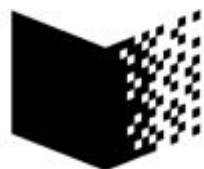# Annual

2014 Budget

Approved
December 11, 2013

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, 2013

Executive Director

PIERCE COUNTY LIBRARY SYSTEM

Library Locations/Hours of Operations/Phone

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

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

To obtain copies of this document, please contact:

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

Table of Contents

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 2014 Budget

Pierce County
Library System

INFORMATION ▪ *IMAGINATION*

Budget Messages

Dream Catcher by Mercella Washburn
2nd Place 7th/8th Grade Winner of the 2013 Our Own Expressions Drawing Contest

Board of Trustees Message

Dear Pierce County Residents:

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

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

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

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

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

Library Board of Trustee and Chair Linda Ishem

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

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

Sincerely,

Linda Ishem
Chair, Pierce County Library System Board of Trustees

Library 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 the taxpayers.

2014 marks the first year that property values have increased in our taxing district since 2009. Since 2009, Library revenues have decreased by $3.1 million, and the Library has reduced operating expenditures by $6.4 million. 2014 property values have increased by 2.94%, contributing to a revenue increase of 3.70%. However, this increase in revenue does not offset increases for maintenance and operations, personnel, benefits, retirement and wages, in addition to the impact of budgeting $807,000 in cash in order to balance the 2013 budget. As a result, the 2014 budget shortfall is $1.1 million or 4.1% reduction in the operating budget.

Neel Parikh, Executive Director
South Puget Sound Woman of Influence

Approximately 96% of the Library's budget is derived from taxes on residential and commercial property. From 2010 to 2013, the value of assessed property in the Library's service area declined by $11.4 billion or -29.1%. In 2014, the average home assessed value is $221,000 and homeowners will pay approximately $110.50 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.

It is the Library's goal to come out of the economic downturn stronger and ready to sustain operations in light of increasing demands and in anticipation of minimal growth in future years. Based on these assumptions it is clear that the Library needs to continue to manage its operations and services cost effectively and continue to innovate as technology changes, while as much as possible maintaining the strength of our core services. Budget decisions must reflect the long-term interests of the taxpayers and maintain their confidence in the decisions and services of the Library.

In the past three years, the Library has been focused on ensuring that library operations are organized to meet contemporary needs, respond to changes in technology and continue to serve the customer. The Library has systematically evaluated each department's staffing and services in order to reorganize or streamline operations to provide better service for our customers and operate more cost effectively. The first such reorganization took place in 2010, when the Customer Experience department reconfigured branch staffing and services to reflect the impact of changing customer demands and the capabilities of new technologies, such as express checkout. The Staff Experience department totally reorganized in 2011. At the end of 2012, Library management was restructured to flatten the organization and more effectively manage decision making. The Branch Services department created a new management team which strengthened support and collaboration for Branch Services and key service initiatives: youth, adult and virtual services. Also in 2012, the Library commissioned a study of the Information Technology department in order to determine the capabilities of that department and begin to identify tactics needed to move technology forward in the future. As a result of that study, the Library embarked on a technology planning process, which will guide future development and should result in the examination of the effectiveness of the IT department structure.

During 2013, an analysis of the Finance department and was completed, and an analysis of the Reading and Materials department began, both resulting in staffing change. The Facilities department underwent management changes and operations were completely overhauled.

Budget Priorities

Priorities for the 2014 budget are consistent with those implemented in 2012. The central goal is to maintain Library services and aspects of the 2006 levy promises as much as possible. Priorities are:

1. **Maintain Core Services Voters Called in for 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 in 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 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.

Notable Budget Changes

The 2014 budget maintains services and at the same time supports innovation and new services to meet customer needs. See p. 45 for a summary of 2014 innovations and new services to meet customer needs. This budget also reflects some increases in expenses and reduction strategies.

Facilities: The system is experiencing the impact of aging buildings. Over the past few years costs for contracted maintenance for general repairs have increased. The 2014 budget includes expenditures to replace worn furnishings and degraded floors, upgrades to bathrooms in seven branches, seal coat and re-stripe parking lots and replace entry doors at two branches. Also, the condominium fees for the University Place Library were determined to be $137,570 annually. This is a significant increase. Additionally, this year a project to install energy efficient lighting using power rebates will begin.

Department Efficiencies Analysis: In 2013, the Library engaged a consultant to evaluate the Finance department. As a result of the consultant's report, the Library will reorganize the workload in the Finance department and eliminate one position.

The Reading and Materials department has also experienced many changes. In 2013, a consultant was hired to study the department in order to ensure it is operating efficiency to deliver results in the current digital environment. This budget includes preliminary changes in the department based on recent workflow analysis, changing some of the current staffing patterns and converting the cataloging specialist to a librarian-level position. The materials budget was reduced by $1 million in 2013. The Library continues to evaluate the impact of this reduction on our customers. The 2014 materials budget was reduced by $20,000 and the budget allocations will be assessed in order to increase our offering of e-books and other digital collections.

Digital Services: In 2013, a technology plan was completed, analyzing and investigating anticipated technology needs and opportunities in the future. The plan will be implemented by a new Administrative

Team-level Digital Experience Director, combining the current Virtual Services and Information Technology departments. Money in the capital improvements budget has been designated for plan implementation.

Foundation—Minding the Gap: Anticipating the continued revenue decline, the Library Foundation provided $75,000 in additional revenue intended to help to continue programs such as Early Learning and Senior Outreach and to support the materials collection. This strategy was developed by the Board to help support and mind the gap between our revenues and operating expenses.

Cash Reserves: In addition, for the third year, this budget includes use of cash reserves. Rather than reducing services and laying off more staff, $128,000 in cash reserves is budgeted to help balance the budget. This will only be used if necessary. It is Pierce County Library System's Board of Trustees' policy 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 revenue will increase in 2015, but the Library will need to reduce the budget 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

Time Machine

On.

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

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

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

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

Off. And on, again.

_____

Jocelyn Gonzales
Steilacoom High School

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

Budget in a Page

The 2014 budget is hereby submitted. It is *the Library's story of commitment to the community and costs to provide services*.

After three years of property value declines, property values increased by 2.94% with a corresponding year-to-year budgeted revenue increase of 3.7%. The Library's mill rate, the rate used to levy taxes on properties, remained at its statutory limit of 50 cents per $1,000 assessed property value and will stay there for years. After implementing $1.1 million in reductions, the Library will use $127,663 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 during times of revenue constraints and increasing costs. The Library expects its leadership and staff to address challenges and remain strong in their focus on public service; their actions and ideas are presented throughout the document, particularly in the Operating Lean and Library Departments chapters.

OPERATING BUDGET	2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)
New Revenues	$ 27,509,605	$ 24,616,725	$ 25,526,372
Use of Fund Balance	0	807,172	127,663
Total Available Funds	27,509,605	25,423,927	26,654,035
Less:			
Operating costs	25,908,077	24,931,592	25,398,771
Set-asides & Transfers	814,563	492,335	255,264
Total Expenditures	26,722,640	25,423,927	26,654,035
Net of Revs & Exps	**$ 786,965**	**$ 0**	**$ 0**
CAPITAL IMPROVEMENT BUDGET			
New Revenues	$ 498,548	$ 0	$ 160,000
Transfers from General Fund	814,563	492,335	255,114
Use of Fund Balance	686,269	1,139,665	808,886
Total Available Funds	1,999,380	1,632,000	1,224,000
Less:			
Capital project costs	1,999,380	1,632,000	1,224,000
Net of Revs & Exps	**$ 0**	**$ 0**	**$ 0**
DEBT SERVICE FUND			
Revenues	$ 111	$ 0	$ 0
Expenditures	0	0	0
Net of Revs & Exps	**$ 111**	**$ 0**	**$ 0**

2014 Combined Fund Balances (Cash Reserves)
General, Capital Improvement, and Debt Service Funds

Begin Balances, Jan 1	$ 13,790,985	$ 13,412,097	$ 11,468,260
Net of all revs, exps, transfers	(378,888)	(1,943,837)	(936,549)
End Balances, Dec 31	$ 13,412,097	$ 11,468,260	$ 10,531,711

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
11¢

Technology
8¢

Executive Office, Finance, HR
6¢

Library open hours, customer asssistance, and services to the public
58¢

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

Savings for infrastructure projects
1¢
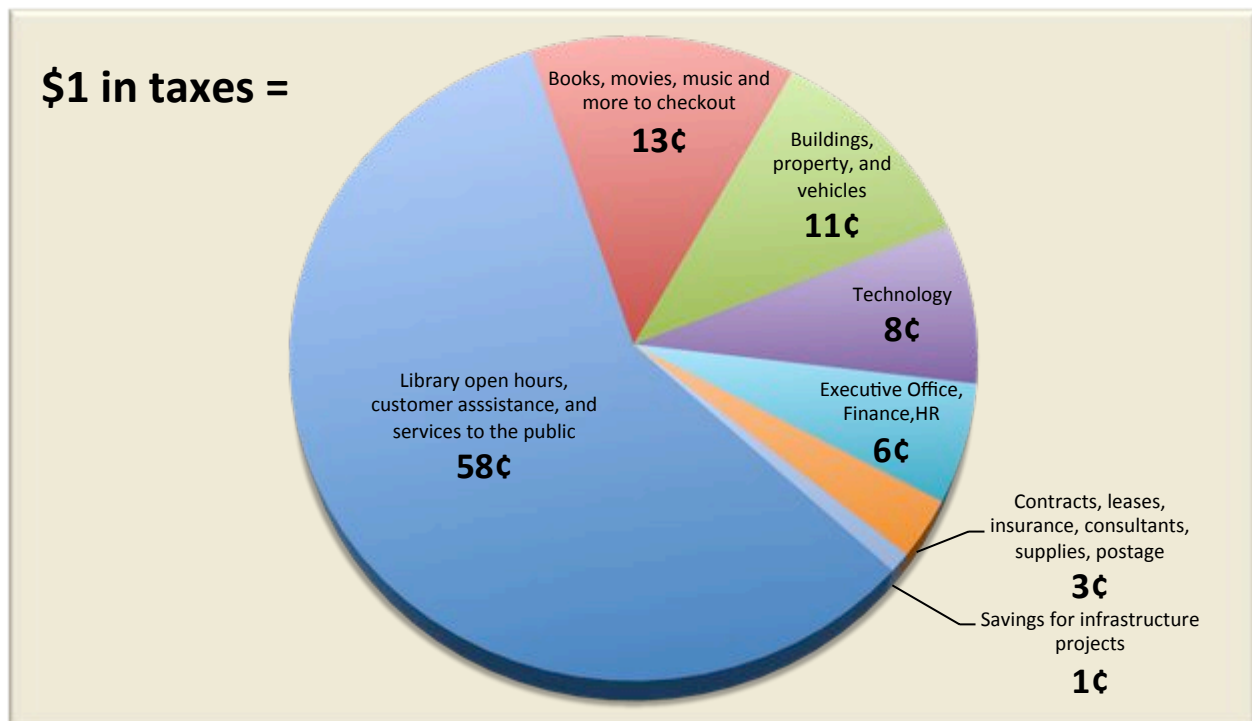
The Library: Organized to Serve the Community

Water by Dawson Dressel
1st Place 7th/8th Grade Winner of the 2013 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 123). The new organizational structure creates, manages, communicates, collaborates, and delivers an excellent customer experience: to best serve Library customers, its communities, and the staff.

Administrative Team

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

Budget Team

The Budget Team reviews department budget proposals and approves funding.

Operations Team

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

Leadership Team

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

Customer Experience Team

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

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

Figure 1-2: Management Teams
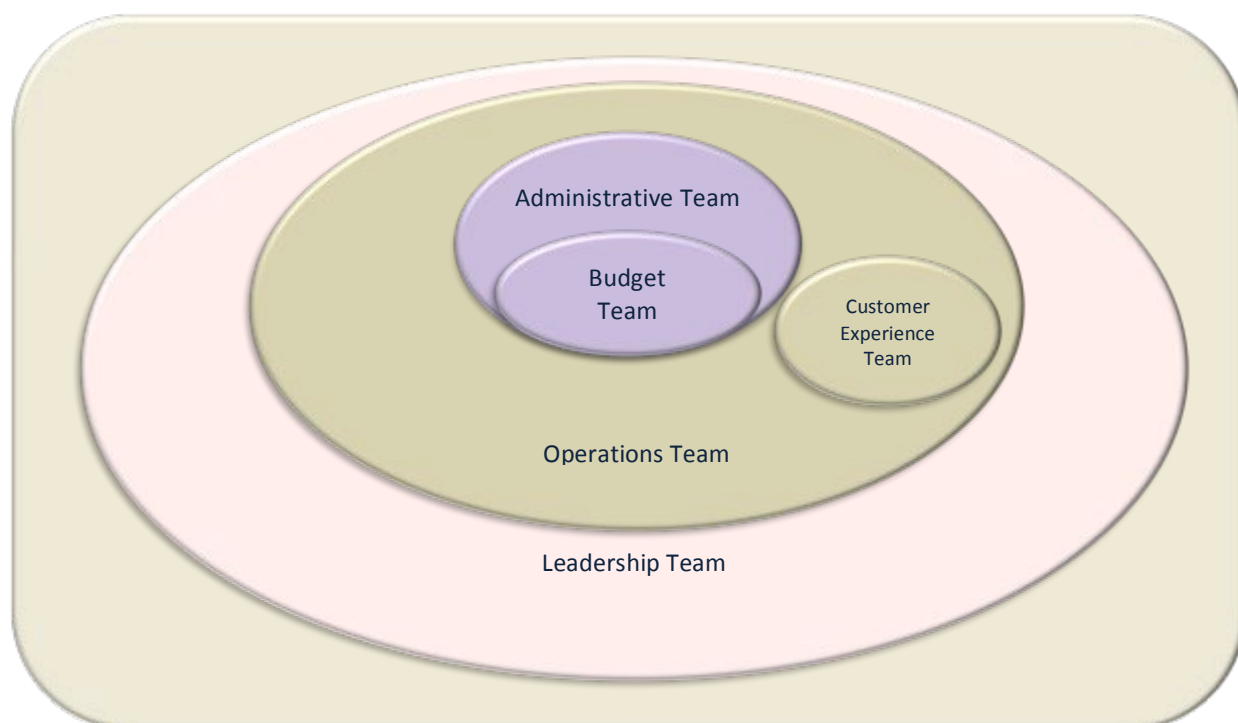
Figure 1-3: 2014 Organizational Chart-Operations View

CUSTOMERS
COMMUNITIES
STAKEHOLDERS

Libraries
Adult Services
Outreach Services
Virtual Services
Youth Services

| Fund Development | Reading & Materials | Staff Experience | Customer Experience | Communications | Technology Experience* | Finance | Facilities |

Executive Office

Business Operations

Board of Trustees

*Working title (includes IT & Virtual Services)
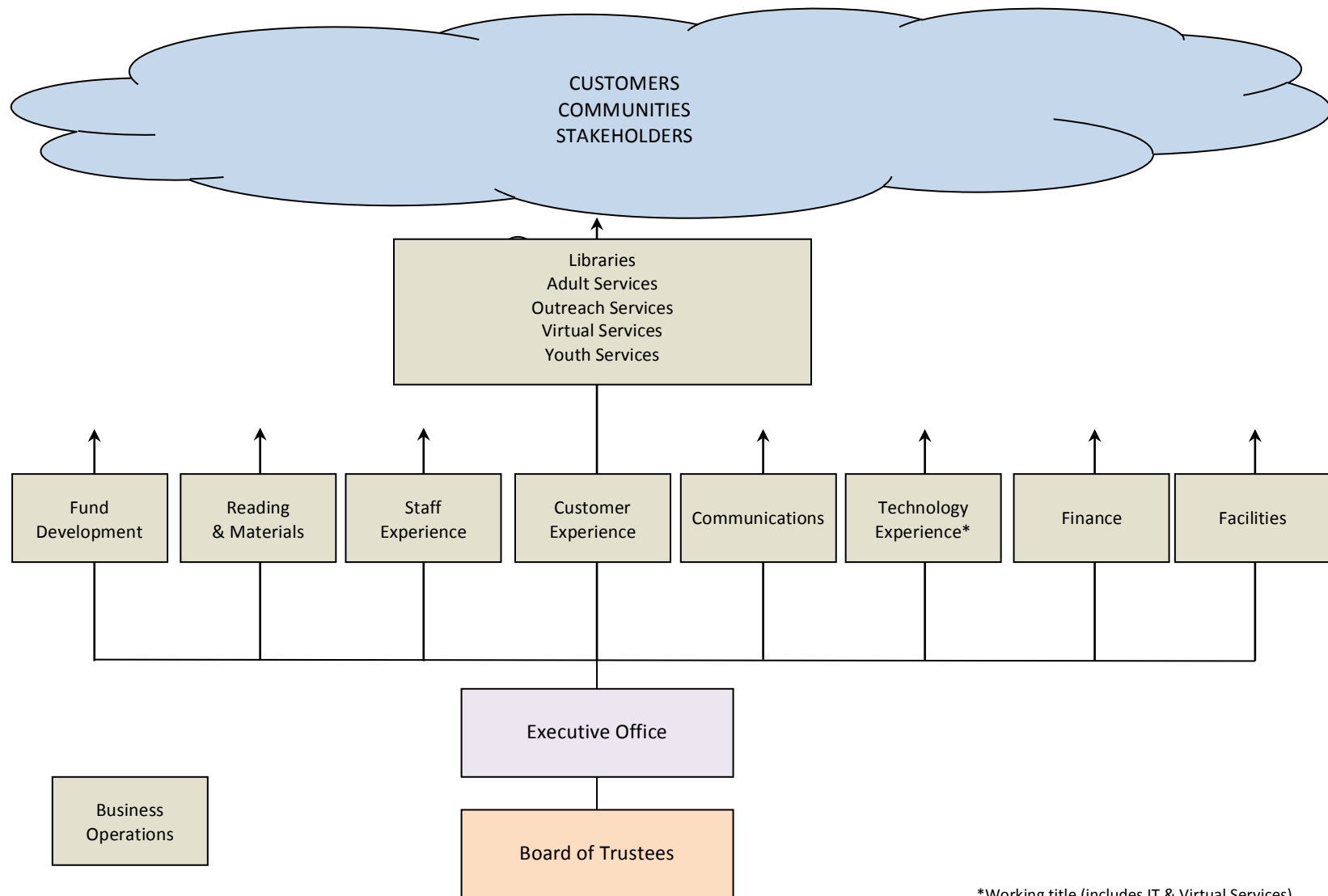
Figure 1-4: 2013 Organizational Chart-Leadership View
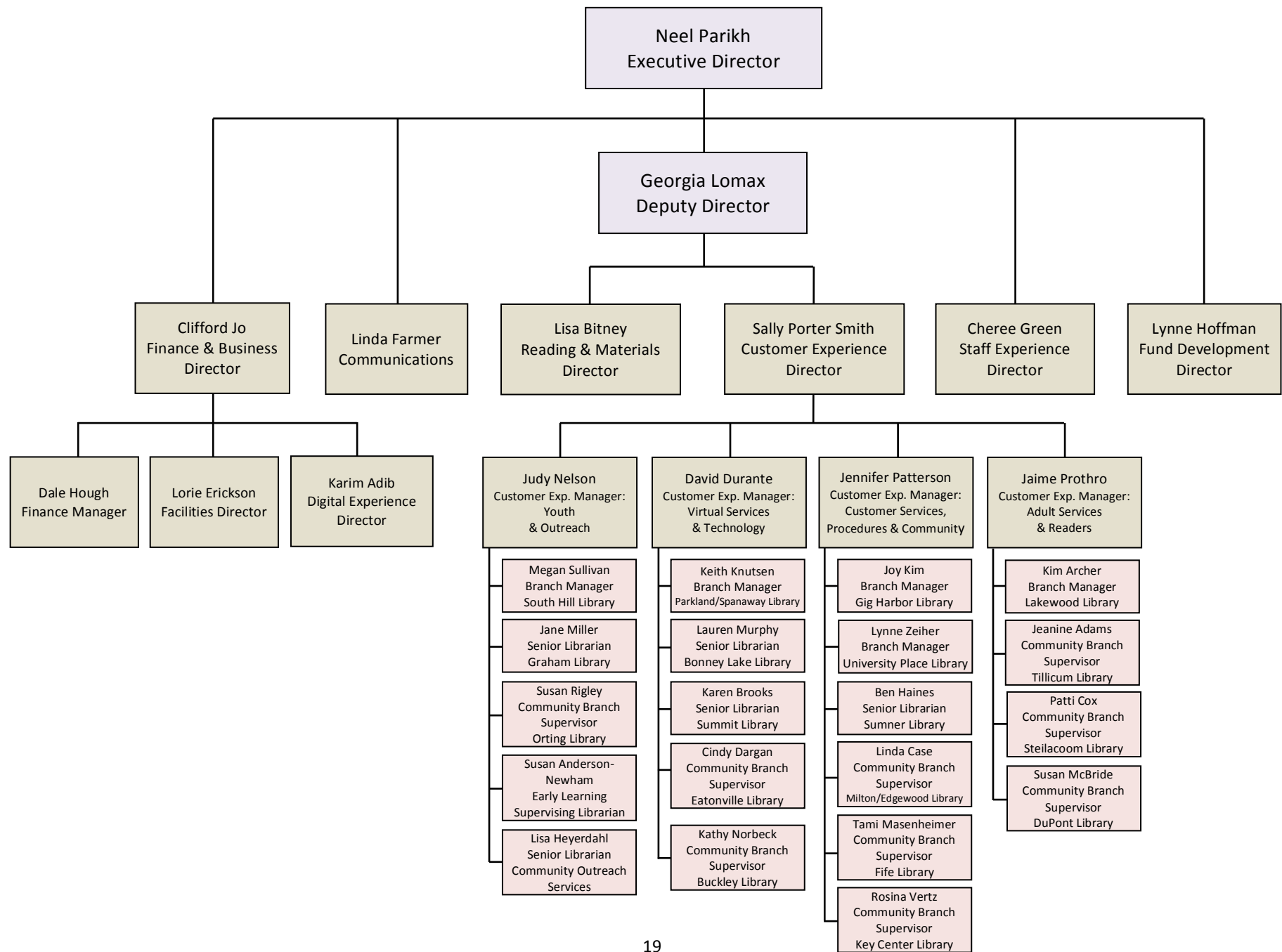
Mission / Vision / Values

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

MISSION

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

VISION

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

VALUES

We value…

- Customer service excellence

- Freedom of expression and free flow of ideas

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

- The power and worth of words and images

- Equitable access to all library resources and services

- Responsible stewardship of public funds

- Creative solutions by solving problems in innovative ways

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

Library Priorities

Table 1-1: Library Priorities (2012 - 2014)

2012 LIBRARY PRIORITIES	2013 LIBRARY PRIORITIES	2014 LIBRARY PRIORITIES
Levy Promises: develop and maintain services based on the goals established in the levy 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.	**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 2013 to 2014 remain unchanged. The Library recognizes that multiple years of significant revenue decline challenges the degree to which the Levy Promises can be kept past its original intent of six years, which ended 2012.

