significant reductions in most areas. Managers proposed further reductions in personnel to balance the budget. Upon discussing with the Board of Trustees during the October 2012 Board of Trustees

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

Transfers to CIF from previous year-end results .... TBD
The amount of unanticipated revenues and savings to be transferred to the Capital Improvement Fund from the General Fund will be determined in April 2013.

Transfers for Fife and other capital needs...............$ 0
Major construction projects in 2011 were completed in 2011; no additional funds are needed.

Transfers to CIF from 201X mid-year savings ......$ TBD
Any funds available due to savings in 2012 may be identified and transferred in 2013. The last time this occurred was in 2011.

Bottom Line Adjustments

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

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

Ending Fund Balance
$ 9,692,828

Net effect on general fund balance............ ($ 807,172)
The reduction is due to use of fund balance to balance the budget.

Conclusion

The General Fund ending fund balance—at 10.57%—is greater than the 2% practice prescribed by the Board of Trustees. However, given considerable anticipated shortcomings in revenues, a fund balance greater than minimum 2% will help the Library mitigate shortfalls in future revenues. The Board of Trustees is very concerned about future cash flow, and encourages the Library to set aside cash as much as possible to ensure that the Library does not diminish its product, even during times of significant economic stress.

Part 4 Other Funds
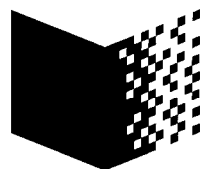
Pierce County
Library System

INFORMATION ■ *IMAGINATION*

Capital Improvement Fund

Fife Library, Recognized Nationally in Library Journal's 2012 Year in Architecture

2013 Capital Improvement Budget Summary

Table 4-1: 2013 Capital Improvement Budget Summary

	2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
FUNDING SOURCES				
Use of fund balance	$ 0.00	$ 1,194,857	$ 1,139,665	-4.62%
Transfers from General Fund	870,406.00	800,843	492,335	-38.52%
Transfers from 2010 Operations	1,643,860.00			
Transfer for Fife (from General Fund)	3,000,000.00			
Transfers from 2011 Mid-Year Savings	860,777.00			
New revenues	196,379.31	0	0	0.00%
TOTAL FUNDING SOURCES	6,572,422.31	1,995,700	1,632,000	-18.22%
EXPENDITURES				
Total project expenditures	5,452,431.87	1,995,700	1,632,000	-18.22%
TOTAL EXPENDITURES	5,452,431.87	1,995,700	1,632,000	-18.22%
NET OF FUNDING SOURCES & EXPENDITURES	**$ 3,855,065.65**	**$ 0**	**$ 0**	**0.00%**

Notes:

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

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

1. The value of the asset/project/service is equal to or greater than $5,000; and

2. Has a useful life equal to or greater than three years.

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

2013 Strategy

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

1. Preserve our facilities as an asset (stewardship)

   Our facilities are the principle venues with which we serve our customers. The Library will carefully evaluate major maintenance and improvements required to provide a welcoming and highly functional environment necessary to provide effective service. Five year plans will incorporate a data-driven approach.

2. Efficiency: Spend to save (efficient operations)

   The Library invests taxpayer funding in projects whose return on investment exceeds the capital costs. These projects are carefully studied to understand the long-term impact on saving costs while funding Library operations.

3. Stay Relevant and up-to-date (customer focus)

The Library has and continues to face difficult economic times. However, it's imperative to stay relevant to the customer by ensuring that through surveys, trends, and an understanding of available data, capital projects are designed and implemented with an eye to the future.

Strategies are noted in the detailed section of Capital Projects for each 2013 capital project.

5 Year Capital Planning

The Library produces an annual 5-year capital plan. Considerable work was done to project realistic needs from 2014–2017.

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

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

Recurring vs. Non-recurring Capital Projects

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

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

timesheets, a tool that ultimately reduced staffing needs within the Finance Department.

Planning Before Project Execution

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

Concrete Castles by Kayla Wyatt
1st Place 11th/12th Grade Winner of the
2012 Our Own Expressions Drawing Contest

Capital Projects Funding Sources

Table 4-2: Summary of Funding Sources

	2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
FUND BALANCE				
Use of fund balance	$ 0.00	$ 1,194,857	$ 1,139,665	-4.62%
TRANSFERS				
Budgeted GF transfer from operating budget	870,406.00	800,843	492,335	-38.52%
GF transfers from prior fiscal year savings[1]	1,643,860.00	TBD	TBD	
GF transfer for Fife (from General Fund)	3,000,000.00			
Transfers from 2011 Mid-Year Savings	860,777.00			
TOTAL TRANSFERS	6,375,043.00	800,843	492,335	-38.52%
NEW REVENUES				
New revenues	196,379.31	0	0	0.00%
TOTAL FUNDING SOURCES	**$ 6,572,422.31**	**$ 1,995,700**	**$ 1,632,000**	**-18.22%**

Funding Sources
$ 1,632,000

Funding for capital projects comes from three sources:

1. Fund balance of the Capital Improvement Fund.

2. Funds transferred from the General Fund:

   a. Minimum 2% (down from 3% in 2012) of General Fund revenues. More may be transferred due to needs.

   b. Funds transferred from the General Fund due to unanticipated revenues and savings, backfilling funding for projects.

3. New revenues (e.g., fund raising, investment).

Shortfalls are an Ongoing Concern

Capital Improvement budgets fluctuated as shown in the chart below. The average Capital Improvement budget for 2002 through 2013 is $1,778,302.

An ongoing concern is that the Capital Improvement Fund be funded adequately for ongoing improvements. The table above shows that from 2002 to 2013 funding transferred in averaged $194,949 less than was actually needed for projects. These budgets are multiyear budgets, so not all funds are spent during the budgeted year. At times, projects are cancelled as circumstances warrant. The Capital Improvement Fund has an important role for addressing cash shortfall; therefore, transfers and budgets are planned and coordinated carefully.

Figure 4-1: Capital Project Budget History (Excludes Carry Forwards)
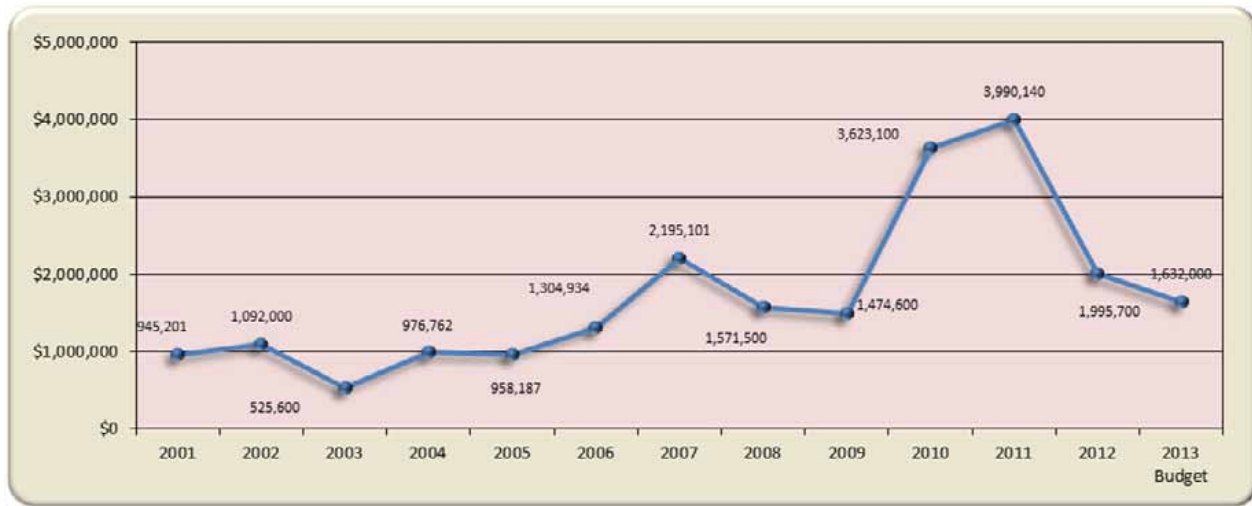
Prior to 2011, the Library had budgeted the capital improvement fund transfer at 2% of revenues. Historically, a 3% transfer fell short of budgeted expenditures by as much as $1 million, at times considerably more. To make up for the shortfall, the Library relied on unanticipated revenues and savings to backfill the shortfall. Should the Library budget funds for the yearly capital projects, the operating budget would be impacted considerably, and substantial reductions could be necessary. Due to severe budget shortfalls, the Library reduced the transfer back to 2% for 2013.

Figure 4-2: Capital Improvement Fund Shortfalls (Budgeted Project Costs Compared to Set-Asides)
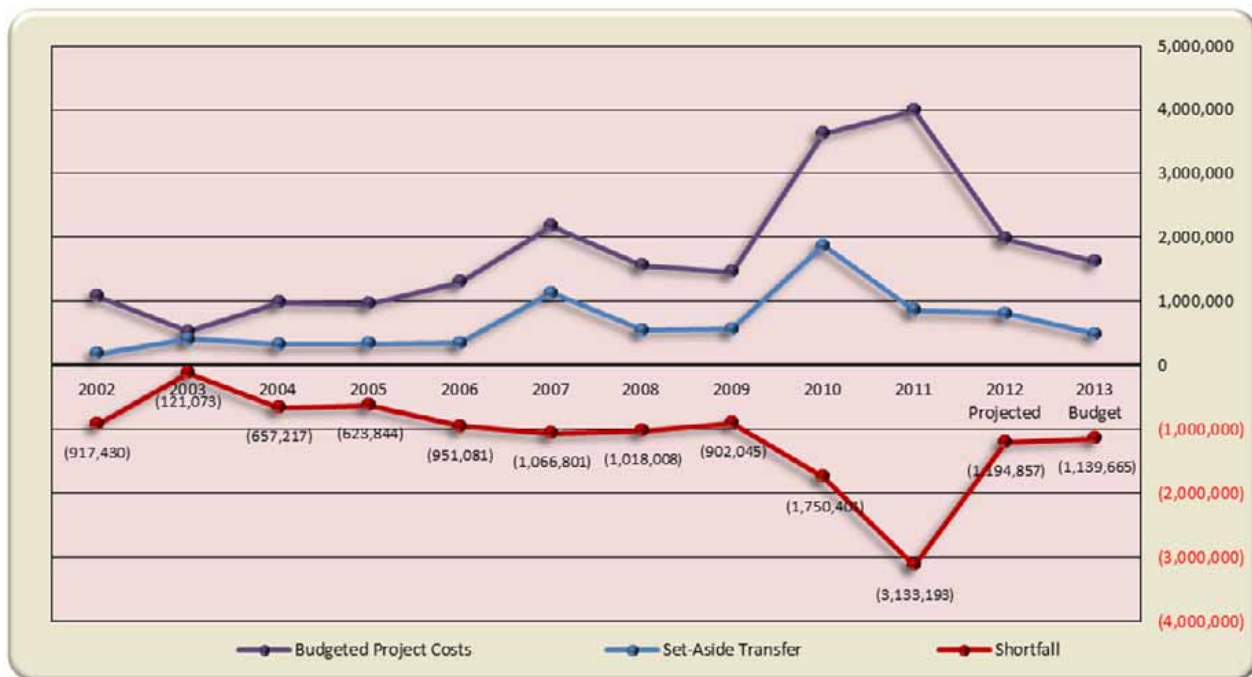
At the end of 2012, it is estimated that the Capital Improvement Fund balance will be approximately $2.2 million. Adding monies to be received in 2013 transfers from the Operating Budget, the total available funding is approximately $2.7 million.

Budgeted General Fund Transfer ....$ 492,335
The budgeted transfer from the General Fund was reduced from 3% to 2% of General Fund New Revenues. This calculation excludes any use of General Fund balance to balance the operating budget.

Use of fund balance ....$ 1,139,665
The Capital Improvement budget uses its Capital Improvement Fund cash balance to pay for projects that exceed new revenues. For 2013, the Library is expecting to budget some funds from the Capital Improvement fund balance. After factoring in the annual transfer, about 52% of the Capital Improvement Fund balance will be needed to fund 2013 projects. This assumes no mid-year transfer occurs.

Transfers from prior fiscal year savings...............$ TBD
As per the Library's Fiscal Management policy, the Library may consider transferring additional revenues from the General Fund, such as unanticipated savings and revenues from previous fiscal years. The identification of these funds occurs typically during April, after which the Library reports the previous fiscal year results.

New revenues...$ 0
The Library anticipates minimal new revenues, if any. New revenues may come in the form of interest on fund balance, albeit very small due to continuation of extremely low interest rates.

Beauty by Tamala Aown
2nd Place 11th/12th Grade Winner of the
2012 Our Own Expressions Drawing Contest

Capital Improvement Plan—Project Expenditures

2013 Capital Improvement Plan Projects
$ 1,632,000

Table 4-3: Capital Budget Summary—Project Expenditures

Capital Project Categories	2013 BUDGET	2014 ESTIMATED	2015 ESTIMATED	2016 ESTIMATED	2017 ESTIMATED
Commitments	$ 240,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000
Direct customer experience	0				
Indirect customer support projects	0				
Major maintenance	1,174,000	322,000	194,000		226,000
Vehicles	170,000	10,000	45,000	120,000	10,000
Equipment and technology		235,000	200,000		
SUBTOTAL	1,584,000	687,000	559,000	240,000	356,000
Contingency (by exec approval)	48,000	25,000	25,000	25,000	25,000
TOTAL CAPITAL PROJECT BUDGET	**$ 1,632,000**	**$ 712,000**	**$ 584,000**	**$ 265,000**	**$ 381,000**

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

Commitments
$ 240,000

University Place Library (+5,000 sq ft)...........$ 120,000
Strategies..(Relevance)
The Library has set aside monies to pay for the 10-year annual payment for the expanded space. This is per the agreement with the City of University Place. Payment began in late 2012 and is considered recurring but "silent", i.e., no activity other than payments are made.

Fife Library Follow Up Work ....$ 120,000
Strategies...................................... (Preserve, Relevance)
Fife Library was completed and opened in 2011. Customers are experiencing difficulties navigating the rear parking lot, especially when exiting. This project makes minor changes to the parking lot to improve safety and navigation.

Direct Customer Experience
$ 0

Following completion of projects in 2012, no further projects are planned at this time due to budget constraints.

Indirect Customer Services
$ 0

Having completed all work in 2012, no projects in this category are planned for the next five years.

Major Maintenance
$ 1,174,000

HVAC Replacement/Upgrades (PAC/BLK).....$ 930,000
Strategies....................................... (Preserve, Efficiency)
Bonney Lake Library's HVAC will be replaced with a more efficient system in 2013 (the current system is the original one installed in the early 1990s). PAC's needs to be repaired or upgraded in 2013—they are original units installed in 1993, and have had repairs made in 2005 and 2006. Both projects are anticipated to offset the increased utility costs due to usage or rate increases, as well as cost-control in unanticipated maintenance needs due to failures. PAC's will be converted from electrical units to natural gas units, and may be eligible for energy grants.

Roof Replacement (SMT) ....$ 180,000
Strategies... (Preserve)

The roofs of the Summit Library must be replaced. Summit's roof is the original one installed in 1990.

IT Closet Cooling ....$ 64,000
Strategies.. (Preserve)
In 2012 a consultant conducting an evaluation of the Library's technology recommended that the closets that store network equipment in all libraries be cooled so that the environment doesn't overheat. This multiyear project will begin in 2013 and end in 2015.

Vehicles
$ 170,000

Faced with major budget reductions, the Library changed the way services are delivered to remote communities in less costly ways. Bookmobiles are no longer used and instead, small vans will take materials and staff to more locations. The Explorer bookmobile will be retained for seasonal service to the community. Two bookmobiles will be sold.

The Library fleet includes other vehicles such as delivery vans, maintenance vans for technical staff, and general-purpose vehicles. During autumn 2012, the Library studied use and needs of vehicles, and when replacing general purpose vehicles will move to hybrid-type cars, which will save on fuel costs.

Transit Cargo Van...$ 80,000
Strategies.....................................(Efficiency, Relevance)
A cargo van will be purchased and converted into a service delivery vehicle. Sales of bookmobiles will offset procurement costs.

Replace Passenger Van #1 with Hybrid Car .....$ 35,000
Replace Passenger Van #2 with Hybrid SUV....$ 45,000
Strategies..(Efficiency)
The Library will replace its two oldest general-purpose vans (1989 and 1996, respectively) with hybrids.

Vehicle (contingency for repairs)....................$ 10,000
Strategies.. (Preserve)
A contingency is set aside for major repairs to vehicles. Due to the end of bookmobile service, this has been reduced. *This is a recurring project, but used only as needed.*

Equipment and Technology
$ 0

All major technology projects scheduled through 2012 have completed. No projects are anticipated for 2013.

Contingency
$ 48,000

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

Future Anticipated Major Projects (2014 – 2017)

Virtual Desktop Infrastructure (2014)...........$ 235,000
The Library is looking into reducing its operating costs in supporting its computers. One way to reduce costs is to implement a centralized desktop environment, which allows for one computer "image" to be used for dozens, or even hundreds, of computers. Instead of performing upgrades and installations on hundreds of computers (for example, a Windows upgrade), which requires staff to visit every computer, upgrades can be performed on one central image. This central image becomes immediately implemented in all computers that share that image.

Network Equipment Upgrade (2015)............$ 200,000
In 2015, the IT Department will need to replace aging networking equipment, such as servers, main switches, routers, firewalls and software that runs on them. Upgrading and replacing this equipment will bring the Library up to current technology infrastructure performance and stay in stride with demand for network and computational resources. The IT Department currently carries few maintenance contracts with network equipment vendors. Instead, the IT Department relies on spares or replacements in stock, or if necessary invokes a time and materials agreement with vendors. Replacing network equipment prior to failure saves considerably in maintenance agreements in the operating budget.

Other 2014 Projects ....$ 258,000
Projects include replacing HVACs, roofs, carpets, painting, and rekeying all doors in all facilities.

Other 2015 Projects ....$ 165,000
Projects include interior painting, carpet replacements, and replacing a vehicle.

Other 2016 Projects ....$ 110,000
The Library anticipates replacing a van and the Sprinter. Replacements will reduce the need for repairs, both in the capital and operating budgets.

Other 2017 Projects ....$ 226,000
A major project in 2017 includes replacing Bonney Lake Library's roof.

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

Table 4-4: 5-Year Capital Improvement Projects (2013 - 2017)

	2013 BUDGET	2014 ESTIMATED	2015 ESTIMATED	2016 ESTIMATED	2017 ESTIMATED
COMMITMENTS					
University Place 5,000 sq ft expansion (10 yr)	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000
Fife Library follow up work	120,000				
TOTAL COMMITMENTS	240,000	120,000	120,000	120,000	120,000
MAJOR MAINTENANCE					
HVAC replacement/upgrades (PAC, BLK)	930,000				
Roof replacement (SUM)	180,000				
HVAC replacement (LWD,TIL)		40,000			
Roof replacements (KC, STL)		137,000			
Interior painting (PKS)		41,000			
Interior painting (GHM)			20,000		
Carpet replacement (GIG)			110,000		
Roof replacements (BLK)					200,000
Carpet replacement (TIL)					26,000
IT Closet Cooling	64,000	64,000	64,000		
Rekey of all building doors		40,000			
TOTAL MAJOR MAINTENANCE	1,174,000	322,000	194,000	0	226,000
VEHICLES					
Bookmobiles (recurring repair contingency)	10,000	10,000	10,000	10,000	10,000
Transit Cargo Van (offset by bookmobile sales)	80,000				
Replace Passenger van #1 with Hybrid car	35,000				
Replace Passenger van #2 with Hybrid SUV	45,000				
Replace Passenger car #1 with Hybrid car			35,000		
Replace Maintenance van #1				30,000	
Sprinter replacement				80,000	
TOTAL VEHICLES	170,000	10,000	45,000	120,000	10,000
EQUIPMENT AND TECHNOLOGY					
Virtual Desktop Infrastructure		235,000			
Network Equipment Upgrades			200,000		
TOTAL EQUIPMENT AND TECHNOLOGY		235,000	200,000		
SUBTOTAL	1,584,000	687,000	559,000	240,000	356,000
Contingency (by exec approval)	48,000	25,000	25,000	25,000	25,000
TOTAL CAPITAL PROJECT BUDGET	**$ 1,632,000**	**$ 712,000**	**$ 584,000**	**$ 265,000**	**$ 381,000**

Notes:

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

Capital Improvement Fund Balance

Table 4-5: 2013 Capital Improvement Fund Balance Summary

	2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
Beginning Fund Balance, January 1	$ 2,736,075.21	$ 3,855,066	$ 2,200,000[2]	-42.93%
INFLOWS				
Budgeted GF transfer from operating budget	870,406.00	800,843	492,335	-38.52%
GF transfers from prior fiscal year savings[1]	1,643,860.00	TBD	TBD	
GF transfer for Fife (from General Fund)	3,000,000.00			
Transfers from 2011 Mid-Year Savings	860,777.00			
TOTAL INFLOWS	6,375,043.00	800,843	492,335	-38.52%
Available funds during fiscal project year	9,111,118.21	4,655,909	2,692,335	-42.17%
OUTFLOWS				
Use of inflows to fund projects	5,452,431.87	800,843	492,335	-38.52%
Use of fund balance to cover shortfall	0.00	1,194,857	1,139,665	-4.62%
TOTAL OUTFLOWS	5,452,431.87	1,995,700	1,632,000	-18.22%
Subtotal Fund Balance at end of year	3,658,686.34	2,660,209	1,060,335	-60.14%
RESULTS OF FISCAL YEAR PROJECTS				
Use of inflows to fund projects	5,452,431.87	800,843	492,335	-38.52%
Use of fund balance to cover shortfall	0.00	1,194,857	1,139,665	-4.62%
New revenues	196,379.31	0	0	0.00%
Less: Expenditures	5,452,431.87	1,995,700	1,632,000	-18.22%
TOTAL RESULTS OF FISCAL YEAR PROJECTS	0.00	0	0	0.00%
Add: Estimated difference between budget & actuals[3]	NA	(460,209)	TBD	0.00%
Add: Warrants & sales tax payable, adj	TBD	TBD	TBD	0.00%
Ending Fund Balance, December 31	$ 3,855,065.65	$ 2,200,000[2]	$ 1,060,335	-51.80%

Notes:

1. Transfers due to prior fiscal year savings occur as a Board-approved fund-to-fund transfer from the General Fund and the Capital Improvement Fund, generally without effect on the current operating budget. Because prior fiscal year savings in the General Fund already occur by the time the budget is finalized, but are unknown by the time the fiscal year begins, they are not recorded against the operating budget; however, depending on timing, they may be estimated in the Capital Improvement Fund budget.
2. The 2012 year-end fund balance is estimated; numbers are finalized with the annual report in April 2013.
3. The estimated difference between budget & actuals is an adjustment calculated by the difference between final budget of revenues and expenditures as approved in December and the projected actual of revenues and expenditures received and incurred throughout the year. The difference is used to calculate the 2013 beginning fund balance. This estimated difference was calculated at the end of November 2012.

Discussion

As with the General Fund, the Capital Improvement Fund balance is also an important factor in cash flow. However, the Capital Improvement Fund balance is susceptible to large fluctuations. Since 1995, the Library has improved the Capital Improvement Fund balance, which is used as a source to borrow funds when the General Fund balance is low. Capital project expenditures can reduce the fund's balance very quickly; the amount budgeted for transfer has nearly always been significantly less than the budgeted project expenditures. The Library backfills the Capital Improvement Fund balance based on unanticipated revenues and savings from prior year operations. Below is a chart showing the history of the Capital Improvement Fund's ending fund balance.

Figure 4-3: Capital Improvement Fund Ending Fund Balance
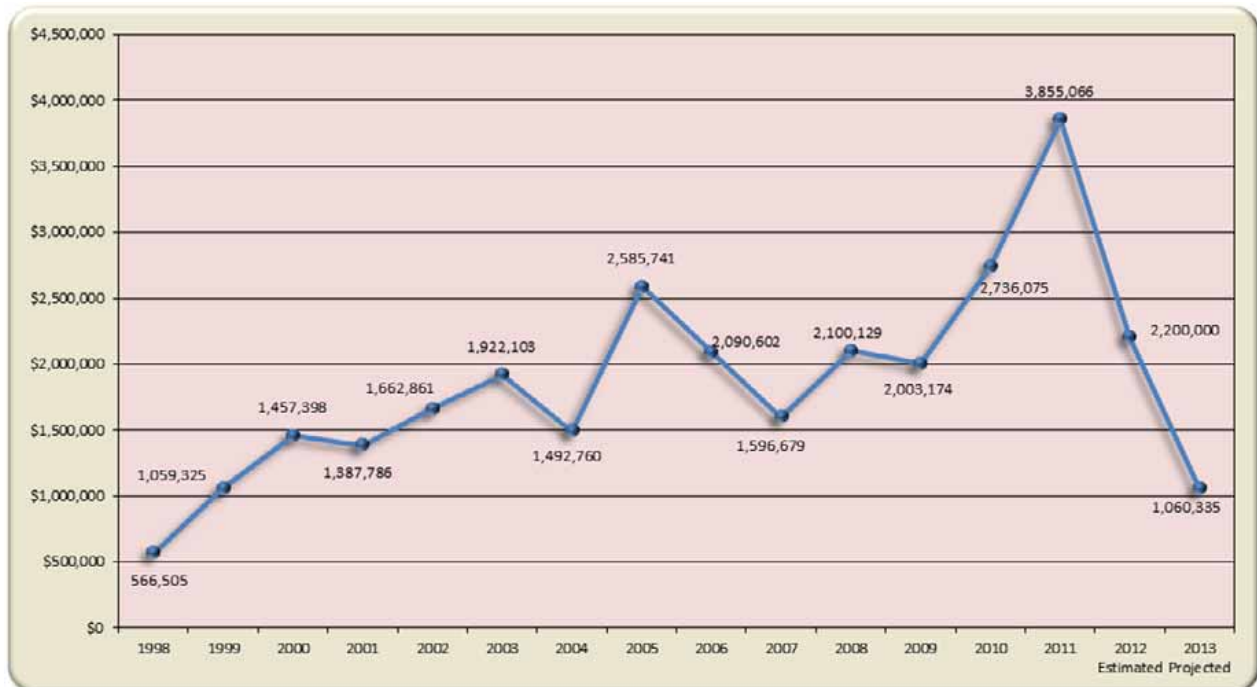
Unusual Longing

Living in Florida, I've never seen the stuff—
Supposed to tingle tongues and numb fingers, I'm told.
Well, I guess I've noticed the white dots printed
On billboards and newspaper ads when I run to the mart in December.
Never in real life though, with my own two eyes I've never held it.