The 2014 Library priorities are further articulated in the Executive Director's budget message (see page 12).

remember

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

_____
Esther Lee
Curtis Senior High School

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

Finance

Nature Overcomes by Mirna Ali
2nd Place 9th/10th Grade Winner of the 2013 Our Own Expressions Photography 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 2013 the Library submitted the budget document to the Government Finance Officers Association (GFOA) for review in comparison to best practices. In September 2013, the GFOA issued the Distinguished Budget Presentation Award to Pierce County Library System for the 2013 fiscal year budget. This is the second consecutive year of receiving this award. The emblem is depicted on page 2 of this document.

Budget Planning Process

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

Executive Priorities

Continuously, the Executive Director assesses the realities of the external world, the needs of the community and customers, as well as directions of library activities nationwide and regionally. In July, shortly after the mid-year budget concludes, the Executive Director sets the priorities for the upcoming fiscal year. These priorities are communicated with the Administrative Team and fed into the strategic management process (Balanced Scorecard), and then to the Operations Team with instructions to craft their budgets accordingly. The priorities for 2014 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. Continuing in 2014, the Library is using an important tool, Civic Technologies' Community Connect system, to analyze information related to the Library's communities and make service-related decisions.

Long Range Approach

The Library's budgeting and decision-making process always considers the future, not just 2 years out, but 5 to 10 years out. Board of Trustees and Executive Management are committed to making the optimal decisions related to ensuring future fiscal sustainability and meeting current Executive Priorities. Throughout the year, as data becomes available, current, next year, five year, and as applicable ten year projections are created and analyzed, leading to actions that must be taken immediately to ensure the Library remains focused on its mission in the now and future, without decimating services because of lack of effective planning. The chapter on cash flow analysis (see page 112) 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 56).

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

Operations Team Planning

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

Executive Review

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

The Budget

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

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

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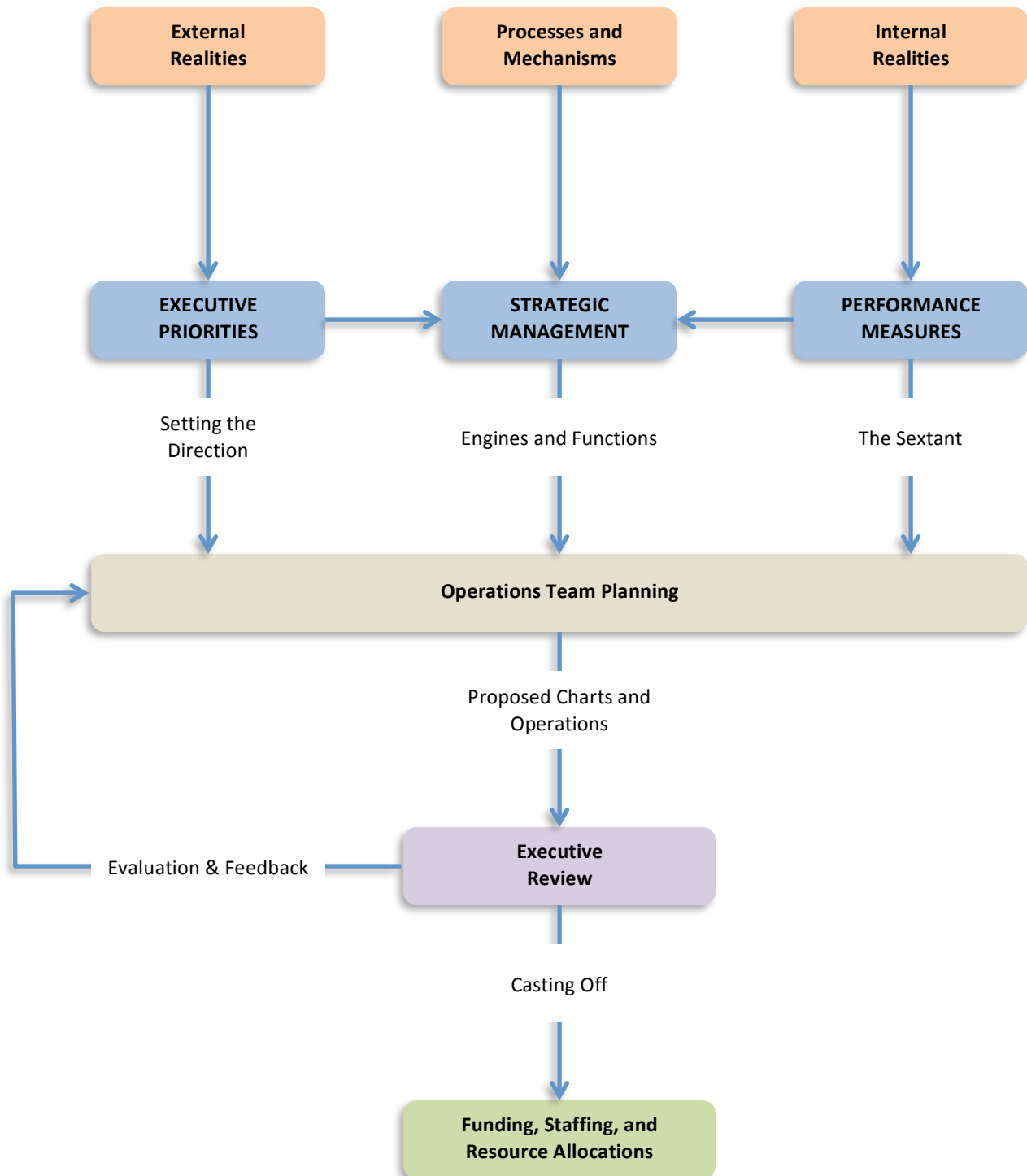
Budget Method and Sequence

Pierce County Library's 2014 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 2014 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 2013 to narrow the major

recommendations that would address most of the 2014 budget problem.

3. Managers were advised to plan and budget for 2014 services during the 2013 mid-year budget process.

4. Projected revenues were calculated in July 2013, 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 2014.

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 $1.1 million in reductions.

14. The (unbalanced) 2014 draft budget (operating and capital) was presented at the October 2013 Board of Trustees meeting. The Board was amenable for the Library to propose use of cash reserves/fund balance to cover the remaining $127,663 gap, in lieu of further significant reductions that would affect services.

15. The 2014 draft balanced budget was presented at the November 2013 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 2014 final budget was presented at the December 2013 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 2013, the Library will recognize those during the following summer's mid-year budget process. It will not amend the budget approved during the December 2013 Board of Trustees meeting. (The Pierce County Treasurer Assessor provided one amended certificate, which was submitted.)

19. The 2014 budget book was published in February 2014, 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 24) . See figure below.

The overall budget method ensured that Library management strategize and plan for service priorities for 2014. 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

December	January	February	March	April	May	June	July	August	September	October	November	December	January

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

Next fiscal year

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

Her Passing Fixations by Rachel Lynch
1st Place 11th/12th Grade Winner of the 2013 Our Own Expressions Photography Contest

Figure 1-8: Budget Process & General Timeline

July	Strategies & priorities created	Start budget process; budget calendar created	Revenues estimated & CPI-U noted

Budget instructions delivered to managers

August — Board review & feedback of budget process (8/14/12)

Managers develop budget proposals

Director's Team develops estimated budget

September — Managers present budget proposals to Director's Team

Administrative Team discusses budget directions

Board review & feedback of estimated budget (9/11/13)

Preliminary Tax Levy Certification received from Pierce County

Director's approval for draft balanced budget elements

October — Implicit Price Deflator (IPD) recorded

Director's Team develops draft balanced budget

Board Review & feedback of draft balanced budget (10/16/13)

November — Director's Team develops budget document

Public Hearing and Board 1st Reading of budget (11/13/13)

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 (12/11/13)

Board of Trustees message written

2014 — Pierce County Treasurer-Assessor sends final tax levy certificate to the Library

Final Budget Published (Printed & On Website)

2014 Combined Funds Budget

Table 1-2: Combined Funds Budget (Expenditures)

	2012 ACTUALS	2013 FINAL (12/10)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
General Fund (Operating)	$ 26,722,639.85	$ 25,423,927	$ 25,654,035	0.91%
Capital Improvement Fund	1,999,379.50	1,632,000	1,224,000	-0.25%
Debt Service (minor fund—unbudgeted)	0	0	0	0.00%
TOTAL FUNDS BUDGET	**$ 28,722,019.35**	**$ 27,055,927**	**$ 26,878,035**	**-0.01%**

For 2014, the combined funds budget is $26,878,035. Note that the Debt Service Fund remains unused because the Library carries no debt. Unlike the operating budget, the capital budget varies greatly from year to year, depending on capital improvements approved by the Board of Trustees. See table and chart below for the historical combined budget.

Each year, the Library plans the operating and capital budgets with an eye towards its mission, priorities, Balanced Scorecard, and fiscal responsibility. The 2014 budget continues that excellence by creating a budget that promotes service priorities while staying within current fiscal realities.

Table 1-3: Combined Funds Budget (2010 - 2014 Expenditures)

	2010 FINAL (12/09)	2011 FINAL (12/10)	2012 FINAL (12/11)	2013 FINAL (12/12)	2014 BUDGET (12/11)
General Fund (Operating)	$ 28,634,961	$ 28,564,891	$ 26,869,885	$ 25,423,927	$ 25,654,035
Capital Improvement Fund	3,623,100	3,940,140	1,995,700	1,632,000	1,224,000
Debt Service Fund	0	0	0	0	0
TOTAL	**$ 32,258,061**	**$ 32,505,031**	**$ 28,865,585**	**$ 27,055,927**	**$ 26,878,035**

Figure 1-9: Combined Funds Budget & Actuals

31
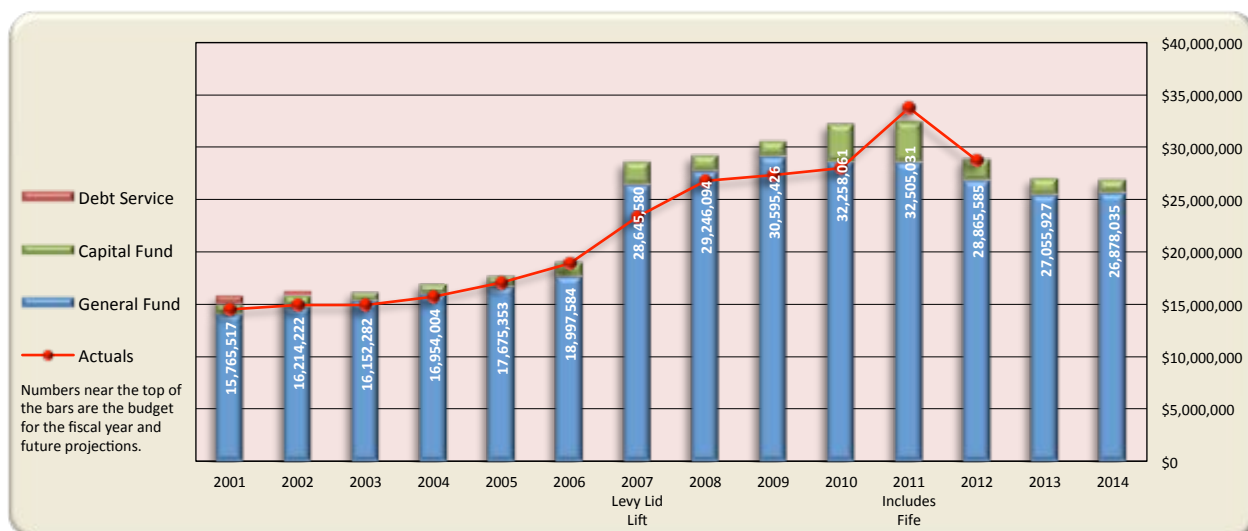
Financial Administration of the Budget

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

Accounting method

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

Fiscal year

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

Funds

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

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

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

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

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

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

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

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

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

Table 1-4: Department Use of Funds

DEPARTMENT	2014 GENERAL FUND	2014 CAPITAL IMPROVEMENT FUND	2014 DEBT SERVICE FUND
Executive Office	✓	✓	
Customer Experience	✓	✓	
Materials and Reading	✓	✓	
Finance	✓	✓	✓
Information Technology	✓	✓	
Facilities Management	✓	✓	
Marketing & Community Relations	✓	✓	
Fund Development	✓		
Staff Experience	✓		

Fund Balance

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

Treasury and Banking

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

Budgeting

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

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

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

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

Budget Amendments

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

Annual Reports

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

Audits

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

- Open Public Meetings Act and reporting

- Cash receipting

- Internal control

- Agreements and contracts

- Public Work projects

- Purchasing

- Banking activities

- General accounting, financial handling, and financial statements

- Compliance with applicable Washington State laws and regulations

- Other areas of auditing interest by auditors, management, and Board members

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

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

- There were no uncorrected misstatements in the audited financial statements.

- There were no material misstatements in the financial statements corrected by management during the audit.

- No significant deficiencies in internal control over financial reporting were identified.

- No instances of noncompliance were identified that could have a direct and material effect on the determination of financial statement amounts.

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

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

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

Financial System

Tyler Technologies' "Eden" products are used to manage the Library's finances, accounting, human resources, and other administrative tasks. Eden was implemented in 2007. No major changes occurred to the system in 2013 and none are planned for in 2014.

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

Strategic Planning & Measures

Chairental Guidance by Esther Lee
1st Place 11th/12th Grade Winner of the 2013 Our Own Expressions Photography Contest

Strategies to Meet Fiscal Challenges

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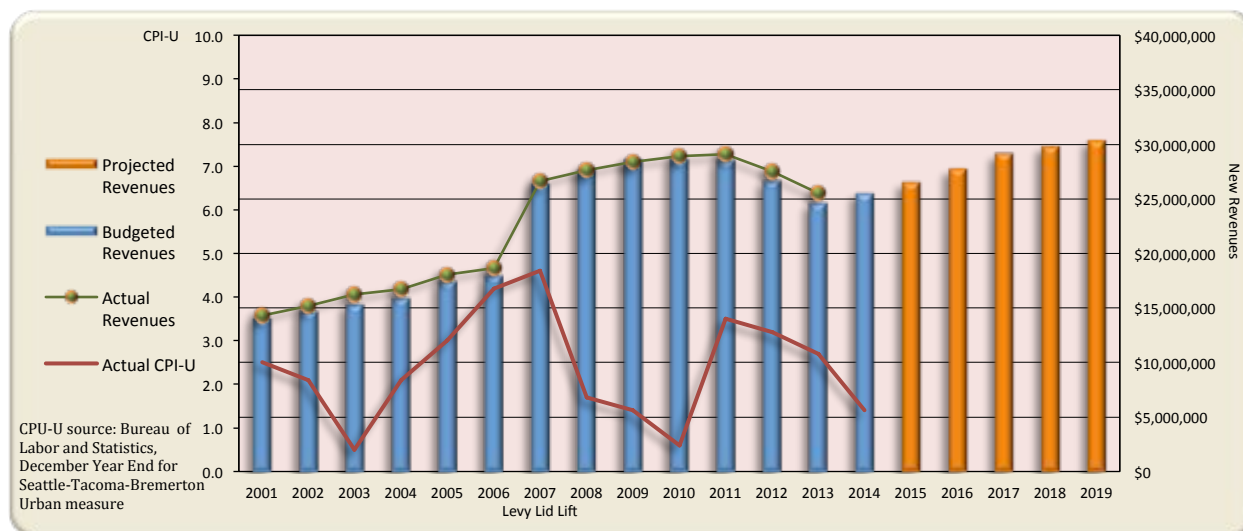
Fiscal Reality

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 may be increasing (or are flat) during the next five years, while cost increases do not abate. At the end of 2013, the CPI-U from December 2012 to December 2013 was 1.3% for the Library's region. Actual revenues received were slightly higher than budgeted revenues because the Library maintains a conservative and responsible practice of not overestimating revenues.

Long-Term Outlook—2015 and Beyond

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

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

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

Figure 1-11: Regional CPI-U Trend
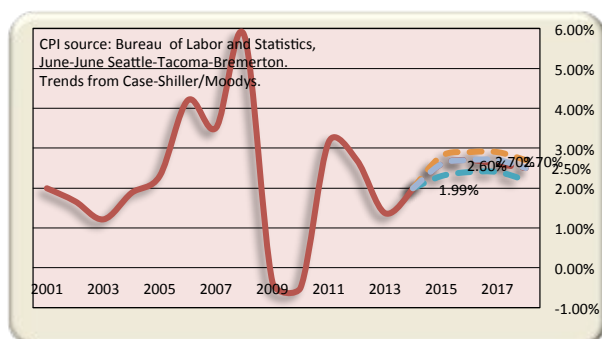
The national housing price index is forecasted to grow by an average of around 8% per year (Case-Shiller) for the next two to three years. Regionally in Pierce

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

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

Strategies for Addressing Fiscal Challenges

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

- Increasing non-property-based tax revenues.

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

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

- Implementing efficiencies.

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

- Reducing the capital improvement fund transfer from the general fund.

- Conducting studies (outlined below).

Strategic Studies

A key strategy for 2014 is conducting broad-based studies of library operations. Examples of these studies are:

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

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

- Conducting a Technology Planning Process to determine what technology services that are needed for the next two years.

- Analyzing staffing and operations to further cost savings.

- Assessing ongoing facility conditions and future capital needs.

Balancing the 2014 Budget

A major task for the 2014 budget was to address the $1.1 million budget reduction. Revenues came in higher than in 2013 which made up for operating costs that exceeded revenues, and expenditures were projected to add $1.1 million to the budget problem. The Library addressed this $1.1 million reduction by…

- Reducing the materials budget .... $ 20,000
- Using cash reserves 127,000
- Reducing the capital transfer to 1% 255,000
- Maintaining the adjustment to personnel . 583,000 costs to match projected actuals at 3%
- Net of all other changes 115,000
- TOTAL $1,100,000

General Library Strategies
See the next section regarding the Balanced Scorecard.

Strategic Framework Using the Balanced Scorecard

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

--David P. Norton, September 2004

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

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

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

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

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

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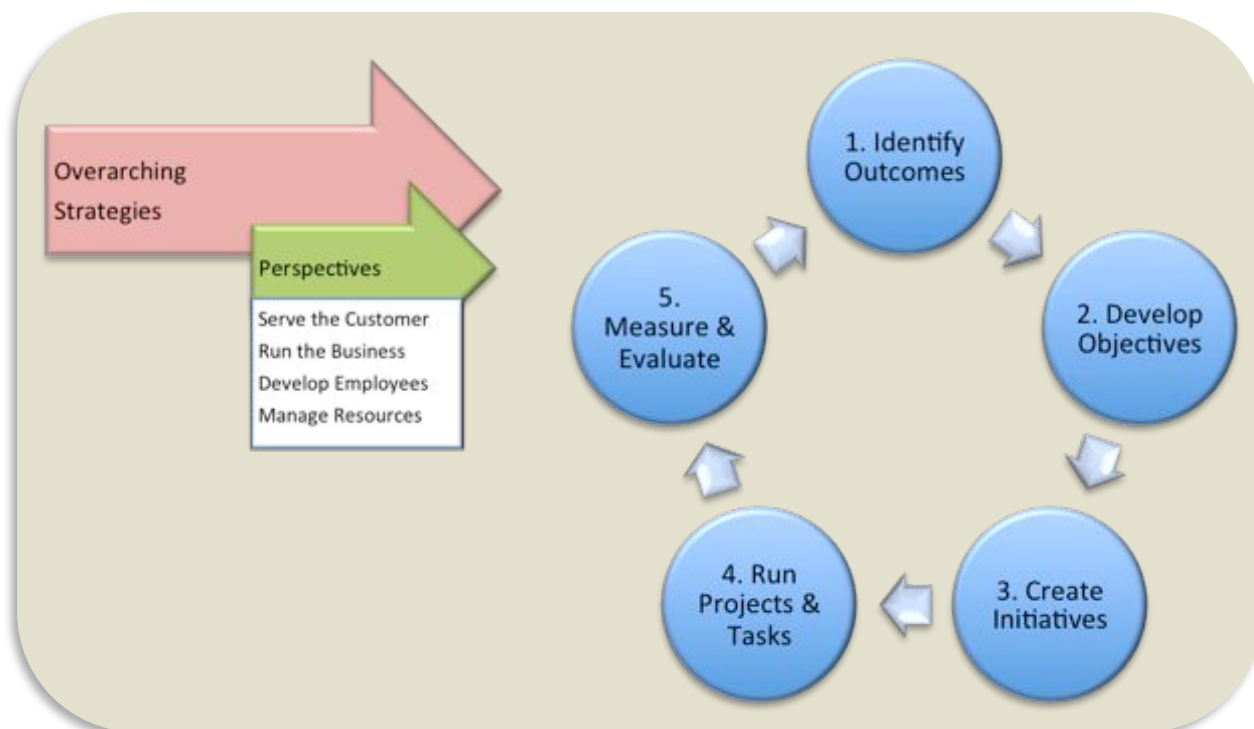
Overarching Strategies

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

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

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

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

Outcomes Through Priorities

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

Objectives and Initiatives

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

Measurements

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

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

In 2011 the Library purchased software that will assist in capturing, storing, and reporting accurate operational and performance data, choose objective metrics from among this data, and then set and monitor goals for improvements for the system and its departments. The new software will reduce the time it takes to manage and organize the data.