I want to, really.
Melt between my fingers, I've asked.
Crunch beneath me feet, I've prayed.
I will make a ball to hurl at Ginger and Jose.
I will lie down and be covered, suffocated.
I will never be bothered by the cold.

I promise.

None of my family has seen it. None of them have ever even left here.
No desire I suppose, but I'll tell you, I've got some desire.
At home, I'm teased for this "useless" dreaming of mine.
My brothers say I'm just stupid,
That I spend too much time with my thoughts.
They tell me I should be stronger to help Mama and the girls.
But I am not like them, any of them. I want other things, better things.

I want out of this place. I want the snow.

_____

Hailey Maher
Bellarmine Prepatory

2012 Our Own Expressions
9th & 10th Grade Poetry Winner—1st place

Bonds, Debt, and Debt Service Fund

Daffodil Princesses at the Summit Library

Bonds, Debt, and Debt Service Fund

Bonds & Debt

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

Unrestricted General Tax Obligation Bonds (UGTO): Bonds may be issued as a measure to voters in the taxing district and require 60% approval. Such bonds would generally be used for large-scale projects such as district-wide library construction. The Library's maximum legal debt capacity is one half of one percent of the Library District's assessed valuation, and in the simplest form may be levied up to 30 years. As of 2013, typical bond rates would be between 5% and 6%.

Library District assessed value:	$ 47,343,258,825
Legal GO bond capacity:	x 0.005000
Maximum GO bond capacity:	$ 236,716,294
Current outstanding bonds:	- $ 0
Available bonding capacity:	$ 236,716,294

The Library therefore may issue general obligation bonds of up to $236,716,294. For the property owner with average property value of $215,000, a 20-year simple bond issued would cost around $85 per year. Other factors affecting the cost to a property owner depend on the structure of the bond, bond rates, maturity dates, bond sales, changes in property values, and changes in the district-wide property value.

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

Library District assessed value:	$ 47,343,258,825
Legal Councilmanic bond capacity:	x 0.001000
Maximum Councilmanic capacity:	$ 47,343,286
Current outstanding Councilmanic bonds:	- $ 0
Available Councilmanic capacity:	$ 47,343,286

Councilmanic bonds could be used for short term financing of small construction projects, equipment

needs, or emergencies that cannot be paid out of available general funds or Capital Improvement funds. They would not be used for covering budget shortfalls in ongoing operations.

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

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

Current Bonds and Debt

Currently, the Library maintains no debt of any form:

Sum of all outstanding UGTO bonds:	$ 0
Sum of all outstanding Councilmanic bonds:	$ 0
Sum of all other forms of debt:	$ 0
Total of all outstanding bonds and debt:	$ 0

Debt Service Fund

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

Debt Service Fund Balance

Current fund balance at the beginning of 2013 is approximately $83,460. Because the Library has no outstanding debt, only minimal, passive activity in this fund will occur in 2013.

Last Use (System Expansion Project)

In 1986, the voters passed a $28.9 million general obligation bond levy to construct new library facilities, including the purchase of land and the acquisition of furniture and equipment. It also included funds to remodel/renovate existing library facilities throughout the Library System and to purchase books and other materials. Bonds were issued in 1986 ($18 million),

1990-91 ($8 million), and 1992 ($2.9 million). In 1995, a portion of the 1986 and 1990-91 issues was refinanced; the value of this refunding was $6.93 million. With the payment of principal and interest in December 2002, the entire debt was retired.

Future Debt Needs

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

Table 4-6: 2013 Debt Service Fund Balance Summary

	2011 ACTUALS	2012 FINAL (12/11)	2013 BUDGET (12/12)	% CHANGE 2012 FINAL TO 2013
Beginning Fund Balance, January 1	**$ 83,176.72**	**$ 83,333**	**$ 83,460[1]**	**0.00%**
INFLOWS				
GF transfers	0.00	0	0	0.00%
All other inflows	0.00	0	0	0.00%
TOTAL INFLOWS	0.00	0	0	0.00%
Available funds during fiscal year	**83,176.72**	**83,333**	**83,460**	**0.00%**
OUTFLOWS				
Use of inflows to fund payments	0.00	0	0	0.00%
Use of fund balance to cover shortfall	0.00	0	0	0.00%
All other outflows	0.00	0	0	0.00%
TOTAL OUTFLOWS	0.00	0	0	0.00%
Subtotal Fund Balance at end of year	**83,176.72**	**83,333**	**83,460**	**0.00%**
RESULTS OF FISCAL YEAR ACTIVITY				
Use of inflows to fund projects	0.00	0	0	0.00%
Use of fund balance to cover shortfall	0.00	0	0	0.00%
Revenues	156.29	0	0	0.00%
Expenditures	0.00	0	0	0.00%
NET OF OPERATIONS	156.29	0	0	-100.00%
Add: Estimated difference between budget & actuals[2]	NA	127	0	-100.00%
Add: Warrants & sales tax payable, adj	0.00	0	0	0.00%
Ending Fund Balance, December 31	**$ 83,333.01**	**$ 83,460[1]**	**$ 83,460**	**0.00%**

Notes:
1. The 2012 year-end fund balance is estimated; numbers are finalized with the annual report in April 2013.
2. The estimated difference between budget & actuals is an adjustment calculated by the difference between final budget of revenues and expenditures as approved in December and the projected actuals of revenues and expenditures received and incurred throughout the year. The difference is used to calculate the 2013 beginning fund balance. This estimated difference was calculated at the end of November 2012. A positive number means a surplus is expected.

Beginning Fund Balance
$ 83,460

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

Inflows
$ 0

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

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

Outflows
$ 0

Use of inflows to fund payments............................**$ 0**
No use will occur in 2013.

Use of fund balance to cover shortfall.....................**$ 0**
No use will occur in 2013.

All other outflows..**$ 0**
None budgeted nor anticipated for 2013.

Ending Fund Balance
$ 83,460

Net effect on general fund balance.........................**$ 0**
No change is anticipated for 2013.

Checking out a movie using a movie dispensing machine
at the Fife Library

Part 5 Cash Flow and Funds
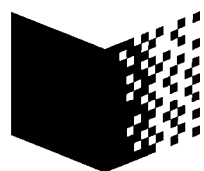
Pierce County
Library System

Cash Flow, Budgeting, and Funds

2012 PC Reads Author Jamie Ford speaking at the Author Event

General Fund Cash Flow

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

- Separate cash reserves (fund balance) to identify reserve commitments and unreserved balances.

- Set aside operational reserves for the first four months of the fiscal year (until major property tax revenues are received). The operational reserve is calculated every year according to projected expenditures.

- Set aside a reserve to fund costs for a potential future election.

- Maintain a minimum of 2% in the unreserved fund balance. The unreserved fund balance will decrease over time when the reserve for operational costs increases. This fund may need to be replenished.

- Contingency to flow into the fund balance is only budgeted when it's projected that the unreserved fund balance dips below 2%.

- The Capital Improvement Fund transfer is 3%. Backfill may be needed, depending on emergent capital needs.

- Identify projected shortfalls in future years. Identify reduction strategies in future years.

- Identify cash reserve needs in the current year only. Future years will depend on current year strategies for reductions.

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

Interfund Loans

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

Investments

When available cash exceeds current needs, the Library has Pierce County Treasurer invest the remaining available amounts, which earns investment income for the Library. The rate of returns is approximately 0.005% due to historically low interest rates. Extremely low return on investment rates will continue through 2012.

The Sound of Music

It took me over like a wave
Crashes over sand again and again—
The crystals gleamed in my eyes
As the chord shifted to a sixth inversion.
The best and worst of things happened
All at once. The secret triplets start to dance
Around the saddest melody as if it were the wind.
When the snow falls you hear everything
Like the grace of perfect stillness
Like it was at the grand pause off the bar.
The intensity of knowing a mountain is just
Around the corner at the end of the phrase and
Knowing that there will Never
Be a moment like that small wrinkle
Of an instant you were honored to be in.
And when it's all over, the corners of your mouth
Lift just slightly in expressing the deepest account
Of emotional impact of the true and utter rawness of
Euphoric Beauty. And when it ends—
so does your life long search for contentment.

Amber Roley
Rogers High School

2012 Our Own Expressions
11th & 12th Grade Poetry Winner—3rd place

Table 5-1: 2013 - 2017 Cash Flow Summary

	REVENUES & EXPENDITURES				CASH							
Fiscal Year	Budgeted Revenues	%/$ Rev Change	Budgeted Expenditures	Budget Shortfall	Total of Cap. Imp. Transfers	Jan 1 Beginning Cash Reserves (est)	Operating Reserves (approx 4 mos)	Jan 1 Beginning Unrestricted Cash Rsrvs (est)	Less: Cash Use	Dec 31 Ending Unrestricted Cash Rsrvs (est)	% of Next fy Revs	Strategy for Reductions
2010	28,634,961	-1.67% -485,865	28,634,961	**0**	3,375,599	12,726,334 -	7,901,720 + 280,000[1] 8,181,720	= 4,544,614	- 0	= 4,544,614	15.9%	
2011	28,564,891	-0.24% -70,070	28,564,891	**0**	5,500,807	13,393,738 -	7,440,367 + 360,000[1] 7,800,367	= 5,593,370	- 0	= 5,593,370	20.1%	
2012	26,694,758	-6.55% -1,870,133	26,869,885	**175,127** Approx $1.7 million in reductions done	800,843	9,763,237 -	7,369,276 + 360,000[1] 7,729,276	= 2,033,961	- 0	= 2,033,961	8.26%	Reduce bookmobile service; shift processing fees; personnel budget savings; salary freeze for managers; other reductions
2013	24,616,755	Projected -9.34% -2,535,340	25,423,927	**807,172**	492,335	10,800,000[2] -	7,265,139 + 360,000[1] 7,625,139	= 3,234,861	- **807,172**	= 2,427,689	10.57%	-$1m on Materials; use $807,172 from 2011 savings; increase to 3% salary savings; decrease CIP to 2% transfer; other reductions
2014	22,972,392	-6.68% -1,644,363	26,451,083	**3,478,691[3]**	459,448	9,692,828 -	6,239,302 + 360,000[1] 6,599,302	= 3,093,526	- TBD	= TBD	TBD	TBD
2015	22,762,598	-0.91% -209,794	TBD	TBD	455,252	9,692,828 -	6,182,322 + 360,000[1] 6,542,322	= 3,150,506	- TBD	= TBD	TBD	TBD
2016	22,990,194	1.00% 227,596	TBD	TBD	459,804	9,692,828 -	6,244,137 + 360,000[1] 6,604,137	= 3,088,691	- TBD	= TBD	TBD	TBD
2017	23,413,656	1.84% 423,462	TBD	TBD	468,273	9,692,828 -	6,359,149 + 360,000[1] 6,719,149	= 2,973,679	- TBD	= TBD	TBD	TBD

Notes:
1. Set-aside for a future potential election.
2. Estimate as of December 2012. Final will be available in May 2013, when the 2012 fiscal report is issued to the State Auditor.
3. Estimate is between $1.7 million and $3.5 million, depending on property values and operating costs.

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

Capital Improvement Fund Cash Flow

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

	2013 BUDGET	2014 ESTIMATED	2015 ESTIMATED	2016 ESTIMATED	2017 ESTIMATED
Beginning Capital Improvement Fund Balance, Jan 1 (est)......$ 2,500,000[1]		$ 1,360,335	$ 1,107,783	$ 961,451	$ 1,125,967
Capital Improvement New Revenues & Transfers	492,335	459,448	437,668	429,516	429,716
Available Funds:	2,992,335	1,819,783	1,545,451	1,390,967	1,555,683
Capital Improvement Expenditures (Capital Project Budget)	1,632,000	712,000	584,000	265,000	381,000
Ending Capital Improvement Fund Balance, Dec 31 (est)	**$ 1,360,335**	**$ 1,107,783**	**$ 961,451**	**$ 1,125,967**	**$ 1,174,683**

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

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

	REVENUES & EXPENDITURES				CASH				
Fiscal Year	**Budgeted Revenues**	**%/$ Rev Change**	**Budgeted Expenditures**	**Cap. Imp. Budget Shortfall**	**Jan 1 Beginning Cash Reserves (est)**	***Less:* Cash Use**	***Add:* Unused Revenue**	**Dec 31 Ending Cash Reserves (est)**	**% of Next fy Revs**
2013	492,335	-38.52% -308,508	1,632,000	-1,139,665	2,500,000	- 1,139,665 +	0	= 1,360,335	196.08%
2014	459,448	-6.68% -32,887	712,000	252,552	1,360,335	- 252,552 +	0	= 1,107,783	153.11%
2015	437,668	-4.74% -21,780	584,000	146,332	1,107,783	- 146,332 +	0	= 961,451	123.85%
2016	429,516	-1.86% -8,152	265,000	0	961,451	- 0	+ 164,516	= 1,125,967	162.03%
2017	429,716	0.05% 200	381,000	0	1,125,967	- 0	+ 48,716	= 1,174,683	TBD

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

Provided above is a Capital Improvement Fund cash flow chart (two versions). While it appears that the Capital Improvement Fund is sufficient between 2013 and 2017, future projects—especially major maintenance—can quickly draw down the Capital Improvement Fund. As allowed per the Fiscal Management policy, the Library may transfer unanticipated revenues and savings during the year, typically done when the annual fiscal report is completed, or during the mid-year budget process.