Customer Perspective: Serve the Customer

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

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

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

Financial Perspective: Manage Resources

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

Internal Processes Perspective: Run the Business

This perspective goes hand in hand with the other three perspectives; it specifies how we do things. Process modernization and technology are heavy aspects to the Library's implementation of this perspective. The Executive Director's 2014 four priorities speak highly to this. Organizational skills, such as project management, project portfolio management and other techniques are a key part to improve the effectiveness and make predictable the outcome of tasks and projects.

A significant part of improving internal customer focus was to implement improved management coaching skills. To this end, since 2011 the Library has invested and continues to invest in coaching workshops and training, and the Library is committed to applying these skills in 2014 for staff to provide better service among each other.

Strategic Framework

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

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

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

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

Putting it all Together

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

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

Colors of the Island

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

_____

Gabriel Carlson
Kopachuck Middle School

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

Figure 1-13: Balanced Scorecard

PIERCE COUNTY LIBRARY SYSTEM

*We value…*Customer service excellence

*We value…*Freedom of expression and free flow of ideas

*We value…*The power and worth of words and images

*We value…*Responsible stewardship of public funds

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

*We value…*Equitable access to all library resources and services

*We value…*Creative solutions by solving problems in innovative ways

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

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

Revised 1/2/08

Figure 1-14: Strategic Framework

We value…Customer service excellence

Our Results

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

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

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

Staff Development
- Core Skills & Qualities
- Leadership Descriptors
- Foundations of a Learning Organization

Service
- Focus on the Customer
- Provide Outstanding Up-To-Date Customer Service
- Engage in the Community

Resources
- Maintain Services
- Good Stewardship
- Provide Up-To-Date Future Oriented Services & Technology
- Build a Customer Base for the Future

Our

Our

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

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

We value…The power and worth of words and images

We value…Equitable access to all library resources and services

We value…Responsible stewardship of public funds

We value…Creative solutions by solving problems in innovative ways

System Measures

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

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

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

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

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

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

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

Table 1-6: Strategic & Budget Planning Process

Month	Strategic Tasks	Board Tasks (PKT / MTG)	Fiscal & HR Tasks
JANUARY			· (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

2014 Services
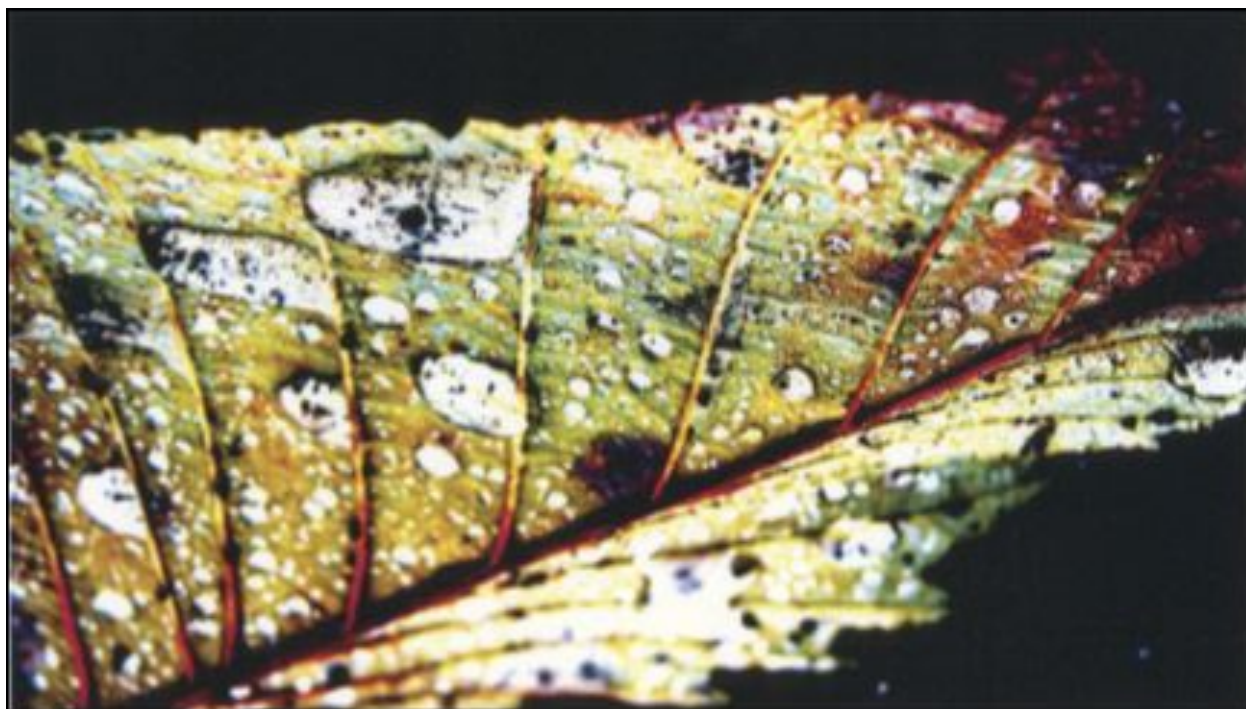
Leaf by Delany Sager
3rd Place 7th/8th Grade Winner of the 2013 Our Own Expressions Photography Contest

Message from the Deputy Director

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

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

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

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

Georgia Lomax, Deputy Director

Readers

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

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

Serving seniors in care facilities: According to the Institute on Aging, "boredom and depression can lead to forgetfulness," and the American Academy of Family Physicians points to inactivity as one of the reasons many elderly fail to thrive. Some of the best ways to keep vulnerable seniors engaged is listening to books on tape or CD, reading, watching movies and listening to music. In 2014 the Library will deploy a new van, purchased with the support of a $75,321 Gary E. Milgard Family Foundation grant, to engage residents of 29 senior care facilities. Staff get to know residents' interests and offer personalized resource recommendations. They personally deliver books, audiobooks, movies, music, e-Readers and more to seniors. This service contributes to quality of life for the elderly and provides mental stimulation to help seniors remain engaged.

Learners

Microsoft IT Academy: To be competitive in the 21st Century job market, today's employees and job seekers must have essential computing skills, as well as the ability to adapt and upgrade those skills in a rapidly changing, technology-intensive environment. The Library provides free access to Microsoft IT Academy, which offers self-paced, self-directed online classes with hands-on practice, to help learners improve their computer skills and become more proficient with Microsoft applications. Courses range from basic digital literacy to building proficiency with Microsoft software, and from web development to .NET.

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

---

Open Hours

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

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

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

Youth

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

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

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

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

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

Digital Customers

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

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

Affordable Care Act

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

Books and More

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

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

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

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

Facilities

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

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

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

2014

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

Sincerely,

Georgia Lomax
Deputy Director

System Measures: 2008 – 2013

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

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

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

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

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

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

Table 2-1: System Measures Overview

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

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

Levy Goal 1: Expand Open Hours

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

Table 2-2: Library Use Statistics

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

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

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

- Add Sunday services to 9 libraries.

- Add full Monday services to 11 libraries.

- Extend Thursday evening services to 6 libraries.

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

Levy Goal 2: Add Books and Other Materials

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

Table 2-3: Materials Statistics

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

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

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

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

- Add downloadable audio books, music, and movies.

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

Figure 2-1: Annual Circulation History: 1946 - 2013
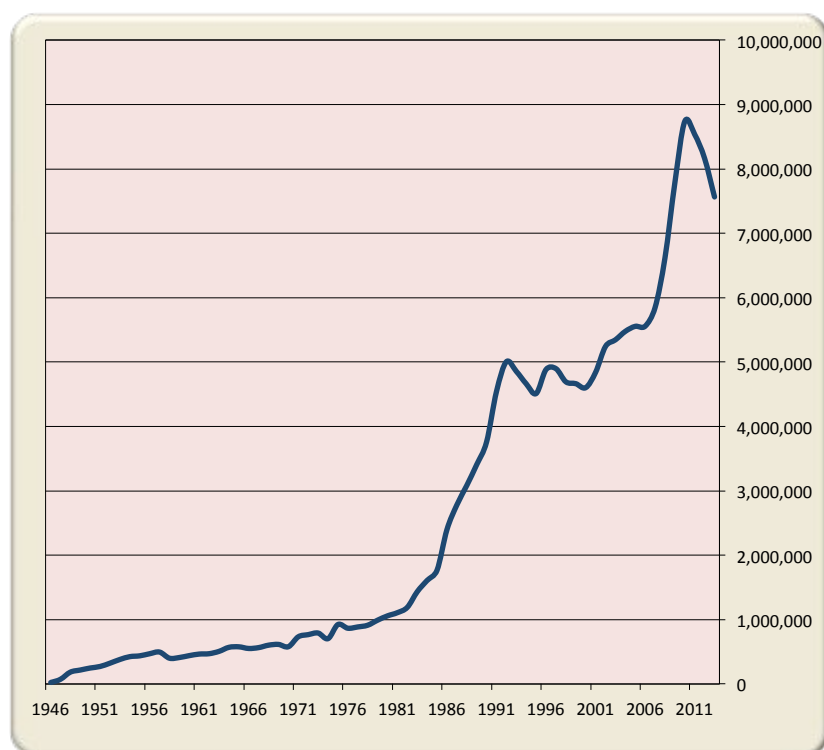
Note on circulation chart: Since Pierce County Library System began serving residents in 1946 people have been checking out more and more books, then music, then movies, and beginning in 2006, e-books. From 1946 until 1981 growth was slow and reached 1 million checkouts system-wide in 1981. During the next 10 years the Library showed steady growth, marking 5 million checkouts by 1991, as cities annexed to the Library System, the Library opened new locations, and voters passed a $28.9 million bond in 1986 for 12 construction projects. Checkouts remained mostly steady during the next 10 years. Then, in 2006 voters passed a reauthorized levy to maintain and expand services, and checkouts soared for the next five years, reaching a high in 2010 of 8.7 million checkouts.

Levy Goal 3: Increase Services for Youth

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

Table 2-4: Youth Services Statistics

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

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

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

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

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

- Add the successful Teen Summer Reading Program.

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

Levy Goal 4: Improve Customer Service and Technology

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

Table 2-5: Service and Technology Statistics

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

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

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

- Provide WiFi connectivity in all libraries and meeting rooms.

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

- Increase the number of Express Checkout stations at libraries.

- Increase network bandwidth.

A Different Way to Paint

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

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

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

_____
Tamminga Watchman
Other

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

Operating Lean

Seaside Escape by Taylor DeSmet
3rd Place 9th/10th Grade Winner of the 2013 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 2014 budget, knowing that a $1.1 million reduction was necessary, managers developed ideas on cutting costs and saving time. Many were implemented during the year. The tables in the following pages provide a selection of operational changes implemented in 2013.

Table 2-6: Efficiencies—Stop

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)
8/2013	Reduced manual certification by signature on all documents to just the cover sheet of batched documents	• Finance Director no longer signs every transaction – just the cover sheet for a batch of transactions saving time	Finance All
8/2013	Reduced manual certification by signature from all documents to cover sheet of batched documents	• Finance Director no longer signs every transaction – just the cover sheet for a batch of transactions saving time	Finance All
5/2013	Finance Manager stopped being primary PCARD purchaser – transitioned responsibilities to Senior Finance Spec and other Finance staff	• Finance Manager no longer is responsible for day to day credit card purchases and transaction management	Finance/All
4/2013	Eliminated Payroll Specialist Substitute position	• Caused a need for more internal cross training of existing staff. • Eliminated position – less money	Finance
1/2013	Stopped putting Juvenile Patrons in Collection status	• Few patrons being sent to collections results in less collection service fees being assessed.	Finance
8/2013	Closed two Branch Bank Accounts and moved them to other existing banks – Branches use one of two banks rather than one of four.	• Few choices = less confusion • Less bank fees • Less time spent on reconciliation and reporting • Better online access to the remaining banks	Finance Customer Experience
1/1/14	Eliminated Finance Assistant Position .80 FTE – effective 1/1/14	• Re-distribute tasks to remaining tasks. Able to make this change because of increased efficiencies made over the years.	Finance
11/2013	ASN (One Click) receiving	• Receive entire box of materials by scanning a barcode instead of scanning each individual item in the box.	Reading and Materials
11/2013	Polaris accepts RDA tags.	• No longer have to strip RDA tags when cataloging. Saves 5 – 7 clicks per record.	Reading and Materials

Stop—Continued on next page

Stop—Continued from previous page

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)
6/2013	Recalls are now paper free	• When we need to recall an item, we now make a note in the item record. We are able to access that note from any computer and no longer need to fill out paper flags.	Reading and Materials
1/2013	Cross training staff	• More knowledgeable staff. • Fewer errors. • Greater understanding of R&M process as a whole.	Reading and Materials
3/2013	Library Hotline no longer being scanned and emailed	• Staff time is reduced every week by providing a link to Library Hotline, eliminating the need to scan the document	Reading and Materials
6-9/2013	Stopped irrigation of lawns	• Reduce water consumption	Facilities
7/30/2013	Stopped sending Annual Report postcard in the mail (Stopped sending full AR in 2012)	• Saved printing and postage	Fund Development Marketing and Community Relations
7/30/2013	Stopped processing gifts through KeyBank by using Blackbaud	• Saved bank fees and charges	Fund Development

Table 2-7: Efficiencies—Automate

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)
1/1/14	Move basic Mileage payments from AP to PY and include in direct deposit	• Reduce warrants printed (400 +-) • Eliminate the need for reconciling these warrants separately • Eliminate the need to file lost warrant affidavits/ unclaimed property because when payments are direct deposited they are immediately cashed/reconciled.	Finance All
8/1/13	Changed Online timesheet – reduced form to one page pus other enhancements to the timesheet	• Only one page/screen to complete to submit time. (instead of two) • Resulted in less confusion and fewer errors in timesheet entry hence payroll • Total of each hour type (regular hours, holiday, vacation, etc.) is automatically displayed at top of form	All
8/1/13	Changed Online timesheet – reduced form to one page pus other enhancements to the timesheet	• Only one page/screen to complete to submit time. (instead of two) • Resulted in less confusion and fewer errors in timesheet entry hence payroll • Total of each hour type (regular hours, holiday, vacation, etc.) is automatically displayed at top of form	All
8/1/13	Changed Online timesheet – reduced form to one page pus other enhancements to the timesheet	• Only one page/screen to complete to submit time. (instead of two) • Resulted in less confusion and fewer errors in timesheet entry hence payroll • Total of each hour type (regular hours, holiday, vacation, etc.) is automatically displayed at top of form	All

Table 2-8: Efficiencies—Work Differently

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)
8/2013	Consolidate all payroll duties into PY Administrator job functions – from combined PY and AP	• More efficient and timely completion of payroll process • Improved payroll process	Finance
5/2013	Moved Purchasing card administration from Senior Finance Specialist to Finance Manager	• Placed program authority at proper level of responsibility	Finance All
7/2013	Lighting Audit	• Implement lighting changes in 4 branches in 2014	Facilities
3/2013	Implement use of Handheld AMMS devices	• Improve work order turnaround • Reduce number of branch generated work orders	Facilities
12/2013	Replace PAC HVAC	• Improve energy efficiency • Tacoma Power incentive program savings: $79,000	Facilities
1/2013	Custodial equipment repair	• Hired maintenance staff with ability to perform minor equipment repair/maintenance. We can now do most repairs in house.	Facilities
9/2013	Purchased 2 hybrid vehicles	• Fuel savings	Facilities
11/2013	Car wash waste recovery system. Designed a custom recovery insert tank to allow PCLS to continue to wash vehicles on site to meet EPA.	• Continue to wash vehicles on site versus car wash	Facilities
2013	Recycle office chairs, tables, workstations	• Recycle/reuse office furniture when possible to save buying new: SE, IT, Storage rooms	Facilities, Branch Services
1/2013	Powder coat existing shelving for re-use at Key Center	• Re-use existing shelving	Facilities
7/2013	Co-mingled recycle program in the branches	• Encouraged and increased recycling	Facilities
6/30/2014	Consider using outside source for processing mail appeals in 2014	• Reduced Development and MCR staff time • Reduced processing charges (TBD)	Fund Development Marketing and Community Relations

Work Differently—Continued on next page

Work Differently—Continued from previous page

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)
7/2013	Moved some duties performed from opening to closing shifts	• Faster turnaround on IP items • More efficient scheduling of duties	Customer Experience
2013	Implemented use of free Team Box project management software	• Streamlined, organized and efficient project management	Customer Experience
2013	Changed to printing crate labels 12 per sheet instead of 9 per sheet.	• Reduced the number of sheets required	Customer Experience
2013	Labeled Readalongs with author's last name on a large label and shelved them in order	• Saves time when pulling the IP for holds • More convenient for customers	Customer Experience
2013	Relabeled the JPBs with author last name, items which previously had only a J on the spine	• Makes finding the books more efficient for customers and staff	Customer Experience
9/2013	Reworked procedures for processing new books to align with those used for Lucky Day items	• Practices are more consistent • Reduces confusion • Saves 15 to 30 minutes of librarian-level staff time per week	Customer Experience
5/2013	Interfiled J paperback fiction with hardbacks	• Made shelf checks in this area easier	Customer Experience

Table 2-9: Efficiencies—Empower

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)
8/2013	Moved review/tracking of new invoices and purchase documents from Finance Manager to Finance Staff	• Freed up at least 5 hours per week for FM offset by Finance Staff time (5 months)	Finance
8/2013	Trained SE staff to access certain employee information using Eden; formerly accessed information w/assistance of FINANCE staff	• Self-service data gathering by SE staff. No longer need to contact Finance Manager or Payroll Admin to gather info.	Finance Staff Experience

Table 2-10: Efficiencies—Renegotiate

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)
4/2013	Bid HVAC maintenance contract	• Improved service, lower overall costs	Facilities

Table 2-11: Efficiencies—Generate Revenue

EFFECTIVE DATE	ACTION/CHANGE	RESULTS/BENEFITS	DEPARTMENT(S)
1/1/13	Continued focus on paying more invoices w/PCARD	• PCLS realizes about a 1% rebate on every dollar spent using a PCARD – We are estimating an 11% increase in earnings over 2012	Finance All
6/30/2014	Made Dev. Assoc. primarily a grant writing position	• Increased revenue in grants	Fund Development
6/30/2014	More emphasis on Leadership Giving	• More donors at $500 +@More gifts at $500+	Fund Development
6/30/2014	Addition of another capital fundraising project	• More gifts at the Leadership Giving level than w/o a capital project	Fund Development

Part 3 General Fund

Pierce County Library System

INFORMATION ▪ IMAGINATION

2014 Operating Budget Summary

Table 3-1: 2014 Operating Budget Summary

	2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
FUND BALANCE				
Use of Fund Balance (cash reserves)	$ 0.00	$ 807,172	$ 127,663	-84.18%
TOTAL USE OF FUND BALANCE	0.00	807,172	127,663	-84.18%
REVENUES				
Taxes	$ 26,275,125.31	$ 23,701,755	$ 24,515,872	3.43%
Intergovernmental	16,055.22	0	0	0.00%
Charges for Services	101,822.79	85,000	85,000	0.00%
Fines	591,199.49	615,000	615,000	0.00%
Other[1]	525,402.07	215,000	310,500	44.42%
TOTAL NEW REVENUES	27,509,604.88	24,616,725	25,526,372	3.70%
TOTAL AVAILABLE FUNDS	27,509,604.88	25,423,927	25,654,035	0.91%
EXPENDITURES				
Personnel	$ 17,846,418.91	$ 18,544,997	$ 18,837,686	1.58%
Maintenance & Operations	3,820,659.10	3,089,520	3,284,010	6.30%
Materials	4,240,998.84	3,297,075	3,277,075	-0.61%
SUBTOTAL	25,908,076.85	24,931,592	25,398,771	1.87%
SET-ASIDES & TRANSFERS				
ELECTION SET-ASIDE	$ 0.00[1]	$ 0	$ 0	0.00%
CONTINGENCY	0.00[1]	0	0	0.00%
TRANSFERS TO CAPITAL IMPROVEMENT FUND	814,563.00	492,335	255,264	-48.15%
MID-YEAR SAVINGS CAP. IMP. FUND TRANSFER	0	0	0	0.00%
SUBTOTAL	814,563.00	492,335	255,264	-48.15%
TOTAL EXPENDITURES	26,722,639.85	25,423,927	25,654,035	0.91%
NET OF REVENUES & EXPENDITURES	**$ 786,965.03**	**$ 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 2014 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

Beauty in Details by Ellen Carr
3rd Place 11th/12th Grade Winner of the 2013 Our Own Expressions Photography Contest

Summary of Revenues and Revenue Assumptions

Table 3-2: Summary of all Revenues

	2012 ACTUALS	2013 FINAL (12/11)	2014 BUDGET (12/12)	% CHANGE 2013 FINAL TO 2014
Taxes	$ 26,275,125.31	$ 23,701,755	$ 24,515,872	3.43%
Intergovernmental	16,055.22	0	0	0.00%
Charges for Services	101,822.79	85,000	85,000	0.00%
Fines	591,199.49	615,000	615,000	0.00%
Other[1]	525,402.07	215,000	310,500	44.42%
TOTAL NEW REVENUES	**$ 27,509,604.88**	**$ 24,616,725**	**$ 25,526,372**	**3.70%**

Notes:
1. Includes Foundation donations.

Revenue Projections

The 2014 budget was developed based on revenue projections for 2014–2018. Because 96.04% of the Library's budget is derived from property tax and state law strictly regulates property tax collections, it is essential for the Library to project revenues in advance to plan spending for the current budget in light of budgets expected in future years.

Revenue projections were developed in the context of two assumptions:

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

2. Revenue will increase or remain flat for the foreseeable years, by an average of 4% until the Library's revenue restores to its last highest limit established in 2010.

By law, the Library may collect up to 50¢ for every $1,000 of assessed property value. The Library district's property tax rate is based on property values. The 2013 property values increased by 2.94% for 2014 tax collection. When developing future year projections, the Library projected that property values would continue to increase between 2015 and 2018.

The 2.94% increase for tax collections in 2014 is better than the Library previously projected (a decline). The Library continues to refine revenue projections for 2015–2018. The Library projects property values are set to increase for 2015 by around 4%. It is unclear whether property value increases will remain stable.

The mill rate (also known as millage) is calculated after a district's property taxes have been assessed according to state laws. The mill rate works in inverse: it is driven up when property values decrease, or down when property values increase. However, at no time may the district collect more than 50¢ for every $1,000 of assessed property value. The 8.52% decline in property values for 2011 collection drove the mill rate up from 46.95¢ to 50¢. The increase in values by 2.94% in 2014 does keeps 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 2013 to 2014 will actually increase by over $700,000 (calculated using the 2013 final certificate issued in January 2013, differenced to the 2014 preliminary certificate issued in September 2013). Based on projections for increased property values, the overall revenue for the Library is expected to increase in 2015 by $980,000 and will likely increase through 2018.

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

These projections are updated several times a year after the preliminary assessed values by the County are made available (using the Case-Shiller data). Because the Library relies on property taxes to fund most of its operations, changes in the non-property tax revenues, while important, don't make significant impact to the bottom line. For example, should investment income

decrease by $10,000, its impact is overshadowed when property taxes decrease by $2 million. The Director's Team takes all of these into consideration.

Revenue Assumptions

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

The Government Finance Officers Association (GFOA) Best Practices recommends analyzing revenue trends and forecasts. Although it doesn't specify how many prior years to report, for discussing 2014 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 2009 through 2014. It provides a six-year listing of revenues, consistent with the promise to maintain the Levy Lid-Lift goals for six years. After 7 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 – 2019).

For 2014, total new revenues are budgeted to increase by $906,617 from 2013, a 3.70% increase. This is due to a mill rate of 50.00¢ per $1,000 of assessed property value, continuing 2013's 50¢ per $1,000. While the statutory limit of 50.00¢ per $1,000 of assessed property value is in place, when district-wide property values increase the Library's property-tax revenue will also increase.

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

Due to the cyclical nature of revenue receipts versus the regularity of expenditures, there will be temporary shortfalls in the available operating budget (generally in April and October). To fund these shortfalls, the General Fund Balance and if necessary, an inter-fund loan from the Capital Improvement Fund will be used to finance these shortfalls. More information on this is discussed in the Cash Flow Analysis chapter (page 112).

The pie chart below shows the breakdown of 2014 revenues by category. The Library's majority of revenues from property taxes stay steady between 95% and 97%. For 2014 the proportion is 96.04%.

Figure 3-1: Source of Revenues
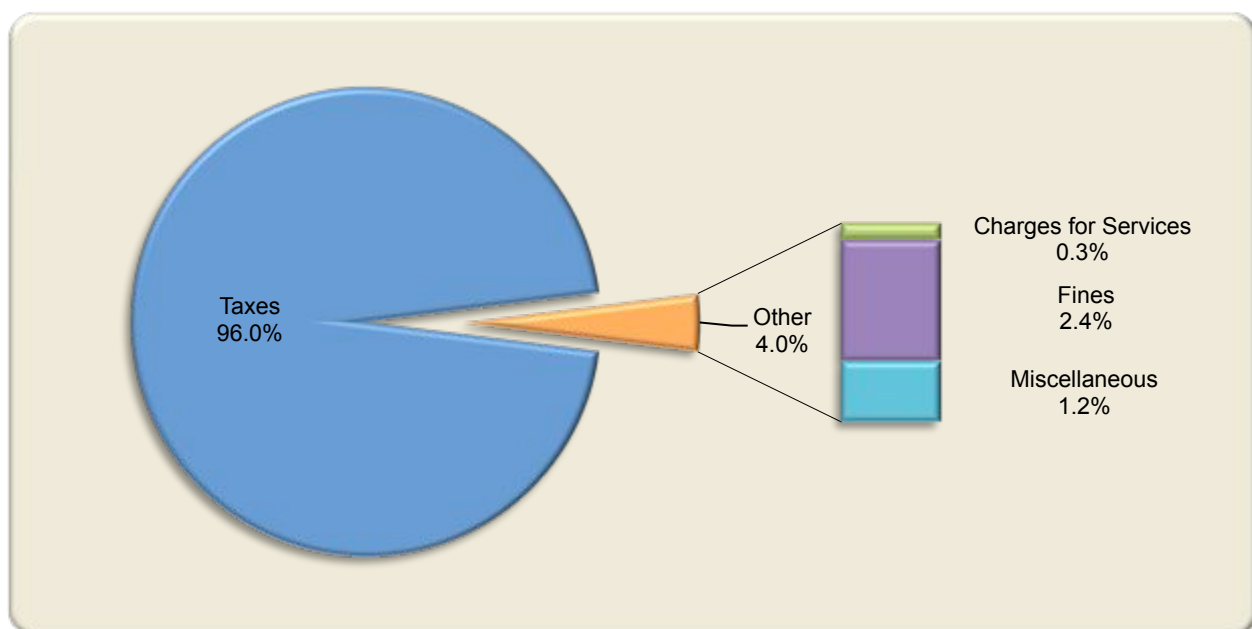
Table 3-3: 2009-14 General Fund Revenue (Final Budgets—Board Approved in December)

		2009 FINAL	2010 FINAL	2011 FINAL	2012 FINAL	2013 FINAL	2014 BUDGET	% CHANGE 2013 TO 2014
	TAX REVENUES							
31111	Property Taxes Current	$ 26,440,367	$ 26,655,732	$ 26,535,472	$ 24,708,421	$ 22,724,764	$ 23,502,762	3.42%
31112	Property Taxes Delinquent	1,057,615	1,066,229	1,061,419	988,337	908,991	940,110	3.42%
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	15,000	20,000	33.33%
	SUBTOTAL	27,560,982	27,784,961	27,659,891	25,759,758	23,701,755	24,515,872	3.43%
			223,979 (0.81%)	-125,070 (-0.45%)	-1,870,133 (-6.55%)	-2,058,003 (-7.98)	814,117 (3.43%)	
	NON-TAX REVENUES							
33300	Indirect Federal Grants	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 0	$ 0	0.00%
34160	Copier Fees	25,000	25,000	25,000	25,000	25,000	25,000	0.00%
34162	Printer Fees	40,000	40,000	45,000	45,000	60,000	60,000	0.00%
34710	Meeting Room Fees	0						
34720	Library Use Fees	3,000	0					
35970	Library Fines	600,000	555,000	605,000	615,000	615,000	615,000	0.00%
36110	Investment Income	200,000	25,000	25,000	25,000	10,000	10,000	0.00%
36700	Foundation Donations	123,755	130,000	130,000	150,000	150,000	225,500	50.33%
36920	Book Sale Revenue	40,000	40,000	40,000	40,000	20,000	20,000	0.00%
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	0			
36699	Rebates – Procurement Card	0	0	0	5,000	10,000	15,000	50.00%
39510	Sale of Fixed Assets						15,000	new
	SUBTOTAL	1,066,755	850,000	905,000	935,000	915,000	1,010,500	10.44%
	TOTAL REVENUES	**$ 28,627,737**	**$ 28,634,961**	**$ 28,564,891**	**$ 26,694,758**	**$ 24,616,725**	**$ 25,526,372**	**3.70%**

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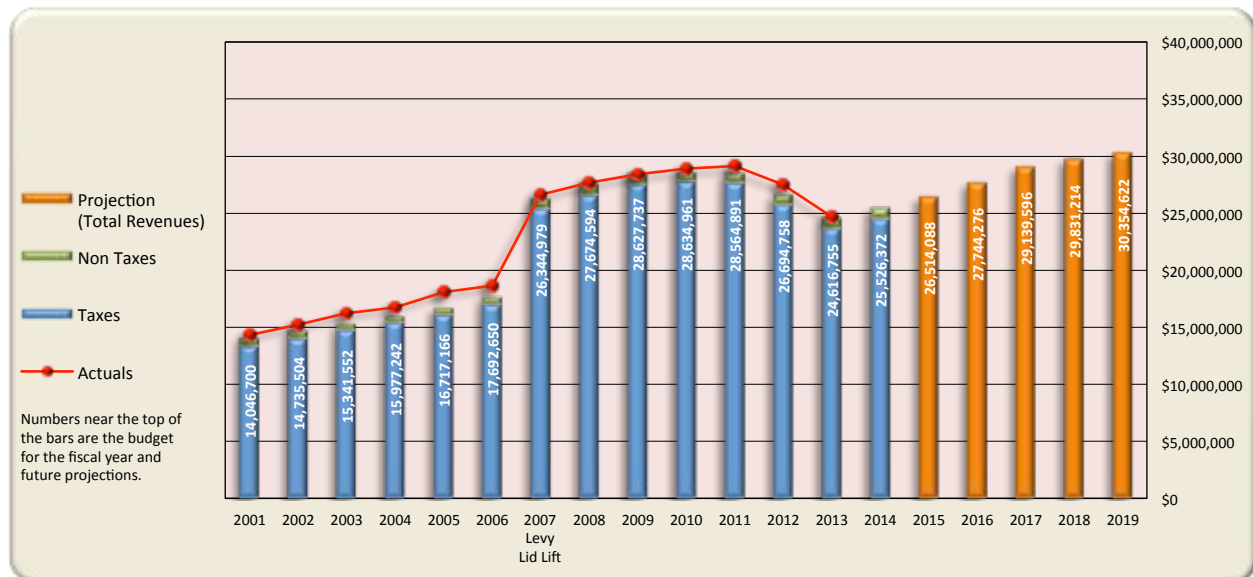
Property Taxes and Other Taxes

Taxes
$ 24,515,872

Table 3-4: 2014 Tax Revenues

		2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
31111	Property Taxes Current	$ 25,308,387.32	$ 22,724,764	$ 23,502,762	3.42%
31112	Property Taxes Delinquent	878,791.41	908,991	940,110	3.42%
31130	Sale of Tax Title Property	50.63	3,000	3,000	0.00%
31210	Private Harvest Tax	70,351.79	50,000	50,000	0.00%
31720	Leasehold Excise Tax	17,544.16	15,000	20,000	33.33%
	TOTAL TAXES	**$ 26,275,125.31**	**$ 23,701,755**	**$ 24,515,872**	**3.43%**

Local property taxes constitute 96.04% of total 2014 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
2014	$ 48,964,088,146	2.94%
2013	47,566,193,799	-8.82%[1]
2012	52,166,456,544	-6.79%
2011	55,964,407,888	-5.11%
2010	58,984,142,315	-5.00%
2009	62,085,405,469	3.34%
2008	60,077,557,821	13.37%
2007	52,990,993,065	25.02%
2006	42,385,528,523	20.00%
2005	35,306,548,741	9.25%
2004	32,318,475,182	6.39%
2003	30,377,319,365	3.84%
2002	29,255,137,258	8.25%
2001	27,025,182,627	-

Notes:

The -8.82% is based on the final certificate issued in January 2013 over the final certificate issued in January 2012. The preliminary certificate for 2013 actually noted an -9.25% decrease in property values, which was used for all 2013 budget decisions. The reason for the difference is that the preliminary certificate does not include final assessments made between September and December. Final assessments made in late 2012 affected values by +0.43%.

This base includes the growth in assessed valuation (AV) of existing property in Pierce County and all new construction. For the 2014 fiscal year, the estimated tax base to levy is assessed at nearly $49 billion, which represents a 2.94% increase from the previous year's assessed valuation. (On November 3, 2009, during general elections, Fife residents overwhelmingly approved a measure to annex to the library system. These revenues began receipt in 2011.)

Revenue Increases

State law allows the Library to increase its revenues by up to 1% over the previous year, so long as it does not exceed the 50¢ per $1,000 calculation, also set in state law. Voters restored the levy rate for 2007 to 48¢. In October 2013 the Implicit Price Deflator (IPD, another limiter) was recorded at 1.314%. 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: 2014 Tax Levy Calculation—Preliminary Certificate

Pierce County

Mike Lonergan, Assessor-Treasurer

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

TAX LEVY LIMIT 2013 FOR 2014   RURAL LIBRARY
                                                       > 10,000

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   664,868,196
   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   332,434.10
   levied had no error occurred).

C. Current year's state assessed property value in original district   743,903,418
   if annexed less last year's state assessed property value. The   742,903,418
   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)   28,638,707.28

ADDITIONAL LEVY LIMIT DUE TO ANNEXATIONS:

E. To find rate to be used in F, take the levy limit as shown in   28,638,707.28
   Line D above and divide it by the current assessed value of the   48,964,088,146
   district, excluding the annexed area.   0.584892078315

F. Annexed area's current assessed value including new construction   0.00
   and improvements times rate found in E above.   0.584892078315
                                                                                     0.00

G. NEW LEVY LIMIT FOR ANNEXATION (D + F)   28,638,707.28

LEVY FOR REFUNDS:

H. RCW 84.55.070 provides that the levy limit will not apply to the   28,638,707.28
   levy for taxes refunded or to be refunded pursuant to Chapters   0.00
   84.68 or 84.69 RCW. (D or G + refund if any)   28,638,707.28

I. TOTAL ALLOWABLE LEVY AS CONTROLLED BY THE LEVY LIMIT (D,G,or H)   28,638,707.28

J. Amount of levy under statutory rate limitation.   48,964,088,146
                                                                            0.500000000000
                                                                             24,482,044.07

K. LESSER OF I OR J   24,482,044.07

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 2014). State law does not apply the 1% limit for revenues received from new construction. New construction can have a significant effect on revenues, as the values can contribute between 2% and 4% of revenue growth. However, when the Library is at its statutory limit of 50 cents per $1,000 assessed valuation, no revenues from new construction can be collected. Below is a breakdown that shows new construction values:

For Year	New Construction	PCLS Revenue	% of Budget
2014	$ 664,868,196	$ 0	0.00%
2013	688,832,368	0	0.00%
2012	447,391,586	0	0.00%
2011	508,485,021	0	0.00%
2010	759,965,065	408,506	1.43%
2009	1,494,356,425	660,926	2.31%
2008	1,789,938,371	859,170	3.10%
2007[1]	1,769,575,840	709,401	0.00%
2006	1,519,842,131	696,437	4.09%
2005	1,092,187,309	519,261	3.22%
2004	841,593,691	420,797	2.63%
2003	1,026,298,566	513,149	3.34%
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 $1,000 of assessed valuation. Recent mill rates were as follows (table at bottom includes projected mill rates):

For Year	Calculated Mill Rate
2014	$ 0.5000
2013	0.5000
2012	0.5000
2011	0.5000
2010	0.4695
2009	0.4437
2008	0.4425
2007	0.4800[1]
2006	0.4002
2005	0.4560
2004	0.4766
2003	0.4862
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 .... $ 23,502,762
Property Taxes Delinquent .... $ 940,110
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 2014, this ratio remains the same, reflecting that property owners generally pay taxes on time.

Table 3-5: Mill Rate Projections (2014 - 2018)

Year	Mill Rate		Assessed Value		Base Property Taxes				New Construction	
	Actual	Projected	$ Value	Change	Actuals	Projection	Difference	Change	Actuals	Projection
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		47,566,193,799	-8.82%	23,783,097		(2,300,131)	-8.82%	-	-
2014		**0.5000**	**48,964,088,146**	**2.94%**		**24,482,044**	**698,947**	**2.94%**	**-**	**-**
2015		0.5000	50,922,651,672	4.00%		25,461,326	979,282	4.00%	-	-
2016		0.5000	53,366,938,952	4.80%		26,683,469	1,222,144	4.80%	-	-
2017		0.5000	56,142,019,778	5.20%		28,071,010	1,387,540	5.20%	-	-
2018		0.4868	59,061,404,806	5.20%		28,753,720	682,710	2.43%	-	402,000

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 Revenue
Year	
2014 (estimated)	$ 50,000
2013 (projected)	50,000
2012	70,352
2011	71,846
2010	35,710
2009	74,516
2008	66,671
2007	168,198
2006	133,861
2005	125,977
2004	109,022
2003	43,110
2002	78,420

Other Taxes (summarized):............................$ 23,000

Other tax collections include sale of title property and leasehold excise taxes. They are not in the Library's control, and are not discussed in this section due to their low amounts.

Non-Tax Revenues

Intergovernmental
$ 0

Table 3-6: 2014 Intergovernmental Revenues

		2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
33000	Indirect Federal Grants	$ 0.00	$ 0	$ 0	0.00%
33533	State Forest Funds	5,315.22			
33872	Contract Fees-Cities	3,240.00			
33890	Governmental Service Fees	7,500.00			
	TOTAL INTERGOVERNMENTAL	**$ 10,740.00**	**$ 0**	**$ 0**	**0.00%**

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: 2014 Charges for Services

		2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
34160	Copier Fees	$ 25,594.64	$ 25,000	$ 25,000	0.00%
34161	Graphics Services Charge	9,244.22			
34162	Printer Fees	66,774.31	60,000	60,000	0.00%
34730	Interlibrary Loan Fees	209.62			
	TOTAL CHARGES FOR SERVICES	**$ 101,822.79**	**$ 85,000**	**$ 85,000**	**0.00%**

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 2014.

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 installed in late 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: 2014 Fines

		2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
35970	Library Fines	$ 591,199.49	$ 615,000	$ 615,000	0.00%
	TOTAL FINES	**$ 591,199.49**	**$ 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
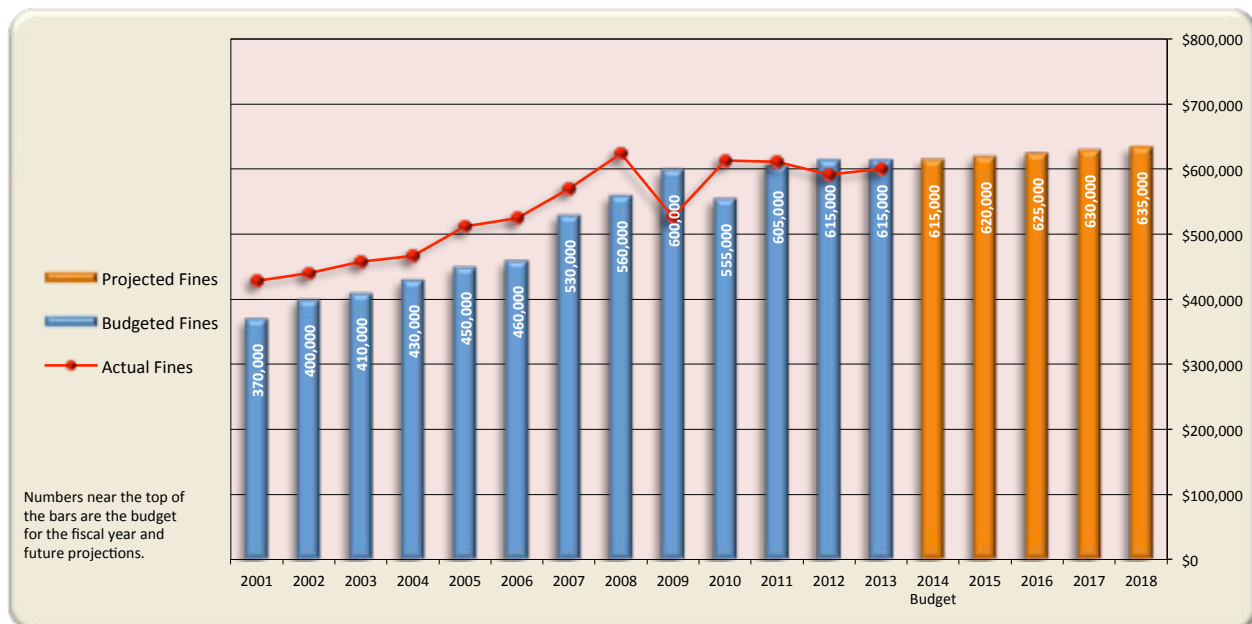
Other Revenues
$ 310,500

Table 3-9: 2014 Other Revenues

		2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
36110	Investment Income	$ 10,393.16	$ 10,000	$ 10,000	0.00%
36111	Interest – State Forest Fund	1.92			
36190	Other Interest Earnings	7.16			
36200	Key Peninsula Lease	1,774.59			
36700	Foundation Donations	126,237.10	150,000	225,500	50.33%
36710	Friends' Donations				
36720	Friend's Reimbursement	31,881.02			
36725	Donations – Other	6,362.13			
36910	Sale of Scrap and Salvage	1,504.08			
36920	Book Sale Revenue	14,069.54	20,000	20,000	0.00%
36990	Miscellaneous Revenue	59,689.51			
36991	Payment for Lost Materials	14,814.61	25,000	25,000	0.00%
36994	Unclaimed Property	172.99			
36995	Collection Agency Revenue	1,384.72			
36996	Jury Duty Reimbursement	191.00			
36997	Prior Year's Refunds	44,855.73			
36998	ERate Reimbursement	160,451.03			
36999	Rebates – Procurement Card	26,098.88	10,000	15,000	50.00%
39510	Sale of Fixed Assets	15,283.90		15,000	new
39520	Insurance Recoveries – Capital Assets	10,229.00			
	TOTAL OTHER REVENUES	**$ 525,402.07**	**$ 215,000**	**$ 310,500**	**44.42%**

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 now budgeted.

Investment Income ....$ 10,000
On a weekly basis, the Library invests any substantial amounts of excess cash available after calculating the immediate expenditure needs. This line item was significantly reduced in 2012 to reflect significantly low interest rates, which continue in 2014. See chart below.

Figure 3-5: Investment Budget & Actuals

75
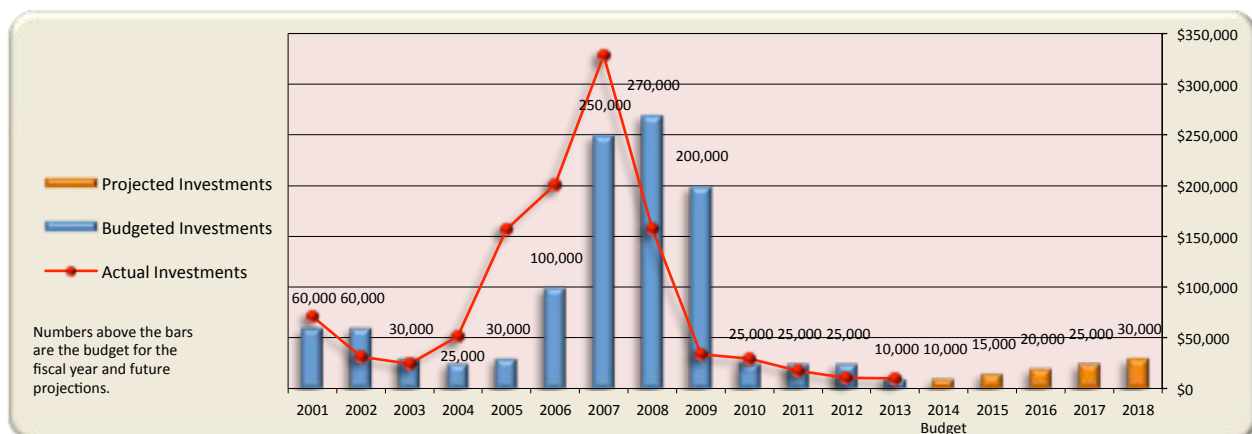
Foundation Donations..................................$ 225,500
Foundation Donations are budgeted based on funding commitments approved by the Foundation Board in the summer of 2013. The Foundation is committed to raising more for 2014.