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

Summary of Fund Balances

Table 5-4: Summary of Fund Balances

	GENERAL FUND	CAPITAL IMPROVEMENT FUND	DEBT SERVICE FUND
2012 Beginning Fund Balance, Jan 1	$ 9,763,237	$ 3,855,066	$ 83,333
2013 Beginning Fund Balance, Jan 1 (est)	$ 10,500,000	$ 2,500,000	$ 83,460
Add: 2013 New Revenues & Transfers	24,616,755	492,335	0
2013 Available Funds:	35,116,755	2,992,335	83,460
Less: 2013 Expenditures	25,423,927	1,932,000	0
2013 Ending Fund Balance, Dec 31 (est)	$ 9,692,828	$ 1,360,334	$ 83,460

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

The drop in the General Fund from 2012 to 2013 is due to the budgeted transfers from the General Fund to the Capital Improvement Fund to pay for construction projects, Fife.

Sisters reading at the Fife Library

117

Part 6 Library Departments
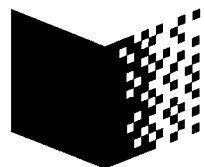
Pierce County
Library System

INFORMATION ■ *IMAGINATION*

The Departments

Give a Helping Hand by Allyssa Metcalf
1st Place 7th/8th Grade Winner of the 2012 Our Own Expressions Photography Contest

Library Departments and their 2013 Goals

In 2011, Pierce County Library changed its management structure to focus on and align the organization to create, manage, and deliver an excellent customer experience–both externally and internally, the public and the Library staff, respectively.

Successful organizations must continually evaluate and change as the environment and work changes. In 2010, the Library made organizational changes at the direct service delivery point–in the libraries. In 2011 and 2012, changes occurred in the other departments. The changes were to improve customer focus, system-wide communications, and collaboration to best serve customers and communities. This structure will allow the Library to build better internal communications and make effective decisions quicker.

In 2013, the Library will operate seven organizational departments. Some previously separate departments are combined into a larger department or group. Work in the Information Experience Department will be redistributed to other departments.

The structure:

• Clarifies accountability;

• Improves teamwork and collaboration;

• Streamlines decision making and internal communication; and

• Provides excellent service delivery to internal and external customers.

Objectives of the restructure are to create an organization that:

• Manages well;

• Gets things done;

• Communicates effectively; and

• Focuses on the customer.

Table 6-1: List of Library Departments

Executive Office	Formerly Executive Director's Office; combined with Deputy Director
Customer Experience	Formerly "Branch Experience"; includes Community and Outreach Services, Youth Services, Adult Services, and Virtual Services from the Information Experience Department
Reading & Materials	Formerly "Collection Management"
Business Operations	Formerly Finance & IT; includes Finance, IT, and Facilities Management
Marketing & Community Relations	Formerly "Communications"
Fund Development	Remains unchanged
Staff Experience	Formerly "Human Resources"; includes the learning team from the Information Experience Department

Table 6-2: Departmental Expenditure Budgets—General Fund

DEPARTMENT	2011 ACTUALS	2012 FINAL (12/10)	2013 BUDGET (12/11)	% CHANGE 2012 FINAL TO 2013
Executive Office[1]	$ 459,045.37	$ 646,780	$ 713,079	10.25%
Deputy Director's Office[1]	328,683.61	0		%
Customer Experience[2]	10,920,008.73	12,541,119	12,578,882	0.30%
Youth Services[2]	694,659.30	0		%
Reading & Materials[3]	6,869,788.76	6,334,243	5,291,941	-16.46%
Information Experience[2,4]	382,660.77	0		%
Business Operations				
Finance	1,024,525.34	908,693	932,884	2.66%
Information Technology	2,076,900.96	1,854,085	1,963,795	5.92%
Facilities Management	2,523,997.55	2,709,295	2,547,429	-5.97%
Marketing & Community Relations[5]	576,632.59	653,845	646,111	-1.17%
Fund Development	228,373.21	249,904	229,068	-8.34%
Staff Experience[4,5,6]	473,421.53	552,623	599,864	8.55%
SUBTOTAL DEPARTMENTS	26,558,697.72	26,450,887	25,505,149	-3.58%
Reductions in salaries planning budget to match projections (2% of personnel costs)	N/A for Actuals	(381,845)	(573,557)	50.21%
TOTAL DEPARTMENTS	26,558,697.72	26,069,042	24,931,592	-4.36%
Net of other expenditures, set-asides, transfers	1,745,226.22	800,843	492,335	-38.52%
TOTAL EXPENDITURES	**$ 28,303,923.94**	**$ 26,869,885**	**$ 25,423,927**	**-5.38%**

Notes:

1. Formerly, Executive Director's Office. Executive Office includes Deputy Director's Office.
2. Formerly, Branch Experience. Customer Experience includes Community Outreach, Virtual Services and Adult Services moved from Information Experience, and Youth Services (which occurred over two years, 2011-12).
3. Formerly, Collection Services.
4. Information Services' Learning Team moved to Staff Experience, and Virtual Services and Adult Services moved to Customer Experience.
5. Formerly, Communications. Marketing & Community Relations includes Volunteer Coordinator services, moved from Staff Experience.
6. Formerly, Human Resources. Staff Experience includes Learning Team, which was moved from Information Experience. Volunteer Coordinator services moved to Marketing & Community Relations.

All departments are budgeted general funds for operations. Some departments have locations for which they have staff or allocated purchases (for example, office supplies spread across 18 locations). Budgeting for locations occurs as an allocation after the full budget has been approved. Each department is then rolled up (summarized) to confirm the department's overall budget.

Some departments have Capital Improvement Funds for projects. These budgets are entered into the Project Accounting module of the Library's financial system, Eden. The capital projects tables provided in this budget are roll ups of multi-departmental capital project budgets, but identified with the principal department having overall project oversight of the budget. Note that the capital budget was amended three times in 2011.

No department has any budget in the Debt Service Fund.

Table 6-3: Departmental Expenditure Budgets--Capital Improvement Fund

DEPARTMENT	2011 ACTUALS	2012 FINAL (12/10)	2013 BUDGET (12/11)	% CHANGE 2012 FINAL TO 2013
Executive Office[1]	$ 0.00	$ 120,000	$ 120,000	0.00%
Customer Experience[2]		489,700		-100.00%
Reading & Materials[3]				
Information Experience				
Business Operations				
Finance				
Information Technology	416,369.84	262,000		-100.00%
Facilities Management	4,946,204.01	1,049,000	1,344,000	28.12%
Marketing & Community Relations[4]	45,075.22			
SUBTOTAL DEPARTMENTS	5,407,649.07	1,920,700	1,584,000	-17.53%
Net of other expenditures and contingencies	44,782.80	75,000	48,000	-36.00%
TOTAL EXPENDITURES	**$ 5,452,431.87**	**$ 1,995,700**[5]	**$ 1,632,000**	**-18.22%**

Notes:
1. Formerly, Executive Director's Office. Executive Office includes Deputy Director's Office.
2. Formerly, Branch Experience.
3. Formerly, Collection Services.
4. Formerly, Communications.
5. The 2012 capital budget was modified and approved by the Board of Trustees one time:
   - July 11, 2012: Modified by the mid-year budget process, to include carryover costs for UP and Milton/Edgewood libraries, among other changes. Amended capital budget became $2,222,560.
   - August 8, 2012: Modified to add in copier replacements & network equipment for IT. Amended capital budget became $2,445,560.

Table 6-4: Departmental Expenditure Budgets—Major Funds

DEPARTMENT	2013 GENERAL FUND	2013 CAPITAL IMP. FUND	2013 TOTAL FUNDS[1]
Executive Office	$ 713,079	$ 120,000	$ 833,079
Customer Experience	12,578,882	0	12,578,882
Reading & Materials	5,291,941	0	5,291,941
Business Operations			
Finance	932,884	0	932,884
Information Technology	1,963,795	0	1,963,795
Facilities Management	2,547,429	1,344,000	3,891,429
Marketing & Community Relations	646,111	0	646,111
Fund Development	229,068	0	229,068
Staff Experience	599,864	0	599,864
SUBTOTAL DEPARTMENTS	**$ 25,505,149**	**$ 1,584,000**	**$ 27,089,149**
Net of all other costs and set-asides	(81,222)	48,000	(33,222)
TOTAL EXPENDITURES	**$ 25,423,927**	**$ 1,632.000**	**$ 27,055,927**

Notes:
1. Debt Service Fund is not included, as there is de minimus activity in that fund.

The table above shows the combined budgets for departments. For succinctness, 2011 actuals and 2012 budget have not been added.

Core Principles for Library Employees

Laugh, Love, Live by Breonna Rose
3rd Place 7th/8th Grade Winner of the 2012 Our Own Expressions Photography Contest

Library Core Documents

The Library has several key documents that provide a foundation and guide for its operations:

1. The Leadership Descriptors

2. Core Skills and Qualities

3. Foundations of a Learning Organization

These are presented on the following pages and apply to all staff and management of the Pierce County Library System.

Mother and baby reading at the University Place Library

Leadership Descriptors

In 2008 the Leadership Descriptors were created to provide a common understanding of the responsibilities of leaders in the Pierce County Library System. These skills, attitudes, and practices enable the leadership and staff of the Library to work together to create and maintain the organizational environment required to achieve the mission and goals of the Library.

Figure 6-1: Leadership Descriptors

LEADERSHIP DESCRIPTORS

Leadership of Pierce County Library System is responsible for:

Excellence *Leadership* creates a customer-focused environment that insures delivering excellent service to every customer

Collaboration *Leadership* values and fosters teamwork and respects the importance of everyone's role in the Library's success

Continuous Improvement *Leadership* fosters an environment where we continually learn, seek improvement, takes risks and accept and learn from failure

Communication *Leadership* communicates and shares knowledge effectively and proactively, and expects two-way discussion, and listens to understand

Innovation *Leadership* encourages and supports innovation and creativity

Empowerment *Leadership* empowers decision making and action at the appropriate level and minimizes top down control and gate keeping

Build Talent *Leadership* coaches and mentors others and develops leadership and contribution at all levels

Initiative *Leadership* encourages and supports initiative in problem solving and organizational improvement

Revised 9/9/2011

Foundations of a Learning Organization

In 2007 the Library recognized the need to have an organizational culture and staff that learn, adapt, look forward, and continually improve processes, services, and themselves. An organization and staff with these skills are better prepared and equipped to adapt and evolve, and have the resiliency and judgment to work well in a fast paced and changing environment.

The Foundations of a Learning Organization were created to establish and guide development of the skills and culture.

Figure 6-2: Foundations of a Learning Organization

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FOUNDATIONS OF A LEARNING ORGANIZATION

1. *The burden of learning is on the individual.* It is the right and responsibility of staff to learn and acquire new skills. Learning is necessary and urgent to any successful organization. Everyone knows the difference between learning and training.

2. *Everyone needs to know what the organization's big-picture success looks like and each individual's part in creating that success.* This is a shift from the "my tasks" orientation to more universal knowledge of how an individual's task fist in with the team's task. Everyone is responsible for the team's task, as well as the organization's success. Also need to have a view of what is happening in the library world in general and what that success looks like.

3. *Learning happens at all levels of the organization.* Curiosity is seen as a good thing. Recognition that everyone learns.

4. *Organic communication is encouraged.* Communication is the responsibility of all staff and happens at all levels. Assumes that there is no such thing as too much information and it is the responsibility of the individual to seek out and share information.

5. *There is a consistency of policy implementation and practice.* There are clear boundaries within which staff can operate to help the customer.

6. *Curiosity is encouraged; learning is supported; new skills are actively sought at all levels.* Everyone is responsible for the success of the learning organization and ideas come from anywhere and everyone.

7. *Coaching and mentoring happens at all levels.* This includes peer-to-peer mentoring and includes both formal and informal processes.

8. *Feedback at all levels is an essential ingredient to success.* It must be constructive and well-thought out and everyone must do it.

9. *Mistakes are a learning opportunity for everyone involved.*

Revised 9/12/2011

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Core Skills and Qualities

The Core Skills and Qualities (often referred to as the "9 Skills and Qualities") are behavioral competencies that describe the qualities required of all Library staff, regardless of position, to be successful in their work.

Since inception in 2008, they have been incorporated into employment in manifold ways: the Library's interview questions were rewritten to select employees who exhibit these traits; the Skills & Qualities are discussed frequently in staff meetings and incorporated into training; supervisors use these when coaching their employees on performance issues; and last year, the Library introduced a performance evaluation based on the Core Skills & Qualities.

Figure 6-3: 9 Skills and Qualities

CORE SKILLS AND QUALITIES

1.   Customer Focus
We (PCLS staff) strive to understand and exceed our customers' expectations. We treat all people with courtesy and respect and are welcoming and approachable. We are aware of cultural differences that may impact how people prefer to experience the Library and take our cues from the customer to adapt our styles accordingly. Note: "customer" always means both coworkers and the public, including both current and potential library users.

2.   Teamwork
We work effectively with our team, work group, and across organizational lines to accomplish the Library System's goals. We build respectful relationships within and between units and among individuals. We encourage and support other staff.