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 ....$ 15,000
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.

Sale of Fixed Assets ....$ 15,000
Beginning in 2014, the Library will begin budgeting Washington State's sales of fixed assets that are passed onto the Library. Although the Library has no control over these revenues, there is enough of a track record to begin recognizing this for the annual budget (instead of mid-year).

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

Total Budgeted Revenues

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

Table 3-10: 2014 General Fund Revenues (all combined)

		2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
	TAX REVENUES				
31111	Property Taxes Current	$ 25,308,387.32	$ 22,724,764	$ 23,502,762	3.42%
31112	Property Taxes Delinquent	878,791.41	908,991	940,110	3.42%
31130	Sale of Tax Title Property	50.63	3,000	3,000	0.00%
31210	Private Harvest Tax	70,351.79	50,000	50,000	0.00%
31720	Leasehold Excise Tax	17,544.16	15,000	20,000	33.33%
	SUBTOTAL	$ 26,275125.31	$ 23,701,755	$ 24,515,872	3.43%
	NON-TAX REVENUES				
33000	Indirect Federal Grants	$ 0.00	$ 0	$ 0	0.00%
33533	State Forest Funds	5,315.22			
33872	Contract Fees-Cities	3,240.00			
33890	Governmental Service Fees	7,500.00			
34160	Copier Fees	25,594.64	25,000	25,000	0.00%
34161	Graphics Services Charge	9,244.22			
34162	Printer Fees	66,774.31	60,000	60,000	0.00%
34730	Interlibrary Loan Fees	209.62			
35970	Library Fines	591,199.49	615,000	615,000	0.00%
36110	Investment Income	10,393.16	10,000	10,000	0.00%
36111	Interest – State Forest Fund	1.92			
36190	Other Interest Earnings	7.16			
36200	Key Peninsula Lease	1,774.59			
36700	Foundation Donations	126,237.10	150,000	225,500	50.33%
36720	Friend's Reimbursement	31,881.02			
36725	Donations – Other	6,362.13			
36910	Sale of Scrap and Salvage	1,504.08			
36920	Book Sale Revenue	14,069.54	20,000	20,000	0.00%
36990	Miscellaneous Revenue	59,689.51			
36991	Payment for Lost Materials	14,814.61	25,000	25,000	0.00%
36994	Unclaimed Property	172.99			
36995	Collection Agency Revenue	1,384.72			
36996	Jury Duty Reimbursement	191.00			
36997	Prior Year's Refunds	44,855.73			
36998	ERate Reimbursement	160,451.03			
36999	Rebates – Procurement Card	26,098.88	10,000	15,000	50.00%
39510	Sale of Fixed Assets	15,283.90		15,000	new
39520	Insurance Recoveries – Capital Assets	10,229.00			
	SUBTOTAL	1,234,479.57	915,000	1,010,500	10.44%
	TOTAL REVENUES	$ 27,509,604.88	$ 24,616,755	$ 25,526,372	3.70%

Expenditures

House of Cards by Nick Tollefson
1st Place 9th/10th Grade Winner of the 2013 Our Own Expressions Photography Contest

Summary of Expenditures and Assumptions

Table 3-11: 2013 Operating Expenditure Summary

	2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
EXPENDITURES				
Personnel	$ 17,846,418.91	$ 18,544,997	$ 18,837,686	1.58%
Maintenance & Operations	3,820,659.10	3,089,520	3,284,010	6.30%
Materials	4,240,998.84	3,297,075	3,277,075	-0.61%
SUBTOTAL	25,908,076.85	24,931,592	25,398,771	1.87%
SET-ASIDES & TRANSFERS				
ELECTION SET-ASIDE	$ 0.00[1]	$ 0	$ 0	0.00%
CONTINGENCY	0.00[1]	0	0	0.00%
TRANSFERS TO CAPITAL IMPROVEMENT FUND	814,563.00	492,335	255,264	-48.15%
MID-YEAR SAVINGS CAP. IMP. FUND TRANSFER	0	0	0	0.00%
SUBTOTAL	814,563.00	492,335	255,264	-48.15%
TOTAL EXPENDITURES	**$ 26,722,639.85**	**$ 25,423,927**	**$ 25,654,035**	**0.91%**

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

The operating budget consists of three major areas of operating expenditures that usually account for over 95% (see table below) of total expenditures. Between 2005 and 2009, retirement rates increased by 278%; however, in 2010, the Washington State Department of Retirement Services (DRS) dropped the Library's contribution. In 2011 the rates began to escalate again and 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. 2014 maintains 2013's budget.

Table 3-12: Allocation of Budgeted Costs (2007 - 2014)

	2007	2008	2009	2010	2011	2012	2013	2014
Personnel	62.8%	69.3%	69.6%	64.2%	67.1%	69.6%	72.9%	73.4%
Maintenance & Operations	11.0%	11.4%	11.4%	10.7%	12.6%	11.4%	12.2%	12.8%
Materials (books, DVDs, etc)	16.0%	16.1%	15.8%	16.1%	16.1%	16.0%	13.0%	12.8%
TOTAL OPER. EXPENDITURES	**89.8%**	**96.8%**	**96.8%**	**91.0%**	**95.8%**	**97.0%**	**98.1%**	**99.0%**

Table 3-13: 2014 Expenditures—BARS Summary Level

	2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
PERSONNEL				
5.11.xx Salaries & Wages	$ 13,412,687.97	$ 14,374,660	$ 14,402,641	0.19%
5.12.xx Overtime Wages	9,099.32	7,500	5,800	-22.67%
5.2x.xx Employee Benefits	4,424,631.62	4,736,394	5,011,854	5.82%
SUBTOTAL	17,846,418.91	19,118,554	19,420,295	1.58%
5.19.99[1] Reduction in salaries planning budget &5.29.99 to match projections (3%)	0	(573,557)	(582,609)	-1.58%
SUBTOTAL	17,846,418.91	18,544,997	18,837,686	1.58%
MAINTENANCE & OPERATIONS				
5.31.xx Supplies	382,556.37	278,300	307,700	10.56%
5.32.xx Fuel	56,300.81	58,000	40,750	-29.74%
5.35.xx Small Tools and Minor Equipment	538,420.94	315,000	294,800	-6.41%
5.41.xx Professional Services	557,632.76	384,900	375,200	-2.52%
5.42.xx Communications	377,305.01	203,300	199,300	-1.97%
5.43.xx Travel	59,275.88	59,650	59,450	-0.34%
5.44.xx Advertising	23,906.52	28,920	29,000	0.28%
5.45.xx Operating Rentals/Leases	128,642.33	223,100	401,300	79.87%
5.46.xx Insurance	186,440.27	189,500	189,500	0.00%
5.47.xx Utilities	390,790.20	314,500	305,200	-2.96%
5.48.xx Repair and Maintenance	993,973.34	898,500	938,500	4.45%
5.49.00 Registrations & Tuition Assistance	32,077.48	21,700	23,250	7.14%
5.49.0x Miscellaneous	92,494.05	99,150	119,060	20.08%
5.51.xx Intergovernmental	843.14	15,000	1,000	-93.33%
5.82.xx Interest Expense	0.00	0	0	0.00%
SUBTOTAL	3,820,659.10	3,089,520	3,284,010	6.30%
MATERIALS				
5.34.xx Materials	4,240,998.84	3,297,075	3,277,075	-0.61%
SET-ASIDES & TRANSFERS				
5.49.12 CONTINGENCY	0.00[2]	0	0	0.00%
5.97.00 TRANSFERS TO CAPITAL IMPROVE. FUND	814,563.00	492,335	255,264	-48.15%
MID-YEAR SAVINGS CIP TRANSFER	0.00	0	0	0.00%
SUBTOTAL	814,563.00	492,335	255,264	-48.15%
TOTAL EXPENDITURES	**$ 26,722,639.85**	**$ 25,423,927**	**$ 26,236,644**	**0.92%**

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

$ 18,837,686

Table 3-14: 2014 Personnel Detail

		2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
51110	Salaries & Wages	$12,739,804.70	$ 13,681,285	$ 13,709,535	0.21%
51105	Additional Hours	234,073.57	230,600	247,100	7.16%
51106	Shift Differential	134,392.53	160,175	161,206	0.64%
51107	Substitute Hours	299,156.68	299,600	284,500	-5.04%
51109	Tuition Assistance Program	5,260.49	3,000	300	-90.00%
51200	Overtime Wages	9,099.32	7,500	5,800	-22.67%
52001	Industrial Insurance	168,221.05	167,861	165,707	-1.28%
52002	Medical Insurance	2,058,848.44	2,139,809	2,268,400	6.01%
52003	FICA	990,180.20	1,094,384	1,102,241	0.72%
52004	Retirement	907,639.63	1,039,773	1,167,555	12.29%
52005	Dental Insurance	214,822.02	227,556	241,326	6.05%
52003	Other Benefit	15,738.02	9,580	9,580	0.00%
52010	Life and Disability Insurance	14,374.54	25,631	25,245	-1.51%
52020	Unemployment Compensation	54,807.72	30,500	30,500	0.00%
52200	Uniforms	0.00	1,300	1,300	0.00%
	SUBTOTAL PERSONNEL	**17,846,418.91**	**19,118,554**	**19,420,295**	**1.58%**
51999[1] & 52999	Reductions in salaries planning budget to match projections (3%)	0	(573,557)	(582,609)	-1.58%
	TOTAL PERSONNEL	**$ 17,846,418.91**	**$ 18,544,997**	**$ 18,837,686**	**1.58%**

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 over 73% of expenditures and pay for staffing the Library to meet its mission and goals. The total change for 2014 from 2013 is 1.58%. The Library is reducing the bottom line personnel budget by 3% ($582,609) 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 2013 the Library applied a 3% reduction. For 2014 an adjustment of 3% is maintained. The Library will be monitoring this through 2014 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 2014 fiscal year.

Salaries and Wages .... $ 13,709,835
Staffing includes all full and part-time personnel located in all locations. Salaries and Wages include $300 for Tuition Assistance.

Additional Hours .... $ 247,100
Additional hours are used to pay part-time regular staff to cover illness, vacations, and other staffing needs.

Substitute Hours .... $ 284,500
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...$ 161,206
Union employees who work Sunday hours are paid at 1.5 times their regular non-Sunday wages. The amount is estimated each year.

Overtime...$ 5,800
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 2014.

Benefits...$ 5,011,854
Benefits as a category include medical and dental costs, retirement, payroll taxes, and unemployment insurance. In October 2013, the Library evaluated a search for potentially new healthcare plans, and decided to leave the Employees Healthcare Coalition of Washington (EHCWa) and contract with the Association of Washington Cities (AWC). The costs for the plans were slightly lower than 2013 rates.

The 2013 Legislature passed retirement rates for 2013 and 2014. Therefore the Library will budget at the

State Actuary's Office expected analysis (10.41% for 2015-17). 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: 10.41%
> July 2015 - June 2016: 10.41%
> **July 2014 - June 2015: 9.210%**
> **July 2013 - June 2014: 9.210%**
> July 2012 - June 2013: 7.250%
> July 2011 - June 2012: 7.250%
> July 2010 - June 2011: 5.310%
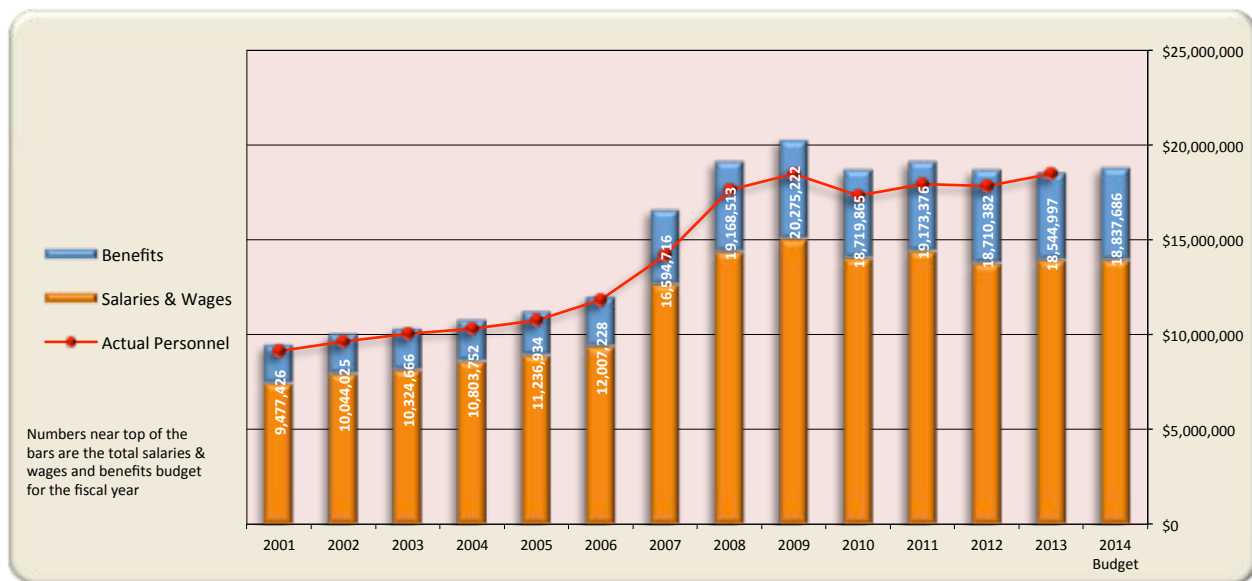> July 2009 - June 2010: 8.310%
> July 2008 - June 2009: 8.310%
> July 2007 - June 2008: 5.940%
> July 2006 - June 2007: 3.065%
> July 2005 - June 2006: 2.195%

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

Figure 3-6: Personnel Budget & Actuals

Library Staffing

Table 3-15: Budgeted Library Staffing

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

Notes:
1. See chapter on department narratives for a breakdown of budgets by department.
2. MLS or MLIS: Masters of Library Science or Library Information Science graduate degree, a requirement to hold the title "Librarian".
3. Customer Experience includes Community Outreach, Virtual Services and Adult Services, and Youth Services.
4. Formerly, Information Technology. Reorganized department will have Virtual Services moved to it during 2014.

The Library maintains a workforce of fulltime and regular part-time employees with regularly assigned hours that calculate into fulltime equivalent (FTEs) employees, where 1 FTE equates to 40 hours per workweek and may be spread over one or more employees. The Library also maintains a substitute, on-call workforce with no regularly assigned hours (similar to schools). FTEs are found in the above table and in the chapter on department narratives (see page 127).

Changes in Overall Staffing (2012-2014)

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

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

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

Maintenance & Operations

$ 3,284,010

Table 3-16: 2014 Maintenance & Operations Detail

		2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
53100	Office/Operating Supplies	$ 228,261.86	$ 152,300	$ 155,400	2.04%
53101	Custodial Supplies	56,400.01	41,000	52,100	27.07%
53102	Maintenance Supplies	51,282.84	40,000	60,200	50.50%
53103	A/V Processing Supplies	31,882.75	25,000	20,000	-20.00%
53104	Book Processing Supplies	14,728.91	20,000	20,000	0.00%
53200	Fuel	56,300.81	58,000	40,750	-29.74%
53500	Minor Equipment	22,212.63	15,300	6,500	-57.52%
53501	Furnishings	86,214.46	50,000	35,000	-30.00%
53502	PC Hardware	352,758.85	196,200	216,300	10.24%
53503	Printers	2,719.62	20,000	20,000	0.00%
53505	Software	74,515.38	33,500	17,000	-48.25%
54100	Professional Services	330,866.22	251,500	256,200	1.87%
54101	Legal Services	140,183.60	30,000	30,000	0.00%
54102	Collection Agency	31,170.50	33,400	24,000	-28.14%
54161	Resource Sharing Services	18,958.91	25,000	22,000	-12.00%
54162	Bibliographics Services	29,754.52	40,000	38,000	-5.00%
54163	Printing and Binding	4,670.39	2,000	2,000	0.00%
54165	Inter Library Loan Lost Item Charges	2,028.62	3,000	3,000	0.00%
54200	Postage	45,253.28	42,000	38,000	-9.52%
54201	Data Lines	332,051.73	161,300	161,300	0.00%
54300	Travel	27,937.23	28,600	29,200	2.10%
54301	Mileage Reimbursements	31,338.65	31,050	30,250	-2.58%
54400	Advertising	23,906.52	28,920	29,000	0.28%
54501	Rentals/Leases - Buildings	89,406.02	195,300	377,700	93.39%
54502	Rentals/Leases - Equipment	39,236.31	27,800	23,600	-15.11%
54600	Insurance	186,440.27	189,500	189,500	0.00%
54700	Electricity	276,330.33	229,000	220,000	-3.93%
54701	Natural Gas	18,762.78	17,500	15,000	-14.29%
54702	Water	34,023.32	24,500	26,000	6.12%
54703	Sewer	31,491.70	21,000	21,700	3.33%
54704	Refuse	30,182.07	22,500	22,500	0.00%
54800	General Repairs/Maintenance	315,386.41	204,300	198,300	-2.94%
54801	Contracted Maintenance	645,326.52	659,200	709,200	7.58%
54803	Maint. Telecomm Equipment	33,260.41	35,000	31,000	-11.43%
54900	Registrations	25,980.48	21,700	23,250	7.14%
54901	Dues and Memberships	36,375.00	31,200	34,620	10.96%
54902	Taxes and Assessments	27,951.49	30,500	30,500	0.00%
54903	Licenses and Fees	26,528.89	36,550	53,150	45.42%
54904	Miscellaneous	1,638.67	900	790	-12.22%
54905	Event Registration	1,122.00			
54906	Internal Training	4,975.00			
55100	Intergovernmental	843.14	15,000	1,000	-93.33%
	Total Maintenance & Operations	**$ 3,820,659.10**	**$ 3,089,520**	**$ 3,284,010**	**6.30%**

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 ....$ 307,700

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 10.6% more than budgeted last year, due to the increased need for maintaining facilities.

Fuel..$ 40,750

Fuel consists of charges for gasoline, diesel, and propane. It decreased -29.7% due to replacing old gas consuming vehicles with hybrid models.

Smalls Tools & Minor Equipment.................$ 294,800

Minor equipment includes furniture, computers, printers, scanners, and software. This category decreased by 6.4%. Some furnishing projects were funded in the Capital Improvement Plan instead of the Operating Budget.

Professional Services...................$ 375,200

This category includes services provided by a private business or agency. In addition to the services of attorneys, accountants, and consultants, it includes software consultants, interpreters, trainers, maintenance-related services, etc. This decreased by -2.5% due mostly to reductions in collection agency fees.

Communications ....$ 199,300

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 decreased by -2.0%.

The Library annually applies for E-rate reimbursements for network connectivity costs, including Internet services. The Library receives reimbursement for about 50% of connectivity costs from the Federal E-rate program either as direct reimbursement or applied to

telecommunication provider's monthly statements. E-rate reimbursements are projected to be similar to 2013.

Travel...$ 59,450

This includes reimbursement to employees and Board of Trustees for use of personal automobiles on Library business and travel expenses associated with attendance at training and continuing education events, conferences, and seminars. The budget is -0.3% less.

Paradise Island

While I sit here in the window,

When yellow tamaracks dance in the wind,

Where the dark evergreens know no bounds,

As the birds serenade each other from a distance,

Because the sun shines through the trees like giants,

Then the deer wade in the sea of flowers

in the meadow,

I sip a cup of tea as warm as the morning

of Christmas.

_____

Shane Lillie
Kopachuck Middle School

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

Advertising...................................$ 29,000

This includes newspaper advertising for library activities, advertising employee and Board of Trustees vacancies, requests for bids, and other marketing. The amount budgeted increased nominally by 0.3%.

Operating Rentals/Leases............................$ 401,300

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 79.9% due to adding in payments for shared City of University Place and Pierce County Library condominium agreement costs.

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 ....$ 305,200
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 -3.0% less for 2014. This is due to much higher efficiency rated equipment installed in 2013 for Processing and Administrative Center.

Repair & Maintenance ....$ 938,500
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 4.4% due to covering maintenance costs for more media bank towers and a Polaris site license.

Training...$ 23,250
Training includes non-travel costs for attendance at classes, seminars, and conferences. The training budget is 7.1% more due to a PLA conference in 2014.

Intergovernmental ....$ 1,000
This category includes costs associated with fees paid to other governmental agencies. The amount budgeted is -93.3% less due to no audit in 2014. The amount budgeted is to pay for expenses incurred in 2013 to finish the 2011-12 audit.

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 2014 continues to be low, if any, due to having enough in the ending fund balance to fund the majority of the shortfall.

Miscellaneous ....$ 119,060
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 20.1% due to costs of bank and ePay fees.

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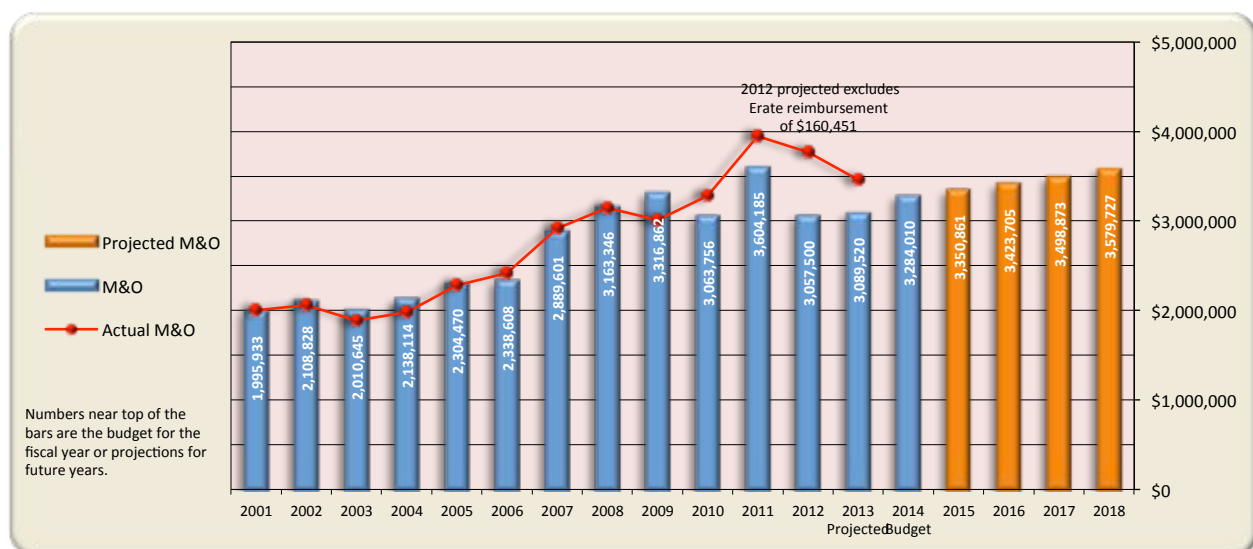
Books, Movies, Music, and Downloadables (Materials)

$ 3,277,075

Table 3-17: 2014 Materials Detail

|		2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
53401	Adult Materials	$ 891,743.06	$ 847,684	$ 827,684	-2.36%
53402	Serials	16,266.22	0	0	0.00%
53403	Periodicals	47,149.39	80,000	80,000	0.00%
53405	Juvenile Books	590,541.07	496,458	496,458	0.00%
53406	Professional Collection	22,664.95	20,000	20,000	0.00%
53407	International Collection	89,050.65	76,000	76,000	0.00%
53408	Audiovisual Materials - Adult	1,166,634.06	816,000	816,000	0.00%
53409	Audiovisual Materials - Juvenile	99,940.19	102,040	102,040	0.00%
53411	Electronic Info Sources	401,052.24	170,355	170,355	0.00%
53412	Reference Serials	28,000.39	36,414	36,414	0.00%
53413	Electronic Services	215,847.32	244,124	244,124	0.00%
53414	Electronic Collection	403,683.49	255,000	255,000	0.00%
53464	Vendor Processing Services	231,854.93	153,000	153,000	0.00%
53490	Collection Projects	33,863.84	0	0	0.00%
53499	Gifts - Materials	2,707.04	0	0	0.00%
	TOTAL MATERIALS	**$ 4,240,998.84**	**$ 3,297,075**	**$ 3,277,075**	**-0.61%**

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

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

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

Figure 3-8: Materials Budget History (2002 - 2014)
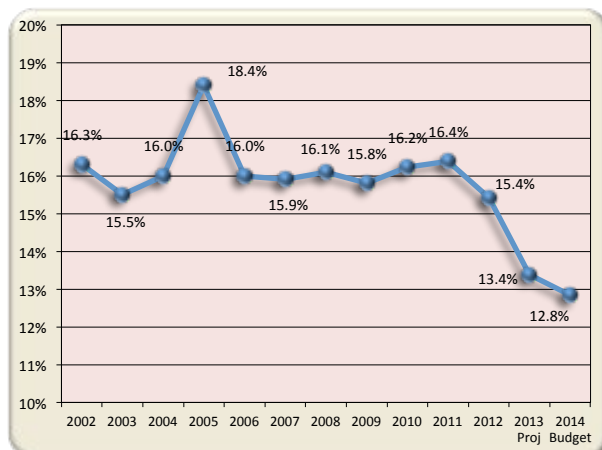
The 2014 Materials budget is 12.8% of new revenues. Figure above shows the historical funding of Materials as a percentage of each year's new revenues. "New Revenues" excludes calculating a portion of the $127,663 use of cash reserves into the materials budget. The spike in the 2005 Materials budget is due to a carrying forward of unexpected 2004 unexpended funds (the catalog system replacement project delayed purchasing and receipt of materials).

87

Figure below shows PCLS's Materials budget per capita, which is an effective measure of our focus on our collection. The figure at right gives a comparison of our budget along with that of other local libraries. We are 3rd out of the 13 regional libraries for the second year in a row. It's a great spot for us. The 2014 materials expenditure per capita is estimated to be $5.94 per capita.

Figure 3-9: Materials Expenditures Per Capita History (Actuals 2002 - 2012)
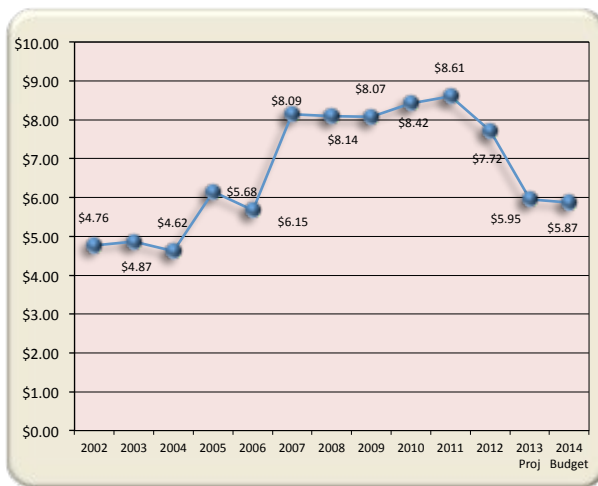
Figure 3-10: Materials Expenditures Per Capita Comparison (2012)
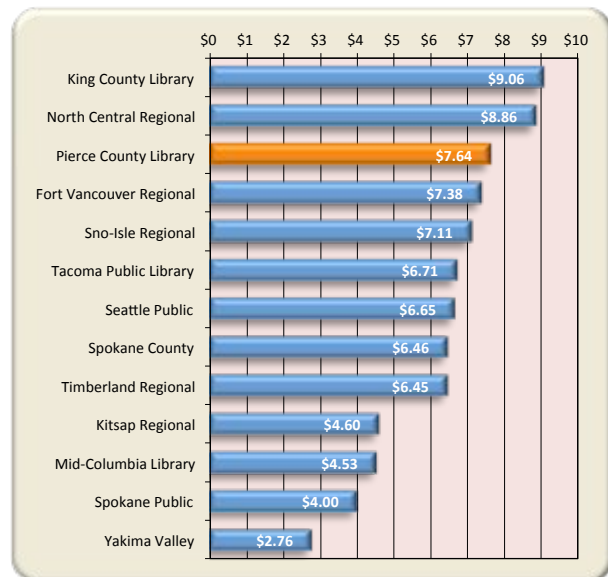
Source: Washington State Library

88

Other Set-Asides & Transfers

$ 255,264

Table 3-18: 2014 Other Expenditures, Set-Asides, and Transfers

	2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
ELECTION SET-ASIDE	$ 0.00[1]	$ 0	$ 0	0.00%
CONTINGENCY	0.00[1]	0	0	0.00%
TRANSFERS TO CAPITAL IMPROVEMENT FUND	814,563.00	492,335	255,264	-48.15%
MID-YEAR SAVINGS CAP. IMP. FUND TRANSFER	0.00	0	0	0.0%
TOTAL SET-ASIDES & TRANSFERS	**$ 814,563.00**	**$ 492,335**	**$ 255,264**	**-48.15%**

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. Since the 2011 budget, the Library identifies these items explicitly in the General Fund.

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

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 2014, this means that enough restricted funds are available to plan for paying April 2014'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 .... $ 255,264
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 2014 the Capital transfer was further reduced from 2% to 1% of revenues to pay for anticipated capital improvement projects. Below shows capital transfers since 2002.

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

89
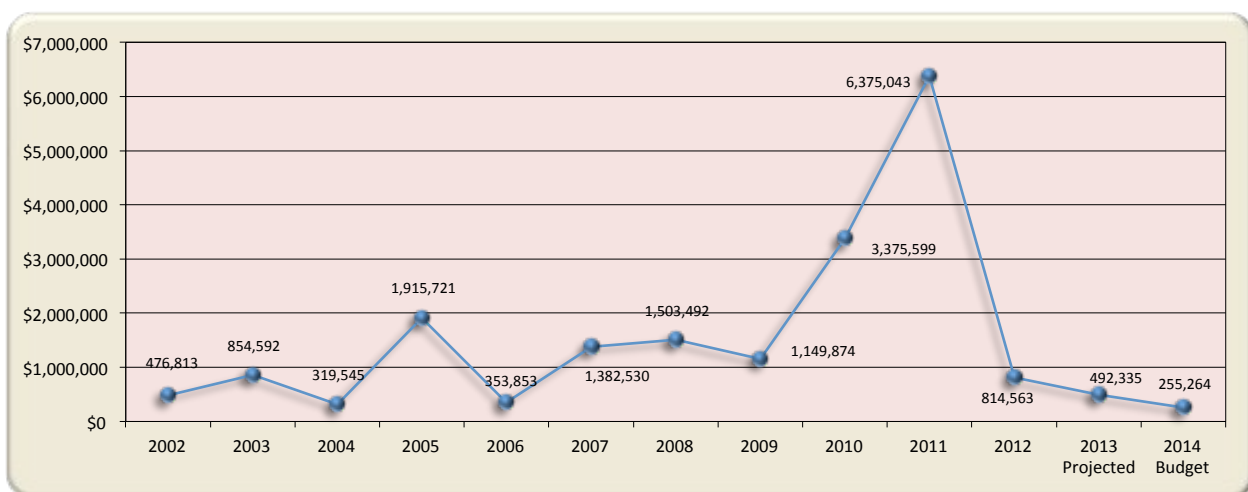
General Fund Balance

Vibrant by Daniel Matsuda
1st Place 7th/8th Grade Winner of the 2013 Our Own Expressions Drawing Contest

General Fund Balance

Table 3-19: 2014 General Fund Balance Summary

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

Notes:

1. The 2013 year-end fund balance is estimated; numbers are finalized with the annual report in April 2014.
2. The estimated difference between budget & actuals is an adjustment calculated by the difference between final budget of revenues and expenditures as approved in December and the projected actual of revenues and expenditures received and incurred throughout the year. The difference is used to calculate the 2014 beginning fund balance. This estimated difference was calculated as of the end of December 2013.

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

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

GFOA Statement on General Fund Balance

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

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

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

— GFOA, October 2009

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

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

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

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

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

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

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

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

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

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

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

    The Library set aside commitments:

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

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

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

Beginning Fund Balance
$ 9,900,000

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

Reserve Commitments
$ 7,327,636

Operational needs for first 4 months .... $ 6,967,636
The Library calculates that approximately $7 million will be needed for cash flow to operate until the large influx of tax revenues come in late April. Some revenue, for example fines and some property taxes arrive between January and April, therefore the calculation is not 33% of expenditures.

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

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

Inflows
$ 0

Set aside from operating budget .... $ 0
The unreserved fund balance for 2014 is estimated to be 9.2%, which satisfies the minimum requirement of 2% of following year revenues. There is no need to build up the unreserved fund balance by use of the Contingency line item.

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

Outflows
$ 127,663

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

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

Transfers to CIF from previous year-end results ..... TBD
The amount of unanticipated revenues and savings to be transferred to the Capital Improvement Fund from the General Fund will be determined in April 2014.

Transfers to CIF from 201X mid-year savings ...... $ TBD
Any funds available due to savings in 2013 may be identified and transferred in 2014. The last time this occurred was in 2011.

Bottom Line Adjustments

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

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

Ending Fund Balance
$ 9,772,337

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

Conclusion

The General Fund ending fund balance—at 9.22%—is greater than the 2% practice prescribed by the Board of Trustees. However, given considerable anticipated shortcomings in revenues, a fund balance greater than minimum 2% will help the Library mitigate shortfalls in future revenues. The Board of Trustees is very concerned about future cash flow, and encourages the Library to set aside cash as much as possible to ensure that the Library does not diminish its product, even during times of significant economic stress.

Part 4 Other Funds

Pierce County
Library System

INFORMATION ▪ IMAGINATION

Capital Improvement Fund

Uncertainty by Mikhaella Walden
2nd Place 9th/10th Grade Winner of the 2013 Our Own Expressions Photography Contest

2014 Capital Improvement Budget Summary

Table 4-1: 2014 Capital Improvement Budget Summary

	2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
FUNDING SOURCES				
Use of fund balance	$ 686,268.50	$ 1,139,665	$ 808,886	-29.02%
Transfers from General Fund	814,563.00	492,335	255,114	-48.18%
New revenues	498,548.00	0	160,000	New
TOTAL FUNDING SOURCES	1,313,111.00	1,632,000	1,224,000	-25.00%
EXPENDITURES				
Total project expenditures	1,999,379.50	1,632,000	1,224,000	-18.22%
TOTAL EXPENDITURES	1,999,379.50	1,632,000	1,224,000	-18.22%
NET OF FUNDING SOURCES & EXPENDITURES	**$ 0.00**	**$ 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.

2014 Strategy

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

1. Preserve our facilities as an asset (stewardship)

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

2. Efficiency: Spend to save (efficient operations)

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

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

   The Library has and continues to face difficult economic times. However, it's imperative to stay relevant to the customer by ensuring that through surveys, trends, and an understanding

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

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

5 Year Capital Planning

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

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

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

Recurring vs. Non-recurring Capital Projects

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

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

Planning Before Project Execution

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

Capital Projects Funding Sources

Table 4-2: Summary of Funding Sources

	2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
FUND BALANCE				
Use of fund balance	$ 686,268.50	$ 1,139,665	$ 808,886	-29.02%
TRANSFERS				
Budgeted GF transfer from operating budget	814,563.00	492,335	255,114	-48.18%
GF transfers from prior fiscal year savings[1]	0.00	TBD	TBD	
Transfers from 2012 Mid-Year Savings	0.00			
TOTAL TRANSFERS	814,563.00	492,335	255,114	-48.18%
NEW REVENUES				
New revenues	498,548.00	0	160,000	New%
TOTAL FUNDING SOURCES	**$ 1,313,111.00**	**$ 1,632,000**	**$ 1,224,000**	**-25.00%**

Funding Sources
$ 1,224,000

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 1% (down from 2% in 2013) of General Fund revenues. More may be transferred due to needs.

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

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

Shortfalls are an Ongoing Concern

Capital Improvement budgets fluctuated as shown in the chart below. The average Capital Improvement budget for 2002 through 2014 is $1,735,663.

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

Figure 4-1: Capital Project Budget History (Excludes Carry Forwards)
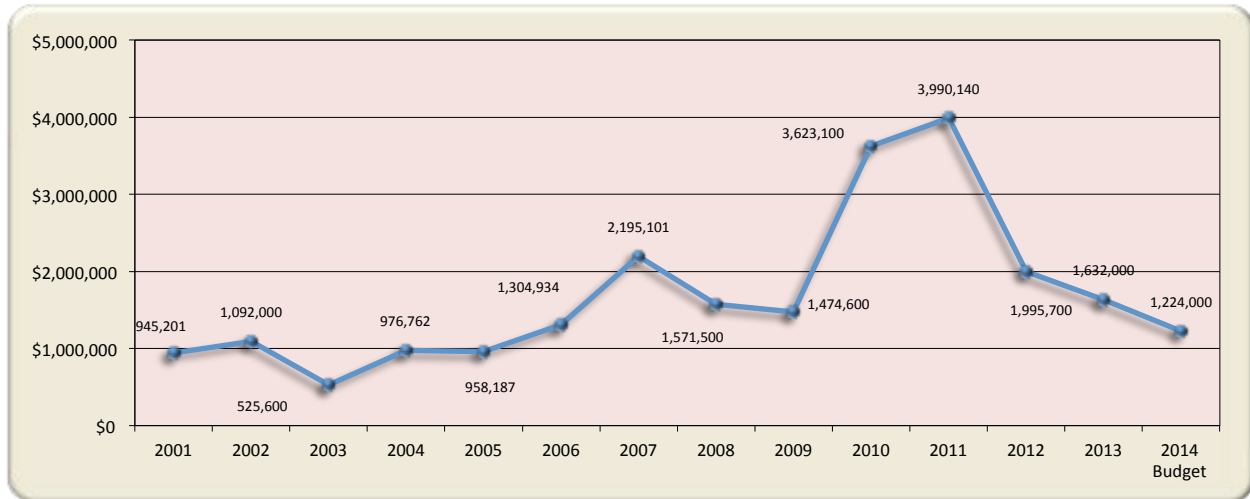
Prior to 2011, the Library had budgeted the capital improvement fund transfer at 3% of revenues. Historically, a 3% transfer fell short of budgeted expenditures by as much as $1 million, at times considerably more. To make up for the shortfall, the Library relied on unanticipated revenues and savings to backfill the shortfall. Should the Library budget funds for the yearly capital projects, the operating budget would be impacted considerably, and substantial reductions could be necessary. Due to severe budget shortfalls, the Library reduced the transfer back to 2% for 2013 and to 1% in 2014.

Figure 4-2: Capital Improvement Fund Shortfalls (Budgeted Project Costs Compared to Set-Asides)
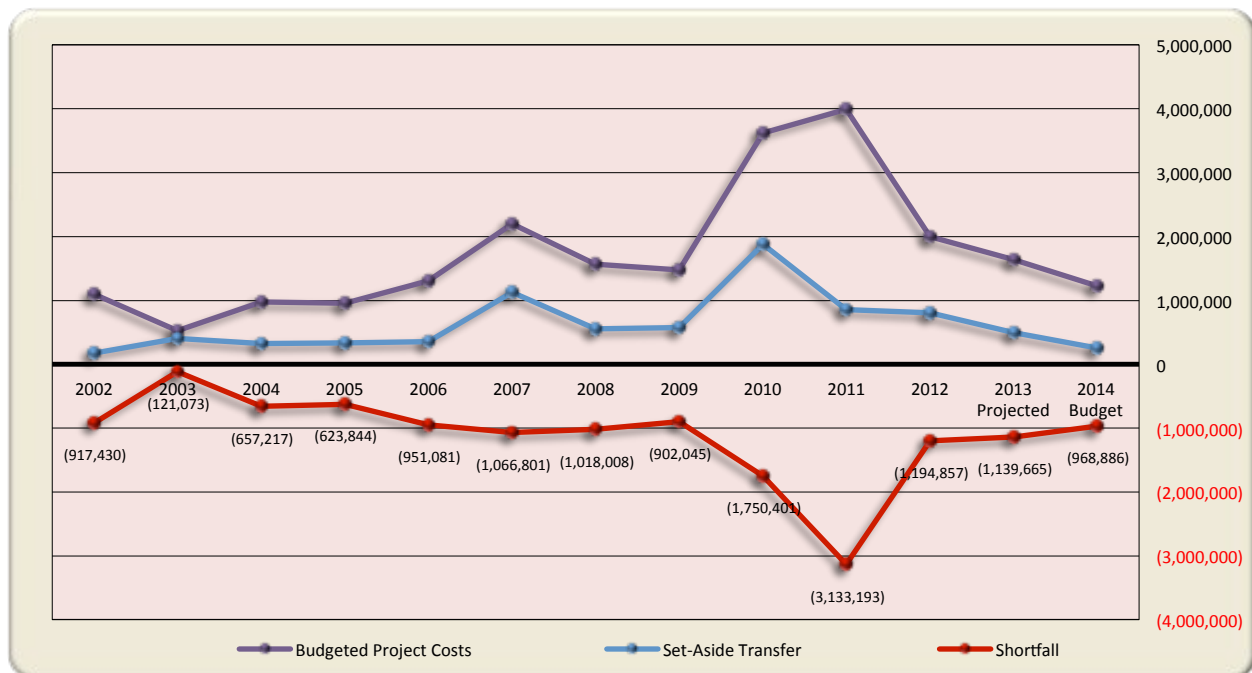
At the end of 2013, it is estimated that the Capital Improvement Fund balance will be approximately $2 million. Adding monies to be received in 2014 transfers from the Operating Budget, the total available funding is approximately $2.4 million.

Budgeted General Fund Transfer ....$ 255,114
The budgeted transfer from the General Fund was reduced from 2% to 1% of General Fund New Revenues. This calculation excludes any use of General Fund balance to balance the operating budget.

Use of fund balance.....................................$ 808,886
The Capital Improvement budget uses its Capital Improvement Fund cash balance to pay for projects that exceed new revenues. For 2014, the Library is expecting to budget some funds from the Capital Improvement fund balance. After factoring in the annual transfer, about 33% of the Capital Improvement Fund balance will be needed to fund 2014 projects. This assumes no mid-year transfer occurs.

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

New revenues ....$ 160,000
The Library anticipates some new revenues. Energy rebates are expected to be provided for the PAC HVAC project that culminated in 2013. Also, the Library anticipates a reimbursement for warranty carpet repairs to be done at the South Hill Library. Other new revenues may come in the form of interest on fund balance, albeit very small due to continuation of extremely low interest rates.

Capital Improvement Plan—Project Expenditures

2014 Capital Improvement Plan Projects
$ 1,224,000

Table 4-3: Capital Budget Summary—Project Expenditures

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

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

Commitments
$ 120,000

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

Service Improvement Projects
$ 275,000

Restroom Upgrades (PKS,SH,GH,SMT,KC,LWD,PAC) ..$ 210,000
Strategies......................................(Preserve, Relevance)
The public restrooms are in severe need of an upgrade/restoration in many of the branches. Areas requiring upgrade include tile floors, paint, partition walls, toilets, urinals, sinks, and counter tops. Finishes in these restrooms are original to when the buildings opened in the early 1990's and are showing significant signs of wear and tear due to heavy usage.

Replace Aging Furnishings ....$ 50,000
Strategies......................................(Preserve, Relevance)
The Library needs to replace furnishings at many locations. These are original furnishings from when the

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

UP Teen Area Acoustical Treatments..............$ 15,000
Strategies..(Relevance)
Acoustical panels will be added to the walls and ceiling in the Teen area to help mitigate noise which is generated in the Teen area and carries over to surrounding areas of the Library including the quiet reading and magazine areas.