3.   Professional Integrity
We project a professional attitude and image and adhere to a high standard of professional conduct. We value and respect customer confidentiality.

4.   Leadership
We accept responsibility and make decisions appropriate to our position and the situation. We contribute, support and encourage new ideas. We demonstrate grace under pressure.

5.   Communication
We effectively communicate, both verbally and in writing. We listen to understand and use constructive approaches to resolving workplace issues. We freely share new ideas.

6.   Problem Solving
We develop effective approaches to address customer needs and solve problems. We use good judgment to resolve conflicts. We address customer behavior and issues when necessary. We are solution oriented.

7.   Change and Learning
We positively respond to organizational change and show a willingness to learn new ways to accomplish work. We are flexible. We take the initiative to look for ways to develop as individuals and to improve the Library System. We are strategic thinkers.

8.   Positive Attitude
We are enthusiastic about our work and like to have fun. We are positive role models for one another and remember that we represent the Library and its mission in the community.

9.   Diversity
We understand and are committed to the principles of diversity. We strive to understand the needs of all people in our community. We treat all people with courtesy and respect and are welcoming and approachable. We uphold the principles of intellectual freedom.

Department Narratives

Loading books onto the Book Buggy to take to child care centers and in-home daycare centers

Introducing the Departments

In 2013 the Library will have 9 departments with assigned budgets, and 3 subsidiary departments having budgets (e.g., Youth Services, Outreach Services, and Virtual Services under the Customer Experience department). The Business Operations Group is a collection of 3 departments having reporting relationships, so it does not have a specific roll-up department. The Library therefore employs one roll-up department of 3 or more subsidiary departments (Customer Experience), and one umbrella group (Business Operations Group).

For 2013, the Library employs no divisions.

Following are the department narratives provided by the managers of each department. Each department provides goals for 2013 and lists major accomplishments in 2012.

Beauty by Molly MacKinnon
3rd Place 9th/10th Grade Winner of the
2012 Our Own Expressions Drawing Contest

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Executive Office

Manager	Staffing	Operating Budget
Neel Parikh	5.0 FTEs	$ 713,079

Mission

The Executive Office leads the Library to deliver excellent, valued library services and experiences for the community, and positions the Library to embrace opportunities in the future.

Vision

Pierce County Library System is the community's choice for the discovery and exchange of information and ideas: reading, learning, exploring.

Summary

The Executive Office supports top-level executive staff and the Board of Trustees, and sets strategic direction.

2013 Goals and Projects

- Budgeting: Using a customer and data-driven decision making process, reduce the budget by $1.7 million to $3.5 million for 2014, preserving valued and highly used services.

- Performance Measurement: Based on the strategic framework, identify performance measures for services as well as internal operations in order to ensure quality service to the public and good stewardship of taxpayer dollars.

- Community Engagement: Create standards, goals and tools to support staff engagement in our community and development of effective community partnerships and collaboration.

- Establish Priorities and Clarify Organizational Capacity: Clarify expectations for departments and staff and evaluate organizational capacity for execution.

2012 Notable Accomplishments

- Product: The library conducted public opinion research using direct mail and a phone survey, analyzing the public's ideas and opinions about services needed and valued in order to help define the PCLS product and inform service and operational decisions for future budgets.

- $2.5 Million Budget Reduction: Using information gathered through surveying reduced the 2013 operating budget by $2.5 million while maintaining open hours and services, with minimal impact on staff.

- Collection Budget Analysis and Reduction: Analyzed the Library's collection and its use, and customer needs to establish a realistic allocation in light of the $2.5 million budget cut, while ensuring the Library continues to provide a high quality, dynamic collection that supports the reading, learning and viewing experience customers expect.

- Strategic Framework: Based on the services community members valued, combined with core library documents, developed a strategic framework to guide library decision making.

- Management Restructure: Implemented operational changes to improve overall functions of the organization through the management restructure.

Customer Experience

Manager	Staffing	Operating Budget
Sally Porter Smith	183.31 FTE	$ 12,578,882

Mission

The Customer Experience Department creates experiences customers value in libraries, online, and in communities.

Vision

Customer Experience Department demonstrates customer focus in all aspects of working, including staff, technology, collections, services, facilities and community outreach.

2013 Goals and Projects

- Conduct a Virtual Services planning process to guide the development and implementation of virtual services for 2013 - 2015.

- Continue partnerships and foster new opportunities that support job and business expansion in Pierce County.

- Engage readers online, in the library and through community connections.

- Implement the online Teen Summer Reading program based on the successful completion of the 2012 pilot project.

- Continue development of school and community partnerships to expand reading and learning opportunities for youth throughout the year.

- Continue the redesign of and implementation of Explorer service to reach youth in targeted communities.

- Implement the Foundation funded BLOCK Play grant designed to increase early literacy and STEM (science, technology, engineering and math) skills.

- Implement focused learning opportunities for staff to enhance supervisory, reader's advisory and customer service skills.

- Work with Foundation and Friends' groups to enhance facilities, collections and services.

2012 Notable Accomplishments

2012 brought customers more options in how they access and use books, materials, and services in library buildings and online.

- Added DVD movie dispensing machines at 10 more locations (Buckley, DuPont, Eatonville, Fife, Graham, Key Center, Milton/Edgewood, Orting, Steilacoom and Sumner), for a total of 16 libraries providing two distinct ways for selecting and checking out DVDs.

- Created a Movie and Music Library at South Hill, appealing to people looking for deep and broad browsing collection of movies and music.

- Completed "one desk" projects to bring together teams of well-trained staff at one service point to meet the needs of customers seeking assistance in the library at Graham, Sumner, Bonney Lake, South Hill, Summit.

- Reallocated space within the Steilacoom library to support how customers use libraries and provide access to Movie Machines, more computers and self-service options.

- Began work to improve the customer experience at Key Center through the library expansion project (to be completed February 2013). Worked with Pierce County Library Foundation to initiate a fund raising campaign to add to the Key Center expansion project and engage the community in building more opportunities for learning and engagement at the library.

- Completed Foundation-funded Lakewood project that provided new computers, furnishings, learning activities (children's area) and a listening station (teen area).

- Expanded partnership with WorkForce that enables people living in rural areas of Pierce County to attend WorkForce classes taught in their local community libraries.

- In partnership with Joint Base Lewis McChord, provide library information and resources to new military members and their families at JBLM bi-monthly new comers' orientation.

- Improved and refreshed branch book collections by moving existing resources throughout the system by using Collection HQ, a time-saving online collection development tool.

- Partnered with Franklin Pierce School District to issue every student a library card and increased students' access to homework help and other online library resources.

- Designed, implemented and piloted a successful online teen summer reading program that engaged teens in reading, learning and exploring within the library and community.

- Improved customer experience using Library computers by ensuring use of computers mirrors how people access the Internet at home and provide broader options for accessing library services.

Kyra by Emilie Webb
1st Place 9th/10th Grade Winner of the
2012 Our Own Expressions Photography Contest

Reading & Materials

Manager	Staffing	Operating Budget
Lisa Bitney	26.7 FTEs	$ 5,291,941

Mission

To select the items people want, present them in a manner so customers can easily find them, help staff display books and materials, and occasionally surprise individuals with discoveries they didn't know the Library offered.

Vision

Create a high quality collection of books and materials to supports the community's reading, listening, and viewing interests.

Summary

Reading & Materials continues to provide a customer-focused collection of books and materials and looks for ways to target selections to each of the communities in the Library's service area. The department strives to provide an exciting range of materials and help connect people with what they want to read, view, or listen to.

2012 Goals and Projects

- Make it easier for customers to find books in the catalog. People who are interested in reading a series or locating what the next book in the series is will find that information readily accessible.

- Reduce the amount of time it takes to get materials processed and in libraries for customers.

- Continue to build our e-book collection and support online customers.

- Create a vibrant, exciting collection of books and materials through customer input and usage data.

2011 Notable Accomplishments

- Three new or expanded libraries opened with high quality, bestselling materials.

- Improved how customers browse shelves by clearly identifying popular genres with brightly colored stickers on the spines. Added paperbacks to catalog for easier customer access.

- The hottest, bestselling titles customers want are now available in libraries, without waiting, in the new Lucky Day section.

Finance

Manager	Staffing	Operating Budget
Dale Hough	6.75 FTEs	$ 932,884

Mission

Administer a fiscally responsible system to support the Library.

Vision

To be a valued Pierce County Library System partner, providing ethical, responsive, and contemporary financial services.

Summary

The Finance Department is directly responsible for the accounting and the stewardship of all public funds. Our process is accountable, on-time, auditable and strives for increased efficiency. The Finance Department manages all financial transactions for the System including payables, receivables, general ledger, fiscal reporting and analysis, payroll and purchasing. We continue to move toward a paperless future-oriented system where documents and key fiscal records are stored in an electronically archived format while still being available at the click of a button. Further we provide a fully operational self-service online time keeping and employee information portal.

Our 2013 budget will remain lean. We have implemented last year's "Do more with less" and "Do it better and more efficiently". The department has positioned itself well to positively respond to both challenges.

2013 Goals and Projects

- Ensure that 100% of new invoices and other purchasing and payment records are easily stored in an accessible electronic format.

- Expand use of direct import of electronic data from our vendors.

- Pay more vendors using Electronic Funds Transfer and/or ACH methods.

- Increase revenue generation by more focused use of our purchasing card (credit card) program. This simplifies the purchasing and payment process while maintaining accountability and generates measurable new revenue. The growth in purchasing card revenue has more than doubled since 2010, due to the credit card company's 1% rebate program and our focused use. We intend to continue growing this option by at least 10%.

- Review and refine all Finance Department efficiencies and process improvements including Tyler Output processor, Electronic Document Management, Materials Invoice imports, HR Web extensions/Online timesheets. Add improvements and efficiencies as are deemed appropriate and cost effective.

- Implement online access for vendors and potential vendors in accounts payable and purchasing - Bid and Quote.

- Ensure that internal control is at the highest level, all payments are made promptly and accurately and records are maintained in a sustainable and audit ready format.

- Implement the Washington State Archives "Destruction after Digitization" (DAD) program.

- Identify and implement an online travel and expense invoicing system that is user friendly.

- Prepare for a successful biannual audit to be performed by the Washington State Auditor's office for calendar years 2011 and 2012.

2012 Notable Accomplishments

- Completed one full year of online timesheet and employee information services web access for employees. This efficiency allows employees secure access to their key personnel information including pay history, timesheets and personnel information. This more accurate and efficient process allowed the Department to reduce payroll staff by 0.5 FTE.

- Implemented an integrated electronic document management (EDM) system to handle all accounting transactions. EDM allows the department to electronically attach all paper records related to a transaction to its electronic record. This method saves time in total processing and increases accessibility of records from a user's workstation.

- Completed scanning of 2011 legacy invoice documents into electronic document management (EDM) system.

- Began the implementation of an integrated Web based Bid and Quote application.

- Implemented a Fiscal Management dashboard. This is a work in progress.

- Completed a full year of electronically importing all invoices for materials purchases into the financial management system (Eden) with minimal manual intervention. The process was formerly 100% manual. The project may eventually allow for the restructuring of up to 0.5 FTE.

- Created improved Financial Reporting package for Board of Trustees.

- Received the Governmental Finance Officers Association Distinguished Budget Presentation Award. The prestigious and highly coveted award goes to state and local government organizations that prepare budget documents of the very highest quality.

- Received a positive financial audit report from the Washington State Auditor's Office for 2009 and 2010, containing no findings or adverse opinions.

Child's Play

I board the contraption,
the seemingly alien seat and chains welcome
me like an old friend.

I glance at those around me, so much younger than I
still in their Spaghetti-O years.

Slowly, I exhale.
My apprehensions fluttering into the atmosphere.

I start slow
a small kick with my legs. Then another,
relearning my technique.

My stomach twists with every lurch of the monster
the toes of my sneakers stir up flecks of bark.

The crisp air biting my cheeks
the world around me blurs
and disappears.

My uncertainties buried deep within my diaphragm,
I release the chains.

I fly.
And then I time travel
back to my Spaghetti-O years.

_____
Jocelyn Gonzales
Steilacoom High School

2012 Our Own Expressions
9th & 10th Grade Poetry Winner—2nd place

Information Technology

Manager	Staffing	Operating Budget
Kerry Nielan	12.0 FTEs	$ 1,963,795

Mission

Provide up-to-date, easy to use and forward-looking technology and technological experiences.

Vision

The Information Technology Department is a trusted technology leader, promoting and supporting change that meets customers' needs.

Summary

The IT Department supports customers in the use of technology at the Library System. This includes maintaining the Polaris Integrated Library System (ILS) to allow access to books, movies, and music and access to the Internet through public computers and customers' own technology devices using Wi-Fi.

The department continues to keep technology current. The IT Department continues to support an increasing quantity of downloadable media on mobile devices including various e-readers and MP3 devices.

The IT Department continues to seek additional funding to support technology, which includes federal E-rate funds in excess of $200,000 and Microsoft software donations for public computing (via a non-profit organization called TechSoup Global). The IT Department seeks to be a good steward of taxpayers' dollars through annual contract review and adjustment of telecommunication services and adjusting services to meet customers' needs.

2013 Goals and Projects

- Continue scheduled replacement of computers according to a cycle to replace approximately one-fourth of all computers annually. Improve customer experiences for public computing with a new, enhanced user interface that reflects the standard Microsoft Windows Desktop environment.