Automated Materials Handling (AMH) Sys. .... $ 0
Strategies..(Efficiency)
In 2014, staff will research and conduct an initial feasibility study of AMH and its application within PCLS. If feasible, a team will prepare a proposal for a consultant in the field to conduct a full feasibility study with options for implementing automated materials handling. A budget request would be created from this study.

Major Maintenance
$ 533,000

HVAC Replacement/Upgrades (LWD,TIL)........$ 45,000
Strategies...................................... (Preserve, Efficiency)

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

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

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

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

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

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

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

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

Vehicles
$ 170,000

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

Equipment and Technology
$ 250,000

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

Contingency
$ 36,000

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

Future Anticipated Major Projects (2015 – 2018)

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

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

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

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

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

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

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

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

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

Capital Improvement Fund Balance

Table 4-5: 2013 Capital Improvement Fund Balance Summary

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

Notes:
1. Transfers due to prior fiscal year savings occur as a Board-approved fund-to-fund transfer from the General Fund and the Capital Improvement Fund, generally without effect on the current operating budget. Because prior fiscal year savings in the General Fund already occur by the time the budget is finalized, but are unknown by the time the fiscal year begins, they are not recorded against the operating budget; however, depending on timing, they may be estimated in the Capital Improvement Fund budget.
2. The 2013 year-end fund balance is estimated; numbers are finalized with the annual report in April 2014.
3. The estimated difference between budget & actuals is an adjustment calculated by the difference between final budget of revenues and expenditures as approved in December and the projected actual of revenues and expenditures received and incurred throughout the year. The difference is used to calculate the 2014 beginning fund balance. This estimated difference was calculated at the end of November 2013.

Discussion

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

Figure 4-3: Capital Improvement Fund Ending Fund Balance
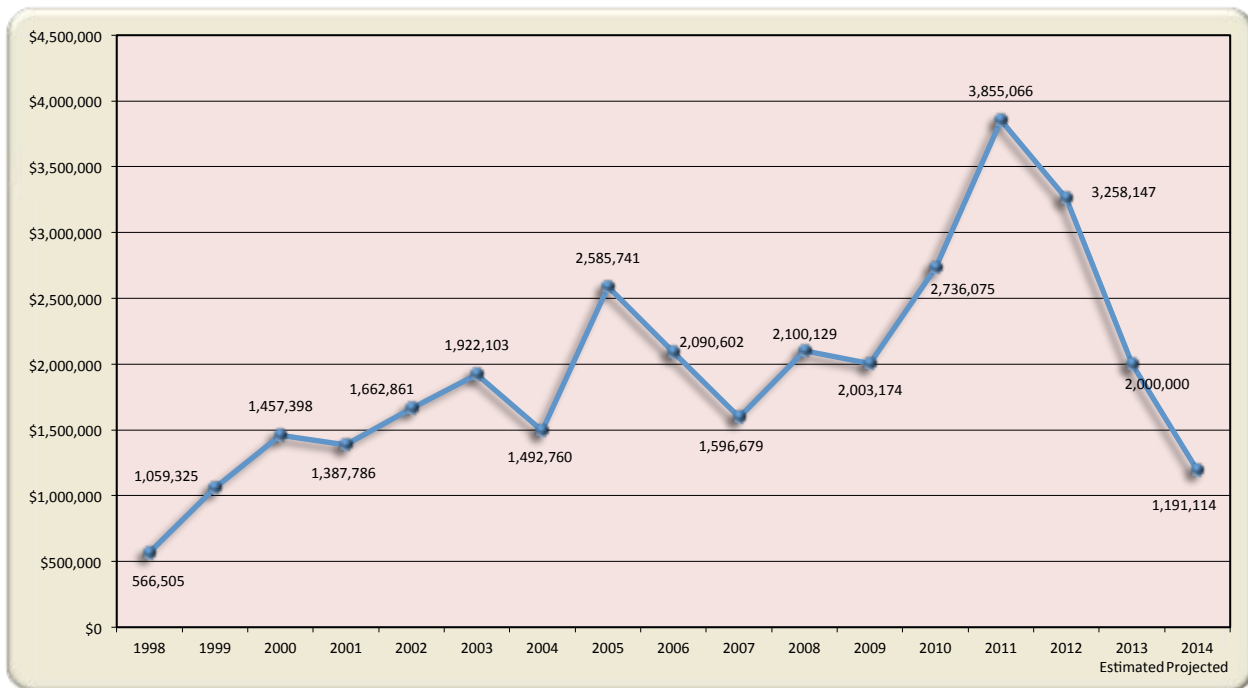
Dissolution

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

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

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

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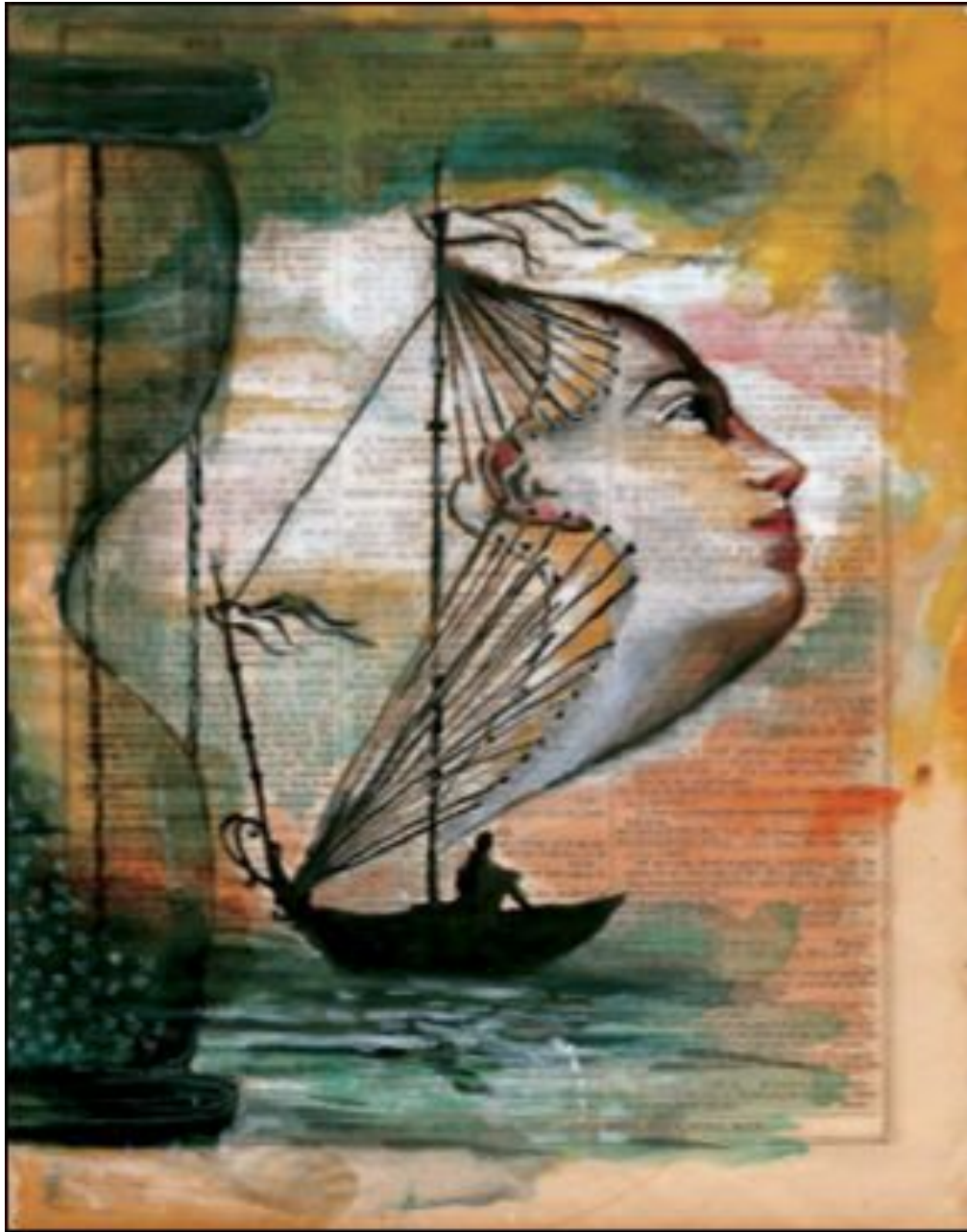Explaining or whimpering or laughing or yelling.

Let them all dissolve in the waves of the sea

_____
Jack Chakerian
Gig Harbor High School

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

105

Bonds, Debt, and Debt Service Fund

The Sands of Time are Sinking by Tamala Lynch
2nd Place 11th/12th Grade Winner of the 2013 Our Own Expressions Photography Contest

Bonds, Debt, and Debt Service Fund

Bonds & Debt

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

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

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

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

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

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

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

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

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

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

Current Bonds and Debt

Currently, the Library maintains no debt of any form:

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

Debt Service Fund

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

Debt Service Fund Balance

Current fund balance at the beginning of 2014 is approximately $83,550. Because the Library has no outstanding debt, only minimal, passive activity in this fund will occur in 2014.

Last Use (System Expansion Project)

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

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

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: 2014 Debt Service Fund Balance Summary

	2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
Beginning Fund Balance, January 1	$ 83,333.01	$ 83,444	$ 83,444[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	83,333.01	83,444	83,444	0.00%
OUTFLOWS				
Use of inflows to fund payments	0.00	0	0	0.00%
Use of fund balance to cover shortfall	0.00	0	0	0.00%
All other outflows	0.00	0	0	0.00%
TOTAL OUTFLOWS	0.00	0	0	0.00%
Subtotal Fund Balance at end of year	83,333.01	83,444	83,444	0.00%
RESULTS OF FISCAL YEAR ACTIVITY				
Use of inflows to fund projects	0.00	0	0	0.00%
Use of fund balance to cover shortfall	0.00	0	0	0.00%
Revenues	110.79	0	0	0.00%
Expenditures	0.00	0	0	0.00%
NET OF OPERATIONS	110.79	0	0	0.00%
Add: Estimated difference between budget & actuals[2]	NA	0	0	0.00%
Add: Warrants & sales tax payable, adj	0.00	0	0	0.00%
Ending Fund Balance, December 31	**$ 83,443.80**	**$ 83,444[1]**	**$ 83,440**	**0.00%**

Notes:
1. The 2013 year-end fund balance is estimated; numbers are finalized with the annual report in April 2014.
2. The estimated difference between budget & actuals is an adjustment calculated by the difference between final budget of revenues and expenditures as approved in December and the projected actuals of revenues and expenditures received and incurred throughout the year. The difference is used to calculate the 2014 beginning fund balance. This estimated difference was calculated at the end of November 2013. A positive number means a surplus is expected.

Beginning Fund Balance
$ 83,444

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 2014.

Use of fund balance to cover shortfall .... **$ 0**
No use will occur in 2014.

All other outflows .... **$ 0**
None budgeted nor anticipated for 2014.

Ending Fund Balance
$ 83,444

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

Part 5 Cash Flow and Funds
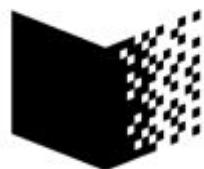
Pierce County
Library System

INFORMATION ▪ IMAGINATION

Cash Flow, Budgeting, and Funds

Macklemore by Lauren Sullivan
3rd Place 9th/10th Grade Winner of the 2013 Our Own Expressions Photography Contest

111

General Fund Cash Flow

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

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

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

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

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

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

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

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

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

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

Interfund Loans

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

Investments

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

Coloured Balloons in a Cemetery

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

_____

Rachel Duerst
Columbia Junior High

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

Table 5-1: 2014 - 2018 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
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	-9.34% -2,535,340	25,423,927	**807,172**	492,335	10,600,972 -	6,905,139 + 360,000[1] 7,265,139 =	3,335,833	- **807,172** =	2,528,661	9.91%	-$1m on Materials; use $807,172 from 2011 savings; increase to 3% salary savings; decrease CIP to 2% transfer; other reductions
2014	25,526,372	3.70% 909,617	25,654,035	**127,663**	255,264	9,838,846[2] -	6,967,636 + 360,000[1] 7,327,636 =	2,511,210	- **127,663** =	2,383,547	8.99%	3% personnel cost projection adjustment; decrease CIPO to 1% transfer; other reductions
2015	26,514,088	Projected 3.87% 987,716	26,514,088	**51,462**[3]	530,282	9,711,183 -	7,201,226 + 360,000[1] 7,561,226 =	2,149,957	- None Expected =	2,149,957	7.75%	TBD
2016	27,744,276	4.64% 1,230,188	27,744,276	-	554,886	9,711,183 -	7,535,345 + 360,000[1] 7,895,345 =	1,815,838	- None Expected =	1,815,838	6.23%	TBD
2017	29,139,596	5.03% 1,395,320	29,139,596	-	582,792	9,711,183 -	7,914,314 + 360,000[1] 8,274,314 =	1,436,869	- None Expected =	1,436,869	4.82%	TBD
2018	29,831,214	2.37% 691,618	29,831,214	-	596,624	9,711,183 -	8,102,158 + 360,000[1] 8,462,158 =	1,249,025	- None Expected =	1,249,025	4.11%	TBD

Notes:
1. Set-aside for a future potential election.
2. Estimate as of December 2013. Final will be available in May 2014, when the 2013 fiscal report is issued to the State Auditor.
3. Estimate will change based on property values and operating costs.

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

Capital Improvement Fund Cash Flow

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

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

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

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

	REVENUES & EXPENDITURES				CASH				
Fiscal Year	Budgeted Revenues	%/$ Rev Change	Budgeted Expenditures	Cap. Imp. Budget Shortfall	Jan 1 Beginning Cash Reserves (est)	*Less:* Cash Use	*Add:* Unused Revenue	Dec 31 Ending Cash Reserves (est)	% of Next fy Revs
2014	415,114	-15.68% -77,221	1,224,000	-808,886	2,000,000	- 808,886	+ 0	= 1,191,114	224.75%
2015	529,982	27.67% 114,868	688,000	-158,018	1,194,114	- 158,018	+ 0	= 1,033,096	186.28%
2016	554,586	4.64% 24,604	367,000	0	1,033,096	- 0	+ 187,586	= 1,220,682	209.56%
2017	582,492	5.03% 27,906	381,000	0	1,220,682	- 0	+ 201,492	= 1,422,174	238.49%
2018	596,324	2.37% 13,832	155,000	0	1,422,174	0	441,324	1,863,498	TBD

Notes:
1. Estimate as of December 2013. Final will be available May 2014, when the 2013 fiscal report is issued to the State Auditor.

Provided above is a Capital Improvement Fund cash flow chart (two versions). While it appears that the Capital Improvement Fund is sufficient between 2014 and 2018, future projects—especially major maintenance—can quickly draw down the Capital Improvement Fund. As allowed per the Fiscal Management policy, the Library may transfer unanticipated revenues and savings during the year, typically done when the annual fiscal report is completed, or during the mid-year budget process.

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

Summary of Fund Balances

UPDATED IN DECEMBER
Table 5-4: Summary of Fund Balances

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

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

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

Part 6 Library Departments

Pierce County
Library System

INFORMATION ▪ IMAGINATION

The Departments

Peering In by Jesse MacKinnon
2nd Place 11th/12th Grade Winner of the 2013 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 allowed the Library to build better internal communications and make effective decisions quicker.

In 2014, the Library will operate eight organizational departments. The principle change is that the IT Department and Virtual Services staff will be combined into a single department. A Digital Experience Director will be hired and will report to the Deputy Director (instead of the Finance & Business Director).

Objectives of the organizational structure are to foster an organization that:

• Manages well;

• Gets things done;

• Communicates effectively; and

• Focuses on the customer.

Table 6-1: List of Library Departments

Executive Office	Includes the Executive Director and Deputy Director.
Customer Experience	Includes Virtual Services, Youth Services, Adult Services, and Operations; runs 18 libraries.
Reading & Materials	Purchases materials for customers; operates delivery and administrative receiving.
Technology Experience	Includes IT and Virtual Services staff.
Business Operations	Includes Finance and Facilities Management.
Marketing & Community Relations	Includes marketing, graphics, communications, and volunteers
Fund Development	Includes Foundation-related work and grant writing.
Staff Experience	Includes human resource management, labor relations, and training.

Table 6-2: Departmental Expenditure Budgets—General Fund

DEPARTMENT	2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
Executive Office	$ 810,615.66	$ 713,079	$ 701,118	-1.68%
Customer Experience[1]	11,769,999.94	12,578,882	12,914,349	2.67%
Technology Experience[2]			2,069,769	5.40%[2]
Reading & Materials	6,147,124.67	5,291,941	5,274,319	-0.33%
Business Operations				
Finance	905,879.04	932,884	867,498	-7.01%
Information Technology[2]	2,288,813.15	1,963,795		0.00%
Facilities Management	2,547,960.57	2,547,429	2,738,721	7.51%
Marketing & Community Relations	616,474.11	646,111	623,952	-3.43%
Fund Development	203,769.12	229,068	259,889	13.45%
Staff Experience	573,716.47	599,864	531,765	-11.35%
SUBTOTAL DEPARTMENTS	25,864,352.73	25,505,149	25,981,380	1.87%
Reductions in salaries planning budget to match projections (2% of personnel costs)	N/A for Actuals	(573,557)	(582,609)	1.58%
TOTAL DEPARTMENTS	25,864,352.73	24,931,592	25,398,771	1.87%
Net of other expenditures, set-asides, transfers	858,287.12	492,335	255,264	-48.15%
TOTAL EXPENDITURES	**$ 26,722,639.85**	**$ 25,423,927**	**$ 25,654,035**	**-0.91%**

Notes:
1. Virtual Services sub-department staff moved to Technology Experience.
2. Formerly, Information Technology. Technology Experience includes IT staff and Virtual Services staff.

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.

No department has any budget in the Debt Service Fund.

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

DEPARTMENT	2012 ACTUALS	2013 FINAL (12/12)	2014 BUDGET (12/11)	% CHANGE 2013 FINAL TO 2014
Executive Office	$ 120,000.00	$ 120,000	$ 120,000	0.00%
Customer Experience[1]				
Technology Experience[2]			250,000	New
Business Operations				
Information Technology[2]	294,971.80			
Facilities Management	1,584,407.70	1,344,000	818,000	-39.14%
SUBTOTAL DEPARTMENTS	1,999,379.50	1,584,000	1,188,000	-25.00%
Net of other expenditures and contingencies		48,000	36,000	-25.00%
TOTAL EXPENDITURES	**$ 1,999,379.50**	**$ 1,632,000**[3]	**$ 1,224,000**	**-25.00%**

Notes:
1. Virtual Services sub-department staff moved to Technology Experience.
2. Formerly, Information Technology. Technology Experience includes IT staff and Virtual Services staff.
3. The 2013 capital budget was modified and approved by the Board of Trustees one time:
   • July 10, 2013: Modified by the mid-year budget process, to include carryover costs for 2012 projects, among other changes. Amended capital budget became $2,285,100.

Table 6-4: Departmental Expenditure Budgets—Major Funds

DEPARTMENT	2014 GENERAL FUND	2014 CAPITAL IMP. FUND	2014 TOTAL FUNDS[3]
Executive Office	$ 701,118	$ 120,000	$ 821,118
Customer Experience[1]	12,914,349	0	12,914,349
Technology Experience[2]	2,069,769	250,000	2,319,769
Reading & Materials	5,274,319	0	5,274,319
Business Operations			
Finance	867,498	0	867,498
Information Technology[2]		0	
Facilities Management	2,738,721	818,000	3,556,721
Marketing & Community Relations	623,952	0	623,952
Fund Development	259,889	0	259,889
Staff Experience	531,765	0	531,765
SUBTOTAL DEPARTMENTS	**$ 25,981,380**	**$ 1,188,000**	**$ 27,169,380**
Net of all other costs and set-asides	(327,345)	36,000	(327,345)
TOTAL EXPENDITURES	**$ 25,654,035**	**$ 1,632,000**	**$ 27,286,035**

Notes:
1. Virtual Services sub-department staff moved to Technology Experience.
2. Formerly, Information Technology. Technology Experience includes IT staff and Virtual Services staff.
3. 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, 2012 actuals and 2013 budget have not been added.

Core Principles for Library Employees

Untitled by Jesse MacKinnon
3rd Place 11th/12th Grade Winner of the 2013 Our Own Expressions Photography Contest

121

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.

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

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

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

Bluejay Watching by Leah Harlander
3rd Place 7th/8th Grade Winner of the 2013 Our Own Expressions Photography Contest

Introducing the Departments

In 2014 the Library will have 9 departments with assigned budgets, and 3 subsidiary departments having budgets (e.g., Youth Services and Outreach 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 2 or more subsidiary departments (Customer Experience), and one umbrella group (Business Operations Group). The departments are:

- Customer Experience
- Executive Office
- Facilities Management
- Finance
- Fund Development
- Information Technology
- Marketing and Community Relations
- Reading and Materials
- Staff Experience (formerly Human Resources)

For 2014, the Library employs no divisions.

Following are the department narratives provided by the managers of each department. Each department provides goals for 2014 and lists major accomplishments in 2013.

Executive Office

Manager	Staffing	Operating Budget
Neel Parikh	5.0 FTEs	$ 701,118

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.

Department Metrics

➡ Overall customer satisfaction rating.

➡ Active cardholders as percent of population.

➡ Materials expenditures per capita.

2014 Goals and Projects

• Supervisors – Define competencies for supervisors and create an evaluation process based on those competencies.

• Administrative Team – Onboard three new Directors, build the team, develop and improve effective functioning of the team.

• Future Budgets – Develop a plan for strategic and sustainable operations in light of revenue projections for the future.

• Community Engagement – Building on the Branch Services Plans, support staff engagement in our communities and development of effective community partnerships.

• Transition – Prepare staff and archives for a new Executive Director.

• Facilities Master Plan – Work with the Board to develop a strategic direction for the Facilities Master Plan and future planning relating to library buildings.

2013 Notable Accomplishments

• Budgeting: Using a customer and data-driven decision making process, reduced the budget by $3.5 million, preserving valued and highly used services.

• Community: Using Strategic Framework, market segmentation and other data, developed and launched process to identify and understand local community assets and needs and develop Annual Branch Service Plans and goals.