- Implement new PC Time and Print Management from Envisionware. This system will enhance cost recovery, save paper and toner, as well as allow for our patron to use debit and credit cards to pay for prints.

- Upgrade the Polaris ILS to the latest version with some specific enhancements for bulk receiving of materials.

- Participate in an exploratory contact center project for online, telephone, and other interaction between customers and staff.

- Support Virtual Services in the upgrade to a new Staffweb

- Implement a new online eCard Registration Service that will verify that the address entered in the online registration form is within our service area before issuing a temporary library card number.

- Mobile device policy and enforcement through use of Mobile Device Management solutions.

- Implement new Book Club Kit system that improves the customer interface and allows for better utilization of the kits.

- Support RM in implementing new ILL workflows using Polaris and OCLC integration.

2012 Notable Accomplishments

- Upgraded the Public Computing Desktop Experience to Microsoft Windows 7 and the office productivity software to Microsoft Office 2010. Users are now given a Window's desktop to operate from which more closely matches a user's home experience.

- Upgraded the copier at all Libraries so that users have the capabilities for scan-to-email, color copying, and 11" x 17" copying.

- Upgraded the routers in the network to a switch-based architecture with improved speed and reliability for the internal computer network.

- Upgraded all firewalls with new devices that have a new easy to configure interface and allow for better management of network security.

- Assisted with the implementation of branch efficiencies in 2012 to the One Desk model.

- Assist with the implementation of new data driven management systems including LibPass, Communities Connect, and Collection HQ.

- Continued implementation of media security, which reduced the theft of DVDs with the benefit of providing more DVDs for customers.

- Virtualized 21 servers on to 2 physical servers which results in cost savings through lower operating costs and lower replacement cost.

- Moved our Internet Filtering to a cloud based "Software as a Service" which provides more redundancy for filtering (results in higher uptime) and lower operating costs.

Library Card contest winner of a Kindle at Sumner Library

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Facilities Management

Manager	Staffing	Operating Budget
Lorie Erickson	19.21 FTEs	$ 2,547,429

Mission

The Facilities Department strives to provide safe, clean, efficient, and well-maintained facilities for employees and the public.

Vision

The Facilities Department consistently and effectively achieves customer satisfaction and employee excellence.

2013 Goals and Projects

- Energy Efficiencies: Evaluate opportunities for energy efficiencies within the branches, including researching rebates and grant opportunities to support that work.

- General services: Ongoing building maintenance to maintain physical assets, including touch-up painting, toilets, sinks, etc. Develop pro-active approach to day to day maintenance and upkeep. Develop metrics and benchmarks for work orders and services.

- Vehicle Fleet Analysis: Evaluate current usage, needs, and condition of current fleet and create a long-term replacement plan.

- Replace the HVAC System/Controls at Processing and Administrative Center to improve comfort for staff and customers, while bringing the system up to current code. Research grant opportunities for this project.

- Build turnaround in Fife parking lot to allow better traffic flow..

- Security and Environmental Upgrades: System wide rekeying project. Install cooling capabilities in IT closets at various branches.

2012 Notable Accomplishments

- Worked in collaboration with various departments to improve efficiencies at Summit, South Hill, Bonney Lake, Steilacoom, Sumner, Key Center, and Graham. Work improved layouts and access to services within the buildings. Creating a "one-desk" environment allows more efficient scheduling of staff to meet the needs of the customer. Acoustics were greatly improved at South Hill.

- Replaced HVAC system at Sumner with a more efficient system to provide a comfortable and efficient environment. Interior painting at Sumner.

- Replaced roofs at Sumner and Eatonville.

- Purchased new delivery van to replace older high-maintenance van.

- Safety is a major goal. Working with manufacturers, desks and computer stations were designed with improved cable management built in. A telephone was added to the Lakewood library as an added safety measure.

- Lakewood Library Teen section improvements: Worked in collaboration with Customer Experience and Lakewood staff on the project funded by the Pierce County Library Foundation. Project improved the area occupied by Teens, creating an interesting and inviting place, attracting more junior high and high school students. Teens can choose to study, play a game, relax with a book, create on the computer, plug in music or simply hang out.

- Filled several vacant positions in the Department, including Facilities Operation Supervisor, Facilities Operation Lead, and one Maintenance Technician.

- Added security monitoring of HVAC units as determent to copper thefts.

- Added security access to IT closets.

I Wonder

I wonder about the people I see on the street.
I wonder if they have a family, or enough to eat?
I wonder if they have a place to stay, is it toasty, are the lights radiant, or dead?
I wonder how old they are, when they were born, if they're right in the head?
I wonder how they came to be, if they're brusque, or sweet as pumpkin pie on Christmas Eve?
I wonder whom they'll turn to be, if they live here, or have to leave?
I wonder why they're dressed that way, whether it's couture, or out-of-date?
I wonder if they are organized and neat, or if they enjoy books because they're discreet?
I wonder if they like to play, at anytime throughout the day?
I wonder then why I care, about the person standing there.
I wonder if I'll see them again, could I ever look at them and call them "friend"?
I wonder about the people on the street, even if we never meet.

_____

Marin Malich
Kopachuck Middle School

2012 Our Own Expressions
9th & 10th Grade Poetry Winner—1st place

Marketing & Community Relations

Manager	Staffing	Operating Budget
Mary Getchell	6.1 FTEs	$ 646,111

Mission

The Marketing & Community Relations Department increases and enhances public awareness and library use by consistently and effectively positioning Pierce County Library System to be the community's choice.

Vision

The public is aware and knowledgeable of the Library System and values the Library and its benefits and services for individuals and communities.

Summary

The Marketing & Community Relations Department directs the Library's strategic communications and image; increases and enhances public awareness and library use by collaborating with customers, engaging with Friends of Libraries and volunteers, conducting market research; and producing a variety of media.

2013 Goals and Projects

- Recruit Friends for fundraising and advocacy and ambassadors of libraries. Celebrate and recognize Friends publically.

- Create YouTube Videos—short; one minute videos promoting library services to better increase the Library's marketing strategies and online profile, increasing public awareness and knowledge.

- Produce and Market Teen Video Contest—Create and market a teen video contest for teens to show their creativity by producing videos highlighting: what they love about Pierce County Library; how the Library has helped them; or their favorite book. Include social media promotions and online voting of top choices, selected from professional videographers.

- Strategic community relations and partnerships—ensure Library is engaged in strategic community relations and partnerships.

2012 Notable Accomplishments

- Public opinions for library services and operations: conducted public involvement activities, including public opinion polling with 950 residents and three focus groups, and gathered ideas and opinions about services individuals need and value, to help inform the Library's service and operational decisions regarding services to continue, add, reduce, or discontinue.

- Volunteers: developed a plan and objectives defining volunteer needs and attributes. Surveyed supervisors to gain information about volunteer and Friends' assistance. Celebrated and recognized volunteers.

- Conducted an inventory of printed business and marketing publications: reduced the number of printed publications to ensure the Library is providing meaningful, high-quality materials. Stopped printing 38 marketing items, for a total item quantity of 102,200 and $4,600 savings in paper and printing supplies. Stopped printing 12 business items, for a total item quantity of 26,350 and $400 savings in paper and printing supplies.

- Snow-ice communications: In working with a team of directors helped make decisions and garner information to communicate information about library openings and closures during winter 2012's snow and ice storms: verified 38 mass media reports, including print and online newspapers, TV, and radio. Facebook: 23 interactions with five comments and 18 likes; captured a nearly 130% increase in the number of people reached on Facebook, compared with the previous week, for a total of 1,212 people reached. Twitter: nine retweets and 22 new people/organizations began following us.

- Read down fines: with Youth Services Librarians created plan and promotions for children and teens to read down their fines during Summer Reading. For the first 10 hours of reading, students earned one coupon for up to $5 off their library fines. We issued 5,031 coupons; giving this one-time only opportunity to reduce fines during these tough economic times and at the same time engaged and involved children, tweens and teens with reading.

- Tobacco free communications: used a variety of communications tools and strategies to inform the public of the Library System's tobacco free properties policy. Communications resulted in a seamless transition to people feeling welcomed, comfortable in their access to Pierce County Libraries.

- New way to serve children, in low-income neighborhoods, which the Library had been serving with bookmobiles communications: cohesively and strategically provided timely and accurate information regarding getting books and materials to children in low-income neighborhoods directly in schools and after-school programs in Bethel, Clover Park, and Franklin Pierce School Districts versus via bookmobiles.

- Introduced new communications tools: messages on receipt printers from checkout stations; ongoing messages on Surprise Lake reader board; Pinterest; QR Codes on most printed communications; revised and re-crafted demographically-geographically targeted listserves; letters/welcomes/requested meetings with new school superintendents; and University Place Pierce County Library newsletter.

The PC Reads Team, with Jamie Ford, 3rd from right

Fund Development

Manager	Staffing	Operating Budget
Lynne Hoffman	2.5 FTEs	$ 229,068

Mission

The mission of the Development Department is to nurture a culture of philanthropy for the Pierce County Library System. In that role, the Development Department will act as a catalyst to connect the priorities of the Pierce County Library System, the community's needs and the wishes of donors.

Vision

The Foundation provides significant and sustainable funding for key Library programs.

Summary

By attracting gifts from individuals, businesses and foundations, using a variety of strategies, the Development Department addresses the need to diversify funding that can cushion the library from budget fluctuations and also give the library the opportunity to fund innovation and targeted needs.

The Development Director and staff administer the work of the Pierce County Library Foundation, the philanthropic arm of the Pierce County Library System. The Foundation consists of an active, volunteer board of directors who build community relationships and improve public awareness about programs and services, and advocate for the Pierce County Library System. The Foundation operates on a July to June fiscal year.

In 2013, the Pierce County Library System will continue to operate with declining revenue. The Library Foundation's priorities are to meet immediate concerns to sustain programs for youth, the collection of books and materials, community outreach and programs.

2013 Goals and Projects

The function of the Development Department is to support the strategic vision of the library system through philanthropy. To do this, our priorities are:

- Recruit a full complement of active, dedicated volunteer board members for the Foundation. Members of the board of directors are ambassadors who reach out into the community to grow the library's circle of supporters and nurture those relationships.

- Build community relationships by working with the local Friends of the Library groups, community associations and individual donors to fund capital projects to enhance specific branch libraries.

Summer Reading iPad Winner, courtesy of the Pierce County Library Foundation

- Fully implement the functions of the Raiser's Edge fundraising software, which will host the on-line donation functions and reduce banking fees.

2012 Notable Accomplishments

- Raised a total of $252,347 (more than $1.4 million over the past five years).

- Distributed $317,226 to the Library (awarded nearly $1.5 for library programs over the past five years).

- Had 1438 active donors, a 48% increase over the previous year and the first time total donors topped 1,000. Including 753 new donors (nearly three times more than the previous year).

- Retained 86% of donors from previous year (2010-11).

- Recognized 18 Summer Reading sponsors.

- Lakewood residents and the Library Foundation gave and pledged a total of $126,650 to enhance children's learning environments at Lakewood Library.

- Installed Raiser's Edge, a more powerful, cloud-based fund raising software system.

- Pierce County Library System and Foundation celebrated. The Foundation thanked and honored donors at the one-year anniversary of the new University Place Library, Pierce County READS and A Literary Evening.

Taj Mahal by Jesse MacKinnon
2nd Place 9th/10th Grade Winner of the
2012 Our Own Expressions Drawing Contest

Staff Experience

Manager	Staffing	Operating Budget
Holly Gorski	4.75 FTEs	$ 599,864

Mission

The Staff Experience Department creates and supports a positive, productive employment experience at Pierce County Library System through direct service to staff, promotion and support of continuous learning, and strategic human resource planning.

2013 Goals and Projects

- Conclude negotiations on the 2013-2015 collective bargaining agreement, which began in September 2012.

- Work with the newly-expanded Wellness Committee to continue to build and grow the Library's comprehensive Wellness program, WellSteps, for all benefits-eligible staff.

- Launch interactive online training classes for supervisors and staff on key topics. A course designed in-house for online circulation system training and a purchased training product with Human Resources/supervisory courses are in the testing phases now (December 2012/January 2013).

- Explore the Library System's options for employee health benefits coverage in 2014 and beyond.

- Update the Library's New Employee Handbook into a useful, welcoming pamphlet with information relevant to new staff in today's more digitally-focused workplace.

- Continue partnering with Customer Experience leadership on improving the management of the Library's substitute-only workforce.

- Prepare for and actively support the launch of the Library's new intranet (Spring 2013).

- Transition to annual staff background checks, exploring options with both the Washington State Patrol and national providers.

- Study the Library's options for improving its I-9 process, including the federal e-Verify program.

- Reduce the Library System's worker's compensation costs through improved workplace ergonomics and more effective claims management.

- Continue to make improvements in department work processes and efficiency.

2012 Notable Accomplishments

- Integrated learning team members, projects, and priorities into the Staff Experience department, bringing together the previously-separate, but naturally-compatible, functions of human resources and learning. The work of the entire department has benefitted from this change; Staff Experience became a more effective team in 2012.

- Introduced an interim employee performance evaluation which was designed by a staff committee and based on the Library's nine "Core Skills and Qualities." This interim evaluation will be reviewed and finalized by Staff Experience in 2013.

- Continued to train hiring managers in and improve the Library's use of its new online applicant tracking system, OpenHire.

- Expanded the Library's Wellness Committee and launched a Library-wide, comprehensive wellness in the workplace program.

- Began negotiations with the Library System's labor union on the 2013-2015 collective bargaining agreement.

- Successfully conducted the Library's first online benefits open enrollment in late 2012.

Watching spoons fly in the air during the Jeff Evans Magic Show
at the Bonney Lake Library

Part 7 About the Library
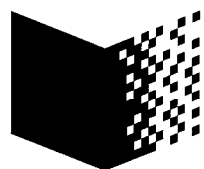
Pierce County
Library System

INFORMATION ▪ *IMAGINATION*

General Information

Service Area

The Pierce County Library System provides library services in the unincorporated areas of Pierce County in Washington State, and 15 annexed cities and towns.

The City of Fife conducted an annexation election on November 3, 2009. The voters overwhelming passed the measure by a 69% approval. The Library provided interim services in Fife since early 2010, and a full service library began serving the community on December 3, 2011.

The Library served an estimated population of 555,000 in 2012 (using 2010 census results). In December 2012, 251,034 people had active Pierce County Library System library cards, an increase of 744 over the previous year. The Library offers nearly 1.2 million books, DVDs, audiobooks, and other items. In 2012, people checked out over 8.1 million items (2011: 8.5 million) and people made over 2.5 million visits to libraries and bookmobiles (2011: 2.6 million).

In Washington State, there are 62 library systems serving the state. Of these, eight library systems serve populations greater than 250,000, including Pierce County Library. In 2011, of all libraries Pierce County Library ranked fourth in population served and fourth in total items checked out. These eight library systems managed a total of 171 branches and 20 bookmobiles. In 2011, Pierce County Library had one branch in the top 10 busiest branches and 3 in the top 20 busiest branches (circulation) out of 349 total branches and bookmobiles in Washington State, reported by the Washington State Library. The South Hill Library remained at 5th highest circulating branch in the state. South Hill Library had less square footage and less branch staffing serving customers than the four branches above. It had the second highest circulation per square footage.

See page 151 for a map of libraries located in Pierce County.

Services

The Library provides services through the 18 libraries, homebound and adult care facilities, childcare services, and the website.

The six busiest libraries are open 63 hours per week, seven days per week and provide a range of services, including Adult Services and Youth Services librarians, meeting rooms, and extensive fiction and non-fiction materials. Three of the next busiest libraries (Bonney Lake, Graham, and Summit) are each open 60 hours, seven days per week. These nine libraries are open on Sundays, from 1 to 5 p.m.

Seven other libraries (Buckley, DuPont, Eatonville, Fife, Key Center, Milton/Edgewood, Orting, and Steilacoom) provide services to local communities and are open 47 hours per week, six days a week. The Tillicum library is open 39 hours per week, six days a week.

Teaching computer skills to Adult Learners
at the Parkland/Spanaway Library

In 2011 and 2012, the Community & Outreach Services Department served 30 adult care facilities and people who are homebound. Two bookmobiles served isolated communities at 25 locations in 2011, and the Explorer Kid's Bookmobile, serving children in low-income neighborhoods, served 25 locations. In 2012, bookmobile service was reduced and focused service in low-income neighborhoods. Beginning 2013, due to further budget reductions, bookmobile services ended. In 2013, Community & Outreach Services will implement a new service model to reach youth formerly served through Explorer Kid's Bookmobile service. The Youth Services staff continues to serve over 70 childcare centers and 80 family childcare programs.

All Pierce County Library System services are available to residents or property owners in the Library System's service area, as well as people who live on a military base in Pierce County.

In libraries people may access:

- Books, movies, music, and more to check out.

- Answers and information to help people find information and get books to read. Questions also may be answered via mail, phone, or e-mail.

- Free Internet access on library computers or personal laptops.

- Services for youth to help prepare children to read and students with homework.

- Job and business help with books and materials, computers, printers, and classes.

- World languages at most libraries offer books and materials in Chinese, Japanese, Korean, Russian, Spanish, or Vietnamese.

- Free public meeting rooms.

Online libraries services people may access:

- Live online help with homework from professional tutors.

- Help for writing resumes, planning careers, and getting jobs.

- Audiobooks and e-books to download.

- Credible, reliable information from online e-sources, subscription magazines, personal investment resources, car repair manuals, encyclopedias, and other resources.

Library History in Brief

Pierce County Library System has been serving customers for more than 66 years. The Library System has changed a lot in that time. In 1946 seven libraries served 55,000 people. Today, Pierce County Library is the state's fourth largest library system with 18 libraries serving 555,000 people. In 1946 Pierce County Library offered 6,385 books and 6,800 from Tacoma Public Library. Today Pierce County Library System offers nearly 1.2 million books, CDs, DVDs, audiobooks and more. It also offers computers with high-speed Internet access and free Wi-Fi. The table on the next page shows major milestones in the Library's history.

Pierce County in Brief

Year	Median Household Income	Median Age	Single Unit Homes
2000	42,555	34.1	186,108
2001	44,965	34.3	189,111
2002	45,581	34.4	193,073
2003	47,084	34.6	197,414
2004	49,151	34.8	201,655
2005	50,678	35.1	205,702
2006	55,506	35.2	210,722
2007	56,426	35.3	215,161
2008	57,674	35.4	218,132
2009	56,555	35.6	219,891
2010	55,531	35.9	218,828
2011	56,114	36.1	220,245
2012	57,162	NA	221,566

Notes:
Source of data: Washington State Office of Fiscal Management.

Although City of Tacoma and City of Puyallup are not part of the Library's district, they are included in the data in this section due to them being reciprocal borrowing areas (residents in those two large cities are able to use Pierce County Library System resources by mutual agreement of the city libraries serving those two cities).

Top 10 Employers in Pierce County (2012)

	FTEs
Joint Base Lewis-McCord	56,624
Local Public School Districts (k-12)	13,352
Multicare Health System	6,547
Washington State Employees	6,488
Franciscan Health System	5,709
Pierce County Government	2,872
Washington State Higher Education	2,632
City of Tacoma	2,222
Emerald Queen Casino	2,220
Wal Mart	1,785

Notes:
Source of data: The News Tribune.
Pierce County Library System is 65th at 260 FTEs.

Other Pierce County Data (2010-12)

K-12 students enrolled (2011-12) [1]	119,374
School districts / schools (2012) [2]	17 / 300
Colleges and Universities (2012) [2]	7
Licensed drivers (2010) [3]	549,340

Notes:
1. Office of Superintendent for Public Instruction
2. Pierce County website
3. Washington State Office of Fiscal Management

Table 7-1: Major Milestones of the Pierce County Library System

1946 - 1989

1946	Pierce County Library established as a department within Tacoma Public Library.
	Four library locations: American Lake Gardens, Gig Harbor, Longbranch and Parkland.
1980	Orting, Steilacoom and Sumner citizens voted to annex to Library System.
	New libraries opened in Gig Harbor and Key Center.
1982	Eatonville citizens voted to annex to Library System.
	New libraries opened in Bonney Lake, Orting and South Hill.
1983	Buckley citizens voted to annex to Library System.
1984	Audiobooks on cassettes offered in libraries.
	Computer checkout system started.
	Library services provided to children in child care centers.
1985	New library opened in Tillicum.
1986	Voters approved $28.9 million bond issue for system expansion program for 12 construction projects.
1987	Gig Harbor citizens voted to annex to Library System.
	Friends Connection formed to encourage communication among community library support groups.

1990 - 1999

1990	New libraries opened in Eatonville, Gig Harbor, Parkland/Spanaway and South Hill.
1992	New libraries opened in Graham and Summit.
1996	Edgewood and Lakewood citizens voted to annex to Library System.
1997	Library System website created.
	Our Own Words Teen Writing Contest started.
1998	Library offered e-sources (online databases and subscription magazines) and computers with Internet access at all libraries.
1999	DuPont and Milton citizens voted to annex to Library System.

2000 - 2009

2000	Audiobooks on CDs offered in libraries.
2001	Bilingual story times started.
	Explorer Kids' Bookmobile brought library service to children isolated from libraries.
2005	Express Checkout allowed customers to check out books on their own.
	Downloadable audiobooks offered via the library's website.
2006	Voters gave a 56% approval to re-authorize the Library's levy (Levy Lid-Lift):
	Wider variety of books and other materials
	More open hours.
	Additional services for kids and teenagers.
	Upgraded services and technology for customers.
2007	Playaways and online school reading lists offered.
	Open hours increased by 20%.
	Online homework help launched.
	88 computers added for a total of 218 computers.
	Free computer classes offered.
2008	Downloadable e-books offered.
	Hours children and teenagers read during summer reading increased by 44%.
	3 early literacy stations with computers to help children prepare to read added.
	64 computers with high-speed Internet added.
	Pierce County READS involved thousands of people.
	Pierce County Library 2030 planned for library services and buildings to meet future community needs.
2009	Fife citizens voted with a 69% approval to annex to the Library System.

- Continued -

- Continued -
2010 - Current
2010 Fife residents started library service with the bookmobile. Job and Business Centers opened. **2011** Moved Milton/Edgewood Library to a high-traffic, central location. 1,300 people attended the grand opening. Opened University Place Library in new location, in collaboration with the City of University Place's town center. 4,541 people participated in the grand opening. Opened Fife Library, the first ever library in the City of Fife. 780 people attended the grand opening. **2012** Became tobacco free, to increase the Library's comfortable, accessible and welcoming environment for all people. Teen summer reading went online with gamification, and 653 teenagers participated in the successful Teen Summer Challenge. Created a website for military personnel and their families. During the annual library card drive, the Library System piloted a partnership program with Franklin Pierce Schools, resulting in 5,278 students having new cards. Earned national Distinguished Budget Presentation Award for its 2012 budget.

Snapshot of Key Data

Provided below is a table of key data regarding the Pierce County Library System.

Table 7-2: Snapshot of the Library's Key Data (Thru 2012)

	2008	2009	2010	2011	2012
Population of service area as of end of fiscal year:	534,000	554,000[1]	560,000	544,000[2]	555,000
Service Area Size (in square miles, rounded):	1,600	1,800[1]	1,800	1,800	1,800
Library Materials:	1,282,810	1,302,764	1,293,155	1,258,794	1,193,597
Circulation:	6,603,498	7,865,324	8,762,736	8,534,808	8,161,990
Library Visits:	2,280,289	2,646,693	2,682,141	2,631,464	5,507,596
Open Hours/Week:	918	918	926	973	973
No. of Registered Borrowers (active cardholders):	212,831	240,629	244,650	250,290	261,034
Programs given for Children:	3,157	3,411	2,972	2,749	2,548
Pierce County Reads Program Attendance (2008 is first year):	2,778	2,250	1,788	1,240	2,181
Hours kids read during Summer Reading:	57,583	69,125	73,167	69,670[3]	75,450
Bookmobile Stops:	1,664	1,663	Est 1,700	Est 1,700	Est 1,600
Volunteer Hours/Year:	4,679	6,175	5,841	5,163	5,941
Website Visits:	1,673,954	2,556,507	2,955,758	2,888,420	2,880,420
Staff (Employees, excluding substitutes):	380	348	343	370	TBD
Staff (FTE equivalent):	289.5	280.0	261.2	265.2	TBD

Notes:
1. Due to Fife annexation and using updated GIS data for calculation.
2. Recalculated from 2010 census results.
3. Methodology in counting hours read changed.

In the 2012 Library Journal "Star" data, PCLS was rated 501 in the $10M-$29.9M category (2011 was 497 in the $30M+ category), which 63 out of 114 libraries). The highest library ranked was Naperville Public Library (1,618) and the lowest was Buffalo and Eirie County Public Library (65). Seattle Public Library was ranked 2nd (1,157) in the $30M+ category.

In Washington State, PCLS ranked in 2011:
- 4th in population served
- 4th in registered cardholders (was 5th in 2010)
- 4th in operating budget
- 4th in total staffing (FTEs)
- 4th in number of librarians (MLS degreed staff)
- 3rd in total square footage
- 3rd in materials expenditures per capita
- 4th in total circulation (a chart of the annual circulation is available in the Glossary under Circulation)
- 5th in total annual library visits (was 4th in 2010)

Figure 7-1: Map of Library Locations in Pierce County

Pierce County, the second most populous county in Washington State, is located directly between King County/City of Seattle and Thurston County/City of Olympia, the State Capital. Pierce County also rests between the Puget Sound and Mount Rainier National Park. (Map courtesy of Wikipedia).