• Leadership: Recruited and hired new Staff Experience Director and Marketing and Community Relations Director.

• Awarded Institute of Museum and Library Service "National Medal".

• Awarded Paul G Allen Family Foundation "Creative Leadership" award.

Customer Experience

Manager	Staffing	Operating Budget
Sally Porter Smith	183.91 FTE	$ 12,914,349

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.

Department Metrics

➥ Number of Early Learning participants.

➥ Number of STEM Block Play Grant participants.

➥ Number of "reading hours" logged by school age children in summer programs to reduce "summer backslide."

➥ Participation in summer reading children age 5 - 9.

➥ Number of adult attendees at programs to build computer skills.

➥ Number of attendees at Workforce workshops to build job skills.

➥ Number of hours of public internet use.

➥ Website visits.

2014 Goals and Projects

• Engage adult readers through the delivery of an online reader's program.

• Evaluate reader resources and collections to meet the needs of readers in the library and online.

• Expand digital customers' access to online resources for readers and learners through Zinio, Hoopla, Universal Class, and Microsoft IT Academy.

• Implement the first year of the Annual Branch Services Plan, evaluate the results and integrate learning into year two of the process.

• Partner with Tacoma Community House in delivering citizenship classes in multiple locations in the county.

• Implement the Science to Go grant, building STEM resources for families.

• Collaborate in the formation of the Digital Department, integrating IT with Virtual Services to deliver technology services.

• Collaborate cross departmentally to implement the Technology Plan.

• Collaborate with Staff Experience in enhancing technology skills of library workers.

• Continue to build the supervisory and leadership skills of supervisors and managers.

2013 Notable Accomplishments

General

- Completed Key Center project providing more access to computers, educational learning station for children, movie tower machine, and block play for young children and enhanced meeting room amenities.

- Launched StaffWeb with collaborative tools and improved navigation and searching functionality.

- Implemented the Annual Branch Services Planning process in which community branch staff combined community asset mapping and market segmentation work with analysis of operations and programming to develop services plans responsive to their communities and supportive of the Library's Strategic Framework.

- Launched Digital Kids public web page to assist adults who care for young children in selecting developmentally appropriate apps that also support the 5 Skills and Practices of every child ready to read.

Youth

- 1,209 Storytimes, building early literacy skills while fostering a love of reading, in 18 locations serving 26,210 young children, parents & caregivers.

- Block Play: 79 block parties, engaging 906 children in play while learning early STEM skills in 79 locations throughout Pierce County, leveraging partnerships and funding to place blocks in every library to encourage block play to build early STEM skills in the community.

- Summer Reading:
  o A community partner in reducing summer reading loss, delivering book talking programs to over 25,900 children and teens in 377 locations throughout the service area.
  o Registered 16,136 school age children who logged in over 93,400 hours of summer reading.
  o Engaged 700 teens in the teen summer reading challenge, logging in 6, 740 hours of reading, earning over 9,000 badges that demonstrated not only reading but activities including volunteering and community engagement.
  o 34,818 youth checked out over 573,000 items through summer.
  o 22,583 preschool children participated in their own summer reading program.
  o 438 summer reading activities with 14,959 participants.

Job and Business Center/Workforce Classes

- Computer classes to support adults in learning how to use productivity software and library resources: 345 classes providing 2,022 adults with opportunities to learn in 14 locations.

- 3,510,078 uses of online resources to support learning, reference, job seekers and entrepreneurs. (Microsoft IT Academy, Learning Express (SAT, GED, government tests), JobsNow, including online resume review and mock interview sessions).

- New Workforce classes on many topics: 760 attendees, 64 workshops in 15 locations throughout Pierce County – bringing resources to people in their communities.

Access to Technology

- 597,345 public internet bookings providing 397,509 hours of access to 93,570 library customers in 18 library locations.

- 905,852 unique visits to the Library's website with over 1,884,000 visits and 3,712,722 page views.

Military – Welcoming and supporting military families in Pierce County:

- Military Families Web Site usage: providing access to information to make PC home

- Newcomers Orientation Events – going on base to welcome new soldiers and their families:
  o 12 visits, 1,819 individuals, 194 cards issued on site

Reading & Materials

Manager	Staffing	Operating Budget
Lisa Bitney	26.00 FTEs	$ 5,274,319

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.

Department Metrics

➡ Collection turnover rate.

➡ Turnaround time – Receipt to delivery to branches.

➡ Customer satisfaction rating.

2014 Goals and Projects

• Implement improvements or changes identified in Department assessment.

• Improve leadership and supervisory skills.

• Evaluate and improve interlibrary loan process and cataloging process.

• Conduct and evaluate pilot "self-serve lobby" project.

2013 Notable Accomplishments

• Selected, processed and made available $3.3 million of books, magazines, movies, music eBooks and other resources.

• Added streaming movies and music.

• Added online magazine collection.

Finance

Manager	Staffing	Operating Budget
Dale Hough	6.00 FTEs	$ 867,498

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.

Department Metrics

➥ % of bills paid on time.

➥ Dun and Bradstreet PAYDEX score.

➥ Internal customer satisfaction rating.

2014 Goals and Projects

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

• Moving the payment of travel/toll/parking claims to payroll direct deposit, eliminating approximately 400 (16%) individual warrants.

• Create a new mileage claim form that will be available online, that is easy to use and self-calculating.

2013 Notable Accomplishments

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

• Expanded use of direct import of electronic data from our vendors.
   o   Most materials related to invoices are imported from the vendor.

• Paid more vendors using Electronic Funds Transfer and/or ACH methods.

• Increased revenue generation by more focused use of our purchasing card (credit card) program.

• Participated in a departmental assessment this year which resulted in various efficiency action items, including staff re-organization and the re-assignment of duties.

• Implemented online access for vendors and potential vendors in accounts payable and purchasing – Bid and Quote.

• All payments are made promptly and accurately and records are maintained in a sustainable and audit-ready format.

• Payments are made within terms 99.43% or the time.

- A successful bi-annual audit was performed by the Washington State Auditor's Office for calendar years 2011 and 2012.

Obert the Octopus by Grace Wilsie
2nd Place 7th/8th Grade Winner of the 2013 Our Own Expressions Photography Contest

Technology Experience (formerly Information Technology)

Manager	Staffing	Operating Budget
(Vacant)	12.20 FTEs	$ 2,069,769

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.

Department Metrics

➥ Work order completion.

➥ Work order – average turnaround time.

➥ Internal and external customer satisfaction rating.

➥ Uptime for phone, catalog, Wi-Fi, internet access, computers.

➥ Turnaround time on deploying computers.

2014 Goals and Projects

• Begin implementation of Technology Plan (this process will determine major goals and priorities for 2014 and 2015).

• Establish merged IT/Virtual Services Department.

2013 Notable Accomplishments

• Continued 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.

• Implemented PC Time and Print Management from Envisionware to allow cost recovery, save paper and toner, as well as allow for our patron to use debit and credit cards to pay for prints.

• Upgraded the Polaris ILS to the latest version with some specific enhancements for bulk receiving of materials.

• Supported Virtual Services in the upgrade to a new Staff Web.

- Implemented a new online eCard Registration Service that verifies that the address entered in the online registration form is within our service area before issuing a temporary library card number.

- Implemented new Book Club Kit system that improves the customer interface and allows for better utilization of the kits.

- Supported Reading and Materials in implementing new ILL workflows using Polaris and OCLC integration.

The Architect by Penny Mae Rhines
1st Place 9th/10th Grade Winner of the 2013 Our Own Expressions Photography Contest

Facilities Management

Manager	Staffing	Operating Budget
Lorie Erickson	20.93 FTEs	$ 2,738,721

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.

Metrics

➥ % of work orders completed on time (per response priority).

➥ Average turnaround time on work orders.

➥ Internal customer satisfaction rating.

➥ 100% completion of safety indicators

2014 Goals and Projects

Projects

- University Place Teen acoustical treatment.
- Re-key all doors system-wide.
- South Hill Foundation project upgrade.

Major Maintenance

- Upgrade public restrooms.
- Replace exterior doors at Lakewood and Bonney Lake.
- Sealcoat parking lots.
- Replace one HVAC unit at Lakewood and Tillicum.
- Roof replacement at Key Center and Steilacoom.
- Paint interior at Parkland/Spanaway.
- Paint exterior at Key Center.
- Replace carpet at South Hill.

Energy Efficiency

- Lighting energy efficiencies at Gig Harbor, Processing and Administrative Center, Key Center and Lakewood.

Customer Service

- Replace aging furnishings.

2013 Notable Accomplishments

Projects

- Completed turnaround in Fife parking lot to allow better traffic flow.

- Improve efficiency and sound issues with Fife HVAC units.

- Installed cooling capabilities in IT closets.

- Installed power/data to meet the needs of the EnvisionWare project.

- Installed switches/cabinets for ITG units.

Major Maintenance

- Replaced roof at Summit.

- Replaced HVAC System/Controls at Processing and Administrative Center to improve comfort for staff and customers while bringing the system up to current code. Anticipate receiving a $79,000 rebate for this project from Tacoma Power in 2014.

Energy Efficiencies

- Energy Audits conducted in all branches.

Process Improvement

- Established benchmarking for work order turnaround.

- Implemented AMMS handheld devices to improve work under turnaround time.

Customer Service

- Created and implemented customer service survey for Facilities work orders

- Improved communication with branches: Established one-on-one meetings between Facilities Director and Customer Experience Team, Facilities Operations Supervisor and Branch Managers.

- Created a Safety/Incident Report monitoring/tracking report.

Consider Tiresias

I lounge prone on a beachhead,
Listening on the air for Berloiz' Symphonie Fantastique;
In the first movement two beats are accented;
They are the only noise as the beach tears itself in two.
Fission is absolute, sand's smallest component stripped raw-
Water is no longer translucent but rather an opaque grey;
Times New Roman expands perfectly from the violent epicenter,
Toward a girl washing her hair. I step forward and beg
Her to rinse my eyes in fresh water; the Atbara, Ganges,
Thames. Clean in white rapid. Calcified gloriously.
-I am the breathing incarnation of barbarism,
Enveloped in river and returned to the saline sea.
I taste sodium and spot the pre-blast beach.
Periodic transmigration;
I reach for a floating rhododendron near the bank
And permit water to envelop my ears and eyes,
Consumed in the same silence as the Symphony;
Passed through youth and age

_____

Clay Snell
Tacoma School of the Arts

2013 Our Own Expressions
11th & 12th Grade Poetry Winner—2nd place

Marketing & Community Relations

Manager	Staffing	Operating Budget
Linda Farmer	5.85 FTEs	$ 623,952

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.

Metrics

➥ 85% of graphics work orders completed on or before the due date.

➥ 5% increase in library cards issued during the annual card drive over previous year.

2014 Goals and Projects

- Marketing & Community Relations Team:
  o Strengthen team relationships and orient new staff: Marketing &Community Relations Director, Graphic Designer, and Office Assistant/Volunteer Services.
  o Revisit job descriptions, assignments, roles and workload.

- Work order system: Research, purchase, implement, train staff and orient internal customers to a new work order system.

- Digital communications: Increase digital communications with library cardholders; conduct an inventory of cardholder email database; research digital communications platforms

- Social Media: Conduct an inventory of social media activities; reignite social media team; update social media policies; explore different social media outlets; create a plan for fun and sustainable social media practices.

- Public opinion surveys: Inventory the last 20 years of public opinion survey data, identify gaps and current needs; create plan for 2014; execute plan.

- Scout. Work with Customer Experience and Virtual Services to successfully launch a major grant-funded online rewards program.

- Science to Go. Work with Youth Services to successfully launch a new grant-funded STEM program.

- PAC self-service lobby. Work with Reading & Materials to transition the Processing and Administrative Center lobby from receptionist-staffed to a self-service model.

- WorkSource: Work with Customer Experience to promote job workshops, resources and the library's partnership with WorkSource.

- Citizenship: Work with Customer Experience to promote citizenship services, classes and the library's partnership with Tacoma Community House.

2013 Notable Activities

- Helped earn the 2013 National Medal for Museum and Library Services award
  - o   Led the application process.
  - o   Marketed/communicated the award between May 2013 and May 2014.

- Marketed new library services:
  - o   Microsoft IT Academy.
  - o   Block Play.
  - o   Affordable Care Act Assistance.

- Restructured library's Volunteer Program after budget cuts and reduction in staff

- Communicated/promoted branch-specific events:
  - o   Key Center Library improvements and open house.
  - o   Communicated/promoted Lakewood 50th Anniversary.

- Library Card Drive
  - o   Expanded card design contest to include children as well as teens.
  - o   Added video promotions.

- Celebrated and promoted National Library Week and National Volunteer Week.

- Worked with Virtual Services on mobile-friendly website changes including a refresh to the home page.

- Worked with branch staff when possible to feature the same programs on a single poster/flyer, thereby reducing design time and printing costs.

Fund Development

Manager	Staffing	Operating Budget
Lynne Hoffman	2.75 FTEs	$ 259,889

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 2014, 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.

Metrics

- Number of active donors.

- Funds from gifts, grants, giving.

- Number of new donors

2014 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:

- Grow active donor base to 1,500.

- Generate $550,000 to support Library initiatives and projects through gifts, giving and grants.

- 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.

2013 Notable Accomplishments

- Raised $45,094 to support creation of a flexible meeting space, entry and small expansion at Key Center Library.

- Raised $146,761 to create age-appropriate learning environments at Lakewood Library for children, tweens and teens.

- Funded a new Block Play program at seven library locations, in partnership with local ECEAPS, to prepare 140 at-risk children for kindergarten.

- Funded 2,700 coaching sessions to help job seekers improve resumes and seek employment.

- Funded Pierce County READS, free community reading event. 1,176 people attended events and 4,684 people read the featured book, The Paris Wife.

- Funded Our Own Expressions, creativity contest. Teens from 80 schools submitted 973 fiction, poetry, art and photography entries.

Staff Experience

Manager	Staffing	Operating Budget
Cheree Green	4.00 FTEs	$ 531,765

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.

2014 Goals and Projects

- Ratified the 2013 to 2015 collective bargaining agreement with 97% approval in July 2013.

- Reviewed six options for employee health benefits coverage and joined the Association of Washington Cities, providing improved benefits and additional options at a lower cost.

- Implemented transfer process allowing employees quick and easy opportunity to be considered for positions at another location prior to external posting of positions

- Hired new Staff Experience Director who began in January 2014

- Design, tested and launched interactive online circulation system training.

- Hired and on-boarded 63 new staff.

- Worked with the newly-expanded, on-line Wellness Committee to continue to build and grow the Library's Wellness program for all benefits eligible staff.

- Partnered with Customer Experience leadership on improving the management of the Library's substitute only work force.

- Studied the Library's options for improving its I-9 processes, including the federal e-Verify program.

2013 Notable Accomplishments

- Continue to grow and develop the Wellness program. Apply for Well City status earnings through AWC.

- Develop and implement Leadership competencies into performance management processes.

- Evaluate and select 3rd party vendor to effectively manage L & I claims process, lowering overall costs to the Library.

- Create and implement training course catalogue to outline Learning opportunities for staff and Leadership.

- Assess and evaluate current Staff Experience policies and procedures.

- Update the Library's Employee Handbook into a useful, welcoming pamphlet with information relevant to staff.

- Assess and evaluate current Staff Experience functions and processes to gain efficiencies.

- Create and implement Supervisory training fundamentals for new and existing Leadership staff.

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 558,000 in 2013 (using 2010 census results). In December 2013, 250,091 people had active Pierce County Library System library cards, a decrease of 943 from the previous year. The Library offers nearly 1.4 million books, DVDs, audiobooks, and other items. In 2013, people checked out nearly 7.6 million items (2012: 8.1 million) and people made over 2.4 million visits to libraries and bookmobiles (2012: 2.5 million).

In Washington State, there are 61 library systems serving the state. Of these, nine library systems serve populations greater than 250,000, including Pierce County Library. In 2012, of all libraries Pierce County Library ranked fourth in population served and fourth in total items checked out. These nine library systems managed a total of 200 branches and 24 bookmobiles. See page 148 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.

In 2012, the Community & Outreach Services Department served over 30 adult care facilities and about 50 group homes and people who are homebound. Two bookmobiles served isolated communities at 25 locations in 2012, and the Explorer Kid's Bookmobile, serving children in low-income neighborhoods, served 25 locations. Beginning 2013, due to budget reductions, bookmobile service ended. The Youth Services staff serves about 70 childcare centers and over 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	36.3	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 (2013)

	FTEs
Joint Base Lewis-McCord	63,501
Local Public School Districts (k-12)	13,133
Multicare Health System	6,776
Washington State Employees	6,267
Franciscan Health System	5,814
Pierce County Government	2,873
Fred Meyer Stores	2,328
Washington State Higher Education	2,196
City of Tacoma	2,125
Wal Mart	2,102

Notes:
  Source of data: The News Tribune.
  Pierce County Library System is 72th at 256 FTEs in 2013

Other Pierce County Data (2011-13)

K-12 students enrolled (2011-12) [1] 127,766
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

145

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.
2013   Received a Paul Allen Foundation Creative Leadership Award which comes with a $50,000 cash award, for fiscally responsible materials budget that supports the community's reading, listening and viewing experience.
      Joined statewide rollout of Microsoft IT Academy led by Microsoft and the Washington State Library, to help people expand their use of technology, develop computer skills, become proficient in Microsoft software and learn about web development.
      In partnership with the Tacoma Pierce-County Health Department, provided resources and in-person assisters for uninsured Pierce County residents to learn about their options under the Affordable Care Act.
      Lakewood Library celebrated 50 years of serving the community from its location at 3600 Wildaire Road S.W.
      Received the National Medal for Museum and Library Service, presented by First Lady Michelle Obama in a White House ceremony.

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 2013)

	2009	2010	2011	2012	2013
Population of service area as of end of fiscal year:	554,000[1]	560,000	544,000[2]	555,000	558,000
Service Area Size (in square miles, rounded):	1,800[1]	1,800	1,800	1,800	1,800
Library Materials:	1,302,764	1,293,155	1,258,794	1,193,597	1,149,283
Circulation:	7,865,324	8,762,736	8,534,808	8,161,990	6,937,235
Library Visits:	2,646,693	2,682,141	2,631,464	2,507,596	2,444,754
Open Hours/Week:	918	926	973	973	973
No. of Registered Borrowers (active cardholders):	240,629	244,650	250,290	261,034	250,091
Programs given for Children:	3,411	2,972	2,749	2,548	2,500 est
Pierce County Reads Program Attendance:	2,250	1,788	1,240	2,181	1,176
Hours kids read during Summer Reading:	69,125	73,167	69,670[3]	75,450	111,455
Bookmobile Stops:	1,663	Est 1,700	Est 1,700	Est 1,600	0[4]
Volunteer Hours/Year:	6,175	5,841	5,163	5,941	17,989
Website Visits:	2,556,507	2,955,758	2,888,420	2,880,420	2,425,736
Staff (Employees, excluding substitutes):	348	343	370	353	349
Staff (FTE equivalent):	280.0	261.2	265.2	262.1	257.4

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.
4. Bookmobile service ended in December 2012.

In the 2013 Library Journal "Star" data, PCLS was rated 515 in the $10M-$29.9M category (2012 was 501 in the $30M+ category), which is 63 out of 112 libraries. The highest library ranked continued to be Naperville Public Library (1,625) and the lowest continued to be Buffalo and Eirie County Public Library (78). Seattle Public Library was ranked 3rd (1,191) in the $30M+ category.

In Washington State, PCLS ranked in 2012:
- 4th in population served and in registered cardholders
- 4th in operating budget
- 4th in total staffing (FTEs)
- 5th in number of librarians (MLS degreed staff)
- 3rd in total square footage
- 3rd in materials expenditures per capita among libraries with populations of over 250,000.
- 4th in total circulation (a chart of the annual circulation is available in the Glossary under Circulation)
- 5th in total annual library visits

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).

148

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.

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.

References

Agreement by and Between Pierce County Rural Library District and Washington State Council of County and City Employees, Local 3787, January 1, 2013 through December 31, 2015. July 10, 2013.

America's Star Libraries, 2012: Top-Rated Libraries. The Library Journal Index of Public Library Service. November 1, 2013.
http://lj.libraryjournal.com/2013/11/managing-libraries/lj-index/class-of-2013/find-your-library-2013

Appropriate Level of Unrestricted Fund Balance in the General Fund (2002 and 2009). Government Finance Officers Association (GFOA).
http://www.gfoa.org/downloads/AppropriateLevelUnrestrictedFundBalanceGeneralFund_BestPractice.pdf. 2009.

Best Practices in Public Budgeting. Government Finance Officers Association (GFOA).
http://www.gfoa.org/services/nacslb. 2000.

Board Policy 3.15—Fiscal Management Policy. October 2009.

Budget Suggestions for 2014. Municipal Research and Services Center of Washington (MRSC). August 2013.
http://www.mrsc.org/publications/bs14.pdf

Handbook of Budgeting, Fourth Edition. Rachlin, R., editor. John Wiley & Sons, Inc. New York, NY. 1999.

Our Own Expressions, 2013 Winners. Pierce County Library System. 2013.

Pierce County Library 2030: Facilities Master Plan Summary Report. Pierce County Library System. 2010.

Pierce County Library System Budget; 2004 - 2013 Final Budget for Fiscal Year. Pierce County Library System. 2003 – 2012.

The 12 Habits of Highly Successful Finance Officers. Fitch Ratings. November 21, 2002.

Washington State Public Library Statistics; 1995-2012 Annual Reports. Washington State Library. 1996-2013.

Snow

The world has been reborn;
Erased, and drawn again strangely.
Around me all is softly
Hard and sharp, a muffled starkness.
And above, and below, and all
Around me, is this wonder of a
New-born, ghostly world,
Old and new as Time, both
Darkness and clear Light together.
And the trees sleep softly
On; or hold their breath in wonder.
And I walk by, the first
To see this; maybe, too, the last;
But neither first nor last
To know this reverence. For this
Alien world has come, not
Once, nor twice; but many times, and
Each time it is new. I
Go on gently, floating in delight,
Among the fallen snow.

_____

Brenna Peever
Home School

2013 Our Own Expressions
9th & 10th Grade Poetry Winner—1st place

155