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Library Facility Information

Table 7-3: Library Facility Data

Library/Facility	Facility Owner	Age of Facility	Floor Space (Square Feet)
Bonney Lake (BLK)	City of Bonney Lake & PCLS	1982 Renovated 1996-97	6,480
Buckley (BUC)	PCLS	1991	4,100
DuPont (DPT)	Leased from DuPont Station Partners, LLC	2004	3,610
Eatonville (EAT)	PCLS	1990	4,000
Fife (FIF)	PCLS	2011	6,000
Gig Harbor (GIG)	PCLS	1990	15,214
Graham (GHM)	PCLS	1992	7,152
Key Center (KC)	PCLS	1976	4,066
Lakewood (LWD)	PCLS	1963 Expanded 1974 Renovated 1993-94	32,592
Milton/Edgewood (MIL)	Leased from WRP Surprise Lake, LLC	2011	6,649
Orting (ORT)	Town of Orting	1982	2,700
Processing and Administrative Center (PAC)	PCLS	1992	50,000
Parkland/Spanaway (PKS)	PCLS	1990	15,576
South Hill (SH)	PCLS	1990	20,100
Steilacoom (STL)	PCLS	1995	4,039
Summit (SMT)	PCLS	1992	7,424
Sumner (SUM)	City of Sumner & PCLS	1979 Expanded and renovated 1995	10,600
Tillicum (TIL)	HUD	1985 Renovated after water damage 2004	2,100
University Place (UP)	PCLS & City of UP share space in the new Civic Building	2011	15,000 +5,000 in the future
		Total:	217,402
		Per Capita:	0.39

Communities the Library Serves

**Table 7-4: List of Communities and the Libraries in their communities**

Library/Facility	Community	Population (2010 est)	Population (2030 proj)[1]
Bonney Lake	Annexed city, 1993	45,447	65,000 – 72,000
Buckley	Annexed city	14,915	19,000 – 21,000
DuPont	Annexed city, 2001	13,349	16,000 – 18,000
Eatonville	Annexed town, 1982	9,733	12,000 – 13,000
Fife	Annexed city, 2009	9,090	13,000 – 15,000
Gig Harbor	Unincorporated Pierce County	47,538	57,000 – 63,000
Graham	Unincorporated Pierce County	39,760	48,000 – 53,000
Key Center	Unincorporated Pierce County	16,495	19,000 – 21,000
Lakewood	Annexed city, 1996	71,723	73,000 – 81,000
Milton/Edgewood	Annexed city, 1999	16,838	26,000 – 28,000
Orting	Annexed town	9,078	14,000 – 15,000
Processing and Administrative Center	Unincorporated Pierce County	_[2]	_[2]
Parkland/Spanaway	Unincorporated Pierce County	69,472	77,000 – 85,000
South Hill	Unincorporated Pierce County	59,162	78,000 – 86,000
Steilacoom	Annexed town, 1981	11,910	13,000 – 14,000
Summit	Unincorporated Pierce County	34,388	41,000 – 45,000
Sumner	Annexed city, 1982	27,927	41,000 – 45,000
Tillicum	Annexed city (Lakewood), 1996	4,650	5,000 – 6,000
University Place	Annexed city, 1995	34,844	36,000 – 40,000
Frederickson[3]	Unincorporated Pierce County	24,113	28,000 – 31,000
Total:		560,432	681,000 – 752,000[4]

Notes
1. Puget Sound Regional Council (PRSC) projections.
2. Population for the surrounding area of the Processing and Administrative Center is calculated in the other libraries, notably Summit Library.
3. Frederickson was identified in the Facilities Master Plan; there is no library in that area.
4. Range shown is +/- 10%. PRSC projects 717,843. These numbers are prior to the 2010 census results.

During the 2009 – 2010 Facilities Master Plan project, the population numbers were carefully studied for 2010 and for 2030. All communities were analyzed in considerable detail for library needs now and in the future.

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Part 8 Concluding Material
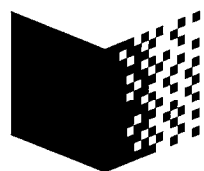
Pierce County
Library System

INFORMATION ▪ *IMAGINATION*

Acronyms & Glossary

Acronyms

ALA......... American Library Association
AWC....... Association of Washington Cities
BSC......... The Balanced Scorecard
CIF .... Capital Improvement Fund
CIPA .... Children's Internet Protection Act
COLA ...... Cost of Living Adjustment
CPI-U ...... Consumer Price Index-Urban Workers
EHCWa ... Employers Health Coalition of Washington
FTE .... Full-Time Equivalent
GFOA...... Government Finance Officers Association
ILS .... Integrated Library System
IPD .... Implicit Price Deflator
MLS .... Masters of Library Science

MLIS........ Masters of Library and Information Sciences
MYA .... Mid-Year Adjustment
OCLC .... Online Computer Library Center
OPAC ...... Online Public Access Computer
PAC .... Processing and Administrative Center
PCLS .... Pierce County Library System
PEBB .... Public Employees Benefits Board
PERS........ Public Employees Retirement System
PLA .... Public Libraries Association
WCIF .... Washington Counties Insurance Fund
WIFI .... Wireless Fidelity, or Wireless
WLA .... Washington Library Association
WSL .... Washington State Library

Glossary

American Library Association (ALA). The premier association for libraries in the United States, which include all forms of libraries (e.g., public, K-12, higher education, corporate). See also PLA, WLA.

Association of Washington Cities (AWC). An organization that serves Washington cities, providing among many services such as conferences, training, research, and networking.

Balanced Scorecard (BSC). A Harvard-developed strategic decision-making system for businesses, government, and non-profit. The Balanced Scorecard is a method for setting an organization's measurable priorities based on a process of defining strategies, and then putting those into four perspectives: customer, operations, employee growth, and financial.

Budget—Final, or Final Budget. A fiscal year's budget approved by the Board of Trustees upon second reading and final passage, which occurs during the December Board meeting.

Budget—Mid-Year, or Mid-Year Adjustment (MYA). A fiscal year's revised budget of revenues and expenditures approved by the Board of Trustees during the summer. The Library only amends the General Fund during the mid-year budget process.

Capital Improvement Fund (CIF). A government fund used for capital improvement projects, such as buildings, major equipment, machinery, facility renovations, etc.

Capital Improvement Project, or Capital Project. A specific project that improves a major aspect of the Library.

Capital Improvement Plan (CIP). The list and description of capital improvement projects approved by the Board of Trustees for current and future years.

Cash Flow Analysis. A financial tool used by the Library for multi-year financial planning purposes. The Library uses it primarily to determine how much cash is required to be set-aside in the general and Capital Improvement Funds in order to pay bills during the first four months of the next three fiscal years.

Children's Internet Protection Act (CIPA). This Federal Act requires that institutions receiving reimbursements for telecommunications costs, through the federally administered E-Rate program, implement an Internet filtering policy.

Circulation. A library statistical figure counting the number of items checked out during a specific period, usually the calendar year. The Library's circulation statistics are now in the 8 million range.

Contingency. Monies set aside in the General Fund to manage long-term cash needs or respond to emergencies. They are not spent.

Cost of Living Adjustment (COLA). The adjustment applied by an organization to all of its salary and wage tables, usually by a percentage tied to a local or national inflationary index. Due to ongoing labor negotiations for a new contract, the COLA has not been set by time of print. The expiring labor agreement had 90% of the July to July Seattle-Tacoma-Bremerton CPI-U, and has minimum and maximum caps. See also CPI-U and IPD. In July 2012, the CPI-U was recorded as 2.7%.

Consumer Price Index-Urban Workers (CPI-U). The CPI-U is an inflationary index used to establish the Cost of Living Adjustment to wages and salaries. CPI's are established at a national level and throughout the nation and states at regional levels. By time of print, the Library was still in labor negotiations for a new contract. The expiring contract uses the July to July Seattle-Tacoma-Bremerton version. See also COLA and IPD.

Debt-Service Fund. An accounting fund category for which the Library uses to pay off public debt, such as bonds.

EDEN. A computerized integrated fund accounting system developed and provided by Tyler Corporation. The EDEN system is used to manage the Library's finances and human resources records. EDEN succeeded Bi-Tech in 2007.

Employers Health Coalition of Washington (**EHCWa**). A private broker-managed organization that administers benefits, such as medical and dental coverage, and life insurance. As of January 1, 2012, the Library participates in the EHCWa insurance program. See also PEBB and WCIF.

Express Checkout. A means for providing customers the ability to checkout books, DVDs and CDs by themselves. Express Checkout stations are used across the country in various retail stores, such as Fred Meyer and Home Depot. Express Checkout is being implemented along with merchandizing. See also MERCHANDISING.

Full-Time Equivalent (FTE). The equivalent of a full-time position in the Library, defined as working 40 hours per week.

General Fund. An accounting fund category for which in its simplest form the Library uses to receive revenues and pay for ongoing operations.

Government Finance Officers Association (GFOA): An organization that promotes best practices and standards for governments, in particular, to accounting, budgeting, and reporting.

Integrated Library System (ILS). A mission-critical electronic data processing system that provides turnkey automation of a library's catalog and patron transaction system. Pierce County Library uses the Polaris ILS. More information available at www.polarislibrary.com

Implicit Price Deflator (IPD). The national index used in Washington State for purposes of establishing the lawful property tax levy rate for revenues. Under Initiative 747 passed in 2001 (the Washington State Legislature held a special session on November 29, 2007 to enact into law the court-overturned language of Initiative 747), if the IPD is less than 1%, the Board of Trustees must take action to levy the full 1%. If the IPD is more than 1%, the Board does not need to take action and the Library receives the full 1% levy rate.

Levy Lid-Lift. An election by the voters to restore funding for the taxing districts, including Pierce County Library System. The Library put Proposition 1 on the ballot for the 2006 September election, which was subsequently passed by nearly 56% of the voters. Proposition 1 restored Library funding to 48 cents per $1000 of the district's assessed property value.

Merchandising (Books Plus To Go). An activity and term for which the Library devotes resources to display and promote the collection and branches. Merchandising is being implemented along with the Express Checkout. See also EXPRESS CHECKOUT.

Mill Rate (Millage). The effective property tax levy rate for a taxing district. The Library's millage rate is 0.5000, which means the effective property levy rate is 50¢ per $1,000 of assessed value. The millage rate is calculated every year by county's assessor/treasurer's office for the taxing district, upon release of the preliminary and final certifications of property tax revenues.

Masters of Library Science/Masters of Library and Information Sciences (MLS/MLIS). The graduate degree required in the industry to be called 'Librarian'. MLIS adds focus to information technology as part of the definition of being a librarian.

Online Computer Library Center (OCLC). A nonprofit, membership, computer library service and research organization dedicated to the public purposes of furthering access to the world's information and reducing information costs. OCLC provides services to locate, acquire, catalog, lend and preserve library materials.

Online Public Access Computer (OPAC). A PC in the branches dedicated for patrons to use to access the Internet or other electronic resources, such as the online catalog or other electronic information sources. PCLS OPACs also offer patrons access to office automation applications such as word processing and spreadsheets.

Operating Budget. The budget and activity in the General Fund (see also General Fund) exclusive of direct fund to fund transfers.

Polaris. The online catalog system developed and sold by Polaris Library Systems. Polaris provides staff and patrons electronic access to the catalog, and manages all transactions from materials purchase, cataloguing, circulation, and final disposal.

Processing and Administrative Center (PAC). The facility of the Library's various departments, such as HR, Finance, and Collection Services.

Pierce County Library System (PCLS). A junior taxing district that provides library services to residents annexed to the Pierce County taxing district and unincorporated areas of Pierce County. PCLS is not a organized under Pierce County government.

Public Employees Benefits Board (PEBB). The state-managed organization that administers benefits, such as medical and dental coverage, and life insurance. As of January 1, 2012, the Library no longer participates in PEBB's medical insurance program. See also WCIF.

Public Employees Retirement System (PERS). PERS is managed by the state's Department of Retirement, and is offered to all retirement-eligible employees. There are three plans, PERS 1, PERS 2, and PERS 3, only of which PERS plans 2 and 3 are available to employees.

Public Libraries Association (PLA). The association for public libraries. PLA's parent organization is ALA. See also ALA, WLA. For more information, see www.pla.org, www.ala.org, and www.wla.org.

Washington Counties Insurance Fund (WCIF). An insurance pool that provides medical and dental coverage, and life insurance. The Library participates in the WCIF dental/life insurance program. See also EHCWa PEBB.

Wireless Fidelity, or Wireless (WiFi). This contemporary technology provides a computer user to use a computer, most often a laptop, to access the Internet or other network resources without the need for a physical network cable. WiFi technology most often is referred to as IEEE standard 802.11a/b/g/n, which is the same technology used for cordless phones. The effective WiFi distance between a laptop and the source antenna is usually limited to around 100 feet. In library nomenclature, WiFi has come to mean providing computer owners the ability to bring in their laptops and mobile phones into branch premises and access the Internet via the library's network.

Washington Library Association (WLA). The Washington State association for state libraries. A regional/state organization. See also ALA, PLA.

Washington State Library (WSL). The State Library, currently reporting to the Washington State Secretary of the State. WSL provides some branch services, special library services to the state, training for library employees, administration of the K-20 network, and general resources to the library community.

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New Approach to Imagination

twisting and twirling
spinning and swirling
brown hair waltzed through the door

most people just rolled
tumbled, stumbled
full of open reluctance.
some even shielded themselves from
it the ocean of color-
the dancehall of dreams
unwilling to take their chance to leave the cold hard floor behind
and make use of a brilliant opportunity

leaping and gliding
sweeping and sliding
her silhouette dissolved into the music

most people would have paled
dulled, faded
transformed into negative space.
but she was not most people
and when her feet left the ground she didn't need to fall back
to know who she was

_____

Renee Taylor
Lakes High School

2012 Our Own Expressions
11th & 12th Grade Poetry Winner—2nd place

Retirement of Bookmobiles

In late 2012, due to continued and significant budget reductions, the Pierce County Library System eliminated bookmobile service. Below are two pictures showing the difference in Pierce County Library bookmobiles and services since their early beginnings and to the end.

1952

2012

IN MEMORY

Steve Albers
Pierce County Library Board Trustee, 2009-12
1951 – 2012